

# IMMOFINANZ GROUP

REPORT ON THE 1<sup>ST</sup> HALF-YEAR  
AS OF 31 OCTOBER 2011



# Key Figures on IMMOFINANZ Group

Earnings Data	31 October 2011	Change in %	31 October 2010
Rental income in EUR mill.	283.7	2.4%	277.1
Results of operations in EUR mill.	270.3	53.3%	176.3
EBIT in EUR mill.	619.3	131.4%	267.7
EBT in EUR mill.	303.6	156.4%	118.4
Net profit for the period in EUR mill.	265.1	144.8%	108.3
Earnings per share in EUR	0.28	154.5%	0.11
Interest coverage ratio in %	-216.4%	-38.8%	-156.0%
Gross cash flow in EUR mill.	195.8	32.8%	147.4
Cash flow from operating activities in EUR mill.	7.4	-96.2%	194.3
Enterprise Value/Results of operations	13.3	-11.2%	15.0

Asset Data	31 October 2011	Change in %	30 April 2011
Balance sheet total in EUR mill.	11,915.0	1.4%	11,755.9
Equity as a % of the balance sheet total	45.8%	4.2%	44.0%
Loan to value ratio in %	54.4%	-4.1%	56.7%
Gearing in %	86.8%	-6.2%	92.5%

Property Data	31 October 2011	Change in %	30 April 2011
Number of properties	1,846	-0.1%	1,847
Lettable space in sqm	6,651,785	0.6%	6,614,398
Occupancy rate	90.0%	0.1%	89.9%
Carrying amount of investment properties in EUR mill.	9,044.0	4.3%	8,670.1
Carrying amount of property under construction in EUR mill.	325.3	8.6%	299.6
Carrying amount of inventories in EUR mill.	224.1	4.5%	214.5

Stock Exchange Data	31 October 2011	Change in %	30 April 2011
Carrying amount per share in EUR	5.26	-4.0%	5.48
Net asset value per share (diluted) in EUR	5.47	2.1%	5.36
Share price at end of period in EUR	2.39	-25.6%	3.21
Discount of share price to diluted NAV per share in %	56.4%	40.5%	40.2%
Number of shares	1,140,478,339	9.1%	1,045,373,586
Number of treasury shares	104,421,683	0.0%	104,421,683
Market capitalisation at end of period in EUR mill.	2,722.3	-18.9%	3,355.6

## THE IMMOFINANZ SHARE

€ 5.47

NAV  
(diluted) per share  
as of 31/10/2011

€ 2.722 bill.

MARKET CAPITALISATION  
based on the share price of  
EUR 2,387 on 31/10/2011

1.140 bill.

NUMBER OF SHARES  
as of 31/10/2011

## INVESTMENT PROPERTY

€ 8.731 bill.

STANDING INVESTMENTS  
carrying amount  
as of 31/10/2011

1,681

STANDING INVESTMENTS  
number of properties  
as of 31/10/2011

m<sup>2</sup> 6.651 mill.

RENTABLE SPACE  
of standing investments  
as of 31/10/2011

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## Dear Shareholders,

After a profitable financial year 2010/11 IMMOFINANZ Group is now concentrating on the further development of the company and on future opportunities for growth. During the strategic optimization the Executive Board was strengthened, the positions of the Chief Executive Officer and Chief Financial Officer were separated and the areas of responsibility of the individual members of the Executive Board have been newly defined.

Per 01/10/2011, the Supervisory Board of IMMOFINANZ Group appointed Birgit Noggler as the new Chief Financial Officer. Noggler, a graduate in business administration and licensed tax consultant has managed the financial area of IMMOFINANZ Group since November 2008. At the same time, the Supervisory Board extended the term of service of Manfred Wiltschnigg by one year.

In an overview the new structure of the Executive Board and the distribution of responsibilities of IMMOFINANZ Group portray itself as follows:

### **Eduard Zehetner**

**Appointed since 21/11/2008 up to 30/11/2014**

**Responsibilities:** Chairman, investor and public relations, legal, management retail and office, commercial property development, financial investments and corporate finance

### **Birgit Noggler**

**Appointed since 01/10/2011 up to 30/09/2013**

**Responsibilities:** Chief Financial Officer, property financing, treasury, accounting and reporting, controlling, taxes, procurement, internal audit, internal control system, risk and project management

### **Daniel Riedl FRICS**

**Appointed since 01/07/2008 up to 30/06/2014**

**Responsibilities:** Personnel, process development and organisation, information technology, marketing, residential construction management, residential property development and transactions including operating investments such as BUWOG, ESG and Adama.

### **Manfred Wiltschnigg MRICS**

**Appointed since 29/04/2010 up to 31/03/2013**

**Responsibilities:** management logistics and special properties, portfolio strategy and management as well as commercial property transactions.

## **DIVIDEND DISTRIBUTION FOR SHAREHOLDERS**

In the financial year 2010/11, IMMOFINANZ Group has realised an exceptionally good result and paid its shareholders a dividend of 10 cent/share from this positive result. This dividend was credited to the shareholders on 05/10/2011. Pursuant to the resolution of the annual general meeting on 28/09/2011, the distribution was made as a repayment of capital in accordance with Austrian tax law and is therefore tax-free for natural persons with domicile in Austria, who hold shares of IMMOFINANZ AG in their private accounts.



#### **ASSET CLASS OFFICE: LARGEST ACQUISITION SINCE 2008**

On 21/09, IMMOFINANZ Group took over the fully let top office property *Park Postepu* in Warsaw. The newly acquired top property fits extremely well into our International High-Class Office-Portfolio, the purchase price equalled approximately EUR 102 million. This is the largest office property acquisition for IMMOFINANZ Group since 2008.

In addition, despite partially difficult framework conditions we successfully increased the occupancy rates of our office properties continuously. For example, in Rumania as of the end of July 83.7% of our office spaces were leased, as of the end of October 86.3% and after 31/10/2011 we were able to still increase this value beyond 90%. In total, the occupancy rate of our existing office properties increased slightly to 81.7% in the current financial year.

Following the strategy to either sell projects with non-controlling interests or to convert them into controlling interests, IMMOFINANZ Group sold its participation in the development project *Andreasquartier* in Düsseldorf with a profit. Generated funds out of this transaction will be invested in our eastern European core countries where we can expect the highest mid-term and long-term returns in the future.

### **LOGISTICS ASSET CLASS: DEUTSCHE LAGERHAUS STAYS ON THE ROAD OF SUCCESS**

Deutsche Lagerhaus, a wholly owned subsidiary of IMMOFINANZ Group and our competence center for the logistics segment, recorded the best rental results in its history during the financial year 2010/11 with the closing of contracts for 196,000 sqm. In the first 6 months of the financial year 2011/12 approximately 140,000 sqm were already leased. This is an increase of 65% compared to the same period of the previous year.

### **RESIDENTIAL ASSET CLASS: STRONG TRANSACTION RESULTS**

BUWOG, a fully owned subsidiary of IMMOFINANZ Group and our competence center in the residential segment has sold 188 individual residences with profit in the reporting period. Daniel Riedl, Spokesman of the Board of BUWOG, will retire from his functions at the end of 2011 and focus on his responsibilities as a Board Member of IMMOFINANZ Group in the future. As of 09/11/2011 IMMOFINANZ Group completed the 100% takeover of the leading Rumanian residential developer Adama. Adama Group consists of 68 companies and covers a property development portfolio of roughly 1.4 million sqm. The knowhow and the strong regional networks of Adama are important advantages for IMMOFINANZ Group in the planned expansion of residential construction activities in southeast Europe.

### **SUCCESSFUL DEVELOPMENT ACTIVITIES**

Through the expansion of development activities IMMOFINANZ Group profited strongly from the results of this pillar of income. In the reporting period IMMOFINANZ Group finished several projects and placed them in operation. *Silesia City Center* was expanded by 20,000 sqm and is with now 86,000 sqm selling space and 310 shops ranked in the top 5 shopping centers in Poland. The new selling spaces were already completely let at the opening on 12/10/2011. On 27/10/2011 IMMOFINANZ Group opened the doors of the development *Maritimo Shopping Center*. The mall in the city of Constanta in Southern Romania is home to more than 130 stores in a rental area of 50,000 sqm and was leased at 99% as of the opening. In September BUWOG completed 239 apartments in *Heller Park*. 73% of the condominium apartments are already sold; 97% of the rental apartments are leased. 11 office lofts and the geriatric center, which is rented to the Krankenanstaltenverbund (KAV) with 217 apartments, will be opened in April 2012.

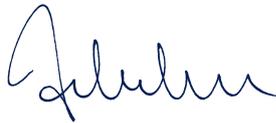
### **REFINANCING/EXTENSIONS**

Despite the challenging market environment, IMMOFINANZ Group is still able to finance acquisitions and development projects at acceptable conditions due to its long-term business relations with over 110 banks and financial institutions. Of special note in the reporting period amongst the series of refinancing are in particular those for the shopping centers *Silesia City Center* in Katowice, Poland (EUR 210 million) and *Fifth Avenue* in Moscow, Russia (USD 55 million).

### **CONVERTIBLE BOND 2011 AND A STRONG RESULT IN THE 2ND QUARTER**

As expected, the convertible bond 2011 that is due on 22/12/2011 was almost completely converted by the owners. Thus, only a nominal value of EUR 4.9 million plus interest is outstanding for repayment and the equity of IMMOFINANZ Group was sustainably strengthened by this conversion.

Earnings indicators confirm the sound development of our operating business in the previous months. Sales income increased during the first half of the year by 2.9% to EUR 374.7 million. Results of operations also significantly rose from EUR 176.3 million to EUR 270.3 million compared to the previous quarter due to continuous improvements of all operative indicators. Operating profit (EBIT) was more than doubled (+131.4%) – also due to positive valuation results – and is currently at EUR 619.3 million (previous year: EUR 267.7 million). Under financial results, non-cash, accounting-related foreign exchange effects and negative other financial results lead to a significant negative result of EUR -315.7 million. A strong development of the operative indicators results in earnings before taxes (EBT) of EUR 303.6 million (EUR 118.4 in the previous year). Diluted net asset value (NAV) per share rose compared to 30/04/2011 from EUR 5.36 to EUR 5.47 despite a dividend distribution of EUR 0.10 per share in October 2011.



**Eduard Zehetner**  
Chief Executive Officer



**Daniel Riedl FRICS**  
Member of the Executive Board



**Birgit Noggler**  
Chief Financial Officer



**Manfred Wiltschnigg MRICS**  
Member of the Executive Board



## IMMOFINANZ GROUP.

# Optimal strategic set up for future growth.

**IMMOFINANZ Group** is the largest real estate investment and development corporation that is listed at the Vienna Stock Exchange and is considered one of the five leading real estate companies in Europe. We have been in the real estate business for more than 20 years. Due to our experience we are able to assess new developments realistically and master challenging tasks efficiently and professionally to the benefit of our shareholders. Following the successful restructuring of the company at the end of the economic year 2009/10, we are working hard to generate increasing profits for our shareholders with each and every project.

## FURTHER DEVELOPED STRATEGY

We divided our four property classes into twelve business segments. Each business segment stands for a clearly defined, uniform group of properties that is independently managed. The precisely coordinated implementation of the individual strategies we want to further improve our overall portfolio and bring attractive and transparent products into the market. Increased sales and development activities are important components of our growth and optimization strategy. At the same time a strong portfolio of standing investments provides secured income.

## HIGH-QUALITY PROPERTY PORTFOLIO

Since its founding in 1990, the company has compiled a high-quality property portfolio that now includes more than 1,600 standing investments with a carrying amount of approx. EUR 8.7 billion. In total, our standing investment portfolio covers 6.6 million sqm of rentable space, which currently has an occupancy rate of 90%.

## ATTRACTIVE EVALUATION

The share of IMMOFINANZ trades significantly above the net asset value (NAV). It is our goal to get the share price close to the NAV. In addition, our progressive dividend policy is also an important argument for existing and future IMMOFINANZ shareholders.

## THREE INCOME SOURCES AS BASIS

We generate sustainable income for our shareholders with the in-house development and utilization of first-class properties. Roughly 80% of our earnings come from the rental of prime properties in top locations. The other 20% come from property sales and the development of our own real estate projects. Together these three components form the basis for the profitable, stable and risk-optimised business of IMMOFINANZ Group.

## FOUR CORE SEGMENTS IN EIGHT CORE COUNTRIES

Our activities are concentrated on prime properties in four core segments – retail, office, logistics and residential. The diversification of risk is supported by our portfolio in eight core countries: projects in Austria and Germany form the basis for investments in Czech Republic, Slovakia, Hungary, Romania, Poland and Russia.

West Europe, especially the German-speaking areas, is our home market an important stability factor.

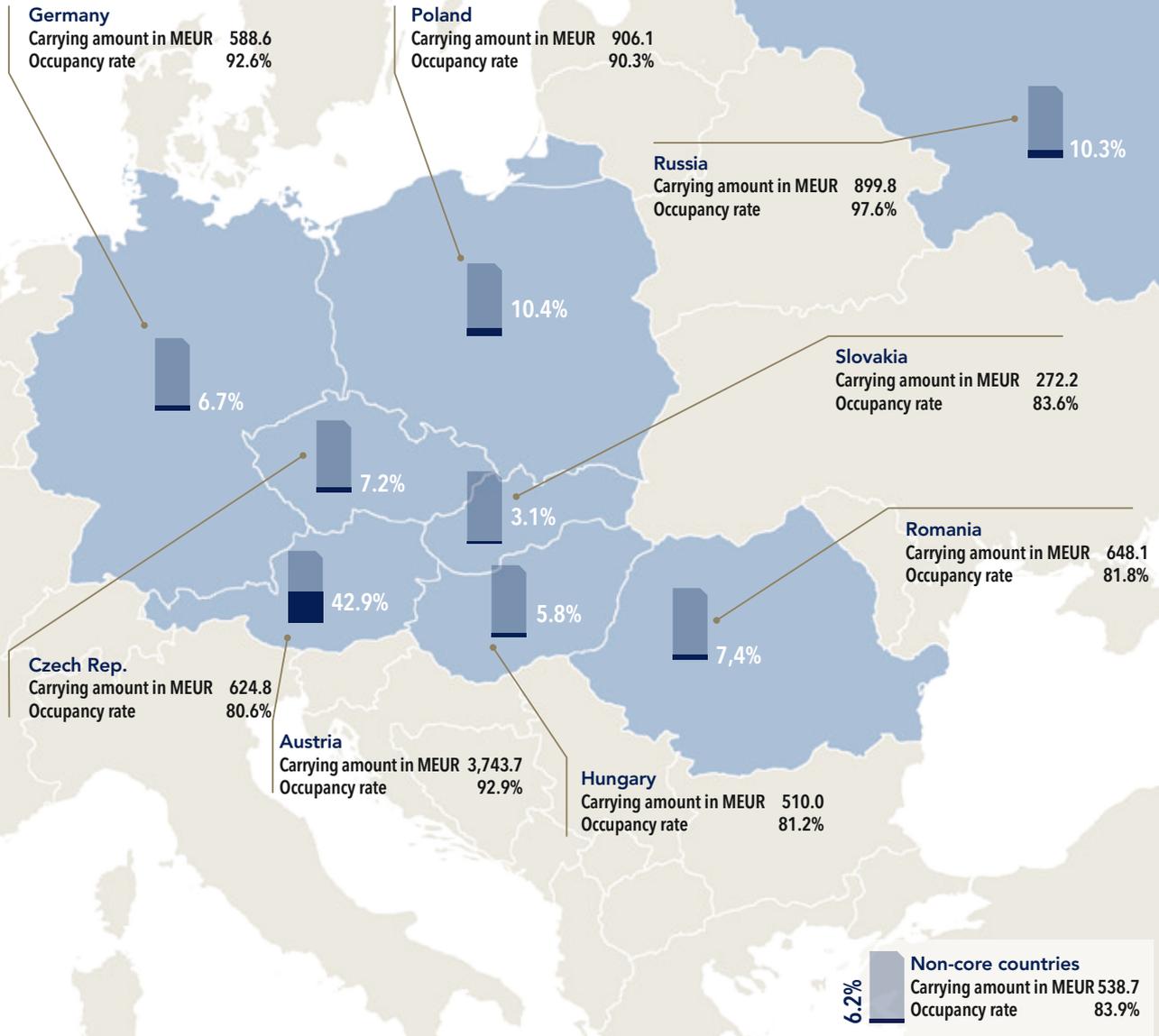
The growth regions in middle and East Europe with all their chances and risks are our future markets. In these countries we benefit from the in-depth experience, the successfully implemented projects and the strong local networks of our team.

## INCOME SOURCES



**Rental cash flows are our primary source of income. The segments Trade and Development create growing income and in addition open up additional strategic possibilities.**

## Carrying amounts & occupancy rates of standing investments as of 31/10/2011



Distribution of standing investments as of 31/10/2011, rounded

One of our strategic goals is the 50/50 portfolio division between West and East Europe (currently 53.4/46.6).

### OUR REPUTATION

As of March 2011 IMMOFINANZ AG is listed in the key index of the Vienna Stock Exchange (ATX). More and more renowned international analysts positively assess our current development and the potential for a strong performance (see page 13 in the Investor Relations Part). The average target goal of this analysis evaluation was at EUR 3.17 per share and thus by 38.5% higher than the share price (EUR 2.288).

### SEGMENTS

OFFICE		30.9%
RETAIL		27.0%
LOGISTICS		9.3%
RESIDENTIAL		30.5%
OTHER		2.3%

# Investor Relations

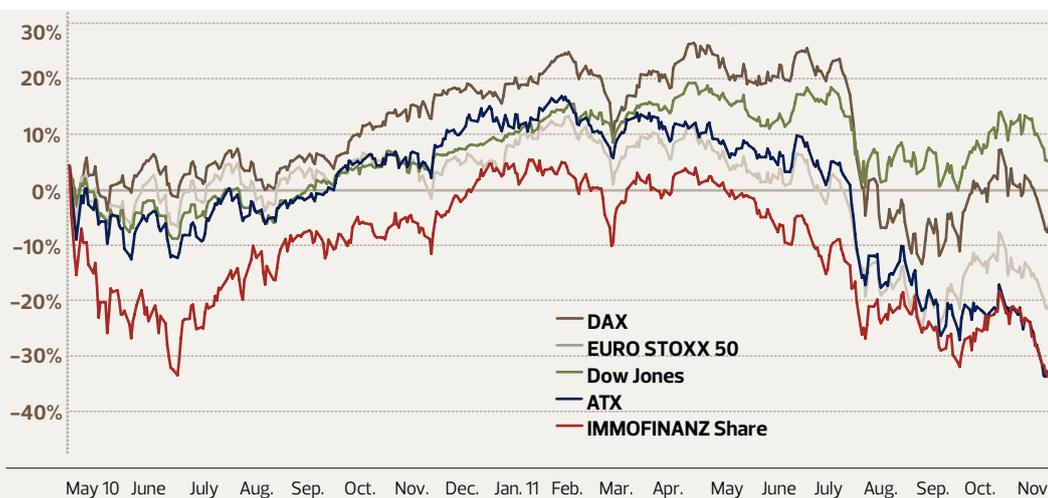
S-Park, Bucharest, Romania



## The capital markets and share development

The persisting concern about the possible expansion of the debt crisis influenced the international capital markets in the reporting year. The markets came under pressure in the wake of discussions over Eurobonds or elite bonds. Not even positive news, such as the German Ifo Business Climate Index with a surprisingly good outlook, could give this atmosphere a sustainable boost. The Dow Jones Index started the reporting period at 12,807.36 points and closed at 11,955.01 points on the last day of October 2011. The DAX fell from 7,527.64 to 6,141.34 points. The ATX, which started the reporting period with 2,866.4 points, closed with a minus of 30.79% at 1,983.75 points. The IATX fell from 198.76 to 149.76 points during the reporting period. Events such as the intensification of the debt crisis in Italy and Spain, and the surprisingly low demand for new German ten-year government bonds caused additional unrest in the markets. The key indexes of the most important capital markets remained on a downward spiral around the globe. At the end of November, the big national banks supplied the global financial markets with money. The stock markets celebrated this coordinated procedure by the national banks as an act of liberation. The key indexes increased rapidly. At the EU summit in Brussels on 08/12/2011, no EU-wide agreement could be reached. Consequently, the prices in the international stock markets were curbed or dropped.

### DEVELOPMENT OF INTERNATIONAL STOCK MARKET INDEXES



The international capital markets are characterised by volatile share price movements.

### THE IMMOFINANZ SHARE

The price of the IMMOFINANZ share generally paralleled the market trend during the reporting period and was accordingly volatile, trading at EUR 3.197 on 02/05/2011 and EUR 2.387 on 31/10/2011. The IMMOFINANZ share was also unable to disengage from general market developments in November and fell to EUR 2.288 on 30/11/2011.

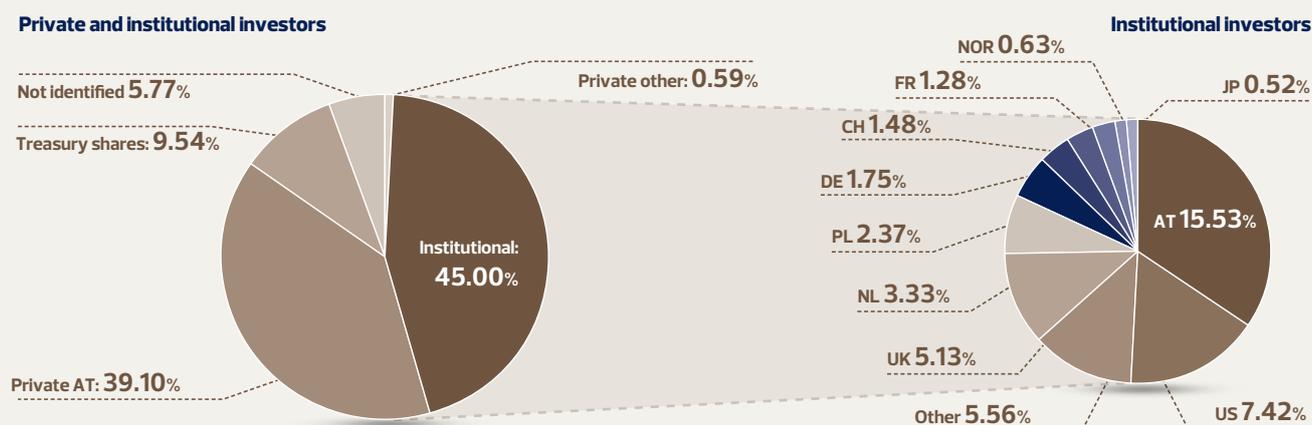
### SHARE PRICE SUBSTANTIALLY BELOW NAV

The price of the IMMOFINANZ share remained continuously below the net asset value (NAV) per share throughout the reporting period. For example: the share traded at EUR 2.288 at the end of November 2011, while the NAV per share was EUR 5.47. This represents a discount of 58.2% to the NAV per share. The reasons for this difference are seen, above all, in the general market development and the reservation of international investors in Eastern Europe. The goal of IMMOFINANZ Group is to regain the confidence of investors, and bring the share price close to the NAV per share.

### SHAREHOLDER STRUCTURE

In order to improve communications with current and potential investors, IMMOFINANZ Group conducts regular analyses of its shareholder structure. External service providers again surveyed the shareholder structure during August and September 2011. More than 94% of the IMMOFINANZ shares could be allocated to specific investors or investor groups. In addition to private (39.10%) and institutional (15.53%) investors from Austria, international institutional investors hold 29.47% of the company's shares. A total of 94.36% of the IMMOFINANZ shares are held in free float. As of end of September 2011 FRIES Familien-Privatstiftung, which maintains its registered headquarters in Schwertberg, as well as Dr. Rudolf FRIES Familien-Privatstiftung, which maintains its registered headquarters in Kaumberg, and Mr. and Mrs. Rudolf Fries in 4311 Schwertberg have held 5.64% of the share capital of IMMOFINANZ AG.

### Private and institutional investors by country



### INCREASE IN NUMBER OF VOTING RIGHTS THROUGH CONVERSIONS

The number of voting rights totalled 1,140,478,339 at the end of November 2011. The share capital totalled EUR 1,184,025,617.22 at the end of November 2011 and is divided into 1,140,478,339 zero per value shares with voting rights, each of which represents a proportional share of EUR 1.04 (rounded) in share capital.

### INVESTOR RELATIONS ACTIVITIES

The investor relations team intensified communications with analysts, institutional investors and private investors during the reporting period and took part in numerous conferences, trade fairs and road shows in Austria and other countries. The most important issues were extinguishing the convertible bond 2009–2011, the new classification of the property portfolio and strategies for the successful continuation of optimisation in 2011/12. On Capital Markets Day in Bucharest on 24/11/2011, Eduard Zehetner, CEO, and Birgit Noggler, CFO of IMMOFINANZ Group, as well as Andreas Holler, Executive Board member, presented the corporate strategy and the Romanian residential portfolio

of IMMOFINANZ Group at Adama Holding Public Ltd. They also inspected the most important office and residential properties of IMMOFINANZ Group in Bucharest together with interested investors and analysts.

The result of the campaign for private investors “Exercise your voting rights! Decide for yourself”, launched in early summer 2010 together with the Österreichische Interessenverband für Anleger (IVA), is sound. The goal of the initiative was to motivate private investors to participate in the general meeting and to exercise their voting rights. Overall, more than 3,200 private investors with a share capital of almost EUR 94 million attended the 18th annual general meeting on 28/09/2010 – compared to the previous year, this represents a plus of more than 380%, in relation to the number of participating private investors and of almost 60%, in relation to the represented share capital.

As of June 2011, Stefan Schönauer, 31, gradually took over Clemens Eisinger’s duties as Head of Corporate Finance & Investor Relations. Since 10/11/2011, Schönauer has officially performed this function. Together with his team, he will continuously aim for great transparency, improved international visibility and an optimisation of the communication with analysts and investors.

#### CONVERTIBLE BOND 2011

On 06/10/2011, the conversion period for the 7.00% convertible bond 2009–2011 (ISIN XS0416178530) (“CB 2011”) issued by IMMOFINANZ AG ended. The holders of the CB 2011 exchanged almost all bonds, as expected, for shares of IMMOFINANZ AG (ISIN AT0000809058). The almost complete conversion brought several positive aspects, which can already be seen in the quarterly financial statements of 31/10/2011. The equity of IMMOFINANZ Group, among others, was increased by more than EUR 150 million in comparison with 31/07/2011. Current liabilities from convertible bonds no longer exist and the interest savings amount to more than EUR 8 million in comparison with the first quarter of 2011/12. For the repayment on 22/12/2011, only a nominal value of EUR 4.9 million plus interest is outstanding.

#### EXTERNAL ANALYSES

Corporate analyses by well-known institutions are an important decision tool for institutional investors. The investor relations team of IMMOFINANZ Group therefore increasingly communicated information required for well-substantiated corporate analyses. In 2011/12, 13 analysts evaluated IMMOFINANZ Group. The average target price is at EUR 3.17 and thus 38.6% above the current price of EUR 2.288 as of 30/11/2011.

	Date	Recommendation	Target price
Rabobank	29 November 2011	Buy	2.70
KBC	28 November 2011	Buy	3.27
Wood & Company	28 November 2011	Buy	4.04
ABN Amro	28 November 2011	Hold	2.60
HSBC Trinkaus	25 November 2011	Overweight	4.50
Kempen & Co	02 November 2011	Neutral	2.90
Deutsche Bank	28 October 2011	Buy	3.00
Credit Suisse	24 October 2011	Outperform	3.50
Raiffeisen Centrobank	06 October 2011	Buy	3.30
UniCredit Group	29 September 2011	Buy	3.40
Société Generale	28 September 2011	Hold	2.30
Morgan Stanley	22 September 2011	Equal-weight	2.19
Bank of America Merrill Lynch	06 September 2011	Buy	3.31

# Group Management Report

Park Postępu, Warsaw, Poland





## Economic development in the core countries of IMMOFINANZ Group

### ANALYSIS AND OUTLOOK

The unrest of the European capital markets continues also in the second quarter of the financial year. The national debts of different European countries such as Greece, Italy or Portugal, and the resulting distrust in the European Economic Union and the Euro in connection therewith lead to insecurity in the markets. In comparison, the eastern European countries have become more attractive to investors due to a comparatively low national debt in 2010, such as Russia with 11.3% of the GDP or the Czech Republic with 38.5%. The lower indebtedness compared to many Western European countries will also accelerate future growth in these countries.

Analysts are forecasting the beginning of a recession in the euro zone, which can inter alia be anticipated due to the fall of German economic indicators. In this process, the already existing higher interest rates of the peripheral euro zone countries will step-by-step also spread into stronger creditor countries. An adjustment of the European prime interest rate to 1.0% can be expected.

### ONGOING MUTED ECONOMIC GROWTH

As in the second quarter 2011, the economy in the third quarter in the euro zone as well as in the entire EU grew on average only by 0.2%. In addition to the Baltic States, Romania was one of the frontrunners with a growth of 4.5%. Also for the following quarters economists are forecasting continued slow economic growth.

	Unemployment rate in October 2011 in %	Annual inflation rate in October 2011 in %*	Gross national debt 2010 in % of GDP	Deficit/surplus 2010 in % of GDP	Forecasted GDP growth rate 2011 in %**	Forecasted GDP growth rate 2012 in %**
AT	4.1%	3.8%***	72.3%	-4.6%	2.9%	0.9%
DE	5.5%	2.9%	83.2%	-3.3%	2.9%	0.8%
PL	9.9%	3.8%	55.0%	-7.9%	4.0%	2.5%
CZ	6.7%	2.6%	38.5%	-4.7%	1.8%	0.7%
SK	13.6%	4.6%	41.0%	-7.9%	2.9%	1.1%
HU	9.8%	3.8%	80.2%	-4.2%	1.4%	0.5%
RO	7.3%	3.6%	30.8%	-6.4%	1.7%	2.1%
RU	6.4%	7.2%	11.3%	-4.0%	4.1%	3.7%
EU 27	9.8%	3.4%***	80.0%	-6.4%	1.6%	0.6%
EURO zone (17 countries)	10.3%	3.0%***	85.1%	-6.0%	1.5%	0.5%

\* Change in the annual average of the harmonised index of consumer prices (HICP)

\*\* Growth in GDP volume – per cent change in relation to the prior year

\*\*\* preliminary

Sources: EU = EuroStat, RU = Federal State Statistics Service/Ministry of Finance/Ministry of Economics of the Russian Federation/WorldBank/Bloomberg

In 2012, an economic growth of 0.6% in the European Union is expected, and 0.5% in the euro area. The core markets of IMMOFINANZ Group, with the exception of Hungary, will be above this EU average. In Poland, an above average growth of 2.5% is expected. For 2012, the World Bank forecast for the worldwide growth is currently at 3.6% (in July 2011 a growth of 4.3% was still expected). The unemployment rate in the different countries only slightly increased compared to the previous quarter. It is still very low in Austria with 4.1%; in Slovakia it is especially high at 13.6%.

The core markets of IMMOFINANZ Group become more and more interesting for international investors, since the national debt, especially in the CEE countries, is significantly lower than in some western European countries. In particular less volatile markets such as Poland or the Czech Republic profit from an increase in investments. The forecasts for the core countries are still positive for the next year; in Poland, for example, in 2012 an above-average growth rate of the GDP of 2.5% is expected; while the forecasted growth for the entire euro zone is only 0.5%.

## The Property Markets in the Core Countries of IMMOFINANZ Group

### **DEVELOPMENTS. RESULTS. OUTLOOK.**

Property markets, in particular in Central and Eastern Europe, were slightly positive even during the third quarter 2011, despite the generally subdued mood on European financial markets. According to Jones Lang LaSalle (JLL), slight growth can again be expected for Europe in the fourth quarter as well, for example for prime rents of office properties. According to JLL, the global transaction volume (commercial properties) in the first three quarters of 2011 amounted to roughly USD 300 billion and is likely to reach the forecasted result for the year of roughly USD 440 billion. However, due to the tougher economic climate, a reduction of up to 10% cannot be ruled out.

### **CEE REGION – STRONG INVESTMENT MARKET**

According to JLL, in Europe alone, USD 41 billion were invested in commercial properties in the third quarter 2011 – the second-highest investment volume since mid-2008. The CEE region benefited especially with a 109% increase in transaction volume. The top performers in terms of investment volumes were the Czech Republic (USD 1.5 billion, +425% compared to 2010) followed by Poland (USD 1.4 billion, +87% compared to 2010). According to DTZ, transcontinental investments in particular have increased and amount to 41% of the total European volume (EUR 10.5 billion).

The general uncertainty on capital markets has in all likelihood contributed to this rise in these investments. Property investments especially in the office segment in stable markets, such as Warsaw or Prague, have become attractive not only for the purpose of inflation hedging. Retail properties, especially in shopping centers in capital and secondary cities (with a population of more than 250,000 people) have also become more interesting to investors.

### **POSITIVE, BUT SUBDUED END TO 2011**

The third quarter showed a consistently positive development of all key performance indicators. Around the globe, office property rents increased by 1.1% compared to the previous quarter, vacancy rates are at a two-year low at a global 13.8%. In Europe, the average vacancy rate of 10.2% was kept well below the global average. Experts are expecting relatively stable figures for next year as well. Prime rents have remained stable since the last quarter. Prime office rents are expected to increase by roughly 3 to 5% across Europe in 2012. The retail property market, especially in Central and Eastern European countries, is presenting a large number of new projects. Roughly 2.5 million square meters of new space are expected to be added to this markets by 2013, half thereof in Poland. The increased

interest in the European investment market also applies to logistics properties. Compared to last year, the investment volume in the first three quarters has risen by 15% to EUR 6.8 billion. (source: JLL)

## OFFICE

Capital city/core market	Vacancy rate in Q3 2011 for office properties in %	Prime yields in Q3 2011 for office properties in %
Berlin, DE	8.80	4.95–6.00
Bratislava, SK	10.80	7.25
Budapest, HU	20.70	7.50–7.75
Bucharest, RO	16.00	8.00
Moscow, RU	16.60	9.00–9.50
Prague, CZ	11.80	6.50
Warsaw, PL	6.70	6.25
Vienna, AT	6.30	5.25

Sources: JLL, EHL (Vienna Data)

Compared to the previous quarter, prime rents stagnated at a relatively high level. Year-on-year, prime rents have risen by up to 50% (Moscow). Take-up levels reached 2.9 billion square meters and compared to the same quarter last year, rose by roughly 6% across Europe, and by 16% compared to the third quarter 2010. In the CEE region, the take-up level was even increased by one-third compared to the previous year.

## RETAIL

Capital city/core market	Vacancy rate in Q3 2011 for office properties in %	Prime yields in Q3 2011 for office properties in %
Berlin, DE	n.a.	5.00–5.50
Bratislava, SK	5.60	7.00
Budapest, HU	7.50	7.00–7.25
Bucharest, RO	7.00	8.25
Moscow, RU	4.00	9.00–9.50
Prague, CZ	5.50	6.25
Warsaw, PL	1.00	6.00
Vienna, AT	n.a.	6.00

Sources: JLL, EHL (Vienna Data)

Investors continue to focus on low-risk traditional shopping centers. At the same time, retail parks with their cost efficiency and sustained consumer demand are becoming increasingly attractive as well.

Compared to the previous quarter, prime yields and vacancy rates have stabilised and the latter have even further improved in some markets. In established markets such as Poland, there has been increased demand also for outlet shopping centers.

Retail property markets continue to be of interest especially in Poland, Czech Republic, and Slovakia and are also slowly improving in Romania as well. Hungary, Croatia, and Bulgaria, on the other hand, are rather difficult markets, where both right now and in the future fewer new developments are to be expected.

## LOGISTICS

Capital city/core market	Vacancy rate in Q3 2011 for office properties in %	Prime yields in Q3 2011 for office properties in %
Berlin, DE	n.a.	7.40–8.40
Bratislava, SK	3.00	8.50
Budapest, HU	22.40	9.00–9.25
Bucharest, RO	13.00	9.50
Moscow, RU	1.50	11.00–11.50
Prague, CZ	9.50	8.00–8.25
Warsaw, PL	18.30	8.00
Vienna, AT	n.a.	6.38

Sources: JLL, EHL (Vienna Data)

In Europe, as of the end of September 2011, roughly 6.8 billion have been invested in industrial properties, a 15% increase over the same period last year. These figures include only transactions in excess of EUR 3.5 million. Investors continue to focus on Western European countries, although interest in Central and Eastern Europe is consistently on the rise. Poland, Russia, Czech Republic and Hungary are in the fore, with the investment volume in those countries having more than doubled to roughly EUR 760 million. The transaction volume in Germany remains stable compared to the same period last year, and was increased by roughly 1%. Investors from the USA in particular, are increasingly interested in logistics properties. In 2011 to date, they have invested EUR 2 billion in Europe, more than five times the figure for the previous year. (source: JLL)

## RESIDENTIAL

The current economic climate is rendering residential construction a largely stable asset class, making it more interesting again for investors. As already mentioned in the last quarterly report, the Association of Real Estate and Asset Trustees of the Austrian Federal Economic Chamber reported a nationwide rise of 4.4% for building plots in the first six months of 2011 (2010: 3.8%). An increase of 4.3% (2010: 2.3%) was also recorded for used condominiums, 3.3% (2010: 2.2%) for single-family houses and 3.2% (2010: 3.6%) for new condominiums. In financial year 2011/2012, BUWOG will start a total of 8 projects with roughly 700 residential apartments in Austria; roughly 680 units will be transferred and completed during that period. In Germany, prices for condominiums according to F+B Index (F+B Forschung und Beratung) during the third quarter on average increased by 2.6%. In some Eastern European countries, the residential property investment market too, is becoming more interesting. Adama Holding Public Ltd., which was fully acquired by IMMOFINANZ Group on 09/11/2011, will also benefit from this development. Since it was established in 2005, it has completed roughly 1,500 apartments in South-Eastern Europe; ten projects are currently under construction or are being sold. The company's property development portfolio covers roughly 1.4 million sqm, where more than 40 additional projects can be realised.

## Portfolio Report

The core activities of IMMOFINANZ Group cover the rental of standing investments and the development of real estate in Central and Eastern Europe. These activities are designed to create a diversified, risk-optimised and sustainable portfolio of standing investments.

IMMOFINANZ Group's activities are concentrated in the office, retail, residential and logistics asset classes of the core markets in Austria, Germany, Czech Republic, Poland, Hungary, Romania, Slovakia and Russia. These activities are further divided into 12 strategic business segments based on homogeneous product groups in order to allow for more efficient and targeted actions in these different markets.

### PROPERTY PORTFOLIO

The property portfolio of IMMOFINANZ Group is reported on the balance sheet under the following positions: **investment property, property under construction, properties held for sale and inventories.**

**Investment property** consists of standing investments as well as temporarily suspended development projects and undeveloped land.

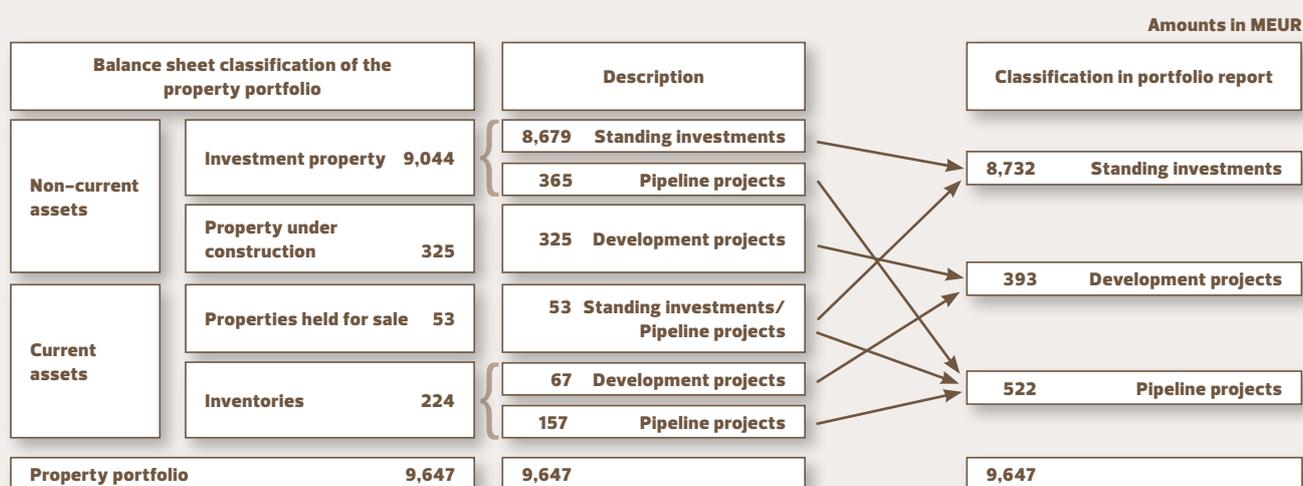
**Property under construction** consists solely of development projects currently in progress, which will be reclassified as standing investment properties of IMMOFINANZ Group after completion.

**Inventories** comprise properties that are developed for sale after completion. The classic example of an inventory property is a condominium apartment.

**Properties held for sale** represent standing assets for which the Group had concrete sale plans as of 31/10/2011 that were realised after the balance sheet date. In the portfolio report, these properties are included under standing investments or pipeline projects at a total of EUR 53.2 million.

The portfolio report covers all properties held by IMMOFINANZ Group, independent of the balance sheet classification. These properties are reported as standing investments (properties that generate rental income), development projects (projects under construction and completed condominium apartments) or pipeline projects (temporarily suspended projects and undeveloped land).

The following charts reconcile the property assets of IMMOFINANZ Group as reported on the balance sheet as of 31/10/2011 with the presentation in this portfolio report:



The following table shows the carrying amount of IMMOFINANZ Group's property portfolio as of 31/10/2011:

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Austria	1,553	3,743.7	154.8	87.2	3,985.7	41.3%
Germany	63	588.6	49.5	46.7	684.8	7.1%
Czech Republic	36	624.8	38.4	5.4	668.6	6.9%
Hungary	33	510.0	0.0	44.3	554.3	5.7%
Poland	36	906.1	20.8	17.4	944.2	9.8%
Romania	50	648.1	0.0	254.4	902.4	9.4%
Russia	6	899.8	118.0	0.0	1,017.8	10.6%
Slovakia	19	272.2	0.0	23.1	295.3	3.1%
Non-core countries	50	538.7	11.1	43.6	593.4	6.2%
<b>IMMOFINANZ Group</b>	<b>1,846</b>	<b>8,731.9</b>	<b>392.6</b>	<b>522.0</b>	<b>9,646.5</b>	<b>100.0%</b>
		<b>90.5%</b>	<b>4.1%</b>	<b>5.4%</b>	<b>100.0%</b>	

The carrying amount of the IMMOFINANZ Group property portfolio equalled EUR 9,646.5 million as of 31/10/2011. Of this total, standing investments represent the largest component at EUR 8,731.9 million or 90.5%. Active development projects add up to EUR 392.6 million or 4.1% of the carrying amount of the property portfolio. A carrying amount of EUR 522.0 million or 5.4% is attributable to the project pipeline, which comprises temporarily suspended development projects and undeveloped land. Since completion of the *Maritimo Shopping Center* and its opening on 27/10/2011, there are no development projects currently in progress in Romania as of 31/10/2011, since the Romanian development projects of residential property developer Adama will only be reported in the consolidated balance sheet as of 31/01/2011. No current development projects are planned for the core markets in Hungary and Slovakia.

Austria represents the main regional focus of the total portfolio of IMMOFINANZ Group at 41.3%, followed by Russia at 10.6% and Poland at 9.8%.

As indicated above, IMMOFINANZ Group has developed and implemented a product group classification based on strategic criteria. This classification supports the analysis and management of the property portfolio at the international level according to standardised parameters. The property portfolio is now divided into 12 homogeneous business segments within the individual asset classes. This process improves goal-oriented actions in different markets and also increases transparency.

## OFFICE

The business segment **International High-Class Office** consists solely of prime office properties in the most attractive European markets. Outstanding quality and a top location are the basic requirements for this business segment. The properties are selected, above all, with a view to meeting international standards. With a 13% share of the total portfolio, the International High-Class Office portfolio forms the backbone of income and can be seen as a key stability factor for IMMOFINANZ Group. IMMOFINANZ Group further strengthened this business segment by acquiring the fully let *Park Postepu* prime office property in Warsaw on 21/09/2011.

The **Secondary Office AT/DE** portfolio comprises good quality, functional office properties. The target group consists primarily of cost-conscious tenants. With roughly 6% of the total portfolio, the focal points of this business segment are the stable markets in Austria and Germany.

The properties in the **Secondary Office CEE** portfolio are located in the capital cities of Central and Eastern Europe. With roughly 9% of the total portfolio, this business segment also concentrates primarily on cost-conscious tenants and is intended to strengthen the market position in Eastern Europe.

A focus on high-quality properties at good locations also requires the sale of assets that have a sizeable potential for repositioning, but do not match the target portfolio of IMMOFINANZ Group with respect to size, location, quality or other features. These properties are designated for sale over the medium-term and are combined under the business segment **Opportunistic Office**. This category represents only roughly 2% of the entire portfolio.

## RETAIL

The retail segment is focused on **Quality Shopping Centers**. With a share of roughly 19% in the total portfolio, these prime shopping facilities with international tenants are found exclusively in large strong clusters. The minimum requirements for size and quality in this business segment are very high. Substantial retail expertise and an extensive international network make it possible for IMMOFINANZ Group to generate sustainable competitive advantages in this area. The Group has further developed this business segment by expanding the *Silesia City Center* in Katowice, Poland (opened 12/10/2011), and by opening the *Martitimo Shopping Center* on 27/10/2011 in Constanta, Romania.

The business segment **Retail Warehouses** with a share of roughly 4% in the total portfolio, comprises specialty shopping centers in Austria and Eastern Europe that are characterised by a standardised format and an attractive tenant mix. IMMOFINANZ Group has been able to successfully establish STOP.SHOP. as a brand in CEE. In the future, this brand will be further strengthened by the integration of activities in CEE and Austria and the associated rebranding of selected specialty shopping centers in Austria.

A concentration on high-quality properties at good locations also requires the sale of assets that have a sizeable potential for repositioning, but do not match the target portfolio of IMMOFINANZ Group with respect to size, location, quality or other features. These retail properties are designated for sale over the medium-term and are combined under the business segment **Opportunistic Retail**. Roughly 3% of the total portfolio are attributable to this category.

## LOGISTICS

Logistics activities in Western Europe are located primarily in Germany, Switzerland and the Benelux countries and are combined in the **Logistics West** business segment (6% share of the total portfolio). With the subsidiaries Deutsche Lagerhaus and Citybox, IMMOFINANZ Group has successfully developed a strong position in the logistics market with outstanding growth forecasts, which is considered one of the most dynamic asset classes in Western Europe.

The **Logistics East** portfolio (3% share of the total portfolio), which is concentrated mainly in the promising Central and East European region, covers all logistics activities in the Czech Republic, Romania, Hungary, Russia, Poland, and Slovakia. Close cooperation with the Logistics West portfolio creates a strong competitive advantage, which also allows IMMOFINANZ Group to offer logistics space from a single hand to tenants in large parts of Europe.

## RESIDENTIAL

The **Residential West** portfolio consists primarily of rental apartments in Austria and Germany. With roughly 30% of the total portfolio, this business segment is a major focal point and stabilising factor for IMMOFINANZ Group. The BUWOG Group, a wholly owned IMMOFINANZ subsidiary, serves as the corporate competence center and concentrates on the rental and sale of portfolio apartments, on the development of new rental and condominium apartments and on facility management. In the future, new developments will be further expanded, especially in Vienna. The Residential West portfolio is extremely stable and low-risk due to its high level of occupancy and low tenant turnover.

The **Residential East** business segment combines residential construction projects in Eastern Europe. These activities reflect the Group's strategy to participate in the significant pent-up demand for new housing by the emerging middle class in these countries as well as in the increasing interest in new developments. With a large number of residential construction sites already in its portfolio, the IMMOFINANZ Group is well positioned to meet this goal. The 100% takeover of the leading Romanian residential property developer Adama in November 2011 provides an ideal platform for the expansion of residential construction and development in this region, which will also be used to purchase and develop additional sites if the need arises.

## HOTELS

The business segment **Hotels** is not part of the Group's core business. It includes four properties that are located in Vienna, Austria, respectively in St. Moritz, Switzerland. In accordance with IMMOFINANZ Group's strategy, these properties will be sold over the medium-term.

The following table shows the carrying amount of IMMOFINANZ Group's property portfolio as of 31/10/2011:

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Intern. High-Class Office	27	1,202.8	46.9	50.2	1,299.9	13.5%
Secondary Office AT/DE	28	535.7	51.0	8.9	595.6	6.2%
Secondary Office CEE	43	749.4	0.0	94.6	844.0	8.7%
Opportunistic Office	29	208.4	0.0	2.7	211.1	2.2%
<b>Office</b>	<b>127</b>	<b>2,696.4</b>	<b>97.9</b>	<b>156.3</b>	<b>2,950.6</b>	<b>30.6%</b>
Quality Shopping Center	23	1,722.0	154.2	0.0	1,876.2	19.4%
STOP.SHOP./ Retail Warehouses	50	423.7	4.1	0.0	427.8	4.4%
Opportunistic Retail	141	215.5	0.0	103.4	318.9	3.3%
<b>Retail</b>	<b>214</b>	<b>2,361.2</b>	<b>158.3</b>	<b>103.4</b>	<b>2,622.9</b>	<b>27.2%</b>
Logistics West	56	612.4	0.0	0.4	612.8	6.4%
Logistics East	27	196.4	0.0	54.1	250.4	2.6%
<b>Logistic</b>	<b>83</b>	<b>808.8</b>	<b>0.0</b>	<b>54.5</b>	<b>863.2</b>	<b>8.9%</b>
Residential West	1,393	2,666.3	127.2	71.3	2,864.8	29.7%
Residential East	25	0.0	9.1	136.6	145.7	1.5%
<b>Residential</b>	<b>1,418</b>	<b>2,666.3</b>	<b>136.4</b>	<b>207.9</b>	<b>3,010.6</b>	<b>31.2%</b>
Hotels	4	199.2	0.0	0.0	199.2	2.1%
<b>IMMOFINANZ Group</b>	<b>1,846</b>	<b>8,731.9</b>	<b>392.6</b>	<b>522.0</b>	<b>9,646.5</b>	<b>100.0%</b>

The carrying amount of IMMOFINANZ Group's portfolio equalled EUR 9,646.5 million as of 31/10/2011. An analysis by carrying amount ranks the Residential West business segment first with 29.7%, followed by Quality Shopping Center with 19.4% and International High-Class Office with 13.5%.

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm
Austria	1,470	3,743.7	42.9%	3,215,971	2,988,111
Germany	59	588.6	6.7%	1,141,658	1,057,490
Czech Republic	28	624.8	7.2%	374,828	302,265
Hungary	28	510.0	5.8%	379,330	307,857
Poland	25	906.1	10.4%	352,433	318,259
Romania	17	648.1	7.4%	447,391	365,834
Russia	5	899.8	10.3%	180,879	176,515
Slovakia	14	272.2	3.1%	143,214	119,701
Non-core countries	35	538.7	6.2%	416,081	349,046
<b>IMMOFINANZ Group</b>	<b>1,681</b>	<b>8,731.9</b>	<b>100.0%</b>	<b>6,651,785</b>	<b>5,985,078</b>

\* Annualised rental income in Q2 2011/12 based on the primary use

\*\* During the Q2 2011/12 completed developments (Silesia City Center, Maritimo Shopping Center) or acquired standing investments (Park Postepu) are included with full rental income of a quarter

Development and pipeline projects

Properties sold in Q2 2010/11

Group financing

**IMMOFINANZ Group**

## STANDING INVESTMENTS

Standing investments are properties held by IMMOFINANZ Group as of 31/10/2011 for the purpose of generating rental income. The standing investment portfolio represents a carrying amount of EUR 8,731.9 million or 90.5% of the total property portfolio of IMMOFINANZ Group.

IMMOFINANZ Group held 1,681 standing investments with a carrying amount of EUR 8,731.9 million and a return of 6.5% as of 31/10/2011. If the properties acquired or shopping centers opened in Q2 2011/12 (e.g. *Silesia City Center*, *Maritimo Shopping Center* and *Park Postepu*) were broken down by actual rental income per quarter, this would translate into a return of 6.7%; in Poland and Romania in particular, returns would be increased from 4.7% to 6.5% and from 6.6% to 7.4%, respectively. Rental income of EUR 141.6 million for the second quarter of 2011/12 includes gross rents of EUR 0.7 million relating to properties, development projects and pipeline projects sold during that time. The occupancy rate in the IMMOFINANZ Group's standing investments was 90.0% as of 31/10/2011. The regional focus of the standing investments in Austria (EUR 3,743.7 million), followed by Poland (EUR 906.1 million) and Russia (EUR 899.8 million).

The standing investments in the non-core countries amount to EUR 538.7 million, including EUR 241.3 million in Switzerland, EUR 115.4 million in the Netherlands and EUR 96.5 million in the USA. IMMOFINANZ Group also owns standing investments in Croatia, Slovenia, France, Bulgaria and Italy.

In addition, the segment report in the consolidated financial statements reports financial liabilities related to properties sold after 31/10/2011 under the balance sheet position liabilities held for sale and not under financial liabilities. However, these financial liabilities are included in the portfolio presentation.

Occupancy rate in %	Rental income Q2 2011/12 in MEUR*	Gross return in %	Remaining liability on existing financing in MEUR	Financing costs in %	LTV in %
92.9%	49.0	5.2%	1,765.8	2.3%	47.2%
92.6%	12.7	8.6%	365.4	3.3%	62.1%
80.6%	10.7	6.8%	269.4	3.0%	43.1%
81.2%	7.9	6.2%	239.1	3.5%	46.9%
90.3%	10.5	4.7% (6.5%**)	517.8	3.3%	57.1%
81.8%	10.7	6.6% (7.4%**)	359.0	4.5%	55.4%
97.6%	23.6	10.5%	83.1	8.0%	9.2%
83.6%	4.7	6.9%	188.2	3.6%	69.1%
83.9%	11.1	8.3%	273.4	2.7%	50.8%
<b>90.0%</b>	<b>141.0</b>	<b>6.5% (6.7%**)</b>	<b>4,061.3</b>	<b>3.0%</b>	<b>46.5%</b>
	0.4		238.5	3.4%	
	0.3		0.0	0.0%	
	0.0		1,058.3	3.8%	
	<b>141.6</b>		<b>5,358.1</b>	<b>3.2%</b>	<b>55.5%</b>

## OFFICE

The 109 office standing investments have a combined carrying amount of EUR 2,696.4 million, which represents 30.9% of the standing investment portfolio of IMMOFINANZ Group. This office portfolio has 1,316,916 sqm of rentable space and an occupancy rate that equalled 81.7% as of 31/10/2011. Rental income for the second quarter of the reporting year amounted to EUR 40.6 million, which reflects a return of 6.0%.

The regional focus of the office standing investments portfolio of IMMOFINANZ Group are the core markets of Austria (EUR 921.4 million), followed by the Czech Republic (EUR 471.9 million) and Poland (EUR 469.4 million). The most important properties include the *Business Park Vienna* and the *City Tower Vienna* in Vienna, Austria and the *IRIDE Business Park* in Bucharest, Romania. By acquiring the fully let *Park Postepu*, Warsaw, Poland, on 21/09/2011, IMMOFINANZ Group further expanded its standing investments portfolio in Poland considerably.



Key data on the standing investments is provided by business segments in the following table:

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm
Intern. High-Class Office	20	1,202.8	44.6%	484,287	426,857
Secondary Office AT/DE	25	535.7	19.9%	254,256	198,384
Secondary Office CEE	37	749.4	27.8%	420,848	348,264
Opportunistic Office	27	208.4	7.7%	157,526	102,516
<b>IMMOFINANZ Group</b>	<b>109</b>	<b>2,696.4</b>	<b>100.0%</b>	<b>1,316,916</b>	<b>1,076,021</b>

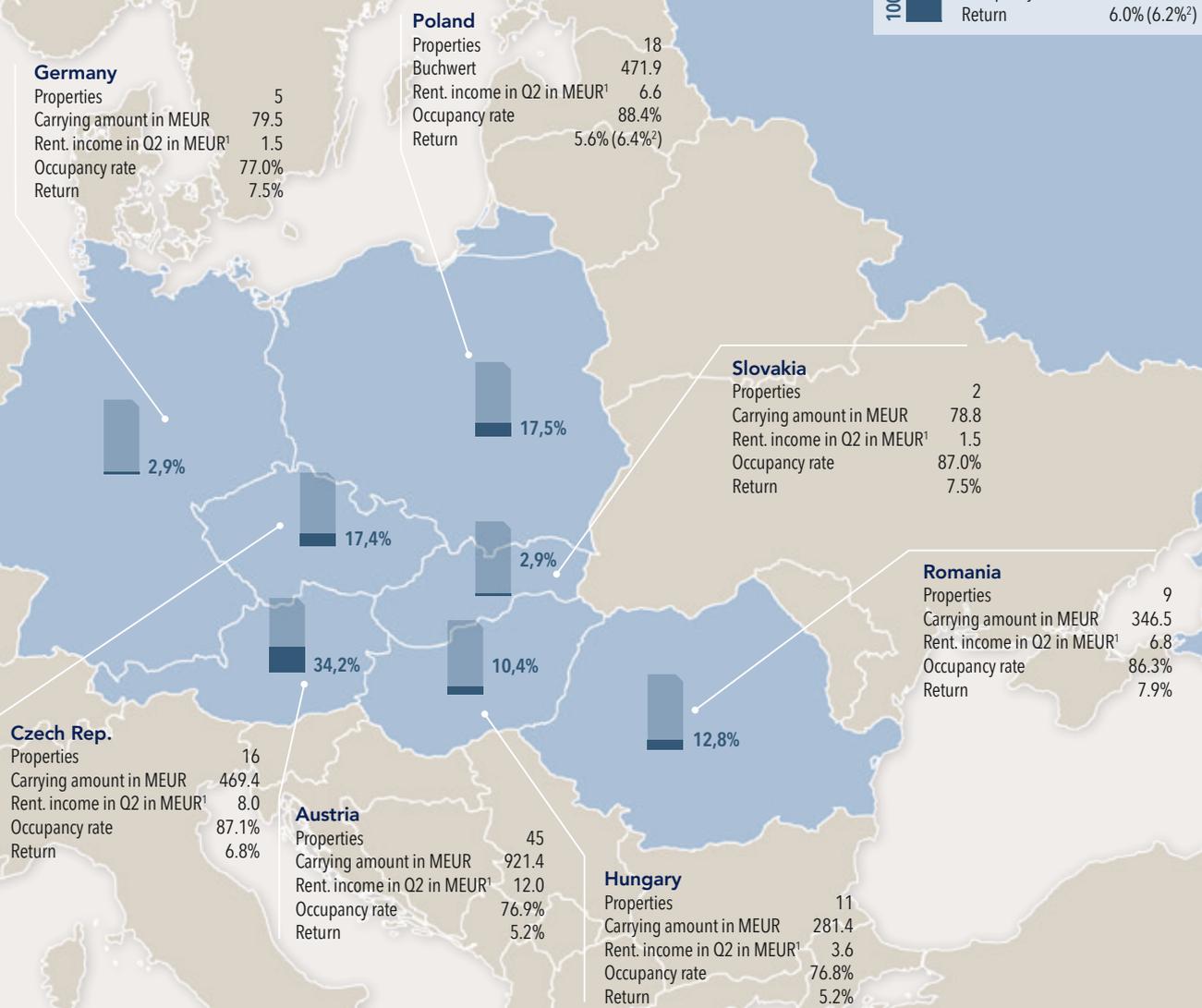
\* Annualised rental income in Q2 2011/12 based on the main use (rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)

\*\* Properties purchased during Q2 2011/12 were reported according to actual rental income per quarter (Park Postepu)



The office sector in the IMMOFINANZ core markets

IMMOFINANZ Group	
Properties	109
Carrying amount in MEUR	2,696.4
Rent. income in Q2 in MEUR <sup>1</sup>	40.6
Occupancy rate	81.7%
Return	6.0% (6.2%) <sup>2</sup>



Non-core countries	
Properties	3
Carrying amount in MEUR	47.5
Rent. income in Q2 in MEUR <sup>1</sup>	0.6
Occupancy rate	62.4%
Return	5.1%

<sup>1</sup> Annualised rental income in Q2 2011/12 based on the main use (Rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)

<sup>2</sup> Properties purchased during Q2 2011/12 were reported according to actual rental income per quarter (Park Postepu)

Occupancy rate in %	Rental income Q2 2011/12 in MEUR*	Gross return in %	Remaining liability on existing financing in MEUR	Financing costs in %	LTV in %
88.1%	17.8	5.9% (6.2%**)	634.9	3.3%	52.8%
78.0%	7.2	5.4%	204.7	3.2%	38.2%
82.8%	12.6	6.7%	328.7	3.3%	43.9%
65.1%	3.1	5.9%	108.7	3.8%	52.2%
<b>81.7%</b>	<b>40.6</b>	<b>6.0% (6.2%**)</b>	<b>1,277.0</b>	<b>3.3%</b>	<b>47.4%</b>

## RETAIL

The carrying amount of the 191 retail standing investments is EUR 2,361.2 million. These properties had an occupancy rate of 93.4% as of 31/10/2011. Rental income amounted to EUR 46.1 million in the second quarter of the reporting year, which represents a return of 7.8%. The highest return was recorded in Russia with 10.4%, followed by Austria with 9.5%.

Based on the carrying amount, the most important markets in the retail asset class are the core markets of Russia with EUR 867.8 million, Poland with EUR 397.7 million, and Austria with EUR 318.7 million. The most important retail properties based on the carrying amount are the *Golden Babylon Rostokino* shopping center in Moscow, Russia, and the *Silesia City Center* in Katowice, Poland.



Key data on the standing investments is provided by business segments in the following table:

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm
Quality Shopping Center	20	1,722.0	72.9%	465,886	446,008
STOP.SHOP./Retail Warehouses	47	423.7	17.9%	308,593	288,698
Opportunistic Retail	124	215.5	9.1%	281,954	252,293
<b>IMMOFINANZ Group</b>	<b>191</b>	<b>2,361.2</b>	<b>100.0%</b>	<b>1,056,434</b>	<b>986,999</b>

\* Annualised rental income in Q2 2011/12 based on the main use (Rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)

\*\* During the Q2 2011/12 completed developments (Silesia City Center, Maritimo Shopping Center) were reported according to actual rental income per quarter



The retail sector in the IMMOFINANZ core markets

**IMMOFINANZ Group**

- Properties 191
- Carrying amount in MEUR 2,361.2
- Rent. income in Q2 in MEUR<sup>1</sup> 46.1
- Occupancy rate 93.4%
- Return 7.8% (8.6%<sup>2</sup>)

**Russia**

- Properties 4
- Carrying amount in MEUR 867.8
- Rent. income in Q2 in MEUR<sup>1</sup> 22.6
- Occupancy rate 96.9%
- Return 10.4%

**Poland**

- Properties 4
- Carrying amount in MEUR 397.7
- Rent. income in Q2 in MEUR<sup>1</sup> 3.3
- Occupancy rate 98.0%
- Return 3.3% (6.5%<sup>2</sup>)

**Czech Rep.**

- Properties 11
- Carrying amount in MEUR 131.1
- Rent. income in Q2 in MEUR<sup>1</sup> 2.5
- Occupancy rate 92.7%
- Return 7.6%

**Slovakia**

- Properties 11
- Carrying amount in MEUR 179.3
- Rent. income in Q2 in MEUR<sup>1</sup> 3.0
- Occupancy rate 94.3%
- Return 6.7%

**Romania**

- Properties 5
- Carrying amount in MEUR 278.2
- Rent. income in Q2 in MEUR<sup>1</sup> 3.7
- Occupancy rate 92.5%
- Return 5.3% (7.3%<sup>2</sup>)

**Austria**

- Properties 141
- Carrying amount in MEUR 318.7
- Rent. income in Q2 in MEUR<sup>1</sup> 7.6
- Occupancy rate 91.6%
- Return 9.5%

**Hungary**

- Properties 12
- Carrying amount in MEUR 162.5
- Rent. income in Q2 in MEUR<sup>1</sup> 3.1
- Occupancy rate 91.1%
- Return 7.6%

**Non-core countries**

- Properties 3
- Carrying amount in MEUR 25.9
- Rent. income in Q2 in MEUR<sup>1</sup> 0.4
- Occupancy rate 96.5%
- Return 6.4%

<sup>1</sup> Annualised rental income in Q2 2011/12 based on the main use (Rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)

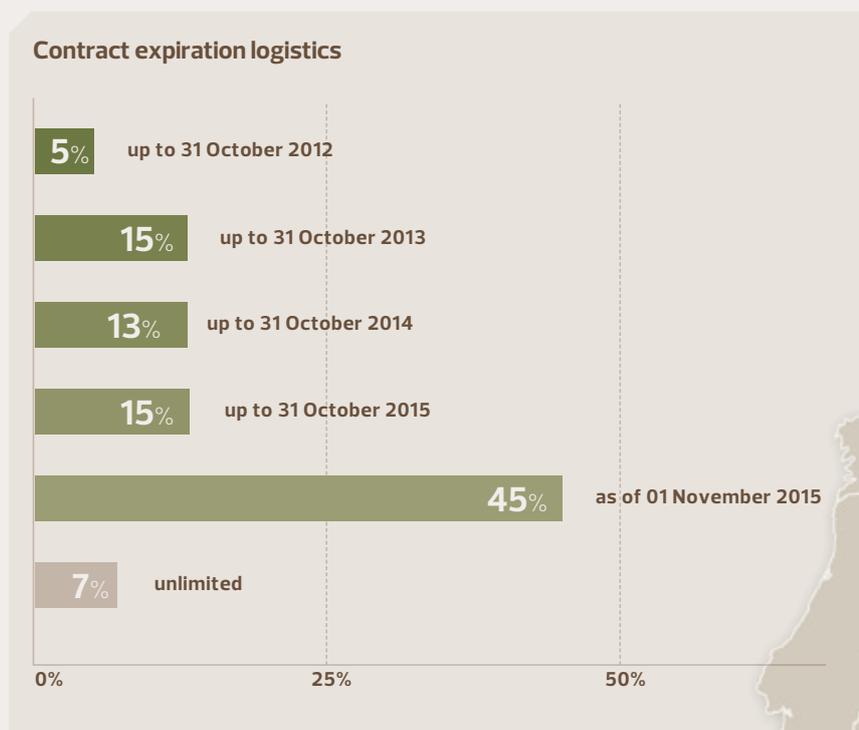
<sup>2</sup> During the Q2 2011/12 completed developments (Silesia City Center, Maritimo Shopping Center) were reported according to actual rental income per quarter.

Occupancy rate in %	Rental income Q2 2011/12 in MEUR*	Gross return in %	Remaining liability on existing financing in MEUR	Financing costs in %	LTV in %
95.7%	32.5	7.5 (8.6%**)	509.1	4.4%	29.6%
93.6%	8.4	7.9%	220.4	3.9%	52.0%
89.5%	5.2	9.7%	46.7	3.4%	21.6%
<b>93.4%</b>	<b>46.1</b>	<b>7.8% (8.6%**)</b>	<b>776.2</b>	<b>4.2%</b>	<b>32.9%</b>

## LOGISTICS

The 69 logistics standing investments have a total carrying amount of EUR 808.8 million, which represents 9.3% of the standing investment portfolio. The highest return among the core markets is recorded in Russia at 12.5%. The occupancy rate in the logistics portfolio is 84.6%.

The main focal point of the logistics portfolio is Germany where, based on the carrying amount, 47.9% of the logistics standing properties are located. The other core markets of IMMOFINANZ Group each represent less than 9% of this portfolio. Important logistics portfolios are in the non-core countries are located the Netherlands (EUR 111.6 million) and Switzerland (EUR 97.5 million).



Key data on the standing investments is provided by business segments in the following table:

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm
Logistics West	55	612.4	75.7%	1,190,702	1,078,870
Logistics East	14	196.4	24.3%	334,436	211,133
<b>IMMOFINANZ Group</b>	<b>69</b>	<b>808.8</b>	<b>100.0%</b>	<b>1,525,138</b>	<b>1,290,003</b>

\* Annualised rental income in Q2 2011/12 based on the main use (Rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)



The logistics sector in the IMMOFINANZ core countries

IMMOFINANZ Group	
Properties	69
Carrying amount in MEUR	808.8
Rent. income in Q2 in MEUR <sup>1</sup>	17.3
Occupancy rate	84.6%
Return	8.6%

Germany	
Properties	30
Carrying amount in MEUR	387.3
Rent. income in Q2 in MEUR <sup>1</sup>	8.7
Occupancy rate	92.5%
Return	9.0%

Poland	
Properties	3
Carrying amount in MEUR	36.5
Rent. income in Q2 in MEUR <sup>1</sup>	0.6
Occupancy rate	81.3%
Return	6.8%

Russia	
Properties	1
Carrying amount in MEUR	32
Rent. income in Q2 in MEUR <sup>1</sup>	1.0
Occupancy rate	100.0%
Return	12.5%

Slovakia	
Properties	1
Carrying amount in MEUR	14.1
Rent. income in Q2 in MEUR <sup>1</sup>	0.2
Occupancy rate	45.1%
Return	5.8%

Czech Rep.	
Properties	1
Carrying amount in MEUR	24.3
Rent. income in Q2 in MEUR <sup>1</sup>	0.3
Occupancy rate	40.6%
Return	4.1%

Hungary	
Properties	5
Carrying amount in MEUR	66.1
Rent. income in Q2 in MEUR <sup>1</sup>	1.2
Occupancy rate	77.1%
Return	7.3%

Romania	
Properties	3
Carrying amount in MEUR	23.4
Rent. income in Q2 in MEUR <sup>1</sup>	0.2
Occupancy rate	27.5%
Return	3.5%

Non-core countries	
Properties	25
Carrying amount in MEUR	225.0
Rent. income in Q2 in MEUR <sup>1</sup>	5.1
Occupancy rate	83.2%
Return	9.1%

<sup>1</sup> Annualised rental income in Q2 2011/12 based on the main use (Rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)

Occupancy rate in %	Rental income Q2 2011/12 in MEUR*	Gross return in %	Remaining liability on existing financing in MEUR	Financing costs in %	LTV in %
90.6%	13.8	9.0%	345.5	3.0%	56.4%
63.1%	3.5	7.1%	121.7	4.0%	62.0%
<b>84.6%</b>	<b>17.3</b>	<b>8.6%</b>	<b>467.2</b>	<b>3.3%</b>	<b>57.8%</b>

## RESIDENTIAL

The carrying amount of the 1,308 residential standing investments totals EUR 2,666.3 million or 30.5% of the standing investment portfolio. Rental income equalled EUR 33.4 million in the second quarter of the reporting year, for a return of 5.0%. The occupancy rate remains constant at a high 95.6%.

The residential properties owned by IMMOFINANZ Group are located primarily Austria, followed by Germany. The properties in Germany generate a significantly higher return than Austria. As a result of the limitations set by Austrian regulations for non-profit housing, the BUWOG properties in Austria generate much lower returns. However, financing costs are very low due to subsidies in Austria.



Key data on the standing investments is provided by business segments in the following table:

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm
Residential West	1,308	2,666.3	100.0%	2,686,075	2,569,035
<b>IMMOFINANZ Group</b>	<b>1,308</b>	<b>2,666.3</b>	<b>100.0%</b>	<b>2,686,075</b>	<b>2,569,035</b>

\* Annualised rental income in Q2 2011/12 based on the main use (Rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)



The residential sector in the IMMOFINANZ core markets

IMMOFINANZ Group	
Properties	1,308
Carrying amount in MEUR	2,666.3
Rent. income in Q2 in MEUR <sup>1</sup>	33.4
Occupancy rate	95.6%
Return	5.0%

**Germany**

Properties	24
Carrying amount in MEUR	121.8
Rent. income in Q2 in MEUR <sup>1</sup>	2.5
Occupancy rate	97.8%
Return	8.1%

**Austria**

Properties	1,281
Carrying amount in MEUR	2,448.1
Rent. income in Q2 in MEUR <sup>1</sup>	28.5
Occupancy rate	95.8%
Return	4.7%



4.6%



91.8%

Non-core countries	
Properties	3
Carrying amount in MEUR	96.5
Rent. income in Q2 in MEUR <sup>1</sup>	2.4
Occupancy rate	88.5%
Return	10.0%

3.6%

<sup>1</sup> Annualised rental income in Q2 2011/12 based on the main use (Rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)

Occupancy rate in %	Rental income Q2 2011/12 in MEUR*	Gross return in %	Remaining liability on existing financing in MEUR	Financing costs in %	LTV in %
95.6%	33.4	5.0%	1,444.8	2.1%	54.2%
<b>95.6%</b>	<b>33.4</b>	<b>5.0%</b>	<b>1,444.8</b>	<b>2.1%</b>	<b>54.2%</b>

## HOTELS

The carrying amount of the business segment “Hotels” amounts to EUR 199.2 million or 2.3% of the standing investments portfolio. The four properties – three hotels in Austria and one in Switzerland – have 67,222 sqm of rentable space and an occupancy rate of 93.7%. The *Hotel Kempinski* in St. Moritz, Switzerland, is the most important property in this category based on the carrying amount.

Plans call for the sale of all of these hotels in the short- to medium term, since they lie outside the strategic focus of IMMOFINANZ Group.

Key data on the Hotels business segment is shown below:

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %	Rental income Q2 2011/12 in MEUR*	Gross return in %	Remaining liability on existing financing in MEUR	Financing costs in %	LTV in %
Hotels	4	199.2	100.0%	67,222	63,019	93.7%	3.5	7.0%	96.0	1.9%	48.2%
<b>IMMOFINANZ Group</b>	<b>4</b>	<b>199.2</b>	<b>100.0%</b>	<b>67,222</b>	<b>63,019</b>	<b>93.7%</b>	<b>3.5</b>	<b>7.0%</b>	<b>96.0</b>	<b>1.9%</b>	<b>48.2%</b>

\* Annualised rental income in Q2 2011/12 based on the main use (Rental income reported in the P&L statement is according to actual use of the property; marginal differences to the P&L statement are hence possible)

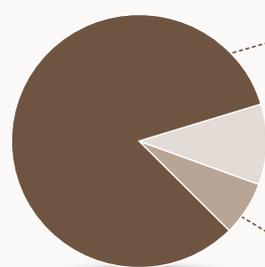
## DEVELOPMENT PROJECTS

Development projects comprise real estate projects currently under construction by IMMOFINANZ Group as well as completed condominium apartments. These properties are reported on the balance sheet under the positions **property under construction** and **inventories**.

The development projects have a carrying amount of EUR 325.3 million or 82.9% of all development projects currently under construction. These properties are designated for rental after completion and will be held as standing investments. A share of 10.4% is attributable to condominium apartments under construction and the remaining 6.7% represent completed condominium apartments.

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
Austria	12	154.8	39.4%	25.8	78,165	183.9
Germany	2	49.5	12.6%	94.3	37,553	162.9
Czech Republic	6	38.4	9.8%	55.6	40,508	115.2
Poland	3	20.8	5.3%	124.4	57,689	173.9
Russia	1	118.0	30.1%	74.8	67,318	254.4
Non-core countries	4	11.1	2.8%	14.0	32,782	28.5
<b>IMMOFINANZ Group</b>	<b>28</b>	<b>392.6</b>	<b>100.0%</b>	<b>388.9</b>	<b>314,013</b>	<b>918.9</b>

IMMOFINANZ Group  
Development projects  
Carrying amount: MEUR 392.6



Development projects under construction: **82.9%** Carrying amount: MEUR 325.3

Condominium apartments under construction: **10.4%** Carrying amount: MEUR 41.0

Completed condominium apartments: **6.7%** Carrying amount: MEUR 26.4

Property development is currently focused on the core markets of Austria, Russia, Czech Republic and Germany. The development projects in non-core countries involve completed condominium apartments and a residential project under construction in Houston, USA. These assets also include nine completed residential projects with a carrying amount of EUR 26.4 million. The fair value of these nine residential projects is EUR 28.1 million.

Measured against the proportionate expected fair value after completion, the highest value in the project development area are attained in Russia with EUR 254.4 million, Austria with EUR 183.9 million and Poland with EUR 173.9 million.

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
Intern. High-Class Office	4	46.9	12.0%	118.2	56,476	200.0
Secondary Office AT/DE	1	51.0	13.0%	6.4	15,994	57.4
Quality Shopping Center	3	154.2	39.3%	177.8	112,952	416.0
STOP.SHOP./Retail Warehouses	3	4.1	1.0%	13.5	17,599	21.3
Residential West	13	127.2	32.4%	72.9	98,254	214.2
Residential East	4	9.1	2.3%	0.0	12,739	9.9
<b>IMMOFINANZ Group</b>	<b>28</b>	<b>392.6</b>	<b>100.0%</b>	<b>388.9</b>	<b>314,013</b>	<b>918.9</b>

The most important property development projects based on the expected fair value after completion are as follows:

Project	Country	Primary use	Planned rentable space in sqm*
Friesenquartier Cologne	Germany	Office	75,105
GoodZone	Russia	Retail	67,318
Various BUWOG-Projects	Austria	Residential	34,989
Galeria Zamek Lublin	Poland	Retail	29,297**
Nimbus	Poland	Office	19,579
Heller Park	Austria	Other	18,322
CSOB Na Prikope	Czech Rep.	Office	16,043
Prinz-Eugen-Straße	Austria	Office	15,994
Expansion STOP.SHOP. Trebic	Czech Rep.	Retail	12,740
CSOB Jungmannova	Czech Rep.	Office	7,668
CSOB Jindriska	Czech Rep.	Office	7,219
STOP.SHOP. Louny	Czech Rep.	Retail	5,804
Expansion STOP.SHOP. Tabor	Czech Rep.	Retail	1,957

\* Rentable space represents the entire project and does not reflect the stake held by IMMOFINANZ Group.

\*\* Site area

### PIPELINE PROJECTS

The pipeline projects generally represent undeveloped land or temporarily suspended projects. These projects are monitored regularly to identify the best timing for their (re)activation. The decision parameters include the availability of building permits, the progress of construction, the legal situation, the amount of equity previously invested by IMMOFINANZ Group, the amount of capital required to complete the project, the availability of bank financing, the level of pre-rentals, the expected return, the returns available on alternative projects, expectations for opportunities to sell the project and other project-specific factors.

Pipeline projects	Number of properties	Carrying amount in MEUR	Carrying amount in %
Austria	71	87.2	16.7%
Germany	2	46.7	8.9%
Czech Republic	2	5.4	1.0%
Hungary	5	44.3	8.5%
Poland	8	17.4	3.3%
Romania	33	254.4	48.7%
Slovakia	5	23.1	4.4%
Non-core countries	11	43.6	8.4%
<b>IMMOFINANZ Group</b>	<b>137</b>	<b>522.0</b>	<b>100.0%</b>

IMMOFINANZ Group had temporarily suspended projects and undeveloped land with a carrying amount of EUR 522.0 million as of 31/10/2011. A ranking by carrying amount shows that regarding pipeline projects, Romania is the biggest core market with EUR 254.4 million, followed by Austria EUR 87.2 million and Germany with EUR 46.7 million. The *Andreasquartier* pipeline project in Germany has been sold after the balance sheet date.

### PROPERTIES HELD FOR SALE

**Properties held for sale** represent standing assets for which the Group had concrete sale plans as of 31/10/2011 that were realised after the balance sheet date. In the portfolio report, these properties are included under standing investments or pipeline projects at a total of EUR 53.2 million.

## Financing

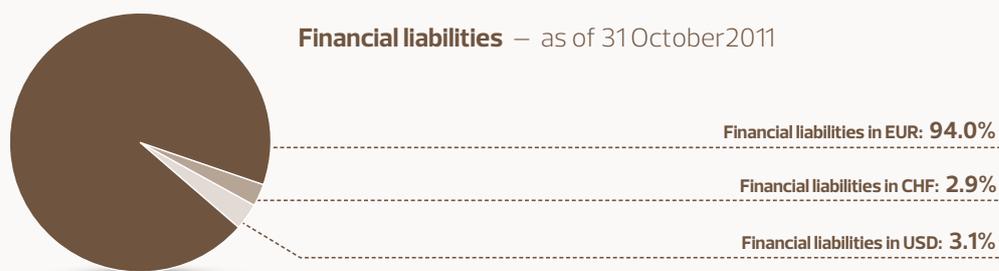
As in the financial year 2010/11, IMMOFINANZ Group was able to arrange all refinancing for standing investments and real estate developments as scheduled. In addition, so far unencumbered standing investments were refinanced with long-term borrowed capital, such as Logistikzentrum *Shushary* in St. Petersburg or the shopping center *Fifth Avenue* in Moscow. Amongst the highlights are the acquisition financing for the International High-Class Office *Park Postepu* in Warsaw for which IMMOFINANZ secured long-term financing for standing investments at attractive conditions. IMMOFINANZ achieved these successful conclusions despite the volatile market environment, which is primarily caused by the national debt crisis in the euro zone. The stress on the credit markets due to the early increased equity requirements in connection with the Basel III Guidelines and the related increased liquidity costs, which were partially passed on to the borrowers by the banks, also had no negative effect on the financing by IMMOFINANZ Group. To the contrary: despite the difficult framework conditions the property company is still able to conclude financing for its standing investments, its acquisitions and its development projects at acceptable conditions. The company benefits from long-standing business relationships with over 110 banks in Austria and other countries. With this broad diversification of financing sources, the Group is not dependent on the actions of individual institutions and also has the broadest possible access to a variety of financing sources.

The major financial liabilities of IMMOFINANZ Group comprise liabilities from convertible bonds, amounts due to financial institutions and amounts due to local authorities. The following table shows the individual positions as of 31/10/2011:

	Outstanding liability in TEUR as of 31 October 2011	Weighted average interest rate	Fixed interest rate, share in %	Variable interest rate, share in %	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Convertible bonds in EUR	818,322.3	3.96%	100.0%	0.0%	818,322.3	0.0	3.96%	0.00%
Bank liabilities in EUR	3,673,897.0	3.30%	13.0%	87.0%	477,486.1	3,196,411.0	3.92%	3.20%
Bank liabilities in CHF	155,307.9	1.46%	2.4%	97.6%	3,783.3	151,524.6	2.25%	1.44%
Bank liabilities in USD	164,196.1	5.76%	13.3%	86.7%	21,822.1	142,374.0	3.08%	6.17%
Local authorities EUR	546,393.8	1.16%	100.0%	0.0%	546,393.8	0.0	1.16%	0.00%
<b>Summe</b>	<b>5,358,117.1</b>	<b>3.20%</b>	<b>34.9%</b>	<b>65.1%</b>	<b>1,867,807.5</b>	<b>3,490,309.5</b>	<b>3.11%</b>	<b>3.25%</b>

In total, the remaining balance of the major financial liabilities held by IMMOFINANZ Group as of 31/10/2011 amounts to EUR 5,358,117.1 million and comprised four outstanding convertible bonds (see page 38), amounts due to financial institutions and amounts due to local authorities. As of 31/10/2011 94.0% of the major financial liabilities were denominated in Euro, a further 3.1% in

US Dollar and 2.9 % in Swiss Francs. The weighted average interest rate of all significant financial liabilities equals 3.20%.



### CONVERTIBLE BONDS

Since the owners of the 2014 convertible bonds (CB 2014) and the 2017 convertible bonds (CB 2017) have the option to put these securities in 2012, IMMOFINANZ AG issued another convertible bond (CB 2018) on 03/03/2011 for the refinancing of these convertible bonds with a nominal value in the amount of EUR 515,122,331.0. Approximately 90% of the proceeds from the CB 2018 were used to repurchase the CB 2014 and CB 2017.

The convertible bonds liabilities as of 31/10/2011 are presented in the following table:

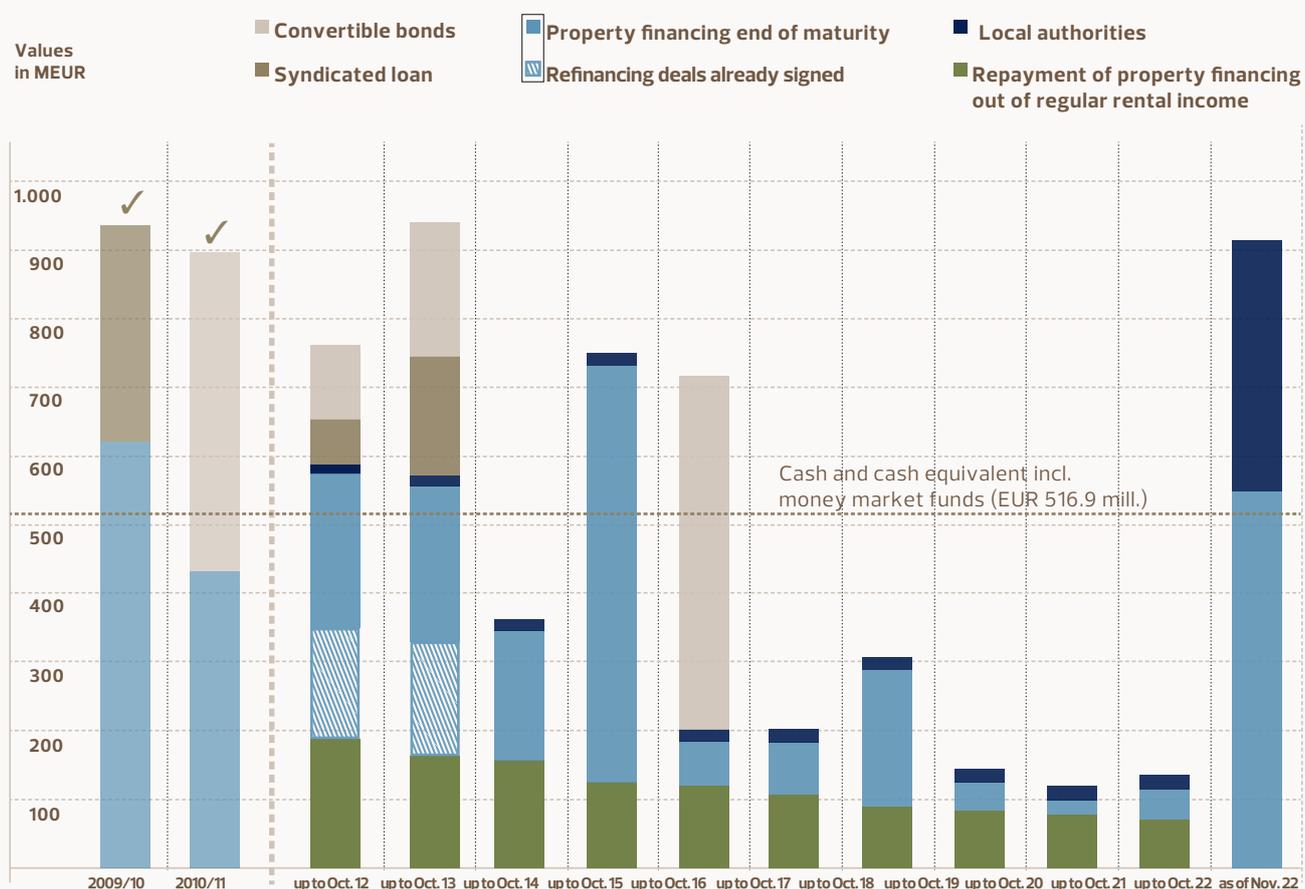
	ISIN	Maturity	Coupon in %	Diluted conversion price in EUR per share	Nominal value as of 31 October 2011 in TEUR
Convertible bond 2009–2011	XS0416178530	22 Dec. 2011	7.00%	1.93	4,900.0
Convertible bond 2007–2014	XS0283649977	19 Jan. 2012*	2.75%	14.16	103,300.0
Convertible bond 2007–2017	XS0332046043	19 Nov. 2012*	3.75%**	8.93	195,000.0
Convertible bond 2011–2018	XS0592528870	08 March 2016*	4.25%	3.94	515,122.3
<b>Total</b>					<b>818,322.3</b>

\* Put option for convertible bond holders

\*\* Held to maturity (Coupon 1.25%)

The 2011 convertible bond (CB 2011) is due for repayment on 22/12/2011. With a conversion price of EUR 1.93 (adjusted conversion price after distribution of dividends pursuant to the resolution of the annual general meeting as of 28/09/2011) and till 06/10/2011 it was possible to convert these bonds into new IMMOFINANZ shares. At the end of the conversion period, the share price was at EUR 2.193, i.e. significantly above the conversion price (approx. 13.6%). In total, in the current financial year a nominal value of EUR 187 million was exchanged into new shares. One of the effects is that the average interest on the convertible bonds compared to 30/04/2011 decreased from 4.52% to 4.00%. IMMOFINANZ AG fulfilled effectively exercised conversion rights of these conversion bonds since 30/04/2011 through supply of 95,104,915 shares. The non-converted convertible bonds in the amount of EUR 4.9 million will be settled with the existing cash.

### Term structure of the major financial liabilities



### DERIVATIVES

As of 31/10/2011 IMMOFINANZ Group held derivatives with a reference value of TEUR 1,992,538.7 to hedge or cap interest rates. In total, 72.1% of the major financial liabilities are secured against interest rate risk.

Derivative	Variable element	Market value incl. accrued interest as of 31 October 2011 in TEUR	Reference amount in TEUR	Average fixed interest rate
CAP	3-M-EURIBOR	-236.0	243,670.3	4.52%
COLLAR	6M-EURIBOR	-1,140.1	240,000.0	2.75%
SWAP	1-M-EURIBOR	-133.9	13,188.0	1.90%
SWAP	3-M-EURIBOR	-40,509.8	1,240,574.8	2.91%
SWAP	6-M-EURIBOR	-6,430.4	167,426.2	3.05%
SWAP	1-M-LIBOR USD	-21.2	43,054.1	0.95%
SWAP	3-M-LIBOR CHF/USD	-788.4	44,625.3	1.65%
<b>IMMOFINANZ Group</b>		<b>-49,259.8</b>	<b>1,992,538.7</b>	

CAPS define an upper limit for the interest rate: if the base rate (e.g. 3-M-Euribor) exceeds this limit, IMMOFINANZ Group receives a settlement payment from its contract partner. A premium-neutral interest rate collar is the combination of a CAP and a Floor (contractually agreed upper and lower interest limit). A minimum or maximum interest rate (corridor) is agreed for this derivative in premium-neutral form. Thus, the derivative does not cause fixed premium payments or additional costs and simultaneously hedges the interest rate. A SWAP exchanges variable for fixed interest payments: variable interest liabilities that are hedged with a SWAP are viewed as fixed from an economic standpoint. Including the expenses for derivatives, the weighted average interest rate for the major financial liabilities equals 3.56%. Excluding the expenses for derivatives, the weighted average interest rate for the major financial liabilities equals 3.20%.

During the reporting period derivatives with a reference value of EUR 191.0 million were concluded to hedge interest rates and expired hedging was replaced. Talks continue in regard to further hedging with the financing banks to use the current attractive interest level.



## Business Development

IMMOFINANZ Group confirmed the successful trend that characterised recent quarters with a strong result in Q2 2011/12. The net profit for the second quarter 2011/12 reached EUR 236.9 million, equivalent to an increase of 740% over the first quarter of the reporting year. Compared to the second quarter last year, the net profit for the period grew nearly five-fold (+380%). In addition to considerable increases in the operative components of this result, unlike in the first quarter of the reporting year, this time we also benefited from highly positive foreign exchange effects.

The continuous optimisation of the portfolio, operative cost reductions and an increased focus on cash flow generation should support a further stable development in operating results on a high level during the coming quarters (adjusted for foreign exchange effects).

Rental income in the third quarter of 2011/12 is expected to exceed the level of the first six months. The increase in rental income is based on the opening of the extension of the *Silesia City Center* shopping center in Poland, the opening of the *Maritimo Shopping Center* in Romania, acquisition of the *Park Postępu* office property in Poland and completion of the *Heller Park* residential and office complex in Austria.

### INCOME FROM ASSET MANAGEMENT

Rental income amounted to EUR 283.7 million in the first six months of 2011/12, which represents an increase of 2.4% over the comparable prior year period (EUR 277.1 million). This positive development is attributable chiefly to the retail segment, where rental income rose by 11.9% or EUR 10.5 million over the first six months of the previous year. In the asset class residential, rental income increased by 4.8% over the same period of the previous year, whereas in the office (-10.5%) and logistics (-1.6%) segments, they fell, especially in Eastern Europe. The decline in the office segment resulted from the sale of properties. Since 30/04/2011, IMMOFINANZ Group has sold five office properties in Austria and one in Germany.

Revenues rose by 2.9% for the first six months to currently EUR 374.7 million. Income from asset management increased in spite of the year-on-year rise by 2.3% to EUR 229.3 million in property expenses (2010/11: EUR 224.2 million). These intensified optimisation measures – in particular, maintenance and renovation projects – are reflected in an amount of EUR 71.4 million (+7.4%). The objective of these improvement measures is to increase occupancy rates and rental income as well as future sales revenues.

### INCOME FROM PROPERTY SALES

The sale of properties during the reporting period generated income of EUR 24.1 million (2010/11: EUR 13.1 million). These transactions mainly involved properties in Austria, Germany and Poland. Property sales during the first six months of the reporting year included, among others, the 30% stake in the *MyPlace SelfStorage* logistics property as well as the *Office Campus Gasometer office complex* in Vienna, the *Cirrus* development project in Warsaw, various fund investments as well as residential property of BUWOG. These transactions reflect the steady implementation of the Group's

strategy to sell non-controlling interests or joint venture investments or to develop them into majority holdings. After the reporting period, the 50% joint venture investment in the development project *Andreasquartier* in Düsseldorf was sold. In accordance with IFRS standards, the investment's revaluation surplus associated with the sale is already reported in the half-yearly report as of 31/10/2011.

#### **INCOME FROM PROPERTY DEVELOPMENT**

The sale of inventories and the valuation of active development projects generated proceeds of EUR 42.4 million before foreign exchange effects for IMMOFINANZ Group. This represents a clear increase in comparison with the previous year (EUR -4.5 million) from this increasingly important source of income. The largest contribution to this outstanding result came from the extension of the *Silesia City Center* shopping center in Katowice, Poland.

#### **ADMINISTRATIVE EXPENSES**

The deconsolidation of a number of companies and the subsequent integration of the related asset management activities into existing structures led to a reduction in overhead costs. Administrative expenses (overhead costs and personnel expenses) compared to the same period last year, were reduced from EUR 79.5 million to EUR 61.9 million. This represents a decline of EUR 17.6 million or 22.2%.

#### **RESULTS OF OPERATIONS, EBIT, EBT, NET PROFIT**

As a result of the constant improvement of operative parameters, the results of operations with EUR 270.3 million clearly increased over the same period last year (EUR 176.3 million). Based on positive valuation results (incl. foreign exchange effects) of EUR 349.0 million (2010/11: EUR 91.4 million), IMMOFINANZ Group's EBIT amounted to EUR 619.3 million (2010/11: EUR 267.7 million). In addition to operative improvements, this increase is due to improved property valuation results (EUR +74.7 million), higher foreign exchange effects (EUR +161.2 million), lower amortisation and depreciation (EUR -10.2 million) and lower additions to provisions (EUR -11.6 million.) over the same period in the previous year.

Financial results were clearly negative at EUR -315.7 million (2010/11: EUR -149.3 million). This amount also includes negative non-cash accounting foreign exchange effects of EUR -192.9 million (as contra items to the positive, valuation effects resulting from foreign exchange effects) as well as negative effects from the valuation of derivatives held for hedging purposes in the amount of EUR -29.7 million.

Earnings before tax (EBT) thus rose from EUR 118.4 million to EUR 303.6 million over the same period last year. Overall, net profits for the first six months of 2011/12 amounted to EUR 265.1 million. Excluding these non-cash foreign exchange effects, the net profit would have equalled EUR 198.6 million. This still would be double (+101.8%) the net profit adjusted for non-cash foreign currency effects.

### CASH FLOW AND DISTRIBUTION OF DIVIDENDS, FORECAST

The operating cash flow rose by 32.8% to EUR 195.8 million over the same period the previous year. The approximate relevant cash flow for dividend distribution was increased by EUR 37.0 million to EUR 152.1 million\*. It comprises cash flow from earnings minus interest paid and received and the cash drain from derivatives plus income from property sales. For the reporting period, a dividend distribution of EUR 0.15/share, equalling a total of EUR 155.4 million is planned. 97.8% of this required amount have already been generated in the first six months of 2011/12. Since this cash flow calculation does not include any cash inflows from the sale of properties, but only the income generated from it, the planned dividend distribution will be 100% feasible from the pure operating cash flow, provided that the company is not faced with any opposing trends.

In spite of the volatility of the financial and capital markets, we continue to expect a stable development in the IMMOFINANZ Group's markets for the rest of the financial year.

### NAV PER SHARE AND EARNINGS PER SHARE

Diluted net asset value (NAV) per share in spite of a distribution of dividends in October 2011 was increased by EUR 0.10 per share from EUR 5.36 on 30/04/2011 to EUR 5.47. This increase is based on the good results of the first six months of the reporting year. Based on the share price as of 30/11/2011 (EUR 2.228), the IMMOFINANZ share traded at a discount of 58.2% to the NAV per share. Diluted earnings per share for the first six months of 2011/12 amounted to EUR 0.25.

*\* (The cash flow from the result (EUR 195.8 million) minus interest paid (EUR -73.0 million) plus interest received (EUR 8.8 million) minus cash outflow from derivatives (EUR -8.6 million) plus income from property sales (EUR 24.1 million) plus income from the sale of inventories minus production costs (EUR 4.9 million).*

# Interim Financial Statements

Fifth Avenue, Moscow, Russia





## Consolidated Income Statement

All amounts in TEUR	01 August 2011– 31 October 2011	01 May 2011– 31 October 2011	01 August 2010– 31 October 2010	01 May 2010– 31 October 2010
Office	35,497.1	70,556.9	38,875.2	78,793.4
Logistics	18,474.2	36,628.8	19,112.8	37,239.8
Retail	48,367.2	98,374.7	44,458.0	87,895.1
Residential	32,400.5	64,432.3	30,156.3	61,471.4
Other rental income	6,897.6	13,725.2	5,810.7	11,652.4
<b>Rental income</b>	<b>141,636.6</b>	<b>283,717.9</b>	<b>138,413.0</b>	<b>277,052.1</b>
Operating costs charged to tenants	37,113.8	75,849.6	37,411.5	76,655.9
Other revenues	7,760.4	15,095.5	4,737.1	10,552.1
<b>Revenues</b>	<b>186,510.8</b>	<b>374,663.0</b>	<b>180,561.6</b>	<b>364,260.1</b>
Real estate expenses	-33,641.5	-71,429.9	-38,171.9	-66,488.2
Operating expenses	-36,427.4	-73,934.8	-35,431.6	-73,566.5
<b>Income from asset management</b>	<b>116,441.9</b>	<b>229,298.3</b>	<b>106,958.1</b>	<b>224,205.4</b>
Sale of properties	40,251.8	105,580.1	17,585.4	68,367.5
Carrying amount of sold properties	-40,264.0	-105,562.8	-18,124.0	-68,022.8
Gains/losses from deconsolidation	0.0	-1,622.9	623.8	623.8
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	22,186.6	25,712.5	6,652.7	12,438.8
<b>Income from property sales before foreign exchange effects</b>	<b>22,174.4</b>	<b>24,106.9</b>	<b>6,737.9</b>	<b>13,407.3</b>
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0.0	0.0	-318.9	-318.9
<b>Income from property sales</b>	<b>22,174.4</b>	<b>24,106.9</b>	<b>6,419.0</b>	<b>13,088.4</b>
Sale of real estate inventories	33,679.5	37,721.2	21,256.6	36,313.9
Cost of goods sold	-29,427.0	-32,783.5	-21,025.0	-30,094.1
Revaluation of properties under construction adjusted for foreign exchange effects	26,259.0	37,472.7	-10,262.7	-10,718.8
<b>Income from property development before foreign exchange effects</b>	<b>30,511.5</b>	<b>42,410.4</b>	<b>-10,031.1</b>	<b>-4,499.0</b>
Revaluation of properties under construction resulting from foreign exchange effects	16,861.9	15,421.2	4,623.0	5,890.3
<b>Income from property development</b>	<b>47,373.4</b>	<b>57,831.6</b>	<b>-5,408.1</b>	<b>1,391.3</b>
Other operating income	14,297.1	20,954.3	7,914.6	17,165.1
<b>Income from operations</b>	<b>200,286.8</b>	<b>332,191.1</b>	<b>115,883.6</b>	<b>255,850.2</b>
Overhead expenses	-16,324.6	-35,794.0	-35,649.1	-67,575.6
Personnel expenses	-12,915.9	-26,117.1	-6,081.1	-11,967.1
<b>Results of operations</b>	<b>171,046.3</b>	<b>270,280.0</b>	<b>74,153.4</b>	<b>176,307.5</b>
Revaluation of investment properties adjusted for foreign exchange effects	75,734.3	121,184.4	42,524.3	46,488.4
Revaluation of investment properties resulting from foreign exchange effects	251,270.8	251,503.6	37,413.9	90,301.8
Impairment and related reversals	-15,581.2	-14,680.2	-36,467.3	-24,890.7
Addition to/reversal of provision for onerous contracts	-6,890.0	-8,978.4	-17,124.9	-20,552.6
<b>Other revaluation results</b>	<b>304,533.9</b>	<b>349,029.4</b>	<b>26,346.0</b>	<b>91,346.9</b>
<b>Operating profit (EBIT)</b>	<b>475,580.2</b>	<b>619,309.4</b>	<b>100,499.4</b>	<b>267,654.4</b>
Financing costs	-58,255.6	-124,895.4	-56,240.2	-113,042.2
Financing income	17,422.8	31,369.0	23,793.1	49,316.2
Foreign exchange differences	-152,067.5	-192,937.5	-24,060.5	-85,977.7
Other financial results	-12,866.1	-29,668.2	11,287.5	3,078.6
Shares of profit/loss from associated companies	1,765.3	396.4	-2,412.9	-2,643.8
<b>Financial results</b>	<b>-204,001.1</b>	<b>-315,735.7</b>	<b>-47,633.0</b>	<b>-149,268.9</b>
<b>Earnings before tax (EBT)</b>	<b>271,579.1</b>	<b>303,573.7</b>	<b>52,866.4</b>	<b>118,385.5</b>
Income tax expenses	-2,775.9	-8,917.7	-5,548.3	-11,208.4
Deferred tax expenses	-31,856.2	-29,553.7	1,999.9	1,108.1
<b>Net profit for the period</b>	<b>236,947.0</b>	<b>265,102.3</b>	<b>49,318.0</b>	<b>108,285.2</b>
<b>Thereof attributable to owners of the parent company</b>	<b>233,607.2</b>	<b>265,041.0</b>	<b>49,480.4</b>	<b>108,863.5</b>
<b>Thereof attributable to non-controlling interests</b>	<b>3,339.8</b>	<b>61.3</b>	<b>-162.4</b>	<b>-578.3</b>
<b>Basic earnings per share in EUR</b>	<b>0.24</b>	<b>0.28</b>	<b>0.05</b>	<b>0.11</b>
<b>Diluted earnings per share in EUR</b>	<b>0.21</b>	<b>0.25</b>	<b>0.05</b>	<b>0.11</b>

## Consolidated Statement of Comprehensive Income

All amounts in TEUR	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010
<b>Net profit for the period</b>	<b>265,102.3</b>	<b>108,285.2</b>
<b>Other income and expenses recognised directly in equity</b>		
Investments not recognised through profit or loss	4,288.4	-1,106.6
Deferred taxes not recognised through profit or loss	0.0	1,129.9
Realisation of unrealised losses	0.0	6,691.4
Realisation of deferred taxes	0.0	-1,672.8
Currency translation adjustment	-72,893.8	-28,624.6
Changes in shareholders' equity of associates	-2,464.5	0.0
<b>Total other income and expenses recognised directly in equity</b>	<b>-71,069.9</b>	<b>-23,582.7</b>
<b>Total comprehensive income</b>	<b>194,032.4</b>	<b>84,702.5</b>
<b>Thereof attributable to owners of the parent company</b>	<b>194,159.1</b>	<b>85,612.3</b>
<b>Thereof attributable to non-controlling interests</b>	<b>-126.7</b>	<b>-909.8</b>

## Consolidated Balance Sheet as of 31 October 2011

All amounts in TEUR	31 October 2011	30 April 2011
Investment property	9,043,993.2	8,670,084.6
Property under construction	325,282.1	299,646.5
Other tangible assets	20,061.1	23,873.6
Intangible assets	213,649.8	208,110.2
Investments in associated companies	103,178.9	105,750.4
Trade and other receivables	756,187.0	784,669.1
Other financial instruments	241,852.8	247,242.1
Deferred tax assets	59,496.8	61,862.4
<b>Non-current assets</b>	<b>10,763,701.7</b>	<b>10,401,238.9</b>
Trade and other receivables	357,196.1	268,372.5
Other financial assets	10,877.4	41,613.4
Non-current assets held for sale	53,158.0	304,585.7
Inventories	224,078.4	214,482.4
Cash and cash equivalents	506,012.8	525,633.7
<b>Current assets</b>	<b>1,151,322.7</b>	<b>1,354,687.7</b>
<b>Assets</b>	<b>11,915,024.4</b>	<b>11,755,926.6</b>
Share capital	1,184,025.9	1,085,289.4
Capital reserves	4,533,182.1	4,445,686.1
Treasury shares	-302,615.3	-302,615.3
Accumulated other equity	-73,969.4	-11,309.2
Retained earnings	108,563.5	-61,210.0
	<b>5,449,186.8</b>	<b>5,155,841.0</b>
Non-controlling interests	12,689.2	14,270.3
<b>Equity</b>	<b>5,461,876.0</b>	<b>5,170,111.3</b>
Liabilities from convertible bonds	692,948.2	683,242.9
Long-term financial liabilities	3,812,952.0	3,799,539.9
Trade and other liabilities	221,228.5	168,508.0
Provisions	5,296.2	5,814.3
Deferred tax liabilities	474,141.5	471,301.1
<b>Non-current liabilities</b>	<b>5,206,566.4</b>	<b>5,128,406.2</b>
Liabilities from convertible bonds	115,355.4	297,849.4
Short-term financial liabilities	626,028.5	529,642.7
Trade and other liabilities	337,714.4	409,017.6
Provisions	150,000.4	144,423.3
Financial liabilities held for sale	17,483.3	76,476.1
<b>Current liabilities</b>	<b>1,246,582.0</b>	<b>1,457,409.1</b>
<b>Equity and liabilities</b>	<b>11,915,024.4</b>	<b>11,755,926.6</b>

## Consolidated Cash Flow Statement

All amounts in TEUR	01 May 2010– 31 October 2010	01 May 2010– 31 October 2010
Earnings before tax (EBT)	303,573.7	118,385.5
Revaluation/impairment losses/recognition of gains on bargain purchases	-427,809.2	-104,928.9
Gains/losses from associated companies	-396.4	2,643.9
Gains/losses from disposal of non-controlling interests	2,042.2	12,382.4
Temporary changes in the fair value of financial instruments	223,603.5	83,862.6
Income taxes paid	-10,250.6	-6,055.3
Net financing costs	93,085.6	64,199.8
Results from the change in investments	9,110.0	-742.0
Other non-cash income/(expense)	2,818.6	-22,364.8
<b>Gross cash flow</b>	<b>195,777.4</b>	<b>147,383.2</b>
Receivables and other assets	-88,591.3	102,927.8
Trade accounts payable	-13,276.6	6,802.8
Provisions (excl. provisions for taxes and onerous contracts)	-6,923.9	-40,913.7
Other liabilities	-79,605.2	-21,879.0
<b>Cash flow from operating activities</b>	<b>7,380.4</b>	<b>194,321.1</b>
Acquisition of investment property	-132,497.0	-25,039.0
Acquisition of property under construction	-115,563.6	-61,446.1
Acquisition of property companies net of cash and cash equivalents (EUR 89,0 mill.; 2010/11: EUR 1,5 mill.)	-39,624.0	-5,981.0
Acquisition of other tangible assets	-1,231.0	-1,321.3
Acquisition of intangible assets	-490.1	-784.2
Acquisition of financial investments	-6,516.9	-26,102.1
Proceeds from disposal of property companies net of cash and cash equivalents	49,800.3	13,407.2
Proceeds from disposal of non-current assets	91,954.7	81,397.7
Proceeds from disposal of financial instruments	134,783.6	50,184.2
Interest received from financial instruments	8,810.6	3,382.3
<b>Cash flow from investing activities</b>	<b>-10,573.4</b>	<b>27,697.7</b>
Cash inflows from long-term financing	269,561.6	0.0
Cash inflows from the "Berlin contracts"	0.0	164,000.0
Cash outflows for long-term financing	-222,197.5	-353,966.5
Cash outflows from changes in shares of subsidiaries	-779.1	1,612.8
Cash outflows for derivative transactions	-8,551.6	-2,144.8
Interest paid	-73,019.4	-53,159.9
Distributions	-99,020.3	0.0
<b>Cash flow from financing activities</b>	<b>-134,006.3</b>	<b>-243,658.4</b>
Net foreign exchange differences	86,842.4	48,267.9
<b>Change in cash and cash equivalents</b>	<b>-50,356.9</b>	<b>26,628.3</b>
Cash and cash equivalents at the beginning of the period	567,247.1	536,653.0
Cash and cash equivalents at the end of the period	516,890.2	563,281.3
<b>Change in cash and cash equivalents</b>	<b>-50,356.9</b>	<b>26,628.3</b>

## Statement of Changes in Equity

Q2 2011/12	Attributable to owners of the parent company			Accumulated other equity
	Share Capital	Capital reserves	Treasury shares	Revaluation reserve
<b>All amounts in TEUR</b>				
<b>Balance on 30 April 2011</b>	<b>1,085,289.4</b>	<b>4,445,686.1</b>	<b>-302,615.3</b>	<b>106,557.6</b>
Revaluation of investments recognised directly in equity				
Currency translation adjustment				
Changes in shareholders' equity of associates				
<b>Total other income and expenses recognised directly in equity</b>				
Net profit as of 31 October 2011				
<b>Total comprehensive income</b>				
Capital increase from the conversion of convertible bonds	98,736.5	87,496.0		
Distributions				
Structural changes				
Change in consolidation method/addition to the scope of consolidation				
Deconsolidations				
<b>Balance on 31 October 2011</b>	<b>1,184,025.9</b>	<b>4,533,182.1</b>	<b>-302,615.3</b>	<b>106,557.6</b>
<b>Q2 2010/11</b>				
<b>All amounts in TEUR</b>				
<b>Balance on 30 April 2011 (reported)</b>	<b>1,084,088.5</b>	<b>4,416,756.7</b>	<b>0.0</b>	<b>107,089.7</b>
Adjustment in accordance with IAS 8				
<b>Balance on 30 April 2011 (adjusted)</b>	<b>1,084,088.5</b>	<b>4,416,756.7</b>	<b>0.0</b>	<b>107,089.7</b>
Revaluation of investments recognised directly in equity				
Deferred taxes recognised directly in equity				
Realisation of unrealised losses				
Realisation of deferred taxes				
Currency translation adjustment				
<b>Total other income and expenses recognised directly in equity</b>				
Net profit as of 31 October 2011				
<b>Total comprehensive income</b>				
Share buyback			-156,859.7	
Capital increase				
Structural changes				
Change in consolidation method/addition to the scope of consolidation				
Deconsolidations				-379.1
<b>Balance on 31 October 2011</b>	<b>1,084,088.5</b>	<b>4,416,756.7</b>	<b>-156,859.7</b>	<b>106,710.6</b>

AfS reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>6,769.3</b>	<b>-124,636.1</b>	<b>-61,210.0</b>	<b>5,155,841.0</b>	<b>14,270.3</b>	<b>5,170,111.3</b>
4,288.4			4,288.4		4,288.4
	-72,705.8		-72,705.8	-188.0	-72,893.8
	-2,464.5		-2,464.5		-2,464.5
<b>4,288.4</b>	<b>-75,170.3</b>		<b>-70,881.9</b>	<b>-188.0</b>	<b>-71,069.9</b>
		265,041.0	265,041.0	61.3	265,102.3
<b>4,288.4</b>	<b>-75,170.3</b>	<b>265,041.0</b>	<b>194,159.1</b>	<b>-126.7</b>	<b>194,032.4</b>
			186,232.5		186,232.5
		-99,020.3	-99,020.3		-99,020.3
		719.9	719.9	-1,492.5	-772.6
	7,882.6		7,882.6	38.1	7,920.7
	339.1	3,032.9	3,372.0		3,372.0
<b>11,057.7</b>	<b>-191,584.7</b>	<b>108,563.5</b>	<b>5,449,186.8</b>	<b>12,689.2</b>	<b>5,461,876.0</b>
AfS reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>11,435.2</b>	<b>-127,149.8</b>	<b>-660,266.5</b>	<b>4,831,953.8</b>	<b>40,918.9</b>	<b>4,872,872.7</b>
		284,560.6	284,560.6		284,560.6
<b>11,435.2</b>	<b>-127,149.8</b>	<b>-375,705.9</b>	<b>5,116,514.4</b>	<b>40,918.9</b>	<b>5,157,433.3</b>
-1,106.6			-1,106.6		-1,106.6
1,129.9			1,129.9		1,129.9
6,691.4			6,691.4		6,691.4
-1,672.8			-1,672.8		-1,672.8
	-28,293.1		-28,293.1	-331.5	-28,624.6
<b>5,041.9</b>	<b>-28,293.1</b>		<b>-23,251.2</b>	<b>-331.5</b>	<b>-23,582.7</b>
		108,863.5	108,863.5	-578.3	108,285.2
<b>5,041.9</b>	<b>-28,293.1</b>	<b>108,863.5</b>	<b>85,612.3</b>	<b>-909.8</b>	<b>84,702.5</b>
			-156,859.7		-156,859.7
				140.5	140.5
		-1,479.4	-1,479.4	993.8	-485.6
	6.8		6.8	-2,355.5	-2,348.7
	14.8	553.9	189.6		189.6
<b>16,477.1</b>	<b>-155,421.3</b>	<b>-267,767.9</b>	<b>5,043,984.0</b>	<b>38,787.9</b>	<b>5,082,771.9</b>

## Segment Reporting

All amounts in TEUR	Austria	
	2011/12	2010/11
Office	19,833.4	22,374.1
Logistics	1,387.0	1,489.5
Retail	18,071.7	19,484.3
Residential	52,530.2	51,236.5
Other rental income	6,585.2	5,387.4
<b>Rental income</b>	<b>98,407.5</b>	<b>99,971.8</b>
Operating costs charged to tenants	28,897.7	30,317.3
Other revenues	5,588.9	4,566.0
<b>Revenues</b>	<b>132,894.1</b>	<b>134,855.1</b>
Real estate expenses	-39,390.7	-36,688.7
Operating expenses	-26,599.9	-27,619.8
<b>Income from asset management</b>	<b>66,903.5</b>	<b>70,546.6</b>
Sale of properties	88,934.6	67,882.5
Carrying amount of sold properties	-88,917.3	-67,354.1
Gains/losses from deconsolidation	-2,617.5	3.5
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	7,867.5	12,341.5
<b>Income from property sales before foreign exchange effects</b>	<b>5,267.3</b>	<b>12,873.4</b>
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0.0	0.0
<b>Income from property sales</b>	<b>5,267.3</b>	<b>12,873.4</b>
Sale of real estate inventories	36,499.7	27,540.1
Cost of goods sold	-31,533.0	-23,764.6
Revaluation of properties under construction adjusted for foreign exchange effects	-1,569.8	-10,334.4
<b>Income from property development before foreign exchange effects</b>	<b>3,396.9</b>	<b>-6,558.9</b>
Revaluation of properties under construction resulting from foreign exchange effects	0.0	0.0
<b>Income from property development</b>	<b>3,396.9</b>	<b>-6,558.9</b>
Other operating income	12,455.8	10,938.6
<b>Income from operations</b>	<b>88,023.5</b>	<b>87,799.7</b>
Overhead expenses	-18,071.7	-15,199.7
Personnel expenses	-8,472.3	-7,356.2
<b>Results of operations</b>	<b>61,479.5</b>	<b>65,243.8</b>
Revaluation of investment properties adjusted for foreign exchange effects	32,080.7	44,128.5
Revaluation of investment properties resulting from foreign exchange effects	0.0	0.0
Impairment and related reversals	4,232.9	-10,343.3
Addition to/reversal of provision for onerous contracts	0.0	17.3
<b>Other revaluation results</b>	<b>36,313.6</b>	<b>33,802.5</b>
<b>Operating profit (EBIT)</b>	<b>97,793.1</b>	<b>99,046.3</b>
<b>Financial results</b>		
Income tax expenses		
<b>Net profit for the period</b>		
Investment property	3,761,178.2	3,857,635.8
Property under construction	117,450.5	61,463.2
Goodwill	714.6	0.0
Properties held for sale	9,645.0	0.0
Inventories	97,435.2	59,593.5
<b>Segment assets</b>	<b>3,986,423.5</b>	<b>3,978,692.5</b>
<b>Segment investments</b>	<b>37,978.5</b>	<b>0.0</b>

Germany		Poland		Czech Republic		Slovakia	
2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
1,485.6	1,701.0	11,916.3	12,293.8	13,918.8	14,242.8	2,791.8	3,124.2
17,135.8	17,756.2	1,135.8	1,275.6	586.7	581.0	462.1	218.3
797.8	2,139.2	7,474.1	9,692.6	5,421.5	5,527.4	6,037.8	5,422.7
4,900.0	4,547.5	0.0	0.0	2.6	6.8	0.0	0.0
728.6	693.1	975.3	957.6	1,316.5	1,083.6	192.5	233.0
<b>25,047.8</b>	<b>26,837.0</b>	<b>21,501.5</b>	<b>24,219.6</b>	<b>21,246.1</b>	<b>21,441.6</b>	<b>9,484.2</b>	<b>8,998.2</b>
5,093.6	4,936.7	7,981.0	8,725.7	6,713.4	6,288.7	3,789.9	4,384.9
350.9	415.3	3,151.2	1,301.1	356.6	386.1	1,843.2	990.0
<b>30,492.3</b>	<b>32,189.0</b>	<b>32,633.7</b>	<b>34,246.4</b>	<b>28,316.1</b>	<b>28,116.4</b>	<b>15,117.3</b>	<b>14,373.1</b>
-5,159.0	-5,758.3	-2,885.2	-1,460.4	-2,693.7	-2,426.7	-967.9	-596.6
-5,206.8	-4,988.3	-7,484.9	-8,259.4	-6,713.4	-6,288.7	-4,409.2	-4,384.9
<b>20,126.5</b>	<b>21,442.4</b>	<b>22,263.6</b>	<b>24,526.6</b>	<b>18,909.0</b>	<b>19,401.0</b>	<b>9,740.2</b>	<b>9,391.6</b>
16,350.0	0.0	0.3	0.0	7.1	1.0	0.0	0.0
-16,350.0	0.0	-0.3	0.0	-7.1	-130.8	0.0	11.5
0.0	12,436.8	994.6	-208.1	0.0	384.9	0.0	0.0
17,792.6	0.0	0.0	0.0	0.0	97.3	0.0	0.0
<b>17,792.6</b>	<b>12,436.8</b>	<b>994.6</b>	<b>-208.1</b>	<b>0.0</b>	<b>352.4</b>	<b>0.0</b>	<b>11.5</b>
0.0	0.0	0.0	0.0	0.0	-318.9	0.0	0.0
<b>17,792.6</b>	<b>12,436.8</b>	<b>994.6</b>	<b>-208.1</b>	<b>0.0</b>	<b>33.5</b>	<b>0.0</b>	<b>11.5</b>
0.0	0.0	64.0	5,760.2	0.0	0.0	0.0	0.0
0.0	0.0	-421.0	-4,330.1	0.0	0.0	0.0	0.0
-769.0	-1,750.9	33,993.6	3,302.7	2,609.4	-469.4	0.0	349.7
<b>-769.0</b>	<b>-1,750.9</b>	<b>33,636.6</b>	<b>4,732.8</b>	<b>2,609.4</b>	<b>-469.4</b>	<b>0.0</b>	<b>349.7</b>
0.0	0.0	6,710.2	110.6	1,063.0	-1,030.0	0.0	0.0
<b>-769.0</b>	<b>-1,750.9</b>	<b>40,346.8</b>	<b>4,843.4</b>	<b>3,672.4</b>	<b>-1,499.4</b>	<b>0.0</b>	<b>349.7</b>
1,161.9	1,764.5	1,068.2	332.9	1,071.6	121.7	134.4	164.6
<b>38,312.0</b>	<b>33,892.8</b>	<b>64,673.2</b>	<b>29,494.8</b>	<b>23,653.0</b>	<b>18,056.8</b>	<b>9,874.6</b>	<b>9,917.4</b>
-6,169.1	-6,562.7	-1,571.6	-1,394.0	-503.7	-1,844.0	-765.1	-1,384.6
-532.3	-454.6	-357.1	-208.3	0.0	-0.1	-0.1	-0.3
<b>31,610.6</b>	<b>26,875.5</b>	<b>62,744.5</b>	<b>27,892.5</b>	<b>23,149.3</b>	<b>16,212.7</b>	<b>9,109.4</b>	<b>8,532.5</b>
5,135.7	13,673.3	26,150.8	2,974.1	-3,014.4	-5,227.6	469.3	-1,142.4
0.0	0.0	77,388.8	10,259.0	19,760.1	-23,534.8	0.0	0.0
-628.4	-1,839.9	-12,111.2	666.5	-6,175.4	1,186.6	-2,405.4	-221.5
0.0	-0.1	-49.1	-0.1	-4,340.5	0.0	-5.5	-0.1
<b>4,507.3</b>	<b>11,833.3</b>	<b>91,379.3</b>	<b>13,899.5</b>	<b>6,229.8</b>	<b>-27,575.8</b>	<b>-1,941.6</b>	<b>-1,364.0</b>
<b>36,117.9</b>	<b>38,708.8</b>	<b>154,123.8</b>	<b>41,792.0</b>	<b>29,379.1</b>	<b>-11,363.1</b>	<b>7,167.8</b>	<b>7,168.5</b>
591,740.0	710,508.0	908,560.0	651,459.0	630,247.4	639,644.4	282,700.0	272,200.0
28,721.6	25,376.0	20,100.0	10,200.0	38,400.0	28,350.0	0.0	1,700.0
508.4	508.4	13,796.8	10,037.2	48,931.6	49,883.1	1,010.3	911.5
43,513.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20,798.4	23,424.0	15,511.4	18,109.5	0.0	0.0	12,635.0	13,434.7
<b>685,281.4</b>	<b>759,816.4</b>	<b>957,968.2</b>	<b>689,805.7</b>	<b>717,579.0</b>	<b>717,877.5</b>	<b>296,345.3</b>	<b>288,246.2</b>
<b>4,330.9</b>	<b>0.0</b>	<b>170,617.8</b>	<b>0.0</b>	<b>4,181.3</b>	<b>0.0</b>	<b>112.8</b>	<b>0.0</b>

## Segment Reporting

All amounts in TEUR	Hungary	
	2011/12	2010/11
Office	7,199.0	9,088.4
Logistics	2,026.1	1,980.8
Retail	6,709.6	6,569.0
Residential	0.0	0.0
Other rental income	515.9	623.8
<b>Rental income</b>	<b>16,450.6</b>	<b>18,262.0</b>
Operating costs charged to tenants	6,157.5	6,577.9
Other revenues	609.4	226.1
<b>Revenues</b>	<b>23,217.5</b>	<b>25,066.0</b>
Real estate expenses	-2,567.1	-2,420.6
Operating expenses	-6,161.5	-6,569.0
<b>Income from asset management</b>	<b>14,488.9</b>	<b>16,076.4</b>
Sale of properties	175.7	0.0
Carrying amount of sold properties	-175.7	0.0
Gains/losses from deconsolidation	0.0	0.0
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	15.3	0.0
<b>Income from property sales before foreign exchange effects</b>	<b>15.3</b>	<b>0.0</b>
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0.0	0.0
<b>Income from property sales</b>	<b>15.3</b>	<b>0.0</b>
Sale of real estate inventories	0.0	0.0
Cost of goods sold	0.0	-66.0
Revaluation of properties under construction adjusted for foreign exchange effects	0.0	0.0
<b>Income from property development before foreign exchange effects</b>	<b>0.0</b>	<b>-66.0</b>
Revaluation of properties under construction resulting from foreign exchange effects	0.0	0.0
<b>Income from property development</b>	<b>0.0</b>	<b>-66.0</b>
Other operating income	927.3	2,870.5
<b>Income from operations</b>	<b>15,431.5</b>	<b>18,880.9</b>
Overhead expenses	-466.1	-520.7
Personnel expenses	-45.7	-49.8
<b>Results of operations</b>	<b>14,919.7</b>	<b>18,310.4</b>
Revaluation of investment properties adjusted for foreign exchange effects	-2,556.8	-6,847.8
Revaluation of investment properties resulting from foreign exchange effects	67,903.6	10,124.9
Impairment and related reversals	339.9	-169.4
Addition to/reversal of provision for onerous contracts	-332.3	0.0
<b>Other revaluation results</b>	<b>65,354.4</b>	<b>3,107.7</b>
<b>Operating profit (EBIT)</b>	<b>80,274.1</b>	<b>21,418.1</b>
<b>Financial results</b>		
Income tax expenses		
<b>Net profit for the period</b>		
Investment property	554,299.2	555,101.2
Property under construction	0.0	-10.7
Goodwill	7,306.1	12,009.4
Properties held for sale	0.0	0.0
Inventories	0.0	0.0
<b>Segment assets</b>	<b>561,605.3</b>	<b>567,099.9</b>
<b>Segment investments</b>	<b>405.8</b>	<b>0.0</b>

Romania		Russia		Other non-core countries		Total reportable segments	
2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
12,046.6	14,718.1	0.0	0.0	1,365.4	1,251.0	70,556.9	78,793.4
1,438.8	1,741.7	1,946.6	1,995.2	10,509.9	10,201.5	36,628.8	37,239.8
7,698.6	6,016.7	45,324.3	32,121.6	839.3	921.6	98,374.7	87,895.1
0.0	0.0	0.0	0.0	6,999.5	5,680.6	64,432.3	61,471.4
628.6	281.6	98.0	95.3	2,684.6	2,297.0	13,725.2	11,652.4
<b>21,812.6</b>	<b>22,758.1</b>	<b>47,368.9</b>	<b>34,212.1</b>	<b>22,398.7</b>	<b>20,351.7</b>	<b>283,717.9</b>	<b>277,052.1</b>
8,183.9	7,479.5	7,696.4	6,861.9	1,336.2	1,083.3	75,849.6	76,655.9
1,702.5	1,379.5	1,249.3	957.4	243.5	330.6	15,095.5	10,552.1
<b>31,699.0</b>	<b>31,617.1</b>	<b>56,314.6</b>	<b>42,031.4</b>	<b>23,978.4</b>	<b>21,765.6</b>	<b>374,663.0</b>	<b>364,260.1</b>
-6,683.5	-5,848.3	-5,211.5	-5,758.7	-5,871.3	-5,529.9	-71,429.9	-66,488.2
-8,183.9	-7,479.6	-7,696.4	-6,861.9	-1,478.8	-1,114.9	-73,934.8	-73,566.5
<b>16,831.6</b>	<b>18,289.2</b>	<b>43,406.7</b>	<b>29,410.8</b>	<b>16,628.3</b>	<b>15,120.8</b>	<b>229,298.3</b>	<b>224,205.4</b>
0.0	0.0	112.4	484.0	0.0	0.0	105,580.1	68,367.5
0.0	0.0	-112.4	-549.5	0.0	0.1	-105,562.8	-68,022.8
0.0	-871.3	0.0	-0.1	0.0	-87.5	-1,622.9	11,658.2
0.0	0.0	37.1	0.0	0.0	0.0	25,712.5	12,438.8
<b>0.0</b>	<b>-871.3</b>	<b>37.1</b>	<b>-65.6</b>	<b>0.0</b>	<b>-87.4</b>	<b>24,106.9</b>	<b>24,441.7</b>
0.0	0.0	0.0	0.0	0.0	0.0	0.0	-318.9
<b>0.0</b>	<b>-871.3</b>	<b>37.1</b>	<b>-65.6</b>	<b>0.0</b>	<b>-87.4</b>	<b>24,106.9</b>	<b>24,122.8</b>
0.0	0.0	0.0	0.0	1,157.5	3,013.6	37,721.2	36,313.9
0.0	0.0	0.0	0.0	-829.5	-1,933.4	-32,783.5	-30,094.1
9,533.2	-2,151.1	-5,770.1	334.6	-554.6	0.0	37,472.7	-10,718.8
<b>9,533.2</b>	<b>-2,151.1</b>	<b>-5,770.1</b>	<b>334.6</b>	<b>-226.6</b>	<b>1,080.2</b>	<b>42,410.4</b>	<b>-4,499.0</b>
1,185.9	973.0	6,529.6	5,836.7	-67.5	0.0	15,421.2	5,890.3
<b>10,719.1</b>	<b>-1,178.1</b>	<b>759.5</b>	<b>6,171.3</b>	<b>-294.1</b>	<b>1,080.2</b>	<b>57,831.6</b>	<b>1,391.3</b>
1,097.1	4,694.1	791.8	209.5	1,477.6	1,016.7	20,185.7	22,113.1
<b>28,647.8</b>	<b>20,933.9</b>	<b>44,995.1</b>	<b>35,726.0</b>	<b>17,811.8</b>	<b>17,130.3</b>	<b>331,422.5</b>	<b>271,832.6</b>
-3,787.4	561.7	-3,258.3	-5,387.5	-3,048.1	-3,387.9	-37,641.1	-35,119.4
-125.5	-125.6	-174.1	-67.3	-1,687.6	-1,501.9	-11,394.7	-9,764.1
<b>24,734.9</b>	<b>21,370.0</b>	<b>41,562.7</b>	<b>30,271.2</b>	<b>13,076.1</b>	<b>12,240.5</b>	<b>282,386.7</b>	<b>226,949.1</b>
-37,823.6	-36,402.4	90,464.2	29,858.6	10,278.5	5,474.1	121,184.4	46,488.4
47,575.4	25,592.4	50,127.0	71,247.9	-11,251.3	-3,387.6	251,503.6	90,301.8
21,957.6	-8,297.0	-11,005.6	-225.1	-12,933.3	-3,053.4	-18,728.9	-22,296.5
-520.6	-10,162.3	-13.1	-0.1	0.0	0.1	-5,261.1	-10,145.3
<b>31,188.8</b>	<b>-29,269.3</b>	<b>129,572.5</b>	<b>100,881.3</b>	<b>-13,906.1</b>	<b>-966.8</b>	<b>348,698.0</b>	<b>104,348.4</b>
<b>55,923.7</b>	<b>-7,899.3</b>	<b>171,135.2</b>	<b>131,152.5</b>	<b>-830.0</b>	<b>11,273.7</b>	<b>631,084.7</b>	<b>331,297.5</b>
837,133.3	773,680.0	899,750.0	758,450.0	578,385.1	553,322.3	9,043,993.2	8,772,000.7
0.0	41,300.0	118,000.0	61,050.0	2,610.0	0.0	325,282.1	229,428.5
25,723.6	29,558.8	91,183.5	90,121.7	19,628.9	18,583.5	208,803.8	211,613.6
0.0	0.0	0.0	0.0	0.0	21,370.0	53,158.0	21,370.0
65,292.7	69,516.3	0.0	0.0	12,405.7	19,810.0	224,078.4	203,888.0
<b>928,149.6</b>	<b>914,055.1</b>	<b>1,108,933.5</b>	<b>909,621.7</b>	<b>613,029.7</b>	<b>613,085.8</b>	<b>9,855,315.5</b>	<b>9,438,300.8</b>
<b>42,137.6</b>	<b>0.0</b>	<b>37,359.7</b>	<b>0.0</b>	<b>2,793.4</b>	<b>0.0</b>	<b>299,917.8</b>	<b>0.0</b>

## Segment Reporting

All amounts in TEUR	Total reportable segments	
	2011/12	2010/11
Office	70,556.9	78,793.4
Logistics	36,628.8	37,239.8
Retail	98,374.7	87,895.1
Residential	64,432.3	61,471.4
Other rental income	13,725.2	11,652.4
<b>Rental income</b>	<b>283,717.9</b>	<b>277,052.1</b>
Operating costs charged to tenants	75,849.6	76,655.9
Other revenues	15,095.5	10,552.1
<b>Revenues</b>	<b>374,663.0</b>	<b>364,260.1</b>
Real estate expenses	-71,429.9	-66,488.2
Operating expenses	-73,934.8	-73,566.5
<b>Income from asset management</b>	<b>229,298.3</b>	<b>224,205.4</b>
Sale of properties	105,580.1	68,367.5
Carrying amount of sold properties	-105,562.8	-68,022.8
Gains/losses from deconsolidation	-1,622.9	11,658.2
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	25,712.5	12,438.8
<b>Income from property sales before foreign exchange effects</b>	<b>24,106.9</b>	<b>24,441.7</b>
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0.0	-318.9
<b>Income from property sales</b>	<b>24,106.9</b>	<b>24,122.8</b>
Sale of real estate inventories	37,721.2	36,313.9
Cost of goods sold	-32,783.5	-30,094.1
Revaluation of properties under construction adjusted for foreign exchange effects	37,472.7	-10,718.8
<b>Income from property development before foreign exchange effects</b>	<b>42,410.4</b>	<b>-4,499.0</b>
Revaluation of properties under construction resulting from foreign exchange effects	15,421.2	5,890.3
<b>Income from property development</b>	<b>57,831.6</b>	<b>1,391.3</b>
Other operating income	20,185.7	22,113.1
<b>Income from operations</b>	<b>331,422.5</b>	<b>271,832.6</b>
Overhead expenses	-37,641.1	-35,119.4
Personnel expenses	-11,394.7	-9,764.1
<b>Results of operations</b>	<b>282,386.7</b>	<b>226,949.1</b>
Revaluation of investment properties adjusted for foreign exchange effects	121,184.4	46,488.4
Revaluation of investment properties resulting from foreign exchange effects	251,503.6	90,301.8
Impairment and related reversals	-18,728.9	-22,296.5
Addition to/reversal of provision for onerous contracts	-5,261.1	-10,145.3
<b>Other revaluation results</b>	<b>348,698.0</b>	<b>104,348.4</b>
<b>Operating profit (EBIT)</b>	<b>631,084.7</b>	<b>331,297.5</b>
<b>Financial results</b>		
Income tax expenses		
<b>Net profit for the period</b>		
Investment property	9,043,993.2	8,772,000.7
Property under construction	325,282.1	229,428.5
Goodwill	208,803.8	211,613.6
Properties held for sale	53,158.0	21,370.0
Inventories	224,078.4	203,888.0
<b>Segment assets</b>	<b>9,855,315.5</b>	<b>9,438,300.8</b>
<b>Segment investments</b>	<b>299,917.8</b>	<b>0.0</b>

Transition to consolidated financial statements		IMMOFINANZ Group	
2011/12	2010/11	2011/12	2010/11
0.0	0.0	70,556.9	78,793.4
0.0	0.0	36,628.8	37,239.8
0.0	0.0	98,374.7	87,895.1
0.0	0.0	64,432.3	61,471.4
0.0	0.0	13,725.2	11,652.4
<b>0.0</b>	<b>0.0</b>	<b>283,717.9</b>	<b>277,052.1</b>
0.0	0.0	75,849.6	76,655.9
0.0	0.0	15,095.5	10,552.1
<b>0.0</b>	<b>0.0</b>	<b>374,663.0</b>	<b>364,260.1</b>
0.0	0.0	-71,429.9	-66,488.2
0.0	0.0	-73,934.8	-73,566.5
<b>0.0</b>	<b>0.0</b>	<b>229,298.3</b>	<b>224,205.4</b>
0.0	0.0	105,580.1	68,367.5
0.0	0.0	-105,562.8	-68,022.8
0.0	-11,034.4	-1,622.9	623.8
0.0	0.0	25,712.5	12,438.8
<b>0.0</b>	<b>-11,034.4</b>	<b>24,106.9</b>	<b>13,407.3</b>
0.0	0.0	0.0	-318.9
<b>0.0</b>	<b>-11,034.4</b>	<b>24,106.9</b>	<b>13,088.4</b>
0.0	0.0	37,721.2	36,313.9
0.0	0.0	-32,783.5	-30,094.1
0.0	0.0	37,472.7	-10,718.8
<b>0.0</b>	<b>0.0</b>	<b>42,410.4</b>	<b>-4,499.0</b>
0.0	0.0	15,421.2	5,890.3
<b>0.0</b>	<b>0.0</b>	<b>57,831.6</b>	<b>1,391.3</b>
768.6	-4,948.0	20,954.3	17,165.1
<b>768.6</b>	<b>-15,982.4</b>	<b>332,191.1</b>	<b>255,850.2</b>
1,847.1	-32,456.2	-35,794.0	-67,575.6
-14,722.4	-2,203.0	-26,117.1	-11,967.1
<b>-12,106.7</b>	<b>-50,641.6</b>	<b>270,280.0</b>	<b>176,307.5</b>
0.0	0.0	121,184.4	46,488.4
0.0	0.0	251,503.6	90,301.8
4,048.7	-2,594.2	-14,680.2	-24,890.7
-3,717.3	-10,407.3	-8,978.4	-20,552.6
<b>331.4</b>	<b>-13,001.5</b>	<b>349,029.4</b>	<b>91,346.9</b>
<b>-11,775.3</b>	<b>-63,643.1</b>	<b>619,309.4</b>	<b>267,654.4</b>
		<b>-315,735.7</b>	<b>-149,268.9</b>
		-38,471.4	-10,100.3
		<b>265,102.3</b>	<b>108,285.2</b>
0.0	0.0	9,043,993.2	8,772,000.7
0.0	0.0	325,282.1	229,428.5
0.0	0.0	208,803.8	211,613.6
0.0	0.0	53,158.0	21,370.0
0.0	0.0	224,078.4	203,888.0
<b>0.0</b>	<b>0.0</b>	<b>9,855,315.5</b>	<b>9,438,300.8</b>
<b>0.0</b>	<b>0.0</b>	<b>299,917.8</b>	<b>0.0</b>

## 1. Accounting and Valuation Principles

The interim financial report of IMMOFINANZ AG as of 31/10/2011 was prepared in accordance with the International Financial Reporting Standards (IFRS) that were valid as of the balance sheet date, to the extent that these standards had been adopted into the body of law of the European Union through the procedure set forth in Art. 6 Par. 2 of IAS regulation 1606/2002. The interim financial report was prepared according to the rules of IAS 34.

Information on the IFRS and significant accounting policies applied by IMMOFINANZ AG in preparing this interim financial report is provided in the consolidated financial statement as of 30/04/2011.

During the 2010/11 financial year a number of changes were made in the presentation of the income statement, the balance sheet and segment reporting. In order to better present the corporate strategy, the following items were reclassified: the valuation results for properties held for sale are now reported under income from property sales and the valuation results for property under construction are now reported under income from property development. Additional information on the resulting reclassifications is provided in the consolidated financial statements as of 30/04/2011.

This interim report by IMMOFINANZ AG was neither audited nor reviewed by a certified public accountant.

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

### 1.1 FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS

The following changes or new versions of standards and interpretations were applied for the first-time in the 2011/12 financial year:

Standard	Content	Effective date <sup>1</sup>
<b>New interpretations</b>		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	01 July 2010
<b>Revised standards</b>		
IAS 24 (2009)	Related Party Disclosures	01 January 2011
<b>Changes to standards and interpretations</b>		
IFRIC 14	Voluntary payments in connection with minimum funding requirements	01 January 2011
Various standards	Improvements to IFRS 2010	01 July 2010

<sup>1</sup> The rules apply to financial years beginning on or after the effective date in accordance with the applicable EU regulation.

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

The following changes to or new versions of standards and interpretations had been adopted by the EU as of 31/10/11, but do not require application in the current financial year and were also not applied prematurely:

Standard	Content	Effective date <sup>1</sup>
<b>Changes to standards and interpretations</b>		
IFRS 7	Disclosures on the transfer of financial assets	01 July 2011

<sup>1</sup> The rules apply to financial years beginning on or after the effective date in accordance with the applicable EU regulation.

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

The following changes or revisions to standards and interpretations had been announced as of 31/10/11, but have not yet been adopted by the EU and are therefore not applicable:

Standard	Content	Effective date <sup>1</sup>
<b>New interpretations</b>		
IFRS 9	Financial instruments	01 January 2013
IFRS 10	Consolidated Financial Statements	01 January 2013
IFRS 11	Joint Arrangements	01 January 2013
IFRS 12	Disclosure of Interests in Other Entities	01 January 2013
IFRS 13	Fair Value Measurement	01 January 2013
IAS 27	Separate Financial Statements	01 January 2013
IAS 28	Investments in Associates and Joint Ventures	01 January 2013
<b>Changes to standards and interpretations</b>		
IAS 1	Presentation of individual items of other comprehensive income	01 July 2012
IAS 12	Deferred taxes: recovery of underlying assets	01 January 2012
IAS 19	Employee Benefits	01 January 2013
IFRS 1	Severe hyperinflation and the elimination of fixed date references	01 July 2011
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	01 January 2013

<sup>1</sup> The rules apply to financial years beginning on or after the effective date in accordance with the applicable EU regulation.

## 2. Scope of Consolidation

### 2.1 BUSINESS COMBINATIONS (INITIAL CONSOLIDATIONS)

IMMOFINANZ AG acquired shares in or founded the following companies during the period up to 31/10/2011:

Segment	Country	Head- quarters	Company	Stake	Consolidation method	Date
<b>Formation</b>						
Austria	US	Texas	IMF Investments 111 LP	90.00%	F	12 July 2011
Austria	DE	Berlin	BUWOG – Glücklich Wohnen GmbH	100.00%	F	01 August 2011
Austria	AT	Vienna	BUWOG CEE GmbH & CO KG	100.00%	F	01 August 2011
Austria	AT	Vienna	Linzer Straße 80 Gesellschaft mbH	100.00%	F	01 August 2011
Austria	AT	Vienna	BUWOG – Projektholding GmbH	100.00%	F	16 September 2011
Austria	AT	Vienna	Gena Eins Immobilienholding GmbH	100.00%	F	19 September 2011
Austria	AT	Vienna	Gena Zwei Immobilienholding GmbH	100.00%	F	19 September 2011
Austria	AT	Vienna	Gena Drei Immobilienholding GmbH	100.00%	F	19 September 2011
Austria	AT	Vienna	Gena Vier Immobilienholding GmbH	100.00%	F	19 September 2011
Austria	AT	Vienna	Gena Fünf Immobilienholding GmbH	100.00%	F	19 September 2011
Austria	AT	Vienna	Gena Sechs Immobilienholding GmbH	100.00%	F	19 September 2011
Austria	AT	Vienna	BUWOG – Universumstraße GmbH	100.00%	F	07 October 2011
<b>Acquisition</b>						
Other	VG	Road Town	Portunus Ltd.	100.00%	F	19 May 2011
Poland	PL	Lublin	Isabeau Polska Sp. z o.o.	100.00%	F	26 July 2011

F = Full consolidation, P = Proportionate consolidation, E = Equity method

The newly founded companies do not fall under the scope of application of IFRS 3.

## 2.2 DECONSOLIDATIONS

The following companies were sold or liquidated during the reporting period:

Segment	Country	Head-quarters	Company	Stake	Consolidation method	Date
Germany	DE	Munich	Multi-ImmoEast Asset Management GmbH	45.0%	P	11 May 2011
Austria	AT	Langenzersdorf	SelfStorage – DeinLager LagervermietungsgesmbH	30.0%	P	18 May 2011
Germany	DE	Munich	SelfStorage – Dein Lagerraum GmbH	30.0%	P	18 May 2011
Other	CH	Opfikon	SelfStorage – Dein Lagerraum (Schweiz) AG	30.0%	P	18 May 2011
Austria	AT	Vienna	SelfStorage – Liegenschaftsverwaltung Wattgasse GmbH	30.0%	P	18 May 2011
Poland	PL	Warsaw	Cirrus Real Sp. z o.o.	51.0%	P	06 June 2011
Austria	AT	Vienna	RHOMBUS Errichtungs- und VerwertungsGmbH & Co KG	100.0%	F	20 May 2011

F = Full consolidation, P = Proportionate consolidation, E = Equity method

## 2.3 TRANSITION CONSOLIDATIONS

Segment	Country	Headquarters	Company	Stake	Before		After		Date
					Consolidation method	Stake	Consolidation method	Stake	
Russia	CY	Limassol	Berga Investment Limited	75.0%	P	100.0%	F	04 May 2011	
Russia	CY	Limassol	MONESA LIMITED	75.0%	P	100.0%	F	04 May 2011	
Russia	RU	Moscow	OOO Berga Development	75.0%	P	100.0%	F	04 May 2011	
Russia	RU	Moscow	OOO Fenix Development	75.0%	P	100.0%	F	04 May 2011	
Poland	PL	Warsaw	Equator Real Sp. z o.o.	51.0%	P	100.0%	F	06 June 2011	
Poland	PL	Warsaw	Nimbus Real Sp. z o.o.	51.0%	P	100.0%	F	06 June 2011	

F = Full consolidation, P = Proportionate consolidation, E = Equity method

## 2.4 STRUCTURAL CHANGES AND MERGERS

The following table lists the companies in which the IMMOFINANZ investment changed during 2011/12 without a loss of control as well as companies merged during the reporting year. The latter are reported at an investment of 0.00% in the column "stake after".

Segment	Country	Head- quarters	Company	Stake before	Stake after	Consolidation method	Date
<b>Structural changes</b>							
Germany	DE	Mülheim	Rheinische Lagerhaus GmbH	94.8%	100.0%	F	30 July 2011
Germany	DE	Rheine	Rheinische Lagerhaus Rheine GmbH	89.9%	100.0%	F	30 July 2011
Germany	DE	Mülheim	Rhein-Park Rheinische Park Gewerbepark GmbH	94.8%	100.0%	F	30 July 2011
Germany	DE	Mülheim	Deutsche Lagerhaus Dormagen GmbH u. Co KG	94.8%	100.0%	F	30 July 2011
Germany	DE	Mülheim	Deutsche Lagerhaus Essen GmbH u. Co KG	94.8%	100.0%	F	30 July 2011
Germany	DE	Mülheim	Deutsche Lagerhaus Oberhausen GmbH u. Co KG	94.8%	100.0%	F	30 July 2011
Germany	DE	Mülheim	Deutsche Lagerhaus Düsseldorf GmbH u. Co KG	94.8%	100.0%	F	30 July 2011
Germany	DE	Mülheim	Deutsche Lagerhaus Hamm GmbH u. Co KG	94.8%	100.0%	F	30 July 2011
Germany	DE	Mülheim	Deutsche Lagerhaus Nürnberg I GmbH u. Co KG	94.8%	100.0%	F	30 July 2011
Germany	DE	Mülheim	Deutsche Lagerhaus Minden GmbH u. Co KG	94.8%	100.0%	F	30 July 2011
<b>Mergers</b>							
Austria	AT	Vienna	AEDIFICIO Liegenschaftsvermietungs- und Beteiligungsgesellschaft m.b.H. & Co Wollzeile 31 KEG	100.0%	0.0%	F	01 May 2011
Austria	AT	Vienna	Immofinanz Acquisition and Finance Consulting GmbH	100.0%	0.0%	F	13 October 2011

F = Full consolidation, P = Proportionate consolidation, E = Equity method

### 3. Notes to the Consolidated Income Statement

#### 3.1 REAL ESTATE EXPENSES

All amounts in TEUR	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010
Vacancies	-7,446.3	-5,820.1
Commissions	-2,058.6	-2,516.2
Maintenance	-36,233.3	-34,763.1
Investments in development projects	-31.0	-42.6
Operating costs charged to building owners	-12,957.3	-13,389.5
Property marketing	-1,673.4	-1,765.2
Other expenses	-11,030.0	-8,191.5
<b>Total</b>	<b>-71,429.9</b>	<b>-66,488.2</b>

#### 3.2 OTHER OPERATING INCOME

All amounts in TEUR	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010
Recognition of gains on bargain purchases	92.4	813.4
Expenses passed on	492.6	321.4
Reversal of provisions	2,776.3	4,419.1
Insurance compensation	747.4	631.4
Miscellaneous	16,845.6	10,979.8
<b>Total</b>	<b>20,954.3</b>	<b>17,165.1</b>

Miscellaneous operating income includes EUR 7.3 million from the valuation of financing contributions from tenants.

### 3.3 OVERHEAD EXPENSES

All amounts in TEUR	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010
Administration	-2,184.9	-23,399.5
Legal, auditing and consulting fees	-11,697.7	-10,992.1
Commissions	-2,113.1	-1,382.8
Penalties	-1,646.5	-469.7
Taxes and duties	-1,016.5	-514.2
Advertising	-3,111.0	-2,410.7
Expenses charged on	-249.8	-180.0
Rental and lease expenses	-1,406.8	-310.5
EDP and communications	-1,676.2	-1,118.7
Expert opinions	-1,162.1	-1,137.8
Supervisory Board remuneration	-139.1	-95.8
Miscellaneous	-9,390.3	-25,563.8
<b>Total</b>	<b>-35,794.0</b>	<b>-67,575.6</b>

The year-on-year decline in administrative expenses is attributable primarily to a change in the status of Aviso Delta GmbH, which provided services for IMMOFINANZ Group. This company became a subsidiary on 15/10/10.

### 3.4 REVALUATION OF PROPERTY

Revaluation gains and losses are presented by country under segment reporting, which represents an integral part of this report on the first two quarters of 2011/12.

The revaluation gains and losses are classified as follows:

All amounts in TEUR	Investment property		Property under construction		Properties sold and held for sale	
	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010
Write-ups	543,213.6	233,244.1	58,366.9	26,228.3	34,229.1	12,341.5
Impairment losses	-170,525.6	-96,453.9	-5,473.0	-31,056.8	-8,516.6	-221.6
<b>Total</b>	<b>372,688.0</b>	<b>136,790.2</b>	<b>52,893.9</b>	<b>-4,828.5</b>	<b>25,712.5</b>	<b>12,119.9</b>

The following revaluation gains were recognised in 2011/12:

All amounts in TEUR	Investment property	Property under construction	Properties sold and held for sale
Austria	137,370.1	1,812.3	16,384.1
Germany	10,255.2	0.0	17,792.6
Poland	103,542.0	41,322.9	0.0
Czech Republic	19,324.9	3,753.1	0.0
Slovakia	1,922.0	0.0	0.0
Hungary	69,135.9	0.0	15.3
Romania	45,597.7	10,719.1	0.0
Russia	140,591.2	759.5	37.1
Other	15,474.6	0.0	0.0
<b>Total</b>	<b>543,213.6</b>	<b>58,366.9</b>	<b>34,229.1</b>

The following table shows the classification of the impairment losses recognised in 2011/12 by country:

All amounts in TEUR	Investment property	Property under construction	Properties sold and held for sale
Austria	-105,289.4	-3,382.1	-8,516.6
Germany	-5,119.5	-769.0	0.0
Poland	-2.4	-619.1	0.0
Czech Republic	-2,579.2	-80.7	0.0
Slovakia	-1,452.7	0.0	0.0
Hungary	-3,789.1	0.0	0.0
Romania	-35,845.9	0.0	0.0
Russia	0.0	0.0	0.0
Other	-16,447.4	-622.1	0.0
<b>Total</b>	<b>-170,525.6</b>	<b>-5,473.0</b>	<b>-8,516.6</b>

### 3.5 IMPAIRMENT AND RELATED REVERSALS

All amounts in TEUR	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010
Revaluation of inventories	3,591.0	-14,743.6
Impairment of goodwill	0.0	-12.8
Valuation adjustments to receivables and expenses arising from derecognised receivables	-15,431.6	-7,329.7
Miscellaneous	-2,839.6	-2,804.6
<b>Total</b>	<b>-14,680.2</b>	<b>-24,890.7</b>

Valuation adjustments of EUR 10.0 million were recognised to receivables arising from prepayments made to a Russian subcontractor.

The position "miscellaneous" consists primarily of scheduled amortisation for intangible assets and scheduled depreciation of tangible assets.

### 3.6 FINANCIAL RESULTS

All amounts in TEUR	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010
<b>Financing costs</b>	<b>-124,895.4</b>	<b>-113,042.2</b>
<b>Financing income</b>	<b>31,369.0</b>	<b>49,316.2</b>
<b>Foreign exchange differences</b>	<b>-192,937.5</b>	<b>-85,977.7</b>
Profit/(loss) on other financial instruments and proceeds on the disposal of financial instruments	-31,031.5	-13,992.4
Valuation of financial instruments at fair value through profit or loss	866.8	13,218.6
Income from distributions	496.5	3,852.4
<b>Other financial results</b>	<b>-29,668.2</b>	<b>3,078.6</b>
<b>Share of profit/loss from associated companies</b>	<b>396.4</b>	<b>-2,643.8</b>
<b>Financial results</b>	<b>-315,735.7</b>	<b>-149,268.9</b>

Net financing costs and net financing revenue are attributable to financial instruments that are not carried at fair value.

The foreign exchange differences reported in the above table result primarily from the valuation of loans and Group financing.

Profit/(loss) on other financial instruments and proceeds on the disposal of financial instruments include expenses EUR 33.1 million from the valuation of derivatives.

The valuation of financial instruments at fair value through profit of loss comprises revaluations of EUR 5.8 million and impairment losses of EUR 4.9 million.

### 3.7 INCOME TAXES

This item includes income taxes paid or owed by Group companies as well as provisions for deferred taxes.

All amounts in TEUR	01 May 2011– 31 October 2011	01 May 2010– 31 October 2010
Income tax expenses	-8,917.7	-11,208.4
Deferred tax expenses	-29,553.7	1,108.1
<b>Total</b>	<b>-38,471.4</b>	<b>-10,100.3</b>

### 3.8 NET ASSET VALUE

Net asset value is calculated in accordance with the Best Practices Policy Recommendations (Chapter 6.3) issued by the European Public Real Estate Association based on the following principles:

Equity as shown in the IFRS financial statements (excluding non-controlling interests) is adjusted by the difference between the carrying amount and the fair value of property that does not qualify for valuation at fair value. An adjustment is also made for any financial instruments that are not carried at fair value. In a last step, deferred tax assets and deferred tax liabilities are offset against equity.

The results of the calculation are shown below:

	31 October 2011		30 April 2011		31 October 2010	
Equity before non-controlling interests	5,449,186.8		5,155,841.0		5,043,984.0	
Goodwill	-208,803.8		-202,281.5		-211,688.2	
Deferred tax assets	-59,496.8		-61,862.4		-402,680.1	
Deferred tax liabilities	474,141.5	5,655,027.7	471,301.1	5,362,998.2	1,015,494.1	5,445,109.8
Inventories (carrying amount)	224,078.4		214,482.4		203,888.0	
Inventories (fair value)	241,305.7	17,227.3	221,011.4	6,529.0	216,667.4	12,779.4
<b>Net asset value</b>		<b>5,672,255.0</b>		<b>5,369,527.2</b>		<b>5,457,889.2</b>
Carrying amount of convertible bond 2011		0.0		192,151.3		198,014.9
<b>Net asset value (diluted)</b>		<b>5,672,255.0</b>		<b>5,561,678.5</b>		<b>5,655,904.1</b>
Number of shares excl. treasury shares (in 1,000)		1,036,056.7		940,951.9		987,145.3
Potential ordinary shares (in 1,000)		0.0		95,950.0		97,100.0
<b>Net asset value per share (in EUR)</b>		<b>5.47</b>		<b>5.71</b>		<b>5.53</b>
<b>Net asset value per share (in EUR) (diluted)</b>		<b>5.47</b>		<b>5.36</b>		<b>5.22</b>

The carrying amount per share is calculated by dividing equity before non-controlling interests by the number of shares:

	31 October 2011	30 April 2011	31 October 2010
Equity before non-controlling interests in TEUR	5,449,186.8	5,155,841.0	5,043,984.0
Number of shares excl. treasury shares (in 1,000)	1,036,056.7	940,951.9	987,145.3
<b>Carrying amount per share in EUR</b>	<b>5.26</b>	<b>5.48</b>	<b>5.11</b>

## 4. Notes to the Consolidated Balance Sheet

### 4.1 INVESTMENT PROPERTY

The development of the fair value of investment properties (incl. property held for sale) is shown below:

All amounts in TEUR	Investment property
<b>Balance on 01 May 2011</b>	<b>8,670,084.6</b>
Change in scope of consolidation	-560.1
Change in consolidation method	26,376.7
Currency translation adjustments	-257,278.6
Additions	132,497.0
Disposals	-49,828.9
Revaluation	398,400.5
Reclassification	177,460.0
Reclassification IFRS 5	-53,158.0
<b>Balance on 31 October 2011</b>	<b>9,043,993.2</b>

The reclassification based on IFRS 5 represents the sale of the 50% stake in *Andreasquartier*, a planned development project in Düsseldorf that was scheduled for realisation in a 50:50 joint venture with FRANKONIA Eurobau AG.

Most of the disposals recognised as of 31/10/2011 were related to objects sold by BUWOG Bauen und Wohnen Gesellschaft mbH and ESG Wohnungsgesellschaft mbH.

### 4.2 PROPERTY UNDER CONSTRUCTION

The development of the fair value of property under construction (incl. property held for sale) is shown in the following table:

All amounts in TEUR	Property under construction
<b>Balance on 01 May 2011</b>	<b>299,646.5</b>
Change in scope of consolidation	19,283.3
Change in consolidation method	25,625.0
Currency translation adjustments	-11,229.6
Additions	115,563.6
Disposals	0.0
Revaluation	52,893.9
Reclassification	-176,500.6
Reclassification IFRS 5	0.0
<b>Balance on 31 October 2011</b>	<b>325,282.1</b>

The above additions represent capitalised construction costs, above all for the extension of the *Silesia City Center* in Poland, the completion of the *Maritimo Shopping Center* in Romania and development projects under realisation by BUWOG Bauen und Wohnen Gesellschaft mbH and "Heller Fabrik" Liegenschaftsverwertungs GmbH.

#### 4.3 INVESTMENTS IN ASSOCIATED COMPANIES

31 October 2011 All amounts in TEUR	TriGránit Centrum a.s.	GAIA Real Estate Investments S.A.	Bulreal EAD	Other	Total
<b>Carrying amount as of 01 May 2011</b>	<b>877.0</b>	<b>15,560.2</b>	<b>29,020.4</b>	<b>60,292.8</b>	<b>105,750.4</b>
Changes in the scope of consolidation	0.0	0.0	0.0	0.0	0.0
Disposal	0.0	0.0	0.0	0.0	0.0
Changes in shareholders' equity of associates	0.0	-2,463.2	0.0	-1.3	-2,464.5
Distributions	0.0	0.0	0.0	-503.4	-503.4
Share of profit/(loss) from investments in other companies	-54.3	-1,447.6	937.0	1,312.4	747.5
Impairment losses	0.0	-351.1	0.0	0.0	-351.1
<b>Carrying amount as of 31 October 2011</b>	<b>822.7</b>	<b>11,298.3</b>	<b>29,957.4</b>	<b>61,100.5</b>	<b>103,178.9</b>

#### 4.4 TRADE AND OTHER RECEIVABLES

All amounts in TEUR	31 Oct. 2011	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2011
<b>Trade accounts receivable</b>					
Rents receivable	29,723.6	29,517.5	177.4	28.7	28,045.7
Miscellaneous	55,307.4	55,263.2	43.8	0.4	43,151.8
<b>Total trade accounts receivable</b>	<b>85,031.0</b>	<b>84,780.7</b>	<b>221.2</b>	<b>29.1</b>	<b>71,197.5</b>
<b>Accounts receivable from joint venture companies</b>	<b>405,713.9</b>	<b>24,590.8</b>	<b>47,750.2</b>	<b>333,372.9</b>	<b>425,550.9</b>
<b>Accounts receivable from associated companies</b>	<b>90,288.2</b>	<b>7,494.2</b>	<b>0.0</b>	<b>82,794.0</b>	<b>88,840.1</b>
<b>Other financial receivables</b>					
Cash and cash equivalents – time deposits	22,361.9	22,361.9	0.0	0.0	19,567.4
Financing	142,243.7	805.9	24,974.2	116,463.6	136,644.1
Administrative duties	101.4	101.4	0.0	0.0	129.5
Property management	4,029.5	3,688.2	271.7	69.6	6,000.2
Insurance	2,580.3	2,580.3	0.0	0.0	3,170.1
Commissions	2,528.0	1,131.9	1,213.1	183.0	2,829.5
Accrued interest	163.3	163.3	0.0	0.0	423.2
Outstanding purchase price receivables – sale of properties	34,384.0	34,384.0	0.0	0.0	19,255.0
Outstanding purchase price receivables – sale of shares in other companies	7,587.1	544.8	0.9	7,041.4	7,938.7
Miscellaneous	191,464.9	71,256.7	27,133.0	93,075.2	184,751.3
<b>Total other financial receivables</b>	<b>407,444.1</b>	<b>137,018.4</b>	<b>53,592.9</b>	<b>216,832.8</b>	<b>380,709.0</b>
<b>Other non-financial receivables</b>					
Tax authorities	124,905.9	103,312.0	19,001.3	2,592.6	86,744.1
<b>Total other non-financial receivables</b>	<b>124,905.9</b>	<b>103,312.0</b>	<b>19,001.3</b>	<b>2,592.6</b>	<b>86,744.1</b>
<b>Total</b>	<b>1,113,383.1</b>	<b>357,196.1</b>	<b>120,565.6</b>	<b>635,621.4</b>	<b>1,053,041.6</b>

The position "miscellaneous" includes a purchase price deposit of EUR 42.4 million for the acquisition of the remaining 69.22% stake in Adama Holding Public Ltd.

#### 4.5 OTHER FINANCIAL ASSETS

The following table shows the development of the IAS 39 investments:

All amounts in TEUR	Number of investments	31 October 2011	30 April 2011	Change in %
<b>Valuation recognised directly in equity</b>				
Focal points in Europe	2	44,446.8	40,158.4	10.68%
<b>Valuation through profit or loss</b>				
Focal points in Europe	9	90,735.2	86,799.3	4.53%
Focal points in Asia	2	2,747.3	4,052.5	-32.21%
Focal points in America	4	25,250.3	21,889.5	15.35%
Other investments	5	29,617.8	29,913.3	-0.99%
<b>Total</b>	<b>22</b>	<b>192,797.4</b>	<b>182,813.0</b>	<b>5.46%</b>
Held for sale	0	0.0	129,098.7	-100.00%

#### 4.6 LIABILITIES FROM CONVERTIBLE BONDS

All amounts in TEUR	31 October 2011	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2011
Convertible bond 2007–2014	104,695.7	104,695.7	0.0	0.0	101,453.8
Convertible bond 2007–2017	214,153.9	2,339.5	211,814.4	0.0	206,959.6
Convertible bond 2009–2011	5,167.8	5,167.8	0.0	0.0	192,151.3
Convertible bond 2011–2018	484,286.2	3,152.4	481,133.8	0.0	480,527.6
<b>Total</b>	<b>808,303.6</b>	<b>115,355.4</b>	<b>692,948.2</b>	<b>0.0</b>	<b>981,092.3</b>

#### 4.7 FINANCIAL LIABILITIES

The following table shows the composition and remaining terms of financial liabilities as of 31/10/2011:

All amounts in TEUR	31 October 2011	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2011
Amounts due to financial institutions	3.743.373.9	576.886.6	1.804.076.5	1.362.410.8	3.624.272.7
Thereof secured by collateral	3.709.965.4	566.624.2	1.793.906.5	1.349.434.7	3.584.103.7
Thereof not secured by collateral	33.408.5	10.262.4	10.170.0	12.976.1	40.169.0
Amounts due to local authorities	371.212.4	20.036.8	80.632.0	270.543.6	378.250.9
Liabilities arising from finance leases	40.490.0	10.681.4	14.625.8	15.182.8	42.482.7
Liabilities arising from the issue of bonds	215.523.2	6.110.4	209.412.8	0.0	217.336.2
Financial liability – limited partnership interest	11.264.6	11.264.6	0.0	0.0	10.971.2
Other financial liabilities	57.116.4	1.048.7	51.327.7	4.740.0	55.868.9
<b>Total</b>	<b>4.438.980.5</b>	<b>626.028.5</b>	<b>2.160.074.8</b>	<b>1.652.877.2</b>	<b>4.329.182.6</b>

The major conditions of the financial liabilities as of 31/10/2011 are as follows:

	Currency	Interest rate	Remaining liability per company		Consolidated remaining liability per company <sup>1</sup>		Balance sheet in TEUR
		fixed/ variable	in 1,000	in TEUR	in 1,000	in TEUR	
Liabilities with financial institutions	CHF	fixed	4,656.1	3,783.3	4,656.1	3,783.3	
(loans and advances)	CHF	variable	186,481.3	151,524.5	186,481.3	151,524.5	
	EUR	fixed	256,121.9	256,121.9	174,863.7	174,863.7	
	EUR	variable	2,981,871.2	2,981,871.2	2,788,446.3	2,788,446.3	
	USD	fixed	33,455.7	24,246.7	30,110.1	21,822.1	
	USD	variable	202,827.7	146,997.9	196,447.7	142,374.0	
	EUR	fixed	87,680.4	87,680.4	87,680.4	87,680.4	<sup>2</sup>
	EUR	variable	407,964.7	407,964.7	407,964.7	407,964.7	<sup>2</sup>
<b>Total amounts due to financial institutions</b>				<b>4,060,190.6</b>		<b>3,778,459.0</b>	<b>3,743,373.9</b> <sup>3</sup>
<b>Liabilities with local authorities</b>	EUR	fixed	<b>546,393.8</b>	<b>546,393.8</b>	<b>546,393.8</b>	<b>546,393.8</b>	<b>371,212.4</b> <sup>4</sup>
<b>Liabilities arising from the issue of bonds</b>	EUR	fixed	<b>214,942.0</b>	<b>214,942.0</b>	<b>214,942.0</b>	<b>214,942.0</b>	<b>215,523.2</b>
<b>Liabilities arising from finance leases</b>	EUR					<b>48,740.2</b>	<b>40,490.0</b> <sup>5</sup>
<b>Financial liability – limited partnership interest</b>							<b>11,264.6</b>
<b>Other</b>							<b>57,116.4</b>
<b>Total</b>							<b>4,438,980.5</b>

<sup>1</sup> Excluding associated companies

<sup>2</sup> Relates to BUWOG Bauen und Wohnen Gesellschaft mbH, ESG Wohnungsgesellschaft mbH and Heller Fabrik Liegenschaftsverwertungs GmbH

<sup>3</sup> Includes accumulated amortisation on the difference between the original amount and the amount due at maturity (transaction costs)

<sup>4</sup> Present value of the interest component of liabilities held by BUWOG Bauen und Wohnen Gesellschaft mbH and ESG Wohnungsgesellschaft mbH, which are due to local authorities

<sup>5</sup> Discounted interest component of finance lease liabilities

## 4.8 TRADE AND OTHER LIABILITIES

All amounts in TEUR	31 October 2011	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2011
<b>Trade accounts payable</b>	<b>58,582.4</b>	<b>50,993.7</b>	<b>7,317.3</b>	<b>271.4</b>	<b>73,642.1</b>
<b>Other financial liabilities</b>					
Fair value of derivative financial instruments (liabilities)	51,548.4	0.0	51,548.4	0.0	23,615.2
Property management	7,025.6	7,025.6	0.0	0.0	8,780.7
Amounts due to joint venture companies	64,343.8	14,265.4	36,196.7	13,881.7	69,493.9
Participation rights and silent partners' interests	2,390.7	1,802.2	0.0	588.5	2,580.3
Amounts due to associated companies	5,557.5	1,266.7	4,257.0	33.8	5,841.3
Construction and refurbishment	19,296.0	7,113.0	8,993.2	3,189.8	29,956.0
Outstanding purchase prices (share deals)	162,948.0	156,309.0	1,039.0	5,600.0	167,210.3
Outstanding purchase prices (acquisition of properties)	4,535.7	200.0	4,335.7	0.0	569.9
Miscellaneous	110,715.4	34,360.6	39,566.7	36,788.1	133,139.2
<b>Total financial liabilities</b>	<b>428,361.1</b>	<b>222,342.5</b>	<b>145,936.7</b>	<b>60,081.9</b>	<b>441,186.8</b>
<b>Other non-financial liabilities</b>					
Tax authorities	30,377.0	28,651.7	1,599.7	125.6	23,348.4
Rental and lease prepayments	41,521.8	35,691.7	3,397.9	2,432.2	39,230.3
Income from the sale of rental rights	100.6	34.8	41.1	24.7	118.0
<b>Total non-financial liabilities</b>	<b>71,999.4</b>	<b>64,378.2</b>	<b>5,038.7</b>	<b>2,582.5</b>	<b>62,696.7</b>
<b>Total</b>	<b>558,942.9</b>	<b>337,714.4</b>	<b>158,292.7</b>	<b>62,935.8</b>	<b>577,525.6</b>

Miscellaneous financial liabilities include approx. EUR 37.1 million of financing contributions and deposits received by BUWOG Bauen und Wohnen Gesellschaft mbH, ESG Wohnungsgesellschaft mbH Villach and „Heller Fabrik“ Liegenschaftsverwertungs GmbH

Miscellaneous liabilities also include amounts payable to non-controlling interests in fully consolidated companies.

## 5. Subsequent Events after 31/10/11

Following the approval of the competition authorities, IMMOFINANZ Group finalised the acquisition of the remaining 69.22% stake in Adama Holding Public Ltd. ("Adama") on 09/11/11. IMMOFINANZ has held an investment in this leading South-East European residential property group since 2007 and is now the sole shareholder. The purchase price for this stake amounted to EUR 42.4 million.

After the end of the reporting period, IMMOFINANZ Group concluded a long-term financing agreement for USD 55.0 million with ZAO Raiffeisenbank. This financing is designated for the *Fifth Avenue Shopping Mall* – one of four shopping centers in Moscow currently owned by IMMOFINANZ Group in Moscow.

In a club deal, Helaba and pbb Deutsche Pfandbriefbank granted IMMOFINANZ Group a EUR 210.0 million credit facility. This line will be used to refinance and further develop the *Silesia City Center* in Katowice, Poland, one of the largest and most modern shopping centers in the economic region of Upper Silesia.

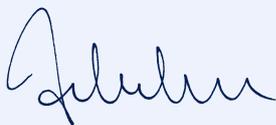
IMMOFINANZ Group sold its 50% stake in *Andreasquartier*, a planned development project in Düsseldorf that was scheduled for realisation by a 50:50 joint venture with FRANKONIA Eurobau AG. In accordance with IFRS 5, this property was subsequently reclassified as held for sale.

## 6. Statement by the Executive Board

We confirm to the best of our knowledge that these interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on these interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year.

Vienna, 09 December 2011

The Executive Board



**Eduard Zehetner**  
Chief Executive Officer



**Daniel Riedl FRICS**  
Member of the Executive Board



**Birgit Noggler**  
Chief Financial Officer



**Manfred Wiltschnigg MRICS**  
Member of the Executive Board

**Imprint**

IMMOFINANZ AG, Wienerbergstraße 11, 1100 Vienna, Austria  
T +43 (0)5 7111, F +43 (0)5 7111 – 8888, [www.immofinanz.com](http://www.immofinanz.com)

**Photos**

IMMOFINANZ Group, Stephan Huger, Sabine Klimpt  
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**Concept and Design**

k25 neue Medien neue Werbung

**Printing**

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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.

### Key Data on the IMMOFINANZ Share

Established	April 1990
Listing	Vienna Stock Exchange
Segment	ATX
ISIN	AT0000809058
Ticker symbol Vienna Stock Exchange	IIA
Reuters	IMFI VI
Bloomberg	IIA AV
Included in the following indexes	WBI, ATX, ATX Prime, Immobilien-ATX, GPR 250, NTX, E&G EPIX, EURO STOXX, STOXX EUROPE 600
Datastream	O: IMMO 866289
Number of shares	1,140,478,339
Bearer shares	1,140,478,333
Registered shares	6
Financial year	01 May to 30 April

### Financial calendar 2011/12

26 March 2012	Report on the third quarter
22 August 2012	Annual report 2011/12
05 October 2012	Annual general meeting

**IMMOFINANZ AG**  
Wienerbergstraße 11  
1100 Vienna, Austria  
T +43 (0)5 7111  
F +43 (0)5 7111 – 8888  
[investor@immofinanz.com](mailto:investor@immofinanz.com)  
[www.immofinanz.com](http://www.immofinanz.com)