

# IMMOFINANZ

REPORT ON THE FIRST QUARTER AS OF 31 JULY 2005

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

Successful placement of EUR 578.9 million.

## **A premiere in Austria**

IMMOFINANZ becomes the first Austrian company to issue a CMBS bond, and thereby locks in favourable borrowing rates over the long-term.

## **Property portfolio of EUR 5 billion**

Fair value of portfolio breaks sound barrier.

# Key Data on IMMOFINANZ

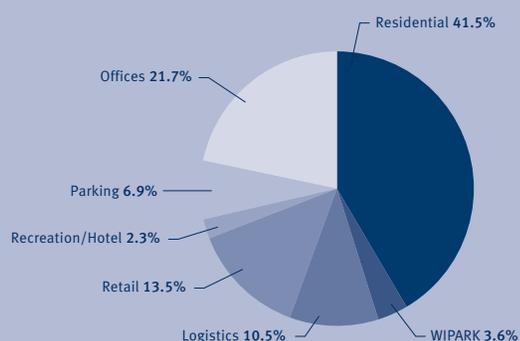
	31 July 2005	Change in %	31 July 2004	2004/05
<b>Corporate Data</b>				
Revenues in EUR mill.	81.9	163.3	31.1	229.6
Operating profit (EBIT) <sup>1)</sup> in EUR mill.	72.9	140.6	30.3	309.2
Earnings before tax (EBT) <sup>1)</sup> in EUR mill.	67.3	84.9	36.4	286.2
Net profit for the period <sup>1)</sup> in EUR mill.	54.7	84.8	29.6	206.3
Gross cash flow in EUR mill.	29.0	73.7	16.7	77.4
Capital Employed in EUR mill.	3,573.4	95.2	1,830.8	2,661.2
Equity in EUR mill. (including minority interests)	2,687.3	91.0	1,406.8	1,551.1
Equity ratio in % <sup>5)</sup>	65.3	-11.5	73.8	43.9
Net debt in EUR mill.	888.6	125.7	393.7	1,817.5
Balance sheet total in EUR mill.	5,711.6	131.2	2,470.6	4,301.3
<b>Property Data</b>				
Number of properties	1,189	251.8	338	1,114
Thereof investments in other companies <sup>4)</sup>	227	54.4	147	158
Usable space in sqm	4,625,582	152.7	1,830,578	4,093,068
Thereof investments in other companies <sup>4)</sup>	662,077	80.9	365,904	439,779
Fair value of properties in EUR mill.	5,006.0	117.5	2,302.0	4,374.6
Thereof investments in other companies <sup>4)</sup>	769.7	157.2	299.3	455.1
Investments in EUR mill.	397.1	149.75	159.0	1,902.9
<b>Stock Exchange Data</b>				
Earnings per share <sup>3)</sup> in EUR	0.14	40.0	0.10	0.77
Share price at end of period	7.58	13.5	6.68	7.06
Number of shares in million	335.6	33.3	251.7	251.7
Market capitalisation at end of period in EUR mill.	2,544.2	51.3	1,681.6	1,777.2
Stock exchange turnover in EUR mill.	1,194.7	360.9	259.2	1,026.8

1) This indicator is based on data calculated according to the fair value model (IAS 40). 2) Net profit in relation to weighted average equity. 3) NOPAT (Net Operating Profit After Tax) in relation to capital employed.

4) Investments in other companies include associates consolidated at equity and holdings recorded as financial instruments in accordance with IAS 39. 5) Equity in relation to property at fair value.

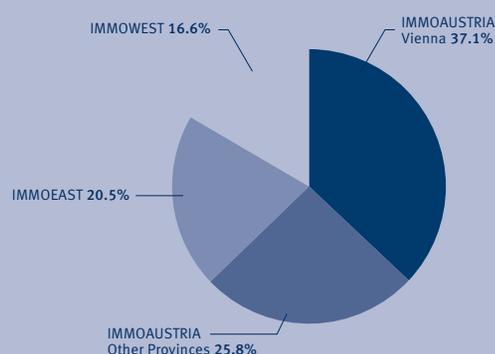
## DISTRIBUTION OF LETABLE SPACE BY SECTOR

as a % of the IMMOFINANZ portfolio on 31.7.2005



## DISTRIBUTION OF LETABLE SPACE BY REGION

as a % of the IMMOFINANZ portfolio on 31.7.2005



# Report by the Executive Board

## Dear Shareholders,

During the first quarter of the 2005/06 Business Year, we were able to continue the successful development of IMMOFINANZ in your interest and exceed the record prior year results. Operating profit (EBIT) calculated in accordance with the IAS fair value method rose by more than 140% to EUR 72.9 million, and Group revenues increased from EUR 31.1 million in the comparable prior year period to EUR 81.9 million for the first three months of 2005/06.

This outstanding growth was supported by the steady optimization of property management as well as the successful continuation of our diversification course. Following market entry in Bulgaria and the Baltic States during the reporting period, the IMMOFINANZ portfolio included 1,189 (31.7.2004: 338) properties with 12,487,595 sqm of usable space (more than 4.6 mill. sqm according to the proportional share owned) in 21 countries as of 31 July 2005. The weighting of the individual sectors at the end of the quarter showed 41.5% residential, 21.7% offices, 10.5% logistics, 13.5% retail, 10.5% garages and 2.3% hotel and recreation. IMMOAUSTRIA remained the focal point of the portfolio with a share of 62.9%, while IMMOEAST represented 20.5% and IMMOWEST 16.6%.

The singular most important event during the reporting period was undoubtedly the largest capital increase in the history of our company, which was carried out during May 2005. The issue of 83,910,187 shares generated funds totalling EUR 578.9 million, and once again the subscription period was closed earlier than planned because of strong demand. In order to ensure the rapid investment of these funds, a pipeline of investments had been prepared in advance – projects totalling roughly EUR 1.5 billion have already been approved by the Supervisory Board and are awaiting realisation.

In addition to this form of capital market transaction – and we have completed 15 successful capital increases since 1996 – innovative debt financing provides important support for the successful develop-

ment of our business. During the reporting period, IMMOFINANZ became the first company in Austria to issue a CMBS bond (commercial mortgage-backed security). The offering had a total volume of EUR 250 million and will secure a fixed interest rate of 3.62% for a period of ten years. A segment of more than 75% of this IMMOFINANZ bond was given a Triple A rating, the best possible grade awarded by the Standard&Poors and Fitch agencies and a level that has previously been accorded only to bonds issued by the Republic of Austria or companies with federal or provincial guarantees.

Our carefully planned IMMOFINANZ growth course is focused on the broadest possible regional and sector diversification of the property portfolio. In the future, investment activities will continue to concentrate on our core markets in the heart of Europe: Austria, Germany, Italy, Switzerland, Czech Republic, Hungary, Poland, Slovakia and Romania. This balanced portfolio with investments in both eastern and western markets will continue to provide a solid foundation for stable and growth-oriented development, and allow you as shareholders to profit from the constant positive performance of your IMMOFINANZ shares.

Vienna, August 2005



Norbert Gertner  
Member of the Executive Board



Karl Petrikovics  
Chief Executive Officer

# Development of Business during the First Quarter

## Earnings and Outlook

IMMOFINANZ was able to register a significant improvement in all key indicators during the first quarter of the 2005/06 Business Year. In relation to the comparable prior year period, revenues increased by more than 160% to EUR 81.9 million, EBIT rose by more than 140% to EUR 72.9 million and earnings before tax climbed from EUR 36.4 million to EUR 67.3 million. An investment volume of EUR 397.1 million alone in the first quarter will provide a solid foundation for another successful year at IMMOFINANZ. The company's property portfolio broke the EUR 5 billion barrier for the first time as of 30 July 2005, and market capitalisation exceeded EUR 2.5 billion for the first time on this date.

Revenues are forecasted to exceed EUR 300 million by a substantial margin during the current business year. From the present point of view, we also expect a major improvement in operating profit (EBIT). Our plans call for investments to total more than EUR 2 billion during 2005/06.

## IMMOAUSTRIA

### Development of the portfolio

The IMMOAUSTRIA property portfolio covered 864 objects with a proportional share of usable space totalling 2,906,389 sqm as of 31 July 2005. After a strong increase during the 2004/05 Business Year, the IMMOAUSTRIA share of the IMMOFINANZ portfolio declined to 62.8%. An analysis of usable space by sector shows 56.4% residential, 12.9% offices, 12.6% retail, 7.0% parking, 5.6% WIPARK (incl. WIPARK Hungaria), 2.1% hotel/recreation and 3.4% logistics space. The focus of the IMMOAUSTRIA portfolio lies primarily on low-risk sectors such as rental apartments and selected objects in the office and retail sectors.

In May 2005 IMMOAUSTRIA acquired an office building at Altmannsdorferstrasse 104 in the 12th District of Vienna. This property offers excellent traffic connections and has 11,900 sqm of lettable space. The tenants include well-known pharmaceutical companies such as Aventis.

### SEGMENT DATA IMMOAUSTRIA

	31.7.2005	Change in %	31.7.2004
Revenues in EUR million	62.7	176.2	22.7
Investments in EUR million	65.0	60.5	40.5
Number of properties	864	411.2	169
Proportional share of lettable space in sqm	2,906,389	184.6	1,021,187
Lettable space as a % of the total portfolio	62.8	12.5	55.8
Fair value in EUR million	3,133.9	105.2	1,527.3
Fair value as a % of the total portfolio	62.6	5.7	66.4

IMMOAUSTRIA was able to expand its leading position in the specialty shopping centre sector during the first quarter with two development projects in Burgenland, which will cover approx. 13,000 sqm each and are scheduled for completion in 2006. The future tenants in both facilities include well-known retail chains like C&A, Hofer and dm druggists. A 4,300 sqm specialty shopping centre in Vienna-Simmering opened for business after the end of the reporting period in early September, and was rented before completion to companies such as KIK Textilien, Fressnapf, Vögele, Takko and Leder & Schuh. IMMOFINANZ also acquired a development project at an excellent location in Vienna-Liesing after the end of the reporting period, which will form the basis for further expansion in the retail sector; negotiations with prospective tenants have already started.

Investments made during the reporting period



A, Vienna, FMZ Simmering



H, Stop-Shop portfolio (13 Objects)

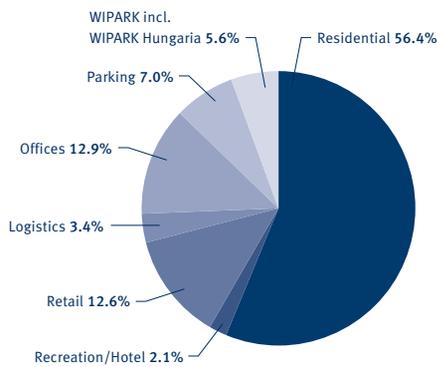


CZ, Olomouc, Olympia Centre

Active portfolio management by IMMOFINANZ also involves the identification of favourable opportunities for the realisation of profit, as demonstrated by IMMOAUSTRIA with the sale of an apartment house in the Otto-Bauer-Gasse in the 6th District of Vienna.

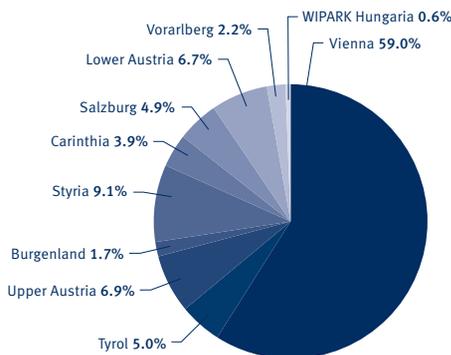
**DISTRIBUTION OF LETABLE SPACE BY SECTOR**

as a % of the IMMOAUSTRIA portfolio on 31.7.2005



**DISTRIBUTION OF LETABLE SPACE BY REGION**

as a % of the IMMOAUSTRIA portfolio on 31.7.2005



**IMMOEAST**

The proportional share of usable space owned by IMMOEAST totalled 950,903 sqm as of 31 July 2005, which represents an increase of roughly one-third since the end of the 2004/05 Business Year. This development increased the IMMOEAST share of the IMMOFINANZ portfolio to 20.5%. The sector focus of activities is formed by office, retail and logistics objects as well as attractive condominium projects.

**Capital increase raises EUR 1.13 billion**

IMMOEAST placed the largest capital increase in the history of the company during the first quarter of the current business year through two separate transactions that were closed earlier than planned because of strong demand. This capital increase also represents the largest such offering in the history of the Vienna Stock Exchange. IMMOFINANZ joined in this capital market measure, and continues to hold 51% of the shares in IMMOEAST. The rapid and profitable investment of these funds is already guaranteed: attractive investment opportunities were examined during the past months, and a pipeline of EUR 1.5 billion was prepared for realisation. Investments totalling EUR 251.1 million were concluded during the reporting period, and increased the fair value of the IMMOEAST portfolio to more than EUR 900 million. The inclusion of all transactions that were closed during the first three months but will only become effective in the following quarters would raise the value of the property portfolio to roughly EUR 1.5 billion.

**SEGMENT DATA IMMOEAST**

	31.7.2005	Change in %	31.7.2004
Revenues in EUR million	11.7	160.0	4.5
Investments in EUR million	251.1	122.4	112.9
Number of properties	83	20.3	69
Proportional share of lettable space in sqm	950,903	86.3	510,420
Lettable space as a % of the total portfolio	20.5	-26.5	27.9
Fair value in EUR million	908.7	135.2	386.3
Fair value as a % of the total portfolio	18.2	8.3	16.8



CZ, Prague, Airport Business Center



PL, Warsaw, IO-1



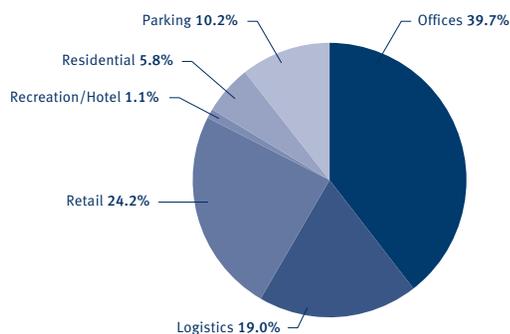
RO, Bucharest, Pipera Center



BG, Sofia, Antim I

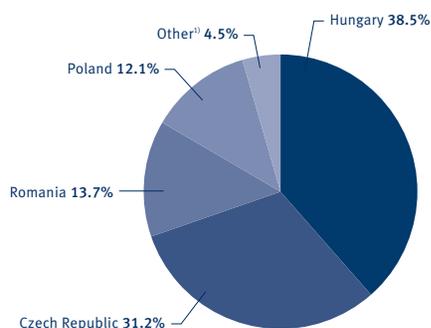
## DISTRIBUTION OF LETABLE SPACE BY SECTOR

as a % of the IMMOEAST portfolio on 31.7.2005



## DISTRIBUTION OF LETABLE SPACE BY REGION

as a % of the IMMOEAST portfolio on 31.7.2005



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

## DEVELOPMENTS BY COUNTRY

### Hungary

In June IMMOEAST acquired a portfolio of specialty shopping centres that are located at excellent sites in Budapest and in growing regional centres throughout Hungary. These 13 Stop-Shop centres have a total of 120,000 sqm, and are in different stages of development. Three objects in Budapest as well as one each in Erd, Ngiregyhaza and Veszprem have been completed and fully rented; the remaining facilities are under construction or in planning.



RU, Moscow, Mosmart Hypercenter



EE, Tallinn, Apartment building Haabersti



D, Berlin, TEFAG-Portfolio



I, Milan, Via Melchiorre Gioia

### Czech Republic

In Olomouc at the heart of the Moravian region, IMMOEAST acquired the Olympia shopping centre with over 31,000 sqm of fully rented selling space that was completed in summer 2004. The purchase of the Airport Business Centre at Ruzyně International Airport in Prague added an excellent object to the office market portfolio in the Czech Republic. This facility is let to long-term tenants that include the Czech customs authority as well as Korean Air, Austrian Airlines and the logistics companies DHL and Schenker. IMMOEAST was also able to increase its holding in Pankrac House to 50%. This object with 26,000 sqm of usable space was completed at the end of 2004, and rentals are proceeding extremely well.

### Poland

Work started on the IO-1 office project in Poland. The investment in this facility with 30,000 sqm of usable space will total EUR 36 million, and completion is scheduled for the end of 2006.

### Romania

IMMOEAST expanded its market presence in Romania with the purchase of the Pipera Center. This office building has 24,000 sqm of usable space and was completed in early 2005. It is fully rented through a long-term contract to the leading Romanian mobile telephone company. Growth in the Romanian retail sector reflects the general economic recovery in this country – a trend that is also expected to continue over the coming years. IMMOEAST wants to benefit to a greater degree from this development, and is therefore participating in a joint venture in Constanta, the second largest city in Romania. This project will involve the construction of 21,000 sqm of retail space and two office towers with 9,000 sqm of lettable space. Completion is scheduled for the end of 2006, and preliminary discussions have already started with prospective tenants.

### Russia

IMMOEAST was also able to take advantage of excellent opportunities to strengthen its position on the booming Russian property market. Through a 6% investment in the well-known Eastern Property Holdings Limited (EPH), which is listed on the Zurich Stock Exchange, IMMOEAST acquired a share of a very attractive portfolio. EPH owns direct investment projects and also holds stakes in a number of shopping centre chains such as Hypercenter Investment SA, which is developing 11 shopping centres in Moscow, St. Petersburg and other major cities. In addition, EPH holds a 10% share in ZAO Hypercenter – and thereby in

three shopping centres in Moscow – as well as a 10% stake in the leading Russian retail chain Mosmart.

#### Market entry in Bulgaria

The regional diversification of IMMOEAST was further expanded during the reporting period through market entry in Bulgaria. In keeping with its proven strategy to first develop new markets through experienced local partners, IMMOEAST acquired a 20% stake in the Bulgarian Prime Property BG. This transaction includes an option to acquire a majority holding in all large projects developed by Prime Property BG, and to therefore invest selectively in the most attractive projects.

#### Further investments through GEP holding

IMMOEAST acquired a 25% stake in Global Emerging Property L.P. in July 2005, and now owns a share in a portfolio that is scheduled to reach EUR 450 million over the next three years through investments in Romania, Bulgaria and Serbia. Other investors include the European Bank for Reconstruction and Development (EBRD) and investment companies owned by leading Greek ship owner families.

#### Start of activities in the Baltic States

A joint venture was started in the Baltic States together with the British residential investor Grainger and a local partner. This company plans to construct and sell more than 3,000 condominium apartments.

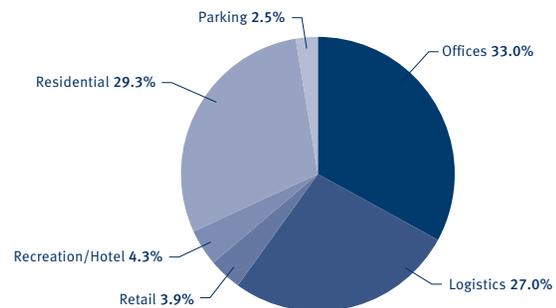
usable space of 2.6 million sqm and a fair value of EUR 3.7 billion. The objects are rented to the Republic of Italy for a period of 18 years and are located primarily in the economically strong northern region of the country.

#### SEGMENT DATA IMMOWEST

	31.7.2005	Change in %	31.7.2004
Revenues in EUR million	7.5	92.3	3.9
Investments in EUR million	81.1	1,348.2	5.6
Number of properties	242	142.0	100
Proportional share of letable space in sqm	768,290	157.0	298,971
Letable space as a % of the total portfolio	16.6	1.8	16.3
Fair value in EUR million	963.4	148.0	388.4
Fair value as a % of the total portfolio	19.2	13.6	16.9

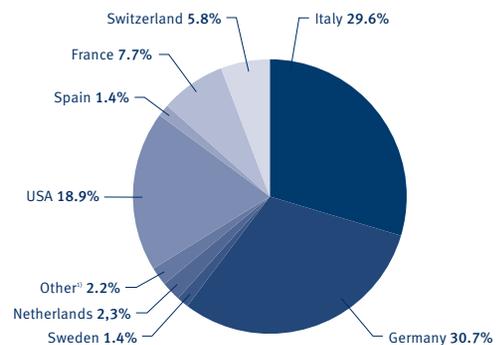
#### DISTRIBUTION OF LETABLE SPACE BY SECTOR

as a % of the IMMOWEST portfolio on 31.7.2005



#### DISTRIBUTION OF LETABLE SPACE BY REGION

as a % of the IMMOWEST portfolio on 31.7.2005



1) Other Countries: Denmark 0.4%, Great Britain 0.5%, Finland 0.2%, Belgium 0.2%, Other 0.9%

## IMMOWEST

#### DEVELOPMENT OF THE PORTFOLIO

IMMOWEST was able to increase the proportional share of usable space owned by 56.9% to 768,290 sqm during the first quarter of the 2005/06 Business Year. Its share of the IMMOFINANZ portfolio now equals 16.6%.

#### Germany

During the reporting period, IMMOWEST utilised the especially favourable climate for investors in Germany and acquired roughly 1,400 apartments with 100,000 sqm of usable space through the takeover of Tempelhofer Feld AG (TEFAG). The apartments are located in good areas of Tempelhof, a quarter in the heart of Berlin.

#### Italy

After the end of the reporting period IMMOWEST completed a further acquisition in Italy, an important country in its Central European core market: a 6% investment in Fondo Immobili Pubblici (FIP) gives IMMOFINANZ access to a unique portfolio of 400 office buildings, total

IMMOFINANZ Immobilien Anlagen AG

## Consolidated Balance Sheet as of 31 July 2005

<b>ASSETS</b>	<b>31 July 2005 in TEUR</b>	<b>30 April 2005 in TEUR</b>
Property	3,779,024.3	3,481,575.4
Other tangible assets	23,272.3	18,055.6
Intangible assets and goodwill	30,794.3	8,045.4
Shares in associated companies	26,379.6	26,379.6
Other financial instruments	387,348.0	250,691.9
Receivables and other assets	33,906.0	28,458.9
Deferred tax assets	19,216.1	8,628.9
<b>Non-current assets</b>	<b>4,299,940.6</b>	<b>3,821,835.7</b>
Inventories	53,275.5	54,181.0
Receivables and other assets	235,837.2	169,668.9
Financial instruments	549,472.5	2,522.4
Cash and cash equivalents	573,063.0	253,056.7
<b>Current assets</b>	<b>1,411,648.2</b>	<b>479,429.0</b>
<b>ASSETS</b>	<b>5,711,588.8</b>	<b>4,301,264.7</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	348,456.6	261,342.5
Reserves	1,473,139.3	1,000,006.5
Retained earnings and consolidated profit	109,357.9	90,421.3
Currency translation reserve	1,451.8	-2,809.2
	1,932,405.6	1,348,961.1
<b>Minority interests</b>	<b>754,928.7</b>	<b>202,175.7</b>
<b>Equity</b>	<b>2,687,334.3</b>	<b>1,551,136.8</b>
Long-term financial liabilities	1,891,483.5	1,648,665.3
Trade accounts payable	937.5	1,034.0
Provisions	4,141.3	6,056.7
Other liabilities	215,397.7	92,039.2
Deferred tax liabilities	155,846.0	117,110.9
<b>Non-current liabilities</b>	<b>2,267,806.0</b>	<b>1,864,906.1</b>
Short-term financial liabilities	533,340.4	701,504.1
Trade accounts payable	79,375.6	97,315.8
Provisions	28,953.4	27,266.8
Other liabilities	114,779.1	59,135.1
<b>Current liabilities</b>	<b>756,448.5</b>	<b>885,221.8</b>
<b>EQUITY AND LIABILITIES</b>	<b>5,711,588.8</b>	<b>4,301,264.7</b>

IMMOFINANZ Immobilien Anlagen AG

# Consolidated Income Statement

<b>IAS 40 – Cost Model</b>	<b>1.5.-31.7.2005</b>	<b>1.5.-31.7.2004</b>
	<b>in TEUR</b>	<b>in TEUR</b>
<b>Revenues</b>	<b>81,853.5</b>	<b>31,092.1</b>
Other operating income	40,079.5	9,551.6
Depreciation and amortisation	-34,628.4	-15,319.4
Expenses related to properties	-27,596.7	-8,729.1
Other operating expenses	-14,373.9	-8,101.3
Personnel expenses	-3,005.3	-920.3
Cost of materials	-2,532.6	0.0
<b>Operating profit (EBIT)</b>	<b>39,796.1</b>	<b>7,573.6</b>
Net financing costs	-20,337.9	-7,055.5
Income/(loss) on financial instruments	14,898.3	13,458.5
Share of profit/(loss) from associated companies	-120.0	-250.0
<b>Financial results</b>	<b>-5,559.6</b>	<b>6,153.0</b>
<b>Earnings before tax (EBT)</b>	<b>34,236.5</b>	<b>13,726.6</b>
Income taxes	-6,561.9	-4,135.2
<b>Net profit for the period</b>	<b>27,674.6</b>	<b>9,591.4</b>
<b>Equity holders of the parent company</b>	<b>18,840.0</b>	<b>6,597.2</b>
<b>Minority interests</b>	<b>8,834.6</b>	<b>2,994.2</b>

<b>IAS 40 – Fair Value Model</b>	<b>1.5.-31.7.2005</b>	<b>1.5.-31.7.2004</b>
	<b>in TEUR</b>	<b>in TEUR</b>
<b>Revenues</b>	<b>81,853.5</b>	<b>31,092.1</b>
Revaluation of properties (IAS 40)	32,995.3	17,423.9
Other operating income	22,189.5	5,667.5
Depreciation and amortisation	-14,720.6	-6,175.6
Expenses related to properties	-27,596.7	-8,729.1
Other operating expenses	-16,306.1	-8,101.3
Personnel expenses	-3,005.3	-920.3
Cost of materials	-2,532.6	0.0
<b>Operating profit (EBIT)</b>	<b>72,877.0</b>	<b>30,257.2</b>
Net financing costs	-20,337.9	-7,055.5
Income/(loss) on financial instruments	14,898.3	13,458.5
Share of profit/(loss) from associated companies	-120.0	-250.0
<b>Financial results</b>	<b>-5,559.6</b>	<b>6,153.0</b>
<b>Earnings before tax (EBT)</b>	<b>67,317.4</b>	<b>36,410.2</b>
Income taxes	-6,561.9	-4,135.2
Deferred taxes on revaluation (IAS 40)	-6,006.7	-2,696.0
<b>Net profit for the period</b>	<b>54,748.8</b>	<b>29,579.0</b>
<b>Equity holders of the parent company</b>	<b>41,834.7</b>	<b>23,469.6</b>
<b>Minority interests</b>	<b>12,914.1</b>	<b>6,109.4</b>

IMMOFINANZ Immobilien Anlagen AG

## Consolidated Statement of Cash Flows

	1.5.-31.7.2005 in TEUR	1.5.-31.7.2004 in TEUR
<b>Gross cash flow</b>	<b>28,980.4</b>	<b>16,670.2</b>
<b>Cash flow from operating activities</b>	<b>-42,432.2</b>	<b>-40,762.6</b>
<b>Cash flow from investing activities</b>	<b>342,932.1</b>	<b>-32,481.3</b>
<b>Cash flow from financing activities</b>	<b>566,681.1</b>	<b>275,142.4</b>
Differences arising from foreign currency translation	2,297.8	431.7
<b>Change in cash and cash equivalents</b>	<b>869,478.8</b>	<b>201,898.5</b>
Cash and cash equivalents at the beginning of the period	253,056.7	132,565.9
Cash and cash equivalents at the end of the period	1,122,535.5	334,464.4
<b>Change in cash and cash equivalents</b>	<b>869,478.8</b>	<b>201,898.5</b>

IMMOFINANZ Immobilien Anlagen AG

## Statement of Changes in Equity

	31 July 2005 in TEUR	31 July 2004 in TEUR
<b>Balance as of 30 April</b>	<b>1,551,136.8</b>	<b>1,096,632.5</b>
Fair value reserve	207.2	-198.8
Tax provisions not recognised to the income statement	-51.8	0.0
<b>Net income recognised directly in equity</b>	<b>155.4</b>	<b>-198.8</b>
Net profit	27,674.6	9,591.4
<b>Total recognised income and expense for the period</b>	<b>27,830.0</b>	<b>9,392.6</b>
Capital increase	1,130,282.5	312,145.9
Costs of capital increase	-28,347.2	-11,730.3
Dividend	-573.1	0.0
Change in consolidation method / structural changes	-1,667.4	0.0
Currency translation adjustment	6,457.4	309.3
Additions to consolidation range	2,215.3	0.0
<b>Balance as of 31 July</b>	<b>2,687,334.3</b>	<b>1,406,750.0</b>

# Notes

## Significant Accounting Policies

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

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

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

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

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

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

## Consolidation Range

The major changes to the consolidation range in Austria during the first quarter of the business year involved the acquisition of an 80% stake in HM 7 Liegenschaftsvermietungsgesellschaft m.b.H.

The consolidation range of IMMOWEST was increased to reflect the acquisition of Tempelhofer Feld AG, Berlin. The shares in CEREP Poseidon A12 s.a.r.l., which were held through the Poseidon J.V. s.à.r.l. joint venture managed together with Carlyle, were sold and this company was deconsolidated as of mid-May 2005.

The IMMOEAST subsidiary group acquired 100% of the shares in Airport Property Development a.s. (Czech Republic), Center Invest kft (Hungary) and CORA GS srl (Romania) as well as a 75% stake in Harborside Imobiliara srl (Romania) and the remaining 10% stake in ABLO Property s.r.o. (Czech Republic).

## Capital Increase

IMMOFINANZ IMMOBILIEN ANLAGEN AG carried out the largest capital increase in its history during the past quarter. Share capital was increased to EUR 348,456,633.54 through the issue of 83,910,187 shares. This transaction generated liquid funds of MEUR 578.9. Share capital is now comprised of 335,640,741 bearer and 6 registered shares.

## Notes to the Interim Financial Statements and Outlook

Non-current assets at carrying value increased 12.5% to EUR 4.3 billion during the first three months of the 2005/06 Business Year. The balance sheet total according to the cost method rose 32.7% to EUR 5.7 billion. The fair value of the property portfolio totalled EUR 5 billion as of 31 July 2005. Group revenues rose 163% over the comparable prior year period to EUR 81.9 million for the first quarter of 2005/06. EBIT calculated according to the fair value method increased by EUR 42.6 million to EUR 72.9 million. Based on the current viewpoint, revenues for the 2005/06 Business Year should exceed the targeted EUR 300 million by a substantial margin. We also expect a significant improvement in operating profit (EBIT) over 2004/05. Plans call for the investment of roughly EUR 2 billion during the current business year.

## DEVELOPMENT OF THE IMMOFINANZ SHARE

from 1.1.1998 to 31.7.2005



The IMMOFINANZ share combines the fundamental stability of a property stock with constant above-average value growth in an impressive manner. Over the past ten years the share price has risen by an average of 9.31%, which represents a pre-tax yield of 12.41% on alternative investments subject to withholding tax. During the first quarter of 2005/06 the IMMOFINANZ share not only outperformed the Property ATX with an increase of 7.37% but also exceeded the MSCI World Index, one of the most important international stock indexes, by a significant margin. A long-range comparison underscores the extraordinary performance of the IMMOFINANZ share versus the EPRA index (European property index) and EFFAS (index for euro federal bonds).

## INFORMATION ON THE IMMOFINANZ SHARE

Contact for Investor Relations	Emanuel Auanger
Shareholders' Telephone	+43/1/532 06 39-0
E-mail	investor@immofinanz.at
Internet	www.immofinanz.at
Vienna Stock Exchange ID	80905
Vienna Stock Exchange symbol	IIA
Reuters	IMFI VI
Datastream	O:IMMO 866289
Bloomberg	IIA AV
ISIN	AT

## PERFORMANCE OF THE IMMOFINANZ SHARE

in %

Period	After-tax return	- Pre-tax return (subject to withholding tax*)
1 year	14.16	18.88
3 years	11.09	14.79
5 years	9.91	13.21
10 years	9.31	12.41
Since founding in 1990	8.07	10.76

\* Corresponds to a pre-tax yield on alternative investments that are subject to withholding tax

## Financial Calendar

29 September 2005  
12th Annual General Meeting

30 September 2005  
Report on the First Quarter  
as of 31.7.2005

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

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

Published by:  
IMMOFINANZ Immobilien Anlagen AG  
Bankgasse 2  
A-1010 Vienna

Tel.: +43/1/532 06 39-0

Fax: +43/1/532 06 39-790

Mail: marketing@immofinanz.at

www.immofinanz.at