

Q1

News for our investors

FINANCIAL REPORT ON THE FIRST QUARTER OF THE 2017 FINANCIAL YEAR

1 January – 31 March 2017

Substantial improvement in net profit

Valuation of investments leads to positive effect on financial results

Further increase in occupancy rate

Property rentals rise to 91.9%

Development of rental income

Slight sales-related decline of 1.9%; increase of 3.7% in like-for-like rental income

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KEY FIGURES

Earnings Data

		Q1 2017	Q1 2016	Change in %
Rental income	in MEUR	57.1	58.2	-1.9%
Results of asset management	in MEUR	39.5	40.9	-3.6%
Results of property sales	in MEUR	-6.0	0.5	n.a.
Results of property development	in MEUR	-5.8	27.7	n.a.
Results of operations	in MEUR	17.8	57.2	-68.9%
Revaluations	in MEUR	-0.8	-69.6	98.8%
EBIT	in MEUR	13.9	-77.4	n.a.
Financial results	in MEUR	93.0	-37.3	n.a.
EBT	in MEUR	107.0	-114.6	n.a.
Net profit for the period	in MEUR	80.7	-240.7	n.a.
FFO 1 (excl. results of property sales & property development) ¹	in MEUR	10.6	2.5	≥ +100.0%
FFO 2 (incl. results of property sales) ¹	in MEUR	4.7	3.0	55.1%

¹ See calculation on page 41

Asset Data

		31 3 2017	31 12 2016	Change in %
Balance sheet total	in MEUR	7,170.7	7,003.4	2.4%
Equity as % of the balance sheet total	in %	40.3%	37.8%	n.a.
Net financial liabilities	in MEUR	2,997.3	3,316.9	-9.6%
Cash and cash equivalents	in MEUR	469.0	189.3	≥ +100.0%
Loan to value ratio (net)	in %	48.2%	52.2%	n.a.
Gearing	in %	75.9%	92.6%	n.a.
Average interest rate on financial liabilities, incl. hedging	in %	3.9%	4.0%	n.a.
Average term of financial liabilities	in years	3.4	3.3	4.6%

Property Data

		31 3 2017	31 12 2016	Change in %
Total number of properties		237	244	-2.9%
Lettable space	in sqm	1,710,166	1,770,031	-3.4%
Occupancy rate	in %	91.9%	89.6%	n.a.
Gross return	in %	6.2%	6.1%	n.a.
Gross return adjusted for occupancy	in %	6.7%	6.8%	n.a.
Portfolio value	in MEUR	3,989.4	4,003.5	-0.4%
Thereof investment properties	in MEUR	3,490.0	3,531.4	-1.2%
Thereof property under construction	in MEUR	417.7	379.0	10.2%
Thereof real estate inventories	in MEUR	81.7	93.1	-12.3%
Unencumbered investment property	in MEUR	722.7	755.2	-4.3%

EPRA Indicators

		31 3 2017	31 12 2016	Change in %
EPRA Net Asset Value	in MEUR	3,226.1	3,014.2	7.0%
EPRA Net Asset Value per share	in EUR	3.14	3.12	0.5%
EPRA Triple Net Asset Value	in MEUR	3,129.8	2,867.9	9.1%
EPRA Triple Net Asset Value per share	in EUR	3.04	2.97	2.5%
		Q1 2017	Q1 2016	Change in %
EPRA earnings	in MEUR	108.6	-60.6	n.a.
EPRA earnings per share	in EUR	0.10	-0.06	n.a.
EPRA earnings after company-specific adjustments	in MEUR	14.4	-53.0	n.a.
EPRA earnings per share after company-specific adjustments	in EUR	0.01	-0.05	n.a.
EPRA Net Initial Yield	in %	5.1%	4.8%	n.a.

Stock Exchange Data

		31 3 2017	31 12 2016	Change in %
Book value per share	in EUR	2.80	2.75	1.7%
Share price at end of period	in EUR	1.79	1.85	-3.3%
Discount of share price to diluted NAV per share	in %	42.9%	40.6%	n.a.
Total number of shares		1,039,488,118	975,955,651	6.5%
Thereof number of treasury shares		10,948,049	9,999,973	9.5%
Market capitalisation at end of period	in MEUR	1,861.7	1,808.4	2.9%
		31 3 2017	31 3 2016	Change in %
Earnings per share	in EUR	0.08	-0.24	n.a.
Earnings per share (diluted)	in EUR	0.07	-0.24	n.a.

The harmonisation of the financial year with the calendar year as of 31 December 2016 resulted in the presentation of comparative data which reflect the corresponding period in the 2016 calendar year. Consequently, this data does not reflect the data previously published for the first quarter of the abbreviated 2016 financial year (Q1 2016A).

The retail portfolio Moscow, which was presented as a discontinued operation for the first time in IMMOFINANZ's consolidated financial statements as of 31 December 2016, is also included in these new comparative figures in accordance with IFRS 5 – i.e. through the separate presentation of the retail portfolio Moscow as a discontinued operation in the consolidated income statement and the consolidated cash flow statement.

The plus and minus signs assigned to the changes reflect the business point of view: improvements are shown with a plus sign (+), deteriorations with a minus sign (-). Very high positive or negative per cent changes are reported as $\geq +100\%$ or $\leq -100\%$. The designation "not applicable" (n.a.) is used when there is a change in the sign (i.e. from plus to minus or from minus to plus) and for changes in percentage rates.

“IMMOFINANZ grew stronger during the past three months. The occupancy rate in our Group’s portfolio rose to nearly 92%, and our medium-term financing costs were significantly reduced.”

Oliver Schumy, CEO

Dear Shareholders,

Following the harmonisation of our financial year with the calendar year, we are now reporting for the first time on a starting quarter that covers the period from January to March. Our activities in the operating business during these three months were reflected in a further increase in the occupancy rate of the IMMOFINANZ portfolio (excluding Russia) from 89.6% at the end of December 2016 to 91.9%. The occupancy rate in our office properties improved from 87.3% to 89.2% and, at nearly 96%, our retail properties are essentially fully rented.

The measures implemented to adapt our Moscow shopping centers to the changed market environment are showing sustainable success. The occupancy rate in these five properties continued to improve – this time from 87.7% at the end of December to the current level of 88.3%. Including signed leases, rentals in these properties again exceed 90%. That represents an important condition for the planned separation of the Russian portfolio.

The continuing optimisation of IMMOFINANZ's portfolio included, among others, the sale of the *Friesenquartier*, a package of mixed use properties in Cologne. The hotel in Cologne's *Gerling Quartier*, which is currently in the project development phase, was successfully sold through a forward purchase. We are also in the final stage of negotiations for the sale of the completed properties in the first section of the *Gerling Quartier*. These transactions underscore our strategic concentration on the office and retail sectors with our myhive, STOP SHOP and VIVO! brands, which have a high degree of standardisation and, consequently, create a sound foundation for high portfolio efficiency.

Germany remains our most important growth market for the office business. We are developing the new corporate headquarters for trivago and Uniper in Düsseldorf. In addition, the modernisation of the *Hohenzollernring 62* in Cologne will represent the first office project under our myhive brand in Germany.

Our work in the financing area included an important multi-stage refinancing programme, which was carried out at the Group level in January. Both the volume and the historically high interest rates on our bonds clearly differentiated us from our competitors in the past. These latest measures – which covered a reduction in the outstanding volume of the convertible bond 2018 through an incentivised conversion and the issue of a new convertible bond with a term ending in 2024 – will reduce our financing costs by more than EUR 21 million over the medium-term.



Oliver Schumy

The partial conversion of the convertible bond 2018 and the resulting decrease in servicing requirements reduced our required holding in BUWOG shares by roughly 4.5 million. We therefore placed these shares on the capital market and, after the deduction of all costs, realised proceeds of approximately EUR 97.4 million.

A further capital measure involved the launch of a share buyback programme in March, which has a volume of up to 20 million shares.

Shortly after the end of the reporting period, we reached an agreement in principle to settle the legal proceedings over the review of the exchange ratio applied to the merger of IMMOEAST and IMMOFINANZ in 2010. The agreement calls for compensation of 0.088 IMMOFINANZ shares for each former IMMOEAST share to the former IMMOEAST shareholders. This agreement was approved by the commercial court in Vienna.

The past is now history, and we can turn our attention to the future and the creation of sustainable added value for you, our shareholders.

Vienna, 29 March 2017

A handwritten signature in black ink, appearing to read 'Oliver Schumy', written in a cursive style.

Oliver Schumy
CEO

Our Company at a Glance

Focus on office and retail properties in seven core markets

Our portfolio includes office and retail properties at the best locations in the most promising countries. In addition to the professional management of these properties, we focus on value-creating growth through our own development projects and acquisitions and on the further optimisation of the portfolio structure – always with the goal of strengthening our standing investments and sustainable cash flow.

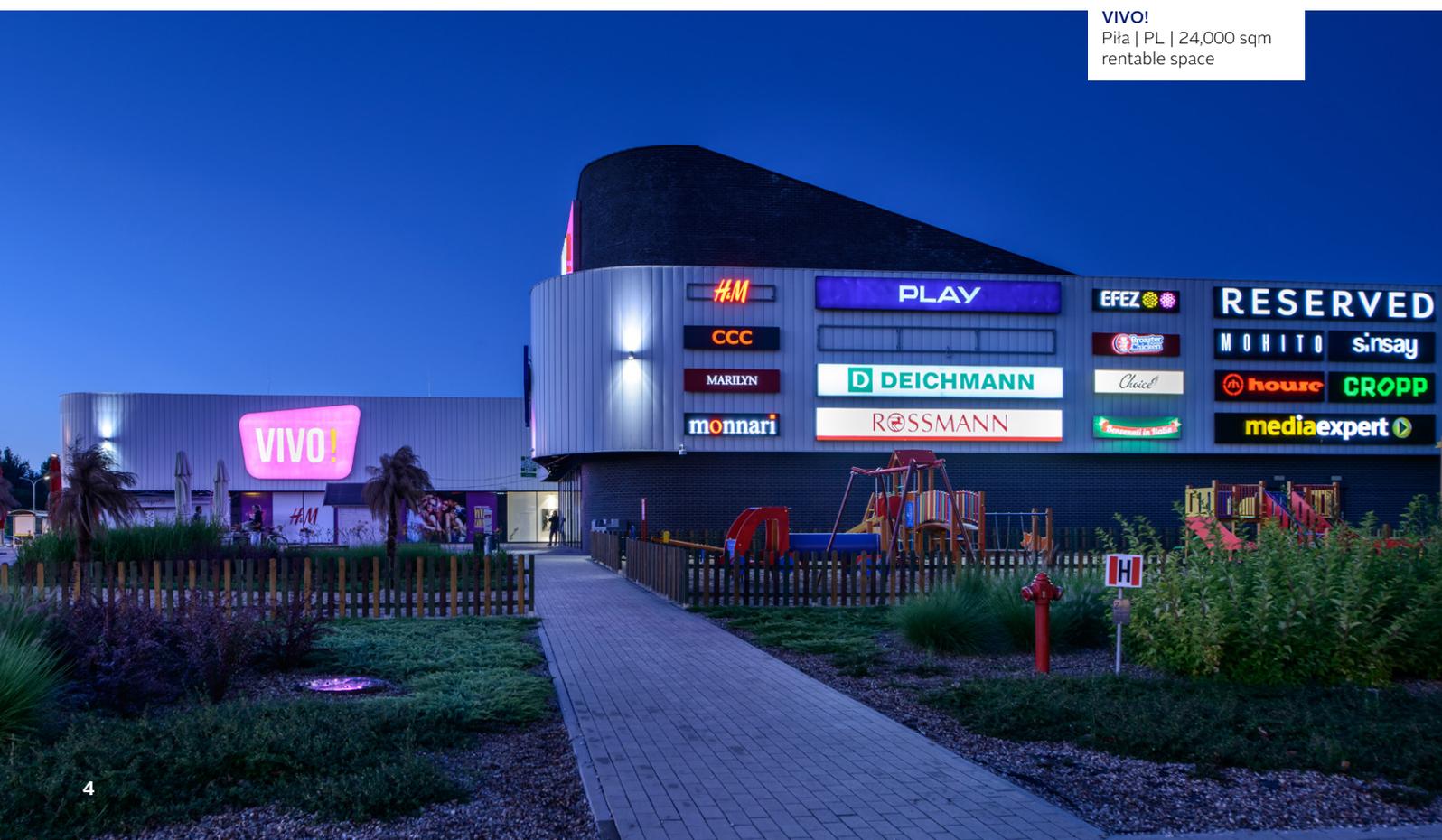
Seven core markets form the geographical focus of our business activities: Austria, Germany, Poland, Czech Republic, Slovakia, Romania and Hungary. Our local teams in each of the core markets are the guarantee for a strong service orientation and customer satisfaction.

On 19 December 2016 the Executive Board and Supervisory Board approved the separation of the retail portfolio in Russia through a sale or spin-off. In accordance with IFRS 5, the Russian portfolio has therefore been presented as a discontinued operation since 31 December 2016.

The IMMOFINANZ share has traded on the Vienna Stock Exchange since December 1994 and on the Warsaw Stock Exchange since May 2013.

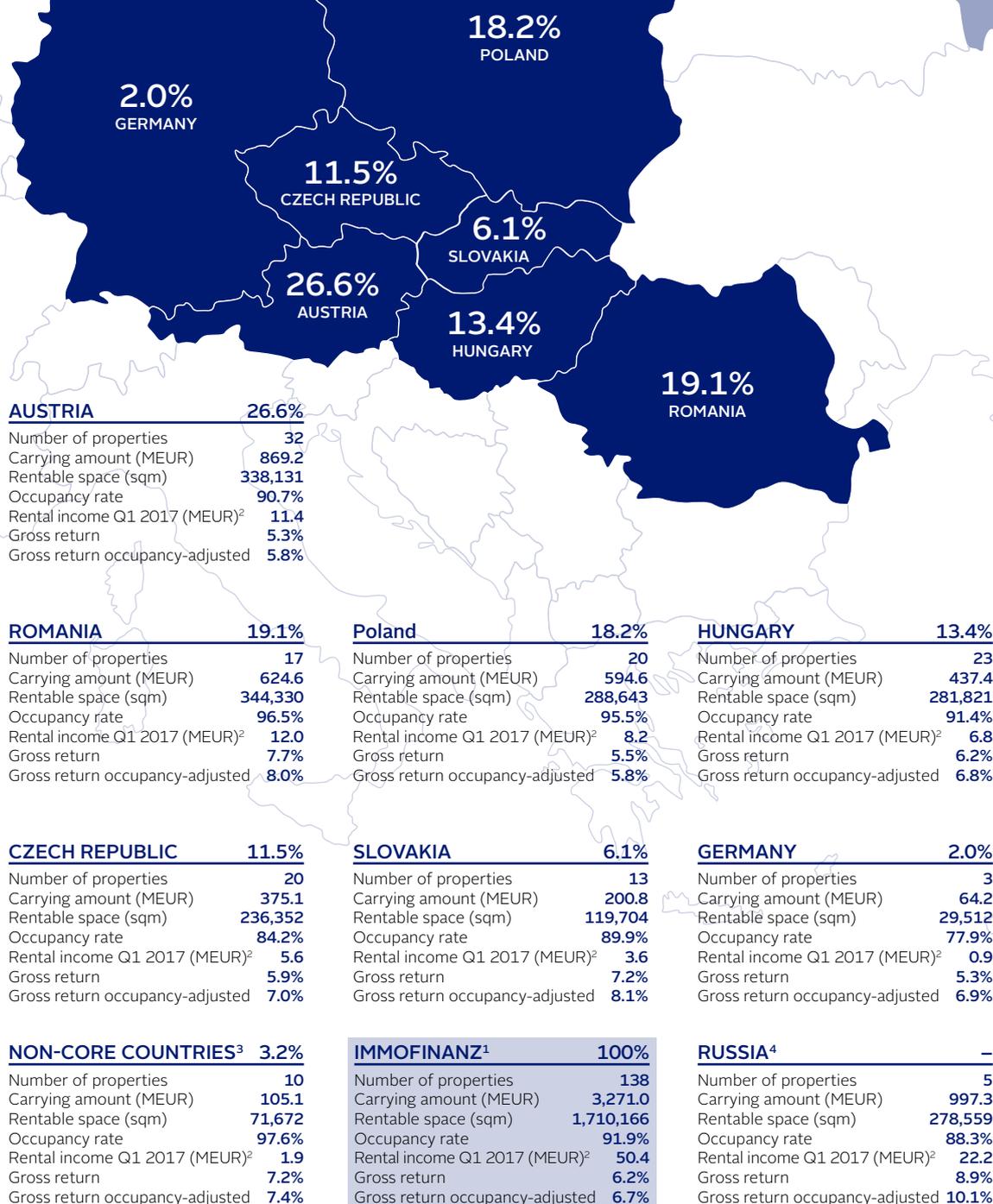
Key data on the property portfolio excl. Russia		31 March 2017	31 December 2016	Change in %
Total number of properties		237	244	-2.9%
Rentable space	in sqm	1,710,166	1,770,031	-3.4%
Occupancy rate	in %	91.9%	89.6%	n.a.
Gross return on the standing investments	in %	6.2%	6.1%	n.a.
Gross return on the standing investments occupancy-adjusted	in %	6.7%	6.8%	n.a.
Portfolio value	in MEUR	3,989	4,004	-0.4%
thereof office	in MEUR	2,511	2,510	0.0%
thereof retail	in MEUR	1,258	1,264	-0.4%
thereof other	in MEUR	221	230	-3.9%

VIVO!
Piła | PL | 24,000 sqm
rentable space



KEY DATA ON THE STANDING INVESTMENT PORTFOLIO BY CORE MARKET AS OF 31 MARCH 2017

Share of the standing investment portfolio
(based on the carrying amount of MEUR 3,271.0¹)



1 Excluding the discontinued operation Russia

2 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

3 In declining order based on the carrying amount: Slovenia, Serbia, Croatia, Bulgaria

4 Discontinued operation

OUR BRANDS

In recent years we have developed and established two brands for our retail portfolio: STOP SHOP and VIVO!. Our latest step was the introduction of myhive, our international office brand, in September 2016. This brand strategy is driving the steady expansion of our competitive position.

myhive

Our offices meet all the expectations of a modern working environment and are concentrated at locations in capital cities and the major office locations in Germany. We rely on innovative office concepts to meet the needs of our tenants. myhive stands for a friendly and lively atmosphere and for an international community, combined with optimal infrastructure and services.

OUR OFFICE PORTFOLIO AS OF 31 MARCH 2017

	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Office	80	2,075.6	358.6	14,9	61.7	2,510.8	62.9%
thereof myhive ¹	18	866.9	70.3	0.0	0.0	937.2	23.5%

¹ Twenty properties will be branded as myhive. Of this total, two buildings are not listed separately because they are part of the IRIDE Business Park.

VIVO!

VIVO! is our brand for shopping centers. These facilities are designed for cities with a catchment area of at least 200,000 residents and are characterised by strong anchor tenants and an attractive branch mix. VIVO! combines shopping with a special experience factor for the entire family. These shopping centers are generally single-storey, have a high recognition value and are ideally suited for further growth.

STOP SHOP

STOP SHOP is our brand for retail parks in Central and Eastern Europe. They are appealing and practical local suppliers in catchment areas of 30,000 to 150,000 residents and have a diverse product offering with attractive value for money. With their good traffic links and extensive parking, they address price-conscious "smart shoppers" who value easy accessibility.

OUR RETAIL PORTFOLIO AS OF 31 MARCH 2017, EXCL. RUSSIA

	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Retail	92	1,193.6	24.8	39.6	1,258.0	31.5%
thereof VIVO!/ Shopping Center	13	620.5	7.9	9.1	637.5	16.0%
thereof STOP SHOP/ Retail Park	68	546.4	6.5	5.8	558.6	14.0%

RUSSIA (DISCONTINUED OPERATION)

The portfolio category **Retail Moscow** consists of five shopping centers in Moscow, which had a combined value of EUR 997.3 million as of 31 March 2017. Since the Russian properties have distinct market characteristics and a different risk profile than the remainder of the portfolio, IMMOFINANZ plans to sell or spin off these shopping centers. Retail Moscow is therefore presented as a discontinued operation in accordance with IFRS 5.

You can find detailed information on the development and structure of the property portfolio starting on page 12 of this report.

IMMOFINANZ

on the Capital Market

THE MARKET ENVIRONMENT AND THE IMMOFINANZ SHARE

Developments on the stock markets during the first three months of 2017 were influenced, above all, by the new US government under President Donald Trump. Hopes of positive economic impulses from the USA, the generally friendly outlook for the global economy and a largely calm political environment in Europe led to price gains on the European stock exchanges in the first quarter of 2017. In Vienna, the share prices continued the upward trend that characterised the past two quarters.

The IMMOFINANZ share started the 2017 financial year at EUR 1.85 on 2 January and closed the first quarter at EUR 1.79 on 31 March 2017. As of the editorial deadline for this report (24 May 2017), the share traded over the EUR 2.0-mark.

INFORMATION ON THE IMMOFINANZ SHARE

		31 March 2017	31 December 2016	Change in %
EPRA Net Asset Value per share	in EUR	3.14	3.12	0.5%
EPRA Triple Net Asset Value per share	in EUR	3.04	2.97	2.5%
Book value per share	in EUR	2.80	2.75	1.7%
Discount of share price to NAV per share	in %	42.9%	40.6%	n.a.

		31 March 2017
Share capital	in EUR	1,039,488,118
Total number of shares		1,039,488,118
thereof treasury shares		10,948,049 ¹
Free float	in %	approx. 87% ²
Established		April 1990
Segment		ATX. WIG
Class of shares		Bearer common shares
ISIN		AT0000809058
Reuters		IMFI VI
Bloomberg		IIA AV
Datastream		O: IMMO 866289
ISIN ADR Programme		US45253U2015
Financial year 2017		1 January to 31 December
Share price on 31 March 2017	in EUR	1.79
Share price high Q1 2017 (end of the day)	in EUR	1.90
Share price low Q1 2017 (end of the day)	in EUR	1.70
Market capitalisation on 31 March 2017	in MEUR	1,861.7

¹ IMMOFINANZ AG started a share buyback on 22 March 2017. The share buyback programme 1/2017 has a maximum volume of 20 million shares and can be reviewed on the company's website under <https://www.immofinanz.com/en/investor-relations/our-share/share-buyback-programmes>.

² Free float equalled approx. 82% as of 24 May 2017.

PERFORMANCE COMPARISON

1 January to 31 March 2017	in %
IMMOFINANZ share	-3.2%
ATX	8.0%
Immobilien ATX	6.4%
EPRA/NAREIT Emerging Europe Index	-5.6%
EPRA/NAREIT Developed Europe Index	0.6%

DEVELOPMENT OF THE IMMOFINANZ SHARE VS. SELECTED INDEXES

Indexed as of 1 January 2015



SHARE CAPITAL AND DISTRIBUTION POLICY

The share capital of IMMOFINANZ AG totalled EUR 1,039.5 million as of 31 March 2017 (31 December 2016: EUR 976.0 million) and was divided into 1,039,488,118 bearer shares (ISIN AT0000809058; 31 December 2016: 975,955,651 shares), each of which represents a proportional share of EUR 1.00 in share capital. In January 2017 the conversion offer was accepted for approximately 43.4% of the nominal value of the convertible bond 2018 outstanding as of the effective date (see below). This acceptance resulted in the issue of 63.5 million IMMOFINANZ shares. IMMOFINANZ held 10,948,049 treasury shares at the end of the reporting period.

Dividends

Plans call for the payment of an ordinary dividend of EUR 0.06 per share for the abbreviated 2016 financial year (1 May 2016 to 31 December 2016). The Executive Board will therefore recommend this distribution to the 24th annual general meeting on 1 June 2017. The dividend is classified as a repayment of capital under Austrian law (§ 4 (12) of the Austrian Income Tax Act) and is therefore not subject to withholding tax for natural persons who are resident in Austria and who hold IMMOFINANZ shares as part of their private assets.* Based on the closing price on 31 March 2017, that represents an annualised dividend return of approximately 5.0%.

The payment of a dividend is also planned for the current 2017 financial year.

SHAREHOLDER STRUCTURE

IMMOFINANZ shares are widely held, primarily by Austrian private investors and long-term value-oriented institutional investors from Europe and the USA. Free float, excluding treasury shares, equalled approximately 87%** as of 31 March 2017.

LARGEST SINGLE SHAREHOLDERS

Fries Group	69,781,813 shares	6.7%
CA Immobilien Anlagen (via PHI Finanzbeteiligungs und Investment GmbH)	54,805,566 shares	5.3%
Och-Ziff Capital Management Group LLC (together with companies under its control)	50,895,979 voting rights ¹	4.9% ¹
Erste Asset Management (together with subsidiaries)	44,708,270 shares ²	4.3% ²

¹ Includes shares and other financial instruments of IMMOFINANZ AG
² Report as of 24 April 2017

There are no other reports of shareholding over 4%, respectively 5%.

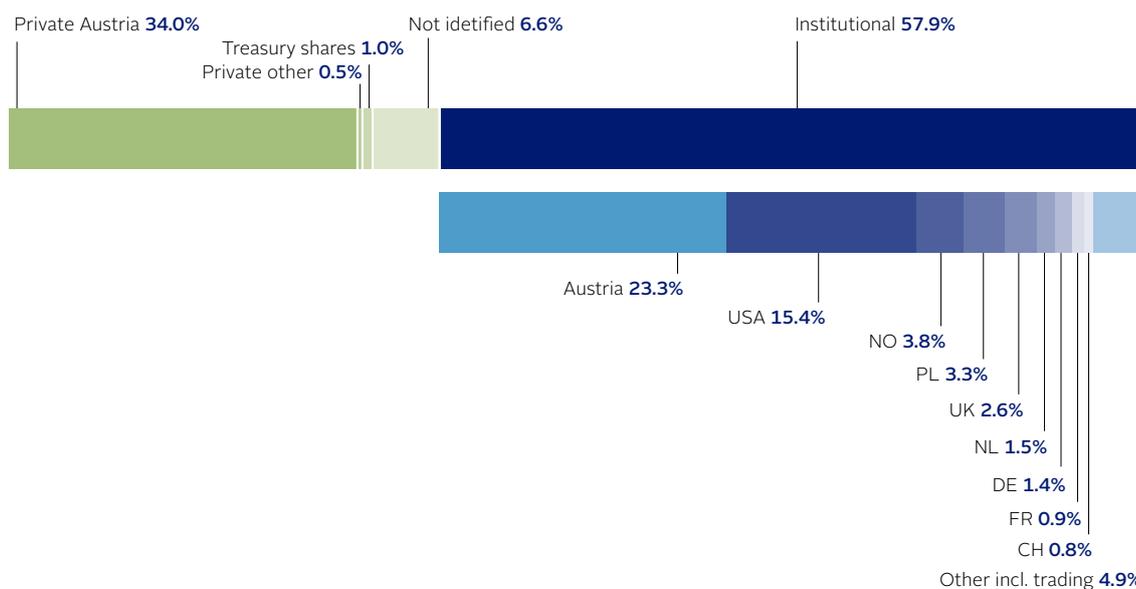
EUR 0.06 ordinary dividend planned for FY 2016A

* Subject to certain assumptions, e.g. when the total capital repayments exceed the tax base of the purchased shares
 ** Free float equalled approx. 82% as of 24 May 2017

Detailed Analysis

Regular shareholder surveys help to define the regional focal points for investor relations activities. The latest survey was carried out in February 2017 and shows the following picture: 34.0% of IMMOFINANZ shares are held by private investors in Austria. Institutional investors hold approximately 58.0%, whereby most come from Austria (23.3%), the USA (15.4%) and Norway (3.8%). Polish investors hold 3.3% of the shares. The remaining 8.1% are not identified investors or represent treasury shares or holdings by foreign private investors.

PRIVATE AND INSTITUTIONAL INVESTORS BY COUNTRY



Source: IPREO, February 2017

BONDS

IMMOFINANZ had three convertible bonds and one corporate bond outstanding as of 31 March 2017. These securities have a total nominal value of EUR 705.9 million.

The 4.25% convertible bond 2018 (ISIN XS0592528870) had an outstanding volume of EUR 287.3 million as of 31 March 2017. On 12 January 2017 IMMOFINANZ invited the holders of the convertible bond 2018 to submit incentivised conversion declarations for their bond certificates. The bondholders issued conversion declarations for a total of EUR 219.8 million, or 43.4%. The remaining outstanding volume will be repaid on 8 March 2018 (maturity date) unless there are conversions into shares before that date. As of 31 March 2017, one certificate of this bond (nominal value: EUR 4.12) can be converted into 1.1908* IMMOFINANZ shares and 0.0649 BUWOG shares.

The 1.25% convertible bond 2017 (ISIN XS0332046043) still has a nominal value of EUR 21.4 million outstanding and will be redeemed on 19 November 2017 (maturity date) unless it is converted in full or in part before that date. As of 31 March 2017, one certificate of the convertible bond 2017 (nominal value: EUR 100,000.0) can be converted into 12,909.75 IMMOFINANZ shares and 718.10 BUWOG shares.

IMMOFINANZ held roughly 10 million BUWOG shares as of 31 December 2016, which represented an investment of 10%. After the incentivised conversion of the convertible bond 2018 in January 2017 (see above), approximately 4.5 million BUWOG shares were successfully placed through an accelerated bookbuilding process. The net proceeds from the transaction totalled EUR 97.4 million. IMMOFINANZ held approximately 4.7 million BUWOG shares, representing an investment of 4.7%, after this transaction, which are reserved for the proportional servicing of the convertible bonds 2017 and 2018.

Parallel to the incentivised conversion of the convertible bond 2018, IMMOFINANZ issued a seven-year convertible bond (ISIN XS1551932046) with a 2% coupon and a volume of EUR 297.2 million.

* The conversion rights of convertible bonds 2018 were adjusted as of 23 May 2017: one certificate of this bond can be converted into 1.2047 IMMOFINANZ shares; BUWOG shares remain unchanged.

The bond terms call for a reduction of 50 basis points in the coupon starting with the interest payment period which begins on the day after the company receives an investment grade rating from S&P, Moody's or Fitch. The initial conversion price equals EUR 2.3933**. The convertible bond is initially convertible into 124.2 million zero par value shares of IMMOFINANZ AG, which represent roughly 12% of the company's currently outstanding share capital. The convertible bond 2024 includes a put option for bondholders after five years (i.e. 24 January 2022) and will be repaid at 100% of the nominal value on 24 January 2024 (maturity date) unless it is redeemed in full or in part before that date.

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

Additional details on the bonds is provided under *Financing* on page 36.

ANALYSTS' RECOMMENDATIONS

The following nine national and international houses publish regular evaluations and studies on IMMOFINANZ: Alpha Value, Baader Bank, Barclays, Erste Group, Kepler Cheuvreux, Morgan Stanley, Raiffeisen Centrobank, Société Générale and Wood & Company. These evaluations are updated regularly and can be reviewed on the IMMOFINANZ website under www.immofinanz.com/en/investor-relations/our-share/analyses.

FINANCIAL CALENDAR 2017

1 June 2017	24th annual general meeting
2 June 2017	Ex-dividend day
6 June 2017	Record date for the determination of dividend rights
7 June 2017	Dividend payment date
29 August 2017	Announcement of results for the first half of 2017 (after the close of trading)
30 August 2017	Report on the first half of 2017
28 November 2017	Announcement of results for the third quarter of 2017 (after the close of trading)
29 November 2017	Report on the third quarter of 2017

INVESTOR RELATIONS APP

The IMMOFINANZ investor relations app provides up-to-date information on the share price as well as financial reports, presentations, ad-hoc press releases and corporate news. IMMOFINANZ's financial reporting dates can also be transferred directly to your personal calendar with a simple click.

CONTACT

The investor relations team is available to answer your questions and provide additional information on IMMOFINANZ AG and its share.

Investor Relations Contacts

Bettina Schragl

T: +43 1 88090 2290

investor@immofinanz.com

Simone Korbelius

T: +43 1 88090 2291

investor@immofinanz.com

* The conversion price of convertible bonds 2024 were adjusted to EUR 2.3637 as of 23 May 2017.



Panta Rhei
Düsseldorf | DE | 9,600 sqm
rentable space

GROUP MANAGEMENT REPORT

Portfolio Report

The core business of IMMOFINANZ covers the management and development of retail and office properties in selected countries of Central and Eastern Europe. The company's activities in the office sector – with the new international brand myhive – are concentrated on the capital cities of the core countries and on the largest office locations ("Big 7" cities) in Germany. Office properties represented 62.9% of the portfolio value and 57.2% of the rental income from standing investments in the first quarter of 2017. The expansion of the retail portfolio is focused on the STOP SHOP and VIVO! brands, which are designed primarily for secondary and tertiary cities. Retail properties represented 31.5% of the portfolio value and 42.8% of the rental income from standing investments. IMMOFINANZ's goal is to create a high-quality, profitable portfolio of commercial properties.

The properties assigned to the Other asset class represent 5.5% of the total portfolio and are not part of IMMOFINANZ's core real estate assets. They cover all other activities that cannot be allocated to the office or retail businesses. This category includes, above all, the condominium apartments developed by IMMOFINANZ in Romania (Adama) and Poland as well as the apartments designated for sale in the *Gerling Quartier* in Germany and residential buildings in Austria.

Portfolio value of EUR 4.0 billion, excluding Russia

The property portfolio covered 237* properties with a combined value of EUR 3,989.4 million* as of 31 March 2017, which are located in the core markets of Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Poland. Standing investments represent the largest component at EUR 3,271.0 million* or 82.0% of the total carrying amount and approximately 1.7 million* sqm of rentable space. These properties generate steady rental income and are allocated to the Asset Management sector. Active development projects comprise EUR 417.7 million or 10.5% of the carrying amount and real estate inventories EUR 81.7 million or 2.0%. A carrying amount of EUR 219.0 million or 5.5% is attributable to pipeline projects, which include future planned development projects and undeveloped land.

On 19 December 2016 the Executive Board and Supervisory Board approved the separation of the Russian retail portfolio (Retail Moscow) through a sale or spin-off. The Russian portfolio has therefore been reported in the consolidated financial statements since that date as a discontinued operation in accordance with IFRS 5.

The key indicators on Russia and Retail Moscow are still presented separately in this portfolio report due to the size of the portfolio (property value as of 31 March 2017: EUR 997.3 million). Other properties that fall under the scope of application of IFRS 5 – i.e. properties classified as held for sale – are not included in the portfolio report in line with previous practice (detailed information is provided in section 4.5, page 63, of the consolidated interim financial statements).

STRUCTURE OF THE PROPERTY PORTFOLIO

Total carrying amount: MEUR 3,989.4¹



¹ Excluding the discontinued operation Russia

A geographical analysis shows the main focus of the portfolio in Austria with 22.9%, followed by Romania with 21.2%, Poland with 15.3% and Hungary with 11.8%. Properties in the non-core countries represent 3.1% of the carrying amount of the property portfolio.

* Excluding the discontinued operation Russia

PROPERTY PORTFOLIO BY CORE MARKET

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Austria	37	869.2	34.3	0.0	10.7	914.2	22.9%
Germany	16	64.2	268.7	73.4	0.0	406.3	10.2%
Czech Republic	22	375.1	19.1	0.0	0.9	395.1	9.9%
Hungary	30	437.4	0.0	0.0	31.6	468.9	11.8%
Poland	27	594.6	9.4	6.6	1.6	612.2	15.3%
Romania	72	624.6	58.6	1.5	160.6	845.4	21.2%
Slovakia	15	200.8	22.6	0.0	1.1	224.6	5.6%
Non-core countries ¹	18	105.1	5.0	0.2	12.5	122.7	3.1%
IMMOFINANZ continuing operations	237	3,271.0	417.7	81.7	219.0	3,989.4	100.0%
		82.0%	10.5%	2.0%	5.5%	100.0%	
Russia ²	5	997.3	0.0	0.0	0.0	997.3	

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

¹ In declining order based on the carrying amount: Slovenia, Serbia, Croatia, Bulgaria and Ukraine

² The Russian portfolio is presented as a discontinued operation due to the planned sale or spin-off and is therefore not included in the total.

PROPERTY SALES

The optimisation of the portfolio structure also includes the sale of properties that are not part of the core business. These sales are directed, above all, to properties that no longer fit with the core portfolio because of their size, location, quality or other features. The focus in the office sector, for example, is on larger buildings because they can be managed more efficiently. The proceeds from these sales are invested to expand the portfolio, in other words in development projects and acquisitions.

This strategy was consistently followed in the first quarter of 2017 with the sale of properties totalling EUR 24.9 million. These transactions included, for example, two retail properties and three office buildings in Austria. The *Friesenquartier* in Cologne, a package of mixed-use properties with an underground garage, was sold at the end of January 2017. The closing of this transaction took place in April 2017. The hotel in Cologne's *Gerling Quartier*, which is currently in the project development phase and will be completed by IMMOFINANZ, was successfully sold through a forward purchase. This package also includes the undeveloped property in the second construction section of the *Gerling Quartier*.

PROPERTY ACQUISITIONS

In November 2016 IMMOFINANZ announced the acquisition of eight retail parks in Slovakia and Hungary. A further retail park was also purchased in Romania. These transactions are expected to close in several stages in 2017.

INVESTMENTS

IMMOFINANZ invested a total of EUR 33.6 million in the property portfolio during the first quarter of 2017 (Q1 2016: EUR 41.7 million).

THE IMMOFINANZ BRANDS

IMMOFINANZ developed and established the STOP SHOP and VIVO! brands for its retail portfolio in recent years. myhive, an international office brand, was introduced in September 2016. This clearly defined brand strategy is supporting the steady expansion of the company's competitive position.

OFFICE

myhive: the office of the future

The international office concept **myhive** is directed to locations in the capital cities of the IMMOFINANZ core countries and the largest office locations in Germany. myhive stands for a friendly and lively atmosphere, communicative interaction between tenants and optimal infrastructure. The offices are characterised by attentive and helpful staff, easy accessibility and numerous services. Included here are shops and services for everyday needs, flexible and serviced offices, fast WLAN in the common areas and a sport offering. The interaction and cooperation between tenants is also supported, for example, by attractive communication zones, tenant lounges and interesting events.

The first phase is almost complete and involves the redesign and rebranding of 20* office properties as myhive locations. This category represents an important source of income for IMMOFINANZ with a 23.5% share of the portfolio value and 23.7% of the rental income from standing investments. The myhive office buildings include, among others, the *myhive Twin Tower* (Vienna, Austria), *myhive S-Park* (Bucharest, Romania), *myhive Park Poștepu* and *myhive Nimbus* (Warsaw, Poland) and the *myhive Átrium Park* (Budapest, Hungary).

RETAIL

VIVO! shopping centers in four markets

VIVO! stands for high-quality shopping centers, primarily on a single level. The tenants are generally a mix of international and local retailers, with a focus on fashion and entertainment. The VIVO! concept is based on high standardisation and therefore optimally suited for further development projects. Recent activities also involved the roll-out of the VIVO! brand to further shopping centers. The VIVO!/shopping center properties represent 16.0% of the portfolio value and 21.3% of the rental income from standing investments. These shopping centers include, among others, the four Romanian locations *VIVO! Cluj*, *VIVO! Constanța*, *VIVO! Baia Mare* and *VIVO! Pitești* as well as the two VIVO! shopping centers in the Polish cities of Piła and Stalowa Wola.

* Of this total, two buildings are not listed separately because they are part of the *IRIDE Business Park*.

STOP SHOP

Domžale | SI | 1,700 sqm rentable space



STOP SHOPs are retail parks with a standardised format and an attractive tenant mix. They represent 14.0% of the total portfolio value and 20.4% of the rental income from standing investments. The STOP SHOP locations are found primarily in catchment areas with 30,000 to 150,000 residents and have 8,000 to 15,000 sqm of rentable space. This concept is suitable, above all, for secondary and tertiary cities in lower-income regions. The STOP SHOPS are attractive properties with uniform quality standards, an easy-shopping concept for everyday needs and high recognition value.

STOP SHOP:
retail parks for
everyday needs

RUSSIA (DISCONTINUED OPERATION)

The portfolio category **Retail Moscow** consists of five shopping centers in Moscow, which had a combined value of EUR 997.3 million and generated rental income of EUR 22.2 million in the first quarter of 2017. Since the Russian properties have distinct market characteristics and a different risk profile than the remainder of the portfolio, IMMOFINANZ plans to sell or spin off these shopping centers. Retail Moscow is therefore presented as a discontinued operation in accordance with IFRS 5.

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

STRUCTURE OF THE PROPERTY PORTFOLIO BY ASSET CLASS AND CLASSIFICATION

Total carrying amount: MEUR 3,768.6 (excl. Other, excl. discontinued operation Russia)



The following table shows the carrying amount of IMMOFINANZ's property portfolio as of 31 March 2017:

PROPERTY PORTFOLIO BY CATEGORY

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Office	80	2,075.6	358.6	14.9	61.7	2,510.8	62.9%
thereof myhive ¹	18	866.9	70.3	0.0	0.0	937.2	23.5%
Retail	92	1,193.6	24.8	0.0	39.6	1,258.0	31.5%
thereof VIVO!/ Shopping Center	13	620.5	7.9	0.0	9.1	637.5	16.0%
thereof STOP SHOP/ Retail Park	68	546.4	6.5	0.0	5.8	558.6	14.0%
Other	65	1.8	34.3	66.8	117.7	220.6	5.5%
IMMOFINANZ continuing operations	237	3,271.0	417.7	81.7	219.0	3,989.4	100.0%
Retail Moscow ²	5	997.3	0.0	0.0	0.0	997.3	

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates. The presentation is based on the primary use of the property (in the income statement based on the actual use of the property; marginal differences to the income statement are therefore possible).

¹ Twenty properties will be branded as myhive. Of this total, two buildings are not listed separately because they are part of the IRIDE Business Park.

² The Russian portfolio is presented as a discontinued operation due to the planned sale or spin-off and is therefore not included in the total.

STANDING INVESTMENTS

With 82.0%* of the total property portfolio, the standing investments are the major source of earnings for IMMOFINANZ. Standing investments are properties held to generate rental income. The most important objectives for the management of these properties include the continuous improvement of quality and efficiency, the strengthening of ties with existing tenants and the acquisition of new tenants.

The 138* standing investments had a combined carrying amount of EUR 3,271.0* million as of 31 March 2017. Of this total, 63.5% are attributable to office properties and 36.5%* to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Austria (EUR 869.2 million), Romania (EUR 624.6 million) and Poland (EUR 594.6 million).

These properties have 1,710,166* sqm of rentable space. Based on annualised rental income**, the portfolio has a gross return of 6.2%*, respectively 6.7%* after an adjustment for occupancy.

Occupancy rate raised to 91.9%

The occupancy rate rose to 91.9%* in the first quarter of 2017 (31 December 2016: 89.6%*). The average unexpired lease term (WAULT***) weighted by rental income equalled roughly four* years as of 31 March 2017.

The following graph shows the geographical distribution of IMMOFINANZ's standing investment portfolio as of 31 March 2017, based on the carrying amount:



CONTRACT EXPIRATION PROFILE STANDING INVESTMENTS (TOTAL)

Expiring space up to the earliest possible contract end in relation to the total rented space (only in gross leasable/lettable "GLA" areas¹), excluding the discontinued operation Russia:

1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
16%	14%	14%	17%	14%	5%	2%	16%	2%

1 Gross lettable area: total space available to tenants for exclusive use, i.e. excluding common areas like traffic areas, parking facilities, service areas etc.

* Excluding the discontinued operation Russia

** Rental income for the first quarter 2017 multiplied by four to develop an annualised amount.

*** Weighted average unexpired lease term; excl. open-end contracts

STANDING INVESTMENTS BY CORE MARKET

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
Austria	32	869.2	26.6%	338,131	306,852	90.7%
Germany	3	64.2	2.0%	29,512	22,976	77.9%
Czech Republic	20	375.1	11.5%	236,352	198,899	84.2%
Hungary	23	437.4	13.4%	281,821	257,443	91.4%
Poland	20	594.6	18.2%	288,643	275,671	95.5%
Romania	17	624.6	19.1%	344,330	332,213	96.5%
Slovakia	13	200.8	6.1%	119,704	107,561	89.9%
Non-core countries	10	105.1	3.2%	71,672	69,976	97.6%
IMMOFINANZ continuing operations	138	3,271.0	100.0%	1,710,166	1,571,591	91.9%
Russia ³	5	997.3		278,559	246,022	88.3%

Standing investments	Rental income Q1 2017 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
Austria	11.4	5.3% (5.8%)	469.9	1.9%	2.8%	54.1%
Germany	0.9	5.3% (6.9%)	23.9	1.3%	1.6%	37.2%
Czech Republic	5.6	5.9% (7.0%)	115.6	2.0%	2.4%	30.8%
Hungary	6.8	6.2% (6.8%)	132.3	1.8%	2.1%	30.2%
Poland	8.2	5.5% (5.8%)	358.8	1.9%	2.2%	60.3%
Romania	12.0	7.7% (8.0%)	176.1	3.2%	4.0%	28.2%
Slovakia	3.6	7.2% (8.1%)	74.0	3.1%	3.6%	36.8%
Non-core countries	1.9	7.2% (7.4%)	38.5	3.2%	3.6%	36.6%
IMMOFINANZ continuing operations	50.4	6.2% (6.7%)	1,389.0	2.1%	2.7%	42.5%

Development projects and pipeline projects	1.2		174.7	1.8%	2.0%	
Rental income from properties sold / acquired and development projects	5.5		0.0	0.0%	0.0%	
Group financing	0.0		923.7	3.2%	3.2%	
IMMOFINANZ continuing operations	57.1		2,487.5	2.5%	2.8%	
Market value property portfolio						3,989.4
Market value BUWOG shares (4.7 million shares) ⁴						110.6
EPRA NAV CA Immo shares (25.7 million shares) ⁵						692.9
Cash and cash equivalents			-469.0			
Properties/liabilities held for sale (asset & share deals)			293.4			431.3
IMMOFINANZ continuing operations			2,311.8			44.3%⁶
Russia ³	22.2	8.9% (10.1%)	698.0	8.0%	8.0%	70.0%

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

¹ Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Financing costs based on the nominal outstanding liability

³ The Russian portfolio is presented as a discontinued operation due to the planned sale or spin-off and is therefore not included in the total.

⁴ Approx. 4.7 million BUWOG shares multiplied by the closing price of EUR 23.65 on the Vienna Stock Exchange on 31 March 2017

⁵ 25.7 million CA Immobilien Anlagen AG shares at the EPRA NAV of EUR 26.97 per share on 31 March 2017

⁶ The LTV of the standing investment portfolio, including the discontinued operation Russia, equals 48.2%.

RENTAL INCOME LIKE-FOR-LIKE

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with the first quarter of 2016) shows an improvement in rental income to EUR 49.7 million in the first quarter of 2017. That represents an increase of 3.7% compared with the first quarter of 2016. Higher occupancy led to an increase in rental income by EUR 0.5 million to EUR 12.0 million in Romania, by EUR 0.4 million to EUR 6.8 million in Hungary and by EUR 0.3 million to EUR 5.6 million in the Czech Republic

STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKET

Standing investments like-for-like ¹	Number of properties	Carrying amount 31 March 2017 in MEUR	Carrying amount in %	Rental income Q1 2017 in MEUR	Rental income Q1 2016 in MEUR	Change in rental income Q1 2017 vs. Q1 2016 in MEUR
Austria	32	869.2	26.9%	11.4	11.3	0.1
Germany	3	64.2	2.0%	0.9	0.8	0.0
Czech Republic	20	375.1	11.6%	5.6	5.3	0.3
Hungary	23	437.4	13.5%	6.8	6.3	0.4
Poland	18	584.8	18.1%	8.0	7.9	0.1
Romania	17	624.6	19.3%	12.0	11.4	0.5
Slovakia	12	178.9	5.5%	3.3	3.3	0.0
Non-core countries	9	96.3	3.0%	1.7	1.4	0.3
IMMOFINANZ continuing operations	134	3,230.5	100.0%	49.7	47.9	1.8
Rental income from properties sold/ acquired and development projects				7.5		
IMMOFINANZ continuing operations				57.1		
Russia ²	5	997.3		22.2	19.0	3.2

STANDING INVESTMENTS LIKE-FOR-LIKE BY ASSET CLASS

Standing investments like-for-like ¹	Number of properties	Carrying amount 31 March 2017 in MEUR	Carrying amount in %	Rental income Q1 2017 in MEUR	Rental income Q1 2016 in MEUR	Change in rental income Q1 2017 vs. Q1 2016 in MEUR
Office	60	2,053.7	63.6%	28.5	27.2	1.3
Retail	69	1,175.0	36.4%	21.2	20.7	0.5
Others	5	1.8	0.1%	0.0	0.0	0.0
IMMOFINANZ continuing operations	134	3,230.5	100.0%	49.7	47.9	1.8

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

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

² The Russian portfolio is presented as a discontinued operation due to the planned sale or spin-off and is therefore not included in the total.

OFFICE STANDING INVESTMENTS

The carrying amount of the 61 office standing investments totalled EUR 2,075.6 million as of 31 March 2017 and represents 63.5% of the standing investment portfolio. A regional analysis shows the focal points of these properties in the core markets of Austria (EUR 765.1 million), Poland (EUR 365.2 million) and Romania (EUR 319.2 million).

The office standing investments have 996,660 sqm of rentable space. Based on annualised rental income (rental income in Q1 2017: EUR 28.8 million), these properties generated a gross return of 5.6%.

**Occupancy rate
in the office
portfolio rises
to 89.2%**

The occupancy rate in the office portfolio rose to 89.2% in the first quarter of 2017 (31 December 2016: 87.3%). Of the total leases for office space, 37% have a term of five years or longer. The WAULT* equalled nearly four years as of 31 March 2017.

CONTRACT EXPIRATION OFFICE SECTOR

Expiring space up to the earliest possible contract end in relation to the total rented space (only in gross leasable/lettable "GLA" areas¹):

1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
19%	14%	13%	15%	16%	4%	2%	15%	2%

1 Gross lettable area: total space available to tenants for exclusive use, i.e. excluding common areas like traffic areas, parking facilities, service areas etc.

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

KEY DATA ON THE OFFICE STANDING INVESTMENTS

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	61	2,075.6	100.0%	996,660	888,886	89.2%
thereof myhive ³	15	866.9	41.8%	403,527	367,316	91.0%
Standing investments	Rental income Q1 2017 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	28.8	5.6% (6.2%)	945.3	2.1%	2.8%	45.5%
thereof myhive ³	11.9	5.5% (6.1%)	450.1	2.0%	2.5%	51.9%

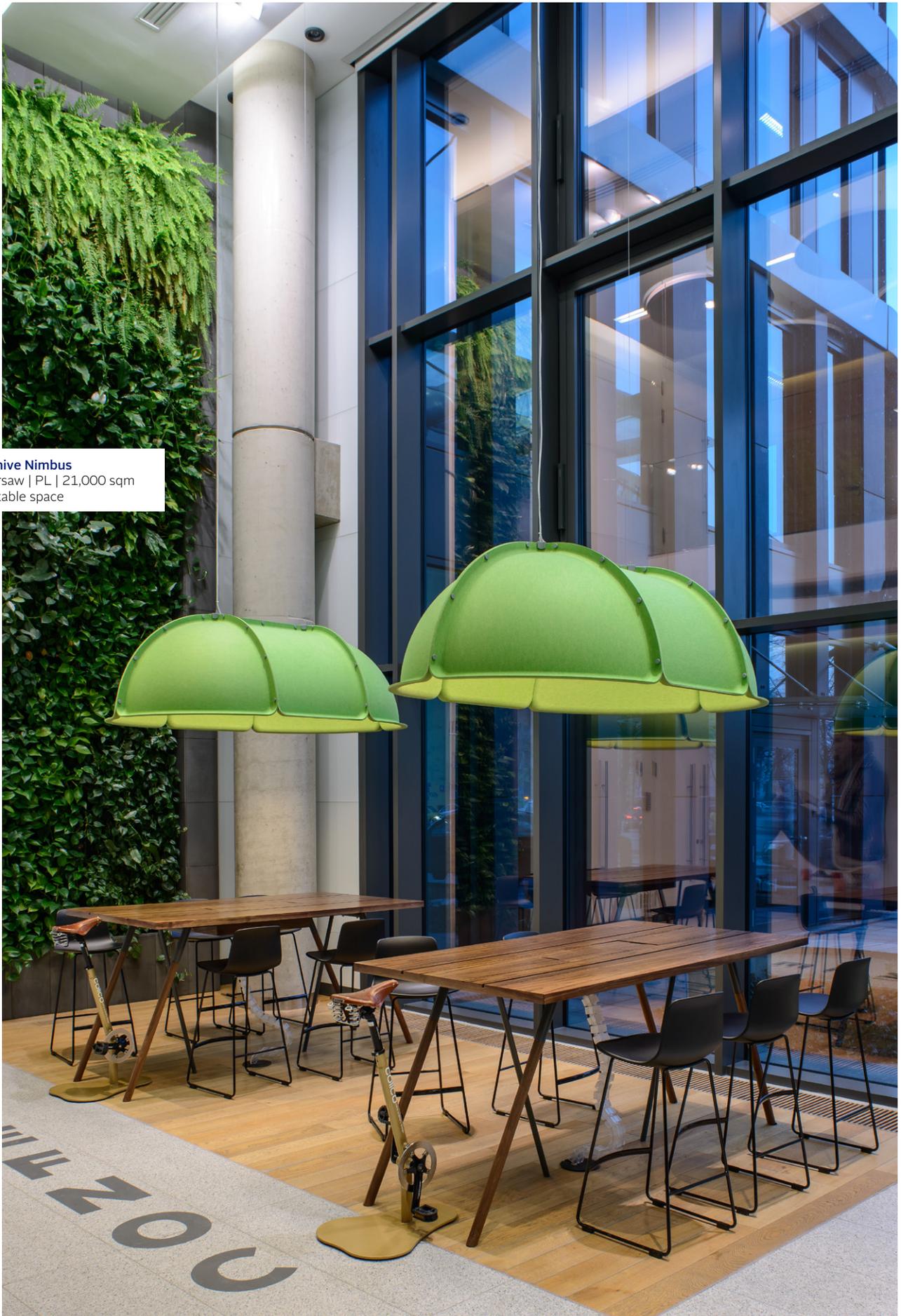
Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

1 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

2 Financing costs based on nominal outstanding liability

3 Twenty properties will be branded as myhive. Of this total, two buildings are not listed separately because they are part of the *IRIDE Business Park*. The other three properties represent development projects.

* Weighted average unexpired lease term; excl. open-end contracts



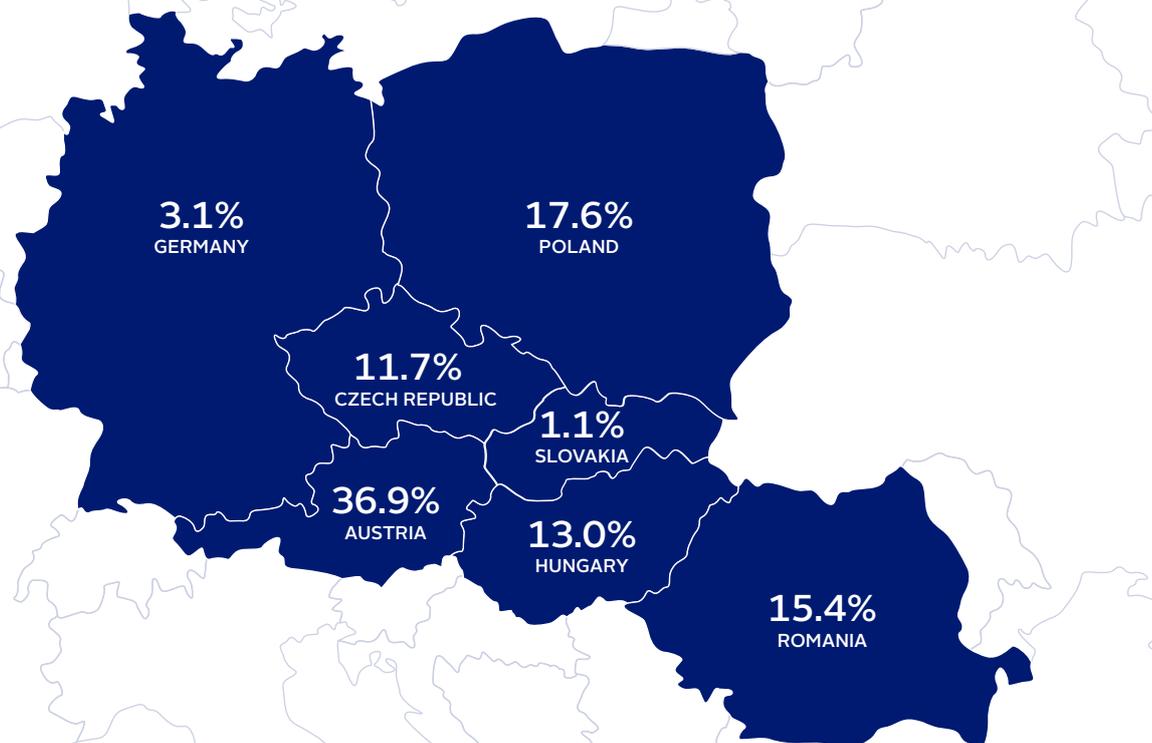
myhive Nimbus

Warsaw | PL | 21,000 sqm
rentable space



THE OFFICE SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 2,075,6)



AUSTRIA	36.9%
Number of properties	19
Carrying amount (MEUR)	765.1
Rentable space (sqm)	281,574
Occupancy rate	89.5%
Rental income Q1 2017 (MEUR) ¹	9.6
Gross return	5.0%
Gross return occupancy-adjusted	5.6%

POLAND	17.6%
Number of properties	10
Carrying amount (MEUR)	365.2
Rentable space (sqm)	161,772
Occupancy rate	95.8%
Rental income Q1 2017 (MEUR) ¹	5.2
Gross return	5.7%
Gross return occupancy-adjusted	6.0%

ROMANIA	15.4%
Number of properties	8
Carrying amount (MEUR)	319.2
Rentable space (sqm)	196,960
Occupancy rate	95.1%
Rental income Q1 2017 (MEUR) ¹	5.6
Gross return	7.0%
Gross return occupancy-adjusted	7.4%

HUNGARY	13.0%
Number of properties	11
Carrying amount (MEUR)	270.5
Rentable space (sqm)	163,535
Occupancy rate	89.9%
Rental income Q1 2017 (MEUR) ¹	4.0
Gross return	5.9%
Gross return occupancy-adjusted	6.5%

CZECH REPUBLIC	11.7%
Number of properties	8
Carrying amount (MEUR)	242.6
Rentable space (sqm)	130,584
Occupancy rate	73.7%
Rental income Q1 2017 (MEUR) ¹	2.9
Gross return	4.8%
Gross return occupancy-adjusted	6.5%

GERMANY	3.1%
Number of properties	3
Carrying amount (MEUR)	64.2
Rentable space (sqm)	29,512
Occupancy rate	77.9%
Rental income Q1 2017 (MEUR) ¹	0.9
Gross return	5.3%
Gross return occupancy-adjusted	6.9%

SLOVAKIA	1.1%
Number of properties	1
Carrying amount (MEUR)	21.9
Rentable space (sqm)	16,886
Occupancy rate	77.2%
Rental income Q1 2017 (MEUR) ¹	0.3
Gross return	5.4%
Gross return occupancy-adjusted	7.0%

NON-CORE COUNTRIES²	1.3%
Number of properties	1
Carrying amount (MEUR)	26.8
Rentable space (sqm)	15,837
Occupancy rate	96.6%
Rental income Q1 2017 (MEUR) ¹	0.3
Gross return	5.1%
Gross return occupancy-adjusted	5.3%

IMMOFINANZ	100.0%
Number of properties	61
Carrying amount (MEUR)	2,075.6
Rentable space (sqm)	996,660
Occupancy rate	89.2%
Rental income Q1 2017 (MEUR) ¹	28.8
Gross return	5.6%
Gross return occupancy-adjusted	6.2%

¹ Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Non-core countries: Croatia

RETAIL STANDING INVESTMENTS

The carrying amount of the 72* standing investments in the retail sector totalled EUR 1,193.6* million as of 31 March 2017 and represents 36.5%* of the total standing investment portfolio. The largest regional markets are Romania with EUR 303.6 million, Poland with EUR 229.4 million and Slovakia with EUR 178.9 million.

The retail standing investments have 713,506 sqm* of rentable space. Based on annualised rental income (rental income in Q1 2017: EUR 21.6* million), these properties generated a gross return of 7.2%*.

The occupancy rate in the retail properties rose to 95.7%* as of 31 March 2017 (31 December 2016: 93.0%*).

38% of the retail rental contracts have a term of five years or longer

IMMOFINANZ relies on a balanced tenant mix and the inclusion of recreational and entertainment opportunities to create an optimal environment for retailers and their customers. All of the larger IMMOFINANZ retail properties have numerous solid international and local anchor tenants. Retailers from the fashion sector are the largest tenant group based on rented space, followed by food products. Other important tenant groups are electronics, health & beauty, shoes and entertainment. Of the total rental contracts, 38% have a term of five years or longer. The WAULT** equalled roughly four* years as of 31 March 2017.

CONTRACT EXPIRATION RETAIL SECTOR

Expiring space up to the earliest possible contract end in relation to the total rented space (only in gross leasable/lettable "GLA" areas¹, excluding the discontinued operation Russia):

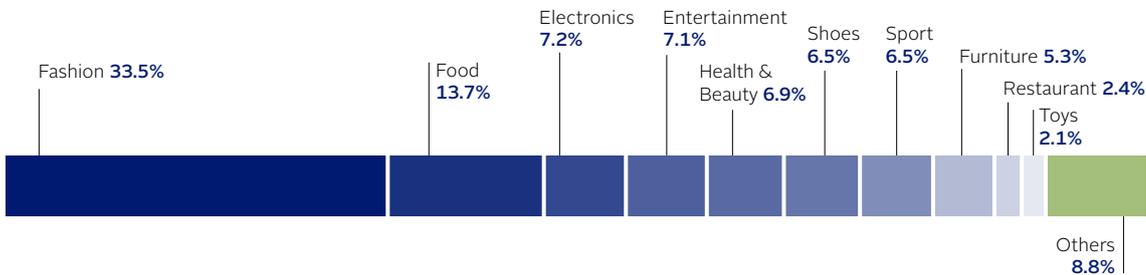
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
12%	13%	15%	18%	12%	6%	3%	17%	3%

¹ Gross lettable area: total space available to tenants for exclusive use, i.e. excluding common areas like traffic areas, parking facilities, service areas etc.

BRANCH MIX – RETAIL, EXCLUDING RUSSIA

Only rented space in standing investments.

As of 31 March 2017



The ten largest standing investments in the retail portfolio based on the carrying amount (in declining order, excluding the discontinued operation Russia) are the VIVO! Cluj (Romania), Tarasy Zamkowe (Poland), Polus City Center (Slovakia), VIVO! Constanta (Romania), VIVO! Baia Mare (Romania), VIVO! Piła (Poland), VIVO! Stalowa Wola (Poland), VIVO! Hostivař (Czech Republic), STOP SHOP Veszprém (Hungary) and STOP SHOP Stadlau (Austria).

* Excluding the discontinued operation Russia
 ** Weighted average unexpired lease term; excl. open-end contracts

RETAIL STANDING INVESTMENTS BY CATEGORY

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	72	1,193.6	100.0%	713,506	682,706	95.7%
thereof VIVO!/ Shopping Center	10	620.5	52.0%	297,752	280,167	94.1%
thereof STOP SHOP/ Retail Park	58	546.4	45.8%	380,342	368,897	97.0%
Standing investments	Rental income Q1 2017 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	21.6	7.2% (7.5%)	443.7	2.3%	2.6%	37.2%
thereof VIVO!/ Shopping Center	10.7	6.9% (7.3%)	244.5	2.5%	2.7%	39.4%
thereof STOP SHOP/ Retail Park	10.3	7.5% (7.8%)	196.0	2.1%	2.5%	35.9%

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

¹ Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Financing costs based on nominal outstanding liability

RETAIL MOSCOW (DISCONTINUED OPERATION)

The carrying amount of the five standing investments in the retail sector, which have 278,559 sqm of rentable space, totalled EUR 997.3 million as of 31 March 2017. Based on annualised rental income (rental income in Q1 2017: EUR 22.2 million), the gross return equalled 8.9%.

The occupancy rate in Retail Moscow rose to 88.3% as of 31 March 2017 (31 December 2016: 87.7%), and the WAULT* equalled roughly five years as of that same date.

* Average unexpired lease term weighted by rental income; excl. open-end contracts



VIVO!
Piła | PL | 24,000 sqm
rentable space

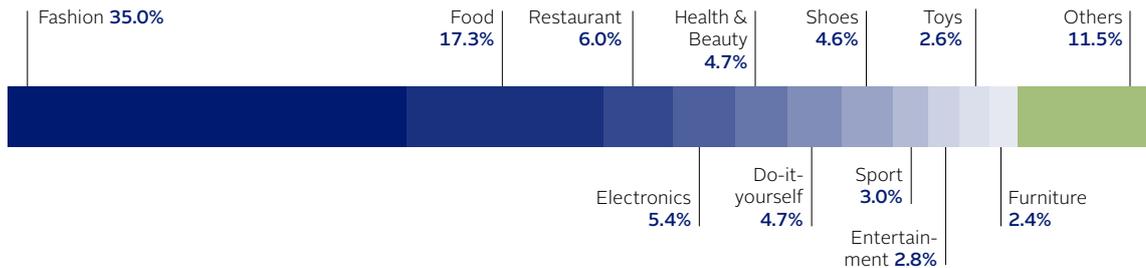
CONTRACT EXPIRATION RETAIL MOSCOW (DISCONTINUED OPERATION)

Expiring space up to the earliest possible contract end in relation to the total rented space (only in gross leasable/lettable "GLA" areas¹):

1 year	2 years	3 years	4 years	5 years	6 years	7 years	8+ years	Unlimited
16%	1%	14%	8%	6%	5%	5%	45%	0%

¹ Gross leasable area: total space available to tenants for exclusive use, i.e. excluding common areas like traffic areas, parking facilities, service areas etc.

BRANCH MIX – RETAIL MOSCOW



KEY DATA ON RETAIL MOSCOW

Standing investments	Number of properties	Carrying amount in MEUR	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
Retail Moscow ¹	5	997.3	278,559	246,022	88.3%

Standing investments	Rental income Q1 2017 in MEUR ²	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ³	Financing costs incl. derivatives in %	LTV in %
Retail Moscow ¹	22.2	8.9% (10.1%)	698.0	8.0%	8.0%	70.0%

¹ Retail Moscow is presented as a discontinued operation due to the planned sale or spin-off.

² Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

³ Financing costs based on nominal outstanding liability

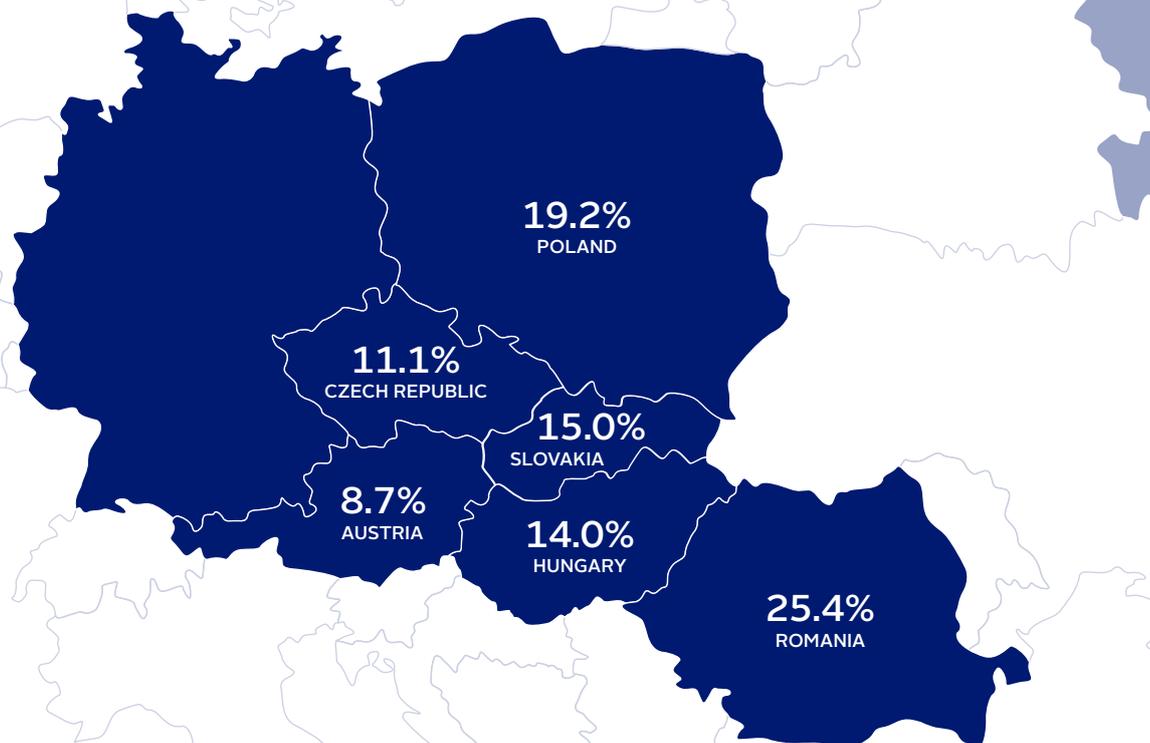
STOP SHOP
 Szczytno | PL | 3,600 sqm
 rentable space





THE RETAIL SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 1,193.6³)



ROMANIA		25.4%
Number of properties	5	
Carrying amount (MEUR)	303.6	
Rentable space (sqm)	147,370	
Occupancy rate	98.3%	
Rental income Q1 2017 (MEUR) ¹	6.4	
Gross return	8.4%	
Gross return occupancy-adjusted	8.5%	

POLAND		19.2%
Number of properties	10	
Carrying amount (MEUR)	229.4	
Rentable space (sqm)	126,871	
Occupancy rate	95.1%	
Rental income Q1 2017 (MEUR) ¹	3.0	
Gross return	5.2%	
Gross return occupancy-adjusted	5.5%	

SLOVAKIA		15.0%
Number of properties	12	
Carrying amount (MEUR)	178.9	
Rentable space (sqm)	102,818	
Occupancy rate	91.9%	
Rental income Q1 2017 (MEUR) ¹	3.3	
Gross return	7.5%	
Gross return occupancy-adjusted	8.1%	

HUNGARY		14.0%
Number of properties	12	
Carrying amount (MEUR)	166.8	
Rentable space (sqm)	118,285	
Occupancy rate	93.4%	
Rental income Q1 2017 (MEUR) ¹	2.8	
Gross return	6.7%	
Gross return occupancy-adjusted	7.2%	

CZECH REPUBLIC		11.1%
Number of properties	12	
Carrying amount (MEUR)	132.5	
Rentable space (sqm)	105,769	
Occupancy rate	97.0%	
Rental income Q1 2017 (MEUR) ¹	2.6	
Gross return	8.0%	
Gross return occupancy-adjusted	8.2%	

AUSTRIA		8.7%
Number of properties	12	
Carrying amount (MEUR)	104.0	
Rentable space (sqm)	56,557	
Occupancy rate	96.9%	
Rental income Q1 2017 (MEUR) ¹	1.8	
Gross return	7.1%	
Gross return occupancy-adjusted	7.3%	

NON-CORE COUNTRIES²		6.6%
Number of properties	9	
Carrying amount (MEUR)	78.3	
Rentable space (sqm)	55,835	
Occupancy rate	97.9%	
Rental income Q1 2017 (MEUR) ¹	1.6	
Gross return	7.9%	
Gross return occupancy-adjusted	8.1%	

IMMOFINANZ³		100.0%³
Number of properties	72	
Carrying amount (MEUR) ³	1,193.6	
Rentable space (sqm)	713,506	
Occupancy rate	95.7%	
Rental income Q1 2017 (MEUR) ¹	21.6	
Gross return	7.2%	
Gross return occupancy-adjusted	7.5%	

RUSSIA⁴		–
Number of properties	5	
Carrying amount (MEUR)	997.3	
Rentable space (sqm)	278,559	
Occupancy rate	88.3%	
Rental income Q1 2017 (MEUR) ¹	22.2	
Gross return	8.9%	
Gross return occupancy-adjusted	10.1%	

1 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

2 Non-core countries: Slovenia and Serbia

3 Excluding the discontinued operation Russia

4 Discontinued operation

DEVELOPMENT PROJECTS

With the development of office and retail properties in the core markets, IMMOFINANZ strengthens its standing investment portfolio and safeguards organic growth. The company covers the entire value chain on these projects – from site preparation to property rental.

Development projects with a carrying amount of EUR 417.7 million

The active development projects had a carrying amount of EUR 417.7 million as of 31 March 2017, which represents 10.5% of the total property portfolio. The expected fair value on completion amounts to EUR 676.0 million. Activities are currently focused on the core markets of Germany, Romania and Poland. Germany is responsible for 69.5% of the expected fair value after completion (EUR 469.6 million), Romania for 10.6% (EUR 71.5 million) and Poland for 5.6% (EUR 38.1 million). The development projects also include the extensive modernisation of existing properties which will be reclassified to the standing investment portfolio after completion. Modernisation projects were ongoing in three buildings as of 31 March 2017. The implementation of the myhive concept in the *Vinice* office building in Prague is proceeding as planned and should be completed during the third quarter of 2017. The *Polus Tower II* underwent a general refurbishment and, together with the *Polus Tower I* and a shopping center, forms the *Polus City Center Complex* in Bratislava. The renovation in the office buildings was completed during November 2016 and the *Polus Tower II* will be reclassified to the standing investment portfolio after a stabilisation phase. *IRIDE 18*, which is part of the *Iride Business Park* in Bucharest, is currently undergoing renovation after rental to a single tenant.

CURRENT FOCUS OF DEVELOPMENT ACTIVITIES

GERMANY

Düsseldorf

Development projects focused on Germany

The new global headquarters for trivago is currently under construction in the Medienhafen with approx. 26,000 sqm of rentable office space in the first building section. This six-storey, horizontally structured building opens towards the harbour basin, which creates an expansive campus with a welcoming atmosphere. Construction started during spring 2016, and the cornerstone ceremony was held on 8 September 2016. The first section is scheduled for completion in mid-2018. Additional expansion areas can be realised in the second section (up to approx. 16,000 sqm).

Also under development in the Medienhafen is the *FLOAT*, an office ensemble with six buildings designed by the star architect Renzo Piano. The utility company Uniper has leased the entire office space of approx. 28,000 sqm and will use the building as its new headquarters starting in mid-2018.

Cologne

The centrally located *Hohenzollernring* standing investment on Friesenplatz in Cologne should be undergoing extensive renovation. Plans call for 8,000 to 9,000 sqm office space.

Aachen

The *Cluster Produktionstechnik* with approx. 28,000 sqm of rentable space is the largest technology cluster in the RWTH (Rheinisch-Westfälische Technische Hochschule) Aachen expansion project. Construction is expected to be completed during the second quarter of 2017, and pre-rentals have already reached roughly 95%.

POLAND

In Poland, IMMOFINANZ is continuing to expand with its STOP SHOP brand. Six retail parks are currently open for business, and other locations are under evaluation. A further shopping center under the VIVO! brand with approximately 21,000 sqm of rentable space is also under construction in Krosno. Work started in October 2016 and the opening is planned for the fourth quarter of 2017.

SERBIA

The first STOP SHOP retail park in Serbia opened in Čačak in April 2015 and was followed by a second in Niš during April 2016. The third location, which has roughly 6,100 sqm of rentable space, opened in Valjevo during August. In December 2016 IMMOFINANZ also announced the addition of three further locations to the STOP SHOP portfolio in Serbia: the new retail parks in Požarevac, Lazarevac and Vršac will have 23,800 sqm of rentable space in total and are currently under development.

DEVELOPMENT PROJECTS BY CORE MARKET

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % ¹
Austria	2	34.3	8.2%	n.a.	21,691	34.3 ⁴	1.4 ⁴	n.a.
Germany	5	268.7	64.3%	162.8	102,133	469.6	23.3	5.4%
Czech Republic	1	19.1	4.6%	8.1	21,393	29.1	2.9	10.5%
Poland	2	9.4	2.3%	24.4	21,275	38.1	2.9	8.7%
Romania	3	58.6	14.0%	12.9	31,648	71.5	6.4	9.0%
Slovakia	1	22.6	5.4%	5.9	18,702	28.5	2.8	9.7%
Non-core countries ²	2	5.0	1.2%	n.a.	n.a.	5.0 ⁴	n.a.	n.a.
IMMOFINANZ	16	417.7	100.0%	214.1	216,842	676.0	39.7³	6.3%

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

¹ Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs

² Projects in the planning stage

³ Approx. EUR 1.0 million included in Q1 2017

⁴ Projects in the planning stage, therefore no outstanding construction costs; rental income based on current use

DEVELOPMENT PROJECTS BY CATEGORY

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % ¹
IMMOFINANZ	16	417.7	100.0%	214.1	216,842	676.0	39.7	6.3%
thereof myhive	3	70.3	16.8%	45.9	52,525	125.7	9.6	8.3%
thereof VIVO!/ Shopping Center	1	7.9	1.9%	24.4	21,275	36.6	2.9	9.1%
thereof STOP SHOP/ Retail Park ²	3	6.5	1.5%	n.a.	n.a.	6.5 ³	n.a.	n.a.

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

¹ Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs

² Purchase of land

³ Projects in the planning stage, therefore no outstanding construction costs; rental income based on current use

Based on the expected fair value after completion, the most important development projects as of 31 March 2017 are as follows:

SELECTED DEVELOPMENT PROJECTS UNDER CONSTRUCTION

Largest projects in Germany	Primary use	Planned rentable/ sellable space in sqm (rounded)	Pre-occupancy rate in %	Scheduled completion
trivago ¹	Office	26,000	100%	Q3 2018
RWTH Aachen	Office	28,000	95%	Q2 2017
FLOAT	Office	30,000	95%	Q3 2018

¹ Office construction phase I

REAL ESTATE INVENTORIES

Real estate inventories are apartments that are intended for sale after completion and also include underground garages and the hotel in Cologne's *Gerling Quartier* which is in the project development phase. The hotel was sold through a forward purchase, but will be completed by IMMOFINANZ.

Real estate inventories	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Expected fair value after completion in MEUR
Germany	8	73.4	89.9%	43.3	121.5
Poland	4	6.6	8.0%	0.0	6.9
Romania	8	1.5	1.9%	0.0	1.5
Non-core countries	1	0.2	0.2%	0.0	0.2
IMMOFINANZ	21	81.7	100.0%	43.3	130.1

PIPELINE PROJECTS

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

Pipeline projects with a carrying amount of EUR 219.0 million

The pipeline projects had a carrying amount of EUR 219.0 million as of 31 March 2017. They are evaluated quarterly for possible transfer to an active development status. IMMOFINANZ intends to reduce the number of pipeline projects in the property portfolio through selected sales.

PIPELINE PROJECTS BY CORE MARKET

Pipeline projects	Number of properties	Carrying amount in MEUR	Carrying amount in %
Austria	3	10.7	4.9%
Czech Republic	1	0.9	0.4%
Hungary	7	31.6	14.4%
Poland	1	1.6	0.7%
Romania	44	160.6	73.4%
Slovakia	1	1.1	0.5%
Non-core countries	5	12.5	5.7%
IMMOFINANZ	62	219.0	100.0%

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

ASSETS HELD FOR SALE

The assets held for sale, excluding the discontinued operation Russia, totalled EUR 447,0 million as of 31 March 2017 and are not included in this portfolio report. Concrete sale plans have been approved for these properties, which are intended to be realised in the near future. Including the discontinued operation Russia, the assets held for sale amount to EUR 1,537.3 million. Details are provided in section 4.5 of the notes to the consolidated interim financial statements on page 63.



myhive Crown Point
Warsaw | PL | 11,000 sqm
rentable space

Property Valuation

IMMOFINANZ prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Accordingly, the properties must be appraised on a regular basis by independent experts. The valuation of the property portfolio follows the EPRA's Best Practices Policy Recommendations for the application of the fair value method as defined in IFRS.

The IMMOFINANZ properties were valued internally by the asset management and controlling departments as of 31 March 2017. Independent external appraisers carry out the valuations as of 30 June and 31 December 2017, whereby CBRE is responsible for the CEE and Russia portfolio and BNP Paribas Real Estate Consult (BNPP REC) for the portfolios in Austria and Germany.

Retail Moscow is presented as a discontinued operation because of the planned sale or spin-off. Due to the size of this portfolio (property value as of 31 March 2017: EUR 997.3 million), Russia, respectively Retail Moscow is presented separately in the property valuation. Other properties which fall under the scope of application of IFRS 5 – i.e. properties held for sale – are not included in accordance with previous practice.

DEVELOPMENT OF PROPERTY VALUATION IN THE FIRST QUARTER OF 2017

Revaluation results (from continuing operations) totalled EUR -0.8 million in the first quarter of 2017 (Q1 2016: EUR -69.6 million) and include EUR -2.3 million (Q1 2016: EUR -70.9 million) of foreign exchange-adjusted revaluations. Positive effects were provided, among others, by the *FLOAT*, *trivago Campus* and *Cluster Produktionstechnik* development projects in Germany. They were contrasted by smaller value declines to standing investments, for example to an office property in Vienna following the loss of a larger tenant, and by individual minor impairment losses resulting from the portfolio adjustment.

The foreign exchange-based revaluations of investment property amounted to EUR 1.5 million (Q1 2016: EUR 1.3 million) and primarily involved non-core countries whose functional currency is not the Euro.

DEVELOPMENT OF PROPERTY VALUATION LIKE-FOR-LIKE

The following tables present a like-for-like analysis of the valuation effects in the first quarter of 2017. In order to improve comparability, the data are adjusted for new acquisitions, completions and sales. The above-mentioned effects are also relevant here.

STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKET

Standing investments like-for-like ¹	Number of properties	Carrying amount 31 March 2017 in MEUR	Carrying amount in %	Valuation effects Q1 2017 in MEUR
Austria	32	869.2	26.9%	-0.8
Germany	3	64.2	2.0%	-1.4
Czech Republic	20	375.1	11.6%	-0.2
Hungary	23	437.4	13.5%	0.0
Poland	18	584.8	18.1%	-0.3
Romania	17	624.6	19.3%	-0.3
Slovakia	12	178.9	5.5%	0.0
Non-core countries	9	96.3	3.0%	-0.6
IMMOFINANZ continuing operations	134	3,230.5	100.0%	-3.5

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

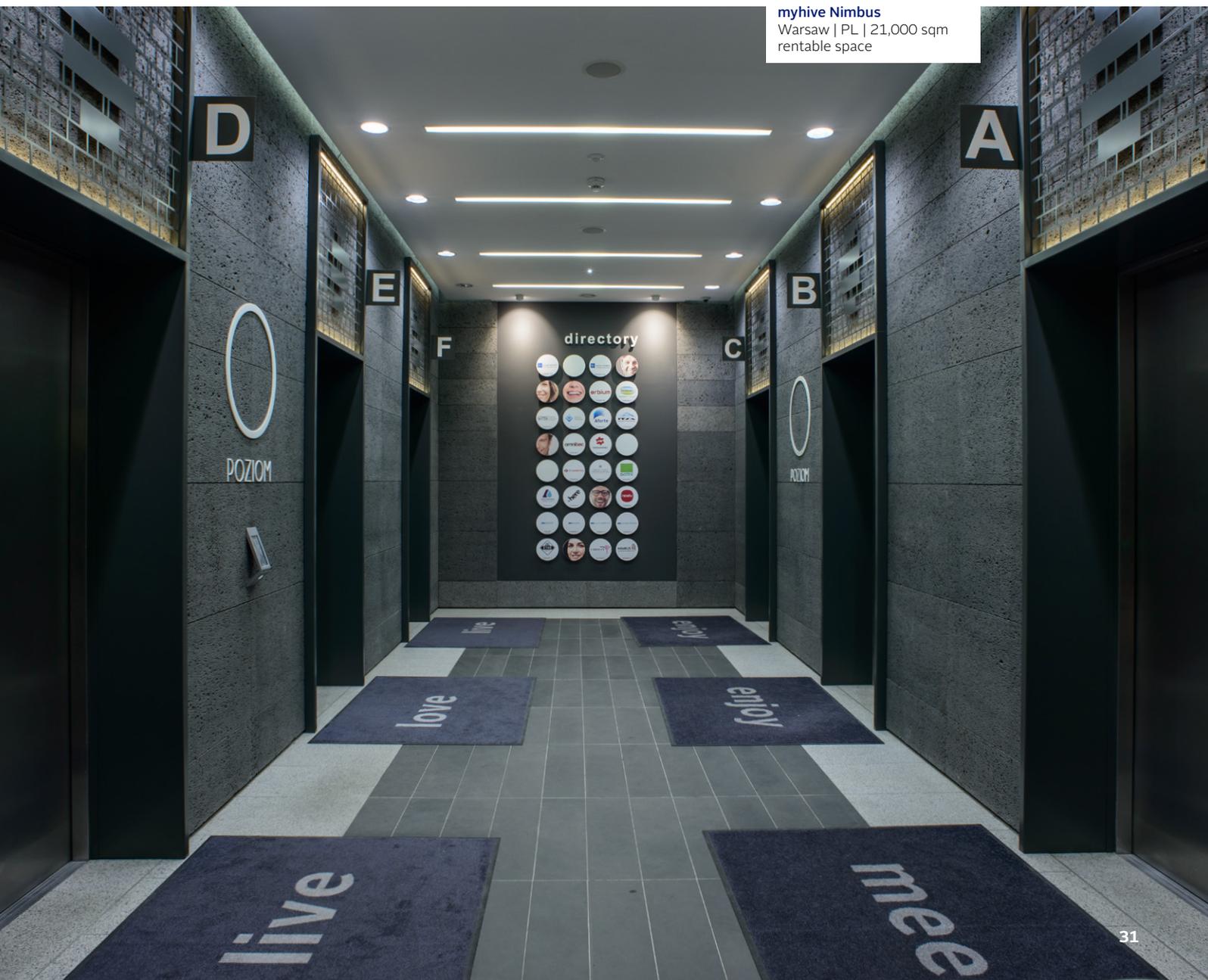
STANDING INVESTMENTS LIKE-FOR-LIKE BY ASSET CLASS

Standing investments like-for-like ¹	Number of properties	Carrying amount 31 March 2017 in MEUR	Carrying amount in %	Valuation effects Q1 2017 in MEUR
Office	60	2,053.7	63.6%	-3.0
Retail	69	1,175.0	36.4%	-0.4
Other	5	1.8	0.1%	-0.1
IMMOFINANZ continuing operations	134	3,230.5	100.0%	-3.5

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

DEVELOPMENT OF PROPERTY VALUATION IN THE DISCONTINUED OPERATION RUSSIA

The foreign exchange-adjusted revaluation – which represents the change in the value of the Russian investment properties in US Dollar translated into the Euro – totalled EUR -2.7 million in the first quarter of 2017 (Q1 2016: EUR -71.7 million). The foreign exchange-based revaluation – which resulted from the translation of the Ruble property values in the local Russian companies – amounted to EUR -59.2 million (Q1 2016: EUR -49.0 million).



myhive Nimbus
Warsaw | PL | 21,000 sqm
rentable space

Financing

IMMOFINANZ successfully arranged all necessary refinancing and extensions for standing investments and development projects as planned during the first quarter of the 2017 financial year. In order to utilise the currently favourable environment, IMMOFINANZ also regularly evaluates opportunities to renew and optimise existing financing prior to maturity while, at the same time, maintaining a balanced term structure. The focus is placed on the combination of individual properties in an asset class and region into a portfolio in order to arrange for financing at more attractive conditions.

Multi-stage refinancing

In January 2017, IMMOFINANZ invited the holders of the convertible bond 2018 to accept an incentivised conversion into IMMOFINANZ shares and BUWOG shares plus a conversion premium. The bondholders had also the option of receiving a cash settlement as an alternative to the BUWOG shares. Conversion declarations were submitted for a total nominal value of EUR 219.8 million, or 43.4%, of the outstanding nominal value from the convertible bond 2018. This reduced the outstanding nominal value of the convertible bond 2018 to EUR 287.3 million.

Parallel to the incentivised conversion of the convertible bond 2018, IMMOFINANZ issued a new convertible bond with a 2% coupon per year, a term ending in 2024 and a volume of EUR 297.2 million. The issue terms allow the holders of the convertible bond 2024 to put their securities for premature redemption as of 24 January 2022. The initial conversion price equalled EUR 2.3933*, which represents the right to conversion into 124.2 million IMMOFINANZ shares.

Improvement in term structure and financing costs

This combination of measures will reduce future financing costs and improve the term structure of the Group's financial liabilities. In addition, IMMOFINANZ placed approx. 4.5 million BUWOG shares on the capital market through an accelerated bookbuilding at the beginning of February 2017. This transaction generated net proceeds of roughly EUR 97.4 million. IMMOFINANZ still holds 4.7 million BUWOG shares, which are reserved for servicing the convertible bonds 2017 and 2018.

Financial liabilities, excluding the discontinued operation Russia, totalled EUR 2.8 billion as of 31 March 2017 (31 December 2016: EUR 2.8 billion). Cash and cash equivalents amounted to EUR 469.0 million (31 December 2016: EUR 189.3 million). This increase resulted from the above-mentioned multi-stage refinancing measures. Net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 2.3 billion (31 December 2016: EUR 2.6 billion). Financial liabilities attributable to the discontinued operation Russia amounted to EUR 698.0 million as of 31 March 2017 (31 December 2016: EUR 721.7 million).

Net loan-to-value excl. Russia: 44.3%

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 40.3% (31 December 2016: 37.8%) and a net loan-to-value ratio (net LTV) of 44.3%, respectively 48.2% including Russia (31 December 2016: 49.0%, incl. Russia 52.2%).

The net LTV shows the carrying amount of financing less cash and cash equivalents in relation to the total carrying amount of the properties, the market value of the investment in BUWOG shares and the EPRA net asset value (EPRA NAV) of the investment in CA Immobilien Anlagen AG (CA Immo).

CALCULATION OF NET LTV AS OF 31 MARCH 2017

	Amounts in TEUR (incl. RU)	Amounts in TEUR (excl. RU)
Carrying amount of financing	3,478,847.58	2,780,852.59
– Cash and cash equivalents	-481,573.07	-469,043.31 ¹
Net carrying amount of financing	2,997,304.98	2,311,839.75
Carrying amount of property ² & Market value of BUWOG shares plus EPRA NAV of CA Immo shares ³	6,221,448.82	5,224,132.95
Net LTV	48.18%	44.25%

1 Excluding cash and cash equivalents in discontinued operations

2 The calculation of the net LTV excl. RU reflected the deduction of the net asset value (NAV) of the Russian properties (carrying amount of the properties less attributable debt) as well as the assumption that the NAV will be reinvested at the average net LTV.

3 Market value of the BUWOG shares: approx. 4.7 million shares à EUR 23.65 (closing price on the Vienna Stock Exchange as of 31 March 2017), value of the CA Immo shares at the EPRA NAV as of 31 March 2017 25.7 million shares à EUR 26.97

* An agreement in principle was reached after the end of the reporting period to settle the legal proceedings over the review of the exchange ratio applied to the merger of IMMOFINANZ and IMMOEAST. This settlement led to the adjustment of the conversion price for the convertible bond 2024 to EUR 2.3637 (see the section on Bonds).

Financing costs

The average financing costs for IMMOFINANZ equalled 3.85% per year as of 31 March 2017 (31 December 2016: 4.01% per year) including the derivatives used for interest rate hedging and 3.56% per year excluding derivatives (31 December 2016: 3.71% per year). After an adjustment for the financing arranged in Russia, the average financing costs equalled 2.81% per year (31 December 2016: 3.02% per year) including the derivatives used for interest rate hedging and 2.45% per year excluding derivatives (31 December 2016: 2.64% per year).

Average financing costs	IMMOFINANZ continuing operations		Incl. Russia	
	31 March 2017	31 Dec 2016	31 March 2017	31 Dec 2016
Incl. derivatives	2.81%	3.02%	3.85%	4.01%
Excl. derivatives	2.45%	2.64%	3.56%	3.71%

The average financing costs for the standing investments (excl. Russia) amount to 2.73% per year including derivatives and 2.15% per year excluding derivatives.

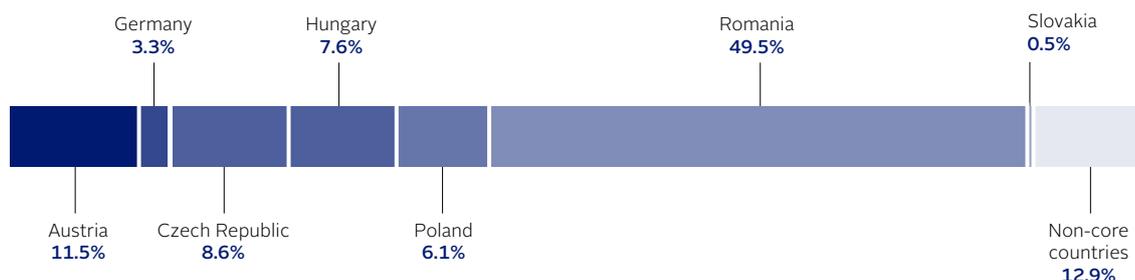
Unencumbered property

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 722.7 million or 13.3% of the total property carrying amount was not externally financed and therefore unencumbered as of 31 March 2017.

13.3% of property carrying amount unencumbered

UNENCUMBERED PROPERTY BY COUNTRY

Total unencumbered property: MEUR 722.7



COMPOSITION OF FINANCIAL LIABILITIES

The financial liabilities held by IMMOFINANZ consist of amounts due to financial institutions as well as liabilities from convertible and corporate bonds. The composition of these liabilities as of 31 March 2017 is as follows:

	Outstanding liability ¹ in TEUR as of 31 March 2017	Weighted average inter- est rate excl. derivatives ²	Share of fixed interest in % ²	Share of floating interest in % ²	Fixed interest rate ²	Floating interest rate ²
Convertible bonds in EUR	585,676.0	3.13%	100.00%	0.00%	3.13%	n.a.
Corporate bond in EUR	103,811.9	5.25%	100.00%	0.00%	5.25%	n.a.
Bank liabilities in EUR	2,091,364.7	2.12%	2.03%	97.97%	0.03%	2.17%
IMMOFINANZ continuing operations	2,780,852.6	2.45%	26.73%	73.27%	3.24%	2.17%
Russia ³	697,995.0	8.01%	0.00%	100.00%	n.a.	8.01%

1 Excl. the discontinued operation Russia

2 Calculation basis: actual remaining debt (nominal amount) excl. the discontinued operation Russia

3 As a result of the planned spin-off or sale, Russia is reported as a discontinued operation and is therefore not included in the total.

The remaining balance of the financial liabilities held by IMMOFINANZ (continuing operations) totalled EUR 2,780.9 million as of 31 March 2017. As of that date, all of the financing was denominated in Euros.

Interest costs excl. derivatives: 2.45%

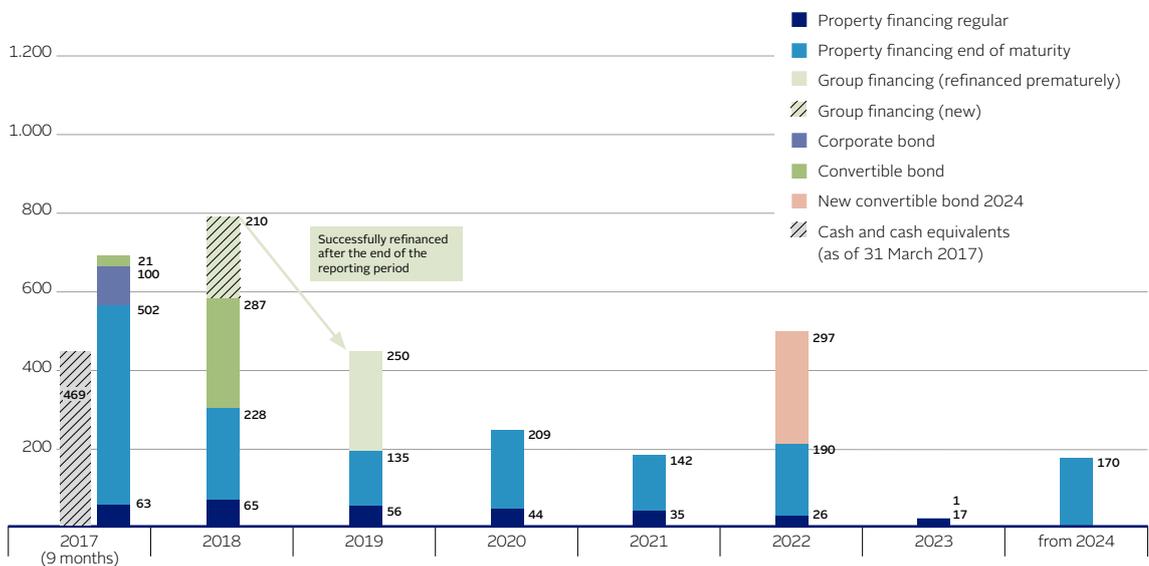
TERM STRUCTURE

The weighted average remaining term of the financial liabilities equals 3.25 years. The following graph shows the term structure by years as of 31 March 2017. The liabilities scheduled to mature during the 2017 financial year amounted to EUR 676.9 million as of 31 December 2016, whereby EUR 53.9 million were refinanced during the first quarter of 2017 through planned repayments or extensions. The weighted average remaining term of the property financing equals 3.5 years.

Attractive refinancing of Group borrowings

IMMOFINANZ refinanced borrowings of EUR 210.0 million which were scheduled to mature in 2018 prior to the end of the term and increased the volume to EUR 250,0 million after the reporting period. This financing was arranged for the acquisition of roughly 26% of the shares in CA Immo for a total price of approximately EUR 604 million. The refinancing sustainably improves the term structure of the Group's financial liabilities and leads to a significant reduction in interest costs compared with the financing it replaced.

TERM STRUCTURE OF FINANCIAL LIABILITIES BY FINANCIAL YEARS AS OF 31 MARCH 2017¹



¹ Excl. the discontinued operation Russia

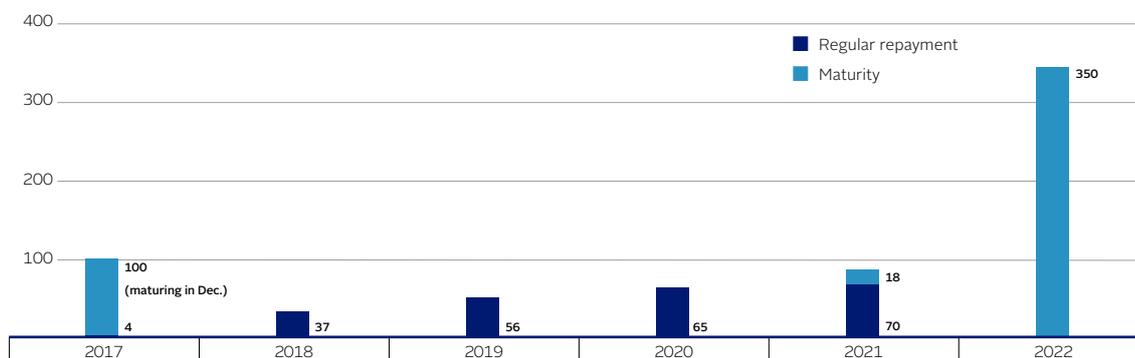
Cash and cash equivalents totalled EUR 469.0 million, respectively EUR 481.1 million including the cash and cash equivalents in discontinued operations and disposal groups, as of 31 March 2017. This high volume of liquid funds will be held in reserve primarily to redeem the convertible bonds 2017 and 2018 and the corporate bond 2017, unless the convertible bonds are converted before the maturity date. The convertible bond 2018 was already "in the money" after the reporting period due to the sound development of the share price.

"IN-THE-MONEY" LINE CB 2018



The convertible bond 2018 was "in the money" as of 22 and 23 May 2017. The adjusted conversion price was also taken into account as of 23 May 2017. Calculation of market value after the adjustment on 23 May 2017: Closing price of the IMMOFINANZ share x conversion factor IMMOFINANZ + closing price of the BUWOG share x conversion factor BUWOG: 2.045 x 1.2047 + 25.83 x 0.0649 = 4.14.

TERM STRUCTURE OF FINANCIAL LIABILITIES DISCONTINUED OPERATION RUSSIA BY FINANCIAL YEARS AS OF 31 MARCH 2017



The Russian financial liabilities totalled EUR 698.0 million at the end of March 2017. An agreement for the full suspension of scheduled repayments was concluded with SBERBANK, which covers the period up to and including the first quarter of 2018. A waiver agreement was also concluded which suspends the calculation of financial covenants up to and including the first quarter of 2018.

BANK LIABILITIES

Successful loan financing

The total volume of refinancing, long-term extensions and cash inflows from new financing amounted to EUR 170.4 million in the first quarter of 2017.

Total volume of loan financing: EUR 170.4 million

One reporting period highlight was the refinancing arranged for the asset class retail, which covered 29 STOP SHOP properties in Austria, Slovenia, Serbia, Poland and Romania. This refinancing has a total volume of EUR 142.9 million and a term of roughly seven years. The financing volume by country is as follows:

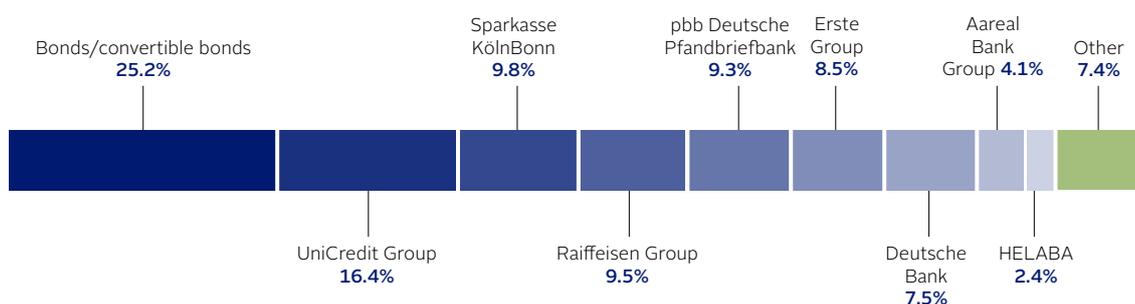
Country	Share of financing volume
Austria	46.2%
Slovenia	19.5%
Poland	15.0%
Serbia	13.3%
Romania	6.0%

This early refinancing will reduce financing costs and further optimise the term structure of the financial liabilities. The conclusion of the agreement and the transfer of the financing are expected to take place in the second quarter of 2017.

In Germany, credit lines of EUR 27.5 million were drawn for the *FLOAT* and *RWTH Aachen Campus* development projects in the asset class office. Further pay-outs will follow in line with the progress of construction.

Diversification of lenders

FINANCING SOURCES AS OF 31 MARCH 2017¹



¹ Excl. discontinued operation Russia

67.55% of financial liabilities hedged against interest rate risk

DERIVATIVES

IMMOFINANZ uses derivatives to hedge against interest rate increases. The volume of hedged financial liabilities amounted to EUR 1,142.3 million as of 31 March 2017 (31 December 2016: EUR 1,178.8 million). In total, 67.55% of financial liabilities are hedged against interest rate risk.

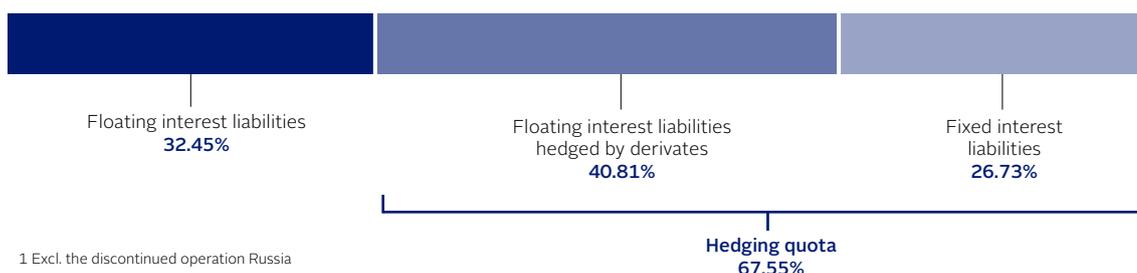
Derivative ¹	Floating leg	Market value incl. interest & CVA/ DVA as of 31 March 2017 in TEUR	Notional amount in TEUR	Average hedged interest rate
Interest rate swap	3-M-EURIBOR	-12,183.7	898,570.1	0.54%
Interest rate swap	6-M-EURIBOR	-3,075.2	243,725.0	0.91%
IMMOFINANZ AG		-15,258.9	1,142,295.1	

1 Incl. IFRS 5 and excl. the discontinued operation Russia

A swap exchanges floating for fixed interest payments. Therefore, floating rate liabilities that are hedged with a swap can be regarded as fixed interest rate liabilities from an economic standpoint.

The interest rates used for discounting and the calculation of variable payment flows are based on interest rate curves for each currency and matching maturities that are observable on the market. In accordance with IFRS 13 (Fair Value Measurement), the resulting market values are adjusted to include a credit value adjustment (CVA) and a debt value adjustment (DVA).

FINANCIAL LIABILITIES – TYPE OF INTEREST AS OF 31 MARCH 2017¹



1 Excl. the discontinued operation Russia

BONDS

Bonds with a total nominal value of EUR 705.9 million outstanding

The outstanding nominal value of the bonds equalled EUR 705.9 million as of 31 March 2017 (31 December 2016: EUR 628.5 million).

IMMOFINANZ had three convertible bonds and one corporate bond outstanding as of 31 March 2017. These bonds are listed in the following table:

	ISIN	Maturity	Interest rate in %	Nominal value as of 31 Dec 2016	Repurchases/ redemptions/ conversions/ new issues 2017	Nominal value as of 31 March 2017 in TEUR
Convertible bond 2007–2017 ²	XS0332046043	19 Nov 2017	3.75% ¹	21,400.0	0	21,400.0
Convertible bond 2011–2018 ²	XS0592528870	8 March 2018	4.25%	507,094.2	-219,813.5	287,280.7
Convertible bond 2017–2024	XS1551932046	24 Jan 2022 ³	2.00% ⁴	0.0	297,200.0	297,200.0
Corporate bond 2012–2017	AT0000A0VDP8	3 July 2017	5.25%	100,000.0	0	100,000.0
IMMOFINANZ				628,494.2	77,386.5	705,880.73

1 Held to maturity (coupon 1.25%)

2 1 certificate from the convertible bond 2018 (nominal value: EUR 4.12) entitled the bondholder to conversion into 1.1908 IMMOFINANZ shares

(new number of settlement shares after adjustment of the conversion rights: 1.2047) and 0.0649 BUWOG shares (after adjustment: unchanged) as of 31 March 2017

1 certificate from the convertible bond 2017 (nominal value: EUR 100,000.0) entitled the bondholder to conversion into 12,909.75 IMMOFINANZ shares and 718.10 BUWOG shares as of 31 March 2017

3 Maturity at put option

4 Coupon reduction of 0.50% upon receipt of investment grade rating

The terms for the conversion rights and the conversion prices of the convertible bonds due in 2017 and 2018 were amended with the spin-off of BUWOG AG from IMMOFINANZ AG on 26 April 2014. The revised terms give each bondholder the right to receive IMMOFINANZ shares as well as a proportional amount of BUWOG shares when the conversion right is exercised.

If dividends are paid by IMMOFINANZ or BUWOG, the conversion rights to shares in IMMOFINANZ and BUWOG will be adjusted in accordance with the respective bond terms. The last adjustments were made to reflect the cash dividend of EUR 0.06 per IMMOFINANZ share that was approved by the annual general meeting of IMMOFINANZ AG on 29 September 2016 and the EUR 0.69 cash dividend per BUWOG share that was approved by the annual general meeting of BUWOG AG on 14 October 2016. The following calculation uses the 2018 convertible bond to explain this adjustment mechanism as of 31 March 2017:

Calculation for the adjustment of the conversion price of the convertible bond 2018 based on the IMMOFINANZ dividend (dividend payment in October 2016)	IMMOFINANZ (in EUR)
Input factor "CP" old conversion price	3.56
Input factor "M" average market price	2.13
Input factor "V" dividend	0.06
Old number of shares underlying each 2018 convertible bond certificate	1.1573
New conversion price = $CP \times (M - V) / M = \text{IMMOFINANZ: } 3.56 \times (2.13 - 0.06) / 2.13$	3.46
New number of shares underlying each 2018 convertible bond certificate = Old number of underlying shares (new conversion price / old conversion price) = $\text{IMMOFINANZ: } 1.1573 / (3.46 / 3.56)$	1.1908

Calculation for the adjustment of the conversion price of the convertible bond 2018 based on the BUWOG dividend (dividend payment in October 2016)	BUWOG (in EUR)
Input factor "CP" old conversion price	3.28
Input factor "M" average market price	22.45
Input factor "V" dividend	0.69
Old number of shares underlying each 2018 convertible bond certificate	0.0629
New conversion price = $CP \times (M - V) / M = \text{BUWOG: } 3.28 \times (22.45 - 0.69) / 22.45$	3.18
New number of shares underlying each 2018 convertible bond certificate = Old number of underlying shares (new conversion price / old conversion price) = $\text{BUWOG: } 0.0629 / (3.18 / 3.28)$	0.0649

Adjustment of conversion rights through settlement

The legal proceedings over the review of the exchange ratio applied to the 2010 merger of IMMOEAST and IMMOFINANZ were terminated through a settlement after the reporting period. The agreement calls for the distribution of additional IMMOFINANZ shares to the former IMMOEAST shareholders. The related capital increase from authorised capital (in total, 13,037,257 IMMOFINANZ shares) led to an adjustment of the conversion rights for the convertible bonds 2018 and 2024 as of 23 May 2017.

Since 23 May 2017 one certificate from the 2018 convertible bond (nominal value: EUR 4.12) entitles the bondholder to conversion into 1.2047 IMMOFINANZ shares (31 March 2017 and 31 December 2016: 1.1908) and 0.0649 BUWOG shares (31 March 2017 and 31 December 2016: 0.0649).

As of 31 March 2017 one certificate from the 2017 convertible bond (nominal value: EUR 100,000.0) entitled the bondholder to conversion into 12,909.75 IMMOFINANZ shares (31 December 2016: 12,909.75; 23 May 2017: unchanged) and 718.10 BUWOG shares (31 December 2016: 718.10; 23 May 2017: unchanged).

As of 31 March 2017 the conversion price of the 2024 convertible bond (nominal value: EUR 100,000.0) equalled EUR 2.3933 (23 May 2017: EUR 2.3637)

Earnings, Balance Sheet and Cash Flow Analysis

General information:

- The harmonisation of the financial year with the calendar year as of 31 December 2016 resulted in the presentation of comparative data which reflect the corresponding period in the 2016 calendar year. Consequently, this data does not reflect the data previously published for the first quarter of the abbreviated 2016 financial year (Q1 2016A).
- The retail portfolio Moscow, which was presented as a discontinued operation for the first time in IMMOFINANZ's consolidated financial statements as of 31 December 2016, is also included in these (new) comparative figures in accordance with IFRS 5 – i.e. through the separate presentation of the retail portfolio Moscow as a discontinued operation in the consolidated income statement and the consolidated cash flow statement.

INCOME STATEMENT

A condensed version of the consolidated income statement is presented below:

All amounts in TEUR	Q1 2017	Q1 2016
Rental income	57,108	58,205
Results of asset management	39,473	40,945
Results of property sales	-5,966	479
Results of property development	-5,752	27,745
Other operating income	1,094	2,230
Other operating expenses	-11,096	-14,238
Results of operations	17,753	57,161
Other revaluation results	-3,813	-134,514
Operating profit (EBIT)	13,940	-77,353
Financial results	93,013	-37,259
Earnings before tax (EBT)	106,953	-114,612
Net profit for the period from continuing operations	101,700	-139,285
Net profit or loss from discontinued operations ¹	-21,000	-101,414
Net profit or loss	80,700	-240,699

1) Due to the planned sale or spin-off of the Russian portfolio, the earnings contribution from Russia is reported under net profit or loss from discontinued operations.

RESULTS OF ASSET MANAGEMENT

The results of asset management include rental income, other revenues, operating income and operating costs as well as the expenses directly attributable to investment property. Rental income totalled EUR 57.1 million in the first quarter of 2017, compared with EUR 58.2 million in the first quarter of 2016. The slight decline of 1.9% resulted, above all, from portfolio adjustments to the retail properties in Austria. Rental income fell by 4.3% to EUR 24.2 million in the retail sector, but rose by 1.3% to EUR 28.1 million in the office sector.

Revenues reflected the development of rental income with an increase to EUR 79.1 million (Q1 2016: EUR 81.2 million). The results of asset management were 3.6% lower year-on-year at EUR 39.5 million (EUR 40.9 million). Property expenses totalled EUR -20.4 million (Q1 2016: EUR -20.1 million) and were characterised by higher maintenance costs due to modernisation projects and the roll-out of the myhive brand in the office sector (EUR -3.4 million versus EUR -2.2 million) as well as an increase in extension costs for newly rented space (EUR -3.8 million versus EUR -0.5 million) following the conclusion of large-scale rental contracts. In contrast, substantial declines were recorded in operating costs charged to building owners (EUR -4.4 million versus EUR -5.4 million) and receivables write-offs (EUR 0.05 million versus EUR -1.4 million).

RESULTS OF PROPERTY SALES

The results of property sales amounted to EUR -6.0 million in the first quarter of 2017 (Q1 2016: EUR 0.5 million) and reflects the optimisation of the portfolio. The foreign exchange-adjusted valuation effects are related, among others, to smaller office buildings and retail properties in Austria which do not reflect IMMOFINANZ's strategy.

RESULTS OF PROPERTY DEVELOPMENT

The results of property development cover the sale of real estate inventories as well as the valuation of development projects completed in 2017 or currently in progress. In the first quarter of 2017 the results of property development equalled EUR -5.8 million (Q1 2016: EUR 27.7 million) and resulted primarily from additional costs for real estate inventories in the *Gerling Quartier*. The foreign exchange-adjusted revaluation of property under construction amounted to EUR 5.3 million and is attributable to development projects in Germany (*FLOAT*, *trivago Campus*, *Cluster Produktionstechnik*) (Q1 2016: EUR 38.9 million).

RESULTS OF OPERATIONS

The results of operations equalled EUR 17.8 million and were 68.9% lower than the first quarter of 2016 (EUR 57.2 million). Other operating expenses fell by 22.1% year-on-year to EUR -11.1 million (EUR -14.2 million), primarily due to a reduction in legal, auditing and consulting expenses (EUR -1.9 million versus EUR -5.8 million).

REVALUATION, FINANCIAL RESULTS AND EBT

The foreign exchange-adjusted revaluation of investment property equalled EUR -3.1 million (Q1 2016: EUR -110.9 million). Financial results amounted to EUR 93.0 million (Q1 2016: EUR -37.3 million). Financing costs fell by 7.7% to EUR -26.7 million (Q1 2016: EUR -29.0 million), among others due to the interest savings which resulted from the incentivised conversion of 43.4% of the convertible bond 2018 (coupon: 4.25%) at the beginning of the year and the issue of the new convertible bond 2024 (coupon: 2.0%). Other financial results of EUR -15.6 million (Q1 2016: EUR 17.3 million) resulted chiefly from the valuation of derivatives at EUR -4.4 million and the earnings effect of EUR -12.5 million from the incentivised conversion of the convertible bond 2018. The valuation of the BUWOG shares at the market price on 31 March contributed a further EUR 2.0 million.

The share of profit/loss from equity-accounted investments amounted to EUR 134.1 million (Q1 2016: EUR -18.3 million) and consisted primarily of the following: EUR 6.5 million for the proportional share of earnings from CA Immo, EUR 84.1 million from the market-based valuation (IFRS) of the CA Immo investment, a gain of EUR 18.0 million on the sale of 4.5 million BUWOG shares and a valuation gain of EUR 25.8 million at the market price following the termination of equity accounting for the BUWOG investment.

IMMOFINANZ ceased to exercise significant influence over the BUWOG Group in the sense of IAS 28 with the resignation of IMMOFINANZ CEO Oliver Schumy as the vice-chairman of the BUWOG supervisory board on 6 March 2017. The remaining BUWOG shares are now valued through profit or loss based on the closing price on the Vienna Stock Exchange as of the respective balance sheet date.

Earnings before tax (EBT) therefore amounted to EUR 107.0 million (Q1 2016: EUR -114.6 million). Income tax expense equalled EUR -5.3 million for the reporting period (Q1 2016: EUR -24.7 million).

RESULTS OF DISCONTINUED OPERATIONS

The results of discontinued operations totalled EUR -21.0 million (Q1 2016: EUR -101.4 million) and represent the discontinued core market Russia.

The rental income from Russia amounted to EUR 22.2 million in the first quarter of 2017 (Q1 2016: EUR 19.0 million), primarily due to a year-on-year improvement in the Ruble exchange rate. The occupancy rate in the five Moscow shopping centers equalled 88.3% as of 31 March 2017 (31 December 2016: 87.7%). The outstanding rents receivable in Russia amounted to EUR 4.7 million as of 31 March 2017 (31 December 2016: EUR 9.4 million).

The foreign exchange-adjusted revaluation – which represents the change in the value of the Russian investment properties in US Dollar translated into the Euro – totalled EUR -2.7 million in the first quarter of 2017 (Q1 2016: EUR -71.7 million). The foreign exchange-based revaluation – which results from the translation of the Ruble property values in the local Russian companies – equalled EUR -59.2 million (Q1 2016: EUR -49.0 million).

Financial results also include foreign exchange effects of EUR 39.5 million (Q1 2016: EUR 28.0 million), which represent, more or less, a counterpart to the currency-related decrease in the value of the investment properties. This development reflects the lower value of the foreign currency liabilities in the Russian subsidiaries caused by the appreciation of the Ruble.

NET PROFIT

The net profit from continuing operations totalled EUR 101.7 million in the first quarter of 2017 (Q1 2016: EUR -139.3 million). Net profit (including the results of discontinued operations) amounted to EUR 80.7 million (Q1 2016: EUR -240.7 million). Diluted earnings per share equalled EUR 0.07 (Q1 2016: EUR -0.24).

BALANCE SHEET

The condensed balance sheet is shown below:

All amounts in TEUR	31 March 2017	in %	31 Dec. 2016	in %
Investment property	3,489,969		3,531,379	
Property under construction	417,704	77.1%	379,036	80.0%
Real estate inventories	81,692		93,100	
Assets held for sale	1,537,333		1,602,428	
Other tangible assets	2,096	0.0%	2,243	0.0%
Intangible assets	25,791	0.4%	25,955	0.4%
Equity-accounted investments	652,686	9.1%	739,254	10.6%
Trade and other receivables	354,591	4.9%	414,190	5.9%
Other financial assets	122,466	1.7%	10,493	0.1%
Deferred tax assets	4,996	0.1%	4,385	0.1%
Income tax receivables	12,365	0.2%	11,626	0.2%
Cash and cash equivalents	469,043	6.5%	189,287	2.7%
ASSETS	7,170,732	100.0%	7,003,376	100.0%
Equity	2,892,244	40.3%	2,650,616	37.8%
Liabilities from convertible bonds	585,676	8.2%	530,265	7.6%
Financial liabilities	2,079,442	29.0%	2,114,794	30.2%
Trade and other payables	255,138	3.6%	270,168	3.9%
Income tax liabilities	6,460	0.1%	12,973	0.2%
Provisions	51,554	0.7%	50,773	0.7%
Deferred tax liabilities	314,164	4.4%	312,414	4.5%
Financial liabilities held for sale	986,054	13.8%	1,061,373	15.2%
EQUITY AND LIABILITIES	7,170,732	100.0%	7,003,376	100.0%

Assets totalled EUR 7.2 billion as of 31 March 2017 (31 December 2016: EUR 7.0 billion) and comprise non-current assets of EUR 4.9 billion and current assets of EUR 2.3 billion.

The value of the property portfolio amounted to EUR 5.5 billion and represented 77.1% of total assets as of 31 March 2017. These properties are reported on the balance sheet under the following positions: investment property, property under construction, real estate inventories and non-current assets held for sale. Non-current assets held for sale include properties as well as other assets which will be transferred to the buyer in the event of a sale.

The investments accounted for at equity declined from EUR 739.3 million to EUR 652.7 million due to the sale of approximately 4.5 million BUWOG shares and the recognition of the remaining BUWOG shares as other financial assets. This position also includes the proportional share of results from the investment in the CA Immo Group for three months as well as a revaluation of EUR 84.1 million.

Cash and cash equivalents rose from EUR 189.3 million on 31 December 2016 to EUR 469.0 million on 31 March 2017. This is a result of the multi-stage refinancing programme carried out in January, which included the sale of the BUWOG shares as well as the issue of a new convertible bond with a term extending to 2024. (See the section *Financing* on page 32 for details).

Equity totalled EUR 2.9 billion as of 31 March 2017 (31 December 2016: EUR 2.7 billion), and the equity ratio equalled 40.3% as of 31 March 2017 (31 December 2016: 37.8%).

Liabilities totalled EUR 4.3 billion (31 December 2016: EUR 4.4 billion). The non-current component equalled EUR 2.0 billion and the current component EUR 2.3 billion.

CASH FLOW STATEMENT

The condensed cash flow statement is presented below:

All amounts in TEUR	Q1 2017	Q1 2016
Gross cash flow after tax	30,286	36,350
Cash flow from operating activities	41,772	-16,065
Cash flow from investing activities	125,790	440,892
Cash flow from financing activities	106,500	-287,675

Gross cash flow after tax amounted to EUR 30.3 million, compared with EUR 36.4 million in the first quarter of 2016. Cash flow from operating activities rose to EUR 41.8 million (Q1 2016: EUR -16.1 million).

FUNDS FROM OPERATIONS 1 & 2 (FFO 1 & 2)

All amounts in TEUR	Q1 2017	Q1 2016	Change	Change in %
Gross cash flow before tax	40,979	38,407	2,572	6.7%
Gross cash flow before tax from discontinued operations	-14,345	-7,326	-7,019	95.8%
Gross cash flow before tax from continuing operations	26,634	31,081	-4,447	-14.3%
Ancillary costs for property sales (included in gross cash flow, recognised through profit or loss)	879	1,275	-396	-31.1%
Results of property development (included in gross cash flow, recognised through profit or loss)	1,747	2,063	-316	-15.3%
Dividends received from equity-accounted investments	0	0	0	n.a.
Economic interest in FFO I of the CA Immo Group ¹	6,491	0	6,491	n.a.
Interest and dividends received from financial instruments	278	191	87	45.5%
Interest paid	-21,574	-23,035	1,461	6.3%
Derivatives	-3,818	-9,042	5,224	57.8%
FFO 1	10,637	2,533	8,104	≥ +100.0%
Results of property sales	-5,966	479	-6,445	n.a.
FFO 2	4,671	3,012	1,659	55.1%

¹ The economic interest in the CA Immo Group is based on the investment held by IMMOFINANZ in relation to the number of CA Immo shares outstanding over a three-month period – similar to the recognition of the net profit or loss from equity-accounted investments.

EPRA INDICATORS

NET ASSET VALUE (NAV) AND TRIPLE NET ASSET VALUE (NNNAV)

Net asset value (NAV) is calculated in accordance with the Best Practices Recommendations issued by the European Public Real Estate Association (EPRA). The EPRA NAV concept is used to present the fair value of equity on a long-term basis in order to give investors an overview of a company's sustainable asset position. The calculation of EPRA NAV also includes the undisclosed reserves in real estate inventories as well as the (negative) fair value of derivative financial instruments. Undisclosed reserves are not included in carrying amounts in accordance with IFRS accounting rules, while the (negative) fair values of derivative financial instruments regularly serve as a means of hedging long-term financing so these gains or losses will remain hypothetical as of the balance sheet date. The deferred taxes on these items are included. In accordance with the EPRA NAV concept, the calculation should include the deferred taxes that would be realised on the sale of property. Goodwill, which arises as a technical figure due to the recognition of deferred taxes on business combinations, is deducted.

Triple net asset value (NNNAV) is also calculated in accordance with the EPRA's Best Practices Recommendations. The calculation of EPRA NNNAV involves an adjustment to reverse the (negative) fair value of derivative financial instruments from the NAV calculation. In addition, financial liabilities are restated at their fair value. This calculation also includes the deduction of the deferred taxes expected from the sale of properties. Asset deals generally result in the full realisation of deferred taxes, while the assumption for sales through share deals is that IMMOFINANZ will (economically) bear 50% of the deferred tax liabilities.

The EPRA NNNAV calculation also includes the deferred taxes from the adjustments to derivative financial instruments and from the fair value measurement of financial liabilities. The objective is to give investors an overview of the current value of all assets and liabilities.

The results of the NAV and NNNAV calculations are shown below:

	31 March 2017		31 Dec. 2016	
	in TEUR	in EUR per share	in TEUR	in EUR per share
Equity excl. non-controlling interests	2,880,034		2,660,300	
Diluting effects of convertible bonds and exercise of options	0		0	
Diluted equity excl. non-controlling interests after an adjustment for convertible bonds and the exercise of options	2,880,034		2,660,300	
Undisclosed reserves in real estate inventories	296		336	
Fair value of derivative financial instruments	29,794		30,455	
Deferred taxes on investment property	411,209		421,067	
Deferred taxes on real estate inventories and derivative financial instruments	-7,008		-7,032	
Goodwill excl. deferred taxes	-88,177		-90,935	
Number of shares excl. treasury shares (in 1,000)		1,028,540		965,956
EPRA NAV	3,226,148	3.14	3,014,190	3.12
Fair value of derivative financial instruments	-29,794		-30,455	
Effect of fair value measurement of financial liabilities	18,778		-38,757	
Deferred taxes on derivative financial instruments and the fair value measurement of financial liabilities	2,905		16,476	
Deferred taxes on investment property	-88,228		-93,596	
EPRA NNNAV	3,129,809	3.04	2,867,859	2.97

The EPRA NAV per share equalled EUR 3.14 as of 31 March 2017 (31 December 2016: EUR 3.12). The increase resulted from the net profit recorded for the first quarter of 2017. The triple net asset value per share rose from EUR 2.97 to EUR 3.04 as of 31 March 2017.

EPRA EARNINGS PER SHARE

All amounts in TEUR	Q1 2017	Q1 2016
Weighted average number of shares¹	1,042,203	1,000,378
Net profit or loss from continuing operations excl. non-controlling interests	102,274	-139,583
Revaluation of investment properties and development properties	-1,710	71,219
Results of property sales	5,965	-479
Goodwill impairment, negative differences and earn-out effects on income	212	24,226
Changes in fair value of financial instruments	2,325	-14,176
Taxes in respect of EPRA adjustments	-1,337	-3,588
EPRA adjustment in respect of joint ventures and non-controlling interests	863	1,764
EPRA earnings	108,590	-60,617
EPRA earnings per share	0.10	-0.06
Company-specific adjustments		
Result from deconsolidation of BUWOG AG	-25,841	0
Result from incentivised conversion of the convertible bond 2018	12,539	0
Foreign exchange gains and losses	6	9,466
Reversal of impairment CA Immo Group	-84,146	0
Deferred tax in respect of the company specific adjustments	3,226	-1,882
Company-specific adjusted earnings	14,374	-53,034
EPRA earnings per share after company-specific adjustments	0.01	-0.05

¹ EPRA earnings per share as of 31 March 2017 and 31 March 2016 were calculated on the basis of the weighted average number of shares outstanding, including the new shares issued in connection with the IMMOEAST settlement. Additional information on the settlement payment and the calculation methodology is provided in section 8 of the notes to the consolidated interim financial statements.

The EPRA earnings per share equalled EUR 0.10 in the first quarter of 2017 and EUR 0.01 after company-specific adjustments.

EPRA NET INITIAL YIELD

All amounts in TEUR	Q1 2017	Q1 2016
Investment property	4,837,176	5,049,889
Investment property - proportional share of joint ventures	43,468	49,698
Less undeveloped land	-206,607	-211,097
Less logistics portfolio	0	-29,159
Less Russian portfolio	-997,316	-1,121,285
Less undeveloped land - proportional share of joint ventures	-1,928	-6,680
Total property portfolio	3,674,793	3,731,367
Allowance for estimated purchasers' costs	66,146	67,165
Gross value of total property portfolio	3,740,939	3,798,531
Annualised cash rental income	229,127	230,183
Annualised cash rental income - proportional share of joint ventures	1,716	1,370
Non-recoverable property operating expenses	-40,741	-48,626
Non-recoverable property operating expenses - proportional share of joint ventures	-51	-79
Annualised net rental income	190,052	182,849
EPRA NIY	5.1%	4.8%

The EPRA net initial yield improved significantly from 4.8% to 5.1% in the first quarter of 2017.



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Consolidated Balance Sheet

All amounts in TEUR	Notes	31 3 2017	31 12 2016
Investment property	4.1	3,489,969	3,531,379
Property under construction	4.2	417,704	379,036
Other tangible assets		2,096	2,243
Intangible assets		25,791	25,955
Equity-accounted investments	4.3	652,686	739,254
Trade and other receivables	4.4	202,211	210,014
Other financial assets		122,466	10,493
Deferred tax assets		4,996	4,385
Non-current assets		4,917,919	4,902,759
Trade and other receivables	4.4	152,380	204,176
Income tax receivables		12,365	11,626
Assets held for sale	4.5	1,537,333	1,602,428
Real estate inventories		81,692	93,100
Cash and cash equivalents		469,043	189,287
Current assets		2,252,813	2,100,617
Assets		7,170,732	7,003,376
Share capital	4.6	1,039,488	975,956
Capital reserves	4.6	3,420,026	3,353,263
Treasury shares	4.6	-19,915	-18,214
Accumulated other equity		-621,304	-631,163
Retained earnings		-938,261	-1,019,542
Equity attributable to owners of IMMOFINANZ AG		2,880,034	2,660,300
Non-controlling interests		12,210	-9,684
Equity		2,892,244	2,650,616
Liabilities from convertible bonds	4.7	273,359	497,031
Financial liabilities	4.8	1,317,008	1,406,783
Trade and other payables	4.9	42,708	49,312
Provisions		2,230	2,877
Deferred tax liabilities		314,164	312,414
Non-current liabilities		1,949,469	2,268,417
Liabilities from convertible bonds	4.7	312,317	33,234
Financial liabilities	4.8	762,434	708,011
Trade and other payables	4.9	212,430	220,856
Income tax liabilities		6,460	12,973
Provisions		49,324	47,896
Liabilities held for sale	4.5	986,054	1,061,373
Current liabilities		2,329,019	2,084,343
Equity and liabilities		7,170,732	7,003,376

Consolidated Income Statement

All amounts in TEUR	Notes	Q1 2017	Q1 2016
Rental income	5.1	57,108	58,205
Operating costs charged to tenants		20,205	21,458
Other revenues		1,793	1,549
Revenues		79,106	81,212
Expenses from investment property	5.2	-20,423	-20,110
Operating expenses		-19,210	-20,157
Results of asset management		39,473	40,945
Proceeds from the sale of properties	5.3	13,101	7,646
Carrying amount of sold properties		-13,101	-7,646
Results from deconsolidation	2.2	-2,551	167
Expenses from property sales		-879	-1,275
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	5.6	-4,522	1,087
Results of property sales before foreign exchange effects		-7,952	-21
Revaluation of properties sold and held for sale resulting from foreign exchange effects	5.6	1,986	500
Results of property sales		-5,966	479
Proceeds from the sale of real estate inventories		11,840	14,961
Cost of real estate inventories sold		-10,509	-14,218
Expenses from real estate inventories		-9,617	-10,229
Expenses from real estate development		-2,777	-1,836
Revaluation of properties under construction adjusted for foreign exchange effects	5.6	5,303	38,881
Results of property development before foreign exchange effects		-5,760	27,559
Revaluation of properties under construction resulting from foreign exchange effects	5.6	8	186
Results of property development		-5,752	27,745
Other operating income	5.4	1,094	2,230
Other operating expenses	5.5	-11,096	-14,238
Results of operations		17,753	57,161
Revaluation of investment properties adjusted for foreign exchange effects	5.6	-3,128	-110,863
Revaluation of investment properties resulting from foreign exchange effects	5.6	-473	575
Goodwill impairment, negative differences and earn-out effects on income		-212	-24,226
Other revaluation results		-3,813	-134,514
Operating profit (EBIT)		13,940	-77,353
Financing costs	5.7	-26,738	-28,952
Financing income	5.7	1,262	2,135
Foreign exchange differences		-5	-9,466
Other financial results	5.7	-15,632	17,339
Net profit or loss from equity-accounted investments	4.3	134,126	-18,315
Financial results	5.7	93,013	-37,259
Earnings before tax (EBT)		106,953	-114,612
Current income tax		-4,185	-14,871
Deferred tax		-1,068	-9,802
Net profit or loss from continuing operations		101,700	-139,285
Net profit or loss from discontinued operations	2.3	-21,000	-101,414
Net profit or loss		80,700	-240,699
Thereof attributable to owners of IMMOFINANZ AG		81,274	-240,997
Thereof attributable to non-controlling interests		-574	298
Basic earnings per share in EUR		0.08	-0.24
Net profit or loss from continuing operations per share in EUR		0.10	-0.14
Net profit or loss from discontinued operations per share in EUR		-0.02	-0.10
Diluted earnings per share in EUR		0.07	-0.24
Net profit or loss from continuing operations per share in EUR		0.08	-0.14
Net profit or loss from discontinued operations per share in EUR		-0.02	-0.10

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q1 2017	Q1 2016
Net profit or loss		80,700	-240,699
Other comprehensive income (reclassifiable)			
Measurement of available-for-sale financial instruments		0	-5
Thereof changes during the financial year		0	3
Thereof reclassification to profit or loss		0	-9
Thereof income taxes		0	-1
Thereof reclassification of deferred taxes to profit or loss		0	2
Currency translation adjustment		8,240	18,278
Thereof changes during the financial year		5,672	7,944
Thereof reclassification to profit or loss	2.2	2,568	10,334
Other comprehensive income from equity-accounted investments	4.3	176	29
Thereof changes during the financial year		222	-38
Thereof reclassification to profit or loss		0	67
Thereof income taxes		-46	0
Total other comprehensive income (reclassifiable)		8,416	18,302
Other comprehensive income (not reclassifiable)			
Other comprehensive income from equity-accounted investments		0	0
Thereof changes during the financial year		0	0
Thereof income taxes		0	0
Total other comprehensive income (not reclassifiable)		0	0
Total other comprehensive income after tax		8,416	18,302
Total comprehensive income		89,116	-222,397
Thereof attributable to owners of IMMOFINANZ AG		91,133	-222,259
Thereof attributable to non-controlling interests		-2,017	-138

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1 2017	Q1 2016
Earnings before tax (EBT)		106,953	-114,612
Earnings before tax (EBT) from discontinued operations	2.3	-26,267	-121,654
Revaluations of investment properties	2.3 / 5.6	62,746	188,289
Goodwill impairment, negative differences and earn-out effects on income		4,848	38,692
Write-downs and write-ups on real estate inventories		9,316	9,572
Write-downs and write-ups on receivables and other assets		100	-1,526
Net profit or loss from equity-accounted investments	4.3	-134,126	18,315
Foreign exchange differences and fair value measurement of financial instruments		-24,618	-11,520
Net interest income/expense		39,381	40,718
Results from deconsolidation	2.2	2,550	9,598
Other non-cash income/expense/reclassifications		96	-17,465
Gross cash flow before tax		40,979	38,407
Income taxes paid		-10,693	-2,057
Gross cash flow after tax		30,286	36,350
Change in real estate inventories		2,184	5,265
Change in trade and other receivables		36,127	4,905
Change in trade payables and other liabilities		-25,324	7,524
Change in provisions		-1,501	-70,109
Cash flow from operating activities		41,772	-16,065
Acquisition of investment property and property under construction		-30,319	-38,910
Business combinations and other acquisitions, net of cash and cash equivalents		0	-280
Consideration transferred from disposal of discontinued operations, net of cash and cash equivalents	2.3	0	248,503
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		3,163	1,075
Acquisition of other assets		-163	-2,925
Disposal of investment property and property under construction		53,877	28,864
Disposal of other non-current assets		0	13,492
Disposal of equity-accounted investments and cash flows from other net investment positions		98,954	190,882
Interest or dividends received from financial instruments		278	191
Cash flow from investing activities		125,790	440,892
Increase in financial liabilities		85,860	60,070
Proceeds from the issue of convertible bonds less transaction costs	4.7	294,972	0
Repayment of financial liabilities		-123,955	-282,262
Redemption of convertible bonds		0	-1,353
Incentivised conversion of convertible bonds plus transaction costs	4.7	-112,934	0
Derivatives		-3,818	-9,920
Interest paid		-35,215	-35,996
Transactions with non-controlling interest owners		1,590	0
Share buyback	4.6	0	-18,214
Cash flow from financing activities		106,500	-287,675
Net foreign exchange differences		1,283	-1,432
Change in cash and cash equivalents		275,345	135,720
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		189,287	261,366
Plus cash and cash equivalents in discontinued operations and disposal groups		16,941	24,097
Cash and cash equivalents at the beginning of the period		206,228	285,463
Cash and cash equivalents at the end of the period		481,573	421,183
Less cash and cash equivalents in discontinued operations and disposal groups	4.5	12,530	11,684
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		469,043	409,499

Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares	
Balance on 31 December 2016		975,956	3,353,263	-18,214	
Other comprehensive income	4.6				
Net profit or loss					
Total comprehensive income					
Share buyback				-1,701	
Issue of shares	4.6	63,532	45,108		
Issue of convertible bond 2017–2024	4.6		21,655		
Common control transactions					
Balance on 31 March 2017		1,039,488	3,420,026	-19,915	
Balance on 31 December 2015		1,114,172	3,473,570	-258,523	
Other comprehensive income					
Net profit or loss					
Total comprehensive income					
Share buyback				-18,214	
Withdrawal of treasury shares		-97,238	-161,285	258,523	
Increase in share capital from internal funds		1,800,000	-1,800,000		
Ordinary capital decrease		-1,840,978	1,840,978		
Balance on 31 March 2016		975,956	3,353,263	-18,214	

Accumulated other equity							
	AFS reserve	IAS 19 reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	-783	-461	-629,919	-1,019,542	2,660,300	-9,684	2,650,616
	110		9,749		9,859	-1,443	8,416
				81,274	81,274	-574	80,700
	110		9,749	81,274	91,133	-2,017	89,116
					-1,701		-1,701
					108,640		108,640
					21,655		21,655
					0	23,911	23,911
	-673	-461	-620,170	-938,261	2,880,034	12,210	2,892,244
	5	-532	-656,786	-540,521	3,131,385	-4,882	3,126,503
	-5		18,743		18,738	-436	18,302
				-240,997	-240,997	298	-240,699
	-5		18,743	-240,997	-222,259	-138	-222,397
					-18,214		-18,214
					0		0
					0		0
					0		0
	0	-532	-638,043	-781,518	2,890,912	-5,020	2,885,892

NOTES

1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 31 March 2017 were prepared for the three-month period from 1 January 2017 to 31 March 2017 (Q1 2017) and in accordance with the International Financial Reporting Standards (IFRS) which were adopted by the EU and are applicable to interim reporting.

The condensed scope of reporting in these consolidated interim financial statements is in agreement with IAS 34. Information on the application of IFRS, on the significant accounting policies and on further disclosures is provided in the consolidated financial statements of IMMOFINANZ as of 31 December 2016, which form the basis for these consolidated interim financial statements.

These consolidated interim financial statements of IMMOFINANZ were not subjected to a full audit or review by the auditor, Deloitte Audit Wirtschaftsprüfungs GmbH.

The consolidated interim financial statements are presented in thousand Euros ("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

No new or amended standards required mandatory application in the first quarter of 2017, and there were no voluntary first-time applications.

1.2 CHANGE IN COMPARATIVE INFORMATION

The comparative figures are based on the corresponding period in the 2016 calendar year and, consequently, do not reflect the figures previously published for the first quarter of the previous abbreviated 2016 financial year (Q1 2016R). The retail portfolio Moscow, which was presented as a discontinued operation for the first time in IMMOFINANZ's consolidated financial statements as of 31 December 2016, is also included in these (new) comparative figures in accordance with IFRS 5 – i.e. through the separate presentation of the retail portfolio Moscow as a discontinued operation (see section 2.3) in the consolidated income statement and the consolidated cash flow statement.

2. Scope of Consolidation

2.1 DEVELOPMENT OF THE SCOPE OF CONSOLIDATION

The following table shows the development of the scope of consolidation during the first quarter of 2017:

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 31 December 2016	488	11	13	512
Companies initially included				
New foundations	2	0	1	3
Companies no longer included				
Sales	-2	-1	0	-3
Loss of significant influence with retention of investment (see 4.3)	0	0	-1	-1
Mergers	-9	0	0	-9
Liquidations	-4	0	0	-4
Balance on 31 March 2017	475	10	13	498
Thereof foreign companies	285	7	6	298

2.2 SALE AND LIQUIDATION OF SUBSIDIARIES

The effects on the balance sheet positions as well as the result from deconsolidation are summarised in the following table:

All amounts in TEUR	Q1 2017
Receivables and other assets	6
Assets held for sale	16,984
Cash and cash equivalents	47
Trade payables	-1
Other liabilities	-40
Deferred tax liabilities	-8
Liabilities held for sale	-14,516
Net assets sold	2,472
Outstanding purchase price receivables	2,489
Less net assets sold	-2,472
Reclassification of foreign exchange differences to profit or loss	-2,568
Results from deconsolidation	-2,551
Consideration received in cash and cash equivalents	0
Less cash and cash equivalents sold	-47
Net inflow of cash and cash equivalents	-47

2.3 DISCONTINUED OPERATIONS

On 19 December 2016 the Executive Board and Supervisory Board of IMMOFINANZ approved the company's exit from the previous core market Russia. The five Russian shopping centers (with roughly 280,000 sqm of rentable space and a combined carrying amount of EUR 997.3 million as of 31 March 2017; 31 December 2016: EUR 1,024.1 million) together with the related service companies (the retail portfolio Moscow) have therefore been presented as a discontinued operation since that date in accordance with IFRS 5. This decision by IMMOFINANZ reflects the fact that the shopping centers in Moscow are characterised by different market dynamics than the other portfolio properties and, consequently, have a negative effect on the Group's risk profile. The exit from the former core market Russia also represents a necessary step towards the planned merger of IMMOFINANZ and the CA Immo Group. The final decision on the specific transaction structure (share deal, asset deals or spin-off of the retail portfolio Moscow) will be taken during the sale process in the 2017 financial year; currently IMMOFINANZ assumes a share deal.

All of the assets and liabilities attributable to the retail portfolio Moscow are reported on the consolidated balance sheet as of 31 March 2017 under "assets held for sale" or "liabilities held for sale" (see section 4.5). On the consolidated income statement, the net profit or loss (after tax) from the retail portfolio Moscow are presented as a separate line for the first quarter of 2017 and the comparative period (see section 1.2).

The comparative figures reported for the net profit or loss from discontinued operations on the consolidated income statement also include results from the sale of the logistics portfolio, which was concluded during the abbreviated 2016 financial year.

The following table shows the results of the two discontinued operations as presented in the consolidated income statement:

All amounts in TEUR	Q1 2017	Q1 2016
Net profit or loss retail portfolio Moscow	-21,000	-86,702
Net profit or loss logistics portfolio	0	-14,712
Net profit or loss from discontinued operations	-21,000	-101,414

The detailed results from the retail portfolio Moscow and the logistics portfolio are as follows:

All amounts in TEUR	Retail portfolio Moscow		Logistics portfolio	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Rental income	22,168	19,015	0	3,377
Operating costs charged to tenants	4,551	5,202	0	984
Other revenues	429	202	0	3
Revenues	27,148	24,418	0	4,364
Expenses from investment property	-7,102	-7,219	0	-2,453
Operating expenses	-4,400	-4,956	0	-1,339
Results of asset management	15,646	12,243	0	572
Proceeds from the sale of properties	0	0	0	34,616
Carrying amount of sold properties	0	0	0	-34,616
Results of property sales	0	0	0	0
Expenses from property development and inventories	0	0	0	29
Revaluation of properties under construction adjusted for foreign exchange effects	0	0	0	685
Results of property development	0	0	0	714
Other operating income	116	134	0	259
Other operating expenses	-1,016	-1,118	0	-932
Results of operations	14,746	11,259	0	613
Revaluation of investment properties adjusted for foreign exchange effects	-2,727	-71,678	0	742
Revaluation of investment properties resulting from foreign exchange effects	-59,194	-49,027	0	621
Goodwill impairment and earn-out effects on income	-4,637	-10,083	0	0
Other revaluation results	-66,558	-130,788	0	1,363
Operating profit (EBIT)	-51,812	-119,529	0	1,976
Financing costs	-13,910	-13,279	0	-631
Financing income	3	3	0	4
Foreign exchange differences	39,452	28,024	0	-2,068
Other financial results	0	1	0	-961
Financial results	25,545	14,749	0	-3,656
Earnings before tax (EBT)	-26,267	-104,780	0	-1,680
Current income tax	-4,070	-42	0	-239
Deferred tax	9,337	18,120	0	2,401
Earnings from discontinued operations	-21,000	-86,702	0	482
Loss from fair value measurement less costs to sell	0	0	0	-5,429
Loss from the disposal of the business operation (including reclassification of foreign exchange differences to profit or loss)	0	0	0	-9,765
Subsequent purchase-price-adjustment effects on income	0	0	0	0
Net profit or loss from discontinued operations	-21,000	-86,702	0	-14,712
Thereof attributable to owners of IMMOFINANZ AG	-21,000	-86,702	0	-14,712

The cash flows from the discontinued operations can be summarised as follows:

All amounts in TEUR	Retail portfolio Moscow		Logistics portfolio	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Cash flow from operating activities	9,428	10,108	0	2,591
Cash flow from investing activities	-98	-72	0	-3,291
Cash flow from financing activities	-18,431	-41,283	0	-2,141
Net cash flow from discontinued operations	-9,101	-31,247	0	-2,841

3. Information on Operating Segments

The following information on the reportable segments of IMMOFINANZ is based on the continuing operations and therefore excludes the retail portfolio Moscow and the logistics portfolio. Segment assets also include investment property held for sale.

All amounts in TEUR	Austria		Germany	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Office	8,151	8,944	1,633	735
Retail	3,921	6,057	172	139
Other	1,582	1,704	721	810
Rental income	13,654	16,705	2,526	1,684
Operating costs charged to tenants	2,717	3,197	700	528
Other revenues	604	432	22	-10
Revenues	16,975	20,334	3,248	2,202
Expenses from investment property	-7,188	-7,260	-710	-706
Operating expenses	-2,711	-3,097	-626	-610
Results of asset management	7,076	9,977	1,912	886
Proceeds from the sale of properties	12,669	5,790	0	0
Carrying amount of sold properties	-12,669	-5,790	0	0
Results from deconsolidation	22	0	0	0
Expenses from property sales	-786	-579	-157	-50
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-3,847	43	-140	0
Results of property sales before foreign exchange effects	-4,611	-536	-297	-50
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-4,611	-536	-297	-50
Proceeds from the sale of real estate inventories	0	18	10,414	8,563
Cost of real estate inventories sold	0	-12	-9,434	-8,699
Expenses from real estate inventories	-255	0	-9,148	-9,689
Expenses from real estate development	-41	-75	-1,496	-683
Revaluation of properties under construction adjusted for foreign exchange effects	-28	-541	7,694	39,589
Results of property development before foreign exchange effects	-324	-610	-1,970	29,081
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-324	-610	-1,970	29,081
Other operating income	209	494	53	4
Other operating expenses	-943	-398	-1,106	-539
Results of operations	1,407	8,927	-1,408	29,382
Revaluation of investment properties adjusted for foreign exchange effects	-723	35,220	-1,411	-6,126
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment, negative differences and earn-out effects on income	0	0	0	0
Other revaluation results	-723	35,220	-1,411	-6,126
Operating profit (EBIT)	684	44,147	-2,819	23,256
	31 3 2017	31 12 2016	31 3 2017	31 12 2016
Investment property	879,849	918,004	64,188	65,600
Property under construction	34,313	34,000	268,692	237,700
Goodwill	0	0	0	0
Investment properties held for sale	82,956	73,470	154,263	152,565
Real estate inventories	0	255	73,418	83,543
Segment assets	997,118	1,025,729	560,561	539,408
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Segment investments	1,719	1,881	23,365	24,435

All amounts in TEUR	Poland		Czech Republic	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Office	6,567	6,423	2,725	3,313
Retail	3,009	2,929	2,613	2,460
Other	800	800	254	380
Rental income	10,376	10,152	5,592	6,153
Operating costs charged to tenants	4,487	5,356	1,694	1,914
Other revenues	464	411	65	45
Revenues	15,327	15,919	7,351	8,112
Expenses from investment property	-4,812	-3,060	-1,764	-1,911
Operating expenses	-4,166	-5,005	-1,641	-1,863
Results of asset management	6,349	7,854	3,946	4,338
Proceeds from the sale of properties	0	0	0	0
Carrying amount of sold properties	0	0	0	0
Results from deconsolidation	-2,573	0	0	0
Expenses from property sales	-54	-32	-53	-117
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-354	0	0	0
Results of property sales before foreign exchange effects	-2,981	-32	-53	-117
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-2,981	-32	-53	-117
Proceeds from the sale of real estate inventories	1,243	4,470	0	0
Cost of real estate inventories sold	-1,045	-3,993	0	0
Expenses from real estate inventories	-93	-398	0	0
Expenses from real estate development	-477	-315	-61	-139
Revaluation of properties under construction adjusted for foreign exchange effects	52	-12,291	-1,837	-870
Results of property development before foreign exchange effects	-320	-12,527	-1,898	-1,009
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-320	-12,527	-1,898	-1,009
Other operating income	23	46	654	209
Other operating expenses	-680	-670	-364	-504
Results of operations	2,391	-5,329	2,285	2,917
Revaluation of investment properties adjusted for foreign exchange effects	-307	-27,670	-213	-10,845
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment, negative differences and earn-out effects on income	-140	0	0	-12,070
Other revaluation results	-447	-27,670	-213	-22,915
Operating profit (EBIT)	1,944	-32,999	2,072	-19,998
	31 3 2017	31 12 2016	31 3 2017	31 12 2016
Investment property	596,227	598,910	376,010	375,610
Property under construction	9,411	5,767	19,083	20,920
Goodwill	446	586	7,629	7,629
Investment properties held for sale	145,010	141,760	0	0
Real estate inventories	6,575	7,581	0	0
Segment assets	757,669	754,604	402,722	404,159
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Segment investments	3,860	3,255	82	234

All amounts in TEUR	Slovakia		Hungary	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Office	499	388	3,528	3,104
Retail	3,293	3,335	3,108	3,133
Other	81	55	272	245
Rental income	3,873	3,778	6,908	6,482
Operating costs charged to tenants	2,120	2,155	2,730	3,097
Other revenues	77	87	43	61
Revenues	6,070	6,020	9,681	9,640
Expenses from investment property	-928	-1,536	-1,639	-1,348
Operating expenses	-1,705	-1,792	-2,671	-2,979
Results of asset management	3,437	2,692	5,371	5,313
Proceeds from the sale of properties	0	0	0	0
Carrying amount of sold properties	0	0	0	0
Results from deconsolidation	0	0	0	0
Expenses from property sales	-8	-4	-56	-23
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	0	0	0	0
Results of property sales before foreign exchange effects	-8	-4	-56	-23
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-8	-4	-56	-23
Proceeds from the sale of real estate inventories	0	0	0	0
Cost of real estate inventories sold	0	0	0	0
Expenses from real estate inventories	0	0	0	0
Expenses from real estate development	-87	-32	-74	-2
Revaluation of properties under construction adjusted for foreign exchange effects	-84	5,366	0	302
Results of property development before foreign exchange effects	-171	5,334	-74	300
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-171	5,334	-74	300
Other operating income	23	10	3	165
Other operating expenses	-265	-261	-406	-298
Results of operations	3,016	7,771	4,838	5,457
Revaluation of investment properties adjusted for foreign exchange effects	67	-21,041	6	14,418
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment, negative differences and earn-out effects on income	-25	-531	0	-2,267
Other revaluation results	42	-21,572	6	12,151
Operating profit (EBIT)	3,058	-13,801	4,844	17,608
	31 3 2017	31 12 2016	31 3 2017	31 12 2016
Investment property	201,980	201,980	468,920	468,770
Property under construction	22,603	22,100	0	0
Goodwill	184	209	2,708	2,708
Investment properties held for sale	2,510	2,510	6,112	6,112
Real estate inventories	0	0	0	0
Segment assets	227,277	226,799	477,740	477,590
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Segment investments	610	1,263	0	125

All amounts in TEUR	Romania		Other non-core countries		Total reportable segments	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Office	4,722	4,449	286	405	28,111	27,761
Retail	6,555	6,230	1,577	1,049	24,248	25,332
Other	955	1,027	84	91	4,749	5,112
Rental income	12,232	11,706	1,947	1,545	57,108	58,205
Operating costs charged to tenants	5,295	4,901	462	310	20,205	21,458
Other revenues	470	486	48	37	1,793	1,549
Revenues	17,997	17,093	2,457	1,892	79,106	81,212
Expenses from investment property	-2,985	-3,970	-397	-319	-20,423	-20,110
Operating expenses	-5,245	-4,516	-445	-295	-19,210	-20,157
Results of asset management	9,767	8,607	1,615	1,278	39,473	40,945
Proceeds from the sale of properties	432	1,815	0	41	13,101	7,646
Carrying amount of sold properties	-432	-1,815	0	-41	-13,101	-7,646
Results from deconsolidation	0	0	0	167	-2,551	167
Expenses from property sales	-50	-366	285	-104	-879	-1,275
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-180	530	-1	514	-4,522	1,087
Results of property sales before foreign exchange effects	-230	164	284	577	-7,952	-21
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	1,986	500	1,986	500
Results of property sales	-230	164	2,270	1,077	-5,966	479
Proceeds from the sale of real estate inventories	183	1,910	0	0	11,840	14,961
Cost of real estate inventories sold	-30	-1,514	0	0	-10,509	-14,218
Expenses from real estate inventories	-117	-142	-4	0	-9,617	-10,229
Expenses from real estate development	-330	-356	-211	-234	-2,777	-1,836
Revaluation of properties under construction adjusted for foreign exchange effects	-494	3,362	0	3,964	5,303	38,881
Results of property development before foreign exchange effects	-788	3,260	-215	3,730	-5,760	27,559
Revaluation of properties under construction resulting from foreign exchange effects	0	0	8	186	8	186
Results of property development	-788	3,260	-207	3,916	-5,752	27,745
Other operating income	99	625	15	156	1,079	1,709
Other operating expenses	-838	-4,310	-467	-522	-5,069	-7,502
Results of operations	8,010	8,346	3,226	5,905	23,765	63,376
Revaluation of investment properties adjusted for foreign exchange effects	47	-68,674	-594	-26,145	-3,128	-110,863
Revaluation of investment properties resulting from foreign exchange effects	0	0	-473	575	-473	575
Goodwill impairment, negative differences and earn-out effects on income	0	-6,492	-47	-2,866	-212	-24,226
Other revaluation results	47	-75,166	-1,114	-28,436	-3,813	-134,514
Operating profit (EBIT)	8,057	-66,820	2,112	-22,531	19,952	-71,138
	31 3 2017	31 12 2016	31 3 2017	31 12 2016	31 3 2017	31 12 2016
Investment property	785,264	784,825	117,531	117,680	3,489,969	3,531,379
Property under construction	58,630	56,820	4,972	1,729	417,704	379,036
Goodwill	13,537	13,537	1,004	1,044	25,508	25,713
Investment properties held for sale	0	0	40,480	42,480	431,331	418,897
Real estate inventories	1,515	1,536	184	185	81,692	93,100
Segment assets	858,946	856,718	164,171	163,118	4,446,204	4,448,125
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Segment investments	729	7,138	3,242	3,280	33,607	41,611

All amounts in TEUR	Total reportable segments		Reconciliation to consolidated financial statements		IMMOFINANZ	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Office	28,111	27,761	0	0	28,111	27,761
Retail	24,248	25,332	0	0	24,248	25,332
Other	4,749	5,112	0	0	4,749	5,112
Rental income	57,108	58,205	0	0	57,108	58,205
Operating costs charged to tenants	20,205	21,458	0	0	20,205	21,458
Other revenues	1,793	1,549	0	0	1,793	1,549
Revenues	79,106	81,212	0	0	79,106	81,212
Expenses from investment property	-20,423	-20,110	0	0	-20,423	-20,110
Operating expenses	-19,210	-20,157	0	0	-19,210	-20,157
Results of asset management	39,473	40,945	0	0	39,473	40,945
Proceeds from the sale of properties	13,101	7,646	0	0	13,101	7,646
Carrying amount of sold properties	-13,101	-7,646	0	0	-13,101	-7,646
Results from deconsolidation	-2,551	167	0	0	-2,551	167
Expenses from property sales	-879	-1,275	0	0	-879	-1,275
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-4,522	1,087	0	0	-4,522	1,087
Results of property sales before foreign exchange effects	-7,952	-21	0	0	-7,952	-21
Revaluation of properties sold and held for sale resulting from foreign exchange effects	1,986	500	0	0	1,986	500
Results of property sales	-5,966	479	0	0	-5,966	479
Proceeds from the sale of real estate inventories	11,840	14,961	0	0	11,840	14,961
Cost of real estate inventories sold	-10,509	-14,218	0	0	-10,509	-14,218
Expenses from real estate inventories	-9,617	-10,229	0	0	-9,617	-10,229
Expenses from real estate development	-2,777	-1,836	0	0	-2,777	-1,836
Revaluation of properties under construction adjusted for foreign exchange effects	5,303	38,881	0	0	5,303	38,881
Results of property development before foreign exchange effects	-5,760	27,559	0	0	-5,760	27,559
Revaluation of properties under construction resulting from foreign exchange effects	8	186	0	0	8	186
Results of property development	-5,752	27,745	0	0	-5,752	27,745
Other operating income	1,079	1,709	15	521	1,094	2,230
Other operating expenses	-5,069	-7,502	-6,027	-6,736	-11,096	-14,238
Results of operations	23,765	63,376	-6,012	-6,215	17,753	57,161
Revaluation of investment properties adjusted for foreign exchange effects	-3,128	-110,863	0	0	-3,128	-110,863
Revaluation of investment properties resulting from foreign exchange effects	-473	575	0	0	-473	575
Goodwill impairment, negative differences and earn-out effects on income	-212	-24,226	0	0	-212	-24,226
Other revaluation results	-3,813	-134,514	0	0	-3,813	-134,514
Operating profit (EBIT)	19,952	-71,138	-6,012	-6,215	13,940	-77,353
	31 3 2017	31 12 2016	31 3 2017¹	31 12 2016¹	31 3 2017	31 12 2016
Investment property	3,489,969	3,531,379	0	0	3,489,969	3,531,379
Property under construction	417,704	379,036	0	0	417,704	379,036
Goodwill	25,508	25,713	0	0	25,508	25,713
Investment properties held for sale	431,331	418,897	997,315	1,024,051	1,428,646	1,442,948
Real estate inventories	81,692	93,100	0	0	81,692	93,100
Segment assets	4,446,204	4,448,125	997,315	1,024,051	5,443,519	5,472,176
	Q1 2017	Q1 2016	Q1 2017¹	Q1 2016¹	Q1 2017	Q1 2016
Segment investments	33,607	41,611	0	50	33,607	41,661

¹ The reconciliation includes the amounts from the discontinued retail portfolio Moscow; a full presentation of the retail portfolio Moscow is provided in 4.5.

4. Notes to the Consolidated Balance Sheet

4.1 INVESTMENT PROPERTY

The development of the investment properties during the first quarter of 2017 is as follows:

All amounts in TEUR	Q1 2017
Beginning balance	3,531,379
Currency translation adjustments	472
Additions	2,350
Disposals	-11,451
Revaluation	-6,350
Reclassifications	3,620
Reclassification IFRS 5	-30,051
Ending balance	3,489,969

4.2 PROPERTY UNDER CONSTRUCTION

The development of the properties under construction during the first quarter of 2017 is as follows:

All amounts in TEUR	Q1 2017
Beginning balance	379,036
Currency translation adjustments	-8
Additions	31,257
Revaluation	5,311
Reclassifications	2,108
Ending balance	417,704

4.3 EQUITY-ACCOUNTED INVESTMENTS

The following table shows the development of the equity-accounted investments:

All amounts in TEUR	CA Immo Group	BUWOG Group	NP Investments a.s.	Other	Total
Interest held by IMMOFINANZ	26.0%	10.0%	50.0%		
Beginning balance	539,896	176,363	0	22,995	739,254
Disposals	0	-176,363	0	-1,070	-177,433
Net profit or loss from equity-accounted investments	6,476	0	25	-356	6,145
Other comprehensive income from currency translation adjustment	34	0	0	32	66
Other comprehensive income from the measurement of available-for-sale financial instruments	110	0	0	0	110
Offset of results with other net investment positions	0	0	-25	423	398
Reversals of impairment losses	84,146	0	0	0	84,146
Ending balance	630,662	0	0	22,024	652,686

CA Immobilien Anlagen Aktiengesellschaft (CA Immo) was IMMOFINANZ's most important associate as of 31 March 2017. IMMOFINANZ holds 25,690,163 bearer shares, which represent 26% of share capital, as well as four registered shares with restricted transferability (Golden Shares) which carry rights to delegate up to four members to the CA Immo supervisory board. The investment was acquired as of 2 August 2016 and the purchase price allocation is still considered preliminary. Facts and circumstances that represent indications of

de-facto control as defined in IFRS 10 are continuously reviewed since then, but there was no such de-facto control as of 31 March 2017.

A “close to market“ valuation model (Level 3) was developed for impairment testing as of 31 December 2016 because the fair value (less costs to sell) of the unit of account – i.e. the share package of bearer and registered shares with restricted transferability – could not be determined solely on the basis of the quoted price on the Prime Market of the Vienna Stock Exchange. This valuation model was also applied as of 31 March 2016 and reflects the disparity between voting rights and contractual rights to receive cash flows and the size of the capital investment through the addition of a 21.3% premium (31 December 2016: 22.4%) to the stock market price of EUR 20.60 per share (31 December 2016: EUR 17.47 per share). As of 31 March 2017 the recoverable amount – which represents the resulting fair value of EUR 642.0 million less costs to sell of 1.75% – equalled EUR 630.7 million (31 December 2016: EUR 539.9 million). Consequently, the book price of the investment in the CA Immo Group equalled EUR 24.55 per share (31 December 2016: EUR 21.02 per share). The net profit or loss from equity-accounted investments includes therefore not only the proportional results of the CA Immo Group for three months (incl. effects from the carryforward of the fair value adjustments from the preliminary purchase price allocation) but also a reversal of impairment losses of EUR 84.1 million.

IMMOFINANZ carried out an incentivised conversion of the convertible bond 2011–2018 as of 24 January 2017 (see section 4.7), which also included the delivery of 802,219 BUWOG shares. This reduced the carrying amount of the BUWOG investment by EUR 14.2 million. Moreover, IMMOFINANZ sold 4,484,698 BUWOG shares for EUR 21.72 per share as of 6 February 2017 through an accelerated bookbuilding process. The proceeds from this sale (less selling costs) totalled EUR 97.4 million. Based on the book price of the BUWOG share on 31 December 2016 (EUR 17.70 per share), the gain on sale amounted to EUR 18.0 million.

Oliver Schumy resigned as vice-chairman of the supervisory board of BUWOG AG on 6 March 2017. IMMOFINANZ has not exercised significant influence over the BUWOG Group in the sense of IAS 28 since that date, which also marked the end of equity accounting. The termination of equity accounting also required the fair value measurement of the remaining BUWOG shares (closing price on the Vienna Stock Exchange on 6 March 2017: EUR 23.23 per share) and the reclassification of this investment to other financial assets. The corresponding results of EUR 25.8 million were recorded under profit or loss from equity-accounted investments.

The remaining balance of approximately 4.7 million BUWOG shares are reserved for the possible (proportional) servicing of conversions from the convertible bonds 2007–2017 and 2011–2018 (see section 4.7). Therefore, the fair value option provided by IAS 39 was applied to avoid an accounting mismatch which would otherwise occur between the measurement of the financial asset and the financial liability (from the standalone derivatives for the convertible bonds). The subsequent measurement of the BUWOG shares will therefore reflect fair value through profit or loss based on the closing price at the Vienna Stock Exchange as of the respective balance sheet dates (Level 1).

4.4 TRADE AND OTHER RECEIVABLES

All amounts in TEUR	31 3 2017	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2016
Rents receivable	15,587	15,548	39	0	15,589
Miscellaneous	35,585	33,561	2,024	0	31,485
Total trade accounts receivable	51,172	49,109	2,063	0	47,074
Receivables due from associates	1,221	31	0	1,190	1,925
Receivables due from joint ventures	33,694	8,774	24,815	105	33,740
Receivables due from equity-accounted investments	34,915	8,805	24,815	1,295	35,665
Restricted funds	138,861	8,276	130,585	0	179,585
Financing	17,678	1,756	2	15,920	18,553
Property management	4,164	4,103	19	42	1,560
Outstanding purchase price receivables – sale of properties	5,935	5,935	0	0	42,277
Outstanding purchase price receivables – sale of shares in other companies	53,143	28,523	24,620	0	38,198
Miscellaneous	21,428	18,578	2,617	233	20,065
Total other financial receivables	241,209	67,171	157,843	16,195	300,238
Tax authorities	27,295	27,295	0	0	31,213
Total other non-financial receivables	27,295	27,295	0	0	31,213
Total	354,591	152,380	184,721	17,490	414,190

4.5 ASSETS AND LIABILITIES HELD FOR SALE

Of the assets and liabilities classified as held for sale as of 31 December 2016, one Bulgarian standing investment, one Austrian office property and one Austrian retail property were sold during the first quarter of 2017. In addition, the closing for the sale of two real estate fund shares previously classified as held for sale took place during the first quarter of 2017. With regard to the sales that have not yet been realised, management's intention to sell these properties remains intact.

Two office properties and one retail property in Austria as well as one property in the asset class other which is under construction in Poland were classified as held for sale during the reporting period.

The properties initially classified as assets held for sale during the first quarter of 2017 are expected to be sold through asset deals. These sales are intended to align the portfolio with IMMOFINANZ's strategic focus.

The assets and liabilities held for sale as of 31 March 2017 can be summarised as follows:

All amounts in TEUR	Retail portfolio Moscow	EMPARK	Friesen-/Gerling Quartier	Specialised Austrian retail portfolio	Other	Carrying amount as of 31 3 2017	Carrying amount as of 31 12 2016
Investment property	997,316	141,760	72,824	56,155	79,153	1,347,208	1,363,177
Property under construction	0	0	76,007	0	0	76,007	74,340
Real estate inventories	0	0	5,431	0	0	5,431	5,431
Other tangible assets	197	0	0	0	0	197	211
Intangible assets	62,673	0	0	0	0	62,673	65,226
Deferred tax assets	33	1,491	0	0	0	1,524	2,029
Trade and other receivables	20,125	5,429	0	0	3,803	29,357	68,080
Other financial assets	0	0	0	0	2,406	2,406	6,993
Cash and cash equivalents	10,026	2,369	87	0	48	12,530	16,941
Assets held for sale	1,090,370	151,049	154,349	56,155	85,410	1,537,333	1,602,428
Currency translation reserve	-515,850	0	0	0	-22,678	-538,528	-543,537
Financial liabilities	697,995	115,735	0	0	0	813,730	878,062
Trade and other payables	39,138	5,190	87	0	20	44,435	49,856
Provisions	205	722	1,020	2,319	1,912	6,178	6,271
Deferred tax liabilities	114,366	4	0	0	7,341	121,711	127,184
Liabilities held for sale	851,704	121,651	1,107	2,319	9,273	986,054	1,061,373

Details on the discontinued retail portfolio Moscow are provided in section 2.3. In the first quarter of 2017 a foreign exchange-adjusted revaluation of EUR -2.7 million (Q1 2016: EUR -71.7 million) was recognised under profit or loss from discontinued operations for the retail portfolio Moscow.

Revaluations (foreign exchange-adjusted) and impairment losses to real estate inventories totalling EUR -0.2 million were recognised to the properties in the *Friesenquartier* and in the *Gerling Quartier*, which have been reported as a disposal group based on resolutions by the Executive Board and Supervisory Board on 27 July 2016 and 19 December 2016. In addition to the properties attributed to the disposal group comprising the *Friesenquartier* and the two construction sections of the *Gerling Quartier*, a hotel under construction and the accompanying underground parking spaces were sold through a forward sale as of 30 January 2017. These two properties remain classified as real estate inventories because they cannot be sold in their current condition. An impairment loss of EUR -7.2 million and an addition of EUR -1.3 million to a provision for onerous contracts were recognised to these two real estate inventories in the first quarter of 2017 to reflect construction cost overruns; these expense items are both reported under expenses from real estate inventories.

The disposal group comprising 64 small-scale Austrian retail properties was reduced by the scheduled sale of 17 properties shortly after the end of the reporting period. A (foreign exchange-adjusted) revaluation of EUR -1.3 million was recognised to the properties held for sale in this disposal group during the first quarter of 2017.

Based on a resolution by the Executive Board on 4 May 2015, the assets and liabilities in a portfolio of land reserves in Turkey (segment: other non-core countries) have been presented as a disposal group. The political and economic uncertainty as well as the devaluation of the Turkish Lira has, however, reduced the refinancing alternatives for interested investors, and the sale could not be completed as planned within 12 months. IMMOFINANZ's management stands by the original sale decision, and the simplification of the portfolio's investment and financing structure accomplished during the first quarter of 2017 should facilitate the sale through a share deal. An alternative would be the sale in the form of an asset deal. A foreign exchange-adjusted revaluation of EUR 0.0 million was recognised to the properties held for sale in this disposal group during the first quarter of 2017 (Q1 2016: foreign exchange-adjusted revaluation of EUR 0.5 million).

4.6 EQUITY

The incentivised conversion of the convertible bond 2011–2018 (see section 4.7) resulted in the issue from conditional capital of 63,532,467 IMMOFINANZ shares in total. This led to an increase of EUR 63.5 million in share capital and EUR 45.1 million in capital reserves.

The issue of the convertible bond 2017–2024 resulted in the addition of an equity component totalling EUR 21.7 million to capital reserves.

On 14 March 2017 the Executive Board and Supervisory Board of IMMOFINANZ approved to utilise the authorisation of the 23rd annual general meeting on 29 September 2016 in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act to carry out a share buyback programme for up to 20.0 million shares. A total of 948,076 IMMOFINANZ shares had been repurchased for EUR 1.7 million by 31 March 2017. The cash-relevant settlement took place after the balance sheet date.

The Executive Board of IMMOFINANZ AG plans to make a recommendation to the 24th annual general meeting on 1 June 2017, calling for the approval of an ordinary dividend of EUR 0.06 per share for the abbreviated 2016 financial year.

Other comprehensive income of EUR 9.9 million (Q1 2016: EUR 18,7 million) is attributable to the shareholders of IMMOFINANZ and EUR -1,4 million (Q1 2016: EUR -0,4 million) to non-controlling interests. The share of other comprehensive income attributable to non-controlling interests resulted entirely from foreign currency translation differences.

4.7 LIABILITIES FROM CONVERTIBLE BONDS

All amounts in TEUR	31 3 2017	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2016
Convertible bond 2007-2017	26,943	26,943	0	0	26,536
Convertible bond 2011-2018	283,519	283,519	0	0	503,729
Convertible bond 2017-2024	275,214	1,855	273,359	0	0
Total	585,676	312,317	273,359	0	530,265

Convertible bond 2007–2017

As of the balance sheet date, one certificate of the convertible bond 2007–2017 with a nominal value of EUR 100,000 each entitled the bondholder to conversion into 12,909.75 IMMOFINANZ shares (31 December 2016: 12,909.75) and 718.10 BUWOG shares (31 December 2016: 718.10).

The nominal amount outstanding totalled EUR 21.4 million and remained unchanged as of 31 March 2017. This outstanding nominal value will be redeemed on 19 November 2017 if there are no conversions into the company's shares before that date.

The value of the standalone derivative from the convertible bond 2007–2017, which is recorded under other liabilities (see section 4.9) equalled EUR 0.0 million as of 31 March 2016 (31 December 2016: EUR 0.0 million).

Convertible bond 2011–2018

In order to optimise the capital structure and sustainably reduce financing costs, IMMOFINANZ carried out an incentivised conversion of the convertible bond 2011–2018 on 19 January 2017. It reduced the outstanding nominal value of the convertible bond 2011–2018 from EUR 507.1 million as of 31 December 2016 to EUR 287.3 million. The incentivised conversion resulted in the exchange of an outstanding nominal value of EUR 219.8 million for 63,532,467 new shares of IMMOFINANZ AG, 802,219 BUWOG shares and cash of EUR 58.7 million representing 2,660,362 shares of BUWOG AG. In addition, a premium of EUR 52.9 million and transaction costs of EUR 1.4 million were also paid.

As of the balance sheet date, one certificate of the convertible bond 2018 with a nominal value of EUR 4.12 entitled the bondholder to conversion into 1.1908 IMMOFINANZ shares (31 December 2016: 1.1908) and 0.0649 BUWOG shares (31 December 2016: 0.0649).

The value of the standalone derivative from the convertible bond 2011–2018, which is recorded under other liabilities (see section 4.9) equalled EUR 15.0 million as of 31 March 2016 (31 December 2016: EUR 9.4 million).

Convertible bond 2017–2024

On 24 January 2017 IMMOFINANZ issued a convertible bond through an accelerate bookbuilding process with institutional investors. The bond has a nominal value of EUR 297.2 million, an interest rate of 2.0% and a term ending on 24 January 2024. The convertible bond 2017–2024 entitles the bondholders to conversion into 124,180,003 shares of IMMOFINANZ AG. The coupon will be reduced by 50 basis points when IMMOFINANZ receives and maintains an investment grade rating from S&P, Moody's or Fitch. The conversion price was set at EUR 2.3933 per share. The conversion right can be exercised beginning on 6 March 2017 and up to 10 January 2024. In addition, the convertible bond 2017–2024 includes a (non-separable) put option at the nominal value including accrued interest as of 24 January 2022, which also determines the instrument's maturity at the present time. The issue proceeds less transaction costs (EUR 2.2 million) totalled EUR 295.0 million. The equity component less proportional transaction costs equalled EUR 21.7 million and was included in equity under capital reserves.

4.8 FINANCIAL LIABILITIES

The following table shows the composition and classification of financial liabilities by remaining term as of 31 March 2017:

All amounts in TEUR	31 3 2017	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2016
Amounts due to financial institutions	1,973,867	657,849	931,099	384,919	2,010,806
Thereof secured by collateral	1,973,786	657,768	931,099	384,919	2,010,696
Thereof not secured by collateral	81	81	0	0	110
Liabilities arising from the issue of bonds	103,812	103,812	0	0	102,446
Other financial liabilities	1,763	773	0	990	1,542
Total	2,079,442	762,434	931,099	385,909	2,114,794

4.9 TRADE AND OTHER PAYABLES

All amounts in TEUR	31 3 2017	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2016
Trade payables	87,849	86,086	1,727	36	97,758
Derivative financial instruments (liabilities)	30,552	16,614	7,975	5,963	29,599
Property management	4,272	4,272	0	0	2,996
Amounts due to non-controlling interests	6,518	0	262	6,256	6,425
Amounts due to associated companies	286	265	0	21	1,005
Amounts due to joint ventures	23,636	23,301	21	314	23,616
Deposits and guarantees received	21,640	4,316	12,151	5,173	20,602
Prepayments received on property sales	25,251	24,227	1,024	0	31,263
Construction and refurbishment	1,078	1,017	61	0	2,465
Outstanding purchase prices (share deals)	2,108	2,061	47	0	406
Outstanding purchase prices (acquisition of properties)	1,804	1,804	0	0	1,732
Miscellaneous	12,294	12,000	235	59	12,291
Total other financial liabilities	129,439	89,877	21,776	17,786	132,400
Tax authorities	13,039	13,039	0	0	18,129
Rental and lease prepayments received	24,787	23,425	1,362	0	21,850
Miscellaneous	24	3	8	13	31
Total non-financial liabilities	37,850	36,467	1,370	13	40,010
Total	255,138	212,430	24,873	17,835	270,168

5. Notes to the Consolidated Income Statement

5.1 RENTAL INCOME

The following table shows the classification of rental income by asset class:

All amounts in TEUR	Q1 2017	Q1 2016
Office	28,111	27,761
Retail	24,248	25,332
Other	4,749	5,112
Total	57,108	58,205

5.2 EXPENSES FROM INVESTMENT PROPERTY

All amounts in TEUR	Q1 2017	Q1 2016
Vacancies	-3,426	-3,356
Commission expenses	-295	-196
Maintenance	-3,385	-2,223
Operating costs charged to building owners	-4,404	-5,427
Property marketing	-994	-1,557
Personnel expenses from asset management	-1,697	-2,269
Other expenses from asset management	-892	-1,132
Rental and lease payments	-725	-830
Fit-out costs	-3,826	-499
Write-off of receivables from asset management	45	-1,405
Other expenses	-824	-1,216
Total	-20,423	-20,110

The increase in fit-out costs is attributable primarily to the implementation of the myhive office concept in the *Business Park Vienna*.

5.3 PROCEEDS FROM THE SALE OF PROPERTIES

The proceeds from the sale of properties in the form of asset deals were generated primarily in the Austria segment during the first quarter of 2017. Of these results, EUR 10.9 million (Q1 2015/16: EUR 0.0 million) are attributable to office properties in Austria, EUR 0.0 million (Q1 2015/16: EUR 5.4 million) to retail properties in Austria and EUR 1.8 million (Q1 2015/16: EUR 0.3 million) to Austrian standing investments assigned to the asset class other. In addition, property sales during the first quarter of 2017 included EUR 0.4 million (Q1 2016: EUR 1.8 million) for standing investments in Romania.

5.4 OTHER OPERATING INCOME

Other operating income consists of the following:

All amounts in TEUR	Q1 2017	Q1 2016
Expenses charged on	57	153
Insurance compensation	48	347
Income from derecognised liabilities	746	231
Reimbursement for penalties	2	124
Miscellaneous	241	1,375
Total	1,094	2,230

5.5 OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

All amounts in TEUR	Q1 2017	Q1 2016
Administrative expenses	-120	-118
Legal, auditing and consulting fees	-1,940	-5,754
Penalties	-16	-23
Levies	-933	-17
Advertising	-405	-532
Expenses charged on	-92	-285
Rental and lease expenses	-73	-78
EDP and communications	-340	-342
Expert opinions	-147	-338
Personnel expenses	-5,769	-6,010
Other write-downs	-239	-362
Miscellaneous	-1,022	-379
Total	-11,096	-14,238

5.6 REVALUATION OF PROPERTIES ADJUSTED FOR FOREIGN EXCHANGE EFFECTS AND REVALUATION OF PROPERTIES RESULTING FROM FOREIGN EXCHANGE EFFECTS

The following table shows the revaluation gains and losses resulting from the revaluation of properties adjusted for and resulting from foreign exchange effects. Detailed information on the regional distribution of revaluation gains and losses is provided under segment reporting.

All amounts in TEUR	Revaluations adjusted for foreign exchange effects			Revaluations resulting from foreign exchange effects			Q1 2017
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Revaluation Total
Investment property	5,253	-8,381	-3,128	191	-664	-473	-3,601
Property under construction	7,862	-2,559	5,303	8	0	8	5,311
Properties sold and held for sale	737	-5,259	-4,522	1,986	0	1,986	-2,536
Total	13,852	-16,199	-2,347	2,185	-664	1,521	-826

All amounts in TEUR	Revaluations adjusted for foreign exchange effects			Revaluations resulting from foreign exchange effects			Q1 2016
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Revaluation
							Total
Investment property	102,024	-212,887	-110,863	197	378	575	-110,288
Property under construction	60,403	-21,522	38,881	171	15	186	39,067
Properties sold and held for sale	1,199	-112	1,087	495	5	500	1,587
Total	163,626	-234,521	-70,895	863	398	1,261	-69,634

5.7 FINANCIAL RESULTS

All amounts in TEUR	Q1 2017	Q1 2016
For financial liabilities FLAC	-24,241	-26,310
For derivative financial instruments	-2,497	-2,642
Total financing costs	-26,738	-28,952
For financial receivables L&R	1,252	2,135
For derivative financial instruments	10	0
Total financing income	1,262	2,135
Foreign exchange differences	-5	-9,466
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	-16,905	32,293
Valuation of financial instruments at fair value through profit or loss (fair value option)	2,042	-18,117
Write-off of receivables	-769	3,163
Other financial results	-15,632	17,339
Net profit or loss from equity-accounted investments (see 4.3)	134,126	-18,315
Total	93,013	-37,259

FLAC: financial liabilities measured at amortised cost

L&R: loans and receivables, miscellaneous other financial instruments at cost

Profit or loss on other financial instruments and proceeds on the disposal of financial instruments consist apart from expenses of EUR -12.5 million from the incentivised conversion of the convertible bond 2011–2018 chiefly of the results from the measurement of derivatives. Of the total amount EUR -9.7 million (Q1 2016: EUR 28.2 million) is attributable to standalone derivatives from the convertible bond 2011–2018 and EUR 5.3 million (Q1 2016: EUR-11.8 million) to other derivatives.

The results from the valuation of financial instruments at fair value through profit or loss include an increase of EUR 2.0 million from the valuation of the remaining shares in BUWOG AG.

Information on the profit or loss from equity-accounted investments is provided in section 4.3.

6. Information on financial instruments

6.1 CLASSES AND CATEGORIES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair value of each class of financial assets and financial liabilities defined by the company and reconciles these amounts to the appropriate balance sheet line items.

	Carrying amount of financial assets	Carrying amount of non-financial assets	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	31 3 2017	31 3 2017	31 3 2017	31 12 2016	31 3 2017	31 12 2016
Trade accounts receivable	51,172	0	51,172	47,074	51,172	47,074
Financing receivables	52,593	0	52,593	54,218	52,593	54,218
Loans and other receivables	223,531	27,295	250,826	312,898	250,826	312,898
Trade and other receivables	327,296	27,295	354,591	414,190	354,591	414,190
Real estate fund shares	4,323	0	4,323	4,253	4,323	4,253
Derivatives	2,514	0	2,514	1,185	2,514	1,185
Miscellaneous other financial instruments	115,629	0	115,629	5,055	115,629	5,055
Other financial assets	122,466	0	122,466	10,493	122,466	10,493
Cash and cash equivalents	469,043	0	469,043	189,287	469,043	189,287
Total assets	918,805	27,295	946,100	613,970	946,100	613,970

Non-FI: non-financial asset

The increase in the miscellaneous other financial instruments resulted, above all, from the reclassification of the remaining BUWOG shares to this category (see section 4.3).

	Carrying amount of financial assets	Carrying amount of non-financial liabilities	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	31 3 2017	31 3 2017	31 3 2017	31 12 2016	31 3 2017	31 12 2016
Liabilities from convertible bonds	585,676	0	585,676	530,265	589,197	544,692
Bonds	103,812	0	103,812	102,446	105,095	104,111
Amounts due to financial institutions	1,973,867	0	1,973,867	2,010,806	1,971,098	2,029,858
Other financial liabilities	1,763	0	1,763	1,542	1,763	1,542
Financial liabilities	2,079,442	0	2,079,442	2,114,794	2,077,956	2,135,511
Trade payables	87,849	0	87,849	97,758	87,849	97,758
Derivatives	30,552	0	30,552	29,599	30,552	29,599
Miscellaneous other liabilities	98,887	37,850	136,737	142,811	136,737	142,811
Trade and other payables	217,288	37,850	255,138	270,168	255,138	270,168
Total equity and liabilities	2,882,406	37,850	2,920,256	2,915,227	2,922,291	2,950,371

Non-FI: non-financial liabilities

6.2 HIERARCHY OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The fair value measurement hierarchy defined by IFRS 13 covers the following three levels:

- > Level 1: quoted prices for identical assets or liabilities on an active market (without any adjustments)
- > Level 2: inputs that can be derived directly (e.g. as prices) or indirectly (e.g. based on prices) for the individual assets or liabilities and cannot be classified under Level 1
- > Level 3: inputs for assets or liabilities that are not based on observable market data

The financial instruments measured at fair value are classified under the following hierarchy levels:

All amounts in TEUR	Level 1	Level 2	Level 3	31 3 2017
				Total
Financial assets available for sale				
Real estate fund shares	–	–	660	660
Financial assets at fair value through profit or loss				
Fair value option				
Real estate fund shares	–	–	3,663	3,663
Miscellaneous other financial instruments	110,574	–	–	110,574
Held for trading				
Derivatives	–	–	2,514	2,514
Financial liabilities at fair value through profit or loss				
Held for trading				
Derivatives	–	–	30,552	30,552

All amounts in TEUR	Level 1	Level 2	Level 3	31 12 2016
				Total
Financial assets available for sale				
Real estate fund shares	–	–	644	644
Financial assets at fair value through profit or loss				
Fair value option				
Real estate fund shares	–	–	3,609	3,609
Held for trading				
Derivatives	–	–	1,185	1,185
Financial liabilities at fair value through profit or loss				
Held for trading				
Derivatives	–	–	29,599	29,599

The following table shows the reconciliation of the opening and closing balances of the financial instruments classified under Level 3:

	Real estate fund shares	Derivatives	Total
All amounts in TEUR	Q1 2017	Q1 2017	Q1 2017
Beginning balance	4,253	-28,414	-24,161
Recognised in the consolidated income statement	95	-4,379	-4,284
Disposals	-25	4,755	4,730
Ending balance	4,323	-28,038	-23,715

The above table includes results of EUR -4.3 million that are included in the consolidated income statement and attributable in full to financial instruments that were held at the end of the first quarter of 2017. These amounts were presented under other financial results.

Valuation procedures and input factors used to determine the fair value of financial instruments:

Level	Financial instruments	Valuation method	Major input factors	Major non-observable input factors
3	Real estate fund shares	Net present value methods	Discount rate, expected principal repayments and dividends	Discount rate: 8.50% to 14.25%
3	Derivatives (interest rate swaps)	Net present value methods	Interest rate curves observable on the market, probability of default, loss given default, exposure at default	Credit margin: 1.50% to 3.50%
3	Derivatives (from convertible bonds)	Capital market and net present value methods	Market prices of convertible bonds, interest rate curves observable on the market, probability of default, loss given default, exposure at default	Credit margin: 3.56%

Additional details on the valuation procedures and input factors are provided in section 7. of the notes to the consolidated financial statements as of 31 December 2016.

7. Transactions with Related Parties

Business transactions with equity-accounted investments led to the following amounts in the consolidated interim financial statements of IMMOFINANZ for the first quarter of 2017:

All amounts in TEUR	31 3 2017	31 12 2016
Relations with joint ventures		
Receivables	33,694	33,741
Thereof allowance for bad debt	-18,570	-18,265
Liabilities	23,636	23,616
Relations with associated companies		
Receivables	1,221	1,925
Thereof allowance for bad debt	-5,757	-5,158
Liabilities	287	1,006
All amounts in TEUR	Q1 2017	Q1 2016
Relations with joint ventures		
Other income	17	6
Other expenses	-1	0
Interest income	510	1,336
Interest expense	-130	-142
Write-downs for bad debt	-305	-2,045
Thereof results that increase or reduce the net investment	-364	-52
Income taxes	29	-1,177
Relations with associated companies		
Other income	272	161
Other expenses	-1,180	-1,151
Interest income	93	160
Write-downs for bad debt	-606	-98
Thereof results that increase or reduce the net investment	-33	-99
Income taxes	0	44

There were no reportable transactions between IMMOFINANZ and related persons during the first quarter of 2017.

8. Subsequent Events

On 5 April 2017 IMMOFINANZ signed an agreement in principle to settle the legal proceedings over the review of the exchange ratio applied to the merger of IMMOEAST AG and IMMOFINANZ AG. This agreement covers most of the claimants and the representatives appointed for the respective shareholder groups; it has since been approved by the commercial court in Vienna. The settlement calls for a compensation to former IMMOEAST shareholders through the issue of 29,985,306 IMMOFINANZ shares at a ratio of 0.088 IMMOFINANZ shares for each former IMMOEAST share. The compensation will amount to EUR 53.7 million based on the closing share price of EUR 1.79 per share on 31 March 2017. The compensation is to be made primarily from treasury shares (16,948,049 shares), with the remainder representing new shares issued from previously authorised capital (13,037,257 shares). The compensation is reported in the consolidated financial statements as a transaction with shareholders and therefore recorded directly in equity without recognition in profit or loss. In accordance with IAS 33, the settlement compensation led to the retroactive adjustment of basic and diluted earnings per share – for the first quarter of 2017 as well as for the comparable period of the 2016 calendar year, where comparative figures are referring to. The weighted average number of shares was multiplied by a factor of 1.029 in each case. This factor represents the ratio of the shares outstanding after (1,052,525,375 shares) and before (1,022,540,069 shares) the settlement. In addition, the compensation after the balance sheet date results in the adjustment of the conversion rights for the convertible bonds 2011–2018 and 2017–2014. The shares are expected to be allocated on 30 May 2017.

The closing for the sale of the *Friesenquartier* took place on 18 April 2017. The closing for the sale of the properties under development in the *Gerling Quartier* is dependent on the forward sale of the hotel and accompanying underground parking spaces and is expected to take place during the 2018 financial year.

The 30th annual general meeting of CA Immo was held on 11 May 2017, and IMMOFINANZ did not have a majority presence at this meeting. Consequently, there is still no de-facto control as defined by IFRS 10.

The acquisitions of three retail parks in the Hungarian cities of Hatvan und Szolnok and the Romanian city of Botoşani were closed on 16 and 17 May 2017. These transactions expanded the STOP SHOP retail park portfolio by 23,750 sqm of rentable space.

Statement by the Executive Board

We confirm to the best of our knowledge that these consolidated interim financial statements of IMMOFINANZ as of 31 March 2017, which were prepared in accordance with the rules for interim financial reporting defined by International Financial Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in line with stock exchange regulations. We also confirm to the best of our knowledge that the Group management report gives a true and fair view of important events that occurred during the first three months of the financial year and their impact on these consolidated interim financial statements as well as of the principal risks and uncertainties for the remaining nine months of the financial year and any reportable related party transactions.

Vienna, 29 May 2017

The Executive Board of IMMOFINANZ AG



Stefan Schönauer
CFO



Oliver Schumy
CEO



Dietmar Reindl
COO

Glossary

Abbreviated financial year

A financial year that covers a period of less than 12 months. It generally represents an adjustment phase between two full financial years during a change in the balance sheet date

Ad-hoc announcement

Corporate announcements that could influence the share price. These announcements are published by stock corporations in the form of ad-hoc press releases as required by § 48d of the Austrian Stock Corporation Act and are designed to ensure that all market participants are provided with the same information

ADR programme

An American Depositary Receipt is a share certificate issued by an American depository bank, which represents a certain number of shares in a foreign company and is traded independently on the US capital market

Annualised rents

Projection of rental income for a specific period to total rental income for the year

Asset class

Classification categories for real estate based on the use of the property. IMMOFINANZ differentiates between the office, retail and other asset classes

Asset management

Asset management covers the administration, rental and maintenance of standing investments

ATX

Austria Traded Index, the leading index of the Vienna Stock Exchange

Austrian Commercial Code

The commercial (legal) code applicable to companies in Austria

Benchmark

A comparative analysis, e.g. of companies or shares

bp

Basis point; a unit equal to one hundredth of a percentage point

BREEAM

The BRE Environmental Assessment Method is a certification method for buildings that concentrates on ecological aspects

Cap

Agreed upper limit for the interest rate on a floating interest rate loan

Carrying amount

The value of an asset or a liability as reported on the balance sheet

Cash flow

This indicator represents the inflows and outflows of cash and cash equivalents during a reporting period

CEE

Central and Eastern Europe

Center Management

Coordination office for shopping centers that provides services for tenants and owners' representatives

Change of control clause

A contractual provision that regulates specific claims by parties (e.g. Executive Board members) if there is a change in the ownership of a company

Closing price

The final trading price for a security at the end of a specific period

Compliance rules

Compliance rules are issued to ensure conformity with legal, regulatory and voluntary regulations

Comply or explain

A category of rules in the Austrian Corporate Governance Code. Any deviation from these "C-Rules" must be explained and justified to achieve compliance with the code

Contingent liability

An obligation whose existence or amount is uncertain on the balance sheet date

Convertible bond

A financial instrument that creates a financial liability for the issuing company and gives the holder the right to convert the bond into a fixed number of common shares in the company

Corporate bond

An interest-bearing security issued by a company

Corporate governance

Corporate governance is the general term for a variety of policies and practices (e.g. management and control) in companies or other organisations

Corporate Social Responsibility (CSR)

A voluntary contribution to sustainable development which exceeds legal minimum requirements (compliance), for example by companies and other members of society

Cost model

A method to account for investment properties, which is based on the respective acquisition or production cost less accumulated depreciation (also see fair value model and IAS 40)

COSO ERM (COSO Enterprise Risk Management)

An internationally recognised and applied framework for the design of integrated corporate risk management

Coupon

A certificate that entitles the holder to receive dividends or interest

Debt Service Coverage Ratio

An indicator that compares income to interest and principle payments

Deferred taxes

A balance sheet position resulting from the valuation differences on taxes between the financial statements prepared under IFRS and the financial statements prepared for tax purposes

Development project (property)

A property built or developed by the company

Discount rate

The interest rate used to discount future cash flows; also see discounted cash flow method

Discounted cash flow method

See the notes to the consolidated financial statements

Diversification

Distribution of real estate investments over various types of use and geographical regions in order to minimise risk

Dividend

A distribution of profit by the company to its shareholders

DGNB

German Sustainable Building Council (Deutsche Gesellschaft für nachhaltiges Bauen)

Due diligence

Careful analysis and examination of data on an investment target, in particular, as regards financial, legal, tax, technical and economic relationships

D&O (Directors & Officers) insurance

Asset damage-liability insurance that is concluded by a company for its corporate bodies and key employees

Earnings per share (EPS)

Group net profit for the period divided by the weighted number of shares outstanding

Earnings per share (diluted)

Group net profit for the period divided by the weighted number of shares outstanding, which also includes all potential conversions (e.g. from convertible bonds or stock options)

EBIT

Earnings before interest and tax

EBT

Earnings before tax

EPRA

European Public Real Estate Association; the association of listed real estate companies in Europe

EPRA Best Practice Policy Recommendations

Recommendations made by the EPRA to increase transparency

EPRA/NAREIT Developed Europe Index

EPRA stock index category

EPRA/NAREIT Emerging Europe Index

EPRA stock index category

Equity

The amount of a company's assets that remains after the deduction of liabilities

Equity consolidation (equity method)

A method to account for the carrying amount of certain investments in the consolidated financial statements of the parent company that holds voting capital in another company. See the notes to the consolidated financial statements

EuroStat

Statistical office of the European Union

Exchangeable bond

In contrast to a convertible bond (see above), an exchangeable bond does not entitle the bondholder to exchange the instrument for shares of the issuing company but for shares of another company

Fair value

The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing and independent business partners

Fair value method

Approach for the valuation of assets (including real estate); it is based on the actual price that could be realised on the market

FRICS

Fellow of the Royal Institution of Chartered Surveyors; the title held by the members of a British association of real estate experts

Full consolidation

A consolidation method under which the assets and liabilities of a subsidiary are included in the consolidated financial statements at 100%

FX effects

Foreign exchange effects; all financial effects resulting from exchange rate differences

Gearing

An indicator that measures the ratio of a company's debt to its equity (financial liabilities less cash and cash equivalents divided by equity)

Green Building

A certification system for commercial properties which was introduced by the EU Commission

Gross return on a property

Annual gross return on a property, based on its carrying amount

IAS

International Accounting Standards, also see IFRS

IAS 40

The International Accounting Standard that regulates the accounting treatment and valuation of investment properties; it includes an option that allows companies to choose between the fair value model and the cost model (also see Fair value method and Cost model)

IATX

Branch index for property stocks in the ATX

ICS

Internal Control System, the processes and procedures implemented by companies to ensure proper management and control, above all compliance with guidelines and the prevention of damages that could be caused by employees or malicious third parties

IFRIC

International Financial Reporting Interpretations Committee; subgroup of the International Accounting Standards Committee Foundation (IASCF) that deals with the interpretation of IFRSs and IASs

IFRS

International Financial Reporting Standards

IFRS 5

Defines rules for the accounting treatment of non-current assets and discontinued operations held for sale

Interest Coverage Ratio

Indicator that shows the ratio of a company's earnings to its interest payments

Interest rate swap

A derivative financial instrument which exchanges variable for fixed interest payments as protection against the risk of interest rate fluctuations

Investment property

See the notes to the consolidated financial statements

ISIN

International Security Identification Number

IVA

Austrian Shareholder Association (Österreichischer Interessenverband für Anleger)

Joint venture

A joint arrangement where the partner companies with joint control rights also share rights to the net assets of the joint arrangement

LEED

Leadership in Energy and Environment Design is a certification method for office buildings that is focused on ecological aspects

Like-for-like analysis

Change in rental income or property valuation adjusted for new acquisitions, completions and sales during the respective period

Loan-to-Value (LTV)

The ratio of a loan to the fair value of a property

Market capitalisation

Market value of a stock corporation (share price x number of shares outstanding)

Market value

See fair value

NAV

Net Asset Value, see the calculation in the Earnings, Balance Sheet and Cash Flow Analysis

Net profit

Profit or loss recorded by a company during a specific period

NNNAV

Triple Net Asset Value, see the calculation in the Earnings, Balance Sheet and Cash Flow Analysis

Nominal value

Repayment amount of a liability

Operating expenses

Costs that normally arise in connection with the use of a property (e.g. building management); these costs are charged to the tenants

Operating segment

A component of a corporation

PPS

Percentage points, absolute difference between two percentage rates

Property management

Coordination office for the administration, management and monitoring of properties

Property portfolio

All property assets held by a company

Property valuation

The determination of the value of properties by external experts. The IMMOFINANZ property portfolio is valued by external appraisers as of 31 December and 30 June

Proportionate consolidation

A consolidation method under which the assets and liabilities of a joint venture are included in the consolidated financial statements based on the percentage of ownership ("proportional share")

Registered share with restricted transferability

The issuer's consent is required for the purchase of these shares

Return

An indicator that shows the relationship between the income from an investment and the amount of the investment

Risk management

Active measures to provide protection against risks

Scope of consolidation

Term for the companies to be included in the consolidated financial statements

Share capital

The total nominal value of the shares issued by a company

Share performance

The development of a share price during a specific period

Share price

The price at which a share trades on the stock exchange

Spin-off

Spin-off of a business unit or operation from IMMOFINANZ

Standing investment

Investment property that is held to generate rental income

Trade

The purchase and sale of properties

Turnover rate

The frequency with which properties are developed, bought and sold

Value date

The date on which funds are credited to an account and interest payments begin

Value in dispute

An expression used in legal proceedings that refers to the monetary value of the disputed object

Voting rights

The right to vote on motions at the annual general meeting

WAULT (Weighted Average Unexpired Lease Term)

Average remaining term of rental contracts weighted by rental income

Withholding tax

Also called capital yields tax; a tax on income from investments

IMPRINT

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

FINANCIAL CALENDAR 2017

1 June 2017	24th annual general meeting
2 June 2017	Ex-dividend day
6 June 2017	Record date for the determination of dividend rights
7 June 2017	Dividend payment date
29 August 2017	Announcement of results for the first half of 2017 (after the close of trading)
30 August 2017	Report on the first half of 2017
28 November 2017	Announcement of results for the third quarter of 2017 (after the close of trading)
29 November 2017	Report on the third quarter of 2017

IMMOFINANZ AG
Wienerbergstrasse 11
1100 Vienna, Austria
T +43 (0)1 880 90

investor@immofinanz.com
immofinanz.com



