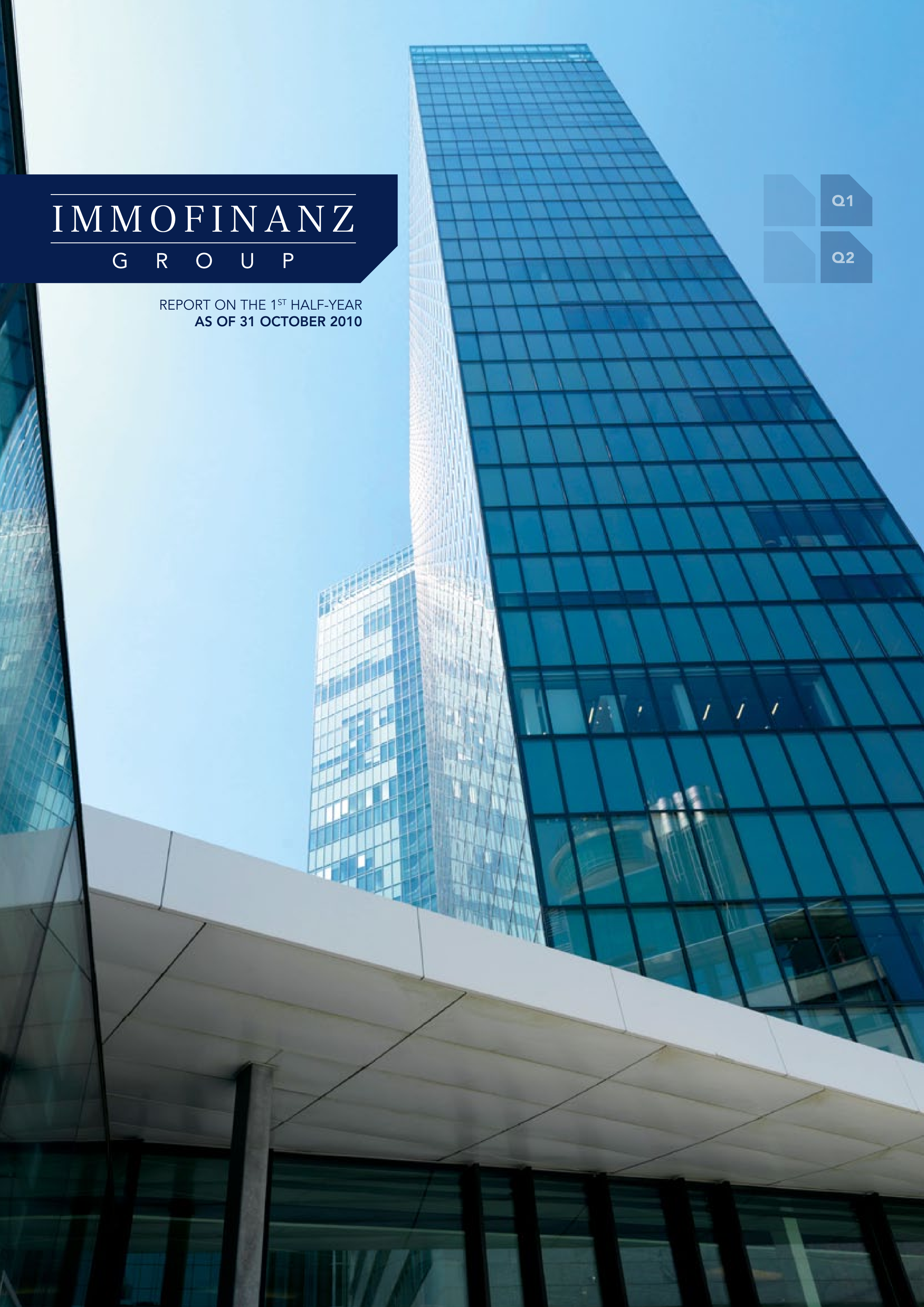


IMMOFINANZ GROUP

Q1

Q2

REPORT ON THE 1ST HALF-YEAR
**AS OF 31 OCTOBER 2010**

# Key Data on the IMMOFINANZ Group

## Corporate Data

| | 31 October 2010 | Change in % | 31 October 2009 |
|---|---|---|---|
| Revenues in EUR mill. | 364.3 | 3.3% | 352.5 |
| Results of operations (EBITDA) in EUR mill. | 181.4 | -16.4% | 216.9 |
| Operating profit (EBIT) in EUR mill. | 267.7 | 19.2% | 224.6 |
| Earnings before tax (EBT) in EUR mill. | 118.4 | -42.9% | 207.4 |
| Net profit for the period in EUR mill. | 108.3 | -33.8% | 163.5 |
| Balance sheet total in EUR mill. | 12,037.0 | 2.2% | 11,774.5 |
| Equity as a % of the balance sheet total | 39.9% | -1.1% | 40.3% |
| Loan-to-value ratio in % | 59.2% | -4.5% | 61.9% |
| Gearing in % | 102.0% | -1.1% | 103.1% |
| Interest coverage ratio in % | 160.4% | -15.7% | 190.3% |
| Gross cash flow in EUR mill. | 147.4 | -15.3% | 173.9 |
| Cash flow from operating activities in EUR mill. | 194.3 | 3.9% | 187.0 |

## Property Data

| | 31 October 2010 | Change in % | 30 April 2010 |
|---|---|---|---|
| Number of properties | 1,828 | -0.9% | 1,845 |
| Rentable space in sqm | 6,656,974 | -2.7% | 6,843,352 |
| Occupancy rate in % | 89.0% | -1.1% | 90.0% |
| Carrying value of investment properties in EUR | 8,793.4 | 1.3% | 8,684.7 |
| Carrying value of properties under construction in EUR | 229.4 | 27.6% | 179.9 |
| Carrying value of inventories in EUR | 203.9 | -19.2% | 252.3 |

## Stock Exchange Data

| | 31 October 2010 | Change in % | 31 October 2009 |
|---|---|---|---|
| Earnings per share in EUR | 0.11 | -38.9% | 0.18 |
| Carrying value per share in EUR | 4.82 | -2.7% | 4.96 |
| Net asset value (diluted) per share in EUR | 4.95 | -11.8% | 5.62 |
| Share price at end of period in EUR | 2.83 | 20.9% | 2.34 |
| Undervaluation of the shares in % | 42.9% | -26.5% | 58.3% |
| Number of shares | 1,044,216,775 | 127.5% | 459,050,894 |
| Number of treasury shares | 57,071,429 | n.a. | 0 |
| Market capitalisation at end of period EUR mill. | 2,955.1 | 175.1% | 1,074.1 |

**Report on the first half-year**
as of 31 October 2010
**Reporting period:**
01 May to 31 October 2010

# Contents

# Dear Shareholders!

A review of the first six months of the 2010/11 financial year demonstrates the sound development and steady upward trend of the IMMOFINANZ Group. Our new strategic focus, lower costs and streamlined organisation allowed us to generate solid positive earnings. This was a direct result of the successful restructuring process. Our achievements were a genuine tour de force, a fact that is also reflected in the recognition given to the IMMOFINANZ Group at the European Change Communications Awards 2010. The foundation for this restructuring was formed by a new strategy, a modified business model, a shared vision, the establishment of clear hierarchy levels and the implementation of an internal control system. The result is a reorganised and profitable company with a view to the future.

Our share price also confirms this positive trend. The IMMOFINANZ shares began to move upward in July, rising to EUR 2.830 by 31 October 2010. This represents an increase of 13.2% in comparison with year-end 2009. The improvement in the share price has, for the most part, also continued after the end of the reporting period. The share closed at EUR 3.038 on 17 December.

However, these successes do not mean that we can view our mission as completed. The Executive Board of IMMOFINANZ AG also launched a share buyback programme during the reporting period. The IMMOFINANZ Group currently holds 57 million treasury shares (approx. 5.47% of share capital), which were transferred in connection with the closing of the agreements with Constantia Packaging B.V. and Aviso Zeta Bank AG. The share buyback can increase the number of treasury shares held by the IMMOFINANZ Group to a total of 104 million or 10% of share capital. This programme will have a number of positive effects: we will strengthen our NAV per share and also create the foundation for a new and important chapter in the history of our company, i.e. the refinancing of the 2014 and 2017 convertible bonds, which can be redeemed by bondholders beginning in 2012. In order to finance the repurchase, we plan to issue a new bond in 2011 for EUR 500 million to EUR 600 million. This will allow us to distribute a EUR 0.10 dividend per share to our shareholders.

The optimisation of the property portfolio represents another important factor for the sound performance of the IMMOFINANZ Group. The difficult economic climate across Central and Eastern Europe led to the postponement of numerous projects, but we were able to complete and open several properties during and after the reporting period. The IMMOFINANZ Group is one of the few international companies to have successfully realised new and profitable projects in this region against the backdrop of a still difficult operating environment. A strong balance sheet and sufficient liquidity form the basis of our investment activities.

In accordance with our new portfolio strategy, we also sold a number of objects during the first half of 2010/11. The selling prices exceeded the respective carrying values and thereby confirmed our NAV.


The solid operating development of the IMMOFINANZ Group in recent months was confirmed to a large extent by our earnings indicators. Revenues rose year-on-year from EUR 352.5 million to EUR 364.3 million. Results of operations (EBITDA) declined slightly from EUR 216.9 million to EUR 181.4 million due to the non-recurrence of one-off items in the previous year. Operating profit (EBIT) increased 19.2% from EUR 224.6 million to EUR 267.7 million due to an increase in valuation income. Earnings before tax were reduced to EUR 118.4 million from EUR 207.4 in the previous year, mainly due to exchange rate fluctuations that lowered financial income to EUR -149.3 million from EUR -17.2 million. The diluted Net Asset Value (NAV) per share has risen from EUR 4.82 to EUR 4.95 since 31 July 2010.

Based on these positive developments and the upward trend on the property markets in our core regions, we are optimistic that we will be able to realise our potential for further growth and continue to generate increasing, risk-optimised cash flow for our shareholders.

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

**Eduard Zehetner**
Chief Executive Officer and
Chief Financial Officer

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

# The IMMOFINANZ Group

### Business model & strategy

The IMMOFINANZ Group is a property investment and development corporation that is active in both Eastern and Western Europe. Its shares are listed on the Vienna Stock Exchange. The stability of the West European market and the growth and earnings opportunities available in Eastern Europe combined with a focus on property rental and development enable the IMMOFINANZ Group to generate sustainable earnings.

*High-quality property portfolio with 1,682 standing investments*

The IMMOFINANZ Group has compiled a high-quality portfolio since its founding in 1990, which currently includes over 1,600 investment properties with a carrying value of EUR 8.4 billion.

### The core business

The core business of the IMMOFINANZ Group is the generation of rental income through the active management of a diversified portfolio of investment properties. Additional activities include the realisation of income from development projects and portfolio-optimising sales. The IMMOFINANZ strategy calls for 80% of income to be derived from rentals and 10% each from development projects and selected sales.

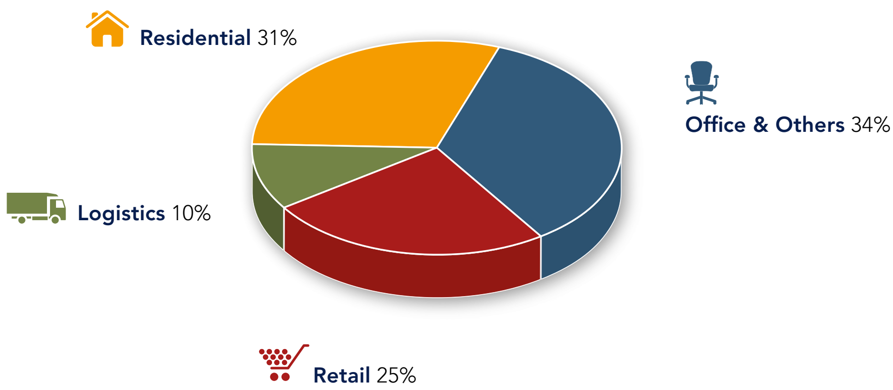
*Reliable development of new opportunities for earnings*

The active management of investment properties and the realisation of development projects make it possible for the IMMOFINANZ Group to establish an optimal balance between opportunities and risk. The investment properties generate steady income, while the development activities create a potential for additional earnings.

### Vision & mission

The central goals for the 2010/11 financial year and the future include the further improvement of the portfolio, the realisation of additional opportunities for earnings and the optimisation of internal processes and structures.

## Sectoral distribution of the standing investments as of 31 October 2010

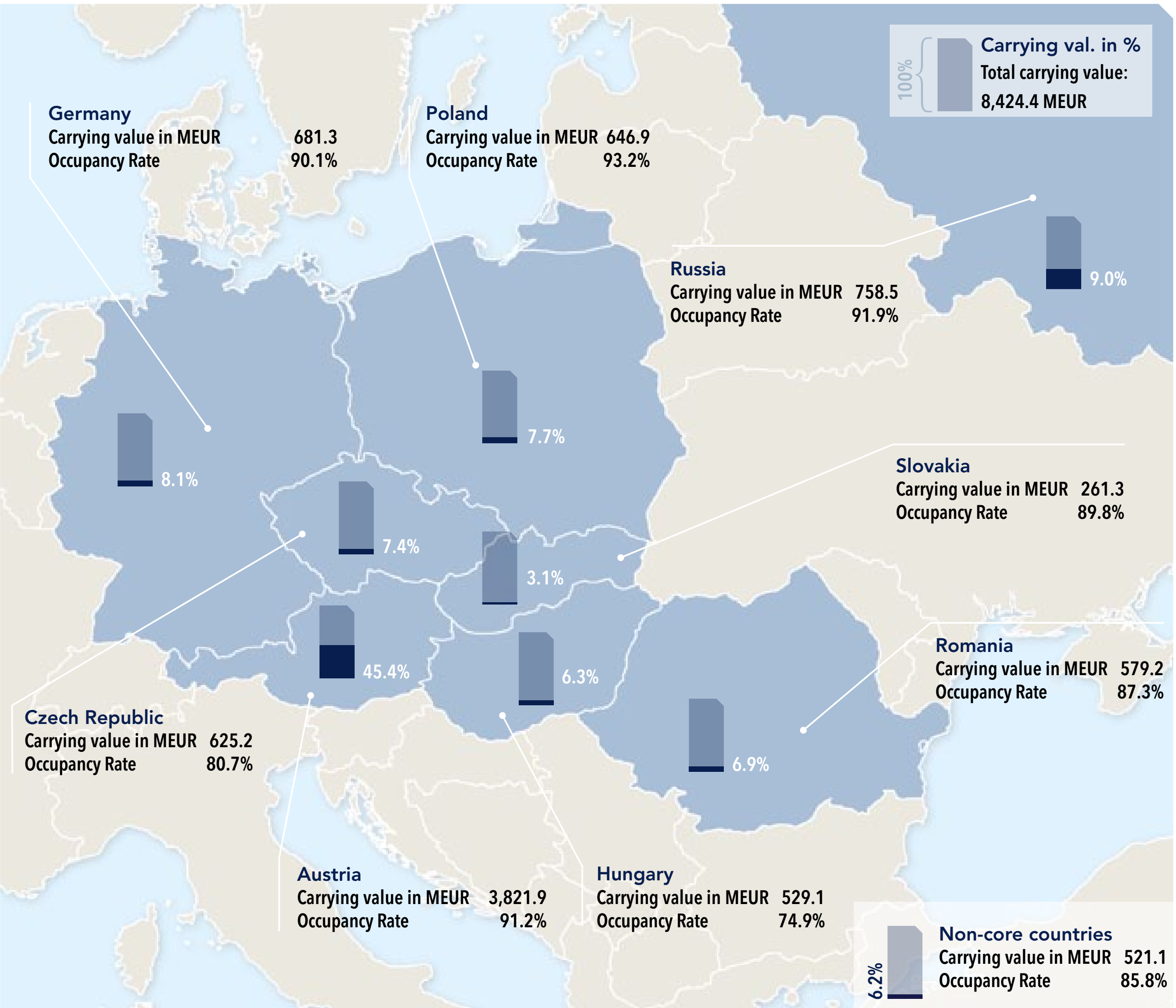


The goal of the IMMOFINANZ Group is the sustainable generation of income from Class A properties in the core markets of the IMMOFINANZ Group. The distribution of dividends in the future will allow shareholders to participate in income from the rental, development and sale of properties.

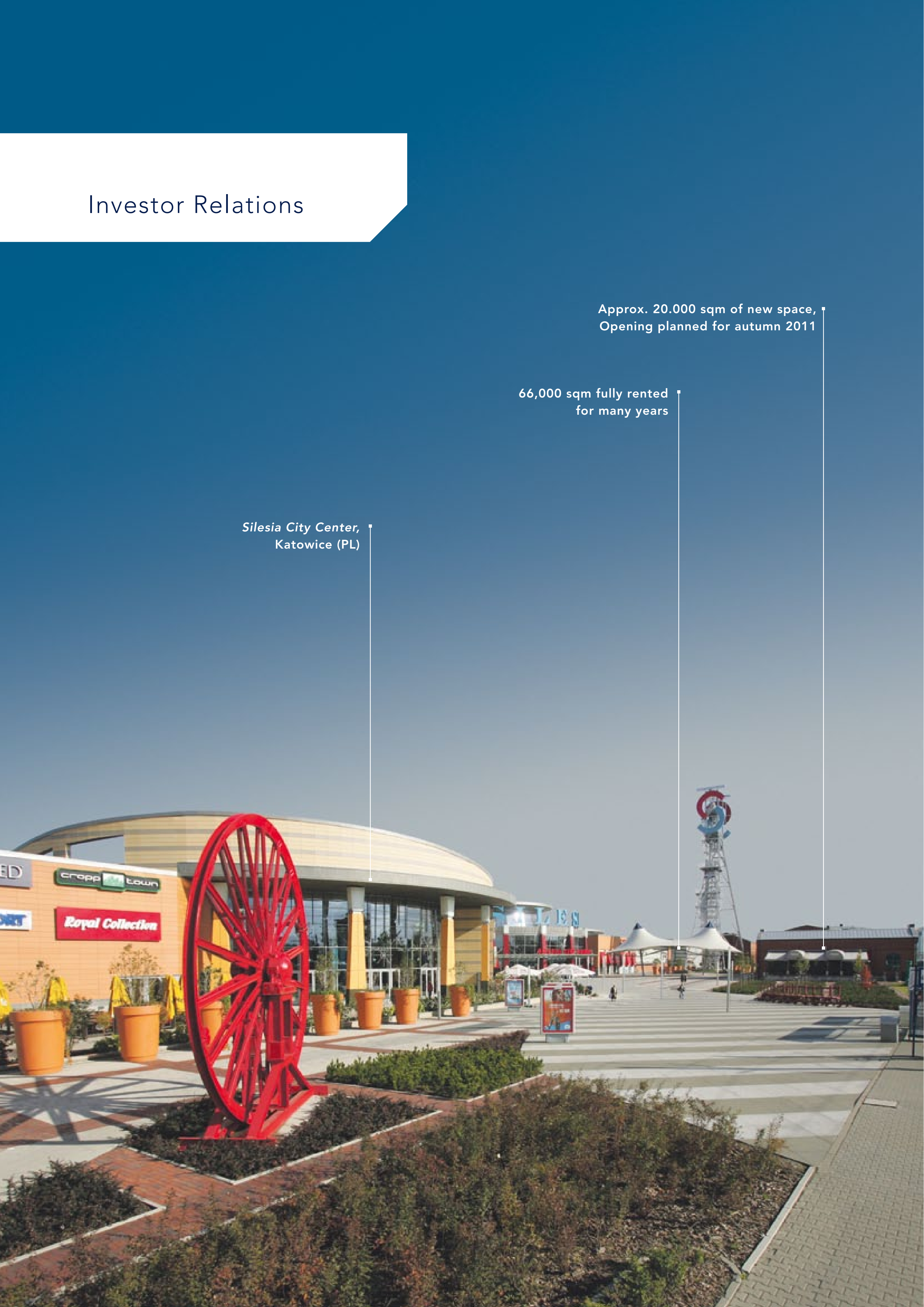
**Eight core markets and four asset classes**

The activities of the IMMOFINANZ Group are focused on the retail, logistics, office and residential sectors of the property market as well as the eight regional core markets of Austria, Germany, Czech Republic, Slovakia, Hungary, Romania, Poland and Russia.

## Carrying value & occupancy rate of the standing investments as of 31 October 2010



# Investor Relations



# Investor Relations

### Investor relations activities

The IMMOFINANZ investor relations team continued to intensify communications with financial analysts and investors during the reporting period, taking part in numerous road shows, conferences and trade fairs in Austria and other countries. The main issues concerned the status of the Group's refinancing efforts and conditions on the markets in Central and Eastern Europe.

### Capital market environment and share price

Developments on international capital markets during the first half of the 2010/11 financial year were heavily influenced by discussions over the economic stability of several countries in Europe. The performance of the Vienna Stock Exchange was acceptable when compared internationally, but remained far below the highs recorded before the crisis. The ATX was one of the few European indexes to record an increase since the beginning of 2010, and analysts are expecting a strong upturn during the first half of 2011. The ATX closed the reporting period at 2,668.07, or 0.6% higher than at the end of April 2010. The IATX equalled 177.04 points on 31 October 2010, which is 10.35% higher than at the end of April 2010.

### The IMMOFINANZ share

The share capital of IMMOFINANZ AG is divided into 1,044,216,775 zero par value shares with voting rights (ISIN: AT0000809058). All of these approx. 1.044 billion shares are held in free float by private and institutional investors.

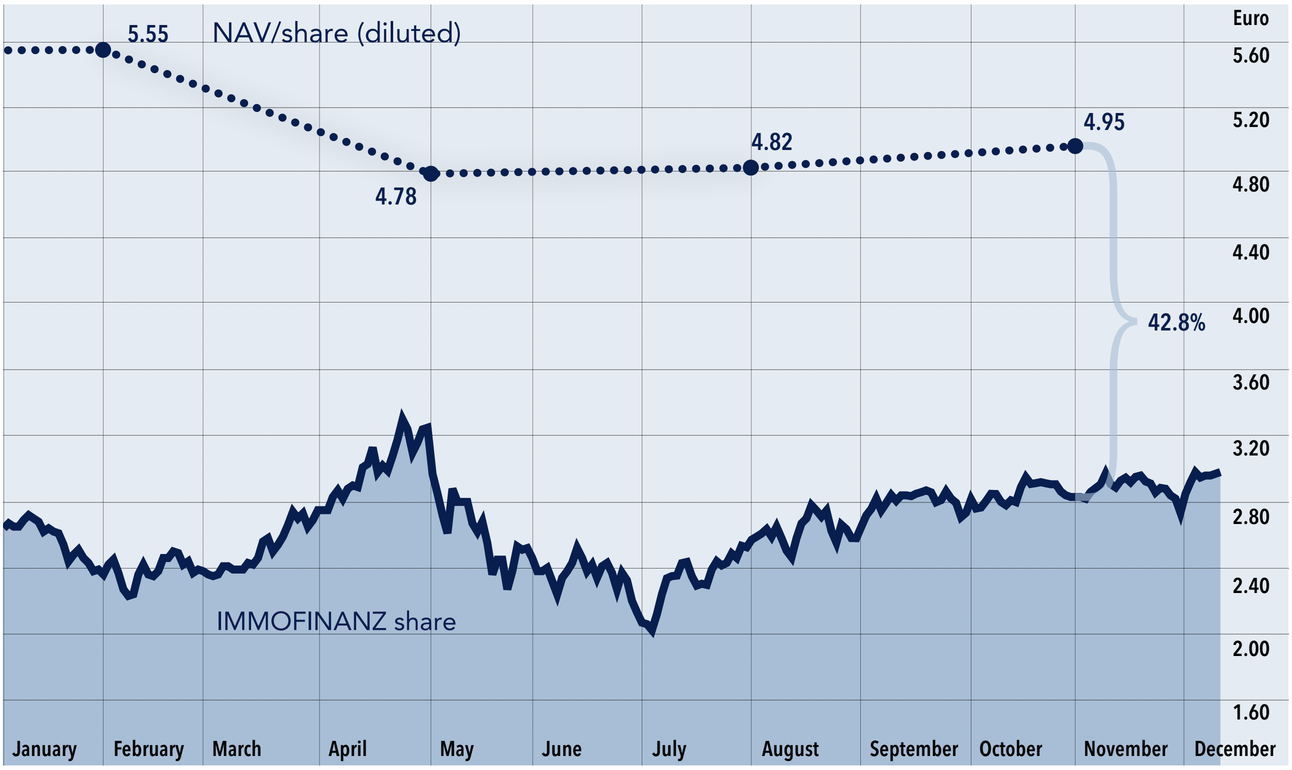
*Plus 13.2% for the IMMOFINANZ year since the start of the year*

The price of the IMMOFINANZ shares declined at the start of the reporting period, but began to move steadily upward in early July. By 31 July 2010 the shares had risen to EUR 2.525, for an increase of 18.49% since the end of the previous month. The IMMOFINANZ shares closed at EUR 2.580 on 31 August 2010, at EUR 2.734 on 30 September 2010 and at EUR 2.830 on 31 October 2010. In comparison with year-end 2009, this represents an increase of 13.2%.

### 57 million treasury shares

During the reporting period the IMMOFINANZ Group accepted the transfer of approx. 55 million IMMOFINANZ shares in connection with the closing of the agreement with Constantia Packaging B.V. and also acquired approx. two million IMMOFINANZ shares from Aviso Zeta Bank AG, the former Constantia Privatbank Aktiengesellschaft. These transactions increased the IMMOFINANZ Group's holding of treasury shares to approx. 57 million (approx. 5.47% of share capital) as of 31 October 2010.

**Development of the IMMOFINANZ share price versus the NAV (diluted)**




### Share buyback programme 2010–2011

In the first half of 2010/11 the Executive Board of IMMOFINANZ AG launched a share buyback programme based on a resolution passed by the 17th annual general meeting on 28 September 2010 pursuant to § 65 (1) no. 8 of the Austrian Stock Corporation Act. This programme covers the repurchase of up to 47,350,248 bearer shares of IMMOFINANZ AG (ISIN AT0000809058) during the period up to 12 April 2011. The goal is to utilise treasury shares for capital market instruments to refinance the 2007–2014 and 2007–2017 convertible bonds that can be offered prematurely in 2012 based on a put option.

### External analyses

The analyses and recommendations issued by numerous national and international institutions underscore the position of the IMMOFINANZ Group as one of Europe's leading listed property companies.

The following table shows the rating given to IMMOFINANZ shares by these external analyst reports. The IMMOFINANZ Group is analysed by twelve institutions, whereby seven have issued a buy recommendation and three a sell recommendation:

| | Date | Recommendation | Target price in EUR |
|---|---|---|---|
| UniCredit Group | 03 December 2010 | Buy | 4.30 |
| Bank of America Merrill Lynch | 02 December 2010 | Neutral | 3.04 |
| Société Générale | 02 December 2010 | Hold | 2.85 |
| Deutsche Bank | 30 November 2010 | Buy | 3.60 |
| Morgan Stanley | 18 November 2010 | Overweight | 3.60 |
| Wood Company | 11 November 2010 | Buy | 3.50 |
| Kempen & Co | 04 October 2010 | Underweight | 2.70 |
| Cheuvreux | 27 September 2010 | Underperform | 2.20 |
| Erste Group | 24 September 2010 | Buy | 3.60 |
| KBC | 16 August 2010 | Buy | 3.66 |
| Atlantik FT | 29 July 2010 | Buy | 3.20 |
| Credit Suisse | 15 June 2010 | Neutral | 2.80 |

The average target price of the above analyses amounts to EUR 3.25, which is 6,6% higher than the market price on 16 December 2010 (EUR 3,05).

### IMMOFINANZ included in the ATX

*IMMOFINANZ share strengthened by inclusion in ATX*

The ATX committee recently approved the inclusion of property shares in the key index of the Vienna Stock Exchange (ATX) for the first time. Based on this announcement, the IMMOFINANZ shares should be added to the ATX as part of the next regular index adjustment in March 2011. Inclusion in the ATX would support the continued sound development of the IMMOFINANZ share price.

### New online presence

*Redesigned website and mobile info services improve transparency*

"Would you like to chat with the CEO? Then go ahead." This initiative on the redesigned IMMOFINANZ website was very well received. Interactive communication between representatives of the company and investors was made possible by a new corporate blog (blog.immofinanz.com). The website relaunch also included the improvement of search functions and a reduction in barriers on www.immofinanz.com – where key content can also be accessed via smartphone (Blackberry, iPhone, Android). An RSS Feed was added to improve transparency and speed up the flow of information, and can be ordered free of charge on the IMMOFINANZ website. A fact book with an optimised overview of the Group's properties and the latest annual and quarterly reports can also be reviewed online under: http://kataloge.immofinanz.com/quarterly-reports/hy-2010-2011/

# Group Management Report – Latest Events

Over 30,000 sqm of rentable space, roughly 100 retail shops

Shopping and entertainment centre, opened: November 2010

*Gold Plaza,* Baia Mare (RO)

# Current Developments during the Reporting Period

**Internalisation of management**

On 19 May 2010 the IMMOFINANZ Group signed an agreement to purchase Aviso Delta GmbH for EUR 17,500.–, an amount equal to the paid-in share capital.

*Constantia Privatbank AG: internalisation completed*

The acquisition of this company and its subsidiaries as of 15 October 2010 finalised the internalisation of the management contracts originally concluded with Constantia Privatbank Aktiengesellschaft in the IMMOFINANZ Group. In connection with this transaction, the IMMOFINANZ Group also accepted the transfer of 221 employees who work in the core IMMOFINANZ markets.

**Agreement with Constantia Packaging B.V.**

In May 2010 representatives of the IMMOFINANZ Group and Constantia Packaging B.V. as well as Christine de Castelbajac and Prince Michael von und zu Liechtenstein signed agreements on the so-called "IBAG Bond" (EUR 512 million). These agreements call for a payment of EUR 217 million in cash and the transfer of approx. 55 million IMMOFINANZ shares as settlement for receivables of EUR 512 million due to the IMMOFINANZ Group.

A further provision of the agreements is the transfer of more than 100 companies from Constantia Packaging B.V. to the IMMOFINANZ Group for EUR 1.–. The assets held by these companies consist primarily of property, which is located mainly in Austria. The most valuable property is the Palais Batthyány (Bankgasse 2, 1010 Vienna).

The strategic plans of the IMMOFINANZ Group call for the sale of these companies and/or their property assets as a means of collecting the outstanding receivables.

**Repurchase of convertible bonds**

In the current financial year IMMOFINANZ GROUP bought back 890 Convertible Bonds 2007–2014 and 43 Convertible Bonds (2007–2017), with a nominal value of EUR 93,3 Mio., significantly below their book value.

Details on the convertible bonds are provided in the section "Financing", page 33.

# Group Management Report – The Market Environment

33 STOP.SHOP. locations in five East European countries

Over 12,800 sqm of rentable space on two floors

*STOP.SHOP. Liptovsky Mikulas* (SK)

# The Market Environment

The economic climate in Europe continued to improve during and after the reporting period. Forecasts call for growth of 1.75% in the EU during 2010, which should offset nearly half the decline recorded in the previous year.

*Renewed growth in core regions of the IMMOFINANZ Group*

This growth has been driven in part by a number of countries in Central and Eastern Europe. In addition to Germany, strong performance has been noted above all in Poland, the Czech Republic and Slovakia. Economic development in Slovakia reached +1.0% in the third quarter of 2010, for second place among the 16 Euro countries after Finland (+1.3%). Austria followed at third place with +0.9% for the third quarter. The entire region is expected to generate steady economic growth throughout 2011 and 2012.

The property market in Europe has largely stabilised after the sharp drop in demand during 2009. A year-on-year analysis shows an increase of nearly 40% in new office rentals on the European market in the first three quarters of 2010. Intensified competition in all sectors has focused demand on top addresses, while vacancy rates in secondary locations are on the rise. The capital-intensive construction of new shopping centres continues to decline. Completions in Europe are expected to total only 5.9 million sqm in 2010 and only 5 million sqm in 2011, in contrast to the 8.7 million sqm of shopping centre space finalised in 2009.

The property markets in the core regions of the IMMOFINANZ Group are reporting an increase in positive indicators. A KPMG study, "CEE Property Lending Barometer", indicates that it will soon be easier to find financing partners for property projects in the CEE region. This will create good opportunities for property developers to realise long-term, profitable projects.

**Austria**

The economic recovery in Austria continues, with growth exceeding the long-term average. In the third quarter of 2010 the GDP rose by 0.9% over the comparable prior year period. Annual growth should reach nearly 2% in 2010 and will be supported by a strong performance in the export sector (+3.4%). In October the unemployment rate fell to 6.8%. Private consumption is improving slowly but steadily, and rose by 0.2% from 30 June to 30 September. Economic forecasts are predicting an increase of 2% for 2011.

*Substantial price increases on residential market*

The residential sector of the property market is currently characterised by declining supply and rising demand. In comparison with 2009, the residential market in Vienna has seen price increases of up to 19% this year. The completion of new office space in 2010 – with a maximum of

185,000 sqm – represents the lowest level in nine years. In spite of this development, the vacancy rate is expected to rise from 5.9% to 6.0% in a year-on-year comparison. Top rents have stabilised after a slight decline from EUR 22.– to EUR 21.–, and average rents remain generally constant. The completion of new space in 2011 is estimated at 180,000 sqm. Rentals should increase from 220,000 sqm to 240,000 sqm.

**Germany**

The German economy is emerging from the most severe crisis since the post-war years with renewed recovery and growth. The GDP rose by 3.1% during the first half of 2010, and this upward trend continued during and after the reporting period. The German Institute for Economic Research ("Deutsche Institut für Wirtschaftsforschung") expects further strong growth through the end of this year. According to these forecasts, the economy should increase 4.3% year-on-year in the fourth quarter and the unemployment rate should fall from 7.3% to 6.7% in 2011. Construction investments, which declined 1.0% in the first quarter of 2010, rose by 5.2% in the second quarter.

*New "German economic wonder"*

The positive trend on the property market continues, as illustrated by a 162% year-on-year increase in the transaction volume during the first half of 2010. The residential market is characterised by substantial demand and a sharp rise in rental prices. The trend on the office market is also pointing upward: a total of 1.9 million sqm of office space had been let in the "Big 6" cities (Berlin, Düsseldorf, Frankfurt/Main, Hamburg, Munich and Stuttgart) by 30 September, which reflects an increase of 17%. Vacancy rates have remained constant at roughly 10%. Rising rental prices are expected above all in Berlin, Düsseldorf and Munich. A strong upward trend has also taken hold on the logistics market: Berlin, Düsseldorf, Frankfurt incl. Wiesbaden/Mainz, Hamburg and Munich recorded new rentals totalling approx. 1.2 million sqm by 30 September, representing an increase of 19% in relation to the previous year.

**Poland**

The Polish economy is currently one of the most dynamic in the entire EU. This position is evidenced by a year-on-year increase of 4.2% during the third quarter of 2010. According to forecasts by the EU Commission, Poland will continue this sound course and generate economic growth of 3.9% in 2011 and 4.2% in 2012. The construction sector is one of the most important drivers of this development. EU subsidies – Poland is the largest net recipient in the EU – and activities by international investors support the realisation of an increasing number of property projects. A recent KPMG study "CEE Property Lending Barometer" indicates that Poland has the most favourable climate for property developers in the CEE region.

*Top environment for property developers*

Rising demand has supported a positive trend in the office sector, a key market for the IMMOFINANZ Group. New office rentals in Warsaw during the reporting period were roughly 100% higher than the first half of 2009. Vacancy rates have levelled out at 8%. Top rents are stable at EUR 21.– to 22.–, but experts are expecting an increase during mid-2011. On the retail market, good returns are available especially in shopping centres outside the capital city. The

IMMOFINANZ Group will benefit from this development to a greater extent due to the expansion of the *Silesia City Center* in Katowice. Rising demand will also lead to higher rents in this segment. Rental prices in the retail and logistics sectors remained largely constant during the reporting period, but an increase is expected in 2011.

### Czech Republic

The upward trend in the Czech economy continued throughout the reporting period. In August the industrial sector reported a production increase of 12.9%. This growth was driven primarily by a strong export performance (+15% in the first half of 2010) and the automobile sector. The construction branch followed a sharp decline in the first half-year (12% below the first six months of 2009) with an upturn during the reporting period, which is expected to continue into 2011. The unemployment rate had fallen to 8.5% by the end of September.

This positive environment has fuelled consumer spending, resulting in higher demand for space from established players as well as companies that were previously not present on the Czech market. After the end of the reporting period the IMMOFINANZ Group opened its ninth retail park in the country – the STOP.SHOP. in Znaim. Rental prices on the office market are stable. Despite a general increase in vacancies, the demand for premium properties in the centre of Prague exceeds the supply. Rental prices in this segment range from EUR 20.– to EUR 21.–. Experts are expecting an increase in rents during 2011 due to the economic recovery and resulting higher demand combined with the limited number of projects scheduled for completion. As part of its portfolio optimisation, the IMMOFINANZ Group sold the *Valdek* office building in Prague to a Danish investor at the end of September 2010. A retail property in Budweis, Czech Republic, was also sold after the end of the reporting period. Both properties were sold at a price in excess of the carrying value.

### Romania

A survey by the International Monetary Fund (IMF) indicates that consumer confidence and financial optimism have reached a low point in Romania. Nevertheless, there are clear signs for a slow improvement in the tense economic situation. Romania has received commitments for EUR 19.95 billion of financial assistance from the IMF, the EU and the World Bank, and is implementing a drastic austerity programme that includes an increase in the value added tax and salary cuts for government employees. The second quarter of 2010 brought economic growth of 0.3%, but an Austrian foreign trade forecast indicates a decline of 1.5% to 2% in 2010 and growth of 3% in 2011.

*Plus 150% in office rentals*

Recovery is also slowly taking hold on the property market. New rentals of office space in Bucharest totalled 170,000 sqm during the period from January to the end of September. In comparison with the first nine months of 2009, this represents an increase of 150%. Vacancy rates have fallen to roughly 17%. Impulses for the retail sector have been provided by the expansion policy of numerous retailers, while rents are stable to slightly higher. A further increase in both demand and rental prices is expected over the coming months. After the end of the reporting period, the IMMOFINANZ Group opened the *Gold Plaza,* Baia Mare shopping and entertainment centre in the north-western region of Romania. Of the 30,000 sqm of rentable space in the centre, more than 80% had been let by the opening date. Only a few objects are scheduled for completion in 2011. A further increase is expected in the demand for space and rents should stabilise. Property developers are benefitting from a substantial decline in construction costs.

### Hungary

The Hungarian economy is recovering slowly from the effects of the international financial crisis, whereby weak growth of roughly 0.6% is expected for 2010. The economic programme implemented by the new government is designed to strengthen the country's small and mid-sized businesses, while tax relief for families should provide support for the domestic market. Consumer spending has been negatively influenced by the high level of debt in private households and stagnating real income.

The demand for space is sound, above all in first-rate locations, and rental prices in the top segment are generally stable. The office market in Budapest is characterised by weak demand and high vacancy rates, but the rental prices for premium objects remain largely stable at EUR 21.–. Approx. 170,000 sqm of new space will be added to the Budapest market in 2010. This relatively low expansion could help to balance supply and demand sooner than expected. In the retail sector, a slight upward trend took hold during the second half of the year, and rental prices in shopping centres are stable. Demand is improving on the logistics market, but rental prices are under pressure because many companies are looking for alternatives to reduce costs.

### Slovakia

The economy in Slovakia has improved decisively. Although the EU Commission reduced its GDP forecast for 2011 from 3.6% to 3.0%, the country ranked second among the 16 Euro countries after Finland with third quarter growth of 1.0%. This improvement is based on the more favourable global climate for the automobile and electronics industry as well as Slovakia's close economic ties with Germany. The export ratio is expected to rise by 15% over the 2009 level. The construction branch reported growth of 1.3% in July, whereby a growing number of projects that were postponed during the crisis are now being reactivated. In addition to a continuation of the steady positive development in the infrastructure sector, the pace of construction in the residential and office segments also accelerated during the reporting period. Vacancy rates on the office market have levelled off at over 10%, while top rents (EUR 15.– to 17.–) are stable. In the retail segment, rental prices are constant at EUR 55.– to 65.–. The IMMOFINANZ Group opened two retail parks in Slovakia after the end of the reporting period, expanding its portfolio in this country to a total of nine retail parks.

### Russia

*Declining unemployment and wage increases stimulate the retail market*

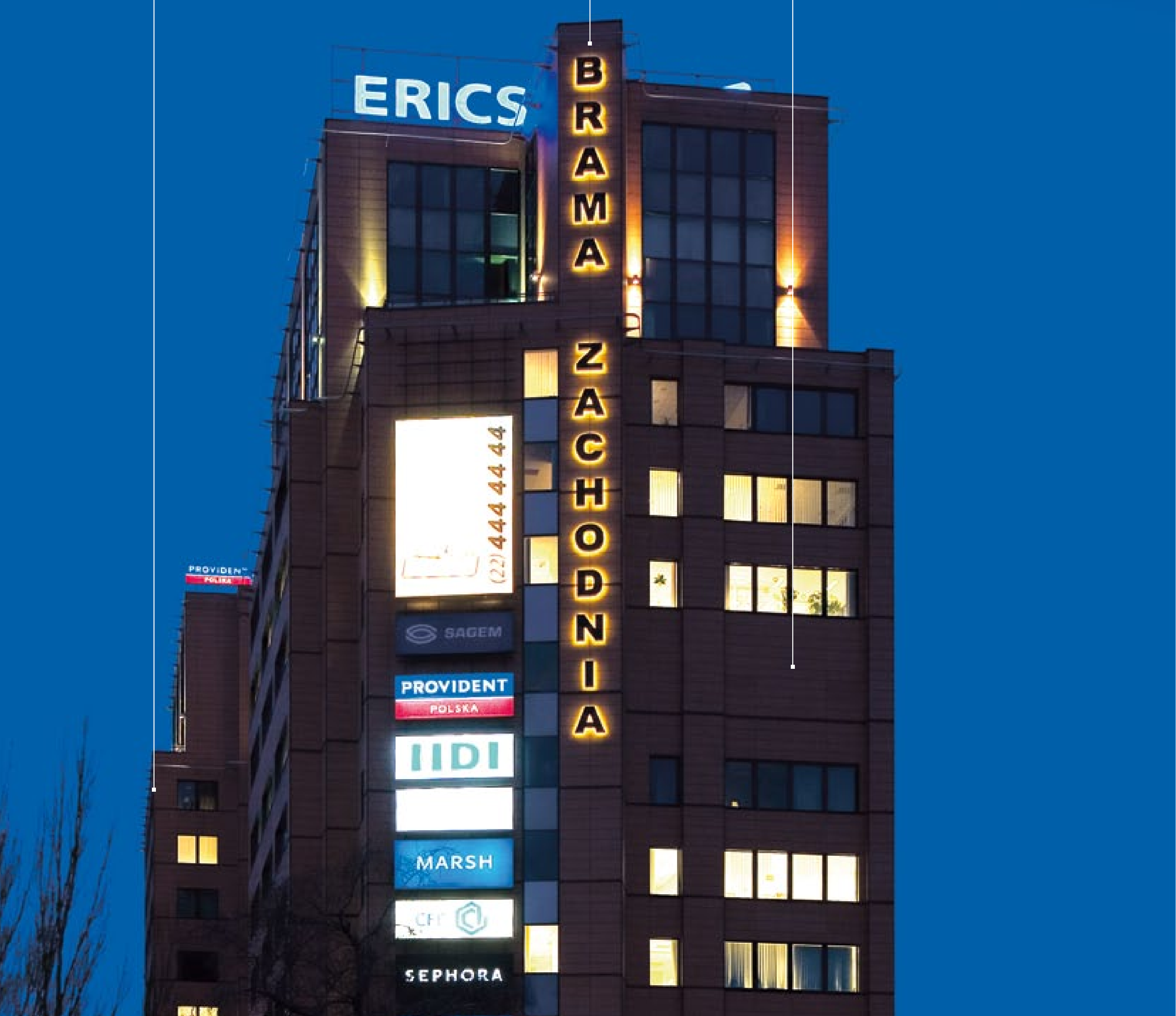
The Russian economy has recovered significantly, with a GDP increase of 2.9% in the first half of 2010. Higher exports, an increase in the value of the Rouble and rising demand from China underscore this upward trend. Tax reforms have been implemented to further strengthen the economy: imports of technological production equipment are now exempt from value added tax and accelerated depreciation is available for investments in capital goods. The International Monetary Fund has revised its economic forecast for 2010 upward from 4.0% to 4.25%, and an increase of 5.0% is expected for 2011. This growth has been supported above all by private consumption and rising capital investments. The unemployment rate fell from 8.0% in the first half of the year to 7.0% in July and 6.9% in August. The improving situation on the labour market combined with real wage increases and pension subsidies has fuelled private consumption. Developments in the retail sector, an important market for the IMMOFINANZ Group, have therefore been positive. Despite a number of new openings, vacancy rates on the Moscow retail market have fallen to 7.0%. Rental prices rose by 10% to 30% during the reporting period. The situation on the office market is stable; vacancy rates are slowly declining and were 14.7% in Moscow and 22% in St. Petersburg at the end of September.

# Group Management Report – Asset & Portfolio Management

Approx. 24,000 sqm of rentable space on 14 floors

First-class office building with good connections to the traffic network

*Brama Zachodnia*, Warsaw (PL)



# Asset and Portfolio Management

The core activities of the IMMOFINANZ Group comprise the rental of standing investments and the development of properties in the countries of Central and Eastern Europe. The goal is to create a homogeneous, sustainable portfolio of standing investments that is diversified across eight core markets and four types of use.

The IMMOFINANZ Group concentrates its activities in the core markets of Austria, Germany, Czech Republic, Poland, Hungary, Romania, Slovakia and Russia and in the office, retail, residential and logistics sectors.

## Property portfolio

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

Inventories represent properties that are developed for sale after completion. Condominium apartments are a classic example of inventories.

The following table shows the carrying values of the objects in the property portfolio of the IMMOFINANZ Group as of 31 October 2010:

| Property portfolio | Number of properties | Standing investments in MEUR*) | Project pipeline in MEUR*) | Property under construction in MEUR | Inventories in MEUR | Property portfolio in MEUR | Property portfolio in % |
|---|---|---|---|---|---|---|---|
| Austria | 1,503 | 3,821.9 | 25.5 | 61.5 | 59.8 | 3,968.7 | 43.0% |
| Germany | 91 | 681.3 | 29.3 | 25.4 | 23.4 | 759.3 | 8.2% |
| Czech Republic | 37 | 625.2 | 14.4 | 28.4 | 0.0 | 668.0 | 7.2% |
| Hungary | 33 | 529.1 | 37.3 | 0.0 | 0.0 | 566.4 | 6.1% |
| Poland | 36 | 646.9 | 4.6 | 10.2 | 18.1 | 679.8 | 7.4% |
| Romania | 49 | 579.2 | 194.5 | 41.3 | 69.3 | 884.3 | 9.6% |
| Russia | 6 | 758.5 | 0.0 | 61.1 | 0.0 | 819.5 | 8.9% |
| Slovakia | 17 | 261.3 | 10.9 | 1.7 | 13.4 | 287.3 | 3.1% |
| Non-core countries | 52 | 521.1 | 52.5 | 0.0 | 19.8 | 593.4 | 6.4% |
| **Total** | **1,824** | **8,424.4** | **368.9** | **229.4** | **203.9** | **9,226.7** | **100.0%** |

**) Reported on the balance sheet under investment property respectively properties held for sale*

The carrying value of this portfolio amounted to MEUR 9,226.7 as of 31 October 2010. The major component by far consists of standing investments at MEUR 8,424.4 or 91.3%. Pipeline projects have a combined carrying value of MEUR 368.9, and are also reported on the balance sheet under inventories. Active development projects and inventories total MEUR 229.4 or 2.5% and MEUR 203.9 or 2.2%, respectively, of the carrying value of the property portfolio.

Austria forms the primary regional focus of the IMMOFINANZ Group portfolio at 43.0%, followed by Romania with 9.6% and Russia with 8.9%.

## Standing investments

Standing investments represent properties that were held by the IMMOFINANZ Group as of 31 October 2010 for the purpose of generating rental income. The standing investment portfolio had a carrying value of EUR 8,424.4 million, or 91.3% of the total property portfolio, as of 31 October 2010. IMMOFINANZ GROUP generated MEUR 277.1 of rental income through the renting of standing investments.

| Standing investments | Number of properties | Carrying value in MEUR | Carrying value in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % | Rental income first half 2010/11 in MEUR | Return in %*) |
|---|---|---|---|---|---|---|---|---|
| Austria | 1,449 | 3,821.9 | 45.4% | 3,426,463.9 | 3,125,215.2 | 91.2% | 100.0 | 5.2% |
| Germany | 84 | 681.3 | 8.1% | 1,033,450.6 | 931,249.2 | 90.1% | 26.8 | 7.9% |
| Czech Republic | 28 | 625.2 | 7.4% | 369,857.0 | 298,396.5 | 80.7% | 21.4 | 6.9% |
| Hungary | 29 | 529.1 | 6.3% | 401,525.3 | 300,921.4 | 74.9% | 18.3 | 6.9% |
| Poland | 23 | 646.9 | 7.7% | 289,876.9 | 270,082.7 | 93.2% | 24.2 | 7.5% |
| Romania | 15 | 579.2 | 6.9% | 378,931.6 | 330,796.3 | 87.3% | 22.8 | 7.9% |
| Russia | 5 | 758.5 | 9.0% | 183,297.2 | 168,498.3 | 91.9% | 34.2 | 9.0% |
| Slovakia | 11 | 261.3 | 3.1% | 143,148.3 | 128,601.7 | 89.8% | 9.0 | 6.9% |
| Non-core countries | 38 | 521.1 | 6.2% | 427,320.6 | 366,693.2 | 85.8% | 20.4 | 7.8% |
| **Total** | **1,682** | **8,424.4** | **100.0%** | **6,653,871.4** | **5,920,454.6** | **89.0%** | **277.1** | **6.6%** |

**) Based on actual rental income of the first half-year 2010/11 by type of use*

As of 31 October 2010 the IMMOFINANZ Group held 1,682 standing investments with a carrying value of MEUR 8,424.4. These properties had an occupancy rate of 89.0% at the end of the reporting period. A regional analysis of the standing investments shows the majority located in Austria

(MEUR 3,821.9), followed by Russia (MEUR 758.5) and Germany (MEUR 681.3). The highest returns of any country are generated in Russia with 9%.

The standing investments in non-core countries include MEUR 215.2 in Switzerland, MEUR 115.9 in the Netherlands and MEUR 98.3 in the USA. The IMMOFINANZ Group also holds standing investments in Croatia, Slovenia, France, Bulgaria and Italy.

The following table shows the distribution of the IMMOFINANZ Group standing investments by asset class:

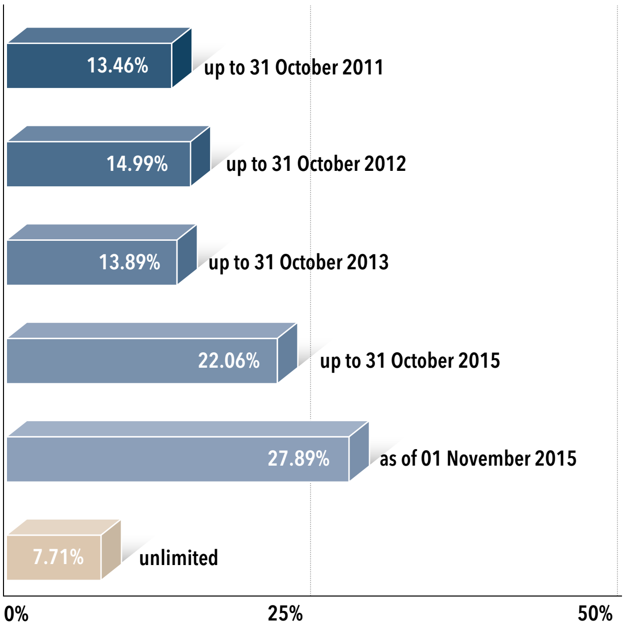
| | Number of properties | Carrying value in MEUR | Carrying value in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % | Rental income first half 2010/11 in MEUR | Return in %*) |
|---|---|---|---|---|---|---|---|---|
| Office | 121 | 2,713.3 | 32.2% | 1,454,406.7 | 1,139,118.0 | 78.3% | 87.2 | 6.4% |
| Retail | 188 | 2,072.7 | 24.6% | 979,817.5 | 901,505.3 | 92.0% | 81.5 | 7.9% |
| Residential | 1.265 | 2,607.8 | 31.0% | 2,728,413.4 | 2,599,187.2 | 95.3% | 64.3 | 4.9% |
| Logistics | 102 | 847.9 | 10.1% | 1,423,589.5 | 1,216,592.2 | 85.5% | 37.0 | 8.7% |
| Others | 6 | 182.8 | 2.2% | 67,644.4 | 64,051.9 | 94.7% | 7.0 | 7.7% |
| **Total** | **1,682** | **8.424,4** | **100.0%** | **6,653,871.4** | **5.920.454,6** | **89.0%** | **277.1** | **6.6%** |

**) Based on actual rental income of the first half-year 2010/11 by main type of use*

The carrying value of the standing investments held by the IMMOFINANZ Group amounts to MEUR 8,424.4, whereby 32.2% represents office properties, 24.6% retail properties, 31.0% residential properties and 10.1% logistics facilities. The occupancy rate in the standing investment portfolio equalled 89.0% as of 31 October 2010. The rental income in the first half-year 2010/11 so far amounts to MEUR 277.1, which represents a return of 6.6%.The highest return was recorded in the logistics sector (8.7%), and the lowest in the residential sector (4.9%).

The occupancy rate is the highest in the residential properties at 95.3% and lowest in the office properties at 78.3%.

**Contract expiration office**

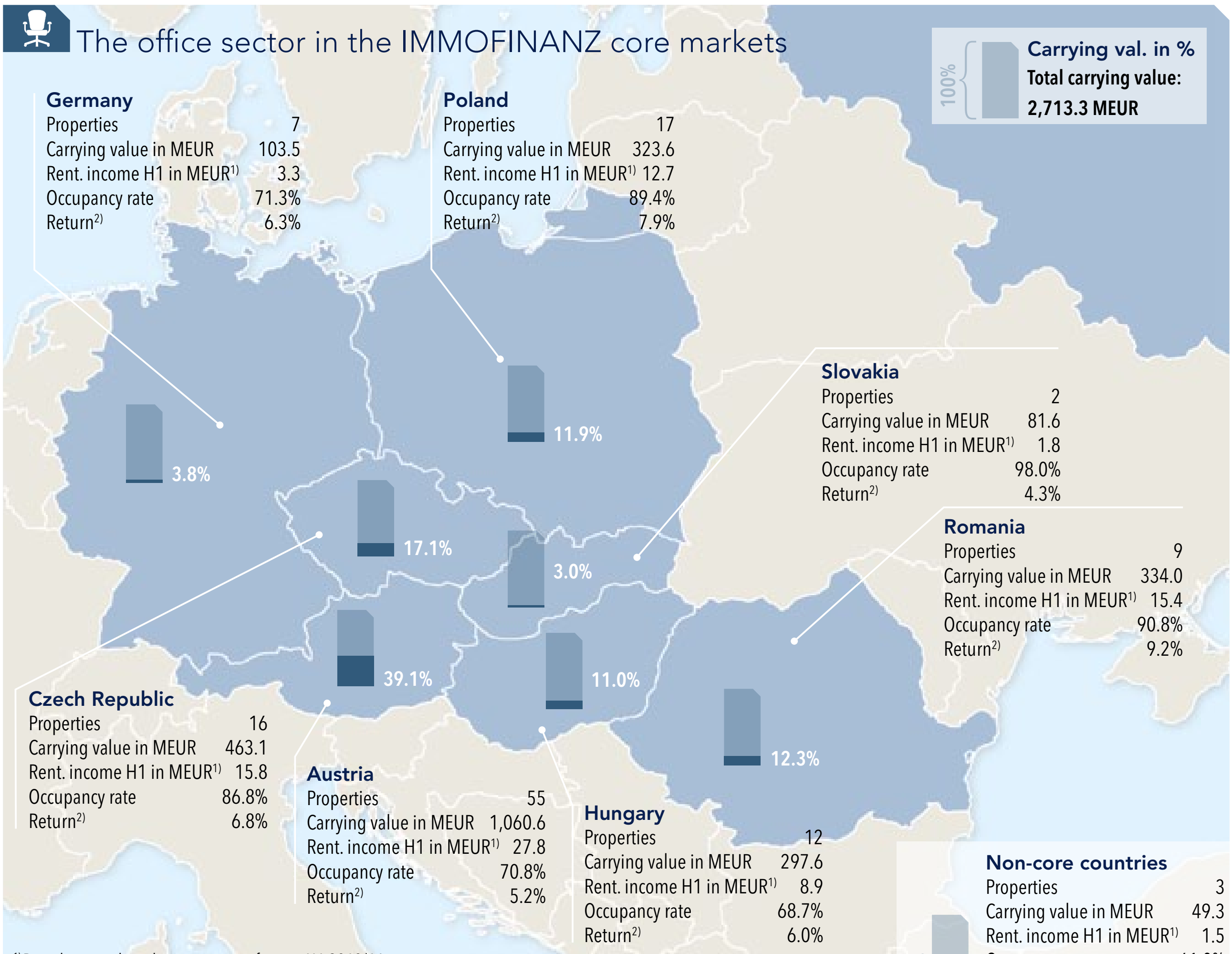



## Offices

The carrying value of the 121 standing office investments amounts to MEUR 2,713.3, or 32.2% of the standing investment portfolio. These office properties are located in all core markets of the IMMOFINANZ Group, with the exception of Russia. The rentable space in this office portfolio totalled 1,454,406.7 sqm and the occupancy rate equalled 78.3% as of 31 October 2010. The rental income in the current financial year amounts to MEUR 87.2, which represents a return of 6,4%.

The regional focus of the standing office investments is formed by the core markets of Austria, Czech Republic and Romania. Two of the most important properties in this category are the *Business Park Vienna* in Austria and the *IRIDE Business Park* in Bucharest, Romania.

A classification of the rental contracts by remaining term is shown in the graph on the left.




1) Rental income based on main type of use in H1 2010/11
2) Based on annualized rental income in H1 2010/11

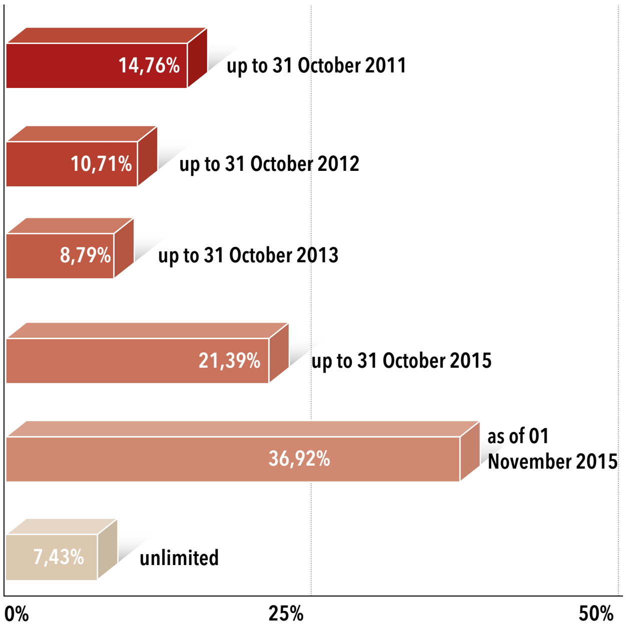
### Retail

The 188 standing retail investments had a carrying value of MEUR 2,072.7 and an occupancy rate of 92.0% as of 31 October 2010. Based on rental income in the first half-year 2010/11 of MEUR 81.5, a return of 7.9% was achieved. The highest return was recorded in Germany with 9.3%, while the lowest return was recorded in Romania with 5.3%.

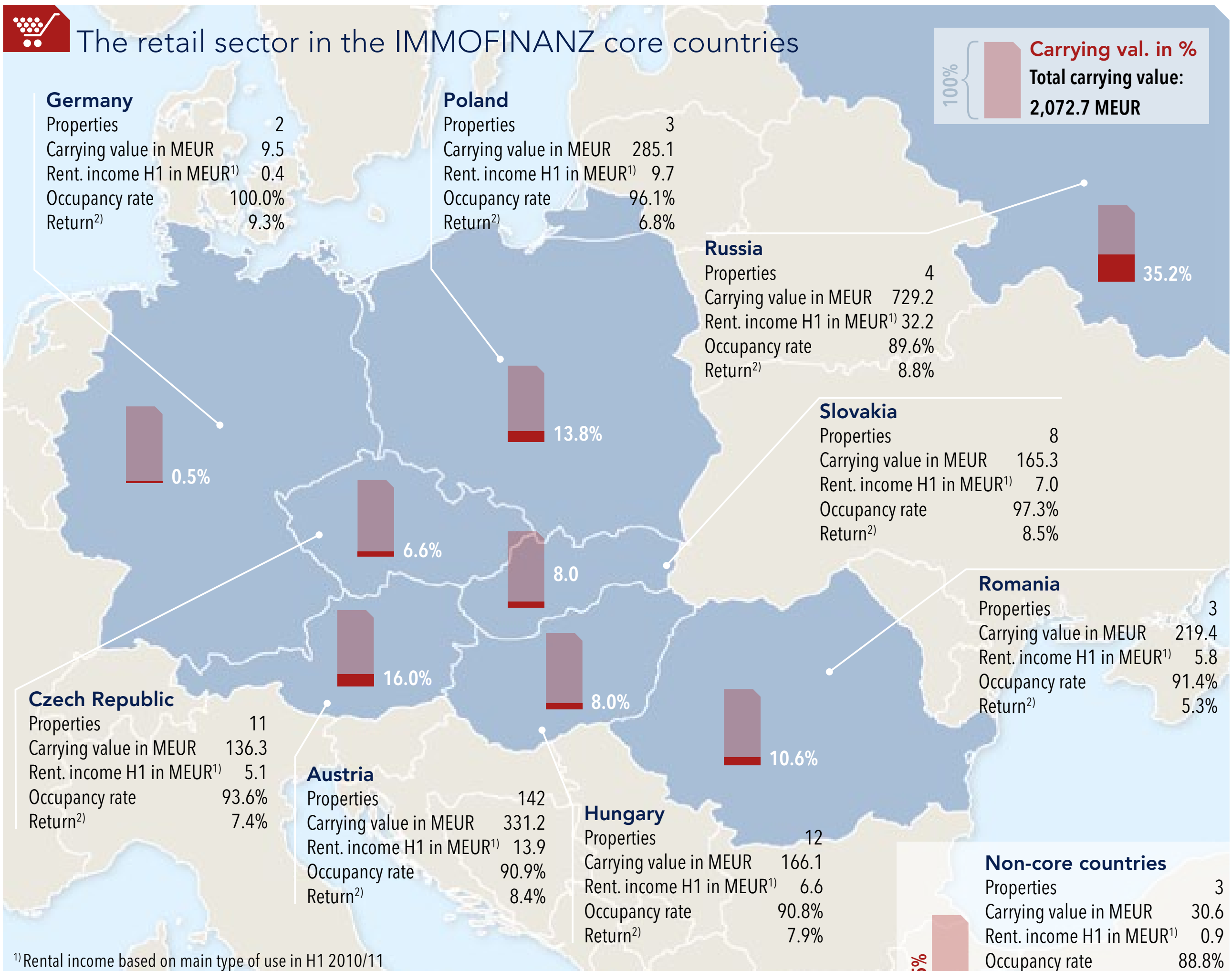
A ranking by carrying value shows the core markets of Russia, Austria and Poland as the major retail markets. The most important properties in this segment based on the carrying value are the *Golden Babylon Rostokino* shopping centre in Moscow, Russia, and the *Silesia City Center* in Katowice, Poland.

A classification of the rental contracts by remaining term is shown the graph on the right.

### Contract expiration retail

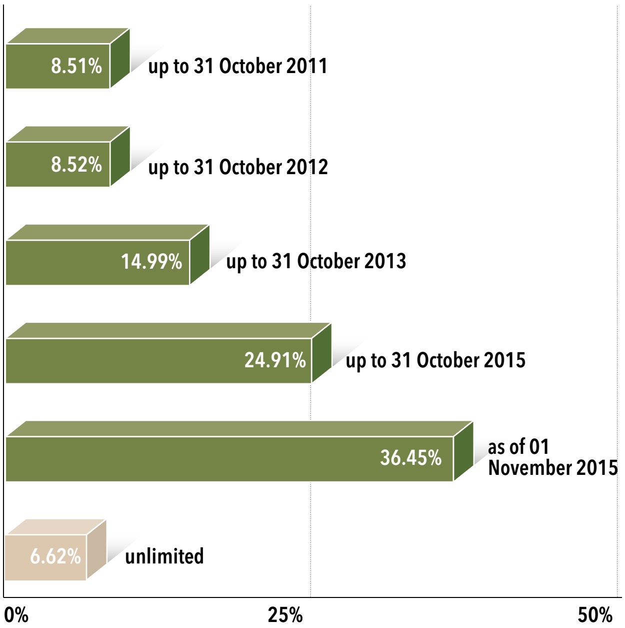



## The retail sector in the IMMOFINANZ core countries




1) Rental income based on main type of use in H1 2010/11
2) Based on annualized rental income in H1 2010/11

### Contract expiration logistics

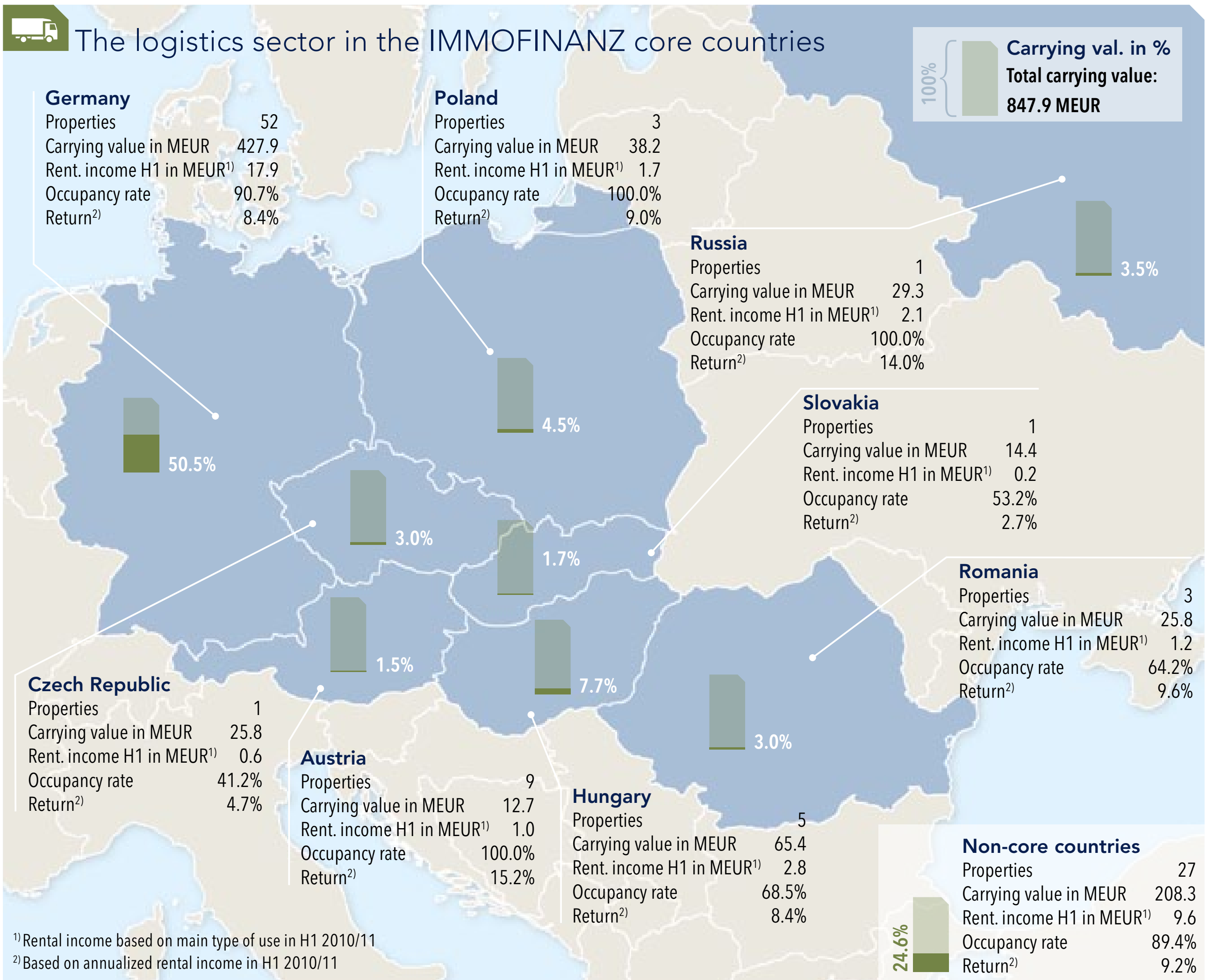



### Logistics

The carrying value of the 102 standing logistics investments amounted to MEUR 847.9, or 10.1% of the standing investment portfolio as of 31 October 2010. The top return was recorded in the core market of Austria (15.2%). This logistics portfolio has an occupancy rate of 85.5%.

Germany forms the focal point of the logistics portfolio, with 50.5% of the total standing logistics investments based on carrying value. The other core markets of the IMMOFINANZ Group each comprise less than 8.0% of the portfolio. The IMMOFINANZ Group also has substantial logistics portfolios in the non-core countries of the Netherlands (MEUR 111.9) and Switzerland (MEUR 80.6).

A classification of the rental contracts by remaining term is shown in the graph on the left.



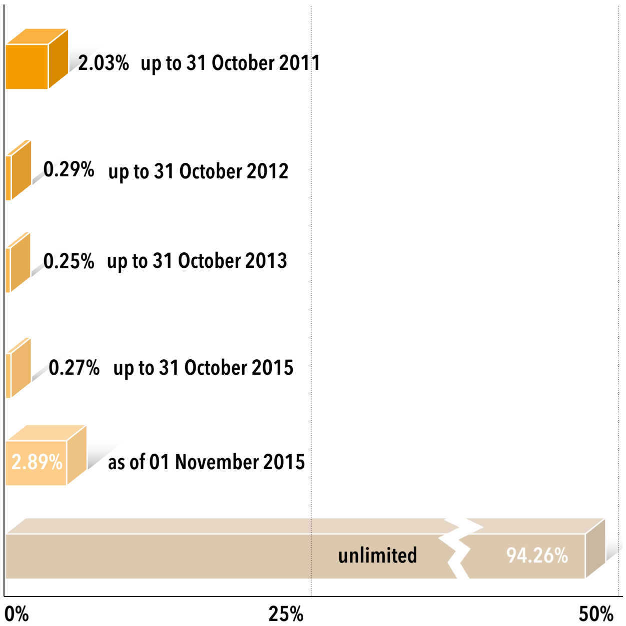
### Residential

The carrying value of the 1,265 standing residential properties totalled MEUR 2,607.8, or 31.0% of the standing investment portfolio at the end of the reporting period. The rental income in the first half-year 2010/11 amounts to MEUR 64.3, which represents a return of 4.9%, the lowest return of all sectors. In contrast, the occupancy rate remains high at a constant 95.3%.

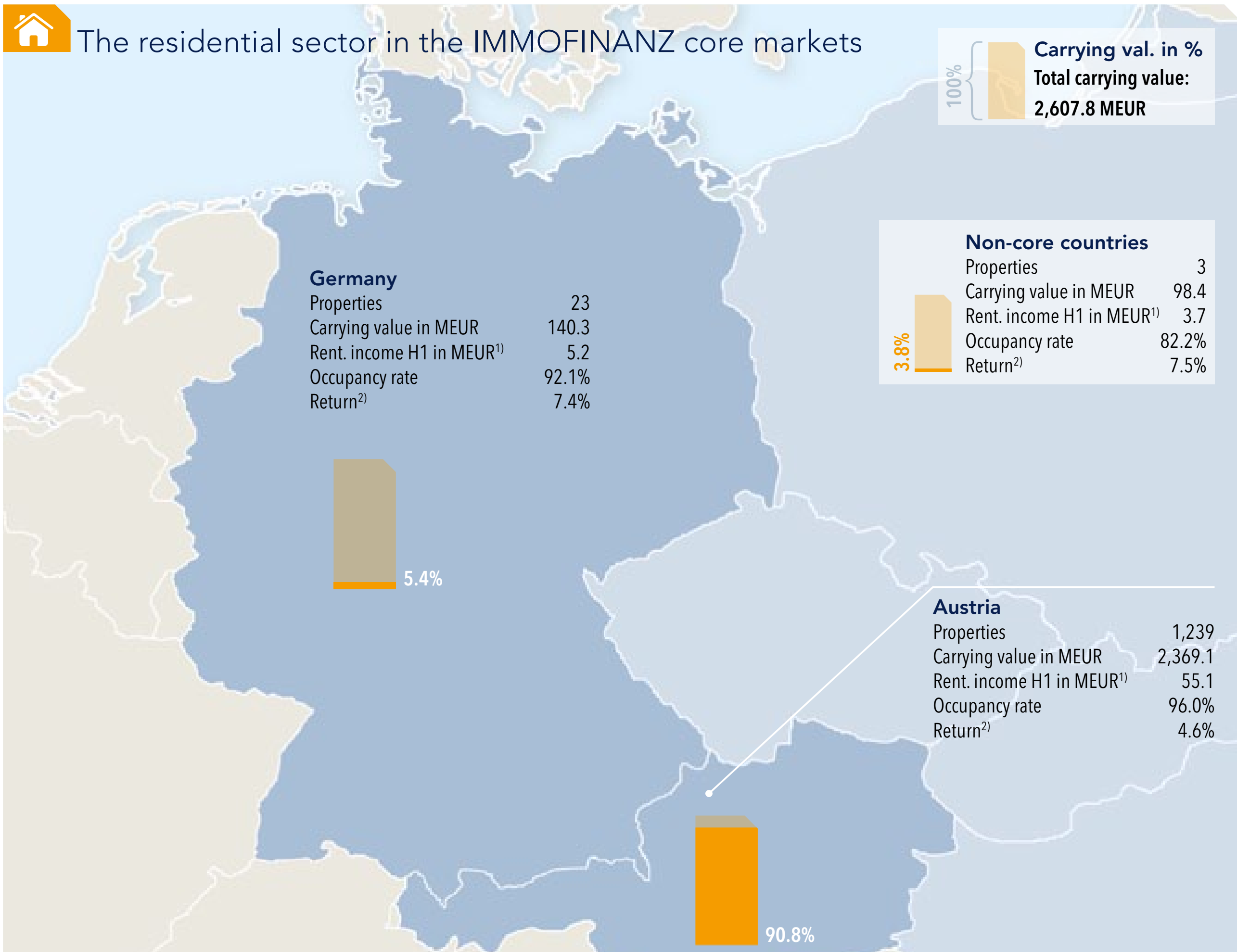
Most of the residential properties owned by the IMMOFINANZ Group are located in Austria, followed by Germany. As a direct consequence of legal regulations in Austria on non-profit-housing, which are applicable for the majority of residential properties, the German residential properties generate a significantly higher return.

A classification of the rental contracts by remaining term is shown in the graph on the right.

### Contract expiration residential




## The residential sector in the IMMOFINANZ core markets

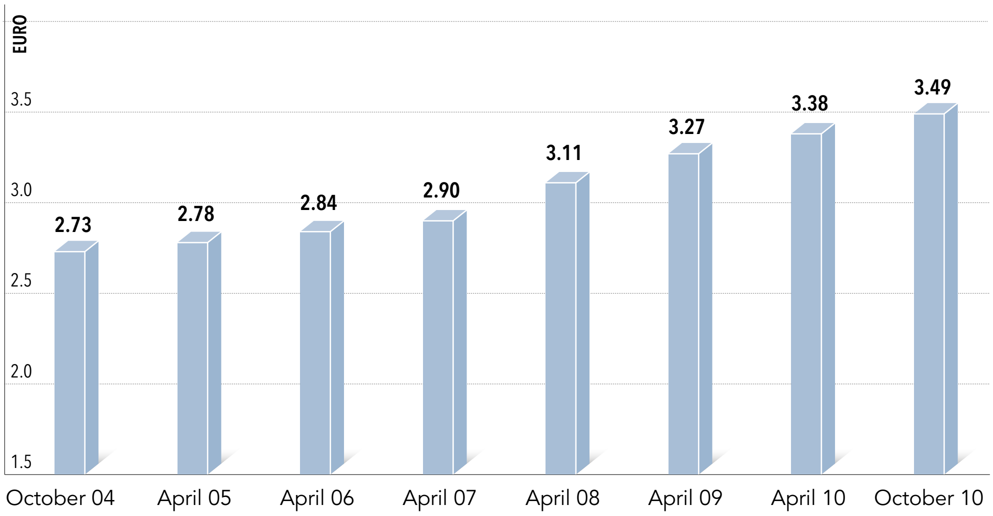



1) Rental income based on main type of use in H1 2010/11
2) Based on annualized rental income in H1 2010/11

The BUWOG properties, a 100%-owned subsidiary of IMMOFINANZ Group, comprise 82.6% of the standing residential investments in the IMMOFINANZ Group.

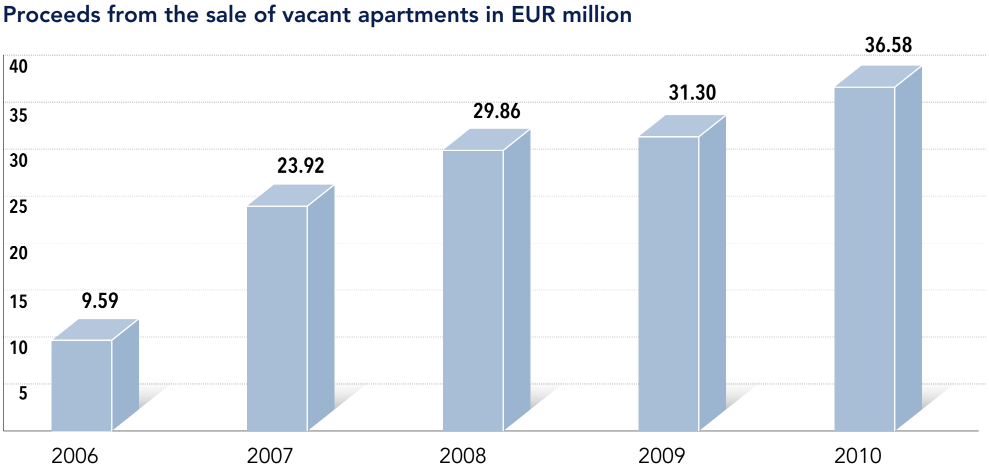
In Austria, one particular legal regulation has a significant influence on the residential market: under this law ("Wohnungsgemeinnützigkeitsgesetz") all properties completed prior to 01 April 2001 are subject to certain restrictions, above all with respect to the determination of rental prices. Despite the substantial limitations created by this regulation, BUWOG has been able to raise the net primary rent per square meter by 27.8% over the past five years – compared with an increase of only 11.8% in the consumer price index during the same period.

**Rental price per sqm**




The sale of a vacant rental apartment is often more profitable than a new rental because of the strict framework defined by the above-mentioned law for the determination of rental prices. In order to begin this process, it is first necessary to legally establish the separate ownership of the individual apartments in a building to provide the basis for a subsequent sale.

**Proceeds from the sale of vacant apartments in EUR million**




A total of 183 apartments were sold during the first six months of 2010/11, an increase of roughly 30% over the previous year, and sale prices totalled approx. EUR 25 million.

### Other properties

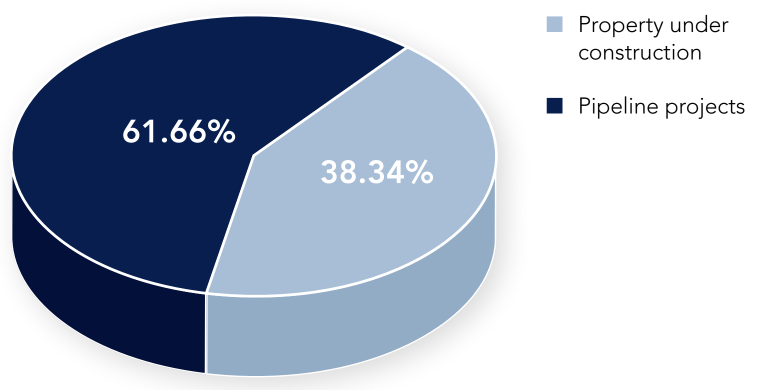
| Other | Number of properties | Carrying value in MEUR | Carrying value in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % | Rental income first half 2010/11 in MEUR | Return in % |
|---|---|---|---|---|---|---|---|---|
| Austria | 4 | 48.2 | 26.4% | 33,642.4 | 33,611.9 | 99.9% | 2.3 | 9.5% |
| Non-core countries | 2 | 134.6 | 73.6% | 34,002.0 | 30,440.0 | 89.5% | 4.7 | 7.1% |
| **Total** | **6** | **182.8** | **100.0%** | **67,644.4** | **64,052** | **94.7%** | **7.0** | **7.7%** |

The carrying value of the standing investments that are not classified as office, retail, residential or logistics properties amounted to EUR 182.8 million or 2.2% of the standing investment portfolio. These 6 properties have a carrying value of MEUR 182.8 and 67,644.4 sqm of rentable space. In comparison with the properties in the other sectors, the occupancy rate is a high 94.7%. The rental income in the first half-year 2010/11 is estimated at MEUR 7.0, which reflects a return of 7.7%. This category consists primarily of hotels, whereby the most important property – based on carrying value – is the *Hotel Kempinski* in St. Moritz, Switzerland.

These standing investments are not part of the strategic focus of the IMMOFINANZ Group because of their use, and they are therefore scheduled for sale over the short to medium term.

## Development projects

The balance sheet position "property under construction" comprises development projects currently beeing realised by the IMMOFINANZ Group. Pipeline projects comprise land reserves as well as temporarily suspended projects. Pipeline projects are reported together with the standing investments under the balance sheet position "investment property".




Active development projects represent 38.34% of all properties under construction and have a carrying value of MEUR 229.4. The remaining carrying value represents 55 pipeline projects.

| Property under construction | Number of properties | Carrying value in MEUR | Outstanding construction costs in MEUR | Planned rentable space | Fair value after completion in MEUR |
|---|---|---|---|---|---|
| Austria | 4 | 61.5 | 34.1 | 35,538.6 | 99.7 |
| Germany | 1 | 25.4 | 45.4 | 24,550.0 | 82.1 |
| Czech Republic | 6 | 28.4 | 45.4 | 36,145.5 | 89.6 |
| Poland | 1 | 10.2 | 51.3 | 20,937.0 | 72.2 |
| Romania | 2 | 41.3 | 60.9 | 60,055.0 | 109.5 |
| Russia | 1 | 61.1 | 69.6 | 50,561.2 | 158.5 |
| Slowakei | 1 | 1.7 | 0.0 | 1,731.9 | 1.7 |
| **Total** | **16** | **229.4** | **306.6** | **229,519.2** | **613.2** |

The development projects are currently concentrated in the core markets of Austria, Russia and the Czech Republic. In accordance with the strategy of the IMMOFINANZ Group, no development projects will be realised in non-core markets.

The outstanding construction costs amount to MEUR 306.6; these projects have a total cost of MEUR 657.

Following development projects have the highest fair value after completion.

| Project | Country | Type of use | Planned rentable space | Completion |
|---|---|---|---|---|
| Goodzone | Russia | Retail | 67,500.00 | 2nd half-year 2012 |
| Friesenquartier Köln | Germany | Office | 49,000.00 | 2nd half-year 2012 |
| Heller Fabrik | Austria | Residential | 27,000.00 | 2nd half-year 2011 |
| CSOB Na Prikope | Czech Republic | Office | 16,000.00 | 2nd half-year 2012 |
| Maritimo Shopping Center | Romania | Retail | 35,500.00 | 2nd half-year 2011 |
| Extension Silesia City Center | Poland | Retail | 20,000.00 | 2nd half-year 2011 |
| Gold Plaza Baia Mare | Romania | Retail | 30,500.00 | already opened |
| CSOB Jungmannova | Czech Republic | Office | 8,000.00 | 1st half-year 2012 |
| various BUWOG Projects | Austria | Residential | 8,000.00 | 2011–2012 |
| various STOP.SHOP. Projects | Slovakia/Czech Republic | Retail | 29,000.00 | 2010–2012 |

*The figures shown in the table reflect 100% of the project and do not take into account IMMOFINANZ Group's share in the project.*

Based on the estimated fair value after completion, Austria is the most important core market for development projects, followed by Russia and Poland.

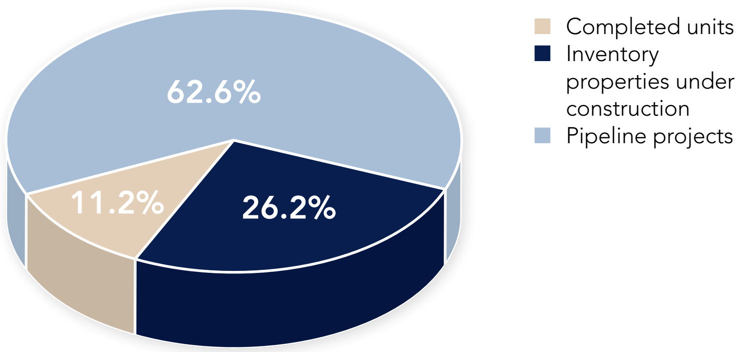
### Project pipeline

The pipeline projects consist primarily of land reserves as well as temporarily suspended projects. The IMMOFINANZ Group monitors the relevant circumstances continuously in order to identify the right time to reactivate these projects. Decisions are based on the availability of building permits, the status of construction, the legal requirements, the amount of capital previously invested by the IMMOFINANZ Group, the amount of capital required to complete the project, the availability of bank financing, the level of pre-rentals, the expected return in comparison with the returns available on alternative projects, opportunities for resale and many other factors.

## Inventories

Inventories represent properties that are developed for sale after completion. Condominium apartments are a classic example of inventories.

As of 31 October 2010 the inventories of the IMMOFINANZ Group have a carrying value of EUR 203.9 million.




MEUR 22.7 or 11.2% of the inventories, or 11.2% of the total, represent completed apartments that are currently available for sale. Another 26.2% of the inventories are under construction, and 62.2% have been frozen. The pipeline projects consist for the most part of land reserves and temporarily suspended projects.

Property development  is currently focussed on the austrian and german core markets.

| Inventory properties under construction | Number of properties | Carrying value in MEUR | Outstanding construction costs in MEUR | Planned sellable space | Fair value after completion in MEUR |
|---|---|---|---|---|---|
| Austria | 3 | 27.0 | 11.9 | 19,998.7 | 46.1 |
| Germany | 1 | 23.4 | 41.9 | 22,661.5 | 75.8 |
| Non-core countries | 1 | 3.0 | 0.1 | 9,224.4 | 6.0 |
| **Total** | **5** | **53.4** | **53.9** | **51,884.6** | **127.9** |

The outstanding construction costs amount to MEUR 53.9; these projects have a total cost of MEUR 110.2.

In terms of completed residential projects, most are located in Austria and Serbia.

The following table shows the most important development projects, ranked by fair value after completion:

| Project | Country | Type of use | Planned rentable space | Completion |
|---|---|---|---|---|
| Friesenquartier Köln | Germany | Residential | 45.000,00 | 2nd half-year 2012 |
| Heller Fabrik | Austria | Residential | 14.000,00 | 2nd half-year 2011 |

*The figures shown in the table reflect 100% of the project and do not take into account IMMOFINANZ Group's share in the project.*

## Properties held for sale

As of 31 October 2010 investment properties with a book value of MEUR 21.4 are classified as held for sale. In terms of properties held for sale, most are located in Austria and the Czech Republic.

## Forward purchases

In the past the IMMOFINANZ Group also realised development projects on the basis of forward purchase contracts. This type of contract is concluded with a property developer and calls for the acquisition of the project after completion on pre-defined terms if certain conditions have been met. The IMMOFINANZ Group held a stake of up to 15% in each of the following project companies – which own the properties listed below – as of 31 October 2010. These properties are not included in the above-mentioned property portfolio of the IMMOFINANZ Group because the project companies are not included in the financial statements through full or proportionate consolidation.

It is expected that the underlying conditions for the following forward purchase contracts will be met and will therefore trigger a purchase obligation for the IMMOFINANZ Group:

| Forward Purchases | Number of properties | Future purchase price of the properties in MEUR |
|---|---|---|
| Slovakia | 3 | 32.9 |
| Hungary | 3 | 44.4 |
| **IMMOFINANZ Group** | **6** | **72.2** |

The existing forward purchase obligations relate solely to STOP.SHOP. retail parks that were purchased through share deals.

# Group Management Report – Financing & Business Development

# Financing

The following table shows the major financial liabilities owed by the IMMOFINANZ Group as of 31 October 2010:

| | Outstanding liability in TEUR | Outstanding liability, fixed interest in TEUR | Fixed interest rate in % as of 31 Oct. 2010 | Outstanding liability, variable interest in % | Variable interest rate in % as of 31 Oct. 2010 | Total interest rate as of 31 Oct. 2010 |
|---|---|---|---|---|---|---|
| Convertible bond in EUR | 967,500.00 | 100.00% | 3.82% | 0.00% | 0.00% | 3.82% |
| Bank liabilities in EUR | 3,734,109.00 | 13.80% | 3.72% | 86.20% | 2.54% | 2.75% |
| Bank liabilities in CHF | 150,946.04 | 17.98% | 3.56% | 82.02% | 1.67% | 2.01% |
| Bank liabilities in USD | 123,711.98 | 48.85% | 8.05% | 51.15% | 3.47% | 5.71% |
| Bank liabilities in RON | 305.93 | 0.00% | 0.00% | 100.00% | 8.62% | 8.62% |
| Bank liabilities in CZK | 62.51 | 0.00% | 0.00% | 100.00% | 3.32% | 3.32% |
| Amounts due to local authorities in EUR | 565,664.77 | 100.00% | 1.15% | 0.00% | 0.00% | 1.15% |
| **IMMOFINANZ Group** | **5,542,300.22** | **38.54%** | **3.28%** | **61.46%** | **2.53%** | **2.82%** |

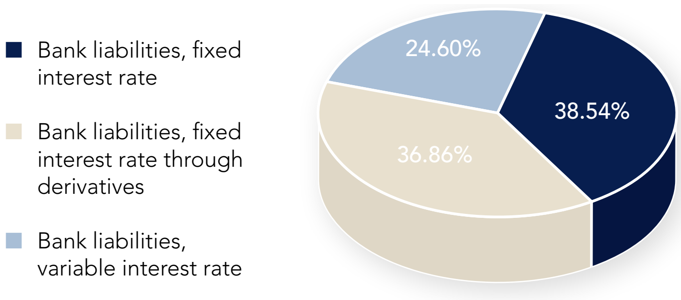
The outstanding balances of the major liabilities owed by the IMMOFINANZ Group as of 31 October 2010 totalled TEUR 5,542.300,22 and comprised three convertible bonds (ISIN XS0416178530; ISIN XS0283649977; ISIN XS0332046043) as well as amounts due to financial institutions and local authorities.

Of the major financial liabilities, 61.46% carry variable interest rates – the weighted average interest rate as of 31 October 2010 was 2.53%. The remaining 38.54% of the major financial liabilities have a fixed interest rate of 3.28%. The weighted average interest rate of all major financial liabilities equals 2.82%. This rate does not include any expenses for derivatives.

### Derivatives

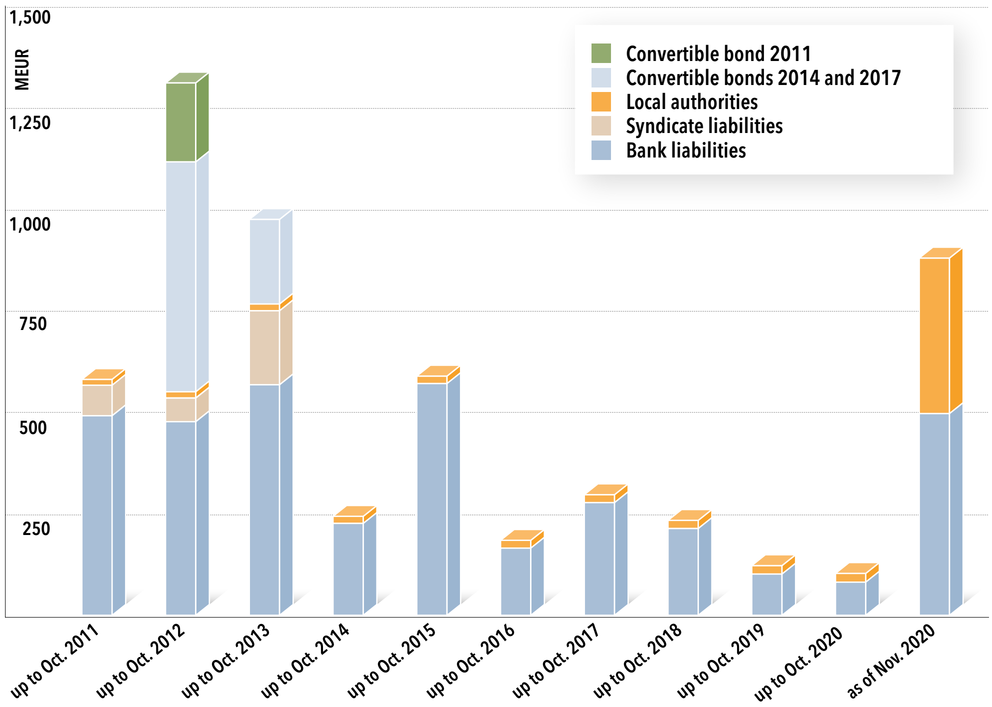
As of 31 October the IMMOFINANZ Group had concluded 107 derivatives to hedge bank liabilities with a reference amount of TEUR 2,042,911,3.

| | Variable element | Reference amount in TEUR | Fixed interest rate | Market rate as of 31 Oct. 2010 in % | Market value as of 30 April 2010 in TEUR |
|---|---|---|---|---|---|
| CAP | 6 M Euribor | 110,362.2 | 4.61% | 1.27% | -238.4 |
| CAP | 3 M Euribor | 677,557.0 | 4.56% | 1.04% | -1,641.9 |
| CAP | 3 M Euribor | 238,937.8 | 4.67% | 1.04% | 40.4 |
| SWAP | 3 M Euribor | 990,876.8 | 3.12% | 1.04% | -39,780.0 |
| SWAP | 3 M Libor CHF | 18,237.5 | 1.73% | 0.17% | -897.4 |
| SWAP | 3 M Libor USD | 6,939.9 | 1.35% | 0.29% | -160.7 |
| **Total** | | **2,042,911.3** | | | **-42,678.4** |




A total of TEUR 1,016,054.3 is hedged with Swaps and TEUR 1,026,857.0 with Caps. The interest expense associated with a further 36.86% of the major financial liabilities is hedged through the use of derivatives (Caps and Swaps). Including the derivative instruments the weighted average interest rates of the major financial liabilities equals 3.23%.

The following graph shows the term structure of the major financial liabilities:




The liabilities from convertible bonds cover three separate convertible bonds. Key data on these instruments as of 31 October 2010 is presented below:

| | ISIN | Maturity | Nominal value as of 31 Oct. 2010 |
|---|---|---|---|
| 2009–2011 convertible bond | XS0416178530 | 22 Dec. 2011 | 194,200,000.00 |
| 2007–2014 convertible bond | XS0283649977 | 19 Jan. 2012*) | 565,300,000.00 |
| 2007–2017 convertible bond | XS0332046043 | 19 Nov. 2012*) | 208,000,000.00 |
| **Total** | | | **967,500,000.00** |

**) Put options held by the convertible bondholders*

Since the conversion price for the 2011 convertible bond amounts to EUR 2.– and is therefore substantially below the share price, it is assumed that investors will exercise their conversion right. The IMMOFINANZ Group is currently evaluating refinancing alternatives for the 2014 and 2017 convertible bonds. The refinancing of these convertible bonds, which had a nominal value of EUR 773.3 million as of 31 October 2010, should take place during the first half of 2011 and represents a key requirement for the possible dividend for the 2010/11 financial year.

# Business Development

IMMOFINANZ Group's stable results in the second quarter of financial year 2010/11, confirm the successful turnaround and the upward trend witnessed in the first quarter. Further optimisation of the portfolio, cost-cutting in operational areas and a greater focus on generating cash flow leads us to expect further improvement for the following quarters.

### Income from asset management

*Growth in retail and rental income despite a difficult environment*

In the first half of financial year 2010/11, rental income of EUR 277.1 million was generated. This represents to a rise of 4.9% compared to the same period in the previous year (EUR 264.0 million). Whilst revenues over the same period rose by 3.3% from EUR 352.5 million to EUR 364.3 million, income from asset management of EUR 224.2 million slightly decreased (2009/10: EUR 229.3 million). Retail income – especially following the opening of the *Golden Babylon Rostokino* shopping centre in Moscow – was buoyant and rose year-on-year by more than EUR 18.9 million to EUR 87.9 million. Office rental income dropped as a result of real estate sales and the start of construction work in Cologne's *Gerling Quarter*, which had previously been let.

### Income from property sales

Income amounting to EUR 13.3 million was generated from property sales in the reporting period. Compared to income in the previous year of EUR 12.4 million, this represents a rise of 7.3%. The sold properties were mainly residential properties in Austria.

### Income from development

Both the proceeds and the income arising from the sale of inventories in the portfolio rose significantly compared to the same period in the previous year. Whilst we generated proceeds of EUR 9.3 million and income of EUR 1.9 million in the first half of 2009/10, we achieved proceeds of EUR 36.3 million and income of EUR 6.2 million in the first six months of financial year 2010/11. EUR 27.5 million of the sales proceeds from these inventories relate to Austria, EUR 5.8 million to Poland and EUR 3.0 million to Serbia.

### EBITDA, EBIT, EBT, net profit for the period and cash flow

Results of operations (EBITDA) fell compared to the same period in the previous year from EUR 216.9 million to EUR 181.4 million. This fall is mainly due to other operating income being EUR 34.5 million lower year-on-year. This reduction is in turn due to the lack of extraordinary income that was reported in the previous year.

*EBIT rose 19.2%*

Thanks to the positive revaluation results of EUR 86.3 million (2009/10: EUR 7.7 million), which were mainly due to foreign exchange effects, EBIT rose by 19.2% from EUR 224.6 million to EUR 267.7 million.

Due to the lack of extraordinary items – significant income was generated in the same period of the previous year from the repurchase of convertible bonds – and expenses from foreign exchange fluctuations, the financial result decreased from EUR -17.2 million to EUR -149.3 million. This pushed earnings before tax (EBT) down from EUR 207.4 million to EUR 118.4 million. Taxes fell from EUR -43.9 million to EUR -10.1 million. All this led to a fall in net profit for the period from EUR 163.5 million to EUR 108.3 million.

Gross cash flow dropped from EUR 173.9 million to EUR 147.4 million. However cash flow from operating activities rose from EUR 187.0 million to EUR 194.3 million, particularly due to the reduction in accounts receivable. Total operating cash flow, which includes both cash flow from operating activities and from investing activities, improved in the first half of financial year 2010/11 to EUR 222.0 million (2009/10: EUR 34.6 million), since the proceeds of sales were significantly higher than capital expenditures.

### NAV per share and earnings per share

The diluted net asset value (NAV) per share rose from EUR 4.82 as of 31 July 2010 to EUR 4.95. Based on the share price as of 31 October 2010 (EUR 2.83), IMMOFINANZ shares are therefore trading at a discount of 42.87% to NAV. Earnings per share for the second quarter of 2010/11 came to EUR 0.11 (2009/10: EUR 0.18).

# Interim Financial Statements

Shopping, entertainment and leisure center with a planned GLA of over 50.000 sqm

About 130 retail units incl. a cinema and food court

*Maritimo Shopping Center*, Constanta (RO)

# Interim Financial Statements

# Consolidated Income Statement

| All amounts in TEUR | 01 August 2010– 31 October 2010 | 01 May 2010– 31 October 2010 | 01 August 2009– 31 October 2009 | 01 May 2009– 31 October 2009 |
|---|---|---|---|---|
| Office | 38,875.2 | 78,793.4 | 42,105.1 | 86,577.7 |
| Logistics[1)] | 19,112.8 | 37,239.8 | 16,755.0 | 34,350.6 |
| Retail[1)] | 44,458.0 | 87,895.1 | 33,569.0 | 68,950.3 |
| Residential | 30,156.3 | 61,471.4 | 31,159.7 | 60,976.3 |
| Other rental income | 5,810.7 | 11,652.4 | 5,873.3 | 13,180.0 |
| **Rental income** | **138,413.0** | **277,052.1** | **129,462.1** | **264,034.9** |
| Operating costs charged to tenants | 37,411.5 | 76,655.9 | 40,266.9 | 81,167.1 |
| Other revenues | 4,737.1 | 10,552.1 | 3,584.3 | 7,330.4 |
| **Revenues** | **180,561.6** | **364,260.1** | **173,313.3** | **352,532.4** |
| Real estate expenses | -38,171.9 | -66,488.2 | -22,632.6 | -45,609.7 |
| Operating costs | -35,431.6 | -73,566.5 | -38,781.9 | -77,620.0 |
| **Income from asset management** | **106,958.1** | **224,205.4** | **111,898.8** | **229,302.7** |
| Sale of properties | 17,585.4 | 68,367.5 | 13,089.5 | 29,227.6 |
| Carrying value of sold properties | -18,124.0 | -68,022.8 | -13,721.2 | -29,879.3 |
| Income/expense from deconsolidation | 623.8 | 623.8 | 7,081.3 | 7,106.8 |
| Revaluation of sold properties in reporting year | 6,555.3 | 12,341.5 | 2,839.5 | 5,951.8 |
| **Income from property sales** | **6,640.5** | **13,310.0** | **9,289.1** | **12,406.9** |
| Sale of real estate inventories | 21,256.6 | 36,313.9 | 2,173.5 | 9,349.4 |
| Cost of goods sold | -21,025.0 | -30,094.1 | -1,509.5 | -7,468.0 |
| **Income from property development** | **231.6** | **6,219.8** | **664.0** | **1,881.4** |
| Other operating income | 3,275.9 | 17,165.1 | 24,362.4 | 51,633.6 |
| **Income from operations** | **117,106.1** | **260,900.3** | **146,214.3** | **295,224.6** |
| Overhead expenses | -35,649.1 | -67,575.6 | -35,578.3 | -66,060.7 |
| Personnel expenses | -6,081.1 | -11,967.1 | -5,670.3 | -12,244.6 |
| **Results of operations (EBITDA)** | **75,375.9** | **181,357.6** | **104,965.7** | **216,919.3** |
| Revaluation of properties, excl. foreign exchange differences | 32,358.9 | 35,866.9 | -37,748.9 | 70,390.6 |
| Revaluation of properties, based on foreign exchange differences | 41,718.1 | 95,873.2 | 45,725.0 | -52,483.7 |
| Write-downs/impairment charges to goodwill | -31,828.6 | -24,890.7 | -6,516.6 | -10,203.5 |
| Addition to/reversal of provision for onerous contracts | -17,124.9 | -20,552.6 | 0.0 | 0.0 |
| **Revaluation results** | **25,123.5** | **86,296.8** | **1,459.5** | **7,703.4** |
| **Operating profit (EBIT)** | **100,499.4** | **267,654.4** | **106,425.2** | **224,622.7** |
| Net financing costs | -56,240.2 | -113,042.2 | -59,509.7 | -114,009.8 |
| Net financing revenue | 23,793.1 | 49,316.2 | 26,505.0 | 56,964.8 |
| Foreign exchange differences | -24,060.5 | -85,977.7 | -34,271.9 | 18,711.4 |
| Other financial results | 11,287.5 | 3,078.6 | -13,211.9 | -5,773.1 |
| Shares of profit/loss from associated companies | -2,412.9 | -2,643.8 | 26,872.8 | 26,872.8 |
| **Financial results** | **-47,633.0** | **-149,268.9** | **-53,615.7** | **-17,233.9** |
| **Earnings before tax (EBT)** | **52,866.4** | **118,385.5** | **52,809.5** | **207,388.8** |
| Income taxes | -5,548.3 | -11,208.4 | -3,882.4 | -9,246.2 |
| Deferred taxes | 1,999.9 | 1,108.1 | -21,665.6 | -34,652.7 |
| **Net profit for the period** | **49,318.0** | **108,285.2** | **27,261.5** | **163,489.9** |
| **Due to equity holders of the parent company** | **49,480.4** | **108,863.5** | **-659.2** | **84,531.3** |
| **Due to non-controlling interests** | **-162.4** | **-578.3** | **27,920.7** | **78,958.6** |
| **Basic earnings per share in EUR** | **0.05** | **0.11** | **0.00** | **0.18** |
| **Diluted earnings per share in EUR** | **0.05** | **0.11** | **0.04** | **0.13** |

*1) The revised allocation to asset classes led to a reclassification between the positions logistics and retail. This amount totals TEUR 15,965.8 for the reporting year (2009/10: TEUR 14,919.3).*

# Consolidated Statement of Comprehensive Income

| All amounts in TEUR | 01 May 2010–<br>31 October 2010 | 01 May 2009–<br>31 October 2009 |
|---|---|---|
| **Net profit for the period** | **108,285.2** | **163,489.9** |
| | | |
| **Other income and expenses recognised directly in equity** | | |
| Investments not recognised through profit or loss | -1,106.6 | 4,739.0 |
| Deferred taxes not recognised through profit or loss | 1,129.9 | -161.2 |
| Realisation of unrealised losses | 6,691.4 | 0.0 |
| Realisation of deferred taxes | -1,672.8 | 0.0 |
| Currency translation adjustment | -28,624.6 | 14,518.5 |
| **Total other income and expenses recognised directly in equity** | **-23,582.7** | **19,096.3** |
| | | |
| Total comprehensive income | 84,702.5 | 182,586.2 |
| Due to equity holders of the parent company | 85,612.3 | 94,360.2 |
| Due to non-controlling interests | -909.8 | 88,226.0 |

# Consolidated Balance Sheet as of 31 October 2010

| All amounts in TEUR | 31 October 2010 | 30 April 2010 |
|---|---|---|
| Investment property | 8,772,000.6 | 8,639,980.3 |
| Property under construction | 229,428.5 | 179,864.6 |
| Other tangible assets | 22,560.2 | 21,947.2 |
| Intangible assets | 217,478.5 | 211,819.3 |
| Shares in associated companies | 98,341.4 | 115,722.2 |
| Trade and other receivables | 708,550.8 | 709,994.7 |
| Other financial instruments | 404,719.3 | 383,339.6 |
| Deferred tax assets | 402,680.1 | 265,936.6 |
| **Non-current assets** | **10,855,759.4** | **10,528,604.5** |
| Trade and other receivables | 392,447.6 | 601,257.1 |
| Other financial assets | 11,079.8 | 31,250.3 |
| Properties held for sale | 21,370.0 | 44,759.5 |
| Inventories | 203,888.0 | 252,308.5 |
| Cash and cash equivalents | 552,201.5 | 505,402.7 |
| Financial assets held for sale | 243.8 | 0.0 |
| **Current assets** | **1,181,230.7** | **1,434,978.1** |
| **Assets** | **12,036,990.1** | **11,963,582.6** |
| Share capital | 1,084,088.5 | 1,084,088.5 |
| Reserves | 4,416,756.7 | 4,416,756.7 |
| Own Shares | -156,859.7 | 0.0 |
| Accumulated other equity | -32,233.6 | -8,624.9 |
| Retained earnings | -552,328.5 | -660,266.5 |
| | **4,759,423.4** | **4,831,953.8** |
| Non-controlling interests | 38,787.9 | 40,918.9 |
| **Equity** | **4,798,211.3** | **4,872,872.7** |
| Liabilities from convertible bonds | 900,230.7 | 974,370.7 |
| Long-term financial liabilities | 3,698,691.4 | 3,511,791.6 |
| Trade and other liabilities | 251,795.3 | 251,660.1 |
| Provisions | 22,852.8 | 10,386.5 |
| Deferred taxes | 1,015,494.1 | 895,083.7 |
| **Non-current liabilities** | **5,889,064.3** | **5,643,292.6** |
| Liabilities from convertible bonds | 26,166.8 | 10,803.7 |
| Short-term financial liabilities | 819,861.9 | 894,636.8 |
| Trade and other liabilities | 408,234.7 | 402,150.6 |
| Provisions | 89,243.6 | 139,826.2 |
| Financial assets held for sale | 6,207.5 | 0.0 |
| **Current liabilities** | **1,349,714.5** | **1,447,417.3** |
| **Equity and liabilities** | **12,036,990.1** | **11,963,582.6** |

# Consolidated Cash Flow Statement

| All amounts in TEUR | 01 May 2010– 31 October 2010 | 01 May 2009– 31 October 2009 |
|---|---|---|
| Earnings before tax | 118,385.5 | 207,388.8 |
| Revaluation/amortisation/reversal of negative goodwill | -104,928.9 | 33,972.1 |
| Share of profit/(loss) from associated companies | 2,643.9 | -26,872.8 |
| Gain/(loss) on the sale of non-current assets | 12,382.4 | -27,406.7 |
| Temporary changes in the fair value of financial instruments | 83,862.6 | -45,583.8 |
| Income taxes paid | -6,055.3 | -5,119.1 |
| Net financing costs | 64,199.8 | 56,041.7 |
| Gains on the change in investments | -742.0 | -7,106.8 |
| Other non-cash income/(expenses) | -22,364.8 | -11,365.1 |
| **Gross cash flow** | **147,383.2** | **173,948.3** |
| Receivables and other assets | 102,927.8 | -44,157.4 |
| Trade accounts payable | 6,802.8 | -18,079.2 |
| Provisions (excl. provisions for taxes and onerous contracts) | -40,913.7 | 6,016.0 |
| Other liabilities | -21,879.0 | 69,321.3 |
| **Cash flow from operating activities** | **194,321.1** | **187,049.0** |
| Acquisition of property | -86,485.1 | -206,172.1 |
| Acquisition of property companies less cash and cash equivalents | -5,981.0 | -9,375.0 |
| Acquisition of other tangible assets | -1,321.3 | -1,926.3 |
| Acquisition of intangible assets | -784.2 | -1,050.8 |
| Acquisition of financial instruments | -26,102.1 | -28,436.0 |
| Proceeds from the sale of property companies less cash and cash equivalents | 13,407.2 | 42,036.6 |
| Proceeds from the sale of non-current assets | 81,397.7 | 32,458.5 |
| Proceeds from the sale of financial instruments | 50,184.2 | 15,153.7 |
| Interest income from financial instruments | 3,382.3 | 4,911.6 |
| **Cash flow from investing activities** | **27,697.7** | **-152,399.8** |
| Cash inflows from long-term financing | 111,682.4 | 112,862.2 |
| Cash outflows from changes in investments | 1,612.8 | -127.5 |
| Repayment of short-term debt | -110,249.0 | -100,543.4 |
| Repayment of long-term debt | -191,399.9 | -102,857.9 |
| Interest expense | -55,304.7 | -67,901.6 |
| Disbursement | 0.0 | -701.3 |
| **Cash flow from financing activities** | **-243,658.4** | **-159,269.5** |
| Differences arising from foreign currency translation | 48,267.9 | 5,124.2 |
| **Change in cash and cash equivalents** | **26,628.3** | **-119,496.1** |
| Cash and cash equivalents at the beginning of the period | 536,653.0 | 714,762.9 |
| Cash and cash equivalents at the end of the period | 563,281.3 | 595,266.8 |
| **Change in cash and cash equivalents** | **26,628.3** | **-119,496.1** |

# Statement of Changes in Equity

| | Due to equity holders of the parent company | | | |
|---|---|---|---|---|
| **Q2 2010/11** | | | | **Accumulated other equity** |
| **All amounts in TEUR** | **Share Capital** | **Capital reserves** | **Own Shares** | **Revaluation reserve** |
| **Balance on 30 April 2010** | **1,084,088.5** | **4,416,756.7** | **0.0** | **107,089.7** |
| Investments not recognised through profit or loss | | | | |
| Deferred taxes not recognised through profit or loss | | | | |
| Realisation of unrealised losses | | | | |
| Realisation of deferred taxes | | | | |
| Currency translation adjustment | | | | |
| **Total other income and expenses recognised directly in equity** | | | | |
| Net profit as of 31 October 2010 | | | | |
| **Total comprehensive income** | | | | |
| Share repurchase | | | -156,859.7 | |
| Capital increase | | | | |
| Structural changes | | | | |
| Change in consolidation method/addition to consolidation range | | | | |
| Deconsolidations | | | | -379.1 |
| Common Control Transactions | | | | |
| **Balance on 31 October 2010** | **1,084,088.5** | **4,416,756.7** | **-156,859.7** | **106,710.6** |
| **Q2 2009/10** | | | | |
| **All amounts in TEUR** | **Share Capital** | **Capital reserves** | **Own Shares** | **Revaluation reserve** |
| **Balance on 30 April 2009** | **476,579.0** | **2,432,007.2** | **0.0** | **113,619.7** |
| Investments not recognised through profit or loss | | | | |
| Deferred taxes not recognised through profit or loss | | | | |
| Currency translation adjustment | | | | -7.1 |
| **Total other income and expenses recognised directly in equity** | | | | **-7.1** |
| Net profit as of 31 October 2009 | | | | |
| **Total comprehensive income** | | | | **-7.1** |
| Disbursement | | | | |
| Structural changes | | | | -421.4 |
| Change in consolidation method/addition to consolidation range | | | | -106.8 |
| Common Control Transactions | | | | |
| **Balance on 31 October 2009** | **476,579.0** | **2,432,007.2** | **0.0** | **113,084.4** |

| AFS reserve | Translation reserve | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|
| **11,435.2** | **-127,149.8** | **-660,266.5** | **4,831,953.8** | **40,918.9** | **4,872,872.7** |
| -1,106.6 | | | -1,106.6 | | -1,106.6 |
| 1,129.9 | | | 1,129.9 | | 1,129.9 |
| 6,691.4 | | | 6,691.4 | | 6,691.4 |
| -1,672.8 | | | -1,672.8 | | -1,672.8 |
| | -28,293.1 | | -28,293.1 | -331.5 | -28,624.6 |
| **5,041.9** | **-28,293.1** | | **-23,251.2** | **-331.5** | **-23,582.7** |
| | | 108,863.5 | 108,863.5 | -578.3 | 108,285.2 |
| **5,041.9** | **-28,293.1** | **108,863.5** | **85,612.3** | **-909.8** | **84,702.5** |
| | | | -156,859.7 | | -156,859.7 |
| | | | | 140.5 | 140.5 |
| | | -1,479.4 | -1,479.4 | 993.8 | -485.6 |
| | 6.8 | | 6.8 | -2,355.5 | -2,348.7 |
| | 14.8 | 553.9 | 189.6 | | 189.6 |
| | | | | | 0.0 |
| **16,477.1** | **-155,421.3** | **-552,328.5** | **4,759,423.4** | **38,787.9** | **4,798,211.3** |

| AFS reserve | Translation reserve | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|
| **1,853.0** | **-104,418.0** | **-738,284.5** | **2,181,356.4** | **2,383,911.2** | **4,565,267.6** |
| 4,419.0 | | | 4,419.0 | 320.0 | 4,739.0 |
| -545.6 | | | -545.6 | 384.4 | -161.2 |
| -49.9 | 6,012.5 | | 5,955.5 | 8,563.0 | 14,518.5 |
| **3,823.5** | **6,012.5** | | **9,828.9** | **9,267.4** | **19,096.3** |
| | | 84,531.3 | 84,531.3 | 78,958.6 | 163,489.9 |
| **3,823.5** | **6,012.5** | **84,531.3** | **94,360.2** | **88,226.0** | **182,586.2** |
| | | | | -701.3 | -701.3 |
| | -7.0 | -304.8 | -733.2 | 604.6 | -128.6 |
| | 67.6 | | -39.2 | -27.5 | -66.7 |
| | | -33.9 | -33.9 | 33.9 | 0.0 |
| **5,676.5** | **-98,344.9** | **-654,091.9** | **2,274,910.3** | **2,472,046.9** | **4,746,957.2** |

# Segment Reporting

| All amounts in TEUR | Austria Q2 2010/11 | Austria Q2 2009/10 |
|---|---|---|
| Office | 22,374.1 | 22,127.5 |
| Logistics[1] | 1,489.5 | 1,662.0 |
| Retail[1] | 19,484.3 | 18,742.5 |
| Residential | 51,236.5 | 53,213.1 |
| Other rental income | 5,387.4 | 5,164.8 |
| **Rental income** | **99,971.8** | **100,909.9** |
| Operating costs charged to tenants | 30,317.3 | 34,237.1 |
| Other revenues | 4,566.0 | 4,566.2 |
| **Revenues** | **134,855.1** | **139,713.2** |
| Real estate expenses | -36,688.7 | -30,492.6 |
| Operating costs | -27,619.8 | -33,572.6 |
| **Income from asset management** | **70,546.6** | **75,648.0** |
| Sale of properties | 67,882.5 | 29,038.9 |
| Carrying value of sold properties | -67,354.1 | -29,879.3 |
| Income/expense from deconsolidation | 3.5 | 0.0 |
| Revaluation of sold properties in reporting year | 12,341.5 | 5,951.8 |
| **Income from property sales** | **12,873.4** | **5,111.4** |
| Sale of real estate inventories | 27,540.1 | 4,966.3 |
| Cost of goods sold | -23,764.6 | -4,487.5 |
| **Income from property development** | **3,775.5** | **478.8** |
| Other operating income | 10,938.6 | 9,077.8 |
| **Income from operations** | **98,134.1** | **90,316.0** |
| Overhead expenses | -15,199.7 | -26,953.3 |
| Personnel expenses | -7,356.2 | -6,077.2 |
| **Results of operations (EBITDA)** | **75,578.2** | **57,285.5** |
| Revaluation of properties, excl. foreign exchange differences | 33,794.1 | -5,285.5 |
| Revaluation of properties, based on foreign exchange differences | 0.0 | 0.0 |
| Write-downs/impairment charges to goodwill | -10,343.3 | -3,542.3 |
| Addition to/reversal of provision for onerous contracts | 17.3 | 0.0 |
| **Revaluation results** | **23,468.1** | **-8,827.8** |
| **Operating profit (EBIT)** | **99,046.3** | **48,457.7** |
| | | |
| **Segment assets** | **4,355,296.1** | **5,223,593.0** |
| **Segment liabilities** | **2,296,007.8** | **2,786,545.9** |

*[1] The revised allocation to asset classes led to a reclassification between the positions logistics and retail. This amount totals TEUR 15,965.8 for the reporting year (2009/10: TEUR 14,919.3).*

| Germany | | Poland | | Czech Republic | | Slovakia | |
|---|---|---|---|---|---|---|---|
| Q2 2010/11 | Q2 2009/10 | Q2 2010/11 | Q2 2009/10 | Q2 2010/11 | Q2 2009/10 | Q2 2010/11 | Q2 2009/10 |
| 1,701.0 | 5,753.2 | 12,293.8 | 12,582.2 | 14,242.8 | 15,025.0 | 3,124.2 | 3,416.6 |
| 17,756.2 | 15,017.6 | 1,275.6 | 1,305.2 | 581.0 | 1,004.0 | 218.3 | 26.6 |
| 2,139.2 | 853.6 | 9,692.6 | 8,884.7 | 5,527.4 | 4,013.8 | 5,422.7 | 5,722.0 |
| 4,547.5 | 4,483.5 | 0.0 | 0.0 | 6.8 | 24.1 | 0.0 | 0.0 |
| 693.1 | 2,632.4 | 957.6 | 951.0 | 1,083.6 | 1,412.8 | 233.0 | 256.3 |
| **26,837.0** | **28,740.3** | **24,219.6** | **23,723.1** | **21,441.6** | **21,479.7** | **8,998.2** | **9,421.5** |
| 4,936.7 | 5,752.3 | 8,725.7 | 8,526.7 | 6,288.7 | 6,050.8 | 4,384.9 | 6,044.2 |
| 415.3 | 12.7 | 1,301.1 | 456.3 | 386.1 | 386.6 | 990.0 | 459.0 |
| **32,189.0** | **34,505.3** | **34,246.4** | **32,706.1** | **28,116.4** | **27,917.1** | **14,373.1** | **15,924.7** |
| -5,758.3 | -4,804.2 | -1,460.4 | -925.0 | -2,426.7 | -2,279.0 | -596.6 | -341.3 |
| -4,988.3 | -5,735.0 | -8,259.4 | -7,486.2 | -6,288.7 | -6,094.1 | -4,384.9 | -5,158.9 |
| **21,442.4** | **23,966.1** | **24,526.6** | **24,294.9** | **19,401.0** | **19,544.0** | **9,391.6** | **10,424.5** |
| 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 | 0.0 | -130.8 | 0.0 | 11.5 | 0.0 |
| 12,436.8 | 10,167.6 | -208.1 | 6.5 | 384.9 | -0.1 | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **12,436.8** | **10,167.6** | **-208.1** | **6.5** | **255.1** | **-0.1** | **11.5** | **0.0** |
| 0.0 | 0.0 | 5,760.2 | 3,601.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| 0.0 | 133.9 | -4,330.1 | -2,830.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| **0.0** | **133.9** | **1,430.1** | **771.2** | **0.0** | **0.0** | **0.0** | **0.0** |
| 1,764.5 | 11,364.2 | 332.9 | 3,285.5 | 121.7 | 1,481.4 | 164.6 | 163.7 |
| **35,643.7** | **45,631.7** | **26,081.5** | **28,358.1** | **19,777.8** | **21,025.3** | **9,567.7** | **10,588.2** |
| -6,562.7 | -37,058.1 | -1,394.0 | -4,229.2 | -1,844.0 | -1,152.4 | -1,384.6 | -1,249.9 |
| -454.6 | -141.6 | -208.3 | -86.0 | -0.1 | 0.0 | -0.3 | 0.0 |
| **28,626.4** | **8,432.1** | **24,479.2** | **24,042.8** | **17,933.7** | **19,872.8** | **8,182.8** | **9,338.3** |
| 11,922.4 | -2,768.1 | 6,276.8 | 940.1 | -5,599.7 | 6,398.8 | -792.7 | -1,765.0 |
| 0.0 | 0.0 | 10,369.6 | -24,999.3 | -24,883.7 | -6,465.4 | 0.0 | 0.0 |
| -1,839.9 | -246.8 | 666.5 | -555.7 | 1,186.6 | -729.7 | -221.5 | -48.3 |
| -0.1 | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 |
| **10,082.4** | **-3,014.9** | **17,312.8** | **-24,614.8** | **-29,296.8** | **-796.2** | **-1,014.3** | **-1,813.3** |
| **38,708.8** | **5,417.2** | **41,792.0** | **-572.0** | **-11,363.1** | **19,076.6** | **7,168.5** | **7,524.9** |
| **948,037.5** | **1,147,801.2** | **674,325.4** | **765,987.2** | **662,752.4** | **905,600.9** | **233,545.1** | **294,896.3** |
| **815,663.5** | **980,130.0** | **746,918.0** | **670,235.2** | **833,343.4** | **582,748.1** | **334,622.1** | **312,547.2** |

# Segment Reporting

| All amounts in TEUR | Hungary Q2 2010/11 | Hungary Q2 2009/10 |
|---|---|---|
| Office | 9,088.4 | 8,641.4 |
| Logistics[1)] | 1,980.8 | 2,783.5 |
| Retail[1)] | 6,569.0 | 5,947.2 |
| Residential | 0.0 | 0.0 |
| Other rental income | 623.8 | 618.5 |
| **Rental income** | **18,262.0** | **17,990.6** |
| Operating costs charged to tenants | 6,577.9 | 7,401.2 |
| Other revenues | 226.1 | 57.2 |
| **Revenues** | **25,066.0** | **25,449.0** |
| Real estate expenses | -2,420.6 | -1,375.7 |
| Operating costs | -6,569.0 | -7,323.5 |
| **Income from asset management** | **16,076.4** | **16,749.8** |
| Sale of properties | 0.0 | 0.0 |
| Carrying value of sold properties | 0.0 | 0.0 |
| Income/expense from deconsolidation | 0.0 | 0.0 |
| Revaluation of sold properties in reporting year | 0.0 | 0.0 |
| **Income from property sales** | **0.0** | **0.0** |
| Sale of real estate inventories | 0.0 | 429.8 |
| Cost of goods sold | -66.0 | -93.4 |
| **Income from property development** | **-66.0** | **336.4** |
| Other operating income | 2,870.5 | 273.5 |
| **Income from operations** | **18,880.9** | **17,359.7** |
| Overhead expenses | -520.7 | -2,578.2 |
| Personnel expenses | -49.8 | -44.5 |
| **Results of operations (EBITDA)** | **18,310.4** | **14,737.0** |
| Revaluation of properties, excl. foreign exchange differences | -6,847.8 | 5,965.8 |
| Revaluation of properties, based on foreign exchange differences | 10,124.9 | -30,870.3 |
| Write-downs/impairment charges to goodwill | -169.4 | -257.7 |
| Addition to/reversal of provision for onerous contracts | 0.0 | 0.0 |
| **Revaluation results** | **3,107.7** | **-25,162.1** |
| **Operating profit (EBIT)** | **21,418.1** | **-10,425.1** |
| | | |
| **Segment assets** | **544,570.4** | **668,464.0** |
| **Segment liabilities** | **624,845.7** | **444,126.6** |

*1) The revised allocation to asset classes led to a reclassification between the positions logistics and retail. This amount totals TEUR 15,965.8 for the reporting year (2009/10: TEUR 14,919.3).*

| Romania | | Russia | | Other non-core countries | | Total reportable segments | |
|---|---|---|---|---|---|---|---|
| Q2 2010/11 | Q2 2009/10 | Q2 2010/11 | Q2 2009/10 | Q2 2010/11 | Q2 2009/10 | Q2 2010/11 | Q2 2009/10 |
| 14,718.1 | 16,781.2 | 0.0 | 0.0 | 1,251.0 | 2,250.6 | 78,793.4 | 86,577.7 |
| 1,741.7 | 1,011.5 | 1,995.2 | 1,950.3 | 10,201.5 | 9,589.9 | 37,239.8 | 34,350.6 |
| 6,016.7 | 8,420.2 | 32,121.6 | 15,533.9 | 921.6 | 832.4 | 87,895.1 | 68,950.3 |
| 0.0 | 0.0 | 0.0 | 0.0 | 5,680.6 | 3,255.6 | 61,471.4 | 60,976.3 |
| 281.6 | 0.0 | 95.3 | 83.9 | 2,297.0 | 2,060.3 | 11,652.4 | 13,180.0 |
| **22,758.1** | **26,212.9** | **34,212.1** | **17,568.1** | **20,351.7** | **17,988.8** | **277,052.1** | **264,034.9** |
| 7,479.5 | 9,419.4 | 6,861.9 | 3,284.1 | 1,083.3 | 451.3 | 76,655.9 | 81,167.1 |
| 1,379.5 | 806.2 | 957.4 | 144.9 | 330.6 | 441.3 | 10,552.1 | 7,330.4 |
| **31,617.1** | **36,438.5** | **42,031.4** | **20,997.1** | **21,765.6** | **18,881.4** | **364,260.1** | **352,532.4** |
| -5,848.3 | -2,534.9 | -5,758.7 | -301.1 | -5,529.9 | -2,555.9 | -66,488.2 | -45,609.7 |
| -7,479.6 | -8,511.8 | -6,861.9 | -3,139.2 | -1,114.9 | -598.7 | -73,566.5 | -77,620.0 |
| **18,289.2** | **25,391.8** | **29,410.8** | **17,556.8** | **15,120.8** | **15,726.8** | **224,205.4** | **229,302.7** |
| 0.0 | 188.7 | 484.0 | 0.0 | 0.0 | 0.0 | 68,367.5 | 29,227.6 |
| 0.0 | 0.0 | -549.5 | 0.0 | 0.1 | 0.0 | -68,022.8 | -29,879.3 |
| -871.3 | 0.0 | -0.1 | 0.0 | -87.5 | 0.0 | 11,658.2 | 10,174.0 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 12,341.5 | 5,951.8 |
| **-871.3** | **188.7** | **-65.6** | **0.0** | **-87.4** | **0.0** | **24,344.4** | **15,474.1** |
| 0.0 | 94.8 | 0.0 | 0.0 | 3,013.6 | 257.2 | 36,313.9 | 9,349.4 |
| 0.0 | -13.5 | 0.0 | 0.0 | -1,933.4 | -177.4 | -30,094.1 | -7,468.0 |
| **0.0** | **81.3** | **0.0** | **0.0** | **1,080.2** | **79.8** | **6,219.8** | **1,881.4** |
| 4,694.1 | 1,268.9 | 209.5 | 4.8 | 1,016.7 | 596.5 | 22,113.1 | 27,516.2 |
| **22,112.0** | **26,930.7** | **29,554.7** | **17,561.6** | **17,130.3** | **16,403.1** | **276,882.7** | **274,174.4** |
| 561.7 | -6,196.5 | -5,387.5 | -1,736.5 | -3,387.9 | -3,124.0 | -35,119.4 | -84,278.2 |
| -125.6 | -105.2 | -67.3 | -132.9 | -1,501.9 | -1,533.0 | -9,764.1 | -8,120.3 |
| **22,548.1** | **20,629.0** | **24,099.9** | **15,692.2** | **12,240.5** | **11,746.2** | **231,999.2** | **181,776.0** |
| -38,553.5 | -20,006.2 | 30,193.2 | 82,035.8 | 5,474.1 | 4,874.8 | 35,866.9 | 70,390.6 |
| 26,565.4 | 23,327.1 | 77,084.6 | -12,743.6 | -3,387.6 | -732.3 | 95,873.2 | -52,483.7 |
| -8,297.0 | -118.0 | -225.1 | -331.8 | -3,053.4 | -354.8 | -22,296.5 | -6,185.0 |
| -10,162.3 | 0.0 | -0.1 | 0.0 | 0.1 | 0.0 | -10,145.3 | 0.0 |
| **-30,447.4** | **3,203.0** | **107,052.6** | **68,960.5** | **-966.8** | **3,787.7** | **99,298.3** | **11,721.9** |
| **-7,899.3** | **23,832.0** | **131,152.5** | **84,652.7** | **11,273.7** | **15,533.9** | **331,297.5** | **193,497.9** |
| **1,127,887.1** | **1,148,353.2** | **876,396.1** | **781,456.7** | **1,223,780.6** | **620,756.7** | **10,646,590.5** | **11,556,909.2** |
| **1,972,284.5** | **1,029,469.6** | **1,261,511.3** | **564,277.7** | **1,195,686.9** | **497,691.8** | **10,080,883.2** | **7,867,772.2** |

# Segment Reporting

| All amounts in TEUR | Total reportable segments Q2 2010/11 | Total reportable segments Q2 2009/10 |
|---|---|---|
| Office | 78,793.4 | 86,577.7 |
| Logistics[1] | 37,239.8 | 34,350.6 |
| Retail[1] | 87,895.1 | 68,950.3 |
| Residential | 61,471.4 | 60,976.3 |
| Other rental income | 11,652.4 | 13,180.0 |
| **Rental income** | **277,052.1** | **264,034.9** |
| Operating costs charged to tenants | 76,655.9 | 81,167.1 |
| Other revenues | 10,552.1 | 7,330.4 |
| **Revenues** | **364,260.1** | **352,532.4** |
| Real estate expenses | -66,488.2 | -45,609.7 |
| Operating costs | -73,566.5 | -77,620.0 |
| **Income from asset management** | **224,205.4** | **229,302.7** |
| Sale of properties | 68,367.5 | 29,227.6 |
| Carrying value of sold properties | -68,022.8 | -29,879.3 |
| Income/expense from deconsolidation | 11,658.2 | 10,174.0 |
| Revaluation of sold properties in reporting year | 12,341.5 | 5,951.8 |
| **Income from property sales** | **24,344.4** | **15,474.1** |
| Sale of real estate inventories | 36,313.9 | 9,349.4 |
| Cost of goods sold | -30,094.1 | -7,468.0 |
| **Income from property development** | **6,219.8** | **1,881.4** |
| Other operating income | 22,113.1 | 27,516.2 |
| **Income from operations** | **276,882.7** | **274,174.4** |
| Overhead expenses | -35,119.4 | -84,278.2 |
| Personnel expenses | -9,764.1 | -8,120.3 |
| **Results of operations (EBITDA)** | **231,999.2** | **181,776.0** |
| Revaluation of properties, excl. foreign exchange differences | 35,866.9 | 70,390.6 |
| Revaluation of properties, based on foreign exchange differences | 95,873.2 | -52,483.7 |
| Write-downs/impairment charges to goodwill | -22,296.5 | -6,185.0 |
| Addition to/reversal of provision for onerous contracts | -10,145.3 | 0.0 |
| **Revaluation results** | **99,298.3** | **11,721.9** |
| **Operating profit (EBIT)** | **331,297.5** | **193,497.9** |
| | | |
| **Segment assets** | **10,646,590.5** | **11,556,909.2** |
| **Segment liabilities** | **10,080,883.2** | **7,867,772.2** |

*[1] The revised allocation to asset classes led to a reclassification between the positions logistics and retail. This amount totals TEUR 15,965.8 for the reporting year (2009/10: TEUR 14,919.3).*

| Transition to consolidated financial statements | | IMMOFINANZ Group | |
|---|---|---|---|
| Q2 2010/11 | Q2 2009/10 | Q2 2010/11 | Q2 2009/10 |
| 0.0 | 0.0 | 78,793.4 | 86,577.7 |
| 0.0 | 0.0 | 37,239.8 | 34,350.6 |
| 0.0 | 0.0 | 87,895.1 | 68,950.3 |
| 0.0 | 0.0 | 61,471.4 | 60,976.3 |
| 0.0 | 0.0 | 11,652.4 | 13,180.0 |
| **0.0** | **0.0** | **277,052.1** | **264,034.9** |
| 0.0 | 0.0 | 76,655.9 | 81,167.1 |
| 0.0 | 0.0 | 10,552.1 | 7,330.4 |
| **0.0** | **0.0** | **364,260.1** | **352,532.4** |
| 0.0 | 0.0 | -66,488.2 | -45,609.7 |
| 0.0 | 0.0 | -73,566.5 | -77,620.0 |
| **0.0** | **0.0** | **224,205.4** | **229,302.7** |
| 0.0 | 0.0 | 68,367.5 | 29,227.6 |
| 0.0 | 0.0 | -68,022.8 | -29,879.3 |
| -11,034.4 | -3,067.2 | 623.8 | 7,106.8 |
| 0.0 | 0.0 | 12,341.5 | 5,951.8 |
| **-11,034.4** | **-3,067.2** | **13,310.0** | **12,406.9** |
| 0.0 | 0.0 | 36,313.9 | 9,349.4 |
| 0.0 | 0.0 | -30,094.1 | -7,468.0 |
| **0.0** | **0.0** | **6,219.8** | **1,881.4** |
| -4,948.0 | 24,117.4 | 17,165.1 | 51,633.6 |
| **-15,982.4** | **21,050.2** | **260,900.3** | **295,224.6** |
| -32,456.2 | 18,217.5 | -67,575.6 | -66,060.7 |
| -2,203.0 | -4,124.3 | -11,967.1 | -12,244.6 |
| **-50,641.6** | **35,143.3** | **181,357.6** | **216,919.3** |
| 0.0 | 0.0 | 35,866.9 | 70,390.6 |
| 0.0 | 0.0 | 95,873.2 | -52,483.7 |
| -2,594.2 | -4,018.5 | -24,890.7 | -10,203.5 |
| -10,407.3 | 0.0 | -20,552.6 | 0.0 |
| **-13,001.5** | **-4,018.5** | **86,296.8** | **7,703.4** |
| **-63,643.1** | **31,124.8** | **267,654.4** | **224,622.7** |
| **1,390,399.6** | **217,564.8** | **12,036,990.1** | **11,774,474.0** |
| **-2,878,303.7** | **-840,255.5** | **7,202,579.5** | **7,027,516.7** |

# 1. Accounting and Valuation Principles

The interim financial report of IMMOFINANZ AG as of 31 October 2010 was prepared in accordance with the International Financial Reporting Standards (IFRS) that were valid as of the balance sheet date, to the extent that these standards had been adopted into the body of law of the European Union through the procedure set forth in Art. 6 Par. 2 of IAS regulation 1606/2002. The interim financial report was prepared according to the rules of IAS 34.

Information on the IFRS and significant accounting policies applied by IMMOFINANZ AG in preparing this interim financial report is provided in the consolidated financial statement as of 30 April 2010.

During the 2009/10 financial year a number of changes were made in the presentation of the income statement, the balance sheet and segment reporting. The structure of the income statement was changed to provide a better understanding of the various components of earnings. The structure of the balance sheet was adjusted to meet the requirements of IAS 1. In connection with the restructuring process that involved the entire corporation, IMMOFINANZ Group management redefined the operating segments. Segment reporting was then adapted to reflect this new management viewpoint and the prior year data were adjusted accordingly. Additional information on the resulting reclassifications is provided in the consolidated financial statements as of 30 April 2010.

The fair value of the IMMOFINANZ properties as of 31 October 2010 were determined on the basis of appraisals that did not include on-site inspections.

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

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

# 2. Consolidation Range

### 2.1 Business combinations (initial consolidation)

IMMOFINANZ acquired shares in or founded the following companies during the the first quarter of 2010/11:

| Segment | Country | Headquarters | Company | Stake | Consolidation method | Initial consolidation |
|---|---|---|---|---|---|---|
| **Aquisition** | | | | | | |
| Austria | AT | Vienna | I&I Real Estate Asset Management GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Gesellschaft für Unternehmens-beteiligungen m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ BETEILIGUNGS GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Hepta Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Corporate Finance Consulting GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Advisory GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Enterprise GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | C.I.M. Unternehmensbeteiligungs- und Anlagenvermietungs GmbH | 33.00% | E | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ GESELLSCHAFT FÜR UNTERNEHMENSBETEILIGUNGEN GMBH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IP1 Liegenschaftsverwaltungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IP1 Liegenschaftsverwaltungsgesellschaft m.b.H. & Co. Alpha KG – in liquidation | 68.71% | F | 25 August 2010 |

| Segment | Country | Headquarters | Company | Stake | Con-solidation method | Initial consolidation |
|---|---|---|---|---|---|---|
| Austria | AT | Vienna | Constantia Beteiligungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ BETA LIEGENSCHAFTS-VERMIETUNGSGESELLSCHAFT M.B.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CFE Immobilienentwicklungs GmbH | 50.00% | P | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ LIEGENSCHAFTSVERWAL-TUNGS- UND BETEILIGUNGSGESELLSCHAFT M.B.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | OSG Immobilienhandels G.m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB DREI Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB EPSILON Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | PBC Liegenschaftshandelsgesellschaft m.b.H. & Co Projekt "alpha" KG | 73.38% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOBILIA Immobilienhandels GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ KAPPA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ LAMBDA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB OMIKRON Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ OMIKRON Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | PBC Liegenschaftshandelsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Immobilien und Mobilien Vermietungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ Sita Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | C&I Leasing Ges.m.b.H. | 51.00% | F | 25 August 2010 |
| Austria | AT | Vienna | C&I Maschinenleasing Ges.m.b.H. | 51.00% | F | 25 August 2010 |
| Austria | AT | Vienna | C&I Investitionsgüterleasing Ges.m.b.H. | 51.00% | F | 25 August 2010 |
| Austria | AT | Vienna | C&I Investitionsgüterleasingges.m.b.H. & Co.KG | 51.00% | F | 25 August 2010 |
| Austria | AT | Vienna | C&I Investitionsgüterleasingges.m.b.H. & Co Anlagen KG | 51.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ HOLDING GMBH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOBILIA Immobilienhandels GmbH & Co KG | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB GAMMA Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB DELTA Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | PBC Liegenschaftshandelsgesellschaft m.b.H. & Co KG | 80.95% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Pegai Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB KAPPA Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ Epsilon Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Investitionsgüter Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | LeasCon Holding GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Realitäten und Mobilien Vermietungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | TradeCon Leasing- und Unternehmens-beteiligungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | TradeCon Handels- und Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Zeppelin Immoblienvermietungs GmbH | 100.00% | F | 25 August 2010 |

| Segment | Country | Headquarters | Company | Stake | Con-solidation method | Initial consolidation |
|---|---|---|---|---|---|---|
| Austria | AT | Vienna | CPB Beteiligungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB EINS Anlagen Leasing GmbH – in liquidation | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Grundstücks und Mobilien Vermietungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | LUB Leasing- und Unternehmensbeteiligungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | LeasCon Anlagen Leasing und Beteiligungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | ECE Einkaufs-Centrum Kapfenberg Gesellschaft m.b.H. | 50.00% | P | 25 August 2010 |
| Austria | AT | Vienna | LeasCon Maschinen Leasing und Handels GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | LeasCon Mobilien Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | TCB Telecom Beteiligungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | E+W Vermögensverwaltungsgesellschaft m.b.H. – in Liquidation | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Anlagen Leasing Gesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB ALPHA Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ SIGMA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ OMEGA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB PRIMA Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMF SECUNDA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Objekta Errichtungs- und Verwertungs-Gesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMF PRIMA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB TERTIA Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMF QUARTA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Maschinen Leasing Gesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Constari Liegenschaftsvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Mandelgasse 31 Vermietungsgesellschaft m.b.H. – in Liquidation | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Immobilia Epsilon Immobilienvermietungsges.m.b.H. – in Liquidation | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Immobilia Delta Immobilienvermietungsgesellschaft m.b.H. – in Liquidation | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Appartement im Park ErrichtungsGmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Holding GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CGS Gamma Immobilien Vermietung GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CBB-L Beta Beteiligungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CBB-L Jota Beteiligungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CBB-L Realitäten Beteiligungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB Mobilien Leasing Gesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Constantia Treuhand und Vermögensverwaltungs GmbH | 100.00% | F | 25 August 2010 |

| Segment | Country | Headquarters | Company | Stake | Consolidation method | Initial consolidation |
|---|---|---|---|---|---|---|
| Austria | AT | Vienna | INFRA 1 Grundstückverwaltungs-Gesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | C.A.P. Immobilienprojektentwicklungs- und Beteiligungs Aktiengesellschaft | 50.00% | P | 25 August 2010 |
| Austria | AT | Vienna | LeasCon Gesellschaft für Unternehmens-beteiligungen GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPBE Clearing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | ESCENDO Liegenschaftshandelsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | ESCENDO Liegenschaftshandelsgesellschaft m.b.H. & Co KG | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Immobilia Holding GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Immobilia L Liegenschafts Vermietungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Immobilia L Liegenschafts Vermietungs GmbH & Co Bischoffgasse 14/Rosasgasse 30 KG | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Immobilia L Liegenschafts Vermietungs GmbH & Co Viriotgasse 4 KG | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SITUS Holding GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SITUS L Liegenschafts Vermietungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SITUS L Liegenschafts Vermietungs GmbH & Co. Kaiserstraße 44-46 KG | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SITUS L Liegenschafts Vermietungs GmbH & Co. Neubaugasse 26 KG | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SITUS L Liegenschafts Vermietungs GmbH & Co Seidengasse 39 KG | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SYLEUS Holding GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SYLEUS L Liegenschafts Vermietungs GmbH – in Liquidation | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CONSTANTIA Immobilienvermietungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SARIUS Holding GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | SARIUS Liegenschaftsvermietungs GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | IMMOFINANZ JOTA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB BETA Anlagen Leasing GmbH | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Immofinanz Zeta Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | Immofinanz Gamma Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H. | 100.00% | F | 25 August 2010 |
| Austria | AT | Vienna | CPB JOTA Anlagen Leasing GmbH | 100.00% | F | 26. August 2010 |
| Hungary | HU | Budapest | IBK – Ipari Park Körmend Kft | 100.00% | F | 25 August 2010 |
| Others | GB | Guernsey | CPB Lease and Finance Company Limited, Guernsey | 100.00% | F | 25 August 2010 |

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

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

### 2.2 Deconsolidations

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

| Segment | Country | Headquarters | Company | Stake | Consolidation method | Date |
|---|---|---|---|---|---|---|
| Austria | AT | Vienna | Quarta Immobilienanlagen GmbH | 100.00% | F | 11 August 2010 |
| Poland | PL | Warsaw | ARE 1 Sp. z o.o. | 100.00% | F | 25 October 2010 |
| Poland | PL | Warsaw | ARE 7 Sp. z o.o. | 100.00% | F | 25 October 2010 |
| Poland | PL | Warsaw | ARE 9 Sp. z o.o. | 100.00% | F | 25 October 2010 |
| Poland | PL | Warsaw | IMMOEAST Projekt Investment Szesc Sp. z o.o. | 100.00% | F | 20 August 2010 |
| Poland | PL | Warsaw | IMMOEAST Projekt Investment Trzy Sp. z o.o. | 100.00% | F | 20 August 2010 |
| Poland | PL | Warsaw | IMMOEAST Projekt Investment Cztery Sp. z o.o. | 100.00% | F | 20 August 2010 |
| Poland | PL | Warsaw | IMMOEAST Projekt Investment Piec Sp. z o.o. | 100.00% | F | 20 August 2010 |
| Poland | PL | Warsaw | Opus 4 Investments Sp. z o.o. | 100.00% | F | 20 October 2010 |
| Romania | RO | Bucharest | Harborside Hotel s.r.l. | 75.00% | F | 30 September 2010 |
| Czech Republic | CZ | Prague | VALDEK Praha spol.s.r.o. | 100.00% | F | 9 October 2010 |
| Czech Republic | CZ | Prague | STOP.SHOP. Kadan s.r.o. (ehem. STOP.SHOP. Sokolov s.r.o.) | 50.00% | P | 29 October 2010 |
| Czech Republic | CZ | Prague | STOP.SHOP. Havlíckuv Brod s.r.o. (ehem. STOP.SHOP. Breclav s.r.o.) | 50.00% | P | 29 October 2010 |
| Czech Republic | CZ | Prague | STOP.SHOP. Jablonec nad Nisou s.r.o. | 50.00% | P | 29 October 2010 |
| Czech Republic | CZ | Prague | STOP.SHOP. Brandys nad Labem s.r.o. | 50.00% | P | 29 October 2010 |
| Czech Republic | CZ | Prague | STOP.SHOP. Cesky Krumlov s.r.o. | 50.00% | P | 29 October 2010 |
| Czech Republic | CZ | Prague | STOP.SHOP. Pelhrimov s.r.o. | 50.00% | P | 29 October 2010 |

*V = Full Consolidation, P = Proportionate consolidation*

### 2.3 Structural changes

The following table lists the companies in which the IMMOFINANZ investment changed during 2009/10 without a loss of control as well as companies merged during the reporting year. The latter are reported at an investment of 0.00% in the column "stake after".

| Segment | Country | Headquarters | Company | Stake before | Stake after | Consolidation method | Date |
|---|---|---|---|---|---|---|---|
| Austria | AT | Villach | ESG Wohnungsgesellschaft mbH Villach | 99.99% | 100.00% | F | 30 June 2010 |
| Romania | RO | Bucharest | Ventilatorul Real Estate SA ( ehem. Long Bridge BUH SA) | 91.02% | 91.18% | F | 18 June 2010 |
| Romania | RO | Bucharest | Freeze 1 Development s.r.l. | 60.00% | 100.00% | F | 05 January 2010 |
| Slovakia | SK | Bratislava | STOP.SHOP. Usti nad Orlici s.r.o. | 50.00% | 100.00% | F | 05 July 2010 |
| Slovakia | SK | Bratislava | Lifestyle Logistik s.r.o. | 50.00% | 100.00% | F | 05 July 2010 |
| Slovakia | SK | Bratislava | Lifestyle Logistik II s.r.o. | 50.00% | 100.00% | F | 05 July 2010 |

*V = Full Consolidation*

## 3. Notes to the Consolidated Income Statement

### 3.1 Real estate expenses

| All amounts in TEUR | 01 May 2010– 31 October 2010 | 01 May 2009– 31 October 2009 |
|---|---|---|
| Vacancies | -5,820.1 | -5,306.2 |
| Commissions | -2,516.2 | -1,531.2 |
| Maintenance | -34,763.1 | -24,773.9 |
| Investments in development projects | -42.6 | -107.4 |
| Other expenses | -23,346.2 | -13,891.0 |
| **Total** | **-66,488.2** | **-45,609.7** |

### 3.2 Other operating income

| All amounts in TEUR | 01 May 2010– 31 October 2010 | 01 May 2009– 31 October 2009 |
|---|---|---|
| Reversal of negative goodwill | 813.4 | 161.8 |
| Expenses charged on | 321.4 | 1,104.2 |
| Reversal of provisions | 4,419.1 | 3,396.5 |
| Insurance compensation | 631.4 | 431.9 |
| Miscellaneous | 10,979.8 | 46,539.2 |
| **Total** | **17,165.1** | **51,633.6** |

In 2009/10 individual positions, i.e. Income from property sales, were removed from other operating income and are now shown separately.

Miscellaneous operating income includes EUR 2,600.0 million of purchase price refunds for IMMOEAST Projekt Andromache Holding GmbH.

### 3.3 Overhead expenses

| All amounts in TEUR | 01 May 2010– 31 October 2010 | 01 May 2009– 31 October 2009 |
|---|---|---|
| Administration | -23,399.5 | -24,048.2 |
| Legal, auditing and consulting fees | -10,992.1 | -13,110.1 |
| Commissions | -1,382.8 | -1,326.2 |
| Penalties | -469.7 | -1,944.3 |
| Taxes and duties | -514.2 | -6,655.8 |
| Advertising | -2,410.7 | -3,527.1 |
| Expenses charged on | -180.0 | -455.6 |
| Rental and lease expenses | -310.5 | -320.3 |
| Exit costs | -192.0 | 0.0 |
| Capital increase and convertible bonds | 0.0 | -2,590.4 |
| EDP and communications | -1,118.7 | 0.0 |
| Translations | -59.5 | -21.2 |
| Expert opinions | -1,137.8 | -4,034.6 |
| Supervisory Board remuneration | -95.8 | -192.1 |
| Miscellaneous | -25,312.3 | -7,834.8 |
| **Total** | **-67,575.6** | **-66,060.7** |

Miscellaneous other expenses include approx. TEUR 2,800.0 from the valuation of financing contributions as well as interest of approx. TEUR 4,000.0 on late payments.

### 3.4 Revaluation of property

Revaluation gains and losses are presented by country under segment reporting, which represents an integral part of the report on the 1st half-year as of 31 October 2010.

The revaluation gains and losses are classified as follows:

| | Investment property | | Property under construction | |
|---|---|---|---|---|
| **All amounts in TEUR** | **01 May 2010– 31 October 2010** | **01 May 2009– 31 October 2009** | **01 May 2010– 31 October 2010** | **01 May 2009– 31 October 2009** |
| Revaluation | 233,244.1 | 39,415.9 | 26,228.3 | 127,404.1 |
| Impairment charges | -96,675.5 | -132,003.7 | -31,056.8 | -10,957.6 |
| **Total** | **136,568.6** | **-92,587.8** | **-4,828.5** | **116,446.5** |

The following revaluation gains were recognised in 2010/11:

| All amounts in TEUR | Investment property | Property under construction |
|---|---|---|
| Austria | 57,109.8 | 15,852.4 |
| Germany | 18,835.0 | 0.0 |
| Poland | 16,395.7 | 3,413.3 |
| Czech Republic | 0.0 | 301.8 |
| Slovakia | 100.0 | 349.7 |
| Hungary | 7,392.5 | 0.0 |
| Romania | 15,497.7 | 139.9 |
| Russia | 101,106.6 | 6,171.2 |
| Other | 16,806.8 | 0.0 |
| **Total** | **233,244.1** | **26,228.3** |

The classification of the 2010/11 impairment charges by country is shown in the following table:

| All amounts in TEUR | Investment property | Property under construction |
|---|---|---|
| Austria | 12,981.4 | 26,186.7 |
| Germany | 5,161.7 | 1,750.9 |
| Poland | 3,162.7 | 0.0 |
| Czech Republic | 28,984.1 | 1,801.2 |
| Slovakia | 1,242.4 | 0.0 |
| Hungary | 4,115.4 | 0.0 |
| Romania | 26,307.8 | 1,318.0 |
| Russia | 0.0 | 0.0 |
| Other | 14,720.0 | 0.0 |
| **Total** | **96,675.5** | **31,056.8** |

### 3.5 Write-downs/impairment charges to goodwill

| All amounts in TEUR | 01 May 2010– 31 October 2010 | 01 May 2009– 31 October 2009 |
|---|---|---|
| Write-ups and write-downs to inventories | -14,743.6 | -1,032.2 |
| Impairment charges to goodwill | -12.8 | 0.0 |
| Valuation adjustments to receivables and expenses arising from derecognised receivables | -7,329.7 | -7,120.3 |
| Miscellaneous | -2,804.6 | -2,051.0 |
| **Total** | **-24,890.7** | **-10,203.5** |

Miscellaneous consists primarily of scheduled amortisation for intangible assets and scheduled depreciation for tangible assets.

### 3.6 Financial results

| All amounts in TEUR | 01 May 2010– 31 October 2010 | 01 May 2009– 31 October 2009 |
|---|---|---|
| **Net financing costs** | **-113,042.2** | **-114,009.8** |
| **Net financing revenue** | **49,316.2** | **56,964.8** |
| **Foreign exchange differences** | **-85,977.7** | **18,711.4** |
| Profit/(loss) on other financial instruments and proceeds on the disposal of financial instruments | -13,992.4 | 35,310.5 |
| Valuation of financial instruments at fair value through profit or loss | 13,218.6 | -42,913.0 |
| Income from distributions | 3,852.4 | 1,829.4 |
| **Other financial results** | **3,078.6** | **-5,773.1** |
| **Share of profit/loss from associated companies** | **-2,643.8** | **26,872.8** |
| **Financial results** | **-149,268.9** | **-17,233.9** |

As in 2009/10, financing costs and financing revenue are attributable to financial instruments that are not carried at fair value.

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

The valuation of financial instruments at fair value through profit or loss comprises revaluations of EUR 27,634.0 million and impairment charges of EUR 14,415.0 million.

### 3.7 Income taxes

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

| All amounts in TEUR | 01 May 2010– 31 October 2010 | 01 May 2009– 31 October 2009 |
|---|---|---|
| Income tax expense | -11,208.4 | -9,246.2 |
| Provisions for deferred taxes | 1,108.1 | -34,652.7 |
| **Total** | **-10,100.3** | **-43,898.9** |

### 3.8 Net Asset Value

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

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

The results of the calculation are shown below:

| All amounts in TEUR | 31 October 2010 | | 30 April 2010 | | 31 October 2009 | |
|---|---|---|---|---|---|---|
| Equity before non-controlling interests | 4,759,423.4 | | 4,831,953.8 | | 2,274,910.3 | |
| Goodwill | -211,688.2 | | -206,042.3 | | -185,886.9 | |
| Deferred tax assets | -402,680.1 | | -265,936.6 | | -74,606.0 | |
| Deferred tax liabilities | 1,015,494.1 | 5,160,549.2 | 895,083.7 | 5,255,058.6 | 792,750.9 | 2,807,168.3 |
| Inventories (carrying value) | 203,888.0 | | 252,308.5 | | 246,376.4 | |
| Inventories (fair value) | 216,667.4 | 12,779.4 | 263,349.0 | 11,040.5 | 255,222.3 | 8,845.9 |
| Non-controlling interests | | 0.0 | | 0.0 | | -237,829.0 |
| **Net Asset Value** | | **5,173,328.6** | | **5,266,099.1** | | **2,578,185.2** |
| Carrying value of convertible bond 2011 | | 198,014.9 | | 187,778.5 | | 0.0 |
| **Net asset value (diluted)** | | **5,371,343.5** | | **5,453,877.6** | | **2,578,185.2** |
| Number of shares excl. own shares (in 1,000) | | 987,145.3 | | 1,044,216.8 | | 459,050.9 |
| Potential new shares (in 1,000) | | 97,100.0 | | 97,100.0 | | 0.0 |
| **Net asset value per share (in EUR)** | | **5.24** | | **5.04** | | **5.62** |
| **Net asset value per share (in EUR) (diluted)** | | **4.95** | | **4.78** | | **5.62** |

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

| | 31 October 2010 | 30 April 2010 | 31 October 2009 |
|---|---|---|---|
| Equity before non-controlling interests in TEUR | 4,759,423.4 | 4,831,953.8 | 2,274,910.3 |
| Number of shares excl. own shares (in 1,000) | 987,145.3 | 1,044,216.8 | 459,050.9 |
| **Book value per share in EUR** | **4.82** | **4.63** | **4.96** |

# 4. Notes to the Consolidated Balance Sheet

### 4.1 Investment property

The development of the fair value of investment properties is shown below:

| All amounts in TEUR | Investment property |
|---|---|
| **Balance on 01 May 2010** | **8,684,739.8** |
| Change in consolidation range | 87,725.1 |
| Change in consolidation method | 8,600.0 |
| Currency translation adjustments | -89,969.5 |
| Additions | 25,035.1 |
| Disposals | -81,944.5 |
| Revaluation | 136,568.6 |
| Reclassification | 22,616.0 |
| Reclassification IFRS 5 | -21,370.0 |
| **Balance on 31 October 2010** | **8,772,000.6** |

Most of the disposals recognised as of 31 October 2010 were related to dispositions of BUWOG Bauen und Wohnen Gesellschaft mbH.

### 4.2 Property under construction

The development of property under construction is shown in the following table:

| All amounts in TEUR | Property under construction |
|---|---|
| **Balance on 01 May 2010** | **179,864.6** |
| Change in consolidation range | 6,059.1 |
| Currency translation adjustments | -5,890.2 |
| Additions | 61,446.1 |
| Disposals | -12,875.6 |
| Revaluation | -4,828.5 |
| Reclassification | 5,653.0 |
| **Balance on 31 October 2010** | **229,428.5** |

The additions shown under development projects represent capitalized construction costs.

### 4.3 Shares in associated companies

The following table shows the development of the values of shares in associated companies:

| All amounts in TEUR | TriGránit Centrum a.s. | TriGránit Holding Ltd. | GAIA Real Estate Investments S.A. | Bulreal EAD |
|---|---|---|---|---|
| **Carrying value as of 30 April 2010** | **1,061.0** | **61,816.3** | **26,123.9** | **26,721.3** |
| Change in consolidation range | 0.0 | 0.0 | 0.0 | 0.0 |
| Disposals | 0.0 | 0.0 | -9,196.8 | 0.0 |
| Changes in shareholders' equity of associates | 0.0 | 0.0 | 0.0 | 0.0 |
| Distributions | 0.0 | 0.0 | 0.0 | 0.0 |
| Share of (profit)/loss from investments in other companies | 9.1 | 0.0 | -1,081.5 | -1,571.4 |
| Impairment charge | 0.0 | 0.0 | 0.0 | 0.0 |
| **Carrying value as of 30 October 2010** | **1,070.0** | **61,816.3** | **15,845.6** | **25,149.9** |

### 4.4 Trade or other receivables

| All amounts in TEUR | 31 Oct. 2010 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2010 |
|---|---|---|---|---|---|
| **Trade accounts receivable** | | | | | |
| Rents receivable | 33,853.8 | 33,114.7 | 735.0 | 4.1 | 32,942.1 |
| Miscellaneous | 36,544.3 | 36,225.7 | 30.4 | 288.2 | 23,121.3 |
| **Accounts receivable from joint venture partners** | **440,210.7** | **31,553.3** | **91,878.2** | **316,779.2** | **418,542.1** |
| **Accounts receivable from associated companies** | **74,304.1** | **6,612.6** | **0.0** | **67,691.5** | **74,010.2** |
| **Other financial receivables** | | | | | |
| Cash and cash equivalents, blocked | 97,044.1 | 97,044.1 | 0.0 | 0.0 | 28,509.1 |
| Financing | 160,166.4 | 26,189.2 | 404.2 | 133,573.0 | 562,806.6 |
| Administrative duties | 99.8 | 99.8 | 0.0 | 0.0 | 124.3 |
| Property management | 4,421.8 | 4,083.4 | 262.7 | 75.7 | 6,468.9 |
| Insurance | 2,989.2 | 2,989.2 | 0.0 | 0.0 | 3,834.4 |
| Commissions | 3,154.9 | 1,515.7 | 1,488.1 | 151.1 | 3,618.5 |
| Accrued interest | 290.4 | 290.4 | 0.0 | 0.0 | 222.1 |
| Costs for the procurement of funds | 195.9 | 6.1 | 123.1 | 66.7 | 262.5 |
| Outstanding purchase price receivables – sale of properties | 19,051.2 | 18,923.8 | 127.4 | 0.0 | 13,157.8 |
| Outstanding purchase price receivables – sale of shares in other companies | 14,535.7 | 14,515.7 | 0.0 | 20.0 | 4,588.5 |
| Miscellaneous | 146,248.4 | 74,955.1 | 15,965.7 | 55,327.6 | 64,168.5 |
| **Total financial receivables** | **448,197.8** | **240,612.5** | **18,371.2** | **189,214.1** | **687,761.2** |
| **Other non-finanical reveivables** | | | | | |
| Tax authorities | 67,887.7 | 44,328.8 | 22,062.6 | 1,496.3 | 74,874.9 |
| **Total non-financial receivables** | **67,887.7** | **44,328.8** | **22,062.6** | **1,496.3** | **74,874.9** |
| **Total** | **1,100,998.4** | **392,447.6** | **133,077.4** | **575,473.4** | **1,311,251.8** |

The change in current financing receivables results from the accounting for "Berlin contracts", where receivables due from Constantia Packaging B.V amounting to EUR 350,000.0 million were released.

Further the change also adds up to the sale of project *Logistikpark Tomilino* whereby financing in connection with this project in the amount of EUR 32,700,0 million was no longer accounted for.

Miscellaneous financing receivables include receivables arising from value added tax and financing contributions as well as accruals for operating costs, outstanding purchase prices of approx. EUR 36,000.0 million and other items.

### 4.5 Other financial assets

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

| All amounts in TEUR | Number of investments | 31 October 2010 | 30 April 2010 | Change in % |
|---|---|---|---|---|
| Funds with focal points for investments in Europe | 20 | 241.118,3 | 234.752,5 | 2,71 |
| Funds with focal points for investments in Asia | 4 | 15.802,6 | 16.987,1 | -6,97 |
| Funds with focal points for investments in America | 9 | 60.804,6 | 65.315,0 | -6,91 |
| Other investments*) | 4 | 35.303,6 | 35.570,8 | -0,75 |
| **Total** | **37** | **353.029,1** | **352.625,4** | **0,11** |

**) Other investments include Dikare, Global City Pipera Limited, Adama Holding Public Ltd and "other investments".*

### 4.6 Liabilities from convertible bonds

| All amounts in TEUR | 31 October 2010 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2010 |
|---|---|---|---|---|---|
| Liabilities from convertible bonds | 926,397.5 | 26,166.8 | 900,230.7 | 0.0 | 985,174.4 |
| **Total** | **926,397.5** | **26,166.8** | **900,230.7** | **0.0** | **985,174.4** |

### 4.7 Financial liabilities

The following table shows the composition and classification of financial liabilities by remaining term as of 31 October 2010 and 30 April 2010:

| All amounts in TEUR | 31 October 2010 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2010 |
|---|---|---|---|---|---|
| Amounts due to financial institutions | 4,069,018.8 | 772,884.5 | 1,659,807.7 | 1,636,326.6 | 3,950,836.5 |
| Thereof secured by collateral | 3,977,550.3 | 738,630.5 | 1,648,079.9 | 1,590,839.9 | 3,901,219.9 |
| Thereof not secured by collateral | 91,468.5 | 34,254.0 | 11,727.8 | 45,486.7 | 49,616.6 |
| Amounts due to local authorities | 381,954.0 | 23,942.7 | 82,845.1 | 275,166.2 | 372,010.6 |
| Liabilities arising from finance leases | 49,266.2 | 6,556.1 | 19,871.1 | 22,839.0 | 66,040.4 |
| Liabilities arising from the issue of bonds | 0.0 | 0.0 | 0.0 | 0.0 | 1,518.6 |
| Financial liability – limited partnership interest | 9,007.6 | 9,007.6 | 0.0 | 0.0 | 11,323.8 |
| Other financial liabilities | 9,306.7 | 7,471.0 | 1,436.4 | 399.3 | 4,698.5 |
| **Total** | **4,518,553.3** | **819,861.9** | **1,763,960.3** | **1,934,731.1** | **4,406,428.4** |

The major conditions of the financial liabilities are as follows:

| | Interest rate | | Remaining liability per company | | Consolidated remaining liability per company[1] | | |
|---|---|---|---|---|---|---|---|
| | Currency | fixed/ variable | in 1,000 | in TEUR | in 1,000 | in TEUR | Balance sheet in TEUR |
| Amounts due to financial institutions | CHF | fixed | 37,202.6 | 27,139.3 | 37,202.6 | 27,139.3 | |
| (loans and advances) | CHF | variable | 182,177.3 | 132,898.5 | 169,714.3 | 123,806.7 | |
| | CZK | variable | 1,537.6 | 62.5 | 1,537.6 | 62.5 | |
| | EUR | fixed | 511,561.8 | 511,561.8 | 437,424.9 | 437,424.9 | |
| | EUR | variable | 3,179,116.5 | 3,179,116.5 | 2,848,010.9 | 2,848,010.9 | |
| | RON | variable | 1,631.5 | 382.4 | 1,305.2 | 305.9 | |
| | USD | fixed | 141,063.8 | 101,799.7 | 83,736.5 | 60,429.0 | |
| | USD | variable | 94,560.9 | 68,240.5 | 87,691.2 | 63,282.9 | |
| | EUR | variable | 370,721.1 | 370,721.1 | 370,721.1 | 370,721.1 [2] | |
| | EUR | fixed | 77,952.1 | 77,952.1 | 77,952.1 | 77,952.1 [2] | |
| **Total amounts due to financial institutions** | | | | **4,469,874.6** | | **4,009,135.5** | **4,069,018.8** [3] |
| **Amounts due to local authorities** | **EUR** | **fixed** | **565,664.8** | **565,664.8** | **565,664.8** | **565,664.8** [2] | **381,954.0** [4] |
| **Liabilities arising from finance leases** | **EUR** | | | | | **56,373.7** | **49,266.2** [5] |
| **Financial liability – limited partnership interest** | | | | | | | **9,007.6** |
| **Other** | | | | | | | **9,306.7** |
| **Total** | | | | | | | **4,518,553.3** |

*[1] Excluding associated companies*
*[2] Relates to BUWOG Bauen und Wohnen Gesellschaft mbH, ESG Wohnungsgesellschaft mbH and Heller Fabrik Liegenschaftsverwertungs GmbH*
*[3] Includes accumulated amortisation on the difference between the original amount and the amount due at maturity (transaction costs)*
*[4] Present value of the interest component of liabilities held by BUWOG Bauen und Wohnen Gesellschaft mbH and ESG Wohnungsgesellschaft mbH, which are due to local authorities*
*[5] Discounted interest component of finance lease liabilities*

## 4.8 Trade and other liabilities

| All amounts in TEUR | 31 Oct. 2010 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2010 |
|---|---|---|---|---|---|
| **Trade accounts payable** | **73,829.0** | **67,161.3** | **6,428.3** | **239.4** | **67,373.9** |
| **Other financial liabilities** | | | | | |
| Present value of derivative financial instruments (liabilities) | 93,667.6 | 0.0 | 93,667.6 | 0.0 | 95,737.9 |
| Property management | 5,111.4 | 5,111.4 | 0.0 | 0.0 | 3,463.3 |
| Amounts due to joint venture partners | 92,188.5 | 8,255.3 | 45,269.2 | 38,664.0 | 78,117.6 |
| Participation rights and silent partners' interests | 2,223.0 | 1,802.2 | 43.6 | 377.2 | 1,778.4 |
| Amounts due to associated companies | 296.6 | 80.7 | 185.4 | 30.5 | 1,809.2 |
| Construction and refurbishment | 31,704.1 | 21,318.0 | 7,777.1 | 2,609.0 | 29,198.1 |
| Outstanding purchase prices (share deals) | 158,954.0 | 158,906.7 | 47.3 | 0.0 | 190,204.2 |
| Outstanding purchase prices (aquisition of properties) | 563.9 | 0.0 | 563.9 | 0.0 | 1,985.9 |
| Miscellaneous | 126,113.0 | 90,316.6 | 6,879.7 | 28,916.7 | 113,504.2 |
| **Total financial liabilities** | **510,822.1** | **285,790.9** | **154,433.8** | **70,597.4** | **515,798.8** |

| All amounts in TEUR | 31 Oct. 2010 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 30 April 2010 |
|---|---|---|---|---|---|
| **Other non-financial liabilities** | | | | | |
| Tax authorities | 19,986.7 | 17,682.8 | 2,246.5 | 57.4 | 14,417.6 |
| Rental and lease prepayments | 55,256.8 | 37,529.7 | 7,049.1 | 10,678.0 | 56,067.6 |
| Income from the sale of rental rights | 135.4 | 70.0 | 65.4 | 0.0 | 152.8 |
| **Total non-financial liabilities** | **75,378.9** | **55,282.5** | **9,361.0** | **10,735.4** | **70,638.0** |
| **Total** | **660,030.0** | **408,234.7** | **170,223.1** | **81,572.2** | **653,810.7** |

Miscellaneous liabilities include EUR 39,500.0 million of financing and deposits received by BUWOG Bauen und Wohnen Gesellschaft mbH, ESG Wohnungsgesellschaft mbH Villach and „Heller Fabrik" Liegenschaftsverwertungs GmbH.

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

## 5. Subsequent Events

The IMMOFINANZ Group opened the first modern shopping and entertainment centre at Baia Mare in the northwest of Romania on 04 November 2010. The *Gold Plaza,* Baia Mare is a development project by the IMMOFINANZ Group, which was realised together with the Hungarian firm Futureal.

On 09 November 2010 the Executive Board of IMMOFINANZ AG approved the start of a share buyback programme. This programme covers the repurchase of up to 47,350,248 bearer shares of IMMOFINANZ AG over the stock exchange on or before 12 April 2011. The purchase price may not exceed 15% of the average volume-weighted daily closing price for the shares during the preceding ten trading days on the Vienna Stock Exchange. The minimum price represents the proportional stake in share capital and equals EUR 1.04. The IMMOFINANZ Group held 57 million treasury shares (approx. 5.47% of share capital) as of 31 October 2010 and prior to the start of the share buyback programme. Approx. 55 million shares were transferred from Constantia Packaging B.V. in connection with the closing of the above-mentioned agreement and roughly two million shares were acquired from Aviso Zeta Bank AG. The share buyback programme can increase the number of treasury shares held by the IMMOFINANZ Group up to a total of 104 million or 10% of share capital.

A total of 13.4 million IMMOFINANZ shares were repurchased for EUR 39.4 million by 16 December 2010. The weighted average purchase price for these shares amounted to EUR 2.93. The repurchased shares led to an increase of EUR 4.95 in the NAV per share from EUR 0.03 pro forma to EUR 4.98 as of 31 October.

Plans call for the continuous expansion of the STOP.SHOP. retail park concept, which has been successfully operated by the IMMOFINANZ Group for many years. STOP.SHOP. is the IMMOFINANZ umbrella brand for specialty shopping centres in Central Europe. After the balance sheet date new STOP.SHOP. retail parks in Znaim (CZ), Dubnica nad Váhom (SK) and Liptovsky Mikulás (SK) were opened.

The IMMOFINANZ Group took another step to optimise its portfolio on 10 December 2010. In the Czech Republic, the Bauhaus retail property in Budweis was sold to the CPI Group, a local investor, for EUR 17.2 million.

# Statement by the Executive Board

We confirm to the best of our knowledge that these interim financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report provides a true and fair view of the development and performance of the business and position of the group, together with a description of the principal risks and uncertainties faced by the group.

Vienna, 17 Dezember 2010

The Executive Board

**Eduard Zehetner**
Chief Executive Officer and
Chief Financial Officer

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

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

**Impressum**
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**Concept and Design**
k25 neue Medien neue Werbung

**Printing**
Trendmarketing

## Key Data on the IMMOFINANZ Share

| | |
|---|---|
| Established | April 1990 |
| Listing | Vienna Stock Exchange |
| Segment | Prime Market |
| ISIN | AT0000809058 |
| Ticker symbol Vienna Stock Exchange | IIA |
| Reuters | IMFI VI |
| Bloomberg | IIA AV |
| Included in the following indexes | WBI, ATX Prime, Immobilien-ATX, GPR 250 |
| Number of shares | 1,044,216,775 |
| Bearer shares | 1,044,216,769 |
| Registered shares | 6 |
| Financial year | 01 May to 30 April |

## Financial calendar 2010/11

| | |
|---|---|
| 30 March 2011 | Report on the third quarter |
| 22 August 2011 | Annual report 2010/11 |

## Financial calender 2011/12

| | |
|---|---|
| 26 September 2011 | Report on the first quarter |
| 29 September 2011 | Annual general meeting |
| 20 December 2011 | Report on the first half-year |
| 26 March 2012 | Report on the third quarter |

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