

Good housing, good investment.

Interim Report as of 31 October 2004

IMMOFINANZ

Dear Shareholders,

Austria



1010 Vienna, Hessgasse

IMMOFINANZ Immobilien Anlagen AG was able to continue its outstanding performance through the first half of the 2004/05 Business Year. The property portfolio grew by nearly EUR 1.2 billion to a total of EUR 3.5 billion.

Group revenues increased 39% over the comparable prior year period to EUR 62.9 million and EBIT rose from EUR 62.3 million to EUR 78.0 million. Earnings before tax (EBT) improved 40% to EUR 79.9 million.

IMMOFINANZ owned properties with usable space totalling 3,535,723 sqm as of 31 October 2004. The sector distribution of space shows: residential objects 50.2%, offices 19.9%, garages 11%, logistics facilities 8.5%, commercial 7.8% and recreation/hotels 2.6%. The portfolio covers 924 properties in 21 countries throughout Europe and the USA.

IMMOAUSTRIA invested mainly in residential objects and specialty shopping centres during the reporting period, while IMMOEAST concentrated on the office segment. In contrast, the focus of IMMOWEST activities was placed on logistics facilities and hotel properties.

IMMOAUSTRIA

The BUWOG acquisition was formally concluded in early October, and IMMOAUSTRIA increased its management capacity to reflect this important step. One of the new managing directors, and now also speaker of the IMMOAUSTRIA Executive Board, is Daniel Riedl, who served as an asset manager at IMMOFINANZ for many years.

IMMOFINANZ concluded further acquisitions in the residential sector after the purchase of BUWOG, including a portfolio of seven apartment buildings with ca. 15,550 sqm of usable space in prime locations. Of special interest are three objects in the Inner City of Vienna with excellent addresses such as the Dorotheergasse, Kramergasse and Hessgasse as well as a house in the inner section of the Mariahilferstrasse.

IMMOFINANZ now holds 23 properties with total usable space of more than 110,000 sqm in the first district of Vienna, which makes the company one of the largest property owners in Vienna's Inner City.

Additional acquisitions were also completed in the profitable specialty shopping centre sector. IMMOFINANZ purchased two objects in Linz-Leonding and Vienna-Liesing with 9,036 sqm and 6,531 sqm of space, which are both fully rented to a well-known consumer electronics retailer on a long-term basis.

A 13,750 sqm location in Vienna-Simmering was also acquired for the development of a specialty shopping centre. This first-class facility will have 4,337 sqm of usable space and is scheduled for completion by spring 2005. It has already been fully rented to well-known retail chains.

IMMOEAST

The most important event during the reporting period was undoubtedly the company's capital increase, where enormous demand forced the early closing of the offering period. The subscription rights of existing shareholders were met in full, but orders above this amount could not be satisfied. Requests by new shareholders were met at a rate of 20%. This transaction led to a significant expansion of the shareholder base, and generated roughly EUR 192 million of cash. With this larger equity base IMMOEAST will be able to conclude EUR 450 million of property investments.

Global Trade Centre (GTC), in which IMMOEAST holds a 7.79% stake, invested in selected residential properties in Prague and Budapest during the reporting period. The rising standard of living and lack of sufficient suitable housing is creating an overhang of demand for well-equipped condominium apartments in the new EU countries. IMMOEAST is also active in this promising market, above all through the construction of modern apartment complexes that will be sold as condominiums in the future.

GTC also completed the acquisition of a residential and office project in Belgrade, which represents a further transaction on the emerging Serbian property market.



1010 Vienna, Dorotheergasse



Specialty Shopping Center
Linz-Leonding

Rumania



RO Bucharest
Otopeni

IMMOEAST also concluded a future-oriented acquisition on the Bucharest property market through its investment in S+B CEE. A property with 38,520 sqm and excellent development opportunities was purchased directly next to Otopeni International Airport. A project with 10,700 sqm of offices and 4,000 sqm of warehouse space will be realised on this site by 2006, and discussions have already started with a number of potential tenants.

After the end of the reporting period in November, IMMOEAST acquired a new office building at a prime site in the centre of Bucharest. This facility has 10,600 sqm of usable space, which is fully rented on a long-term basis to a telecommunications company.

Negotiations are currently in progress to acquire a logistics object with 61,240 sqm in Prague as well as a stake in an office and logistics portfolio with 156,230 sqm in Budapest and Warsaw. These transactions are expected to be successfully concluded in the coming weeks.

These activities have further strengthened the position of IMMOEAST as the number one listed property company in Eastern Europe.



RO Bucharest
Global Business Center

IMMOWEST

Through its partnership with Carlyle Realty Partners, IMMOFINANZ invested in two hotels with 300 and 368 rooms plus underground garages in excellent locations on 8th Avenue in New York. IMMOWEST holds a 10.22% share of equity totalling USD 48.9 million, for an investment of USD 5 million.

USA



USA New York
Days Inn Hotel

Through its 10.87% stake in CURZON Capital Partners, IMMOWEST acquired a portfolio of six logistics objects with total space of 147,000 sqm in selected cities throughout Germany. All properties are fully rented to an international logistics company on a long-term basis.

IMMOWEST also entered the market in the Netherlands during the reporting period through its CURZON investment. This acquisition involved ten office and logistics properties, which have 84,878 sqm of usable space and good cash flow from rentals. Economic weakness in the Netherlands has depressed property prices in recent years and created favourable conditions for entry. IMMOFINANZ followed its anti-cyclical investment policy to enter at this stage, in order to profit from the market recovery that is expected to follow the coming economic upturn.

The Netherlands



NL Uni-Invest

OUTLOOK

Significant growth in the property portfolio through acquisitions is expected to increase Group revenues from EUR 102.0 million in the previous business year to roughly EUR 180.0 million for 2004/05. Current forecasts indicate that EBIT calculated under the fair value model will rise to EUR 164 million.

Carefully selected and analysed direct investments as well as successful holdings and proactive portfolio management will continue to support a solid and stable earnings position, and also make the IMMOFINANZ share a profitable and safe investment in the future.

Vienna, November 2004

Norbert Gertner
Member of the Executive Board

Karl Petrikovics
CEO

Consolidated Balance Sheet as of 31 October 2004

ASSETS	31. 10. 2004 in TEUR	30. 4. 2004 in TEUR
Property	2,859,643.3	1,630,954.7
Other tangible assets	13,985.1	10,174.3
Intangible assets and goodwill	54,516.4	55,653.2
Shares in associated companies	36,330.9	36,501.0
Other financial assets	167,422.5	125,733.9
Inventories	56,534.0	0.0
Deferred tax assets	12,058.4	653.3
Non-current assets	3,200,490.6	1,859,670.4
Receivables and other assets	147,323.5	107,524.6
Securities	140,312.3	28,015.9
Cash and cash equivalents	204,500.8	132,565.9
Current assets	492,136.6	268,106.4
ASSETS	3,692,627.2	2,127,776.8
EQUITY AND LIABILITIES		
Share capital	261,342.5	209,074.0
Reserves	1,001,140.7	753,765.2
Retained earnings and consolidated profit	47,938.9	34,462.1
Special dividend rights as per §174 Austrian Stock Corp. Act	1,367.9	1,367.9
Currency translation reserve	-3,139.6	-3,737.1
	1,308,650.4	994,932.1
Minority interest	191,495.5	95,817.7
Equity	1,500,145.9	1,090,749.8
Long-term debt	1,217,357.4	706,918.9
Trade accounts payable	574.9	230.0
Provisions	3,747.7	681.7
Other liabilities	83,616.1	17,631.9
Deferred tax liabilities	63,525.0	21,383.7
Non-current liabilities	1,368,821.1	746,846.2
Short-term debt	522,050.0	205,147.0
Trade accounts payable	19,778.2	42,509.3
Provisions	15,972.8	11,950.3
Other liabilities	265,859.2	30,574.2
Current liabilities	823,660.2	290,180.8
EQUITY AND LIABILITIES	3,692,627.2	2,127,776.8

Consolidated Income Statement with comparison to prior year

IAS 40 - Cost Model	1. 5.-31. 10. 2004 in TEUR	1. 8.-31. 10. 2004 in TEUR	1. 5.-31. 10. 2003 in TEUR	1. 8.-31. 10. 2003 in TEUR
Revenues	62,892.8	31,800.7	45,159.7	23,934.2
Other operating income	32,784.1	23,232.5	8,115.9	4,860.3
Depreciation and amortisation	-42,455.5	-27,136.1	-15,596.1	-8,592.1
Expenses related to properties	-17,507.8	-8,778.7	-11,043.2	-5,466.1
Other operating expenses	-15,801.7	-7,700.4	-12,215.2	-6,076.0
Personnel expenses	-1,695.9	-775.6	-1,563.2	-884.3
Operating profit (EBIT)	18,216.0	10,642.4	12,857.9	7,776.0
Net financing costs	-12,642.7	-5,587.2	-9,913.2	-5,294.9
Income/(loss) on financial assets	14,840.5	1,382.0	3,505.4	2,661.3
Share of profit/(loss) from associated companies	-250.0	0.0	983.7	0.0
Financial results	1,947.8	-4,205.2	-5,424.0	-2,633.5
Earnings before tax (EBT)	20,163.8	6,437.2	7,433.9	5,142.5
Income taxes	-8,273.7	-4,138.5	-2,567.4	-1,502.1
Net profit for the period	11,890.1	2,298.7	4,866.5	3,640.4
Equity holders of the parent company	9,517.8	2,920.6	5,151.3	3,979.3
Minority interests	2,372.3	-621.9	-284.8	-338.9

Consolidated Income Statement with comparison to prior year

IAS 40 - Fair Value Model	1. 5.–31. 10. 2004 in TEUR	1. 8.–31. 10. 2004 in TEUR	1. 5.–31. 10. 2003 in TEUR	1. 8.–31. 10. 2003 in TEUR
Revenues	62,892.8	31,800.7	45,159.7	23,934.2
Revaluation of properties (IAS 40)	48,920.8	31,496.9	38,096.9	27,054.8
Other operating income	26,030.7	20,363.2	4,915.9	1,660.3
Depreciation and amortisation	-24,873.8	-18,698.2	-1,022.5	-554.3
Expenses related to properties	-17,507.8	-8,778.7	-11,043.2	-5,466.1
Other operating expenses	-15,801.7	-7,700.4	-12,215.2	-6,076.0
Personnel expenses	-1,695.9	-775.6	-1,563.2	-884.3
Operating profit (EBIT)	77,965.1	47,707.9	62,328.4	39,668.6
Net financing costs	-12,642.7	-5,587.2	-9,913.2	-5,294.9
Income/(loss) on financial assets	14,840.5	1,382.0	3,505.4	2,661.3
Share of profit/(loss) from associated companies	-250.0	0.0	983.7	0.0
Financial results	1,947.8	-4,205.2	-5,424.0	-2,633.5
Earnings before tax (EBT)	79,912.9	43,502.7	56,904.5	37,035.2
Income taxes	-8,273.7	-4,138.5	-2,567.4	-1,502.1
Deferred taxes on revaluation (IAS 40)	-11,747.4	-9,051.4	-16,793.9	-11,290.2
Net profit for the period	59,891.8	30,312.8	37,543.1	24,242.8
Equity holders of the parent company	54,404.9	30,935.3	37,638.1	24,391.9
Minority interests	5,486.9	-622.5	-95.0	-149.1

Consolidated Statement of Cash Flows with comparison to prior year

	1. 5.–31. 10. 2004 in TEUR	1. 5.–31. 10. 2003 in TEUR
Gross cash flow	28,924.6	25,984.3
Cash flow from operating activities	92,682.8	25,520.5
Cash flow from investing activities	-424,831.8	-103,346.7
Cash flow from financing activities	510,549.0	262,584.6
Differences arising from foreign currency translation	841.8	-1,830.9
Change in cash and cash equivalents	179,241.8	182,927.5
Cash and cash equivalents at the beginning of the period	132,565.9	156,865.5
Cash and cash equivalents at the end of the period	311,807.7	339,793.0
Change in cash and cash equivalents	179,241.8	182,927.5

Statement of Changes in Equity

	1. 5.–31. 10. 2004 in TEUR	1. 5.–31. 10. 2003 in TEUR
Balance as of 30 April 2004	1,090,749.7	709,505.5
Change in available-for-sale financial assets	-273.4	2.6
Net profit	11,890.1	5,151.3
Capital increase	406,571.9	282,497.6
Costs of capital increase	-13,215.8	-6,689.6
Derecognition of negative goodwill	6,179.4	-
Dividends	-3,341.2	-
Currency translation adjustment	1,585.2	-1,824.2
Balance as of 31 October 2004	1,500,145.9	988,643.2

Corporate Data

	31. 10. 2004	31. 10. 2003	2003/2004
Corporate Data			
Revenues in MEUR	62.9	45.2	102.0
Operating profit (EBIT) ¹⁾ in MEUR	78.0	62.3	104.1
Earnings before tax (EBT) ¹⁾ in MEUR	79.9	56.9	93.4
Gross cash flow in MEUR	28.9	26.0	50.6
Equity in MEUR	1,308.7	988.6	994.9
Equity ratio in % ²⁾	50.7%	75.1%	64.5%
Balance sheet total in MEUR	3,692.6	1,986.4	2,127.8
Property Data			
Number of properties	924	246	315
Thereof investments in other companies ³⁾	163	95	127
Usable space in sqm	3,535,723	1,373,464	1,693,215
Thereof investments in other companies ³⁾	430,308	254,201	329,823
Fair value of properties in MEUR	3,475.2	1,715.6	2,123.1
Thereof investments in other companies ³⁾	323.7	191.1	237.9
Stock Exchange Data			
Earnings per share ¹⁾ in EUR	0.24	0.23	0.34
Share price at end of period	6.76	6.22	6.49
Number of shares in million	251.7	201.4	201.4
Market capitalisation at end of period in MEUR	1,701.7	1,252.6	1,307.0

¹⁾ This indicator is based on data calculated according to the fair value model (IAS 40).

²⁾ Equity in relation to property at fair value.

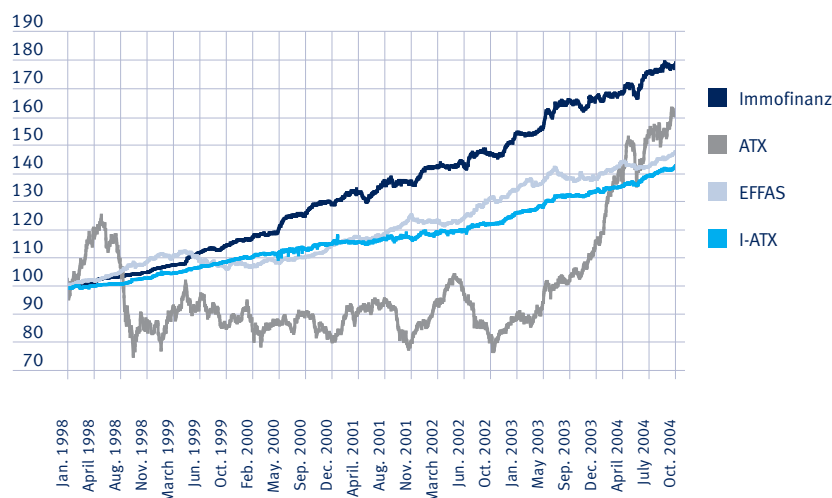
³⁾ Investments in other companies include associates consolidated at equity and holdings recorded as financial instruments in accordance with IAS 39.

Development of the IMMOFINANZ Share

IMMOFINANZ shareholders participate in the growth of their company through an increase in the stock price. During the period from 1 November 2003 to 31 October 2004 the price of the IMMOFINANZ share increased 9.39%. This represents a pre-tax yield of 12.52% on alternative investments that are subject to withholding tax. The average secondary market yield for the third quarter of 2004 was 3.52%, and the ATX property index (IATX) rose 7.69% during this period.

Over the past five years (1.11.1999 – 31.10.2004) the price of the IMMOFINANZ share has risen 9.11% per year, which corresponds to a pre-tax yield of 12.15%. During the last 10 years, IMMOFINANZ has generated an annual increase of 10.99% (pre-tax yield: 14.65%) for shareholders.

Stock Price Development: IMMOFINANZ – ATX – EFFAS – IATX 1.1.1998 – 31.10.2004



Notes

Significant Accounting Policies

The interim financial statements as of 31 October 2004 were prepared in accordance with the principles set forth in International Financial Reporting Standards. This six-month report reflects the standards adapted as part of the Improvement Project: minority interests are shown under equity in accordance with IAS 1.68 (o) (rev. 2003) and the entity approach; the consolidated income statement ends with net profit after tax, and this profit is allocated between majority and minority shareholders. Provisions for deferred taxes are now classified by term under non-current assets or non-current liabilities in accordance with IFRS standards. The principles set forth in the new IFRS 3, which replaces IAS 22, were also applied for the first time and the ordinary amortisation of goodwill was replaced by a regular impairment test. Negative goodwill from prior periods was charged to retained earnings in accordance with IFRS 3.81; any new negative goodwill will be immediately recognised to the income statement. In addition, the development of equity now also shows changes in minority interests.

BUWOG – Bauen und Wohnen Gesellschaft mbH and ESG Wohnungsgesellschaft mbH Villach were consolidated for the first time as of the acquisition date in accordance with IFRS 3.61 and 3.62. The impact of the reduction in the Austrian corporate tax rate from 34% to 25% was taken into account as required by IAS 12.46 in connection with IAS 12.60, as explained in the consolidated financial statements as of 30 April 2004.

Consolidation Range

Major changes in the consolidation range during the second quarter of the business year involve the acquisition of 100% of the shares in BUWOG – Bauen und Wohnen Gesellschaft mbH, IMMOFINANZ TCT Liegenschaftsverwertungs GmbH, IMMOFINANZ DREI D Liegenschaftsverwertungs GmbH and “Untere Viaduktgasse 4” Liegenschaftsverwaltung GmbH in Austria. In Hungary the company purchased 100% of the shares in Szepvölgyi Business Park Kft. and Gordon Invest Kft.

Capital Increase

The largest capital increase in the history of IMMOFINANZ Immobilien Anlagen AG was completed in May 2004. Share capital was increased to EUR 261,342,474.90 through the issue of 50,346,112 shares, and raised cash of MEUR 312.1 for the Group. Share capital is now comprised of 251,730,554 bearer and six registered shares.

Notes to the Interim Financial Statements and Outlook

Non-current assets at carrying value rose 72.1% to EUR 3.2 billion during the first six months of the 2004/05 Business Year. Property stated at fair value totalled EUR 3.5 billion as of 31 October 2004, and equity equalled 51% of property at fair value on the closing date. The Group recorded revenues of EUR 62.9 million for the first six months of the 2004/05 Business Year, which represents an increase of roughly 39% over the comparable prior year period. EBIT calculated in accordance with the fair value model rose by nearly EUR 16 million to EUR 78.0 million. Group revenues are expected to reach EUR 180 million and EBIT calculated according to the fair value model should equal roughly EUR 160 million for the current business year.

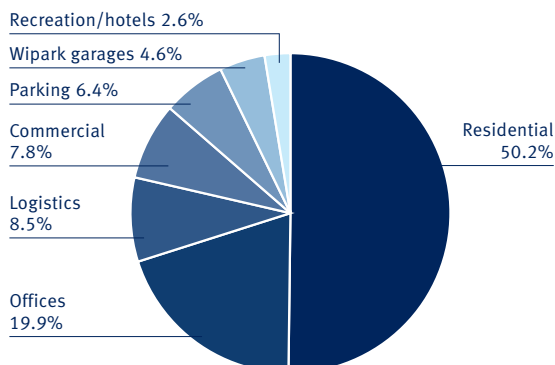
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Financial Calendar

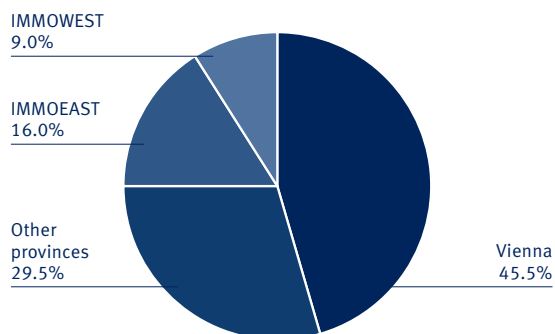
25 March 2005	31 August 2005	29 September 2005	30 September 2005	16 December 2005
Report on the Third Quarter as of 31. 1. 2005	Annual Report for the 2004/2005 Business Year	12 th Annual General Meeting	Report on the First Quarter as of 31. 7. 2005	Report on the First Six Months as of 31. 10. 2005

Portfolio Mix IMMOFINANZ

Sectoral spread of usable space



Regional spread of usable space



The IMMOFINANZ Share

Traded on:	Vienna Stock Exchange
Segment:	Prime Market
ISIN:	AT 0000809058
Vienna Stock Exchange Symbol:	IIA

Reuters:	IMFI VI
Bloomberg:	IIA AV
Datastream:	O: IMMO 866289

Included in the following indexes: MSCI-World, MSCI Europe, MSCI EMU, Stoxx 600, GPR 15, GPR 250 Europe, EPRA, ATX Prime, Immobilien-ATX, WBI.