

IMMOFINANZ

REPORT ON THE 3RD QUARTER AS OF 31 JANUARY 2006

Record performance: +20.11 % in shares price since 31 January 2005

Highest growth in the history of the company since the foundation in 1990

Record growth: +102.7 % in revenues

High occupancy and increase in lettable space pushes revenues to new level

Record investments: numerous acquisitions in the heart of Europe

Highlights of the broad-based expansion program include logistics giant Deutsche Lagerhaus and Polus City Center in Bratislava

IMMOFINANZ

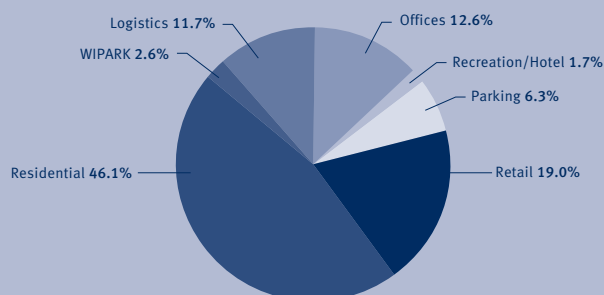
Key Data on IMMOFINANZ

	31.1.2006	Change in %	31.1.2005	2004/05
Corporate Data				
Revenues in EUR mill.	283.8	102.71	140.0	229.6
Operating profit (EBIT) ¹⁾ in EUR mill.	310.2	137.16	130.8	309.2
Earnings before tax (EBT) ¹⁾ in EUR mill.	310.8	149.04	124.8	286.2
Net profit ¹⁾ in EUR mill.	235.1	174.01	85.8	206.3
Gross cash flow in EUR mill.	91.9	95.95	46.9	77.4
Equity ratio in % ³⁾	51.4	11.26	46.2	43.9
Net debt in EUR mill.	2,019.0	9.00	1,852.3	1,817.5
Property Data				
Number of properties	1,854	75.07	1,059	1,114
Thereof investments in other companies ²⁾	256	75.34	146	158
Letable space in sqm	6,221,458	55.57	3,999,222	4,093,069
Thereof investments in other companies ²⁾	722,079	81.54	397,747	439,779
Fair value of properties in EUR mill.	6,504.7	69.31	3,842.0	4,374.6
Thereof investments in other companies ²⁾	844.8	169.30	313.7	455.1
Investments in EUR mill.	1,922.5	16.31	1,652.9	1,902.9
Stock Exchange Data				
Earnings per share ¹⁾ in EUR	0.60	100.00	0.30	0.77
Share price at end of period	8.48	19.44	7.10	7.06
Number of shares in million	335.6	33.33	251.7	251.7
Market capitalisation at end of period in EUR mill.	2,846.2	59.25	1,787.3	1,777.2

1) This indicator is based on data calculated according to the fair value model (IAS 40). 2) Investments in other companies include associates consolidated at equity and holdings recorded as financial instruments in accordance with IAS 39. 3) Equity in relation to property at fair value.

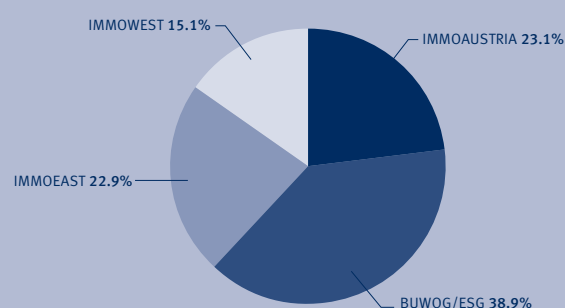
DISTRIBUTION OF LETABLE SPACE BY SECTOR

as a % of the IMMOFINANZ portfolio on 31.1.2006



DISTRIBUTION OF LETABLE SPACE BY REGION

as a % of the IMMOFINANZ portfolio on 31.1.2006



Letter to Shareholders

Dear Shareholders,

IMMOFINANZ was able to repeat its outstanding performance as well as further diversify and optimise its portfolio during the third quarter of this business year.

The portfolio compiled by IMMOFINANZ included 1,854 objects as of 31 January 2006. Our core market is formed by the heart of Europe with Austria, Germany, Italy, Switzerland, Hungary, Slovakia, Poland, the Czech Republic and Romania. The development of business in these countries allows us to optimally combine the opportunities created by the booming markets of the east with the stability of established markets in the west. In this region our investment activities are designed to continually optimise the sector and regional diversification of our properties through active portfolio management.

Over the past years IMMOFINANZ has significantly increased the residential share of its portfolio, above all through the acquisition of the two large federal cooperative property companies BUWOG and ESG. This component of the property portfolio is characterised by high security as well as an impressive potential for growth.

Our investment activities also concentrate on Central and Eastern Europe, a region with particularly good prospects for growth. IMMOEAST, in which IMMOFINANZ holds a stake of 51 %, is one of the leading international investors in this area. In addition to the eastern section of the IMMOFINANZ core market – which is formed by Hungary, the Czech Republic, Slovakia, Poland and Romania – the portfolio also includes interesting projects in other countries of the region. In Bulgaria and the Baltic States as well as in Russia, the IMMOFINANZ Group is represented through investments in other companies. Preparations are also underway for market entry in ex-Yugoslavia and, above all, Ukraine.

During the last years we have also placed a special focus on the property market in Germany, where declining prices have opened a range of excellent acquisition opportunities for investors. A trend-setting transaction was completed at the start of 2006 with the purchase of a 50 % stake in Deutsche Lagerhaus GmbH und Co. KG, which was acquired in connection with a capital increase. Plans call for the acquisition of further shares in this company over the coming years. Deutsche Lagerhaus currently owns 14 logistics with total lettable space of over 300,000 sqm, and intends to increase its portfolio in the coming years.

These broad-based investment activities form the basis for the long-term success of IMMOFINANZ. Only continuous optimization and active portfolio management can safeguard high security and the use of opportunities to improve earnings. This strategy allowed IMMOFINANZ to develop a sound basis for the lasting success of the Company during its first 15 years, and we expect to provide the requirements for a safe investment with a solid increase in value in the future.

Vienna, March 2006



Norbert Gertner
Member of the Executive Board



Karl Petrikovics
Chief Executive Officer

The Development of Business during the Third Quarter

Earnings and Outlook

IMMOFINANZ was also able to record a significant year-on-year increase in results during the third quarter of 2005/06. Group revenues totalled EUR 283.8 million for the period from 1 May 2005 to 31 January 2006, which represents an increase of 102.7 %. Earnings before tax (EBT) reached EUR 310.8 million, for a plus of 149.0 % over the comparable prior year period. The property portfolio comprised 1,854 objects as of 31 January 2006. This figure reflects an increase of 795 objects or 75.1 % since 31 January 2005. Lettable space rose 55.6 % to 6,221,458 sqm, and the property portfolio grew 69.3 % over the level at 31 January 2005 to EUR 6.5 billion.

Due to the positive development of business the 1-year-performance of the share rose by 20.11 %. Market capitalisation equalled EUR 2.8 billion as of 31 January 2006.

For the complete Business Year revenues are forecasted to rise to EUR 400 million. The capital increase announced by IMMOEAST is scheduled to take place during the 2006/07 Business Year, and IMMOFINANZ will participate in order to maintain its share of 51 %.

IMMOAUSTRIA

Development of the Portfolio

The IMMOAUSTRIA portfolio comprised 1,490 properties as of 31 January 2006. The proportional share of lettable space owned was 3,856,460 sqm, which equals 62.0 % of the total property portfolio of IMMOFINANZ.

The development of IMMOAUSTRIA has been characterised by a strong increase in the share of residential properties since 2004/05 following the acquisition of BUWOG and the purchase of an apartment building portfolio. These transactions reflect the final steps in the restructuring of the portfolio, which has been the focus of activities for a number of years. The previously dominant office sector has been successively replaced by low-risk, high return investments in the residential sector. In pursuing this strategy, IMMOFINANZ made use of favourable conditions on the apartment house market in Vienna. The company currently owns 23 objects with 113,000 sqm of lettable space alone in inner city. The past months were characterized by a further increase in prices on this market, and IMMOFINANZ was able to sell a number of apartment houses at a substantial profit – the selling prices exceeded the expert appraisals by an average of 20 %.

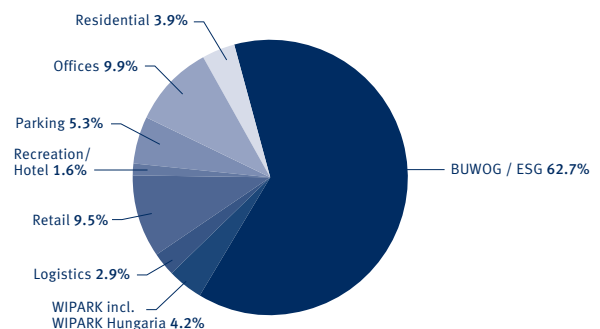
The acquisition of BUWOG and ESG increased the residential portfolio of IMMOFINANZ by a substantial margin. These two companies also carry

KEY DATA ON IMMOAUSTRIA

in EUR mill.	31.1.2006	Change in %	31.1.2005
Number of properties	1,490	76.1	846
Lettable space in sqm	3,941,435	36.0	2,897,255
Proportional share of lettable space in sqm	3,856,460	35.6	2,844,902
Lettable space as a % of the total portfolio	62.0	-12.8	71.1
Fair value in EUR mill.	3,685	32.1	2,789.6
Fair value as a % of the total portfolio	56.7	-21.9	72.6

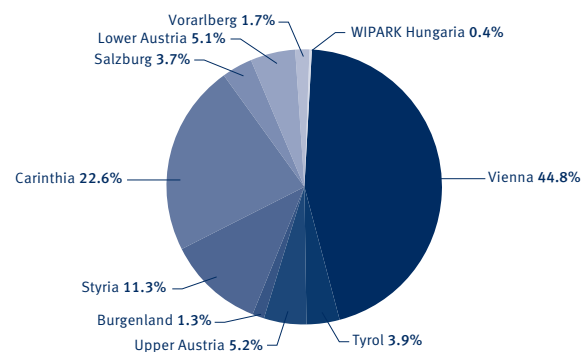
DISTRIBUTION OF LETTABLE SPACE BY SECTOR

as a % of the IMMOAUSTRIA portfolio on 31.1.2006



DISTRIBUTION OF LETTABLE SPACE BY REGION

as a % of the IMMOAUSTRIA portfolio on 31.1.2006



A, Vienna, Project Simmering

a high potential for growth in value due to their large land reserves. Plans call for an increase in the construction of new apartments, both in the subsidised and independently financed segments, and the large land reserves owned by these companies will allow them to profit from this approach.

During the second quarter of 2005/05 IMMOFINANZ acquired a stake in SelfStorage, the largest supplier of private warehouse space in Austria and Germany with a current total of seven locations. The company has followed its expansion plans and signed contracts to purchase four additional locations in Berlin, Munich and Zurich. The purchase agreements for three sites in Hamburg are also scheduled for signing in the near future.

Shortly after the end of the reporting period, IMMOFINANZ acquired a project in Vienna-Simmering. It is located on Simmeringer Hauptstrasse close to a subway station, and will involve the construction of 15,800 sqm of office and retail space. Preliminary contracts have already been concluded for the entire facility. In addition to the BILLA supermarket and BIPA drugstore chains, the BBRZ will be the main tenant with a specialised training institute.

IMMOEAST

The IMMOEAST portfolio comprised 114 objects and lettable space of 1,424,200 sqm as of 31 January 2006 (plus 104.7 % vs. 31 January 2005). IMMOEAST operates in Central and Eastern Europe, whereby activities focus primarily on the Czech Republic, Slovakia, Poland, Hungary and Romania. The company also owns objects in Bulgaria, Russia and the Baltic States. The office and retail sectors form the core of the portfolio, which is complemented by logistics properties and selected residential buildings.

The fair value of the IMMOEAST property portfolio equalled EUR 1.8 billion at the end of the third quarter. In spite of the Company's strong growth, this value only reflects the expansion of business to a limited extent. Contracts have been concluded for numerous other investments in the form of development projects, the acquisition of portfolios and investments in other companies. The value of contracted properties currently totals EUR 1.1 billion, and investments with a volume of EUR 1.4 billion are in the due diligence stage or in final negotiations.

KEY DATA ON IMMOEAST

in EUR mill.	31.1.2006	Change in %	31.1.2005
Number of properties	114	107.3	55
Lettable space in sqm	2,952,071	59.1	1,855,635
Proportional share of lettable space in sqm	1,424,200	104.7	695,801
Lettable space as a % of the total portfolio	22.9	31.6	17.4
Fair value in EUR mill.	1,785.6	254.3	504.0
Fair value as a % of the total portfolio	27.4	109.2	13.1

In addition, the investment pipeline includes a further EUR 1.4 billion of projects that have already been approved by the Executive Board and/or Supervisory Board.

DEVELOPMENT OF THE PORTFOLIO BY COUNTRY

Slovakia

At the start of 2006 IMMOEAST increases its activities in Slovakia by a massive amount with the acquisition of the Polus City Center, the largest office and commercial property in the capital city of Bratislava. The investment volume totalled more than EUR 200 million. The object is situated at a prime location near the city centre with good traffic connections. It includes a shopping mall with 72,000 sqm of space and tenants such as a Carrefour Hypermarket and numerous brand outlets (Intersport, Mango, T-Mobile, Benetton, Tommy Hilfiger, Pierre Cardin, Nike, Puma, Swarovski and Yves Rocher). This property also has two office towers with approx. 23,000 sqm of total space each, which are fully rented to international companies such as T-Mobile, IBM, Samsung and adidas. Planning has started for the Millennium Tower III, which will have 17,000 sqm of office and retail space.

A 120,000 sqm project is planned to be built next to the Polus Center. Two-thirds of the planned lettable space should be designated for offices and the remaining 40,000 sqm will be apartments.

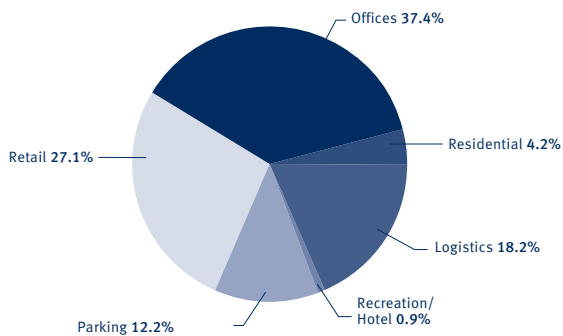
IMMOEAST also pursued the development of the Big Box specialty shopping centre chain during the third quarter of 2005/06. Phase I covers three contracted locations, and negotiations with potential tenants are now in progress. Phase II with three further locations is in preparation, with realisation scheduled by the end of 2007.



SK, Bratislava, Polus City Center

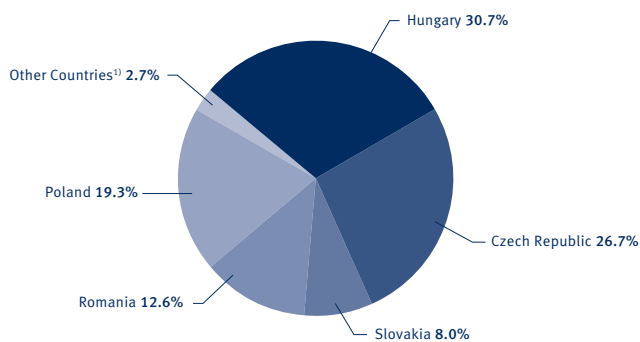
DISTRIBUTION OF LETABLE SPACE BY SECTOR

as a % of the IMMOEAST portfolio on 31.1.2006



DISTRIBUTION OF LETABLE SPACE BY REGION

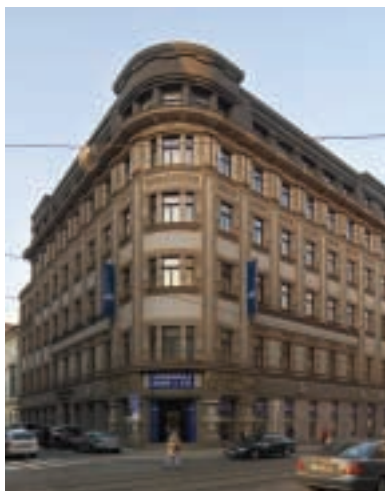
as a % of the IMMOEAST portfolio on 31.1.2006



1) Other Countries: Estonia 1,8 %, Bulgaria 0,2 %, Russia 0,7 %

Czech Republic

A portfolio of seven office properties with a total of 47,000 sqm of lettable space at excellent locations in the inner city of Prague was acquired at the end of the third quarter through a joint venture with a



CZ, Prague, Panska

local partner. These locations are comparable to the Kärtnerstrasse or Graben in the city centre of Vienna. The properties are rented to the seller, the Czech CSOB Bank, up to 2007 but will then be renovated and expanded to 53,000 sqm. Instead of the previous single focus on offices, the portfolio should then also include retail, hotel and residential space.

Hungary

IMMOEAST acquired two logistics objects in the Hungarian capital of Budapest through its 56.6 % holding in IMAK CEE. The Shark Park property has 17,100 sqm of warehouse space and 4,000 sqm of offices with well-known tenants such as Frans Maas, Schneider Papier and

Cemelog. The Camel Park with 29,000 sqm of warehouse space and 3,200 sqm of offices was acquired before completion in March 2006, and 50 % of the space has already been pre-let to General Motors. IMAK CEE now owns three of the five objects in the EuroBusiness Park.



H, Budapest, Shark Park

In addition to these acquisitions, work also continued on important development projects. The first phase of construction on the Mester Business Park will begin in March. It will include 25,000 sqm of offices as part of 250,000 sqm of total lettable space. Mester is by far the largest project in the centre of Budapest. Construction will take place in a number of stages, with completion scheduled for 2009. Potential tenants – primarily large international companies – have already shown substantial interest.

Poland

The Mistral Office Building in Warsaw was acquired at the end of the reporting period. The approx. 20,000 sqm of lettable space is rented to well-known tenants such as Compensa (a subsidiary of Wiener Städtische), Energizer, Luxmed and Tyco Polska. The local infrastructure is good, and both the inner city and international airport can be reached in roughly ten minutes.

The Silesia City Center, the largest project to date carried out to date by the IMMOEAST Group with 115,000 sqm of lettable space, was opened during the second quarter. This shopping centre was developed together with Trigranit, and is now wholly owned by IMMOEAST. The space is fully rented from the point of completion. The success of this project was also confirmed at the Central & Eastern European Real Estate Quality Awards, with prizes in the categories “Retail Development of the Year 2005“ and “CEE Outstanding Development of the Year“.

Through its 19.75 % investment in Polonia Property, IMMOEAST acquired two newly constructed office objects in Warsaw. Both are located in the Atrium complex, which offers particularly good connec-



PL, Warsaw, Mistral Office Building

tions to public and private transportation. The Atrium Plaza has 19,100 sqm of letable office and retail space, while the Atrium Centrum is somewhat larger with 22,500 sqm.

Romania

IMMOEAST acquired land in Bucharest through its investment in S+B CEE, where an office project is planned for realisation during the coming year. Close to this site, IMMOEAST is working on the completion of Phase III of expansion on the Iride Business Park. Negotiations are in progress over two further stages of construction with 50,000 sqm of office space.

IMMOWEST

Development of the Portfolio

IMMOWEST owned 250 objects with 940,799 sqm of letable space at the end of the third quarter of 2005/06, which represents 15.1 % of the IMMOFINANZ portfolio. In recent years the German property market has been very weak because of slow economic development, and property prices had fallen up to 25 % below actual values. IMMOWEST is using this situation for further growth and – following market entry in 2003 and acquisitions that have since included the Berlin housing specialist TEFAG and other properties – acquired a 50 % stake in the logistics specialist Deutsche Lagerhaus. The holding in this company is expected to be increased to 74 % in the coming years.

Deutsche Lagerhaus has a portfolio of 14 logistics objects on transportation hubs in Nordrhein-Westfalen, Nürnberg, Hannover and Freiburg, whereby the majority are linked with water, rail and road connections. The 320,000 sqm are rented to nearly 60 different first-class tenants. The properties have 660,000 sqm of total usable space as well as substantial land reserves. A sizeable increase in the property portfolio is planned for the coming years, with a three-fold increase in fair value by 2009. In addition to Germany, Deutsche Lagerhaus also plans to invest in Switzerland and Central Europe.

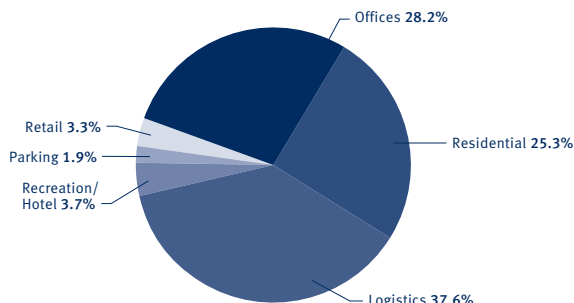
In addition to the above-mentioned investments, IMMOWEST is evaluating numerous acquisitions that focus above all on Germany. The company expects to conclude other acquisitions during the last quarter of 2005/06 and the first quarter of 2006/07.

KEY DATA ON IMMOWEST

in EUR mill.	31.1.2006	Change in %	31.1.2005
Number of properties	250	58.2	158
Letable space in sqm	8,189,777	156.0	3,198,624
Proportional share of letable space in sqm	940,799	105.2	458,519
Letable space as a % of the total portfolio	15.1	31.3	11.5
Fair value in EUR mill.	1,034.1	88.6	548.4
Fair value as a % of the total portfolio	15.9	11.2	14.3

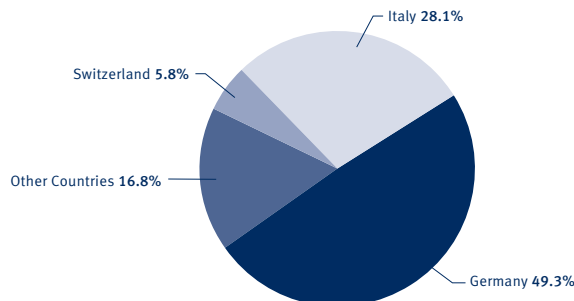
DISTRIBUTION OF LETABLE SPACE BY SECTOR

as a % of the IMMOWEST portfolio on 31.1.2006



DISTRIBUTION OF LETABLE SPACE BY REGION

as a % of the IMMOWEST portfolio on 31.1.2006



D, Hamm, Deutsche Lagerhaus GmbH & Co. KG

IMMOFINANZ Immobilien Anlagen AG

Consolidated Balance Sheet as of 31 January 2006

ASSETS	31 Januar 2006 in TEUR	30 April 2005 in TEUR
Investment Property	5,389,157.9	3,746,146.1
Property under construction	192,687.5	118,646.5
Other tangible assets	25,892.1	18,055.6
Intangible assets and goodwill	5,962.3	8,045.4
Shares in associated companies	26,383.5	26,379.6
Other financial instruments	447,863.1	250,691.9
Receivables and other assets	107,818.1	28,458.6
Deferred tax assets	20,900.4	12,275.0
Non-current assets	6,216,664.9	4,208,698.7
Inventories	30,310.6	54,181.0
Property held for sale	37,122.0	0.0
Receivables and other assets	297,025.1	169,668.9
Financial instruments	100,086.5	2,522.4
Cash and cash equivalents	465,101.6	253,056.7
Current assets	929,645.8	479,429.0
ASSETS	7,146,310.7	4,688,127.7
EQUITY AND LIABILITIES		
Share capital	348,456.6	261,342.5
Reserves	1,465,776.2	1,000,006.5
Revaluation reserve	71,017.1	0.0
Retained earnings and consolidated profit	566,343.5	361,292.8
Currency translation reserve	7,020.9	-3,240.2
	2,458,614.3	1,619,401.6
Minority interests	795,530.4	220,039.6
Equity	3,254,144.7	1,839,441.2
Long-term financial liabilities	2,618,137.4	1,648,665.3
Trade accounts payable	2,211.9	1,034.0
Provisions	5,194.0	6,056.7
Other liabilities	121,003.6	92,039.2
Deferred tax liabilities	433,945.9	215,669.5
Non-current liabilities	3,180,492.8	1,963,464.7
Short-term financial liabilities	440,318.7	701,504.1
Trade accounts payable	86,658.6	97,315.8
Provisions	42,617.7	27,266.8
Other liabilities	142,078.2	59,135.1
Current liabilities	711,673.2	885,221.8
EQUITY AND LIABILITIES	7,146,310.7	4,688,127.7

IMMOFINANZ Immobilien Anlagen AG

Consolidated Income Statement

IAS 40 – FAIR VALUE MODEL	1.5.05-31.1.06 in TEUR	1.11.05-31.1.06 in TEUR	1.5.04-31.1.05 in TEUR	1.11.04-31.1.05 in TEUR
Revenues	283,840.8	101,536.5	139,954.0	77,061.2
Revaluation of properties (IAS 40)	186,511.7	76,104.7	65,298.1	16,377.3
Other operating income	156,079.0	106,542.3	60,278.1	34,247.4
Depreciation and amortisation	-96,784.6	-79,200.2	-32,276.5	-7,402.7
Expenses related to properties	-98,729.4	-37,227.8	-43,482.6	-25,974.8
Other operating expenses	-79,837.1	-39,766.2	-45,213.9	-29,412.2
Personnel expenses	-9,048.7	-3,111.3	-5,615.9	-3,920.0
Cost of materials	-31,842.2	-12,275.4	-8,188.3	-8,188.3
Operating profit (EBIT)	310,189.5	112,602.6	130,753.0	52,787.9
Net financing costs	-58,970.4	-15,815.9	-21,919.8	-9,277.1
Income/(loss) on financial instruments	59,543.7	28,193.9	17,388.0	2,547.5
Share of profit/(loss) from associated companies	0.0	120.1	-1,451.5	-1,201.5
Financial results	573.3	12,498.1	-5,983.3	-7,931.1
Earnings before tax (EBT)	310,762.8	125,100.7	124,769.7	44,856.8
Income taxes	-75,635.8	-29,983.5	-38,976.7	-18,955.6
Net profit for the period	235,127.0	95,117.2	85,793.0	25,901.2
Equity holders of the parent company	202,495.3	89,085.8	73,751.1	19,346.2
Minority interests	32,631.7	6,031.4	12,041.9	6,555.0

IMMOFINANZ Immobilien Anlagen AG

Consolidated Statement of Cash Flows

	1.5.05-31.1.2006 in TEUR	1.5.04-31.1.2005 in TEUR
Gross cash flow	91,872.6	46,928.2
Cash flow from operating activities	-139,412.3	190,005.4
Cash flow from investing activities	-678,969.1	-308,023.5
Cash flow from financing activities	1,115,209.4	312,237.4
Differences arising from foreign currency translation	15,303.4	832.5
Change in cash and cash equivalents	312,131.4	195,051.8
Cash and cash equivalents at the beginning of the period	253,056.7	132,565.9
Cash and cash equivalents at the end of the period	565,188.1	327,617.7
Change in cash and cash equivalents	312,131.4	195,051.8

IMMOFINANZ Immobilien Anlagen AG

Statement of Changes in Equity

	Share capital	Reserves	Revaluation-reserve	Retained earnings and consolidated profit	Currency translation reserve	Minority interests
Balance as of 30 April	261,342.5	1,000,006.5	0.0	361,292.8	-3,240.2	220,039.6
Fair value reserve				176.6		21.7
Deferred tax asset/liability recognised directly in equity				-46.2		-5.4
Net income recognised directly in equity				130.4		16.3
Net profit				202,495.3		32,631.7
Total profit				202,625.7		32,648.0
Capital increase	87,114.1	491,866.1				559,125.0
Costs of capital increase		-26,096.3				-29,047.5
Dividends						-1,114.3
Change in consolidation method/structural changes			71,017.1	2,425.0		5,437.8
Currency translation adjustment					10,261.1	8,441.8
Balance as of 31 January	348,456.6	1,465,776.2	71,017.1	566,343.5	7,020.9	795,530.4

IMMOFINANZ Immobilien Anlagen AG

Revenues by sector of use

	31 January 2006	Change in %	31 January 2005	2004/05
Offices	51,610.2	43.93	35,857.3	52,025.2
Logistics/commercial	48,348.6	90.10	25,432.9	37,557.1
Recreation/hotel	4,512.4	-12.81	5,175.1	6,784.2
Residential	71,512.3	163.74	27,114.8	59,710.9
Parking	12,365.0	26.47	9,777.1	13,673.6
Other rental income	1,987.0	35.00	1,471.8	2,346.5
Rental income	190,335.5	81.57	104,829.0	172,097.5
Sale of inventories	37,520.7	270.41	10,129.4	15,399.5
Other income	2,268.6	289.53	582.4	1,443.3
Operating costs	53,716.0	120.03	24,413.2	40,644.7
Revenues	283,840.8	102.81	139,954.0	229,585.0

Notes

Significant Accounting Policies

The interim financial statements as of 31 January 2006 were prepared in accordance with the principles set forth in International Financial Reporting Standards. This data is presented in a short form in contrast to IAS 34. For information on the IFRS applied by IMMOFINANZ IMMOBILIEN ANLAGEN AG at the time the interim financial statements were prepared, see the notes to the consolidated financial statements as of 30 April 2005.

In contrast to the published consolidated financial statements as of 30 April 2005, this interim report was prepared exclusively by applying the fair value model. This changeover reflects the application of the accounting method that is recommended by the EPRA. The conversion was made retrospectively in keeping with IAS 8.22.

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

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

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

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

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

Consolidation Range

The major changes to the consolidation range in Austria during the first quarter of the business year involved the acquisition of an 80 % stake in HM 7 Liegenschaftsvermietungsgesellschaft m.b.H. as well as a 30 % stake in the Self-Storage Group, which is based on a joint venture agreement (5 companies consolidated using the proportional method).

During the second quarter of the 2005/06 Business Year, the method used to consolidate ESG – a residential property company that is active primarily in the province of Carinthia – was changed from proportional to full consolidation following the acquisition of additional shares. IMMOFINANZ has owned a stake in this company since 2004.

The consolidation range of IMMOWEST was increased during the first quarter to reflect the acquisition of Tempelhofer Feld AG, Berlin. The shares in CEREP Poseidon A12 s.a.r.l, which were held through the Poseidon J.V. s.à.r.l. joint venture managed together with Carlyle, were sold and this company was deconsolidated as of mid-May 2005. No major acquisitions were made in this segment during the second quarter of the reporting year.

During the third quarter of the 2005/06 Business Year, IMMOWEST purchased a 50 % stake in Deutsche Lagerhaus GmbH u. Co KG. The Deutsche Lagerhaus GmbH u. Co

KG Group also includes six other companies, which have a property portfolio with 14 logistics objects and total lettable space of 320,000 sqm.

The IMMOEAST subsidiary group acquired 100% of the shares in Airport Property Development a.s. (Czech Republic), Center Invest kft (Hungary) and CORA GS srl (Romania) as well as a 75 % stake in Harborside Imobiliara srl (Romania) and the remaining 10 % stake in ABLO Property s.r.o. (Czech Republic) during the first quarter of 2005/06.

During the second quarter of the business year, 100 % of the shares in the Hungarian Optima A Kft were acquired, leading to the takeover of the Optima A office building with 7,600 sqm of lettable space. This object is fully rented to international tenants. In addition, the stakes in the Czech SBF Development Praha spol.s.r.o as well as WEGE spol.s.r.o. and ODP –Office Development Praha spol.s.r.o. were increased to 100 % through a transition consolidation, and the holding in VALDEK Praha spol.s.r.o. was increased to 80 %.

During the third quarter of the reporting year IMMOEAST acquired 100 % of the shares in the Slovakian Polus a.s., TriGranit Tower 2 a.s. and TriGranit Tower 3 a.s., which resulted in the takeover of the modern Polus City Center in centrally located Nove Mesto quarter in Bratislava. This complex includes a shopping centre with roughly 40,100 sqm of lettable space as well as two office buildings, the Millennium Tower I with 20,000 sqm of lettable space and the Millennium Tower II with 22,000 sqm. In the Czech Republic IMMOEAST acquired eight companies through its 50 % stake in a joint venture; these firms own first-class properties at prime locations in the inner city of Prague. In Poland the remaining 90 % of the shares in Nowe Centrum Sp.z.o.o. were acquired, and this company was subsequently included in the consolidated financial statements of IMMOEAST. The most important investments in Hungary include the acquisition of 100 % of the shares in Böck and Jeschek Kft. This firm owns a warehouse and office building in Budapest with 30,445 sqm of lettable space. IMMOEAST also purchased the remaining 20 % stake in VALDEK Praha spol.s.r.o.

Capital Increase

IMMOFINANZ IMMOBILIEN ANLAGEN AG carried out the largest capital increase in its history in May 2005. Share capital was increased to EUR 348,456,633.54 through the issue of 83,910,187 shares. This transaction generated liquid funds of EUR 578.9 million. Share capital is now comprised of 335,640,741 bearer and 6 registered shares.

Notes to the Interim Financial Statements and Outlook

The balance sheet total of the IMMOFINANZ Group increased by 52.4 % during the first nine months of the 2005/06 Business Year, and equalled EUR 7.1 billion as of 31 January 2006. Non-current assets at carrying value rose more 47.7 % to EUR 6.2 billion. The fair value of the property portfolio as of 31 January 2006 totalled EUR 6.5 billion. This figure represents an increase of 69.3 % compared to 31 January 2005. Equity as shown on the balance sheet rose from EUR 1.8 billion to EUR 3.3 billion, in particular due to the capital increase at the beginning of the 2005/06 Business Year and net profit recorded for the reporting period.

Group revenues rose 102.71 % over the comparable prior year period to equal EUR 283.8 million for the first three quarters of 2005/06. Revenues reached EUR 101.5 million alone in the third quarter. EBIT recorded by the IMMOFINANZ Group increased from EUR 130.8 million as of 31 January 2005 to EUR 310.2 million as of 31 January 2006, which represents a plus of 137.2 %.

After the deduction of taxes and the inclusion of deferred taxes, IMMOFINANZ shows net profit of EUR 235.1 million for the first three quarters of 2005/06. This represents an increase of 174.0 % over the comparable prior year period.

IMMOFINANZ forecasts an increase in revenues to nearly EUR 400 million for the 2005/06 Business Year. Operating profit (EBIT) is also expected to show a significant improvement over the previous year. Plans call for the investment of approx. EUR 2 billion during this business year.

PERFORMANCE: IMMOFINANZ IN COMPARISON

from 1.1.1998 to 31.1.2006



IMMOFINANZ is a property company that invests for the long-term, and concentrates on its core market in the heart of Europe. The Company's activities cover established markets in the west – such as Germany, Switzerland and Austria – as well as emerging eastern markets in the new EU member states and candidate countries. The IMMOFINANZ investment strategy calls for broad diversification across all property sectors, and the pursuit of this policy has led to solid growth in the share price. Over the past ten years the share price has risen by an average of 9.79 %, which represents a pre-tax yield of 13.05 % on alternative investments subject to withholding tax. Market capitalisation at the end of January 2006 totalled EUR 2.85 billion. That makes IMMOFINANZ one of the largest companies on the Vienna Stock Exchange and, thanks to the strong rise in trading volume, also one of the most liquid.

INFORMATION ON THE IMMOFINANZ SHARE

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Vienna Stock Exchange symbol	IJA
Reuters	IMFI VI
Data stream	O:IMMO 866289
Bloomberg	IJA AV
ISIN	AT 0000809058

PERFORMANCE OF THE IMMOFINANZ SHARE

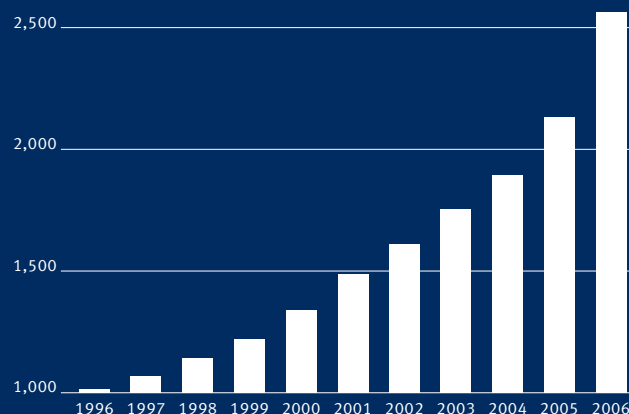
in %

Period	After tax return	Pre-tax return (subject to withholding tax)*
1 year	20.11	26.81
3 years	13.46	17.95
5 years	11.42	15.23
10 years	9.79	13.05

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

PERFORMANCE OF THE IMMOFINANZ SHARE OVER TEN YEARS

Investment of EUR 1,000 in 1996



Financial Calendar

31 August 2006
Annual Report 2005/06

28 September 2006
Annual General Meeting

29 September 2006
Report of the First Quarter
as of 31.7.2006

29 December 2006
Report of the First Half-Year
as of 31.10.2006

30 March 2007
Report of the Third Quarter
as of 31.1.2007

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