

**FINANCIAL
REPORT
FIRST QUARTER
2018**



CONTENT

CEO Letter	2
Our Company	4
Investor Relations	7
Group Management Report	10
Portfolio Report	10
Financing	24
Business Development	28
Consolidated Interim Financial Statements	35
Consolidated Balance Sheet	36
Consolidated Income Statement	37
Consolidated Statement of Comprehensive Income	38
Consolidated Cash Flow Statement	39
Consolidated Statement of Changes in Equity	40
Notes	42

KEY FIGURES

Earnings Data

		Q1 2018	Q1 2017	Change in %
Rental income	in MEUR	59.0	57.1	3.3%
Results of asset management	in MEUR	45.0	39.5	14.1%
Results of property sales	in MEUR	3.5	-6.0	n.a.
Results of property development	in MEUR	1.8	-5.8	n.a.
Results of operations	in MEUR	35.5	17.8	≥ +100.0%
Revaluations	in MEUR	-0.9	-0.8	-14.3%
EBIT	in MEUR	31.7	13.9	≥ +100.0%
Financial results	in MEUR	-4.5	93.0	n.a.
EBT	in MEUR	27.2	107.0	-74.5%
Net profit or loss from continuing operations	in MEUR	4.3	101.7	-95.7%
Net profit for the period	in MEUR	1.0	80.7	-98.8%
FFO 1 before tax (sustainable FFO from asset management) ¹	in MEUR	29.1	9.7	≥ +100.0%
FFO 2 (incl. results of property sales) after tax ¹	in MEUR	30.9	-7.0	n.a.

¹ See calculation on page 31

Asset Data

		31 March 2018	31 Dec. 2017	Change in %
Balance sheet total	in MEUR	6,044.8	6,062.7	-0.3%
Equity as % of the balance sheet total	in %	46.5%	46.3%	n.a.
Net financial liabilities	in MEUR	2,110.5	2,140.4	-1.4%
Cash and cash equivalents	in MEUR	509.4	477.9	6.6%
Loan-to-value ratio (net)	in %	40.6%	40.8%	n.a.
Gearing	in %	75.1%	76.3%	n.a.
Average interest rate on financial liabilities, incl. hedging	in %	2.3%	2.3%	n.a.
Average term of financial liabilities	in years	3.5	3.5	0.0%

Property Data

		31 March 2018	31 Dec. 2017	Change in %
Total number of properties		237	239	-0.8%
Rentable space	in sqm	1,821,736	1,865,178	-2.3%
Occupancy rate	in %	94.2%	94.2%	n.a.
Gross return	in %	6.4%	6.4%	n.a.
Gross return adjusted for occupancy	in %	6.8%	6.8%	n.a.
Portfolio value	in MEUR	4,185.8	4,194.8	-0.2%
thereof investment properties	in MEUR	3,699.8	3,729.5	-0.8%
thereof property under construction	in MEUR	443.4	404.1	9.7%
thereof real estate inventories	in MEUR	42.5	61.2	-30.5%
Unencumbered investment property	in MEUR	769.8	846.1	-9.0%

EPRA Indicators¹

		31 March 2018	31 Dec. 2017	Change in %
EPRA Net Asset Value	in MEUR	3,227.8	3,220.6	0.2%
EPRA Net Asset Value per share	in EUR	2.88	2.86	0.8%
EPRA Triple Net Asset Value	in MEUR	3,212.4	3,201.6	0.3%
EPRA Triple Net Asset Value per share	in EUR	2.87	2.84	0.9%

		Q1 2018	Q1 2017	Change in %
EPRA earnings	in MEUR	-0.6	108.6	n.a.
EPRA earnings per share	in EUR	-0.001	0.104	n.a.
EPRA earnings after company-specific adjustments	in MEUR	5.5	14.4	-61.6%
EPRA earnings per share after company-specific adjustments	in EUR	0.005	0.014	-64.1%
EPRA Net Initial Yield	in %	5.5%	5.1%	n.a.

¹ See calculation on page 32

Stock Exchange Data

		31 March 2018	31 Dec. 2017	Change in %
Book value per share	in EUR	2.53	2.53	-0.1%
Share price at end of period	in EUR	2.11	2.15	-1.9%
Discount of share price to diluted NAV per share	in %	26.8%	24.8%	n.a.
Total number of shares ¹		1,120,852,699	1,116,173,778	0.4%
thereof number of treasury shares		1,600,000	0	n.a.
Market capitalisation at end of period	in MEUR	2,365.0	2,399.8	-1.4%

		Q1 2018	Q1 2017	Change in %
Net profit or loss from continuing operations per share (basic)	in EUR	0.005	0.098	-95.0%
Net profit or loss from continuing operations per share (diluted)	in EUR	0.005	0.084	-94.2%
Earnings per share (basic)	in EUR	0.002	0.078	-97.6%
Earnings per share (diluted)	in EUR	0.002	0.067	-97.2%

¹ See chapter *Investor Relations* for further details on the number of shares

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

IMMOFINANZ

STOP.
SHOP.

STOP
SHOP

Easy Shopping



myhive

RESULTS OF OPERATIONS DOUBLED

Increase from EUR 17.8 million to EUR 35.5 million

GROWTH OF 3.3% IN RENTAL INCOME

Occupancy rate stable at top value of 94.2%

SUBSTANTIAL DECLINE IN FINANCING COSTS

Reduction of 39% to EUR -16.4 million

VIVO!

coffee
bar

coffee bar

INTRODUCTION

DEAR SHAREHOLDERS,

The first quarter of 2018 brought sound operating development for IMMOFINANZ: the occupancy rate reached a high 94.2%, rental income adjusted for acquisitions, sales and completions improved by 3.7% and the gross return on the portfolio equalled 6.4%. The focus on our three brands – myhive for offices plus STOP SHOP and VIVO! for the retail sector – is progressing quickly: 71% of our total rental income is now generated by properties in these three brands.

In April – i.e. shortly after the end of the reporting period – we opened two further, fully rented STOP SHOP retail parks with nearly 16,000 sqm of space in total. These new properties are located in the Serbian cities of Požarevac and Vršac. The STOP SHOP portfolio now covers 72 locations with approximately 500,000 sqm in eight countries.

The expected improvement in our operating indicators has also become more visible: in the first quarter of 2018, the results of operations doubled to EUR 35.5 million and rental income rose by 3.3% to EUR 59.0 million. The results of asset management increased by a sound 14.1% to EUR 45.0 million, supported by a substantial reduction in property expenses. Both the results of property sales and the results of property development turned clearly positive: the results of property sales improved to EUR 3.5 million (EUR -6.0 million) and the results of property development to EUR 1.8 million (EUR -5.8 million).

Financing costs were significantly lower, as expected, with a decline of 38.6% to EUR -16.4 million due to the refinancing activities carried out in 2017. Cash and cash equivalents rose to over EUR 500 million, and gearing – based on the net loan-to-value ratio – is solid at 40.6%.

The “new” IMMOFINANZ is very well positioned, and we can look towards the future with optimism. Against this backdrop, we also decided at the beginning of the year to keep the detailed negotiations for a possible merger of CA Immo and IMMOFINANZ suspended for the time being and to concentrate on the further improvement of our indicators. It is very important that we maintain the flexibility to take advantage of other strategic options – which also include the profitable sale of our CA Immo investment. We therefore started a structured bidding process for our package in CA Immo during April and investors were invited to participate.

We used a short-term opportunity to become the largest shareholder of S IMMO and, in this way, further drive our growth. In April – i.e. after the end of the reporting period – we signed contracts to purchase approximately 19.5 million S IMMO shares, which represent an investment of nearly 30%. We are currently working to obtain the necessary anti-trust approvals in several countries and expect to conclude the transaction in a few months.



-
**THE “NEW”
IMMOFINANZ IS VERY
WELL POSITIONED,
AND WE CAN LOOK
TOWARDS THE FUTURE
WITH OPTIMISM.**

OLIVER SCHUMY,
CEO

With regard to our distribution policy, we have successfully repositioned IMMOFINANZ as a sustainable dividend stock. The dividend of six Euro cents per share for the two preceding financial years was raised to seven Euro cents for the 2017 financial year, and our plans call for a further increase to eight Euro cents per share for the current financial year.

Our distribution policy also includes the repurchase of IMMOFINANZ shares, and we launched a further share buyback programme for up to 15 million shares during the first quarter of 2018.

Our medium-term guidance remains unchanged with FFO 1 before tax of more than EUR 100 million in 2019.

Vienna, 28 May 2018

Oliver Schumy
CEO

Our Company at a Glance

Focus on office and retail properties in seven core markets

Our core business is the management and development of retail and office properties in selected Central and East European countries. In the office sector, we concentrate on the capital cities of the core countries and the major office locations in Germany with our international myhive brand. The office portfolio is responsible for 62.3% of the total portfolio value. Our activities in the retail sector are based on the STOP SHOP brand for retail parks and VIVO! for shopping centers which are designed, above all, for secondary and tertiary cities. The retail portfolio is responsible for 33.8% of the total portfolio value. In addition to the professional management of these properties, we focus on value-creating growth through our own development projects and acquisitions – always with the goal of strengthening our standing investments and sustainable cash flow.

Our property portfolio had a carrying amount of roughly EUR 4.2 billion and covered 237 properties as of 31 March 2018. Seven core markets form the geographical focus of our business activities: Austria, Germany, Poland, Czech Republic, Slovakia, Romania and Hungary. Our local teams in each of these core markets are the guarantee for a strong service orientation and customer satisfaction.

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

Key data on the property portfolio		31 March 2018	31 December 2017	Change in %
Total number of properties		237	239	-0.8%
Rentable space	in sqm	1,821,736	1,865,178	-2.3%
Occupancy rate	in %	94.2%	94.2%	n.a.
Gross return on the standing investments	in %	6.4%	6.4%	n.a.
Gross return adjusted for occupancy	in %	6.8%	6.8%	n.a.
Portfolio value	in MEUR	4,186	4,195	-0.2%
thereof office	in MEUR	2,608	2,624	-0.6%
thereof retail	in MEUR	1,417	1,409	0.5%
thereof other	in MEUR	161	161	0.2%

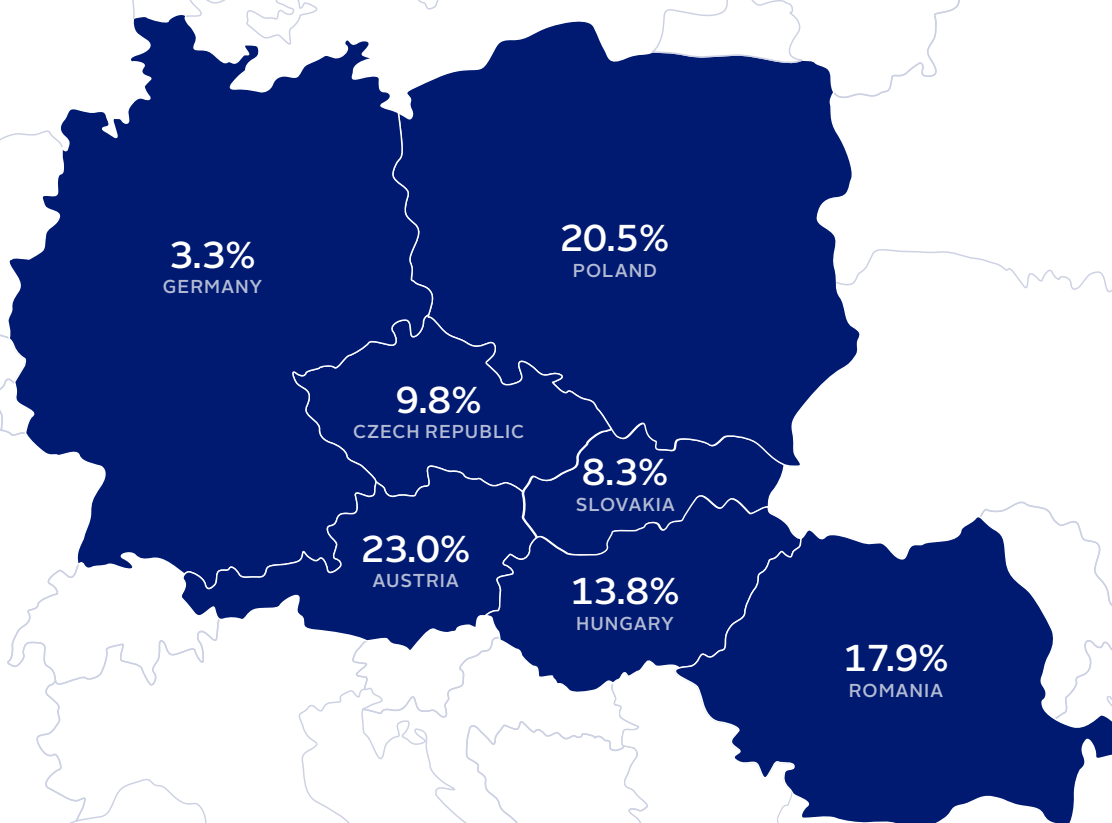


RWTH AACHEN

Aachen | DE | approx. 28,100 sqm rentable space

KEY DATA ON THE STANDING INVESTMENT PORTFOLIO BY CORE MARKET AS OF 31 MARCH 2018

SHARE OF THE STANDING INVESTMENT PORTFOLIO
(BASED ON THE CARRYING AMOUNT OF MEUR 3,480.3)



AUSTRIA	23.0%
Number of properties	31
Carrying amount in MEUR	799.8
Rentable space in sqm	307,413
Occupancy rate in %	95.0%
Rental income Q1 2018 in MEUR ¹	11.6
Gross return in %	5.8%
Gross return in % (occupancy-adjusted)	6.1%

HUNGARY	13.8%
Number of properties	25
Carrying amount in MEUR	481.8
Rentable space in sqm	300,123
Occupancy rate in %	94.3%
Rental income Q1 2018 in MEUR ¹	7.5
Gross return in %	6.3%
Gross return in % (occupancy-adjusted)	6.6%

GERMANY	3.3%
Number of properties	2
Carrying amount in MEUR	114.0
Rentable space in sqm	37,720
Occupancy rate in %	96.1%
Rental income Q1 2018 in MEUR ¹	1.5
Gross return in %	5.4%
Gross return in % (occupancy-adjusted)	5.6%

POLAND	20.5%
Number of properties	26
Carrying amount in MEUR	712.3
Rentable space in sqm	373,939
Occupancy rate in %	93.2%
Rental income Q1 2018 in MEUR ¹	10.9
Gross return in %	6.1%
Gross return in % (occupancy-adjusted)	6.6%

CZECH REPUBLIC	9.8%
Number of properties	18
Carrying amount in MEUR	341.9
Rentable space in sqm	191,640
Occupancy rate in %	93.7%
Rental income Q1 2018 in MEUR ¹	5.3
Gross return in %	6.2%
Gross return in % (occupancy-adjusted)	6.6%

Non-core countries	3.4%
Number of properties	11
Carrying amount in MEUR	118.3
Rentable space in sqm	81,971
Occupancy rate in %	99.2%
Rental income Q1 2018 in MEUR ¹	2.3
Gross return in %	7.7%
Gross return in % (occupancy-adjusted)	7.7%

ROMANIA	17.9%
Number of properties	18
Carrying amount in MEUR	622.3
Rentable space in sqm	343,232
Occupancy rate in %	95.5%
Rental income Q1 2018 in MEUR ¹	11.5
Gross return in %	7.4%
Gross return in % (occupancy-adjusted)	7.8%

SLOVAKIA	8.3%
Number of properties	20
Carrying amount in MEUR	289.9
Rentable space in sqm	185,698
Occupancy rate in %	89.9%
Rental income Q1 2018 in MEUR ¹	5.1
Gross return in %	7.0%
Gross return in % (occupancy-adjusted)	7.8%

IMMOFINANZ	100%
Number of properties	151
Carrying amount in MEUR	3,480.3
Rentable space in sqm	1,821,736
Occupancy rate in %	94.2%
Rental income Q1 2018 in MEUR ¹	55.8
Gross return in %	6.4%
Gross return in % (occupancy-adjusted)	6.8%

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

OUR BRANDS

*Clear brand policy
as the guarantee
for quality and
reliability*

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

myhive

Our offices meet all the expectations of a modern working environment and are concentrated at locations in capital cities and the major office locations in Germany. We rely on innovative office concepts to meet the needs of our tenants. myhive offices stand for a wide range of services and excellent infrastructure as well as space for communicative and lively interaction between tenants. A friendly welcome desk and exclusive tenant lounges as well as regular networking events are part of the standard features. Our community managers also organise professional exchanges between the tenants in various myhive locations, identify opportunities for cooperation and arrange contacts.

OUR OFFICE PORTFOLIO AS OF 31 MARCH 2018

	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Office	80	2,117.5	405.3	31.8	53.0	2,607.6	62.3%
thereof myhive	20	1,029.1	0.0	0.0	0.0	1,029.1	24.6%

VIVO!

VIVO! is our shopping center brand. It is designed for cities with a catchment area of at least 200,000 residents and highlighted by strong anchor tenants and an attractive mix of international and local retailers. VIVO! makes shopping a special experience for the entire family. These shopping centers are normally single-storey and have a high recognition value.

STOP SHOP

STOP SHOP is our brand for retail parks in Central and Eastern Europe. These likeable and convenient local suppliers are located in catchment areas of 30,000 to 150,000 residents and offer a broad range of products with good value for money. With efficient transport connections as well as extensive parking, they concentrate on price-conscious "smart shoppers" who value easy accessibility.

OUR RETAIL PORTFOLIO AS OF 31 MARCH 2018

	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Retail	104	1,354.7	23.1	38.9	1,416.7	33.8%
thereof VIVO!/ Shopping Center	11	651.3	2.5	0.0	653.8	15.6%
thereof STOP SHOP/ Retail Park	82 ¹	683.6	20.7	6.7	710.9	17.0%

1 Two further STOP SHOPS were opened in April 2018, i.e. after the end of the reporting period.

You can find detailed information on the development and structure of the property portfolio in the *Portfolio Report*.

IMMOFINANZ on the Capital Market

THE MARKET ENVIRONMENT AND THE IMMOFINANZ SHARE

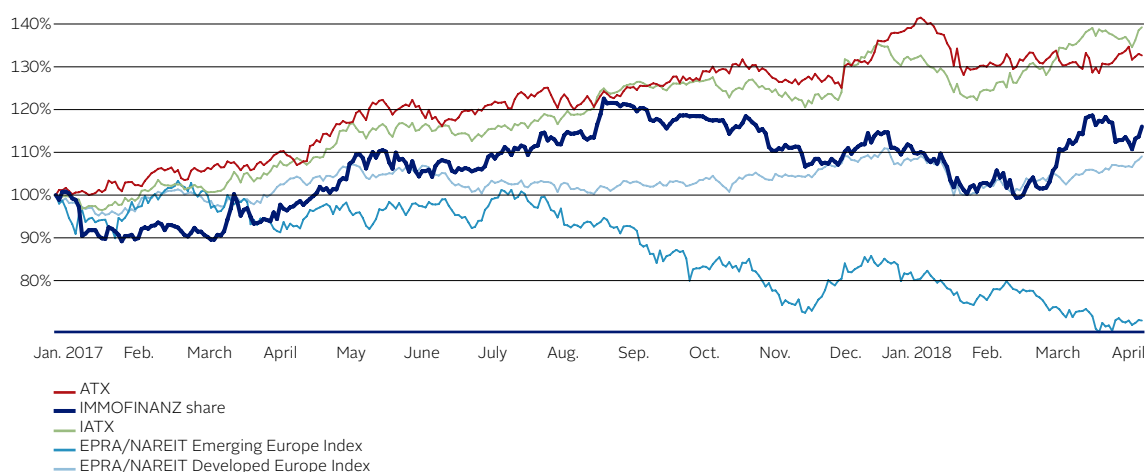
The upward trend on the international markets continued into 2018 and led, in part, to new all-time highs. However, the stock markets were negatively influenced by a global correction from the end of January to mid-February due to reservations in the USA of an increase in inflation. The second half of the quarter brought a generally sideward movement in share prices.

Vienna's leading ATX index recorded stable development (+0.2%) in the first quarter of 2018.

The IMMOFINANZ share started the 2018 financial year at EUR 2.15 and closed the first quarter at EUR 2.11. On the editorial deadline for this report (28 May 2018) the share traded at EUR 2.10.

DEVELOPMENT OF THE IMMOFINANZ SHARE VS. SELECTED INDEXES

Indexed as of 1 January 2017



PERFORMANCE COMPARISON

1 January to 31 March 2018	in %
IMMOFINANZ share	-1.9%
ATX	0.2%
Immobilien ATX	1.2%
EPRA/NAREIT Emerging Europe Index	-12.9%
EPRA/NAREIT Developed Europe Index	-3.8%

INFORMATION ON THE IMMOFINANZ SHARE

		31 March 2018	31 December 2017	Change in %
Book value per share	in EUR	2.53	2.53	-0.1%
Share price at end of period	in EUR	2.11	2.15	-1.9%
Share price high Q1 based on the closing rate	in EUR	2.15	1.90	13.2%
Share price low Q1 based on the closing rate	in EUR	1.88	1.70	10.6%
Discount of share price to NAV per share	in %	26.8%	24.8%	n.a.
Total number of shares		1,120,852,699 ¹	1,116,173,778	0.4%
thereof treasury shares		1,600,000 ²	0	n.a.
Market capitalisation at the end of the period	in MEUR	2,365.0	2,399.8	-1.4%
Free float	in %	approx. 72% ³	approx. 78%	n.a.
Earnings per share Q1 (basic)	in EUR	0.002	0.08	-97.6%
Earnings per share Q1 (diluted)	in EUR	0.002	0.07	-97.2%
EPRA Net Asset Value per share ⁴	in EUR	2.88	2.86	0.8%
EPRA Triple Net Asset Value per share ⁴	in EUR	2.87	2.84	0.9%

¹ For additional details on the number of shares, see below the section *25th Annual General Meeting*.

² IMMOFINANZ has been repurchasing its shares within the context of the share buyback programme 1/2018 since 14 March 2018 (for additional details, see the section *Share buyback programme*).

³ Excl. treasury shares

⁴ See the calculation under the section *Business development*.

KEY DATA ON THE SHARE

ISIN	AT0000809058
Segment	ATX, WIG
Reuters	IMFI VI
Bloomberg	IIA AV
Datastream	O: IMMO 866289
Financial year 2018	1 January to 31 December

DEVELOPMENT OF SHARE CAPITAL AND THE NUMBER OF SHARES

Share capital amounted to EUR 1,120.9 million* as of 31 March 2018 (31 December 2017: EUR 1,116.2 million) and is divided into 1,120,852,699* bearer shares. The total number of shares increased by approximately 4.7 million, or roughly 0.4%, during the first quarter. It resulted from a capital increase from conditional capital to service the exchange rights of holders of the convertible bond 2018. This convertible bond was fully converted or redeemed as of 8 March 2018.

DISTRIBUTION POLICY

The IMMOFINANZ share is positioned as a dividend stock, and the Executive and Supervisory Boards are committed to achieving and maintaining a sustainable dividend policy. Share buybacks are also a possible component of our distribution policy.

Sustainable dividend policy

The annual general meeting on 11 May 2018, i.e. after the balance sheet date, approved a dividend of EUR 0.07 per share for the 2017 financial year (2016A: EUR 0.06). It was classified as a repayment of capital under Austrian law (§ 4 (12) of the Austrian Income Tax Act) and was therefore not subject to withholding tax for natural persons who are resident in Austria and who hold IMMOFINANZ shares as part of their private assets.** The ex-dividend date was 15 May and the dividend was paid on 17 May 2018.

A further increase in the dividend to EUR 0.08 per share is planned for the current 2018 financial year.

Share buyback programme

A further share buyback programme with a volume of up to 15 million shares was approved in March 2018. It will run to 31 December 2018 at the latest. Information on the share buyback programme is available under <https://www.immofinanz.com/en/investor-relations/our-share/share-buyback-programmes>. IMMOFINANZ held 1,600,000 treasury shares as of 31 March 2018.

Partial public takeover offer

On 18 April 2018, SOF-11 Starlight 10 EUR S.à.r.l., Luxembourg, a member company of the Starwood Capital Group, published the offer documents for the voluntary public takeover offer for IMMOFINANZ shares which was announced on 22 March 2018.

The offer covers the purchase of up to 56,042,635 shares, respectively up to 5% of share capital. The offer price equals EUR 2.10 per share (including the dividend). After an adjustment for the EUR 0.07 dividend for the 2017 financial year, which has already been paid, the offer price equals EUR 2.03 per share. The offer is valid up to and including 30 May 2018, 5:00 pm local time in Vienna.

In the legally required statements, the Executive Board and Supervisory Board have recommended the non-acceptance of this offer. The offer price of EUR 2.10 (including the dividend) is not appropriate: it is 26.6% lower than the EPRA NAV per IMMOFINANZ share (EUR 2.86 as of 31 December 2017) and only roughly 4.6% higher than the closing price of the share prior to the announcement of the offer (closing price on the Vienna Stock Exchange on 21 March 2018: EUR 2.008).

The documents relating to the takeover offer by Starwood Capital and the statements by the Executive and Supervisory Board are available on the IMMOFINANZ website under the following link: <https://www.immofinanz.com/en/investor-relations/takeover-offer-by-sof-11-starlight-10>.

* Additional details on share capital and the number of shares are provided below in the section *25th Annual General Meeting*.

** Subject to certain assumptions, e.g. when the total capital repayment exceeds the tax base of the purchased shares.

25TH ANNUAL GENERAL MEETING

The 25th annual general meeting of IMMOFINANZ was held on 11 May 2018 in the Austria Center Vienna, with roughly 520 shareholders or shareholder representatives in attendance.

The shareholders approved the dividend of seven Euro cents per share as well as a reverse stock split at a ratio of 10:1, which will combine ten existing shares into a single share. Information on the exact timing for this step will be announced at a later date. An increase in share capital from internal funds, combined with an ordinary capital decrease, was also approved. As a result of these resolutions, the share capital of IMMOFINANZ AG will total EUR 112,085,269.00 and be divided into 112,085,269 shares. All related documents as well as the results of voting are published under <https://www.immofinanz.com/en/investor-relations/general-meeting>.

The composition of the IMMOFINANZ Supervisory Board is unchanged and includes the following persons: Michael Knap (Chairman), Rudolf Fries (Vice-Chairman), Christian Böhm, Nick J. M. van Ommen, Horst Populorum and Wolfgang Schischek as well as three members delegated by the Works' Council, Philipp Obermair, Werner Ertelthaler and Larissa Lielacher.

FINANCIAL CALENDAR 2018

29 August 2018	Announcement of results for the first half of 2018 (after the close of trading)
30 August 2018	Financial report on the first half of 2018
28 November 2018	Announcement of results for the first three quarters of 2018 (after the close of trading)
29 November 2018	Financial report on the first three quarters of 2018

YOUR IR CONTACTS

We would be happy to answer your questions and provide additional information on IMMOFINANZ and its share.

Investor Relations Contacts

Bettina Schragl

T: +43 1 88090 2290

investor@immofinanz.com

Simone Korbelius

T: +43 1 88090 2291

investor@immofinanz.com

GROUP MANAGEMENT REPORT

Portfolio Report

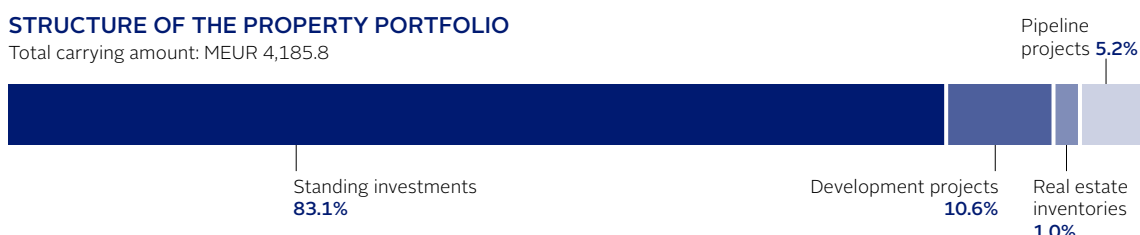
Portfolio value of EUR 4.2 billion

The property portfolio covered 237 properties* as of 31 March 2018 (31 December 2017: 239) with a combined value of EUR 4,185.8 million** (31 December 2017: EUR 4,194.8 million) in the core markets of Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Poland. Standing investments represented the largest component at EUR 3,480.3 million, or 83.1%, of the carrying amount and approximately 1.8 million sqm of rentable space. These properties generate steady rental income. The development projects comprised EUR 443.4 million or 10.6% of the carrying amount and real estate inventories EUR 42.5 million or 1.0%. Pipeline projects were responsible for EUR 219.5 million or 5.2% of the carrying amount and include future planned development projects and undeveloped land.

The IMMOFINANZ portfolio is focused on clearly defined brands with a high degree of standardisation. In the retail sector, the brands include STOP SHOP for retail parks and VIVO! for shopping centers. myhive, an international office brand, was launched in autumn 2016 and rolled out to a number of office standing investments in 2017. Properties in these three brands were responsible for 67.9% of the carrying amount of the standing investment portfolio and 71.0% of rental income at the end of the first quarter of 2018. Additional information on the IMMOFINANZ brand world can be found under *Our Company at a Glance*.

STRUCTURE OF THE PROPERTY PORTFOLIO

Total carrying amount: MEUR 4,185.8



A geographical analysis shows the main focus of the property portfolio in Austria with 19.6%, followed by Romania with 19.3%, Poland with 18.2% and Hungary with 12.3%. The non-core countries represent 4.1% of the carrying amount.

PROPERTY PORTFOLIO BY CORE MARKET

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Austria	34	799.8	9.9	0.0	9.7	819.4	19.6%
Germany	13	114.0	325.5	36.4	0.0	475.9	11.4%
Czech Republic	19	341.9	0.0	0.0	1.0	342.9	8.2%
Hungary	31	481.8	0.0	0.0	31.2	513.0	12.3%
Poland	34	712.3	45.0	4.5	1.7	763.5	18.2%
Romania	64	622.3	48.7	1.5	136.9	809.3	19.3%
Slovakia	21	289.9	0.0	0.0	1.2	291.1	7.0%
Non-core countries ¹	21	118.3	14.3	0.2	37.9	170.7	4.1%
IMMOFINANZ	237	3,480.3	443.4	42.5	219.5	4,185.8	100.0%
		83.1%	10.6%	1.0%	5.2%	100.0%	

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

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

* Properties that are held for sale and fall under IFRS 5, were as previously not included in the portfolio report (see section 4.5 in the consolidated interim financial statements).

** Incl. non-core countries, excl. IFRS 5

STRUCTURE OF THE PROPERTY PORTFOLIO BY ASSET CLASS AND CLASSIFICATION

Total carrying amount: MEUR 4,024.3 (excl. Other); in MEUR



The following table shows the carrying amount of IMMOFINANZ's property portfolio as of 31 March 2018:

PROPERTY PORTFOLIO BY CATEGORY AND BRAND

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Real estate inventories in MEUR	Pipeline projects in MEUR	Property portfolio in MEUR	Property portfolio in %
Office	80	2,117.5	405.3	31.8	53.0	2,607.6	62.3%
thereof myhive	20	1,029.1	0.0	0.0	0.0	1,029.1	24.6%
Retail	104	1,354.7	23.1	0.0	38.9	1,416.7	33.8%
thereof VIVO!/ Shopping Center	11	651.3	2.5	0.0	0.0	653.8	15.6%
thereof STOP SHOP/ Retail Park	82	683.6	20.7	0.0	6.7	710.9	17.0%
Other	53	8.1	15.0	10.7	127.7	161.5	3.9%
IMMOFINANZ	237	3,480.3	443.4	42.5	219.5	4,185.8	100.0%

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

STANDING INVESTMENTS

With an 83.1% share of the total property portfolio, the standing investments are the major source of earnings for IMMOFINANZ. These properties are held to generate rental income. The most important objectives for their management include the continuous improvement of quality and efficiency, the strengthening of ties with existing tenants and the acquisition of new tenants.

Standing investments are the most important source of earnings in the property portfolio

The 151 standing investments had a carrying amount of EUR 3,480.3 million as of 31 March 2018 (31 March 2017: 138 standing investments and EUR 3,271.0 million). Of this total, 60.8% were attributable to office properties and 38.9% to retail properties. The focal points of the standing investments based on the carrying amount are the markets in Austria (EUR 799.8 million), Poland (EUR 712.3 million) and Romania (EUR 622.3 million).

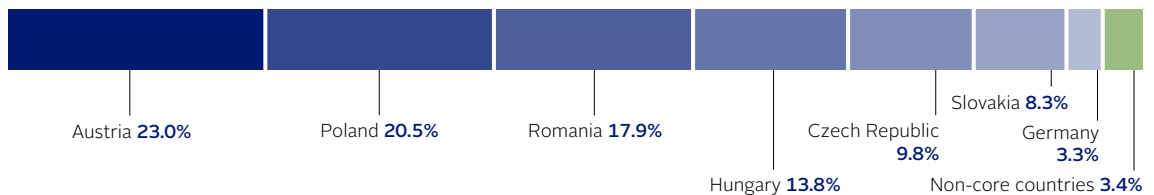
These properties have 1,821,736 sqm of rentable space (31 March 2017: 1,710,166 sqm). Based on annualised rental income* (rental income Q1 2018: EUR 55.8 million), the portfolio has a gross return of 6.4% (occupancy-adjusted: 6.8%).

* Rental income in the first quarter of 2018 was multiplied by four to develop the annualised amount.

**Occupancy rate
of 94.2%**

The occupancy rate equalled 94.2% as of 31 March 2018 (31 December 2017: 94.2%; 31 March 2017: 91.9%). The average unexpired lease term (WAULT*) weighted by rental income equalled roughly four years as of 31 March 2018.

The following graph shows the distribution of IMMOFINANZ's standing investment portfolio as of 31 March 2018, based on the carrying amount:

**STANDING INVESTMENTS BY CORE MARKET**

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
Austria	31	799.8	23.0%	307,413	291,907	95.0%
Germany	2	114.0	3.3%	37,720	36,256	96.1%
Czech Republic	18	341.9	9.8%	191,640	179,627	93.7%
Hungary	25	481.8	13.8%	300,123	283,114	94.3%
Poland	26	712.3	20.5%	373,939	348,443	93.2%
Romania	18	622.3	17.9%	343,232	327,701	95.5%
Slovakia	20	289.9	8.3%	185,698	166,876	89.9%
Non-core countries	11	118.3	3.4%	81,971	81,355	99.2%
IMMOFINANZ	151	3,480.3	100.0%	1,821,736	1,715,279	94.2%

Standing investments	Rental income Q1 2018 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
Austria	11.6	5.8% (6.1%)	451.3	1.9%	2.7%	56.4%
Germany	1.5	5.4% (5.6%)	81.3	0.7%	1.2%	71.3%
Czech Republic	5.3	6.2% (6.6%)	105.9	1.6%	2.1%	31.0%
Hungary	7.5	6.3% (6.6%)	190.3	2.1%	2.3%	39.5%
Poland	10.9	6.1% (6.6%)	460.1	1.8%	2.2%	64.6%
Romania	11.5	7.4% (7.8%)	118.2	3.4%	3.7%	19.0%
Slovakia	5.1	7.0% (7.8%)	153.5	2.1%	2.3%	52.9%
Non-core countries	2.3	7.7% (7.7%)	64.5	3.5%	3.5%	54.5%
IMMOFINANZ	55.8	6.4% (6.8%)	1,625.2	2.0%	2.5%	46.7%

Development projects and pipeline projects	1.1		282.3	1.7%	2.0%	
Rental income from sold properties	2.2		0.0	0.0%	0.0%	
Group financing	0.0		530.0	2.0%	2.0%	
IMMOFINANZ	59.0		2,437.5	1.9%	2.3%	
Market value property portfolio						4,185.8
EPRA NAV CA Immo shares (25.7 million shares) ³						771.5
Cash and cash equivalents ⁴			-509.6			
Properties/liabilities held for sale (asset & share deals)			182.6			244.1
IMMOFINANZ			2,110.5			40.6%

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

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

2 Financing costs based on nominal outstanding liability

3 25.7 million shares of CA Immobilien Anlagen AG at the EPRA NAV EUR 30.03 per share as of 31 March 2018

4 Cash and cash equivalents, incl. cash and cash equivalents from assets held for sale

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

SUBSTANTIAL IMPROVEMENT IN LIKE-FOR-LIKE RENTAL INCOME

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with the first quarter of 2017) shows an increase of EUR 1.8 million or 3.7% in rental income to EUR 49.5 million in the first quarter of 2018.

STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKET

Standing investments like-for-like ¹	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q1 2018 in MEUR	Rental income Q1 2017 in MEUR	Change in rental income Q1 2018 vs. Q1 2017 in MEUR
Austria	28	722.7	23.2%	10.5	9.6	1.0
Germany	1	40.6	1.3%	0.5	0.5	0.0
Czech Republic	18	341.9	11.0%	5.3	4.8	0.5
Hungary	23	460.6	14.8%	7.1	6.8	0.3
Poland	25	674.5	21.7%	10.1	9.6	0.5
Romania	15	562.8	18.1%	10.5	11.0	-0.5
Slovakia	13	203.9	6.6%	3.5	3.6	-0.1
Non-core countries	10	105.8	3.4%	2.0	1.9	0.1
IMMOFINANZ	133	3,112.8	100.0%	49.5	47.8	1.8
Rental income from properties sold/acquired and development projects				9.5		
IMMOFINANZ				59.0		

STANDING INVESTMENTS LIKE-FOR-LIKE BY BRAND

Standing investments like-for-like ¹	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q1 2018 in MEUR	Rental income Q1 2017 in MEUR	Change in rental income Q1 2018 vs. Q1 2017 in MEUR
Office	56	1,893.7	60.8%	26.9	26.1	0.9
thereof myhive	17	920.2	29.6%	13.1	12.4	0.7
Retail	72	1,211.1	38.9%	22.4	21.6	0.9
thereof VIVO!/ Shopping Center	9	613.5	19.7%	11.1	10.6	0.5
thereof STOP SHOP/ Retail Park	59	577.7	18.6%	10.9	10.5	0.4
Other	5	8.1	0.3%	0.2	0.1	0.0
IMMOFINANZ	133	3,112.8	100.0%	49.5	47.8	1.8

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

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

OFFICE STANDING INVESTMENTS

The carrying amount of the 62 office standing investments totalled EUR 2,117.5 million as of 31 March 2018 (31 March 2017: 61 Standing investments and EUR 2,075.6 million). They represented 60.8% of the standing investment portfolio and 54.1% of the rental income in the first quarter of 2018. A regional analysis shows the focal points of these properties in the core markets of Austria (EUR 681.4 million), Poland (EUR 447.5 million) and Romania (EUR 308.7 million).

These standing investments have 1,002,850 sqm (31 March 2017: 996,660 sqm) of rentable space. Based on annualised rental income (rental income Q1 2018: EUR 30.2 million), the office portfolio generated a gross return of 5.7% (occupancy-adjusted: 6.2%). The office properties in the myhive brand represented a carrying amount of EUR 1,029.1 million as of 31 March 2018. They were responsible for EUR 14.7 million of rental income in the first quarter of 2018, respectively EUR 58.8 million on an annualised basis, and had a gross return of 5.7% (occupancy-adjusted: 6.2%).

The occupancy rate in the office portfolio continued to improve during the first quarter of 2018, with an increase to 92.2% (31 December 2017: 91.9%; 31 March 2017: 89.2%). The myhive offices have an occupancy rate of 92.5%.

**Further increase
in the occupancy
rate for offices**

The office portfolio has a balanced tenant structure. The ten largest tenants are responsible for 18% of the space in the standing investments, and no single tenant has rented more than 3% of the total space in these office properties. The WAULT* equalled 4.1 years as of 31 March 2018.

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

KEY DATA ON THE OFFICE STANDING INVESTMENTS BY CATEGORY

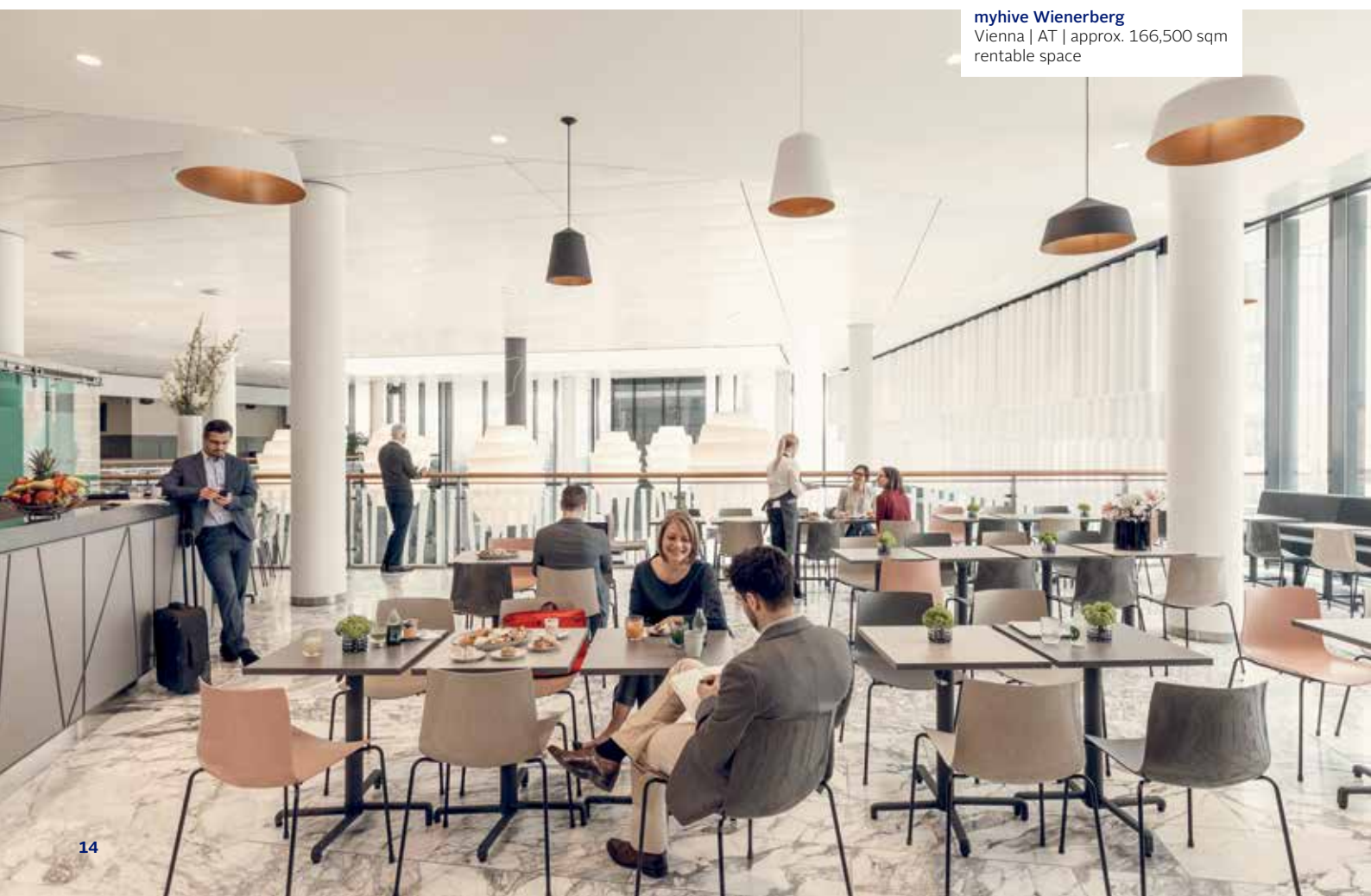
Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	62	2,117.5	100.0%	1,002,850	924,297	92.2%
thereof myhive	20	1,029.1	48.6%	460,797	426,010	92.5%
Standing investments	Rental income Q1 2018 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	30.2	5.7% (6.2%)	989.1	1.9%	2.6%	46.7%
thereof myhive	14.7	5.7% (6.2%)	488.1	2.0%	2.7%	47.4%

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

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

2 Financing costs based on nominal outstanding liability

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

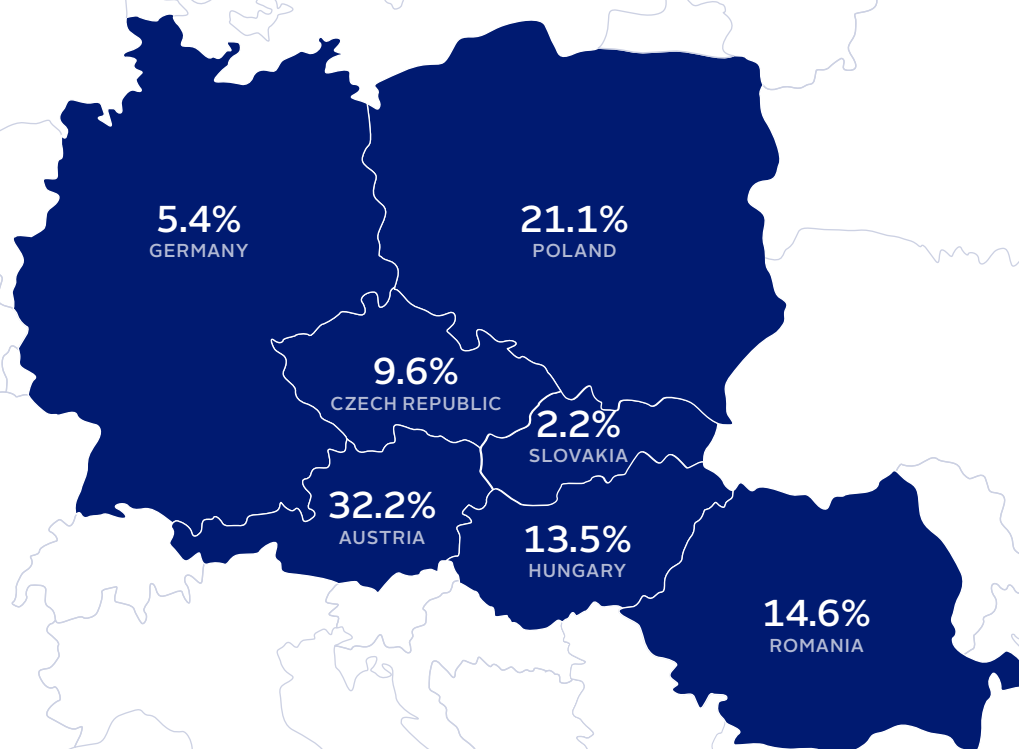


myhive Wienerberg
Vienna | AT | approx. 166,500 sqm
rentable space



THE OFFICE SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 2,117.5)



AUSTRIA	32.2%
Number of properties	16
Carrying amount in MEUR	681.4
Rentable space in sqm	247,143
Occupancy rate in %	94.3%
Rental income Q1 2018 in MEUR ¹	9.4
Gross return in %	5.5%
Gross return in % (occupancy-adjusted)	5.8%

POLAND	21.1%
Number of properties	15
Carrying amount in MEUR	447.5
Rentable space in sqm	226,687
Occupancy rate in %	90.4%
Rental income Q1 2018 in MEUR ¹	6.5
Gross return in %	5.8%
Gross return in % (occupancy-adjusted)	6.4%

ROMANIA	14.6%
Number of properties	9
Carrying amount in MEUR	308.7
Rentable space in sqm	189,977
Occupancy rate in %	92.8%
Rental income Q1 2018 in MEUR ¹	5.0
Gross return in %	6.5%
Gross return in % (occupancy-adjusted)	7.0%

HUNGARY	13.5%
Number of properties	11
Carrying amount in MEUR	286.9
Rentable space in sqm	163,870
Occupancy rate in %	91.4%
Rental income Q1 2018 in MEUR ¹	4.0
Gross return in %	5.6%
Gross return in % (occupancy-adjusted)	6.2%

CZECH REPUBLIC	9.6%
Number of properties	6
Carrying amount in MEUR	203.8
Rentable space in sqm	85,874
Occupancy rate in %	90.3%
Rental income Q1 2018 in MEUR ¹	2.6
Gross return in %	5.2%
Gross return in % (occupancy-adjusted)	5.7%

GERMANY	5.4%
Number of properties	2
Carrying amount in MEUR	114.0
Rentable space in sqm	37,720
Occupancy rate in %	96.1%
Rental income Q1 2018 in MEUR ¹	1.5
Gross return in %	5.4%
Gross return in % (occupancy-adjusted)	5.6%

SLOVAKIA	2.2%
Number of properties	2
Carrying amount in MEUR	47.0
Rentable space in sqm	35,584
Occupancy rate in %	85.7%
Rental income Q1 2018 in MEUR ¹	0.7
Gross return in %	6.0%
Gross return in % (occupancy-adjusted)	7.0%

Non-core countries ²	1.3%
Number of properties	1
Carrying amount in MEUR	28.2
Rentable space in sqm	15,995
Occupancy rate in %	99.1%
Rental income Q1 2018 in MEUR ¹	0.4
Gross return in %	5.7%
Gross return in % (occupancy-adjusted)	5.8%

IMMOFINANZ	100,0%
Number of properties	62
Carrying amount in MEUR	2,117.5
Rentable space in sqm	1,002,850
Occupancy rate in %	92.2%
Rental income Q1 2018 in MEUR ¹	30.2
Gross return in %	5.7%
Gross return in % (occupancy-adjusted)	6.2%

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

² Croatia

RETAIL STANDING INVESTMENTS

The carrying amount of the 84 standing investments in the retail sector totalled EUR 1,354.7 million as of 31 March 2018 (31 March 2017: 72 standing investments and EUR 1,193.6 million). These properties represented 38.9% of the standing investment portfolio and generated 45.6% of rental income in the first quarter of 2018. The largest regional markets are Romania with EUR 312.4 million, Poland with EUR 264.8 million and Slovakia with EUR 242.9 million. The STOP SHOP retail parks had a carrying amount of EUR 683.6 million and generated rental income of EUR 13.0 million and a gross return of 7.6% in the first quarter of 2018 (occupancy-adjusted: 7.8%). The VIVO! shopping centers had a carrying amount of EUR 651.3 million, rental income of EUR 11.9 million and a gross return of 7.3% (occupancy-adjusted: 7.7%).

The retail standing investments have 818,886 sqm of rentable space (31 March 2017: 713,506 sqm). Based on annualised rental income (rental income Q1 2018: EUR 25.4 million), the retail portfolio had a gross return of 7.5% (occupancy-adjusted: 7.8%).

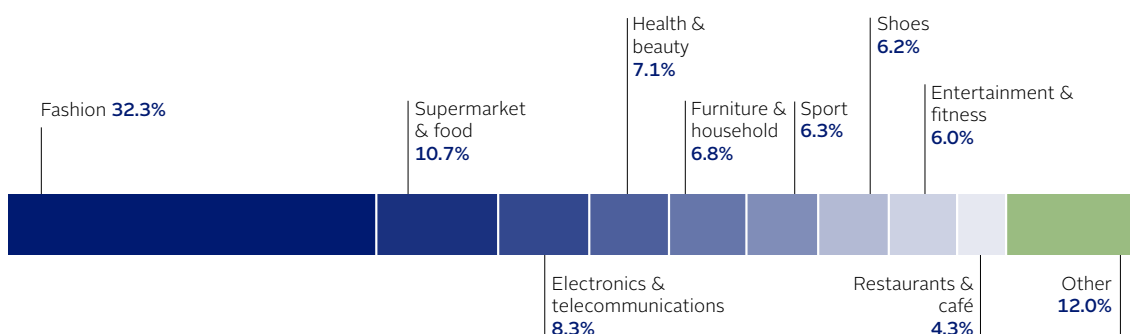
Occupancy rate in retail properties of 96.6%

The occupancy rate in the retail properties equalled 96.6% as of 31 March 2018 (31 December 2017: 97.2%; 31 March 2017: 95.7%). In the STOP SHOPS and VIVO!s the occupancy rate equalled 98.2% and 95.0%, respectively.

IMMOFINANZ relies on a balanced tenant mix and the inclusion of recreational and entertainment opportunities to create an optimal environment for retailers and their customers. All of the larger IMMOFINANZ retail properties have numerous solid international and local anchor tenants. Retailers from the fashion sector are the largest tenant group based on rented space, followed by food products. Other important tenant groups are electronics & telecommunications, health & beauty, furniture & household, sport, shoes and entertainment & fitness. The WAULT* equalled 3.9 years as of 31 March 2018.

BRANCH MIX – RETAIL

Only rented space in standing investments as of 31 March 2018



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

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

KEY DATA ON THE RETAIL STANDING INVESTMENTS BY CATEGORY

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	84	1,354.7	100.0%	818,886	790,983	96.6%
thereof VIVO!/ Shopping Center	10	651.3	48.1%	310,784	295,251	95.0%
thereof STOP SHOP/ Retail Park	70	683.6	50.5%	483,589	474,656	98.2%
Standing investments	Rental income Q1 2018 in MEUR ¹	Gross return in % (occupancy-adjusted)	Carrying amount financing in MEUR	Financing costs in % ²	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	25.4	7.5% (7.8%)	633.3	2.1%	2.3%	46.8%
thereof VIVO!/ Shopping Center	11.9	7.3% (7.7%)	228.2	2.0%	2.4%	35.0%
thereof STOP SHOP/ Retail Park	13.0	7.6% (7.8%)	405.1	2.2%	2.3%	59.3%

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

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

2. Financing costs based on nominal outstanding liability

STOP SHOP
Żary | PL | approx. 3,600 sqm
rentable space





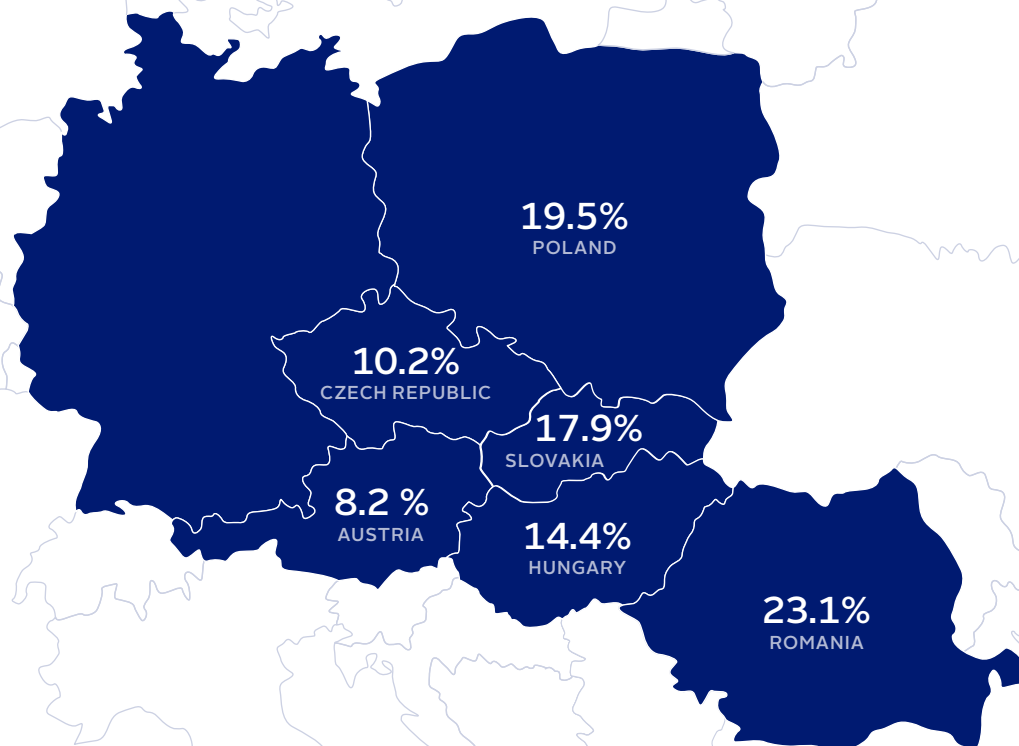
VIVO!

Krosno | PL | approx. 21,200 sqm
rentable space



THE RETAIL SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 1,354.7)



ROMANIA	23.1%
Number of properties	6
Carrying amount in MEUR	312.4
Rentable space in sqm	153,255
Occupancy rate in %	98.8%
Rental income Q1 2018 in MEUR ¹	6.5
Gross return in %	8.3%
Gross return in % (occupancy-adjusted)	8.4%

POLAND	19.5%
Number of properties	11
Carrying amount in MEUR	264.8
Rentable space in sqm	147,252
Occupancy rate in %	97.4%
Rental income Q1 2018 in MEUR ¹	4.4
Gross return in %	6.7%
Gross return in % (occupancy-adjusted)	6.8%

SLOVAKIA	17.9%
Number of properties	18
Carrying amount in MEUR	242.9
Rentable space in sqm	150,113
Occupancy rate in %	90.8%
Rental income Q1 2018 in MEUR ¹	4.4
Gross return in %	7.2%
Gross return in % (occupancy-adjusted)	7.9%

HUNGARY	14.4%
Number of properties	14
Carrying amount in MEUR	194.9
Rentable space in sqm	136,253
Occupancy rate in %	97.8%
Rental income Q1 2018 in MEUR ¹	3.5
Gross return in %	7.2%
Gross return in % (occupancy-adjusted)	7.3%

CZECH REPUBLIC	10.2%
Number of properties	12
Carrying amount in MEUR	138.1
Rentable space in sqm	105,766
Occupancy rate in %	96.5%
Rental income Q1 2018 in MEUR ¹	2.7
Gross return in %	7.7%
Gross return in % (occupancy-adjusted)	8.0%

AUSTRIA	8.2%
Number of properties	13
Carrying amount in MEUR	111.4
Rentable space in sqm	60,271
Occupancy rate in %	97.6%
Rental income Q1 2018 in MEUR ¹	2.1
Gross return in %	7.6%
Gross return in % (occupancy-adjusted)	7.8%

Non-core countries ²	6.7%
Number of properties	10
Carrying amount in MEUR	90.1
Rentable space in sqm	65,976
Occupancy rate in %	99.3%
Rental income Q1 2018 in MEUR ¹	1.9
Gross return in %	8.3%
Gross return in % (occupancy-adjusted)	8.3%

IMMOFINANZ	100.0%
Number of properties	84
Carrying amount in MEUR	1,354.7
Rentable space in sqm	818,886
Occupancy rate in %	96.6%
Rental income Q1 2018 in MEUR ¹	25.4
Gross return in %	7.5%
Gross return in % (occupancy-adjusted)	7.8%

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

² Slovenia and Serbia

DEVELOPMENT PROJECTS

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

Active development projects with a carrying amount of EUR 352.2 million

The development projects had a carrying amount of EUR 443.4 million as of 31 March 2018, which represented 10.6% of the total property portfolio. Included in this amount are EUR 352.2 million of active development projects and EUR 91.2 million of projects in the preparation or concept phase which are expected to be reclassified as active projects in the coming quarters but for which outstanding construction costs are not yet available.

The expected fair value of the active projects on completion amounts to EUR 542.6 million. At EUR 475.4 million, the core market Germany represents the focus of these activities based on the expected fair value after completion. The active development projects also include the expansion and refurbishment of existing properties which will be reclassified to the standing investment portfolio after completion. These types of projects were ongoing in two buildings as of 31 March 2018: the conversion of an office building in the *myhive Wienerberg* into a hotel and office property and the expansion of the *VIVO! Stalowa Wola* shopping center.

The development projects in preparation include the extensive modernisation of standing investments, e.g. three office buildings in Bucharest, two sites for retail development projects in Romania and Poland, three standing investments and one site in the *EMPARK* office complex in Warsaw.

CURRENT FOCUS OF DEVELOPMENT ACTIVITIES

GERMANY

Düsseldorf

Development projects focused on Germany

The new global headquarters for trivago is currently under construction in the Medienhafen with approx. 26,000 sqm of rentable office space in the first building section. This six-storey, horizontally structured building opens towards the harbour basin, which creates an expansive campus with a welcoming atmosphere. The first section is scheduled for completion during the third quarter of 2018. The second section will create areas for trivago's further expansion (approx. 21,000 sqm); the outstanding construction costs amount to roughly EUR 70.0 million, and completion is planned for 2020.

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

AUSTRIA

In the *myhive Wienerberg*, work is currently in progress to convert an office building into a hotel and office property. The ground floor lobby will include an entranceway to the neighbouring shopping center; the hotel rooms will be integrated on floors 8 to 21; and the other areas – six floors in total – will be refitted as modern offices. The hotel will be operated by the NOVUM Group as the Holiday Inn Vienna – South and is scheduled to open in summer 2019.

POLAND

The expansion of the *VIVO! Stalowa Wola* shopping center is currently in progress. This property has roughly 22,500 sqm and is almost fully rented. The extension will cover 2,800 sqm, whereby the new space has already been rented and is partially completed.

SERBIA

Three STOP SHOP locations were under development in Serbia as of 31 March 2018, whereby the locations in Požarevac (7,200 sqm) and Vršac (8,250 sqm) opened in April 2018. Both retail parks are fully rented. The opening of the STOP SHOP Sremska Mitrovica is planned for 2019.

*Two new
STOP SHOP
locations in
Serbia opened
during April*

DEVELOPMENT PROJECTS BY CORE MARKET

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % ¹
Austria	1	9.9	2.8%	25.7	10,191	35.6	2.1	6.0%
Germany ²	4	325.5	92.4%	114.5	85,123	475.4	22.0	5.0%
Poland	1	2.5	0.7%	1.1	2,781	4.0	0.3	8.9%
Non-core countries	3	14.3	4.1%	10.9	22,468	27.6	2.5	10.1%
Active Projects	9	352.2	100.0%	152.2	120,563	542.6	27.0	5.3%
Projects in preparation	9	91.2						
IMMOFINANZ	18	443.4						

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

1. Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs. The current carrying amount includes previously realised valuation gains.

2. Includes, among others, the second construction section of the *trivago Campus*

ACTIVE DEVELOPMENT PROJECTS BY BRAND

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % ¹
Active projects	9	352.2	100.0%	152.2	120,563	542.6	27.0	5.3%
thereof VIVO!/ Shopping Center	1	2.5	0.7%	1.1	2,781	4.0	0.3	8.9%
thereof STOP SHOP/ Retail Park	3	14.3	4.1%	10.9	22,468	27.6	2.5	10.1%

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

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



myhive Átrium Park
Budapest | HU | approx.
38,700 sqm rentable space

REAL ESTATE INVENTORIES

Real estate inventories are apartments that are intended for sale after completion or have already been sold (i.e. in Germany) as well as underground garages and the hotel in Cologne's *Gerling Quartier* which is in the project development phase. The hotel was sold as a forward purchase, but will be completed by IMMOFINANZ and is expected to be transferred during the first half of 2018.

Real estate inventories	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Expected fair value after completion in MEUR
Germany	7	36.4 ¹	85.5%	21.3	57.6 ¹
Poland	1	4.5	10.6%	0.0	4.5
Romania	7	1.5	3.5%	0.0	1.5
Non-core countries	1	0.2	0.4%	0.0	0.2
IMMOFINANZ	16	42.5	100.0%	21.3	63.8

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

1. Reduction versus 31 December 2017 due to the initial application of IFRS 15

PIPELINE PROJECTS

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

Pipeline projects with a carrying amount of EUR 219.5 million

The pipeline projects had a carrying amount of EUR 219.5 million as of 31 March 2018 (31 December 2017: EUR 202.3 million). They are evaluated quarterly for possible transfer to an active development status. IMMOFINANZ intends to reduce the share of pipeline projects in the property portfolio through selected sales.

PIPELINE PROJECTS BY CORE MARKET

Pipeline projects	Number of properties	Carrying amount in MEUR	Carrying amount in %
Austria	2	9.7	4.4%
Czech Republic	1	1.0	0.4%
Hungary	6	31.2	14.2%
Poland	1	1.7	0.8%
Romania	35	136.9	62.4%
Slovakia	1	1.2	0.5%
Non-core countries	6	37.9	17.3%
IMMOFINANZ	52	219.5	100.0%

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

ASSETS HELD FOR SALE

The assets held for sale totalled EUR 244.7 million as of 31 March 2018 and are not included in this portfolio report (31 December 2017: EUR 265.1 million). Concrete sale plans have been approved for these properties, and their sale is intended in the near future. Details are provided in note 4.5 to the *consolidated interim financial statements*.



myhive Nimbus
Warsaw | PL | approx. 21,300 sqm
rentable space

Financing

Improvement in term structure and financing costs

IMMOFINANZ's financing strategy is designed to ensure sufficient liquidity at all times, to achieve and maintain a balanced composition and maturity profile for the capital structure and to optimise financing costs. The best possible structuring of debt financing is an important priority and, in addition to successful property management, is a decisive factor for the results generated by IMMOFINANZ's business activities.

Financial liabilities totalled EUR 2.6 billion as of 31 March 2018 (31 December 2017: EUR 2.6 billion). Cash and cash equivalents rose to EUR 509.4 million (31 December 2017: EUR 477.9 million). Net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 2.1 billion (31 December 2017: EUR 2.1 billion).

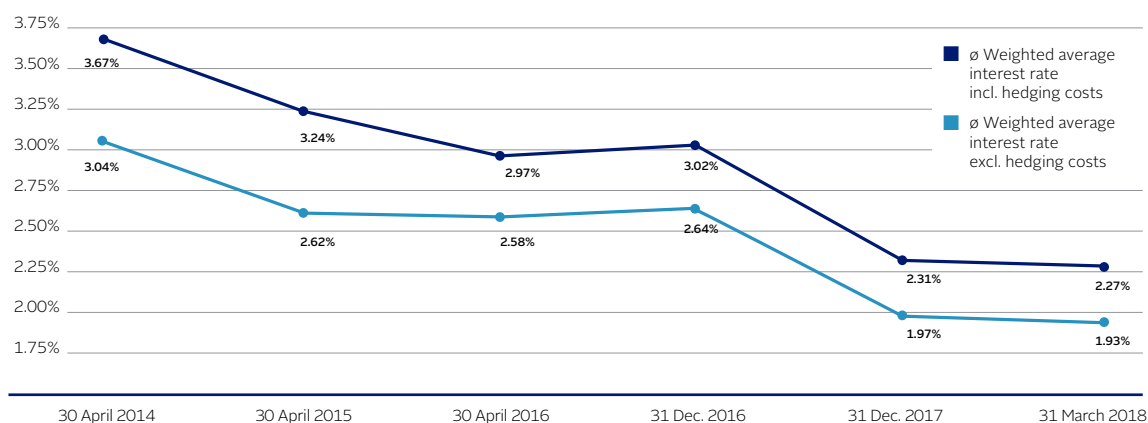
Further reduction in net loan-to-value

Robust balance sheet structure

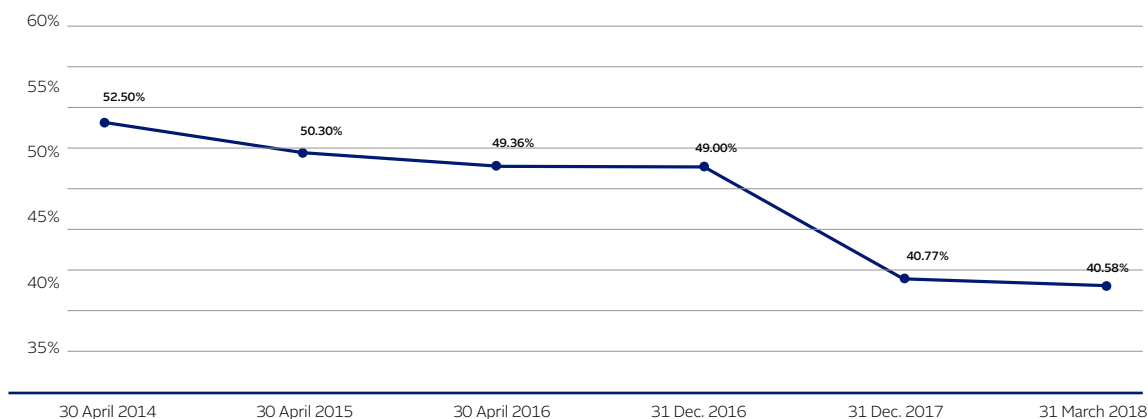
IMMOFINANZ has a robust balance sheet structure with an equity ratio of 46.5% (31 December 2017: 46.3%) and achieved a further reduction in the net loan-to-value ratio (net LTV) during the reporting period to 40.6% (31 December 2017: 40.8%).

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

DEVELOPMENT OF AVERAGE FINANCING COSTS



DEVELOPMENT OF NET LTV



CALCULATION OF NET LTV AS OF 31 MARCH 2018

	Amounts in TEUR
Carrying amount of financing	2,620,097.9
– Cash and cash equivalents ¹	-509,717.7
Net carrying amount of financing	2,110,380.26
Carrying amount of property & EPRA NAV of CA Immo shares ²	5,201,408.46
Net LTV	40.58%

1 Cash and cash equivalents, incl. cash and cash equivalents from assets held for sale

2 CA Immo shares at the EPRA NAV as of 31 March 2018: 25.7 million shares à EUR 30.03.

Further reduction in financing costs

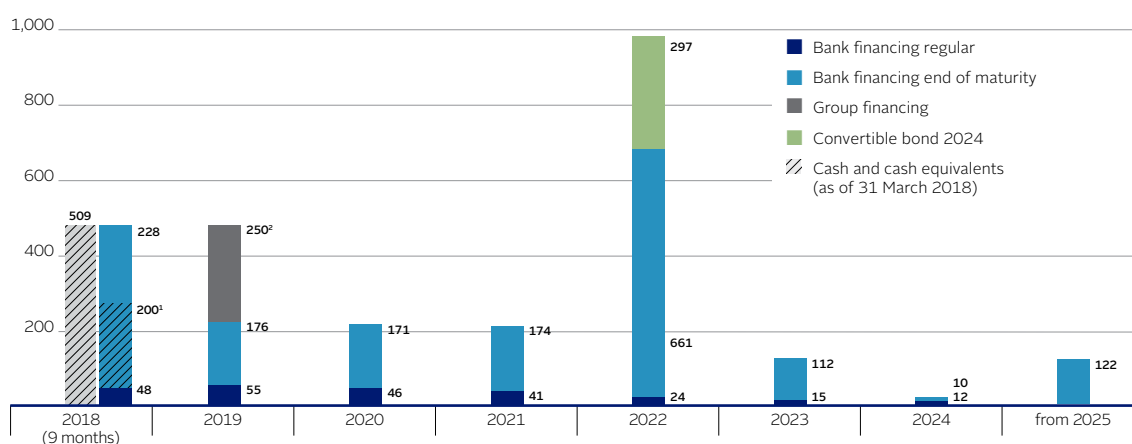
Financing costs declined to EUR 16.4 million during the first quarter of 2018 (Q1 2017: EUR 26.7 million). The average financing costs for IMMOFINANZ equalled 2.27% per year as of 31 March 2018 including the derivatives used for interest rate hedging (31 December 2017: 2.31% per year) and 1.93% per year excluding the derivatives used for interest rate hedging (31 December 2017: 1.97% per year).

The average financing costs for the standing investments amount to 2.47% per year including derivatives and 2.00% per year excluding derivatives.

Term structure

The weighted average remaining term of the financial liabilities equals 3.5 years. The following graph shows the term structure by year for IMMOFINANZ as of 31 March 2018. The liabilities scheduled to expire during the 2018 financial year totalled EUR 427.9 million as of 31 March 2018 (31 December 2017: EUR 447.6 million). This amount includes EUR 199.8 million of financing for properties which have already been sold and will be repaid from the respective sale proceeds in 2018. The weighted average remaining term of the property financing equals 3.5 years.

TERM STRUCTURE OF FINANCIAL LIABILITIES BY FINANCIAL YEARS AS OF 31 MARCH 2018



1 EUR 199.8 million are attributable to financing for properties which have been sold; this financing will be repaid from the sale proceeds in 2018.

2 This represents a margin loan on the CA Immo shares.

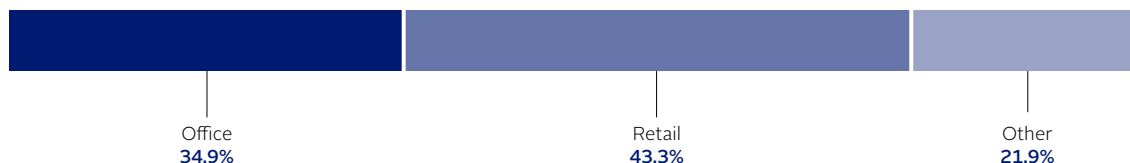
Unencumbered property

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 769.9 million, or 17.4%, of the total property carrying amount was not externally financed and therefore unencumbered as of 31 March 2018 (31 December 2017: EUR 846.1 million or 19.0%). The unencumbered standing investments have a combined carrying amount of EUR 479.3 million or 13.8% (31 December 2017: EUR 566.7 million or 16.1%).

17.4% of property carrying amount unencumbered

UNENCUMBERED PROPERTY BY ASSET CLASS

Unencumbered property in total: MEUR 769.8



COMPOSITION OF FINANCIAL LIABILITIES

The financial liabilities held by IMMOFINANZ consist of amounts due to financial institutions as well as liabilities from a convertible bond. The composition of these liabilities as of 31 March 2018 is as follows:

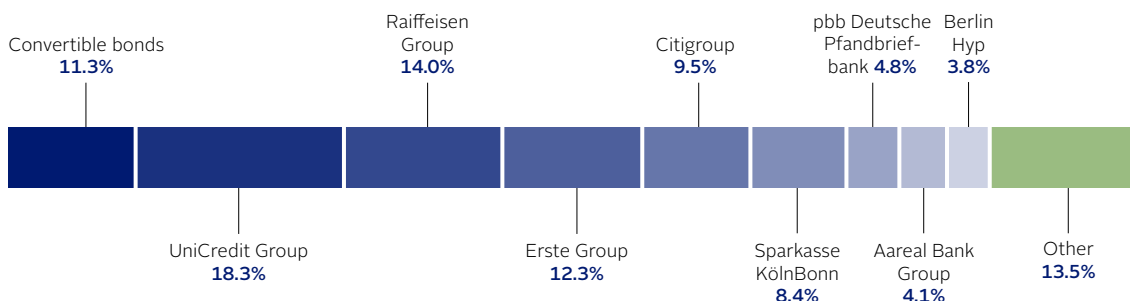
	Outstanding liability in TEUR as of 31 March 2018	Weighted average interest rate excl. derivatives ¹	Share of fixed inter- est in % ¹	Share of floating interest in % ¹	Fixed interest rate in % ¹	Floating interest rate in % ¹
Convertible bond in EUR	279,642.9	2.00%	100.00%	n.a.	2.00%	n.a.
Bank liabilities in EUR	2,340,455.0	1.92%	7.12%	92.88%	1.21%	1.98%
IMMOFINANZ	2,620,097.9	1.93%	17.56%	82.44%	1.72%	1.98%

¹ Calculation basis: actual remaining debt (nominal amount)

Reduction of
interest costs

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 2,620.1 million as of 31 March 2018. As of that date, all of the financing was denominated in Euros.

FINANCING BANKING GROUPS AS OF 31 MARCH 2018



DERIVATIVES

64.0% financial
liabilities hedged
against interest
rate risk

IMMOFINANZ uses derivatives to hedge against interest rate increases. The volume of financial liabilities hedged through interest rate derivatives amounted to EUR 1,226.6 million as of 31 March 2018 (31 December 2017: EUR 1,182.7 million). In total, 64.0% of financial liabilities are hedged against interest rate risk; 46.4% via interest rate derivatives, while a further 17.6% represent financial liabilities with fixed interest rates.

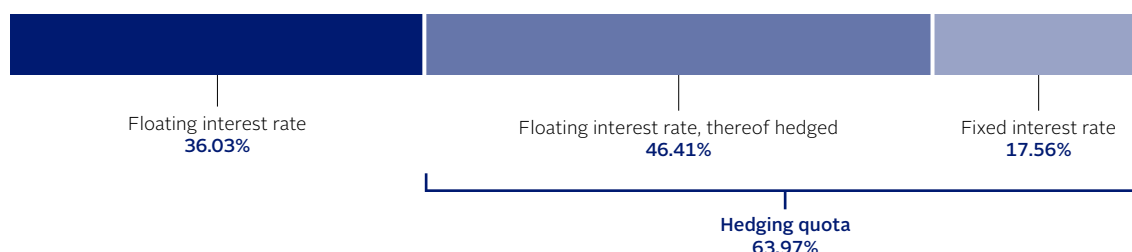
Derivatives ¹	Floating leg	Market value incl. interest & CVA/ DVA as of 31 March 2018 in TEUR	Notional amount in TEUR	Average hedged interest rate
Interest rate swap	3-M-EURIBOR	-5,705.5	1,007,636.0	0.34%
Interest rate swap	6-M-EURIBOR	-693.5	219,000.0	0.96%
IMMOFINANZ AG		-6,398.9	1,226,636.0	

¹ Including IFRS 5

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

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

FINANCIAL LIABILITIES – TYPE OF INTEREST AS OF 31 MARCH 2018



BONDS

The outstanding nominal value of the bonds totalled EUR 297.2 million as of 31 March 2018 (31 December 2017: EUR 330.0 million) and represents the convertible bond issued in January 2017 which has a term ending in 2024.

Bonds with a total nominal value of EUR 297.2 million outstanding

The development is as follows:

	ISIN	Maturity	Interest rate in %	Nominal value as of 31 Dec. 2017 in TEUR	Repurchases/redemptions/conversions/new issues 2018 in TEUR	Nominal value as of 31 March 2018 in TEUR
Convertible bond 2011–2018	XS0592528870	8 March 2018	4.25%	32,819.7	-32,819.7	0.0
Convertible bond 2017–2024	XS1551932046	24 Jan. 2022 ¹	2.00% ²	297,200.0	0.0	297,200.0
IMMOFINANZ				330,019.7	-32,819.7	297,200.0

¹ Maturity at put option; term ends in 2024

² Coupon reduction of 50 basis points upon receipt of investment grade rating

The outstanding nominal value of the convertible bond 2018, which equalled EUR 32.8 million as of 31 December 2017, was converted or redeemed in full during the first quarter of 2018. The conversions represented a nominal value of EUR 15.5 million and involved approximately 4.7 million IMMOFINANZ shares and approximately 0.3 million BUWOG shares. The remaining amount of EUR 17.3 million was repaid as of the maturity date on 8 March 2018 and was financed primarily from the sale of the remaining BUWOG shares (through the acceptance of the Vonovia takeover offer) and from internal funds.

Convertible bond 2024

IMMOFINANZ issued a seven-year convertible bond (ISIN XS1551932046) with a coupon of 2.0% and a volume of EUR 297.2 million in January 2017. The bond terms call for a reduction of 50 basis points in the coupon starting with the interest payment period which begins on the day after the company receives an investment grade rating from S&P, Moody's or Fitch. The convertible bond 2024 includes a put option for bondholders after five years (i.e. on 24 January 2022) and will be repaid at 100% of the nominal value on 24 January 2024 (maturity date) unless it is redeemed in full or in part before that date.

Any dividend payments by IMMOFINANZ will result in an adjustment of the conversion rights into IMMOFINANZ shares in accordance with the terms of the convertible bond. The conversion price for the convertible bond 2024 (nominal value: EUR 100,000.0) equalled EUR 2.2937 as of 31 March 2018 (original conversion price on the issue date: EUR 2.3933). Based on the cash dividend of EUR 0.07 per share for the 2017 financial year which was approved by the annual general meeting on 11 May 2018, the conversion price was adjusted to EUR 2.2200 as of 15 May 2018 and the convertible bond 2024 currently entitles the bondholders to conversion into 133.9 million IMMOFINANZ shares.

Business Development

IMMOFINANZ doubled the results of operations to EUR 35.5 million in the first quarter of 2018 (Q1 2017: EUR 17.8 million), and rental income rose by 3.3% to EUR 59.0 million. The results of asset management increased by a sound 14.1% to EUR 45.0 million following a substantial reduction in property expenses. Both the results of property sales and the results of property development turned clearly positive: the results of property sales improved to EUR 3.5 million (Q1 2017: EUR -6.0 million) and the results of property development to EUR 1.8 million (Q1 2017: EUR -5.8 million).

Financing costs were significantly lower, as expected, with a decline of 38.6% to EUR -16.4 million as a result of the refinancing activities carried out in 2017 (Q1 2017: EUR -26.7 million). The share of profit/loss from equity investments amounted to EUR 8.9 million, whereby the previous year was positively influenced, above all, by valuation effects from the investments in CA Immo and BUWOG (Q1 2017: EUR 134.1 million). Financial results totalled EUR -4.5 million for the reporting period (Q1 2017: EUR 93.0 million).

Net profit from continuing operations equalled EUR 4.3 million (Q1 2017: EUR 101.7 million). The total net profit for the IMMOFINANZ Group (including a subsequent effect from the sale of the logistics portfolio) amounted to EUR 1.0 million (Q1 2017: EUR 80.7 million).

INCOME STATEMENT

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

All amounts in TEUR	Q1 2018	Q1 2017
Rental income	59,008	57,108
Results of asset management	45,041	39,473
Results of property sales	3,544	-5,966
Results of property development	1,756	-5,752
Other operating income	2,206	1,094
Other operating expenses	-17,017	-11,096
Results of operations	35,530	17,753
Other revaluation results	-3,788	-3,813
Operating profit (EBIT)	31,742	13,940
Financial results	-4,508	93,013
Earnings before tax (EBT)	27,234	106,953
Net profit for the period from continuing operations	4,339	101,700
Net profit or loss from discontinued operations	-3,386	-21,000
Net profit or loss	953	80,700

RESULTS OF ASSET MANAGEMENT

The results of asset management include rental income, other revenues, operating income and operating costs as well as the expenses directly attributable to investment property. Rental income rose by 3.3% to EUR 59.0 million, compared with EUR 57.1 million in the first quarter of the previous year. Completions and new rentals more than offset the decline in rental income resulting from the sale of properties which no longer correspond to the Group's strategy.

Revenues rose by 4.5% to EUR 82.6 million (Q1 2017: EUR 79.1 million). The results of asset management increased by a sound 14.1% to EUR 45.0 million (Q1 2017: EUR 39.5 million). Property expenses fell substantially by 21.1% year-on-year to EUR -16.1 million (Q1 2017: EUR -20.4 million). This decline resulted primarily from a reduction in fit out costs (EUR -2.2 million versus EUR -3.8 million), vacancy costs (EUR -2.4 million versus EUR -3.4 million), operating costs charged to building owners (EUR -3.9 million versus EUR -4.4 million) and maintenance costs (EUR -3.2 million versus EUR -3.4 million).

RESULTS OF PROPERTY SALES AND PROPERTY DEVELOPMENT

The results of property sales turned positive at EUR 3.5 million in the first quarter of 2018 (Q1 2017: EUR -6.0 million). The results of property development improved to EUR 1.8 million (Q1 2017: EUR -5.8 million) based on positive valuation effects from the *FLOAT* and *trivago Campus* development projects in Düsseldorf.

RESULTS OF OPERATIONS

The results of operations doubled to EUR 35.5 million in the first quarter of 2018 (Q1 2017: EUR 17.8 million). Other operating expenses rose to EUR -17.0 million (Q1 2017: EUR -11.1 million), among others due to the payment of a one-time special bonus of EUR -4.0 million to the Executive Board for the successful restructuring of the Group. Other non-recurring effects of approximately EUR -1.4 million involved costs related to the simplification of the corporate structure. After an adjustment for these non-recurring factors, other operating expenses were at EUR -11.6 million. Personnel expenses adjusted for the special bonuses were 9.4% lower than the comparable prior year value at EUR -8.3 million (Q1 2017: EUR -9.1 million).

REVALUATION, FINANCIAL RESULTS AND EBT

The revaluation of investment property totalled EUR -3.7 million (Q1 2017: EUR -3.6 million). Financing costs fell, as expected, by a substantial 38.6% to EUR -16.4 million (Q1 2017: EUR -26.7 million) due to the extensive refinancing measures carried out in 2017. Other financial results amounted to EUR 1.2 million, compared with EUR -15.6 million in the first quarter of the previous year which was influenced primarily by the measurement of derivatives and the incentivised conversion of the 2018 convertible bond. The share of profit/loss from equity-accounted investments amounted to EUR 8.9 million, whereby the previous year was positively influenced, above all, by valuation effects from the investments in CA Immo and BUWOG (Q1 2017: EUR 134.1 million). Financial results totalled EUR -4.5 million for the reporting period (Q1 2017: EUR 93.0 million).

Earnings before tax (EBT) totalled EUR 27.2 million (Q1 2017: EUR 107.0 million). Income tax amounted to EUR -22.9 million (Q1 2017: EUR -5.3 million) and contains EUR -15.2 million of deferred taxes to reflect the income taxes that could become due in later financial years. Included here, among others, are EUR -6.6 million of deferred taxes related to the investment in CA Immo (outside basis differences) which were recognised following the start of the sale process in April. Current income tax expenses of EUR -7.7 million include approximately EUR -3.0 million of taxes that resulted from the liquidation of Aviso Zeta.

NET PROFIT

Net profit from continuing operations equalled EUR 4.3 million for the reporting period (Q1 2017: EUR 101.7 million).

The results of discontinued operations totalled EUR -3.4 million (Q1 2017: EUR -21.0 million). Included here are subsequent costs related to tax proceedings involving the logistics properties which were sold in 2016, but are attributable to IMMOFINANZ as the owner at that time.

Net profit (including the subsequent effect from the sale of the logistics portfolio) equalled EUR 1.0 million (Q1 2017: EUR 80.7 million).

BALANCE SHEET

The condensed balance sheet is shown below:

All amounts in TEUR	31 March 2018	in %	31 Dec. 2017	in %
Investment property	3,699,846		3,729,519	
Property under construction	443,409	73.3%	404,064	73.6%
Real estate inventories	42,533		61,221	
Assets held for sale	244,693		265,148	
Other tangible assets	1,569	0.03%	1,719	0.03%
Intangible assets	24,970	0.4%	25,056	0.4%
Equity-accounted investments	696,475	11.5%	685,984	11.3%
Trade and other receivables	351,684	5.8%	365,137	6.0%
Other financial assets	13,654	0.2%	32,015	0.5%
Deferred tax assets	5,910	0.1%	5,291	0.1%
Income tax receivables	10,634	0.2%	9,621	0.2%
Cash and cash equivalents	509,414	8.4%	477,889	7.9%
ASSETS	6,044,791	100.0%	6,062,664	100.0%
Equity	2,810,329	46.5%	2,808,043	46.3%
Liabilities from convertible bonds	279,643	4.6%	313,217	5.2%
Financial liabilities	2,340,456	38.7%	2,306,418	38.0%
Trade and other payables	204,109	3.4%	242,656	4.0%
Income tax liabilities	12,649	0.2%	5,704	0.1%
Provisions	57,326	0.9%	58,853	1.0%
Deferred tax liabilities	338,763	5.6%	325,112	5.4%
Financial liabilities held for sale	1,516	0.03%	2,661	0.04%
EQUITY AND LIABILITIES	6,044,791	100.0%	6,062,664	100.0%

Assets totalled EUR 6.0 billion as of 31 March 2018 (31 December 2017: EUR 6.1 billion) and comprise non-current assets of EUR 5.0 billion and current assets of EUR 1.1 billion.

The value of the property portfolio amounted to EUR 4.4 billion and represented 73.3% of total assets as of 31 March 2018. These properties are reported on the balance sheet under the following positions: investment property, property under construction, real estate inventories and non-current assets held for sale. Non-current assets held for sale include properties as well as other assets which will be transferred to the buyer in the event of a sale.

The additions to property under construction include, among others, the *trivago Campus* and *FLOAT* development projects in Germany and STOP SHOP properties in Serbia.

Other financial assets declined to EUR 13.7 million (31 December 2017: EUR 32.0 million), above all due to the sale of the remaining BUWOG shares. The 436,443 BUWOG shares still held by IMMOFINANZ after the conversion of the convertible bond 2018 were sold to Vonovia SE during the first quarter of 2018 in connection with a takeover offer.

The investments accounted for at equity totalled EUR 696.5 million (31 December 2017: EUR 686.0 million). Of this total, EUR 694.7 million are attributable to the investment in the CA Immo Group. The book price of the CA Immo investment therefore equalled EUR 27.04 per share.

Cash and cash equivalents increased from EUR 477.9 million as of 31 December 2017 to EUR 509.4 million as of 31 March 2018.

Equity amounted to EUR 2.8 billion as of 31 March 2018 (31 December 2017: EUR 2.8 billion). Liabilities totalled EUR 3.2 billion (31 December 2017: EUR 3.2 billion). The non-current component equalled EUR 2.4 billion and the current component EUR 0.8 billion. The equity ratio equalled 46.5% as of 31 March 2018 (31 December 2017: 46.3%).

CASH FLOW STATEMENT

The condensed cash flow statement is presented below:

All amounts in TEUR	Q1 2018	Q1 2017
Gross cash flow after tax	21,783	30,286
Cash flow from operating activities	-4,478	41,772
Cash flow from investing activities	34,926	125,790
Cash flow from financing activities	685	106,500

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

All amounts in TEUR	Q1 2018	Q1 2017 ¹	Change	Change in %
Gross cash flow before tax from continuing operations	26,937	26,634	303	1.1%
Dividends received from equity-accounted investments	3,520	0	3,520	n.a.
Interest and dividends received from financial instruments	62	278	-216	-77.7%
Interest paid	-14,816	-21,574	6,758	31.3%
Derivatives ²	-2,870	-4,785	1,915	40.0%
Adjustments for costs from property transactions and development projects as well as non-recurring effects included in gross cash flow	8,650	2,626	6,024	≥ +100.0%
Economic interest in FFO 1 of the CA Immo Group ³	7,649	6,491	1,158	17.8%
FFO 1 before tax (sustainable FFO from asset management)	29,132	9,670	19,462	≥ +100.0%
Results of property sales ⁴	3,544	-5,966	9,510	n.a.
FFO 2 (incl. results of property sales) before tax	32,676	3,704	28,972	≥ +100.0%
Cash Taxes	-1,780	-10,693	8,913	83.4%
FFO 2 after tax	30,896	-6,989	37,885	n.a.

In order to show sustainable FFO 1 from standing investments, results of property sales and property development have been deducted in full.

1. The comparable prior year figures were adjusted accordingly.

2. Excl. non-recurring effects from early termination due to sales or refinancing

3. The economic interest in the CA Immo Group is based on the investment held by IMMOFINANZ in relation to the number of CA Immo shares outstanding – similar to the recognition of the proportional share of earnings under the equity method.

4. Result corresponds to P&L line item and includes non-cash components and FX effects.

EPRA INDICATORS

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

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

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

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

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

	31 March 2018		31 December 2017	
	in TEUR	in EUR per share	in TEUR	in EUR per share
Equity excl. non-controlling interests	2,826,287		2,821,521	
Diluting effects of convertible bond 2018	0		19,121	
Diluted equity excl. non-controlling interests after an adjustment for convertible bonds and the exercise of options	2,826,287		2,840,642	
Undisclosed reserves in the investment in the CA Immo Group	138,878		123,993	
Undisclosed reserves in real estate inventories	74		74	
Fair value of derivative financial instruments	6,399		7,375	
Deferred taxes on investment property	282,347		274,977	
Deferred taxes on real estate inventories and derivative financial instruments	-1,440		-1,643	
Goodwill excl. deferred taxes	-24,785		-24,848	
Number of shares excl. treasury shares (in 1,000)		1,119,253		1,116,174
Potential shares (in 1,000)		0		9,893
EPRA NAV	3,227,760	2.88	3,220,570	2.86
Fair value of derivative financial instruments	-6,399		-7,375	
Effect of fair value measurement of financial liabilities	11,817		5,737	
Deferred taxes on derivative financial instruments and the fair value measurement of financial liabilities	-1,588		197	
Deferred taxes on investment property	-19,220		-17,495	
EPRA NNNAV	3,212,370	2.87	3,201,634	2.84

The EPRA net asset value totalled EUR 3.2 billion. The EPRA NAV per share rose to EUR 2.88 (31 December 2017: EUR 2.86), and the EPRA NNNAV per share equalled EUR 2.87 (31 December 2017: EUR 2.84).

EPRA EARNINGS PER SHARE

All amounts in TEUR	Q1 2018	Q1 2017
Weighted average number of shares (in 1,000)	1,117,600	1,042,203
Net profit or loss from continuing operations excl. non-controlling interests	5,469	102,274
Revaluation of investment properties and development properties	-1,085	-1,710
Results of property sales	-3,544	5,965
Goodwill impairment, negative differences and earn-out effects on income	100	212
Changes in fair value of financial instruments	-1,736	2,325
Taxes in respect of EPRA adjustments	169	-1,337
EPRA adjustment in respect of joint ventures and non-controlling interests	0	863
EPRA earnings	-627	108,590
EPRA earnings per share	-0.001	0.104
Company specific adjustments		
Result from termination of equity accounting of BUWOG AG	0	-25,841
Result from incentivised conversion of the convertible bond 2018	0	12,539
Recognition of outside basis difference CA Immo Group	6,596	0
Foreign exchange gains and losses	-393	6
Impairment loss/reversal CA IMMO Group	0	-84,146
Deferred tax in respect of the company specific adjustments	-50	3,226
Company-specific adjusted earnings	5,526	14,374
EPRA earnings per share after company-specific adjustments	0.005	0.014

The EPRA earnings per share equalled EUR -0.001, respectively EUR 0.005 per share after company-specific adjustments, in the first quarter of 2018.

EPRA NET INITIAL YIELD

All amounts in TEUR	Q1 2018	Q1 2017
Investment property	3,808,103	4,837,176
Investment property – proportional share of joint ventures	46,268	43,468
Less undeveloped land	-179,802	-206,607
Less Russian portfolio	0	-997,316
Less undeveloped land – proportional share of joint ventures	-1,283	-1,928
Total property portfolio	3,673,286	3,674,793
Allowance for estimated purchasers' costs	66,119	66,146
Gross value of total property portfolio	3,739,406	3,740,939
Annualised cash rental income	239,051	229,127
Annualised cash rental income – proportional share of joint ventures	1,889	1,716
Non-recoverable property operating expenses	-33,695	-40,741
Non-recoverable property operating expenses – proportional share of joint ventures	-54	-51
Annualised net rental income	207,191	190,052
EPRA NIY	5.54%	5.08%

The EPRA net initial yield rose by 5.1% to 5.5% year-on-year during the reporting period.



CITY TOWER VIENNA

Vienna | AT | approx. 26,600 sqm
rentable space

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Balance Sheet	36
Consolidated Income Statement	37
Consolidated Statement of Comprehensive Income	38
Consolidated Cash Flow Statement	39
Consolidated Statement of Changes in Equity	40
Notes	42
1. Basis of Preparation	42
2. Scope of Consolidation	45
3. Information on Operating Segments	48
4. Notes to the Consolidated Balance Sheet	53
5. Notes to the Consolidated Income Statement	59
6. Information on Financial Instruments	63
7. Transactions with Related Parties	67
8. Subsequent Events	68
Statement by the Executive Board	70

Consolidated Balance Sheet

All amounts in TEUR	Notes	31 3 2018	31 12 2017
Investment property	4.1	3,699,846	3,729,519
Property under construction	4.2	443,409	404,064
Other tangible assets		1,569	1,719
Intangible assets		24,970	25,056
Equity-accounted investments	4.3	696,475	685,984
Trade and other receivables	4.4	101,668	118,767
Other financial assets		13,654	32,015
Deferred tax assets		5,910	5,291
Non-current assets		4,987,501	5,002,415
Trade and other receivables	4.4	250,016	246,370
Income tax receivables		10,634	9,621
Assets held for sale	4.5	244,693	265,148
Real estate inventories		42,533	61,221
Cash and cash equivalents		509,414	477,889
Current assets		1,057,290	1,060,249
Assets		6,044,791	6,062,664
Share capital	4.6	1,120,852	1,116,174
Capital reserves	4.6	3,456,553	3,452,324
Treasury shares	4.6	-3,164	0
Accumulated other equity		-139,100	-129,961
Retained earnings		-1,608,854	-1,617,016
Equity attributable to owners of IMMOFINANZ AG		2,826,287	2,821,521
Non-controlling interests		-15,958	-13,478
Equity		2,810,329	2,808,043
Liabilities from convertible bonds	4.7	277,069	277,460
Financial liabilities	4.8	1,748,459	1,773,688
Trade and other payables	4.9	35,889	40,680
Provisions		1,576	2,151
Deferred tax liabilities		338,763	325,112
Non-current liabilities		2,401,756	2,419,091
Liabilities from convertible bonds	4.7	2,574	35,757
Financial liabilities	4.8	591,997	532,730
Trade and other payables	4.9	168,220	201,976
Income tax liabilities		12,649	5,704
Provisions		55,750	56,702
Liabilities held for sale	4.5	1,516	2,661
Current liabilities		832,706	835,530
Equity and liabilities		6,044,791	6,062,664

Consolidated Income Statement

All amounts in TEUR	Notes	Q1 2018	Q1 2017
Rental income	5.1	59,008	57,108
Operating costs charged to tenants		22,487	20,205
Other revenues		1,142	1,793
Revenues		82,637	79,106
Expenses from investment property	5.2	-16,110	-20,423
Operating expenses		-21,486	-19,210
Results of asset management		45,041	39,473
Proceeds from the sale of properties	5.3	2,349	13,101
Carrying amount of sold properties		-2,349	-13,101
Results from deconsolidation	2.2	6,594	-2,551
Expenses from property sales		-1,021	-879
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	5.7	-2,334	-4,522
Results of property sales before foreign exchange effects		3,239	-7,952
Revaluation of properties sold and held for sale resulting from foreign exchange effects	5.7	305	1,986
Results of property sales	5.3	3,544	-5,966
Proceeds from the sale of real estate inventories		2,704	11,840
Cost of real estate inventories sold		-2,704	-10,509
Expenses from real estate inventories	5.4	-1,694	-9,617
Expenses from real estate development		-1,323	-2,777
Revaluation of properties under construction adjusted for foreign exchange effects	5.7	4,773	5,303
Results of property development before foreign exchange effects		1,756	-5,760
Revaluation of properties under construction resulting from foreign exchange effects	5.7	0	8
Results of property development	5.4	1,756	-5,752
Other operating income	5.5	2,206	1,094
Other operating expenses	5.6	-17,017	-11,096
Results of operations		35,530	17,753
Revaluation of investment properties adjusted for foreign exchange effects	5.7	-5,372	-3,128
Revaluation of investment properties resulting from foreign exchange effects	5.7	1,684	-473
Goodwill impairment and earn-out effects on income		-100	-212
Other revaluation results		-3,788	-3,813
Operating profit (EBIT)		31,742	13,940
Financing costs	5.8	-16,406	-26,738
Financing income	5.8	1,378	1,262
Foreign exchange differences		392	-5
Other financial results	5.8	1,249	-15,632
Net profit or loss from equity-accounted investments	4.3	8,879	134,126
Financial results	5.8	-4,508	93,013
Earnings before tax (EBT)		27,234	106,953
Current income tax		-7,706	-4,185
Deferred tax		-15,189	-1,068
Net profit or loss from continuing operations		4,339	101,700
Net profit or loss from discontinued operations	2.3	-3,386	-21,000
Net profit or loss		953	80,700
Thereof attributable to owners of IMMOFINANZ AG		2,083	81,274
Thereof attributable to non-controlling interests		-1,130	-574
Basic earnings per share in EUR		0.00	0.08
Net profit or loss from continuing operations per share in EUR		0.00	0.10
Net profit or loss from discontinued operations per share in EUR		0.00	-0.02
Diluted earnings per share in EUR		0.00	0.07
Net profit or loss from continuing operations per share in EUR		0.00	0.08
Net profit or loss from discontinued operations per share in EUR		0.00	-0.02

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q1 2018	Q1 2017
Net profit or loss		953	80,700
Other comprehensive income (reclassifiable)			
Currency translation adjustment		-8,165	8,240
Thereof changes during the financial year		-1,847	5,672
Thereof reclassification to profit or loss	2.2 / 2.3	-6,318	2,568
Other comprehensive income from equity-accounted investments	4.3	-135	176
Thereof changes during the financial year		-135	222
Thereof income taxes		0	-46
Total other comprehensive income (reclassifiable)		-8,300	8,416
Other comprehensive income (not reclassifiable)			
Other comprehensive income from equity-accounted investments	4.3	-429	0
Thereof changes during the financial year		-470	0
Thereof income taxes		41	0
Total other comprehensive income (not reclassifiable)		-429	0
Total other comprehensive income after tax		-8,729	8,416
Total comprehensive income		-7,776	89,116
Thereof attributable to owners of IMMOFINANZ AG		-5,960	91,133
Thereof attributable to non-controlling interests		-1,816	-2,017

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1 2018	Q1 2017
Earnings before tax (EBT)		27,234	106,953
Earnings before tax (EBT) from discontinued operations	2.3	-3,216	-26,267
Revaluations of investment properties	2.3 / 5.7	944	62,746
Goodwill impairment		0	4,848
Write-downs and write-ups on real estate inventories (including impending losses from forward sales)	5.4	797	9,316
Write-downs and write-ups on receivables and other assets		731	100
Net profit or loss from equity-accounted investments	4.3	-8,878	-134,126
Foreign exchange differences and fair value measurement of financial instruments		-2,047	-24,618
Net interest income/expense		15,030	39,381
Results from deconsolidation	2.2 / 2.3	-6,779	2,550
Other non-cash income/expense/reclassifications		-253	96
Gross cash flow before tax		23,563	40,979
Income taxes paid		-1,780	-10,693
Gross cash flow after tax		21,783	30,286
Change in real estate inventories		-9,754	2,184
Change in trade and other receivables		-11,510	36,127
Change in trade payables and other liabilities		-3,669	-25,324
Change in provisions		-1,328	-1,501
Cash flow from operating activities		-4,478	41,772
Acquisition of investment property and property under construction		-44,739	-30,319
Consideration transferred from disposal of discontinued operations, net of cash and cash equivalents		5,135	0
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		46,047	3,163
Acquisition of other assets		-92	-163
Disposal of investment property and property under construction		12,314	53,877
Disposal of other non-current assets		12,679	0
Disposal of equity-accounted investments and cash flows from other net investment positions		0	98,954
Dividends received from equity-accounted investments	4.3	3,520	0
Interest or dividends received from financial instruments		62	278
Cash flow from investing activities		34,926	125,790
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		69,288	85,860
Proceeds from the issue of convertible bonds less transaction costs	4.7	0	294,972
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-28,739	-123,955
Redemption of convertible bonds	4.7	-17,286	0
Incentivised conversion of convertible bonds plus transaction costs	4.7	0	-112,934
Derivatives		-2,746	-3,818
Interest paid		-14,816	-35,215
Transactions with non-controlling interest owners		-1,850	1,590
Share buyback	4.6	-3,166	0
Cash flow from financing activities		685	106,500
Net foreign exchange differences		-801	1,283
Change in cash and cash equivalents		30,332	275,345
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		477,889	189,287
Plus cash and cash equivalents in discontinued operations and disposal groups		1,378	16,941
Cash and cash equivalents at the beginning of the period		479,267	206,228
Cash and cash equivalents at the end of the period		509,599	481,573
Less cash and cash equivalents in discontinued operations and disposal groups	4.5	185	12,530
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		509,414	469,043

Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares	
Balance on 31 December 2017		1,116,174	3,452,324	0	
Effects of the initial application of IFRS 9					
Effects of the initial application of IFRS 15					
Balance on 1 January 2018		1,116,174	3,452,324	0	
Other comprehensive income	4.6				
Net profit or loss					
Total comprehensive income					
Share buyback	4.6			-3,164	
Issue of shares (for the conversion of the convertible bond 2011–2018)	4.7	4,678	4,229		
Distributions	4.6				
Transactions with non-controlling interest owners					
Balance on 31 March 2018		1,120,852	3,456,553	-3,164	
Balance on 31 December 2016		975,956	3,353,263	-18,214	
Other comprehensive income					
Net profit or loss					
Total comprehensive income					
Share buyback				-1,701	
Issue of shares		63,532	45,108		
Issue of convertible bond 2017–2024			21,655		
Transactions with non-controlling interest owners					
Balance on 31 March 2017		1,039,488	3,420,026	-19,915	

	Accumulated other equity			Retained earnings	Total	Non-controlling interests	Total equity
	Revaluation reserve (former AFS reserve)	IAS 19 reserve	Currency translation reserve				
	4,323	-414	-133,870	-1,617,016	2,821,521	-13,478	2,808,043
	-1,096			2,723	1,627		1,627
				4,633	4,633		4,633
	3,227	-414	-133,870	-1,609,660	2,827,781	-13,478	2,814,303
	-429		-7,614		-8,043	-686	-8,729
				2,083	2,083	-1,130	953
	-429		-7,614	2,083	-5,960	-1,816	-7,776
					-3,164		-3,164
					8,907		8,907
					0	-90	-90
				-1,277	-1,277	-574	-1,851
	2,798	-414	-141,484	-1,608,854	2,826,287	-15,958	2,810,329
	-783	-461	-629,919	-1,019,542	2,660,300	-9,684	2,650,616
	110		9,749		9,859	-1,443	8,416
				81,274	81,274	-574	80,700
	110		9,749	81,274	91,133	-2,017	89,116
					-1,701		-1,701
					108,640		108,640
					21,655		21,655
					0	23,911	23,911
	-673	-461	-620,170	-938,261	2,880,034	12,210	2,892,244

NOTES

1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 31 March 2018 were prepared for the period from 1 January 2018 to 31 March 2018 (Q1 2018) in accordance with the International Financial Reporting Standards (IFRS) which were adopted by the EU and are applicable to interim reporting.

The condensed scope of reporting in these consolidated interim financial statements is in agreement with IAS 34. Information on the application of IFRS, on the significant accounting policies and on further disclosures is provided in the consolidated financial statements of IMMOFINANZ as of 31 December 2017. Together, this information forms the basis for these consolidated interim financial statements. Information on the changes resulting from the initial application of IFRS 15 and IFRS 9 are provided in section 1.1.

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

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

1.1 FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS

The following new or revised standards and interpretations required mandatory application for IMMOFINANZ in the first quarter of 2018; the option for voluntary premature application was not elected.

IFRS 9: Financial Instruments

IFRS 9 will replace the rules defined by IAS 39 for the recognition and measurement of financial instruments as of 1 January 2018. IMMOFINANZ did not adjust previous financial years, but has recognised the differences in the carrying amounts which result from the initial application of IFRS 9 as of 1 January 2018 directly in equity without recognition through profit or loss.

In contrast to IAS 39, IFRS 9 defines a new procedure for the classification of financial assets which is based on the respective business model and the characteristics of the contractual payment flows for the individual financial instruments. These new classification requirements led to changes in the recognition and measurement of other financial assets. The equity effect equalled EUR 1.0 million as of 1 January 2018.

IFRS 9 replaces the incurred loss model previously applied to financial assets under IAS 39 with an expected loss model. Under the new model, impairment losses must be recognised at the amount of the credit defaults that are expected within the next 12 months or at the amount of the credit defaults that are expected over the entire term of the asset. The first alternative is applied when the credit risk has not increased significantly since the initial recognition of the asset; the second alternative is applied when the credit risk has increased significantly since the initial recognition of the asset or when there are objective indications of impairment as a result of default events similar to those listed in IAS 39. A default event is assumed when a receivable is overdue more than 90 days. The trade receivables held by IMMOFINANZ are principally secured (primarily through deposits) up to a due date of 90 days, and an impairment loss must therefore only be recorded when a default event is assumed (i.e. when a receivable is more than 90 days overdue). Consequently, there are no major changes in comparison with IAS 39. The equity effect from the impairment of cash and cash equivalents and other receivables, after the deduction of deferred taxes, amounted to EUR -0.1 million as of 1 January 2018.

A further effect from the initial application of IFRS 9 for IMMOFINANZ will result from the equity-accounted investment in CA Immo, which also applied IFRS 9 as of 1 January 2018. The related equity effect amounted to EUR 0.8 million as of 1 January 2018.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 replaces the rules defined by IAS 18, IAS 11 and the related interpretations for revenue recognition as of 1 January 2018. IMMOFINANZ did not apply IFRS 15 prematurely and used the cumulative method for the conversion. In accordance with IFRS 15, revenue recognition must be changed from a point in time to over time when the performance obligation leads to an asset with no alternative use for IMMOFINANZ and IMMOFINANZ has an enforceable right to payment for the performance transferred to date. This will lead to a change from revenue recognition at a point in time to revenue recognition over time for apartment development projects sold but not transferred as of 31 December 2017. It will also result in the reporting of contractual assets and contractual liabilities in place of real estate inventories and prepayments received which are included under trade payables and other liabilities. Since the involved apartment development projects were measured at their respective net realisable value less transaction costs as of 31 December 2017 in accordance with IAS 2, there will be no resulting effects on equity. As of 1 January 2018, real estate inventories as reported on the consolidated balance sheet were therefore reduced by EUR 26.4 million and trade receivables and other liabilities by EUR 20.5 million; contractual assets of EUR 5.9 million were recognised as of that date. IFRS 15 will also have no material effects in the future because IMMOFINANZ intends to concentrate primarily on investment properties which are held to generate rental income and for value appreciation and whose sale is not part of ordinary business activities.

A further effect of the initial application of IFRS 15 for IMMOFINANZ will result from the investment in CA Immo, which is included in the consolidated financial statements at equity; this company will also initially apply IFRS 15 as of 1 January 2018. The related equity effect equalled EUR 4.6 million as of 1 January 2018.

Summary of the effects on the individual balance sheet positions from the initial application of IFRS 9 and IFRS 15 as of 1 January 2018

All amounts in TEUR	31 12 2017 as reported	Effects of the initial application of IFRS 9	Effects of the initial application of IFRS 15	1 1 2018 adjusted
Equity-accounted investments	685,984	764	4,633	691,381
Other financial assets	32,015	1,280	0	33,295
Deferred tax assets	5,291	22	0	5,313
Non-current assets	5,002,415	2,066	4,633	5,009,114
Trade and other receivables	246,370	0	5,861	252,231
Real estate inventories	61,221	0	-26,403	34,818
Cash and cash equivalents	477,889	-119	0	477,770
Current assets	1,060,249	-119	-20,542	1,039,588
Assets	6,062,664	1,947	-15,909	6,048,702
Accumulated other equity	-129,961	-1,096	0	-131,057
Retained earnings	-1,617,016	2,723	4,633	-1,609,660
Equity	2,808,043	1,627	4,633	2,814,303
Deferred tax liabilities	325,112	320	0	325,432
Non-current liabilities	2,419,091	320	0	2,419,411
Trade and other payables	201,976	0	-20,542	181,434
Current liabilities	835,530	0	-20,542	814,988
Equity and liabilities	6,062,664	1,947	-15,909	6,048,702

The above table also includes the indirect effects of IFRS 15 and IFRS 9 on the equity-accounted investment in CA Immo, which result from the initial application of these two standards by that company.

Summary of the effects of IFRS 15 on the individual balance sheet and income statement positions as of 31 March 2018

The following tables on the consolidated balance sheet as of 31 March 2018 and the consolidated income statement for Q1 2018 only show the details for positions which were influenced by the initial application of IFRS 15 as of 1 January 2018.

All amounts in TEUR	31 3 2018 as reported	Adjustment as per IFRS 15	Amounts excl. application of IFRS 15
Non-current assets	4,987,501	0	4,987,501
Trade and other receivables	250,016	-5,599	244,417
Real estate inventories	42,533	24,020	66,553
Current assets	1,057,290	18,421	1,075,711
Assets	6,044,791	18,421	6,063,212
Equity	2,810,329	0	2,810,329
Non-current liabilities	2,401,756	0	2,401,756
Trade and other payables	168,220	18,421	186,641
Current liabilities	832,706	18,421	851,127
Equity and liabilities	6,044,791	18,421	6,063,212

The earnings effects from Q1 2018 on the equity-accounted investment in CA Immo, which resulted from the initial application of IFRS 15 and IFRS 9, are included in the proportional share of results for the period (IAS 28). These effects are not reported separately.

Since the apartment development projects affected by the initial application of IFRS 15 were measured at their net realisable value less transaction costs as of 31 December 2017, there were no effects on Group earnings in the first quarter of 2018. The only effect involves the results of property development, where revenues from the sale of real estate inventories and the corresponding production cost of the sold inventories would have been higher without the initial application of IFRS 15.

All amounts in TEUR	Q1 2018 as reported	Adjustment as per IFRS 15	Amounts excl. application of IFRS 15
Proceeds from the sale of real estate inventories	2,704	2,383	5,087
Cost of real estate inventories sold	-2,704	-2,383	-5,087
Results of property development	1,756	0	-3,017

1.2 STANDARDS AND INTERPRETATIONS APPLICABLE IN THE FUTURE

IFRS 16: Leasing

IFRS 16 replaces the previous rules for the recognition and measurement of leases (above all by the lessee) as of 1 January 2019; this standard was adopted into EU law through the endorsement procedure on 31 October 2017. IMMOFINANZ will initially apply this new standard as of 1 January 2019; premature application is not planned. IMMOFINANZ is the lessee for usage rights to land (construction rights, leasehold rights), above all in Poland and Germany. These right-of-use assets must be recognised in accordance with IFRS 16 and presented as part of property assets; a lease liability must also be recognised at the same time. The amounts of the resulting effects are currently under evaluation. The analyses have also shown that the scope of other leased operating assets (individual offices, autos and other items of furniture, fixtures and office equipment) are immaterial for the lessee. With regard to accounting by the lessor, no material effects are expected on the consolidated financial statements of IMMOFINANZ AG.

2. Scope of Consolidation

2.1 DEVELOPMENT OF THE SCOPE OF CONSOLIDATION

The following table shows the development of the scope of consolidation during the first quarter of 2018:

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 31 December 2017	421	8	13	442
Companies no longer included				
Sales	-4	0	0	-4
Liquidations	-1	-1	0	-2
Balance on 31 March 2018	416	7	13	436
Thereof foreign companies	232	5	6	243
Thereof in liquidation	82	0	2	84
Thereof intragroup merger resolution adopted	6	0	0	6

Of the 84 companies in liquidation as of 31 March 2018, 40 are attributable to the group of companies which were taken over from Constantia Packaging B.V. in connection with the settlement agreements in 2010/11.

2.2 SALE AND LIQUIDATION OF SUBSIDIARIES

The effects of deconsolidations on the balance sheet position and earnings are summarised in the following table:

All amounts in TEUR	Q1 2018
Investment property (see 4.1)	48,780
Goodwill	63
Receivables and other assets	1,714
Deferred tax assets	2,854
Cash and cash equivalents	1,781
Trade payables	-732
Other liabilities	-3,154
Income tax liabilities	-218
Provisions	-11
Deferred tax liabilities	-3,588
Net assets sold	47,489
Consideration received in cash and cash equivalents	47,767
Less net assets sold	-47,489
Reclassification of foreign exchange differences to profit or loss	6,316
Results from deconsolidation	6,594
Consideration received in cash and cash equivalents	47,767
Less cash and cash equivalents sold	-1,781
Net inflow of cash and cash equivalents	45,986

In the first quarter of 2018, IMMOFINANZ received payments of TEUR 59 on outstanding receivables resulting from the sale of subsidiaries in previous years.

2.3 DISCONTINUED OPERATIONS

The closing for the sale of the shopping centres included in the discontinued operation “retail portfolio Moscow”, with the exception of one Russian service company, took place on 6 December 2017. The retail portfolio Moscow had been presented as a discontinued operation since 19 December 2016 based on a resolution passed by the Executive Board and Supervisory Board on that date. The assets and liabilities of the Russian service company, which were reported under “assets held for sale” or “liabilities held for sale” as of 31 December 2017 were sold through the closing on 8 February 2018. On the consolidated income statement, the results (after tax) for the retail portfolio Moscow in Q1 2018 and in the comparative period are reported on a separate line.

The net assets of the service company and its subsidiary, which were part of the retail portfolio Moscow and were sold in Q1 2018, as well as the results from deconsolidation are shown in the following table:

All amounts in TEUR	Q1 2018
Assets held for sale	
Other tangible assets	-16
Intangible assets (excl. goodwill)	3
Goodwill	1
Receivables and other assets	225
Deferred tax assets	-153
Cash and cash equivalents	16
Liabilities held for sale	
Trade payables	-258
Net assets sold	-182
Consideration received in cash and cash equivalents	1
Less net assets sold	182
Reclassification of foreign exchange differences to profit or loss	2
Results from deconsolidation	185
Consideration received in cash and cash equivalents	1
Less cash and cash equivalents sold	-16
Net inflow of cash and cash equivalents	-15

The net profit or loss from discontinued operations as reported on the consolidated income statement also include expenses related to the sale of the logistics portfolio in the abbreviated 2016 financial year. These subsequently recognised costs represent contractually agreed reimbursements in connection with pending tax proceedings involving the sold logistics properties. In the first quarter of 2018, IMMOFINANZ received EUR 5.2 million of the outstanding purchase price receivables from the sale of the logistics portfolio in the abbreviated 2016 financial year. All of the outstanding purchase price receivables from the sale of the logistics portfolio have now paid in full.

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

All amounts in TEUR	Q1 2018	Q1 2017
Net profit or loss retail portfolio Moscow	-149	-21,000
Net profit or loss logistics portfolio	-3,237	0
Net profit or loss from discontinued operations	-3,386	-21,000

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

All amounts in TEUR	Retail portfolio Moscow		Logistics portfolio	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Rental income	0	22,168	0	0
Operating costs charged to tenants	0	4,551	0	0
Other revenues	0	429	0	0
Revenues	0	27,148	0	0
Expenses from investment property	0	-7,102	0	0
Operating expenses	0	-4,400	0	0
Results of asset management	0	15,646	0	0
Other operating income	-22	116	0	0
Other operating expenses	-145	-1,016	-3,237	0
Results of operations	-167	14,746	-3,237	0
Revaluation of investment properties adjusted for foreign exchange effects	0	-2,727	0	0
Revaluation of investment properties resulting from foreign exchange effects	0	-59,194	0	0
Goodwill impairment	0	-4,637	0	0
Other revaluation results	0	-66,558	0	0
Operating profit (EBIT)	-167	-51,812	-3,237	0
Financing costs	0	-13,910	0	0
Financing income	0	3	0	0
Foreign exchange differences	3	39,452	0	0
Financial results	3	25,545	0	0
Earnings before tax (EBT)	-164	-26,267	-3,237	0
Current income tax	-16	-4,070	0	0
Deferred tax	-154	9,337	0	0
Earnings from discontinued operations	-334	-21,000	-3,237	0
Result from the disposal of the business operation (including reclassification of foreign exchange differences to profit or loss)	185	0	0	0
Net profit or loss from discontinued operations	-149	-21,000	-3,237	0
Thereof attributable to owners of IMMOFINANZ AG	-149	-21,000	-3,237	0

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

All amounts in TEUR	Retail portfolio Moscow		Logistics portfolio	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Cash flow from operating activities	-1,110	9,428	0	0
Cash flow from investing activities	-33	-98	0	0
Cash flow from financing activities	0	-18,431	0	0
Net cash flow from discontinued operations	-1,143	-9,101	0	0

3. Information on Operating Segments

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

All amounts in TEUR	Austria		Germany	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Office	7,686	8,151	1,939	1,633
Retail	2,844	3,921	28	172
Other	1,937	1,582	198	721
Rental income	12,467	13,654	2,165	2,526
Operating costs charged to tenants	2,833	2,717	669	700
Other revenues	103	604	0	22
Revenues	15,403	16,975	2,834	3,248
Expenses from investment property	-5,702	-7,188	-252	-710
Operating expenses	-2,898	-2,711	-610	-626
Results of asset management	6,803	7,076	1,972	1,912
Proceeds from the sale of properties	2,214	12,669	0	0
Carrying amount of sold properties	-2,214	-12,669	0	0
Results from deconsolidation	0	22	0	0
Expenses from property sales	-264	-786	-94	-157
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	18	-3,847	58	-140
Results of property sales before foreign exchange effects	-246	-4,611	-36	-297
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-246	-4,611	-36	-297
Proceeds from the sale of real estate inventories	0	0	2,704	10,414
Cost of real estate inventories sold	0	0	-2,704	-9,434
Expenses from real estate inventories	-429	-255	-1,453	-9,148
Expenses from real estate development	295	-41	-992	-1,496
Revaluation of properties under construction adjusted for foreign exchange effects	41	-28	4,748	7,694
Results of property development before foreign exchange effects	-93	-324	2,303	-1,970
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-93	-324	2,303	-1,970
Other operating income	239	209	38	53
Other operating expenses	-175	-943	-2,129	-1,106
Results of operations	6,528	1,407	2,148	-1,408
Revaluation of investment properties adjusted for foreign exchange effects	-1,108	-723	-68	-1,411
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment and earn-out effects on income	0	0	0	0
Other revaluation results	-1,108	-723	-68	-1,411
Operating profit (EBIT)	5,420	684	2,080	-2,819
	31 3 2018	31 12 2017	31 3 2018	31 12 2017
Investment property	809,514	809,060	114,040	114,040
Property under construction	9,888	9,040	325,491	293,550
Goodwill	0	0	0	0
Investment properties held for sale	70,188	72,407	141,752	136,437
Real estate inventories	0	0	36,351	55,859
Segment assets	889,590	890,507	617,634	599,886
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Segment investments	1,828	1,719	27,273	23,365

All amounts in TEUR	Poland		Czech Republic	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Office	6,288	6,567	3,102	2,725
Retail	4,424	3,009	2,594	2,613
Other	889	800	255	254
Rental income	11,601	10,376	5,951	5,592
Operating costs charged to tenants	5,646	4,487	1,994	1,694
Other revenues	475	464	42	65
Revenues	17,722	15,327	7,987	7,351
Expenses from investment property	-2,846	-4,812	-952	-1,764
Operating expenses	-5,356	-4,166	-1,953	-1,641
Results of asset management	9,520	6,349	5,082	3,946
Proceeds from the sale of properties	0	0	0	0
Carrying amount of sold properties	0	0	0	0
Results from deconsolidation	333	-2,573	6,267	0
Expenses from property sales	-60	-54	-417	-53
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-1,892	-354	18	0
Results of property sales before foreign exchange effects	-1,619	-2,981	5,868	-53
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-1,619	-2,981	5,868	-53
Proceeds from the sale of real estate inventories	0	1,243	0	0
Cost of real estate inventories sold	0	-1,045	0	0
Expenses from real estate inventories	-19	-93	0	0
Expenses from real estate development	-273	-477	-62	-61
Revaluation of properties under construction adjusted for foreign exchange effects	-17	52	0	-1,837
Results of property development before foreign exchange effects	-309	-320	-62	-1,898
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-309	-320	-62	-1,898
Other operating income	211	23	1	654
Other operating expenses	-696	-680	-429	-364
Results of operations	7,107	2,391	10,460	2,285
Revaluation of investment properties adjusted for foreign exchange effects	-849	-307	-903	-213
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment and earn-out effects on income	0	-140	-100	0
Other revaluation results	-849	-447	-1,003	-213
Operating profit (EBIT)	6,258	1,944	9,457	2,072
	31 3 2018	31 12 2017	31 3 2018	31 12 2017
Investment property	713,908	712,869	342,876	391,290
Property under construction	45,032	44,974	0	0
Goodwill	32	32	7,333	7,396
Investment properties held for sale	11,842	13,742	0	0
Real estate inventories	4,519	3,935	0	0
Segment assets	775,333	775,552	350,209	398,686
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Segment investments	813	3,860	877	82

All amounts in TEUR	Slovakia		Hungary	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Office	647	499	3,368	3,528
Retail	4,325	3,293	3,688	3,108
Other	109	81	480	272
Rental income	5,081	3,873	7,536	6,908
Operating costs charged to tenants	2,422	2,120	2,771	2,730
Other revenues	51	77	24	43
Revenues	7,554	6,070	10,331	9,681
Expenses from investment property	-1,182	-928	-978	-1,639
Operating expenses	-1,940	-1,705	-2,627	-2,671
Results of asset management	4,432	3,437	6,726	5,371
Proceeds from the sale of properties	0	0	0	0
Carrying amount of sold properties	0	0	0	0
Results from deconsolidation	-3	0	0	0
Expenses from property sales	-16	-8	-18	-56
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	0	0	0	0
Results of property sales before foreign exchange effects	-19	-8	-18	-56
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-19	-8	-18	-56
Proceeds from the sale of real estate inventories	0	0	0	0
Cost of real estate inventories sold	0	0	0	0
Expenses from real estate inventories	0	0	0	0
Expenses from real estate development	-26	-87	-5	-74
Revaluation of properties under construction adjusted for foreign exchange effects	0	-84	0	0
Results of property development before foreign exchange effects	-26	-171	-5	-74
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-26	-171	-5	-74
Other operating income	17	23	154	3
Other operating expenses	-353	-265	-466	-406
Results of operations	4,051	3,016	6,391	4,838
Revaluation of investment properties adjusted for foreign exchange effects	-627	67	315	6
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment and earn-out effects on income	0	-25	0	0
Other revaluation results	-627	42	315	6
Operating profit (EBIT)	3,424	3,058	6,706	4,844
	31 3 2018	31 12 2017	31 3 2018	31 12 2017
Investment property	291,084	291,300	513,025	513,025
Property under construction	0	0	0	0
Goodwill	184	184	2,708	2,708
Investment properties held for sale	0	0	0	0
Real estate inventories	0	0	0	0
Segment assets	291,268	291,484	515,733	515,733
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Segment investments	586	610	50	0

All amounts in TEUR	Romania		Other non-core countries	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Office	4,162	4,722	302	286
Retail	6,668	6,555	1,895	1,577
Other	1,091	955	89	84
Rental income	11,921	12,232	2,286	1,947
Operating costs charged to tenants	5,540	5,295	612	462
Other revenues	424	470	23	48
Revenues	17,885	17,997	2,921	2,457
Expenses from investment property	-3,848	-2,985	-350	-397
Operating expenses	-5,507	-5,245	-595	-445
Results of asset management	8,530	9,767	1,976	1,615
Proceeds from the sale of properties	135	432	0	0
Carrying amount of sold properties	-135	-432	0	0
Results from deconsolidation	0	0	-3	0
Expenses from property sales	-128	-50	-24	285
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-231	-180	-305	-1
Results of property sales before foreign exchange effects	-359	-230	-332	284
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	305	1,986
Results of property sales	-359	-230	-27	2,270
Proceeds from the sale of real estate inventories	0	183	0	0
Cost of real estate inventories sold	0	-30	0	0
Expenses from real estate inventories	209	-117	-2	-4
Expenses from real estate development	-158	-330	-102	-211
Revaluation of properties under construction adjusted for foreign exchange effects	1	-494	0	0
Results of property development before foreign exchange effects	52	-788	-104	-215
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	8
Results of property development	52	-788	-104	-207
Other operating income	1,303	99	3	15
Other operating expenses	-1,841	-838	-571	-467
Results of operations	7,685	8,010	1,277	3,226
Revaluation of investment properties adjusted for foreign exchange effects	340	47	-2,472	-594
Revaluation of investment properties resulting from foreign exchange effects	0	0	1,684	-473
Goodwill impairment and earn-out effects on income	0	0	0	-47
Other revaluation results	340	47	-788	-1,114
Operating profit (EBIT)	8,025	8,057	489	2,112
	31 3 2018	31 12 2017	31 3 2018	31 12 2017
Investment property	759,199	772,899	156,200	125,036
Property under construction	48,656	48,620	14,342	7,880
Goodwill	13,529	13,529	999	999
Investment properties held for sale	15,559	1,890	4,805	38,859
Real estate inventories	1,479	1,242	184	185
Segment assets	838,422	838,180	176,530	172,959
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Segment investments	140	729	6,461	3,242

	Total reportable segments		Reconciliation to consolidated financial statements		IMMOFINANZ	
All amounts in TEUR	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Office	27,494	28,111	0	0	27,494	28,111
Retail	26,466	24,248	0	0	26,466	24,248
Other	5,048	4,749	0	0	5,048	4,749
Rental income	59,008	57,108	0	0	59,008	57,108
Operating costs charged to tenants	22,487	20,205	0	0	22,487	20,205
Other revenues	1,142	1,793	0	0	1,142	1,793
Revenues	82,637	79,106	0	0	82,637	79,106
Expenses from investment property	-16,110	-20,423	0	0	-16,110	-20,423
Operating expenses	-21,486	-19,210	0	0	-21,486	-19,210
Results of asset management	45,041	39,473	0	0	45,041	39,473
Proceeds from the sale of properties	2,349	13,101	0	0	2,349	13,101
Carrying amount of sold properties	-2,349	-13,101	0	0	-2,349	-13,101
Results from deconsolidation	6,594	-2,551	0	0	6,594	-2,551
Expenses from property sales	-1,021	-879	0	0	-1,021	-879
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-2,334	-4,522	0	0	-2,334	-4,522
Results of property sales before foreign exchange effects	3,239	-7,952	0	0	3,239	-7,952
Revaluation of properties sold and held for sale resulting from foreign exchange effects	305	1,986	0	0	305	1,986
Results of property sales	3,544	-5,966	0	0	3,544	-5,966
Proceeds from the sale of real estate inventories	2,704	11,840	0	0	2,704	11,840
Cost of real estate inventories sold	-2,704	-10,509	0	0	-2,704	-10,509
Expenses from real estate inventories	-1,694	-9,617	0	0	-1,694	-9,617
Expenses from real estate development	-1,323	-2,777	0	0	-1,323	-2,777
Revaluation of properties under construction adjusted for foreign exchange effects	4,773	5,303	0	0	4,773	5,303
Results of property development before foreign exchange effects	1,756	-5,760	0	0	1,756	-5,760
Revaluation of properties under construction resulting from foreign exchange effects	0	8	0	0	0	8
Results of property development	1,756	-5,752	0	0	1,756	-5,752
Other operating income	1,966	1,079	240	15	2,206	1,094
Other operating expenses	-6,660	-5,069	-10,357	-6,027	-17,017	-11,096
Results of operations	45,647	23,765	-10,117	-6,012	35,530	17,753
Revaluation of investment properties adjusted for foreign exchange effects	-5,372	-3,128	0	0	-5,372	-3,128
Revaluation of investment properties resulting from foreign exchange effects	1,684	-473	0	0	1,684	-473
Goodwill impairment and earn-out effects on income	-100	-212	0	0	-100	-212
Other revaluation results	-3,788	-3,813	0	0	-3,788	-3,813
Operating profit (EBIT)	41,859	19,952	-10,117	-6,012	31,742	13,940
	31 3 2018	31 12 2017	31 3 2018	31 12 2017	31 3 2018	31 12 2017
Investment property	3,699,846	3,729,519	0	0	3,699,846	3,729,519
Property under construction	443,409	404,064	0	0	443,409	404,064
Goodwill	24,785	24,848	0	0	24,785	24,848
Investment properties held for sale	244,146	263,335	0	0	244,146	263,335
Real estate inventories	42,533	61,221	0	0	42,533	61,221
Segment assets	4,454,719	4,482,987	0	0	4,454,719	4,482,987
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Segment investments	38,028	33,607	0	0	38,028	33,607

4. Notes to the Consolidated Balance Sheet

4.1 INVESTMENT PROPERTY

The development of the investment properties during the first quarter of 2018 is as follows:

All amounts in TEUR	Q1 2018
Beginning balance	3,729,519
Deconsolidations (see 2.2)	-48,780
Currency translation adjustments	-1,683
Additions	3,432
Disposals	-135
Revaluation	-3,901
Reclassifications	1,313
Reclassification from IFRS 5	33,750
Reclassification to IFRS 5	-13,669
Ending balance	3,699,846

The reclassifications from available-for-sale assets involve two land sites in Turkey. The reclassifications to available-for-sale assets represent three properties in Romania: two which are assigned to the asset class Other and one office property.

4.2 PROPERTY UNDER CONSTRUCTION

The development of the properties under construction during the first quarter of 2018 is as follows:

All amounts in TEUR	Q1 2018
Beginning balance	404,064
Additions	34,597
Revaluation	4,773
Reclassifications	-25
Ending balance	443,409

Additions include, in particular, the *trivago Campus* and *FLOAT* development projects in Germany as well as STOP SHOP properties in non-core countries which are assigned to the segment Other.

4.3 EQUITY-ACCOUNTED INVESTMENTS

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

All amounts in TEUR	CA Immo Group	NP Investments a.s.	Other	Total
Interest held by IMMOFINANZ	26.0%	50.0%		
Beginning balance on 1 January 2018	682,007	0	3,977	685,984
Net profit or loss from equity-accounted investments	7,762	-126	1,243	8,879
Other comprehensive income from currency translation adjustment	-16	-5	-114	-135
Other comprehensive income from financial instruments measured at fair value through other comprehensive income (FVOCI)	-429	0	0	-429
Adjustment through other comprehensive income as of 1.1.2018 as per IFRS 9 and IFRS 15	5,397	0	0	5,397
Offset of results with other net investment positions	0	131	168	299
Dividend	0	0	-3,520	-3,520
Ending balance on 31 March 2018	694,721	0	1,754	696,475

CA Immobilien Anlagen Aktiengesellschaft (CA Immo) was IMMOFINANZ's most important associate as of 31 March 2018. IMMOFINANZ has held 25,690,163 bearer shares, which represent 26% of share capital, as well as four registered shares with restricted transferability (Golden Shares) in CA Immo since 2 August 2016. IFRS 10.8 requires the regular assessment of the facts and circumstances that represent indications of control. In accordance with IFRS 10.B42, these facts and circumstances include, among others, the scope of voting rights relative to the other shareholders, rights arising from other contractual agreements and any other additional facts and circumstances that could indicate control. With regard to the rights held by IMMOFINANZ in CA Immo, particular attention must be given to the rights arising from the registered shares.

IMMOFINANZ, as the largest single shareholder of CA Immo, holds a significant share of voting rights based on its investment. At the first two CA Immo annual general meetings after the closing for the share purchase on 2 August 2016, the 26% investment held by IMMOFINANZ did not represent an attendance majority due to the defined quorum. In view of these objective circumstances, IMMOFINANZ's management concluded in autumn 2016 that this voting interest did not represent de-facto control over CA Immo and does not represent de-facto control to date.

IFRS 10 also requires the assessment of other rights and circumstances – in this case, primarily in connection with the Golden Shares. The Golden Shares give IMMOFINANZ the right to delegate up to four members to the CA Immo Supervisory Board and, as of 31 March 2018, IMMOFINANZ had delegated two (of ten) shareholder representatives to this corporate body. Moreover, the delegation of two further shareholder representatives by IMMOFINANZ would not lead to the attainment of control over CA Immo.

In conclusion, the rights held by IMMOFINANZ in CA Immo and other circumstances – individually or in total – do not lead to control, but represent a significant influence over the CA Immo Group. The accounting treatment of this investment is therefore based on the equity method. The CA Immo Group has been included in IMMOFINANZ's consolidated financial statements for the comparable accounting period since the acquisition date. In addition to the proportional results of the CA Immo Group for the period, the carryforward of the fair value adjustments from the purchase price allocation is included in the net profit or loss from equity-accounted investments.

A "close to market" valuation model (Level 3) was developed for impairment testing as of 31 December 2016 because the fair value (less costs to sell) of the unit of account – i.e. the share package of bearer and registered shares with restricted transferability – could not be determined solely on the basis of the quoted price on the Prime Market of the Vienna Stock Exchange. This valuation model was also applied as of 31 March 2018 and reflects the disparity between voting rights and contractual rights to receive cash flows and the size of the capital investment through the addition of a 21.7% premium (31 December 2017: 23.7%) to the stock market price of EUR 27.14 per share (31 December 2017: EUR 25.81 per share). As of 31 March 2018 the recoverable amount – which represents the resulting fair value of EUR 848.5 million (31 December 2017: EUR 820.3 million) less estimated costs to sell of 1.75% – equalled EUR 833.6 million (31 December 2017: EUR 806.0 million). Consequently, the recoverable amount exceeded the acquisition cost carried forward of EUR 694.7 million; this

latter amount represents the book value as of 31 March 2018. The book price of the investment in the CA Immo Group equalled EUR 27.04 per share (31 December 2017: EUR 26.55 per share). The net profit or loss from equity-accounted investments therefore includes not only the proportional results of the CA Immo Group for three months, but also the carryforward of the fair value adjustments from the purchase price allocation.

4.4 TRADE AND OTHER RECEIVABLES

All amounts in TEUR	31 3 2018	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2017
Rents receivable	17,868	17,851	17	0	18,515
Miscellaneous	39,811	39,288	523	0	37,166
Total trade accounts receivable	57,679	57,139	540	0	55,681
Receivables due from associates	4,005	3,739	0	266	3,371
Receivables due from joint ventures	30,505	903	29,473	129	30,184
Receivables due from equity-accounted investments	34,510	4,642	29,473	395	33,555
Restricted funds	138,817	98,402	40,415	0	154,806
Financing	11,498	545	281	10,672	12,650
Property management	6,598	6,540	19	39	1,651
Outstanding purchase price receivables – sale of properties	249	249	0	0	10,043
Outstanding purchase price receivables – sale of shares in other companies	35,035	22,688	12,347	0	39,924
Miscellaneous	20,521	13,034	7,257	230	17,798
Total other financial receivables	212,718	141,458	60,319	10,941	236,872
Tax authorities	41,178	41,178	0	0	39,029
Other contractual assets	5,599	5,599	0	0	0
Total other non-financial receivables	46,777	46,777	0	0	39,029
Total	351,684	250,016	90,332	11,336	365,137

The other contractual assets of EUR 5.6 million resulted from the initial application of IFRS 15 as of 1 January 2018. A summary of the effects of IFRS 15 is provided in section 1.1.

4.5 ASSETS AND SPECIFIC LIABILITIES HELD FOR SALE

Of the assets and liabilities held for sale as of 31 December 2017, three retail properties were sold during Q1 2018. The sale of the Russian service company together with a subsidiary, which were part of the discontinued operation “retail portfolio Moscow”, also closed during the reporting period. That represented the final step in the sale of the retail portfolio Moscow (see section 2.3).

Management terminated its plans to sell two land sites in Turkey because of ongoing re-zoning proceedings and reclassified the sites to investment property (see section 4.1); as of 31 December 2017, these sites were reported as held for sale. The sale plans remain in effect for three further land sites in Turkey, whereby a foreign exchange-adjusted revaluation of EUR -0.3 million was recognised to the carrying amount in the first quarter of 2018.

On office property and two properties assigned to the asset class Other – all of which are located in Romania – were initially classified as held for sale during Q1 2018. The sales are expected to take the form of asset deals.

With regard to the other assets and liabilities classified as held for sale as of 31 December 2017, management's intention to sell remains intact even though the transactions have not yet been realised.

The assets and liabilities held for sale as of 31 March 2018 can be summarised as follows:

All amounts in TEUR	Friesen-/ Gerling- Quartier	Other	Carrying amount as of 31 3 2018	Carrying amount as of 31 12 2017
Investment property	27,155	81,104	108,259	132,623
Property under construction	108,347	21,290	129,637	124,462
Real estate inventories	6,250	0	6,250	6,250
Other tangible assets	0	0	0	27
Intangible assets	0	0	0	3
Deferred tax assets	0	8	8	50
Trade and other receivables	0	354	354	355
Cash and cash equivalents	0	185	185	1,378
Assets held for sale	141,752	102,941	244,693	265,148
Currency translation reserve	0	651	651	677
Trade and other payables	0	339	339	720
Provisions	920	257	1,177	1,941
Liabilities held for sale	920	596	1,516	2,661

The properties in the *Gerling Quartier* (first and second building sections), which were classified as a disposal group based on resolutions of the Executive Board and Supervisory Board on 27 July 2016 and 19 December 2016, were still held by IMMOFINANZ as of 31 March 2018. The unused office building on *Hohenzollernring* in Cologne, which was classified as held for sale as of 24 July 2017, was also still held by IMMOFINANZ as of 31 March 2018. The (foreign exchange-adjusted) revaluation of standing investments and impairment losses to real estate inventories totalled TEUR 73 in the first quarter of 2018.

In addition to the above-mentioned properties in the first and second building sections of the *Gerling Quartier*, a hotel under construction and the accompanying underground parking spaces were sold through a forward sale as of 30 January 2017. These two properties remain classified as real estate inventories because they cannot be sold in their current condition. Write-downs of EUR -1.3 million were recognised to these two real estate inventories during the reporting period to reflect construction cost overruns; these items are reported under expenses from real estate inventories.

4.6 EQUITY

The initial application of IFRS 15 and IFRS 9 led to the reclassification of EUR 1.1 million from the revaluation reserve recorded under equity (former AFS reserve) to retained earnings as well as the addition of EUR 6.3 million to retained earnings without recognition through profit or loss (see section 1.1)

In Q1 2018, 4,678,921 new shares were issued from conditional capital to service the conversions of the convertible bond 2011–2018. This led to an increase of EUR 4.7 million in share capital and EUR 4.2 million in capital reserves.

The Executive Board and Supervisory Board announced the start of a buyback programme for up to 15 million IMMOFINANZ shares on 8 March 2018. This decision was based on an authorisation of the 24th annual general meeting on 1 June 2017 in accordance with § 65 (1) No. 8 of the Austrian Stock Corporation Act. A total of 1,600,000 shares had been repurchased for EUR 3.2 million as of 31 March 2018.

The 25th annual general meeting of IMMOFINANZ AG on 11 May 2018 approved a dividend of EUR 0.07 per share for the 2017 financial year.

Other comprehensive income of EUR -11.4 million (Q1 2017: EUR 9.9 million) is attributable to the shareholders of IMMOFINANZ and EUR -0.7 million (Q1 2017: EUR -1.4 million) to non-controlling interests. The share of other comprehensive income attributable to non-controlling interests resulted entirely from foreign currency translation adjustments.

The 25th annual general meeting of IMMOFINANZ AG on 11 May 2018 also passed resolutions on treasury shares, conditional capital and authorised capital as well as the new classification of share capital following a reverse stock split at a ratio of 10 : 1 (ten existing shares will be combined into a single share). Information on these resolutions is provided under "Subsequent Events" (see section 8).

4.7 LIABILITIES FROM CONVERTIBLE BONDS

As of 31 March 2018, IMMOFINANZ had convertible bonds with a total nominal value of EUR 297.2 million outstanding (31 December 2017: EUR 313.2 million). The underlying bond liability and the related interest coupons are measured at amortised cost based on the effective interest rate method.

All amounts in TEUR	31 3 2018	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2017
Convertible bond 2011–2018	0	0	0	0	33,151
Convertible bond 2017–2024	279,643	2,574	277,069	0	280,066
Total	279,643	2,574	277,069	0	313,217

Convertible bond 2011–2018

Convertible bondholders converted a nominal value of EUR 15.5 million in Q1 2018. This led to the issue of 4,678,921 IMMOFINANZ shares (see section 4.6) from conditional capital as well as the transfer of 252,938 BUWOG shares. The remaining outstanding nominal value of EUR 17.3 million was redeemed as scheduled on 8 March 2018.

The value of the standalone derivative from the convertible bond 2011–2018, which is recorded under other liabilities (see section 4.9) equalled was derecognised through financial results as of 8 March 2018 at an amount of EUR 1.3 million (see section 5.8).

Convertible bond 2017–2024

On 24 January 2017 IMMOFINANZ issued a convertible bond through an accelerate bookbuilding process with institutional investors. The bond has a nominal value of EUR 297.2 million, an interest rate of 2.0% and a term ending on 24 January 2024. The coupon will be reduced by 50 basis points when IMMOFINANZ receives and maintains an investment grade rating from S&P, Moody's or Fitch. The convertible bond 2017–2024 includes a (non-separable) put option at the nominal value plus accrued interest as of 24 January 2022, which also determines the instrument's maturity at the present time. The conversion price equalled EUR 2.22 per share as of 31 March 2018, and the conversion right can be exercised up to 10 January 2024.

4.8 FINANCIAL LIABILITIES

The following table shows the composition and classification of financial liabilities by remaining term as of 31 March 2018:

All amounts in TEUR	31 3 2018	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2017
Amounts due to financial institutions	2,339,104	591,635	1,508,383	239,086	2,305,028
Thereof secured by collateral	2,338,785	591,316	1,508,383	239,086	2,304,691
Thereof not secured by collateral	319	319	0	0	337
Other financial liabilities	1,352	362	0	990	1,390
Total	2,340,456	591,997	1,508,383	240,076	2,306,418

4.9 TRADE AND OTHER PAYABLES

All amounts in TEUR	31 3 2018	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	31 12 2017
Trade payables	99,427	97,259	2,168	0	114,591
Derivative financial instruments (liabilities)	8,830	1,774	6,927	129	10,929
Property management	6,986	6,986	0	0	2,913
Amounts due to non-controlling interests	3,848	0	262	3,586	6,777
Amounts due to associated companies	131	110	0	21	319
Amounts due to joint ventures	334	6	21	307	386
Deposits and guarantees received	25,468	6,137	13,158	6,173	25,586
Prepayments received on property sales	2,876	2,808	68	0	24,691
Construction and refurbishment	2,354	2,324	30	0	4,552
Outstanding purchase prices (share deals)	373	326	47	0	373
Outstanding purchase prices (acquisition of properties)	2,996	2,000	996	0	2,846
Miscellaneous	11,579	10,483	1,090	6	9,969
Total other financial liabilities	65,775	32,954	22,599	10,222	89,341
Tax authorities	15,724	15,724	0	0	14,695
Rental and lease prepayments received	23,143	22,249	894	0	24,006
Other contractual liabilities	30	30	0	0	0
Miscellaneous	10	4	6	0	23
Total non-financial liabilities	38,907	38,007	900	0	38,724
Total	204,109	168,220	25,667	10,222	242,656

Due to the initial application of IFRS 15 as of 1 January 2018, the prepayments reported as of 31 March 2018 were EUR 18.4 million lower than they would have been without the application of this standard. The presentation of other contractual liabilities (TEUR 30) is also attributable to IFRS 15. A summary of the effects of IFRS 15 is provided in section 1.1.

5. Notes to the Consolidated Income Statement

5.1 RENTAL INCOME

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

All amounts in TEUR	Q1 2018	Q1 2017
Office	27,494	28,111
Retail	26,466	24,248
Other	5,048	4,749
Total	59,008	57,108

5.2 EXPENSES FROM INVESTMENT PROPERTY

All amounts in TEUR	Q1 2018	Q1 2017
Vacancies	-2,427	-3,426
Commission expenses	-126	-295
Maintenance	-3,215	-3,385
Operating costs charged to building owners	-3,931	-4,404
Property marketing	-938	-994
Personnel expenses from asset management	-1,475	-1,697
Other expenses from asset management	-661	-892
Rental and lease payments	-550	-725
Fit-out costs	-2,241	-3,826
Write-off of receivables from asset management	-246	45
Other expenses	-300	-824
Total	-16,110	-20,423

5.3 PROCEEDS FROM THE SALE OF PROPERTIES

The Q1 2018 proceeds from property sales through asset deals were generated primarily in the Austria Segment. Of these proceeds, EUR 2.2 million (Q1 2017: EUR 0.0) are attributable to retail properties in Austria, EUR 0.0 million (Q1 2017: EUR 10.9 million) to office properties in Austria and EUR 0.0 million (Q1 2017: EUR 1.8 million) to Austrian standing investments allocated to the asset class Other. In addition, part of a Rumanian standing investment allocated to the asset class Retail was sold for EUR 0.1 million during the first quarter of 2018 (Q1 2017: EUR 0.4 million, asset class Other).

5.4 RESULTS OF PROPERTY DEVELOPMENT

All amounts in TEUR	Q1 2018	Q1 2017
Proceeds from the sale of real estate inventories	2,704	11,840
Cost of real estate inventories sold	-2,704	-10,509
Marketing for real estate inventories	0	-1
Brokerage fees for real estate inventories	0	-43
Other costs to sell for real estate inventories	-803	-96
Write-down related reversals of real estate inventories	290	764
Write-down of real estate inventories	-1,676	-8,337
Impending losses from the forward sale of real estate inventories	589	-1,743
Operating costs charged to building owners-inventories	-94	-161
Expenses from real estate inventories	-1,694	-9,617
Expenses from property development	-1,323	-2,777
Revaluation results from properties under construction (see 5.7)	4,773	5,311
Total	1,756	-5,752

Due to the initial application of IFRS 15 as of 1 January 2018, proceeds from the sale of real estate inventories were EUR 2.4 million lower as of 31 March 2018 than they would have been without the application of this standard. Since the involved residential development projects were reported at their net realisable value less transaction costs as of 31 December 2017, the production costs of the sold inventories were also EUR 2.4 million lower due to the initial application of IFRS 15. A summary of the effects of IFRS 15 is provided in section 1.1.

5.5 OTHER OPERATING INCOME

Other operating income consists of the following:

All amounts in TEUR	Q1 2018	Q1 2017
Expenses charged on	3	57
Insurance compensation	147	48
Income from derecognised liabilities	1,185	746
Reimbursement for penalties	0	2
Miscellaneous	871	241
Total	2,206	1,094

5.6 OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

All amounts in TEUR	Q1 2018	Q1 2017
Administrative expenses	-72	-120
Legal, auditing and consulting fees	-2,282	-1,940
Penalties	-314	-16
Levies	-2,510	-933
Advertising	-377	-405
Expenses charged on	-4	-92
Rental and lease expenses	-150	-73
EDP and communications	-788	-340
Expert opinions	-114	-147
Personnel expenses	-9,472	-5,769
Other write-downs	-171	-239
Miscellaneous	-763	-1,022
Total	-17,017	-11,096

The increase in personnel expenses resulted primarily from a special bonus of EUR 4.0 million for the Executive Board, which was approved by the Personnel Committee of the Supervisory Board during the first quarter of 2018.

The increase in levies is chiefly attributable to costs for the acquisition of limited partnership shares.

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

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

All amounts in TEUR	Revaluations adjusted for foreign exchange effects			Revaluations resulting from foreign exchange effects			Q1 2018 Revaluation
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Total
Investment property	63	-5,435	-5,372	2,012	-328	1,684	-3,688
Property under construction	4,794	-21	4,773	1	-1	0	4,773
Properties sold and held for sale	1,456	-3,790	-2,334	305	0	305	-2,029
Total	6,313	-9,246	-2,933	2,318	-329	1,989	-944

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

5.8 FINANCIAL RESULTS

All amounts in TEUR	Q1 2018	Q1 2017
For financial liabilities FLAC	-14,188	-24,241
For derivative financial instruments	-2,218	-2,497
Total financing costs	-16,406	-26,738
For financial receivables AC	1,376	1,252
For derivative financial instruments	2	10
Total financing income	1,378	1,262
Foreign exchange differences	392	-5
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	75	-12,526
Valuation of financial instruments at fair value through profit or loss	1,660	-2,337
Write-off of receivables	-486	-769
Other financial results	1,249	-15,632
Net profit or loss from equity-accounted investments (see 4.3)	8,879	134,126
Total	-4,508	93,013

FLAC: financial liabilities measured at amortised cost

AC: financial assets measured at amortised cost

Profit or loss on valuation of financial instruments at fair value through profit or loss consist, above all, of results from the measurement of derivative financial instruments. Of these measurement results, EUR 0.7 million (Q1 2017: EUR -9.7 million) are attributable to the standalone derivative from the convertible bond 2011–2018 which was derecognised in Q1 2018 and EUR 0.9 million (Q1 2017: EUR 5.3 million) to other derivatives. In Q1 2017 the position profit or loss on other financial instruments and proceeds on the disposal of financial instruments included expenses of EUR -12.5 million for the incentivised conversion of the convertible bond 2011–2018.

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

6. Information on Financial Instruments

6.1 CLASSES OF FINANCIAL INSTRUMENTS

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

	Carrying amount of financial assets	Carrying amount of non-financial assets	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	31 3 2018	31 3 2018	31 3 2018	31 12 2017	31 3 2018	31 12 2017
Trade accounts receivable	57,679	0	57,679	55,681	57,679	55,681
Financing receivables	46,008	0	46,008	46,205	46,008	46,205
Loans and other receivables	201,220	46,777	247,997	263,251	247,997	263,251
Trade and other receivables	304,907	46,777	351,684	365,137	351,684	365,137
Real estate fund shares	4,889	0	4,889	4,934	4,889	4,934
Derivatives	2,431	0	2,431	2,206	2,431	2,206
Miscellaneous other financial instruments	6,334	0	6,334	24,875	6,334	24,875
Other financial assets	13,654	0	13,654	32,015	13,654	32,015
Cash and cash equivalents	509,414	0	509,414	477,889	509,414	477,889
Total assets	827,975	46,777	874,752	875,041	874,752	875,041

Non-FI: non-financial assets

In addition, non-financial assets include other contractual assets of EUR 5.6 million which require reporting as of 1 January 2018 under IFRS 15. A summary of the effects of IFRS 15 is provided in section 1.1.

	Carrying amount of financial assets	Carrying amount of non-financial liabilities	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	31 3 2018	31 3 2018	31 3 2018	31 12 2017	31 3 2018	31 12 2017
Liabilities from convertible bonds	279,643	0	279,643	313,217	289,032	320,450
Amounts due to financial institutions	2,339,104	0	2,339,104	2,305,028	2,317,898	2,292,264
Other financial liabilities	1,352	0	1,352	1,390	1,352	1,390
Financial liabilities	2,340,456	0	2,340,456	2,306,418	2,319,250	2,293,654
Trade payables	99,427	0	99,427	114,591	99,427	114,591
Derivatives	8,830	0	8,830	10,929	8,830	10,929
Miscellaneous other liabilities	56,945	38,907	95,852	117,136	95,852	117,136
Trade and other payables	165,202	38,907	204,109	242,656	204,109	242,656
Total equity and liabilities	2,785,301	38,907	2,824,208	2,862,291	2,812,391	2,856,760

Non-FI: non-financial liabilities

The non-financial liabilities reported as of 31 March 2018 also include other contractual liabilities of TEUR 30, which require reporting as of 1 January 2018 under IFRS 15. A summary of the effects of IFRS 15 is provided in section 1.1.

6.2 HIERARCHY OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

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

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

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

				31 3 2018
All amounts in TEUR	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Real estate fund shares	-	-	4,889	4,889
Derivatives	-	-	2,431	2,431
Miscellaneous other financial instruments	6,334	-	-	6,334
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	8,830	8,830

				31 12 2017
All amounts in TEUR	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
Real estate fund shares	-	-	206	206
Financial assets at fair value through profit or loss				
Fair value option				
Real estate fund shares	-	-	4,728	4,728
Miscellaneous other financial instruments	19,820	-	-	19,820
Held for trading				
Derivatives	-	-	2,206	2,206
Financial liabilities at fair value through profit or loss				
Held for trading				
Derivatives	-	-	10,929	10,929

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

	Real estate fund shares	Derivatives	Total
All amounts in TEUR	Q1 2018	Q1 2018	Q1 2018
Beginning balance	4,934	-8,723	-3,789
Recognised in the consolidated income statement	-45	1,565	1,520
Disposals	0	759	759
Ending balance	4,889	-6,399	-1,510

The results of EUR 1.5 million which are shown in the above table and recognised in the consolidated income statement include EUR 0.8 million that are attributable to financial instruments that were held as of 31 March 2018. These amounts were reported under other financial results.

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

Level	Financial instruments	Valuation method	Major input factors	Major non-observable input factors
3	Real estate fund shares	Net present value methods	Discount rate, expected principal repayments and dividends	Discount rate: 9.10% to 13.95%
3	Derivatives (interest rate swaps)	Net present value methods	Interest rate curves observable on the market, probability of default, loss given default, exposure at default	Credit margin: 1.50% to 3.50%
3	Derivatives (from convertible bonds)	Capital market and net present value methods	Market prices of convertible bonds, interest rate curves observable on the market, probability of default, loss given default, exposure at default	Credit margin: 2.38%

Additional details on the valuation methods and input factors are provided in section 7 of the consolidated financial statements as of 31 December 2017.

The next table provides the following information for each class of financial assets and financial liabilities: the original valuation category under IAS 39 and the valuation category under IFRS 9 as well as the carrying amounts at the time of conversion in accordance with IAS 39 and IFRS 9:

Assets

All amounts in TEUR	Original measurement category IAS 39	Measurement category IFRS 9	Carrying amount as per IAS 39 1 1 2018	Carrying amount as per IFRS 9 1 1 2018
Trade accounts receivable	L&R/AC	AC	55,681	55,681
Financing receivables	L&R/AC	AC	46,205	46,205
Loans and other receivables	L&R/AC	AC	224,222	224,222
Trade and other receivables			326,108	326,108
Real estate fund shares	AFS	FVPL	206	206
Real estate fund shares	Fair value option	FVPL	4,728	4,728
Derivatives	HFT	FVPL	2,206	2,206
Current securities				
Miscellaneous other financial instruments	AC	FVPL	5,055	6,335
Miscellaneous other financial instruments	FVPL	FVPL	19,820	19,820
Other financial assets			32,015	33,295
Cash and cash equivalents	AC	AC	477,889	477,770
Total assets			836,012	837,173

Equity and liabilities

All amounts in TEUR				
Liabilities from convertible bonds	FLAC	FLAC	313,217	313,217
Amounts due to financial institutions	FLAC	FLAC	2,305,028	2,305,028
Other financial liabilities	FLAC	FLAC	1,390	1,390
Financial liabilities			2,306,418	2,306,418
Trade payables	FLAC	FLAC	114,591	114,591
Derivatives	HFT	FLPL	10,929	10,929
Miscellaneous other liabilities	FLAC	FLAC	78,412	78,412
Trade and other payables			203,932	203,932
Total equity and liabilities			2,823,567	2,823,567

AC: financial assets measured at amortised cost

AFS: available for sale

FVPL: financial assets at fair value through profit or loss

FLPL: financial liabilities at fair value through profit or loss

FLAC: financial liabilities measured at amortised cost

HFT: held for trading

L&R: loans and receivables

7. Transactions with Related Parties

Business transactions with equity-accounted investments led to the following amounts in the consolidated interim financial statements of IMMOFINANZ for the first quarter of 2018:

All amounts in TEUR	31 3 2018	31 12 2017
Relations with joint ventures		
Receivables	30,505	30,185
Thereof allowance for bad debt	-11,100	-10,838
Liabilities	334	386
Relations with associated companies		
Receivables	4,006	3,372
Thereof allowance for bad debt	-6,763	-6,621
Liabilities	131	320
All amounts in TEUR	Q1 2018	Q1 2017
Relations with joint ventures		
Other income	10	17
Other expenses	0	-1
Interest income	534	510
Interest expense	0	-130
Write-downs for bad debt	-262	-305
Thereof results that increase or reduce the net investment	-158	-364
Income taxes	-23	29
Relations with associated companies		
Other income	177	272
Other expenses	-732	-1,180
Interest income	162	93
Write-downs for bad debt	-143	-606
Thereof results that increase or reduce the net investment	-143	-33

There were no reportable transactions between IMMOFINANZ and related persons in Q1 2018.

8. Subsequent Events

On 18 April 2018 IMMOFINANZ signed an agreement to purchase 19,499,437 bearer shares of S IMMO AG for a price of EUR 20.0 per share from the RPR Group and the SIGNA Group. The total purchase price, including transaction costs of EUR 0.5 million, amounted to approximately EUR 390 million. The purchase is subject to conditions precedent, in particular the approval of anti-trust authorities in Austria, Germany and other jurisdictions.

IMMOFINANZ issued an invitation to national and international investors on 19 April 2018 to indicate their interest in a structured bidding process for a package sale of the CA Immo investment (25,690,163 bearer shares and 4 registered shares). The outcome of this process is still open, but it is expected to be concluded by summer 2018.

The 25th annual general meeting on 11 May 2018 rescinded a resolution passed by the 24th annual general meeting on 1 June 2017, which authorised the Executive Board to purchase, sell and withdraw treasury shares. The Executive Board was subsequently authorised, contingent upon the approval of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1a) and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital during a period of 30 months. This authorisation may be used in whole, in part or in several partial amounts and for one or more purposes. The repurchase price may not be lower than EUR 0.10 per share and not higher than 15% above the volume-weighted average daily closing price per share on the preceding 10 trading days on the Vienna Stock Exchange. The Executive Board was also authorised, contingent upon the approval of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering during a period of five years, whereby the proportional purchase rights of shareholders can be excluded (exclusion of subscription rights). Furthermore, the Executive Board was authorised to retire treasury shares with the approval of the Supervisory Board but without a further resolution by the annual general meeting. The Supervisory Board was authorised to approve amendments to the company's statutes which result from the retirement of shares.

The 25th annual general meeting also cancelled the unused part of a resolution passed by the annual general meeting on 30 September 2014, which authorised the Executive Board pursuant to § 169 of the Austrian Stock Corporation Act to increase share capital by up to EUR 225.8 million by 29 January 2020. The 25th annual general meeting subsequently authorised the Executive Board, pursuant to § 169 of the Austrian Stock Corporation Act and contingent upon the approval of the Supervisory Board, to increase the company's share capital by up to EUR 500 million through the issue of up to 500,000,000 new shares in exchange for cash or contributions in kind and in one or more tranches and further details for the capital increase are to be determined in agreement with the Supervisory Board. The Executive Board was authorised, contingent upon the approval of the Supervisory Board, to exclude the subscription rights of shareholders in full or in part (i) when the capital increase takes place in exchange for cash contributions, and the shares issued in exchange for cash contributions and the exclusion of subscription rights do not exceed EUR 112,085,269.00 of share capital (respectively EUR 11,208,526.00 following the execution of the capital decrease), i.e. 10% of the company's share capital; (ii) when the capital increase takes place in exchange for contributions in kind; (iii) or to service a greenshoe option; or (iv) for the settlement of peak amounts. The total shares issued on the basis of this authorisation in exchange for cash or contributions in kind and under the exclusion of subscription rights of shareholders may not exceed EUR 224,170,539.00 of share capital (respectively EUR 22,417,053.00 following the execution of the capital decrease), i.e. 20% of the company's share capital. This limit also includes any new shares to be delivered in connection with a convertible bond that carries conversion or subscription rights and is issued during the term of this authorisation under the exclusion of subscription rights. The Supervisory Board was empowered to approve amendments to the company's statutes which result from the issue of shares from authorised capital.

Furthermore, the 25th annual general meeting authorised the Executive Board to issue convertible bonds, also under the exclusion of subscription rights, and cancelled the unused part of the existing authorisation to issue convertible bonds. The Executive Board was also authorised to carry out a conditional capital increase (§ 159 (2) No. 1 of the Austrian Stock Corporation Act) in connection with the cancellation of the unused part of the existing conditional capital approved by the annual general meeting on 28 September 2011.

The following resolutions were also passed by the 25th annual general meeting: the reclassification of the share capital of IMMOFINANZ AG through a reverse stock split at a ratio of 10 : 1 (ten existing shares will be combined into a single share); an increase of EUR 750 million in share capital in a first step from internal funds in accordance with §§ 1ff of the Austrian Capital Adjustment Act; and the transfer of these funds to an unappropriated reserve through an ordinary capital decrease. Following the resolution on the reverse stock split, the proportional amount of share capital per share will equal EUR 10.00. The capital decrease – together with the capital increase of EUR 750 million – totals EUR 1,008,767,430.00 – and will reduce the proportional amount of share capital per share to EUR 1.00. Share capital will therefore be adjusted to the number of issued shares and equal EUR 112,085,269.00 after the ordinary capital decrease.

Statement by the Executive Board

We confirm to the best of our knowledge that these consolidated interim financial statements of IMMOFINANZ as of 31 March 2018, which were prepared in accordance with the rules for interim financial reporting defined by International Financial Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. We also confirm to the best of our knowledge that the Group management report gives a true and fair view of important events that occurred during the first three months of the financial year and their impact on these consolidated interim financial statements as well as of the principal risks and uncertainties for the remaining nine months of the financial year.

Vienna, 28 May 2018

The Executive Board of IMMOFINANZ AG



Stefan Schönauer
CFO



Oliver Schumy
CEO



Dietmar Reindl
COO

IMPRINT

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

Photos

IMMOFINANZ, APA Fotoservice Pacewicz, Campus GmbH – Maren Richter

Concept and Realisation

Mensalia Unternehmensberatung

Consolidated Interim Financial Statements, pages 36-70: produced inhouse using firesys GmbH

Disclaimer

We have prepared this report and verified the data herein with the greatest possible caution. However, errors arising from rounding, transmission, typesetting or printing cannot be excluded. This report contains assumptions and forecasts that were based on information available at the time this report was prepared. If the assumptions underlying these forecasts are not realised, actual results may differ from the results expected at the present time. Automatic data processing can lead to apparent mathematical errors in the rounding of numbers or percentage rates. This report is published in German and English, and can be downloaded from the investor relations section of the IMMOFINANZ website. In case of doubt, the German text represents the definitive version. This report does not represent a recommendation to buy or sell shares in IMMOFINANZ AG.

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

FINANCIAL CALENDAR 2018

29 August 2018	Announcement of results for the first half of 2018 (after the close of trading)
30 August 2018	Report on the first half of 2018
28 November 2018	Announcement of results for the first three quarters of 2018 (after the close of trading)
29 November 2018	Report on the first three quarters of 2018

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

investor@immofinanz.com
immofinanz.com

