

# Report of the Supervisory Board

## DEAR SHAREHOLDERS,

IMMOFINANZ continued its portfolio optimisation during the past financial year and successfully established a position as a commercial property specialist with a focus on the office and retail sectors. The out-of-court settlement of nearly all investors' lawsuits brought the company legal security. Moreover, the capital measures approved by the 22nd annual general meeting will safeguard the resumption of a sustainable dividend policy.

The Supervisory Board accompanied IMMOFINANZ and its Executive Board on all activities in 2015/16 and, as in previous years, conscientiously performed the duties required by law and the articles of association. The Executive Board provided the Supervisory Board with extensive, ongoing and timely information on the development of business and on the company's asset, financial and earnings position and, in this way, met its information requirements.

There were six Supervisory Board meetings during the 2015/16 financial year, all of which included the members of the Executive Board. Outside the framework of these meetings, the Supervisory Board remained in regular contact with the Executive Board and took a number of decisions through circular resolutions.

The Supervisory Board dealt extensively with the strategic orientation and financing situation of the company as well as developments on the capital market and in the core markets of IMMOFINANZ. The related activities focused on the further optimisation of the property portfolio and its financing. At the Supervisory Board meeting in August 2015, the sale of the logistics portfolio and the investment in the *trivago* office development project in Düsseldorf were approved. In each of the six Supervisory Board meetings, the Executive Board also provided a detailed report on the development of the shopping centers in Moscow.

Further resolutions involved, among others, the repurchase of the exchangeable bond for BUWOG shares, the reduction of the investment in BUWOG, the finalisation of the settlements with investors and the share buyback programme 1/2016. The acquisition of a 26% investment in CA Immobilien Anlagen AG was approved by the Supervisory Board after the end of the reporting year.

## EFFICIENT WORK IN THREE COMMITTEES

In order to support the efficient performance of its duties, the Supervisory Board has established three committees: the Audit Committee, the Strategy Committee and the Personnel and Nominating Committee. The composition of the committees was changed at the Supervisory Board meeting in December 2015 to include Horst Populorum and Wolfgang Schischek, who were elected to the Supervisory Board in April 2015. Information on the composition and responsibilities of the committees is provided in the Corporate Governance Report on page 28.

## CHANGES ON THE EXECUTIVE BOARD

In February 2016 the Supervisory Board complied with a request by Birgit Noggler to be released prematurely from her position as Chief Financial Officer. Her contract was terminated by mutual consent. Stefan Schönauer was appointed in March for a three-year term to succeed her as Chief Financial Officer. The contract with Dietmar Reindl was extended prematurely for a period of four years. The Executive Board of IMMOFINANZ is now well positioned to further optimise the company's market position and thereby ensure sustainable and profitable growth.

## APPROVAL OF THE 2015/16 ANNUAL FINANCIAL STATEMENTS

The following documents were prepared by the Executive Board and audited by Deloitte Audit Wirtschaftsprüfung GmbH, which was appointed as the auditor by the annual general meeting on 1 December 2015: the annual financial statements of IMMOFINANZ AG as of 30 April 2016 including the management report and the consolidated financial statements together with the group management report. All of these documents were awarded an unqualified opinion.

The annual financial statements and consolidated financial statements as well as the related auditor's reports were made available to all Supervisory Board members immediately after completion. These documents were discussed by the Audit Committee in detail in the presence of the auditor and the Executive Board and reviewed in accordance with § 96 of the Austrian Stock Corporation Act. Following this examination and discussion, the members of the Audit Committee unanimously agreed to recommend the unqualified acceptance of these

documents to the Supervisory Board. The Supervisory Board accepted the annual financial statements as of 30 April 2016, which are considered approved in accordance with § 96 (4) of the Austrian Stock Corporation Act. The consolidated financial statements as of 30 April 2016 were also accepted by the Supervisory Board. In accordance with L-Rule 60 of the Austrian Corporate Governance Code, the Supervisory Board reviewed and approved the corporate governance report for 2015/16.

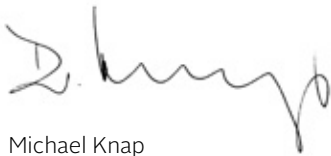
The Supervisory Board agrees with the recommendation by the Executive Board for the use of profit. The agenda of the annual general meeting for the 2015/16 financial year will therefore include a proposal to distribute a dividend of six Euro cents per share.

Based on a recommendation by the Audit Committee, the Supervisory Board approved a proposal to the annual general meeting which calls for the appointment of Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, as the auditor for the abbreviated financial year from 1 May to 31 December 2016.

On behalf of the entire Supervisory Board, I would like to thank the members of the Executive Board and all IMMOFINANZ employees for their outstanding performance and strong commitment and also express our gratitude to shareholders for their confidence.

Vienna, 27 July 2016

For the Supervisory Board

A handwritten signature in black ink, appearing to read 'M. Knap', written over a light grey horizontal line.

Michael Knap  
Chairman