

**FINANCIAL
REPORT ON
THE FIRST
THREE
QUARTERS
2018**

Q1-3

KEY FIGURES

Earnings Data

		Q1-3 2018	Q1-3 2017	Change in %
Rental income	in MEUR	175.7	174.1	0.9%
Results of asset management	in MEUR	134.5	122.6	9.7%
Results of property sales	in MEUR	28.1	2.7	≥ +100.0%
Results of property development	in MEUR	23.7	-26.1	n.a.
Results of operations	in MEUR	149.7	66.2	≥ +100.0%
Revaluations	in MEUR	31.2	11.3	≥ +100.0%
EBIT	in MEUR	150.1	65.4	≥ +100.0%
Financial results	in MEUR	32.3	88.6	-63.5%
EBT	in MEUR	182.4	154.0	18.5%
Net profit for the period	in MEUR	135.0	-59.1	n.a.
FFO 1 before tax (sustainable FFO from asset management) ¹	in MEUR	63.0	31.5 ²	≥ +100.0%
FFO 1 per share before tax ¹	in EUR	0.57	0.31 ²	83.9%

¹ See calculation in chapter *Business Development*

² Adjusted

Asset Data

		30 Sep. 2018	31 Dec. 2017	Change in %
Balance sheet total	in MEUR	5,731.6	6,062.7	-5.5%
Equity as % of the balance sheet total	in %	48.2%	46.3%	n.a.
Net financial liabilities	in MEUR	1,688.9	2,140.4	-21.1%
Cash and cash equivalents	in MEUR	685.4	477.9	43.4%
Loan-to-value ratio (net)	in %	35.9%	40.8%	n.a.
Gearing	in %	61.1%	76.3%	n.a.
Average interest rate on financial liabilities, incl. hedging	in %	2.2%	2.3%	n.a.
Average term of financial liabilities	in years	3.5	3.5	0.0%

Property Data

		30 Sep. 2018	31 Dec. 2017	Change in %
Total number of properties		223	239	-6.7%
Rentable space	in sqm	1,855,440	1,865,178	-0.5%
Occupancy rate	in %	94.5%	94.2%	n.a.
Gross return	in %	6.2%	6.4%	n.a.
Invoiced rents return ¹	in %	6.5%	n.a.	n.a.
Portfolio value	in MEUR	4,275.6	4,194.8	1.9%
thereof investment properties	in MEUR	3,868.6	3,729.5	3.7%
thereof property under construction	in MEUR	359.0	404.1	-11.2%
thereof real estate inventories	in MEUR	48.1	61.2	-21.5%
Unencumbered investment property	in MEUR	750.7	846.1	-11.3%

¹ Yield based on invoiced rents; this information is provided to improve comparability with the peer group.

EPRA Indicators¹

		30 Sep. 2018	31 Dec. 2017	Change in %
EPRA Net Asset Value	in MEUR	3,334.1	3,220.6	3.5%
EPRA Net Asset Value per share	in EUR	27.24	28.60	-4.8%
EPRA Triple Net Asset Value	in MEUR	3,324.6	3,201.6	3.8%
EPRA Triple Net Asset Value per share	in EUR	27.16	28.43	-4.5%
		Q1-3 2018	Q1-3 2017	Change in %
EPRA earnings	in MEUR	79.2	102.2	-22.5%
EPRA earnings per share	in EUR	0.71	0.99	-28.3%
EPRA earnings after company-specific adjustments	in MEUR	54.4	4.4	≥ +100.0%
EPRA earnings per share after company-specific adjustments	in EUR	0.49	0.04	≥ +100.0%
EPRA Net Initial Yield	in %	5.6%	5.5% ²	n.a.

¹ See calculation in chapter *Business Development*
² Adjusted

Stock Exchange Data

		30 Sep. 2018	31 Dec. 2017	Change in %
Book value per share	in EUR	25.54	25.28	1.0%
Share price at end of period	in EUR	22.44	21.47	4.5%
Discount of share price to NAV per share	in %	17.6%	24.9%	n.a.
Total number of shares		112,085,269	111,617,378	0.4%
thereof number of treasury shares		3,061,526	0	n.a.
Market capitalisation at end of period	in MEUR	2,515.2	2,396.4	5.0%
		Q1-3 2018	Q1-3 2017	Change in %
Earnings per share (basic)	in EUR	1.23	-0.55	n.a.
Earnings per share (diluted)	in EUR	1.14	-0.55	n.a.

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 ≥ +100% or ≤ -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.

All information on the share price and the resulting calculations as well as the data per share were adjusted to reflect the 10:1 reverse stock split which took effect on 23 June 2018.

CONTENT

CEO Letter	2
IMMOFINANZ on the Capital Market	4
Group Interim Management Report	6
Portfolio Report	6
Financing	17
Business Development	21
Consolidated Interim Financial Statements	27
Consolidated Balance Sheet	28
Consolidated Income Statement	29
Consolidated Statement of Comprehensive Income	30
Consolidated Cash Flow Statement	31
Consolidated Statement of Changes in Equity	32
Notes	34

IMMOFINANZ



myhive

- **EARNINGS JUMP AFTER THREE QUARTERS**

Net profit turns strongly positive at EUR 135.0 million

- **OCCUPANCY RATE AT HIGH LEVEL**

94.5% of the space in our properties is rented

- **ROBUST BALANCE SHEET**

Cash and cash equivalents rise to EUR 685.4 million
Net LTV at 35.9%



CEO LETTER

DEAR SHAREHOLDERS,

We can now see the results of IMMOFINANZ's repositioning as one of the leading commercial real estate companies in Central and Eastern Europe with a focus on the office and retail asset classes. The measures implemented to date are taking effect, and the expected improvement is now reflected in our key performance indicators for the 2018 financial year.

Our properties had a solid occupancy rate of 94.5% at the end of September 2018. We also recorded a substantial improvement in our most important drivers for operating earnings. The results of asset management rose by 9.7% to EUR 134.5 million in the first three quarters. The results of property sales increased significantly to EUR 28.1 million (Q1-3 2017: EUR 2.7 million), and the results of property development turned positive at EUR 23.7 million after a loss in the previous year (Q1-3 2017: EUR -26.1 million).

Financial results for the period benefited, on the one hand, from a reduction of more than 30% in financing costs to EUR -51.3 million and a book gain of EUR 66.2 million on the very profitable sale of the CA Immo investment. On the other hand, an impairment loss of EUR -25.1 million was required for the investment in S IMMO because the market price of these shares and the related book value on the balance sheet date were below the acquisition cost. Our net profit turned strongly positive at EUR 135.0 million for the first three quarters, following the negative effects, above all from the sale of the Russian portfolio, in the previous year.

The development of our sustainable Funds from Operations, a key profitability indicator in the real estate industry, also underscores our stronger earning power: FFO 1 from the standing investment business rose by 100% to EUR 63.0 million. With these results, we are well on target to meet our goal and generate FFO 1 of more than EUR 100 million in 2019.

Our financial profile is also stronger: cash and cash equivalents rose to approximately EUR 685 million, and leverage – based on the net loan-to-value – has fallen to roughly 36%. Financing costs declined further to 2.17% including and 1.80% excluding derivatives during the past nine months.

We completed a number of fully rented development projects during the first three quarters of 2018 – including our landmark property, the *trivago Campus* in Düsseldorf, and two STOP SHOPS in Serbia – and transferred these properties to the tenants. We also continued to drive the expansion of our successful STOP SHOP retail brand through acquisitions and strengthen our position as the leading retail park operator in Europe. In mid-November we announced the purchase of eight retail parks in Slovenia, Serbia and Croatia. This transaction increases our STOP SHOP portfolio to 80 locations in nine countries with more than 567,000 sqm of rentable space and a book value of roughly EUR 800 million. Our strategy calls for continued expansion with this brand.

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**THE EXPECTED
IMPROVEMENT IS
NOW REFLECTED
IN OUR KEY
PERFORMANCE
INDICATORS.**



In 2018 we also took advantage of the opportunity to become the largest shareholder of the listed S IMMO. This creates a very good basis for various forms of cooperation between the two companies. The S IMMO and IMMOFINANZ portfolios complement each other very well with their focus on commercial properties, and this investment is therefore expected to give both companies a stronger market position and lead to synergies in the area of facility management. A possible future combination and the resulting increase in size would also create a substantially stronger position on the capital market.

With regard to our distribution policy, we have successfully repositioned IMMOFINANZ as a sustainable dividend stock. Our plans for the current financial year include a further increase in the dividend to 80 cents per share. Share buybacks are also part of this distribution policy due to our sound liquidity position and the relatively high discount of the share price to the book value. We completed a buyback programme for 1.5 million shares during the first half-year and started another buyback programme in July for up to 9.7 million shares, or 8.66% of the shares currently outstanding.

IMMOFINANZ has become a substantially stronger player on the European commercial real estate market which pays sustainable and attractive dividends, has a solid foundation for continued growth and is successfully positioned to utilise the opportunities resulting from changes in the market environment.

Vienna, 27 November 2018

Oliver Schumy
CEO

IMMOFINANZ on the Capital Market

THE MARKET ENVIRONMENT AND THE IMMOFINANZ SHARE

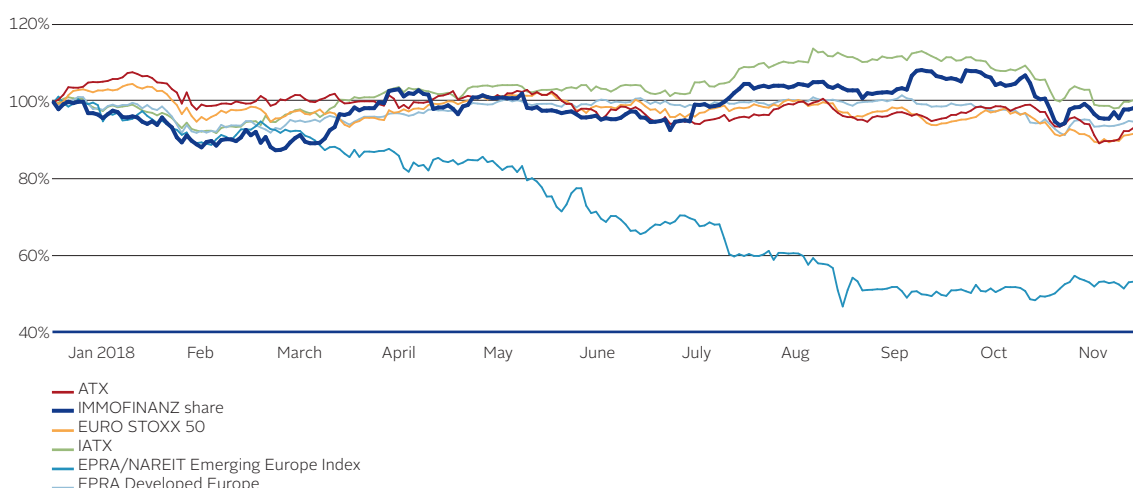
Rising corporate profits and ongoing favourable economic reports were responsible for a generally friendly stock market climate during the third quarter of 2018. In spite of these developments, the EURO STOXX 50 and the ATX traded 3.0% and 2.2%, respectively, below the year-end 2017 level at the end of September.

IMMOFINANZ share
with new ISIN
AT0000A21KS2

The IMMOFINANZ share rose to EUR 22.44 at the end of September, for a plus of 4.5% since the beginning of the year. The annual high thus far was reached shortly after the presentation of half-year results for 2018 with EUR 23.28 on 4 September. As of the editorial deadline for this report (23 November 2018), the share traded at EUR 20.86, which represents a decline of 2.8% since the beginning of the year and reflects the general uncertainty on the capital markets.

DEVELOPMENT OF THE IMMOFINANZ SHARE VS. SELECTED INDEXES

Indexed as of 1 January 2018



PERFORMANCE COMPARISON

1 January to 30 September 2018	in %
IMMOFINANZ share	4.5%
ATX	-2.2%
Immobilien ATX	8.5%
EPRA/NAREIT Emerging Europe	-48.3%
EPRA/NAREIT Developed Europe	-2.3%

KEY DATA ON THE SHARE

ISIN	AT0000A21KS2
Segment	ATX, WIG
Reuters	IMFI.VI
Bloomberg	IJA:AV
Financial year 2018	1 January to 31 December

INFORMATION ON THE IMMOFINANZ SHARE

		30 Sep. 2018	31 Dec. 2017	Change in %
Book value per share	in EUR	25.54	25.28	1.0%
EPRA Net Asset Value per share ¹	in EUR	27.24	28.60	-4.8%
EPRA Triple Net Asset Value per share ¹	in EUR	27.16	28.43	-4.5%
Earnings per share	in EUR	1.23	-0.55	n.a.
FFO 1 per share before tax (excl. CA Immo) ¹	in EUR	0.57	0.31 ⁴	83.9%
Share price at end of period	in EUR	22.44	21.47	4.5%
Share price high Q1-3 based on the closing rate	in EUR	23.28	20.76	6.9%
Share price low Q1-3 based on the closing rate	in EUR	18.78	16.98	10.6%
Discount of share price to NAV per share	in %	17.6%	24.9%	n.a.
Total number of shares		112,085,269	111,617,378	0.4%
thereof treasury shares		3,061,526 ²	0	n.a.
Market capitalisation at the end of the period	in MEUR	2,515.2	2,396.4	5.0%
Free float ³	in %	approx. 78%	approx. 84%	n.a.

¹ See the calculation under the section *Business development*.

² IMMOFINANZ has been repurchasing its shares within the framework of the share buyback programme 2018/2019 since 16 July 2018 (for additional details, see the section *Share buybacks*).

³ Calculation method as defined by the Vienna Stock Exchange, Prime Market rules

⁴ Adjusted

REVERSE STOCK SPLIT AND SHARE CAPITAL

The 25th annual general meeting of IMMOFINANZ on 11 May 2018 approved a reverse stock split at a ratio of 10:1. This resolution took effect when it was recorded in the company register on 23 June 2018. The reverse stock split reduced the number of share from the previous level of 1,120,852,699 to 112,085,269. In connection with the reverse stock split, the IMMOFINANZ share also received a new International Securities Identification Number (ISIN): ATO000A21KS2.

*Reverse stock split
at a ratio of 10:1*

This annual general meeting also approved an increase in share capital from internal funds, combined with an ordinary capital decrease. As a result of these resolutions, share capital now totals EUR 112.09 million (31 December 2017: EUR 111.6 million). The total number of shares rose by 467,892, or roughly 0.4%, based on capital increases from conditional capital which were carried out to service the exchange rights of holders of the convertible bond 2018. This bond was converted or redeemed in full as of 8 March 2018.

DIVIDEND

The annual general meeting on 11 May 2018 approved a dividend of EUR 0.70 per share for the 2017 financial year (2016A: EUR 0.60). 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 AG shares as part of their private assets.* The ex-dividend date was 15 May and the dividend was paid on 17 May 2018.

*Dividend of
EUR 0.80/share
planned for 2018*

A further increase in the dividend to EUR 0.80 per share is planned for the current 2018 financial year.

SHARE BUYBACKS

A total of 1.5 million shares were repurchased during the period from 14 March to 15 June 2018 as part of the share buyback programme 1/2018. The shares were repurchased over the stock exchange at an average price of EUR 21.05 per share.

*Repurchase of up
to 9.7 million
shares, or 8.66%*

A new share buyback programme with a volume of up to 9.7 million shares, or 8.66% of the outstanding shares, was approved on 2 July 2018. The buyback started on 16 July and will end, at the latest, on 31 December 2019. Information on the share buyback programme 2018/2019 is available under www.immofinanz.com/en/investor-relations/our-share/share-buyback-programmes.

25TH ANNUAL GENERAL MEETING

The 25th annual general meeting of IMMOFINANZ was held on 11 May 2018 in the Austria Center Vienna. The related documents and voting results can be found under www.immofinanz.com/en/investor-relations/general-meeting.

The 26th annual general meeting will be held on 22 May 2019 in Vienna.

ANALYSTS' RECOMMENDATIONS

The following ten national and international houses publish regular evaluations and studies on IMMOFINANZ: Baader Helvea, Deutsche Bank, Erste Group, HSBC, Kepler Cheuvreux, PKO BP Securities, Raiffeisen Centrobank, Société Générale, Wood & Company and Wiener Privatbank. These evaluations are updated regularly and can be reviewed on the IMMOFINANZ website under www.immofinanz.com/en/investor-relations/our-share/analyses.

YOUR IR CONTACT

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

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

GROUP INTERIM MANAGEMENT REPORT

Portfolio Report

Portfolio value of EUR 4.3 billion

The property portfolio covered 223 properties* as of 30 September 2018 (31 December 2017: 239) with a combined value of EUR 4,275.6 million** (31 December 2017: EUR 4,194.8 million) in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary and Romania. Standing investments represented the largest component at EUR 3,676.1 million, or 86.0% of the carrying amounts and approximately 1.9 million sqm. These properties generate steady rental income. The development projects comprised EUR 359.0 million or 8.4% of the carrying amount and real estate inventories EUR 48.1 million or 1.1%. Pipeline projects were responsible for EUR 192.5 million or 4.5% of the carrying amount and include future planned development projects as well as undeveloped land that is intended for sale.

Clear brand strategy

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 buildings. Properties in these three brands were responsible for 66.0% of the carrying amount of the standing investment portfolio as of 30 September 2018 and 70.7% of rental income in the first three quarters of 2018.

STRUCTURE OF THE PROPERTY PORTFOLIO

Total carrying amount: MEUR 4,275.6



A geographical analysis shows 50.3% of the property portfolio in Austria, Germany and Poland, i.e. in so-called "developed markets" as defined by FTSE EPRA/NAREIT.

PROPERTY PORTFOLIO BY CORE MARKET AND CLASSIFICATION

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	33	796.6	22.6	0.0	9.8	829.0	19.4%
Germany	13	278.4	232.6	47.2	0.0	558.2	13.1%
Poland	32	717.1	44.6	0.0	0.0	761.7	17.8%
Czech Republic	18	336.0	4.7	0.0	0.0	340.7	8.0%
Hungary	31	487.3	2.6	0.0	28.0	517.9	12.1%
Romania	57	619.5	49.7	0.9	126.9	797.0	18.6%
Slovakia	21	303.6	0.0	0.0	1.2	304.7	7.1%
Non-Core countries ¹	18	137.5	2.2	0.0	26.7	166.4	3.9%
IMMOFINANZ	223	3,676.1	359.0	48.1	192.5	4,275.6	100.0%
		86.0%	8.4%	1.1%	4.5%	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, Turkey, Bulgaria

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

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

SALE OF NON-STRATEGIC PROPERTIES

Properties with a value of EUR 252.8 million (excl. proceeds from the sale of real estate inventories) were sold during the first three quarters of 2018.

*Property sales of
MEUR 252.8*

INVESTMENTS

Investments in the property portfolio totalled EUR 117.8 million in the first three quarters of 2018 (Q1-3 2017: EUR 215.2 million).

STRUCTURE OF THE PROPERTY PORTFOLIO BY ASSET CLASS AND CLASSIFICATION

Total carrying amount: MEUR 4,131.7 (excl. Other); in MEUR



The following table shows the carrying amount of IMMOFINANZ's property portfolio as of 30 September 2018:

PROPERTY PORTFOLIO BY BRAND AND CLASSIFICATION

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	2,290.7	318.6	41.1	53.1	2,703.5	63.2%
thereof myhive	21	1,067.5	0.0	0.0	0.0	1,067.5	25.0%
Retail	104	1,377.1	17.9	0.0	33.2	1,428.2	33.4%
thereof VIVO!/ Shopping Center	11	644.8	0.4	0.0	0.0	645.2	15.1%
thereof STOP SHOP/ Retail Park	82	712.2	17.4	0.0	2.4	732.1	17.1%
Others	39	8.2	22.6	7.0	106.1	143.9	3.4%
IMMOFINANZ	223	3,676.1	359.0	48.1	192.5	4,275.6	100.0%

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

STANDING INVESTMENTS

The 153 standing investments had a carrying amount of EUR 3,676.1 million as of 30 September 2018 (31 December 2017: 153 standing investments and EUR 3,527.2 million). Of this total, 62.3% were attributable to office properties and 37.5% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Austria (EUR 796.6 million), Poland (EUR 717.1 million) and Romania (EUR 619.5 million).

Standing investments are the most important source of earnings

These properties have 1,855,440 sqm of rentable space (31 December 2017: 1,865,178 sqm). Based on annualised rental income* (rental income Q1-3 2018: EUR 170.0 million), the portfolio had a gross return of 6.2% and a return of 6.5% based on invoiced rents**. The difference is explained by the accrual of rental incentives – e.g. the standard market practice of granting rent-free periods or allowances for fit-out costs.

These incentives must be accrued on a straight-line basis over the contract term in accordance with IFRS (basis for gross return under IFRS), but are not included in the invoiced rent. The occupancy rate increased to 94.5% (30 September 2017: 92.9%; 31 December 2017: 94.2%). IMMOFINANZ rented roughly 217,300 sqm of usable

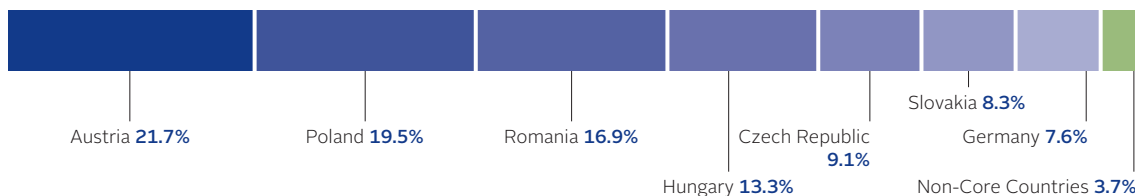
Occupancy rate of 94.5%

* Rental income in the first three quarters of 2018 was divided by three and then multiplied by four to develop the annualised amount.

** Return based on invoiced rents; this information is provided to improve comparability with the peer group.

space in the first three quarters of 2018 (excl. Other standing investments). Of this total, approx. 87,600 sqm represented new rentals and 129,700 sqm contract extensions. The average unexpired lease term (WAULT*) weighted by rental income equalled roughly four years as of 30 September 2018.

The following graph shows the geographical distribution of IMMOFINANZ's standing investment portfolio as of 30 September 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	30	796.6	21.7%	307,199	280,814	91.4%
Germany	4	278.4	7.6%	71,451	71,016	99.4%
Poland	26	717.1	19.5%	374,037	353,297	94.5%
Czech Republic	17	336.0	9.1%	185,062	172,957	93.5%
Hungary	25	487.3	13.3%	299,590	283,705	94.7%
Romania	18	619.5	16.9%	343,474	322,737	94.0%
Slovakia	20	303.6	8.3%	177,321	171,643	96.8%
Non-Core countries	13	137.5	3.7%	97,306	96,676	99.4%
IMMOFINANZ	153	3,676.1	100.0%	1,855,440	1,752,845	94.5%

Standing investments	Rental income Q1-3 2018 in MEUR ¹	Gross return (invoiced rents return ²) in %	Carrying amount financing in MEUR	Financing costs in % ³	Financing costs incl. derivatives in %	LTV in %
Austria	33.8	5.7% (5.7%)	415.2	1.8%	2.7%	52.1%
Germany	8.0	4.8% ⁶ (4.8%)	182.2	0.7%	1.0%	65.4%
Poland	32.6	6.1% (6.9%)	383.7	1.7%	2.2%	53.5%
Czech Republic	15.2	6.0% (5.9%)	192.0	1.6%	1.8%	57.1%
Hungary	22.8	6.2% (6.6%)	248.6	1.8%	2.2%	51.0%
Romania	34.3	7.4% (7.7%)	115.1	3.4%	3.6%	18.6%
Slovakia	15.6	6.8% (7.0%)	150.3	2.1%	2.2%	49.5%
Non-Core countries	7.7	7.5% (7.8%)	63.4	3.5%	3.5%	46.1%
IMMOFINANZ	170.0	6.2% (6.5%)	1,750.5	1.8%	2.3%	47.6%

Development projects and pipeline projects	3.2		177.2	1.3%	1.4%	
Rental income from sold properties plus adjustments	2.5		0.0	0.0%	0.0%	
Group financing	0.0		422.0	1.9%	1.9%	
IMMOFINANZ	175.7		2,349.7	1.8%	2.2%	

Market value property portfolio						4,275.6
EPRA NAV S IMMO shares (19.5 million shares) ⁴						374.3
Cash and cash equivalents ⁵			-685.4			
Properties/liabilities held for sale (asset & share deals)			24.6			59.5
IMMOFINANZ			1,688.9			35.9%

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 on the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Return based on invoiced rents; this information is provided to improve comparability with the peer group.

³ Financing costs based on nominal outstanding liability.

⁴ 19.5 million shares of S IMMO at the EPRA NAV of EUR 19.20 per share per 30 September 2018.

⁵ Cash and cash equivalents, incl. cash and cash equivalents in assets held for sale.

⁶ Annualised gross return, adjusted for the completion of the *trivago Campus* during 2018.

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

FURTHER 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 three quarters of 2017) shows an increase of EUR 4.4 million or 3.0% in rental income to EUR 150.8 million in the first three quarters of 2018. This improvement resulted primarily from an increase in the occupancy rate in individual markets and from higher rental income.

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 Q1-3 2018 in MEUR	Rental income Q1-3 2017 in MEUR	Change in rental income Q1-3 2018 to Q1-3 2017 in MEUR
Austria	29	780.6	24.5%	33.1	31.6	1.5
Germany	1	41.5	1.3%	1.5	1.4	0.1
Poland	25	677.9	21.3%	30.3	29.9	0.4
Czech Republic	17	336.0	10.5%	15.2	14.1	1.1
Hungary	23	465.7	14.6%	21.3	20.6	0.7
Romania	15	566.2	17.8%	32.2	32.0	0.2
Slovakia	13	211.2	6.6%	10.9	10.9	0.0
Non-Core countries	10	105.9	3.3%	6.2	5.9	0.3
IMMOFINANZ	133	3,185.0	100.0%	150.8	146.4	4.4
Rental income from properties sold/ acquired and development projects				24.8		
IMMOFINANZ				175.7		

STANDING INVESTMENTS LIKE-FOR-LIKE BY ASSET CLASS AND BRAND

Standing investments like-for-like ¹	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q1-3 2018 in MEUR	Rental income Q1-3 2017 in MEUR	Change in rental income Q1-3 2018 to Q1-3 2017 in MEUR
Office	57	1,970.9	61.9%	82.7	81.0	1.7
thereof myhive	20	1,022.6	32.1%	42.7	41.5	1.2
Retail	72	1,213.1	38.1%	68.1	65.4	2.7
thereof VIVO!/Shopping Center	9	605.6	19.0%	33.4	32.0	1.4
thereof STOP SHOP/Retail Park	60	589.7	18.5%	33.4	32.0	1.4
Others	4	1.0	0.0%	0.0	0.0	0.0
IMMOFINANZ	133	3,185.0	100.0%	150.8	146.4	4.4

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 periods. 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 2,290.7 million as of 30 September 2018 (31 December 2017: 64 standing investments and EUR 2,165.4 million). They represented 62.3% of the standing investment portfolio and 54.3% of rental income in the first three quarters of 2018. The focal points of these properties are the capital cities in the core markets of Austria (EUR 684.1 million), Poland (EUR 450.4 million) and Romania (EUR 315.3 million).

These standing investments have 1,029,523 sqm (31 December 2017: 1,046,828 sqm) of rentable space. Based on annualised rental income (rental income Q1-3 2018: EUR 92.3 million), the office portfolio generated a gross return of 5.5%* and a return of 5.9% based on invoiced rents. The office properties in the myhive brand represented a carrying amount of EUR 1,067.5 million as of 30 September 2018. They generated a gross return of 5.5%, respectively 6.1% based on invoiced rents.

* Annualised gross return, adjusted for the completion of the *trivago Campus* during 2018.

**myhive office
occupancy rate:
93.0%**

The occupancy rate in the office portfolio equalled 91.8% as of 30 September 2018 (30 September 2017: 90.1%; 31 December 2017: 91.9%), and the myhive offices have an occupancy rate of 93.0%. The take-up in the office segment during the first three quarters of 2018 amounted to approx. 104,400 sqm. Of this total, roughly 47,700 sqm represented new rentals and 56,700 sqm contract extensions.

The office portfolio has a balanced tenant structure. The ten largest tenants are responsible for 20% of the space in the standing investments, and no single tenant has rented more than 3.3% of the total space in these office properties. The WAULT* equalled 4.1 years as of 30 September 2018.

The ten largest standing investments in the office portfolio based on the carrying amount (in declining order) are the *myhive am Wienerberg* (Vienna), *trivago Campus* (Düsseldorf), *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) and *IRIDE Business Park* (Budapest).

KEY DATA ON THE OFFICE STANDING INVESTMENTS BY CATEGORY

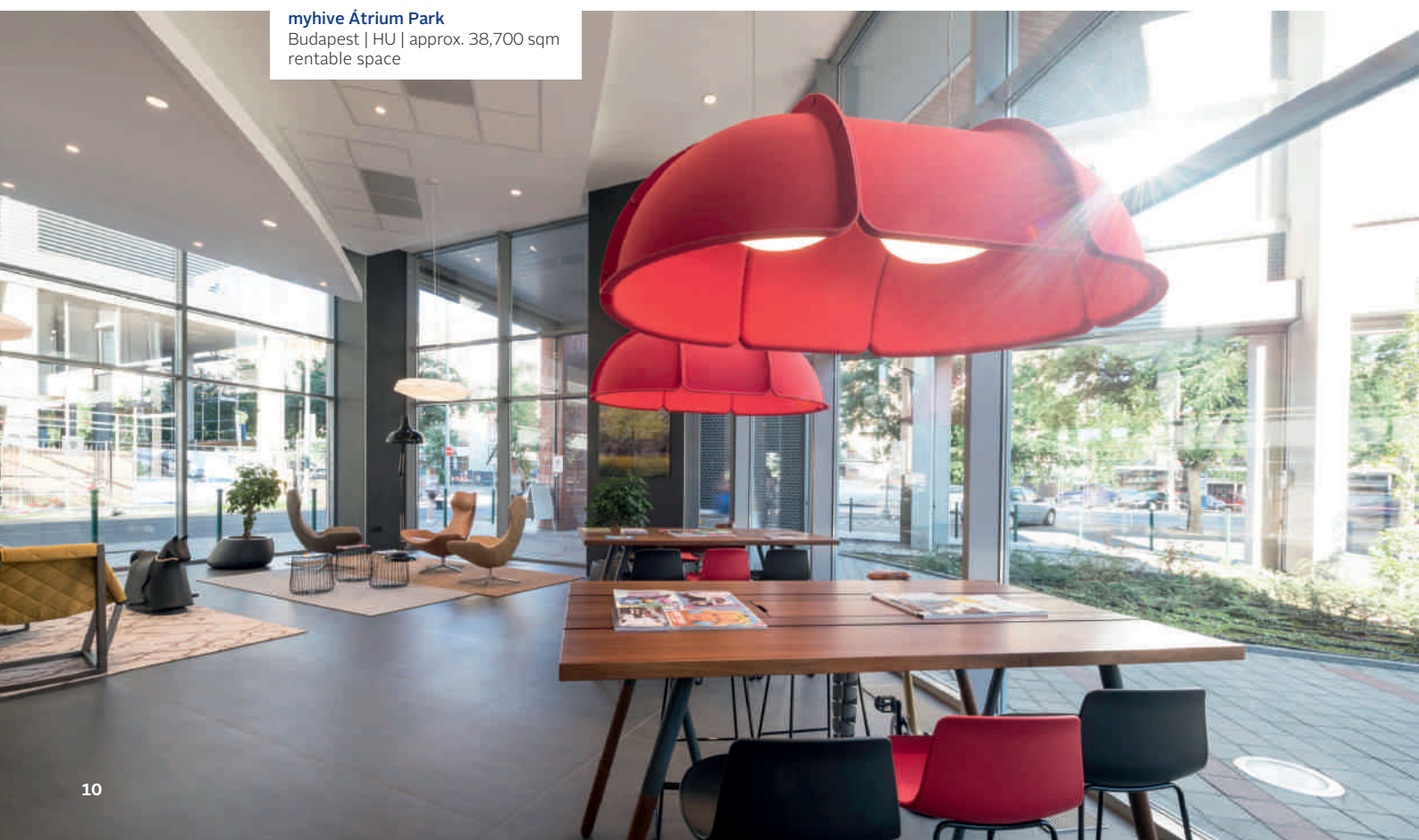
Standing Investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	62	2,290.7	100.0%	1,029,523	945,523	91.8%
thereof myhive	21	1,067.5	46.6%	468,453	435,717	93.0%

Standing Investments	Rental income Q1-3 2018 in MEUR ¹	Gross return (invoiced rents return ²) in %	Carrying amount financing in MEUR	Financing costs in % ³	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	92.3	5.5%⁴ (5.9%)	1,126.5	1.7%	2.3%	49.2%
thereof myhive	44.2	5.5% (6.1%)	531.1	1.8%	2.5%	49.8%

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 on the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)
 2 Return based on invoiced rents; this information is provided to improve comparability with the peer group.
 3 Financing costs based on nominal outstanding liability
 4 Annualised gross return, adjusted for the completion of the *trivago Campus* during 2018

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

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





THE OFFICE SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 2,290.7)

11.8%
GERMANY

19.7%
POLAND

8.6%
CZECH REPUBLIC

2.4%
SLOVAKIA

29.9%
AUSTRIA

12.6%
HUNGARY

13.8%
ROMANIA

AUSTRIA	29.9%
Number of properties	16
Carrying amount in MEUR	684.1
Rentable space in sqm	246,933
Occupancy rate	89.6%
Rental income Q1-3 2018 in MEUR ¹	27.5
Gross return in %	5.4%

POLAND	19.7%
Number of properties	15
Carrying amount in MEUR	450.4
Rentable space in sqm	226,734
Occupancy rate	92.8%
Rental income Q1-3 2018 in MEUR ¹	19.3
Gross return in %	5.7%

ROMANIA	13.8%
Number of properties	9
Carrying amount in MEUR	315.3
Rentable space in sqm	190,016
Occupancy rate	90.4%
Rental income Q1-3 2018 in MEUR ¹	14.7
Gross return in %	6.2%

HUNGARY	12.6%
Number of properties	11
Carrying amount in MEUR	289.5
Rentable space in sqm	163,412
Occupancy rate	91.6%
Rental income Q1-3 2018 in MEUR ¹	12.1
Gross return in %	5.6%

GERMANY	11.8%
Number of properties	3
Carrying amount in MEUR	271.2
Rentable space in sqm	71,451
Occupancy rate	99.4%
Rental income Q1-3 2018 in MEUR ¹	7.8
Gross return in % ²	4.8%

CZECH REPUBLIC	8.6%
Number of properties	5
Carrying amount in MEUR	196.3
Rentable space in sqm	79,399
Occupancy rate	90.4%
Rental income Q1-3 2018 in MEUR ¹	7.3
Gross return in %	5.0%

SLOVAKIA	2.4%
Number of properties	2
Carrying amount in MEUR	55.6
Rentable space in sqm	35,584
Occupancy rate	95.1%
Rental income Q1-3 2018 in MEUR ¹	2.3
Gross return in %	5.4%

NON-CORE COUNTRIES ³	1.2%
Number of properties	1
Carrying amount in MEUR	28.3
Rentable space in sqm	15,995
Occupancy rate	99.1%
Rental income Q1-3 2018 in MEUR ¹	1.2
Gross return in %	5.8%

IMMOFINANZ	100.0%
Number of properties	62
Carrying amount in MEUR	2,290.7
Rentable space in sqm	1,029,523
Occupancy rate	91.8%
Rental income Q1-3 2018 in MEUR ¹	92.3
Gross return in % ²	5.5%

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

² Annualised gross yield, adjusted for the completion of the *trivago Campus* project development during the year

³ Croatia

RETAIL STANDING INVESTMENTS

The carrying amount of the 86 standing investments in the retail sector totalled EUR 1,377.1 million as of 30 September 2018 (31 December 2017: 84 standing investments and EUR 1,353.8 million). These properties represented 37.5% of the standing investment portfolio and generated 45.6% of rental income in the first three quarters of 2018. The largest regional markets are Romania with EUR 303.2 million, Poland with EUR 266.7 million and Slovakia with EUR 248.0 million. The STOP SHOP retail parks had a carrying amount of EUR 712.2 million and a gross return of 7.5%, respectively 7.7% based on invoiced rents. The VIVO! shopping centers had a carrying amount of EUR 644.8 million; they generated a gross return of 7.4% and an invoiced rental return of 7.5%.

The retail standing investments have 825,917 sqm of space (31 December 2017: 818,350 sqm). Based on annualised rental income (rental income Q1-3 2018: EUR 77.5 million), the retail portfolio had a gross return of 7.5%, respectively 7.7% based on invoiced rents.

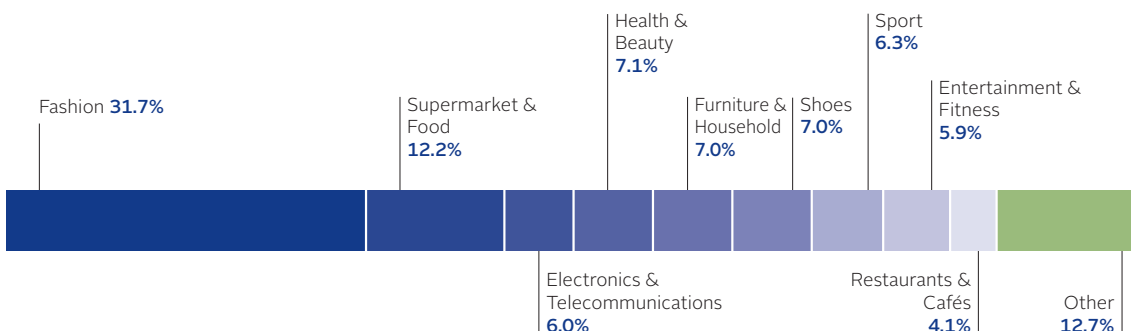
Retail: occupancy rate of 97.7%

The occupancy rate in the retail properties rose to 97.7% as of 30 September 2018 (30 September 2017: 96.6%; 31 December 2017: 97.2%). The STOP SHOPS and VIVO!s are, from a technical viewpoint, fully occupied at 98.4% and 97.5%, respectively. The take-up amounted to roughly 112,900 sqm in the first three quarters of 2018, whereby 39,900 sqm represent new rentals and 73,000 sqm contract extensions. Major new rentals over roughly 2,000 sqm each included, for example, the *Polus City Center* in Bratislava and the Serbian STOP SHOPS in Požarevac and Vršac.

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 in the discount and medium price segment are the largest tenant group based on rented space, followed by food products. Other important tenant groups are health & beauty, shoes, furniture & household, sport, electronics & telecommunications and entertainment & fitness. The WAULT* equalled 3.7 years as of 30 September 2018.

BRANCH MIX – RETAIL

Only rented space in standing investments as of 30 September 2018



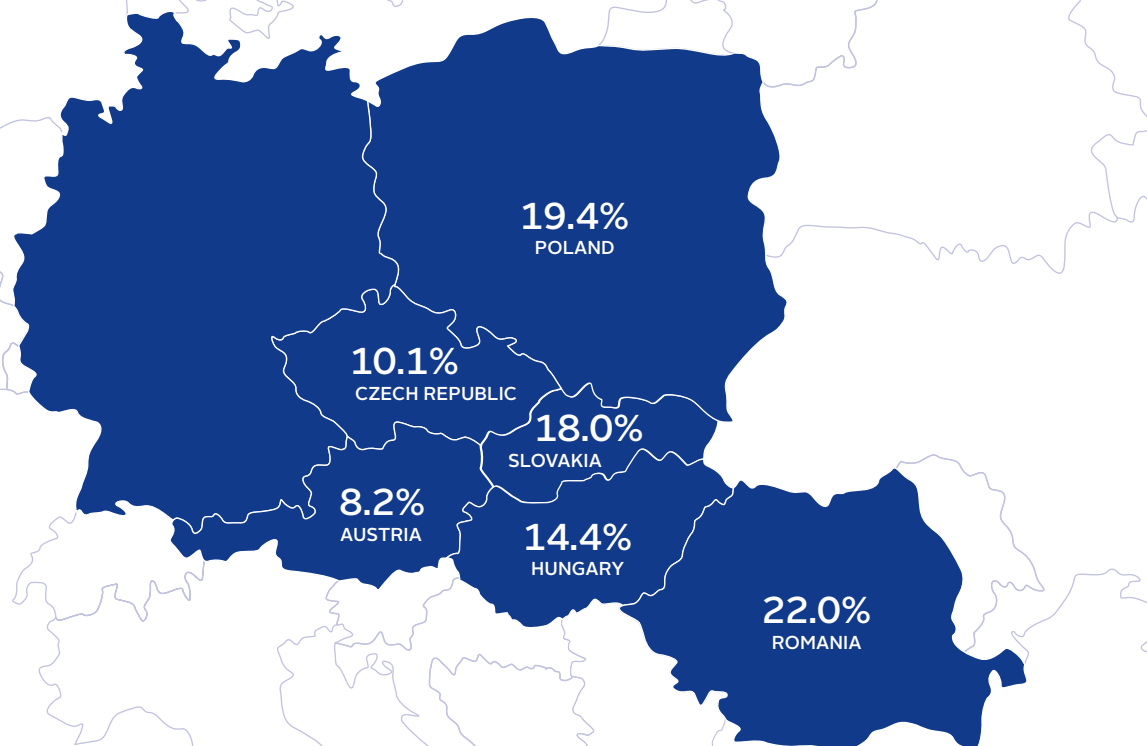
The ten largest standing investments in the retail portfolio based on the carrying amount (in declining order) are the *VIVO! Cluj* (Romania), *Taraszy Zamkowe* (Poland), *Polus City Center* (Slovakia), *VIVO! Constanța* (Romania), *VIVO! Baia Mare* (Romania), *VIVO! Stalowa Wola* (Poland), *VIVO! Piła* (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



THE RETAIL SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 1,377.1)



ROMANIA	22.0%
Number of properties	6
Carrying amount in MEUR	303.2
Rentable space in sqm	153,458
Occupancy rate	98.4%
Rental income Q1-3 2018 in MEUR ¹	19.6
Gross return in %	8.6%

POLAND	19.4%
Number of properties	11
Carrying amount in MEUR	266.7
Rentable space in sqm	147,303
Occupancy rate	97.0%
Rental income Q1-3 2018 in MEUR ¹	13.3
Gross return in %	6.7%

SLOVAKIA	18.0%
Number of properties	18
Carrying amount in MEUR	248.0
Rentable space in sqm	141,737
Occupancy rate	97.2%
Rental income Q1-3 2018 in MEUR ¹	13.3
Gross return in %	7.2%

HUNGARY	14.4%
Number of properties	14
Carrying amount in MEUR	197.9
Rentable space in sqm	136,178
Occupancy rate	98.4%
Rental income Q1-3 2018 in MEUR ¹	10.6
Gross return in %	7.2%

CZECH REPUBLIC	10.1%
Number of properties	12
Carrying amount in MEUR	139.7
Rentable space in sqm	105,663
Occupancy rate	95.8%
Rental income Q1-3 2018 in MEUR ¹	7.9
Gross return in %	7.5%

AUSTRIA	8.2%
Number of properties	13
Carrying amount in MEUR	112.5
Rentable space in sqm	60,266
Occupancy rate	98.8%
Rental income Q1-3 2018 in MEUR ¹	6.3
Gross return in %	7.4%

NON-CORE COUNTRIES ²	7.9%
Number of properties	12
Carrying amount in MEUR	109.2
Rentable space in sqm	81,311
Occupancy rate	99.4%
Rental income Q1-3 2018 in MEUR ¹	6.5
Gross return in %	7.9%

IMMOFINANZ	100.0%
Number of properties	86
Carrying amount in MEUR	1,377.1
Rentable space in sqm	825,917
Occupancy rate	97.7%
Rental income Q1-3 2018 in MEUR ¹	77.5
Gross return in %	7.5%

¹ Rental income based on the primary use of the property (rental income reported on 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

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	86	1,377.1	100.0%	825,917	807,321	97.7%
thereof VIVO!/Shopping Center	10	644.8	46.8%	302,671	295,044	97.5%
thereof STOP SHOP/Retail Park	72	712.2	51.7%	498,842	490,854	98.4%

Standing investments	Rental income Q1-3 2018 in MEUR ¹	Gross return (invoiced rents return ²) in %	Carrying amount financing in MEUR	Financing costs in % ³	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	77.5	7.5% (7.7%)	621.0	2.1%	2.4%	45.1%
thereof VIVO!/Shopping Center	35.7	7.4% (7.5%)	223.8	2.0%	2.4%	34.7%
thereof STOP SHOP/Retail Park	40.3	7.5% (7.7%)	397.3	2.1%	2.4%	55.8%

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 on the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Return based on invoiced rents; this information is provided to improve comparability with the peer group.

³ Financing costs based on nominal outstanding liability

DEVELOPMENT PROJECTS

Active development projects with a carrying amount of MEUR 263.0

The development projects had a carrying amount of EUR 359.0 million as of 30 September 2018, which represented 8.4% of the total property portfolio. Included in this amount are EUR 263.0 million of active development projects and EUR 96.0 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 391.2 million. At EUR 317.0 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 30 September 2018: the conversion of an office building in the *myhive am 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 and three standing investment buildings in the *EMPARK* office complex in Warsaw.

The following development projects were reclassified to standing investments in the first three quarters of 2018: the *STOP SHOP Požarevac* and *STOP SHOP Vršac* in Serbia and the *trivago Campus* and a car park in the *Cluster Produktionstechnik* in Germany.

CURRENT FOCUS OF DEVELOPMENT ACTIVITIES

GERMANY

Düsseldorf

Development projects focused on Germany

The new global headquarters for trivago was constructed in the Medienhafen and covers 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 *trivago Campus* was reclassified to the standing investment portfolio as of 30 June 2018.

The second building section covers approximately 22,000 sqm on 16 floors. This high-rise is designed as a multi-tenant building and will be the first myhive office property in Germany. Completion is scheduled 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; the first building sections will be transferred to the tenant in the fourth quarter of 2018.

AUSTRIA

In the *myhive am 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.

myhive am Wienerberg: office building conversion

CZECH REPUBLIC

The STOP SHOP in Třebíč is currently undergoing expansion to add approximately 6,600 sqm of rentable space. This retail park will then have roughly 21,800 sqm of rentable space in total. The expansion is planned for completion in November 2018.

POLAND

Activities in Poland currently include the development of a STOP SHOP retail park in Siedlce and the expansion of the *VIVO! Stalowa Wola* shopping center. The latter has roughly 22,500 sqm of space and is almost fully rented. It will now be expanded by 2,800 sqm, whereby the new space has already been rented and is partially completed. The STOP SHOP in Siedlce is expected to have roughly 11,000 sqm of rentable space and is scheduled to open at the end of 2019.

SERBIA

One retail park in Serbia was under development as of 30 September 2018: the opening of the *STOP SHOP Sremska Mitrovica* with approximately 7,000 sqm of rentable space is planned for the second half of 2019.

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	22.6	8.6%	14.1	12,611	36.6	2.2	6.1%
Germany	2	231.6	88.0%	64.5	52,364	317.0	14.0	4.7%
Poland	2	2.0	0.8%	16.7	17,435	20.0	1.5	8.1%
Czech Republic	1	4.7	1.8%	3.2	6,667	9.0	0.7	8.4%
Non-Core countries	1	2.2	0.8%	5.8	7,011	8.6	0.8	9.8%
Active projects	7	263.0	100.0%	104.2	96,088	391.2	19.2	5.2%
Projects in preparation	11	96.0						
IMMOFINANZ	18	359.0						

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.

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	7	263.0	100.0%	104.2	96,088	391.2	19.2	5.2%
thereof VIVO!/ Shopping Center	1	0.4	0.2%	4.4	6,610	5.6	0.4	9.0%
thereof STOP SHOP/ Retail Park	3	8.5	3.2%	21.2	24,503	32.0	2.5	8.5%

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.

REAL ESTATE INVENTORIES

Real estate inventories with an expected fair value of MEUR 49.8

Real estate inventories are apartments that are intended for sale after completion or underground garages and the hotel in Cologne's *Gerling Quartier* which was still in the project development phase as of 30 September 2018. This hotel was sold as a forward purchase, but was developed by IMMOFINANZ. It was transferred to the operator, 25hours, in July 2018, but was still classified as a development project at the end of September 2018 because the closing had not taken place.

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	6	47.2	98.2%	1.7	48.9 ¹
Romania	6	0.9	1.8%	0.0	0.9
IMMOFINANZ	12	48.1	100.0%	1.7	49.8

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. Details are provided in note 1.1 to the consolidated interim financial statements.

PIPELINE PROJECTS

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

Pipeline projects with a carrying amount of MEUR 192.5

The pipeline projects had a carrying amount of EUR 192.5 million as of 30 September 2018 (31 December 2017: EUR 202.3 million). These sites and projects 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	9.8	5.1%
Hungary	4	28.0	14.5%
Romania	29	126.9	65.9%
Slovakia	1	1.2	0.6%
Non-Core Countries	4	26.7	13.9%
IMMOFINANZ	40	192.5	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 59.8 million as of 30 September 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.

Financing

Financial liabilities totalled EUR 2.4 billion as of 30 September 2018 (31 December 2017: EUR 2.6 billion). Cash and cash equivalents rose to EUR 685.4 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 1.7 billion (31 December 2017: EUR 2.1 billion).

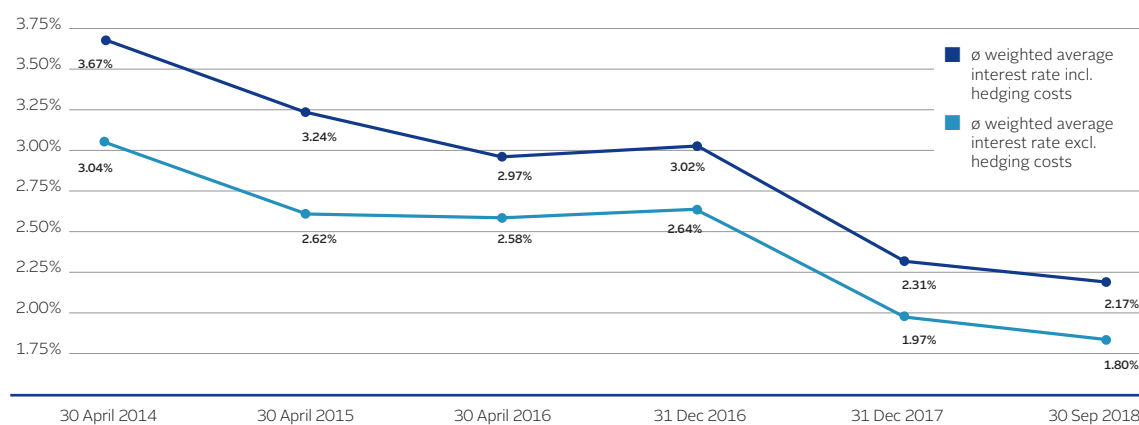
Robust balance sheet structure

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 48.2% (31 December 2017: 46.3%) and a net loan-to-value ratio (net LTV) of 35.9% (31 December 2017: 40.8%).

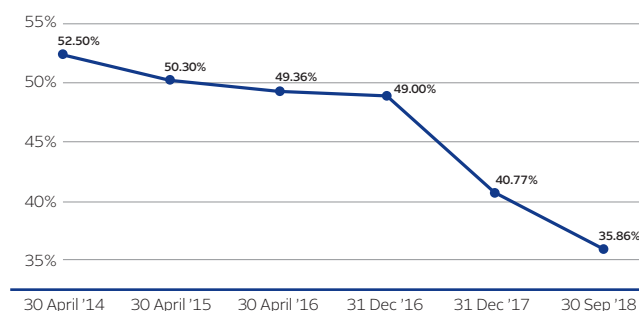
**Net loan-to-value
of 35.9%**

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 NAV for the roughly 29% investment in S IMMO AG (S IMMO). The closing for the acquisition of this investment took place in the third quarter of 2018 for a purchase price of approximately EUR 390.0 million. The package sale of the roughly 26% investment plus four registered shares in CA Immo for a total price of EUR 757.9 million also closed during the third quarter of 2018.

DEVELOPMENT OF AVERAGE FINANCING COSTS



DEVELOPMENT OF NET LTV



CALCULATION OF NET LTV AS OF 30 SEPTEMBER 2018

	Amounts in TEUR
Carrying amount of financing	2,374,308.7
– Cash and Cash equivalents	-685,413.3
Net carrying amount of financing	1,688,895.4
Carrying amount of property & EPRA NAV of S IMMO shares ¹	4,709,448.5
Net LTV	35.86%

¹ 19.5 million S IMMO shares at the EPRA NAV of EUR 19.20 per share as of 30 September 2018

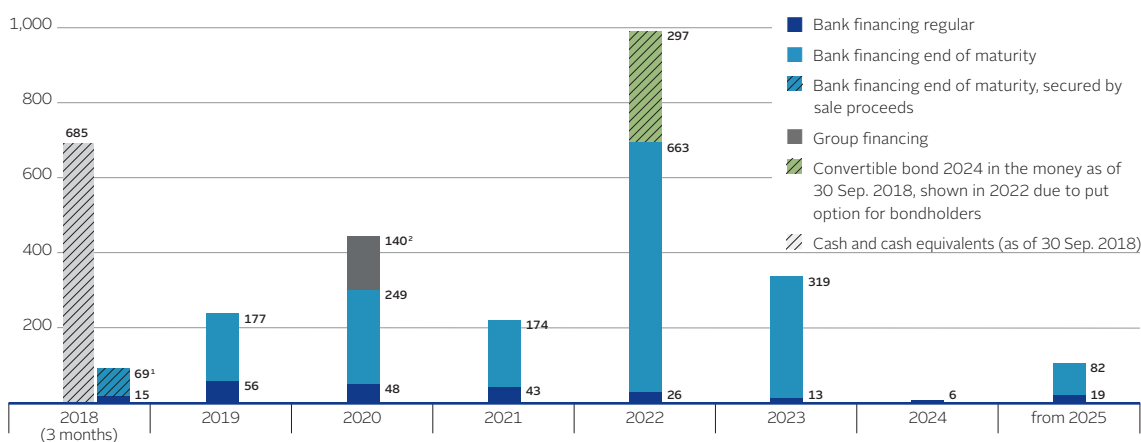
Further reduction in financing costs

Financing costs declined to EUR -51.3 million in the first three quarters of 2018 (Q1-3 2017: EUR -75.0 million). The average financing costs for IMMOFINANZ equalled 2.17% per year as of 30 September 2018 including the derivatives used for interest rate hedging (31 December 2017: 2.31% per year) and 1.80% per year excluding the derivatives used for interest rate hedging (31 December 2017: 1.97% per year).

Term structure

The weighted average remaining term of the financial liabilities equals 3.50 years. The following graph shows the term structure by year for IMMOFINANZ as of 30 September 2018. The liabilities scheduled to expire during the 2018 financial year totalled EUR 69.5 million as of 30 September 2018 (31 December 2017: EUR 447.6 million). This amount consists exclusively of financing for properties which have already been sold and will be repaid from the respective sale proceeds by the end of 2018. The weighted average remaining term of the property financing equals 3.75 years.

TERM STRUCTURE OF FINANCIAL LIABILITIES BY FINANCIAL YEARS AS OF 30 SEPTEMBER 2018



1 The maturing financing is related entirely to properties which have already been sold and will be repaid from the respective sale proceeds in 2018.
2 This represents a margin loan on the S IMMO shares.

17.3% of property carrying amount unencumbered

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 750.7 million, or 17.3%, of the total property carrying amount was not externally financed and therefore unencumbered as of 30 September 2018 (31 December 2017: EUR 846.1 million or 19.0%). The unencumbered standing investments have a combined carrying amount of EUR 522.4 million or 12.1% (31 December 2017: EUR 566.7 million or 16.1%).

UNENCUMBERED PROPERTY BY ASSET CLASS

Unencumbered property in total: MEUR 750.7



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 30 September 2018 is as follows:

	Outstanding liability in TEUR as of 30 Sep. 2018	Weighted average interest rate excl. derivatives ¹	Share of fixed interest in % ¹	Share of floating interest in % ¹	Fixed interest rate in % ¹	Floating interest rate in % ¹
Convertible bond in EUR	281,967.4	2.00%	100.00%	n.a.	2.00%	n.a.
Bank liabilities in EUR	2,092,341.3	1.77%	7.22%	92.78%	1.31%	1.81%
IMMOFINANZ	2,374,308.7	1.80%	18.73%	81.27%	1.77%	1.81%

1 Calculation basis: actual remaining debt (nominal amount)

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 2,374.3 million as of 30 September 2018. As of that date, all of the financing was denominated in Euros.

BANK LIABILITIES

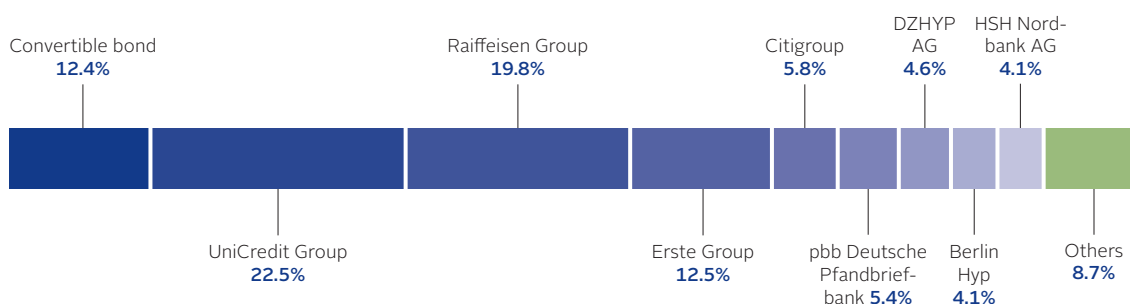
Refinancing, long-term extensions and new financing from bank liabilities totalled EUR 520.8 million in the reporting period.

Refinancing of EUR 353.9 million was arranged for properties in the office asset class. The transactions included long-term portfolio financing for four office properties in Prague, the refinancing of the *trivago Campus* in Düsseldorf and refinancing for nine office properties in Budapest.

In the retail segment, new financing of EUR 26.9 million was arranged for the *VIVO! Krosno* shopping center in Poland.

Group financing of EUR 140.0 million was also arranged for the purchase of an investment in S IMMO. In addition, loan financing of EUR 250.0 million related to the CA Immo was repaid during the reporting period.

FINANCING BANKING GROUPS AS OF 30 SEPTEMBER 2018



DERIVATIVES

IMMOFINANZ uses derivatives to hedge against interest rate increases. The volume of financial liabilities hedged through interest rate derivatives amounted to EUR 1,336.8 million as of 30 September 2018 (31 December 2017: EUR 1,182.7 million). In total, 74.49% of financial liabilities are hedged against interest rate risk; 55.76% via interest rate derivatives, while a further 18.73% represent financial liabilities with fixed interest rates.

74.5% of financial liabilities hedged against interest rate risk

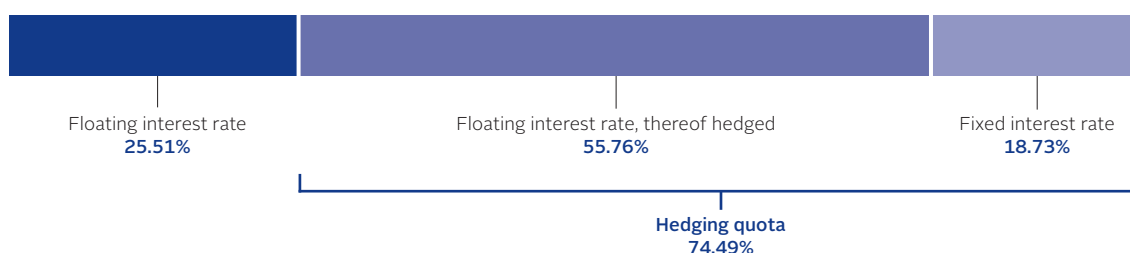
Derivatives ¹	Floating leg	Market value incl. interest & CVA/ DVA as of 30 Sep. 2018 in TEUR	Notional amount in TEUR	Average hedged reference interest rate
Interest rate swap	3-M-EURIBOR	-5,118.4	1,124,810.0	0.24%
Interest rate swap	6-M-EURIBOR	-769.3	212,000.0	0.95%
IMMOFINANZ AG		-5,887.8	1,336,810.0	

¹ Including IFRS 5 (Assets held for sale see note 4.5 to the consolidated interim financial statements).

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 30 SEPTEMBER 2018



One convertible bond with a nominal value of EUR 297.2 million outstanding

BONDS

One bond with a total nominal value of EUR 297.2 million was outstanding as of 30 September 2018 (31 December 2017: EUR 330.0 million). It represents the convertible bond issued in January 2017, which has a term ending in 2024 and a put option in 2022.

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 30 Sep. 2018 in TEUR
Convertible bond 2011–2018	XS0592528870	8 March 2018	4.25%	32,819.7	-32,819.7	0
Convertible bond 2017–2024	XS1551932046	24 Jan. 2022 ¹	2.00% ²	297,200.0	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.



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Business Development

IMMOFINANZ significantly strengthened its earning power in the first three quarters of 2018: The results of operations more than doubled to EUR 149.7 million (Q1-3 2017: EUR 66.2 million), sustainable FFO 1 from the standing investment business rose by 100.0% to EUR 63.0 million or EUR 0.57 per share and net profit turned positive with a significant increase to EUR 135.0 million (Q1-3 2017: EUR -59.1 million).

INCOME STATEMENT

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

All amounts in TEUR	Q1-3 2018	Q1-3 2017
Rental income	175,667	174,059
Results of asset management	134,534	122,584
Results of property sales	28,118	2,683
Results of property development	23,748	-26,146
Other operating income	4,306	6,990
Other operating expenses	-41,018	-39,919
Results of operations	149,688	66,192
Other revaluation results	425	-836
Operating profit (EBIT)	150,113	65,356
Financial results	32,328	88,618
Earnings before tax (EBT)	182,441	153,974
Net profit for the period from continuing operations	135,775	116,273
Net profit or loss from discontinued operations	-771	-175,401
Net profit or loss	135,004	-59,128

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 0.9% to EUR 175.7 million in the first three quarters of 2018 (Q1-3 2017: EUR 174.1 million). Rental income amounted to EUR 56.7 million in Q3 2018 and was lower than the comparable prior year value (EUR 59.2 million) and previous quarters due to the sale of properties (among others, office properties in Cologne).

Property expenses were 20.4% lower year-on-year at EUR -47.9 million (Q1-3 2017: EUR -60.2 million). This decline resulted primarily from a reduction in the costs for fit-outs (EUR -1.2 million versus EUR -8.2 million) and vacancies (EUR -6.6 million versus EUR -8.9 million). Maintenance costs totalled EUR -16.3 million in Q1-3 2018 (including EUR -8.5 million in Q3) and were slightly higher than the prior year level of EUR -16.0 million. This reflects the increase expected in the second half of 2018 compared with the first half-year. The growth in rental income combined with the reduction in property expenses led to an increase of 9.7% in the results of asset management to EUR 134.5 million (Q1-3 2017: EUR 122.6 million).

RESULTS OF PROPERTY SALES AND PROPERTY DEVELOPMENT

The results of property sales improved substantially from EUR 2.7 million in the first three quarters of the previous year to EUR 28.1 million, whereby this increase was primarily attributable to the reclassification of foreign exchange differences. The results of property development turned positive at EUR 23.7 million following a loss in the previous year (Q1-3 2017: EUR -26.1 million) and resulted, in particular, from positive revaluation effects on development projects in Germany during the first half-year.

RESULTS OF OPERATIONS

The results of operations more than doubled to EUR 149.7 million (Q1-3 2017: EUR 66.2 million). Other operating expenses rose slightly to EUR -41.0 million (Q1-3 2017: EUR -39.9 million) – as reported in Q1 2018 – 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 -6.3 million involved one-off expenses and special projects related to the simplification of the corporate structure. After an adjustment for the special bonus, personnel expenses were 8.6% lower year-on-year at EUR -22.6 million (Q1-3 2017: EUR -24.8 million).

REVALUATION

The revaluation of investment property (foreign exchange-adjusted and foreign exchange-based) totalled EUR 0.5 million for the reporting period (Q1-3 2017: EUR -0.1 million).

In contrast, the total revaluation results recorded by IMMOFINANZ in Q1-3 2018 were clearly positive at EUR 31.2 million (Q1-3 2017: EUR 11.3 million). This amount includes EUR 16.4 million (Q1-3 2017: EUR 7.9 million) of foreign exchange-adjusted revaluations. Positive effects were provided, among others, by an increase in the value of the *FLOAT* and *trivago Campus* development projects in Germany, whereby the latter was reclassified to investment property as of 30 June 2018, and by two office properties, the *myhive Metrooffice* in Bucharest and the *Polus Towers* in Bratislava. The start of modernisation in the *VIVO! Cluj* shopping center had a temporary negative valuation effect. The foreign exchange-based revaluations totalled EUR 14.8 million for the reporting period (Q1-3 2017: EUR 3.4 million) and were related to properties in non-core countries whose functional currency is not the Euro.

FINANCIAL RESULTS AND TAXES

Financing costs declined, as expected by 31.5% to EUR -51.3 million (Q1-3 2017: EUR -75.0 million) as a result of the extensive refinancing measures carried out in 2017. Other financial results turned positive at EUR 4.3 million, whereby the comparable prior year period (EUR -10.1 million) was negatively influenced, above all, by the valuation of derivatives and the earnings effect from the incentivised conversion of the convertible bond 2018.

The share of profit/loss from equity-accounted investments amounted to EUR 72.6 million (Q1-3 2017: EUR 175.1 million). Included here are a book gain of EUR 66.2 million on the sale of the CA Immo shares, EUR 24.0 million for the proportional share of CA Immo earnings for the first half of 2018 and an impairment loss of EUR -25.1 million to the investment in S IMMO. The S IMMO share had a market price of EUR 17.20 as of 30 September 2018, but the fair value (after the inclusion of a package premium) equalled EUR 18.72 and was therefore lower than the purchase price of EUR 20.00 per share. In the comparable prior year period, the share of profit/loss from equity-accounted investments was significantly influenced by the very positive development of the CA Immo and BUWOG share prices. Financial results totalled EUR 32.3 million for the first three quarters of 2018 (Q1-3 2017: EUR 88.6 million).

Earnings before tax (EBT) improved substantially to EUR 182.4 million (Q1-3 2017: EUR 154.0 million). Income tax amounted to EUR -46.7 million (Q1-3 2017: EUR -37.7 million) and contains EUR -29.4 million of deferred taxes for the income taxes that could become due in later financial years. These deferred taxes include, among others, EUR -10.7 million from property valuation.

NET PROFIT

Net profit improved significantly to EUR 135.0 million (Q1-3 2017: EUR -59.1 million) and represents basic earnings per share of EUR 1.23 (Q1-3 2017: EUR -0.55), respectively diluted earnings per share of EUR 1.14 (Q1-3 2017: EUR -0.55).

FUNDS FROM OPERATIONS (FFO)

The development of sustainable funds from operations, an important profitability indicator for the real estate branch, underscores IMMOFINANZ's stronger earning power. FFO 1 (before tax) from the standing investment business improved by 100.0% to EUR 63.0 million. In addition, FFO 1 (before tax) per share increased by 83.9% to EUR 0.57. FFO 1 does not include the dividend or the economic interest in CA Immo or S IMMO. Including the dividend payment of EUR 20.6 million from CA Immo in 2018, FFO 1 would equal EUR 83.5 million or EUR 0.75 per share.

FUNDS FROM OPERATIONS (FFO)

All amounts in TEUR	P&L Q1-3 2018	Adjustments	FFO Q1-3 2018	FFO Q1-3 2017 (adjusted)
Results of asset management	134,534	363	134,897	123,014
Results of property sales	28,118	-28,118		
Results of property development	23,748	-23,748		
Other operating income	4,306	-873	3,433	3,841
Other operating expenses	-41,018	10,304	-30,714	-35,715
Results of operations	149,688	-42,072	107,616	91,140
Other revaluation results	425	-425		
Operating profit (EBIT)	150,113	-42,497	107,616	91,140
Financing costs	-51,336			
Financing income	6,734			
Foreign exchange differences	73			
Other financial results	4,291			
Net profit or loss from equity-accounted investments	72,566			
Financial results	32,328	-76,988	-44,660	-59,640
Earnings before tax (EBT) / FFO 1 before tax (excl. CA Immo)	182,441	-119,486	62,955	31,500
Dividends received from CA Immo			20,552	16,699
FFO 1 before tax adjusted			83,507	48,199
Number of shares (according to EPS calculation)			110,971,562	103,072,897
FFO 1 per share before tax			0.57	0.31
FFO 1 per share before tax adjusted			0.75	0.47

Other operating expenses were adjusted for non-recurring effects, such as the special bonus granted to the Executive Board for the restructuring of the Group, and for costs related to the simplification of the corporate structure. The adjustments to financial results involve, above all, the contributions from CA Immo and S IMMO which are included under the net profit or loss from equity-accounted investments.

BALANCE SHEET

The condensed balance sheet is shown below:

All amounts in TEUR	30 Sep. 2018	in %	31 Dec. 2017	in %
Investment property	3,868,553		3,729,519	
Property under construction	358,970	75.6%	404,064	73.6%
Real estate inventories	48,079		61,221	
Assets held for sale	59,778		265,148	
Other assets	52,799	0.9%	73,702	1.2%
Equity-accounted investments	371,087	6.5%	685,984	11.3%
Trade and other receivables	286,894	5.0%	365,137	6.0%
Cash and cash equivalents	685,410	12.0%	477,889	7.9%
Assets	5,731,570	100.0%	6,062,664	100.0%
Equity	2,763,461	48.2%	2,808,043	46.3%
Liabilities from convertible bonds	281,967	4.9%	313,217	5.2%
Financial liabilities	2,092,341	36.5%	2,306,418	38.0%
Trade and other payables	175,236	3.1%	242,656	4.0%
Other liabilities	68,467	1.2%	67,218	1.1%
Deferred tax liabilities	350,098	6.1%	325,112	5.4%
Equity and Liabilities	5,731,570	100.0%	6,062,664	100.0%

The value of the property portfolio amounted to EUR 4.3 billion and represented 75.6% of total assets as of 30 September 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. Of the properties classified as held for sale as of 31 December 2017, nine office

properties and three retail properties were sold during the first three quarters of 2018. These transactions reduced the balance of available-for-sale properties to EUR 59.8 million as of 30 September 2018.

The balance of equity-accounted investments declined during the reporting period following the sale of the CA Immo investment, which closed during the third quarter. The investment of 29.14% in S IMMO is carried at EUR 365.1 million (for details see note 4.3 in the *consolidated interim financial statements*).

The following properties were transferred from property under construction to investment property during the reporting period: the *trivago Campus* and *Parkhaus Cluster Produktionstechnik* in Germany, two STOP SHOP retail parks in Serbia and the expansion of a Polish VIVO! shopping center.

Financial liabilities declined by 9.3% to EUR 2.1 billion since the beginning of the year. This is a result, among others, of the repayment of EUR 250.0 million in credit financing related to the CA Immo investment and the repayment of financing for sold properties. New borrowings included external financing of EUR 140.0 million for the purchase of the shares in S IMMO.

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:

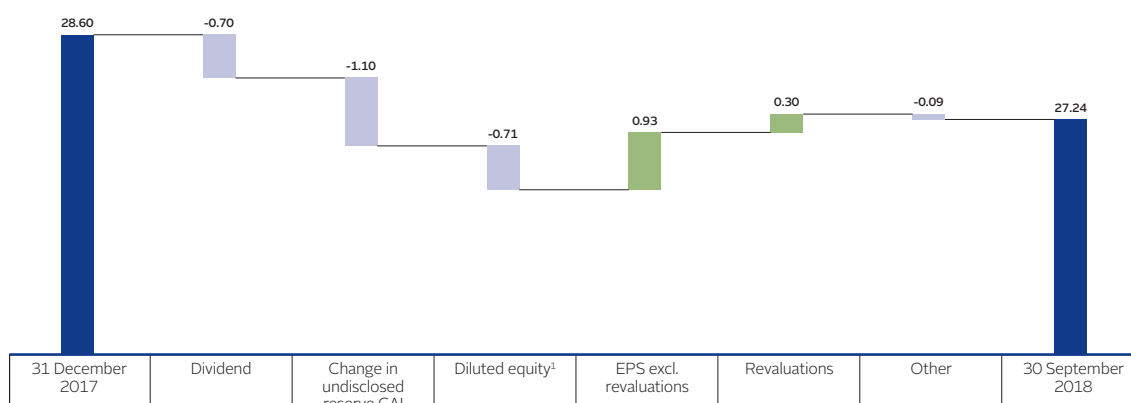
	30 September 2018		31 December 2017	
	in TEUR	in EUR per share	in TEUR	in EUR per share
Equity excl. non-controlling interests	2,784,488		2,821,521	
Diluting effects of convertible bond 2024	281,967		19,121	
Diluted equity excl. non-controlling interests after an adjustment for convertible bonds and the exercise of options	3,066,455		2,840,642	
Undisclosed reserves in the investments	0		123,993	
Undisclosed reserves in real estate inventories	74		74	
Fair value of derivative financial instruments	4,998		7,375	
Deferred taxes on investment property	288,272		274,977	
Deferred taxes on real estate inventories and derivative financial instruments	-1,188		-1,643	
Goodwill resulting from deferred taxes	-24,507		-24,848	
Number of shares excl. treasury shares (in 1,000)		109,024		111,617
Potential shares (in 1,000)		13,387		989
EPRA NAV	3,334,103	27.24	3,220,570	28.60
Fair value of derivative financial instruments	-4,998		-7,375	
Effect of fair value measurement of financial liabilities	24,895		5,737	
Deferred taxes on derivative financial instruments and the fair value measurement of financial liabilities	-5,110		197	
Deferred taxes on investment property	-24,334		-17,495	
EPRA NNNAV	3,324,557	27.16	3,201,634	28.43

The calculation of the EPRA NAV and EPRA NNNAV as of 30 September 2018 includes the diluting effects which would result from the conversion of the IMMOFINANZ convertible bond 2024. These effects were included for the first time because of the convertible bond was "in the money" as of 30 September 2018 and rational investors would therefore be expected to convert their bonds.

The EPRA NAV rose by 3.5% over the level on 31 December 2017 to EUR 3,334.1 million. The EPRA NAV per share equalled EUR 27.24 after the distribution of the EUR 0.70 dividend in May and including the diluting effects of the convertible bond 2024 (31 December 2017: EUR 28.60). After an adjustment for the dilution, the EPRA NAV per share equalled EUR 28.00.

The diluted EPRA NNNAV per share equals EUR 27.16 (31 December 2017: EUR 28.43).

EPRA NAV BRIDGE



¹ Total number of shares diluted by 13.4 million shares from the convertible bond 2024, which was "in the money" as of 30 September 2018.

EPRA EARNINGS PER SHARE

All amounts in TEUR	Q1-3 2018	Q1-3 2017
Weighted average number of shares (in 1,000)	110,972	103,073
Net profit or loss from continuing operations excl. non-controlling interests	137,667	119,014
Revaluation of investment properties and development properties	-33,033	-15,715
Results of property sales	-28,118	-2,683
Goodwill impairment, negative differences and earn-out effects on income	100	733
Changes in fair value of financial instruments	-2,597	-3,462
Acquisition costs on share deals	16	0
Taxes in respect of EPRA adjustments	10,639	1,556
EPRA adjustment in respect of joint ventures and non-controlling interests	-5,482	2,770
EPRA earnings	79,194	102,214
EPRA earnings per share	0.714	0.992
Company specific adjustments		
Result from termination of equity accounting of BUWOG AG	0	-25,841
Impairment loss/reversal CA IMMO Group	0	-91,850
Sale CA Immo	-66,203	0
Result from incentivised conversion of the convertible bond 2018	19	12,580
One-time effect in other operating expenses	8,174	0
Impairment loss S IMMO	25,129	0
Foreign exchange gains and losses	-73	5,358
Deferred taxes in respect of company-specific adjustments	8,195	1,934
Company-specific adjusted earnings	54,436	4,394
EPRA earnings per share after company-specific adjustments	0.491	0.043

EPRA earnings per share equalled EUR 0.71, respectively EUR 0.49 per share after company-specific adjustments.

EPRA NET INITIAL YIELD

All amounts in TEUR	Q1-3 2018	Q1-3 2017 (adjusted)
Investment property	3,918,014	4,678,744
Investment property – proportional share of joint ventures	54,498	43,823
Less undeveloped land	-210,786	-199,185
Less Russian portfolio	0	-796,021
Less undeveloped land – proportional share of joint ventures	-1,690	-1,283
Total property portfolio	3,760,036	3,726,078
Allowance for estimated purchasers' costs	67,681	67,069
Gross value of total property portfolio	3,827,717	3,793,147
Annualised cash rental income	245,123	241,355
Annualised cash rental income – proportional share of joint ventures	1,966	1,793
Non-recoverable property operating expenses	-32,217	-34,235
Non-recoverable property operating expenses – proportional share of joint ventures	-105	-56
Annualised net rental income	214,767	208,858
EPRA net initial yield	5.61%	5.51%

The EPRA net initial yield rose from 5.5% in the first three quarters of the previous year to 5.6% for the reporting period.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Balance Sheet	28
Consolidated Income Statement	29
Consolidated Statement of Comprehensive Income	30
Consolidated Cash Flow Statement	31
Consolidated Statement of Changes in Equity	32
Notes	34
1. Basis of Preparation	34
2. Scope of Consolidation	38
3. Information on Operating Segments	41
4. Notes to the Consolidated Balance Sheet	46
5. Notes to the Consolidated Income Statement	53
6. Information on Financial Instruments	57
7. Transactions with Related Parties	61
8. Subsequent Events	62
Statement by the Executive Board	63

Consolidated Balance Sheet

All amounts in TEUR	Notes	30 9 2018	31 12 2017
Investment property	4.1	3,868,553	3,729,519
Property under construction	4.2	358,970	404,064
Other tangible assets		1,057	1,719
Intangible assets		24,933	25,056
Equity-accounted investments	4.3	371,087	685,984
Trade and other receivables	4.4	99,011	118,767
Other financial assets		11,528	32,015
Deferred tax assets		5,375	5,291
Non-current assets		4,740,514	5,002,415
Trade and other receivables	4.4	187,883	246,370
Income tax receivables		9,906	9,621
Assets held for sale	4.5	59,778	265,148
Real estate inventories		48,079	61,221
Cash and cash equivalents		685,410	477,889
Current assets		991,056	1,060,249
Assets		5,731,570	6,062,664
Share capital	4.6	112,085	1,116,174
Capital reserves	4.6	4,465,283	3,452,324
Treasury shares	4.6	-66,745	0
Accumulated other equity		-174,158	-129,961
Retained earnings		-1,551,977	-1,617,016
Equity attributable to owners of IMMOFINANZ AG		2,784,488	2,821,521
Non-controlling interests		-21,027	-13,478
Equity		2,763,461	2,808,043
Liabilities from convertible bonds	4.7	276,023	277,460
Financial liabilities	4.8	1,798,565	1,773,688
Trade and other payables	4.9	34,030	40,680
Provisions		1,411	2,151
Deferred tax liabilities		350,098	325,112
Non-current liabilities		2,460,127	2,419,091
Liabilities from convertible bonds	4.7	5,944	35,757
Financial liabilities	4.8	293,776	532,730
Trade and other payables	4.9	141,206	201,976
Income tax liabilities		15,301	5,704
Provisions		50,784	56,702
Liabilities held for sale	4.5	971	2,661
Current liabilities		507,982	835,530
Equity and liabilities		5,731,570	6,062,664

Consolidated Income Statement

All amounts in TEUR	Notes	(not reviewed) Q3 2018	Q1-3 2018	(not reviewed) Q3 2017	Q1-3 2017
Rental income	5.1	56,700	175,667	59,153	174,059
Operating costs charged to tenants		22,789	67,030	21,152	62,862
Other revenues		1,616	4,229	1,434	4,938
Revenues		81,105	246,926	81,739	241,859
Expenses from investment property	5.2	-19,485	-47,906	-18,479	-60,154
Operating expenses		-21,837	-64,486	-19,736	-59,121
Results of asset management		39,783	134,534	43,524	122,584
Proceeds from the sale of properties	5.3	122,181	174,892	29,483	135,584
Carrying amount of sold properties		-122,181	-174,892	-29,483	-135,584
Results from deconsolidation	2.2	6,367	33,059	-350	7,663
Expenses from property sales		-856	-3,063	2,236	-541
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	5.7	772	-3,899	-4,028	-9,554
Results of property sales before foreign exchange effects from revaluation		6,283	26,097	-2,142	-2,432
Revaluation of properties sold and held for sale resulting from foreign exchange effects	5.7	1,186	2,021	2,780	5,115
Results of property sales	5.3	7,469	28,118	638	2,683
Proceeds from the sale of real estate inventories		-2,423	7,566	6,203	28,111
Cost of real estate inventories sold		2,402	-7,596	-6,310	-24,086
Expenses from real estate inventories	5.4	-1,779	-6,707	-4,022	-43,709
Expenses from real estate development		1,286	-2,022	-132	-2,281
Revaluation of properties under construction adjusted for foreign exchange effects	5.7	101	32,540	7,170	16,051
Results of property development before foreign exchange effects		-413	23,781	2,909	-25,914
Revaluation of properties under construction resulting from foreign exchange effects	5.7	2	-33	-124	-232
Results of property development	5.4	-411	23,748	2,785	-26,146
Other operating income	5.5	1,206	4,306	1,598	6,990
Other operating expenses	5.6	-13,202	-41,018	-16,146	-39,919
Results of operations		34,845	149,688	32,399	66,192
Revaluation of investment properties adjusted for foreign exchange effects	5.7	-16,561	-12,238	-2,103	1,419
Revaluation of investment properties resulting from foreign exchange effects	5.7	7,714	12,763	-712	-1,522
Goodwill impairment and earn-out effects on income		0	-100	0	-733
Other revaluation results		-8,847	425	-2,815	-836
Operating profit (EBIT)		25,998	150,113	29,584	65,356
Financing costs	5.8	-17,574	-51,336	-22,776	-74,979
Financing income	5.8	3,649	6,734	1,205	3,975
Foreign exchange differences		-1,171	73	-5,380	-5,359
Other financial results	5.8	4,610	4,291	263	-10,112
Net profit or loss from equity-accounted investments	4.3	41,303	72,566	10,923	175,093
Financial results	5.8	30,817	32,328	-15,765	88,618
Earnings before tax (EBT)		56,815	182,441	13,819	153,974
Current income tax		-13,008	-17,313	-6,865	-14,049
Deferred tax		2,515	-29,353	-3,824	-23,652
Net profit or loss from continuing operations		46,322	135,775	3,130	116,273
Net profit or loss from discontinued operations	2.3	2,469	-771	-167,525	-175,401
Net profit or loss		48,791	135,004	-164,395	-59,128
Thereof attributable to owners of IMMOFINANZ AG		48,876	136,896	-164,049	-56,387
Thereof attributable to non-controlling interests		-85	-1,892	-346	-2,741
Basic earnings per share in EUR		0.44	1.23	-1.60	-0.55
Net profit or loss from continuing operations per share in EUR		0.42	1.24	0.03	1.15
Net profit or loss from discontinued operations per share in EUR		0.02	-0.01	-1.62	-1.70
Diluted earnings per share in EUR		0.41	1.14	-1.48	-0.55
Net profit or loss from continuing operations per share in EUR		0.39	1.14	0.16	1.15
Net profit or loss from discontinued operations per share in EUR		0.02	-0.01	-1.64	-1.70

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	(not reviewed) Q3 2018	Q1-3 2018	(not reviewed) Q3 2017	Q1-3 2017
Net profit or loss		48,791	135,004	-164,395	-59,128
Other comprehensive income (reclassifiable)					
Currency translation adjustment		-12,391	-46,112	-3,774	-22,335
Thereof changes during the financial year		-7,645	-13,983	-3,774	-14,439
Thereof reclassification to profit or loss	2.2 / 2.3	-4,746	-32,129	0	-7,896
Other comprehensive income from equity-accounted investments	4.3	796	-400	2,386	5,597
Thereof changes during the financial year		20	-1,176	2,640	6,146
Thereof reclassification to profit or loss		776	776	0	0
Thereof income taxes		0	0	-254	-549
Total other comprehensive income (reclassifiable)		-11,595	-46,512	-1,388	-16,738
Other comprehensive income (not reclassifiable)					
Other comprehensive income from equity-accounted investments	4.3	0	-1,447	0	72
Thereof changes during the financial year		0	-1,479	0	106
Thereof income taxes		0	32	0	-34
Total other comprehensive income (not reclassifiable)		0	-1,447	0	72
Total other comprehensive income after tax		-11,595	-47,959	-1,388	-16,666
Total comprehensive income		37,196	87,045	-165,783	-75,794
Thereof attributable to owners of IMMOFINANZ AG		39,939	93,795	-164,541	-70,318
Thereof attributable to non-controlling interests		-2,743	-6,750	-1,242	-5,476

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1-3 2018	Q1-3 2017
Earnings before tax (EBT)		182,441	153,974
Earnings before tax (EBT) from discontinued operations	2.3	-601	-196,628
Revaluations of investment properties	2.3 / 5.7	-31,154	150,336
Goodwill impairment		0	62,045
Write-downs and write-ups on real estate inventories (including impending losses from forward sales)	5.4	5,836	41,064
Write-downs and write-ups on receivables and other assets		-1,026	2,149
Net profit or loss from equity-accounted investments	4.3	-72,566	-175,093
Foreign exchange differences and fair value measurement of financial instruments		-3,139	-14,113
Net interest income/expense		44,603	112,027
Results from deconsolidation	2.2 / 2.3	-33,244	-7,664
Other non-cash income/expense/reclassifications		125	342
Gross cash flow before tax		91,275	128,439
Income taxes paid		-6,697	-23,115
Gross cash flow after tax		84,578	105,324
Change in real estate inventories		-10,841	-7,808
Change in trade and other receivables		-361	-1,017
Change in trade payables and other liabilities		-18,156	-20,716
Change in provisions		-3,467	-8,646
Cash flow from operating activities		51,753	67,137
Acquisition of investment property and property under construction		-130,784	-206,653
Consideration paid for business combinations in prior periods		-325	0
Consideration transferred from disposal of discontinued operations, net of cash and cash equivalents		5,838	0
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		76,184	24,158
Acquisition of other non-current assets		-478	-19,135
Acquisition of equity accounted investments and increase in receivables from other net investment positions		-391,237	0
Disposal of investment property and property under construction		184,910	170,251
Disposal of other non-current assets		14,938	9,096
Disposal of equity-accounted investments and cash flows from other net investment positions		755,361	107,844
Dividends received from equity-accounted investments	4.3	24,072	18,365
Interest or dividends received from financial instruments		767	1,990
Cash flow from investing activities		539,246	105,916
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		626,834	619,382
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		-795,057	-741,242
Redemption of convertible bonds	4.7	-17,286	0
Transaction costs from the issue of shares (settlement of the legal proceedings over the review of the exchange ratio)	4.6	0	-203
Incentivised conversion of convertible bonds plus transaction costs	4.7	0	-112,934
Derivatives		-8,251	-10,532
Interest paid		-41,747	-96,307
Distributions	4.6	-77,928	-63,152
Transactions with non-controlling interest owners		-1,850	19,111
Share buyback	4.6	-66,785	-40,232
Cash flow from financing activities		-382,070	-131,137
Net foreign exchange differences		-2,783	-2,528
Change in cash and cash equivalents		206,146	39,388
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		685,413	245,616
Less cash and cash equivalents in discontinued operations and disposal groups	4.5	3	3,397
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		685,410	242,219

Consolidated 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		-40	-66,745
Issue of shares (for conversion of the convertible bond 2011-2018)	4.7	4,678	4,232	
Increase in share capital from internal funds		750,000	-750,000	
Ordinary capital decrease		-1,758,767	1,758,767	
Distributions	4.6			
Transactions with non-controlling interest owners				
Disposal of non-controlling interests	2.4			
Balance on 30 September 2018		112,085	4,465,283	-66,745
Balance on 31 December 2016		975,956	3,353,263	-18,214
Other comprehensive income				
Net profit or loss				
Total comprehensive income				
Share buyback				-40,230
Issue of shares (for incentivised conversion of the convertible bond 2011-2018)		63,532	45,108	
Issue of convertible bond 2017-2024			21,655	
Settlement of legal proceedings over the review of the exchange ratio applied to the merger of IMMOEAST and IMMOFINANZ		13,037	-45,330	31,306
Distributions				
Transactions with non-controlling interest owners				
Balance on 30 September 2017		1,052,525	3,374,696	-27,138

Accumulated other equity							
Revaluation reserve (former AFS reserve)	IAS 19 reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity	
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	
-1,478	31	-41,654		-43,101	-4,858	-47,959	
			136,896	136,896	-1,892	135,004	
-1,478	31	-41,654	136,896	93,795	-6,750	87,045	
				-66,785		-66,785	
				8,910		8,910	
				0		0	
				0		0	
			-77,928	-77,928	-90	-78,018	
			-1,285	-1,285	-566	-1,851	
				0	-142	-142	
1,749	-383	-175,524	-1,551,977	2,784,488	-21,027	2,763,461	
-783	-461	-629,919	-1,019,542	2,660,300	-9,684	2,650,616	
5,453	72	-19,456		-13,931	-2,735	-16,666	
			-56,387	-56,387	-2,741	-59,128	
5,453	72	-19,456	-56,387	-70,318	-5,476	-75,794	
				-40,230		-40,230	
				108,640		108,640	
				21,655		21,655	
				-987		-987	
			-63,152	-63,152	-13,405	-76,557	
			291	291	18,789	19,080	
4,670	-389	-649,375	-1,138,790	2,616,199	-9,776	2,606,423	

NOTES

1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 September 2018 were prepared for the period from 1 January 2018 to 30 September 2018 (Q3 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 is provided in section 1.1.

These consolidated interim financial statements of IMMOFINANZ were reviewed 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 third quarter of 2018; the option for voluntary premature application was not elected.

IFRS 9: Financial Instruments

IFRS 9 replaced 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 recorded 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 is attributed to the equity-accounted investment in CA Immo, which also applied IFRS 9 as of 1 January 2018. In this case, the result was an increase of EUR 1.9 million in retained earnings and a reduction of EUR 1.1 million in accumulated equity as of 1 January 2018.

Section 6.2 includes a comparison of the classification of financial assets and financial liabilities under the previously applied IAS 39 valuation categories and the valuation categories applicable under IFRS 9 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 led 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 also resulted 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 were 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 29.7 million and trade receivables and other liabilities were reduced by EUR 20.5 million; contractual assets of EUR 9.2 million were also recognised as of that date.

A further effect of the initial application of IFRS 15 for IMMOFINANZ resulted from the investment in CA Immo, which is included in the consolidated financial statements at equity; this company also initially applied 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	9,196	255,566
Real estate inventories	61,221	0	-29,739	31,482
Cash and cash equivalents	477,889	-119	0	477,770
Current assets	1,060,249	-119	-20,543	1,039,587
Assets	6,062,664	1,947	-15,910	6,048,701
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	-20,543	181,433
Current liabilities	835,530	0	-20,543	814,987
Equity and liabilities	6,062,664	1,947	-15,910	6,048,701

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.

The initial effects of the application of IFRS 15 as of 1 January 2018, which were reported in the first and second quarters of 2018, contained a calculation error. These effects were therefore restated in comparison with the presentation in the consolidated interim financial statements as of 31 March 2018 and 30 June 2018. The adjustments to contractual assets as of 1 January 2018, which were reported under trade receivables in the first and second quarters of 2018, were restated by TEUR 3,336 from TEUR 5,861 to TEUR 9,196. In addition, the reported adjustment of real estate inventories as of 1 January 2018 was restated by TEUR -3,336 from TEUR -26,403 to TEUR -29,219. These changes had no effect on earnings.

Summary of the effects of IFRS 15 on the individual balance sheet and income statement positions as of 30 September 2018

The following tables on the consolidated balance sheet as of 30 September 2018 and the consolidated income statement for Q1–3 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	30 9 2018 as reported	Adjustment as per IFRS 15	Amounts excl. application of IFRS 15
Non-current assets	4,740,514	0	4,740,514
Trade and other receivables	187,883	-5,391	182,492
Real estate inventories	48,079	20,790	68,869
Current assets	991,057	15,399	1,006,456
Assets	5,731,571	15,399	5,746,970
Equity	2,763,461	0	2,763,461
Non-current liabilities	2,460,127	0	2,460,127
Trade and other payables	141,206	15,399	156,605
Current liabilities	507,982	15,399	523,381
Equity and liabilities	5,731,570	15,399	5,746,969

The earnings effects for the equity-accounted investment in CA Immo, which resulted from the initial application of IFRS 15, were included in the proportional share of results for the period (IAS 28) up to 30 June 2018. Based on the package sale of all CA Immo shares which was approved on 2 July 2018 and the related reclassification of the equity-accounted investment in CA Immo to assets held for sale, no further period results or proportional earnings effects from the initial application of IFRS 15 were recorded for Q3 2018. IFRS 15 does not contain

separate disclosure requirements for equity-accounted investments. The closing for the sale of the CA Immo shares took place on 27 September 2018.

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 Q1–3 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	Q1-3 2018 as reported	Adjustment as per IFRS 15	Amounts excl. application of IFRS 15
Proceeds from the sale of real estate inventories	7,566	8,949	16,515
Cost of real estate inventories sold	-7,596	-8,949	-16,545
Results of property development	23,748	0	23,748

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, Austria 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. The accounting treatment by the lessor is not expected to result in any material effects on the consolidated financial statements of IMMOFINANZ AG. In accordance with an option provided by IFRS 16, IMMOFINANZ will not record a usage right and lease liability for short-term leases with a term of less than 12 months or for low-value leases. The exemption not to record a usage right and lease liability for leases with a remaining term of less than 12 months as of 1 January 2019 will also be applied. Motor vehicle leases will be separated into non-lease and lease components. IMMOFINANZ will apply IFRS 16 based on the modified retrospective method as of 1 January 2019.

A further change involves the revenue from operating costs charged out which is not contrasted by the provision of services in the narrow sense of the term, but only represents compensation for costs incurred in connection with the legal ownership of a property (i.e. land tax and building insurance). As of 1 January 2019, this revenue must be presented as revenue in accordance with IFRS 16. This differentiation does not lead to an earnings effect on the income statement, but only to a change in presentation.

2. Scope of Consolidation

2.1 DEVELOPMENT OF THE SCOPE OF CONSOLIDATION

The following table shows the development of the scope of consolidation in Q1-3 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 initially included				
Other acquisitions	0	0	1	1
New foundations	0	0	2	2
Companies no longer included				
Sales	-17	0	-1	-18
Loss of control with retention of investment	-1	0	0	-1
Mergers	-17	0	0	-17
Liquidations	-44	-1	-2	-47
Balance on 30 September 2018	342	7	13	362
Thereof foreign companies	208	5	6	219
Thereof in liquidation	42	0	1	43
Thereof intragroup merger resolution adopted	35	0	0	35

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	Q1-3 2018
Investment property (see 4.1)	57,977
Goodwill	336
Receivables and other assets	50,586
Deferred tax assets	3,837
Investment properties held for sale	19,900
Assets held for sale	46
Cash and cash equivalents held for sale	156
Real estate inventories	115
Cash and cash equivalents	2,101
Financial liabilities	-34,334
Trade payables	-1,102
Other liabilities	-36,767
Income tax liabilities	-275
Provisions	-228
Deferred tax liabilities	-5,265
Liabilities held for sale	-142
Net assets sold	56,941
Consideration received in cash and cash equivalents	56,122
Outstanding purchase price receivables	1,750
Less net assets sold	-56,941
Reclassification of foreign exchange differences to profit or loss	32,128
Results from deconsolidation	33,059
Consideration received in cash and cash equivalents	56,122
Less cash and cash equivalents sold	-2,257
Net inflow of cash and cash equivalents	53,865

In the first three quarters of 2018, IMMOFINANZ received payments of EUR 22.3 million on outstanding receivables resulting from the sale of subsidiaries in previous years.

The reclassification of foreign exchange differences to profit or loss resulted primarily from four Ukrainian subsidiaries, three Czech subsidiaries and one Serbian subsidiary.

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 Q1–3 2018 and in the comparative period are reported on a separate line. The results from discontinued operations in Q1–3 2018 also include other operating income of EUR 2.6 million in connection with a contingent receivable from the retail portfolio Moscow; the receipt of these funds in the future is nearly certain. This receivable originated on 6 December 2017 in connection with pending proceedings for the refund of withholding taxes and land taxes which are currently in progress and have an uncertain outcome. A contingent receivable was not recognised for the remaining balance of this item because the realisation of the related income was not considered highly probable as of 30 September 2018. IMMOFINANZ had received reimbursements totalling TEUR 703 for withholding taxes and land taxes by 30 September 2018.

The following table shows the net assets of the service company and its subsidiary, which were part of the retail portfolio Moscow and were sold on 8 February 2018, as well as the results from deconsolidation.

All amounts in TEUR	Q1-3 2018
Assets held for sale	
Intangible assets (excl. goodwill)	3
Receivables and other assets	56
Cash and cash equivalents	16
Liabilities held for sale	
Trade payables	-79
Other liabilities	-178
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	Q1-3 2018	Q1-3 2017
Net profit or loss retail portfolio Moscow	2,466	-175,401
Net profit or loss logistics portfolio	-3,237	0
Net profit or loss from discontinued operations	-771	-175,401

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

All amounts in TEUR	Retail portfolio Moscow		Logistics portfolio	
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Rental income	0	62,084	0	0
Operating costs charged to tenants	0	13,450	0	0
Other revenues	0	1,328	0	0
Revenues	0	76,862	0	0
Expenses from investment property	0	-21,824	0	0
Operating expenses	0	-13,000	0	0
Results of asset management	0	42,038	0	0
Other operating income	2,593	582	0	0
Other operating expenses	-145	-3,038	-3,237	0
Results of operations	2,448	39,582	-3,237	0
Revaluation of investment properties adjusted for foreign exchange effects	0	6,474	0	0
Revaluation of investment properties resulting from foreign exchange effects	0	-44,239	0	0
Goodwill impairment	0	-5,197	0	0
Other revaluation results	0	-42,962	0	0
Operating profit (EBIT)	2,448	-3,380	-3,237	0
Financing costs	0	-41,030	0	0
Financing income	0	8	0	0
Foreign exchange differences	3	27,757	0	0
Financial results	3	-13,265	0	0
Earnings before tax (EBT)	2,451	-16,645	-3,237	0
Current income tax	-16	-3,685	0	0
Deferred tax	-154	2,731	0	0
Earnings from discontinued operations	2,281	-17,599	-3,237	0
Loss from fair value measurement less costs to sell	0	-179,983	0	0
Income tax on the valuation loss attributable to the sale	0	22,181	0	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	2,466	-175,401	-3,237	0
Thereof attributable to owners of IMMOFINANZ AG	2,466	-175,401	-3,237	0

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

All amounts in TEUR	Retail portfolio Moscow		Logistics portfolio	
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Cash flow from operating activities	-1,110	24,656	0	0
Cash flow from investing activities	-33	-1,589	0	0
Cash flow from financing activities	0	-52,060	0	0
Net cash flow from discontinued operations	-1,143	-28,993	0	0

3. Information on Operating Segments

Information on the reportable segments of IMMOFINANZ is presented in the following section. Segment assets also include investment property held for sale

All amounts in TEUR	Austria		Germany	
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Office	22,330	23,777	6,277	5,355
Retail	8,288	11,848	65	351
Other	5,580	4,473	806	1,553
Rental income	36,198	40,098	7,148	7,259
Operating costs charged to tenants	8,495	8,322	2,621	2,142
Other revenues	378	1,392	0	6
Revenues	45,071	49,812	9,769	9,407
Expenses from investment property	-13,885	-23,480	-4,369	-3,522
Operating expenses	-8,491	-8,193	-2,740	-2,059
Results of asset management	22,695	18,139	2,660	3,826
Proceeds from the sale of properties	16,886	58,438	134,773	70,128
Carrying amount of sold properties	-16,886	-58,438	-134,773	-70,128
Results from deconsolidation	271	-327	0	0
Expenses from property sales	-1,074	-1,762	-428	-648
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-2,830	-5,084	2,293	4,181
Results of property sales before foreign exchange effects from revaluation	-3,633	-7,173	1,865	3,533
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-3,633	-7,173	1,865	3,533
Proceeds from the sale of real estate inventories	0	0	2,172	22,929
Cost of real estate inventories sold	0	0	-2,172	-18,603
Expenses from real estate inventories	-430	-255	-6,262	-43,120
Expenses from real estate development	515	-276	-1,436	-793
Revaluation of properties under construction adjusted for foreign exchange effects	-3,390	-2,796	31,778	24,113
Results of property development before foreign exchange effects	-3,305	-3,327	24,080	-15,474
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-3,305	-3,327	24,080	-15,474
Other operating income	393	1,065	124	261
Other operating expenses	-488	-2,009	-5,091	-2,778
Results of operations	15,662	6,695	23,638	-10,632
Revaluation of investment properties adjusted for foreign exchange effects	-5,169	-3,140	-1,746	70
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	-5,169	-3,140	-1,746	70
Operating profit (EBIT)	10,493	3,555	21,892	-10,562
	30 9 2018	31 12 2017	30 9 2018	31 12 2017
Investment property	806,449	809,060	278,409	114,040
Property under construction	22,559	9,040	232,591	293,550
Goodwill	0	0	0	0
Investment properties held for sale	32,730	72,407	10,042	136,437
Real estate inventories	0	0	47,210	55,859
Segment assets	861,738	890,507	568,252	599,886
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Segment investments	19,482	5,513	71,175	78,591

All amounts in TEUR	Poland		Czech Republic	
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Office	17,562	19,998	7,758	8,651
Retail	14,334	9,811	7,750	7,630
Other	2,654	2,278	707	779
Rental income	34,550	32,087	16,215	17,060
Operating costs charged to tenants	16,228	15,320	5,273	5,129
Other revenues	1,822	1,444	155	157
Revenues	52,600	48,851	21,643	22,346
Expenses from investment property	-8,016	-10,142	-3,536	-3,738
Operating expenses	-15,800	-14,236	-5,064	-4,974
Results of asset management	28,784	24,473	13,043	13,634
Proceeds from the sale of properties	4,877	0	0	0
Carrying amount of sold properties	-4,877	0	0	0
Results from deconsolidation	681	-2,400	7,102	95
Expenses from property sales	-94	1,056	-804	-566
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-1,825	-1,592	-131	-2,038
Results of property sales before foreign exchange effects from revaluation	-1,238	-2,936	6,167	-2,509
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-1,238	-2,936	6,167	-2,509
Proceeds from the sale of real estate inventories	4,750	4,764	0	0
Cost of real estate inventories sold	-4,754	-5,237	0	0
Expenses from real estate inventories	-224	-146	0	0
Expenses from real estate development	-457	-973	-206	-188
Revaluation of properties under construction adjusted for foreign exchange effects	28	1,495	0	0
Results of property development before foreign exchange effects	-657	-97	-206	-188
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-657	-97	-206	-188
Other operating income	1,411	397	51	1,499
Other operating expenses	-2,196	-1,983	-1,201	-1,126
Results of operations	26,104	19,854	17,854	11,310
Revaluation of investment properties adjusted for foreign exchange effects	762	-11,265	554	6,084
Revaluation of investment properties resulting from foreign exchange effects	0	0	0	0
Goodwill impairment and earn-out effects on income	0	-554	-100	-99
Other revaluation results	762	-11,819	454	5,985
Operating profit (EBIT)	26,866	8,035	18,308	17,295
	30 9 2018	31 12 2017	30 9 2018	31 12 2017
Investment property	717,108	712,869	336,009	391,290
Property under construction	44,607	44,974	4,652	0
Goodwill	32	32	7,056	7,396
Investment properties held for sale	8,682	13,742	0	0
Real estate inventories	0	3,935	0	0
Segment assets	770,429	775,552	347,717	398,686
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Segment investments	3,230	22,862	5,696	4,491

All amounts in TEUR	Slovakia		Hungary	
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Office	2,091	1,503	10,023	10,707
Retail	13,166	11,072	11,217	10,110
Other	318	244	1,538	836
Rental income	15,575	12,819	22,778	21,653
Operating costs charged to tenants	7,616	6,437	8,710	8,341
Other revenues	333	154	135	181
Revenues	23,524	19,410	31,623	30,175
Expenses from investment property	-3,874	-2,750	-2,992	-5,770
Operating expenses	-6,096	-5,160	-8,578	-8,114
Results of asset management	13,554	11,500	20,053	16,291
Proceeds from the sale of properties	0	0	859	6,112
Carrying amount of sold properties	0	0	-859	-6,112
Results from deconsolidation	2	0	0	0
Expenses from property sales	-50	-10	-121	-33
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	0	-10	714	0
Results of property sales before foreign exchange effects from revaluation	-48	-20	593	-33
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	0	0
Results of property sales	-48	-20	593	-33
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	-59	-79	-16	-82
Revaluation of properties under construction adjusted for foreign exchange effects	0	-1,022	0	0
Results of property development before foreign exchange effects	-59	-1,101	-16	-82
Revaluation of properties under construction resulting from foreign exchange effects	0	0	0	0
Results of property development	-59	-1,101	-16	-82
Other operating income	59	106	18	16
Other operating expenses	-1,027	-968	-1,249	-1,043
Results of operations	12,479	9,517	19,399	15,149
Revaluation of investment properties adjusted for foreign exchange effects	6,547	4,009	5,290	9,106
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	6,547	3,984	5,290	9,106
Operating profit (EBIT)	19,026	13,501	24,689	24,255
	30 9 2018	31 12 2017	30 9 2018	31 12 2017
Investment property	304,744	291,300	515,290	513,025
Property under construction	0	0	2,645	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	304,928	291,484	520,643	515,733
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Segment investments	6,872	65,099	180	19,793

All amounts in TEUR	Romania		Other non-core countries	
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Office	11,776	14,529	928	907
Retail	19,953	19,530	6,565	4,881
Other	3,704	2,967	277	269
Rental income	35,433	37,026	7,770	6,057
Operating costs charged to tenants	15,927	15,689	2,160	1,482
Other revenues	1,348	1,407	58	197
Revenues	52,708	54,122	9,988	7,736
Expenses from investment property	-9,933	-9,437	-1,301	-1,315
Operating expenses	-15,608	-14,959	-2,109	-1,426
Results of asset management	27,167	29,726	6,578	4,995
Proceeds from the sale of properties	17,497	906	0	0
Carrying amount of sold properties	-17,497	-906	0	0
Results from deconsolidation	-1	0	25,004	10,295
Expenses from property sales	-224	-159	-268	1,581
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	196	-148	-2,316	-4,863
Results of property sales before foreign exchange effects from revaluation	-29	-307	22,420	7,013
Revaluation of properties sold and held for sale resulting from foreign exchange effects	0	0	2,021	5,115
Results of property sales	-29	-307	24,441	12,128
Proceeds from the sale of real estate inventories	600	418	44	0
Cost of real estate inventories sold	-600	-246	-70	0
Expenses from real estate inventories	214	-169	-5	-19
Expenses from real estate development	-348	260	-15	-150
Revaluation of properties under construction adjusted for foreign exchange effects	695	-5,810	3,429	71
Results of property development before foreign exchange effects	561	-5,547	3,383	-98
Revaluation of properties under construction resulting from foreign exchange effects	0	0	-33	-232
Results of property development	561	-5,547	3,350	-330
Other operating income	1,794	305	37	190
Other operating expenses	-3,829	-3,835	-1,572	-1,665
Results of operations	25,664	20,342	32,834	15,318
Revaluation of investment properties adjusted for foreign exchange effects	-5,745	-3,600	-12,731	155
Revaluation of investment properties resulting from foreign exchange effects	0	0	12,763	-1,522
Goodwill impairment and earn-out effects on income	0	-8	0	-47
Other revaluation results	-5,745	-3,608	32	-1,414
Operating profit (EBIT)	19,919	16,734	32,866	13,904
	30 9 2018	31 12 2017	30 9 2018	31 12 2017
Investment property	746,390	772,899	164,154	125,036
Property under construction	49,718	48,620	2,198	7,880
Goodwill	13,529	13,529	998	999
Investment properties held for sale	4,662	1,890	3,385	38,859
Real estate inventories	869	1,242	0	185
Segment assets	815,168	838,180	170,735	172,959
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Segment investments	637	7,227	10,525	11,634

All amounts in TEUR	Total reportable segments		Reconciliation to consolidated financial statements		IMMOFINANZ	
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Office	78,745	85,427	0	0	78,745	85,427
Retail	81,338	75,233	0	0	81,338	75,233
Other	15,584	13,399	0	0	15,584	13,399
Rental income	175,667	174,059	0	0	175,667	174,059
Operating costs charged to tenants	67,030	62,862	0	0	67,030	62,862
Other revenues	4,229	4,938	0	0	4,229	4,938
Revenues	246,926	241,859	0	0	246,926	241,859
Expenses from investment property	-47,906	-60,154	0	0	-47,906	-60,154
Operating expenses	-64,486	-59,121	0	0	-64,486	-59,121
Results of asset management	134,534	122,584	0	0	134,534	122,584
Proceeds from the sale of properties	174,892	135,584	0	0	174,892	135,584
Carrying amount of sold properties	-174,892	-135,584	0	0	-174,892	-135,584
Results from deconsolidation	33,059	7,663	0	0	33,059	7,663
Expenses from property sales	-3,063	-541	0	0	-3,063	-541
Revaluation of properties sold and held for sale adjusted for foreign exchange effects	-3,899	-9,554	0	0	-3,899	-9,554
Results of property sales before foreign exchange effects from revaluation	26,097	-2,432	0	0	26,097	-2,432
Revaluation of properties sold and held for sale resulting from foreign exchange effects	2,021	5,115	0	0	2,021	5,115
Results of property sales	28,118	2,683	0	0	28,118	2,683
Proceeds from the sale of real estate inventories	7,566	28,111	0	0	7,566	28,111
Cost of real estate inventories sold	-7,596	-24,086	0	0	-7,596	-24,086
Expenses from real estate inventories	-6,707	-43,709	0	0	-6,707	-43,709
Expenses from real estate development	-2,022	-2,281	0	0	-2,022	-2,281
Revaluation of properties under construction adjusted for foreign exchange effects	32,540	16,051	0	0	32,540	16,051
Results of property development before foreign exchange effects	23,781	-25,914	0	0	23,781	-25,914
Revaluation of properties under construction resulting from foreign exchange effects	-33	-232	0	0	-33	-232
Results of property development	23,748	-26,146	0	0	23,748	-26,146
Other operating income	3,887	3,839	419	3,151	4,306	6,990
Other operating expenses	-16,653	-15,407	-24,365	-24,512	-41,018	-39,919
Results of operations	173,634	87,553	-23,946	-21,361	149,688	66,192
Revaluation of investment properties adjusted for foreign exchange effects	-12,238	1,419	0	0	-12,238	1,419
Revaluation of investment properties resulting from foreign exchange effects	12,763	-1,522	0	0	12,763	-1,522
Goodwill impairment and earn-out effects on income	-100	-733	0	0	-100	-733
Other revaluation results	425	-836	0	0	425	-836
Operating profit (EBIT)	174,059	86,717	-23,946	-21,361	150,113	65,356
	30 9 2018	31 12 2017	30 9 2018	31 12 2017	30 9 2018	31 12 2017
Investment property	3,868,553	3,729,519	0	0	3,868,553	3,729,519
Property under construction	358,970	404,064	0	0	358,970	404,064
Goodwill	24,507	24,848	0	0	24,507	24,848
Investment properties held for sale	59,501	263,335	0	0	59,501	263,335
Real estate inventories	48,079	61,221	0	0	48,079	61,221
Segment assets	4,359,610	4,482,987	0	0	4,359,610	4,482,987
	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017	Q1-3 2018	Q1-3 2017
Segment investments	117,797	215,210	0	1,537	117,797	216,747

4. Notes to the Consolidated Balance Sheet

4.1 INVESTMENT PROPERTY

The development of investment property during Q1-3 2018 is as follows:

All amounts in TEUR	Q1-3 2018
Beginning balance	3,729,519
Deconsolidations (see 2.2)	-57,977
Currency translation adjustments	-12,712
Additions	17,907
Disposals	-18,356
Revaluation	493
Reclassifications	180,181
Reclassification from IFRS 5	33,750
Reclassification to IFRS 5	-4,252
Ending balance	3,868,553

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

4.2 PROPERTY UNDER CONSTRUCTION

The development of the property under construction during the first three quarters of 2018 is as follows:

All amounts in TEUR	Q1-3 2018
Beginning balance	404,064
Currency translation adjustments	33
Additions	99,890
Revaluation	32,507
Reclassifications	-177,524
Ending balance	358,970

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

The following properties were reclassified from property under construction to investment properties in Q1-3 2018 following their completion: the *trivago Campus*, the *Parkhaus Aachen*, two Serbian STOP SHOP retail parks and part of a Polish VIVO! shopping center. In addition, three STOP SHOPS were reclassified from investment property to property under construction.

4.3 EQUITY-ACCOUNTED INVESTMENTS

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

All amounts in TEUR	CA Immo Group	S IMMO	NP Investments a.s.	Other	Total
Interest held by IMMOFINANZ	26.00%	29.14%	50.00%		
Beginning balance	682,007	0	0	3,977	685,984
Additions	0	390,239	0	0	390,239
Disposals	-688,375	0	0	-7	-688,382
Net profit or loss from equity-accounted investments	24,033	0	5,864	1,595	31,492
Other comprehensive income from currency translation adjustment	-1,063	0	0	-113	-1,176
Other comprehensive income from financial instruments measured at fair value through other comprehensive income (FVOCI)	-1,478	0	0	0	-1,478
Adjustment through other comprehensive income as of 1.1.2018 as per IFRS 9 and IFRS 15	5,397	0	0	0	5,397
Other comprehensive income from measurement of defined benefit plans	31	0	0	0	31
Offset of results with other net investment positions	0	0	-2,475	656	-1,819
Dividend	-20,552	0	0	-3,520	-24,072
Impairment losses	0	-25,129	0	0	-25,129
Ending balance	0	365,110	3,389	2,588	371,087

The income statement position 'net profit or loss from equity-accounted investments' comprises the following: EUR 66.2 million of results from the sale of the CA Immo investment, an impairment loss of EUR 25.1 million to the investment in S IMMO AG and EUR 31.5 million for the proportional share of earnings from equity-accounted investments.

On 2 July 2018, the Supervisory Board of IMMOFINANZ AG approved the package sale of all shares held by IMMOFINANZ in CA Immo (25,690,163 bearer shares plus four registered shares). This equity-accounted investment was subsequently reclassified at an amount of EUR 688.4 million from non-current assets to assets held for sale as of 30 June 2018. The closing took place on 27 September 2018. The sale price, less transaction costs of EUR 2.5 million, totalled EUR 755.4 million and resulted in a book gain of EUR 66.2 million after the reclassification of currency translation differences. This book gain is included in the profit from equity-accounted investments.

IMMOFINANZ purchased 19,499,437 bearer shares of S IMMO AG (in short: S IMMO) on 18 April 2018. The resulting investment amounts to an interest of approximately 29.14% which, according to the issuer's current articles of association, currently represents 15% of the voting rights. The closing took place on 21 September 2018. Due to the limited time before the closing date for this interim financial report, 30 September 2018 was selected as the initial recognition date for simplification purposes. A proportional share of results as of 30 September 2018 was, therefore, not recorded. The purchase price allocation should be considered preliminary. This share package gives IMMOFINANZ significant influence over S IMMO, and the investment was consequently accounted for at equity.

The purchase price totalled EUR 390 million (EUR 20.00 per share), and the capitalisable transaction costs amounted to EUR 0.3 million. S IMMO shares are traded in the Prime Market segment of the Vienna Stock Exchange. The market price equalled EUR 17.2 as of 30 September 2018, which was lower than the cost per share. That represents an objective indication of impairment. For the purpose of impairment testing, the recoverable amount of the share package was determined on the basis of fair value less selling costs.

The absence of Level 1 fair values for the unit of account (i.e. a share package which represents a comparable capital interest) required a discretionary decision concerning the valuation procedure. IFRSs do not provide explicit rules for the determination of fair value in accordance with IFRS 13 for these types of valuation objects. IMMOFINANZ's management decided to carry out these valuations as "close to market" as possible. The price on the Vienna Stock Exchange as of 30 September 2018 plus a premium for the share package therefore formed the basis for valuation. IFRS 13 permits the inclusion of premiums under the

following conditions: when the premium reflects the economic characteristics of the valuation object; when hypothetical buyers would include the premium in determining a purchase price; and when the inclusion of a premium does not contradict the unit of account (in this case, the equity-accounted investment in S Immo). In view of these circumstances, an appropriate premium of 10.8% (EUR 1.86 per share, resp. EUR 36.2 million) for the size of the share package (under consideration of the existing voting restrictions) was included in the determination of fair value. This premium was derived from comparable transactions – i.e. the purchase of share packages in European real estate companies from 2009 to 2018 – based on capital market data. Since this fair value was derived from both observable and non-observable data, it is classified under Level 3 on the IFRS 13 measurement hierarchy.

The resulting recoverable amount - it represents a fair value of EUR 371.6 million (EUR 19.1 per share) less selling costs of 1.75% – equalled EUR 365.1 million as of 30 September 2018. The book price of the investment in S IMMO equalled EUR 18.7 per share as of 30 September 2018. The proportional results from S IMMO would include an impairment loss of EUR 25.1 million.

4.4 TRADE AND OTHER RECEIVABLES

All amounts in TEUR	30 9 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	21,557	21,551	6	0	18,515
Miscellaneous	32,854	32,331	523	0	37,166
Total trade accounts receivable	54,411	53,882	529	0	55,681
Receivables due from associates	4,399	4,123	0	276	3,371
Receivables due from joint ventures	37,850	775	37,026	49	30,184
Receivables due from equity-accounted investments	42,249	4,898	37,026	325	33,555
Restricted funds	96,535	66,637	29,898	0	154,806
Financing	11,768	433	1,069	10,266	12,650
Property management	3,633	3,577	19	37	1,651
Outstanding purchase price receivables – sale of properties	1	1	0	0	10,043
Outstanding purchase price receivables – sale of shares in other companies	16,243	3,079	13,164	0	39,924
Miscellaneous	19,059	12,381	6,445	233	17,798
Total other financial receivables	147,239	86,108	50,595	10,536	236,872
Tax authorities	37,604	37,604	0	0	39,029
Other contractual assets	5,391	5,391	0	0	0
Total other non-financial receivables	42,995	42,995	0	0	39,029
Total	286,894	187,883	88,150	10,861	365,137

The other contractual assets of EUR 5.4 million result 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, nine office properties and one property in the asset class Other were sold during Q1–3 2018. In addition, the sale of the Russian service company together with a subsidiary, which were part of the discontinued operation “retail portfolio Moscow”, closed on 8 February 2018 and 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 recognized to the carrying amount during the first three quarters of 2018.

The Romanian properties in the asset classes Other and Office, which were reclassified as held for sale in the first and second quarters of 2018, were sold during the second and third quarters of 2018. Additions to

the assets held for sale in the third quarter of 2018 included four properties in Poland and Romania which are assigned to the asset class Other and are expected to be sold through asset deals.

Management's plans remain intact to sell the other assets and liabilities classified as held for sale as of 31 December 2017 and to complete the sales not realised as of 30 September 2018.

The assets and liabilities held for sale as of 30 September 2018 can be summarised as follows:

All amounts in TEUR	Friesen-/ Gerling Quartier	Other	Carrying amount as of 30 9 2018	Carrying amount as of 31 12 2017
Investment property	0	49,460	49,460	132,623
Property under construction	3,791	0	3,791	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	0	0	50
Trade and other receivables	0	274	274	355
Cash and cash equivalents	0	3	3	1,378
Assets held for sale	10,041	49,737	59,778	265,148
Reclassifiable reserves	0	682	682	677
Trade and other payables	0	9	9	720
Provisions	920	42	962	1,941
Liabilities held for sale	920	51	971	2,661

The properties in the *Gerling Quartier* (second building section), 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 30 September 2018. The sale of the held-for-sale, unused office building on *Hohenzollernring* in Cologne closed shortly before 30 June 2018, and the closing for the properties in the first building section of the *Gerling Quarter* took place in the third quarter of 2018. The (foreign exchange-adjusted) revaluation of standing investments and real estate inventories totalled EUR 2.3 million in the first three quarters 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. Write-downs of EUR -4.4 million were recognised to these two real estate inventories during the first three quarters of 2018 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 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 25th annual general meeting of IMMOFINANZ AG on 11 May 2018 approved 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). The reverse stock split took effect when it was recorded in the company register on 23 June 2018. The 10 : 1 reverse stock split reduced the number of shares from the previous level of 1,120,852,699 to 112,085,269.

The 25th annual general meeting on 11 May 2018 also approved an increase of EUR 750 million in share capital from internal funds (conversion of appropriated capital reserves into share capital) and a subsequent reduction of EUR 1,758.8 million in share capital (as an addition to unappropriated capital reserves and to re-establish the proportional share of share capital at EUR 1 per share).

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. The maximum volume of 15 million shares was reached on 15 June 2018, and the share buyback programme was therefore terminated. The amount of the repurchase totalled EUR 31.6 million, and the weighted average cost per share equalled EUR 2.105. The related transaction costs of TEUR 19 were recorded under capital reserves. The 10 : 1 reverse stock split at the end of June reduced the 15 million treasury shares held by IMMOFINANZ to 1.5 million shares.

On 2 July 2018, the Executive Board and Supervisory Board of IMMOFINANZ AG approved the use of an authorisation by 25th annual general meeting on 11 May 2018 to carry out a share buyback programme (share buyback programme 2018/19) in accordance with § 65 (1) No. 8 of the Austrian Stock Corporation Act. The authorisation covers up to 10% of the company's share capital. The share buyback programme 2018/19 has a volume up to 9.7 IMMOFINANZ shares, which represent 8.66% of the current share capital. The share buyback started on 16 July 2018. A total of 1.6 million IMMOFINANZ shares were repurchased for EUR 35.2 million by 30 September 2018. The transaction costs amounted to TEUR 21 and were recognized within the capital reserve.

The 25th annual general meeting on 11 May 2018 approved a dividend of EUR 0.07 per share for the 2017 financial year, which represents EUR 0.70 after the reverse stock split. In this connection, a total of EUR 77.9 million was distributed on 17 May 2018.

Other comprehensive income of EUR -43.1 million (Q3 2017: EUR -13.9 million) is attributable to the shareholders of IMMOFINANZ and EUR -4.9 million (Q3 2017: EUR -2.7 million) to non-controlling interests.

4.7 LIABILITIES FROM CONVERTIBLE BONDS

As of 30 September 2018, IMMOFINANZ had convertible bonds with a total nominal value of EUR 297.2 million outstanding (31 December 2017: EUR 330.0 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	30 9 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	281,967	5,944	276,023	0	280,066
Total	281,967	5,944	276,023	0	313,217

Convertible bond 2011–2018

Bondholders converted a nominal value of EUR 15.5 million from the convertible bond 2011–2018 during the first quarter of 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 was recorded under other liabilities (see section 4.9), 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 accelerated 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 cash dividend of EUR 0.07 per share (see section 4.6), which was approved by the annual general meeting on 11 May 2018, led to the adjustment of the conversion price for the convertible bond 2017–2024 to EUR 2.22 per share. The conversion price was further adjusted on 23 June 2018 to reflect the reverse stock split (see section 4.6) and equalled EUR 22.2 per share as of 30 June 2018. 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 30 September 2018:

All amounts in TEUR	30 9 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	2,091,993	293,428	1,532,424	266,141	2,305,028
Thereof secured by collateral	2,091,709	293,144	1,532,424	266,141	2,304,691
Thereof not secured by collateral	284	284	0	0	337
Other financial liabilities	348	348	0	0	1,390
Total	2,092,341	293,776	1,532,424	266,141	2,306,418

4.9 TRADE AND OTHER PAYABLES

All amounts in TEUR	30 9 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	94,457	92,340	2,093	24	114,591
Derivative financial instruments (liabilities)	7,065	709	6,075	281	10,929
Property management	7,215	7,215	0	0	2,913
Amounts due to non-controlling interests	3,954	0	262	3,692	6,777
Amounts due to associated companies	83	83	0	0	319
Amounts due to joint ventures	334	6	21	307	386
Deposits and guarantees received	24,486	5,306	13,414	5,766	25,586
Prepayments received on property sales	1,910	1,842	68	0	24,691
Construction and refurbishment	398	378	20	0	4,552
Outstanding purchase prices (share deals)	49	2	47	0	373
Outstanding purchase prices (acquisition of properties)	0	0	0	0	2,846
Miscellaneous	6,800	5,738	1,057	5	9,969
Total other financial liabilities	52,294	21,279	20,964	10,051	89,341
Tax authorities	7,943	7,943	0	0	14,695
Rental and lease prepayments received	20,525	19,631	894	0	24,006
Miscellaneous	17	13	4	0	23
Total non-financial liabilities	28,485	27,587	898	0	38,724
Total	175,236	141,206	23,955	10,075	242,656

Due to the initial application of IFRS 15 as of 1 January 2018, the prepayments reported as of 30 September 2018 were EUR 15.4 million lower than they would have been without the application of this standard. The presentation of other contractual liabilities (TEUR 12) 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	Q1-3 2018	Q1-3 2017
Office	78,745	85,427
Retail	81,338	75,233
Other	15,584	13,399
Total	175,667	174,059

5.2 EXPENSES FROM INVESTMENT PROPERTY

All amounts in TEUR	Q1-3 2018	Q1-3 2017
Vacancies	-6,621	-8,941
Commission expenses	-1,354	-868
Maintenance	-16,346	-16,019
Operating costs charged to building owners	-8,789	-8,307
Property marketing	-3,653	-3,451
Personnel expenses from asset management	-3,826	-3,402
Other expenses from asset management	-3,345	-3,152
Rental and lease payments	-1,586	-2,074
Fit-out costs	-1,170	-8,197
Write-off of receivables from asset management	-116	-672
Other expenses	-1,100	-5,071
Total	-47,906	-60,154

5.3 PROCEEDS FROM THE SALE OF PROPERTIES

The proceeds from property sales through asset deals in the first three quarters of 2018 were generated primarily in Germany, Austria, Romania and Poland. Of these proceeds, EUR 134.8 million are attributable to office properties in Germany (Q1-Q3 2017: EUR 70.1 million), EUR 14.7 million (Q1-Q3 2017: EUR 28.1 million) to office properties in Austria and EUR 2.2 million (Q1-Q3 2017: EUR 27.3 million) to retail properties in Austria. Other sales during the first three quarters of 2018 included the following: in Romania, standing investments in the asset class Other for EUR 9.0 million (Q1-Q3 2017: EUR 0.9 million) and office properties for EUR 8.3 million (Q1-Q3 2017: EUR 0.0 million); and in Poland, a standing investment in the asset class Other for EUR 3.3 million and a retail property for EUR 1,6 million. Sale transactions in Austria during the first three quarters of 2017 also included properties in the asset class Other for proceeds totalling EUR 3.0 million.

5.4 RESULTS OF PROPERTY DEVELOPMENT

All amounts in TEUR	Q1-3 2018	Q1-3 2017
Proceeds from the sale of real estate inventories	7,566	28,111
Cost of real estate inventories sold	-7,596	-24,086
Marketing for real estate inventories	0	-2
Brokerage fees for real estate inventories	0	-283
Other costs to sell for real estate inventories	-73	-3,002
Write-down related reversals of real estate inventories	284	762
Write-down of real estate inventories	-6,710	-38,518
Impending losses from the forward sale of real estate inventories	589	-3,308
Operating costs charged to building owners-inventories	-267	642
Other expenses from real estate inventories	-530	0
Expenses from real estate inventories	-6,707	-43,709
Expenses from property development	-2,022	-2,281
Revaluation results from properties under construction (see 5.7)	32,507	15,819
Total	23,748	-26,146

Due to the initial application of IFRS 15 as of 1 January 2018, proceeds from the sale of real estate inventories were EUR 8.9 million lower as of 30 September 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 8.9 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	Q1-3 2018	Q1-3 2017
Expenses charged on	47	602
Insurance compensation	196	171
Income from derecognised liabilities	2,375	2,106
Reimbursement for penalties	166	77
Miscellaneous	1,522	4,034
Total	4,306	6,990

5.6 OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

All amounts in TEUR	Q1-3 2018	Q1-3 2017
Administrative expenses	-143	-560
Legal, auditing and consulting fees	-6,606	-9,310
Penalties	-2,197	-31
Levies	-3,606	-2,540
Advertising	-1,496	-1,560
Expenses charged on	-72	-226
Rental and lease expenses	-423	-432
EDP and communications	-2,731	-2,566
Expert opinions	-479	-556
Personnel expenses	-19,604	-17,981
Other write-downs	-534	-627
Miscellaneous	-3,127	-3,530
Total	-41,018	-39,919

The increase in personnel expenses resulted primarily from a one-time 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 taxes and 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			Q1-3 2018
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Revaluation Total
Investment property	27,358	-39,596	-12,238	9,794	2,969	12,763	525
Property under construction	36,822	-4,282	32,540	-26	-7	-33	32,507
Properties sold and held for sale	5,015	-8,914	-3,899	2,072	-51	2,021	-1,878
Total	69,195	-52,792	16,403	11,840	2,911	14,751	31,154

All amounts in TEUR	Revaluations adjusted for foreign exchange effects			Revaluations resulting from foreign exchange effects			Q1-3 2017
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total	Revaluation Total
Investment property	37,786	-36,367	1,419	-215	-1,307	-1,522	-103
Property under construction	27,109	-11,058	16,051	0	-232	-232	15,819
Properties sold and held for sale	10,262	-19,816	-9,554	4,995	120	5,115	-4,439
Total	75,157	-67,241	7,916	4,780	-1,419	3,361	11,277

5.8 FINANCIAL RESULTS

All amounts in TEUR	Q1-3 2018	Q1-3 2017
For financial liabilities FLAC	-44,315	-66,380
For derivative financial instruments	-7,021	-8,599
Total financing costs	-51,336	-74,979
For financial receivables AC	6,593	3,488
For derivative financial instruments	141	487
Total financing income	6,734	3,975
Foreign exchange differences	73	-5,359
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	54	-11,693
Valuation of financial instruments at fair value through profit or loss	2,597	2,575
Distributions	498	1,318
Write-off of receivables	1,142	-2,312
Other financial results	4,291	-10,112
Net profit or loss from equity-accounted investments (see 4.3)	72,566	175,093
Total	32,328	88,618

AC: financial assets measured at amortised cost

FLAC: financial liabilities measured at amortised cost

Profit or loss on the valuation of financial instruments at fair value through profit or loss consists, above all, of results from the measurement of derivative financial instruments. Of these measurement results EUR 0.7 million (Q1-3 2017: EUR -19.2 million) are attributable to the standalone derivative from the convertible bond 2011–2018 and EUR 1.5 million (Q1-3 2017: EUR 8.9 million) to other derivatives. In Q1-3 2017, the position profit or loss on other financial instruments and proceeds on the disposal of financial instruments included expenses of EUR -12.6 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	30 9 2018	30 9 2018	30 9 2018	31 12 2017	30 9 2018	31 12 2017
Trade accounts receivable	54,411	0	54,411	55,681	54,411	55,681
Financing receivables	54,017	0	54,017	46,205	54,017	46,205
Loans and other receivables	135,471	42,995	178,466	263,251	178,466	263,251
Trade and other receivables	243,899	42,995	286,894	365,137	286,894	365,137
Real estate fund shares	3,055	0	3,055	4,934	3,055	4,934
Derivatives	2,067	0	2,067	2,206	2,067	2,206
Miscellaneous other financial instruments	6,406	0	6,406	24,875	6,406	24,875
Other financial assets	11,528	0	11,528	32,015	11,528	32,015
Cash and cash equivalents	685,410	0	685,410	477,889	685,410	477,889
Total assets	940,837	42,995	983,832	875,041	983,832	875,041

Non-financial assets include other contractual assets of EUR 5.3 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 liabilities	Carrying amount of non-financial liabilities	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	30 9 2018	30 9 2018	30 9 2018	31 12 2017	30 9 2018	31 12 2017
Liabilities from convertible bonds	281,967	0	281,967	313,217	290,430	320,450
Amounts due to financial institutions	2,091,993	0	2,091,993	2,305,028	2,058,635	2,292,264
Other financial liabilities	348	0	348	1,390	348	1,390
Financial liabilities	2,092,341	0	2,092,341	2,306,418	2,058,983	2,293,654
Trade payables	94,457	0	94,457	114,591	94,457	114,591
Derivatives	7,065	0	7,065	10,929	7,065	10,929
Miscellaneous other liabilities	45,229	28,485	73,714	117,136	73,714	117,136
Trade and other payables	146,751	28,485	175,236	242,656	175,236	242,656
Total equity and liabilities	2,521,059	28,485	2,549,544	2,862,291	2,524,648	2,856,760

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:

All amounts in TEUR				30 9 2018
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Real estate fund shares	-	-	3,055	3,055
Derivatives	-	-	2,067	2,067
Miscellaneous other financial instruments	6,406	-	-	6,406
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	7,065	7,065

All amounts in TEUR				31 12 2017
	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:

All amounts in TEUR	Real estate fund shares	Derivatives	Total
	Q1-3 2018	Q1-3 2018	Q1-3 2018
Beginning balance	4,934	-8,723	-3,789
Recognised in the consolidated income statement	135	2,226	2,361
Disposals	-2,014	1,499	-515
Ending balance	3,055	-4,998	-1,943

The results of EUR 2.4 million which are shown in the above table and recognised in the consolidated income statement include EUR 0.6 million attributable to financial instruments that were held as of 30 September 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%
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%

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

The following 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
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

L&R: loans and receivables

AC: financial assets measured at amortised cost

AFS: available for sale

FVPL: financial assets mandatorily at fair value through profit or loss

Fair value option: financial assets designated at fair value through profit or loss

HFT: held for trading

FLAC: financial liabilities measured at amortised cost

FLPL: financial liabilities at fair value through profit or loss

7. Transactions with Related Parties

Business transactions with equity-accounted investments led to the following amounts in the consolidated interim financial statements of IMMOFINANZ in Q1-3 2018:

All amounts in TEUR	30 9 2018	31 12 2017
Relations with joint ventures		
Receivables	37,851	30,185
Thereof allowance for bad debt	-7,082	-10,838
Liabilities	333	386
Relations with associated companies		
Receivables	4,400	3,372
Thereof allowance for bad debt	-7,041	-6,621
Liabilities	84	320
All amounts in TEUR	Q1-3 2018	Q1-3 2017
Relations with joint ventures		
Other income	163	593
Interest income	4,012	1,588
Write-downs for bad debt	3,756	3,571
Thereof results that increase or reduce the net investment	2,236	528
Income taxes	-23	-250
Relations with associated companies		
Other income	541	627
Other expenses	-2,389	-3,402
Interest income	533	286
Write-downs for bad debt	-420	-970
Thereof results that increase or reduce the net investment	-420	-404
Income taxes	1	-23

There were no reportable transactions between IMMOFINANZ and related persons in Q1-Q3 2018.

8. Subsequent Events

On 14 November 2018 IMMOFINANZ announced the acquisition of eight retail parks in Slovenia, Serbia and Croatia for a total purchase price of EUR 90.5 million. These properties are fully rented and generate annual rental income of approximately EUR 7.2 million, which represents a gross return of 8.0%. The acquisition of these retail parks did not include any business operations in the sense of IFRS 3, and the transaction is therefore not classified as a business combination under IFRS 3. The closing for the purchase of most of the locations is expected by the end of 2018.

The real estate package in Slovenia includes three retail parks in Maribor, Krsko and Ptuj with approximately 22,000 sqm of rentable space. The two acquired retail parks in Croatia with roughly 13,500 sqm of rentable space in total are located in Osijek and Valpovo. The acquisitions in Serbia involve retail parks with approximately 32,500 sqm of rentable space in Subotica, Borca and Smederevo. All the acquired properties have an attractive tenant mix. The properties will be rebranded in line with the STOP SHOP concept after the transactions close.

The signing for the sale of a hotel property on the Wienerberg took place on 21 November 2018. The purchase price equalled EUR 29 million and reflected the book value of the property as of 30 September 2018. The transaction costs for the sale amounted to EUR 0.36 million. This sale was carried out as an asset deal and is expected to close by the end of the 2018 financial year.

Statement by the Executive Board

We confirm to the best of our knowledge that these consolidated interim financial statements of IMMOFINANZ as of 30 September 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 as required by Austrian stock exchange regulations. 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 nine 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 three months of the financial year and the transactions with related parties which are subject to disclosure.

Vienna, 27 November 2018

The Executive Board of IMMOFINANZ AG



Stefan Schönauer CFO



Oliver Schumy CEO



Dietmar Reindl COO

REPORT ON THE REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying condensed interim consolidated financial statements and the consolidated interim management report of IMMOFINANZ AG, Vienna, for the period from 1 January 2018 to 30 September 2018. These condensed interim consolidated financial statements comprise (i) the consolidated statement of financial position as of 30 September 2018, (ii) the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows, each for the period from 1 January 2018 to 30 September 2018 and the comparative information for the period from 1 January 2018 to September 30, 2017, and (iii) explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable to interim financial reporting as well as for the preparation of the consolidated interim management report.

Our responsibility is to express a conclusion on these interim consolidated financial statements and the consolidated interim management report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Austrian legal requirements and professional standards and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. For the review of the consolidated interim management report we applied these standards accordingly.

A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing, which require the application of the International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that (i) the accompanying condensed interim consolidated financial statements of IMMOFINANZ AG is not prepared, in all material respects, in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable to interim financial reporting or (ii) the consolidated interim management report is materially misstated or is materially inconsistent with the condensed interim financial statements.

Vienna, November 27th, 2018

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Friedrich Wiesmüller
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Mag. Nikolaus Schaffer
Wirtschaftsprüfer
(Austrian Chartered Accountant)

FINANCIAL CALENDAR 2019

10 April 2019	Announcement of results for 2018 (after the close of trading)
11 April 2019	Annual report 2018
12 May 2019	Record date for participation in the 26th annual general meeting
22 May 2019	26th annual general meeting
24 May 2019	Expected ex-dividend date
27 May 2019	Expected date for the determination of dividend rights (record date)
28 May 2019	Expected dividend payment date
28 May 2019	Announcement of results for the first quarter of 2019 (after the close of trading)
29 May 2019	Report on the first quarter of 2019
28 August 2019	Announcement of results for the first half of 2019 (after the close of trading)
29 August 2019	Report on the first half of 2019
27 November 2019	Announcement of results for the first three quarters of 2019 (after the close of trading)
28 November 2019	Report on the first three quarters of 2019

IMPRINT

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Photos

IMMOFINANZ, IMMOFINANZ APA-Fotoservice Pacewicz

Concept and Realisation

Mensalia Unternehmensberatung
Financial Report, pages 2–64: 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. 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.

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