ROOM FOR RESULTS

ANNUAL REPORT 2014

KEY FIGURES

in EURm	2014	2013	Change in %
Rental revenues	771.0	755.2	2.1%
Revenues	937.7	946.3	-0.9%
Operating profit	641.4	606.9	5.7%
EBT	547.8	463.1	18.3%
EBIT	667.4	595.6	12.1%
Profit for the period	419.1	358.6	16.9%
Employees	858	847	1.3%
Total assets in EURbn	11.7	11.3	3.5%
Net debt	3,789.5	3,853.3	-1.7%
Working capital	-1,216.4	-1,105.5	-10.0%
Equity ratio in %	51.5%	50.6%	1.8 PP
Return on sales (ROS) in %	68.4%	64.1%	6.7 PP
Return on investment (ROI) in %	5.8%	5.3%	9.4 PP
Cash flow from operations	425.3	321.4	32.3%
Cash flow from investing activities	-336.8	-408.0	-17.5%
Cash flow from financing activities	-69.5	-5.4	–
Change in cash and cash equivalents	19.0	-92.0	–

PORTFOLIO

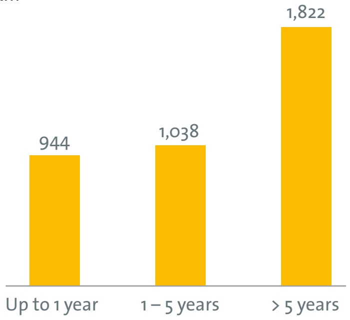
The BIG portfolio consists of 2,187 properties, around 6.8m² rentable space and is divided into the business segments Schools, Universities and Special Properties. Offices and Residential Property are assigned to ARE.

FINANCING PORTFOLIO

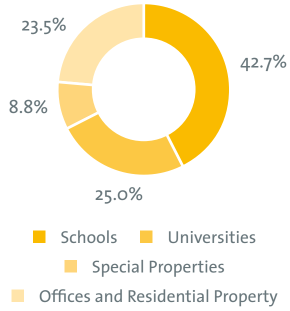
Around 54.9% of the BIG Group's liabilities consist of listed bonds. Bonds are issued on the basis of the EUR 4.0bn (European Medium Term Notes) program in the form of public bonds or private placements. At least 10% of debt is procured on the money market.

FINANCIAL LIABILITIES 2014

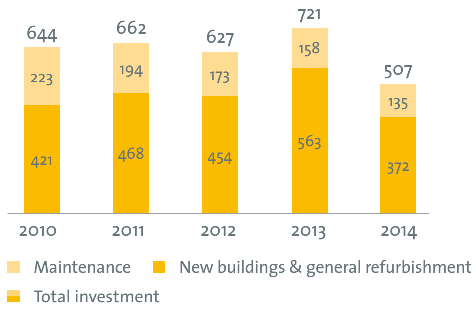
in EURm



RENTABLE SPACE
in %



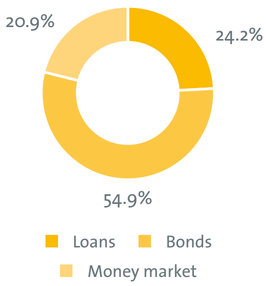
INVESTMENTS
in EURm



INVESTMENTS

In 2014 the BIG Group invested around EUR 372.0m in new buildings and general refurbishment. When maintenance costs of EUR 135.0m are included, this results in a total investment volume of around EUR 507.0m. BIG is therefore one of the largest contracting entities for Austrian building construction.

FINANCING PORTFOLIO
in %



ABOUT BIG

BIG is one of the largest property owners in Austria with a sharp focus on the space needed by the Republic of Austria and its various institutions. Thanks to its strong specialisation in the various asset classes, a flexible service range and a targeted focus on the specific customer groups, BIG intends to expand and consolidate its market position in the segments Schools, Universities and Special Properties. The service segments of Property Management and Facility Services complete the service range, allowing BIG to cover the entire property-related value chain.

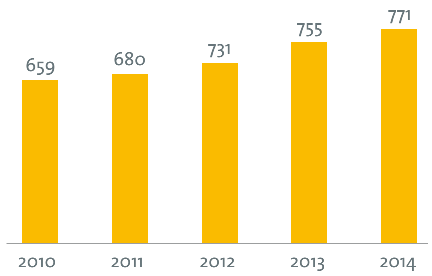
FINANCIAL LIABILITIES

The strategy of the BIG Group is to manage financial risks by applying a portfolio approach. As the property investments and rental agreements are of a long-term nature, the Company also strives to secure similar conditions for the majority of its financing.

RENTAL REVENUES

Rental revenues have risen steadily and amounted to around EUR 771.0m in 2014. The slight increase in rental revenue against the previous year (EUR 755.2m) was generated from completing projects and the subsequent new lets, as well as adjustments to rents and indexation.

RENTAL REVENUES
in EURm



BIG BUNDES IMMOBILIEN GESELLSCHAFT

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THE RIGHT RESPONSE TO INCREASING COMPETITION

DIRECTORS HANS-PETER WEISS AND WOLFGANG GLEISSNER TALK ABOUT THE 2014 FINANCIAL YEAR, MAJOR CHALLENGES AND NEW GOALS.

The BIG Group's business operations have traditionally been stable. What were the greatest challenges last year?

Hans-Peter Weiss: 2014 was another highly successful year for us. In the reporting period we managed to generate annual profits of around EUR 419m, whereby a large share – namely around EUR 293m – came from the revaluation of property. Our investments remain at a high level and we handled construction contracts worth around EUR 507m in total. It's now two years since the spin-off of ARE Austrian Real Estate and the business performance was highly satisfactory. The first purchases were undertaken in the reporting period, representing the initial steps to increase the percentage of residential property and thereby successfully implementing our strategy.

How much of a contribution has the new corporate structure made? Are you happy with the implementation of the new strategic direction so far?

Wolfgang Gleissner: We adopted a new structure in 2014 as part of our "BIG Changes" project and bundled our competencies into the three business segments Schools, Universities and Special Properties. This has allowed us to respond effectively to the increasing competition and severe price pressure in the industry. Every business segment operates independently in line with what the clients need. But the new segments still have one thing in common: the goal of supporting our clients throughout the entire life cycle of a property. We are thereby even more focused on our clients.


Hans-Peter Weiss
Wolfgang Gleissner

The list of large-scale construction projects runs to several pages. Which projects do you view as particular highlights?

Weiss: The work on what is currently our largest project, the Med Campus in Graz, is progressing on schedule. There will be a new university complex on around 2.7 hectares, which will welcome around 1,200 students from autumn 2017. In the university sector we have also completed the refurbishment of two faculties of the Leopold-Franzens University – a prime example of sustainable refurbishment. After a construction period of almost two years, the building dating back to 1969 has not only been made state-of-the-art, but will also serve as a role model for future construction projects in terms of energy efficiency. Other impressive projects included the completion of the new building of the Styrian state police headquarters, the Gainfarn grammar school and the Theater in the Palais of the University of Music and Performing Arts, Graz. Multiple residential construction projects were also initiated, such as the Rosenhöfe in Graz. For the Beatrixgasse project in Vienna we managed to sell almost all of the units long before completion.

... and in Vienna you celebrated the opening of a "Plus-Energy Building"...

Gleissner: Yes. This is also a showcase project for sustainable refurbishment. Plus-Energy means supplying more energy to the grid than is needed for usage and operations. The facade of the building of Vienna University of Technology (TU) at Getreidemarkt is a mini power station. Our goal is to realise trailblazing projects with different focal points in the development of forward-looking refurbishment. Here we want to gain additional experience with a variety of technologies and construction methods so that we can offer optimal buildings in the future. Low energy consumption and alternative energy supply are at the heart of our construction and refurbishment projects.

How exactly does the TU building work?

Gleissner: The real technological highlight is the photovoltaic system which is integrated into the facade. The outer shell has a total of 1,150 modules which transform sunlight into electrical energy, which then powers the building. In addition we introduced an array of measures to significantly reduce consumption, such as automatic control of the building services.

How important in general is the issue of sustainability in the Company?

Weiss: Sustainability is one of the BIG Group's priorities – you can also read about our activities in the 2014 Sustainability Report. We have had a Group-wide sustainability management system in place for two years; this bundles all activities and facilitates the targeted, systematic realisation of our strategy. We rely on three pillars – Profitability, Functionality and Architectural Quality – and these are an important part of our corporate strategy. But we see this as an extremely multifaceted issue. In addition to the classic construction business, we address issues such as treating employees fairly, commitment to society and internal environmental management across every area of the Group. It is crucial to us that high standards are maintained and developed.

"Our new structure allows us to respond effectively to the increasing competition and severe price pressure."

Wolfgang Gleissner

Weren't asylum seekers accommodated at short notice in BIG buildings at the end of the year?

Weiss: The federal government asked whether we could provide accommodation quickly. It goes without saying that we offered fast and unbureaucratic support here. In the shortest possible period we evaluated the properties, made them available and carried out any necessary adaptations.

Your proactive commitment in this area is reflected in numerous awards ...

> ***"Despite often working with tight budgets, sustainability and energy efficiency are attracting increased interest."***
>
> Hans-Peter Weiss

Gleissner: These awards mainly consist of recognition for our buildings such as developer prizes and certification. We recently received a European award for our energy-saving contracting project, "BIG Pool 4 – Reduction of Energy Costs, Cutting High Maintenance Efforts", namely the European Energy Service Award. We are delighted by this, as we have been working for 15 years on improving the energy efficiency of federal buildings.

What was the concrete goal of the project?

Gleissner: The project involved an energy-saving contracting model by BIG and the Federal Ministry of Education and Women's Affairs. Over a ten-year period from the beginning of 2004 to the end of 2013, we examined 38 school buildings in Lower Austria and applied targets to reduce their energy consumption. This led to total savings of around 30,000 tonnes of CO_2 and around seven million euros. Another key component of the project was getting pupils and teachers involved and promoting careful use of energy. A conscientious approach to lighting and correct ventilation played an important role in cutting energy and therefore also costs.

On these issues BIG relies on its good relationships with tenants. In general, how eager are public companies or institutions to promote the issue of sustainability?

Weiss: The project "BIG Pool 4" is a good example of the basic interest public companies have in this issue. Despite often working with tight budgets, sustainability and energy efficiency are attracting increased interest. Because of this, we have been able to realise impressive, trailblazing projects in recent years, such as the Campus WU Wien or the Korneuburg Justice Centre. In general, however, our business partners care about the profitability of every project. Our task is to give our tenants the support and advice they need in relation to sustainability aspects.

To what extent will BIG be affected by the Energy Efficiency Act (Energieeffizienzgesetz) which should come into force in 2015?

Gleissner: The Energy Efficiency Act will oblige the BIG Group and its federal tenants to prove total savings of 125 gigawatt hours by the year 2020. For this we are not only evaluating measures with our customers, but also building up a comprehensive monitoring system.

How do you plan to meet these targets?

Gleissner: Approaches include energy improvements in the course of construction projects, expanding energy-saving contracting, innovation, and the use of alternative energy such as photovoltaics or geothermal energy.

WOLFGANG GLEISSNER

After completing his degree in civil and structural engineering at the Vienna University of Technology (TU), Wolfgang Gleissner (56) began his career in 1986 at the TU before moving to the Ministry of Economics. In 2003 he became Managing Director of Immobilienmanagementgesellschaft des Bundes (IMB), which was a BIG subsidiary at the time. He joined the Management Board of Bundesimmobiliengesellschaft in 2006. He is responsible for the departments legal, human resources, infrastructure, architecture and construction contracts, the segments Schools and Special Properties, commercial and technical property management, CAD/data management and facility services.
The Directors have joint responsibility for organisation, quality assurance, annual budgeting/multi-year planning, auditing.

Your task is "the best possible management of the properties owned by the federal government". In summer you were confronted with a request from your largest tenant – the Ministry of Education – to waive almost EUR 100m in rent. How can this be incorporated into the profitability aspect?

Gleissner: There is no economic disadvantage for BIG. That was our fundamental prerequisite for the negotiations. The sustainable and stable basis of trust which we enjoy both with our largest tenant and with our owner facilitated this solution.

What interest will be charged for this?

Gleissner: Our agreement specifies that the rents due in the fourth quarter 2014 have been extended to March 2016. In return, the rents for the second to fourth quarter 2016 will be due as early as March 2016, thereby making the transaction neutral in economic terms. By applying this system no interest will be charged.

The federal government has resolved to give a capital injection to the universities, which will be financed in full by BIG. What do you think of the university package as announced?

Weiss: The positive performance of the Group has allowed the federal government to approve a special building construction programme for universities valued at EUR 200m. This will enable the start of construction projects which are urgently needed.

ARE was founded two years ago. How do you view the spin-off two years on?

Weiss: We see the spin-off of the ARE portfolio as a huge success. As it stands today, ARE is a key Austrian property company with 610 properties and a total portfolio worth EUR 2.3bn. Rental revenues have risen slightly and FFO (Funds from Operations) are also going up. As in the past, the percentage of public institutions as tenants is high, but we are working to achieve diversification. The first purchases were concluded in 2014 and we are continuing to focus more closely on the residential sector.

How strongly should the residential issue be pushed at ARE?

Weiss: In the coming years we plan to invest up to EUR 2bn in residential construction projects. Part of this will also be retained in the portfolio. This will naturally also lead to a change in the ratios. Then we won't be so dependent on the development of the office market and the composition of our tenants will be significantly diversified.

Thank you for the interview!

HANS-PETER WEISS

After completing his degree in forestry and timber production, Hans-Peter Weiss (43) started his career in 1998 with the Austrian Federal Forests. He held various management positions at Esterhazy Betriebe GmbH from 2000 to 2011. He joined the Management Board of Bundesimmobiliengesellschaft in 2011. Weiss is responsible for Group controlling, accounting, treasury, marketing and corporate strategy, communication, IT, Real Estate Investment Management (RIM) and the business segment Universities.
The Directors have joint responsibility for organisation, quality assurance, annual budgeting/multi-year planning, auditing.

500,000 PEOPLE USE OUR BUILDINGS EVERY DAY.

PART 1

BIG PICTURES

MONTANUNI LEOBEN BIG

Refurbished in 2009, the Erzherzog-Johann wing hosts an Audimax, two lecture theatres, two seminar rooms and a canteen, spread across two storeys. The facade was also upgraded based on plans by architects Gangoly & Kristiner.

The grammar school in Bad Vöslau was expanded and refurbished over a two-year period. In line with the plans by franz zt gmbh, four buildings are now grouped around a central hub, forming a modern school campus.

BG GAINFARN BIG

The new campus of the Vienna University of Economics and Business lies between the Congress Centre and the Prater Park with six building complexes to the master plan of BUSarchitektur. Teaching and research has been underway since autumn 2013 in state-of-the-art facilities, offering around 100,000m2 usable space.

CAMPUS WU

BIG

MONTECUCCOLI-KASERNE

BIG

In Güssing, Burgenland, BIG has built a new barracks for Jäger regiments and the headquarter company. Six sections with total space of around 28,800m^2 offer room for 750 people at full capacity. Architecture: Consortium Podsedensek – Rath – Spirk + Partner

Two underground sports halls and an extension were built in the inner courtyard in a two-year construction period from September 2012 to August 2014, along with general refurbishment; B&M Architektur was responsible for the plans.

BRG SCHUHMEIERPLATZ BIG

BIG'S CORE BUSINESS IS LETTING AND MANAGING PROPERTIES OVER THEIR ENTIRE LIFE CYCLE AND PROVIDING RELATED SERVICES. ACROSS THE GROUP THE FOCUS IS ON THE SPACE NEEDED BY THE REPUBLIC OF AUSTRIA AND ITS INSTITUTIONS. THE GROUP'S SERVICE RANGE COVERS EVERYTHING FROM THE INITIAL IDEA AND PROJECT CONCEPT TO PLANNING AND CONSTRUCTION THROUGH TO MANAGING, SUPPORTING AND LETTING OR SELLING REAL ESTATE.

ABOUT BIG

With around 2,200 properties, Bundesimmobiliengesellschaft (BIG) is one of the largest property owners in Austria. The Group's portfolio consists of around 6.8 million m² rentable space with a fair value of around EUR 10.7bn and is divided into the business segments Schools, Universities, Special Properties and Offices and Residential Property.

POWERFUL – FORWARD-THINKING

In recent years the BIG Group has undergone a realignment process in order to address the challenging market environment. Offices and residential property were spun off into a newly founded subsidiary, ARE Austrian Real Estate GmbH in 2013, with a retrospective effective date of 2012. While BIG continues to focus on its core market "public infrastructure", the range offered by ARE should also cater to non-public tenants.

BIG CHANGES – EVEN CLOSER TO CUSTOMERS

In the course of "BIG Changes", BIG has also conducted an internal restructuring process. The key component of this is a process-oriented structure which bundles the various specialist expertise in the three business segments. Customers and their properties are supported throughout the entire life cycle – from consulting on construction management through to commercial and technical management. By reducing the interfaces it has been possible to improve flexibility and reaction times.

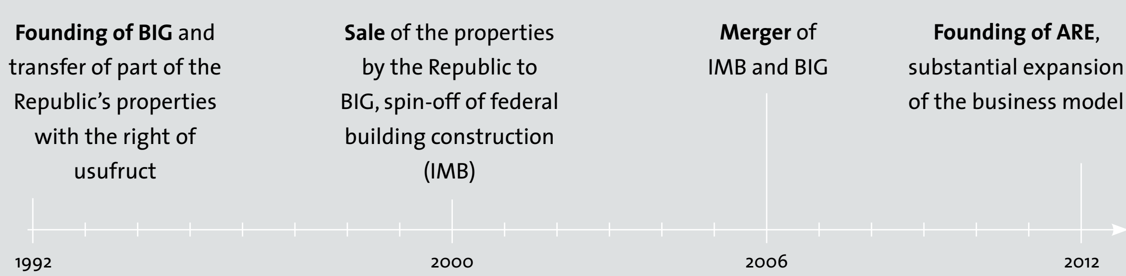
The Group is consolidating its market position in each of the business segments through its associated specialisation in the respective asset classes, a more flexible service range and a targeted focus on the specific client groups. The service segments of Property Management and Facility Services complete the service range, allowing BIG to cover the entire property-related value chain.

LIVING VALUES – ADDING VALUE

An intensive customer focus and client benefit approach continue to form the basis for the corporate strategy. The goal for the coming years is to achieve continuous growth and a sustainable increase in the value of the portfolio. The Group's target is to act as a role model for sustainability in the property sector in the following years. Furthermore, the Group embraces a cross-generational way of thinking and acting.

BIG HISTORY

With the Federal Real Estate Act of 29 December 2000, BIG acquired its properties from the Republic of Austria for EUR 2.4bn. The purchase was financed by issuing bonds. As a state-owned company, BIG itself acts as the owner and does not have a state guarantee. The subsidiary ARE Austrian Real Estate GmbH was founded in 2012 and 600 properties were transferred in the course of the spin-off.



BOARDS AND OFFICERS OF THE COMPANY

MANAGEMENT BOARD

<table>
<tr><th></th><th colspan="2">Responsibilities</th><th>Term of office</th></tr>
<tr><td>Hans-Peter Weiss
(1.4.1971)</td><td>Group controlling, accounting, treasury, marketing and corporate strategy, communication, IT, Real Estate Investment Management and business segment Universities</td><td rowspan="2">Organisation and quality assurance, annual budgeting/ multi-year planning, auditing</td><td>until 31.5.2016</td></tr>
<tr><td>Wolfgang Gleissner
(23.11.1958)</td><td>Legal, human resources, infrastructure, architecture and construction contracts, the segments Schools and Special Properties, commercial and technical property management, CAD/data management and facility services.</td><td>until 31.5.2016</td></tr>
</table>

SUPERVISORY BOARD POSITIONS HELD BY THE DIRECTORS

HANS-PETER WEISS

- SIVBEG – Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H. (Group equity holding) – Deputy Chairman
- Wien 3420 Aspern Development AG (Group equity holding) – Deputy Chairman
- Wirtschaftsservice Burgenland Aktiengesellschaft – WiBAG – Deputy Chairman
- Forschung Burgenland GmbH – Member
- Burgenländische Landesholding GmbH – Member

WOLFGANG GLEISSNER

- Wien 3420 Aspern Development AG (Group equity holding) – Member

SUPERVISORY BOARD

	First appointed	Term of office
Christine Marek, Chair	16.12.2013	until the shareholder resolution which rules on the financial year 2015
Wolfgang Polzhuber, BMWFW	28.8.2002	until the shareholder resolution which rules on the financial year 2015
Horst Pöchhacker	6.6.2007	until 13.8.2014 (†)
Herbert Kasser, BMVIT	27.6.2001	until 6.3.2014
Cordula Frieser	10.4.2014	until the shareholder resolution which rules on the financial year 2015
Manfred Fausik, Works Council	20.3.2007	until 8.1.2015
Thomas Rasch, Works Council	27.6.2001	until the end of the appointment by the Works Council
Daniela Böckl, Works Council	8.1.2015	until the end of the appointment by the Works Council

SUPERVISORY BOARD COMMITTEES AND THEIR MEMBERS

AUDIT COMMITTEE

Christine Marek
Wolfgang Polzhuber
Cordula Frieser (previously Herbert Kasser)
Thomas Rasch

REMUNERATION COMMITTEE

Christine Marek
Wolfgang Polzhuber
Cordula Frieser (previously Herbert Kasser)
Horst Pöchhacker, until 13.8.2014 (†)

BIG ADDS VALUE – SUSTAINABILITY ACTIVITIES IN 2014

As the owner of numerous public buildings such as schools, universities and offices, the BIG Group has a special responsibility to society. In order to live up to this responsibility, BIG has implemented a Group-wide sustainability management system which bundles all activities and facilitates the targeted, systematic realisation of its strategy with regard to economic, environmental and social considerations. Activities related to new building and refurbishment are based on the pillars of Profitability, Functionality and Architectural Quality.

BIG has published two Sustainability Reports which summarize the Group's dedication to this field.
http://www.big.at/ueber-uns/nachhaltigkeit/

SOCIAL COMMITMENT

BIG ART – SPONSORING THE ARTS

The comprehensive activities to support the arts as part of BIG ART reflect the social commitment of the BIG Group. Numerous art projects were realised in 2014 which bring together architecture and sustainability. Two of these projects were at the Wiener Neustadt federal grammar school: "I'M WE, WE'RE ME" by Almut Rink and "Cloud" by Manfred Wakolbinger.

RESPONSIBILITY TO SOCIETY

In the reporting period the BIG Group supported the project "Sponsoring children and families in Moldavia" and the VinziPort emergency shelter in ARE building in Vienna. Moreover, given the dramatic refugee situation, BIG evaluated, adapted and provided properties for asylum seekers within the shortest possible time period. This involved the former faculty building of Vienna University of Economics and Business and a building which had been used for customs training purposes.

ECONOMY AND CUSTOMERS

BIG INVESTMENTS

Around EUR 507m was invested in new buildings, general refurbishment and maintenance in 2014. Scientific studies highlight the importance of this investment for the Austrian economy. Almost every construction project is realised by local small and medium enterprises, thereby securing jobs and enhancing the local construction industry.

ENVIRONMENT AND ENERGY

ADHERING TO THE ENERGY EFFICIENCY ACT

BIG will introduce an energy management system in order to meet the requirements of Art. 9 (2) of the Federal Energy Efficiency Act passed in 2014. This is part of the Group's environmental management system. Internal or external auditors will conduct regular audits and present the documentation to the energy efficiency monitoring unit. Moreover, the Republic together with BIG is obliged in accordance with Art. 16 (2) Energy Efficiency Act to implement energy efficiency measures of 125 GWh on areas of buildings which are heated or cooled and which are owned by BIG and used by a federal body by 31 December 2020. In addition, construction measures on building shells and building services will be realised or are already being planned, along with energy-saving contracting.

ENVIRONMENTAL MANAGEMENT SYSTEM

The BIG Group operates proactive environmental management at every one of its nine sites. This involves recording environmental data such as energy consumption, waste and procurement, analysing it and implementing measures. Ongoing, timely adjustments and improvements are adopted in the course of this process. For example, only recycled paper is purchased and only energy-efficient LED lighting is used. This commitment led the city of Vienna to award the EcoBusinessPlan to BIG once again in 2014. Conscientious procurement is not the only important issue; a careful approach to resources is also a priority.

PERSONNEL

GUIDELINES FOR CORPORATE ACTIVITIES

Five guidelines for corporate activities were developed internally as part of the "conceptual approaches" and adopted into the Group Charter. This allows BIG to raise awareness about all of the forward-looking values which are essential for the Company's success. Various measures such as health panels or the apprentice project "Old and young pulling together" were also developed in the reporting period along with cross-generational management.

SUSTAINABLE BUILDINGS

BIG BUILDING CERTIFICATION

- "BlueCard" certificate ÖGNI and international BREEAM certificate for the BIG headquarters in Vienna
- 2014 Climate Initiative State Prize for Architecture and Climate Initiative Gold for the Korneuburg Justice Centre
- PHI "passive house" certificate for the Korneuburg regional court
- Climate Initiative Gold and Total Quality Building Gold for the Plus-Energy office building of TU Getreidemarkt Vienna

AWARDS

- 2014 State Prize for Architecture for Campus WU, Vienna (own architect)
- 2014 State Prize for Architecture and Sustainability for Campus WU, Vienna (architect)
- 2014 State Prize for Architecture and Sustainability for the Korneuburg justice centre (architect)
- Exemplary Construction NÖ 2014 for B(R)G Zehnergasse, Wiener Neustadt (architect)

HOLISITIC BUILDING PROGRAM – FOR SUSTAINABLE CONSTRUCTION

The BIG Group introduced a special programme for sustainable construction in 2014, the "Holistic Building Program". It is based on a holistic approach to a property – from planning to construction and operations through to demolition. Standard measures are defined and all of the Group's new building or refurbishment projects are realised on this basis. BIG proposes comprehensive measures to clients within their predefined budgets in the course of additional quality packages.

EUROPEAN ENERGY SERVICE AWARD

The energy-saving contracting project "BIG Pool 4" was awarded the European Energy Service Award (EESA). From 2004 to 2013, 38 school buildings in Lower Austria were examined together with the Ministry of Education and Women's Affairs and targets were applied to reduce their energy consumption. This led to total savings of around 30,000 tonnes of CO_2 and EUR 7m.

PROJECTS 2015

PROMOTING AND IMPLEMENTING THE SUSTAINABILITY ROADMAP

Roundtables to improve stakeholder dialogue: Range of events to develop initiatives and measures as well as the exchange of views between key experts and decisionmakers

Staff survey on BIG and sustainability: Raising awareness among staff and incorporating the findings of the sustainability programme and corporate activities

Improving internal communication on sustainability: Strengthening staff awareness and incorporating this into initiative design

Further development of the **Holistic Building Programs,** initiating measures under the **Energy Efficiency Act**

OUR INVESTMENTS SECURE 10,000 JOBS LONG TERM.

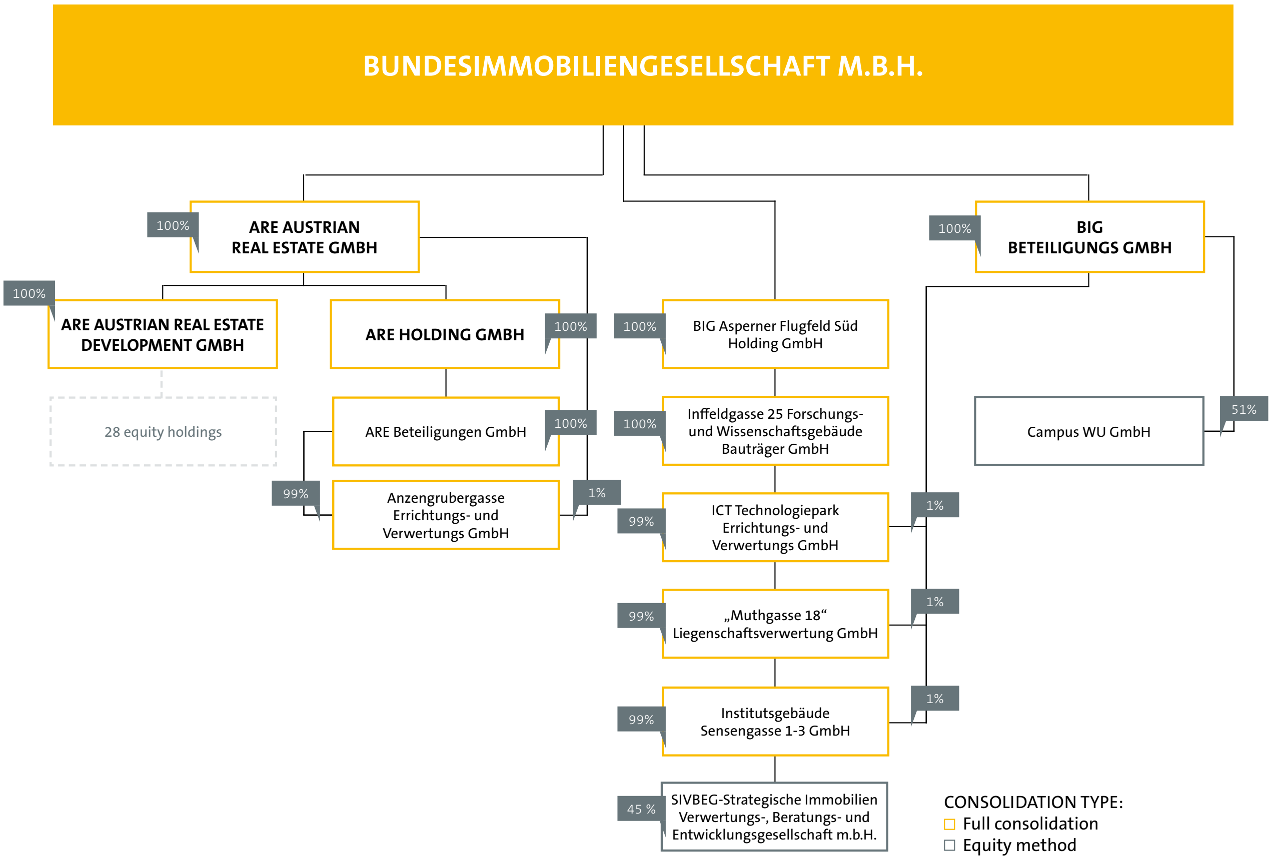
PART 2

MANAGEMENT REPORT


AVE
MED CAMPUS GRAZ
BIG

GROUP STRUCTURE

Bundesimmobiliengesellschaft m.b.H. (BIG) is a group which primarily specialises in building and letting properties and has more than 40 companies. With the exception of the Austrian Cultural Forum in New York and the Austrian Embassy in Bern, the portfolio consists solely of properties spread throughout the whole of Austria. The BIG property holdings are divided into the business segments Schools, Universities and Special Properties. The Offices and Residential Property segments are managed by the subsidiary ARE Austrian Real Estate GmbH (ARE). Employees at the sites in the federal provinces provide optimal building management and local customer service. Business fields such as property management and facility services allow BIG to provide services which cover the entire property-related value chain. For details on the Group structure and the consolidated group see note 7 in the notes to the consolidated financial statements.

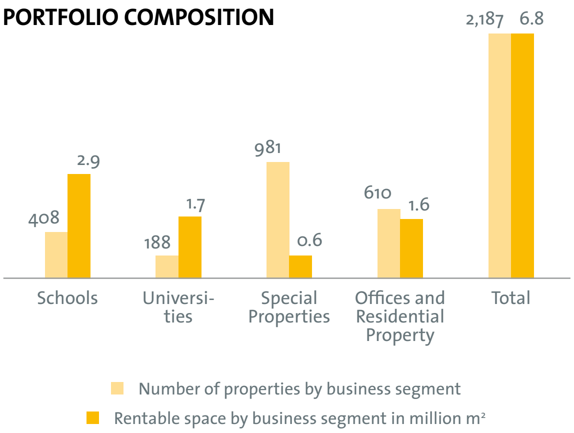


GOALS AND STRATEGY

The Group sees its core market primarily as state infrastructure and focuses its activities on schools, universities and special-purpose properties in socially relevant spheres, as well as offices and residential property. The primary goal of the BIG Group is to consolidate and expand its market position in these business areas. Overall the Group is operating in a challenging market environment, which is characterised by a more restrictive federal budget policy, fierce competition among private companies for public-sector clients and a general rise in tenant requirements.

In order to address these challenges, the strategic focus and processes and structures are subject to ongoing monitoring – as part of the integrated strategy and planning process (ISPP) – and adapted wherever necessary. To this end the organisational structure was newly aligned in terms of the property and customer groups in the reporting period. The expertise of the former asset management and construction management departments was bundled into three newly founded business segments – Schools, Universities and Special Properties. The goal of this realignment was to reduce internal interfaces and define individual contact partners (one-organisation-to-the-customer), thereby improving flexibility and response times to customer requests. In addition to an intensive customer focus, continuous growth and a sustainable increase in the value of the portfolio are at the heart of the corporate strategy.

PORTFOLIO COMPOSITION



PORTFOLIO

The BIG Group's portfolio consists of 2,187 properties[1] with around 6.8 million m² of rentable space and a fair value of around EUR 10.7bn at 31 December 2014. The portfolio breaks down as follows:

Rentable space by federal province and foreign (rounded)	
Burgenland	160,000m²
Carinthia	340,000m²
Lower Austria	810,000m²
Upper Austria	760,000m²
Salzburg	410,000m²
Styria	1,080,000m²
Tyrol	550,000m²
Vorarlberg	170,000m²
Vienna	2,560,000m²
Foreign	3,000m²
Total	**6,840,000m²**

The only properties outside Austria are the Austrian Cultural Forum in New York, USA and the Austrian Embassy in Bern, Switzerland.

ECONOMIC BACKDROP

According to the Austrian Institute of Economic Research (WIFO), economic growth in Austria was a mere 0.3% in 2014. The key factors were relatively weak consumer spending along with a reticence by companies to invest. As a consequence, the job market also came under pressure. There was also a lack of strong growth drivers in Austria from the European markets in the year under review. Until spring the German economy performed surprisingly well, although this was then followed by an abrupt slump – triggered by the Ukraine crisis. The "Putin Shock" had a severe impact on large swathes of core Europe, especially Austria and Finland. As a result, economic growth in the eurozone rose by just 0.8%. As a small, open economy, Austria was particularly hard hit by the consequent fall in demand for goods and services from abroad – the eurozone continues to account for around half of Austrian exports.

In order to counteract this decline and stimulate the eurozone economy, in autumn 2014 the European Central Bank (ECB) slashed the prime rate to a record low of 0.05% and the discount rate to -0.20%. Furthermore, the ECB launched a comprehensive bond-buying programme. As a complement to these geopolitical measures, the European – and thereby also the Austrian – economy should benefit from a new EU investment initiative. President of the Commission Jean-Claude Juncker has announced concrete plans for a multi-billion investment fund (EFSI) for infrastructure projects and research initiatives as well as for supporting innovative companies. Following on from years of cost-cutting policies in order to overcome the economic and debt crisis in Europe, there is now set to be a stronger focus on stimulating entrepreneurial activity. The Austrian government is also trying to drive growth on the domestic economy with various stimulation measures.

[1] Calculations based on register numbers, change in the presentation from last year (based on properties)

One example here is the special construction programme for universities which will be managed by BIG. However, on the whole the public sector has limited room for manoeuvre. One reason for this is the revaluation of debt levels in accordance with the categories of the European System of Accounts (ESA 2010). This led to an increase in the Republic's debt in the reporting period, in which the liabilities of BIG are also included, to over 80% of Austria's gross domestic product (GDP). Despite a ruling by the federal government to increase the universities budget by an additional EUR 615m in the upcoming performance period, the financial situation of most ministries is tight. This has been reflected in the agreement between BIG and the Federal Ministry of Education and Women's Affairs to push back part of the rent for school buildings in 2014. Austria caused irritation on the capital market with the Hypo Alpe Adria legislation. Investors have criticised the option it creates to change the terms of the bonds originally guaranteed by the Republic under subsequently amended legislation.

The corporate success of the BIG Group is closely tied to the budget situation of the public sector. Here the performance of the economy as a whole is of critical importance, as the BIG Group lets the majority of its properties to institutions of the Republic of Austria. The real estate market has a significant impact on business performance to the extent that the partial portfolio managed by the ARE subsidiary means that the BIG Group is in direct competition with many private companies. In 2014 the real estate sector was among the industries which profited significantly from the low interest rates in the eurozone. Above-average growth – compared to the performance of the European market as a whole – was observed in Austria: according to various market reports, the investment volume on the domestic real estate market reached a record high of EUR 3.0bn in 2014. A noteworthy factor was the increased share of transactions with foreign involvement, thereby underlining the traditionally solid reputation of the Austrian market as a safe haven for investors. In contrast, new lets on the Vienna office market did not perform as well as property investments and overall letting levels in the reporting period are likely to be significantly lower than in the previous year. However, it seems that the trough has passed and an upward trend in new lets is expected in the coming years. The residential property sector enjoyed strong demand once again in 2014 in terms of both rents and sales. Vienna, for example, has seen annual price hikes of over 9% in the past five years, even though Österreichischer Nationalbank (OeNB) has recently observed a marked levelling out on the residential property market. Overall, consumer prices rose by an average of just 1.6% in 2014.

BUSINESS DEVELOPMENTS AND FINANCIAL PERFORMANCE

BUSINESS SEGMENTS

In accordance with the organisational composition of the BIG Group, it is divided into business segments which manage the portfolio; the segments are Schools, Universities, Special Properties as well as Offices and Residential Property. The latter are legally owned by ARE. The ARE subsidiary ARE Austrian Real Estate Development GmbH (ARE Development) is in turn the parent of numerous project companies, whose goal is developing real estate. Other Group business areas are property management and facility services.

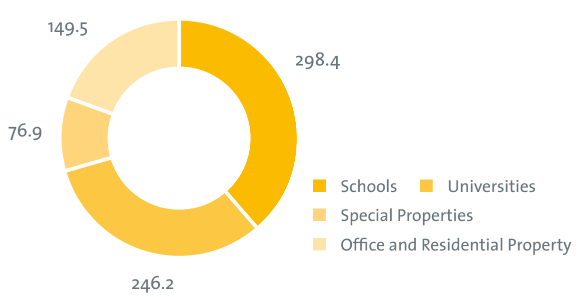
The business segments are responsible for the comprehensive assumption of owner responsibility for the properties allocated to them. This involves developing and consistently optimising the strategies for the property, acquiring new agreements, optimising earnings and fulfilling existing contracts as well as implementing construction measures for new buildings and general refurbishments.

A top priority for the BIG Group is providing advice, assistance and support to clients throughout the entire lifecycle of a property. Services for this range from the conception of a project through to planning and construction management to commercial management, sales and letting.

BIG's property management services are part of the core business of providing commercial and technical management for the buildings held by BIG and ARE, as well as some services for tenants, users or third parties. A centralised management team and 16 property management teams throughout Austria with over 330 employees provide these services.

With over 130 employees, facility services provides a broad service range offering everything from full-service provision through to individual solutions for managing the building's operations. It also offers monitoring, maintenance, repair and restoration works related to facility services.

RENTAL REVENUES
in EURm



LETTING PROPERTIES

98.4% of the rentable property held by the BIG Group is let. Rental revenues for the year 2014 totalled around EUR 771.0m (previous year: EUR 755.2m). This growth was generated by completed projects, new lets and adjustments to rents (EUR +20.9m) as well as indexation (EUR +13.6m). These contrasted with reductions in rents caused by adjustments to space, terminations and property sales (EUR -19.3m).

Rental revenues

in EURm	2014	2013
Schools	298.4	297.7
Universities	246.2	241.0
Special Properties	76.9	68.6
Offices and Residential Property	149.5	148.0
Total	**771.0**	**755.2**

The BIG Group's largest tenants:

By contractual let space (rounded)

Federal Ministry of Education and Women's Affairs	2,870,000m²
Federal Ministry of the Interior	720,000m²
Federal Ministry of Justice	530,000m²
Federal Ministry of Finance	260,000m²
Vienna University of Technology	230,000m²
Leopold Franzens University – Innsbruck	210,000m²
University of Vienna	190,000m²
Graz University of Technology	170,000m²
University of Graz	140,000m²
University of Veterinary Medicine, Vienna	120,000m²

OPERATING COSTS

The operating costs that were passed on to the tenants (excluding building management costs and facility services provided by the Group) totalled approximately EUR 75.4m (previous year: 75.6m) in 2014. These are included in revenues and are a transitory item.

BUILDING MANAGEMENT

Revenue from building management services amounted to roughly EUR 24.3m in 2014 (previous year: EUR 23.2m), including EUR 0.3m (previous year: EUR 0.3m) from the management of properties not included in the Group portfolio.

OTHER REVENUES

The other revenues not related to the passing on of operating costs and building management costs came to EUR 24.8m in the financial year 2014 (previous year: EUR 36.2m) and consist largely of revenues from property disposals, facility services, and construction management services.

PURCHASES AND SALES, MAINTENANCE AND TENANT INVESTMENTS

PURCHASES AND SALES

The Group took on a non-controlling interest in the form of a share deal in a property in Vienna's ninth district (Sensengasse) used for university purposes and acquired part of the former Biedermann-Huth-Raschke Barracks in Vienna, Penzing. The AHS (grammar/high school) Wien West should be built on this plot. Furthermore, ARE concluded purchase agreements for a major residential development in Vienna, an assisted-living facility south of the capital and an apartment building in Vorarlberg. Two properties were purchased in Innsbruck for the "Security Centre Tyrol" project. This construction project should allow more police stations to be brought together at a single site.

50 properties and a number of allotment plots were sold in the reporting period, generating sales proceeds of around EUR 22.1m. Remedial payments arising from these sales totalled EUR 14.3m (previous year: EUR 26.5m).

Multiple sales in line with the Group's strategic focus on universities and schools are planned for 2015. There will be a particular focus on purchasing residential projects in ARE.

MAINTENANCE

The general goal of providing technical assistance to buildings is to maintain the portfolio, thereby securing tenant satisfaction. Properties which are awaiting complete refurbishment or where a tenant has given notice are only subject to measures which are urgently needed.

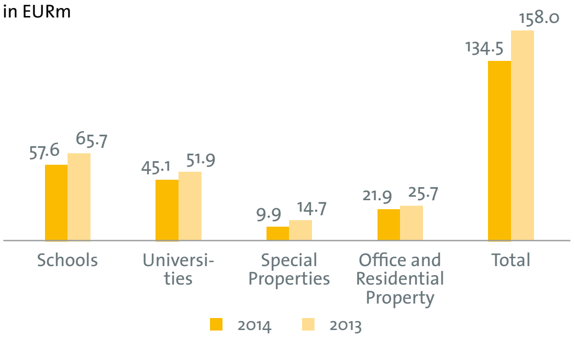
A special long-term priority involves individual properties and their further structural development. In 2014 the focus of the measures was primarily on building safety such as fire safety, and on energy efficiency. Sustainability plays an important role in realising these measures and BIG will continue to pursue this strategy in 2015.

Another important maintenance aspect in recent years has been providing disabled access. Around 80% of the buildings' space now fulfils the Group's criteria, which involves the entrance of buildings as well as access to the first floor.

In 2014 the BIG Group invested a total of EUR 134.5m (previous year: EUR 158.0m) in maintaining its buildings, with around 27,500 contracts awarded for this purpose. The following table shows the maintenance investment by business segment:

MAINTENANCE EXPENSE

in EURm



Major maintenance measures in 2014:

- **Vienna University of Technology**
  Gußhausstraße 25-29, 1040 Vienna
  Investment: EUR 3.8m
  Measures: thermal refurbishment, emergency exit lighting
- **University of Vienna**
  Währinger Straße 38-42, 1090 Vienna
  Investment: EUR 3.6m
  Measures: replacing electrical systems, window and facade refurbishment
- **University of Vienna**
  Universitätsring 1, 1010 Vienna
  Investment: EUR 3,3m
  Measures: fire safety measures, window and facade refurbishment
- **BRG/BORG Anton-Krieger-Gasse**
  Anton-Krieger-Gasse 25, 1230 Vienna
  Investment: EUR 2,9m
  Measures: thermal roof refurbishment
- **BG/BRG Wohlmutstraße**
  Wohlmutstraße 3, 1020 Vienna
  Investment: EUR 2,5m
  Measures: thermal refurbishment, fire safety measures

TENANT INVESTMENTS

The Group implemented tenant investments with a value of roughly EUR 40.9m (previous year: EUR 49.5m) as a service provider in 2014.

NEW BUILDINGS AND REFURBISHMENT

In 2014 the BIG Group invested EUR 390.2m (previous year: EUR 376.7m) in new building or refurbishment projects on its property holdings (including fixtures, fittings, equipment and property purchases of EUR 18.2m).

Upon inclusion of investment incentives of EUR 40.0m (previous year: EUR 42.7m) and rent surcharges of EUR 39.4m (previous year: EUR 38.9m), net investment totalled EUR 310.8m (previous year: EUR 295.1m).

For financing investments in let properties, the Group makes advance payments on behalf of tenants. The tenant settles the investment partly through rent surcharges which are paid in addition to the normal rent for a limited period. Furthermore, the tenant generally waives his/her right to give notice on the property related to the investment. As the period for paying the rent surcharge is usually significantly shorter than the period for which the tenant's right to give notice is waived, this results in a linear distribution of the total rent surcharges over the term of the notice waiver in order to recognise the earnings for the period in which they occurred, independent of cash flows. The development of rent surcharges is recognised in the course of property valuation (see note 9.1 of the notes to the consolidated financial statements).

In the reporting period a total of 52 construction projects (previous year: 50) with an investment volume of EUR 296.0m (previous year: EUR 832.5m) were completed (including non-deductible input tax and capitalised own services). The significantly higher value for the previous year is due to the completion of Campus WU.

Prominent completions in 2014:

Schools	Measures	Investment
BG Gainfarn, Bad Vöslau	Refurbishment and extensions	approx. EUR 22.0m
BG/BRG Schuhmeierplatz, Vienna	Refurbishment and extensions	approx. EUR 16.7m
HTBLA Fischergasse, Wels	Refurbishment and extensions	approx. EUR 25.5m

Universities	Measures	Investment
TU Vienna, office building, Getreidemarkt	Refurbishment	approx. EUR 28.5m
Innsbruck Uni, Faculty of Engineering Science	Refurbishment	approx. EUR 27.9m
Graz Uni, Institute of Chemistry	Refurbishment	approx. EUR 18.5m

Offices and Residential Property	Measures	Investment
Styrian State Police HQ, Graz	New building	approx. EUR 16.2m
Judenburg district court	Refurbishment and extensions	approx. EUR 4.2m
Liezen district court	Refurbishment and extensions	approx. EUR 3.4m

Moreover, building work started on 51 (previous year: 66) construction projects with a planned investment of around EUR 270.0m (previous year: EUR 608.9m) (including non-deductible input tax and capitalised own services). A further 67 projects (previous year: 37) have been in the planning stage since 2014.

Selected projects with 2014 construction start:

Schools	Measures	Investment
BG/BRG Lichtenfelsgasse, Graz	Refurbishment	approx. EUR 9.1m
BG/BRG/BORG and dormitory, Eisenstadt	Refurbishment and extensions	approx. EUR 25.3m
Sinnhubstraße grammar school, Salzburg	Refurbishment and extensions	approx. EUR 23.9m

Universities	Measures	Investment
TU Vienna, Karlsplatz	Safety upgrades	approx. EUR 41.4m
TU Graz, Institute of Biomedical technology	Refurbishment and extensions	approx. EUR 18.0m
Vienna Uni, Althanstraße	Refurbishment	approx. EUR 17.6m

Offices and Residential Property	Measures	Investment
Vöcklabruck district court	Refurbishment and extensions	approx. EUR 8.0m
AGES Graz	Refurbishment	approx. EUR 8.2m
Office building Renngasse, Vienna	Refurbishment	approx. EUR 4.8m

ARE Development, which is specialised in development activities, has already started to realise multiple projects.

SCHIFFMÜHLENSTRASSE 120 GMBH

Together with Raiffeisen evolution, 138 privately financed freehold flats with total usable space of around 12,300 m² are being built on the "Old Danube". Construction on the EUR 38.0m project started in November 2014. Completion is planned for summer 2016.

BEATRIXGASSE 11-17 GMBH

ARE Development is building 31 privately financed freehold flats in Vienna's third district. Construction on the EUR 15.0m project began in June 2014. The handover will be in autumn 2015.

ROSENBERGGÜRTEL GRAZ GMBH

The "Rosenhöfe" residential project consists of two apartment buildings with a total of 53 residential units and a volume of around EUR 17.0m. Construction began in November 2014 and completion is set for summer 2016.

BAHNHOFGÜRTEL 55 GMBH

An apartment building for students with 378 individual apartments is under construction on Bahnhofgürtel 55 in Graz. The investment volume is around EUR 20.0m. In 2014 ARE Development ceded 50% of the project company to 'value one holding AG' and construction work began. Completion is planned by October 2015.

FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

In 2014 revenues totalled EUR 937.7m, which was EUR 8.6m lower than the previous year. The increase in rental income (EUR +15.8m) was unable to fully offset the decline in tenant investments (EUR -14.0m) and lower sales proceeds (EUR -12.3m).

Despite the decline in revenues, operating profit in the reporting period rose by EUR 34.5m to EUR 641.4m. Here the higher net revaluation gains (EUR 26.4m) and the reduction in maintenance costs by EUR 23.5m had a positive impact. In contrast, lower net gains from the sale of property (EUR -11.5m) and higher provisions for onerous contracts (EUR 11.6m) had a negative effect on earnings.

Earnings before interest and taxes saw an even sharper rise than operating profit, and were up by EUR 71.8m on the previous year to EUR 667.4m. This was caused by effects from bond and derivative valuations of EUR 22.0m, as well as earnings contributions and higher sales from companies recognised under the equity method – particularly Campus WU GmbH – amounting to EUR 15.2m.

Analogous to this growth, the profit for the period also rose by EUR 60.5m to EUR 419.1m.

The increase in earnings also led to an improvement in return on sales from 64.1% to 68.4%. With higher average capital, the return on equity was up from 8.4% to 9.3% and return on investment was up from 5.3% to 5.8%.

FINANCIAL PERFORMANCE

in EURm	2014	2013
Revenues	937.7	946.3
Operating profit	641.4	606.9
EBT	547.8	463.1
EBIT	667.4	595.6
Return on Sales – ROS: Operating profit / Revenues	68.4%	64.1%
Return on Equity – ROE: EBT / Average equity	9.3%	8.4%
Return on Investment – ROI: EBT + interest expense / Average total capital	5.8%	5.3%

FINANCIAL POSITION AND CASH FLOWS

in EURm	2014	2013
Net debt: Borrowings subject to interest - Cash and cash equivalents = Net debt	3,789.5	3,853.3
Working capital: Current assets - Current liabilities = Working capital	-1,216.4	-1,105.5
Equity ratio: Equity / Total capital	51.5%	50.6%
Gearing: Net debt / Equity	62.9%	67.6%

Net debt fell by EUR -63.8m in 2014 to EUR 3,789.5m. This effect was primarily triggered by the change in bonds from the valuation on the effective date and the addition and disposal of bonds.

Working capital declined against the previous year by EUR 110.9m to EUR -1,216.4m. The decrease was caused on the one hand by the rise in current liabilities and on the other by the repayment of current derivatives. The sale of inventory properties was partially balanced out by the growth in construction by project companies.

Thanks to the strong profit for the period in 2014, it was possible to improve the equity ratio from 50.6% to 51.5%.

CASH FLOWS

in EURm	2014	2013
Cash flow from operations	425.3	321.4
Cash flow from investing activities	-336.8	-408.0
Cash flow from financing activities	-69.5	-5.4
Change in cash and cash equivalents	19.0	-92.0

In 2014 cash flow from operations totalled EUR 425.3m and was therefore EUR 103.9m higher than in the comparable period. This rise was mainly due to the discontinuation of the 2013 corporate tax payments related to the spin-off of marketable properties into the ARE subsidiary in an amount of EUR 109.4m and lower payouts for settling trade payables, as well as increase in advance payments received totalling EUR 81.4m. Higher dividend payouts from companies recognised under the equity method of EUR 38.2m also had a positive effect, particularly because of the first-time payout of Campus WU GmbH, the increase in changes to provisions (EUR 33.6m) and an impact from interest rates of EUR 12.5m.

Factors which reduced cash flow included the one-off impact from 2013 of EUR -80.0m for settling the receivable from the Federal Ministry of Education and Women's Affairs (BMBF), as well as the postponement of the rent for the fourth quarter 2014 due from the BMBF totalling EUR -88.0m.

Cash flow from investing activities was up by EUR 71.2m against the previous year to EUR -336.8m and primarily resulted from lower first-tier parent contributions related to Campus WU GmbH, due to the completion of Campus WU in 2013 (EUR 112.7m). This contrasted with lower proceeds from the disposal of properties and shares in project companies of EUR -14.7m and higher payouts for investments (EUR -13.0m).

In the reporting period cash flow from financing activities of EUR -69.5m was EUR -64.1m lower than the figure for the previous year. The reason for this was higher dividend payouts (EUR -19.2m) and a more limited need for additional borrowings subject to interest (EUR -56.6m) as a result of the high operating cash flow. This was more than able to cover the cash needed for investments.

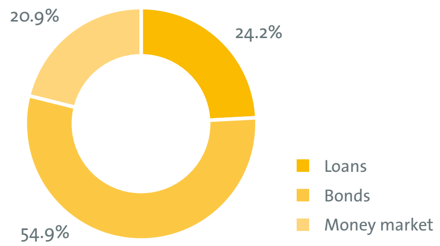
In contrast to the previous year, 2013, when dividend and remedial payments were recognised in operating cash flow, they are now shown under cash flow from financing activities. The values for the previous year have been adjusted retrospectively.

FINANCING

The BIG Group accesses refinancing in the form of portfolio financing. As the property investments and the rental agreements are of a long-term nature, the Group overwhelmingly strives to secure financing conditions in line with this. Bonds are issued on the basis of the EUR 4.0bn EMTN- (European Medium Term Notes) program in the form of public bonds or private placements. At least 10% of debt is procured on the money market (primarily as cash advances and under the Commercial Paper Program) in order to secure flexibility in corporate financing and cash flow control and to benefit from the generally more favourable short-term interest rates.

At 31 December 2014 the total financing volume of the BIG Group stood at EUR 3,803.7m, of which non-current financing was EUR 2,860.1m and current financing was EUR 943.5m. The average remaining term was 7.5 years as of the reporting date. Of the total volumes, 27.1% was subject to variable interest rates and 72.9% was subject to fixed interest rates.

FINANCING PORTFOLIO 2014
in %



The amounts required for future interest payments and redemptions for all financing in a foreign currency have been hedged in euros through derivatives. Derivative financial instruments are exclusively used to hedge the existing interest and currency risks for bonds and bank loans (see note 10.2 financial instruments in the notes to the consolidated financial statements).

The low prevailing interest rates led to lower interest expense in the reporting period. The bonds which expired in 2014 were refinanced on the money market by means of the Commercial Paper Program.

In order to structure the desired interest rate levels for multi-year refinancing on the basis of the existing EUR 4.0bn EMTN Programme, around the end of the year two variable bonds with a total volume of EUR 132.5m were issued with terms of two and six years.

In general, the BIG Group operates in a capital-intensive market and therefore depends on the availability of outside capital. This is why committed lines from the money markets have been concluded to secure liquidity at any time and attention is paid to diversification among bank partners.

In 2014 the internationally renowned rating agency Moody's once again awarded the highest credit rating (Aaa) with a stable outlook.

NON-FINANCIAL PERFORMANCE INDICATORS – ENVIRONMENTAL ASPECTS

Efficient energy usage and preserving resources are a top priority for the BIG Group as it strives to bring together the three pillars of sustainability – Functionality, Profitability and Quality. The performance-contracting activities of the Group are being consistently pursued to this end. In the reporting period around 2 million m² of the Group's let space was covered by contracting agreements. An annual energy savings guarantee of over 20% is expected for these properties; equivalent to annual CO_2 savings of around 18,900 tonnes.

Furthermore, in 2014 the BIG Group initiated a special programme for sustainable construction in 2014, the "Holistic Building Program". It is based on a holistic approach to a property – from planning to construction and operations through to demolition. Standard measures are defined and all of the Group's new building or refurbishment projects are realised on this basis. BIG proposes comprehensive measures for sustainable building to clients within their predefined budgets in the course of additional quality packages.

As part of building maintenance, energy-related measures were realised both in terms of the structures and the building services, whereby findings from the "SMART REPAIR" project were applied. The goal of this project is to harmonise the influence of individual energy measures and bring them together. This results in sensible combinations of measures for future energy-related maintenance. Realisation is already underway on five school projects, while monitoring will continue until the end of 2015 and the data will be available for analysis in 2016.

Its comprehensive efforts have won the BIG Group various awards such as the Climate Initiative State Prize for Architecture (Korneuburg Justice Centre) and Total Quality Building Gold for the Plus-Energy office building of the Vienna University of Technology.

PERSONNEL

At 31 December 2014 the BIG Group had 852 employees (previous year: 857), of which 255 were federal and provincial civil servants (previous year: 267) and 597 were privately employed (previous year: 590), of which 80 were former contract agents. The average employee age was 45 as in the previous year. The personnel costs for private employees amounted to EUR 43.1m in the reporting period (previous year: EUR 39.7m). The fluctuation rate declined slightly against the previous year from 4.9% to 4.8%[2].

FURTHER DEVELOPMENT AND TRAINING

In light of the dynamic backdrop, the BIG Group is committed to the ongoing professional and personal development of its employees. Professionalism and a focus on service provision are promoted through targeted development measures. The successful implementation of the new organisational structure was at the heart of the personnel strategy in 2014. The restructuring and realignment of the business segments facilitated an array of new professional development measures in 2014. In the reporting period the Group invested a total of EUR 774t in the further development and training of its staff (previous year: EUR 772t). The internal training measures focused on executive training, property management, construction and technology, as well as communication and organisation, IT and safety. Every employee attended at least two seminars on average. The Group also facilitates education and development by allowing employees to take an educational sabbatical.

Other important topics include cross-generational management and supporting older employees. The apprentice project "Old and young pulling together" was realised in 2014 with the goal of promoting professional cooperation, respect and knowledge sharing between the different generations.

PROMOTING FAMILY SUPPORT AND HEALTH AND SAFETY

As a family-friendly company, there is a range of models available to employees ranging from part-time work to flexible working models through to unforeseen situations where care is needed (for example looking after a family member) through to partial retirement.

There is a general flexitime model in place which allows mothers and fathers to determine their working hours on an individual basis. Employees receive special support when starting a family, for example with the children or newborn subsidies or the "Road Map", a collection of all of the information and figures related to parental leave. Employees on parental leave have the chance to stay up to date with the so-called "Baby Day", facilitating smoother reintegration into the Group. Marginal employment and project work is also an option during parental leave. Another employee benefit is crediting parental leave for increments under collective bargaining agreements. Childcare is available free of charge for older children during the half-term, summer (two weeks) and Christmas holidays. The BIG Group has been awarded the "Career and Family" certificate by the Federal Ministry of Science, Research and Economy.

In addition to existing initiatives such as the BIG Vital Day, healthy back training and the range of occupational health services, a health circle was introduced in 2014. The issue of "Aging healthily at work" was promoted in 2014.

REMUNERATION POLICY

In addition to the remuneration system based on individual agreements and the collective bargaining agreements, the Group employs a variable bonus system based on a management-by-objectives approach for the management and employees of BIG.

The remuneration awarded to the managing directors of BIG includes a performance and achievement-based component which – in accordance with the Austrian Staffing Act (Stellenbesetzungsgesetz) and associated regulations – provides for a performance and achievement-based bonus of up to 15% of the gross annual salary. The award of such bonuses is contingent on meeting business performance and organisational objectives which relate primarily to long-term and sustainable criteria such as growth strategies and market shares.

A similar system has been developed for the BIG Group employees, under which an annual bonus is paid out based on the extent to which the predefined goals have been met. The actual goals and the extent of the maximum bonus entitlement are based on the degree of responsibility borne by the employees, which is in turn determined by the employee's pay grade according to the

[2] as per the Schlüter formula

collective bargaining agreement. The employee bonus model is linked with the attainment of Company goals in terms of the provisions of each agreement and the payment terms.

Additional employee benefits include travel subsidies and job tickets, continued remuneration, special leave under collective bargaining agreements, an additional day-off and anniversary bonus regulations.

FORECAST

The operational focus in 2015 will primarily be on initiating the measures of the Energy Efficiency Act, starting the special investment programme for universities, consolidating the new corporate structure, as well as expanding the residential share of the ARE portfolio.

RISK REPORT

In a volatile economic environment one of the management's most important tasks is the early recognition of opportunities and the timely identification of risks which could hamper or jeopardise short and medium-term goals or even long-term strategic plans.

The risk policy of the BIG Group is the direct result of the corporate strategy and is set out specifically in a range of guidelines, whose practical implementation is constantly monitored through internal processes.

The goal of Group-wide risk management is not only the early identification of risks which could impact achieving the objectives, but also to ensure sufficient funds are available to counteract negative developments and overall to increase the reliability of the plans.

Starting with the joint overall responsibility of the Management Board, the risk management system is decentralised. Risk management permeates every level of the company and is obligatory for every organisational unit.

Here the second management level is of particular importance and evaluates risks and opportunities within their organisational units at regular intervals. The potential risks identified are structured into risk spheres and evaluated in terms of content, probability of occurrence and impact. Suitable measures to avoid or mitigate the risk are undertaken and the organisational units report their findings to central risk management.

Central risk management is responsible for the regular risk reporting to the Management Board. Here risk reporting does not only give an overview of potential risks and planned measures, but also shows the status of previously identified risks and the state of countermeasures implemented. An ad hoc report is made in the case of an imminent threat. Management is therefore involved in all risk-related decisions on the basis of risk reporting and bears ultimate responsibility.

The functionality of the BIG Group's risk management is assessed annually by the Group auditor. Moreover, the internal audit department evaluates the operating effectiveness of the risk management once a year. Both the external and internal auditors report to the Management Board and to the Audit Committee of the Supervisory Board.

MATERIAL RISKS

PROPERTY VALUATION RISK

The property valuation risk involves the risk that the value of the properties in the Group portfolio will change. These negative and positive value fluctuations are caused by factors including the macroeconomic environment (such as interest rates), local developments on the real estate market, and property-specific parameters. The Group strives to recognise conditions that could have a negative impact on property values as early as possible and to minimise or preclude such effects through active asset and portfolio management. Properties are recognised at fair value; in 2014 the BIG Group determined the fair value of the properties through internal property valuation software as well as through external, independent, renowned valuation experts. The external valuations which were carried out in the reporting period are not only used as fair values in the statement of financial position, but also serve to assess the plausibility of the internal fair values calculated by the valuation software. Standardised information packs for external experts and the internal review of external valuation opinions ensure that the value-related parameters in the valuation reports and therefore the fair value at the valuation date can be presented correctly.

INVESTMENT RISK

BIG has begun purchasing more properties and project developments through asset and share deals to optimise the portfolio (risk/earnings portfolio, location, average size) and to broaden the diversification of the tenant structure. Since BIG only rarely purchased properties before ARE was established, an investment management function was created with all the associated processes in 2013 to avoid potential investment risks in general. Strict requirements and processes apply to the acquisition process to ensure that risks are minimised. Before the actual acquisition process is initiated, new properties are evaluated with the involvement of numerous different divisions. One fundamental analysis evaluates whether a property is congruent with the portfolio strategy based on factors including the quality of the location, the sustainability of the building and the rental revenues, the creditworthiness of the tenants, operating costs, options involving third-party revenue, the risk/earnings profile, usage type and many other parameters. Before a new property is purchased, comprehensive due diligence is conducted with the assistance of internal and external experts to preclude or minimise economic, technical, legal, and tax risks.

In 2014 the existing individual project controlling was revised in order to minimise the risk of construction cost overruns and to identify early on any potential increases in costs when realising projects and take countermeasures. From now on, all of BIG and ARE's projects will be queried and evaluated at regular intervals using a standardised checklist. Any project showing signs of deviation from the plan will be discussed with the control team and project managers and scheduled countermeasures will be defined and checked.

LETTING RISK

The companies in the Group primarily let their properties to federal government institutions under long-term leases, whereby the current vacancy rate for rentable properties is around 1.6%.

CONCENTRATION RISK

In general the property portfolio is distributed broadly throughout Austria depending on the various usage types, although there is a concentration of properties in densely populated areas. The Group companies have a high share of federal government institutions as tenants, which technically implies a potential concentration risk. However, because of the high credit rating of the Republic of Austria and its agencies, this risk is considered very low.

FINANCIAL RISKS AND USE OF FINANCIAL INSTRUMENTS

The risk policy, risk strategy, and latitude for action of the Group Treasury are all clearly defined in the Group Treasury Guidelines.

The BIG Group generally procures the long-term financing it needs centrally, as corporate financing, through bank loans and through public bonds and private placements.

Short-term refinancing is obtained on the money market in the form of cash advances and through commercial paper. One important factor in the composition of the portfolio is the long-term asset structure, which is accompanied by an appropriate equity and liability structure as part of asset/liability management.

A strategic portfolio approach is employed to optimise the risk/opportunity ratio and is combined with a conservative risk policy. The primary goal of the BIG Group's financial risk management is limiting exposure to financial risks.

The most important measures in the Treasury are refinancing on the finance market, managing liquidity so that the Group can meet its obligations at any time, and adjusting the portfolio to the prevailing market backdrop. Financial transactions and the use of derivatives are always based on the needs of the Company's underlying transaction and conducted in a way which minimises any impact on profit or loss. The key objective is securing the Company's operating earnings.

Financial transactions may only involve instruments that have been approved by Group management in advance. Generally, only instruments that can be depicted, measured, monitored, and professionally used in the Company's own systems are used.

As a key component of the company's success, net financial gains/losses are also subject to interest rate and currency risks.

INTEREST RATE RISK

The risk of changes in interest rates is primarily associated with outside financing.

Financing subject to fixed interest rates is fundamentally linked to a risk of a change in the present value in terms of interest rates and relates to the fair value of the financial instrument. Unfavourable changes in interest rates can have a negative impact on the amount of future interest payments on variable financing. The risk of changes in interest rates can affect financing subject to fixed and variable rates and this risk is reduced by a mix of fixed and variable interest agreements.

CURRENCY RISKS

Currency risks arise from financial liabilities in foreign currencies and the associated valuation results that fluctuate depending on the exchange rate. All issues are hedged against exchange rate changes by means of derivatives. BIG's guidelines prohibit open foreign currency positions.

LIQUIDITY RISK

Rolling liquidity planning is conducted at Group level to determine the financing needs. The Group's financing strategy for a given financial year is determined at the beginning of the year on this basis. This strategy accounts for the long and short-term financing needs of the BIG Group, as well as for the prevailing market conditions. The liquidity risk has been mitigated through committed lines from the money markets.

The BIG Group has a cash pooling function that provides the integrated subsidiaries with access to liquidity at all times. The Treasury maintains a clear bank policy and works with national and international banks. This diversified strategy allows BIG to access sufficient liquidity at all times as an Aaa-rated borrower.

OTHER PRICE RISKS

In terms of market risks, the BIG Group is not subject to any material price risks such as exchange prices or indices. At 31 December 2014, BIG held no significant assets that were classified as available for sale.

DEFAULT RISKS

New financial transactions that could involve default risk are only conducted with banks with a credit rating of at least A3/A- at the time that the hedging transaction is concluded. The ratings of each institution are monitored on a regular basis.

In the operating business, outstanding claims are also monitored regularly, and impairment charges are recognised when necessary. It is important to note here that over 90% of the Group's receivables relate to transactions with federal government tenants. The amounts stated as assets in the consolidated statement of financial position represent the maximum credit risk and default risk, since there are no corresponding netting agreements.

TAX RISK

A potential tax risk arises from possible changes to the Austrian tax system. Here, the amendment to the Real Estate Transfer Act in Austria from 1 June 2014 has brought in fundamental reforms on taxing property assets, which could have an impact on future transactions and rents. Furthermore, the BIG Group is also subject to other tax systems with its foreign properties, where there could be changes to property-related taxes and which represent a risk to earnings. The Group strives to identify any possible consequences early on by working continuously with experts and particularly with external tax advisors, as well as taking the findings into account and allocating sufficient provisions for known risks.

INTERNAL CONTROL SYSTEM

Management is required by Art. 22 of the Limited Liability Company Act (GmbHG) to maintain an internal control system (ICS) that satisfies the requirements of the law.

The fundamental effectiveness of the ICS must be monitored by the Audit Committee of the Supervisory Board and more stringent reporting obligations on the financial auditor apply when material defects are found in the ICS.

The BIG Group's ICS is based on the structure of the "Committee of Sponsoring Organizations of the Treadway Commission" (COSO I). The COSO framework consists of five interrelated components: the control environment, risk assessment, control activities, information and communication, and monitoring.

The ICS has the following fundamental objectives: the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations. The ICS that relates to financial reporting should ensure effective and continuously improving internal controls with regards to accounting. It aims to ensure compliance with regulations and guidelines, as well as to create favourable conditions for specific control activities in the key accounting processes.

CONTROL ENVIRONMENT

The most fundamental aspect of the control environment is the corporate culture in which the management (Management Board and line managers) and the employees operate. The Company is working actively on improving communication and conveying its fundamental values and principles of behaviour to ensure that all members of the Company adhere to good morals and high ethical standards and act with integrity within the Company and when dealing with others. As part of the Group-wide compliance structure, a separate compliance area was set up on the intranet where employees can find information about compliance-related topics and rules (code of conduct, compliance guidelines, etc.). A dedicated information hotline has also been established. Training for all employees is intended to increase awareness for compliance throughout the Company.

The implementation of the internal control system with regard to the accounting process is specified in the internal guidelines and is integrated into the various computer applications used by the Company. The responsibilities for the internal control system have been adapted to the Company organisation to ensure that an appropriate and satisfactory control environment can be maintained.

RISK ASSESSMENT

The Group-wide internal audit department conducted a risk assessment for all core business processes, and then used the results to create a structured framework for a multi-year auditing plan. This is the basis for the annual audit plan that covers all divisions and is used for independent internal auditing.

The Management Board and Supervisory Board monitor risks relating to the accounting process, focusing on all material risks.

The risk of erroneous financial reporting is assessed according to different criteria, for example the fact that complex recognition methods can lead to a higher risk of error. Different principles for the measurement of assets and a complex or changing business environment can also lead to material errors in the financial reports.

The preparation of the financial statements requires regular estimates. This is associated with the intrinsic risk that the actual future developments will differ from these estimates. This pertains especially to the following items in the consolidated financial statements: the value retention of assets and equity holdings, the outcome of legal disputes, the ability to collect claims, and personnel-related provisions. In some cases, external experts (control by a neutral agent) are consulted, or public sources are used to minimise the risk of misjudgement.

CONTROL MEASURES

In addition to the Management Board, the general control environment also includes middle management, particularly the department heads.

All control measures are applied in the normal course of business to ensure that potential errors or deviations in the financial reporting are prevented, or that any such errors that occur are discovered and corrected. The control measures range from the inspection of the various periodic results by management on the basis of detailed reports, to the specific reconciliation of accounts and the analysis of ongoing accounting processes.

Management is responsible for ensuring that the hierarchy is structured so that an activity and the control of this activity are not exercised by the same person. The primary function of controls is to reduce the incidence of errors in the business processes (preventative controls). This includes the separation of duties, the dual-control principle, access restrictions (permissions), and the conformity of duties, competencies and responsibility. One of the most important principles in this is the separation of duties to ensure that consecutive activities are not assigned to a single employee or manager, in other words that no tasks are approved, executed, posted, and/or controlled by a single employee or manager.

Control measures relating to IT security are cornerstones of the internal control system. The compartmentalisation of sensitive tasks is facilitated in part by the restrictive assignment of permissions in the computer system. SAP R3 is used for accounting and financial reporting. The functionality of this accounting system is ensured in part by integrated semiautomatic IT controls.

INFORMATION AND COMMUNICATION

Financial reporting guidelines and regulations are updated by management on a regular basis and disseminated to all affected employees. The internal audit department independently verifies compliance with these regulations on a recurring basis. The internal audit head reports directly to the Management Board on a regular basis.

Regular meetings are also held by different working groups to discuss financial reporting and the related guidelines and regulations. In addition to members of the Management Board, these working groups also include department heads and top-level employees from the accounting department. Among other things, the work in the committees aims to ensure compliance with the accounting guidelines and regulations and to identify and communicate weaknesses and potential for improvement in the accounting process.

Accounting staff are also regularly trained in changes in the accounting policies and systems so that risks of unintentional misreporting can be identified at an early stage.

MONITORING

The Management Board and the Group controlling department have joint responsibility for the continuous monitoring of all Group activities. The respective department heads are also responsible for monitoring their units, and apply controls and conduct plausibility checks (spot checks) at regular intervals. The internal audit department is also involved in the monitoring process.

The results of the monitoring activities are reported to the Management Board and Supervisory Board (Audit Committee). The Management Board receives regular summary financial reports, for example quarterly reports about the development of revenues in the individual segments, as well as about liquidity and receivables. Reports that are to be published are reviewed and approved by the head of accounting and the Management Board before being forwarded to the Supervisory Board.

CORPORATE GOVERNANCE

VOLUNTARY COMMITMENT

Since the realignment of BIG as the parent company in 2001 under the Federal Real Estate Act, the Management Board – in close cooperation with the Supervisory Board and the auditor – has pursued the principle of the utmost transparency within the Company. In order to give this transparency external visibility, BIG announced its commitment to the Austrian Code of Corporate Governance on 17 December 2008. The structures and processes of the Group are regularly adjusted and amended to conform to the rules of the Austrian Code of Corporate Governance.

Given the ownership role of the Republic of Austria, BIG and many other Group companies also adhere to the rules of the Federal Code of Public Corporate Governance.

COMPLIANCE AND CORPORATE VALUES

As part of the Group-wide compliance structure, it is obligatory to uphold the code of conduct, code of ethics and all compliance-related guidelines of the BIG Group. A compliance area was set up on the Group intranet in order to make the compliance structure transparent and accessible. Here employees can find out about all of the compliance-related issues and rules and a dedicated hotline for employees has also been established. Furthermore, they are obliged to uphold and embrace the fundamental values of the company which are regularly communicated.

Fair competition and ethical business practices are the cornerstones of the corporate philosophy. As the Group is in competition with other real estate companies, practices and agreements which are targeted at unlawful prevention, limitation or distortion of competitors are expressly forbidden.

PREVENTING CORRUPTION AND ADDRESSING CONFLICTS OF INTEREST

As a state-owned company, the BIG Group employs a stringent anti-corruption policy. Legal stipulations call for employees to be classified as public officials, and they are therefore subject to particularly strict rules regarding accepting gifts, hospitality and other benefits. In addition to the mandatory adherence to internal Group guidelines on preventing corruption, all employees are informed about possible corruption risks in dedicated training sessions.

For the sake of internal transparency requirements, shares held in any companies which work in the same business sector as the BIG Group, or which could represent potential bidders or clients, must be announced. It is also possible for conflicts of interest to arise in relation to second jobs and these may therefore only be undertaken once the requisite approval has been granted.

RESEARCH AND DEVELOPMENT

As part of the "House of the Future Plus" research programme, the BIG Group has implemented two projects under the title "BIGMODERN" in recent years. The programme's goal is the energy-efficient refurbishment of federal buildings constructed between 1960 and 1980. The overhaul of an office building in Bruck an der Mur was already completed in 2012, with the goal of cutting energy consumption by 60%. 2014 saw the conclusion of the monitoring process which had been underway since project completion. The target values had been exceeded and the project had achieved savings of well over 60%.

The second "BIGMODERN" project was concluded in 2014: refurbishing the Faculty of Engineering Science at the University of Innsbruck. The innovative highlight involves a combination of window airing and mechanical ventilation. Two prototypes were developed specifically for this project: top-hung windows and sound-absorbing overflow openings in the office towers. When the weather is dry, fresh air comes in to the offices through the top-hung windows, while the core of the building is ventilated via the overflow openings. A two-year monitoring period to measure energy savings has also been initiated here since completing the refurbishment.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 28 January 2015 the audit of the tax group of which BIG is the parent was essentially completed for the years 2009 to 2011. The material findings of the audit relate to temporary differences. This means that expenses from the years 2009 to 2011 in particular were not recognised and that therefore the taxable earnings for these years are higher. To offset this, there will be higher tax expenses for the years 2012 and beyond, so that this mostly relates to temporary effects on BIG. All of the findings of the audit have already been recognised in the consolidated financial statements as of 31 December 2014.

Apart from this, no significant events occurred after the end of the reporting period.

MISCELLANEOUS

The agreement concluded on 28 November 2014 between BIG and the Federal Ministry of Education and Women's Affairs contains an agreement to postpone the rent due for the fourth quarter 2014 totalling EUR 88.0m (net) to March 2016. In return, the interest on the rent for the second to fourth quarter 2016 will be brought forward. The agreement is designed in such a way that is economically neutral and does not impact the profit or loss of either party.

BIG is investing EUR 200.0m in 17 specific university projects as part of a special one-off construction programme. Construction works will be completed by 2019 and will be financed through rent from let properties and retained earnings. The economic program arises from the legal mandate of BIG and the responsibility of the Federal Ministry of Science, Research and Economy as the supreme administrative body to ensure the long-term security for the use of university buildings and their letting agreements.

The Company has no branch offices.

Vienna, 20 March 2015

The Management Board

Hans-Peter Weiss Wolfgang Gleissner

**CONSTRUC-
TION CULTURE THRIVES WHEN ARCHITECTURE MAINTAINS SPACE.**

PART 3

CONSOLIDATED FINANCIAL STATEMENTS

BG/BORG ST. JOHANN

BIG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EURt	Note	2014	2013
Revenues	8.1.1	937,711.2	946,340.0
Changes in property holdings	8.1.2	2,095.0	-12,720.9
Other operating income	8.1.3	13,606.1	12,705.3
Net revaluation gains/losses	8.1.4	59,281.4	32,857.6
Net gains from the sale of property	8.1.5	2,843.5	14,339.0
Material expenses	8.1.6	-294,413.0	-319,991.5
Personnel expenses	8.1.7	-43,079.3	-39,661.7
Depreciation and amortisation	8.1.8	-2,652.6	-2,723.0
Impairment charges	8.1.8	-1,499.0	-423.3
Other operating expenses	8.1.9	-32,473.9	-23,820.2
Operating profit		**641,419.4**	**606,901.3**
Share of profit/loss from companies recognised under the equity method	**9.3**	**21,214.7**	**7,297.2**
Net sales revenue from companies recognised under the equity method	**7.6**	**1,323.5**	**0.0**
Financial expenses	8.1.10	-119,603.2	-132,544.0
Other financial income/expenditure	8.1.11	3,445.2	-18,562.6
Net financial income/expenditure		**-116,158.0**	**-151,106.6**
EBT		**547,799.6**	**463,092.0**
Income taxes	9.14	-128,737.8	-104,532.2
I. Profit for the period		**419,061.9**	**358,559.8**
Items that were or can be reclassified into profit or loss (recyclable)			
Gains/losses from available-for-sale financial instruments	10.2	18.2	-2.8
Gains/losses from cash flow hedges	8.1.12	-16,793.5	-3,892.1
Applicable taxes	9.14	4,193.8	973.7
Items that can never be reclassified into profit or loss (non-recyclable)			
Revaluation of defined benefit obligations	9.10	-930.1	-202.4
Applicable taxes		232.5	50.6
II. Other comprehensive income		**-13,279.0**	**-3,073.0**
III. Total comprehensive income		**405,782.8**	**355,486.9**
of which attributable to non-controlling interests		-207.7	68.5
of which attributable to the parent company		405,990.5	355,418.4
Profit for the period		**419,061.9**	**358,559.8**
of which attributable to non-controlling interests		-207.7	68.5
of which attributable to the parent company		419,269.5	358,491.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

in EURt	Note	31.12.2014	31.12.2013
Investment property	9.1	10,384,036.0	10,010,037.1
Properties under development	9.1	296,055.6	295,347.1
Properties used by the Company	9.2	31,492.0	32,609.0
Plant and equipment	9.2	2,570.2	2,297.1
Intangible assets	9.2	1,790.7	1,694.8
Shares in affiliates	9.3	0.0	35.0
Shares in companies recognised under the equity method	9.3	483,872.7	454,950.4
Derivative financial instruments	9.5	194,182.1	195,809.4
Other financial assets	9.4	143,410.4	50,767.9
Non-current assets		**11,537,409.8**	**11,043,547.9**
Inventories	9.6	71,571.4	73,133.9
Receivables and other assets	9.7	35,073.1	54,941.0
Derivative financial instruments	9.5	27,975.8	78,791.6
Cash and cash equivalents	9.8	24,805.5	5,783.7
Current assets		**159,425.7**	**212,650.2**
Total assets		**11,696,835.6**	**11,256,198.1**

EQUITY AND LIABILITIES

in EURt	Note	31.12.2014	31.12.2013
Subscribed capital	9.9	226,000.0	226,000.0
Other reserves	9.9	-65,571.5	-52,292.5
Retained earnings	9.9	5,861,618.6	5,521,616.0
Equity attributable to the parent company		**6,022,047.0**	**5,695,323.4**
Non-controlling interests	9.9	384.8	1,184.2
Equity		**6,022,431.9**	**5,696,507.7**
Financial liabilities	9.13	2,860,142.7	2,902,747.7
Personnel-related provisions	9.10	10,310.6	8,500.5
Other provisions	9.11	40,413.5	18,846.0
Other liabilities	9.15	4,436.7	7,074.6
Derivative financial instruments	9.5	65,339.0	38,529.6
Deferred tax liabilities	9.14	1,317,963.0	1,265,803.8
Non-current liabilities		**4,298,605.5**	**4,241,502.2**
Financial liabilities	9.13	943,542.8	947,389.0
Personnel-related provisions	9.10	7,643.1	7,371.7
Other provisions	9.11	176,403.3	152,479.5
Provision for actual income taxes	9.12	34,329.7	19,296.2
Other liabilities	9.15	213,879.2	191,651.9
Current liabilities		**1,375,798.2**	**1,318,188.3**
Total liabilities		**11,696,835.6**	**11,256,198.1**

CONSOLIDATED STATEMENT OF CASH FLOWS

in EURt	Note	2014	2013
Cash flow from business activities			
Consolidated income before taxes		547,799.6	463,092.0
Net interest income	8.1.10, 8.1.11	117,593.2	129,389.3
Depreciation and amortisation	8.1.8	2,652.6	2,723.0
Impairment charges	8.1.8	1,499.0	423.3
Net gains/losses from revaluation	8.1.4	-59,281.4	-32,857.6
Remeasurement of bonds at fair value through profit or loss (fair value option)	8.1.10	-412.2	-35,423.3
Derivate instrument fair value changes and revaluation of bonds	8.1.11	1,238.6	58,645.5
Share of profit/loss from companies recognised under the equity method	9.3	-21,214.7	-7,297.2
Net sales revenue from companies recognised under the equity method	7.6	-1,323.5	0.0
Gains from the disposal of properties and other assets	8.1.5	-2,843.5	-14,339.0
Gains and losses from the disposal of financial assets	8.1.10, 8.1.11	-2,313.7	-1,707.2
Dividends received		39,349.2	1,159.4
Interest received	8.1.10	1,405.0	2,029.7
Interest paid	8.1.11	-118,664.4	-131,137.6
Income taxes paid	9.14	-59,265.3	-167,968.9
Operating cash flow		**446,218.5**	**266,731.4**
Changes in receivables from finance leases	9.4, 9.7	448.1	399.2
Changes in receivables and other assets	9.7	-92,523.0	97,769.8
Changes in trade payables	9.15	31,214.4	-50,160.4
Changes in personnel-related provisions	9.10	1,151.4	1,416.6
Changes in other provisions and other liabilities	9.15	38,802.7	5,252.9
Cash flow from changes in net working capital		**-20,906.4**	**54,678.1**
Cash flow from operating activities		**425,312.1**	**321,409.5**
Cash flow from investing activities			
Acquisition of property and other assets	9.1, 9.2	-312,837.0	-299,809.4
Acquisition of subsidiaries less cash and cash equivalents acquired	7.4	-3,670.0	0.0
Contributions in connection to companies recognised under the equity method	9.3	-42,723.9	-156,122.0
Repayment of loans	9.4	1,304.1	12,028.3
Sale of property and other assets	8.1.5	21,150.1	35,895.5
Cash flow from investing activities		**-336,776.7**	**-408,007.6**
Cash flow from financing activities			
Redemption of bonds	9.13	-246,825.0	-750,000.0
Issue of bonds	9.13	132,500.0	0.0
Repayment of bank loans	9.13	-27,932.8	-19,165.7
Acceptance of bank loans and similar financing	9.13	157,054.7	803,206.2
Dividends paid	9.9	-65,000.0	-20,000.0
Remedial payments	9.9	-19,310.4	-19,421.4
Cash flow from financing activities		**-69,513.6**	**-5,380.9**
Total cash flow (=changes in cash and cash equivalents)		**19,021.8**	**-91,979.1**
Cash and cash equivalents at 1.1.	9.8	5,783.7	97,762.7
Cash and cash equivalents at 31.12.	9.8	24,805.5	5,783.7
Net change in cash and cash equivalents		**19,021.8**	**-91,979.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EURt	Subscribed capital	Fair value reserve	Reserve for cash flow hedges	Revaluation IAS 19R	Retained earnings	Equity before non-controlling interests	Non-controlling interests	Total equity
Balance at 1.1.2013	**226,000.0**	**18.0**	**-49,451.4**	**213.8**	**5,209,669.0**	**5,386,449.5**	**1,115.7**	**5,387,565.2**
Profit					358,491.4	358,491.4	68.5	358,559.8
Other comprehensive income		-2.1	-2,919.1	-151.8		-3,073.0		-3,073.0
Total comprehensive income	**226,000.0**	**16.0**	**-52,370.5**	**62.0**	**5,568,160.4**	**5,741,867.9**	**1,184.2**	**5,743,052.1**
Transactions with shareholders								
Change in non-controlling interests								0.0
Remedial payments					-26,544.4	-26,544.4		-26,544.4
Dividend payout					-20,000.0	-20,000.0		-20,000.0
Total transactions with shareholders					**-46,544.4**	**-46,544.4**		**-46,544.4**
Balance at 31.12.2013	**226,000.0**	**16.0**	**-52,370.5**	**62.0**	**5,521,616.0**	**5,695,323.5**	**1,184.2**	**5,696,507.7**
Balance at 1.1.2014	**226,000.0**	**16.0**	**-52,370.5**	**62.0**	**5,521,616.0**	**5,695,323.5**	**1,184.2**	**5,696,507.7**
Profit					419,269.5	419,269.5	-207.7	419,061.9
Other comprehensive income		13.6	-12,595.1	-697.6		-13,279.0		-13,279.0
Total comprehensive income	**226,000.0**	**29.6**	**-64,965.6**	**-635.5**	**5,940,885.5**	**6,101,314.0**	**976.5**	**6,102,290.5**
Transactions with shareholders								
Change in non-controlling interests							-591.7	-591.7
Remedial payments					-14,266.9	-14,266.9		-14,266.9
Dividend payout					-65,000.0	-65,000.0		-65,000.0
Total transactions with shareholders					**-79,266.9**	**-79,266.9**		**-79,266.9**
Balance at 31.12.2014	**226,000.0**	**29.6**	**-64,965.6**	**-635.5**	**5,861,618.6**	**6,022,047.1**	**384.8**	**6,022,431.9**
Note	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9

INNOVATION HAPPENS WHEN FACADES GENERATE ENERGY.

PART 4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS


TU VIENNA
BIG

1 ACCOUNTING PRINCIPLES

The consolidated financial statements of Bundesimmobiliengesellschaft m.b.H. (BIG) were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the additional requirements of Art. 245a of the Austrian Commercial Code (UGB). They were approved for release by the Management Board on 20 March 2015. The reporting date is 31 December 2014.

1.1 FUNCTIONAL AND REPORTING CURRENCY

These annual financial statements are presented in euros, the functional currency of the Company. All financial figures shown in euros were rounded to the next thousand euros unless indicated otherwise. Rounding differences may occur as a result of the adding of amounts with computer software.

1.2 ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements which conform to IFRSs requires the BIG Group management to make estimates and assumptions on the future performance of the Group which may have a significant impact on the recognition and value of assets and liabilities, the disclosure of other liabilities as of the reporting date and the presentation of income and expenditure throughout the financial year.

The following assumptions are subject to a not inconsiderable risk that they could lead to a significant adjustment in assets and liabilities in the next business year:

- The revaluation of investment property and properties under development with a total carrying amount of EUR 10,680,091.7t (previous year: EUR 10,305,384.2t) involved an array of estimates which may be subject to significant fluctuations over time. For details related to property valuation see the table in note 9.1. "Significant non-observable input factors".
- The recognition of deferred tax assets with a total carrying amount of EUR 79,183.2t (previous year: EUR 82,016.2t) is based on the management's assumptions related to sufficient future availability of taxable income. The accounting decision on the amount and future value of deferred tax items is subject to assumptions at the time of the release of deferred tax liabilities.
- The measurement of provisions with a total carrying amount of EUR 234,770.5t (previous year: EUR 187,197.7t) is based on the best-possible estimates, some of which are made by independent experts. Aspects taken into account when measuring provisions included past values, the probability of the outcome of litigation or tax issues, the future development of costs, assumptions about interest rates, etc.
- The valuation of existing severance, pension and anniversary bonus obligations with a total carrying amount of EUR 10,310.6t (previous year: EUR 8,500.5t) involved applying assumptions on the interest rate, retirement age, life expectancy, fluctuation and future salary increases.

2 BUSINESS SEGMENTS

2.1 SEGMENTATION PRINCIPLES

The internal reports, and therefore the basis for business decisions at BIG, are prepared following the provisions of the Austrian Commercial Code (UGB (local accounting regulations)) in the segments of Schools, Universities, Special Properties (which primarily covers properties with special security requirements such as detention centres and properties of low economic importance for the Company such as churches, mine shafts, and war cemeteries), and in the other segments (especially service provision segments). For this reason, the segment information only shows the segmentation of BIG GmbH (the only place where these segments can be found) in accordance with UGB, and also includes an IFRS reconciliation.

The portfolio of ARE Austrian Real Estate GmbH (hereafter ARE) contains office, commercial, and development properties, and the company is pursuing the medium-term goal of significantly increasing the share of “third-party tenants” and substantially increasing the purchase and sale of properties (trading). The internal management structure is broken down into the regions of Vienna, East (Lower Austria, Burgenland, Styria, Carinthia, and East Tyrol), and West (Upper Austria, Salzburg, Tyrol, and Vorarlberg). Because of the homogeneity of the portfolio and the fact that the company is operated as a single segment from the headquarters in Vienna, the company is not divided into segments. The management of ARE directs the company’s operations in accordance with IFRSs.

Based on the specific range of activities, the service segments (“other segments”) are broken down into Property Management (technical maintenance and building management), Facility Services (services such as the inspection and maintenance of complexes, the creation of test and inspection reports, and security services), and Planning and Building (architectural and planning services, project management). The service provision segments provide internal and external services and these are presented together on the grounds of minor importance.

The figure of EUR 766.9t (previous year: EUR 11,920.5t) in the “Adjustments” column involves, on the one hand, internal invoicing between corporate and service sectors to be eliminated with regard to internal revenues and maintenance expenditure; furthermore, the row showing external revenues includes revenues which do not have an impact on earnings in the business units, as they represent a transitory item (expenses and proceeds from passing on tenant investments) and are therefore not allocated to the units.

The capital employed per segment includes only those items that can be directly allocated, and primarily consists of property assets, properties under development, financial assets of affiliated and associated companies, inventories, receivables, construction cost contributions, directly allocable provisions, trade payables, and advance rent payments.

The column IFRS reconciliation primarily involves revaluation between UGB and IFRS regarding the reversal of depreciation and impairment as a result of applying the revaluation method.

The consolidation reconciliation mostly involves consolidation-related adjustments to intragroup transactions (consolidating expenditure/income) and investment income from affiliates.

2.2 INFORMATION ON THE REPORTING SEGMENTS

Information on the results of each reporting segment is shown below.

Full year 2014			BIG Individual (UGB)			
in EURt	Special Properties	Schools	Universities	Other	Adjustment	Totals
Revenues	91,067.7	328,570.3	268,665.2	49,680.8	766.9	738,750.9
of which external revenues	90,297.8	328,570.3	268,275.8	9,154.9	30,196.4	726,495.3
of which intragroup revenues	767.8		327.2	11,160.5		12,255.5
of which internal revenues	2.0		62.2	29,365.3	-29,429.5	
Maintenance expenditure	-10,844.2	-62,198.7	-50,045.0		7,371.2	-115,716.7
Depreciation and amortisation	-27,530.5	-96,888.2	-93,723.2		-1,477.6	-219,619.4
Impairment	-288.6	-84.4	-36.6			-409.6
Allocation and release of provisions for onerous contracts	-2,893.4	-275.2	-15,606.4			-18,775.0
EBIT	**38,557.7**	**128,113.7**	**82,713.6**	**493.5**		**249,878.5**
Net financial income/expenditure	-8,751.9	-28,767.0	-16,267.1	28,795.5		-24,990.4
EBT	**29,805.8**	**99,346.7**	**66,446.5**	**29,289.0**		**224,888.1**
Income taxes	-8,780.9	-28,942.6	-11,943.9	-9,350.2		-59,017.6
Profit for the period	**21,024.9**	**70,404.1**	**54,502.7**	**19,938.9**		**165,870.5**
Capital employed	449,688.8	1,478,106.5	1,742,352.5	787,138.0		4,457,285.7
Project volumes at construction start	1,789.6	71,319.7	109,916.7			183,026.0
Project volumes for completed projects	25,297.6	133,522.4	92,829.6			251,649.6

Full year 2013			BIG Individual (UGB)			
in EURt	Special Properties	Schools	Universities	Other	Adjustment	Totals
Revenues	80,722.8	328,733.8	260,135.7	59,534.3	11,920.5	741,047.1
of which external	80,722.8	328,733.8	260,135.7	11,336.0	47,170.7	728,099.0
of which intragroup revenues	0.0	0.0	0.0	12,948.1		12,948.1
of which internal revenues	0.0	0.0	0.0	35,250.3	-35,250.3	0.0
Maintenance expenditure	-15,521.4	-69,474.1	-55,050.9	0.0	7,790.2	-132,256.1
Depreciation and amortisation	-25,916.1	-90,784.0	-93,645.9	0.0	-1,482.5	-211,828.5
Impairment incl. use of provision for onerous contracts	-4.7	-98.6	-1,962.6			-2,066.0
Allocation and release of provisions for onerous contracts	-55.0	0.0	-8,401.4			-8,456.4
EBIT	**27,751.1**	**130,332.3**	**76,937.8**	**4,135.3**		**239,156.5**
Net financial income/expenditure	-10,990.5	-37,881.8	-49,594.4	19,953.7		-78,513.0
EBT	**16,760.6**	**92,450.4**	**27,343.4**	**24,089.0**		**160,643.5**
Income taxes	-5,928.8	-28,747.9	-11,089.2	1,466.1		-44,299.8
Extraordinary net gains/losses			121.0			121.0
Profit for the period	**10,831.8**	**63,702.5**	**16,375.2**	**25,555.1**		**116,464.6**
Capital employed	424,358.4	1,462,665.7	1,665,192.5	739,514.8		4,291,731.3
Project volumes at construction start	47,660.2	173,783.4	221,100.7			442,544.3
Project volumes for completed projects	48,279.2	107,394.9	123,361.5			279,035.7

			IFRS			
	IFRS reconciliation	Individual BIG	Individual ARE	Other individual FC[3]	Consolidation	Group
	-448.2	738,302.7	218,525.7	21,173.9	-40,291.1	937,711.2
	218,213.5	-1,405.9	-10.3	-24.2	-1,212.2	-2,652.6
		-409.6	-1,089.4			-1,499.0
		-18,775.0	-1,393.0			-20,168.0
	226,654.1	**476,532.6**	**144,283.3**	**12,543.3**	**8,060.2**	**641,419.4**
	-1,762.7	-26,753.1	-26,961.2	41,961.1	-104,404.8	-116,158.0
	224,891.4	**449,779.5**	**117,322.1**	**54,504.4**	**-73,806.4**	**547,799.6**
	-31,767.7	-90,785.3	-30,769.6	-503.2	-6,679.7	-128,737.8
	193,123.7	**358,994.2**	**86,552.5**	**54,001.2**	**-80,486.1**	**419,061.8**

[3] fully consolidated companies

			IFRS			
	IFRS reconciliation	Individual BIG	Individual ARE	Other individual FC[4]	Consolidation	Group
	-1,264.4	739,782.7	213,338.0	11,335.6	-18,116.2	946,340.0
	210,350.2	-1,478.3	-11.3	-24.7	-1,208.8	-2,723.0
	2,066.0	0.0	0.0	0.0	0.0	0.0
	0.0	-8,456.4	0.0	0.0	0.0	-8,456.4
	160,938.1	**400,094.7**	**173,248.7**	**8,234.9**	**25,323.0**	**606,901.3**
	-23,565.5	-102,078.5	-30,610.1	2,389.7	-20,807.7	-151,106.6
	136,855.2	**297,498.7**	**142,638.6**	**10,624.6**	**12,330.0**	**463,092.0**
	-22,816.8	-67,116.7	-36,119.7	-1,598.1	302.3	-104,532.2
	-121.0	0.0	0.0	0.0	0.0	0.0
	113,917.5	**230,382.0**	**106,518.9**	**9,026.5**	**12,632.3**	**358,559.7**

[4] fully consolidated companies

2.3 KEY CUSTOMER

Revenues from transactions with the Republic of Austria amounted to EUR 903,536.3t (previous year: EUR 908,238.7t) of the Group's total revenues (see note 8.1.1) and relate to every one of the Group's business segments.

3 VALUATION PRINCIPLES

The consolidated financial statements were prepared on the basis of acquisition and manufacturing costs, except for the following items, which were measured in accordance with different principles on the respective reporting dates.

Item	Valuation principle
Investment property and properties under development	Fair value
Derivative financial instruments	Fair value
Issued bonds measured at fair value	Fair value
Securities available for sale	Fair value
Provisions for severance payments, pensions and anniversary bonuses	Present value of the defined benefit obligation

4 CHANGES IN ACCOUNTING METHODS

4.1 NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLIED COMPULSORILY OR VOLUNTARILY FOR THE FIRST TIME

The Group applied the following new standards and amendments, including all subsequent amendments to other standards, for the first time:

Standard	Title of the standard or amendment	First-time application
IFRS 10	Consolidated Financial Statements	1.1.2014
IFRS 11	Joint Arrangements	1.1.2014
IFRS 12	Disclosure of Interests in Other Entities	1.1.2014
Amendment to IFRS 10, IFRS 11 and IFRS 12	Transitional Requirements	1.1.2014
Amendment to IFRS 10, IFRS 12 und IAS 27	Investment Entities	1.1.2014
Amendment to IAS 27	Separate Financial Statements	1.1.2014
Amendment to IAS 28	Investments in Associates and Joint Ventures	1.1.2014
Amendment to IAS 32	Offsetting Financial Assets and Financial Liabilities	1.1.2014
Amendment to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	1.1.2014
Amendment to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1.1.2014

IFRS 10: CONSOLIDATED FINANCIAL STATEMENTS

This standard applies a new and comprehensive definition to the concept of control. When one company controls another company, the parent must consolidate the subsidiary. According to the new concept, control exists when the potential parent has power over the potential subsidiary by virtue of voting rights or other rights, when it participates in variable positive or negative returns from the subsidiary, and when it can influence these returns through its decisions. The requirements apply to parent-subsidiary relations based on voting rights as well as on parent-subsidiary relations resulting from other contractual arrangements or other economic interests. Prior to IFRS 10, consolidation as per IAS 27 was primarily based on information under corporate law, whereby the key criterion was a majority of voting rights. The economic considerations under SIC 12 (structured entities are now solely subject to the general requirements of IFRS 10) only played a role for so-called special purpose entities. The criterion of holding majority voting rights had to be recognised in the context of other corporate law regulations, for example existing articles of association. IFRS 10 stipulates that all rights which relate to a company's relevant business activities with another company are to be considered. Contractual relations beyond the power of control under corporate law thereby gain importance. This may, for example, relate to a supply or financing agreement as well as arrangements regarding research and development. This means that an effective consolidation process upon the first-time application of IFRS 10 draws on an array of different corporate divisions and must be measured for possible control under the abstract principles of IFRS for possible obligatory consolidation. The EU formally adopted IFRS 10 on 29 December 2012 upon publication in the Official Journal of the European Union. The mandatory date for applying the standard in the EU was postponed to 1 January 2014. The Group applied IFRS 10 for the first time on 1 January 2014. The amendment has not had any significant effect on the Group (see details on IFRS 11).

IFRS 11: JOINT ARRANGEMENTS

IFRS 11 changes the way joint arrangements are recognised. Under the new concept, the reporting entity must decide whether the arrangement in question represents a joint operation or a joint venture. An arrangement is a joint operation when the parties to the arrangement have direct rights to the assets of the arrangement and are liable for the obligations of the arrangement. The individual rights and obligations are recognised proportionately in the consolidated financial statements. In a joint venture, the parties to the arrangement have rights to the net assets. This right is depicted in the consolidated financial statements using the equity method; such arrangements can no longer be recognised proportionally. Particular attention must be paid to the changes in the terminology of the standard and the classification of companies as joint ventures, as in the future it is not compulsory for all joint ventures included under proportionate consolidation to be recognised under the equity method. The EU formally adopted IFRS 11 on 29 December 2012 upon publication in the Official Journal of the European Union. The mandatory date for applying the standard in the EU was postponed to 1 January 2014. The Group applied IFRS 11 for the first time on 1 January 2014.

A detailed evaluation of all Group companies was carried out as a result of the new standard and resulted in a change to the inclusion of NOE Central St. Pölten Verwertungs GmbH, which is now classified as a joint venture. The amendment has not had any significant effect on the Group.

IFRS 12: DISCLOSURE OF INTERESTS IN OTHER ENTITIES

This standard governs the disclosure requirements regarding interests in other companies. The required information is considerably more extensive than that previously required by IAS 27, IAS 28, and IAS 31. The EU formally adopted IFRS 12 on 29 December 2012 upon publication in the Official Journal of the European Union. The mandatory date for applying the standard in the EU was postponed to 1 January 2014. The Group applied IFRS 12 for the first time on 1 January 2014. The changes primarily resulted in new disclosure requirements, the details of which are given in note 7.

AMENDMENT TO IFRS 10, IFRS 11 AND IFRS 12: TRANSITIONAL GUIDANCE

The amendments clarify and ease the transition to IFRS 10, IFRS 11, and IFRS 12. Adjusted comparative information is now only required for the prior reporting period. In addition, comparative information for nonconsolidated structured entities is no longer required for periods before the first-time application of IFRS 12. The EU formally adopted the amendments on 5 April 2013 upon publication in the Official Journal of the European Union. The amendments have not had any significant effect on the Group.

AMENDMENT TO IFRS 10, IFRS 12 AND IAS 27: INVESTMENT ENTITIES

The amendments contain a definition of the term "investment entities" and remove such companies from the scope of IFRS 10 Consolidated Financial Statements.

Investment entities are now not required to consolidate the companies they control in their IFRS consolidated financial statements; this exception from the fundamental principles is not optional. Instead of fully consolidating these interests held for investment purposes, they are recognised at their fair value, and periodic value fluctuations are recognised through profit or loss. The amendments have no effect on the Group.

AMENDMENT TO IAS 27: SEPARATE FINANCIAL STATEMENTS

The rules governing the principle of control and the requirements for the preparation of consolidated financial statements are contained in the amended IFRS 10 Consolidated Financial Statements, so that IAS 27 will no longer cover the preparation of consolidated financial statements (see information on IFRS 10). As a result, IAS 27 will only include the rules for the recognition of subsidiaries, joint ventures, and associated companies in individual IFRS financial statements. The amendment has had no effect on the Group.

AMENDMENT TO IAS 28: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Amendments were also made to IAS 28 as part of the adoption of IFRS 11 Joint Arrangements. As before, IAS 28 governs the application of the equity method. However, the adoption of IFRS 11 substantially expanded the scope of IAS 28 because not only interests in associated companies, but also joint ventures (see IFRS 11) must be recognised using the equity method. This eliminates the proportionate recognition of joint ventures. However, changes related to the classification of entities as joint ventures mean that in future it is not compulsory for all joint ventures included under proportionate consolidation to be recognised under the equity method.

Another amendment relates to recognition according to IFRS 5 when only part of an interest in an associated company or in a joint venture is held for sale. IFRS 5 must be applied to the part held for sale, while the remaining (retained) part must still be recognised in under the equity method until the sale of the former part. Should an associated company or joint venture still exist after the sale, the equity method must be applied, otherwise the remaining investment must be recognised in accordance with IFRS 9 Financial Instruments. Interest in these venture capital companies can either be recognised at fair value or under the equity method. This measurement option also applies to shares in an associated company for which shares are indirectly held, for example, by a venture capital firm or an investment fund.

The specifications of SIC 13 were integrated into IAS 28: Jointly Controlled Entities – Non-Monetary Contributions by Venturers. The amendment has had no effect on the Group.

AMENDMENT TO IAS 32: OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

This amendment to IAS 32 clarifies what the requirements for the offsetting of financial instruments are. The amendment explains the meaning of the current legally enforceable right to set-off and clarifies what methods can be viewed as gross offsetting and net offsetting for the purposes of the standard. The prerequisite is that the method leads to an elimination of default and liquidity risks as well as allowing receivables and liabilities to be settled in a single process. Master netting agreements, which only allow for offsetting in the case of future events, such as the insolvency of a contractual party, continue not to fulfil the offsetting criteria. The expanded regulations of IAS 32 are to be applied retrospectively and voluntary early application is permitted. The amendment has had no effect on the Group.

AMENDMENT TO IAS 36: RECOVERABLE AMOUNT DISCLOSURES FOR NON-FINANCIAL ASSETS

As part of a subsequent amendment of IFRS 13 Fair Value Measurement, a new mandatory disclosure about goodwill impairment testing according to IAS 36 was introduced. The recoverable amount of the cash generating units must be indicated regardless of whether impairment has actually been recognised. Because this disclosure was unintentionally introduced, it is being eliminated again through this amendment from May 2013. The intention of the IASB was namely to require disclosures of this kind only for cash generating units (or groups of units), for which impairment or reversal of impairment had been recognised during the current reporting period. This amendment also introduced additional disclosures when impairment charges have actually been recognised and the recoverable amount was determined on the basis of a fair value. The amendment is to be applied retrospectively, although only for reporting periods in which IFRS 13 was already applied. The amendment has had no effect on the Group.

AMENDMENT TO IAS 39: NOVATION OF DERIVATIVES AND CONTINUATION OF HEDGE ACCOUNTING

Following this amendment, derivatives continue to be designated as hedging instruments in a continued hedge relationship under certain circumstances, despite the novation of a hedging instrument to a central counterparty as a result of laws or regulations. The amendment has had no effect on the Group.

4.2 NEW STANDARDS AND INTERPRETATIONS WHICH HAVE BEEN ENDORSED BY THE EU, BUT ARE NOT YET IN EFFECT

Standard/Interpretation	Title of the standard or interpretation	First-time application
IFRIC 21	Levies	17.6.2014
Annual Improvements (Cycle 2011 – 2013)	Various	1.1.2015
Amendment to IAS 19	Defined Benefit Plan – Employee Contributions	1.2.2015
Annual Improvements (Cycle 2010 – 2012)	Various	1.2.2015

IFRIC 21

IFRIC 21 Levies is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. It primarily clarifies when a current liability arises from a levy imposed by a government and when a provision or liability must be recognised. The interpretation does not cover penalties and levies resulting from public-law contracts or those which are governed by other IFRSs, e.g. IAS 12 Income Taxes. IFRIC 21 states that a liability is to be recognised for a levy when the obligating event for triggering the payment of the levy occurs. This obligating event which creates the obligation results in turn from the wording of the underlying standard. Its formulation is crucial for the accounting process. Early application of the interpretation is permitted. The EU formally adopted the interpretation on 14 June 2014 upon publication in the Official Journal of the European Union. The obligatory application, deviating from the original specification of application for annual periods beginning on or after 1 January 2014, was amended for companies in the EU. The Group will apply the new rules from 1 January 2015 at the earliest. No changes are expected from the first-time application.

ANNUAL IMPROVEMENTS (CYCLE 2011 – 2013)

Annual Improvements (Cycle 2011 – 2013) relate to the following standards:

- IFRS 3 Business Combinations: Clarifies the scope of exception for joint ventures
- IFRS 13 Fair Value Measurement: Clarifies the scope of the so-called portfolio exception
- IAS 40 Investment Property: Clarifies that the specifications of IFRS 3 are significant when determining whether the purchase of an investment property represents a business combination

In contrast to the effective date for first-time application according to the IASB (annual periods beginning on or after 1 July 2014), the changes in EU IFRS financial statements are obligatory for annual periods beginning on or after 1 February 2015. The Group will apply the new rules from 1 January 2015 at the earliest. No changes are expected from the first-time application.

AMENDMENT TO IAS 19

In November 2013 the IASB announced a clarification on accounting for employee contributions under defined benefit plans.

It was previously unclear how to recognise contributions to the entity which employees (or third parties) themselves paid in respect of service. In the past, under application of IAS 19 (old) the nominal amount of the employee contribution was simply deducted from the period of service in which the respective service was rendered. The amendment to IAS 19R clarifies that this accounting process can be retained as long as the amount of the contribution is not linked to the number of years in service. This particularly includes contributions which are a fixed percentage of the annual salary.

In contrast to the effective date for first-time application according to the IASB (annual periods beginning on or after 1 July 2014), the changes in EU IFRS financial statements are obligatory for annual periods beginning on or after 1 February 2015. The Group will apply the new rules from 1 January 2015 at the earliest. No changes are expected from the first-time application.

ANNUAL IMPROVEMENTS (CYCLE 2010 – 2012)
Annual Improvements (Cycle 2010 – 2012) relate to the following standards:

- IFRS 2 Share-based Payment: Clarifies the definition of "vesting condition"
- IFRS 3 Business Combinations: Clarifies accounting for contingent considerations in corporate acquisitions
- IFRS 8 Operating Segments: Clarifies disclosures related to aggregation of operating segments and reconciliation of the segment's assets to the entity's assets
- IFRS 13 Fair Value Measurement: Clarifies when not to discount current receivables and payables
- IAS 16 Property, Plant and Equipment/IAS 38 Intangible Assets: Clarifies the proportionate restatement of accumulated amortisation when applying the revaluation method
- IAS 24 Related Party Disclosures: Clarifies the definition of "related parties" and their influence on the interpretation of the concept of "key management personnel"
- IAS 38 Intangible Assets: Clarifies the proportionate restatement of accumulated amortisation when applying the revaluation method

In contrast to the effective date for first-time application according to the IASB (annual periods beginning on or after 1 July 2014), the changes in EU IFRS financial statements are obligatory for annual periods beginning on or after 1 February 2015. The Group will apply the new rules from 1 January 2015 at the earliest. No changes are expected from the first-time application.

5 ACCOUNTING AND MEASUREMENT METHODS

5.1 CONSOLIDATION PRINCIPLES

BUSINESS COMBINATIONS
The Group accounts for business combinations on the basis of the purchase method once the Company has gained control. The consideration transferred upon purchase as well as the net assets acquired are basically measured at fair value. Any goodwill arising from the transaction is assessed once a year for impairment. At the reporting date there was no goodwill. Intragroup restructuring was recognised by carrying forward the carrying amounts.

SUBSIDIARIES
Subsidiaries are companies over which the Group has control. The Group controls a company when it is subjected to variable returns from its activities with the company and/or it holds rights in the company and is capable of influencing these yields through its power over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the moment control is gained until the time control ends.

NON-CONTROLLING INTERESTS

Non-controlling interests are measured at the time of acquisition at the respective share of net assets of the acquired company. Changes in shareholdings held by the Group in a subsidiary which do not lead to a loss of control are recognised as equity transactions.

LOSS OF CONTROL

If the Group loses control over a subsidiary, all of the assets and liabilities of the subsidiary and any related non-controlling interests and other components are removed from equity. Any resultant gain or loss is recognised in profit or loss. Any share paid back to the former subsidiary is recognised at fair value from the moment control is lost.

SHARE OF COMPANIES RECOGNISED UNDER THE EQUITY METHOD

The Group's share of companies recognised under the equity method involves shares in joint ventures and in an associate.

Associates are companies over which the Group has significant influence but does not exercise control or joint management with regard to its financial and business policies.

A joint venture is an agreement over which the Group has joint control (whereby it has rights to the net assets of the agreement), instead of rights to its assets and responsibilities for its liabilities.

Shares in associates and joint ventures are accounted for under the equity method. They are initially recognised at acquisition cost, including transaction costs. After the first-time recognition, the consolidated financial statements include the Group's share of total comprehensive income of the company accounted for under the equity method until the point at which significant influence or joint control ends.

BUSINESS TRANSACTIONS ELIMINATED UPON CONSOLIDATION

Intragroup balances and transactions and all non-realised income and expenditure from intragroup transactions are eliminated when producing the consolidated financial statements. Non-realised gains from transactions with companies accounted for under the equity method are derecognised against the shareholding in the amount of the Group's share in the company. Non-realised losses are eliminated in the same way as non-realised gains, but only if there is no indication of impairment.

5.2 FOREIGN CURRENCY

The individual Group companies recognise transactions in foreign currencies at the mean exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated to the Group currency (euro) on the reporting date using the exchange rate valid on this date. Subsequent currency gains and losses are recognised in profit or loss in the financial year in which they are incurred.

The consolidated financial statements do not include any companies which have a functional currency which differs from that of BIG as the ultimate parent.

5.3 INVESTMENT PROPERTY AND PROPERTIES UNDER DEVELOPMENT

Since the financial year 2013 the Group has applied the revaluation method for investment property in accordance with IAS 40.

Investment property and properties under development are initially recognised at acquisition or manufacturing cost less investment costs and contributions to construction costs, after which they are measured at fair value on the respective effective dates – under consideration of accruals for non-linear rents ("rent surcharges"). Any changes of this kind are recognised in profit or loss as net revaluation gains/losses. Investment costs and contributions to construction costs related to tenant contributions to costs for investment and renovation measures on let property and are not subject to any special repayment conditions.

Any profit or loss from the disposal of an investment property (calculated as the difference between net sales proceeds and the carrying amount of the property) is recognised in profit or loss.

Borrowing costs which can be directly attributed to the purchase, construction or production of a property are not capitalised as acquisition or manufacturing costs, but the assets are instead recognised at fair value in accordance with IAS 23.

5.4 PLANT AND EQUIPMENT AND PROPERTIES USED BY THE COMPANY

Plant and equipment and properties used by the Company are recognised at acquisition or manufacturing cost less accumulated depreciation and impairment charges.

Straight-line depreciation is applied to property, plant and equipment over the probable useful life of the facilities. Individual components of property, plant and equipment are not written down separately as they do not represent a material share of the total acquisition costs. The probable useful lives for the current year and comparable years were applied as follows:

Useful life in years	from	to
Property used by the Company	33	33
Furniture, fixtures and equipment	5	10
Other fixed assets	10	33

Depreciation and impairment methods, useful lives and residual values are evaluated at the end of every reporting period and adjusted where necessary.

5.5 INTANGIBLE ASSETS

Intangible assets have a limited useful life and are capitalised at acquisition cost less straight-line amortisation and impairment charges. The following useful lives were applied when determining rates of amortisation:

Useful life in years	from	to
Software	3	5

5.6 LEASES

DETERMINING WHETHER AN AGREEMENT CONSTITUTES A LEASE

When concluding an agreement the Group determines whether the arrangement contains a lease or represents a lease agreement.

When concluding or re-evaluating an arrangement which contains a lease, the Group separates the necessary payments and other charges required for the lease from the other items on the basis of its relative fair value.

CONTRACTUAL LEASED ASSETS AS LESSEE

Assets which the Group holds under a lease arrangement and for which the Group essentially takes on all of the risks and opportunities related to ownership are classified as finance leases. The leased asset is initially recognised at the lower of the fair value and the present value of the minimum lease payments. After initial recognition the asset is recognised in accordance with the accounting method applicable for this asset. Assets from other leases are classified as operating leases and are not recognised in the consolidated statement of financial position.

CONTRACTUAL LEASE PAYMENTS AS LESSEE

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognised as part of the total lease expenditure over the term of the lease.

Minimum lease payments under finance leases are divided between finance expenses and the remaining balance of the lease liability. The finance expense is divided over the term of the lease in such a way that the remaining liability is subject to a consistent interest rate over the periods.

RECEIVABLES FROM CONTRACTUAL LEASES AS LESSOR

Rental agreements under which the significant risks and opportunities related to ownership are transferred to the lessor are recognised as a receivable in the amount of the net investment value from the lease. Receivables from finance leases are basically recognised at the present value of the future minimum lease payments.

5.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

In accordance with IAS 36, BIG only applies impairment to assets which are not recognised using the revaluation method. At BIG this applies to properties used by the Company, plant and equipment and intangible assets.

The recoverable amount is the higher of the value in use and the fair value less costs to sell (net fair value). If this value is less than the carrying amount of the asset, impairment is applied.

Impairment charges are recognised in profit and loss and are shown as a separate item in the statement of comprehensive income.

If the reasons for the previously recognized impairment no longer exist at a later date, a reversal of impairment is performed up to a maximum of the amortised acquisition or manufacturing costs and is shown as a separate item in the statement of comprehensive income.

5.8 REVENUES

Rental revenues are generally realised proportionally over the term of the lease. One-off payments and temporarily increased rent payments are divided over the entire term. This distribution pertains to different terms, for example between the duration of the signed lease and the lessee's termination waiver period.

Revenue from the provision of services is realised after the full rendering of the services.

5.9 INVENTORIES

The assets reported under inventories are inventory properties and services not yet invoiced.

Inventory properties are properties that are held for sale under ordinary business activities, or those under construction and that are planned to be sold. BIG only holds a very low level of inventory properties, which is why they are recognised under inventories. These are recognised at the lower of acquisition or manufacturing cost and net sales value.

Services not yet invoiced from tenant investments are services that third parties (tenants) commission BIG to perform and that are billed to the tenant after completion. These are recognised at the lower of acquisition or manufacturing cost and net sales value.

5.10 EMPLOYEE BENEFITS

Obligations from current employee benefits are recognised as expenses as soon as the associated work has been performed by the employee. A liability must be recognised for the expected amount to be paid when the Group currently has a legal or de facto obligation to pay this amount based on work performed by the employee and the obligation can be reliably estimated.

DEFINED BENEFIT PLANS

BIG is legally obliged to pay 1.53% of the monthly salary of all employees who joined the Company after 31 December 2002 into an employee benefit fund. This represents a defined benefit plan. The payments in 2014 amounted to EUR 370.3t (previous year: EUR 313.2t) and were recognised immediately in profit or loss. Contributions are also made to a pension fund; the Company has no further benefit obligations vis-à-vis the beneficiaries. Under an agreement between BIG and a pension fund dated 1 January 2007, some employees who have been with the Company for more than one year fall under a defined contribution pension plan. The contributions to this defined benefit plan amounted to EUR 267.3t in 2014 (previous year: EUR 238.8t).

PROVISIONS FOR SEVERANCE PAY

BIG is legally obliged to pay employees who joined the Company before 1 January 2003 a one-time severance payment upon termination or when they enter retirement (mandatory severance payment). This payment depends on the number of years of service and the reason for which the employment relationship is terminated, and ranges from two to twelve monthly salaries.

PROVISIONS FOR PENSIONS

BIG has also entered into defined benefit pension obligations for two former managing directors. A separate provision has been formed for this obligation.

PROVISIONS FOR ANNIVERSARY BONUSES

The collective bargaining agreement for BIG employees, amended as of 1 January 2014, provides for anniversary bonuses for the first time. This entitlement applies to employees with uninterrupted service after 15, 25 and 35 years.

Until the end of 2013 only civil servants and contract agents of BIG were entitled to anniversary bonuses, whereby the beneficiaries receive different monthly salaries depending on the province and their years of service in accordance with legal stipulations.

None of the defined benefit plans is financed from a fund. The interest on defined benefit plans is recognised under interest expense.

5.11 PROVISIONS

Provisions are formed when BIG is subject to a legal or de facto obligation with respect to a third party on the basis of a past event and when it is probable that this obligation will result in a cash outflow.

These provisions are formed in the amount resulting from the best estimate at the time the annual financial statements are prepared. If the amount cannot be reliably estimated, no provision is formed. In these rare cases, the obligation is reported as a contingent liability. If the present value of the provision calculated on the basis of a standard market interest rate deviates substantially from the nominal value, the present value of the obligation is applied. Expenses from accrued interest on other provisions are recognised in the expenses related to the respective provision.

5.12 OBLIGATION TO MAKE REMEDIAL PAYMENTS TO THE REPUBLIC OF AUSTRIA

BIG acquired a number of property portfolios from the Republic of Austria some years ago. These purchase agreements stipulated two purchase price components:

- A fixed purchase price upon transfer of the property (considerably lower than the fair value)
- A variable purchase price in the amount of 80% of the accounting profit upon sale of these properties

This is calculated using the following formula:

N	**=**	**(W-V-A-NV-I)*0,8**
N	=	Remedial payment
W	=	Resale value
V	=	Selling costs
A	=	Acquisition value
NV	=	Assumed net liabilities at the time of acquisition
I	=	Carrying amount of the investment of BIG and the capitalised usufruct for the property in question

This remedial payment obligation means that there is a significant difference between the fair value and the actual proceeds that will remain with BIG in the event of sale.

At the time of purchase, the properties were recognised with the fixed purchase price as the acquisition costs. The variable purchase price is not recognised until a property is actually sold (and not in advance), as the Company is under no contractual obligation to sell the properties. When a property is actually sold, the variable purchase price component represents an obligation to make a disbursement to the owner that is recognised directly in equity.

5.13 INCOME TAXES

The income tax expenses reported for the financial year include the corporate income tax calculated for the individual companies on the basis of their taxable income and the applicable tax rate (“actual tax”) and the changes in deferred tax items recognised in profit or loss (“deferred tax”).

The valid tax rates are used for determining deferred amounts. The valid Austrian tax rate of 25% was used to calculate the deferred taxes.

The temporary differences between the balance sheet for tax purposes and the consolidated statement of financial position according to IAS 12 were considered for the calculation of the deferred taxes. The deferred taxes on loss carryforwards are recognised when it is considered probable that there will be sufficient future taxable profit against which the loss or credit carryforward can be utilized. The Company has not capitalised any loss carryforwards because it has no material loss carryforwards.

BIG is the parent of a tax group. The members of this group are:

- ARE Austrian Real Estate Development GmbH
- BIG Beteiligungs GmbH

- „Muthgasse 18“ Liegenschaftsverwertung GmbH
- Inffeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH
- BIG Asperner Flugfeld Süd Holding GmbH
- Campus WU GmbH (vormals Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH)
- ARE Austrian Real Estate GmbH
- ICT Technologiepark Errichtungs- und Verwertungs GmbH
- Argentinierstraße 11 GmbH
- Beatrixgasse 11-17 GmbH
- Rosenberggürtel Graz GmbH
- ARE Holding GmbH
- ARE Beteiligungen GmbH
- Wimmergasse 17 und 21 GmbH
- Anzengrubergasse Errichtungs- und Verwertungs GmbH
- Nußdorferstraße 90-92 Liegenschaftsverwertung GmbH

The positive and negative tax allocation to each group member is 25% (pursuant to Art. 22 [1] KStG as amended, Federal Law Gazette I 2004/57) of the member's profit or loss for tax purposes. When the parent holds between 50% and 75% of a member company (such as Campus WU), only positive amounts have been allocated since 1 January 2013 and tax losses are carried internally. Losses of EUR 6,619.6t from the project companies for which no tax allocations were made were assumed in financial year 2014. No reserves for later tax settlement were made because the Company does not assume that the losses that were assumed will have to be paid on the basis of contractual agreements.

5.14 CASH FLOWS

The statement of cash flows was prepared in accordance with IAS 7. Cash and cash equivalents includes cash, sight deposits at banks and investments at credit institutions with a term of up to three months at the time of investment.

5.15 NET FINANCIAL INCOME/EXPENDITURE

Net financial income/expenditure contains interest, dividend, and similar income from the investment of funds and investments in financial assets as well as gains and losses from the sale of financial assets and from impairment charges and reversals of impairment on financial assets.

Financing expenses include all interest incurred for obtained loans and other financing and similar expenses. The interest is recognised using the effective interest rate method.

The currency gains and losses associated with financing are recognised in the financial result.

6 RECOGNITION OF FINANCIAL INSTRUMENTS

All financial assets and liabilities are recognised at their respective due date. The financial assets and liabilities are derecognised when the rights to payment from the investment are cancelled or transferred and BIG has transferred all of the risks and opportunities related to ownership.

6.1 LOANS AND RECEIVABLES

Assets and liabilities of this kind are initially recognised at fair value plus the directly attributable transaction costs. For subsequent measurement they are recognised at amortised cost under application of the effective interest method.

Trade receivables, loans and other receivables and assets are classified as loans and receivables. This also applies to other bonds, liabilities to credit institutions as well as trade payables and other liabilities.

If there is any uncertainty surrounding individual receivables, they are recognised at the lower realisable amount. Impairment is then applied and recognised in profit or loss.

A reversal of impairment is applied up to the original acquisition or manufacturing cost should impairment no longer apply.

6.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are initially recognised at fair value plus the directly attributable transaction costs. For subsequent measurement they are recognised at fair value and any changes in value, with the exception of impairment, are recognised in other comprehensive income and shown in the fair value reserve in equity. When an asset is derecognised, the accumulated other comprehensive income in transferred to profit or loss.

6.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash, sight deposits at banks and investments at credit institutions with a term of up to three months at the time of investment.

6.4 SHARES IN COMPANIES RECOGNISED UNDER THE EQUITY METHOD

Shares in associated companies and joint ventures are recognised in accordance with the equity method. They are initially recognised at acquisition cost, for subsequent periods they are recognised at the amortised cost of the proportionate net assets plus any goodwill. The carrying amounts are increased or decreased each year by the proportionate profit or loss, dividend payments, and other changes in equity. Impairment is applied if the value determined on the reporting date is lower than the carrying amount.

6.5 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group only uses derivative financial instruments to hedge currency and interest-rate risks. Derivatives are initially recognised at fair value, while any related transaction costs are recognised in profit or loss when they occur. For subsequent measurement, derivatives are recognised at fair value. Any changes which result are generally recognised in profit or loss.

For derivatives that are intended to hedge against the risk of fluctuating cash flows (“cash flow hedges”), the effective portion of the change in the fair value of the derivative is recognised in other comprehensive income and shown in equity in the cash flow hedge reserve. The ineffective portion of the change in the fair value is recognised directly in profit or loss.

The accumulated amount recognised directly in equity remains in other comprehensive income, and is reclassified to profit or loss in the same period(s) in which the hedged item influences the profit or loss.

As soon as the hedging instrument no longer meets the requirements for hedge accounting or the instrument expires, is sold, terminated, or exercised, or is no longer designated as a hedging instrument, it is no longer recognised as a hedging instrument. If the forecast transaction is no longer expected to occur, the accumulated amount previously recognised in equity is transferred to profit or loss.

6.6 FINANCIAL LIABILITIES RECOGNISED AT AMORTISED COST

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. For subsequent measurement they are recognised at amortised cost under application of the effective interest method.

6.7 FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE THROUGH PROFIT OR LOSS

Individual fixed-rate bonds issued in a foreign currency are hedged using cross currency swaps to euros, without designating the derivative as a hedge transaction or applying hedge accounting. The derivatives are recognised at fair value and any resultant changes are recognised in profit or loss. In order to avoid mismatches in the measurement these bonds are initially recognised at fair value through profit or loss (fair value option).

7 CONSOLIDATED GROUP

7.1 CHANGES TO THE CONSOLIDATED GROUP

The following changes to the consolidated group occurred in the 2014 financial year:

	Fully consolidated	Equity method
Balance at 1.1.2014	19	16
Changes to the consolidated group	0	0
Sold in the year under review	0	-2
Founded in the year under review	5	4
Balance at 31.12.2014	**24**	**18**

The following changes to the consolidated group occurred in the 2013 financial year:

	Fully consolidated	Equity method
Balance at 1.1.2013	13	12
Changes to the consolidated group	1	-1
Founded in the year under review	5	5
Balance at 31.12.2013	**19**	**16**

7.2 FULLY CONSOLIDATED COMPANIES

In addition to BIG, 23 (previous year: 18) domestic subsidiaries over which BIG has control were fully consolidated:

Company	Domicile	Currency	Direct sharehold-ing in %	Nominal capital	Equity (UGB)
Bundesimmobiliengesellschaft m.b.H.	Vienna	EUR	100.00	226,000,000.00	912,851,676.12
ARE Austrian Real Estate GmbH	Vienna	EUR	100.00	50,000,000.00	1,109,842,638.28
ARE Austrian Real Estate Development GmbH	Vienna	EUR	100.00	364,000.00	124,262,818.56
"Muthgasse 18" Liegenschaftsverwertung GmbH	Vienna	EUR	100.00	36,336.42	12,968,793.33
Inffeldgasse 25 Forschungs- und Wissen-schaftsgebäude Bauträger GmbH	Vienna	EUR	100.00	35,000.00	2,343,223.50
BIG Beteiligungs GmbH	Vienna	EUR	100.00	35,000.00	468,281,842.58
BIG Asperner Flugfeld Süd Holding GmbH	Vienna	EUR	100.00	35,000.00	10,444.28
ICT Technologiepark Errichtungs- und Verwertungs GmbH	Vienna	EUR	100.00	35,000.00	5,104,238.08
Grutschgasse 1-3 GmbH	Vienna	EUR	100.00	35,000.00	10,296,398.49
Argentinierstraße 11 GmbH	Vienna	EUR	100.00	35,000.00	11,408,236.41
Beatrixgasse 11-17 GmbH	Vienna	EUR	100.00	35,000.00	2,168,791.48
Rosenberggürtel Graz GmbH	Vienna	EUR	100.00	35,000.00	1,471,997.39
Wimmergasse 17 und 21 GmbH	Vienna	EUR	100.00	35,000.00	2,083,720.33
Schottenfeldgasse 34 GmbH	Vienna	EUR	100.00	35,000.00	2,707,490.98
Seidengasse 20 GmbH	Vienna	EUR	100.00	35,000.00	3,062,337.45
ARE Holding GmbH	Vienna	EUR	100.00	35,000.00	3,913,943.06
ARE Beteiligungen GmbH	Vienna	EUR	100.00	35,000.00	3,917,966.91
Anzengrubergasse Errichtungs- und Verwertungs GmbH	Vienna	EUR	100.00	35,000.00	4,137,140.76
Nußdorferstraße 90-92 Liegenschafts-verwertung GmbH	Vienna	EUR	100.00	35,000.00	9,779,921.56
Institutsgebäude Sensengasse 1-3 GmbH	Vienna	EUR	100.00	35,000.00	4,101,433.80
Emil Behring Weg Liegenschafts-verwertung GmbH	Vienna	EUR	100.00	35,000.00	4,660,589.93
Linke Wienzeile 216 GmbH	Vienna	EUR	100.00	35,000.00	1,388,481.74
Bahnhofgürtel 55 GmbH	Vienna	EUR	50.00	35,000.00	769,668.10
ND Beteiligungen GmbH & Co KG	Vienna	EUR	100.00	200.00	12,825,529.89

7.3 SHARES IN COMPANIES RECOGNISED UNDER THE EQUITY METHOD

At the end of the reporting period there were 18 (previous year: 16) domestic companies recognised under the equity method included in the consolidated financial statements:

Company	Domicile	Currency	Direct sharehold-ing in %	Nominal capital	Equity (UGB)	Annual surplus/ deficit (UGB)
Campus WU GmbH	Vienna	EUR	51.00	35,000.00	439,096,179.62	-11,212,850.24
Wien 3420 Aspern Development AG	Vienna	EUR	26.60	70,000.00	20,396,794.99	634,575.97
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Vienna	EUR	50.00	200.00	10,229,980.44	-145,219.56
Residenz am Hamerlingpark GmbH & Co KG	Vienna	EUR	50.00	35,000.00	10,088,660.37	-1,187,262.11
Schnirchgasse 9-9A GmbH	Vienna	EUR	45.00	35,000.00	5,626,052.17	-529,672.37
Schiffmühlenstraße 120 GmbH	Vienna	EUR	25.00	35,000.00	3,496,628.62	-541,159.55
NOE Central St. Pölten Verwertungs GmbH	St. Pölten	EUR	67.58	35,000.00	3,488,814.05	3,330.38
SIVBEG – Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungs-gesellschaft m.b.H.	Vienna	EUR	45.00	35,000.00	3,286,596.09	707,650.16
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	Vienna	EUR	55.00	35,000.00	2,404,839.80	303,897.15
Hauptplatz 18 Entwicklungs- und Verwertungs GmbH	Vienna	EUR	36.00	35,000.00	1,387,968.78	-104,331.67
Kaarstraße 21 GmbH	Vienna	EUR	50.00	35,000.00	1,092,473.24	-76,207.62
Eslarngasse 16 GmbH	Vienna	EUR	25.00	35,000.00	74,903.02	-12,430.19
Fürstenallee 21 GmbH	Vienna	EUR	25.00	35,000.00	55,802.96	-27,579.55
ND Beteiligungen GmbH	Vienna	EUR	50.00	35,000.00	35,068.57	68.57
TRIIIPLE Management GmbH	Vienna	EUR	45.00	35,000.00	34,595.64	-404.36
HAPA Projektmanagement GmbH	Vienna	EUR	50.00	35,000.00	30,316.64	3,900.82
Hillerstraße – Jungstraße GmbH	Vienna	EUR	25.00	35,000.00	-15,530.86	-61,172.50
Erdberger Lände 36-38 Projektentwicklung GmbH	Vienna	EUR	50.00	35,000.00	-439,736.64	-474,736.64

All companies recognised under the equity method, with the exception of Wien 3420 Aspern Development AG, qualify for recognition as joint ventures. Regardless of the respective interest held, the qualification arises from the contractual agreements on joint control of the company.

Significant influence is the precondition for classification as an associated company. As a rule, this can be determined by the presence of one or more indicators which are defined in IAS 28.6. Potential voting rights must be considered when determining whether significant influence exists. In contrast, actually exercising significant influence is not required. If a company holds 20% or more of the total voting rights, it is assumed to have significant influence. This assumption can, however, be refuted.

CAMPUS WU GMBH
Accounting for around 96% of the total value of companies accounted for under the equity method, the Group considers Campus WU GmbH to be its most important joint venture.

BIG (51%) and the Vienna University of Business and Economics (WU) are the joint owners of this independent vehicle that operates the WU campus, which is used by the WU as the main tenant. It is classified as a joint venture on the grounds that all important decisions regarding the company can only be made jointly with the other owner. This investment is recognised in the BIG consolidated financial statements under companies recognised under the equity method, as BIG does not have control of the company owing to the stipulations in the articles of association and in the syndicate agreements.

- This project was financed in full by BIG as follows: in accordance with agreement laid out in the syndicate agreement, during the construction phase of the new WU Building BIG was obliged to provide first-tier parent contributions to cover the entire construction costs and 49% of the costs to acquire the development site.
- The remaining 51% of the costs to acquire the development site are provided by BIG as an additional capital injection into the project company.
- To date, BIG has concluded credit agreements with four lenders in order to finance the project, involving total borrowings of EUR 450,000.0t. The remainder of the construction costs were also financed using outside capital. All credit agreements specify that the new construction may only be used exclusively by the Vienna University of Business and Economics.
- BIG's construction and financing costs will be settled over a 25-year lease period (the lease agreement started on 1 October 2013) through payments by the Vienna University of Business and Economics to Campus WU GmbH and subsequently through non-linear dividend distributions. After the end of the 25-year period, dividends will be paid out on the basis of the stake held (51% BIG and 49% Vienna University of Business and Economics).

7.4 FIRST-TIME CONSOLIDATION

The following companies related to BIG were newly founded in the financial year:

Company	Domicile	Currency	Direct shareholding in %	Type of consolidation[5]	Founded on
Nußdorferstraße 90-92 Liegenschaftsverwertung GmbH	Vienna	EUR	100.00	FC	3.1.2014
Linke Wienzeile 216 GmbH	Vienna	EUR	100.00	FC	22.5.2014
Bahnhofgürtel 55 GmbH	Graz	EUR	50.00	FC	22.5.2014
Emil Behring Weg Liegenschaftsverwertung GmbH	Vienna	EUR	100.00	FC	26.5.2014
ND Beteiligungen GmbH & Co KG	Vienna	EUR	100.00	FC	26.5.2014
Erdberger Lände 36-38 Projektentwicklung GmbH	Vienna	EUR	50.00	EQ	10.4.2014
ND Beteiligungen GmbH	Vienna	EUR	50.00	EQ	22.5.2014
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Vienna	EUR	50.00	EQ	26.5.2014
TRIIIPLE Management GmbH	Vienna	EUR	45.00	EQ	19.12.2014

[5] FC = fully consolidated, EQ= consolidated under the equity method

The inclusion of Bahnhofgürtel 55 GmbH as a fully consolidated company is due to a syndicate agreement with Bahnhofgürtel 55 GmbH granting ARE Austrian Real Estate Development GmbH an option right. Within a twelve-week period from the awarding of the general contractor agreement, the legal zoning permit and a cost estimate for the entire project, the Group company can therefore purchase the stake of its project partner at a pre-agreed price. As these preconditions had been met and the subscription period had already begun as at 31 December 2014, the company was consolidated in full.

7.5 CHANGES TO THE TYPE OF INCLUSION IN THE CONSOLIDATED GROUP

In the financial year a change in the type of inclusion in the consolidated financial statements was applied to the following companies:

			Before		After		
Company	Domicile	Currency	Direct shareholding in %	Type of consolidation[6]	Direct shareholding in %	Type of consolidation	Date of change in consolidated group
Institutsgebäude Sensengasse 1-3 GmbH	Vienna	EUR	45.00	EQ	100.00	FC	18.6.2014
NOE Central St. Pölten Verwertungs GmbH	St. Pölten	EUR	67.58	FC	67.58	EQ	31.12.2014

[6] FC = fully consolidated, EQ= consolidated under the equity method

The acquisition of a 55% stake in Institutsgebäude Sensengasse 1-3 GmbH was concluded at a purchase price of EUR 3,670.0t and led to a value increase in the existing stake in the course of the full consolidation. The impact on the consolidated financial statements resulting from this transaction is of minor significance.

For more details on the classification of NOE Central St. Pölten Verwertungs GmbH as a joint venture see note 4.1.

7.6 DECONSOLIDATIONS

Effective as of the contract dated 31 December 2014, the shareholdings in "Am Heumarkt 35 GmbH" and "Am Heumarkt 35 GmbH & Co KG" were sold for EUR 1,540.5t.

8 NOTES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

8.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

8.1.1 REVENUES

in EURt	2014	2013
Letting revenues	770,987.7	755,207.8
Revenues from operating and heating costs	75,429.2	75,605.4
Revenues from tenant investments	42,079.7	56,144.4
Building management revenues	24,333.1	23,196.5
Facility services revenues	8,694.9	7,781.3
Construction management revenues	300.8	1,297.5
Proceeds from the sale of inventory properties	10,225.0	22,490.0
Space management revenues	156.6	161.8
Other revenues	5,504.2	4,455.4
Total revenues	**937,711.2**	**946,340.0**

8.1.2 CHANGES IN PROPERTY HOLDINGS

in EURt	2014	2013
Tenant investments and services not yet invoiced	1,271.0	-4,040.6
Investment in inventory properties	8,460.7	4,626.3
Inventory properties	-7,636.8	-13,306.6
Total changes in property holdings	**2,095.0**	**-12,720.9**

8.1.3 OTHER OPERATING INCOME

in EURt	2014	2013
Own work capitalised	6,535.8	0.0
Release of other provisions	0.0	2,458.3
Assumed refurbishment costs	0.0	2,388.1
Income from the release of provisions for impairment	0.0	2,274.3
Other income	7,070.3	5,584.6
Other operating income	**13,606.1**	**12,705.3**

The basis for a clear division between administrative and planning costs was established in the reporting period, thereby fulfilling the criteria of IAS 16.7. Therefore own work capitalised is shown as a separate item from net revaluation gains/losses for the first time.

8.1.4 NET REVALUATION GAINS/LOSSES

in EURt	2014	2013
Revaluation gains	552,705.9	193,416.4
Revaluation losses	-493,424.5	-160,558.8
Net revaluation gains/losses	**59,281.4**	**32,857.6**

8.1.5 NET GAINS FROM THE SALE OF PROPERTY AND OTHER ASSETS

in EURt	2014	2013
Gains from the sale of plant and equipment	6,188.2	17,530.2
Losses from the sale of plant and equipment	-3,344.8	-3,191.2
Net gains from the sale of property	**2,843.5**	**14,339.0**

8.1.6 MATERIAL EXPENSES

in EURt	2014	2013
Maintenance	-134,485.0	-158,006.8
Expenses for tenant investments	-40,940.3	-49,512.2
Operating and heating costs	-82,192.0	-82,744.0
Other purchased services	-37,244.9	-30,316.3
Income from cash discounts	449.3	587.8
Expenses for materials and purchased services	**-294,413.0**	**-319,991.5**

8.1.7 PERSONNEL EXPENSES

in EURt	2014	2013
Wages	-441.2	-481.5
Salaries	-32,410.6	-29,701.2
Expenses for severance pay and pensions	-716.6	-937.8
Ancillary labour costs	-8,497.2	-7,878.8
Other social security expenses	-1,013.7	-662.4
Personnel expenses	**-43,079.3**	**-39,661.7**

The personnel structure of BIG breaks down as follows:

Employees (average for the year)	2014	2013
Salaried employees	512	481
Former federal contract agents	84	89
Recognised as personnel expenses	**596**	**570**
Federal/provincial civil servants	259	274
Provincial contract agents	3	3
Recognised as purchased services	**262**	**277**
Total	**858**	**847**

8.1.8 DEPRECIATION, AMORTISATION AND IMPAIRMENT

in EURt	2014	2013
Depreciation and amortisation	-2,652.6	-2,723.0
Impairment	-1,499.0	-423.3
Total depreciation, amortisation and impairment	**-4,151.6**	**-3,146.3**

As in the previous year, impairment charges related to the impairment of inventory properties.

8.1.9 OTHER OPERATING EXPENSES

in EURt	2014	2013
Change in provisions for onerous contracts	-20,168.0	-8,536.6
Services	-5,484.7	-4,341.1
IT	-2,780.4	-2,601.6
Office management	-3,170.0	-2,313.1
Advertising	-1,659.5	-1,780.1
Communication	-447.9	-430.1
Training	-801.4	-778.8
Travel expenses	-596.9	-600.8
Taxes other than income taxes	-606.8	-253.3
Motor vehicles	-298.3	-276.2
Sales costs	-746.5	-938.4
Miscellaneous other operating expenses	4,286.4	-970.1
Total other operating expenses	**-32,473.9**	**-23,820.2**

Other operating expenses include income from the release of a provision for restitution on Kohlmarkt totalling EUR 7,000.0t; also see note 9.11.

8.1.10 FINANCIAL EXPENSES

in EURt	2014	2013
Interest expense	-118,664.4	-131,419.0
Other financial expenses	-938.8	-1,125.1
Total financial expenses	**-119,603.2**	**-132,544.0**

8.1.11 FINANCIAL INCOME

in EURt	2014	2013
Interest income	1,405.0	2,029.7
Income from fund units	23.7	25.1
Remeasurement of bonds at fair value through profit or loss (fair value option)	412.2	35,423.3
Remeasurement of bonds at amortised cost (share in foreign currency)	-21,296.3	68,493.6
Remeasurement of derivatives – with hedge accounting (share in foreign currency)	21,595.1	-90,387.2
Remeasurement of derivatives – fair value option	-1,537.3	-36,751.9
Other financial income	2,842.9	2,604.7
Total financial income	**3,445.2**	**-18,562.6**

In the course of the financial year, EUR 91.3t (previous year: EUR 149.7t) was recognised in financial income from the ineffective portion of cash flow hedges.

8.1.12 NET GAINS/LOSSES FROM FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IAS 39

The net gains/losses from financial instruments by class and measurement category in accordance with IAS 39 break down as follows for the financial years 2013 and 2014:

2014 in EURt		From remeasurement				
Category	Interest	At fair value through profit or loss	At fair value directly in equity	Other value changes	From disposal	Net gain/loss
Assets						
Loans and receivables	-32,507					
Available-for-sale securities	24		18			18
Derivatives – with hedges	-50,172	21,595	-16,793			4,802
Derivatives – fair value option		-1,537				-1,537
Bonds recognised at fair value through profit or loss	-34,581	412				412
Bonds recognised at amortised cost		-21,296				-21,296
Total	**-117,236**	**-827**	**-16,775**			**-17,602**

2013 in EURt		From remeasurement				
Category	Interest	At fair value through profit or loss	At fair value directly in equity	Other value changes	From disposal	Net gain/loss
Assets						
Loans and receivables	-50,529					
Available-for-sale securities	25		-3			-3
Derivatives – with hedges	-44,339	-90,387	-3,892			-94,279
Derivatives – fair value option		-36,752				-36,752
Bonds recognised at fair value through profit or loss	-34,522	35,423				35,423
Bonds recognised at amortised cost		68,494				68,494
Total	**-129,364**	**-23,222**	**-3,895**			**-27,117**

9 NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

9.1 INVESTMENT PROPERTY AND PROPERTY UNDER DEVELOPMENT

The following changes occurred in the carrying amounts of investment property and property under development:

Investment property

in EURt	2014	2013
Balance 1.1.	10,010,036.9	9,760,757.0
Additions	167,056.8	170,677.5
Investment grants	-5,145.3	-19,355.7
Rent surcharges	-39,322.6	-38,819.5
Additions from changes to the consolidated group	20,899.9	10,274.6
Disposals	-5,816.0	-15,319.1
Reclassification from IAS 40 to IAS 2	-7,312.9	11,736.6
Reclassification of completed properties	153,930.5	120,172.9
Value changes (increase/decrease)	89,708.7	9,912.6
Balance 31.12.	**10,384,036.0**	**10,010,036.9**

Property under development

in EURt	2014	2013
Balance 1.1.	295,347.2	213,207.0
Additions	223,181.6	206,032.5
Investment grants	-34,806.1	-23,343.8
Rent surcharges	-83.3	-83.1
Additions from changes to the consolidated group	0.0	0.0
Disposals	-3,226.1	-3,226.7
Reclassification from IAS 40 to IAS 2	0.0	-10.8
Reclassification of completed properties	-153,930.5	-120,172.9
Value changes (increase/decrease)	-30,427.2	22,945.0
Balance 31.12.	**296,055.6**	**295,347.2**

Rent surcharges involve accruals for limited increases in rental payments ("non-linear rents") which are distributed over the entire term. This distribution affects various periods between the length of the rent surcharge contract and the length of the waiver of the tenant's termination right.

DETERMINING FAIR VALUES

In the reporting period the fair value of investment property was either determined using internal property valuation software or by independent external real estate appraisers based on Level 3 inputs. The external valuations, which accounted for almost a fifth of the total fair value in the reporting period, provide additional general plausibility of the values calculated by the valuation software and applied to other properties.

VALUATION METHODS

The valuations are conducted in accordance with the principles of the federal law for the court-certified assessment of properties (Liegenschaftsbewertungsgesetz – LBG) and the European valuation standards of The European Group of Valuers' Associations (TEGoVA).

The particular characteristics of the properties to be valued are taken into account by means of a careful selection of the most appropriate measurement models and the selection of parameters in accordance with the specific property (with factors such as the location of the property, usage type, market environment, condition etc.). The valuation is generally based on the income approach.

The income approach is used to determine the market value of properties for which the yield on the invested capital is decisive for determining the price in the normal course of business. The income approach essentially aims to determine the present value of all future income on the property as of the measurement date.

INPUTS

In the course of valuation the following material non-observable inputs were applied:

Segment	Carrying amount at 31.12.2014 in EURt	Input	Range 2014
Special Properties	1,040,749.8	Loss of rental income	0.5% to 5.0%
		Property rate	2.0% to 11.0%
		Maintenance costs	EUR 13.2 to 25.2/m² p.a.
		Remaining useful life	10.0 to 60.0 years
Schools	3,969,732.3	Loss of rental income	0.5% to 5.0%
		Property rate	2.5% to 9.3%
		Maintenance costs	EUR 13.2 to 25.2/m² p.a.
		Remaining useful life	10.0 to 76.0 years
Universities	3,324,370.2	Loss of rental income	0.5% to 10.0%
		Property rate	3.5% to 8.9%
		Maintenance costs	EUR 13.2 to 25.2/m² p.a.
		Remaining useful life	3.0 to 70.0 years
Total BIG	**8,334,852.3**		
ARE Vienna	1,033,138.3	Loss of rental income	0.5% to 7.0%
		Property rate	3.0% to 8.0%
		Maintenance costs	EUR 5.0 to 23.0/m² p.a.
		Remaining useful life	1.0 to 70.0 years
ARE East	596,661.4	Loss of rental income	0.5% to 6.0%
		Property rate	4.0% to 8.25%
		Maintenance costs	EUR 1.0 to 31.0/m² p.a.
		Remaining useful life	1.0 to 50.0 years
ARE West	715,439.6	Loss of rental income	1.0% to 6.0%
		Property rate	4.0% to 8.0%
		Maintenance costs	EUR 1.0 to 24.0/m² p.a.
		Remaining useful life	1.0 to 50.0 years
Total ARE (including project companies)	**2,345,239.3**		
Total Group	**10,680,091.6**		

The fact that the portfolio is composed of highly divergent properties leads to a sharp difference in some ranges.

SENSITIVITY ANALYSIS

The change in the fair value of the properties is closely linked to the current estimate of realisable future rents and the capitalisation rates applied under the income approach. At 31 December 2014 the fair value and carrying amount of investment property and properties under development was EUR 2,345,239.3t in ARE and EUR 8,334,852.3t in BIG.

For conducting the sensitivity analysis, the ten largest economic units – measured by fair value – of ARE and BIG respectively were selected; these exclusively consisted of properties under the Group's sole ownership, on which there were no properties built, which were identified as being assets under development as of 31 December 2014 or which were classed as unimproved land. The fair value volumes of these selected properties at 31 December 2014 amounted to EUR 719,389.0t in ARE (30.7% of the total fair value of property held by ARE) and EUR 1,139,133.0t in BIG (13.7% of the total fair value of property held by BIG).

The sensitivity of the fair value of all properties was based on the sensitivities determined for the properties included in the sample. The following table shows the sensitivity of the fair value of properties in relation to a change in the sustained annual gross yield and the capitalisation rate:

Changes in the sustained annual gross yield	-10%	+10%
ARE segments	-9.0%	+9.0%
BIG segments	-9.2%	+9.2%

Changes in the capitalisation rate	+50 basis points	-50 basis points
ARE segments	-8.5%	+10.1%
BIG segments	-6.6%	+7.6%

In general, the fair values would rise (fall) if:

- Rises in market rents are higher (lower) than expected
- Vacancy periods are shorter (longer)
- Property rates fall (rise)
- Maintenance costs fall (rise)
- Remaining useful life is longer (shorter)

9.2 PROPERTIES USED BY THE COMPANY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At 31 December 2014 no plant or equipment or intangible assets were pledged as collateral for liabilities.

Properties used by the Company

in EURt	2014	2013
Balance at 1.1.	32,609.0	33,718.3
Additions	95.3	99.5
Disposals	0.0	0.0
Amortisation and impairment	-1,212.2	-1,208.8
Balance at 31.12.	**31,492.0**	**32,609.0**
Acquisition and manufacturing costs	42,512.5	42,417.2
Accumulated amortisation and impairment	-11,020.4	-9,808.2
Balance at 31.12.	**31,492.0**	**32,609.0**

Plant and equipment

in EURt	2014	2013
Balance at 1.1.	2,297.1	2,228.1
Additions	1,266.5	1,165.6
Disposals	-51.5	-4.4
Amortisation and impairment	-941.9	-1,092.2
Balance at 31.12.	**2,570.2**	**2,297.1**
Acquisition and manufacturing costs	13,110.8	12,290.1
Accumulated amortisation and impairment	-10,540.5	-9,993.0
Balance at 31.12.	**2,570.2**	**2,297.1**

Intangible assets (acquired)

in EURt	2014	2013
Balance at 1.1.	1,694.8	1,319.2
Additions	594.1	797.6
Disposals	0.0	0.0
Amortisation and impairment	-498.3	-422.0
Balance at 31.12.	**1,790.7**	**1,694.8**
Acquisition and manufacturing costs	8,026.3	7,432.1
Accumulated amortisation and impairment	-6,235.6	-5,737.3
Balance at 31.12.	**1,790.7**	**1,694.8**

9.3 SHARES IN COMPANIES RECOGNISED UNDER THE EQUITY METHOD

in EURt	31.12.2014	31.12.2013
Campus WU GmbH	463,728.8	433,509.7
Residenz am Hamerlingpark GmbH & Co KG	5,197.9	5,792.9
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	5,115.0	0.0
Schnirchgasse 9-9A GmbH	2,641.2	4,896.6
NOE Central St. Pölten Verwertungs GmbH	2,357.7	0.0
SIVBEG – Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.	1,479.1	1,158.9
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	1,322.7	1,619.7
Schiffmühlenstraße 120 GmbH	874.2	1,009.4
Kaarstraße 21 GmbH	541.4	562.8
Hauptplatz 18 Entwicklungs- und Verwertungs GmbH	499.7	1,491.0
Wien 3420 Aspern Development AG	66.8	0.0
ND Beteiligungen GmbH	17.5	0.0
TRIIIPLE Management GmbH	15.6	0.0
HAPA Projektmanagement GmbH	15.2	13.2
Institutsgebäude Sensengasse 1-3 GmbH	0.0	3,426.5
Hillerstraße – Jungstraße GmbH	0.0	0.0
Eslarngasse 16 GmbH	0.0	309.3
Fürstenallee 21 GmbH	0.0	1,143.3
Erdberger Lände 36-38 Projektentwicklung GmbH	0.0	0.0
Am Heumarkt 35 GmbH	0.0	17.0
Am Heumarkt 35 GmbH & Co KG	0.0	0.0
Total	**483,872.7**	**454,950.4**

The following table shows the financial information on Campus WU GmbH and the shares held:

in EURt	31.12.2014	31.12.2013
Ownership	51%	51%
Non-current assets	508,400.0	494,039.3
Current assets	1,844.0	4,621.5
Non-current liabilities	-7,723.0	0.0
Current liabilities	-19,845.2	-52,720.4
Net assets	**482,675.8**	**445,940.5**
of which BIG (incl. non-linear contributions)	463,728.8	433,509.7
of which WU	18,947.0	12,430.8

The following amounts are included in the assets and liabilities stated above:

in EURt	31.12. 2014	31.12. 2013
Cash and cash equivalents	1.9	383.7
Non-current financial liabilities	0.0	0.0
Current financial liabilities	-19,845.2	-52,720.4

The reconciliation of the proportionate net assets is as follows:

in EURt	31.12. 2014	31.12. 2013
Share of net assets at 1.1.	433,509.7	272,667.0
Comprehensive income attributable to the Group	14,500.0	6,920.1
Non-linear capital injection BIG	41,195.0	153,922.5
Dividends received	-31,280.0	0.0
Special dividend BIG	5,804.1	0.0
Share of net assets at 31.12.	**463,728.8**	**433,509.7**

in EURt	2014	2013
Revenue	34,543.1	1,167.4
Profit for the period	28,431.3	13,568.9
Other income	0.0	0.0
Total comprehensive income	**28,431.3**	**13,568.9**

The annual financial statements above include the following amounts:

in EURt	2014	2013
Depreciation	0.0	-215.2
Interest income	0.9	1.2
Interest expense	0.0	0.0
Income tax expenses/income	0.0	0.0

The following table shows the changes in value of all shares held in companies recognised under the equity method:

in EURt	31.12.2014	31.12.2013
Balance at 1.1.	454,950.4	294,406.0
Changes to the consolidated group	821.2	-1,715.4
Shares sold	-217.0	0.0
Changes to capital (additional contributions, dividends received etc.)	7,103.4	154,962.6
Share of profit for the period	21,214.7	7,297.2
Balance at 31.12.	**483,872.7**	**454,950.4**

9.4 OTHER FINANCIAL ASSETS

in EURt	31.12.2014	31.12.2013
Available-for-sale securities	914.1	897.7
Loans	9,589.2	23,903.1
Receivables from finance leases	9,708.5	10,251.4
Non-current trade receivables	110,061.9	14,210.0
Other non-current receivables	13,136.7	1,505.7
Total	**143,410.4**	**50,767.9**

The available-for-sale securities consist of shares in investment funds (13,155 shares). The fair value corresponds to the price quoted on the reporting date. These securities have no nominal value. The current carrying amount represents the maximum default risk for these securities.

The loans relate to loans granted to companies recognised under the equity method and to third parties.

The increase in non-current trade receivables primarily relates to a postponement to 2016 of rent due for the 4th quarter 2014 of around EUR 88,000t. The charges for the deferment are such that they will not have an effect on income.

The carrying amount of the reported securities, loans and receivables represents the maximum credit risk as of the reporting date.

At the reporting date of this financial year and the previous year no other financial assets were pledged as collateral for liabilities.

Other non-current receivables contains a shareholder loan to Erdberger Lände 36-38 Projektentwicklung GmbH, which currently stands at EUR 7,214.6t and is in the form of a subordinated loan.

9.5 DERIVATIVE FINANCIAL INSTRUMENTS

The derivatives consist primarily of interest rate, currency, and circus swaps for issued bonds and loans. Please refer to item 10.2 for further information.

9.6 INVENTORIES

The inventories primarily consist of properties held for trading purposes. Tenant investments are also reported in this item. These are services that third parties (tenants) commission BIG to perform and that are billed to the tenant in accordance with their progress or an agreed payment plan, or after they are completed. These are recognised at the lower of acquisition or manufacturing cost or the net disposal value.

Inventories for properties

in EURt	2014	2013
Balance at 1.1.	62,015.2	80,760.2
Disposals from changes to the consolidated group	-9,471.3	0.0
Additions from properties	0.0	2,084.5
Reclassification from IAS 40 to IAS 2	7,312.9	0.0
Reclassification	0.0	-11,725.8
Write-downs	-1,498.8	-423.4
Changes in property holdings	824.0	-8,680.3
Balance at 31.12.	**59,181.9**	**62,015.2**

Inventories for tenant investments

in EURt	2014	2013
Balance at 1.1	11,118.6	15,159.2
Changes in property holdings	1,271.0	-4,040.7
Balance at 31.12.	**12,389.6**	**11,118.6**

9.7 RECEIVABLES AND OTHER ASSETS

in EURt	31.12.2014	31.12.2013
Receivables from finance leases	1,814.9	1,720.1
Trade receivables	18,458.8	27,945.0
Other receivables and assets	9,492.7	19,161.0
Loans	5,306.6	6,114.9
Total current assets	**35,073.1**	**54,941.0**

The carrying amount of the receivables and other assets is an appropriate approximation of the fair value, and represents the maximum credit risk on the reporting date.

At the reporting date there were no overdue trade receivables, loans or other receivables to which impairment had not been applied.

The individual impairment provisions for trade receivables underwent the following changes in the 2014 and 2013 financial years:

in EURt	2014	2013
Balance at 1.1.	717.3	776.6
Allocations	205.8	104.9
Use	-230.4	-24.4
Releases	-15.8	-139.7
Balance at 31.12.	**677.0**	**717.3**

The expenses for the complete derecognition of trade receivables in the financial year 2014 total EUR 307.8t (previous year: EUR 227.9t).

The financial assets for which individual impairment provisions have been formed pertain to the following material item:

in EURt	2014	2013
Impaired trade receivables	677.0	717.3

The impairment provisions primarily relate to the differences in advance rent and operating cost payments.

There were no overdue receivables which were not impaired on the reporting date or the previous reporting date.

9.8 CASH AND CASH EQUIVALENTS

in EURt	2014	2013
Cash at banks	24,797.2	5,774.5
Cash in hand	8.2	9.1
Total cash and cash equivalents	**24,805.5**	**5,783.7**

9.9 EQUITY

Changes in BIG's equity are shown in a separate statement of changes in equity as part of these consolidated financial statements.

The reported nominal capital is the fully paid-in capital of the parent company. The shares in capital stock have no nominal value.

The fair value reserve and the cash flow hedge reserve are for available-for-sale securities and cash flow hedges. The revaluation reserve in accordance with IAS 19R relates to the impact from the revaluation of defined benefit plans for post-employment services. These reserves are reported less any deferred taxes that can be allocated to these items.

The retained earnings include the current profit for the year and all other accumulated profits and losses from previous years.

There are also changes that are recognised directly in equity as a result of remedial payments. Please refer to item 5.12 for details.

The Company has planned a distribution of profits of EUR 20,000.0t for the 2015 financial year.

CAPITAL MANAGEMENT

BIG's long-term strategy is to achieve organic growth, in other words to reinvest revenues from rent and financial investments into buildings. The type of business model requires a responsible approach to long-term risks and conforms to the corporate management principles of BIG.

A strategic portfolio approach combined with a conservative risk policy is applied for managing financial items and financial risks. BIG avoids risks which cannot be mitigated to an economically feasible degree or transferred to third parties.

The constant goal of capital management is to have the financial means available for the company to remain a going concern at the same time as optimising the requisite costs.

The Group has a solid equity ratio of 51.5% (previous year: 50.6%).

This equity ratio includes the remedial payments to be made to the Republic of Austria in the event of the sale of properties (see also item 5.12).

9.10 PERSONNEL-RELATED PROVISIONS

The non-current, personnel-related provisions related to the present value of obligations for:

in EURt	2014	2013
Severance payments	5,873.6	4,976.2
Pensions	1,117.0	1,017.3
Anniversary bonuses	3,320.0	2,506.9
Total	**10,310.6**	**8,500.5**

Outstanding entitlements to paid holiday leave amounted to EUR 4,102.9t at 31 December 2014 (previous year: EUR 3,835.5t) and are reported under other current provisions.

PROVISIONS FOR SEVERANCE PAY

Calculating provisions for severance pay is undertaken annually by a qualified actuary using the projected unit credit method on the basis of an assumed interest rate of 2.25% (previous year: 3.5%), projected salary increases of 3.5% (previous year: 3.5%) and a retirement age of 62.0 years for men and women. The fluctuation rate is graduated on the basis of age and is between 0.0% and 5.0% (previous year: 0.0% to 5.0%).

The following changes occurred to the present value of severance obligations:

in EURt	2014	2013
Present value of severance obligations at 1.1.	4,976.2	4,349.3
Interest expense	165.3	158.2
Prior service cost	241.3	474.6
Actuarial gains/losses from financial assumptions	806.8	176.3
Severance payments	-316.0	-182.1
Present value of severance obligations 31.12.	**5,873.6**	**4,976.2**

At 31 December 2014 the weighted average remaining term to maturity of the obligations was 13.4 years (previous year: 13.0 years).

The projected payouts from the plan stand at EUR 63.8t (previous year: EUR 78.4t).

PROVISIONS FOR PENSIONS

Provisions for pensions are calculated using the projected unit credit method on the basis of an assumed interest rate of 2.25% (previous year: 3.5%) and by applying the life table by Pagler & Pagler. A projected pension increase of 2.5% (previous year: 2.5%) was applied.

The following changes occurred to the present value of pension obligations:

in EURt	2014	2013
Present value of pension obligations at 1.1.	1,017.3	1,013.1
Interest expense	34.6	36.9
Actuarial gains/losses from financial assumptions	123.2	26.1
Pension payments	-58.1	-58.9
Present value of pension obligations at 31.12.	**1,117.0**	**1,017.3**

At 31 December 2014 the weighted average remaining term to maturity of the obligations was 11.1 years (previous year: 10.8 years).

The projected payouts from the plan stand at EUR 60.5t (previous year: EUR 60.3t).

PROVISIONS FOR ANNIVERSARY BONUSES

Calculating provisions for anniversary bonuses is undertaken annually by a qualified actuary using the projected unit credit method on the basis of an assumed interest rate of 2.25% (previous year: 3.5%), projected salary increases of 3.5% (previous year: 3.5%) and a retirement age of 62.0 years for men and women. The fluctuation rate is graduated on the basis of age and is between 0.0% and 5.0% (previous year: 0.0% to 5.0%).

The following changes occurred to the present value of anniversary bonus obligations:

in EURt	2014	2013
Present value of anniversary bonus obligations at 1.1.	2,506.9	2,652.7
Interest expense	81.6	90.8
Prior service costs (incl. adjustments)	703.0	90.3
Actuarial gains/losses from financial assumptions	213.3	-114.0
Anniversary bonuses paid out	-184.9	-213.0
Present value of anniversary bonus obligations at 31.12.	**3,320.0**	**2,506.9**

SENSITIVITY ANALYSIS

In the case that all other assumptions remain the same, the possible change in one of the material actuarial assumptions at the reporting date would have had the following impact on the defined benefit obligations.

Provisions for severance pay

	2014		2013	
in EURt	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-696.0	827.0	-558.0	668.0
Future salary increase (1% change)	770.0	-713.0	629.0	-582.0

Provisions for pensions

	2014		2013	
in EURt	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-112.0	133.0	-98.0	116.0
Future pension increase (1% change)	125.0	-121.0	110.0	-105.0

Even though the analysis does not take the planned overall distribution of the expected cash flows into account, it provides an approximation of the sensitivity of the presented assumptions.

PERSONNEL-RELATED PROVISIONS (CURRENT)

in EURt	Carrying amount at 1.1.2014	Use	Release	Allocation	Carrying amount at 31.12.2014	Of which current	Of which non-current
Outstanding paid leave	3,835.5	-1,991.8	0.0	2,259.2	4,102.9	4,102.9	0.0
Bonuses	2,953.6	-2,502.4	-524.2	3,076.5	3,003.5	3,003.5	0.0
Credit hours	552.6	-45.9	0.0	0.0	506.7	506.7	0.0
Social capital	30.0	0.0	0.0	0.0	30.0	30.0	0.0
Total	**7,371.7**	**-4,540.1**	**-524.2**	**5,335.7**	**7,643.1**	**7,643.1**	**0.0**

in EURt	Carrying amount at 1.1.2013	Use	Release	Allocation	Carrying amount at 31.12.2013	Of which current	Of which non-current
Outstanding paid leave	3,362.4	-369.6	0.0	842.7	3,835.5	3,835.5	0.0
Bonuses	2,769.7	-2,064.7	-705.0	2,953.6	2,953.6	2,953.6	0.0
Credit hours	430.2	-383.8	0.0	506.2	552.6	552.6	0.0
Social capital	30.0	0.0	0.0	0.0	30.0	30.0	0.0
Total	**6,592.3**	**-2,818.1**	**-705.0**	**4,302.5**	**7,371.7**	**7,371.7**	**0.0**

9.11 OTHER PROVISIONS

in EURt	Carrying amount at 1.1.2014	Use	Release in profit and loss	Release directly in equity	Allocation	Carrying amount at 31.12.2014	Of which current	non-current
Outstanding invoices	117,318.1	71,036.0	3,548.7	4,639.7	96,215.7	134,309.4	130,745.0	3,564.4
Onerous contracts	19,000.7	2,319.6	2,271.2	0.0	22,439.2	36,849.0	0.0	36,849.0
Accounting and auditing costs	223.2	223.2	0.0	0.0	9.5	9.5	9.5	0.0
Legal and consultancy expenses	861.5	202.5	118.8	0.0	648.2	1,188.4	1,188.4	0.0
Rent credits	16,994.8	1,390.4	7,679.1	0.0	25,997.8	33,923.0	33,923.0	0.0
Interest on arrears	8,024.2	0.0	0.0	0.0	0.0	8,024.2	8,024.2	0.0
Restitution for Kohlmarkt	7,000.0	0.0	7,000.0	0.0	0.0	0.0	0.0	0.0
Management Franz-Grill-Straße	1,183.0	0.0	0.0	0.0	0.0	1,183.0	1,183.0	0.0
Other	720.0	513.7	158.5	0.0	1,282.3	1,330.1	1,330.1	0.0
Total	**171,325.5**	**75,685.4**	**20,776.3**	**4,639.7**	**146,592.7**	**216,816.8**	**176,403.3**	**40,413.5**

in EURt	Carrying amount at 1.1.2013	Use	Release in profit and loss	Release directly in equity	Allocation	Carrying amount at 31.12.2013	Of which current	non-current
Outstanding invoices	90,584.3	73,263.5	2,099.3	213.1	102,309.8	117,318.1	113,615.8	3,702.3
Onerous contracts	11,033.4	489.1	80.2	0.0	8,536.6	19,000.7	3,857.0	15,143.7
Decontamination	4,650.0	0.0	0.0	4,650.0	0.0	0.0	0.0	0.0
Accounting and auditing costs	123.5	123.5	0.0		223.2	223.2	223.2	0.0
Legal and consultancy expenses	6,530.2	6,465.7	64.6	0.0	861.5	861.5	861.5	0.0
Demolition	1,756.9	0.0	0.0	1,756.9	0.0	-0.1	-0.1	0.0
Rent credits	19,336.4	7,229.5	0.0	0.0	4,887.9	16,994.8	16,994.8	0.0
Interest on arrears	8,024.2	0.0	0.0	0.0	0.0	8,024.2	8,024.2	0.0
Restitution for Kohlmarkt	7,000.0	0.0	0.0	0.0	0.0	7,000.0	7,000.0	0.0
Management Franz-Grill-Straße	1,183.0	0.0	0.0	0.0	0.0	1,183.0	1,183.0	0.0
Other	1,468.1	4,781.0	1.1	0.0	4,034.0	719.9	719.9	0.0
Total	**151,690.0**	**92,352.4**	**2,245.2**	**6,620.0**	**120,853.0**	**171,325.4**	**152,479.4**	**18,846.0**

The provisions for onerous contracts primarily involve restoration obligations related to an investment property of the old university of economics in Augasse 2-6, Vienna 1090.

In a decision on 3 December 2014, the Arbitration Panel for Natural Restitution rejected the application to return the former BIG property at Kohlmarkt 8-10. The provision of EUR 7,000.0t was therefore released in the financial year.

The release of provisions for outstanding invoices, which is not recognised in profit or loss, relates to final construction invoices which were lower than expected and which were released against the assets without impacting profit or loss.

The allocation of provisions for onerous contracts includes an amount of EUR 854.0t (previous year: EUR 495.0t) from the unwinding of the discount.

9.12 PROVISIONS FOR ACTUAL INCOME TAX

From the provisions for actual income tax totalling EUR 34,329.7t (previous year: EUR 19,296.2t), EUR 26,117.2t (previous year: EUR 19,296.2t) relates to income tax for the current business year and EUR 8,212.5t (previous year: 0.0) relates to the audit conducted in 2014. For details see note 10.8.

9.13 FINANCIAL LIABILITIES

31.12.2014 in EURt	Maturity Up to 1 year	1 to 5 years	More than 5 years	Total carrying amount
Bonds	157,974.9	804,274.0	1,170,026.6	2,132,275.5
Bank loans and similar financing	785,567.9	233,770.1	652,072.1	1,671,410.0
Total	**943,542.8**	**1,038,044.0**	**1,822,098.6**	**3,803,685.5**

31.12.2013 in EURt	Maturity Up to 1 year	1 to 5 years	More than 5 years	Total carrying amount
Bonds	325,833.8	492,857.4	1,489,157.3	2,307,848.5
Bank loans and similar financing	621,555.2	281,969.1	638,763.9	1,542,288.2
Total	**947,389.0**	**774,826.5**	**2,127,921.2**	**3,850,136.7**

The Group issued the following new bonds in the financial year:

Type of financing	Interest	Nominal amount in EURt	Tenor
Private Placement, Citi Bank	variable	100,000	2014 – 2016
Private Placement, Berenberg Bank/Erste Bank	variable	32,500	2014 – 2020

No new bonds were issued in 2013.

In 2014 BIG redeemed two expiring bonds for CHF 50m (fixed interest 3.15%) and CHF 350m (fixed interest 3.125%). As a result of the hedge, this had no impact on profit or loss.

The terms of the material financial liabilities are shown on the following page, including the comparison year. The fair values contain no accrued interest or financing costs.

The fair values of the bonds in EUR, JPY, and CHF were calculated by discounting the future payments, assuming a current market interest rate.

Assets of EUR 3,255.0t were pledged as collateral against financial liabilities. A further EUR 50,634t in assets are pledged for liabilities in joint ventures.

2014			Nominal amount in original currency in thousands	Fair value in original currency in thousands	Maturity				
Type of financing and currency	Hedge[7]	Interest variable/ fixed			< 6 months	6 – 12 months	1 – 2 years	2 – 5 years	> 5 years
3.000% CHF private pl. 2002 – 2015	CFH	fixed	40,000	41,084		40,000			
1.425% JPY private pl. 2004 – 2017	FVO	fixed	5,000,000	5,128,000				5,000,000	
1.900% JPY private pl. 2004 – 2016	FVO	fixed	3,000,000	3,076,500			3,000,000		
1.759% JPY private pl. 2004 – 2016	CFH	fixed	3,000,000	3,084,900			3,000,000		
2.500% CHF bond 2005 – 2015	CFH	fixed	150,000	151,065	150,000				
2.125% CHF bond 2005 – 2018	CFH	fixed	120,000	129,624				120,000	
1.560% JPY private pl. 2005 – 2017	CFH	fixed	5,000,000	5,131,000				5,000,000	
1.775% JPY private pl. 2005 – 2020	CFH	fixed	5,000,000	5,426,000					5,000,000
1.890% JPY bond 2006 – 2021	CFH	fixed	6,000,000	6,583,200					6,000,000
3.125% CHF bond 2006 – 2031	CFH	fixed	150,000	201,675					150,000
2.065% JPY private pl. 2007 – 2022	CFH	fixed	7,000,000	7,876,400					7,000,000
3.155% CHF private pl. 2007 – 2033	CFH	fixed	50,000	67,960					50,000
3.250% CHF bond 2007 – 2019	CFH	fixed	250,000	286,350				250,000	
3.250% CHF bond 2007 – 2019	CFH	fixed	125,000	143,175				125,000	
3.250% CHF private pl. 2008 – 2017	CFH	fixed	175,000	190,925				175,000	
Float EUR private pl. 2010 – 2025	CFH	variable	50,000	51,820					50,000
4.250% EUR-NSV. 2010 – 2030	-	fixed	50,000	73,271					50,000
4.330% EUR private pl. 2010 – 2030	-	fixed	50,000	71,040					50,000
4.545% EUR private pl. 2011 – 2026	-	fixed	20,000	27,458					20,000
4.350% EUR private pl. 2011 – 2026	-	fixed	9,000	12,168					9,000
4.450% EUR private pl. 2011 – 2031	-	fixed	21,000	30,715					21,000
4.000% EUR private pl. 2011 – 2031	-	fixed	150,000	197,235					150,000
4.110% EUR private pl. 2011 – 2026	-	fixed	50,000	66,715					50,000
4.050% EUR private pl. 2012 – 2027	-	fixed	150,000	199,335					150,000
4.070% EUR private pl. 2012 – 2032	-	fixed	100,000	141,650					100,000
4.070% EUR private pl. 2012 – 2032	-	fixed	50,000	70,845					50,000
3.890% EUR private pl. 2012 – 2042	-	fixed	200,000	306,040					200,000
Float EUR private pl. 2014 – 2016	-	variable	100,000	100,380			100,000		
Float EUR private pl. 2014 – 2020	-	variable	32,500	32,646					32,500
1.690% JPY private pl. 2008 – 2018	FVO	fixed	5,000,000	5,228,000				5,000,000	
EUR – European Investment Bank 2021	-	fixed	35,897	39,292	2,564	2,564	5,128	15,385	10,256
EUR – European Investment Bank 2022	-	fixed	60,000	66,433	3,750	3,750	7,500	22,500	22,500
EUR – European Investment Bank 2024	-	fixed	43,333	49,359		4,333	4,333	13,000	21,667
EUR – European Investment Bank 2016	-	fixed	50,000	53,181			50,000		
EUR – European Investment Bank 2024	-	fixed	50,000	63,551					50,000
EUR – European Investment Bank 2025	-	fixed	50,000	65,517					50,000
EUR – European Investment Bank 2025	-	fixed	50,000	62,163					50,000
EUR – European Investment Bank 2038	-	fixed	32,796	38,997	413	422	869	2,822	28,270
EUR – European Investment Bank 2038	-	fixed	71,312	110,112	865	884	1,825	5,963	61,774
EUR – European Investment Bank 2038	-	fixed	69,954	98,429	826	845	1,746	5,728	60,809
EUR – European Investment Bank 2038	-	fixed	78,233	110,250	914	935	1,934	6,355	68,094
EUR – RLB NÖ-Wien 2020	CFH	variable	992	992	94	94	189	567	47
EUR – RLB NÖ-Wien 2018	CFH	variable	7,174	7,174	957	957	1,913	3,348	
EUR – RLB NÖ-Wien 2038	-	fixed	78,906	110,360	938	930	1,944	6,417	68,677
EUR – BA/CA 2018	CFH	variable	60,391	60,391				60,391	
EUR – BA/CA 2038	CFH	variable	78,852	78,852	914	936	1,936	6,370	68,696
EUR – Kommunalkredit 2038	-	fixed	53,161	72,614	658	653	1,361	4,464	46,025
EUR – Wr. Städtische 2017	-	fixed	345	369	55	56	115	120	

[7] CFH = Cashflow Hedge, FVO = Fair Value Option

2013 Type of financing and currency	Hedge[8]	Interest variable/ fixed	Nominal amount in original currency in thousands	Fair value in original currency in thousands	Maturity < 6 months	6 – 12 months	1 – 2 years	2 – 5 years	> 5 years
3.000% CHF private pl. 2002 – 2015	CFH	fixed	40,000	42,116			40,000		
3.150% CHF private pl. 2002 – 2014	CFH	fixed	50,000	51,164		50,000			
1.425% JPY private pl. 2004 – 2017	FVO	fixed	5,000,000	5,132,750				5,000,000	
1.900% JPY private pl. 2004 – 2016	FVO	fixed	3,000,000	3,103,080				3,000,000	
1.759% JPY private pl. 2004 – 2016	CFH	fixed	3,000,000	3,102,930				3,000,000	
2.500% CHF bond 2005 – 2015	CFH	fixed	150,000	154,514			150,000		
2.125% CHF bond 2005 – 2018	CFH	fixed	120,000	127,990				120,000	
1.560% JPY private pl. 2005 – 2017	CFH	fixed	5,000,000	5,147,750				5,000,000	
1.775% JPY private pl. 2005 – 2020	CFH	fixed	5,000,000	5,256,100					5,000,000
1.890% JPY bond 2006 – 2021	CFH	fixed	6,000,000	6,350,040					6,000,000
3.125% CHF bond 2006 – 2031	CFH	fixed	150,000	170,610					150,000
2.065% JPY private pl. 2007 – 2022	CFH	fixed	7,000,000	7,487,830					7,000,000
3.155% CHF private pl. 2007 – 2033	CFH	fixed	50,000	56,922					50,000
3.125% CHF bond 2007 – 2014	CFH	fixed	350,000	355,481		350,000			
3.250% CHF bond 2007 – 2019	CFH	fixed	375,000	421,890					375,000
1.690% JPY private pl. 2008 – 2018	FVO	fixed	5,000,000	5,209,150				5,000,000	
3.250% CHF private pl. 2008 – 2017	CFH	fixed	175,000	193,349				175,000	
Float EUR private pl. 2010 – 2025	CFH	variable	50,000	51,861					50,000
4.250% EUR-NSV. 2010 – 2030	-	fixed	50,000	62,342					50,000
4.330% EUR private pl. 2010 – 2030	-	fixed	50,000	59,732					50,000
4.545% EUR private pl. 2011 – 2026	-	fixed	20,000	24,096					20,000
4.350% EUR private pl. 2011 – 2026	-	fixed	9,000	10,654					9,000
4.450% EUR private pl. 2011 – 2031	-	fixed	21,000	25,594					21,000
4.000% EUR private pl. 2011 – 2031	-	fixed	150,000	169,797					150,000
4.110% EUR private pl. 2011 – 2026	-	fixed	50,000	57,915					50,000
4.050% EUR private pl. 2012 – 2027	-	fixed	150,000	172,739					150,000
4.070% EUR private pl. 2012 – 2032	-	fixed	100,000	116,801					100,000
4.070% EUR private pl. 2012 – 2032	-	fixed	50,000	58,405					50,000
3.890% EUR private pl. 2012 – 2042	-	fixed	200,000	236,450					200,000
EUR – European Investment Bank 2021	-	fixed	41,026	43,221	2,564	2,564	5,128	15,385	15,385
EUR – European Investment Bank 2022	-	fixed	67,500	65,876	3,750	3,750	7,500	22,500	30,000
EUR – European Investment Bank 2024	-	fixed	47,667	45,009		4,333	4,334	13,000	26,000
EUR – European Investment Bank 2016	-	fixed	50,000	53,672				50,000	
EUR – European Investment Bank 2024	-	fixed	50,000	56,971					50
EUR – European Investment Bank 2025	-	fixed	50,000	57,232					50,000
EUR – European Investment Bank 2025	-	fixed	50,000	53,965					50,000
EUR – European Investment Bank 2038	-	fixed	72,988	86,894	2	1	2	6	63,847
EUR – European Investment Bank 2038	-	fixed	71,552	87,539	790	808	1,671	5,480	62,803
EUR – European Investment Bank 2038	-	fixed	80,000	98,036	874	894	1,849	6,075	70,309
EUR – European Investment Bank 2038	-	fixed	33,598	34,677	397	405	835	2,713	29,248
EUR – RLB NÖ-Wien 2020	CFH	variable	1,181	1,181	94	94	189	567	236
EUR – RLB NÖ-Wien 2018	CFH	variable	9,087	9,087	957	957	1,913	5,261	
EUR – RLB NÖ-Wien 2038	-	fixed	75,000	91,573	5	1	2	6	70,913
EUR – BA/CA 2018	CFH	variable	60,391	60,391				60,391	
EUR – BA/CA 2038	CFH	variable	80,620	80,620	874	894	1,850	6,085	70,917
EUR – Kommunalkredit 2038	-	fixed	54,418	64,572	625	632	1,311	4,285	47,565
EUR – Wr. Städtische 2017	-	fixed	451,73	421,4	53	54	111	234	

[8] CFH = Cashflow Hedge, FVO = Fair Value Option

9.14 INCOME TAXES

The income tax expense in the consolidated statement of comprehensive income breaks down as follows:

in EURt	2014	2013
Corporate income tax (current year)	-65,965.2	-58,304.5
Corporate income tax (previous years)	-8,212.5	4.9
Changes in deferred taxes	-54,560.1	-46,232.6
	-128,737.8	**-104,532.2**

The difference between the expected tax expense and the income tax expense recognised breaks down as follows:

in EURt	2014	2013
EBT	547,799.6	463,092.0
Expected tax expense (25%)	**-136,949.9**	**-115,773.0**
Tax-exempt income (and expenses)	3,222.1	3,694.9
Taxes from previous years	-1,791.3	-46.0
Subsequent tax payments	3,566.7	6,636.1
Other	3,214.7	955.8
Effective tax expense	**-128,737.7**	**-104,532.2**

A breakdown of the item for deferred tax liabilities shown in the statement of financial position by type of temporary difference is as follows:

	Deferred tax assets		Deferred tax liabilities		Net	
in EURt	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Plant and equipment	-3,237.8	-2,811.2	1,093,666.3	1,055,916.6	1,090,428.4	1,053,105.4
Financial assets	-161.4	-304.2	6,679.7	0.0	6,518.2	-304.2
Receivables and other assets	-1,733.4	-1,726.1	2,880.9	2,992.9	1,147.5	1,266.8
Fair value measurement of derivatives	-16,334.7	-9,632.4	96,509.7	100,002.9	80,175.0	90,370.5
Investment grants	0.0	0.0	55,805.9	45,599.6	55,805.9	45,599.6
Personnel-related provisions	-1,415.6	-919.5	0.0	0.0	-1,415.6	-919.5
Other provisions	-78.2	-269.2	140,990.1	141,322.5	140,911.8	141,053.3
Non-current liabilities	-56,223.7	-66,353.7	615.3	1,985.5	-55,608.3	-64,368.2
Deferred tax assets/liabilities (gross)	**-79,184.8**	**-82,016.2**	**1,397,147.8**	**1,347,820.0**	**1,317,963.0**	**1,265,803.8**
Deferred tax liabilities (net)					**1,317,963.0**	**1,265,803.8**

The change in the item is as follows:

in EURt	2014	2013
Deferred taxes at 1.1. (net)	**1,265,803.8**	**1,220,595.5**
Changes recognised in equity	-4,426.3	-1,024.3
Changes to the consolidated group	2,025.5	0.0
Changes recognised in profit or loss	54,560.1	46,232.6
Deferred taxes at 31.12. (net)	**1,317,963.0**	**1,265,803.8**

The following deferred taxes were recognised in other comprehensive income:

in EURt	2014	2013
IAS 19R revaluation	-232.5	-50.6
Available-for-sale securities	4.5	-0.7
Market valuation of cash flow hedges	-4,198.4	-973.0
Change in deferred assets in other comprehensive income	**-4,426.3**	**-1,024.3**

At the reporting date there were no significant differences or potential tax effects from tax loss carryforwards and write-downs as per Art. 12 Sec. 3 (2) KStG ("Partial write-downs").

With regard to deferred taxes on shares in companies recognised under the equity method, deferred taxes were recognised for differences from Campus WU GmbH; no deferrals were recognised for the remaining shares on the grounds of minor significance.

9.15 OTHER LIABILITIES

Other liabilities break down as follows:

		Maturity		
31.12.2014 in EURt	Up to 1 year	1 to 5 years	More than 5 years	Total
Non-current liabilities				
Trade payables		**2,963.2**		**2,963.2**
Other liabilities		234.8		234.8
Deferred items		1,238.7		1,238.7
Total other liabilities and deferred items		**1,473.5**		**1,473.5**
Total non-current liabilities		**4,436.7**		**4,436.7**
Current liabilities				
Trade payables	**142,764.9**			**142,764.9**
Liabilities to associates	259.4			259.4
Other liabilities	70,854.9			70,854.9
Total other liabilities	**71,114.3**			**71,114.3**
Total current liabilities	**213,879.2**			**213,879.2**

		Maturity		
31.12.2013 in EURt	Up to 1 year	1 to 5 years	More than 5 years	Total
Non-current liabilities				
Trade payables		**5,920.5**		**5,920.5**
Other liabilities		345.4		345.4
Deferred items		808.7		808.7
Total other liabilities and deferred items		**1,154.1**		**1,154.1**
Total non-current liabilities		**7,074.6**		**7,074.6**
Current liabilities				
Trade payables	**113,592.6**			**113,592.6**
Liabilities to associates	163.4			163.4
Other liabilities	77,896.0			77,896.0
Total other liabilities	**78,059.3**			**78,059.3**
Total current liabilities	**191,651.9**			**191,651.9**

10 OTHER DISCLOSURES

10.1 LEASES

10.1.1 FINANCE LEASES AS LESSOR

The receivables from finance leases stem from two agreements on the letting of two school buildings (in Vienna and Linz) concluded with the Republic of Austria that are classified as finance leases according to IAS 17. The criterion for classification as finance leases was primarily the recovery of investment test. The most important provisions of the leases are the waiver of termination for 25 and 27 years. The lessee has no purchase option.

in EURt	2014	2013
Future minimum lease payments	20,883.7	21,234.2
Financial income not yet realised	-9,360.2	-9,262.6
Present value of outstanding minimum lease payments	**11,523.5**	**11,971.6**
Current portion	1,814.9	1,720.1

in EURt	2014			2013		
	Outstanding lease payments	Interest	Present value of outstanding lease payments	Outstanding lease payments	Interest	Present value of outstanding lease payments
Up to 1 year	3,163.3	1,348.4	1,814.9	3,126.3	1,406.2	1,720.1
1 to 5 years	7,259.8	4,544.5	2,715.3	7,259.8	4,866.6	2,393.2
More than 5 years	10,460.5	3,467.3	6,993.2	10,848.1	2,989.8	7,858.3
Total	**20,883.6**	**9,360.2**	**11,523.4**	**21,234.2**	**9,262.6**	**11,971.6**

10.1.2 OPERATING LEASES AS LESSOR

BIG lets the majority of its investment property under operating leases.

Most of BIG's properties were transferred to BIG by the Republic of Austria under the provisions of the Federal Real Estate Act (Federal Law Gazette 141/2000 from 29 December 2000). Pursuant to Art. 4 (2) of the Federal Real Estate Act, BIG is required to provide space to meet the federal government's needs under standard market terms when economically feasible; BIG is especially required to provide the buildings that have been transferred to it for this purpose, adapt them as needed, and purchase properties needed for the federal government's new construction projects. The federal government leases the buildings back under the master lease concluded between the Republic of Austria and BIG dated 6 December 2000/2 January 2001. The head leases start on 1 January 2001 and are concluded for an indefinite period of time. The master lease includes a termination right for both parties with a notice period of one year. The rents are indexed on the basis of the 1996 consumer price index, with adjustments being made on 1 January of a given year when the index has changed by at least 5%. The operating costs are generally passed on to the tenant. BIG is obliged to maintain its investment properties and to ensure that they can be used for their contractually agreed purpose.

In addition to the master lease, there are also side letters to the master lease. The side letters to the master lease pertain mostly to the general refurbishments of the buildings and extensions. Under one of these side letters, the tenant (federal government) waives its right of termination, generally for a period of 25 years from the completion of the general refurbishment. This right notwithstanding, BIG is entitled to terminate the leases with a notice period of one year (subject to the limitations of Art. 30 of the Austrian Tenancy Act). In addition to the monthly rent, rent surcharges must also generally be paid for a limited period, and construction cost contributions must also be paid in some cases.

In addition to the master lease and the side letters and other individual supplements to the master lease, leases are concluded on the basis of Art. 5 of the 1992 BIG Act in connection with the master usufruct agreement and individual usufruct agreements.

There are also leases for buildings that BIG has acquired or built on its own since the 1990s. The agreements for all investment properties generally have index-linking clauses, and a medium to long-term waiver of the tenant's termination right.

The future outstanding minimum lease payments from non-cancellable operating leases are as follows:

in EURt	2014	2013
Up to 1 year	828,954.8	805,123.6
1 to 5 years	2,294,638.2	2,167,811.5
More than 5 years	3,721,833.5	3,466,201.0
Total	**6,845,426.5**	**6,439,136.1**

10.1.3 OPERATING LEASES AS LESSEE

BIG also rents office space under operating leases.

The future, non-cancellable minimum lease payments changed as follows:

in EURt	2014	2013
Up to 1 year	276.5	251.7
1 to 5 years	1,308.5	1,189.4
More than 5 years*	*	*

* The agreements with a term of more than five years are leases with no fixed notice period. The annual lease payments total EUR 276.5t (previous year: EUR 251.7t).

10.2 FINANCIAL INSTRUMENTS

The financial instruments include original and derivative financial instruments. The original financial instruments held by the Group consist primarily of securities, loans and rent receivables, cash at credit institutions, bonds and bank loans, and trade payables.

10.2.1 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGES

The derivative financial instruments serve solely to hedge the interest rate and currency risks associated with the bonds and bank loans – even though they may not be classed in full as a financial hedge (e.g. cash flow hedge) – and break down as follows:

			Market value	
31.12.2014	Currency	Nominal amount in thousands of original currency	Positive in EURt	Negative in EURt
Cross currency swaps	TCHF	1,060,000	216,368	-1,539
	TJPY	39,000,000	5,790	-16,605
Interest rate swaps	TEUR	197,409	0	-47,195

			Market value	
31.12.2013	Currency	Nominal amount in thousands of original currency	Positive in EURt	Negative in EURt
Cross currency swaps	TCHF	1,460,000	265,471	-2,650
	TJPY	39,000,000	9,130	-10,915
Interest rate swaps	TEUR	201,279	0	-24,965

10.2.2 ANALYSIS OF CONTRACTUAL INTEREST AND CAPITAL PAYMENTS

The contractually agreed (undiscounted) interest and capital payments of the original financial liabilities and derivative financial instruments were as follows on 31 December 2014 and on 31 December 2013:

31.12.2014 in EURt	Carrying amount 31.12.2014	Total cash flows 31.12.2014	Cash flows < 1 year	Cash flows 2 – 5 years	Cash flows > 5 years
Original financial liabilities					
Bonds (at amortised cost)	2,039,784.2	2,599,320.7	199,525.1	499,614.6	1,900,181.0
Bonds (at fair value through profit or loss)	92,491.2	118,384.3	1,464.9	116,919.4	0.0
Liabilities to credit institutions	1,671,410.0	1,760,932.0	623,438.2	278,630.6	858,863.3
Trade payables	145,728.1	145,728.1	142,764.9	2,963.2	0.0
Other liabilities (excl. PRA)	71,349.1	71,349.1	71,114.3	234.8	0.0
Total	**4,020,762.7**	**4,695,714.2**	**1,038,307.4**	**898,362.5**	**2,759,044.3**
Derivatives					
Derivatives with a positive market value	222,158.0	272,072.7	30,883.2	165,475.1	75,714.4
Derivatives with a negative market value	65,338.8	92,115.2	10,502.5	32,003.6	49,609.1
Total	**156,819.2**	**179,957.5**	**20,380.7**	**133,471.5**	**26,105.3**

31.12.2013 in EURt	Carrying amount 31.12.2013	Total cash flows 31.12.2013	Cash flows < 1 year	Cash flows 2 – 5 years	Cash flows > 5 years
Original financial liabilities					
Bonds (at amortised cost)	2,214,945.1	2,787,422.8	331,821.4	461,115.7	1,994,485.7
Bonds (at fair value through profit or loss)	92,903.4	119,876.8	1,470.1	86,776.8	31,629.9
Liabilities to credit institutions	1,542,288.2	1,651,106.3	645,501.3	278,050.8	727,554.2
Trade payables	119,513.1	119,513.1	113,592.6	5,920.5	0.0
Other liabilities (excl. PRA)	78,241.4	78,241.4	77,896.0	345.4	0.0
Total	**4,047,891.2**	**4,756,160.4**	**1,170,281.4**	**832,209.2**	**2,753,669.8**
Derivatives					
Derivatives with a positive market value	274,601.0	339,615.3	77,409.1	106,426.0	155,780.2
Derivatives with a negative market value	38,530.0	91,458.1	8,907.0	33,695.9	48,855.2
Total	**236,071.0**	**248,157.2**	**68,502.1**	**72,730.1**	**106,925.0**

All financial instruments that were in the portfolio and for which payments had already been contractually agreed on the reporting date were included. Budgeted figures for future liabilities were not included. Amounts in foreign currencies were translated at the spot rate on the reporting date. The variable interest payments from the financial instruments were determined using the last interest rates fixed before the reporting date. Financial liabilities that can be paid back at any time are always assigned to the shortest maturity range. For revolving credit facilities, the interest was calculated assuming an average term of six months.

10.2.3 FAIR VALUES

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not contain any information about the fair value of financial assets and liabilities that are not measured at fair value when the carrying amount is a reasonable approximation of the fair value.

in EURt Assets	Measurement category as per IAS 39	Carrying amount 31.12.2014	 31.12.2013	Fair value 31.12.2014	 31.12.2013	Fair value hierarchy 31.12.2014 Level 1	 Level 2	 Level 3	Fair value hierarchy 31.12.2013 Level 1	 Level 2	 Level 3
Cash and cash equivalents	Cash reserves	24,805	5,784								
Available-for-sale securities	Available for sale	914	898	914	898		914			898	
Other loans and receivables and assets (excl. ARA)	Loans and receivables	177,569	104,811								
Derivatives with a positive market value – fair value option	At fair value through profit or loss	5,370	5,917	5,370	5,917		5,370			5,917	
Derivatives with a positive market value – hedges	Hedge accounting	216,787	268,684	216,787	268,684		216,787			268,684	
Total		**425,446**	**386,094**								

in EURt Liabilities	Measurement category as per IAS 39	Carrying amount 31.12.2014	 31.12.2013	Fair value 31.12.2014	 31.12.2013	Fair value hierarchy 31.12.2014 Level 1	 Level 2	 Level 3	Fair value hierarchy 31.12.2013 Level 1	 Level 2	 Level 3
Bonds (at amortised cost)	At amortised cost	2,039,784	2,214,945	2,509,409	2,467,537		2,509,409			2,467,537	
Bonds (at fair value through profit or loss)	At fair value through profit or loss	92,491	92,903	92,491	92,903		92,491			92,903	
Liabilities to credit institutions	At amortised cost	1,671,410	1,542,288	1,911,372	1,650,088		1,911,372			1,650,088	
Trade payables	At amortised cost	145,728	119,513								
Other miscellaneous liabilities (excl. PRA)	At amortised cost	71,349	78,241								
		4,020,763	**4,047,891**								
Derivatives with a negative market value – hedges	Hedge accounting	62,412	36,593	62,412	36,593		62,412			36,593	
Derivatives with a negative market value – fair value option	At fair value through profit or loss	2,927	1,937	2,927	1,937		2,927			1,937	
		65,339	**38,530**								
Total		**4,086,102**	**4,086,421**								

The following table shows the measurement methods used to determine the fair values in Level 1 and 2.

Type	**Measurement method**
Bonds	Discounted cash flows: The measurement model accounts for the present value of the expected payments under the respective applicable market parameters; determined through Bloomberg. In terms of BIG's own credit standing, it is assumed that there was no change in the Aaa rating in the years 2014 and 2013.
Derivative financial instruments	Sales comparison method: The fair values are based on prices quoted by brokers. Similar contracts are traded on an active market, and the quoted prices reflect the actual transaction costs for similar instruments.

10.2.4 SENSITIVITY ANALYSES

BASIC INFORMATION ON THE SENSITIVITY ANALYSES

To show the material market risks to which financial instruments are exposed, IFRS 7 Financial Instruments requires information about sensitivity analyses that shows the effects of hypothetical changes in relevant risk variables on earnings and equity. The primary risks to which BIG is exposed are currency risk and interest rate risk. There are no other material price risks.

The relevant financial instruments held as of the reporting date were used as the basis to determine the effects of the hypothetical changes in the risk variables. In this, it was assumed that the level of risk on the reporting date largely represents the level of risk during the financial year. Risk mitigation, for example through the use of derivative financial instruments, was taken into account.

SENSITIVITY ANALYSIS FOR CURRENCY RISKS

When conducting the sensitivity analysis for currency risk, the currency risks of financial instruments that are denominated in a different currency from the functional currency and which are monetary in nature were included.

In assessing the currency risk, the assumption was made that the changes in bond prices resulting from currency translation are offset by corresponding changes in currency swaps and forward exchange contracts. No currency risk exists as all bond liabilities denominated in a foreign currency are hedged through derivative financial instruments. A sensitivity analysis is therefore superfluous.

SENSITIVITY ANALYSIS FOR INTEREST RATE RISKS

When determining the fair value risk as part of the sensitivity analysis for interest rate risks, the discounted cash flow method was used to determine the effects of shifts in interest rates on the relevant financial instruments.

A change of 100 basis points in the market interest rate on the reporting date would have resulted in an increase or decrease in earnings (after taxes) and on equity by the following amounts. For this analysis, it was assumed that all other variables, especially exchange rates, remain constant.

31.12.2014 in EURt	Earnings (before taxes)		Equity	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Revaluation of fixed-rate bonds – Fair value option	993.0	-3,612.0	993.0	-3,612.0
Measurement of interest rate derivatives – Fair value option	-993.0	3,612.0	-993.0	3,612.0
Measurement of cash flow hedge derivatives	x	x	12,512.0	-8,343.0
Interest expenses	-2,220.0	2,220.0	-2,220.0	2,220.0
Total	**-2,220.0**	**2,220.0**	**10,292.0**	**-6,123.0**

31.12.2013 in EURt (adjusted)	Earnings (before taxes)		Equity	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Revaluation of fixed-rate bonds – Fair value option	279.8	-42.3	279.8	-42.3
Measurement of interest rate derivatives – Fair value option	-279.9	42.3	-373.1	56.4
Measurement of cash flow hedge derivatives	x	x	90,268.0	-74,042.3
Interest expenses	-3,898.3	3,898.3	-3,898.3	3,898.3
Total	**-3,898.3**	**3,898.3**	**86,276.4**	**-70,129.9**

In addition to earnings (after taxes), the sensitivity of the equity for the variable-rate financial instruments was influenced by the sensitivity of the cash flow hedge reserve in the analyses above.

10.3 RELATED PARTY DISCLOSURES

Related parties for BIG are above all the Republic of Austria, as well as joint ventures and associates.

The Republic of Austria is the 100% owner of BIG. Please refer to note 2.3 for revenues generated with the Republic of Austria. All such transactions were conducted at arm's-length terms.

With the most significant joint venture, Campus WU GmbH, BIG generated revenue totalling EUR 1,474.8t (previous year: EUR 966.3t) for technical and commercial building management. In the reporting period capital injections were made to Campus WU GmbH totalling EUR 41,195.0t (previous year: EUR 153,922.5t). At the same time, the BIG Group received disbursements from Campus WU GmbH of EUR 31,280.0t (previous year: EUR 0.0t).

There were no outstanding receivables or liabilities to these companies as at the reporting date. As in the previous year, the transactions in the reporting period with other joint ventures and associates were of minor overall significance.

The Group avails itself of the exception for companies that are under the control, joint management, or material influence of the Republic of Austria in accordance with IAS 24.25. Business relations with these companies fall within BIG's ordinary business activities and are conducted on the basis of arm's-length terms.

Members of the Management Board, the Supervisory Board, and their close relatives are also related parties for the Company. No transactions were conducted with these persons.

BOARDS AND OFFICERS OF BIG

The Management Board consists of the following members:

- Wolfgang Gleissner
- Hans-Peter Weiss

In the 2014 financial year the Supervisory consisted of the following members:

- Christine Marek (Chair)
- Horst Pöchhacker (Deputy Chair) until 13 August 2014 (†)
- Wolfgang Polzhuber, BMWFW
- Cordula Frieser (from 10 April 2014)
- Herbert Kasser, BMVIT (until 6 March 2014)
- Thomas Rasch, Works Council
- Manfred Fausik, Works Council (until 8 January 2015)
- Daniela Böckl, Works Council (from 8 January 2015)

REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The members of the Management Board received remuneration totalling EUR 492.7t (previous year: EUR 484.0t) in 2014 and bonuses in the amount of EUR 63.3t (previous year: EUR 62.0t). Contributions to employee benefit funds amounted to EUR 7.8t (previous year: EUR 7.6t). No loans or advances were granted to members of management. Benefits after the end of the employment relationship in the form of corporate pensions came to EUR 44.2t in 2014 (previous year: EUR 43.2t). The fees paid to the members of the Supervisory Board totalled EUR 26.5t in the reporting period (previous year: EUR 25.7t).

10.4 AUDIT EXPENSES

The expenses incurred for the auditor of the consolidated financial statements in the financial year were as follows:

in EURt	2014	2013
Auditing the individual and consolidated financial statements	145.2	216.2
Other attestation services	20.0	22.5
Consultancy and other services	0.0	0.0

10.5 OTHER OBLIGATIONS AND CONTINGENT LIABILITIES

CONTINGENT LIABILITIES

The contingent liabilities of EUR 1,140t (previous year: EUR 1,280t) contain a surety for a bank loan for the former company recognised under the equity method, Am Heumarkt 35 GmbH & Co KG, amounting to EUR 1,140t (previous year: EUR 1,140t). The stake in the company was sold in the financial year. In order to secure this obligation, the Company was pledged a bank credit of the same amount by the purchaser of the stake in Am Heumarkt 35 GmbH & Co KG. Furthermore, in the previous year a guarantee totalling EUR 140t was pledged in favour of Hillerstraße – Jungstraße GmbH.

COVENANTS

There are no covenants and therefore no broken covenants.

PENDING LITIGATION

There is no notable litigation beyond that typical for the Company's ordinary business activities.

10.6 OBLIGATIONS TO ACQUIRE NON-CURRENT ASSETS

There are no obligations whatsoever to acquire any tangible or intangible assets in the current financial year.

10.7 OFF-BALANCE-SHEET TRANSACTIONS

BIG invested EUR 200m in 17 specific university projects as part of a special one-off construction programme. Construction works will be completed by 2019 and will be financed through rent from let properties and retained earnings. In the financial year, 40% of the retained earnings were dedicated for this purpose on the basis of a shareholder resolution.

10.8 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 28 January 2015 the audit of the tax group of which BIG is the parent was essentially completed for the years 2009 to 2011. The material findings of the audit relate to temporary differences. This means that expenses from the years 2009 to 2011 in particular were not recognised and that therefore the taxable earnings for these years are higher. To offset this, there will be higher tax expenses for the years 2012 and beyond, so that this mostly relates to temporary effects on BIG.

Vienna, 20 March 2015

The Management Board

Wolfgang Gleissner

Hans-Peter Weiss

INDEPENDENT AUDITOR'S REPORT

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the attached consolidated financial statements of

Bundesimmobiliengesellschaft m.b.H., Vienna

for the financial year from 1 January 2014 to 31 December 2014. These annual financial statements comprise the consolidated statement of financial position as of 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity for the financial year ended 31 December 2014, as well as the notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND FOR THE CONSOLIDATED ACCOUNTING RECORDS

The legal representatives of the Company are responsible for the consolidated accounting records and for the preparation of consolidated financial statements that provide a true and fair view of the financial and earnings position of the Group in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the additional stipulations of Art. 245a Austrian Commercial Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements and the true and fair presentation of the financial and earnings position of the Group free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system as relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDIT OPINION

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements are in accordance with the legal requirements and present fairly, in all material respects, the financial and earnings position of the Group as of 31 December 2014 and of its financial performance and its cash flows for the financial year from 1 January 2014 to 31 December 2014 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

COMMENTS ON THE MANAGEMENT REPORT

Laws and regulations require us to perform audit procedures to determine whether the Group management report is consistent with the consolidated financial statements and whether the other disclosures made in the Group management report give rise to misconception of the position of the Group. The auditor's report must state whether the Group management report is consistent with the consolidated financial statements and whether the disclosures pursuant to Article 243a Austrian Commercial Code are appropriate.

In our opinion, the Group management report is consistent with the consolidated financial statements. The disclosures pursuant to Article 243a Austrian Commercial are appropriate.

Vienna, 20 March 2015
KPMG Wirtschaftsprüfungs- und Steuerberatungs AG

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