

REPORT
on the
AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENT
for
Bundesimmobiliengesellschaft m.b.H.
as per December 31, 2009

A-1031 Vienna
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Vienna, March 24, 2010

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To the Members of the Management Board and the Supervisory Board of
Bundesimmobiliengesellschaft m.b.H.,
Vienna

We have audited the consolidated financial statement of

**Bundesimmobiliengesellschaft m.b.H.,
Vienna,**

as per December 31, 2009 and herewith present the audit result:

1. Audit Contract and Performance of Audit

We were nominated auditors for the business year 2009 by the Ordinary General Assembly of Bundesimmobiliengesellschaft m.b.H., Vienna, on April 14, 2009.

The company, represented by the Supervisory Board, concluded an audit contract with us to audit the consolidated financial statement as per December 31, 2009 and the consolidated management report according to Art. 269 et seq. of the Austrian Commercial Code¹.

This audit is required by law.

The audit is to prove whether all laws and regulations have been complied with while drawing up the consolidated financial statement. We are required to assess whether the group management report is consistent with the consolidated financial statement and whether the other disclosures made in the consolidated management report do not give a wrong impression of the Group's situation.

We have performed our audit in compliance with the Austrian statutory provisions and generally accepted principles of correct auditing practice.

The audit was conducted in accordance with laws and regulations applicable in Austria and in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

We wish to point out that the audit is to give reasonable assurance of the accuracy of the consolidated financial statement. Absolute certainty is impossible to obtain, as possible mistakes are immanent to every accounting and internal control system and audits based on random examination bear the risk of material misstatements in the consolidated financial statement remaining undetected. The audit does not include areas usually subject to separate audits.

In the course of the audit the annual statements included in the consolidated financial statement were examined as to their compliance with generally accepted accounting principles and to assess whether the provisions relevant to their being included in the consolidated financial statement were adhered to.

¹ The audit of the Annual Statement as per December 31, 2009 will be reported on by a separate report.

Some of the companies included in the consolidated financial statement were audited by other auditors. Their activities were monitored appropriately.

The audit was performed between February and March 2010 with interruptions, mostly on the premises of the company in Vienna. The audit was materially completed as of the date of this report.

Auditor Mag. Markus Trettnak is responsible for proper execution of the contract.

Our audit is based on the audit contract concluded with the company, which the "General Terms and Conditions for certified public accountants" (attachment III) issued by the Chamber of Certified Public Accountants are an integral part of. These are applicable to the company and the auditor, and are also valid in respect of third parties. Our auditors' liability vis-à-vis the company and third parties is regulated by Art. 275 par. 2 of the Austrian Commercial Code.

2. Summary of Audit Results

2.1. Findings on the Legality of Accounting, Consolidated Financial Statement and Group Management Report

The audit of the consolidated financial statement and the included annual statements showed that applicable laws and regulations, the supplementary provisions of the memorandum of association and generally accepted principles of correct accounting practice were complied with. The annual statements included in the consolidated financial statements basically follow the standard accounting and valuation guidelines defined by the parent company and provide a suitable basis for being included in the consolidated financial statement. Provisions relevant to inclusion in the consolidated financial statement were observed.

In our risk- and control-oriented audit we assessed internal control of parts of the accounting process where deemed necessary for the audit statement.

Concerning legality of the consolidated financial statement we refer to our explanations in the auditor's report.

In our opinion the group management report complies with the statutory provisions (Art 267 and Art. 243a par. 2 of the Austrian Commercial Code) and is in accordance with the consolidated financial statement.

2.2. Information Supplied

We received from the legal representatives all the explanations and documentation required for the audit. A letter of representation signed by the legal representatives has been added to our files.

2.3. Opinion on facts concerning Art. 273 par. 2 of the Austrian Commercial Code (performing the auditors' reporting duty)

In our responsibility as auditors we did not find any facts which could pose a threat to the Group's existence or significantly affect its development or which indicate material violations of laws or the memorandum of association on the part of legal representatives or employees. Significant weaknesses in the internal accounting control have not been brought to our attention.

3. Auditors' Report

Report on Consolidated Financial Statement

We have audited the enclosed consolidated financial statements and accounts of

Bundesimmobiliengesellschaft m.b.H.,
Vienna

for the business year from January 1, 2009 to December 31, 2009. This consolidated financial statement comprises the consolidated balance sheet as per December 31, 2009, the consolidated statement of comprehensive income, the consolidated cash flow statement as well as the consolidated statement of changes in equity for the business year ending December 31, 2009, as well as the notes to the consolidated financial statements.

Legal Representatives' Responsibility for the Consolidated Financial Statement and Accounting

The legal representative of the corporation is responsible for entity accounting, as well as preparation and fair presentation of the consolidated financial statements, which is to convey a true and fair view of the assets, financial situation and earnings of the Group in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU, as well as in accordance with the laws and regulations applicable in Austria. This responsibility comprises: designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of the consolidated financial statements so that they are free from material misrepresentation, whether due to fraud or error; selecting and applying appropriate accounting and valuation procedures, as well as making accounting estimates that are reasonable in the given circumstances.

Auditor's Responsibility and Description of the Nature and Extent of a Statutory Audit

Our responsibility is to express an opinion on this consolidated financial statement based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with 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 the canons of professional ethics and that we plan and perform the audit in such a way as to obtain reasonable assurance that the financial statements are free from material misrepresentations.

An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the consolidated financial statement. Procedures are selected at the auditor's discretion, taking into consideration their assessment of the risk of material misrepresentations, whether due to fraud or error. When making this risk assessment, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statement for the purpose of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

The audit also includes an assessment of the accounting and valuation principles applied, the main estimates made by the legal representatives, as well as an evaluation of the overall information contained in the consolidated financial statement. We are convinced that the audit evidence obtained provides a sufficiently reliable basis for our audit opinion.

Audit Opinion

Our audit has disclosed no cause for objections. On the basis of the findings obtained, we are satisfied that the consolidated financial statement complies with the statutory provisions and, in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU and the rules applicable in Austria, conveys a true and fair view of the assets and financial situation of the group as per December 31, 2009, as well as the earnings and cash flows of the Group for the business year from January 1, 2009 to December 31, 2009.

Opinion on Group Management Report

Laws and regulations require us to audit whether the consolidated management report is consistent with the consolidated financial statement and whether the other disclosures made in the consolidated management report do not give rise to misconception of the Group's situation. The auditor's report also has to contain a statement on whether the consolidated management report is consistent with the consolidated financial statement and whether the information provided in accordance with Art. 243a par.2 of the Austrian Commercial Code is correct.

In our opinion, the group management report is consistent with the consolidated financial statement. The information provided in accordance with Art. 243a par. 2 of the Austrian Commercial Code is correct.

Vienna, March 24, 2010

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed
ppa Mag. Markus Trettnak
Auditor

signed
Mag. Margit Widinski
Auditor

A. Consolidated Financial Statements

Consolidated Income Statement

	notes	2009 TEUR	2008 TEUR
income from rental and investment property	2.1.1.	670,112.3	630,619.1
income from services	2.1.2.	128,255.7	127,178.7
operating expenses for realisation of rental income	2.1.3.	-412,612.6	-418,548.2
costs from services	2.1.4.	-112,722.1	-106,145.3
profit from rent of investment property		273,033.4	233,104.3
proceeds from disposal of investment property		20,365.5	12,814.5
expenses for disposal of investment property		-21,408.7	-10,232.8
profit from disposal of investment property		-1,043.2	2,581.7
profit from disposal of inventory property		29.2	1,710.4
book value of sold inventory property		-29.2	-1,656.4
profit from sales of inventory property		0.0	54.0
administrative costs	2.1.5.	-20,783.8	-16,795.7
other operating income	2.1.6.	2,860.8	1,282.8
other operating expenses	2.1.7.	-2,606.0	-1,041.7
other operating profit		-20,529.0	-16,554.6
operating profit		251,461.2	219,185.4
results from associated companies		1,782.4	5,807.0
financing income	2.1.8.	27,366.2	239,411.5
financing expenses	2.1.9.	-155,989.4	-407,862.9
financial result		-128,623.2	-168,451.4
profit before tax		124,620.3	56,541.0
taxes on income and earnings	2.2.14.	-30,182.5	-14,062.1
profit after tax		94,437.9	42,478.9
I. annual net profit		94,437.9	42,478.9
result from financial instruments available for sale	2.2.10	35.2	3.2
result from cash flow hedges	2.2.10	66.9	-180.4
applicable taxes	2.2.14	-25.5	44.3
II. other overall results after tax		76.6	-132.9
III. overall results		94,514.5	42,346.0
of which attributable to minority shares		-0.3	-4.0
of which attributable to parent company		94,514.8	42,350.0
annual net profit		94,437.9	42,478.9
of which attributable to minority shares		-0.3	-4.0
of which attributable to parent company		94,438.2	42,482.9

Consolidated Balance Sheet

	notes	31.12.2009 TEUR	31.12.2008 TEUR
assets:			
investment property rented	2.2.1.	3,800,442.2	3,783,580.8
investment property under construction	2.2.1.	450,564.1	367,373.4
property for own use	2.2.1.	42,844.4	18,308.3
tangible assets	2.2.1.	3,406.6	3,733.1
intangible assets	2.2.2.	5,738.2	6,306.1
investments in associated companies	2.2.3.	55,925.9	10,456.9
other financial assets	2.2.4.	193,527.5	203,057.0
deferred taxes	2.2.14.	44,447.9	41,483.5
non-current assets		4,596,896.7	4,434,299.0
inventories	2.2.5.	11,277.0	13,313.5
receivables for effective profit tax	2.2.6.	0.0	51,292.2
receivables and other assets	2.2.7.	74,950.8	55,720.3
cash and cash equivalents	2.2.8.	38,753.5	58,184.8
current assets		124,981.4	178,511.0
		4,721,878.1	4,612,810.0
		31.12.2009 TEUR	31.12.2008 TEUR
liabilities:			
nominal capital	2.2.10.	226,000.0	226,000.0
retained earnings	2.2.10.	702,995.7	608,480.9
minority shares	2.2.10.	7.1	7.4
equity	2.2.10.	929,002.8	834,488.3
financial liabilities	2.2.13.	2,862,274.5	3,279,522.7
employee benefit obligations	2.2.11.	7,817.5	7,383.6
other provisions	2.2.12.	26,658.8	26,992.5
investment grants from public funds	2.2.15.	109,903.1	82,956.5
trade payables	2.2.15.	2,192.7	2,423.3
other liabilities	2.2.15.	28,537.6	37,697.0
non-current liabilities		3,037,384.1	3,436,975.6
financial liabilities	2.2.13.	428,889.5	81,737.5
employee benefit obligations	2.2.11.	5,864.6	5,268.3
other payables	2.2.12.	120,618.1	90,954.3
trade payables	2.2.15.	138,851.0	136,937.1
payables for effective profit tax	2.2.6.	520.0	0.0
other liabilities and investment grants	2.2.15.	60,747.9	26,448.9
current liabilities		755,491.2	341,346.1
		4,721,878.1	4,612,810.0

Consolidated Cash Flow Statement

	notes	31.12.2009 TEUR	31.12.2008 TEUR
cash flow from operating activities:			
consolidated profit before tax		124,620.3	56,541.0
depreciation	2.2.1.	173,307.8	169,120.6
impairments	2.1.3.	9,259.0	26,049.4
appreciation	2.1.3.	-17,011.9	0.0
valuation result from derivatives	2.1.8., 2.1.9.	15,378.0	-229,302.6
profit shares in associated companies		-1,782.4	-5,807.0
gains and losses from disposal of property and tangible assets	2.2.1.	759.1	1,895.5
gains and losses from disposal of financial assets	2.1.9.	581.3	0.0
income taxes paid	2.2.6.	-32,645.8	-50,439.9
interest paid	2.1.8., 2.1.9.	121,682.8	147,155.7
currency translation gains and losses from bond valuation	2.1.8., 2.1.9.	-9,603.7	246,913.2
operating cash flow		384,544.5	362,125.9
changes in receivables from finance lease	2.2.7.	292.0	288.1
changes in receivables and other assets	2.2.7.	42,092.4	-156,769.4
changes in trade payables	2.2.15.	1,683.3	17,524.5
changes in provisions (except tax provisions)	2.2.11.	1,030.2	21,116.2
changes in other liabilities	2.2.15.	87,787.0	186,362.1
cash flow from changes in net current assets		132,884.9	68,521.5
cash flow from operating activities		517,429.4	430,647.4
cash flow from investing activities:			
acquisition of investment property	2.2.1.	-302,238.5	-231,325.7
acquisition of tangible and intangible assets	2.2.1./2.2.2.	-5,678.3	-1,900.8
changes in shares in associated companies	2.2.3.	-50,226.3	7,757.4
loans with third parties		-2,011.0	-9,280.7
disposal of real estate, real estate companies and other assets	2.2.1.	23,738.3	6,665.9
increase/amortisation of loans with associated companies	2.2.7.	-13,352.4	77.7
interest received	2.1.8.	3,933.6	8,317.6
dividends received	2.1.8.	129.3	0.0
cash flow from investing activities		-345,705.4	-219,688.7
cash flow from financing activities:			
other changes in financial liabilities	2.2.13.	-308.5	2,418.7
amortisation of loans	2.2.13.	0.0	-456,095.9
borrowing	2.2.13.	0.0	451,583.0
repayment of bank loans	2.2.13.	-110,184.0	-68,968.7
borrowing with banks	2.2.13.	50,000.0	0.0
interest paid	2.1.9.	-130,662.8	-156,410.2
payments from minority shareholders		0.0	11.3
cash flow from financing activities		-191,155.3	-227,461.8
total cash flow = changes in cash and cash equivalents		-19,431.3	-16,503.0
cash and cash equivalents at beginning of period	2.2.8.	58,184.8	74,687.9
cash and cash equivalents at end of period	2.2.8.	38,753.5	58,184.8
net change in cash and cash equivalents		-19,431.3	-16,503.0

Development of Group Equity

in TEUR

	nominal capital	capital reserves	fair value reserves	Cash Flow hedge reserves	retained earnings	equity before minority shares	minority shares	equity total
as of January 1, 2008	226,000.0	0.0	-43.9	1.5	566,173.3	792,130.9	0.0	792,130.9
consolidated profit			2.4	-135.3	42,482.9	42,350.0	-4.0	42,346.0
changes in minority shares							11.4	11.4
capital injections								0.0
capital repayments								0.0
dividends								0.0
as of December 31, 2008	226,000.0	0.0	-41.5	-133.8	608,656.3	834,480.9	7.4	834,488.3
as of January 1, 2009	226,000.0	0.0	-41.5	-133.8	608,656.3	834,480.9	7.4	834,488.3
consolidated profit			26.4	50.2	94,438.2	94,514.8	-0.3	94,514.5
changes in minority shares								
capital injections								0.0
capital repayments								0.0
dividends								0.0
as of December 31, 2009	226,000.0	0.0	-15.1	-83.6	703,094.4	928,995.7	7.1	929,002.8
notes	2.2.10	2.2.10	2.2.10	2.2.10	2.2.10	2.2.10	2.2.10	2.2.10

Segment Reporting

The Group has adopted IFRS 8 (Operating Segments) with effect from January 1, 2009. This standard requires operating segments to be identified on the basis of internal reports on components of the Group whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The previous standard IAS 14 (Segment Reporting) required the Group to identify two sets of segments (business and geographical).

Segment reporting was done for primary segmentation, i.e. business segments education and public administration & others only. Segment reporting is also used for internal management reporting which means that application of standard IFRS 8 has not required any changes to the segments reported by the Group. Activities in these segments on the on hand include rental and disposal of property.

At the same time BIG is split into several service sectors each with their own performance portfolio: property management (technical maintenance and property management), Facility Services (various other services), CAD & space management (compilation of all property data), as well as planning and construction (architectural and planning activities, as well as project management).

The segment "Others" contains staff costs, other operating expenses, as well as depreciation of office furniture and equipment.

Reports are compiled on the basis of values set out in the Austrian Commercial Code UGB (in accordance with regional law), so that segment reporting is done on the same basis with reconciliation being made to the values of the IFRS Consolidated Financial Statements.

Assets and liabilities as well as income and expenses have been allocated to the various segments only where allocable directly or by means of a reasonable procedure.

Segment assets essentially include real estate assets, property assets under construction, intangible assets, companies included at equity, inventories and receivables. Allocation of liabilities by segment is not reported and is currently possible by approximation only. The segment sum of the individual segments corresponds to the operating results in accordance with company law.

Internal transactions between individual segments in principle are performed at standard market conditions.

2009 in TEUR	education	public administration and third parties	others	transition IFRS	total
income from external customers	543,642.6	247,670.1	7,055.3	0.0	798,368.0
income from transactions with other segments					
segment income	543,642.6	247,670.1	7,055.3	0.0	798,368.0
segment results	184,581.9	21,875.4	1,092.9	43,911.0	251,461.2
book value of segment assets	2,993,242.4	1,283,407.6	47,316.6	397,911.5	4,721,878.1
segment assets not allocated	0.0	0.0	0.0		0.0
sum assets	2,993,242.4	1,283,407.6	47,316.6	397,911.5	4,721,878.1
acquisition cost for investments in investment property, tangible assets and intangible assets	219,217.4	81,013.1	1,415.3	5,909.9	307,916.9
depreciation	-149,174.3	-54,257.8	-2,071.6	32,195.9	-173,307.8
impairment loss	-1,893.1	-5,312.5	0.0	-2,053.5	-9,259.1
reversal of impairment	5,673.0	0.0	0.0	11,338.9	17,011.9
provisions for impending losses for property under construction	-2,119.0	0.0	0.0	0.0	-2,119.0
book values of associated companies	0.0	55,925.9	0.0	0.0	55,925.9
results from associated companies	0.0	1,782.4	0.0	0.0	1,782.4

For 2008 original segment reporting with figures in accordance with IFRS was adhered to:

2008 in TEUR	education	public administration and third parties	others	total
income from external customers	513,315.7	238,516.7	5,965.4	757,797.8
income from transactions with other segments				
segment income	513,315.7	238,516.7	5,965.4	757,797.8
segment results	155,527.2	59,092.7	4,565.5	219,185.4
book value of segment assets	3,005,085.4	1,234,863.9	372,860.8	4,612,810.0
segment assets not allocated	0.0	0.0	0.0	0.0
sum assets	3,005,085.4	1,234,863.9	372,860.8	4,612,810.0
acquisition cost for investments in investment property, tangible assets and intangible assets	165,631.6	64,997.5	2,401.9	233,031.0
depreciation	-121,502.9	-45,094.7	-2,523.5	-169,121.1
impairment loss	-25,124.5	-924.9	0.0	-26,049.4
reversal of impairment	0.0	0.0	0.0	0.0
provisions for impending losses for property under construction	-6,110.0	0.0	0.0	-6,110.0
book values of associated companies	0.0	10,456.9	0.0	10,456.9
results from associated companies	0.0	5,807.0	0.0	5,807.0

Sales Revenues for Main Products and Services

The sales revenues from the Group's continued business operations are listed by main products and services as follows:

	31.12.2009 TEUR	31.12.2008 TEUR
rental income	670,112.3	630,619.1
income from tenants' investments	36,998.1	39,318.0
income from payment on account for operating and heating costs	63,420.9	60,455.8
other revenue	27,836.7	27,404.9
	798,368.0	757,797.8

Notes to the Consolidated Financial Statements

1. General

1.1. Operating Activities

Bundesimmobiliengesellschaft m.b.H., Vienna, Austria, (in the following Bundesimmobiliengesellschaft or BIG) is the uppermost constituent company of a real estate group which operates primarily in Austria. The larger share of real estate was transferred from the Republic of Austria to BIG in four tranches under the terms of the Federal Real Estate Act (Federal Law Gazette 141/2000 of 29.12.2000). According to section 4, para. 2 of the Federal Real Estate Act BIG shall – at market-conforming conditions and wherever economically reasonable – satisfy the Federal Government's space requirements, and in particular make available the objects transferred, adapt them as necessary and acquire real estate required for the Federal Government's further building projects. BIG business activities include acquisition, development, rental and sale of real estate. Aside from real estate in Austria the Group owns one building in the USA (New York), one in Switzerland (Berne) and one in Germany (Berlin).

All other sales revenues, assets and liabilities are generated in Austria.

1.2. Accounting policies

The consolidated financial statements for Bundesimmobiliengesellschaft have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and its predecessor the Board of the International Accounting Standards Committee, which also contain the International Accounting Standards (IAS), as well as in accordance with the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements represent the Group's financial situation as of the balance sheet date which is December 31, 2009. They are presented in Euro, which is the presentation currency. In the total sums calculation differences may occur due to rounding and the use of automatic calculation programmes.

The present consolidated financial statements are based on EU regulation no. 1606/2002 issued by the European Parliament and the European Union for the purpose of applying international accounting standards (IAS-VO 1606/2002), which obligates capital-market oriented companies in the European Union to prepare and publish their consolidated financial statements in compliance with the International Financial Reporting Standards. According to Art. 3 para. 1 of the IAS-VO 1606/2002 those standards shall apply which, under Art. 6 para. 2 of the IAS-VO 1606/2002 were absorbed by EU legislation through comitology procedures. The International Financial Reporting Standards adopted by the European Union have immediate effect in the Member States and do not require transposition into national law. All International Financial Reporting Standards published in the language of Member States are considered authentic within the meaning of Community Law. Section 245a para. 1 Code of Commercial Law (HGB) as amended in Federal Law Gazette (BGBl.). I 161/2004 standardises exceptions to the obligation to prepare consolidated financial statements in accordance with Austrian regulations under commercial law (sections 247 et seq. UGB) in those cases where an obligation to prepare the consolidated financial statements in accordance with International Financial Reporting Standards within the meaning of Art. 4 para. 1 IAS-VO 1606/2002 exists. BIG avails itself of these exceptions according to the rules set out in Community Law

The framework of the IASB does not constitute a part of IFRS and was not absorbed by EU legislation. IAS 8.11 (b), however, for interpretation and stop-gap, requires that recourse is made to the definitions and allocation criteria for assets, liabilities, expenses and revenue provided for in the framework. According to item 2.1.5. of the (non-binding) commentary on specific articles in the IAS-VO 1606/2002 issued by the EU, the framework does, however, constitute the "basis for judgement in solving accounting issues". For this reason and because of express reference to the framework in IAS 8.11 (b) the latter is applied without qualification in the preparation of the consolidated financial statements.

The consolidated financial statements prepared by BIG, in their full content, comply with the International Financial Reporting Standards in their current version insofar as they have been absorbed into European Union legislation by way of comitology procedures in accordance with Art. 6 para. 2 IAS-VO 1606/2002. This does not represent a restriction to the confirmation of compliance with IFRS as required by IAS 1.16.

New and Amended IFRSs and Resulting Changes in Recording, Recognition and Measurement

Since the Consolidated Financial Statements for the year ended on December 31, 2008 the following Standards and Interpretations have been amended or newly adopted by the European Union for first-time application:

- IFRS 8 “Operating Segments“

IFRS 8 was published on November 30, 2006, adopted by the European Union on November 21, 2007 and shall apply for annual periods with a commencement date on or after January 1, 2009. IFRS 8 replaces IAS 14 “Segment Reporting“ and is almost identical to SFAS 131. The old primary and secondary reporting format which distinguished between business segments and geographical segments will give way to a single reporting format defining segments on the basis of information according to which management governs the Group. The standard requires an explanation of how segment profit or loss, as well as segment assets and segment liabilities are measured for each reportable operating segment in accordance with the corresponding amounts in the consolidated financial statements. Information must also be provided on geographical areas, products and major customers. Vertically-integrated supply processes where a component of the Group that sells primarily or exclusively to other operating segments of the Group will meet the definition of an operating segment if the Group is managed that way.

Regulations of IFRS 8 are relevant for the BIG Group and will be applied for the current annual period in accordance with the Standard.

- Amendments to IAS 23 “Borrowing Costs“

Amendments to IAS 23 were published on March 29, 2007, adopted by the European Union on December 10, 2008 and shall apply for annual periods with a commencement date on or after January 1, 2009. The amendments eliminate the option to recognize borrowing costs relating to the acquisition or construction of qualified assets immediately as an expense. As of the current year borrowing costs shall be capitalised as part of the acquisition or construction costs of qualified assets. Amendments to IAS 23 are relevant for the BIG Group and will be applied for the current annual period.

- Amendments to IFRS 2 “Share-based Payment: Vesting Conditions and Cancellations“

Amendments to IFRS 2 were published on January 17, 2008, adopted by the European Union on December 16, 2008 and shall apply for annual periods beginning on or after January 1, 2009. The purpose of the amendments was to further specify the terms vesting conditions and cancellations. Thus vesting conditions are service conditions and performance conditions only. Other aspects of share-based payment do not constitute a vesting conditions and shall be included as part of the fair value of the share-based payment at the time of granting. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. Application of IFRS 2 has not affected the Group’s reported profit or equity.

- IFRIC 13 “Customer Loyalty Programmes“

IFRIC 13 was published on June 28, 2007, adopted by the European Union on December 16, 2008 and shall apply for annual periods commencing on or after July 1, 2008. IAS 18.13 in principle states that in certain circumstances, it is necessary to apply the recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of the transaction. These transactions are referred to as multiple element arrangements and the relevant proceeds are capitalised at different points in time. IFRIC 13 clarifies that customer loyalty programmes in which the award credits will be redeemed in the future, e.g. air miles or loyalty points, are multiple element arrangements. Application of IFRIC 13 has not affected the Group’s reported profit or equity.

- Amendments to IAS 1 “Presentation of Financial Statements: A Revised Presentation“

Amendments to IAS 1 were published on September 6, 2007, adopted by the European Union on December 17, 2008 and shall apply for annual periods with a commencement date on or after January 1, 2009. The amendments essentially refer to changes in terminology for income statement, balance sheet and cash flow statement, introduction of a („Statement of Comprehensive Income“), as well as the obligation to disclose an opening balance sheet for the first reported period affected by retroactive changes in accounting. The changes resulting from IAS 1 were applied to the annual period of 2009. No retroactive changes in accounting were reported.

- **Amendments to IAS 32 and IAS 1 “Puttable Financial Instruments and Obligations Arising on Liquidation**

Amendments to IAS 32 and IAS 1 were published on February 14, 2008, adopted by the European Union on January 21, 2009 and shall apply for the first time for annual periods beginning on or after January 1, 2009. As a result of the amendments, some financial instruments that currently meet the definition of a financial liability will be classified as equity because they represent the residual interest in the net assets of the Group. However, this requires detailed conditions to be met. Application of IAS 32 and IAS 1 has not affected the Group’s reported profit or equity.

- **Amendments to IFRS 1 and IAS 27 “Cost of an Investment in a subsidiary, jointly-controlled entity or associate“**

Amendments to IFRS 1 and IAS 27 were published on May 22, 2008, adopted by the European Union on January 23, 2009 and shall apply for the first time for annual periods commencing on or after January 1, 2009. The revision responds to concerns that retroactively determining cost and applying the cost method in accordance with IAS 27 on first-time adoption of IFRSs cannot, in some circumstances, be achieved without undue cost. Thus first-time adopters of IFRSs will be allowed to use a deemed cost to measure cost of investments in subsidiaries, jointly controlled entities and associates. The definition of the cost method was removed from IAS 27 and replaced with a requirement to present dividends as income in the separate financial statements of the investor which makes a distinction between dividends prior to and following acquisition obsolete. Special regulations also apply to group reorganisations according to which a new parent is required to measure its cost of investment in the previous parent at the carrying amount of its share of the equity items of the previous parent, provided there are no changes in ownership, equity, assets or liabilities. Application of IFRS 1 and IAS 27 has not affected the Group’s reported profit or equity.

- **Improvements to IFRSs through the Annual Improvements Project**

The IASB published improvements to several IFRSs through its Annual Improvements Project on May 22, 2008. These were adopted by the European Union on 23 January, 2009. Amendments address adaptations in formulations of individual IFRSs to clarify existing regulations (terminology and editorial corrections), as well as changes to individual IFRSs affecting the way business cases are estimated, measured or shown. Most of the amendments are effective for annual periods beginning on or after January 1, 2009 unless otherwise stated in the relevant standard. Prospective application is permitted. Application of Improvements to IFRSs has not affected the Group’s reported profit or equity.

- **IFRIC 12 “Service Concession Arrangements“**

IFRIC 12 was published on November 30, 2006 and adopted by the European Union on March 25, 2009. The mandatory date for first application was changed from reporting periods beginning on or after January 1, 2008 to annual periods beginning after March 29, 2009. Earlier application is permitted. The interpretation addresses how private operators contracted by public sector bodies to perform public services, such as the construction of roads, airports or energy distribution networks, shall recognise their service concession arrangements. While control of the assets remains in public hands the operator is obligated by contract to develop, operate and maintain these assets. IFRIC 12 discusses the issue of how the rights and obligations resulting from these agreements shall be accounted for. Application of IFRIC 12 has not affected the Group’s reported profit or equity.

- **IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”**

IFRIC 16 was published on July 3, 2008, adopted by the European Union on June 4, 2009 and shall apply to annual periods with a commencement date on or after October 1, 2008. The interpretation makes reference to IAS 21 “The effects of changes in foreign exchange rates“and IAS 39 “Financial Instruments: Recognition and Measurement“and addresses the issue of hedging net investments in a foreign operation. Emphasis is placed on three main issues. One is that only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation may be hedged as a risk. The presentation currency does not create an exposure to which an entity may apply hedge accounting. Secondly the hedging instrument(s) in a hedge of a net investment in a foreign operation may be held by any entity or entities within the Group. Thirdly, when the entity disposes of an investment IAS 39 must be applied to determine the amount that needs to be reclassified from equity to profit or loss in respect of the hedging instrument, IAS 21 must be applied in respect of the hedged item. Application off IFRIC 16 has not affected the Group’s reported profit or equity.

- **Revised IFRS 3 “Business Combinations“ and Amendments to IAS 27 “Consolidated and Separate Financial Statements”**

Revision of IFRS 3 was carried out together with the amendment to IAS 27 during phase two of the Business Combinations project. Revision of IFRS 3, as well as the amendments to IAS 27 were published on January 10, 2008, adopted by the European Union on June 3, 2009 and shall apply for the first time for annual periods commencing on or after July 1, 2009. Application is now extended to combinations of mutual entities and combinations without consideration. Combinations of entities or businesses under common control have been excluded. Acquisition-related costs relevant to financial assets and financial liabilities are recognized in accordance with IAS 39 and IAS 32. All other acquisition-related costs are recognised as expenses. An option for the “Full Goodwill Method“ is introduced whereby all of the goodwill of the acquired entity is recognized and not just the share of the acquirer, the presentation of non-controlling interests in the newly acquired and reassessed net assets being correspondingly higher. Goodwill and reassessment of net assets in case of a subsequent acquisition will be defined at the time of control only. All subsequent transactions between the parent and the non-controlling interests are accounted for as equity transactions. Application of IFRS 3 und IAS 27 has not affected the Group’s reported profit or equity.

- **IFRIC 15 “Agreements for the Construction of Real Estate“**

IFRIC 15 was published on July 3, 2008, adopted by the European Union on July 22 and shall apply for annual periods beginning on or after January 1, 2009. IFRIC 15 standardises accounting practice across jurisdictions for the recognition of revenue by real estate developers for sales of units, such as apartments or houses, before construction is complete. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue. Accordingly revenue from the construction will be recognized at different points in time. Application of IFRIC 15 has not affected the Group’s reported profit or equity.

- **Amendment to IAS 39 “Reclassification of Financial Assets: Effective Date and Transition”**

On November 27, 2008 the IASB published a revised version to the “Amendments to IAS 39 and IFRS 7: Reclassification of Financial Instruments“ published on October 13, 2008. The amendments were adopted by the European Union on September 9, 2009. The amendments published on October 13, 2008 referred to reclassification of some financial assets. The subsequent revision was undertaken to clarify the date of application for the amendments published on October 13, 2008. Thus reclassifications undertaken on or after November 1, 2008 become effective with the date of reclassification and may not be withdrawn. Reclassifications undertaken prior to November 1, 2008 may be withdrawn up until July 1, 2008 or a later date. Reclassification regulations, however, may not be applied prior to July 1, 2008. Application of IAS 39 has not affected the Group’s reported profit or equity.

- **Amendments to IAS 39 “Financial Instruments: Recognition and Measurement – Eligible Hedged Items”**

The amendments to IAS 39 were published on July 31, 2008 and shall apply for annual periods with a commencement date on or after July 1, 2009. They were adopted by the European Union on September 15, 2009. The objective of these amendments in principle is to provide additional application guidelines for the designation of hedging instruments, as there are no standard practices regarding one-sided risks or inflation risks in hedge accounting. Application of IAS 39 has not affected the Group’s reported profit or equity.

- **Revised IFRS 1 “First Time Adoption of IFRS”**

On November 27, 2008 the IASB published a revised version of IFRS 1 - First Time Adoption of IFRS – which was adopted by the European Union on November 25, 2009. The revised version of IFRS 1 replaces the current IFRS 1 and shall apply for entities adopting IFRS for the first time after January 1, 2009. Amendments are relevant exclusively to the formal structure of IFRS 1 the contents of which have not been changed. The Standard is now split into general and specific regulations to make up for its increasing complexity and lack of transparency caused by the many amendments of other standards. The main part sets out general regulations, such as the scope of application, general recognition and measurement rules, whereas specific regulations concerning exemptions and exceptions to the rules set out in some of the IFRSs are listed in several appendixes to IFRS 1. The aim of this new structure is to improve transparency and applicability of the Standard. Earlier application is permitted. Application of IFRS 1 has not affected the Group’s reported profit or equity.

- **IFRIC 17 “Distributions of Non-Cash Assets to Owners”**

IFRIC 17 was published on November 27, 2008, adopted by the European Union on November 26 and shall apply for annual periods beginning on or after July 1, 2009, earlier application is possible. IFRIC 17 addresses the issue of how an entity distributes assets other than cash as dividends to its shareholders. Thus a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. The dividend payable should be measured at the fair value of the net assets to be distributed, the difference between the dividend paid and the carrying amount of the net assets distributed should be recognized in profit or loss. Additional disclosures should be provided if the net assets being held for distribution to owners meet the definition of a discontinued operation (IFRS 5). Application of IFRIC 17 has not affected the Group's reported profit or equity.

- **Amendments to IFRIC 9 and IAS 39 “Embedded Derivatives”**

Amendments to IFRIC 9 and IAS 39 were published by the IASB on March 12, 2009 and adopted by the European Union on November 27, 2009. The intention was to clarify the accounting of embedded derivatives on reclassification of financial assets. Embedded derivatives of a host contract must be assessed and separately accounted for in the financial statements upon reclassification of an entire hybrid financial asset out of the “at fair value through profit or loss” category on the basis of IAS 39 as amended in October 2008. The assessment is performed with a view to the circumstances that existed on the date when the entity first became a party to the contract, or (where later) the date of the change in the terms of the contract that significantly modifies the cash flows. If the fair value of an embedded derivative that would have to be separated cannot be reliably measured, the entire hybrid financial instrument must remain classified as “at fair value through profit or loss”. This is also true for entities which cannot perform this assessment. Amendments shall retroactively apply to annual periods ending on or after June 30, 2009. Application of IFRIC 9 and IAS 39 has not affected the Group's reported profit or equity.

- **Amendment to IFRS 7 “Improving Disclosures about Financial Instruments”**

The amendment was published on March 6, 2009 and adopted by the European Union on November 27, 2009. It addresses disclosures for the determination of the fair value and the liquidity risk. When determining the fair value disclosure requirements are improved to the extent that lists must be provided for each class of financial instrument. A three-level fair value disclosure hierarchy in accordance with US-GAAP SFAS 157 is introduced. Disclosures on the liquidity risk are amended to include classification of disclosures on the maturity of financial liabilities as derivative and non-derivative liabilities. Qualitative disclosures on liquidity management were also revised. These regulations shall apply retroactively for annual periods with a commencement date on or after January 1, 2009. Earlier application is permitted. No comparative disclosures are required in the first year of application. Amendments to IFRS 7 are relevant for the BIG Group and are applied in the current annual period in accordance with the Standard.

- **IFRIC 18 “Transfers of Assets from Customers”**

IFRIC 18 was published on January 29, 2009 and adopted by the European Union on November 27. It shall apply for annual periods with a commencement date on or after July 1, 2009, earlier application is permitted in some cases. IFRIC 18 contains additional information on how to account for transfers of assets from a customer. In the Board's view this primarily affects the energy sector. IFRIC 18 clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer that must be used to acquire or construct said assets. In summary the interpretation explains when the item of property meets the definition of an asset, how it is first recognized and measured, if there are separately identifiable services received by the customer in exchange for the transfer, when the revenue is recognized and how the transfer of funds from the customer is to be accounted for. Application of IFRIC 18 has not affected the Group's reported profit or equity.

- **Outlook for IFRS Amendments in 2009/2010**

The following IFRS published by IASB or IFRIC on the balance-sheet date have either not been adopted by the European Union yet or shall apply for future annual periods only. The BIG Group decided not to avail itself of the option to prospectively apply the latter Standards and Interpretations.

- **Improvements to IFRS through the Annual Improvements Project 2007-2009**

On April 16, 2009 the IASB published the Annual Improvements 2007-2009 which provide for amendments to ten IFRSs and two Interpretations (IFRICs). Most of the amendments apply for annual periods commencing on or after January 1, 2010. Prospective application is permitted. To avoid adaptation expenses the Annual Improvements 2007-2009, along with the proposed amendments from the Exposure Draft "Proposed Amendments to IFRS" (August 2008), also include a summary of amendments already treated in the Exposure Draft "Proposed Amendments to IFRS" issued in October 2007, as well as in the Exposure Draft "ED 2009/01" (January 2009). Two issues concerning IAS 39 still included in the draft August 2008 have been excluded or delayed. The BIG Group is currently looking into the effects implementation might have. The Amendments have yet to be adopted by the European Union.

- **Amendments to IFRS 2 „Group Cash-settled Share-based Payment Transactions”**

The amendment published on June 18, 2009 which is to clarify accounting of Group cash-settled share-based payment transactions shall apply for annual periods with a commencement date on or after January 1, 2010. Retroactive application is advised, earlier application is permitted. The amendment is to specify the accounting in the financial statements of an entity for arrangements that are share-based, whereby the entity receives goods or services from employees or suppliers, while the parent of the entity or other group entity has an obligation to make the required cash payments. A clarification was made to the extent that the entity receiving goods or services under share-based agreements shall have to account for these regardless of which group entity has an obligation to fulfil or whether it is to be fulfilled in cash or in shares. The amendment in particular clarifies that the term Group in IFRS 2 is synonymous with the term used in IAS 27 "Consolidated and Separate Financial Statements" (a parent and its subsidiaries). The scope of application for IFRS 2 now includes guidelines from IFRIC 8 and IFRIC 11 which is why the two latter Interpretations have been withdrawn. The BIG Group is currently looking into the effects implementation might have. The Amendments have yet to be adopted by the European Union.

- **Amendments to IFRS 1 Additional Exemptions for First-time Adopters**

The amendments to IFRS 1 were published on July 23, 2009 and are to be applied retroactively in some circumstances. They are to ensure that entities preparing their financial statements in accordance with IFRS do not run into unnecessary costs or burdens during the transition:

- Entities using the full cost method are exempt from retrospective application of IFRSs for oil and gas assets and
- Entities with an existing leasing contract are exempt from classification of these contracts under IFRIC 4 "Determining whether an Arrangement Contains a Lease", provided application of national accounting policies has delivered the same result.

The original draft to these amendments also included proposals concerning price-adjusted business transactions. These were subsequently incorporated with the draft on price-adjusted business transactions. The amendments have not been endorsed by the European Union yet.

- **Amendment to IAS 32 Classification of Rights Issues**

The IASB published an amendment to IAS 32 on October 8, 2009. The amendment deals with accounting of subscription rights, options and foreign-currency warrants acquiring a fixed amount of equity instruments. While such issues to date are being accounted for as derivative liabilities, those rights which are issued pro rata to an entity's all existing shareholders for a fixed amount of currency should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment shall apply to annual periods with a commencement date on or after February 1, 2010. Earlier application is permitted. The amendment has yet to be endorsed by the European Union.

- **Revised IAS 24 Related Party Disclosures**

The IASB has published the revised IAS 24 on November 4, 2009. The amendments are to alleviate disclosure obligations for entities under state control or substantial state influence. While entities previously had to disclose information on all business transactions with entities controlled or substantially influenced by the same state, only those disclosures now become necessary which are relevant to the addressee of the financial statements. Exemptions are those business transactions where the disclosure of information would entail exceptionally high costs and the information itself would be of little relevance to the addressee. A clarification was also made concerning the definition of related entities or related parties. The amendments shall apply for annual periods commencing on or after January 1, 2011, earlier application is permitted. The amendments have yet to be endorsed by the European Union.

- **IFRS 9 Financial Instruments (Issued November 12, 2009)**

The Standard published on November 12, 2009 represents the first in a series of steps to eventually replace Standard IAS 39. IFRS 9 introduces new requirements for classifying and measuring financial assets. Regulations on measuring financial liabilities are currently excluded. Current categories "loans and receivables", "held to maturity", "available for sale" and "at fair value through profit or loss" are to be replaced by the new categories "fair value" and "at amortised cost". Classification of a financial instrument as "at amortised cost" depends both on the entity's business model and the product characteristics of the financial instrument itself. Where such classification is not appropriate the financial instrument will be classified as "at fair values through profit or loss". Any changes in the fair value must be frozen under other operating results and are no longer recognized in profit or loss. Amendments shall apply to annual periods commencing on or after January 1, 2013. Earlier application in 2009 is permitted but for Europe requires endorsement by the European Union. Endorsement has been postponed for the time being.

- **Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement**

The amendment to IFRIC 14 was published on November 26, 2009 and is relevant for entities subject to minimum funding requirements which make prepayments in order to fulfil these obligations. The amendment sets out that any surpluses from prepayment may be recognized as assets. The amendment shall apply for annual periods with a commencement date on or after January 1, 2011, earlier application is permitted. It has yet to be endorsed by the European Union.

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (Issued November 26, 2009)**

IFRIC 19 was published on November 26, 2009 and explains application of the IFRSs in the event that an entity extinguishes all or part of a financial liability by issuing shares or other equity instruments ("debt for equity swaps"). It clarifies that

- a) equity instruments issued to a creditor to extinguish a financial liability are part of the consideration paid in accordance with IAS 39.41,
- b) the equity instruments issued are to be measured at fair value (in exceptional cases at the fair value of the liability extinguished where the fair value cannot be reliably determined) and
- c) the difference between the carrying amount of the financial liability extinguished and the first measurement of the equity instruments issued is to be recognized in profit or loss.

The Interpretation applies to annual periods beginning on or after July 1, 2010, earlier application is permitted. It has yet to be endorsed by the European Union.

The BIG Group does not expect the Standards issued on the balance-sheet date but not yet applicable will affect the Group's reported profit or equity in future periods.

1.3. Methods of Consolidation

First consolidation of a newly acquired participation in the consolidated financial statements follows the purchase method, which means allocating the acquisition costs to the reassessed assets (especially real estate) and debts pertaining to the participation. The remaining active difference between acquisition costs and reassessed net assets is set out as goodwill according to IFRS 3.

All entities whose financial and business policies the parent directly or indirectly exercises a controlling influence on (subsidiaries) are fully consolidated in the Group financial statements. All internal transactions between entities of the reporting entity, as well as related income and expenses, receivables and liabilities, and unrealised gains are eliminated.

Entities (associated companies) whose financial and business policies the parent exercises a substantial influence on – due to share ownership usually 20 % - 50 % – are accounted for at equity.

1.4. Consolidated Group

Along with Bundesimmobiliengesellschaft assets of the following entities have been included in the consolidated financial statements:

company	registered office	currency	participation %	consolidation method 1)	nominal capital
Bundesimmobiliengesellschaft m.b.H.	Vienna	EUR	100	c	226,000,000.00
BIG Finanzdienstleistungen GmbH	Vienna	EUR	100	c	5,000,000.00
BIG Entwicklungs- und Verwertungs GmbH	Vienna	EUR	100	c	364,000.00
"Muthgasse 18" Liegenschaftsverwertung GmbH	Vienna	EUR	100	c	36,336.42
Inffeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH	Vienna	EUR	100	c	35,000.00
BIG Beteiligungs GmbH	Vienna	EUR	100	c	35,000.00
BIG Aspener Flugfeld Süd Holding GmbH	Vienna	EUR	100	c	35,000.00
ICT Technologiepark Errichtungs- und Verwertungs GmbH	Vienna	EUR	100	c	35,000.00
Engerthstraße 216 GmbH	Vienna	EUR	100	c	35,000.00
Karree St. Marx GmbH	Vienna	EUR	100	c	35,000.00
Residenz am Hamerlingpark GmbH	Vienna	EUR	100	c	35,000.00
Fürstenallee 21 GmbH	Vienna	EUR	100	c	35,000.00
NOE Central St. Pölten Verwertungs GmbH	St. Pölten	EUR	67.58	c	35,000.00
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	Vienna	EUR	55	e	35,000.00
Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH	Vienna	EUR	51	e	35,000.00
Anzengrubergasse Errichtungs- und Verwertungs GmbH	Graz	EUR	45	e	35,000.00
SIVBEG Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.	Vienna	EUR	45	e	35,000.00
"Wohngarten Sensengasse" Bauträger GmbH	Vienna	EUR	45	e	35,000.00
Zahnradbahnstraße Bauträger GmbH	Vienna	EUR	45	e	35,000.00
Zeughaus Innsbruck GmbH	Vienna	EUR	45	e	35,000.00
Schnirchgasse 9-9A GmbH	Vienna	EUR	45	e	35,000.00
Wien 3420 Aspern Development AG	Vienna	EUR	26.6	e	70,000.00
Hillerstraße - Jungstraße GmbH	Vienna	EUR	25	e	35,000.00
Eslargasse 16 GmbH	Vienna	EUR	25	e	35,000.00

1) c = full consolidated; e = at equity consolidated

Entities BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH, as well as project company Wirtschaftsuniversität Wien Neu GmbH were not consolidated, as the relevant syndicate agreements do not establish a control situation within the meaning of IFRS 3.19.

The financial statements for all entities of the consolidated Group were prepared on the balance-sheet date December 31.

In 2009 Schnirchgasse 9-9A GmbH, Eslargasse 16 GmbH, Fürstenallee 21 GmbH, as well as Residenz am Hamerlingpark GmbH were established as 100 % subsidiaries of BIG Entwicklungs- und Verwertungs GmbH with a nominal capital of TEUR 35. In 2009, 55 % of the shares in Schnirchgasse 9-9A GmbH and 75 % of the shares in Eslargasse 16 GmbH were transferred to third parties.

Bundesimmobiliengesellschaft is owned 100% by the Republic of Austria.

The consolidated group, in the business year 2009, developed as follows:

	consolidated	at equity consolidated
as of January 1, 2009	11	9
disposed of in the year of reporting	0	0
established in the year of reporting	2	2
merged in the year of reporting	0	0
as of December 31, 2009	13	11

The financial situation of the companies accounted for by the equity method is as follows:

	31.12.2009	31.12.2008
	TEUR	TEUR
assets	125,529	48,997
debts	51,445	29,162
sales revenues	44,062	3,640
annual result	4,032	-2,134

1.5. Currency Conversion

Business Transactions in Foreign Currency

Individual companies of the Group handle foreign currency business cases at the middle rate valid on the day of the relevant transaction. Foreign currency monetary assets and liabilities on the balance sheet date are converted to the Group currency Euro at the exchange rate valid on that day. Resulting foreign currency gains and losses are accounted for in profit or loss for the business year.

Companies using a deviating functional currency have not been included in the consolidated financial statements.

1.6. Accounting Policies

Investment Property and Tangible Assets

Investment property refers to realty and buildings primarily utilised by third parties. Real estate which is utilised by the Group itself at least in part is accounted for as tangible assets, unless the extent of internal use is only marginal.

Facilities under development refer to new constructions and all buildings which by January 1, 2006 had been subjected to general redevelopment which on the balance sheet date had not been completed. General redevelopments begun after January 1, 2006 are accounted for under rented investment property. Borrowing costs for the development of real estate are capitalised as part of acquisition and construction cost for the first time in the current business year. Capitalised borrowing costs amount to TEUR 21.2 for the projects begun in 2009. The financing cost rate is 5.74 %.

Rented out investment property and investment property under development are shown under cost of acquisition and construction less depreciations in accordance with the "cost model" established as an option in IAS 40. Costs for general overhaul are capitalized and amortised over the remaining useful life or, in the event the remaining book value is exceeded prior to general overhaul, are amortised in equal instalments over a redefined useful life of 25 – 50 years together with the remaining book value. Valuation of the other tangible assets is effected by the same method. Investment grants are contributions to building costs granted by tenants. The non-repayable investment grants are carried on the liabilities side and are liquidated affecting net income in accordance with the course of depreciation or the duration of the waiver of the right to terminate as set out in the rental agreement of the corresponding investment property.

Subsequent acquisition costs are accounted for under investment property, taking into account the fact that final accounting of the investment property to be capitalised is delayed in time depending on the time of handover.

Investment property not rented out according to IAS 40 is carried in the books as vacancy.

Costs for vacancies, however, are of minor relevance (see 2.1.3.).

Depreciation of values of buildings and tangible assets is effected in equal instalments over the expected useful life. Individual parts of values of buildings and tangible assets are not written off separately as they do not make up a significant share of the overall acquisition costs.

Expected useful life is assumed as follows:

useful life in years	from	to
real estate assets	25	50
equipment, fixtures and fittings	5	10
other tangible assets	10	33

Intangible Assets

Intangible assets have a limited useful life and are shown in the consolidated balance sheet as acquisition costs less linear depreciation (included under other operating expenses). The following useful lives were defined for calculating the depreciation rates:

useful life in years	from	to
software	3	5
usufruct rights	20	20

Shares in associated companies

At equity included associated companies are accounted for under cost of acquisition to begin with, and are subsequently recognized based on their amortized prorated net assets plus goodwill where applicable. The carrying amounts are increased or reduced annually by prorated profits, dividends distributed and other equity changes. Depreciation is effected where the interest value calculated on the balance-sheet date is below the carrying amount.

Leases

The BIG Group acts as lessor for its real estate. Leasing agreements are classified in terms of the economic content at the time they are signed to clarify whether all risks and opportunities connected to the property have been transferred. In the event that essential risks and opportunities connected to the property remain with the lessor the lease is considered Operating Leasing and the leased assets are amortised over their useful life. In the event essential risks and opportunities are transferred to the lessee the lease is considered Finance Leasing and is reported as receivables to the amount of the net investment value from the lease.

Where BIG acts as a lessee in an Operating Leasing agreement the leasing payments are recorded as expenses in profit and loss over the lease term.

Financial Assets and Liabilities

Provided companies are not associated within the meaning of IAS 28 "impairment of investment in associated companies" financial assets are carried in the balance sheet in accordance with IAS 39 and depending on their classification are shown either with (amortised) acquisition costs or fair values.

Securities are classified as available-for-sale. They are measured at fair value at the time they are first recognized. As long as the fair values determined are reliable the latter shall be shown. Acquisition costs are shown in those cases where there are no active markets and fair values cannot be determined without unreasonable expenditure. On December 31, 2009, all securities in class available-for-sale were recognized at fair value. Fluctuations in value of financial assets in class available-for-sale, taking into consideration deferred taxes, are accounted for directly in equity. Amounts not affecting operating profit are added to the period result only at the time of sale or where impairment of the relevant financial assets is substantial and sustainable.

Trade receivables, loans and other receivables and assets are classified "loans and receivables" and are carried in the balance sheet under amortised acquisition costs, using the effective-yield method where necessary. Where there are doubts as to their collectibility receivables are shown with the lower realisable sum. Other financial assets include, amongst others, the positive market values of derivative financial instruments which are classified as held-for-trading or are part of hedge positions.

BIG currently does not avail itself of class held-to-maturity.

The fixed-rate bonds issued by BIG, whose exposure to fluctuations in interest rates (fair value risk) is limited by an interest-rate swap (or interest and currency swap), are classified "at fair value through profit and loss" (fair value option) and are accounted for as affecting current-period operating profit at fair value. The above bonds are issued by BIG and are therefore carried as financial liabilities. They are controlled by a documented financing strategy and their performance is assessed internally on the basis of fair value. Only those loans are classified "at fair value through profit and loss" which comply with these requirements and whose classification will render more relevant information.

Other bonds, liabilities with banking institutions, as well as trade liabilities and other liabilities are recognized as class Financial Liabilities at Amortised Cost, using the effective yield method where applicable. Transitory deferred income is shown under accruals and deferrals. Other assets/other liabilities include, amongst others, the positive/negative market values for derivative financial instruments which are classified as Held-for-Trading or are part of hedging relationships.

The fair values of financial assets and liabilities, as a rule, correspond to the market prices at the balance-sheet date, any deviations that there may be are shown under 2.2.7. and 2.2.11. in the notes. Where prices of active markets are not available immediately they are calculated using recognized finance mathematics valuation methods and current market parameters (in particular interest rates, exchange rates and credit worthiness of contract partners) – provided they are not of minor significance only. The cash flows of financial instruments are discounted to the balance-sheet date.

Financial assets and liabilities are recognized at the due date. Financial assets and liabilities are written off once the rights to payment from the investment have been extinguished or transferred and where BIG has essentially transferred all risks and opportunities connected to ownership.

Other Financial Assets

Other financial assets refer to loans and securities available for sale, as well as non-current receivables from finance lease and other non-current receivables.

Dropping impairment at a later date results in a reversal of impairment losses affecting operating profit up to the amount of the original amortised cost of acquisition and construction.

There are no equity instruments available for sale.

Receivables from finance leases are capitalized in principle at the cash value of future lease instalments.

Impairment of Assets According to IAS 36

Whenever assets are showing signs of being impaired Bundesimmobiliengesellschaft calculates their recoverable amounts. Provisions relevant to goodwill are not applicable due to lack of accounting for goodwill. The recoverable amount is calculated as the greater of the value in use and the fair value less the costs of disposal (net realizable value). If the asset's recoverable amount is lower than its carrying amount it is depreciated to the latter.

The value in use is the cash value of estimate future cash flows which is likely to be achieved from continued use of an asset and its disposal at the end of its life

The fair value corresponds to the proceeds to be achieved by selling the asset in a transaction under market conditions between competent, willing and independent parties.

The calculated impairment is shown as affecting operating profit. In the business year 2009, impairment including allocations for provisions for impending losses amounted of TEUR 11,378.0 for investment property (previous year: TEUR 32.159). Impairment expenses are carried in the income statement under operating expenses for the recognition of rental revenue according to the cost-of-sales method (see 2.1.3).

Eliminating impairment at a later date results in a reversal of impairment losses affecting operating profit up to a maximum amount of amortised costs of acquisition and construction. It is carried in the income statement under operating expenses for the recognition of rental revenue according to the cost-of-sales method. (see 2.1.3.). Reversal of impairment losses for the current business year is TEUR 17,011.9 (previous year: TEUR 0).

Recognition of Revenue

Rental revenue essentially is recognized pro-rata-temporis over the term of the rental agreement. One-off payments or rent-free periods are allocated over the entire term. Rent paid to secure rental agreements is accrued at TEUR 11,260.8 (previous year: TEUR 7,623.7). This is due to the difference between the duration of the rental agreement and the duration of the waiver of the right to terminate.

Services revenues are realised upon completion of services.

Receivables and Other Assets

Other assets are valued at the lower of acquisition costs and the fair value minus selling costs.

Rental agreements where ownership-related risks and opportunities are transferred to the lessee are carried as receivables at the amount of the net investment value from the lease relationship. Net investment in a lease relationship is gross investment discounted with the interest rate upon which the lease relationship is based. Gross investment is the sum total of minimum lease payments due to the lessor in a finance lease plus a non-guaranteed residual value to the benefit of the lessor.

Inventory

Inventory property refers to property held for disposal during ordinary business activities or which is currently at the construction stage with intended future disposal. The share of inventory property in BIG is marginal, and is shown under "inventory". Inventory is measured using the lower of costs of acquisition and construction and net selling price.

Inventory primarily refers to services from tenants' investments not yet invoiced. Tenants' investments are services commissioned to Bundesimmobiliengesellschaft by third persons (= tenants) which are charged to the tenants upon completion. These are measured using the lower of costs of acquisition and construction and the net selling price.

Cash and Cash Equivalents

Cash and cash equivalents include cash, readily available balances with banks, as well as short-term investments with banks with a term of up to three months at the time of investment.

Liabilities towards Employees

Statutory regulations require Bundesimmobiliengesellschaft to award a one-time severance payment (statutory severance payment) to members of staff employed before January 1, 2003 in the event of dismissal or retirement. Severance payment depends on the number of years employed and the pay relevant at the time payment becomes due and amounts to between two and twelve months' pay. Provisions are made for this obligation. The reimbursement fund carried in the books is calculated, as it was the previous year, in accordance with the Projected Unit Credit Method, using an interest rate for accounting purposes of 5.46 % (previous year: 5.75%), expected future pay increases of 4.5% (previous year: 4.5%) and a retirement age of 62.0 years for women and men. The fluctuation rate is graded by age between 0.0 und 5.0 % (previous year: 0.0 to 5.0 %).

In addition Bundesimmobiliengesellschaft has consented to performance-oriented pensions for two former managers. A separate provision was made for this obligation calculated in accordance with the

projected unit credit method at an interest rate of 5.46 % (previous year: 5.75 %) using the Pagler & Pagler computation tables. Pension increases are expected to be 2.5 % (previous year: 2.5 %).

Actuarial gains and losses are realised immediately as affecting operating profit, no corridor is applied.

Bundesimmobiliengesellschaft is obligated by law to pay 1.53 % of the monthly pay into a staff provision plan for all members of staff employed after December 31, 2002. Thus, a contribution-oriented plan has been established. Payments in 2009 amounted to TEUR 231.0 (previous year: TEUR 193.9) and were recognized immediately as affecting expenses. In addition contributions are paid into a pension plan; there is no further liability for rights to benefits to beneficiaries. Based on the agreement of January 1, 2007 between BIG and a pension plan association, the former is committed to awarding performance-oriented pensions to employees who have been with the company for more than one year. Payments from this contribution-oriented plan in 2009 amounted to TEUR 202.3 (previous year: TEUR 190.3).

None of the performance-oriented plans are financed out of a fund.

Civil servants and persons working for Bundesimmobiliengesellschaft under a limited contract are also entitled to anniversary awards. The law provides that beneficiaries are paid different monthly salaries depending on the province they work in and the number of years they have been in service. Relevant provisions are formed over the course of their time in service using the valuation methods applicable to provisions for severance payments. Actuarial gains and losses are recorded recognized as they occur.

The effect of interest rate changes is negligible.

Provisions

Provisions are shown where Bundesimmobiliengesellschaft has a legal or actual obligation towards third parties because of a past event and the obligation is likely to cause an outflow of funds. Such provisions are recognized at the value calculated with the best possible estimate at the time the financial statements are prepared. Where reasonable estimation of the amount is not possible provisions are not made. In the event that the cash value of the provision calculated with market interest rates differs widely from the nominal value the cash value of the obligation is shown. In the year under review endowments for maintenance provisions were made to the amount of TEUR 20,341.3 (previous year: TEUR 20,882.5), provisions for impending losses amounted to TEUR 2,119.0 (previous year: TEUR 6,110). For details see 2.2.12.

Taxes

Income tax expenditure shown for the annual period includes income taxes calculated for each company from taxable profit using the applicable tax rate ("actual tax") and the change in accruals and deferrals affecting operating profits ("deferred taxes").

In accordance with IAS 12 all temporary differences between the tax balance sheet and the consolidated balance sheet are taken into account when calculating deferred taxes. Deferred taxes on accumulated losses brought forward are capitalized to the extent that they are likely to be offset against future tax gains in the foreseeable future. The Group has not capitalized any accumulated losses brought forward as there are no accumulated losses brought forward worth noting.

For accruals and deferrals future tax rates expected upon release of the difference are applied. Tax accrual and deferral was calculated using the Austrian tax rate of 25 %.

BIG represents the group parent of a tax group whose members are listed below:

- BIG Entwicklungs- und Verwertungs GmbH
- BIG Beteiligungs GmbH
- BIG Finanzdienstleistungen GmbH
- Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH

- Inffeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH
- BIG Asperner Flugfeld Süd Holding GmbH
- „Muthgasse 18“ Liegenschaftsverwertung GmbH

The tax allocation agreement in accordance with the effective group agreement provides that group members for negative income are allocated 25 % of the taxable income from the group parents and for positive income shall pay 25 % of the taxable income to the group parent

Derivative Financial Instruments and Hedges

BIG essentially employs derivative financial instruments – in particular interest rate swaps, interest rate and currency swaps, as well as currency swaps – to reduce risk, and especially to reduce interest rate and currency risks incurred by bond and loan issues. All derivative financial instruments are carried in the balance sheet at fair value in accordance with IAS 39.

Derivative financial instruments with positive market values are shown under other financial assets; derivative financial instruments with negative market values are shown under other liabilities.

To evaluate derivative financial instruments inter-bank conditions, and where necessary also credit margins or market prices valid for BIG, are used; the bid and ask prices on the balance-sheet date are applied. Where no market prices are used the fair value is calculated using recognized financial models. The fair values shown each correspond to the amount for which an asset could be exchanged or a liability could be settled at between competent, contractually willing and mutually independent business partners.

BIG applies rules on hedge relationships in accordance with IAS 39.71 et seq. (hedge accounting) for future cash flow hedges.

Results from derivative financial instruments for which a cash flow hedge relationship was formed are recognised as not affecting operating profit in cash flow hedge reserves under equity until the hedged item is realized. Changes in the results due to the ineffectiveness of these derivative financial instruments are recognised in profit or loss in the consolidated income statement.

Provisions for the designation of financial instruments (fair value option under IAS 39 AG4B et seq) are also applied. Designation is effected in writing during initial recording of the financial instruments to avoid inconsistent measurements of bonds (otherwise measured at amortised carrying amounts) and derivatives (measured at market value). Fair values are determined using market prices on active markets. Criteria for designation are essentially the same with nominals, date of payment, amount of payment and currencies regularly satisfied.

Cash Flow Statement

The cash flow statement was prepared in accordance with IAS 7. Cash and cash equivalents comprise cash on hand, readily available deposits with financial institutions, as well as investments with financial institutions with a term of up three months at the time of investment.

Financial Results

The results from financial investments (see 2.1.8 and 2.1.9) include interest, dividends and similar income generated by investment of financial resources and investment in financial assets, as well as gains and losses from disposal or write-up and/or depreciation of financial assets.

Finance expenditure comprises the interest rate and interest-related expenses for outside financing. Interest rates are recorded using the effective-yield method.

Currency gains/losses related to financing in particular are shown in the financial result.

Accounting Estimates and Judgements made by the Management Board

The key forward-looking assumptions, as well as other major sources of estimate uncertainties on the balance sheet date, due to which substantial adaptations of carrying amounts for assets and liabilities may become likely, are set out below:

- Valuing real estate held as financial investment

Measurement of real estate depends on the valuation method applied. While expert reports on the property owned by the Group are drawn up in accordance with internationally recognized standards it cannot be excluded that the real estate would have been given a lower value using a different valuation method (for details see 2.2.1.).

- Estimating the operating life of assets for write-down

For specifications on operating lives see 1.6.

- Deferred taxes

Calculation of deferred taxes requires the management board's judgement based on the time of occurrence, the level of future taxable income and future tax planning strategies.

Other estimates include valuation parameters for defining the value in use for the purpose of impairment testing, the fair value calculation for financial instruments, estimation of occurrence probability, as well as the amount of provisions, the estimation of interest rates and other valuation assumptions for the calculation of staff provisions.

2. Notes to the consolidated income statement and the consolidated balance sheet

2.1. Consolidated income statement

2.1.1. Income from rental of investment property

	2009 TEUR	2008 TEUR
rental income schools	263,697.3	253,430.4
rental income universities	201,601.2	188,978.7
rental income official buildings	177,649.6	169,817.8
other rental income	27,164.2	18,392.2
rental income total	670,112.3	630,619.1

2.1.2. Income from services

	2009 TEUR	2008 TEUR
property management	86,907.1	83,067.6
investments by tenants	36,998.1	40,681.3
facility services	3,327.1	3,194.7
development and disposal	1,014.6	226.1
spatial planning CAD	8.9	8.8
	128,255.7	127,178.7

2.1.3. Operating expenses for the realisation of rental income

	2009 TEUR	2008 TEUR
depreciation of investment property	169,747.8	166,259.3
maintenance expenses	210,779.6	182,226.6
impairments	11,378.1	32,159.4
write-ups, appreciation	-17,011.9	0.0
expenses for vacant premises	5,516.7	5,317.4
other directly allocable expenses	32,202.3	32,585.5
	412,612.6	418,548.2

Impairments became necessary as the recoverable amounts calculated by valuation in 2009 were below the book values.

TEUR 9,259.0 (previous year: TEUR 26,049.4) were due to impairments of fixed assets and TEUR 2,119.0 (previous year: TEUR 6,110.0) were due to an allocation of provisions for impending losses for assets under construction.

The three impairments highest in value in the period of reporting referred to:

- Security Academy, 2514 Traiskirchen	TEUR 2,786
- Detention Centre, 4910 Ried im Innkreis	TEUR 1,138
- School Building, 2700 Wiener Neustadt	TEUR 1,026

The three impairments highest in value in the previous year referred to:

- School Building, Rohrbach	TEUR 7,625
- Theory Building, 1090 Vienna	TEUR 7,448
- School Building, 1090 Vienna	TEUR 5,459

Other directly allocable expenses include, amongst others, loss of receivables outstanding and allocations to value adjustments for receivables from letting.

2.1.4. Expenses for services

	2009 TEUR	2008 TEUR
property management	68,487.2	64,995.4
investments by tenants	34,196.7	37,090.3
facility services	4,844.3	4,827.0
spatial planning CAD	3,587.7	-1,853.1
development and disposal	1,606.1	1,085.7
	112,722.1	106,145.3

2.1.5. Administrative costs

	2009 TEUR	2008 TEUR
staff costs	10,501.7	7,855.3
communications and EDP applications	4,503.5	3,827.7
depreciations	1,461.9	1,110.5
legal, auditing and consulting expenses	2,420.2	2,467.9
advertising and PR expenses	1,027.2	793.3
others	869.4	741.0
	20,783.8	16,795.7

2.1.6. Other operating income

	2009 TEUR	2008 TEUR
income from disposal of tangible assets	289.7	337.1
expenses charged further	958.5	169.9
liquidation of other provisions	22.0	424.9
others	1,590.5	350.9
	2,860.8	1,282.8

2.1.7. Other operating expenses

	2009 TEUR	2008 TEUR
expenses for assets	1,386.6	729.8
loss from disposal of tangible assets	5.5	9.2
others	1,213.9	302.7
	2,606.0	1,041.7

2.1.8. Financing income

	2009 TEUR	2008 TEUR
interest income	3,933.6	8,317.3
dividend income	30.7	31.3
currency translation gains	11,363.6	45.7
change in fair value for derivatives	8,188.7	230,435.6
other financing income	3,849.6	581.6
	27,366.2	239,411.5

2.1.9. Financing expenses

	2009 TEUR	2008 TEUR
interest paid	126,600.3	156,410.2
currency translation losses	1,759.9	246,913.2
change in fair value for derivatives	23,566.7	1,133.0
other financing expenditure	4,062.5	3,406.5
	155,989.4	407,862.9

Foreign exchange gains/losses essentially result from valuation of issued foreign currency loans on the balance-sheet date.

2.1.10. Net result of financial instruments in accordance with valuation categories pursuant to IAS 39

The net result of financial instruments by classes and/or valuation categories in accordance with IAS 39 for the business year 2009 and 2008 is as follows:

2009 in TEUR	from subsequent valuation					total
	from interest	at fair value	translation	impairment	from disposal	
Loans and Receivables	3,959	-	-	-7,730	-	-3,771
Available-for Sale Financial Assets (shares in a fund)	31	35	-	-	-	66
Financial Assets at Fair Value through Profit and Loss (Held-for-Trading)	-	-16,617	-	-	-	-16,617
Financial Liabilities at Fair Value through Profit and Loss (Held-for-Trading)	-7,063	1,239	-	-	-	-5,824
Financial Liabilities at Fair Value through Profit and Loss (Fair Value Option)	-15,133	1,910	-	-	-	-13,223
Financial Liabilities at Amortised Cost	-104,751	-	9,604	-	-	-95,147
total	-122,957	-13,433	9,604	-7,730	0	-134,516

2008 in TEUR	from subsequent valuation					total
	from interest	at fair value	translation	impairment	from disposal	
Loans and Receivables	8,877	-	-	-1,375	-	7,502
Available-for Sale Financial Assets (shares in a fund)	31	5	-	-	-	36
Financial Instruments at Fair Value through Profit and Loss (Held-for-Trading)	-30,949	229,303	-	-	-	198,354
Financial Liabilities at Fair Value through Profit and Loss (Fair Value Option)	-14,752	-37,042	-	-	-	-51,794
Financial Liabilities at Amortised Cost	-111,324	-	-209,871	-	-	-321,195
total	-148,117	192,266	-209,871	-1,375	0	-167,097

Interest rates from financial instruments are recognized in the financial results. Interest income on impaired financial assets in 2009 amount to TEUR 0.0 (2008: TEUR 0). Value adjustments on trade receivables are recognized in other operating expenses and are defined by management estimation and on the basis of past experience.

2.1.11. Staff costs and staff

Staff costs in 2009 amounted to TEUR 30,869.5 (previous year: TEUR 26,539.0) and are composed as follows:

	2009 TEUR	2008 TEUR
wages	596.9	587.1
salaries	23,172.8	20,075.7
expenses for severance payments and pensions	751.5	45.5
non-wage labour costs	6,016.2	5,493.3
other staff benefits	332.2	337.4
total	30,869.5	26,539.0

Staff at Bundesimmobiliengesellschaft is composed as follows:

Staff (annual average)

	2009	2008
employees	378	357
federal public servants with limited contract	95	98
blue-collar workers	19	21
recorded as staff costs	492	476
federal/provincial civil servants	321	332
provincial public servants with limited contract	4	4
recorded as payment received	325	336
total	817	812

2.2. Consolidated Balance Sheet

2.2.1. Investment property and tangible assets

On December 31, 2009, no tangible assets were pledged as security on liabilities. According to IAS 40.75 (g) reference must be made to instructions issued by the Federal Ministry for Economic Affairs to the effect that real estate subject to restitution applications may not be realised without a relevant decision from the arbitration instance for restitution in kind. BIG also owns concordat churches which by law it is not entitled to realise. There are no obligations for maintenance within the meaning of IAS 40.75 (h) beyond those specified by tenancy law (in particular section 3 of the tenancy act MRG).

acquisition costs in TEUR

	investment property		tangible assets		
	rented out	under construction	buildings	equipment fixtures and fittings	
				total	
as of January 1, 2008	4,560,334	571,173	22,773	12,442	5,166,722
additions	50,185	180,946	0	1,393	232,524
disposals	-5,053	-5,412	0	-1,048	-11,513
other transfers	101,520	-101,520	0	0	0
transfers according to IAS 40	218,589	-218,589	0	0	0
as of December 31, 2008	4,925,576	426,598	22,773	12,787	5,387,734
as of January 1, 2009	4,925,576	426,598	22,773	12,787	5,387,734
additions	60,392	241,846	3,642	1,533	307,413
disposals	-29,765	-2,426	0	-1,408	-33,599
other transfers	108,689	-132,976	24,287	0	0
transfers according to IAS 40	39,533	-39,533	0	0	0
as of December 31, 2009	5,104,426	493,508	50,702	12,912	5,661,548

accumulated depreciations in TEUR

	investment property		tangible assets		
	rented out	under construction	buildings	equipment fixtures and fittings	
				total	
as of January 1, 2008	-899,379	-112,323	-3,736	-8,625	-1,024,062
disposals	1,837	272	0	1,037	3,146
depreciations	-159,999	-5,578	-730	-1,466	-167,774
impairments	-14,017	-12,033	0	0	-26,049
other transfers	-30	30	0	0	0
transfers according to IAS 40	-70,408	70,408	0	0	0
as of December 31, 2008	-1,141,995	-59,224	-4,465	-9,054	-1,214,738
as of January 1, 2009	-1,141,995	-59,224	-4,465	-9,054	-1,214,738
disposals	13,597	0	0	1,387	14,984
depreciations	-164,943	-4,123	-1,385	-1,839	-172,290
impairments	-8,259	-1,000	0	0	-9,259
write-ups, appreciation	11,391	5,621	0	0	17,012
other transfers	2,008	0	-2,008	0	0
transfers according to IAS 40	-15,782	15,782	0	0	0
as of December 31, 2009	-1,303,984	-42,944	-7,858	-9,505	-1,364,291

book value as of January 1, 2008	3,660,956	458,850	19,038	3,817	4,142,660
book value as of December 31, 2008	3,783,580	367,373	18,308	3,733	4,172,995
book value as of December 31, 2009	3,800,442	450,564	42,844	3,407	4,297,257

The fair value of investment property (rented out or under construction) developed as follows:

in TEUR

	investment property under		
	rented out	construction	total
	as of December 31, 2008	8,705,172	367,373
as of December 31, 2009	8,673,322	450,564	9,123,886

The value of investment property rented out was determined on the basis of individual valuations carried out on a representative sample of the portfolio. The individual valuations of the random sample were performed by independent experts, taking into account the current market situation. The results of the samples were extrapolated for homogeneous and selective clusters. Thus, the entire portfolio is rated on a rolling basis in a step-by-step plan. The individual valuations were essentially carried out using the net value method. Real estate under development was measured at the carrying amount as in the previous years.

Using the extrapolation on the basis of the above clusters created some uncertainty as to how to determine the fair value of investment property. The range of fluctuations is estimated at between 5 and 10 percent. Investment property under construction was entered in the above tables at book value since it was not included in the fair value valuation.

Obligations to remedy defects with the Republic of Austria as the owner are stipulated by contract and become effective for the resale of investment property.

These are calculated with the following formula:

$$R = (V - R - P - NL - BV) * 0.8$$

R = remedy of defects
V = resale value
R = realization cost
P = purchase value
NL = net liability assumed at the time of purchase
BV = book value of BIG investments plus capitalized usufruct rights for each property

Because of this obligation to remedy effects there is a substantial difference between the fair value and the revenues BIG can ultimately generate.

2.2.2. Intangible assets

acquisition costs

in TEUR

	usufruct rights	software	total
as of January 1, 2008	13,637	4,361	17,998
other additions	0	507	507
disposals	0	0	0
as of December 31, 2008	13,637	4,868	18,505
as of January 1, 2009	13,637	4,868	18,505
other additions	0	504	504
disposals	0	-75	-75
as of December 31, 2009	13,637	5,297	18,934

accumulated depreciations

in TEUR

	usufruct rights	software	total
as of January 1, 2008	-7,500	-3,352	-10,852
depreciations	-682	-665	-1,347
disposals	0	0	0
as of December 31, 2008	-8,182	-4,017	-12,199
as of January 1, 2009	-8,182	-4,017	-12,199
depreciations	-682	-336	-1,018
disposals	0	22	22
as of December 31, 2009	-8,864	-4,332	-13,195
book value as of January 1, 2008	6,137	1,010	7,146
book value as of December 31, 2008	5,455	851	6,306
book value as of December 31, 2009	4,773	965	5,738

2.2.3. Investments in associated companies

	31.12.2009 TEUR	31.12.2008 TEUR
Projektgesellschaft Wirtschaftuniversität Wien Neu GmbH	42,801.9	3,574.3
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	1,560.6	1,615.6
"Wohngarten Sensengasse" Bauträger GmbH	3,222.1	1,449.1
Anzengrubergasse Errichtungs- und Verwertungs GmbH	1,333.2	1,278.2
Zahnradbahnstraße Bauträger GmbH	861.9	951.4
Wien 3420 Aspern Development AG	228.0	732.0
SIVBEG Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.	434.2	489.1
Hillerstraße - Jungstraße GmbH	823.0	356.7
Zeughaus Innsbruck GmbH	10.0	10.6
Eslarngasse 16 GmbH	454.8	0.0
Schnirchgasse 9-9A GmbH	4,196.2	0.0
	55,925.9	10,456.9

2.2.4. Long-term financial assets (other financial assets)

	31.12.2009 TEUR	31.12.2008 TEUR
securities available for sale	842.3	807.1
derivatives non-current	106,003.5	147,561.8
loans	73,427.6	39,880.1
receivables from finance lease	11,583.5	11,875.5
non-current trade receivables	148.7	0.0
other non-current receivables	1,521.9	2,932.5
	193,527.5	203,057.0

Securities in the category available-for-sale are made up of investment funds (a total of 13,155). The fair value is equal to the market rate on the balance-sheet date. These securities have no nominal value. The current book value is equal to the maximum risk of default for these securities.

Loans refer to loans granted to associated companies and third parties. The fair value is equal to future discounted repayments using the going market interest rate.

Derivatives essentially refer to interest rate swaps, interest rate and currency swaps, as well as currency swaps for bonds issued and loans raised (see also 1.6.).

2.2.5. Inventories

Inventories primarily refer to services from tenants' investments not yet invoiced. Tenants' investments are services commissioned to Bundesimmobiliengesellschaft by third persons (= tenants) which are charged to the tenants according to construction progress, payment plan or upon completion. These are valued using the lower of deemed cost and the amount charged to the tenant. There are no depreciations.

2.2.6. Receivables/liabilities for current income tax

Receivables for current income tax essentially refer to Austrian corporate tax.

2.2.7. Receivables and other assets (short-term)

	31.12.2009	31.12.2008
	TEUR	TEUR
receivables from finance lease (remaining term up to one year)	1,563.1	1,563.0
trade receivables	32,958.6	37,600.6
other receivables and assets	12,728.1	16,293.3
current derivatives	24,941.6	0.0
loans	2,527.9	0.0
accruals and deferrals	231.5	263.3
	74,950.8	55,720.2

Of the trade receivables TEUR 148.7 (previous year: TEUR 0) have a remaining term of more than one year.

Of the other receivables and assets TEUR 1,521.9 (previous year: TEUR 2,932.5) have a remaining term of more than one year.

The book value of trade receivables constitutes an adequate approximate value for the fair value and represents the maximum credit risk at balance-sheet date.

There are essentially no overdue, but not value adjusted financial assets. Concerning the trade receivables, loans and other receivables which are not impaired or overdue there is no indication on the balance-sheet date that debtors will not meet their payments.

The figures indicated for overdue trade receivables currently show a certain amount of inaccuracy, since for lack of payment orders on the part of tenants it is possible to a limited extent only to clear receivables against payments made.

Impairments are accounted for as affecting operating profit where they are objectively identified as such within the meaning of IAS 39. In the context under review these primarily referred to tenants' objections against the size of rent and operating costs.

Individual value adjustments on trade receivables in the business years 2009 and 2008 respectively developed as follows:

	2009 TEUR	2008 TEUR
as of January 1	9,414.9	8,039.7
allocations	9,665.8	4,868.7
use	-584.3	-2,078.7
releases	-1,351.5	-1,414.8
as of December 31	17,144.9	9,414.9

Expenses for complete derecognition of trade receivables in 2009 amount to TEUR 480.6 (2008: TEUR 1,997).

Value adjusted financial assets essentially refer to the following:

2009:

- Value adjustment third-party tenants TEUR 4,975.4
- Value adjustment federal tenants TEUR 12,169.6

2008:

- Value adjustment third-party tenants TEUR 2,757.0
- Value adjustment federal tenants TEUR 6,658.0

2.2.8. Cash and cash equivalents

	31.12.2009 TEUR	31.12.2008 TEUR
deposits with financial institutions	38,033.4	58,178.7
cash on hand	720.1	6.1
	38,753.5	58,184.8

2.2.9. Book values, fair values and recognitions by measurement categories

Book values, fair values and recognitions of financial assets (financial instruments on the asset side) as per 31.12.2009 and 31.12.2008 are composed as follows by classes and/or measurement categories in accordance with IAS 39 and IAS 17:

in TEUR	book value		fair value		valuation acc. to IAS 39			
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	amortised acquisition costs	acquisition costs	valuation acc. to IAS 39 not affecting operating results	fair value not affecting operating results
cash and cash equivalents (cash, banks)	38,754	58,185	38,754	58,185	X	-	-	-
trade receivables	33,107	37,601	33,107	37,601	X	-	-	-
receivables from finance lease	13,147	13,439	13,147	13,439	-	-	-	-
other financial receivables inc. Loans	90,205	51,292	90,205	51,292	X	-	-	-
securities available for sale (shares)	842	807	842	807	-	-	X	-
derivatives with positive market value without hedge relationship	130,945	147,562	130,945	147,562	-	-	-	X
derivatives with positive market value and hedge relationship	0	0	0	0	-	-	X	-
total	307,000	308,886	307,000	308,886				

Most of the cash and cash equivalents, trade receivables and other receivables have short remaining terms. Their book values on the balance-sheet date therefore are close to the fair value. Fair values of other non-current receivables and other financial assets, where relevant, correspond to the cash values of payments related to assets, taking into account current market parameters.

Book values of financial assets represent the maximum credit risk on the balance-sheet date.

2.2.10. Equity

Development of balance-sheet equity at BIG is shown separately as part of the current consolidated financial statements (see page 4).

The fully-paid in share capital of the parent company is carried as nominal capital. Shares in the share capital have no nominal value.

IAS 39 reserves are set aside for securities available for sale and cash flow hedges. These reserves are carried less deferred taxes applicable to these positions.

Retained earnings include the current profit for the year, as well as other accumulated gains and losses from previous years.

The Management Board has not proposed dividends for the business year 2009.

Capital Management

Long-term strategy at BIG is to generate organic growth, i.e. reinvestment of proceeds from rent and financial investments in buildings, so as to ensure continuation of the Group.

For the purposes of internal steering all assets and liabilities are considered capital.

Own funds as defined by the Management Board refer to the equity shown in the balance sheet in accordance with IFRS, inclusive of investment grants which are not repayable and are provided without conditions by the Federal Republic of Austria as the owner. The resulting equity ratio, adjusted by investment grants, for the year ended December 31, 2008 amounted to 19.89 % and as per December 31, 2009 amounts to 22.07 %.

The current equity ratio (without considering investment grants) in 2008 amounted to 18.09 % and in 2009 amounts to 19.67 %.

2.2.11. Employee benefit obligations

Provisions for personnel refer to the cash value of obligations for

- severance payment to employees the amount of TEUR 3,586.0 (previous year: TEUR 3,238.7),
- for pensions to the amount of TEUR 1,676.0 (previous year: TEUR 1,668.8), as well as
- for anniversary awards to the amount of TEUR 2,555.4 (previous year: TEUR 2,476.2).

Vacations not yet consumed to the amount of TEUR 2,843.2 (previous year: TEUR 2,707.4) are shown in other short-term provisions.

Provisions for severance payments

The cash value of obligations for severance payments has developed as follows:

	2009 TEUR	2008 TEUR
cash value of obligations for severance payments on January 1	3,238.7	3,564.7
interest paid	183.0	175.5
service cost	217.3	272.7
realised actuarial gains and losses	78.9	-652.6
severance payments	-131.7	-121.5
cash value of obligations for severance payments on December 31	3,586.0	3,238.7

The cash value of obligations for severance payments amounted to TEUR 3,110.3 as per 31.12.2006 and TEUR 2,978 as per 31.12.2005.

Provisions for pensions

The cash value of obligations for pension payments has developed as follows:

	2009 TEUR	2008 TEUR
cash value of obligations for pension payments on January 1	1,668.8	1,950.3
interest paid	92.8	94.6
realised actuarial gains and losses	24.2	-267.6
pension payments	-109.7	-108.5
cash value of obligations for pension payments on December 31	1,676.0	1,668.8

The cash value of obligations for pension payments amounted to TEUR 2,106.5 as per 31.12.2006 and TEUR 2,153 as per 31.12.2005.

Provisions for anniversary awards

The cash value of obligations for anniversary awards has developed as follows:

	2009 TEUR	2008 TEUR
cash value of obligations for anniversary award payments on Jan. 1	2,476.2	2,744.4
interest paid	132.7	128.4
service cost	97.7	112.7
realised actuarial gains and losses	53.9	-296.6
anniversary award payments	-205.0	-212.7
cash value of obligations for anniversary award payments on December 31	2,555.4	2,476.2

Interest paid for all personnel provisions is shown in financial expenses, service cost and actuarial gains are shown as personnel or administrative expenses.

Personnel provisions (short-term)

in TEUR					of which		
	book value 01.01.2009	use	release	transfer	book value 31.12.2009	current	non-current
vacations not yet consumed	2,707.4	1,246.1	0.0	1,381.8	2,843.2	2,843.2	0.0
premiums	2,238.8	1,673.0	565.8	2,662.9	2,662.9	2,662.9	0.0
credited hours	322.0	322.0	0.0	338.6	338.6	338.6	0.0
social fund	0.0	0.0	0.0	20.0	20.0	20.0	0.0
total	5,268.3	3,241.1	565.8	4,403.2	5,864.6	5,864.6	0.0

2.2.12. Other provisions

in TEUR					of which		
	book value 01.01.2009	use	release	transfer	book value 31.12.2009	current	non-current
provisions for maintenance and construction invoices outstanding	78,965.6	44,323.3	8,206.3	96,219.1	122,655.1	103,861.3	18,793.8
provisions for impending losses	6,110.0	364.1	0.0	2,119.0	7,865.0	0.0	7,865.0
provisions remedy participatory sale	3,057.4	0.0	0.0	207.4	3,264.7	3,264.7	0.0
provisions for decontamination	0.0	0.0	0.0	5,295.0	5,295.0	5,295.0	0.0
provisions for accounting and audit costs	97.8	77.1	20.7	75.0	75.0	75.0	0.0
provisions for legal and consulting expenses	916.3	412.6	1.7	1,068.1	1,570.1	1,570.1	0.0
provisions for demolition costs	0.0	0.0	0.0	1,756.9	1,756.9	1,756.9	0.0
other provisions	1,807.2	1,480.6	128.8	4,597.4	4,795.1	4,795.1	0.0
	90,954.3	46,657.7	8,357.5	111,337.8	147,276.9	120,618.1	26,658.8

2.2.13. Financial liabilities

The carrying amounts, fair values and valuations of financial liabilities (financial instruments on the liabilities side) as per December 31, 2009 and December 31, 2008 by classes or measurement categories in accordance with IAS 39 were composed as follows:

in TEUR	valuation category acc. to IAS 39	book value		fair value		amortised acquisition costs	valuation acc. to IAS 39 acquisition costs	fair value not affecting operating profit	fair value affecting operating profit
		31.12.2009	31.12.2008	31.12.2009	31.12.2008				
bonds (at amortised cost)	financial liabilities measured at amortised cost	2,414,276	2,425,403	2,487,850	2,493,712	X	-	-	-
bonds (affecting operating profit at fair value)	at fair value through profit and loss (fair value option)	414,403	413,654	414,403	413,654	-	-	-	X
liabilities with financial institutions	financial liabilities measured at amortised cost	462,485	522,203	468,134	451,279	X	-	-	-
liabilities with associated companies	financial liabilities measured at amortised cost	2,708	9	2,708	9	X	-	-	-
trade liabilities	financial liabilities measured at amortised cost	141,044	139,360	141,044	139,360	X	-	-	-
other financial liabilities	financial liabilities measured at amortised cost	58,493	272,314	58,493	272,314	X	-	-	-
derivatives with negative market value without hedge relationship	not applicable	110	177	110	177	-	-	X	-
derivatives with negative market value and hedge relationship	at fair value through profit and loss (held for trading)	3,963	5,202	3,963	5,202	-	-	-	X
total		3,497,482	3,778,322	3,576,705	3,775,707				

Trade liabilities and other liabilities regularly have short remaining terms; their values in the balance sheet therefore approximately represent the fair values. Fair values of bonds, where listed, correspond to the nominal values multiplied by quotations as of the balance-sheet date. The fair values of non-listed bonds, bank liabilities and other financial liabilities, where relevant, are calculated as cash value of payments related to liabilities using current market parameters according to Bloomberg. There were no changes in credit risk during the annual period 2009.

Bonds:

BIG did not repay or issue bonds in 2009.

31.12.2009 in TEUR

	term			
	up to 1 year	1 to 5 years	more than 5 years	total
bonds	337,181.6	1,482,316.6	1,009,180.6	2,828,678.9
bank liabilities	91,707.9	104,357.7	266,419.6	462,485.1
	428,889.5	1,586,674.3	1,275,600.2	3,291,164.0

31.12.2008 in TEUR

	term			
	up to 1 year	1 to 5 years	more than 5 years	total
bonds	0.0	1,590,990.7	1,248,066.8	2,839,057.5
bank liabilities	81,737.5	162,993.0	277,472.2	522,202.7
	81,737.5	1,753,983.7	1,525,539.0	3,361,260.2

Conditions of major financial liabilities plus reference year are as follows. Fair values do not include accrued interest or cost of finance.

2009		interest	nominal	fair value	remaining term				
type of financing	rate	value in	in original	in original	< 6	6 - 12	1 - 2	2 - 5	> 5
and currency	var/fix	currency in	currency in	thousands	months	months	years	years	years
		thousands	thousands						
3,000 % CHF private pl. 2002-2015	fix	40,000	41,769						40,000
4,625 % EUR bond 2002-2012	fix	400,000	417,588					400,000	
4,375 % EUR bond 2003-2013	fix	750,000	776					750,000	
3,150 % CHF private pl. 2002-2014	fix	50,000	52,779					50,000	
1,425 % JPY private pl. 2004-2017	fix	5,000,000	5,141,350						5,000,000
1,900 % JPY private pl. 2004-2016	fix	3,000,000	3,190,950						3,000,000
1,759 % JPY private pl. 2004-2016	fix	3,000,000	3,160,560						3,000,000
2,500 % CHF bond 2005-2015	fix	150,000	153,150						150,000
2,125 % CHF bond 2005-2018	fix	120,000	115,160						120,000
2,050 % CHF private pl. 2005-2011	fix	80,000	81,303				80,000		
1,560 % JPY private pl. 2005-2017	fix	5,000,000	5,195,800						5,000,000
1,775 % JPY private pl. 2005-2020	fix	5,000,000	5,298,108						5,000,000
1,89 % JPY bond 2006 -2021	fix	6,000,000	6,413,479						6,000,000
3,125 % CHF bond 2006 - 2031	fix	150,000	135,789						150,000
2,065 % JPY private pl. 2007-2022	fix	7,000,000	7,567,556						7,000,000
3,155% CHF private pl. 2007-2033	fix	50,000	46,025						50,000
3,125% CHF bond 2007-2014	fix	350,000	366,853					350,000	
3,250% CHF bond 2007-2019	fix	375,000	389						375,000
1,69 % JPY private pl. 2008-2018	fix	5,000,000	5,192,650						5,000,000
3,25 % CHF private pl. 2008-2017	fix	175,000	182,193						175,000
3,25 % CHF bond 2008-2010	fix	500,000	509,255			500,000			
EUR - European Investment Bank	var	61,538	61,538	2,564	2,564	5,128	15,385		35,897
EUR - European Investment Bank	var	97,500	97,500	3,750	3,750	7,500	22,500		60,000
EUR - European Investment Bank	var	65,000	65,000	0	4,333	4,333	13,000		43,333
EUR - European Investment Bank	fix	50,000	50,000	0	0	0	0		50,000
EUR - RZB	fix	61,250	61,250	17,500	17,500	26,250	0		0
EUR - RLB NÖ-Wien	var	9,084	9,084	3,634	3,634	1,817	0		0
EUR - RLB NÖ-Wien	fix	16,542	16,542	822	838	1,759	5,930		7,194
EUR - BA/CA	var	65,863	65,863	3,648	1,824	0	0		60,391
2008									
type of financing	interest	nominal	fair value	remaining term					
and currency	rate	value in	in original	< 6	6 - 12	1 - 2	2 - 5	> 5	
	var/fix	currency in	currency in	months	months	years	years	years	
		thousands	thousands						
3,000 % CHF private pl. 2002-2015	fix	40,000	40,796					40,000	
4,625 % EUR bond 2002-2012	fix	400,000	413,152				400,000		
4,375 % EUR bond 2003-2013	fix	750,000	775,755				750,000		
3,150 % CHF private pl. 2002-2014	fix	50,000	51,867						50,000
1,425 % JPY private pl. 2004-2017	fix	5,000,000	4,840,505						5,000,000
1,900 % JPY private pl. 2004-2016	fix	3,000,000	3,196,375						3,000,000
1,759 % JPY private pl. 2004-2016	fix	3,000,000	2,987,196						3,000,000
2,500 % CHF bond 2005-2015	fix	150,000	149,502						150,000
2,125 % CHF bond 2005-2018	fix	120,000	110,598						120,000
2,050 % CHF private pl. 2005-2011	fix	80,000	80,824				80,000		
1,560 % JPY private pl. 2005-2017	fix	5,000,000	5,197,540						5,000,000
1,775 % JPY private pl. 2005-2020	fix	5,000,000	5,238,193						5,000,000
1,89 % JPY bond 2006 -2021	fix	6,000,000	6,354,870						6,000,000
3,125 % CHF bond 2006-2031	fix	150,000	152,000						150,000
2,065 % JPY private pl. 2007-2022	fix	7,000,000	7,545,547						7,000,000
3,155% CHF private pl. 2007-2033	fix	50,000	54,897						50,000
3,125% CHF bond 2007-2014	fix	350,000	363,006						350,000
3,250% CHF bond 2007-2019	fix	375,000	381,791						375,000
1,69 % JPY private pl. 2008-2018	fix	5,000,000	4,918,975						5,000,000
3,25 % CHF private pl. 2008-2017	fix	175,000	178,035						175,000
3,25 % CHF bond 2008-2010	fix	500,000	513,450			500,000			
EUR - European Investment Bank	var	66,667	66,667	2,564	2,564	5,128	15,385		41,026
EUR - European Investment Bank	var	105,000	105,000	3,750	3,750	7,500	22,500		67,500
EUR - European Investment Bank	var	65,000	65,000	0	0	4,333	13,000		47,667
EUR - RZB	fix	96,250	96,250	17,500	17,500	35,000	26,250		0
EUR - RLB NÖ-Wien	var	16,351	16,351	3,634	3,634	7,267	1,817		0
EUR - RLB NÖ-Wien	fix	18,109	18,109	776	790	1,660	5,596		9,287
EUR - BA/CA	var	73,158	73,158	3,648	3,648	5,472	0		60,391
EUR - ERSTE Bank	var	19,531	19,531	908	908	1,817	5,450		10,447

The fair values of bonds in EUR, JPY and CHF were calculated by discounting the payments due in the future and assuming a current market interest rate. Fair values for other financing, because of variable interest and short terms, essentially correspond to book values.

Derivative hedges are concluded primarily to guard against exchange risks. These derivative financial instruments are shown in financial assets with their positive values; negative market values are carried in other liabilities.

Analysis of interest and amortisation payments agreed by contract

Contractually agreed (non-discounted) interest and amortisation payments for primary financial liabilities and derivative financial instruments as per 31.12.2009 and 31.12.2008 are as follows:

31.12.2009 in TEUR	book value 31.12.2009	Cash Flows 2010			Cash Flows 2011 to 2013			Cash Flows from 2014 on		
		interest fixed	interest variable	amortisation	interest fixed	interest variable	amortisation	interest fixed	interest variable	amortisation
primary financial debts										
bonds (at amortised cost)	2,414,276	83,597	-	337,132	168,348	-	903,941	168,619	-	1,173,203
bonds (affecting operating profit at fair value)	414,403	15,262	-	0	35,821	-	310,434	6,433	-	103,969
bank liabilities	462,485	7,960	2,065	91,708	8,208	4,887	85,409	6,518	6,557	285,368
liabilities with associated companies	2,708	0		2,708						
trade liabilities	141,044	0		141,044						
other financial liabilities	58,493	0		58,493						
total	3,493,408	106,819	2,065	631,084	212,377	4,887	1,299,784	181,570	6,557	1,562,540

in TEUR	book value 31.12.2009	Cash Flows 2010			Cash Flows 2011 to 2013			Cash Flows from 2014 on		
		interest fixed	interest variable	amortisation	interest fixed	interest variable	amortisation	interest fixed	interest variable	amortisation
derivative financial debts										
cross currency swaps (without hedge relationship)	-97,501	19,692	0	0	43,406	0	0	100,728	0	0
cross currency interest rate swaps (with hedge relationship) = fixed variable	-10,885	0	-703	0	0	-1,648	0	0	-2,419	0
interest rate swaps (without hedge relationship)	-18,595	0	-356	0	0	-2,479	0	0	0	0
interest rate swaps (with cash flow hedge relationship)	110	0	153	0	0	11	0	0	0	0
total	-126,871	19,692	-906	0	43,406	-4,117	0	100,728	-2,419	0

31.12.2008 in TEUR	book value 31.12.2008	Cash Flows 2009			Cash Flows 2010 to 2012			Cash Flows from 2013 on		
		interest fixed	interest variable	amortisation	interest fixed	interest variable	amortisation	interest fixed	interest variable	amortisation
primary financial debts										
bonds (at amortised cost)	2,425,403	83,752	-	0	223,244	-	790,572	376,343	-	1,634,831
bonds (affecting operating profit at fair value)	413,654	15,262	-	0	45,787	-	0	31,105	-	403,060
bank liabilities	522,203	6,183	18,374	81,737	5,845	46,704	142,306	2,124	79,046	298,160
liabilities with associated companies	9			9						
trade liabilities	139,360			139,360			0			
other financial liabilities	272,314	0	0	272,314						
total	3,772,943	105,198	18,374	493,420	274,876	46,704	932,878	409,572	79,046	2,336,051

in TEUR	book value 31.12.2008	Cash Flows 2009			Cash Flows 2010 to 2012			Cash Flows from 2013 on		
		interest fixed	interest variable	amortisation	interest fixed	interest variable	amortisation	interest fixed	interest variable	amortisation
derivative financial debts										
cross currency swaps (without hedge relationship)	-116,992	15,454	0	0	39,131	0	0	58,827	0	0
cross currency interest rate swaps (with hedge relationship) = fixed variable	-14,961	0	1,823	0	0	3,284	0	0	5,877	0
interest rate swaps (without hedge relationship)	-10,407	0	-1,636	0	0	9,827	0	0	2,089	0
interest rate swaps (with cash flow hedge relationship)	177	0	169	0	0	97	0	0	0	0
total	-142,183	15,454	355	0	39,131	13,207	0	58,827	7,966	0

Included in the analysis are all financial instruments carried on the balance-sheet date and for which payments had already been agreed by contract. Targeted goals for new future liabilities are not included. Foreign currency amounts were exchanged at the relevant rate on the balance-sheet date. Variable interest payments from financial instruments were calculated using the interest rates fixed directly prior to the balance-sheet date. Financial liabilities repayable at call are always assigned to the earliest maturity band. Interest on current account financing was calculated on the basis of an assumed average term of six months. For amortisation of derivative financial liabilities "fictitious" cash flows apply.

Financial instruments measured at fair value are assigned to the following fair value levels in accordance with IRFS 7.27b:

in TEUR

	market value	
	positive 31.12.2009	negative 31.12.2009
level 1		
securities available for sale	842	0
level 2		
loans (affecting profit at fair value)	0	-414,403
derivatives (held for trading)	130,945	-4,074
level 3		
	0	0

2.2.14. Income taxes

Tax expenses are as follows:

	2009 TEUR	2008 TEUR
corporate tax (current year)	-33,178.6	-22,735.2
corporate tax (previous years)	6.1	93.8
change in deferred taxes	2,990.0	8,579.3
	-30,182.5	-14,062.1

in TEUR

	active deferred taxes		passive deferred taxes		net	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008	31.12.2009	31.12.2008
tangible assets	46,066.3	44,651.3	-2,187.3	-2,783.7	43,879.0	41,867.6
financial assets	0.0	143.0	-670.4	0.0	-670.4	143.0
liabilities and other assets	0.0	0.0	-3,286.6	-3,359.6	-3,286.6	-3,359.6
fair value valuation derivatives	1,018.4	1,344.7	-32,736.3	-36,890.5	-31,717.9	-35,545.7
investment grants	840.3	564.7	0.0	0.0	840.3	564.7
employee benefit allocation	715.9	636.1	0.0	0.0	715.9	636.1
other provisions	912.3	506.9	0.0	0.0	912.3	506.9
non-current liabilities	33,775.4	36,670.5	0.0	0.0	33,775.4	36,670.5
active/passive deferred taxes (gross)	83,328.6	84,517.3	-38,880.6	-43,033.8	44,447.9	41,483.5
setoff	-38,880.6	-43,033.8	38,880.6	43,033.8	0.0	0.0
active/passive deferred taxes (net)	44,447.9	41,483.5	0.0	0.0	44,447.9	41,483.5

Temporary differences between valuations in the consolidated financial statement and relevant tax valuations are reflected in the tax accrual and deferral shown in the consolidated balance sheet as follows:

	31.12.2009 TEUR	31.12.2008 TEUR
deferred tax assets	83,328.6	84,517.3
deferred tax liabilities	-38,880.6	-43,033.8
deferred taxes (net)	44,447.9	41,483.5

Causes for the difference between anticipated tax burden and the income taxes carried in the balance sheet are reflected in the following:

	2009 TEUR	2008 TEUR
profit before tax	124,620.3	56,541.0
anticipated tax burden (25%)	-31,155.1	-14,135.3
non tax-deductible expenses	346.9	-57.8
tax benefits	14.0	0.0
tax payments previous years	6.1	93.8
changes in deferred taxes previous years	193.0	0.0
others	412.6	37.2
effective tax burden	-30,182.5	-14,062.1

	2009 TEUR	2008 TEUR
deferred taxes on January 1 (net)	41,483.4	32,862.8
changes accounted for in equity	-25.5	44.3
changes accounted for as affecting operating profit	2,990.1	8,579.3
correction previous year	0.0	-3.0
deferred taxes on December 31 (net)	44,447.9	41,483.4

Deferred taxes of other total profit:

	2009 TEUR	2008 TEUR
securities available for sale	-8.8	-0.8
market valuation of cash flow hedges	-16.7	45.1
	-25.5	44.3

2.2.15. Other liabilities and trade liabilities

Other liabilities and trade liabilities are composed as follows:

31.12.2009 in TEUR	maturity		
	1 to 5 years	more than 5 years	total
non-current liabilities			
trade liabilities	2,181.4	11.3	2,192.7
other liabilities	2,239.1	345.4	2,584.6
accruals and deferrals	7,068.5	18,884.5	25,953.0
total other liabilities and accruals and deferrals	9,307.7	19,229.9	28,537.6
investment grants	12,326.0	97,577.1	109,903.1
current liabilities			
trade liabilities	111,229.1		111,229.1
customer advances on orders	27,622.0		27,622.0
total trade liabilities	138,851.0		138,851.0
liabilities with associated companies	2,707.8		2,707.8
other liabilities	54,966.2		54,966.2
investment grants	3,073.9		3,073.9
total other liabilities and investment grants	60,747.9		60,747.9

31.12.2008 in TEUR	maturity 1 to 5 years	more than 5 years	total
non-current liabilities			
trade liabilities	2,423.3		2,423.3
other liabilities	19,068.3	1,566.2	20,634.5
accruals and deferrals	9,438.8	7,623.7	17,062.5
total other liabilities and accruals and deferrals	28,507.1	9,189.9	37,697.0
investment grants	8,880.3	74,076.3	82,956.5
current liabilities			
trade liabilities	99,112.6		99,112.6
customer advances on orders	37,824.5		37,824.5
total trade liabilities	136,937.1		136,937.1
liabilities with associated companies	9.3		9.3
other liabilities	24,219.6		24,219.6
investment grants	2,220.1		2,220.1
total other liabilities and investment grants	26,448.9		26,448.9

In the year of reporting year-end adjustments for new rents to the amount of TEUR 11,260.8 (previous year: TEUR 7,623.7) were made. These adjustments are due to the difference in terms with rental agreements and duration of the waiver of the right to termination.

2.3. Additional information

2.3.1. Leasing

2.3.1.1. Finance leasing and lessor

Receivables from finance lease arise from two contracts signed with the Republic of Austria on the lease of two school buildings (Vienna and Linz) which according to IAS 17 are classified finance lease on the basis of the cash value test. Main item for both agreements is a waiver of the right to termination for 25 and 27 years respectively. No purchase option was agreed for the lessee.

	2009 TEUR	2008 TEUR
gross investment on the balance-sheet date	27,162.5	29,498.9
financial income not yet realised	-14,015.9	-16,060.3
net investment on the balance-sheet date	13,146.6	13,438.6
current share	1,563.1	1,563.1

in TEUR	2009			2008		
	outstanding leasing payments	interest	cash value of outstanding leasing payments	outstanding leasing payments	interest	cash value of outstanding leasing payments
up tp 1 year	1,637.6	74.4	1,563.1	1,610.6	47.5	1,563.1
1 to 5 years	6,550.2	1,677.0	4,873.2	6,549.9	1,676.7	4,873.2
more than 5 years	18,974.8	12,264.5	6,710.2	21,338.4	14,336.1	7,002.2
total	27,162.5	14,015.9	13,146.6	29,498.9	16,060.3	13,438.6

2.3.1.2. Operating lease as lessor

Bundesimmobiliengesellschaft rents out the major part of its investment properties by operating lease contract.

The lion share of real estate was transferred from the Republic of Austria to BIG under the terms of the Federal Real Estate Act (Federal Law Gazette 141/2000 of 29.12.2000). According to section 4, para. 2 of the Federal Real Estate Act BIG shall – at market-conforming conditions and wherever economically reasonable – satisfy the Federal Government's space requirements, and in particular make available the objects transferred, adapt them as necessary and acquire real estate required for the Federal Government's further building projects. Under the general rental agreement of December 6, 2000/January 2, 2001 signed between the Republic of Austria and BIG the federal government rents back the objects previously transferred. Chief tenancy began on January 1, 2001 and was concluded for an indefinite term. The general rental agreement contains a mutual period of notice of one year. Chief rental rates are value-guaranteed on the basis of the 1996 consumer price index and can be adjusted following any minimum 5 % change on January 1 of a calendar year. Running costs, in principle, are charged to the tenant. BIG is obligated to maintain the inventory objects and to secure their availability as provided for in the contract.

There are supplements to the general rental agreement which essentially pertain to general redevelopment of objects and extensions. The tenant (the federal government), under these collateral agreements, waives its right of termination for a period of 25 years upon completion of redevelopment, as a rule. BIG, regardless, maintains the right to terminate tenancy – bearing in mind the restrictions set out in section 30 of the tenancy act MRG and taking into account a period to terminate of one year. Apart from monthly chief rent additional rent (to finance redevelopment) and/or contributions to building costs become due for a limited period of time.

Along with the general rental agreement, the supplements and individual agreements there are rental agreements concluded on the basis of section 1992 5 BIG Act in combination with the usufruct framework and the usufruct individual agreements.

In addition to this rental agreements exist for buildings acquired or built by BIG in its own name since the 1990ies. All of the above agreements in general contain a value guarantee and a medium- to long-term waiver of the right to termination.

Future outstanding minimum lease payments from non-cancellable operating lease agreements are as follows:

	2009 TEUR	2008 TEUR
up to 1 year	671,149.0	658,707.4
1 to five years	1,650,871.7	1,424,984.3
more than 5 years	1,531,609.9	1,409,656.2

Minimum lease payments for up to one year include TEUR 322,550.0 (previous year: TEUR 319,959.3) rental income from the chief rental agreement. The chief rental agreement is unlimited and has been concluded with a term of notice of one year. It is currently not assumed that there will be terminations of rental agreements in the coming five years.

2.3.1.3. Operating lease as lessee

Bundesimmobiliengesellschaft also rents office premises under operating lease agreements. These operating lease agreements in particular refer to office and archives space in the administrative building Anzengruberstraße 6 – 8 in 8010 Graz, the building in Neulinggasse 29 in 1030 Vienna, as well as space in Landstrasser Hauptstraße 68 – 70.

Future non-cancellable minimum lease payments will be as follows

	2010 TEUR	2008 TEUR
up to 1 year	356.9	430.2
1 to five years	1,479.7	1,705.4
more than 5 years*)	*)	*)

*) Agreements for more than 5 years refer to leases with an agreed term of notice. Annual payments amount to TEUR 356.9 (previous year: TEUR 430).

2.3.2. Financial instruments

In 2009 and 2008 there were no changes in the Group's own solvency risk (AAA).

The difference between book value EUR 412m (previous year EUR 413m) and repayment amount EUR 391m (previous year: EUR 391m) amounts to EUR 21m (previous year: 22m) for those financial liabilities for which a fair-value option was exercised.

Financial instruments include both primary and derivative financial instruments.

Primary financial instruments in the Group include, above all, securities, loans and rent, deposits with financial institutions, bonds and bank loans, as well as trade liabilities.

Securities classified as financial assets available for sale are measured at fair value. Other financial assets are shown at amortised cost. The fair values result from the market prices or are calculated using recognised valuation methods (e.g. Bloomberg or Reuter's systems). Current yield curves were used at all times. On the liabilities side primary financial instruments essentially refer to financial liabilities valued at amortised cost and trade liabilities. Where there is a documented hedge connection financial debts are measured at fair value (fair value option).

2.3.2.1. Derivatives and hedging

Derivative financial instruments exclusively serve the purpose of hedging against interest rate and currency risks for bonds and bank loans and are composed as follows

31.12.2009	currency	nominal amount	market value	
		in thds of original currency	positive in TEUR	negative in TEUR
Cross Currency Swaps	TCHF	2,000,000	81,736	-1,728
	TJPY	26,000,000	17,493	
Cross Currency Interest Rate Swaps	TJPY	13,000,000	10,885	
Interest Rate Swaps	TEUR	374,947	20,831	-2,346

31.12.2008	currency	nominal amount	market value	
		in thds of original currency	positive in TEUR	negative in TEUR
Cross Currency Swaps	TCHF	2,000,000	87,074	-1,566
	TJPY	26,000,000	31,485	
Cross Currency Interest Rate Swaps	TJPY	13,000,000	14,961	
Interest Rate Swaps	TEUR	381,334	14,042	-3,813

The term of interest rate swap on which the cash flow hedge provisions are based ends in March 2011.

2.3.2.3. Fair Values

The fair values for financial assets and liabilities are shown in the relevant entries. The fair value for other primary financial instruments, because of daily or short-term due dates, essentially corresponds to the book value.

2.3.2.3. Sensitivity analyses

For qualitative data concerning the representation of market risks in accordance with IFRS 7 see item 2.3. of the Group Management Report.

Basic elements of sensitivity analyses

IFRS 7, for the representation of major market risks arising from financial instruments, requires entities to provide disclosure of sensitivity analyses which reflect the effects of hypothetical changes of relevant risk variables on results and equity. BIG is primarily exposed to foreign currency and interest rate risks. Relevant sensitivity analyses have been performed accordingly. Other price risks worth reporting have not been detected. The Group's own credit risk remains unchanged.

To assess the effects of hypothetical changes in risk variables the relevant inventory of financial instruments on the balance-sheet date were considered. The assumption was made that any risk on the balance-sheet date essentially equals that during the business year. Risk balancing, e.g. by employing derivative financial instruments, was taken into account.

Austrian corporate tax of 25 % was used as a standard tax rate.

The sensitivity analysis of the foreign currency risk included currency risks arising from financial instruments in currencies deviating from the functional currency and which are of a monetary kind.

The sensitivity analysis of the interest rate change risk, for the fair value risk, assessed the effects shifting the yield curve through discounted-cash-flow had on relevant financial instruments.

Sensitivity analysis for the foreign currency risk

A rise or drop in the EUR/CHF exchange rate by 10 % on the balance-sheet date would have incurred an increase or reduction of the results (after tax) and equity by the amounts quoted below. The analysis assumed that all other variables, especially interest rates, would stay the same.

To assess the foreign currency risk the assumption was made that the price changes with bonds due to currency translation would cancel each other out because of reciprocal changes in currency swap and future exchange transactions.

in TEUR	31.12.2009		31.12.2008	
	profit (after tax)	equity	profit (after tax)	equity
Swiss Franks	2,022.8	2,022.8	2,020.2	2,020.2
total	2,022.8	2,022.8	2,020.2	2,020.2

Sensitivity analysis for interest rate risks

A change in the market interest rate by 100 basis points on the balance-sheet date would have incurred an increase or reduction of the results (after tax) and equity by the amounts quoted below. The analysis was made with the assumption that all other variables, exchange rates in particular, would stay the same.

31.12.2009 in TEUR	profit (after tax)		equity	
	increase by 100 basis points	reduction by 100 basis points	increase by 100 basis points	reduction by 100 basis points
financial instruments with fixed rates	66,293.4	-73,919.3	66,293.4	-73,919.3
financial instruments with variable rates	-5,516.0	5,516.0	-5,516.0	5,516.0
cash flow hedge			17.4	-17.7
	60,777.4	-68,403.3	60,794.8	-68,421.0

31.12.2008 in TEUR	profit (after tax)		equity	
	increase by 100 basis points	reduction by 100 basis points	increase by 100 basis points	reduction by 100 basis points
financial instruments with fixed rates	76,142.0	-75,006.0	76,142.0	-75,006.0
financial instruments with variable rates	-4,774.2	4,774.2	-4,774.2	4,774.2
cash flow hedge			59.6	-61.2
	71,367.8	-70,231.8	71,427.4	-70,293.0

With the above analyses the sensitivity of equity – along with the results (after tax) – in the case of financial instruments with variable rates was influenced by the sensitivity of the cash flow hedge reserve.

2.3.3. Other Obligations and Contingent Liabilities

Contingent debt

No liabilities are reported.

Covenants

There are no covenants and consequently no broken covenants.

Unsettled litigations

There are no noteworthy unsettled litigations outside those common for ordinary business activities.

2.3.4. Obligations to Acquire Investment Property

There are no obligations to acquire investment property in the business year under review.

2.3.5. Business Relations with Related Parties

Related companies and persons for Bundesimmobiliengesellschaft refer in particular to the Federal Republic of Austria with whom approximately 98 % of sales revenue is generated, and to enterprises the Federal Republic of Austria directly or indirectly participates in. All relevant business transactions are concluded at conditions customary for third parties.

Members of the Management Board, the supervisory board and their close relatives are also considered related parties. No business transactions have been concluded with this category of persons.

Bodies of Bundesimmobiliengesellschaft

The following are managing directors:

- DI Wolfgang Gleissner
- DI Christoph Stadlhuber
- Mag. Wolfgang Hammerer (until May 31, 2009)

In the annual period 2008 the following were members of the supervisory board:

- Mag. Michaela Steinacker (chair)
- DI Horst Pöchlhuber (deputy chair)
- DI Wolfgang Polzhuber, Federal Ministry of Economy, Family and Youth
- DI Herbert Kasser, Federal Ministry for Transport, Innovation and Technology
- Thomas Rasch, appointed by the works council
- Manfred Fausik, appointed by the works council

Members of the Management Board in 2009 received a total of TEUR 592.8 in salaries (previous year: TEUR 670.9) of which bonuses to the amount of TEUR 76.4 (previous year: TEUR 81.9). Contributions to the staff provision fund amounted to TEUR 9.1 (previous year: TEUR 10.3). No loans or advances were granted to bodies of the Group Management Board. Company pensions, in 2009, amounted to TEUR 108.6 (previous year: TEUR 108.5). Salaries for members of the supervisory board in the year under review amounted to TEUR 16.6 (previous year: TEUR 23.2).

2.3.6. Events after the Balance-sheet Date

There were no events after the balance-sheet date worth taking into account.

2.3.7. Expenses for the auditor

The expenses for the Group auditor in the year under review amount to

- | | | |
|---|------|-----|
| - Audit of the consolidated financial statement | TEUR | 126 |
| - Tax accountancy services | TEUR | 19 |
| - Other services | TEUR | 37 |

2.3.8. Off-balance-sheet transactions

There is an agreement to shift the due date signed with the Federal Ministry for Education, Arts and Culture in 2009, which currently not being used. There are no other off-balance-sheet transactions to report.

The current consolidated financial statements were released for publication on March 24, 2010.

Vienna, March 24, 2010

For the Management Board

DI Wolfgang Gleissner

DI Christoph Stadlhuber

Report of the Management Board (Group Report)

1. Business Development and Economic Situation

Bundesimmobiliengesellschaft m.b.H. Group (hereinafter referred to as BIG – see Appendix to Consolidated Interim Financial Statement Art. 1.4 reporting entity), in keeping with the purpose of the company, focused on the following key activities:

- Rental of properties, particularly to federal schools, universities and official buildings
- Construction of new buildings and rehabilitation of old properties for rental to federal schools and universities, and as official buildings
- Sales/rental of buildings and land
- Property management and maintenance of properties
- Property development and sales of completed projects involving private use
- Facility services to complement the range of tenant services

The Group's principal responsibilities are building owner services and provision of services in connection with property maintenance, project development, sales and rentals. It provides planning services for new construction and major rehabilitation projects, it provides project management during important construction stages either itself or through its sub-contractors, and is responsible for procuring financing.

All the responsibilities conferred by the BIG Act of December 29, 2000 are mostly exercised by Bundesimmobiliengesellschaft m.b.H.'s own staff or the staff of its subsidiaries.

1.1. Presentation of Business Developments 2009

a) Property rentals:

aa) Property holdings:

As per December 31, 2009 BIG's rental floor space inventory amounted to approx. 6.97 million sqm (2008: 7.0 million sqm).

Most properties are rented out to the Republic of Austria, represented by the bodies responsible for the relevant budgets, as well as to the universities of the Republic of Austria.

ab) Rental income:

Rental income for 2009 amounted to approx. EUR 670.1 million (2008: EUR 630.6 million)

made up as follows:

Federal schools	approx. EUR	263.7m	(2008: EUR	253.4m)
Universities	approx. EUR	201.6m	(2008: EUR	189.0m)
Other federal tenants	approx. EUR	177.7m	(2008: EUR	169.8m)
Other tenants and beneficial users	approx. EUR	27.1m	(2008: EUR	18.4m)

b) Property sales, management and maintenance:

ba) Sales:

Bundesimmobiliengesellschaft m.b.H. as owner is responsible for all decisions concerning the sale or rental of properties under its control and for the granting of any rights of use thereto, and for agreeing appropriate consideration for sales, rentals and other rights granted.

During 2009 official and office buildings with floor space amounting to approx. 7,500 sqm (2008: 12,000 sqm) were disposed of, together with 86 apartments (2008: 100), plots of land

amounting to approx. 74,100 sqm (2008: 159,800 sqm) and 5 (2008: 12) other properties, thereby realising approx. EUR 20.3m (2008: EUR 14.0m). This resulted in a total of EUR 4.9m (2008: EUR 7.9m) to be paid to the Republic of Austria under the terms of the obligation governing remedy of defects.

bb) Property management:

Bundesimmobiliengesellschaft m.b.H. is responsible for the management of BIG Group's properties.

The properties of BIG Entwicklungs- und Verwertungs GmbH are managed by licensed property managers on site and by Bundesimmobiliengesellschaft m.b.H.

bc) Maintenance:

A major part of the Group's expenditure was connected to the maintenance of properties owned by BIG. Furthermore, BIG as a service provider, also carried out tenant investments. All technical maintenance and handling of related planning and construction services was provided by Bundesimmobiliengesellschaft m.b.H.

The bulk of investments were affected by the implementation of safety measures for buildings, improvement of usability for disabled persons as well as measures directed towards achieving sustainable property values.

The group invested a total of EUR 210,8m in maintenance measures (2008: EUR 182.9m). Adding provisions from previous years used for maintenance measures the actual value totals EUR 224.5m

made up as follows:

Federal schools	EUR	68.7m	(2008: EUR	72.5m)
University buildings	EUR	58.5m	(2008: EUR	39.1m)
Official buildings	EUR	74.2m	(2008: EUR	52.0m)
Other buildings	EUR	18.0m	(2008: EUR	14.1m)
Underground galleries	EUR	5.1m	(2008: EUR	5.2m)

c) Construction of new buildings and rehabilitation projects:

The Group invested a total of approx. EUR 297.4m in the construction and planning of new construction and rehabilitation projects (2008: EUR 229.1m).

A total of 51 (2008: 48) construction projects were completed, projected construction costs (net, excluding VAT) until completion of projects in progress amount to approx. EUR 182.6m (2008: EUR 191.3m).

Furthermore, construction work was started on 50 (2008: 43) projects with estimated construction costs (net, excluding VAT) of EUR 837.4m (2008: EUR 273.5m).

Planning for 38 (2008: 30) construction projects was initiated during the course of 2009.

d) Special projects:

Since property transfer was completed in early 2003 following the transfer of the 4th tranche in property to Bundesimmobiliengesellschaft m.b.H., it was possible to intensify project development in order to sell/rent out those properties where the Group can generate an added value through changes in the land use plan, preparations for construction and sales. In some cases where final utilisation of an object has already been assured, Bundesimmobiliengesellschaft m.b.H. will sell the properties through project development companies in co-operation with private partners.

Existing project development companies operated by Bundesimmobiliengesellschaft m.b.H.:

Anzengrubergergasse Errichtungs- und Verwertungs GmbH (Graz):

BIG holds 45 %, BLM Betriebs-Liegenschafts-Management GmbH holds the remaining 55 % of the shares. The office building with a floor space of 6,700 sqm and 96 parking slots has been completed. Total investment: approx. EUR 12.0m. More than 90 % of the building is rented to tenants.

ICT Technologiepark Errichtungs- und Verwertungs GmbH (Innsbruck):

BIG holds 99 %, 1 % of the shares is held by BIG Beteiligungs GmbH. Adjacent to Innsbruck University, 11,000 sqm of facilities for Innsbruck University, the Academy of Science and international IT companies were built. Construction costs approx. EUR 17.5 million. 100 % of the building is rented to tenants.

Wien 3420 Aspern Development AG (formerly: Asperner Flugfeld Süd Entwicklungs- und Verwertungs-AG):

BIG E&V holds 26.60 % remaining shares held by Vienna Business Agency (WWFF): 73.40 %. Total area: 2.0 million sqm. The aim is to develop a multifunctional district. The master plan was finalised in 2007 and now serves as a basis for concrete land designations. As the underground line U2 will be extended to Aspern airfield by 2013, this property will definitely increase in value.

Innfeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH (Graz):

BIG holds 100 %. BIG is building a tenant object for the Frank Stronach Institute of Graz University of Technology. A company of the Magna Group has taken out a long-term lease on the entire object with the participation of Graz University of Technology.

BIG Liegenschaften Strasshof Verwertungs- und Entwicklungs GmbH (Lower Austria):

BIG E&V holds 55 %, the remaining 45 % of the shares are held by GIP-Gewerbe- und Industriepark Wien Nord Ost Projektentwicklungs GmbH & Co KG. With the contract on contribution to capital dated March 29, 2007, BIG's shares were transferred to BIG E&V. A joint project company was established with a company from the Asamer Group which since the business year 2006 has been selling this BIG property of approx. 1,000,000sqm (situated close to Strasshof in the municipality of Markgrafneusiedl and adjacent to the route of the future Marchfeld corridor (federal road B8)) in parts. In 2009, 2 partial plots of land with an area of 10,831sqm were sold.

"Muthgasse 18" Liegenschaftsverwertung GmbH (Vienna):

BIG holds 99 %, 1 % of the shares is held by BIG Beteiligungs GmbH. This is a tenancy object rented out in its entirety to the University of Natural Resources and Applied Life Sciences.

"Wohngarten Sensengasse" Bauträger GmbH (Wien)

BIG E&V holds 45 %, remaining 55 % of the shares are held by "Wiener Heim" Wohnbaugesellschaft m.b.H. (Mischek / Strabag). Subsidised and freely financed apartments as well as areas for university use will be built on this property. The apartments have been completed and sold. Some of the areas used by the university have also been completed. Final completion is scheduled for late 2010.

Zahnradbahnstraße Bauträger GmbH (Vienna):

BIG E&V holds 45% the remaining 55 % are held by St. Josef Liegenschaftsverwaltungs- und Beteiligungs AG. The company is planning to erect high-quality condominiums. Construction work began in the 2nd quarter of 2009, condominium sales have already started.

Engerthstraße 216 GmbH (Vienna):

BIG E&V holds The company's objective is to build an office and commercial building, rent out tenancy units and finally sell to an investor. Project development has been put on hold for the time being.

Karree St. Marx GmbH (Vienna):

BIG E&V holds The company's objective is to build an office and commercial building, rent out tenancy units and finally sell to an investor or, alternatively, sell at an earlier point in time. Project development has been put on hold for the time being.

Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH (Vienna):

51 % of the shares held by BIG Beteiligungs GmbH, the remaining 49 % are held by Vienna University of Economics and Business Administration. The aim of the company is to construct and rent out a university building. Construction work began in the 4th quarter 2009.

Hillerstraße – Jungstraße GmbH (Vienna):

BIG E&V holds 25 %, the remaining 75 % are held by RE Wohnungseigentumserrichtungs GmbH. The aim of the company was to erect and sell high-quality condominiums. All apartments were completed and handed over in 2009.

Zeughaus Innsbruck GmbH (Vienna):

BIG E&V holds 45 %, the remaining 55 % are held by Seeste Bau GmbH. The aim of the company is to construct and sell buildings of all types, including one residential building.

NOE Central St. Pölten Verwertungs GmbH (St. Pölten):

BIG E&V holds 67.58 %, remaining 32.42 % are held by St. Pölten municipality. The aim of the company is to construct and sell buildings of all types, including one commercial park.

Eslarngasse 16 GmbH (Vienna):

BIG E&V holds 25 %, the remaining 75 % are held by RE Wohnungseigentumserrichtungs GmbH. The aim of the company is to construct and sell buildings of all types, including one residential building. On 31.12.2009, the company was reported in the consolidated financial statement for the first time.

Schnirchgasse 9-9A GmbH (Vienna):

BIG E&V holds 45 %, the remaining shares are held by Schnirchgasse Projektbeteiligungs GmbH. The aim of the company is to construct and sell buildings of all types, including one office building. On 31.12.2009, the company was reported in the consolidated financial statement for the first time.

Fürstenalle 21 GmbH (Vienna):

BIG E&V holds 100 %. The aim of the company is to construct and sell buildings of all types, including residential buildings. On 31.12.2009, the company was carried in the consolidated financial statement for the first time. In 2010, 75 % of the shares will be ceded to RE Wohnungseigentumserrichtungs GmbH.

Residenz am Hamerlingpark GmbH (Vienna):

BIG E&V holds 100 %. The aim of the company is to plan, construct and sell buildings of all types, including one building mainly used for housing the elderly. On 31.12.2009, the company was reported in the consolidated financial statement for the first time.

1.2. Financial Performance Indicators

Financial Performance Indicators have been calculated in accordance with the recommendations issued by the Expert Committee for Business Administration and Organisation of the Austrian Chamber of Certified Public Accountants. For the calculation of return on equity and return on investment the average capital of the business year 2009 was used.

Key figures on the financial situation

	<u>2009</u>	<u>2008</u>
Revenues in MEUR:	798.4	757.8
Profit from operations plus interest paid (EBIT) in MEUR:	255.3	216.4
Return on Sales – ROS:	31.98%	28.55%
$\frac{\text{profit from operations + interest paid}}{\text{Revenues in MEUR}}$		
Return on capital:		
Return on Equity – ROE:	14.13%	6.95%
$\frac{\text{profit from operations}}{\text{average equity}}$		
Return on Investment – ROI:	5.47%	4.80%
$\frac{\text{profit from operations + interest paid}}{\text{average total capital}}$		

Explanations of key figures on the financial situation

Revenues amount to approx. MEUR 41 over the previous year. Approx. MEUR 28 was generated through index adjustments of rents as of 01.01.2009. The remaining MEUR 13 is derived from supplementary entries from previous years based on re-negotiations of tenancy agreements as well as new rents for completed projects.

EBIT has risen by approx. MEU 38.9 above the previous year's value mainly due to higher revenues. Increased maintenance expenses (+MEUR 28.5) and increased personnel expenses (+ MEUR 4.3) are partly offset by lower depreciation in value and higher write-ups (MEUR 37.8 net increasing result).

As a result of the explanations above, **return on sales** increased from 28.55 % to 31.98 %.

Profit from operations exceeds the previous year's value by approx. EUR 68.00m. This is mainly due to higher group earnings (EUR 32.0m) as well as higher financial results (EUR 40.0m) and the revenues of associated companies (EUR 4.0m). **Return on Equity** therefore rose from 6.95 % to 14.13 %.

Because of the slight increase in total capital of approx. EUR 109.0m as compared to the relatively strong increase of EBIT over the previous year, **Return on Investment** increased to 5.47 %.

Key data on assets and financial situation

	<u>2009</u>	<u>2008</u>
Net debt in MEUR:	3,261.1	3,318.5
<i>interest-bearing borrowed capital</i>		
- <i>liquid assets</i>		
= <i>net debt</i>		
Working capital in MEUR:	-630.5	-162.8
<i>current assets</i>		
- <i>current liabilities</i>		
= <i>working capital</i>		
Equity ratio:	19.67%	18.09%
$\frac{\text{equity}}{\text{total capital}}$		
Percentage of net debt:	351.03%	397.67%
$\frac{\text{net debt}}{\text{equity}}$		

Explanation of key data on assets and financial situation

In the business year 2009 **financial liabilities** were reduced by EUR 57.0m.

Due to the increase in current provisions and short-term bonds, **working capital** increased from EUR 162.8m to EUR 630.5m.

Because of the increased equity based on the annual profit (=overall result) of EUR 94.5m, the **equity ratio** increased to 19.67 %.

Due to the low net debt and the increased equity, **net debt** dropped to 351.03 %.

Key figures on financial situation

	<u>2009</u>	<u>2008</u>
Cash flow from operating activities in MEUR:	517.4	430.6
Cash flow from investment activities in MEUR:	-345.7	-219.7
Cash flow from financing activities in MEUR:	-191.2	-227.5
Change in cash and cash equivalents in MEUR:	-19.4	-16.5

Explanation of key figures on the financial situation

Cash flow from operating activities amounts to approx. EUR 86.8m over the previous year, mainly as a result of tax credits based on corporate tax advance payments to the amount of approx. EUR 54.0m for business years 2006 to 2008, and the better consolidated net income.

Expenditure for investment properties exceeds that of the previous year by EUR 71.0m. Additional EUR 39.0m were invested in the University of Economics project (incl. acquisition of plot).

Cash expenditure from financing activities is EUR 36.3m below that of the previous year. EUR 25.7m result from lower interest expenses for interest-bearing borrowed capital.

Tenancy agreements for existing buildings and rents for new buildings and buildings subjected to redevelopment are generally designed to recover, in the long term, all costs including the costs of equity and external borrowings used to finance the expenditure. The financing instruments employed are predominantly (roughly 80 %) medium to long-term borrowings for fixed terms and at fixed interest rates in accordance with BIG's credit rating. The aim is to reduce interest rate risk arising from future changes in capital market rates.

With the exception of short-term interim financing, the expenses of building maintenance were largely met from rental income.

In the business year 2009, BIG generated group earnings for the year amounting to approx. EUR 94.5m (2008: EUR 42.4m).

1.3. Investment and Financing

Approx. EUR 305.9m (2008: EUR 231.1m) were invested in real properties and equivalent rights, buildings, buildings on plots of land owned by others as well as buildings under construction. In 2009, there were investment subsidies from public funds for 43 (2008: 40) projects amounting to EUR 31.1m (2007: EUR 27.1m). BIG's investments were mainly financed from external sources.

Refinancing of the debt incurred in order to settle the purchase instalments for the properties acquired from the Republic of Austria, together with the amounts borrowed by BIG in the capital markets to finance buildings under construction and completed buildings, should be achieved through BIG's operating profits in the long term.

A further EUR 243.0m (2008: EUR 215.5m) was spent on maintenance, including tenants' investments managed by the Group.

In 2009, Bundesimmobiliengesellschaft m.b.H. and the European Investment Bank agreed on a long-term basic loan agreement covering an amount of EUR 200.0m, which may be drawn in tranches. In December, EUR 50.0m were taken out on the basis of this loan agreement for a term of 7 years.

There are rental agreements, many with long-term waivers of cancellation on the part of the tenants, for projects under construction and completed projects. Where planning services only are required for the time being, these will primarily be rendered on the basis of corresponding agreements with the respective ministerial departments concerning preparation of offer documents for tenancy agreements.

Based on the number of already concluded and expected conclusions of tenancy agreements with the Republic of Austria it would be possible to start construction of another 75 projects amounting to approx. EUR 444.9m (net, excluding VAT) in 2010.

1.4. Non-Financial Performance Indicators Including Environmental and Labour Issues

Environmental Issues

Performance contracting activities of Bundesimmobiliengesellschaft m.b.H. have been successfully pursued in 2009.

For the 223 properties under contracting, an annual average energy-saving guaranty of 19.83 % was achieved, which corresponds to a CO₂ reduction by 16,500 t/a.

In 2009, preliminary works on the 2nd school pool in Lower Austria (22 properties), the 2nd school pool in Styria (15 properties) as well as for 7 pools of the Ministry of Justice (37 properties) were completed so that the tender can be launched in 2010.

For 3 pools (35 properties) for the Ministry of the Interior (BMI) tenders were initiated in 2009. We expect to award contracts in the 2nd quarter of 2010.

Bundesimmobiliengesellschaft m.b.H. decided in 2009 to provide the existing contracting properties with additional funds to the amount of EUR 7.2m for energy technology measures exceeding the landlord's obligations. Planning for the required measures was completed in 2009.

In addition to owner maintenance, Bundesimmobiliengesellschaft m.b.H. uses this model to further invest in the technical renewal of its buildings.

In doing so, Bundesimmobiliengesellschaft m.b.H. emphasises its competence in sustainable management of the heterogeneous building stock owned by the Republic of Austria. It thus helps to improve the environment by reducing CO₂ emissions according to the Kyoto targets and contribute to long-term reduction of operating costs in the interest of tenants.

Human Resources

In 2009, the group employed 817 employees on average (2008: 812), including 321 federal and regional civil servants transferred (2008: 332) as well as 4 regional contract agents (2008: 4). These figures include employees on maternity/paternity leave.

Training and further training for the Group's employees are organised and provided on a regular basis. This is to support the Group in keeping up with the demands of the market and to increase its compatibility.

1.5. Events of Special Significance

There are no events of special significance beyond day-to-day business.

1.6. Events of Special Significance after the Balance Sheet Date

There were no events of special significance after the balance sheet date.

2. Outlook on the Development and Risks of the Group

2.1. Outlook for the Group

With the Federal Government's second economic incentive package in place we are to expect a further increase in construction volumes and maintenance costs for business years 2010 and 2011. From today's viewpoint, there will no other changes in operating activities in the coming years.

2.2. Significant Risks and Uncertainties

Due to the stable ownership and tenancy structure, no significant risks for the Group can be identified for the time being. Risks related to financial instruments are described in the Article "Finance and Risks Management, Use of Financial Instruments".

2.3. Finance and Risk Management, Use of Financial Instruments

Control of financial risks at Bundesimmobiliengesellschaft m.b.H. is handled centrally and comes under the responsibility of the Group Treasury. Risk policies, risk strategy as well as the scope of action of the Group treasury are unequivocally laid down in the Group guidelines for the treasury.

Bundesimmobiliengesellschaft m.b.H. in principle is financed centrally through bank loans and public or private placements. Projects with partners are financed through project financing at the project company level.

Short-term fluctuations in financial requirements are balanced either through the money market or by means of a Commercial Paper Programme.

The primary aim of BIG's financing risk management is to limit the Group's financial risks. Financial transactions and use of derivatives always reflect the requirements of the Group's basic business. Securing operational business success is essential. Speculative risk positions are not entered into.

Only financial instruments previously approved by the Group management may be used for financial transactions. In principle only those instruments may be used which can be mapped, assessed, monitored and professionally implemented by the Group's own systems.

Currency Risks

Currency risks result from foreign currency financial liabilities and related assessment results dependent on exchange rates. Foreign currency emissions are generally secured against exchange rate changes by cross currency swaps and cross currency interest rate swaps. One open CHF position remains from CHF financing in the past. Its value, however, is less than 1 % of the overall debt financing volume.

Interest Risks

Risks from changing interest rates generally develop only in long-term debt financing. A fixed interest rate is created for approx. 80 % of these by means of derivatives so as to avoid negative interest developments influencing the operating result.

Depending on the interest level, fixed-interest-bearing bonds are subject to the risk of changes in value, which is controlled by BIG on the basis of the above policy and principles.

Liquidity Risk

Quarterly, rolling liquidity planning at Group level is used to determine financial requirements. At the beginning of each business year the Group's financial strategy is laid down for the current year, based on the above quarterly planning. This reflects BIG's long-term and short-term financial requirements on the one hand and prevailing market conditions on the other hand.

The BIG Group has set up a cash pool accessible to its subsidiaries at all times to ensure liquidity. BIG's treasury pursues a clear banking policy and co-operates with many Austrian and international banks. Boasting a good rating, BIG uses this strategy of diversification to ensure sufficient liquidity at all times.

Other Price risks

Considering market risks BIG does not face any significant price risks such as stock exchange quotations or indices. As per 31.12.2009, BIG had no significant shareholdings in its portfolio available for sale.

Non-Payment Risks

For financing potentially risky business BIG only uses banks with a credit rating of at least AA at the time a hedge is concluded. The financial institutions' rating is monitored on a regular basis.

In operational business accounts receivable are regularly monitored the same way and itemized allowances are made accordingly. It should be noted that approx. 98% of receivables result from business with (tenants of) the Republic of Austria.

On the asset side the amounts shown represent the maximum creditworthiness and non-payment risk, as there are no corresponding set-off agreements.

3. Main Characteristics of the Internal Control and Risk Management Systems in Respect of the Group's Financial Reporting Process

The management board is responsible for setting up and defining, for the Group's financial reporting process, an internal control and risk management system appropriate to the demands of the Group. The aim of this report is to give an overview on the organisation of internal controls in respect of the Groups financial reporting process.

Introduction

The structure laid down by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) is used to describe its main features. The COSO Framework consists of five coherent components: Control environment, risk assessment, control activities, information and communication as well as monitoring.

The aim of the internal control system is to enable the management to ensure consistently improving internal control in respect of the Group's financial reporting process. It is focused on compliance with guidelines and rules on the one hand, and on creating favourable conditions for specific control activities of key processes in reporting on the other hand.

The internal auditing department independently and regularly monitors Accounting for compliance with internal rules. The head of the internal auditing departments reports directly to the board.

Control environment

Corporate culture, which defines the operating framework for management and employees, is the basic aspect of the control environment. The company proactively strives to improve communication and delivery of the company's own basic values in order to ensure implementation of morals, ethics and integrity in the company and in contact with others.

Implementation of an internal control system with a view to the Group's financial reporting process is laid down in the internal guidelines. Responsibilities concerning the internal control system have been adapted to the corporate organisation to ensure a satisfying control environment that meets the corresponding demands.

Risk Assessment

Risks regarding the Group's financial reporting process are identified and monitored by the management and the supervisory board. Main focus is placed on those risks which are typically the most important ones.

Annual evaluation of internal control activities performed by the responsible departments is based on a risk-oriented model. Assessment of the risk of a deficient consolidated financial report is based on various criteria. Complex accounting principles, for example, may increase the risk of errors. Differing principles for evaluation of assets as well as a complex or changing business environment may also increase the risk of significant errors in financial reporting.

Regular estimations, which have to be made for the financial statements, harbour the risk of future developments deviating from these estimates. This is particularly true for the following positions in the annual statement: provisions for personnel, outcome of legal disputes, and recoverability of receivables as well as intrinsic value of shareholdings. To reduce the risk of misjudgement, external experts or publicly accessible sources are employed.

Control Measures

In addition to the management, the middle management, e.g. heads of departments, too, is part of the general control environment.

All control activities are performed during ongoing operations to avoid possible mistakes or deviations in financial reporting or to identify and correct them as the case may be. Control activities range from the management examining various intermediate results to specific reconciliation of accounts and analysis of continuous accounting processes.

The management board is responsible for creating hierarchies so as to prevent one person performing an activity and monitoring it at the same time (dual control).

Control of IT security is one of the main pillars of the internal control system. Sensitive duties are kept distinct from each other through restrictive assignment of IT authorisations. For consolidated accounting and consolidated reporting SAP R3 software is used. Operability of this accounting system is guaranteed by built-in automated IT controls.

Information and Communication

Guidelines and rules for consolidated financial reporting are regularly updated by the management and communicated to all employees concerned.

In addition, regular discussions on consolidated financial reporting and respective guidelines and rules are held in various working groups. These working groups consist of the management, heads of departments and senior personnel from the accounting department. The aim of these bodies, amongst others, is to ensure compliance with guidelines and rules on accounting as well as identifying and communicating weaknesses and potential for improvement in the accounting process.

In addition, accounting personnel is trained consistently on any changes in consolidated accounting to identify risks of unintended incorrect reporting in good time.

Monitoring

The management board and controlling are responsible for consistent monitoring throughout the Group. In addition the heads of departments concerned are responsible for monitoring the corresponding areas to ensure regular control and validation. The internal auditing department is also involved in the monitoring process. The internal control system, too, exercises monitoring and supervision.

The results of these monitoring activities are reported to the management and supervisory boards. Management receives summarised Group reports on a regular basis, for example, quarterly reports on sales development in the various segments as well as reports on liquidity and receivables. Senior accounting personnel and senior managers perform a final critical appraisal of all reports to be published before they are passed on to the supervisory board.

4. Research and Development

BIG participates in the "Haus Zukunft Plus" research project dedicated to energy efficiency in buildings. The development scheme aims at achieving innovative concepts to significantly reduce CO₂ (energy-efficient, ecological, and sustainable).

Vienna, March 24, 2010

The Management Board

DI Wolfgang Gleissner

DI Christoph Stadlhuber