CONSOLIDATED ANNUAL REPORT 2012
OF BUNDESIMMOBILIENGESELLSCHAFT M.B.H.

BIG Bundes Immobilien Gesellschaft

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Report of the Management Board (Group Report) for the 2012 business year

1. Business performance and economic situation

Bundesimmobiliengesellschaft m.b.H (BIG) is the holding company for the BIG Group and an integrated real estate company for the Republic of Austria, its institutions and outsourced companies. Its core business comprises the rental and management of properties over their entire life cycle and the provision of associated services, with a particular focus on the space requirements of the Republic of Austria and its institutions.

In the current business year
1.8 million m² of leased assets and liabilities belonging to the saleable part of BIG as transferring company were retrospectively demerged on 1 January 2012 and transferred to the 100% subsidiary ARE Austrian Real Estate GmbH (ARE) as receiving company. Because ARE is a company within the group of consolidated companies, the demerger is not visible at the group level.

With a real estate portfolio of approx. 7 million m² of leased space, BIG Group is one of the largest property owners in Austria. The main tenants are the Federal Ministry of Education, Arts and Culture (BMUKK), Austrian universities and the Federal Ministries of Justice, Finance and the Interior. This is why the portfolio consists of more than 300 school buildings, 21 universities and office-type buildings such as tax offices, court buildings and police stations. BIG Group's responsibility is to ensure a market-oriented operation, optimise costs and procedures in real estate management and increase awareness among users that space costs money. Due to its tenancy structure and the specific long-term intended use of its properties, BIG's core business - rental - has been stable over the years, which is demonstrated by an excellent Aaa rating.

In its construction projects BIG Group, in agreement with its clients, puts an emphasis on sustainability through a high degree of building functionality, architectural and structural quality, energy efficiency and profitability.

1.1. Business performance report 2012

1.1.1. Property rentals

1.1.1.1. Property portfolio

The portfolio consists of around 2,800 properties with a focus on renting out school, university and office buildings, as well as the ongoing development and provision of top quality services during the entire lifecycle of these properties. The properties are mainly rented to the Federal government.

With a total of around 7 million m² of floor space in buildings and approximately 23 million m² of land, BIG is one of the largest property owners in Austria.

1.1.1.2. Rental income

Rental income for 2012 was approx. EUR 730.6 million (2011: EUR 679.8 million). This was made up as follows:

Federal schools	approx MEUR	288.5	(2011: MEUR 274.6)
Universities	approx MEUR	234.1	(2011: MEUR 206.6)
Other federal tenants	approx MEUR	192.1	(2011: MEUR 274.6)
Other tenants & authorised users	approx MEUR	15.9	(2011: MEUR 274.6)

Adjustments to the rents in the previous year of EUR 1.0 million (2011: EUR -7.7 million) result from the credit notes and subsequent offsetting due to subsequent calculation of the economic rents and additional rents for the previous year.

1.1.1.3. Operating costs

Operating costs charged to tenants excluding the cost of property management and contributions to facility services amounted to approx. EUR 67.4 million in 2012 (2011: EUR 68.1 million). They form part of sales revenue and are a transitory item. BIG Group only receives the fee for property management and contributions to facility services.

1.1.1.4. Property management

Properties belonging to the BIG Group are managed by the in-house property management team which operates from nine locations across Austria in order to be close to its clients. BIG Group property management is divided into 17 teams with a high level of technical expertise. They work on the basis of regular, standardised property inspections and identify the maintenance required to retain the value of the properties.

Income from property management amounted to approx. EUR 23.0 million in 2012 (2011: EUR 22.0 million), which includes EUR 0.3 million (2011: EUR 0.25 million) from the management of properties not owned by the company.

1.1.1.5. Other

The remaining turnover, which is not related to passing on operating costs and property administration costs, amounted to approx. EUR 12.1 million in 2012 (2011: EUR 12.2 million) for facility and building management services.

1.1.2. Property sales, maintenance and tenants' investments.

1.1.2.1. Property sales

BIG Group's responsibility is to manage and safeguard its properties optimally and to provide the Republic of Austria and its institutions with space at commercial terms. Vacant properties are regularly analysed and optimum exploitation sought.
This generally results in a new rental to Federal government clients or private tenants, the development of selected properties or even sale.

There are many special properties in the portfolio (including anti-aircraft towers, protective underground galleries, military cemeteries and former border inspection posts). Where possible, these properties have been gradually exchanged or sold.

As the owner, BIG is responsible for all decisions concerning the sale, rental or other transfer of use and benefit together with the associated agreements.

During the 2012 business year, municipal and office buildings with a floor space of approx. 9,500.0 m² (2011: 12,000.0 m²), 12 (2011: 5) apartments, plots of land of approx. 58,200.0 m² (2011: 1.4 million m²) and one (2011: 7) other property were sold, thereby realising approx. EUR 7.1 million (2011: EUR 24.2 million.). This resulted in a refurbishment obligation of EUR 4.7 million (2011: EUR 22.1 million) in respect of the Republic of Austria.

1.1.2.2. Maintenance

A significant proportion of the costs relates to maintenance of the buildings owned by the BIG Group because the properties are exposed to intensive use due to the heavy traffic. Each property is inspected at least once a year. The budget is determined, priorities set and refurbishment plans made on the basis of the documentation and assessment of the structural and technical condition. Several thousand individual actions are taken each year to maintain the buildings' condition. In 2012, these investments focused on the building envelope (façade, windows, roof). Investments were also principally made in building technology, structural fire protection and the diagnosis and preparation of electrical safety. The goal of all the structural and maintenance measures is to ensure appropriate, safe use and maintain value.

The Group's maintenance expenses totalled EUR 172.8 million (2011: EUR 193.9 million). This was made up as follows:

Federal school properties	approx MEUR	67.0	(2011: MEUR 78.1)
University buildings	approx MEUR	48.8	(2011: MEUR 46.1)
Official buildings	approx MEUR	47.0	(2011: MEUR 59.7)
Other buildings	approx MEUR	9.4	(2011: MEUR 9.1)
Tunnels	approx MEUR	0.6	(2011: MEUR 0.9)

It includes maintenance measures for thermal renovation amounting to EUR 10.0 million (2011: EUR 24.6 million).

1.1.2.3. Tenant investments

In its role as service provider, the BIG Group transacted tenant investments of approx. EUR 41.2 million (2011: EUR 36.4 million).

1.1.3. New buildings and general refurbishments

In its short history, BIG has handled several hundred building construction and renovation projects.

In 2012, the Group invested a total of approx. EUR 324.7 million (2011: EUR 391.9 million) in building and planning costs.

In total, 68 (2011: 81) construction projects with an investment volume of EUR 558 million (2011: EUR 286.4 million) were completed. Outstanding projects completed included the new Justice Center in Korneuburg, the opening of the third part of the Science Park Linz and the extension of the Spengergasse technical college in Vienna.

In addition, work was started on 55 (2011: 67) construction projects. The estimated net construction costs for all the new buildings and renovation projects started in 2012 totalled EUR 256.6 million (2011: EUR 220.4 million).

The biggest project in BIG's history so far, construction of the Vienna University of Economics and Business Administration, has been running since the end of 2009. This is being handled by its own project company. At the balance sheet date of 31 December 2012, the construction project was fully within time and budget.

A start was made on planning work for 56 (2011: 32) construction projects during the 2012 business year.

1.1.4. Holdings

Anzengrubergasse Errichtungs- und Verwertungs GmbH (Graz):

BIG shareholding: 45%, remaining shareholding BLM Betriebs-Liegenschafts-Management GmbH: 55%. The office building with 6,700.0 m² of floor space and 96 car parking spaces has been constructed. Total investment: approx. EUR 12.0 million. Around 91% of the building has been rented out.

SIVBEG Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H. (Vienna):

BIG shareholding: 45%, remaining shareholding Republic of Austria: 55%. The company sells properties which are owned by the Federal government and are managed by the Austrian Ministry of National Defence and Sport. These properties, which are no longer needed for military purposes (barracks, office buildings, military training grounds, etc.), are transferred to SIVBEG and sold in accordance with commercial and market-orientated principles.

The fully consolidated project development subsidiary ARE Austrian Real Estate Development GmbH (ARE Development, previously BIG Entwicklungs- und Verwertungs GmbH) mainly develops projects for BIG Group properties jointly with partner companies.

Existing BIG Group project development companies:

Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH (Vienna):

BIG Beteiligungs GmbH shareholding: 51%, remaining shareholding Vienna University of Economics and Business Administration: 49%. The company's goal is to build and rent out a university building. Construction started in the 4th quarter of 2009 and is expected to be finished in the 3rd quarter of 2013.

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

ARE Development shareholding: 55%, remaining shareholding GIP-Gewerbe- und Industriepark Wien Nord Ost Projektentwicklungs GmbH & Co KG: 45%. A joint project company was established with a company from the Asamer Group and has been selling a parcel of land of approx. 1.0 million m² (situated close to Strasshof in the municipality of Markgrafneusiedl and adjacent to the route of the future Marchfeld corridor (federal road B8)) in parts since the 2006 business year.

"Wohngarten Sensengasse" Bauträger GmbH (Vienna):

ARE Development shareholding: 45%, remaining shareholding "Wiener Heim" Wohnbaugesellschaft m.b.H. (Mischek/Strabag): 55%. Subsidised and privately financed apartments, as well as properties for use by the university have been built on this land. All apartments have been sold and the areas used by the university have been transferred to the tenant.

Schnirchgasse 9-9A GmbH (Vienna):

ARE Development shareholding: 45%, remaining shareholding Schnirchgasse Projektbeteiligungs GmbH: 55%. The company's goal is to build and sell an office building and two dwellings.

Wien 3420 Aspern Development AG (Vienna):

ARE Development shareholding: 26.60%, remaining shareholding GELUP GmbH (1/3 to each of the associated companies S-Bausparkasse, Wiener Städtische and Wirtschaftsagentur Wien (formerly Wiener Wirtschaftsförderungsfonds)): 73.40%. Total area of land: 2.0 million m². The goal is to develop a multifunctional urban district, build the required technical infrastructure and sell the building lots through “Wien 3420”. The master plan which forms the basis for specific zoning was finalised in 2007. The sale of the south part is in progress and a wide range of residential building projects is being started in 2013. The U2 underground line is under construction and will give access to the Aspern airfield from 2013. As a result, this property will undergo a significant increase in value.

Schiffmühlenstraße 120 GmbH (Vienna):

ARE Development shareholding: 25%, remaining shareholding RE Wohnungseigentumserrichtungs GmbH: 75%. The company's goal is to build and sell a residential building.

Hillerstraße – Jungstraße GmbH (Vienna):

ARE Development shareholding: 25%, remaining shareholding RE Wohnungseigentumserrichtungs GmbH: 75%. All flats were finished, sold and handed over in 2009.

Eslarngasse 16 GmbH (Vienna):

ARE Development shareholding: 25%, remaining shareholding RE Wohnungseigentumserrichtungs GmbH: 75%. The company's goal is to build and sell a residential building. The building was completed in December 2012 and 84% of the accommodation has already been sold and handed over.

Fürstenallee 21 GmbH (Salzburg):

ARE Development shareholding: 25%, remaining shareholding RE Wohnungseigentumserrichtungs GmbH: 75%. The company's goal is to build and sell a residential building.

Residenz am Hamerlingpark GmbH (Vienna):

ARE Development shareholding: 50%, remaining shareholding RAH Projektbeteiligungs GmbH: 25% and MHH GmbH: 25%. The company's goal is to plan, build and sell a building to be used for the purposes of high quality residential and retirement accommodation.

1.2. Financial performance indicators

The financial performance indicators were calculated in accordance with the recommendations issued by the Expert Committee for Business Administration and Organisation of the Austrian Chamber of Certified Public Accountants. The average capital of the business year was used to calculate return on equity and return on investment.

Key figures regarding the financial situation

	2012	2011
Revenue in in MEUR:	872.4	825.9
Operating profit in MEUR:	284.5	252.6
Profit from ordinary activities excl. interest (EBIT) in MEUR	284.7	262.4
Return on sales - ROS:	32.63%	31.77%

$$\frac{\textit{Profit from ordinary activities + interest paid}}{\textit{Revenue in MEUR}}$$

	2012	2011
Return on capital:		
Return on equity - ROE):	12.54%	11.94%

$$\frac{\textit{Profit from ordinary activities}}{\textit{Average equity}}$$

	2012	2011
Return on investment - ROI:	4.87%	4.73%

$$\frac{\textit{Profit from ordinary activities + interest paid}}{\textit{Average total capital}}$$

Explanation of key figures regarding the financial situation

Revenues were EUR 46.5 million above the previous year at EUR 872.4 million. This increase in revenues is mainly due to increases in rent of EUR 50.8 million and lower turnover from user investments of approx. EUR 4.5 million. The change in rental income can mainly be explained through index-related adjustment (approx. EUR 11.8 million), rental growth due to project completions (approx. EUR 35.8 million), increases in rent due to one-off subsequent settlement and cancellation of credit notes from the previous year (approx. EUR 8.7 million) and decline in rents due to the sale of properties and rent reductions (approx. EUR 6.7 million).

Operating profit was EUR 31.9 million above the previous year at EUR 284.5 million, mainly due to higher rental income (EUR 50.8 million), lower maintenance costs (EUR 21.2 million), changes in value due to depreciation, reductions in value and write-ups (EUR 13.9 million) and lower requirements for provisions and value adjustments (EUR 18.6 million).

Through the demerger of marketable properties into a subsidiary company, there is a one-off expense for land transfer tax and corporation tax of approx. EUR 59.1 million which had a negative effect on the result. In addition, a reduction in other operating income of EUR 9.9 million led to a further reduction in the result compared to the previous year.

Earnings on normal activities before interest (EBIT) was EUR 22.3 million above the previous year's results at EUR 284.7 million and this is mainly due to the increase in earnings (EUR 31.9 million) and the effects of bond and derivative valuations at the balance sheet date of EUR 9.1 million.

The aforementioned explanations account for the positive changes to the key profitability figures.

In 2012 a net profit for the period was achieved of approx. EUR 109.4 million (2011: EUR 95.3 million).

1.2.1. Key figures regarding the asset and financial situation

	2012	2011
Net debt in MEUR:	3,828.3	3,844.8
Interest bearing borrowed capital		
- *Cash and cash equivalents*		
= *Net debt*		
Working capital in MEUR:	-1,036.9	-774.5
Current assets inc.current accruals		
- *Non-current assets*		
= *Current assets*		
- *Current borrowed capital incl. current deferrals*		
= *Working capital*		
Equity ratio:	20.13%	19.73%
Equity / *Total capital*		
Percentage of net debt:	318.07%	341.31%
Net debt / *Equity*		

Explanation of the key figures regarding the asset and financial situation

The net debt reduced by approx. EUR 16.5 million and there was thus no significant change compared to the previous year.

Working Capital reduced by EUR 262.4 million compared to the previous year and can mainly be attributed to the increase in short-term interest-bearing liabilities from the bonds and loans that terminate in 2013 and an increase in tax provisions connected with the hiving off.

Due to the consolidated result, the capital ratio rose by approx. EUR 77.1 million from 19.73% to 20.13%.

1.2.2. Key figures regarding the financial situation

	2012	2011
Cash flow from operating activities	411,5	299,3
Cash flow from investment activity	-435,5	-419,7
Cash flow from financing activity	67,5	128,6
Net change in cash and cash equivalents	44,1	8.3

Explanation of the key figures regarding the financial situation

The operational cash flow of approx. EUR 411.5 million was significantly higher than in the previous year. This can mainly be attributed to the agreed payment from BMUKK of EUR 75.0 million in connection with the shift in maturities. The investment cash flow of EUR 435 million could not be completely financed from the operational cash flow, as a result of which an additional intake of external funds was necessary and this is reflected in the financing cash flow.

As with the calculation of rent, the basic starting point taken in drawing up the rental agreements for new buildings and general renovation projects is mainly the principle of economic rent. The financing instruments employed are predominantly medium to long-term borrowings for fixed terms in accordance with BIG‘s credit rating. The aim is to manage the risk of future changes in capital market interest rates.

1.3. Investment and financing

Approx. EUR 334.8 million (2011: EUR 392.6 million) were invested in property, rights equivalent to real property and buildings, buildings on plots of land owned by third parties and buildings under construction. EUR 23.2 million (2011: EUR 20.0 million) in investment grants from public funds were received in the current business year for 36 (2011: 31) projects. The amounts invested by the company were mainly financed from external sources.

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 the company on the capital markets to finance buildings under construction and completed buildings, will be refinanced through BIG‘s operating profits over the long term.
A further EUR 214.0 million (2011: EUR 230.3 million) was spent on maintenance, including tenants' investments managed by the BIG Group.

There are rental agreements, many with long-term waivers of termination on the part of the tenants, for projects under construction and completed projects for federal use. 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 the preparation of offer documents for tenancy agreements.

In the 2012 business year, BIG made four private placements to international investors totalling over EUR 500.0 million for long-term refinancing of the Group.

In addition, tranches were drawn from existing credit lines amounting to EUR 135.0 million and a bond of EUR 400.0 million which terminates at the end of September was redeemed.

1.4. Non-financial performance indicators including environmental and employee issues

1.4.1. Environmental issues

Within the competing areas of functionality, economy and quality, as the three pillars of sustainability in real estate management, the efficient, resource-friendly use of energy is also a topical issue for BIG. For BIG, sustainability applies to the entire cycle of property management, i.e. to the management of its existing property just as much as to new building and comprehensive renovation in conventional project work.

BIG Group's efforts in this area are described in the sustainability report which appeared in October 2012.

In terms of existing buildings, BIG has been striving for some years to use energy efficiently in its properties and is a pioneer in this field in comparison to other large real estate companies. Together with BMFWJ, BIG is responsible for this within the federal buildings contracting initiative.

The performance contracting activities of the BIG Group continued to be successfully carried out. Currently, around 32% of the buildings (approx. 2.3 million m² of rental space) are included in contracting agreements. It is expected that there will be an annual average energy saving guarantee of 20.3% for these properties, representing an annual reduction in CO_2 of 20,433 t/a.

Follow-up contracts are being tendered and awarded for pools 3 and 4 (schools in Lower Austria and Styria) where the contracting agreements run out at the end of 2013. The negotiations for four pools in the Justice Ministry are being concluded in 2013. It is expected that the contract will be awarded in the middle of 2013.
In 2009, the management board of BIG Group decided to make additional funds available for energy technology measures in existing contracting properties. In 2013, approximately EUR 0.9 million in today's terms is being invested in BIG Group's contracting properties.

As part of its “thermal renovation” programme, the BIG Group is renovating buildings used by ministerial units with the specific aim of improving the buildings’ energy efficiency, thereby contributing to a reduction in CO_2 emissions. The main focus is on measures such as the insulation of façades and roofs, repair/replacement of windows and the modernisation of heating systems. In this context, the BIG Group began a three-year research programme in 2013 in association with Siemens. Known as "Smart Repair", it is testing the effect of various different energy technology measures. During the course of this research programme, both structural and building technology measures relevant to energy technology are being implemented and their effects measured and analysed in an accompanying monitoring process. The aim of the project is to determine the effectiveness of individual measures as well as their impact on each other. This should make it possible to develop sensible combinations of measures for future energy-related maintenance.

The work of the project, which comprises both the construction of new cubic capacity and the deep intervention into existing cubic capacity, focuses on the mutual acknowledgement by the BIG Group's tenants/users, planners and project managers that they need to think and operate not just from a social and economic perspective when dealing with planning and construction, but also from that of ecological responsibility. The goal is not simply energy optimisation of the building shell, but rather a holistic consideration of the building. BIG Group's goal is to ensure that sustainability criteria are embedded as important guiding principles in the planning process and that the approach is integrated holistically from the very first stages of the project.

Therefore, with new building projects and renovations, the BIG Group is focusing strongly on minimising energy requirements and reducing operating and maintenance costs over the long term. That means that the projects need to be set up as pilot projects right from the start rather than making isolated "cosmetic" improvements at an advanced project stage. With this in mind, the BIG Group began three pilot projects in 2012. The goal of the pilot projects is not only to build sustainable buildings.

Rather, the pilot projects also aim to obtain information about how the processes surrounding the building project need to be structured in order to be able to turn the idea of a sustainable project into reality.

In the process, substantial importance is given to environmentally relevant perspectives such as a reduction in the emission of pollutants. Therefore the use of alternative energies such as biomass, geothermics and solar energy in many projects is an important aspect in planning and implementation.

In the area of research, the BIG Group is participating in the "House of the Future Plus" research programme run by the Federal Ministry for Transport, Innovation and Technology (BMVIT). The goal is to develop innovative concepts for significantly reducing CO_2.

The goal of the BIG Group's main project is to develop high quality energy efficient modernisation standards which can be used commercially and can therefore be considered widely sustainable. Two demonstration projects have been created, one of which has already been structurally completed and is in the subsequent monitoring stage; construction work is about to start on the other one.
The BIG Group is also involved in another project. The project is to construct a "PLUS ENERGY BUILDING" and the goal is to construct a building that generates the energy it needs itself and that can feed excess energy into the network in quieter times.

Due to the energy certification legislation of 2012, the BIG Group had energy performance certificates issued for around 600 buildings or 2.1 million m² of rental space. These buildings had previously been exempted from the requirement to have energy performance certificates. As a result, a total of around 6.9 million m² of rental space has now been given energy performance certificates, including those which had already been certified in previous years.

1.4.2. Human resources

In 2012, the Group employed an average of 827 persons (2011: 831), of whom 287 were federal and regional civil servants (2011: 299) and 3 (2011: 4) regional contract agents. These figures also include employees on maternity/paternity leave.

Training and development measures for Group employees are carried out on an ongoing basis. In this way, the Group intends to not only satisfy market requirements but also improve competitiveness.

1.5. Significant events after the balance sheet date

There are no significant events after the balance sheet date.

2. Outlook on the development and risks of the Group

2.1. Outlook on the development of the Group

One of the greatest challenges in shaping the future of a company is the interaction of the different layers of an organisation. Strategies must be very familiar to the whole company and understood by the various sites and departments so they can focus their own thinking and operations accordingly. The ISPP, or Integrated Strategy and Planning Process, manages this interaction within the BIG Group and includes the annual strategic planning, the budgeting process including mid-term planning, operational milestones and controlling. The various levels must interlock well in terms of their focus and be in line with each other. The structured and planned collaboration between the organisation's management and individual divisons, business areas or departments right down to each individual employee is a key success criterion for the development of an integrated strategy.
In addition, the topic of energy efficiency has for some time been given high priority both for new buildings and for renovations. The goal is to create the technological conditions to ensure that buildings use the lowest possible amount of energy. The BIG Group also wants to use its function as a role model to set appropriate standards in the properties it uses itself in the Ecoprofit programme and make its employees more environmentally aware.

Due to an agreement between the BIG Group and the Republic of Austria, represented by the Federal Ministry for Education, Arts and Culture (BMUKK), rent maturities in the period from 2010 to 2013 were shifted. Thus, of the rent originally due in 2010, a partial amount of EUR 155 million will not become due until 2012 and 2013. Conversely, maturities for rent in 2012 and 2013 will be brought forward. This agreement is designed so as to balance the mutual advantages and disadvantages caused by the shifted maturities and the shift in maturities will be financially neutral for both parties to the agreement.

As agreed by contract, the repayment of a part of the deferred amounts occurred on 16 January 2012 and 16 January 2013, as well as advance rental payments for the 2012 and 2013 business years.

2.2. Significant risks and uncertainties faced by the Group

Due to the stable ownership and tenancy structure, no significant risks for the Group with regard to human resources, operations and business risks can be identified from the current perspective. Financial risks are described in item 2.3.

2.3. Financial and risk management and use of financial instruments

Risk policies, risk strategy and the scope of action for the Group treasury function are clearly regulated in the Group's treasury guidelines.

The BIG Group is principally financed centrally through corporate finance in the form of 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 financial risk management is to limit the Group‘s financial risks. Financial transactions and the use of derivatives always focus on the requirements of the Group’s core business. Securing operational business success is key.

Only financial instruments previously approved by the Group's 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.

The financial result is an essential component of the company's success and is subject to interest and currency risk.

Interest risks

Risks from changes in interest rates generally arise only in long-term debt financing. A fixed interest rate is created for approx. 85% of these using derivatives.

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

Currency risks

Currency risks arise from foreign currency financial liabilities and related valuation results dependent on exchange rates. All issues are hedged by derivatives against changes in exchange rates. In accordance with a regulation, the BIG Group may not have any open foreign currency positions.

Liquidity risk

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 on this basis. This reflects the BIG Group’s long-term and short-term financial requirements on the one hand and prevailing market conditions on the other.

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

Other price risks

Considering market risks, the BIG Group is not subject to any significant price risks such as stock exchange prices or indices. As of 31 December 2012, the BIG Group had no significant shareholdings in its portfolio classified as available for sale.

Non-payment risks

For financing potentially risky business, BIG only uses banks with a credit rating of at least A3/A 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 in the same way and itemized allowances are made accordingly. It is significant to note that over 90% 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. Key characteristics of the internal control and risk management system

The management board is responsible for setting up and defining an internal control system (ICS) and Group-wide risk management system (RMS) appropriate to the Group's requirements. The aim of this report is to give an overview, firstly, of the organisation of internal controls in respect of the Group's accounting process and, secondly, of the structure of the RMS.

Introduction

Based on Section 22 of the Austrian Limited Liability Companies Act (GmbHG), the management is obliged to have an internal control system that meets statutory requirements.

The Austrian Company Law Amendment Act (URÄG), which came into force in 2008, requires the effectiveness of the ICS to be monitored by the supervisory board's audit committee and, in addition, stipulates a stricter disclosure obligation for auditors in the case of material ICS deficiencies.

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

The aim of the ICS is to enable the management board to ensure effective and consistently improving internal control with regard to the accounting process. It is focused on compliance with regulations and guidelines, on the one hand, and on the creation of favourable conditions for specific measures to control key accounting processes on the other.

Moreover, statutory provisions (Austrian Company Law Amendment Act (URÄG) 2008 and Section 243 of the Austrian Commercial Code) of 2008/2009, on the one hand, and the voluntary observance of the Austrian Corporate Governance Codex, for the sake of good governance and in the interest of all stakeholders, on the other, gave reason to examine the RMS in greater detail.

The management board decided to use standard ONR49.00x as an application of ISO/DIS 31000 for the organisation of the RMS. Based on the defined risk policy/risk strategy, risk analyses (see risk assessment) are periodically performed by managers. They form the basis for decisions on preventive and reactive control measures for future business years.
At the same time, the RMS (incl. crisis/emergency management and operational continuity management) has been consistently developed to allow for a distinction between quantitative and qualitative characteristics.

The RMS aims to achieve a complete overview of risks by establishing risk scenarios, thus creating scope for action, i.e. dealing with risks in a controlled and effective manner, promptly identifying and using them and thus helping to increase the company's value.

Control environment

Corporate culture, which defines the operating framework for management (board and managers) and employees, is a fundamental aspect of the control environment. The company proactively strives to improve communication and to convey the company's fundamental values/codes of conduct in order to ensure the establishment of morals, ethics and integrity within the company and in contact with others.

Implementation of the internal control system in respect of the accounting process is laid down in the internal policies and – with regard to the system – in the use of related applications. Responsibilities concerning the internal control system have been adapted to the organisation to ensure the control environment is satisfactory and meets the appropriate requirements.

Risk assessment

Risks regarding the accounting process are identified and monitored by the management and supervisory boards. Particular focus is placed on those risks which are typically considered to be the most important ones.

Assessment of the risk of deficient financial reporting is based on various criteria. Complex accounting principles, for example, may increase the risk of errors. Different principles for the valuation of assets, as well as a complex or changing business environment may also increase the risk of significant errors in financial reporting.

Estimates regularly have to be made when preparing the financial statements and these harbour the risk that future developments will deviate from these estimates. This is particularly true for the following items in the annual statement: personnel provisions, outcome of litigation, recoverability of receivables and the value of assets and shareholdings. To reduce the risk of misjudgement, external experts (controlled by a neutral body) and/or publicly accessible sources are consulted in some cases.

Control measures

The general control environment includes, in addition to the management board, middle management, e.g. heads of departments.

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 ongoing accounting processes.

The management board is responsible for creating hierarchies that ensure that it is not possible for one person to perform an activity and monitor it at the same time. Controls are principally intended to prevent errors in business processes (preventive control).

They include separation of functions, dual control, access restrictions (authorisations), alignment of tasks, competencies and responsibilities. Separation of functions is one of the most significant principles to avoid one employee or manager being solely responsible for the following activities: approval, implementation, book entry and 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. SAP R3 software is used for accounting and reporting. Functionality of this accounting system is guaranteed by built-in semi-automated IT controls, among other things.

Information and communication

Policies and rules for financial reporting are regularly updated by the management board and communicated to all employees concerned. The internal audit department also independently and regularly monitors accounting for compliance with these rules. The management of the internal auditing department reports directly to the management board.

In addition, regular discussions on financial reporting and respective policies and provisions are held in various working groups. These working groups consist of the management board, heads of department and senior personnel from the accounts department. The main aim of these bodies is to ensure compliance with policies and provisions on accounting and to identify and communicate weaknesses and potential improvements in the accounting process.

In addition, accounting personnel are trained on an ongoing basis in any new developments in accounting so they can identify risks of unintended incorrect reporting in good time.

Monitoring

The management board and controlling department are both responsible for ongoing monitoring throughout the Group. In addition, the relevant heads of department are responsible for monitoring their areas to ensure regular control and validation (random tests). The internal audit department is also involved in the monitoring process

The results of these monitoring activities are reported to the management board and supervisory board (Audit Committee). Management receives summarised financial reports on a regular basis, for example, quarterly reports on sales trends in the various segments, as well as reports on liquidity and receivables. The head of accounting and the management board perform a final critical appraisal of all reports to be published before they are passed on to the supervisory board.

Principles of remuneration policy

BIG Group's remuneration system differentiates mainly between remuneration for the management board and remuneration for employees.

Remuneration for the BIG Group's management board is performance-related and comprises performance-related and non-performance-related pay. The contracts of employment of the management board, which are in accordance with the terms of the Austrian staffing Act (Stellenbesetzungsgesetz) including the corresponding ordinances, allow for the possible award of a performance and success related bonus of a maximum of 15% of annual gross pay. This is allowed for, as far as possible, on the basis of measurable parameters and through the decision of the supervisory board and is dependent on attaining corporate and organisational goals which have been determined in advance by the supervisory board. In terms of organisational goals, top priority is given to long-term and sustainable elements such as growth strategies and market share. There is no right to receive a bonus of this kind.

Alongside the monthly fixed pay, all open-ended contracts of employment include a contractually agreed bonus as a variable pay element for employees in this category and this is calculated on the basis of a collectively agreed monthly minimum payment. In addition, special payments to employees can be made on the basis of a management board decision. The amount of the special payment for individual employees is agreed by the person's manager in the context of a performance appraisal.

4. Research and development

The BIG Group is involved in the "House of the Future" research project which is concerned with the energy-related renovation and optimisation of existing buildings in the portfolio. The aim of the research programme is to develop innovative concepts (energy-efficient, ecological, sustainable) on the basis of existing buildings which were built between the 1950s and the 1980s. As well as enabling the substantial conservation and creation of value, this programme means that the company's specific knowledge about energy-related renovation can be further extended and used on future projects.
As part of the "Smart Repair" internal research programme, the BIG Group is researching various energy-related measures in cooperation with Siemens.

Vienna, 15 March 2013

For the Management Board

Wolfgang Gleissner

Hans-Peter Weiss

Appendix

Consolidated statement of comprehensive income

	In notes under	2012 TEUR	2011 TEUR
Revenues	2.1.1.	872,417.8	825,893.6
Inventory changes	2.1.2.	4,846.0	-4,872.4
Other own work capitalised	2.1.3.	7,080.8	6,595.8
Other operating income	2.1.4.	19,859.4	29,724.8
Material costs	2.1.5.	-312,346.3	-329,037.5
Personnel costs	2.1.6.	-34,961.8	-32,361.0
Write-downs	2.1.7.	-202,317.8	-189,667.2
Reductions in value	2.1.7.	-3,562.7	-19,819.0
Increases in value	2.1.7.	21,709.5	11,437.7
Other operating costs	2.1.8.	-88,227.2	-45,322.2
Operating profit		**284,497.5**	**252,572.7**
Result from equity accounted participations		**1,981.3**	**1,880.7**
Other financial income	2.1.9.	24,266.6	80,629.4
Other financial costs	2.1.10.	-164,638.6	-205,420.8
Financial result		**-140,372.0**	**-124,791.4**
Profit before tax		**146,106.8**	**129,662.0**
Income tax	2.2.14.	-36,729.8	-34,324.1
I. Net profit for the period		**109,377.0**	**95,338.0**
Profit from financial instruments available for sale	2.2.10.	55.9	-1.3
Profit from cash flow hedges	2.2.10.	-43,082.5	-20,719.4
Applicable taxes	2.2.14.	10,756.6	5,180.2
II. Other comprehensive income after tax		**-32,269.9**	**-15,540.6**
III. Comprehensive income		**77,107.1**	**79,797.4**
Of which attributable to minority shareholdings		100.1	-9.5
Of which attributable to parent company		77,007.0	79,806.9
Net profit for the period		**109,377.0**	**95,338.0**
Of which attributable to minority shareholdings		100.1	-9.5
Of which attributable to parent company		109,276.9	95,347.5

Consolidated balance sheet

	In the notes	31.12.2012 TEUR	31.12.2011 TEUR
Assets			
Investment property let	2.2.1.	4,470,918.5	4,182,236.8
Investment property under development	2.2.1.	266,022.9	418,187.8
Property for own use	2.2.1.	40,392.5	41,921.7
Tangible assets	2.2.1.	2,228.2	2,667.6
Intangible assets	2.2.2.	4,555.7	4,868.5
Interests in associated companies	2.2.3.	294,406.0	165,521.6
Other financial assets	2.2.4.	462,006.1	637,970.6
Deferred tax assets	2.2.14.	170,076.1	37,766.6
Non-current assets		**5,710,606.0**	**5,491,141.4**
Inventories	2.2.5.	17,817.0	12,785.2
Receivables and other assets	2.2.7.	153,800.9	151,317.9
Cash and cash equivalents	2.2.8.	97,762.7	53,658.5
Current assets		**269,380.6**	**217,761.6**
		5,979,986.6	**5,708,903.0**

		12/31/2012 TEUR	12/31/2011 TEUR
Liabilities			
Nominal capital	2.2.10.	226,000.0	226,000.0
Retained earnings	2.2.10.	976,489.6	899,482.6
Non-controlling shares	2.2.10.	1,115.7	1,015.7
Equity		**1,203,605.3**	**1,126,498.3**
Financial liabilities	2.2.13.	3,139,969.8	3,320,855.5
Personnel provisions	2.2.11.	8,015.1	7,889.7
Other provisions	2.2.12.	17,004.0	11,362.8
Investment grants from public funds	2.2.15.	173,206.7	156,401.7
Trade payables	2.2.15.	4,099.7	3,784.0
Other liabilities	2.2.15.	127,845.8	89,860.3
Non-current liabilities		**3,470,141.2**	**3,590,154.0**
Financial liabilities	2.2.13.	777,571.3	569,089.4
Personnel provisions	2.2.11.	6,592.3	6,280.5
Other provisions	2.2.12.	138,998.6	159,984.8
Trade payables	2.2.15.	155,131.1	180,517.4
Provisions for actual income tax	2.2.6.	130,126.1	3,085.7
Other liabilities and investment grants	2.2.15.	97,820.7	73,293.0
Current liabilities		**1,306,240.0**	**992,250.7**
		5,979,986.6	**5,708,903.0**

Consolidated cash flow statement

	In notes under	2012 TEUR	2011 TEUR
Cash flow from operating activities:			
Consolidated profit before tax		146.106,8	129.662,0
Write-downs	2.2.1., 2.2.2.	202.317,8	189.667,2
Reductions in value	2.1.7.	3.562,7	19.819,0
Write-ups	2.1.7.	-21.709,5	-11.437,7
Valuation result from derivatives	2.1.9., 2.1.10.	28.473,8	-61.840,8
Share of earnings in associated companies		-1.981,3	-1.792,7
Gains and losses from disposal of property and tangible assets	2.2.1.	-1.305,6	-3.815,9
Gains and losses from disposal of financial assets and deconsolidation	2.2.9.	-968,9	1.052,5
Income tax paid	2.2.6.	-31.248,2	-37.727,9
Currency translation gains and losses from bond valuation	2.1.9., 2.2.10	-17.567,4	56.313,2
Operating cash flow		**305.680,3**	**279.899,0**
Changes in receivables from finance leasing	2.2.4., 2.2.7.	168,9	284,0
Changes in receivables and other assets	2.2.7.	81.663,0	-19.299,4
Changes in trade payables	2.2.15.	-25.070,5	-6.654,8
Changes in employee benefit obligation provisions (except tax provisions)	2.2.11.	437,1	-334,8
Changes in other liabilities	2.2.15.	48.664,4	45.390,7
Cash flow from changes in net current assets		**105.862,9**	**19.385,6**
Cash flow from operating activities		**411.543,2**	**299.284,6**
Cash flow from investment activities:			
Acquisition of investment property	2.2.1.	-333.486,8	-392.432,9
Acquisition of tangible and intangible assets	2.2.1., 2.2.2.	-1.267,9	-1.851,3
Changes in interests in associated companies	2.2.3.	-125.934,1	-68.763,3
Disposal of real estate, real estate companies and other assets	2.2.1.	17.653,9	18.862,0
Changes to loans	2.2.4., 2.2.7.	8.067,7	24.512,3
Cash flow from investment activity		**-434.967,1**	**-419.673,3**
Cash flow from financing activity:			
Other changes in financial liabilities incl. short-term changes	2.2.13.	-148.065,6	-107.579,4
Repayment of loans	2.2.13.	-400.000,0	-51.555,2
Borrowing	2.2.13.	500.000,0	250.000,0
Repayment of bank loans	2.2.13.	-19.406,3	-47.224,8
Borrowing with banks	2.2.13.	135.000,0	85.000,0
Cash flow from financing activity		**67.528,1**	**128.640,6**
Total cash flow (= changes in cash and cash equivalents)		**44.104,2**	**8.251,9**
Cash and cash equivalents 1 Jan 2012	2.2.8.	53.658,5	45.406,6
Cash and cash equivalents 31 Dec 2012	2.2.8.	97.762,7	53.658,5
Net change in cash and cash equivalents		**44.104,2**	**8.251,9**

Interest and dividends received are contained in the operating cash flow. The previous year's data have been adjusted accordingly.

Changes in Group equity

in TEUR	Share capital	Fair value reserve	Cash flow Hedge Reserve	Profit reserve	Equity before non-controlling shares	Non-controlling shares	Equity total
Position as of 1 January 2011	**226.000,0**	**-22,9**	**-1.600,0**	**821.298,5**	**1.045.675,6**	**4,4**	**1.045.680,0**
Comprehensive income		-1,0	-15.539,6	95.347,5	79.806,9	-9,5	79.797,4
Changes in non-contolling shares						1.020,8	1.020,8
Capital injections							
Capital repayments							
Dividends							
Position as of 31 December 2011	**226.000,0**	**-23,9**	**-17.139,6**	**916.646,0**	**1.125.482,5**	**1.015,7**	**1.126.498,3**
Position as of 1 January 2012	**226.000,0**	**-23,9**	**-17.139,6**	**916.646,0**	**1.125.482,5**	**1.015,7**	**1.126.498,3**
Comprehensive income		41,9	-32.311,8	109.276,9	77.007,0	100,1	77.107,1
Changes in non-contolling shares							
Capital injections							
Capital repayments							
Dividends							
Position as of 31 December 2012	**226.000,0**	**18,0**	**-49.451,4**	**1.025.922,9**	**1.202.489,5**	**1.115,7**	**1.203.605,4**
In notes under	2.2.10	2.2.10	2.2.10	2.2.10	2.2.10	2.2.10	2.2.10

Segment reporting

In accordance with IFRS 8, operating segments must be defined on the basis of the internal reporting of Group divisions which are regularly reviewed by the organisation's main decision makers in respect of decisions about the allocation of resources to a segment and the assessment of its earnings power.

Internal reporting and, therefore, the basis for organisational decisions is based on the BIG GmbH subsidiary as per the Austrian Commercial Code (UGB) (provision of federal state accounting legislation). Therefore the segment report only shows the segmentation of BIG as per the UGB and outlines a transition to IFRS. Due to the negligible nature of the fully consolidated companies, no segment consolidation has been carried out in the internal reporting.

The main activity of the asset segments is to exercise responsibility for the commercial ownership of the assigned properties. Asset segments are split into "schools", "universities", "office and special purpose properties" (mainly includes properties with particular security aspects such as prison buildings as well as separate real estate of minor economic relevance to the Group, e.g. churches, tunnels, war cemeteries) and "Other" (principally the service segments).

The service segments can be divided according to the specific service portfolios into property management (technical maintenance and property management), facility services (services such as inspection and servicing of plant, preparing audit reports, security services) and planning and building (architectural and planning activities, project management).

The segment report shows the most important asset segments of schools, universities and special purpose properties separately, and combines under "Other" the services segments and any surplus/deficit from the administration division which may arise through apportionments/assignments of budgeted costs in the asset and services segments.

The capital employed per segment comprises only directly assignable items and mainly contains property assets, property assets under construction, financial assets belonging to the associated and participating companies, inventory, receivables, grants towards building costs, directly assignable provisions, trade payables and prepayments of rent.

Direct allocation of the interest-bearing loan capital (bonds, bank liabilities) is not possible due to the portfolio financing practised in the company and can only be assigned on the basis of the capital employed per segment.

2012 in TEUR	BIG individual results ACC								IFRS				
								IFRS			other	Consolidation	
	Schools	Universities	Special properties	ARE/demerger	Other	Adjustment	Totals	Transfer	BIG individual	ARE individual	FC[1] individual	transfer	Group
Revenues	318,544.7	249,136.6	74,389.8	0.0	59,166.5	-1,760.1	699,477.4	-168.9	699,308.6	181,935.5	8,901.7	-17,728.0	872,417.8
Of which external revenues	318,544.7	249,074.4	74,387.8	0.0	10,915.0	33,629.0	686,550.9						
Of which internal revenue	0.0	0.0	0.0	0.0	12,926.5	0.0	12,926.5						
Of which internal revenue	0.0	62.2	2.0	0.0	35,325.0	-35,389.1	0.0						
Operating profit (EBIT)	118,476.8	73,505.7	26,223.7	0.0	11,053.1		229,259.2	56.401,3	285.660,6	1,864.4	4,121.4	-8.437,4	284,508.8
Financial result	-45,153.5	-45,072.0	-13,102.3	30,081.2	0.0	0.0	-73,246.5	-4.499,2	-77.745,7	-31,058.6	2,005.7	-32.363,6	-140,372.0
Profit before tax (EBT)	73,323.3	28,433.7	13,121.4	30,081.2	11,053.1	0.0	156,012.7	51,902.1	207,914.8	-29,194.2	6,127.1	-38,740.9	146,106.8
Income tax	-24,195.0	-13,142.9	-4,908.3	-116,226.7	-2,763.3	0.0	-161,236.2	-135,130.4	-296,366.6	268,378.2	-858.9	-7,882.6	-36,729.8
Extraordinary profit	0.0	0.0	0.0	16,510.1	0.0	0.0	16,510.1	-16,510.1	0.0	0.0	0.0	0.0	0.0
Net profit for the period	49,128.3	15,290.7	8,213.1	-69,635.3	8,289.9	0.0	11,286.7	-99,738.4	-88,451.7	239,184.0	5,268.3	-46,623.5	109,377.0
Segment profit incl. calc. costs	**31,544.9**	**-2,260.8**	**2,655.1**	**-69,635.3**	**8,289.9**	**0.0**	**-29,406.2**						
Capital employed	1,532,770.4	1,530,004.2	444,766.1	702,787.3	-40,966.4	0.0	4,169,361.6						
Investments in tangible assets and intangible assets	117,072.2	97,328.0	60,083.0	0.0	1,073.3	0.0	275,556.5	9,670.8	285,227.4	49,526.3	1.0	0.0	334,754.7
Scheduled depreciation	-86,681.0	-92,575.0	-22,724.8	0.0	0.0	-1,276.6	-203,257.4	38,189.5	-165,067.9	-36,179.4	-1,070.5	0.0	-202,317.8
Value reductions inc. usage Provisions for impending losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,958.1	-1,958.1	-1,604.6	0.0	0.0	-3,562.7
Increases in value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19,540.5	19,540.5	2,169.0	0.0	0.0	21,709.5
Allocation and release of impending loss provision	0.0	-3,050.0	0.0	0.0	0.0	0.0	-3,050.0	0.0	-3,050.0	0.0	0.0	0.0	-3,050.0

[1] Fully consolidated group companies

2011 in TEUR

BIG individual results ACC

	Schools	Universities	Office&Special	Other	Adjustment	Totals	Transfer	IFRS BIG indiv.	IFRS Fcindiv.	Consolidation transfer	IFRS group
Revenues	301,519.3	218,512.9	244,211.7	66,687.4	-12,053.9	818,877.3	-284.0	818,593.4	8,344.40	-1,044.3	825,893.6
of which											
external revenues	301,519.3	218,450.8	242,054.2	17,206.7	39,646.4	818,877.3					
internal revenues	0.0	62.2	2,157.5	49,480.7	-51,700.3	0.0					
Operating profit (EBIT)	84,295.0	47,465.0	70,518.4	15,654.2	0.0	217,932.6	34,221.8	252,154.4	4,442.4	-4,024.2	252,572.7
Financial result (equity method)	-50,922.2	-45,736.2	-36,575.6	0.0	0.0	-133,233.9	18,251.2	-114,982.7	-1,591.2	-6,336.7	-122,910.6
Profit before tax (EBT)	33,372.9	1,728.9	33,942.8	15,654.2	0.0	84,698.7	52,473.0	137,171.7	2,851.2	-10,360.9	129,662.0
Income tax	-13,631.6	-5,808.7	-12,376.6	-3,913.6	0.0	-35,730.5	3,331.1	-32,399.4	-220.8	-1,703.9	-34,324.1
Extraordinary profit	0.0	0.0	0.0	7,777.9	0.0	7,777.9	-7,777.9				
Net profit for the period	19,741.2	-4,079.8	21,566.2	19,518.5	0.0	56,746.1	48,026.2	104,772.3	2,630.4	-12,064.7	95,338.0
Segment profit incl. calc. costs	**4,286.6**	**-17,960.6**	**8,856.9**	**19,518.5**	**0.0**	**14,701.4**					
Capital employed	1,540,642.1	1,383,740.6	1,106,588.4	23,223.9	0.0	4,054,195.0					
Investments in tangible assets and intangible assets	124,267.0	141,161.5	118,621.2	1,622.1	0.00	385,671.80	8,748.3	394,420.1	-135.9	0.0	394,284.2
Scheduled depreciation	-79,801.6	-85,117.9	-57,687.7	-2,667.7	-1,428.0	-226,702.9	38,104.8	-188,598.1	-1,070.5	1.4	-189,667.2
Value reductions inc. usage provisions for impending losses	-1,342.1	-1,261.5	0.0	0.0	0.0	-2,603.6	-17,215.5	-19,819.0	0.0	0.0	-19,819.0
Increases in value	0.0	0.0	0.0	0.0	0.0	0.0	11,437.7	11,437.7	0.0	0.0	11,437.7
Allocation and release of impending loss provision	0.0	-200.0	550.0	0.0	0.0	350.0	0.0	350.0	0.0	0.0	350.0

Annex to the consolidated financial statement

1. General notes

1.1. Business activity

Bundesimmobiliengesellschaft m.b.H., 1031 Vienna, Hintere Zollamtsstraße 1, Austria, (subsequently referred to as BIG) is the ultimate holding company for a property group that mainly operates in Austria. The majority of the properties were sold to BIG in four tranches by the Republic of Austria in accordance with the Austrian Federal Real Estate Act (BGBl 141/2000 of 29 December 2000). As per Section 4 Para. 2 of the Austrian Federal Real Estate Act, BIG is obliged to satisfy the federal government's space requirements, at terms in line with the market and providing it is commercially acceptable to do so. In particular, it is obliged to provide the properties transferred to it, to adapt them if required, and to purchase suitable properties for the federal government's new building projects. BIG's business activities comprise the purchase, development, rental and sale of properties. In addition to the properties in Austria, the Group owns one building in each of the USA (New York) and Switzerland (Bern). Apart from these, the sales revenues, assets and liabilities are generated in Austria.

1.2. Accounting principles

BIG's consolidated financial statement was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board" (IASB) and its predecessor organisation, the Board of the International Accounting Standards Committee, which also include the International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The reporting date is 31 December 2012. The reporting currency is the Euro. When totalling amounts, rounding differences may occur as a result of using automatic aids to calculation.

This consolidated financial statement is based on Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards (IAS-VO 1606/2002), which capital market orientated companies within the European Union are obliged to use in preparing and publishing their consolidated financial statements in accordance with the International Financial Reporting Standards. As per Art. 3 Para. 1 of IAS-VO 1606/2002, the standards to be applied are those which were adopted as per Art. 6 Para. 2 IAS-VO 1606/2002 by way of the comitology procedure in the European Union acquis. The International Financial Reporting Standards adopted by the EU have been rolled out to the member states of the European Union with immediate effect and there is no need to implement them in national law. All International Financial Reporting Standards published in the relevant local language are authentic within the meaning of Community Law.

Section 245a Para. 1 of the Austrian Commercial Code (UGB) in the version of the Federal Law Gazette I 161/2004 standardises an exception from the requirement to prepare a consolidated financial statement in accordance with the provisions of Austrian commercial law (Sections 247 et seq. UGB) if there is a requirement to prepare a consolidated financial statement in accordance with International Financial Reporting Standards within the meaning of Art. 4 Para. 1 of IAS-VO 1606/2002. BIG is making use of this exception in accordance with Community legislation.

The framework of the IASB does not form part of the IFRS and was also not adopted into the European Union acquis. However, for interpretation and filling gaps IAS 8.11 (b) requires recourse to the definitions and recognition criteria for assets, liabilities, income and expenditure laid down in the framework. However, according to Point 2.1.5. of the (legally non-binding) commentary to specific articles of IAS-VO 1606/2002 of the EC, the framework creates the "foundation for the judgement made when solving accounting problems". For this reason and due to the explicit reference to the framework in IAS 8.11 (b), it has been fully applied in the preparation of the Group's consolidated financial statement.

The consolidated financial statement prepared by BIG completely complies with the International Financial Reporting Standards in their current version, to the extent that they have been adopted by the European Union in accordance with Art. 6 Para. 2 of IAS-VO 1606/2002 by way of the comitology procedure in the European Union acquis. This does not restrict the confirmation of compliance with IFRS required by IAS 1.16.

The following new/amended standards and interpretation are required to be applied for the first time for financial years that end on 31 December 2012.

Transfer of financial assets: amendments to IFRS 7 – Financial instruments:
In October 2010, the IASB published additions to IFRS 7, Financial Instruments: Information which extend the disclosure requirements but retain the derecognition requirements of IAS 39. The additions extend the required annex information for transfers of financial assets where the transferor retains an ongoing involvement with the transferred assets. Additional information is required if an unusually large sum is transferred at the end of a reporting period. The addition is required to be applied for financial years that start on or after 1 July 2011, although earlier application is permitted. The application of additions to IFRS 7 had no significant influence on the company's consolidated financial statement.

The following IFRS adopted into EU law had been issued by the balance sheet date, but are not required to be used until later reporting periods unless the right had been exercised to apply them in advance of that date

Change / Standard	Date of publication	Date of adoption into EU law	Date of application (EU)
Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)	16.06.2011	05.06.2012	01.07.2012
Amendments to IAS 19 Employee Benefits	16.06.2011	05.06.2012	01.01.2013
IFRS 10 Consolidated Financial Statements	12.05.2011	11.12.2012	01.01.2014
IFRS 11 Joint Arrangements	12.05.2011	11.12.2012	01.01.2014
IFRS 12 Disclosures of Interests in Other Entities	12.05.2011	11.12.2012	01.01.2014
IFRS 13 Fair Value Measurement	12.05.2011	11.12.2012	01.01.2013
IAS 27 Separate Financial Statements	12.05.2011	11.12.2012	01.01.2014
IAS 28 Investments in Associates and Joint Ventures	12.05.2011	11.12.2012	01.01.2014
Deferred tax: Recovery of Underlying Assets (Amendments to IAS 12)	20.12.2010	11.12.2012	Start of the first financial year beginning on or after the coming into force of the regulation
Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (Amendments to IFRS 1)	20.12.2010	11.12.2012	Start of the first financial year beginning on or after the coming into force of the regulation
Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	16.12.2011	13.12.2012	01.01.2013
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	16.12.2011	13.12.2012	01.01.2014
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	19.10.2011	11.12.2012	01.01.2013

Change to IAS 1: Presentation of other results

Items in the other overall results must be summarised in such a way that they are presented separately so it can be seen whether the items must be reclassified to the profit and loss account (recycling) or not. The related items of income tax must be assigned accordingly. Changes must be applied retrospectively for financial years which begin on or after 1 July 2012.

Changes to IAS 19: Employee benefits

The changes to IAS 19 lead to the elimination of the corridor approach. Thus, in future, all changes in performance-related liability and the plan assets will be recorded immediately. In the process, all actuarial profits and losses are immediately recorded in the other results. Changes must be applied retrospectively for financial years that begin on or after 1 January 2013 and have no material effects on the consolidated financial statement.

IFRS 10 – Consolidated financial statements

In IFRS 10, control is stated as the sole basis for consolidation, regardless of the nature and background of the associate companies. From this, it follows that the risk and opportunities approach familiar from SIC-12 is superseded. This standard must be applied retrospectively to financial years that begin on or after 1 January 2014. The Group is currently evaluating the effects of applying this to the consolidated financial statement.

IFRS 11 – Joint arrangements

The core principle of IFRS 11 is the rule that a party involved in a joint arrangement must determine the nature of the joint arrangement they are involved in by evaluating their rights and obligations and must recognise these rights and obligations in accordance with the nature of the joint arrangement in the accounts. The proportional consolidation option will lapse in future. This standard must be applied to financial years that begin on or after 1 January 2014. The Group is currently evaluating the effects of applying this to the consolidated financial statement.

IFRS 12 – Disclosure of interests in other entities
IFRS 12 combines the disclosure requirements for interests in subsidiary companies, joint arrangements, associated companies and non-consolidated structured entities in one comprehensive standard. Many of these disclosures were transferred from IAS 27, IAS 31 or IAS 28, whereas other disclosure requirements were newly incorporated. This standard must be applied to financial years that begin on or after 1 January 2014. The Group is currently evaluating the effects of applying this to the consolidated financial statement.

IFRS 13 – Fair value measurement
The standard was published in May 2011 and introduces a comprehensive framework for determining fair value as well as financial and non-financial items. However, in the process, IFRS 13 sets no standards for whether and when fair value measurement is to be used. Instead, it sets standards as to how fair value is to be determined if another standard expects fair value measurement to be used. This standard must be applied to financial years that begin on or after 1 January 2013. It may have significant effects that cannot currently be finally assessed.

Change to IAS 27: Separate financial statements
As a result of the publication of IFRS 10, IAS 27 now only contains rules on separate financial statements. Changes must be applied for financial years which begin on or after 1 January 2014.

Changes to IAS 28: Investments in associated companies and joint ventures
As a result of the publication of IFRS 10 and IFRS 11, IAS 28 was adapted accordingly. Changes must be applied for financial years which begin on or after 1 January 2014.

Implementation of the underlying assets: changes to IAS 12 Income Taxes
It has been established that there is a disputable presumption underlying the valuation of deferred tax items which relate to real estate or tangible assets held as financial investments which are valued as per the fair value model or as per the revaluation method, namely that the book value of these assets is realised through sale. The change is to be applied for financial years that begin on or after 11 December 2012 and will be relevant for the Group. However, any effects have yet to be evaluated.

Change to IFRS 1: First-time adoption of International Financial Reporting Standards
The changes result in deletion of references to the firm implementation time for first-time adopters. Guidelines have also been supplemented with regard to the first-time adoption of IFRS where there is pronounced high inflation. Changes must be applied for financial years which begin on or after 11 December 2012.

Change to IAS 32 - Financial instruments: Presentation and IFRS 7 Financial instruments: Disclosures on the topic of offsetting regulations
The changes should remove the inconsistencies in the interpretation of existing regulations on the offsetting of financial assets and liabilities. Additionally, in future companies must state gross and net amounts offset and amounts of existing offsetting rights which do not satisfy the balance sheet offsetting criteria. The amendments must be applied retrospectively for financial years that begin on or after 1 January 2014. However, it is already obligatory to apply the additional disclosures retrospectively for financial years or interim periods from 1 January 2013. The future effects of the change to this standard are currently being investigated.

IFRIC 20 – Stripping costs in the production phase of an opencast mine
The interpretation must be applied to all types of natural resources which are obtained from an opencast mine. This interpretation must be applied to financial years which begin on or after 1 January 2013 and is not relevant to the consolidated financial statement.

No use has been made of option to apply it prematurely.

It is not yet obligatory to apply subsequent standards, as well as interpretations and changes to existing standards which were also issued by IASB, to the consolidated financial statement as at 31 December 2012. Their use requires them to have been accepted as part of the IFRS acceptance procedure by the EU (endorsement).

Change / Standard	Date of publication	Anticipated date of adoption into EU law	Date of application (EU)
IFRS 9 Financial Instruments and Subsequent Amendments (Amendments to IFRS 9 and IFRS 7)	02.11.2009 and 16.12.2011	postponed	01.01.2015
Government Loans (Amendments to IFRS 1)	13.03.2012	Q1/2013	01.01.2013
Improvements to IFRSs 2009-2011	17.05.2012	Q1/2013	01.01.2013
Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)	28.06.2012	Q1/2013	01.01.2013
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	31.10.2012	Q3/2013	01.01.2014

The individual effects of the changes are being checked by the Group.

1.3. Consolidation methods

A newly acquired holding is first included in the consolidated financial statement using the acquisition method by assigning the acquisition costs to the newly valued assets (mainly real estate) and liabilities belonging to the holding. Any remaining active balance between the acquisition costs and the newly valued net assets is recognised as goodwill as per IFRS 3.

In the consolidated financial statement, all companies over which a dominant influence on the financial and business policy can be exercised directly or indirectly (subsidiary companies) are fully consolidated. All transactions between Group companies that fall within the scope of full consolidation, and income and expenditure, receivables and liabilities, as well as unrealised interim profits associated therewith, are eliminated.

Companies over which a significant influence on the financial and business policy can be exercised – generally due to an ownership share of between 20% and 50% – (associated companies), are recognised using the equity method.

1.4. Scope of consolidation

In addition to BIG, the asset values of the following companies are included in the consolidated financial statement:

12/31/2012 Company	Headquarters	Currency	Holding %	Consolidation type[1)]	Nominal capital
Bundesimmobiliengesellschaft m.b.H.	Vienna	EUR	100	FC	226,000,000.0
ARE Austrian Real Estate GmbH (formerly Karree St. Marx GmbH)	Vienna	EUR	100	FC	35,000.0
ARE Austrian Real Estate Development GmbH (previously BIG Entwicklungs- und Verwertungs GmbH)	Vienna	EUR	100	FC	364,000.0
"Muthgasse 18" Liegenschaftsverwertung GmbH	Vienna	EUR	100	FC	36,336.4
Inffeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH	Vienna	EUR	100	FC	35,000.0
BIG Beteiligungs GmbH	Vienna	EUR	100	FC	35,000.0
BIG Asperner Flugfeld Süd Holding GmbH	Vienna	EUR	100	FC	35,000.0
ICT Technologiepark Errichtungs- und Verwertungs GmbH	Vienna	EUR	100	FC	35,000.0
Grutschgasse 1-3 GmbH	Vienna	EUR	100	FC	35,000.0
Argentinierstraße 11 GmbH	Vienna	EUR	100	FC	35,000.0
Beatrixgasse 11-17 GmbH	Vienna	EUR	100	FC	35,000.0
Rosenberggürtel Graz GmbH	Vienna	EUR	100	FC	35,000.0
NOE Central St. Pölten Verwertungs GmbH	St. Pölten	EUR	67.58	FC	35,000.0
Hauptplatz 18 Entwicklungs- und Verwertungs GmbH	Vienna	EUR	100	NC	35,000.0
Schiffmühlenstraße 120 GmbH	Vienna	EUR	25	EC	35,000.0
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	Vienna	EUR	55	EC	35,000.0
Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH	Vienna	EUR	51	EC	35,000.0
Anzengrubergasse Errichtungs- und Verwertungs GmbH	Vienna	EUR	45	EC	35,000.0
SIVBEG Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.	Vienna	EUR	45	EC	35,000.0
"Wohngarten Sensengasse" Bauträger GmbH	Vienna	EUR	45	EC	35,000.0
Schnirchgasse 9-9A GmbH	Vienna	EUR	45	EC	35,000.0
Wien 3420 Aspern Development AG	Vienna	EUR	26.6	EC	70,000.0
Hillerstraße - Jungstraße GmbH	Vienna	EUR	25	EC	35,000.0
Eslarngasse 16 GmbH	Vienna	EUR	25	EC	35,000.0
Fürstenallee 21 GmbH	Vienna	EUR	25	EC	35,000.0
Residenz am Hamerlingpark GmbH	Vienna	EUR	25	EC	35,000.0

[1)] FC = Fully consolidated, EC = Equity consolidation, NC = Not consolidated due to insignificance

The Republic of Austria owns 100% of BIG.

The companies BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH and Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH have not been fully consolidated because the respective syndicate contracts do not provide for control within the meaning of IAS 27.13.

The reporting date for all companies included in the consolidation is 31 December.

The 45% holding in Zahnradbahnstraße Bauträger GmbH was sold in 2012. The companies Argentinierstraße 11 GmbH, Beatrixgasse 11-17 GmbH and Rosenberggürtel Graz GmbH were newly established during the reporting year as 100% subsidiaries of ARE Austrian Real Estate Development GmbH (ARE Development) with share capital of EUR 35,000 and were included in the full consolidation. The 100% holding of ARE Development in Karree St. Marx GmbH was retrospectively included in BIG from 1 January 2012 via the transfer agreement of 9 May 2012 and rebranded ARE Austrian Real Estate GmbH (ARE). With a retroactive effect to 1 January 2012, in accordance with the demerger agreement and takeover agreement of 10 September 2012, the assets and liabilities of BIG's marketable properties were transferred from BIG as the transferring company to its wholly-owned subsidiary ARE Austrian Real Estate GmbH as the acquiring company.

There were the following changes to the scope of consolidation in the 2012 financial year:

	Full consolidation	Equity consolidation
Position as of 1 January 2012	10	13
Disposed of in reporting year	0	-1
Established in reporting year	3	0
Position as of 31 December 2012	**13**	**12**

There were the following changes to the scope of consolidation in the 2011 financial year:

	Full consolidation	Equity consolidation
Position as of 1 January 2011	11	13
Partially disposed of in reporting year *)	-1	1
Disposed of in reporting year	0	-1
Established in reporting year	1	0
Merged in reporting year	-1	0
Position as of 31 December 2011	**10**	**13**

*) Change from full consolidation to the equity method of consolidation

The financial situation of the companies included using the equity method is as follows:

	31 December 2012	31 December 2011
	TEUR	TEUR
Assets	497,446.8	308,203.0
Liabilities	147,056.8	101,513.8
Revenues	20,936.2	26,909.3
Annual result	3,411.3	4,039.3

1.5. Currency translation

Commercial transactions in foreign currency

The individual Group companies record business activities in foreign currency using the average exchange rate on the day of the respective transaction. The monetary assets and liabilities which are in foreign currency at the reporting date are converted into the Euro, the currency used by the Group, using the exchange rate valid on this date. The resulting foreign currency profits and losses are recorded in the profit and loss account for the financial year.

No companies are included in the consolidated financial statement which use a functional currency other than that used by BIG as the Group's parent company.

1.6. Accounting and valuation methods

The consolidated income statement is shown as part of this consolidated financial statement using the nature of expense method.

Investment property and tangible assets

Investment property includes sites and buildings that are mainly used by third parties. Properties that are at least partly used by the Group are shown as tangible assets unless the proportion of the Group's use is negligible.

Projects in development concern new buildings and all buildings where a general refurbishment had been started as of 1 January 2006 and had not been completed by the reporting date. General refurbishments which had been started after 1 January 2006 are shown under rented-out investment properties. As from the reporting date 1 September 2009, borrowing costs for the development of properties are capitalised at the acquisition and production costs.

Both rented-out investment properties and investment properties in development are recognised, in accordance with the cost model defined as an option in IAS 40, at their acquisition or production costs, less budgeted and non-budgeted depreciation. Costs of general refitting are capitalised and written down over the remaining useful life or, if they exceed the remaining book value before the general refitting, depreciated together with the remaining book value over a newly fixed useful life of 25 – 50 years. The value of the other tangible assets is stated using the same method. Investment subsidies are construction cost subsidies granted by the lessees. The non-repayable investment subsidies are recognised on the liabilities side and appropriately deducted from income in accordance with the depreciation procedure or the procedure for waiver of termination of the respective rental contract for the corresponding assets.

Subsequent purchase costs are recorded under investment properties. The main reason is that the final accounts of the investment property to be capitalised are delayed until after handover of the respective investment property.
Because not 100% of all investment properties are rented out in accordance with IAS 40, there are investment properties which are managed as "vacant properties". However, the cost of these vacant properties is of negligible importance.

The budgeted depreciation of building values and tangible assets is done using the straight line method over the expected useful life. Individual elements of building values and tangible assets are not depreciated separately because these do not form a significant proportion of the total acquisition costs.
Expected useful life has been estimated as follows:

Useful life in years	from	to
Real estate assets	25	50
Operating and business equipment	5	10
Other tangible assets	10	33

Intangible assets

The intangible assets have a limited useful life and have been recognised in the balance sheet at acquisition costs less budgeted and non-budgeted depreciation using the straight line method (included in the other operating costs). When calculating the rate of depreciation, useful life has been determined as follows:

Useful life in years	from	to
Software	3	5
Usufruct rights	20	20

Interests in associated companies

Associated companies included at equity are initially recognised at their acquisition costs and in the following periods at their updated share of net assets plus any goodwill. In the process, the book values are annually increased or decreased by prorated results, dividends distributed and other changes to equity. There is a decrease in value if the valuation of the participating interest, as determined on the reporting date, is less than the book value.

Leases

BIG Group acts as lessor for the properties it holds. Leases are classified at the time the leasing agreement is concluded on the basis of the commercial remuneration as to whether all opportunities and risks associated with the ownership have been essentially assigned. If the significant opportunities and risks associated with the ownership remain with the lessor, this is classed as operating leasing and the leased properties are depreciated over their useful life. Conversely, if the significant opportunities and risks have been assigned to the lessee, this is classed as finance leasing and an amount receivable equivalent to the value of the net investment from the leasing contract is shown.
In the case of operating leasing contracts where BIG is the lessee, the leasing payments over the duration of the lease are recorded as costs in the profit and loss account.

Financial assets and liabilities

If it does not concern associated companies within the meaning of IAS 28 "Investments in associates", the financial assets are recognised in accordance with IAS 39 and, depending on how they are classified, allocated either to (amortised) costs or to fair values.

Securities belong to the "Available for Sale" category. They are valued at fair value at the time of their initial acquisition. If the fair values can be determined reliably, these are applied. In cases where there are no active markets and fair values cannot be determined at reasonable expense, the acquisition costs are shown. As of 31 December 2012, all securities in the "Available for Sale" category have been estimated at fair value. Changes in values of financial assets in the "Available for Sale" category take into account deferred taxes and are shown in equity without affecting the income statement.
The amounts recorded in the result for the period which do not affect the income statement are only applied at the time of derecognition or in the event of a significant and long-term reduction in value of the relevant financial asset.

Trade receivables, loans, and other receivables and assets are classified as "Loans and Receivables" and are recognised at the amortised costs using the effective interest rate method. If there are doubts about recoverability, the receivables are estimated at the lower realisable amount. Other Financial Assets also includes, among other things, the positive market values of derivative financial instruments which are classified as "Held for Trading" or are part of hedge relationships. To date, BIG has not made use of the "Held to Maturity" category.

The fixed interest bonds issued by BIG, whose fair value risk has been hedged with an interest rate swap (or interest rate and currency swap) are valued in the income statement at fair value in the "At Fair Value through Profit and Loss" category (fair value option). The variable interest bonds issued by BIG where the interest rate risk has been hedged with an interest rate swap, are recognised as a cash flow hedge relationship. Changes in value of the derivative are recorded in other overall results. The stated bonds have been issued by BIG and are therefore financial liabilities. These bonds are taxed on the basis of a documented financing strategy and their change in value is determined internally on the basis of fair value. Bonds are classified in the "At Fair Value through Profit and Loss" category, only if they fulfil these conditions and if their classification as such conveys more relevant information.

The other bonds, liabilities to financial institutions, trade payables, and other liabilities are recognised in the "Financial Liabilities at Amortised Cost" category at amortised cost using the effective interest method. Other assets and other liabilities also include, among other things, the positive/negative market values of derivative financial instruments which are classified as "Held for Trading" or are part of hedge relationships.

The fair values of the financial assets and liabilities generally conform to the market prices at the reporting date. Any deviations are shown in Note 2.2.9. If active market prices are not immediately available, they are – unless only of negligible importance – calculated using recognised actuarial valuation methods and current market parameters (particularly interest rates, exchange rates and credit ratings of the contractual partners). The cash flows of the financial instruments are discounted back to the reporting date.

The estimated values of all financial assets and liabilities is always calculated on the settlement date. The financial assets and liabilities are derecognised when the rights to payments from the investment terminate or are assigned and BIG has principally assigned all the opportunities and risks associated with ownership.

Other financal assets

Other financial assets include lending and securities available for sale, as well as long-term receivables from financial leasing and other long-term receivables.

A subsequent discontinuation of value reduction leads to an increase in value in the income statement up to the level of the amortised original acquisition or manufacturing costs.

There are no equity instruments which are available for sale.

Receivables from financial leasing relationships are strictly capitalised at the cash value of the future leasing instalments.

Reduction in value of assets as per IAS 36

If there is evidence of a reduction in value, BIG determines the achievable amount for the individual asset. The provisions affecting goodwill cannot be applied unless goodwill has been accounted for.

The achievable amount is the higher of value in use and fair value less sale costs (net fair value). If this value is less than the book value recorded for this asset, this value is reduced.

Value in use is the cash value of the estimated future cash flows which can probably be achieved from the continued use of an asset and its derecognition at the end of its useful life.

The fair value is the amount which could be achieved through the sale of the asset in a transaction at market conditions between expert, willing and independent parties.

The calculated reduction in value is recorded in the income statement. The impairment expenses are recorded as individual items in the comprehensive income statement (see Point 2.1.7.).

A subsequent discontinuation of value reduction leads to an increase in value in the income statement to a maximum of the level of the amortised original acquisition or manufacturing costs and is recorded as an individual item in the comprehensive income statement (see Point 2.1.7.).

Revenue recognition

Rental income is principally recognised pro rata temporis over the duration of the rental contract. One-off payments or rent-free periods are distributed over the whole duration. This results from the difference in duration between the term of the additional rental contract and the term of the waiver of termination.

Service revenues are recognised after completion of the service performed.

Receivables and other assets

Other assets are valued at the lower value of acquisition costs and fair value less sale costs.

Rental contracts where the significant risks and opportunities associated with ownership are transferred to the lessee are recognised as receivables at the net investment value resulting from the lease relationship. The net investment in a lease relationship is the gross investment discounted using the interest rate underlying the lease relationship. The gross investment is the sum of the minimum lease payments to be received by the lessor as part of a financial lease and a non-guaranteed residual value accruing to the benefit of the lessor.

Inventories

Inventory properties are properties which are held for sale as part of normal operating activities or are at the construction stage with intended future disposal. There are few inventory properties in BIG, they are therefore recorded under the "Inventories" item. They are valued at the lower value of acquisition or manufacturing costs and net selling price.

Inventories are principally services relating to tenant investments rendered but not yet chargeable. Tenant investments are services which are commissioned from BIG by third parties (tenants) and which are charged to tenants upon completion. They are valued at the lower value of acquisition or manufacturing costs and net selling price.

Cash and cash equivalents

Cash and cash equivalents comprise 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 BIG to award a one-time severance payment (statutory severance payment) to members of staff employed before 1 January 2003 in the event of dismissal or upon retirement. This 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. A provision is created for this obligation. The actuarial reserve 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 3.75% (previous year: 4.75%), expected future pay increases of 3.5% (previous year: 3.75%)and a retirement age of 62.0 years for women and men. The fluctuation rate is graded by age between 0.0 and 5.0% (previous year: 0.0 to 5.0%)

In addition, BIG has provided 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 3.75% (previous year: 4.75%) 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.

BIG is obligated by law to pay 1.53% of the monthly pay into a staff pension plan for all members of staff employed after 31 December 2002. Thus, a contribution-oriented plan has been established. Payments in 2012 amounted to TEUR 284.0 (previous year: TEUR 258.6) and were recognized immediately as expenses. In addition, contributions are paid into a pension plan. There is no further liability towards the beneficiaries with respect to benefit entitlements. Based on the agreement of 1 January 2007 between BIG and a pension plan association, the former is committed to awarding contribution-based pensions to some employees who have been with the company for more than one year. Payments from this contribution-based plan in 2012 amounted to TEUR 227.1 (previous year: TEUR 211.3)

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

Civil servants and persons working for BIG under a limited contract are also entitled to service anniversary bonuses. 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 created over the course of their time in service using the valuation methods applicable to provisions for severance payments. Actuarial gains and losses are recognised as they occur.

The effect of interest rate changes is negligible.

Provisions

Provisions are shown where BIG 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 that can be determined by means of the best possible estimate at the time the financial statements are prepared. Where reasonable estimation of the amount is not possible, no provision is created. In these rare cases, the obligation is shown as a contingent liability. If 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.

Taxes

Income tax expenditure shown for the annual period includes income taxes calculated for each company based on their taxable income and corporation tax calculated using the applicable tax rate (“actual tax”) and the change in accruals and deferrals affecting income (“deferred taxes”).

Temporary differences in accordance with IAS 12 between the tax balance sheet and the consolidated balance sheet are taken into account when calculating deferred taxes. Deferred taxes on 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 losses brought forward as there are no losses brought forward worth noting.

For accruals and deferrals the tax rates applicable upon resolution of the differences are applied. Tax accruals and deferrals were calculated using the Austrian tax rate of 25%.

BIG represents the Group parent of a tax group. The group members are:

- ARE Austrian Real Estate GmbH (previously Karree St. Marx GmbH)
- ARE Austrian Real Estate Development GmbH (previously BIG Entwicklungs- und Verwertungs GmbH)
- BIG Beteiligungs GmbH
- Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH
- Inffeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH
- BIG Asperner Flugfeld Süd Holding GmbH
- "Muthgasse 18" Liegenschaftsverwertung GmbH
- ICT Technologiepark Errichtungs- und Verwertungs GmbH
- Argentinierstrasse 11 GmbH
- Beatrixgasse 11-17 GmbH
- Rosenberggürtel Graz GmbH

The tax allocation agreement in accordance with the existing group agreement provides that group members are allocated 25% of the taxable income from the group parent for negative income and, for positive income, 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 as a result of 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, interbank conditions are used including, where necessary, the credit margins or market prices valid for BIG; 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 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) to hedge future cash flow hedges. Results from derivative financial instruments for which a cash flow hedge relationship was formed are recorded, until such time as the hedged item is realised, as equity not affecting operating profit in the cash flow hedge reserve. Changes in the results due to the ineffectiveness of these derivative financial instruments are recorded in the profit and loss statement.

Provisions regarding 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. The criteria for designation are essentially the same in the case of nominal values, dates of payment, amounts of payment and currencies and are continuously fulfilled.

For hedge relationships where hedge accounting has not been previously used, it was decided to introduce hedge accounting on 1 January 2012 also for these hedge relationships due to the fluctuations in the market observed during the past year and the fluctuations arising from this which have arisen particularly due to the EUR interest rate risk hedging components and also due to the increase in the basic risk incurred due to the difference between CHF and EUR interest rates. The formal documentation and the required effectiveness are available. The hedge relationships are shown as cash flow hedge and the effective element of the hedging is recorded in the cash flow hedge reserve.

Because hedge accounting is only started during the term of the bond and, therefore, specifically also during the term of the hedging derivative, there is a market value for the derivative at the (delayed) start of the hedge relationship that is not zero, which is distributed across the term of the derivative.

It is true that this cannot (solely) be attributed to the conditions of the swap which deviate slightly from the market even at the beginning upon settlement of the issue costs, but to the fact that the market interest rates have changed since the start of the hedging. Nevertheless, in the case of the market value of the swap at the start of the hedge relationship it once again concerns the cash value of an off-market series of payments from which the "true" interest payments of the swap deviate from theoretically correct (market-compliant) interest payments. This off-market series of payments is separately valued at each reporting date and the changes in value are further recorded in the P&L so that only the effective element of the hedge relationship ends up in the cash flow hedge reserve. Fundamentally, the market value of this off-market series of payments should reduce over the course of time.

Cash flow statement

The cash flow statement has been prepared in accordance with IAS 7. Cash and cash equivalents comprise 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.

Financial result

The results from financial investments (see 2.1.9 and 2.1.10) 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 impairment 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 particularly related to financing 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 there is a risk that substantial adaptations of carrying amounts for assets and liabilities may become likely in the next business year, 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 real estate 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 tax assets**

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

- **Hedge accounting**

For hedge accounting see previous page.

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 statement of comprehensive income

2.1.1. Revenue

	2012 TEUR	2011 TEUR
Income from letting	730,605.6	679,823.0
Income from operating and heating costs	67,411.8	68,078.6
Income from tenant investments	39,326.9	43,836.6
Income from property management	22,989.7	21,979.5
Income from facility services	6,304.9	6,065.8
Income from construction management	999.9	1,719.4
Income from utilisation	1,597.9	707.6
Income from venue management	46.8	21.6
Other income	3,134.3	3,661.6
Total income	**872,417.8**	**825,893.6**

2.1.2. Inventory changes

	2012 TEUR	2011 TEUR
Inventory changes	4,846.0	-4,872.4
Total inventory changes	**4,846.0**	**-4,872.4**

2.1.3. Other own costs capitalised

	2012 TEUR	2011 TEUR
Own work capitalised	7,080.8	6,595.8
Total own work capitalised	**7,080.8**	**6,595.8**

2.1.4. Other operating income

	2012 TEUR	2011 TEUR
Income from disposal of assets	2,276.9	6,522.8
Release of other provisions	2,322.1	7,518.7
Income from investment grants	9,477.1	8,755.5
Income from reversal of value adjustments	1,042.9	3,653.6
Other income	4,740.4	3,274.2
Other operating income	**19,859.4**	**29,724.8**

2.1.5. Material costs

	2012 TEUR	2011 TEUR
Maintenance	-172,826.3	-193,978.8
Tenant investments	-41,210.5	-36,350.0
Operating and heating costs	-72,938.2	-73,715.3
Other purchased services	-26,045.8	-25,664.1
Income from discounts	674.5	670.8
Material costs and purchased services	**-312,346.3**	**-329,037.5**

2.1.6. Personnel costs

	2012 TEUR	2011 TEUR
Wages	-530.9	-550.8
Salaries	-25,623.4	-24,078.4
Costs for severance and pensions	-1,241.4	-525.5
Ancillary wage costs	-7,026.2	-6,625.4
Other social costs	-539.8	-580.9
Personnel costs	**-34,961.8**	**-32,361.0**

The composition of staff at BIG is as follows:

Employees (annual average)

	2012	2011
Employees	438	423
Former federal public servants with limited contract	99	105
Recorded as personnel costs	**537**	**528**
Federal/provincial civil servants	287	299
Provincial public servants with limited contract	3	4
Recorded as purchased services	**290**	**303**
Total	**827**	**831**

2.1.7. Depreciation, impairments, write-ups

	2012 TEUR	2011 TEUR
Depreciation	-202,317.8	-189,667.2
Impairment	-3,562.7	-19,819.0
Write-up	21,709.5	11,437.7
Change in value	**-184,171.1**	**-198,048.5**

Impairments became necessary as the recoverable amounts calculated by valuation in 2012 were below the book values.

The three impairments highest in value in the period of reporting were:

• Kaserne Güssing, 7540 Güssing, Austria	TEUR	918.0
• Geomagnetisches Institut, 2763 Muggendorf, Austria	TEUR	771.0
• BEV Praterstrasse, 3100 St. Pölten, Austria	TEUR	613.0

The three impairments highest in value in the previous year were:

• HBLVA Spengergasse, 1050 Vienna, Austria	TEUR	6,974.0
• University of Vienna, 1090 Vienna, Austria	TEUR	3,472.0
• BG/BRG Schwechat, 2320 Schwechat, Austria	TEUR	2,389.0

2.1.8. Other operating costs

	2012 TEUR	2011 TEUR
Other costs	-12,286.3	-30,371.3
Consulting/fees	-5,230.0	-3,340.5
IT	-2,437.0	-2,757.3
Office management	-2,071.9	-2,801.1
Advertising	-1,250.2	-1,495.1
Communications	-406.8	-478.8
Training	-597.3	-782.1
Travel costs	-553.9	-598.7
Taxes other than those on income and revenue	-59,718.5	-138.3
Loss from disposal of assets	-2,991.4	-2,114.8
Passenger vehicles	-239.4	-212.9
Selling costs	-444.5	-231.2
Other operating costs	**-88,227.2**	**-45,322.2**

The increase in other operating costs compared to the previous year of TEUR 59,580.2 is mainly accounted for by fees and taxes for the demerger of the marketable real estate assets of BIG into ARE and from individual allowances amounting to TEUR 12,647.7 resulting from the revaluation of economic rent receivables from BMUKK which were included in Other Costs in the previous year.

2.1.9. Financing income

	2012 TEUR	2011 TEUR
Interest income	4,470.5	2,250.9
Income from fund shares	25.5	26.4
Currency translation gains on and subsequent valuation of bonds	18,873.0	6,105.1
Change in fair value of derivatives	0.0	72,132.0
Other financial income	897.6	115.0
	24,266.6	**80,629.4**

2.1.10. Financing expenses

	2012 TEUR	2011 TEUR
Interest charges	-133,457.5	-130,920.8
Currency translation losses on and subsequent valuation of bond:	-1,024.5	-62,418.3
Changes in fair value of derivatives	-25,039.4	-10,291.2
Other financial costs	-5,117.1	-1,790.5
	-164,638.6	**-205,420.8**

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

2.1.11. Net result of financial instruments as per valuation categories in accordance with IAS 39

The net result of financial instruments by classes and/or valuation categories in accordance with IAS 39 for the business year 2012 and 2011 is as follows:

2012 in TEUR

	Interest	Impairment	Other changes in value	Total
Loans and receivables	4,471	0	898	5,368
Financial assets available for sale (Fund shares)	26	0	0	26
Financial assets at fair value through profit and loss (derivatives held for trading)	0	0	-25,039	-25,039
Financial liabilities at fair value through profit and loss (derivatives held for trading)	0	0	0	0
Financial liabilities at fair value through profit and loss (fair value option for bonds)	3,559	0	15,314	18,873
Financial liabilities at amortised cost	-133,458	0	-6,142	-139,599
Total	**-125,403**	**0**	**-14,969**	**-140,372**

2011 in TEUR

	Interest	Reduction in value	Other changes in value	Total
Loans and receivables	2,251	0	0	2,251
Financial assets available for sale (Fund shares)	26	0	115	141
Financial assets at fair value through profit and loss (derivatives held for trading)	0	0	72,132	72,132
Financial liabilities at fair value through profit and loss (derivatives held for trading)	0	0	-10,291	-10,291
Financial liabilities at fair value through profit and loss (fair value option for bonds)	-9,334	0	-6,707	-16,041
Financial liabilities at amortised cost	-121,587	0	-51,396	-172,983
Total	**-128,643**	**0**	**3,852**	**-124,791**

Income and expenses from currency conversion as well as fair values are included in the other changes in value column.

2.2. Consolidated balance sheet

2.2.1. Investment property and tangible assets

On 31 December 2012 no tangible assets were pledged as security on liabilities. In accordance with IAS 40.75 (g), reference must be made to instructions issued by the Austrian Federal Ministry for Economic Affairs (BMWFJ) to the effect that real estate subject to a restitution application may not be realised without a relevant decision from the arbitration authority for in rem restitution. BIG also owns concordat churches which by law it is not entitled to realise. There are also no obligations for maintenance within the meaning of IAS 40.75 (h) beyond those specified by tenancy law (in particular section 3 of the Austrian Tenancy Act (MRG)).

Acquisition costs
in TEUR

	Investment property		Tangible assets		
	let	in development	for own use	Operating and business equipment	Total
Position as of 01.01.2011	5,433,307	525,409	50,707	13,536	6,022,958
Additions	161,126	231,039	267	880	393,313
Disposals	-25,855	-6,649	0	-593	-33,097
Other transfers	269,551	-271,027	1,476	0	0
Transfers according to IAS 40 AHK GJ-Beg	11,891	-11,891	0	0	0
Position as of 31.12.2011	**5,850,019**	**466,881**	**52,450**	**13,823**	**6,383,174**
Position as of 01.01.2012	5,850,019	466,881	52,450	13,823	6,383,174
Additions	175,576	157,911	0	537	334,023
Disposals	-23,721	-192	0	-1,243	-25,156
Other transfers	313,029	-313,029	0	0	0
Transfers according to IAS 40 AHK GJ-Beg	27,986	-27,986	0	0	0
Position as of 31.12.2012	**6,342,890**	**283,584**	**52,450**	**13,116**	**6,692,041**

Cumulative write-downs
in TEUR

	Investment property		Tangible assets		
	let	in development	for own use	Operatingand business equipment	Total
Position as of 1 January 2011	-1,495,003	-48,089	-9,375	-10,427	-1,562,893
Disposals	19,073	2,082	0	591	21,746
Depreciation	-184,227	-1,555	-1,529	-1,320	-188,631
Impairment	-3,022	-16,797	0	0	-19,819
Write-up	935	10,503	0	0	11,438
Other reclassifications	-1,823	1,447	376	0	0
Reclassifications according to IAS 40 AFA GJ-Beg	-3,716	3,716	0	0	0
Position as of 31 December 2011	**-1,667,783**	**-48,694**	**-10,529**	**-11,155**	**-1,738,160**
Position as of 01.01.2012	-1,667,783	-48,694	-10,529	-11,155	-1,738,160
Disposals	7,590	0	0	1,218	8,808
Depreciation	-198,357	-437	-1,529	-951	-201,274
Impairment	-2,375	-1,187	0	0	-3,563
Write-up	2,938	18,772	0	0	21,709
Other reclassifications	-2,617	2,617	0	0	0
Reclassifications according to IAS 40 AFA GJ-Beg	-11,367	11,367	0	0	0
Position as of 31.12.2012	**-1,871,972**	**-17,561**	**-12,058**	**-10,888**	**-1,912,479**
Book value as of 01.01.2011	3,938,304	477,320	41,332	3,109	4,460,065
Book value as of 31.12.2011	4,182,237	418,188	41,922	2,668	4,645,014
Book value as of 31.12.2012	4,470,919	266,023	40,392	2,228	4,779,562

Capitalized borrowing costs amount to TEUR 4,679.2 for projects begun in 2009 or later (previous year: TEUR 2,152.5). The financing cost rate applied is 3.82% (previous year: 3.81%).
The fair value of investment property (rented out or under construction) developed as follows:

in TEUR	Investment property		
	Let	In development	Total
Position as of 31.12.2011	7,449,230	1,960,650	9,409,880
Position as of 31.12.2012	8,357,881	1,009,133	9,367,015

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 for the most part carried out using the net value method. Real estate under development was measured at fair value for the first time in 2010.

Extrapolating on the basis of the above clusters creates some uncertainty as to how to determine the fair value of rented out investment property. The range of fluctuations is estimated at between 5% and 10%. 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 on the resale of investment property. These are calculated using the following formula:

N = (W-V-A-NV-I)*0.8
N = Remedy of defects
W = Resale value
V = Realisation costs
A = Purchase value
NV = Net liability assumed at time of purchase
I = Book value of BIG investments plus capitalised usufruct rights for each property

Because of this obligation to remedy defects 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
Position as of 01.01.2012	13,788	5,290	19,078
Additions through company acquisition	0	0	0
Other additions	209	762	971
Disposals	0	0	0
Position as of 31.12.2011	**13,998**	**6,052**	**20,049**
Position as of 01.01.2012	13,998	6,052	20,049
Additions through company acquisition	0	0	0
Other additions	206	525	731
Disposals	0	0	0
Position as of 31.12.2012	**14,204**	**6,577**	**20,780**

Cumulative write-downs in TEUR	Usufruct rights	Software	Total
Position as of 01.01.2011	-9,546	-4,597	-14,143
Scheduled write-downs	-682	-356	-1,038
Reductions in value	0	0	0
Disposals	0	0	0
Position as of 31.12.2011	**-10,228**	**-4,953**	**-15,181**
Position as of 01.01.2012	-10,228	-4,953	-15,181
Scheduled write-downs	-682	-362	-1,044
Reductions in value	0	0	0
Disposals	0	0	0
Position as of 31.12.2012	**-10,910**	**-5,315**	**-16,225**
Book value as of 01.01.2011	4,242	692	4,935
Book value as of 31.12.2011	3,770	1,098	4,869
Book value as of 31.12.2012	3,294	1,262	4,556

2.2.3. Interests in associated companies

	31.12.2012 TEUR	31.12.2011 TEUR
Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH	272,667.0	142,598.5
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	1,544.8	1,517.9
Residenz am Hamerlingpark GmbH	6,255.3	6,424.4
"Wohngarten Sensengasse" Bauträger GmbH	3,323.5	3,407.0
Anzengrubergasse Errichtungs- und Verwertungs GmbH	1,715.4	1,565.7
Zahnradbahnstraße Bauträger GmbH	0.0	2,655.1
Wien 3420 Aspern Development AG	27.5	102.2
SIVBEG Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.	1,132.9	440.9
Hillerstraße - Jungstraße GmbH	0.0	41.9
Eslarngasse 16 GmbH	1,106.6	416.8
Schnirchgasse 9-9A GmbH	5,026.7	4,845.5
Fürstenallee 21 GmbH	599.6	499.1
Schiffmühlenstraße 120 GmbH	1,006.6	1,006.8
	294,406.0	**165,521.6**

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

	31.12.2012 TEUR	31.12.2011 TEUR
Securities available for sale	884.9	829.0
Non-current derivatives	398,578.4	486,008.8
Loans	37,463.3	46,643.8
Receivables from finance leasing	10,650.7	10,845.7
Non-current trade receivables	13,947.7	93,366.7
Non-current other receivables	416.0	276.7
Deferrals	65.1	0.0
	462,006.1	**637,970.6**

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 current 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 are principally services relating to tenant investments rendered but not yet chargeable. Tenant investments are services which are commissioned from BIG by third parties (tenants) and which are charged to tenants by stage of the construction work, instalment plan or upon completion. These are valued at the lower value of acquisition or manufacturing costs and net selling price. There are no depreciations.

2.2.6. Receivables/liabilities for actual income tax

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

2.2.7. Receivables and other assets (short term)

	31.12.2012 TEUR	31.12.2011 TEUR
Receivables from finance leasing	1,720.1	1,694.0
Trade receivables	117,281.6	128,134.9
Other receivables and assets	18,567.8	15,488.6
Current derivatives	8,824.3	0.0
Loans	6,762.4	5,649.7
Deferrals	644.6	350.8
	153,800.9	**151,317.9**

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, 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 show a certain amount of inaccuracy, since there is a lack of tenant payment orders which currently makes it possible to a limited extent only to clear receivables against payments made.

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

Individual value adjustments on trade receivables in the business years 2012 and 2011 respectively developed as follows:

	2012 TEUR	2011 TEUR
As of 1 January	21,594.6	12,639.1
Allocations	7,518.8	18,403.9
Use	-1,911.4	-5,274.4
Releases	-1,087.3	-4,174.0
As of 31 December	**26,114.7**	**21,594.6**

Expenses for complete derecognition of trade receivables in 2012 amount to TEUR 790.0 (2011: TEUR 3,039.6).

Value adjusted financial assets essentially refer to the following:

2012:
- Value adjustment third party tenants TEUR 2,754.9
- Value adjustment federal tenants TEUR 23,359.8

2011:
- Value adjustment third party tenants TEUR 2,182.8
- Value adjustment federal tenants TEUR 19,411.8

2.2.8. Cash and cash equivalents

	31.12.2012 TEUR	31.12.2011 TEUR
Deposits with financial institutions	97,757.5	53,650.3
Cash on hand	5.2	8.2
	97,762.7	**53,658.5**

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

Book values, fair values and recognitions of financial assets (financial instruments on the asset side) as of 31 December 2012 and 31 December 2011 are composed as follows by classes and/or valuation categories in accordance with IAS 39 and IAS 17:

in TEUR	Valuation category according to IAS 39	Book value 31.12.2012	Book value 31.12.2011	Fair value 31.12.2012	Fair value 31.12.2011	Valuation according to IAS 39: Amortised costs	Acquisition costs	Fair Value not affecting net income	Fair Value affecting net income
Cash and cash equivalents (cash, banks)	Not applicable	97,762.7	53,658.5	97,762.7	53,658.5	X	-	-	-
Trade receivables	Loans and Receivables	131,229.3	221,501.6	131,229.3	221,501.6	X	-	-	-
Receivables from finance leasing	Loans and Receivables	12,370.8	12,539.7	12,370.8	12,539.7	X	-	-	-
Other financial receivables inc. loans	Loans and Receivables	63,919.3	68,409.5	63,919.3	68,409.5	X	-	-	-
		207,519.3	**302,450.7**	**207,519.3**	**302,450.7**				
Securities Available for Sale (fund shares)	Available for Sale	884.9	829.0	884.9	829.0	-	-	X	-
Derivatives with positive market value without hedge relationship	At Fair Value through Profit and Loss (Held for Trading)	40,732.3	486,008.8	40,732.3	486,008.8	-	-	-	X
Derivatives with positive market value with hedge relationship	Hedge Accounting	366,670.5	0.0	366,670.5	0.0	-	-	X	-
Total		**713,569.7**	**842,947.0**	**713,569.7**	**842,947.0**				

Most of the cash and cash equivalents, trade receivables and other receivables have short remaining terms. Their book values on the balance sheet date are therefore 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 statement (see page 4).

The fully paid up 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.

In the holding company's annual statement, statutory retained earnings of EUR 161.9 million were created due to a change to the articles of incorporation.

For the 2013 business year, the company has allowed for a distribution of profits of EUR 58.1 million.

Capital management

Long-term strategy at BIG is to generate organic growth, i.e. reinvestment of proceeds from rent and financial investments in buildings. The goal is to ensure continuation of the Group. For the purposes of internal control 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 31 December 2011 amounted to 22.55% and as of 31 December 2012 amounts to 23.12%.

The current equity ratio (without considering investment grants) at 31 December 2011 amounted to 19.73% and at 31 December 2012 amounts to 20.13%

2.2.11. Personnel provisions

Provisions for personnel refer to the cash value of obligations for:

	2012 TEUR	2011 TEUR
Provisions for severance obligations	4,349.3	3,722.2
Provisions for pension obligations	1,013.1	1,717.4
Provisions for anniversary bonus obligations	2,652.7	2,450.1
	8,015.1	**7,889.7**

Holiday entitlement not yet used to the value of TEUR 3,362.4 as of 31 December 2012 (previous year: TEUR 3,183.1) are shown in other short-term provisions.

Provisions for severance payments

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

	2012 TEUR	2011 TEUR
Cash value of provisions for severance as of 1 January	3722.2	3,851.5
Interest paid	171.0	167.6
Service cost	204.8	227.3
Realised actuarial gains and losses	424.6	-240.3
Severance payments	-173.4	-283.8
Cash value of severance payments as of 31 December	**4349.3**	**3,722.2**

The cash value of obligations for severance payments amounted to TEUR 3,581.5 as of 31 December 2010 and TEUR 3,586.0 as of 31 December 2009.

Provisions for pensions

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

	TEUR	TEUR
Cash value of provisions for pensions as of 1 January	1,717.4	1,796.9
Interest paid	78.9	78.4
Realised actuarial gains and losses	-719.7	-46.9
Pension payments	-63.5	-111.0
Cash value of provisions for pensions as of 31 December	**1,013.1**	**1,717.4**

The cash value of obligations for pensions amounted to TEUR 1,796.9 as of 31 December 2010 and TEUR 1.676.0 as of 31 December 2009.

Provisions for anniversary awards

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

	2012 TEUR	2011 TEUR
Cash value of provisions for anniversary bonuses as of 1 January	2,450.1	2,584.6
Interest paid	109.5	105.1
Service cost	88.6	93.5
Realised actuarial gains and losses	90.0	-161.3
Anniversary bonus payments	-85.5	-171.8
Cash value of provisions for anniversary bonuses as of 31 December	**2,652.7**	**2,450.1**

The cash value of obligations for anniversary award payments amounted to TEUR 2,584.6 as of 31 December 2010 and to TEUR 2,555.4 as of 31 December 2009.

Interest paid for all personnel provisions is shown in financial expenses. Service cost and actuarial gains are shown as personnel expenses.

Personnel provisions (short-term)

in TEUR						of which	
	Book value 01.01.2012	Use	Release	Allocation	Book value 31.12. 2012	short-term	long-term
Unused holiday	3.183,1	263,4	0,0	442,7	3.362,4	3.362,4	0,0
Bonuses	2.666,1	1.976,3	689,8	2.769,7	2.769,7	2.769,7	0,0
Credited hours	401.3	104.5	0.0	133.4	430.2	430.2	0.0
Social fund	30.0	26.5	0.0	26.5	30.0	30.0	0.0
Total sum	**6.280,5**	**2.370,7**	**689,8**	**3.372,2**	**6.592,3**	**6.592,3**	**0,0**

in TEUR						of which	
	Book value 01.01.2011	Use	Release	Allocation	Book value 31.12.2011	short-term	long-term
Unused holiday	3,167.1	1,375.5	0.0	1,391.5	3,183.1	3,183.1	0.0
Bonuses	2,701.0	2,115.0	656.4	2,736.6	2,666.1	2,666.1	0.0
Credited hours	373.9	373.9	0.0	401.3	401.3	401.3	0.0
Social fund	30.0	0.0	0.0	0.0	30.0	30.0	0.0
Total sum	**6,272.0**	**3,864.5**	**656.4**	**4,529.4**	**6,280.5**	**6,280.5**	**0.0**

2.2.12. Other provisions

in TEUR						of which	
	Book value 01.01.2012	Use	Release	Allocation	Book value 31.12. 2012	short-term	long-term
Maintenance and construction invoices outstanding	110,004.1	73,948.4	7,479.6	67,901.6	96,477.7	89,263.6	7,214.0
Impending losses	2,090.0	0.0	0.0	3,050.0	5,140.0	0.0	5,140.0
Remedy participatory sale	4,312.6	0.0	0.0	0.0	4,312.6	4,312.6	0.0
Decontamination	4,650.0	0.0	0.0	0.0	4,650.0	0.0	4,650.0
Accounting and audit costs	66.4	66.4	0.0	123.5	123.5	123.5	0.0
Legal and consulting expenses	8,302.4	2,642.0	2,050.8	2,920.7	6,530.2	6,530.2	0.0
Demolition costs	1,756.9	0.0	0.0	0.0	1,756.9	1,756.9	0.0
Other	40,165.2	8,479.6	148.2	5,474.3	37,011.7	37,011.7	0.0
	171,347.6	**85,136.5**	**9,678.7**	**79,470.1**	**156,002.6**	**138,998.6**	**17,004.0**

in TEUR						of which	
	Book value 01.01.2011	Use	Release	Allocation	Book value 31.12.2011	short-term	long-term
Maintenance and construction invoices outstanding	141,159.0	81,147.3	16,926.1	66,918.6	110,004.1	100,731.3	9,272.8
Impending losses	2,440.0	0.0	550.0	200.0	2,090.0	0.0	2,090.0
Remedy participatory sale	4,358.9	796.0	448.7	1,198.5	4,312.6	4,312.6	0.0
Decontamination	5,050.0	0.0	400.0	0.0	4,650.0	4,650.0	0.0
Accounting and audit costs	42.7	40.7	2.0	66.4	66.4	66.4	0.0
Legal and consulting expenses	2,576.2	437.8	614.6	6,778.6	8,302.4	8,302.4	0.0
Demolition costs	1,756.9	0.0	0.0	0.0	1,756.9	1,756.9	0.0
Other	10,939.1	2,916.3	853.2	32,995.6	40,165.2	40,165.2	0.0
	168,322.7	**85,338.1**	**19,794.6**	**108,157.7**	**171,347.6**	**159,984.8**	**11,362.8**

Other provisions consist mostly of rental credits for economic rents to the value of EUR 19.3 million (previous year: EUR 28.7 million), the Kohlmarkt in rem restitution to the value of EUR 7.0 million (previous year: EUR 7.0 million) and provisions for late payment interest to the value of EUR 8.0 million (previous year: EUR 8.0 million).

2.2.13. Financial liabilities

Book values, fair values and recognitions of financial liabilities (financial instruments on the liabilities side) as of 31 December 2012 and 31 December 2011 are composed as follows by classes and/or measurement categories in accordance with IAS 39:

Trade payables 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. In the current business year, there were no changes in fair value due to changes in default risk.

in TEUR	Valuation category as per IAS 39	Book value 12/31/2012	Book value 12/31/2011	Fair value 12/31/2012	Fair value 12/31/2011	Valuation as per IAS 39: Amortised costs	Acquisition costs	Fair value not affecting operating results	Fair value affecting operating results
Bonds (at amortised costs)	Financial liabilities measured at amortised cost	2,783,439	2,706,402	3,142,620	2,872,305	X	-	-	-
Liabilities in respect of credit institutions	Financial liabilities measured at amortised cost	705,776	736,344	726,707	787,157	X	-	-	-
Liabilities in respect of associated companies	Financial liabilities measured at amortised cost	251	176	251	176	X	-	-	-
Trade payables	Financial liabilities measured at amortised cost	159,231	184,301	159,231	184,301	X	-	-	-
Other financial liabilities	Financial liabilities measured at amortised cost	90,855	67,779	90,855	67,779	X	-	-	-
		3,739,551	3,695,002	4,119,664	3,911,718				
Derivatives with negative market value with hedge relationship	Hedge accounting	40,300	22,853	40,300	22,853	-	-	X	-
Bonds (at fair value affecting operating profit)	At fair value through profit and loss (fair value option)	428,327	447,200	428,327	447,200	-	-	-	X
Derivatives with negative market value without hedge relationship	At fair value through profit and loss (held for trading)	0	2,226	0	2,226	-	-	-	X
		428,327	449,426	428,327	449,426				
Total		**4,208,178**	4,167,280	**4,588,291**	4,383,997				

BIG issued the following bonds in 2012:

Type of financing	Interest rate Fixed	Nominal value TEUR	Term
Private placement, Citi Bank	4.050%	150,000	2012 - 2027
Private placement, Citi Bank	4.070%	100,000	2012 - 2032
Private placement, Berenberg Bank	4.070%	50,000	2012 - 2032
Private placement, Goldman Sachs	3.890%	200,000	2012 - 2042

In 2012, BIG repaid a EUR 400 million bond (fixed interest rate 4.625%).

31 December 2012 in TEUR	Term: Up to 1 year	1 to 5 years	Over 5 years	Total
Bonds	758,412.0	776,957.4	1,676,396.0	3,211,765.4
Bank liabilities	19,159.4	147,394.1	539,222.3	705,775.8
	777,571.3	**924,351.5**	**2,215,618.3**	**3,917,541.2**

31 December 2011 in TEUR	Term: Up to 1 year	1 to 5 years	Over 5 years	Total
Bonds	399,694.3	1,307,020.2	1,446,886.7	3,153,601.2
Bank liabilities	169,395.1	134,884.1	432,064.4	736,343.7
	569,089.4	**1,441,904.3**	**1,878,951.2**	**3,889,944.9**

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

2012 Type of financing and currency	Interest variable fixed	Nominal values in original currency in thousands	Fair values in original currency in thousands	< 6 Months	6 - 12 Months	Remaining term 1 - 2 Years	2 - 5 Years	> 5 Years
3.000 % CHF private pl. 2002-2015	fixed	40,000	43,164				40,000	
4.375 % EUR bond 2003-2013	fixed	750,000	772,020		750,000			
3.150 % CHF private pl. 2002-2014	fixed	50,000	52,617			50,000		
1.425 % JPY private pl.2004-2017	fixed	5,000,000	5,172,200				5,000,000	
1.900 % JPY private pl. 2004-2016	fixed	3,000,000	3,140,670				3,000,000	
1.759 % JPY private pl. 2004-2016	fixed	3,000,000	3,136,110				3,000,000	
2.500 % CHF bond 2005-2015	fixed	150,000	157,944				150,000	
2.125 % CHF bond 2005-2018	fixed	120,000	130,207					120,000
1.560 % JPY private pl. 2005-2017	fixed	5,000,000	5,193,150				5,000,000	
1.775 % JPY private pl. 2005-2020	fixed	5,000,000	5,354,900					5,000,000
1.890% JPY bond 2006-2021	fixed	6,000,000	6,488,100					6,000,000
3.125 % CHF bond 2006-2031	fixed	150,000	185,330					150,000
2.065 % JPY private pl. 2007-2022	fixed	7,000,000	7,713,930					7,000,000
3.155 % CHF private pl. 2007-2033	fixed	50,000	61,708					50,000
3.125 % CHF bond 2007-2014	fixed	350,000	366,002			350,000		
3.250 % CHF bond 2007-2019	fixed	375,000	433,575					375,000
1.690% JPY private pl. 2008-2018	fixed	5,000,000	5,265,650					5,000,000
3.250% CHF private pl. 2008-2017	fixed	175,000	198,412				175,000	
Float EUR private pl. 2010-2025	var	50,000	50,050					50,000
4.250% EUR registered bond 2010-2030	fixed	50,000	67,261					50,000
4.330% EUR private pl. 2010-2030	fixed	50,000	62,238					50,000
4.545 % EUR private pl. 2011-2026	fixed	20,000	24,829					20,000
4.350% EUR private pl. 2011-2026	fixed	9,000	10,969					9,000
4.450% EUR private pl. 2011-2031	fixed	21,000	26,728					21,000
4.000% EUR private pl. 2011-2031	fixed	150,000	173,378					150,000
4.110% EUR private pl. 2011-2026	fixed	50,000	59,615					50,000
4.050% EUR private pl. 2012-2027	fixed	150,000	177,804					150,000
4.070% EUR private pl. 2012-2032	fixed	100,000	121,990					100,000
4.070% EUR private pl. 2012-2032	fixed	50,000	61,000					50,000
3.890% EUR private pl. 2012-2042	fixed	200,000	248,722					200,000
EUR - European Investment Bank 2021	fixed	46,154	49,728	2,564	2,564	5,128	15,385	20,513
EUR - European Investment Bank 2022	fixed	75,000	81,271	3,750	3,750	7,500	22,500	37,500
EUR - European Investment Bank 2024	fixed	52,000	57,237		4,333	4,333	13,000	30,334
EUR - European Investment Bank 2016	fixed	50,000	55,373				50,000	
EUR - European Investment Bank 2024	fixed	50,000	60,196					50,000
EUR - European Investment Bank 2025	fixed	50,000	60,748					50,000
EUR - European Investment Bank 2025	fixed	50,000	57,172					50,000
EUR - European Investment Bank 2038	fixed	30,000	39,510			803	2,608	26,589
EUR - European Investment Bank 2038	fixed	70,000	90,256			1,677	5,479	62,844
EUR - RLB NÖ-Wien 2020	var	1,370	1,370	94	94	189	567	425
EUR - RLB NÖ-Wien 2018	var	11,000	11,000	957	957	1,913	5,739	1,435
EUR - RLB NÖ-Wien 2038	fixed	55,000	69,702			3,906	5,855	45,239
EUR - BA/CA 2018	var	60,391	60,391					60,391
EUR - BA/CA 2038	var	57,454	57,454			1,768	5,813	49,873
EUR - Kommunalkredit 2038	fixed	52,167	64,953			1,257	4,104	46,806
EUR - Wr. Städtische 2017	fixed	554	604	51	52	106	345	

2011				Remaining term				
Type of financing and currency	Interest variable / fixed	Nominal values in original currency in thousands	Fair values in original currency in thousands	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
3.000 % CHF private pl. 2002-2015	fixed	40,000	42,856				40,000	
4.625 % EUR bond 2002-2012	fixed	400,000	407,984		400,000			
4.375 % EUR bond 2003-2013	fixed	750,000	778,898			750,000		
3.150 % CHF private pl. 2002-2014	fixed	50,000	53,010				50,000	
1.425 % JPY private pl. 2004-2017	fixed	5,000,000	5,170,850					5,000,000
1.900 % JPY private pl. 2004-2016	fixed	3,000,000	3,163,140				3,000,000	
1.759 % JPY private pl. 2004-2016	fixed	3,000,000	3,148,680				3,000,000	
2.500 % CHF bond 2005-2015	fixed	150,000	157,816				150,000	
2.125 % CHF bond 2005-2018	fixed	120,000	124,517					120,000
1.560 % JPY private pl. 2005-2017	fixed	5,000,000	5,205,150					5,000,000
1.775 % JPY private pl. 2005-2020	fixed	5,000,000	5,296,800					5,000,000
1.890 % JPY bond 2006-2021	fixed	6,000,000	6,403,860					6,000,000
3.125 % CHF bond 2006-2031	fixed	150,000	173,910					150,000
2.065 % JPY private pl. 2007-2022	fixed	7,000,000	7,582,960					7,000,000
3.155 % CHF private pl. 2007-2033	fixed	50,000	57,476					50,000
3.125 % CHF bond 2007-2014	fixed	350,000	370,307				350,000	
3.250 % CHF bond 2007-2019	fixed	375,000	418,148					375,000
1.690 % JPY private pl. 2008-2018	fixed	5,000,000	5,257,200					5,000,000
3.250 % CHF private pl. 2008-2017	fixed	175,000	193,480					175,000
Float EUR private pl. 2010-2025	variable	50,000	45,961					50,000
4.250 % EUR registered bond 2010-2030	fixed	50,000	63,039					50,000
4.330 % EUR private pl. 2010-2030	fixed	50,000	52,117					50,000
4.545 % EUR private pl. 2011-2026	fixed	20,000	21,247					20,000
4.350 % EUR private pl. 2011-2026	fixed	9,000	9,367					9,000
4.450 % EUR private pl. 2011-2031	fixed	21,000	22,272					21,000
4.000 % EUR private pl. 2011-2031	fixed	150,000	147,269					150,000
4.110 % EUR private pl. 2011-2026	fixed	50,000	50,644					50,000
EUR - European Investment Bank 2021	fixed	51,282	53,301	2,564	2,564	5,128	15,385	25,641
EUR - European Investment Bank 2022	fixed	82,500	86,211	3,750	3,750	7,500	22,500	45,000
EUR - European Investment Bank 2024	fixed	56,333	59,634		4,333	4,333	13,000	34,667
EUR - European Investment Bank 2016	fixed	50,000	53,890				50,000	
EUR - European Investment Bank 2024	fixed	50,000	56,400					50,000
EUR - European Investment Bank 2025	fixed	50,000	56,772					50,000
EUR - European Investment Bank 2025	fixed	50,000	53,104					50,000
EUR - European Investment Bank 2038	fixed	30,000	36,957				2,238	27,762
EUR - RLB NÖ-Wien 2020	variable	1,559	1,559	94	94	189	567	614
EUR - RLB NÖ-Wien 2018	variable	12,913	12,913	957	957	1,913	5,739	3,348
EUR - RLB NÖ-Wien 2038	fixed	30,342	35,813				6,139	24,203
EUR - BA/CA 2018	variable	60,391	60,391					60,391
EUR - BA/CA 2038	variable	35,348	35,074		708		5,554	29,086
EUR - Kommunalkredit 2038	fixed	30,261	35,143				3,929	46,071
EUR - Wiener Städtische 2017	fixed	697	697	49	50	102	332	120

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 essentially correspond to book values as a result of variable interest and short terms.

Derivative hedges are concluded primarily to guard against exchange rate 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 at 31 December 2012 and 31 December 2011 are as follows:

31 December 2012 in TEUR			Cash flows 2013			Cash flows 2014 to 2016			Cash flows from 2017		
	Book value 31.12.2012	**Total cash flows 31.12.2012**	Interest	Repayment	**Total**	Interest	Repayment	**Total**	Interest	Repayment	**Total**
Primary financial debts											
Bonds (at ongoing acquisition costs)	2,783,438.7	3,382,470.0	78,947.2	450,000.0	528,947.2	180,615.0	399,929.1	580,544.1	671,428.3	1,601,550.5	2,272,978.7
Bonds (at fair value affecting operating profits)	428,326.7	411,606.3	14,612.3	300,000.0	314,612.3	4,461.9	22,900.0	27,361.9	1,577.9	68,054.2	69,632.1
Liabilities in respect of credit institutions	705,775.8	913,030.8	14,207.6	19,063.6	33,271.1	34,951.2	124,525.7	159,476.8	101,143.5	619,139.3	720,282.8
Liabilities in respect of associated companies	250.5	250.5	0.0	250.5	250.5	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	159,230.8	159,230.8	0.0	159,230.8	159,230.8	0.0	0.0	0.0	0.0	0.0	0.0
Other financial liabilities	90,854.9	90,854.9	21.1	90,340.4	90,361.5	38.0	332.0	370.0	3.6	119.7	123.3
Sub-total	**4,167,877.5**	**4,957,443.3**	107,788.3	1,018,885.3	**1,126,673.6**	220,066.0	547,686.8	**767,752.8**	774,153.2	2,288,863.7	**3,063,016.9**
Derivative financial debts											
Derivatives belonging to liabilities	40,300.1	140,372.6	7,520.2	2,102.0	9,622.3	48,898.7	6,306.1	55,204.8	71,583.5	3,962.0	75,545.5
of which currently with negative market value	*40,300.1*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Derivatives with negative market value without hedge relationship	0.0	0.0			0.0			0.0			0.0
	40,300.1	**140,372.6**	7,520.2	2,102.0	**9,622.3**	48,898.7	6,306.1	**55,204.8**	71,583.5	3,962.0	**75,545.5**
	4,208,177.6	**5,097,815.8**	115,308.5	1,020,987.3	**1,136,295.8**	268,964.8	553,992.9	**822,957.6**	845,736.7	2,292,825.7	**3,138,562.4**

31 December 2011 in TEUR			Cash flows 2012			Cash flows 2013 to 2015			Cash flows from 2016		
	Book value 31.12.2011	**Total cash flows 31.12.2011**	Interest	Repayment	**Total**	Interest	Repayment	**Total**	Interest	Repayment	**Total**
Primary financial debts											
Bonds (at ongoing acquisition costs)	2,706,401.6	3,006,960.8	96,494.3	400,000.0	496,494.3	176,733.0	821,123.0	997,856.0	389,100.0	1,123,510.5	1,512,610.5
Bonds (at fair value affecting operating profits)	447,199.6	430,218.2	15,248.3	0.0	15,248.3	19,494.8	300,000.0	319,494.8	4,521.0	90,954.2	95,475.2
Liabilities in respect of credit institutions	736,343.7	923,277.8	15,313.5	169,395.1	184,708.6	50,787.0	61,220.9	112,007.9	114,978.1	511,583.2	626,561.3
Liabilities in respect of associated companies	176.2	176.2	0.0	176.2	176.2	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	184,301.3	184,301.3	0.0	184,301.3	184,301.3	0.0	0.0	0.0	0.0	0.0	0.0
Other financial liabilities	67,964.0	67,964.0	25.1	67,964.0	67,989.1	50.9	319.1	370.0	11.9	234.8	246.7
Sub-total	**4,142,386.4**	**4,612,898.3**	127,081.2	821,836.6	**948,917.8**	247,065.6	1,182,663.0	**1,429,728.6**	508,610.9	1,726,282.7	**2,234,893.6**
Derivative financial debts											
Derivatives belonging to liabilities	0.0	51,489.0	-422.7	0.0	-422.7	17,724.7	0.0	17,724.7	34,187.0	0.0	34,187.0
of which currently with negative market value	*25,079.1*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Derivatives with negative market value without hedge relationship	0.0	0.0			0.0			0.0			0.0
	25,079.1	**51,489.0**	-422.7	0.0	**-422.7**	17,724.7	0.0	**17,724.7**	34,187.0	0.0	**34,187.0**
	4,167,465.5	**4,664,387.3**	126,658.6	821,836.6	**948,495.2**	264,790.3	1,182,663.0	**1,447,453.2**	542,797.9	1,726,282.7	**2,269,080.6**

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 that are repayable at any time 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. "Fictitious" cash flows are used for amortisation of derivative financial liabilities.

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

in TEUR	Market value	
	Positive	Negative
	31.12.2012	31.12.2012
Level 1		
Securities available for sale	885	0
Level 2		
Bonds (at fair value affecting operating profits)	0	-428,327
Derivatives (held for trading)	40,732	0
Derivatives (hedge)	366,670	-40,300
Level 3	0	0

in TEUR	Market value	
	Positive	Negative
	31.12.2011	31.12.2011
Level 1		
Securities available for sale	829	0
Level 2		
Bonds (at fair value affecting operating profits)	0	-447,200
Derivatives (held for trading)	486,009	-2,226
Derivatives (cash flow hedge)	0	-22,853
Level 3	0	0

2.2.14. Taxes on income

Tax expenses are as follows:

	2012	2011
	TEUR	TEUR
Corporation tax (current year)	-158,142.1	-36,610.6
Corporation tax (previous years)	-146.5	0.0
Changes in deferred taxes	121,558.8	2,286.6
	-36,729.8	**-34,324.1**

The 2012 deferred taxes result mainly from the demerger that was carried out in the 2012 financial year.

in TEUR	Deferred tax assets		Deferred tax liabilities		Net	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Tangible assets	307,130.0	53,350.6	-1,951.4	-2,187.3	305,178.6	51,163.3
Financial assets	627.8	587.5	-1,396.4	-895.1	-768.6	-307.5
Receivables and other assets	2,036.5	1,535.4	-3,092.3	-3,134.9	-1,055.8	-1,599.5
Fair value valuation of derivatives	10,075.0	6,269.8	-101,850.7	-121,502.2	-91,775.7	-115,232.4
Investment grants	9,175.9	1,548.7	0.0	0.0	9,175.9	1,548.7
Personnel provisions	1,067.9	754.2	0.0	0.0	1,067.9	754.2
Other provisions	582.7	463.6	-142,832.2	0.0	-142,249.5	463.6
Non-current liabilities	90,503.3	100,976.3	0.0	0.0	90,503.3	100,976.3
Deferred tax assets/liabilities (gross)	421,199.1	165,486.1	-251,123.0	-127,719.5	170,076.1	37,766.6
Set-off	-251,123.0	-127,719.5	251,123.0	127,719.5	0.0	0.0
Deferred tax assets/liabilities (net)	**170,076.1**	**37,766.6**	**0.0**	**0.0**	**170,076.1**	**37,766.6**

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

	31.12.2012	31.12.2011
	TEUR	TEUR
Active deferred taxes	421,199.1	165,486.1
Passive deferred taxes	-251,123.0	-127,719.5
Deferred taxes (net)	**170,076.1**	**37,766.6**

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

	2012	2011
	TEUR	TEUR
Profit before tax	146,106.8	129,662.0
Anticipated tax burden (25%)	**-36,526.7**	**-32,415.5**
Tax-neutral income and expenditure	-43.9	-21.6
Tax payments in previous years	-146.5	-1,468.3
Settlement of loss carry-forward	12.4	7.8
Other	-25.0	-426.4
True tax burden	**-36,729.8**	**-34,324.1**

	2012	2011
	TEUR	TEUR
Deferred taxes as of 1 January (net)	**37,766.7**	**30,271.5**
Changes accounted for in equity	10,756.6	5,179.9
Changes accounted for as affecting operating profit	121,558.8	2,286.6
Previous year adjustment	-6.0	28.7
Deferred taxes as of 31 December (net)	**170,076.1**	**37,766.7**

Deferred taxes of other comprehensive income:

	2012	2011
	TEUR	TEUR
Securities available for sale	14.0	0.3
Market valuation of cash flow hedges	-10,770.6	5,179.9
	-10,756.6	**5,180.2**

2.2.15. Other liabilities and trade payables

Other liabilities and trade payables are as follows:

31 December 2012 in TEUR	Up to 1 year	Term 1 to 5 years	Longer than 5 years	Total
Non-current liabilities				
Trade payables		4,048.0	51.8	**4,099.7**
Other liabilities		40,751.8	0.0	40,751.8
Deferrals		19,079.6	68,014.4	87,094.0
Total other liabilities and accruals and deferrals		**59,831.4**	**68,014.4**	**127,845.8**
Investment grants		21,553.5	151,653.2	**173,206.7**
Current liabilities				
Trade payables	101,774.9			101,774.9
Customer advances on orders	53,356.2			53,356.2
Total trade payables	**155,131.1**			**155,131.1**
Liabilities in respect of associated companies	250.5			250.5
Other liabilities	91,713.3			91,713.3
Investment grants	5,856.9			5,856.9
Total other liabilities and investment grants	**97,820.7**			**97,820.7**

31 December 2011 in TEUR	Up to 1 year	Term 1 to 5 years	Longer than 5 years	Total
Non-current liabilities				
Trade payables		3,634.2	149.8	**3,784.0**
Other liabilities		25,513.3	119.7	25,633.1
Deferrals		7,187.6	57,039.6	64,227.3
Total other liabilities and accruals and deferrals		**32,701.0**	**57,159.3**	**89,860.3**
Investment grants		18,945.2	137,456.6	**156,401.7**
Current liabilities				
Trade payables	141,924.9			141,924.9
Customer advances on orders	38,592.4			38,592.4
Total trade payables	**180,517.4**			**180,517.4**
Liabilities in respect of associated companies	176.2			176.2
Other liabilities	68,380.5			68,380.5
Investment grants	4,736.3			4,736.3
Total other liabilities and investment grants	**73,293.0**			**73,293.0**

In the year of reporting, year-end adjustments were made for additional rents to the value of TEUR 21,673.6 (previous year: TEUR 25,438.6). This is due to the difference in duration between the term of the rental agreement and the term of the waiver of termination.

2.3. Additional information

2.3.1. Leasing

2.3.1.1. Finance leasing as lessor

Receivables from finance leasing arise from two contracts signed with the Republic of Austria on the lease of two school buildings (Vienna and Linz) which are classified as finance leasing in accordance with IAS 17. The criterion for classification as finance leasing was principally the cash value test. The main item in the leasing agreements is a waiver of termination for 25 and 27 years respectively. No purchase option has been agreed for the lessee.

	2012 TEUR	2011 TEUR
Gross investment at reporting date	24,513.6	25,929.6
Financial income not yet realised	-12,142.7	-13,389.9
Net investment at reporting date	12,370.8	12,539.7
Current share	1,720.1	1,694.0

in TEUR	2012			2011		
	Outstanding leasing payments	Interest	Cash value of outstanding leasing payments	Outstanding leasing payments	Interest	Cash value of outstanding leasing payments
Up to 1 year	1,814.9	94.8	1,720.1	1,787.3	93.3	1,694.0
1 - 5 years	7,259.8	2,091.8	5,167.9	7,149.1	2,058.7	5,090.4
Longer than 5 years	15,438.8	9,956.1	5,482.8	16,993.2	11,237.9	5,755.3
Total	**24,513.6**	**12,142.7**	**12,370.8**	**25,929.6**	**13,389.9**	**12,539.7**

2.3.1.2. Operating leasing as lessor

BIG rents out the major part of its investment properties through operating lease contracts.

The majority of the properties were sold by the Republic of Austria to BIG under the terms of the Federal Real Estate Act (Federal Law Gazette 141/2000 of 29 December 2000). As per Section 4 Para. 2 of the Austrian Federal Real Estate Act, BIG is obliged to "satisfy the federal government's space requirements at terms in line with the market and providing it is commercially acceptable to do so". In particular, it is obliged to provide the properties transferred to it, to adapt them if required, and to purchase suitable properties for the federal government's new building projects. Under the general rental agreement of 6 December, 2000/2 January 2001 signed between the Republic of Austria and BIG, the federal government rents back the properties previously transferred. The main lease agreement began on 1 January 2001 and was concluded for an indefinite term. The general rental agreement contains a mutual period of notice of one year.
Main rental rates are indexed on the basis of the 1996 consumer price index and can be adjusted following any minimum 5% change on 1 January of a calendar year. In principle, running costs are charged to the tenant. BIG is obliged to maintain the inventory properties and to ensure their availability as provided for in the contract.

There are supplements to the general rental agreement. These essentially pertain to general refurbishment of properties and extensions. Under these collateral agreements, the tenant (the Federal government) generally waives its right of termination for a period of 25 years upon completion of refurbishment. Nothwithstanding this, BIG has the right to terminate tenancy – bearing in mind the restrictions set out in section 30 of the Austrian Tenancy Act (MRG) – subject to a termination period of one year. Apart from the main monthly rent, additional rent and/or contributions to building costs generally become due for a limited period of time.

As well as the general rental agreement, and the supplements and individual agreements to the general rental agreement, there are rental agreements concluded on the basis of Section 5 of the 1992 5 BIG Act in combination with the usufruct framework and the individual usufruct agreements.

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

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

	TEUR	TEUR
Up to 1 year	778,240.5	722,277.7
1 - 5 years	2,360,711.8	2,059,367.3
Longer than 5 years	3,099,627.6	2,179,180.2
	6,238,579.9	4,960,825.1

Minimum lease payments for up to one year include rental income of TEUR 364,040.7 (previous year: TEUR 334,307.7) from the general lease agreement. The general lease agreement is unlimited and has been concluded with a notice period of one year. It is currently not assumed that there will be terminations of rental agreements within the next five years.

2.3.1.3.

2.3.1.4. Operating leasing as lessee

BIG also rents office premises under operating lease agreements. These operating lease agreements specifically refer to office and archive space in the administrative building at Anzengruberstraße 6-8 in 8010 Graz, Austria and the building at Rennbahnstrasse 29c in 3100 St Pölten, Austria.

Future non-terminable minimum lease payments will be as follows:

	2012	2011
	TEUR	TEUR
Up to 1 year	472.3	454.7
1 - 5 years	1,989.6	2,165.9
Longer than 5 years *)	*)	*)

*) Agreements with a term of more than 5 years refer to lease agreements without an agreed termination period. Annual payments amount to TEUR 472.3 (previous year: TEUR 454.7).

2.3.2. Financial instruments

In 2012 and 2011 there was no change to the Group’s own credit risk (Aaa).

The difference between book value EUR 428.3 million (previous year: EUR 447.2 million) and repayment amount EUR 391.0 million (previous year: EUR 391.0 million) amounts to EUR 37.3 million (previous year: EUR 56.2 million) 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 principally include securities, loans and rent, deposits with financial institutions, bonds and bank loans, and 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 Reuters 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 are exclusively used to hedge against interest rate and currency risks for bonds and bank loans and are as follows:

31.12.2012	Currency	Nominal amount in thsds of original currency	Market value Positive in TEUR	Market value Negative in TEUR
Cross-currency swaps	TCHF	1,460,000	324,086	-2,325
	TJPY	39,000,000	74,492	0
Interest rate swaps	TEUR	480,215	8,824	-37,975

31.12.2011	Currency	Nominal amount in thsds of original currency	Market value Positive in TEUR	Market value Negative in TEUR
Cross-currency swaps	TCHF	1,460,000	332,538	-2,226
	TJPY	39,000,000	137,661	0
Interest rate swaps	TEUR	460,212	15,810	-22,853

The terms of the interest rate swaps on which the cash flow hedge provisions are based end in July 2014 and May 2033.

2.3.2.2. 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 2.3. in the Group Management Report.

Bases for the sensitivity analyses

For the representation of major market risks arising from financial instruments, IFRS 7 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. Therefore relevant sensitivity analyses have been performed for these market risks. 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.

The Austrian rate of corporation tax of 25 % is used consistently.

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 effects of shifting the yield curve through discounted-cash-flow on relevant financial instruments was assessed in the sensitivity analysis of the interest rate change risk with the fair value risk.

Sensitivity analysis for the foreign currency risk

To assess the foreign currency risk, the assumption was made that the price changes of bonds due to currency translation would cancel each other out because of reciprocal changes in currency swap and future exchange transactions. Because there are no open CHF positions in 2012, there is no foreign currency risk. This was also the case in the previous year.

Sensitivity analysis for the interest rate risk

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 December 2012 in TEUR	Profit (after tax)		Equity	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Valuation of fixed interest bonds @FV/P&L	1,235.5	-1,447.0	1,235.5	-1,447.0
Valuation of cash flow hedge derivatives	x	x	52,974.5	-23,980.0
Interest paid	-3.108,2	3.108,2	-3.108,2	3,108.2
	-1.872,7	**1.661,2**	**-51,101.8**	**-22,318,9**

31 December 2011 in TEUR	Profit (after tax)		Equity	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Valuation of fixed interest bonds @FV/P&L	4,364.9	-4,474.2	4,364.9	-4,474.2
Valuation of interest rate derivatives without hedge accounting	28,700.5	-32,711.9	28,700.5	-32,711.9
Valuation of cash flow hedge derivatives	X	x	15.669,7	-18,216.5
Interest paid	-3,223.1	3,223.1	-3,223.1	3,223.1
	29,842.4	**-33,963.0**	**45,512.2**	**-52,179.5**

In the above analyses, aside from the results (after taxes), the sensitivity of equity in the case of floating-rate financial instruments is influenced by the sensitivity of the cash-flow hedge reserves.

2.3.3. Other obligations and contingent liabilities

Potential liabilities

There are no liabilities.

Covenants

There are no covenants and, therefore, no broken covenants either.

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 BIG 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.

Board members

The Management Board consists of the following members:

- DI Wolfgang Gleissner
- DI Hans-Peter Weiss

In the 2012 financial year, the Supervisory Board consisted of the following members:

- Mag. Michaela Steinacker (Chair)
- DI Horst Pöchhacker (Deputy Chair)
- DI Wolfgang Polzhuber, BMWFJ
- DI Herbert Kasser, BMVIT
- Thomas Rasch, BR
- Manfred Fausik, BR

Members of the management board in 2012 received a total of TEUR 470,0 in salaries (previous year: TEUR 448.3), as well as bonuses of TEUR 47.6 (previous year: TEUR 68.0). Contributions to the staff pension fund amounted to TEUR 7.3 (previous year: TEUR 7.0). No loans or advances were granted to bodies of the Group Management Board. Company pensions in 2012 amounted to TEUR 63.5 (previous year: TEUR 111.0). Salaries for members of the Supervisory Board in the year under review amounted to TEUR 29.3 (previous year: TEUR 22.8).

2.3.6. Events after the balance sheet date

There were no events after the balance-sheet date worth noting.

2.3.7. Auditor's expenses

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

	2012 TEUR	2011 TEUR
Audit/ individual and group accounts	144.0	132.5
Other assurance services	30.0	0.0
Consulting services and other services	123.6	79.7

2.3.8. Off-balance sheet transactions

Due to an agreement between BIG and the Republic of Austria, represented by the Federal Ministry for Education, Arts and Culture (BMUKK), rent maturities, in the period from 2010 to 2013, were shifted. Thus, of the rent originally due in 2010, a partial amount of EUR 155 million will not become due until 2012 and 2013. Conversely, maturities for rent in 2012 and 2013 will be brought forward. This agreement is designed so as to balance the mutual advantages and disadvantages caused by the shifted maturities and the shift in maturities will be financially neutral for both parties to the agreement.

As agreed by contract, the repayment of a part of the deferred amounts occurred on 16 January 2012 and 16 January 2013, as well as advance rental payments for the 2012 and 2013 business years.

These consolidated financial statements were released for publication on 15 March 2013.

Vienna, 15 March 2013

For the Management Board

DI Wolfgang Gleissner DI Hans-Peter Weiss

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 1 January 2012 to 31 December 2012. This consolidated financial statement comprises the consolidated balance sheet as per 31 December 2012, 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 31 December 2012, 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, conveys a true and fair view of the assets and financial situation of the group as per 31 December 2012, as well as the earnings and Cash Flows of the Group for the business year from 1 January 2012 to 31 December 2012.

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, 18 March 2013

BDO Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

auditors and tax consultants
ppa Mag. Dr. Christoph Pramböck
Mag. Peter Bartos