CONSOLIDATED ANNUAL REPORT 2013 BUNDESIMMOBILIEN-GESELLSCHAFT M.B.H.

Sustainability is not a modern invention, but a long-established principle centring on assuming social responsibility. Sustainability has become a cornerstone of BIG's corporate policy. In this, BIG has one clear aim: striking a good balance between ecological, economic, and social principles.

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In the interests of readability, gender-specific pronouns are sometimes used in this text. In these cases, and when no specific individual is being referred to, the gender-specific pronouns refer equally to both sexes.

Boards and Officers of the Company

The Management Board consists of the following members:

– Wolfgang Gleissner

– Hans-Peter Weiss

The Supervisory Board consisted of the following members in financial year 2013:

– Christine Marek (Chairwoman from 16.12.2013)

– Michaela Steinacker (Chairwoman until 22.11.2013)

– Horst Pöchhacker (Deputy Chairman)

– Wolfgang Polzhuber, BMWFW

– Herbert Kasser, BMVIT (until 06.03.2014)

– Thomas Rasch, Works Council

– Manfred Fausik, Works Council

The Management Board

Hans-Peter Weiss

– Strategic development
– Accounting and treasury
– Group controlling
– Project development, sale, and operation
– University asset management
– Special properties asset management
– Public relations – “Spokesman of the Management Board”
– Marketing
– Information technology
– ARE Austrian Real Estate GmbH

Wolfgang Gleissner

– Planning and construction
– Project controlling
– Commercial and technical property management
– Operational management and contracting
– CAD and space management
– School asset management
– Human resources
– Legal
– Procurement management and infrastructure

CAMPUS WU LIBRARY AND LEARNING CENTER
ARCHITECTURE: ZAHA HADID ARCHITECTS, HAMBURG
PHOTO: 2013 BOANET.AT

Directors' Letter

Campus WU, Library and Learning Center (LC)
The Learning Center is the focal point of the newly built Vienna University of Economics and Business campus. With this building, Zaha Hadid Architects from Hamburg set new standards in university architecture. The Library and Learning Center is flooded with light and breaks free from conventional forms with its slanted walls and curves. Inspired by its innovative architecture, the students have christened the hall at the building entrance, which serves as a venue for events, the "Space Ship". Another highlight is the library on the upper level, which provides breathtaking views of the Prater recreation area.

CAMPUS WU, EXECUTIVE ACADEMY
ARCHITECTURE: NO.MAD ARQUITECTOS, MADRID
PHOTO: 2013 BOANET.AT

Campus WU, Department and Administrative Building (EA)
The obsidian black Department and Administrative Building of the Executive Academy proudly stands watch at the west end of Campus WU. High ceilings in the seminar area, the extensive use of glass, and exposed concrete surfaces are signature features of the building by NO.MAD Arquitectos. The interior walls that face the windows are fitted with mirrors that reflect the facade's window elements, the surrounding area, and the visitors, creating a light and unique atmosphere.

VORDERNBERG HOLDING CENTRE
ARCHITECTURE: SUE ARCHITEKTEN
PHOTO: HERTHA HURNAUS

Vordernberg Holding Centre
The construction of the holding centre in Vordernberg, Styria, took roughly 18 months. The new, 9,600 m^2 building consists of an administrative section and a housing section. The individual fingers of the building are arranged like the teeth of a comb and offer space for new housing blocks. Each of these blocks has its own outdoor area, housing area, and individual accommodation rooms. There is also a library, kiosk, meditation room, and fitness room.

Directors' Letter
(Group Management Report)

1. Development of Business and Economic Environment

Bundesimmobiliengesellschaft m.b.H (BIG) is the parent company of BIG Group. The core activity of BIG and its subsidiaries is the letting and operation of the portfolio properties through their entire life cycle, including the provision of the related services. The Group's focus is on the space needed by the Republic of Austria and its various institutions. With property holdings totalling around 7.1 million m² of let building space, the Group is one of the most important property owners in Austria. The largest tenants are the Federal Ministry of Education and Women's Affairs (BMBF), the Austrian universities, and the Federal Ministries of Justice, Finance, and the Interior.

Because of the tenant structure and the specific, long-term use of the Group's properties, core rental business is stable over time and has earned BIG an outstanding rating of Aaa.

Overall, the market has become significantly more competitive. More and more private property owners and developers are offering buildings to public institutions at attractive terms. Multiple federal ministries are in the process of restructuring their sites. To optimally position the Group in the current competitive landscape, the BIG Changes project was launched as part of the integrated strategy and planning process. This process primarily relates to the internal structure of BIG and has the following key objectives: business process orientation with end-to-end responsibility; a "one face to the customer" client and market orientation; and the combination of expertise in the respective business units. The implementation of this process will begin in 2014. In addition to the internal workflows and processes, the structure of the Group has also been reworked over the past years.

In the autumn of 2012, BIG transferred its saleable properties, roughly 25% of its portfolio, to ARE Austrian Real Estate GmbH (ARE) with retroactive effect as of 1 January 2012. These buildings mostly contain offices and are used by institutions such as tax offices and courthouses. Noteworthy examples are the former Ministry of Finance at Hintere Zollamtsstraße 2b and the former tax office on Erdbergstraße, which was refurbished by ARE as a site for the newly created Federal Administrative Court. ARE has also been operating on the Austrian real estate market since the beginning of January 2013. ARE develops, lets, and manages properties throughout the country. ARE is aiming to boost the share of tenants from outside of the public sector, and also plans to establish trading (acquisitions and sales) as a business area.

Under the share contribution agreement dated 14 October 2013, BIG transferred its stake in ARE Austrian Real Estate Development GmbH to ARE. After ARE became a sister company of ARE Development following the former's demerger from BIG, this restructuring measure was intended to position the (project development) services provider of the Group as a subsidiary of both holding companies.

The largest development project in the Group's history, the construction of the new Vienna University of Economics and Business campus, was completed during the reporting period. The project was finished on time and on budget. BIG also acquired shares in MED Campus Grundverwertungsgesellschaft m.b.H., which was then merged with BIG as the absorbing company. The MED Campus, currently BIG's largest project in terms of investment volume, is being built for the Medical University of Graz.

1.1. Development of business in 2013

1.1.1. Property letting

1.1.1.1. Property holdings:
The portfolio consists of roughly 2,800 properties and focuses on the letting of school, university, and office buildings and the consistent development and provision of comprehensive services that cover the entire life cycle of each of these properties. The majority of these buildings is let to the federal government. The lettable vacant space amounts to 2.2% of the total portfolio space.

1.1.1.2. Rent revenue:
Rent revenue totalled roughly EUR 755.2m in financial year 2013 (2012: EUR 730.6m). This breaks down as follows:

in EURm (rounded)	2013	2012
Federal schools	295.8	288.5
Universities	242.6	234.1
Other federal tenants	200.4	192.1
Other tenants and leaseholders	16.4	15.9

1.1.1.3. Operating costs:
The operating costs that were passed on to the tenants (excluding building management costs and facility services provided by the Group) totalled approximately EUR 75.6m (2012: EUR 67.4m) in 2013. These are included in the revenues and are a transitory item. The only revenue retained by BIG is fees for building management services and facility services that it provides itself.

1.1.1.4. Building management:
The Group's properties are managed by its own facility management staff. BIG's facility management staff is structured in 17 teams and boasts a high level of technical expertise. Their work is based on regular, standardised facility inspections that include the determination of measures required to maintain the value of the properties.

Revenue from building management services amounted to roughly EUR 23.2m in 2013 (2012: EUR 23.0m), including EUR 0.3m (2012: EUR 0.3m) from the management of properties not included in the Group portfolio.

1.1.1.5. Other:
The other revenues not related to the passing on of operating costs and building management costs came to EUR 36.2m in the financial year (2012: EUR 12.1m) and consist largely of revenues from property disposals, facility services, and construction management services.

1.1.2. Letting, maintenance and tenant investments

1.1.2.1. Letting:
BIG's primary responsibility is to let its properties according to market criteria and to provide the Republic of Austria and its institutions with space at arm's-length terms.

The portfolio also contains a large number of special properties (including a WWII anti-aircraft tower, mine shafts, war cemeteries, and former border checkpoints). These properties are secured and are successively traded or sold when possible.

The decisions that fall to the owner in terms of individual use, letting, or the other assignment of rights including all associated agreements are taken by BIG under its own responsibility.

ARE has defined trading (acquisitions and disposals) as a separate element of its business model to facilitate active portfolio management. A focus during 2013 was the creation of the structures and internal processes that are required for this. These structured processes have now been implemented for the most part, and will be refined during the coming year. A detailed portfolio strategy was also prepared. ARE sold a total of 17 properties with a value of roughly EUR 22.5m in the reporting period.

Throughout the Group (not including the transfer of shares in development companies held by ARE Development), government and office buildings with space of 44,138 m² (2012: 9,500 m²), 179 flats (2012: 12), properties with space of 148,920 m² (2012: 58,200 m²), and 1 (2012: 1) "special property" were sold during the 2013 financial year, generating revenue of roughly EUR 47.7m (2012: EUR 7.1m). This resulted in an additional payment obligation to the Republic of Austria in the amount of EUR 26.5m (2012: EUR 4.3m).

1.1.2.2. Maintenance:
Each property is inspected to determine its condition at least once per year. Necessary maintenance measures are determined on the basis of the inspection documentation and the appraisal of the technical condition of the building, and several thousand individual measures are taken every year to maintain the buildings. The majority of these investments pertained to the building shell (facade, windows, and roof). Considerable sums were also invested into the technical building systems, structural fire protection, and the appraisal and establishment of electrical safety. The overarching objective of all these efforts is to ensure appropriate and safe use and to preserve the value of the buildings.

The Company invested a total of EUR 158.0m (2012: EUR 172.8m) in maintenance measures. This breaks down as follows:

in EURm (rounded)	2013	2012
Federal school buildings	63.2	67.0
University buildings	50.6	48.8
Government buildings	35.1	47.0
Other buildings	7.3	9.4
Mine shafts	1.8	0.6

1.1.2.3. Tenant investments:
The Group implemented tenant investments with a value of roughly EUR 56.1m (2012: EUR 39.3m) as a service provider in 2013.

1.1.3. New buildings and general refurbishment

Taking investment promotion funding of EUR 42.7m (2012: EUR 23.5m) and rent surcharges of EUR 38.9m (2012: EUR 23.7m) into account, the Group's net investments (not including Campus WU in Vienna) came to EUR 297.2m (2012: 297.0m).

A total of 50 (2012: 68) construction projects with an investment volume of EUR 804.2m (2012: EUR 558.0m) were completed. Especially noteworthy completions included the University Dental Clinic in Vienna, the expansion of the Montecuccoli barracks in Güssing, and the holding centre in Vordernberg.

The largest project in the Group's history, the construction of the new Vienna University of Economics and Business campus through a separate project company, was completed in 2013 on time and on budget.

Construction work started for a further 66 (2012: 55) projects. The estimated net building costs for all new construction and general refurbishment projects started in 2013 total EUR 518.3m (2012: EUR 256.6m). Planning work began for 37 (2012: 56) construction projects during the 2013 financial year.

1.1.4. Companies recognised using the equity method

Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH:
The Group holds 51% of the company, and the Vienna University of Economics and Business holds 49%. The largest development project ever completed by BIG, the construction of the new WU Campus in Vienna, was completed at the beginning of October 2013. The project was finished on time and on budget.

SIVBEG Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.:
Shareholders: BIG 45%; Republic of Austria 55%. The company lets and operates properties owned by the federal government and managed by the Federal Ministry of Defence and Sports. These properties (such as barracks, office buildings, and military training areas) that are no longer needed for military purposes are transferred to SIVBEG and let according to economic and market-oriented principles.

BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH (Lower Austria):
Shareholders: ARE Development 55%; GIP-Gewerbe- und Industriepark Wien Nord Ost Projektentwicklungs GmbH & Co KG 45%. The roughly 1.0m m² site near Strasshof in the town of Markgrafneusiedl is located directly on the route of the future Marchfeld highway (B8) and has been sold in parts through a joint venture held with a company in the Asamer Group since financial year 2006.

Wien 3420 Aspern Development AG (Vienna):
Shareholders: ARE Development 26.60%; GELUP GmbH (one third held each by S-Bausparkasse, Wiener Städtische, and the Vienna Business Agency [formerly Wiener Wirtschaftsförderungsfonds]) 73.40%. Total site area: 2.0m m². The objective is to develop a mixed-use urban area, to build the technical infrastructure, and to market the development plots through Wien 3420. The master plan, which forms the basis for concrete zoning, was finalised in 2007. The development of the southern section is now under way, and extensive residential projects were launched in 2013. The U2 metro line is completed and running.

COLLEGIATE CHURCH SALZBURG
PLANNING: MONUMENTUM GMBH
PHOTO: STEFAN ZENZMAIER

Collegiate Church Salzburg
This house of worship, which was built from 1696 to 1707 by Johann Bernhard Fischer von Erlach, was exposed to moisture for a hundred years because of the poor state of the roof. This necessitated extensive renovation work that took ten years to complete. Now, this baroque monument again stands proudly and provides a beautiful venue for religious services as well as concerts, which are held here during the Salzburg Festival. BIG was assisted in this project by the Kulturerbe Salzburg cultural heritage association, the Save the Collegiate Church initiative, the Federal Monument Agency, the World Monument Fund, the Archdiocese of Salzburg, the City and Province of Salzburg, and numerous private donors.

GALLUSSTRASSE FEDERAL SECONDARY SCHOOL, BREGENZ
ARCHITECTURE: HEIN ARCHITEKTEN BREGENZ
PHOTO: DARKO TODOROVIC

<u>Gallusstraße federal secondary school, Bregenz</u>
An existing structure was demolished and a new extension built at the Gallusstraße secondary school over a period of 18 months. This extension not only comes close to the passive house standard with its double-glazed facade, but also boasts an optimal room climate and high energy efficiency with its mechanical ventilation system. Artist Gerold Tagwerker worked together with students to create olivetti – three corner pieces in one of the courtyards, a piece of art that serves as an innovative place to sit and work.

ZEHNERGASSE SECONDARY SCHOOL
ARCHITECTURE: GABU HEINDL ARCHITEKTUR
PHOTO: PEZ HEJDUK

Zehnergasse secondary school, Wiener Neustadt

The renovation and extension work at Zehnergasse secondary school was completed in autumn 2013 after around one year of construction. The two-storey extension offers space for nine additional classrooms and a new library. Smaller teaching areas were set up between the classrooms to facilitate open learning in project groups. The extension was designed by GABU Heindl Architektur and attaches directly to the existing building, creating a new school yard.

„Wohngarten Sensengasse“ Bauträger GmbH (Vienna):
Shareholders: ARE Development 45%; „Wiener Heim“ Wohnbaugesellschaft m.b.H. (Mischek/Strabag) 55%. Subsidised and owner-financed flats and buildings for university use were built on the site. All flats have been sold. The areas for university use have been handed over to the tenants.

Schiffmühlenstraße 120 GmbH (Vienna):
Shareholders: ARE Development 25%; RE Wohnungseigentumserrichtungs GmbH 75%. The company's objective is to build and market a residential building.

Hillerstraße – Jungstraße GmbH (Vienna):
Shareholders: ARE Development 25%; RE Wohnungseigentumserrichtungs GmbH 75%. All freehold flats have been completed, sold, and handed over.

Schnirchgasse 9-9A GmbH (Vienna):
Shareholders: ARE Development 45%; Schnirchgasse Projektbeteiligungs GmbH 55%. The company's objective is to build and market one office building and two residential buildings.

Eslarngasse 16 GmbH (Vienna):
Shareholders: ARE Development 25%; RE Wohnungseigentumserrichtungs GmbH 75%. The company's objective is to build and market a residential building. All flats have already been sold and handed over.

Fürstenallee 21 GmbH (Salzburg):
Shareholders: ARE Development 25%; RE Wohnungseigentumserrichtungs GmbH 75%. The company's objective is to build and market a residential building. The property and valid building permit were sold to a local builder in autumn 2013.

Residenz am Hamerlingpark GmbH (Vienna) (now with the legal form of GmbH und Co KG):
Residenz am Hamerlingpark GmbH und Co KG was founded on 26 November 2013 by way of the reorganisation of the former Residenz am Hamerlingpark GmbH. The general partner in the company is HAPA Projektmanagement GmbH.
As part of this reorganisation, a property stake amounting to 5,071/17,710 shares (on which freehold flat ownership is to be established after the construction of the retirement home at the site) was sold under a share deal concerning the shares of the previously founded „Das Hamerling“ Immobilienentwicklungs GmbH & Co KG.

„Das Hamerling“ Immobilienentwicklungs GmbH & Co KG (Vienna):
General partner: HAPA Projektmanagement GmbH (shareholders: ARE Development 50%; RAH Projektbeteiligungs GmbH 25%; and MHH GmbH 25%)
Limited partner: Residenz am Hamerlingpark GmbH & Co KG. The company's objective is to build and market a retirement home. The company was sold in its entirety in 2013.

Hauptplatz 18 Entwicklungs- & Verwertungs GmbH (Korneuburg):
Shareholders: ARE Development 36%; NÖ Hypo Beteiligungsholding GmbH 64%. The company's objective is to plan, build, and market buildings of all kinds, especially residential buildings. Parts of the building will contain retail and office space and a hotel.

Am Heumarkt 35 GmbH & Co KG (Vienna):
General partner: Am Heumarkt 35 GmbH (shareholders: ARE Development 50%; Martin Kurschel 50%)
Limited partner: shareholders ARE Development 50%; Immovate Realita AG 50%. The company's objective is to manage, sell, and let properties, especially the property at Am Heumarkt 35. The property at Am Heumarkt 35 is leased; the building is operated as a hotel by ACCOR Hotelbetriebs GesmbH.

Kaarstraße 21 GmbH (Linz):
Shareholders: ARE Development 50%; Real-Treuhand Projekt- und Bauträger GmbH 50%. After conducting a structured, public search for a partner in April and May 2013, the company was founded and the project property was acquired by the company in the third quarter of 2013. Under the share purchase and transfer agreement from 20 December 2013, 50% of the shares in this project company were sold to REAL TREUHAND Projekt- und Bauträger GmbH.

1.2. Financial performance indicators

The financial performance indicators were calculated following the recommendation of the Technical Committee for Business Economics and Organization of the Austrian Chamber of Public Accountants. The return on equity and return on investment were calculated using the average capital for the financial year.

1.2.1. Earnings indicators

	2013	2012
Revenues in EURm	946.3	872.4
Operating result in EURm	606.9	528.1
Earnings before taxes in EURm	463.1	389.7
(EBIT) in EURm	595.4	528.3
Return on sales (ROS): Operating result / Revenues in EURm	64.1%	60.5%
Capital return		
Return on equity (ROE): Result from ordinary activities / Average equity	8.4%	7.4%
Return on investment (ROI): (Result from ordinary activities + interest expenses) / Average total capital	5.3%	4.8%

Explanations about the earnings indicators

Revenues came to EUR 946.3m, surpassing 2012 revenue by EUR 73.9m. This can especially be attributed to higher sales proceeds (around EUR 20.9m) and a roughly EUR 24.6m increase in rent revenue. The higher rent revenue was caused primarily by index-based rent uplifts (around EUR 18.2m) and the completion of projects (roughly EUR 17.6m), which in turn leads to additional rent intake. This was partially offset by rent reductions of approximately EUR 10.5m, which stemmed mostly from refurbishment projects and the sale of properties.

Further increases can be attributed to higher operating costs (EUR 8.2m) and higher tenant investments (EUR 16.8m), though neither of these items have an impact on profit or loss.

The operating result came to EUR 606.9m, surpassing the result for 2012 thanks to rent increases (EUR 24.6m), higher gains from property sales (EUR 14.0m), and lower maintenance costs (EUR 14.8m), and despite a lower valuation result (EUR -40.9m) and salary adjustments and headcount increases (EUR -4.4m).

The operating result in the previous year also included one-off effects relating to the demerger, namely fees and taxes in the amount of EUR 58.9m.

Earnings before interest and taxes (EBIT) totalled EUR 595.4m, surpassing the figure for 2012 by EUR 67.1m above all as a result of the higher operating profit (EUR 78.8m) and effects in the amount of EUR 17.4m from the valuation of bonds and derivatives on the reporting date.

As the calculation of the return on sales based on the recommendation of the Technical Committee includes effects resulting from the valuation of bonds and derivatives on the reporting date and therefore distorts the result, the formula that was used last year, "[earnings + interest expense] / sales", was replaced with the new formula "operating result / sales", and the figure for 2012 was adjusted accordingly.

This explains the positive change in the profitability metrics.

1.2.2. Key asset and financial position figures

	2013	2012
Net debt in EURm: Interest-bearing loans – cash and cash equivalents = net debt	3,853.3	3,828.3
Working capital in EURm: Current assets – current liabilities = working capital	1,105.5	948.6
Equity ratio: Equity capital / Total capital	50.6%	48.5%
Gearing: Net debt / Equity capital	67.6%	71.1%

Explanations about the key asset and financial position figures
Net debt rose by roughly EUR 25m, thus remaining largely at the same level as in the prior year.

The working capital decreased by EUR 150.2m in annual comparison, primarily due to the change in current receivables in connection with the rescheduling of the claim against the Federal Ministry of Education, Arts, and Culture (BMUKK) and the reduction of the liquidity surplus that arose at the end of 2012.

The overall result for the financial year of roughly EUR 355.5m boosted the equity ratio from 48.5% to 50.6%.

1.2.3. Key financial position figures

in EURm	2013	2012
Cash flow from operating activities	282.0	357.8
Cash flow from investing activities	-408.0	-381.2
Cash flow from financing activities	34.0	67.5
Changes in cash and cash equivalents	-92.0	44.1

Explanations about the key financial position figures
The EUR 75.8m decrease in the cash flow from operating activities was caused in part by the EUR 20.0m dividend payment to the owner in the 2013 financial year. The remedial payment was also EUR 12.0m higher than in the prior year, and trade liabilities rose by EUR 29.2m.

The negative cash flow from investing activities in the amount of EUR 408.0m primarily reflects the acquisition of investment properties, plant, and equipment (minus EUR 299.8m). The investments in financial instruments in the amount of EUR 156.1m pertain nearly entirely to the project company for the construction of the new University of Economics and Business campus in Vienna.

Unlike in the previous year, where cash receipts from investment grants were reported in the operating cash flow, these receipts are now reported in the cash flow from financing activities. The figures for the previous year were adjusted accordingly.

The cash flow from financing activities in the amount of EUR 34.0m includes cash outflows from the redemption of a matured bond (EUR 750.0m) and refinancing with short-term credit facilities (EUR 803.3m).

1.3. Investment and finance activities

A total of EUR 311.8m (2012: EUR 300.5m) was invested in land, leasehold rights and buildings, buildings on third-party land, and assets under construction.

The refinancing of the loans taken out to service the payments for properties purchased from the federal government as well as the funds raised by the Group on the capital market to finance development projects that are under construction and that have been completed are to be covered over the long term by the earnings from operational activities.

Leases with long-term waivers of termination by the tenant have generally been concluded for projects under construction and completed projects that will be used by the federal government. When only planning services are to be provided, these services are usually provided on the basis of agreements with the tenant departments about the creation of lease offer documents.

In financial year 2013, BIG availed itself of existing credit lines in the total amount of EUR 190m, and redeemed a bond that matured in September 2013 in the amount of EUR 750m.

1.4. Non-financial performance indicators including environmental and personnel aspects

1.4.1. Environmental aspects
In its efforts to strike an optimal balance between functionality, economy, and quality as the three pillars of real estate sustainability, BIG is currently placing a key focus on the efficient and sparing use of energy. For BIG, sustainability applies to the entire life cycle of a property, in other words to the operation of existing buildings, to new construction, and to comprehensive renovation projects.

For several years now, BIG has been working to ensure the efficient use of energy in its existing properties.

BIG is enjoying continued success with its performance contracting activities, and roughly 33% of its buildings (with roughly 2.4m m^2 of let space) are covered by contracting agreements.
An average annual energy savings guarantee of 20.65% is expected for these properties, which is equivalent to CO_2 savings of 20,900 metric tons per year.

As part of the appropriation of the profits for 2012, EUR 38.1m has been allocated for thermal refurbishment and optimisation measures to improve the energy efficiency of the buildings in 2013 and subsequent years. Only buildings occupied by federal

UNIVERSITY DENTAL CLINIC
ARCHITECTURE: NMPB ARCHITEKTEN ZT GMBH
PHOTO: HARALD A. JAHN

University Dental Clinic, Vienna
Bernhard Gottlieb University Dental Clinic at the Medical University of Vienna had become worse for wear. Now, the 18th-century building has been given a new lease on life. The expansion and refurbishment took seven years, and one of the largest construction projects in Vienna is now complete.

POLGARSTRASSE FEDERAL BUSINESS COLLEGE
ARCHITECTURE: ARCHITECT WERNER SILBERMAYR, SGLW ARCHITEKTEN
PHOTO: HARALD A. JAHN

Polgarstraße federal business college, Vienna
Plenty of room, an innovative space concept, generous outdoor areas, and much more – the students and teachers at the federal business college in Vienna's 22nd district are now enjoying one of the most modern schools in city. They worked hard to help with the planning, and their ideas were turned into reality. The Business Academy Donaustadt was renovated and expanded with a new extension with roughly 9,300 m² of space over a period of nearly two years. BIG invested roughly EUR 19.5m in total.

Salzburg Detention Centre

The cornerstone for the new Salzburg Detention Centre in Puch/Urstein was laid in September 2013. As part of the renovation of the Salzburg Nonntal court district, the detention centre is being relocated from its current, outdated location for the Federal Ministry of Justice. A low-energy building complex with roughly 14,300 m2 of space is being built on a 20,000 m^2 site just outside of Salzburg. The complex is scheduled to be completed in the middle of 2015.

government facilities were selected for refurbishment.

BIG places a key focus on minimising energy needs and sustainably cutting operating and maintenance costs in all new construction and refurbishment projects.

BIG's headquarters at Hintere Zollamtsstraße 1 were awarded the blueCARD certificate by the Austrian Sustainable Building Council (ÖGNI) in 2013. BREEAM (BRE Environmental Assessment Method) certification was also completed at this time. The objective was to gather experience in tapping optimisation potential in existing properties so that this experience can be applied to other buildings.

1.4.2. Human resources

The Group had an average of 847 employees in 2013 (2012: 827), of which 274 were federal and provincial civil servants (2012: 287), and 3 (2012: 3) provincial contract agents. These figures include employees on leave.

Training in various forms is provided to the employees of the Group on a continuous basis to ensure that the Company can not only meet the demands of the market, but also further boost its competitive strength.

BIG won the certificate for the Work and Family Audit from Familie & Beruf Management GmbH for the second time in 2013. Under the Work and Family Audit, BIG has set goals for the next three years that are intended to simplify and improve the creation of a good work-family balance. It is highly important for the Group that its employees are able to meet both their familial and professional obligations.

1.5. Key events after the reporting date

No material events transpired between 31 December 2013 and the completion of the annual financial statements.

2. Expected Development and Risks of the Group

2.1. Expected development of the Group

A strategic planning and management process was developed and implemented at BIG in 2011. This integrates annual strategic planning, the budgeting process including medium-term planning, the operational milestones, operational and financial controlling, and the objective agreement process. The strategic projects pertaining to the development of the Company are also managed centrally through this process.

The decision was taken to implement comprehensive organisational changes to ensure that BIG Group will remain able to master the challenges of the real estate market and meet the needs of its core customer, the federal government, in future. A key aspect of this reform is assigning a specific company unit for a project that will act as the customer's direct partner and bear end-to-end responsibility for the fulfilment of the corresponding agreement. Integrating asset management, project management, and key controlling functions will reduce the number of internal interfaces and eliminate friction, leading to higher efficiency. The new divisions will begin operating on 1 April 2014.

2.2. Material risks and uncertainties to which the Group is exposed

2.2.1. Property valuation risk

The property valuation risk covers the risk that the value of the properties in the Group portfolio will change. These negative and positive value fluctuations are caused by factors including the macroeconomic environment (such as interest rates), local developments on the real estate market, and real-estate-specific parameters. The Group strives to recognise conditions that could have a negative impact on property values as early as possible and to minimise or preclude such effects through active asset and portfolio management.

2.2.2. Investment risk

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

2.2.3. Letting risk
The companies in the Group primarily let their properties to federal government institutions under long-term leases; roughly 2.2% of the portfolio is currently vacant and lettable.

2.2.4. Master lease
The majority of the lease agreements in the Group are subject to the master lease. Some of the provisions in this agreement deviate from the standard commercial lease terms and are also beneficial for the tenant.

2.2.5. Concentration risk
The property portfolio is distributed broadly throughout Austria, though there is a concentration of properties in densely populated areas. The Group companies have a high share of federal government institutions as tenants, which technically implies a potential concentration risk. However, because of the high credit rating of the Republic of Austria and its agencies, this risk is very low.

2.3. Financial and risk management and use of financial instruments

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

BIG Group generally procures the financing it needs centrally, as company financing, through bank loans and through the public and private placement of bonds. Projects that are conducted with partners via project companies are funded through project financing, in which the Group Treasury is also involved. Short-term refinancing is obtained on the money market and through commercial paper.

The primary objective of the Group's financial risk management is to limit the financial risks to which BIG is exposed. Financial transactions and the use of derivatives are always based on the needs of the Company's underlying transaction. The key objective is securing the Company's operating earnings.

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

The financial result, a key component of earnings, is subject to interest rate and currency risk.

Interest rate risk
The risk of changes in interest rates is associated primarily with loans taken out by the Company; the interest rates are fixed in some cases through the use of derivative financial instruments. Roughly 80% of the portfolio has fixed interest rates.

The fixed-rate bonds are subject to the risk of value changes depending on the level of market interest rates; BIG manages this risk based on the guidelines and principles described here.

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

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

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

Other price risks
In terms of market risks, BIG is subject to no material price risks such as exchange prices or indices. On 31 December 2013, BIG held no significant assets that were classified as available for sale.

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

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

3. Key Features of the Internal Control and Risk Management System

Management has implemented an internal control system and a Group-wide risk management system that account for the needs of the Company in terms of structure and scope. The objective of this report is to provide an overview of how internal controls are organised in relation to the Group accounting process, and also to show the structure of the risk management system.

Introduction

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

When the 2008 Company Law Amendment Act (URÄG 2008) went into force, this also stipulated that the fundamental effectiveness of the internal control system must be monitored by the Audit Committee of the Supervisory Board and imposed more stringent reporting obligations on the financial auditor when material defects are found in the internal control system.
The description of the key features is oriented towards the structure of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO internal control framework consists of five interrelated components: the control environment, risk assessment, control activities, information and communication, and monitoring.

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

In addition, the legal requirements (URÄG 2008 and § 243 UGB) in 2008/2009 and the Company's voluntary commitment to the Austrian Code of Corporate Governance to ensure good governance and in the interests of all stakeholders prompted the Company to examine the issue of risk management more closely.

An evaluation of the existing risk management system was begun in the reporting period as part of a package of organisational and structural changes. The process extends over multiple phases and was not yet completed as of the reporting date.

First, the risks in BIG Group are systematically identified and measured. Next, the existing risk organisation is evaluated. Based on the results of the risk analysis, changes can be made to the existing risk management organisation. In this context, the existing reporting system was also assessed and interfaces to other units in the Group were optimised. The final step will be to evaluate the measures that have been taken to continuously monitor and improve risk management.

The goal of the Group-wide risk management system remains unchanged: to recognise risks that could hamper the attainment of the Company's goals at an early stage and to provide suitable means to mitigate the effects of internal and external developments. The risk management system is designed to provide all required organisational, technical, personnel, and process resources that BIG Group can use to professionally address the risks – and opportunities – that arise. The primary focuses of an effective risk management system are securing the continued operation of the company, ensuring that the company objectives are met, and increasing planning certainty.

Control environment

The most fundamental aspect of the control environment is the corporate culture in which the management (Management Board and line managers) and the employees operate. The Company is working actively on improving communication and conveying its fundamental values and principles of behaviour to ensure that all members of the Company adhere to good morals and high ethical standards and act with integrity within the Company and when dealing with others. A key focus during the 2013 financial year was the implementation of a Group-wide compliance structure. As part of this, a separate compliance area where employees can find information about compliance-relevant topics and rules (code of conduct, compliance guidelines, etc.) was set up, and a brochure was published. An information hotline was also established. Training for all employees is intended to increase awareness for compliance throughout the Company.

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

Risk assessment

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

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

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

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

Control activities

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

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

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

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

Information and communication

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

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

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

Monitoring

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

The results of the monitoring activities are reported to the Management Board and Supervisory Board (Audit Committee). The Management Board receives

regular summary financial reports, for example quarterly reports about the development of revenues in the individual segments, as well as about liquidity and receivables. Reports that are to be published are reviewed and approved by the head of accounting and the Management Board before they are forwarded to the Supervisory Board.

Remuneration policy principles

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

The remuneration awarded to the managing directors of BIG includes a performance- and success-based component that can be paid in addition to the regular salary. The service agreements concluded with the managing directors according to the Austrian Staffing Act (Stellenbesetzungsgesetz) including all associated regulations allow for the payment of a performance- and success-oriented bonus of no more than 15% of the gross annual salary.

The award of such bonuses is contingent on the achievement of Company and organisational objectives that have been defined by the Supervisory Board in advance, with the attainment of these objectives being assessed according to measurable parameters that have been defined by the Supervisory Board whenever possible. The organisational objectives relate primarily to long-term and sustainable criteria such as growth strategies and market shares. Members of management have no legal entitlement to such a bonus.

A system that is similar to the management remuneration system has been developed for the employees of BIG Group, and allows for the payment of a bonus once per year depending on the extent to which agreed objectives have been met. The actual objectives and the extent of the maximum bonus entitlement are based on the degree of responsibility borne by the employees. This degree of responsibility is determined by the employee's pay grade according to the collective bargaining agreement. The employee bonus model is linked with the attainment of Company goals in terms of the provisions of each agreement and the payment terms.

One-time bonuses can also be paid for extraordinary performance on the basis of a Management Board decision, which is generally taken in such a case at the recommendation of a line manager.

4. Research and Development

BIG is involved in the "House of the Future Plus" research project, which deals with the energy-related refurbishment and the optimisation of existing buildings. The goal of this promotion programme is to develop innovative concepts (energy efficient, ecological, and sustainable) on the basis of existing buildings that were constructed in the 1950s to the 1980s. In addition to preserving and increasing the value of such buildings, this project also expands the Company's expertise for energy-related refurbishment so that it can be applied to future projects.

In the internal "Smart Repair" research programme, BIG is examining the efficiency of various energy-related measures in cooperation with other institutions.

The "Healthy Spaces in Existing Buildings" project was launched together with the Federal Ministry of the Interior (BMI). This project evaluates possible negative impacts in existing office spaces of the BMI on the basis of user surveys and room air measurements to determine the concentrations of VOCs, formaldehyde, and mould spores. The goal is to increase user satisfaction regarding the comfort of their workplace and to gain practical knowledge for all involved parties.

5. Other Matters

The Company has no branch offices.

Vienna, 10 April 2014

The Management Board
Wolfgang Gleissner
Hans-Peter Weiss

EISENSTADT COURTHOUSE AND DETENTION CENTRE
ARCHITECTURE: ARCHITECTS BERND SCHEFFKNECHT AND MARKUS BÖSCH, BÜRO YF-ARCHITEKTEN
PHOTO: HERTHA HURNAUS

A) Consolidated Financial Statements

Eisenstadt Courthouse and Detention Centre
After roughly two and a half years of construction, a milestone was reached in the extension and renovation of the Eisenstadt Courthouse and Detention Centre in September 2013 with the completion of the new detention facility building and the courthouse building. The entire complex meets low-energy standards, and includes a solar water heating system. If everything continues according to plan, the refurbishment will be completed at the beginning of 2016.

Consolidated Statement of Comprehensive Income

in EURt	Note	2013	2012 (adjusted*)
Revenues	7.1.1.	946,340.0	872,417.8
Changes in property holdings	7.1.2.	-12,720.9	4,846.0
Other operating revenue	7.1.3.	12,705.3	11,997.8
Valuation result for investment properties	7.1.4.	32,857.6	73,796.4
Result from the sale of properties	7.1.5.	14,339.0	322.2
Material expenses	7.1.6.	-319,991.5	-312,346.3
Personnel expenses	7.1.7.	-39,661.7	-35,246.9
Amortisation and depreciation	7.1.8.	-2,723.0	-2,480.0
Impairment charges	7.1.8.	-423.3	0.0
Other operating expenses	7.1.9.	-23,820.2	-85,235.8
Operating result		**606,901.3**	**528,071.1**
Result from companies recognised according to the equity method	7.2.3.	**7,297.2**	**1,981.3**
Financial revenue	7.1.10.	40,082.9	24,266.6
Financial expenses	7.1.11.	-191,189.5	-164,638.6
Financial result		**-151,106.6**	**-140,372.0**
Earnings before taxes		**463,092.0**	**389,680.4**
Income taxes	7.2.14.	-104,532.2	-96,545.0
I. Profit for the period		**358,559.8**	**293,135.3**
Items that were or can be reclassified into profit or loss			
Result from available-for-sale financial instruments	7.3.2.	-2.8	55.9
Result from cash flow hedges	7.3.2.	-3,892.1	-43,082.5
Applicable taxes	7.2.14.	973.7	10,756.6
Items that can never be reclassified into profit or loss			
Revaluation of obligations from defined benefit pension plans	7.2.9.	-202.4	285.1
Applicable taxes	7.2.14.	50.6	-71.3
II. Other comprehensive income		**-3,073.0**	**-32,056.1**
III. Overall result		**355,486.9**	**261,079.3**
Thereof attributable to non-controlling interests		68.5	100.1
Thereof attributable to the parent company		355,418.4	260,979.2
Profit for the period		**358,559.8**	**293,135.3**
Thereof attributable to non-controlling interests		68.5	100.1
Thereof attributable to the parent company		358,491.4	293,035.3

*) See the information in sections 5.1. to 5.3.

Consolidated Statement of Financial Position

in EURt	Note	31.12.2013	31.12.2012 (adjusted*)	01.01.2012 (adjusted*)
Assets				
Let investment properties	Annex I	10,010,037.1	9,760,757.0	9,377,767.4
Investment properties under development	Annex I	295,347.1	213,207.0	338,893.7
Properties used by the Company	Annex I	32,609.0	33,718.2	34,863.1
Plant and equipment	Annex I	2,297.1	2,228.2	2,667.6
Intangible assets	Annex I	1,694.8	1,319.2	1,098.4
Shares in affiliated companies	7.2.3.	35.0	0.0	0.0
Shares in companies recognised according to the equity method	7.2.3.	454,950.4	294,406.0	165,521.6
Derivative financial instruments	7.3.2.	195,809.4	398,578.4	486,008.8
Other financial assets	7.2.4.	50,767.9	63,427.7	151,961.8
Non-current assets		**11,043,547.9**	**10,767,641.8**	**10,558,782.3**
Inventories	7.2.6.	73,133.9	95,919.4	12,785.2
Receivables and other assets	7.2.7.	54,941.0	144,976.6	151,317.9
Derivative financial instruments	7.3.2.	78,791.6	8,824.3	0.0
Cash and cash equivalents	7.2.8.	5,783.7	97,762.7	53,658.5
Current assets		212,650.2	347,483.0	217,761.6
		11,256,198.1	**11,115,124.8**	**10,776,543.9**

in EURt	Note	31.12.2013	31.12.2012	01.01.2012
Equity and liabilities				
Authorised capital	7.2.9.	226,000.0	226,000.0	226,000.0
Other reserves	7.2.9.	-52,292.5	-49,219.6	-17,163.5
Retained earnings	7.2.9.	5,521,616.0	5,209,669.0	4,920,946.4
Non-controlling interests	7.2.9.	1,184.2	1,115.7	1,015.7
Equity capital		**5,696,507.7**	**5,387,565.2**	**5,130,798.6**
Financial liabilities	7.2.13.	2,902,747.7	3,139,969.8	3,320,855.5
Personnel-related provisions	7.2.10.	8,500.5	8,015.1	7,889.7
Other provisions	7.2.11.	18,846.0	17,004.0	11,362.8
Other liabilities	7.2.15.	7,074.6	5,604.4	4,337.9
Derivative financial instruments	7.3.2.	38,529.6	40,300.1	25,079.1
Deferred tax liabilities	7.2.14.	1,265,803.8	1,220,595.5	1,293,018.5
Non-current liabilities		**4,241,502.2**	**4,431,489.0**	**4,662,543.5**
Financial liabilities	7.2.13.	947,389.0	777,571.3	569,089.4
Personnel-related provisions	7.2.10.	7,371.7	6,592.3	6,280.5
Other provisions	7.2.11.	152,479.5	134,685.9	155,672.2
Provision for actual income taxes	7.2.12.	19,296.2	130,126.1	3,085.7
Other liabilities	7.2.15.	191,651.9	247,094.9	249,074.1
Current liabilities		**1,318,188.3**	**1,296,070.6**	**983,201.8**
		11,256,198.1	**11,115,124.8**	**10,776,543.9**

*) See the information in sections 5.1. to 5.3.

Consolidated Statement of Cash Flows

in EURt	Note	2013	2012
Cash flows from business activities:			
Consolidated income before taxes		463,092.0	389,680.4
Net interest income	7.1.10., 7.1.11.	129,107.9	128,987.0
Amortisation and depreciation	7.1.8.	2,723.0	2,480.0
Impairment charges	7.1.8.	423.3	0.0
Revaluation result	7.1.4.	-32,857.6	-73,796.4
Currency translation result and revaluation of bonds	7.3.2.	-35,423.3	-18,873.0
Derivative instrument fair value changes and revaluation of bonds	7.1.10., 7.1.11.	58,926.9	26,063.9
Share of result attributable to companies recognised according to the equity method	7.2.3.	-7,297.2	-1,981.3
Gains and losses from the disposal of properties	7.1.5.	-14,339.0	-332.2
Gains and losses from the disposal of financial investments	7.1.10., 7.1.11.	-1,707.2	-968.9
Dividends received		1,159.4	2,117.5
Interest received	7.1.10.	2,029.7	4,470.5
Interest paid	7.1.11.	-131,137.6	-133,457.5
Dividends paid	7.2.9.	-20,000.0	0.0
Remedial payments	7.2.9.	-19,421.4	-7,201.4
Income taxes paid	7.2.14.	-167,968.9	-30,949.3
Cash flow from the result		**227,310.0**	**286,239.3**
Changes in receivables from finance leases	7.2.7.	399.2	168.9
Changes in receivables and other assets	7.2.7.	97,769.8	82,255.9
Changes in trade liabilities	7.2.15.	-50,160.4	-22,138.7
Changes in personnel-related provisions (without tax provision)	7.2.10.	1,416.6	437.1
Changes in other provisions and other liabilities	7.2.15.	5,252.9	12,915.7
Cash flow from changes in the working capital		**54,678.1**	**73,638.9**
Cash flow from operating activities		**281,988.1**	**359,878.2**
Cash flows from investing activities:			
Acquisition of investment properties, plant and equipment, intangible assets, and real estate companies	7.2.1., 7.2.2.	-299,809.4	-280,972.1
Contributions in connection with companies recognised according to the equity method	7.2.3.	-156,122.0	-128,051.6
Repayment of loans	7.2.4.	12,028.3	8,067.7
Sale of properties, real estate companies, and other assets	7.1.5.	35,895.5	17,653.9
Cash flow from investing activities		**-408,007.6**	**-383,302.1**
Cash flows from financing activities:			
Redemption of bonds	7.2.13.	-750,000.0	-400,000.0
Issue of bonds	7.2.13.	0.0	500,000.0
Repayment of bank loans	7.2.13.	-19,165.7	-167,471.9
Acceptance of bank loans and similar financing	7.2.13.	803,206.2	135,000.0
Cash flow from financing activities		**34,040.5**	**67,528.1**
Overall cash flow (changes in cash and cash equivalents)		**-91,979.1**	**44,104.2**
Cash and cash equivalents as of 01.01.	7.2.8.	97,762.7	53,658.5
Cash and cash equivalents as of 31.12.	7.2.8.	5,783.7	97,762.7
Net change in cash and cash equivalents		**-91,979.1**	**44,104.2**

Interest and dividends received are included in the operating cash flow. The figures for the previous year were adjusted accordingly.

Consolidated Statement of Changes in Equity

in EURt	Share capital	Fair value reserve	Cash flow hedge reserve	Revaluation IAS 19R	Retained earnings	Equity capital before non-controlling interests	Non-controlling interests	Total equity capital
As of 01.01.2012 as previously reported	**226,000.0**	**-23.9**	**-17,139.6**	**0.0**	**916,646.0**	**1,125,482.5**	**1,015.7**	**1,126,498.2**
Changes in recognition methods					4,004,300.3	4,004,300.3		4,004,300.3
Adjusted balance as of 01.01.2012	**226,000.0**	**-23.9**	**-17,139.6**	**0.0**	**4,920,946.3**	**5,129,782.9**	**1,015.7**	**5,130,798.6**
Profit					293,035.3	293,035.3	100.1	293,135.3
Other comprehensive income		41.9	-32,311.8	213.8		-32,056.1		-32,056.1
Adjusted overall result	**226,000.0**	**18.0**	**-49,451.4**	**213.8**	**5,213,981.6**	**5,390,762.1**	**1,115.7**	**5,391,877.8**
Transactions with shareholders								
Remedial payments					-4,312.6	-4,312.6		-4,312.6
Total transactions with shareholders					**-4,312.6**	**-4,312.6**		**-4,312.6**
Adjusted balance as of 12.31.2012	**226,000.0**	**18.0**	**-49,451.4**	**213.8**	**5,209,669.0**	**5,386,449.5**	**1,115.7**	**5,387,565.2**
As of 01.01.2013	**226,000.0**	**18.0**	**-49,451.4**	**213.8**	**5,209,669.0**	**5,386,449.5**	**1,115.7**	**5,387,565.2**
Profit					358,491.4	358,491.4	68.5	358,559.8
Other comprehensive income		-2.1	-2,919.1	-151.8	0.0	-3,073.0		-3,073.0
Overall result	**226,000.0**	**16.0**	**-52,370.5**	**62.0**	**5,568,160.4**	**5,741,867.9**	**1,184.2**	**5,743,052.1**
Transactions with shareholders								
Remedial payments					-26,544.4	-26,544.4		-26,544.4
Dividend disbursement					-20,000.0	-20,000.0		-20,000.0
Total transactions with shareholders					**-46,544.4**	**-46,544.4**		**-46,544.4**
As of 31.12.2013	**226,000.0**	**16.0**	**-52,370.5**	**62.0**	**5,521,616.0**	**5,695,323.5**	**1,184.2**	**5,696,507.7**
Note	7.2.9.	7.2.9.	7.2.9.	7.2.9.	7.2.9.	7.2.9.	7.2.9.	7.2.9.

KUFSTEIN SECONDARY SCHOOL
ARCHITECTURE: WIESFLECKER ARCHITEKTEN
BIG ART: ZERKNITTERTE WAND BY KARL-HEINZ KLOPF
PHOTO: KURT HÄRTING

B) Notes to the Consolidated Annual Financial Statements

Kufstein secondary school
The expansion and refurbishment of Kufstein secondary school took close to two years. The new building with roughly 3,000 m² of space offers 15 classrooms, computer rooms, a library, and a multi-purpose hall. An additional gymnasium was built in the basement. The existing building was made barrier free and was given a makeover with new floors, fresh paint, and coated windows. The Zerknitterte Wand installation by Karl-Heinz Klopf was inspired by a crumpled piece of paper, and adds a very special touch.

1. Business Activities

Bundesimmobiliengesellschaft m.b.H., Hintere Zollamtsstraße 1, 1031 Vienna, Austria (called BIG in the following), is the parent company of a real estate group that is active primarily in Austria. The majority of the properties were sold to BIG by the Republic of Austria in four blocks under the Federal Real Estate Act (Bundesimmobiliengesetz; Federal Law Gazette 141/2000, 29 December 2000). Pursuant to § 4 (2) of the Federal Real Estate Act, BIG is required to provide space to meet the federal government's needs under standard market terms when economically feasible; BIG is especially required to provide the buildings that have been transferred to it for this purpose, adapt them as needed, and purchase properties needed for the federal government's new construction projects. BIG's business activities cover the purchase, development, letting, and sale of properties. In addition to its properties in Austria, the Company owns one building each in the USA (New York) and Switzerland (Bern).

2. Accounting Principles

The consolidated financial statements of BIG were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the additional requirements of § 245a of the Uniform Commercial Code (UGB). They were approved for release by the Management Board on 10 April 2014. The reporting date is 31 December 2013.

2.1. Functional and presentation currency

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

2.2. Accounting judgements and estimates

The most important forward-looking assumptions and other sources of estimation uncertainties that existed as of the reporting date and which may constitute a source of considerable risk that substantial adjustments of the carrying amounts of assets and liabilities will have to be made in the subsequent reporting period are explained in detail below:

Determination of the fair values

Various recognition methods and information about the Group require that the fair value of financial and non-financial assets and liabilities be determined.

When determining the fair value of an asset or liability, the Group uses observable inputs whenever possible. Depending on the inputs used, the fair values are assigned to one of three levels of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When the inputs used to determine the fair value of an asset or liability can be assigned to different levels of the hierarchy, the entire valuation is classified at the level of the hierarchy containing the lowest input that is significant to the overall measurement. The Group recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Further information about the assumptions used to determine the fair values can be found in the following notes:

- Note 7.2.1. – Let investment properties and investment properties under development
- Note 7.2.4. – Available-for-sale financial assets
- Note 7.2.5. and 7.2.13. – Derivative financial instruments and financial liabilities
- Note 7.3.2.2. – Financial assets and liabilities measured at fair value through profit or loss

Classification of leases

The recognition of leases depends on the economic substance of the agreement. Refer to the information in item 7.3.1. for the decision-making criteria for the classification of leases.

3. Business Segments

Segmentation principles

The internal reports, and therefore the basis for business decisions, are prepared following the provisions of the Uniform Commercial Code (local accounting regulations) in the segments of Schools, Universities, Special Properties (which primarily covers properties with special security requirements such as detention centres and properties of low economic importance for the Company such as churches, mine shafts, and

war cemeteries), and in the other segments (especially service provision segments). For this reason, the segment information only shows the segmentation of BIG GmbH (the only place where these segments can be found) according to UGB, and also includes an IFRS reconciliation. The main activity of the asset segments is the exercise of the ownership rights for the assigned properties.

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

Based on the specific range of activities, the service segments are broken down into Property Management (technical maintenance and building management), Facility Services (services such as the inspection and maintenance of complexes, the creation of test and inspection reports, and security services), and Planning and Building (architectural and planning services, project management).
The segment information shows the asset segments of Schools, Universities, and Special Properties. The "Other" segment covers service units that provide services to internal and external clients. The figure of EUR 11.9m in the "Adjustments" column pertains to tenant investments that are transitory items and cannot be assigned to the individual segments.
In the autumn of 2012, BIG transferred its saleable properties (roughly 25% of its portfolio) to ARE with retroactive effect as of 1 January 2012. The effects of this can be found in the "ARE/demerger" column in the 2012 segment information.

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

3.1. Information about the reporting segments

Information about the results of each reporting segment is provided below.

in EURt 2013	BIG individual (UGB)	
	Special properties	Schools
Revenues	80,722.8	328,733.8
Thereof external revenues	80,722.8	328,733.8
Intragroup revenues	0.0	0.0
Internal revenues	0.0	0.0
Earnings before interest and taxes (EBIT)	27,751.1	130,332.3
Financial result	-10,990.5	-37,881.8
Earnings before taxes (EBT)	16,760.6	92,450.4
Income taxes	-5,928.8	-28,747.9
Extraordinary result	0.0	0.0
Net income for the period	10,831.8	63,702.5
Less imputed cost of equity	-6,308.7	-18,992.0
Segment result including imputed costs	**4,523.1**	**44,710.5**
Capital employed	424,358.4	1,462,665.7
Investments in property, plant, and equipment and intangible assets	65,202.3	150,057.6
Scheduled amortisation and depreciation	-25,916.1	-90,784.0
Impairment including use of provision for anticipated losses	-4.7	-98.6
Allocation and release of provision for anticipated losses	-55.0	0.0

1) Fully consolidated companies

in EURt 2012	BIG individual (UGB)		
	Schools	Universities	Special properties
Revenues	318,544.7	249,136.6	74,389.8
Thereof external revenues	318,544.7	249,074.4	74,387.8
Intragroup revenues	0.0	0.0	0.0
Internal revenues	0.0	62.2	2.0
Earnings before interest and taxes (EBIT)	118,476.8	73,505.7	26,223.7
Financial result	-45,153.5	-45,072.0	-13,102.3
Earnings before taxes (EBT)	73,323.3	28,433.7	13,121.4
Income taxes	-24,195.0	-13,142.9	-4,908.3
Extraordinary result	0.0	0.0	0.0
Net income for the period	49,128.3	15,290.7	8,213.1
Less imputed cost of equity	-17,583.4	-17,551.5	-5,558.0
Segment result including imputed costs	31,544.9	-2,260.8	2,655.1
Capital employed	1,532,770.4	1,530,004.2	444,766.1
Investments in property, plant, and equipment and intangible assets	117,072.2	97,328.0	60,083.0
Scheduled amortisation and depreciation	-86,681.0	-92,575.0	-22,724.8
Impairment including use of provision for anticipated losses	0.0	0.0	0.0
Allocation and release of provision for anticipated losses	0.0	-3,050.0	0.0

1) Fully consolidated companies

					IFRS				
Universities	Other	Adjustment	Totals	IFRS reconciliation	BIG individual	ARE individual	Other FC[1] individual	Consolidation reconciliation	Group
260,135.7	59,534.3	11,920.5	741,047.1	-1,264.4	739,782.7	213,338.0	11,335.6	-18,116.2	946,340.0
260,135.7	11,336.0	47,170.7	728,099.0						
0.0	12,948.1	0.0	12,948.1						
0.0	35,250.3	-35,250.3	0.0						
76,937.8	4,135.3	0.0	239,156.5	160,938.1	400,094.7	173,248.7	8,234.9	25,323.0	606,901.3
-49,594.4	19,953.7	0.0	-78,513.0	-23,565.5	-102,078.5	-30,610.1	2,389.7	-20,807.7	-151,106.6
27,343.4	24,089.0	0.0	160,643.5	136,855.2	297,498.7	142,638.6	10,624.6	12,330.0	463,092.0
-11,089.2	1,466.1	0.0	-44,299.8	-30,734.3	-75,034.1	-24,817.4	-1,598.1	-3,082.5	-104,532.2
121.0	0.0	0.0	121.0	-121.0	0.0	0.0	0.0	0.0	0.0
16,375.2	25,555.1	0.0	116,464.6	139,485.6	255,950.2	106,821.2	9,026.5	-13,238.0	358,559.8
-21,742.7	0.0	0.0	-47,043.3						
-5,367.5	**25,555.1**	**0.0**	**69,421.3**						
1,665,192.5	739,514.8	0.0	4,291,731.3						
100,280.7	1,853.8	0.0	317,394.4	-58,966.2	258,428.2	55,428.5	10,221.0	-26,061.5	298,016.2
-93,645.9	0.0	-1,482.5	-211,828.5	210,350.2	-1,478.3	-11.3	-24.7	-1,208.8	-2,723.0
-1,962.6	0.0	0.0	-2,066.0	2,066.0	0.0	0.0	-423.3	0.0	-423.3
-8,401.4	0.0	0.0	-8,456.4	0.0	-8,456.4	0.0	0.0	0.0	-8,456.4

					IFRS				
ARE/ demerger	Other	Adjustment	Totals	IFRS reconciliation	BIG individual	ARE individual	Other FC[1] individual	Consolidation reconciliation	Group
0.0	59,166.5	-1,760.1	699,477.4	-168.9	699,308.6	183,092.5	8,901.7	-18,885.0	872,417.8
0.0	10,915.0	33,629.0	686,550.9						
0.0	12,926.5	0.0	12,926.5						
0.0	35,325.0	-35,389.1	0.0						
0.0	11,053.1	0.0	229,259.2	197,979.5	427,238.7	99,940.5	5,152.6	-4,260.8	528,071.1
30,081.2	0.0	0.0	-73,246.5	-5,709.1	-78,955.6	-31,058.6	2,005.8	-32,363.6	-140,372.0
30,081.2	11,053.1	0.0	156,012.7	192,934.2	348,946.9	68,288.3	7,158.4	-34,713.3	389,680.4
-116,226.7	-2,763.3	0.0	-161,236.2	71,147.9	-90,088.3	-17,072.1	-1,789.6	12,405.0	-96,545.0
16,510.1	0.0	0.0	16,510.1	-16,510.1	0.0	0.0	0.0	0.0	0.0
-69,635.3	8,289.9	0.0	11,286.7	251,087.7	262,374.4	51,221.2	6,299.2	-26,759.5	293,135.3
0.0	0.0	0.0	-40,692.9						
-69,635.3	8,289.9	0.0	-29,406.2						
702,787.3	-40,966.4	0.0	4,169,361.6						
0.0	1,073.3	0.0	275,556.5	4,984.7	280,541.2	49,526.3	1.0	-33,037.8	297,030.7
0.0	0.0	-1,276.6	-203,257.4	201,976.9	-1,280.5	-0.5	-34.7	-1,164.2	-2,480.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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

3.2. Key customer

The revenues from transactions with the Republic of Austria amounted to EUR 908,238.7t (2012: EUR 849,290.5t) of the complete revenues of the Group (see note 7.1.1.).

4. Valuation Principles

The consolidated financial statements were prepared based on the cost of acquisition and production except for the following items, which were measured according to different principles on the respective reporting dates.

Item	Valuation principles
Let investment properties and investment properties under development	Fair value
Derivative financial instruments	Fair value
Issued bonds	Fair value
Securities	Fair value
Provisions for termination benefits, post-employment benefits and anniversary bonuses	Cash value of the defined benefit obligation

5. Changes in Recognition Methods

Aside from the following changes, the Group applied the recognition methods described in note 6 to all periods shown in these consolidated financial statements.

5.1. Changes in the recognition of investment properties

In the 2013 financial year, the Group applied the revaluation method for investment properties according to IAS 40 for the first time. Under this method, let investment properties and investment properties under development are initially measured at the cost of acquisition or production and subsequently at their fair value, with any changes being recognised through profit or loss.

The reason for this change in the recognition method is that this new method is applied by most companies in the real estate sector because it provides more reliable and relevant information.

Previously, the Group recognised investment properties according to the cost model in IAS 40. Under the cost model, these investment properties were recognised at the cost of acquisition or production less scheduled depreciation and impairment charges.

The effects of this change were applied retrospectively. The figures for the comparison period and the opening statement of financial position as of 1 January 2012 were adjusted accordingly.

This had the following effects on the overall result:

Effects on the profit for the period	in EURt 2012
Other own work capitalised	-7,080.8
Other operating revenue	-7,861.6
Revaluation result for investment properties	73,796.4
Result from the sale of properties	-3,990.4
Amortisation and depreciation	199,837.8
Impairment charges	3,562.7
Reversal of impairments	-21,709.5
Other operating expenses	2,991.4
Income taxes	-59,886.5
Profit for the period	**179,659.5**

The effects on the statement of financial position were as follows:

Effects on the statement of financial position	in EURt 31.12.2012	in EURt 01.01.2012
Assets		
Investment properties	5,230,348.4	5,109,177.9
Intangible assets	-3,236.5	-3,770.1
Deferred tax assets	-170,076.1	-37,766.6
Inventories	78,102.4	0.0
Equity and liabilities		
Retained earnings	4,183,959.9	4,004,300.4
Public investment grants	-173,206.7	-156,401.7
Other liabilities	-86,041.1	-64,227.3
Deferred tax liabilities	1,220,595.5	1,293,018.5
Other provisions	-4,312.4	-4,312.4
Other liabilities and investment grants	-5,857.0	-4,736.3

This change had no effect on the statement of cash flows.

The effects as of 31 December 2013 and for the 2013 financial year were not shown because this was not feasible.

5.2. First-time application of IAS 19 (2011)

As a result of the first-time application of IAS 19 (2011), the method for the calculation of the provisions for termination benefits and post-employment benefits was adjusted.

IAS 19 (2011) stipulates that the actuarial effects must be recognised entirely in other comprehensive income, and no longer through profit or loss.

The effects of this change are applied retrospectively according to the transitional provisions in IAS 19.173. The figures for the comparison period were adjusted accordingly. This change had no effect on the provisions or the total equity capital. This change had no effect on the statement of cash flows.

This had the following effects on the overall result:

Effects on the overall result	in EURt 2013	in EURt 2012
Personnel expenses	202.4	-285.1
Income taxes	-50.6	71.3
Profit for the period	151.8	-213.8
Revaluations (other comprehensive income)	-202.4	285.1
Taxes on other comprehensive income	50.6	-71.3
Other comprehensive income	-151.8	213.8
Overall result	0.0	0.0

5.3. Changes in the recognition of remedial payment obligations

The method used to recognise remedial payment obligations was changed in the 2013 financial year, and these obligations are no longer recognised on the statement of comprehensive income, but directly in equity as a dividend disbursement.

The effects of this change were applied retrospectively. The figures for the comparison period and the opening statement of financial position as of 1 January 2012 were adjusted accordingly.

Effects on the overall result	in EURt 2013	in EURt 2012
Result from the sale of properties	26,544.4	4,312.6
Profit for the period	26,544.4	4,312.6

This had no effects on the statement of financial position or the statement of cash flows.

5.4. First-time mandatory or voluntary application of new and amended standards and interpretations

The Group applied the following new standards and amendments to standards, including all of the subsequent amendments to other standards that become mandatory on or before 1 January 2013.

Amendment/standard	Date of publication	Date of adoption by the EU	Date of application (EU)
Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)	16.06.2011	05.06.2012	01.07.2012
IAS 19 Employee Benefits (Revised 2011)	16.06.2011	05.06.2012	01.01.2013
IFRS 13 Fair Value Measurement	12.05.2011	11.12.2012	01.01.2013
Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)	20.12.2010	11.12.2012	01.01.2013
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS 1)	20.12.2010	11.12.2012	01.01.2013
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	16.12.2011	13.12.2012	01.01.2013
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	19.10.2011	11.12.2012	01.01.2013
Government Loans (Amendments to IFRS 1)	13.03.2012	04.03.2013	01.01.2013
Improvements to IFRSs 2009–2011	17.05.2012	27.03.2013	01.01.2013

Amendments to IAS 1: Presentation of Items of Other Comprehensive Income

This amendment changed the presentation of other comprehensive income in the statement of comprehensive income. The items of other comprehensive income that can be reclassified to the statement of comprehensive income (recycling) at a later date under certain circumstances are now shown separately from the items of other comprehensive income that can never be reclassified. If the items are shown gross, in other words without the offsetting of effects from deferred taxes, the deferred taxes are no longer shown as a single total, but separately for both groups of items. The Group has changed its method of presentation. The comparison figures were adjusted accordingly.

IAS 19 – Employee Benefits (Revised 2011)
The most important change from the 2011 revision of IAS 19 pertains to the recognition of post-employment benefit obligations from defined benefit plans.

Before the amendment, reporting entities could choose how to present the so-called actuarial gains and losses in the financial statements. These could either (a) be recognised through profit or loss in the statement of comprehensive income, (b) in the other comprehensive income, or (c) over time according to the so-called corridor rule. The revision of IAS 19 eliminated this choice in order to provide more transparent and comparable presentation, and requires immediate and full recognition in the year in which the gain or loss is incurred. This must be recognised in other comprehensive income. In addition, past service costs must now be recognised directly through profit or loss in the year in which they are incurred.

Previously, the expected income from the plan assets was calculated at the beginning of the reporting period based on the management's expectations for the performance of the asset portfolio. Under IAS 19 (revised 2011), only standard interest on the plan assets in the amount of the discount rate of the pension benefit obligations at the beginning of the period may be applied.

In addition to the changes in recognition, there have also been changes in the information required in the notes, for example sensitivity analyses. See items 5.2. and 7.2.10. for further information about the effects on BIG's consolidated financial statements.

IFRS 13 – Fair Value Measurement
This standard applies uniform rules to fair value measurement in IFRS financial statements. All other fair value measurement methods according to other standards must follow the uniform requirements of IFRS 13; separate rules now only apply for IAS 17 and IFRS 2. The standard also replaces and expands the disclosure requirements for fair value measurement in other IFRSs.

Fair value according to IFRS 13 is defined as the exit price, in other words the price that could be obtained from the sale of the asset, or the price that would have to be paid to transfer a debt. As already applied to the fair value measurement of financial assets, a three-level hierarchy was introduced based on dependence on observable market prices.
In accordance with the transitional provisions of IFRS 13, the Group prospectively applied the new regulations for fair value measurement, and provided no comparison information from the previous year for new disclosures. Nevertheless, the amendment had no material effects on the valuation of BIG's assets and liabilities.

Recovery of Underlying Assets: Amendments to IAS 12 Income Taxes
The amendments to IAS 12 clarified that the measurement of deferred tax items relating to investment properties and property, plant, and equipment that are measured at fair value or using the revaluation method is based on the refutable assumption that the carrying amounts of these assets will be realised through sale. The amendment had no material effect on BIG's consolidated financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards
This amendment to IFRS 1 replaced the previous references to the date 1 January 2004 as the fixed transition date to "the date of transition to IFRS". IFRS 1 now also contains rules for the cases where a company was unable to fulfil the IFRS regulations for some time because its functional currency was subject to hyperinflation. The amendment had no effect on BIG's consolidated financial statements.

Amendment to IFRS 7 Financial Instruments: Offsetting Financial Assets and Financial Liabilities
This amendment to IFRS 7 expands the disclosures required for financial assets and financial liabilities. The amendments had no material effect on BIG's consolidated financial statements.

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine
This interpretation standardised the recognition of stripping costs for surface mines. When it is expected that revenue will be generated from the further use of the stripped material, the allocable costs for the disposal of the stripped material must be recognised as inventories according to IAS 2. This also results in the creation of an intangible asset that must be capitalised together with the "surface mine" asset when access to further natural resources is improved and the requirements defined in this interpretation are met. This asset must be amortised over the expected period of use. The interpretation had no effect on BIG's consolidated financial statements.

Amendment to IFRS 1 Government Loans
The amendment pertains to the recognition of government loans with an interest rate below the market interest rate level by a first-time adopter of IFRS. For government loans existing at the time of transition, the measurement according to the previous method can be maintained. The measurement rules according to IAS 20.10A in connection with IAS 39 thus only apply to government loans taken out after the transi-

tion to IFRS. The amendments had no effect on the consolidated financial statements.

Annual Improvements to IFRS 2009–2011
Changes were made to five standards as part of the annual improvement project. The revision of the wording of individual IFRSs is intended to clarify the existing rules. There are also changes that affect recognition, approaches, measurement, and disclosures in the notes. The standards IAS 1, IAS 16, IAS 32, IAS 34, and IFRS 1 were affected. The amendments had no material effect on BIG's consolidated financial statements.

5.5. New standards and interpretations not yet effective

Amendment/standard	Date of publication	Date of adoption by the EU	Date of application (EU)
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
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
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	16.12.2011	13.12.2012	01.01.2014
Transition Guidance (Amendments to IFRS 10, IFRS 11, and IFRS 12)	28.06.2012	04.04.2013	01.01.2014
Investment Entities (Amendments to IFRS 10, IFRS 12, and IAS 27)	31.10.2012	20.11.2013	01.01.2014
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	29.05.2013	19.12.2013	01.01.2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	28.06.2012	19.12.2013	01.01.2014

IFRS 10 – Consolidated Financial Statements
This standard applies a new and comprehensive definition to the concept of control. When one company controls another company, the parent company must consolidate the subsidiary company. According to the new concept, control exists when the potential parent company has power over the potential subsidiary company by virtue of voting rights or other rights, when it participates in variable positive or negative returns from the subsidiary, and when it can influence these returns through its decisions.
The new standard must be applied for the first time in financial years that begin on or after 1 January 2014. IFRS 10 must be applied retrospectively, with some exceptions. It is assumed that the first-time application of IFRS 10 will have no material effects on BIG's consolidated financial statements.

IFRS 11 – Joint Arrangements

IFRS 11 changes the way joint arrangements are recognised. Under the new concept, the reporting entity must decide whether the arrangement in question represents a joint operation or a joint venture. An arrangement is a joint operation when the parties to the arrangement have direct rights to the assets of the arrangement and are liable for the obligations of the arrangement. The individual rights and obligations are recognised proportionately in the consolidated financial statements. In a joint venture, the parties to the arrangement have rights to the net assets. This right is depicted in the consolidated financial statements using the equity method; such arrangements can no longer be recognised proportionally.

The new standard must be applied for the first time in financial years that begin on or after 1 January 2014. There are specific transitional provisions for the switch from proportionate consolidation to the equity method, for example. As BIG does not proportionally consolidate any joint ventures at this time, this amendment is not expected to have any effects for the Group.

IFRS 12 – Disclosures of Interests in Other Entities

This standard governs the disclosure requirements regarding interests in other companies. The required information is considerably more extensive than that previously required by IAS 27, IAS 28, and IAS 31. The new standard must be applied for the first time in financial years that begin on or after 1 January 2014.

Amendment to IAS 27 Separate Financial Statements

The rules governing the principle of control and the requirements for the preparation of consolidated financial statements are contained in the amended IFRS 10 Consolidated Financial Statements, so that IAS 27 will no longer cover the preparation of consolidated financial statements (see the information about IFRS 10). As a result, IAS 27 will only include the rules for the recognition of subsidiaries, joint ventures, and associated companies in individual IFRS financial statements. The amendment must be applied for the first time in financial years that begin on or after 1 January 2014.

Amendment to IAS 28 Investments in Associates and Joint Ventures

Amendments were also made to IAS 28 as part of the adoption of IFRS 11 Joint Arrangements. As before, IAS 28 governs the application of the equity method. However, the adoption of IFRS 11 substantially expanded the scope of IAS 28 because not only interests in associated companies, but also joint ventures (see IFRS 11) must be recognised using the equity method. This eliminates the proportionate recognition of joint ventures.

Another amendment pertains to recognition according to IFRS 5 when only part of an interest in an associated company or in a joint venture is held for sale. IFRS 5 must be applied to the part held for sale, while the remaining (retained) part must still be recognised according to the equity method until the sale of the former part.

The amendment must be applied for the first time in financial years that begin on or after 1 January 2014. The amendments will have no effect on BIG's consolidated financial statements.

IFRS 10–12 Transitional Guidance (published by the IASB on 28 June 2012)

The amendments clarify and ease the transition to IFRS 10, IFRS 11, and IFRS 12. Adjusted comparative information is now only required for the prior reporting period. In addition, comparative information for non-consolidated structured entities is no longer required for periods before the first-time application of IFRS 12. The amendments to IFRS 10, IFRS 11, and IFRS 12 must be applied for the first time in financial years that begin on or after 1 January 2014.

Amendments to IFRS 10, IFRS 12, and IAS 27 – Exception from consolidation requirements for investment entities

The amendments contain a definition of the term “investment entities” and remove such companies from the scope of IFRS 10 Consolidated Financial Statements. Investment entities are now not required to consolidate the companies they control in their IFRS consolidated financial statements; this exception from the fundamental principles is not optional. Instead of fully consolidating these interests held for investment purposes, they are recognised at their fair value, and periodic value fluctuations are recognised through profit or loss.

The amendments have no effect on consolidated financial statements that contain investment entities when the group parent itself is not an investment entity. The amendments must be applied for the first time in financial years that begin on or after 1 January 2014.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

As part of a subsequent amendment of IFRS 13 Fair Value Measurement, a new mandatory disclosure about goodwill impairment testing according to IAS 36 was introduced. The recoverable amount of the cash generating units must be indicated regardless of whether an impairment has actually been recognised. Because this disclosure was unintentionally introduced, it is being eliminated again through this amendment from May 2013.

This amendment also introduced additional disclosures when impairment charges have actually been recognised and the recoverable amount was determined on the basis of a fair value.

The amendments must be applied for the first time in financial years that begin on or after 1 January 2014.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
Following this amendment, derivatives continue to be designated as hedging instruments in a continued hedge relationship under certain circumstances despite the novation of a hedging instrument to a central counterparty as a result of laws or regulations. The amendments must be applied for the first time in financial years that begin on or after 1 January 2014 and have no material effects on BIG's consolidated financial statements.

Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities
This amendment to IAS 32 clarifies what the requirements for the offsetting of financial instruments are. The amendment explains the meaning of the currently legally enforceable right to set-off and clarifies what methods can be viewed as gross offsetting and net offsetting for the purposes of the standard.

The amendment of IAS 32 must be applied for the first time in financial years that begin on or after 1 January 2014 and has no material effects on BIG's consolidated financial statements.

6. Significant Recognition Methods

6.1. Consolidation principles

The first-time consolidation of a newly acquired interest is completed using the acquisition method by assigning the acquisition costs to the measured assets (especially properties) and liabilities of the interest; any positive difference between the acquisition costs and the measured value of the net assets is recognised as goodwill according to IFRS 3. The Company had no goodwill on the reporting date. Internal restructuring measures are recognised by continuing the carrying amounts.

All companies where the Company can directly or indirectly exercise control over the financial and business policy (subsidiaries) are fully consolidated in the financial statements. All transactions between fully consolidated companies and the associated income and expenses, receivables and liabilities, and unrealised intragroup profits are eliminated.

Entities where the Company can exert a material influence on the business and financial policy, generally based on an interest of between 20% and 50% (associated companies), and joint ventures are recognised according to the equity method.

The consolidated financial statements include no companies that employ a functional currency different from that of BIG as the Group parent company.

6.2. Scope of consolidation

In addition to BIG, the scope of consolidation includes assets of the following companies:

31.12.2013 Company	Domicile	Currency	Shareholding %	Consolidation method[1]	Nominal capital
Bundesimmobiliengesellschaft m.b.H.	Vienna	EUR	100.00	FC	226,000,000.00
ARE Austrian Real Estate GmbH (formerly Karree St. Marx GmbH)	Vienna	EUR	100.00	FC	50,000,000.00
ARE Austrian Real Estate Development GmbH (formerly BIG Entwicklungs- und Verwertungs GmbH)	Vienna	EUR	100.00	FC	364,000.00
"Muthgasse 18" Liegenschaftsverwertung GmbH	Vienna	EUR	100.00	FC	36,336.42
Inffeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH	Vienna	EUR	100.00	FC	35,000.00
BIG Beteiligungs GmbH	Vienna	EUR	100.00	FC	35,000.00
BIG Asperner Flugfeld Süd Holding GmbH	Vienna	EUR	100.00	FC	35,000.00
ICT Technologiepark Errichtungs- und Verwertungs GmbH	Vienna	EUR	100.00	FC	35,000.00
Grutschgasse 1-3 GmbH	Vienna	EUR	100.00	FC	35,000.00
Argentinierstraße 11 GmbH	Vienna	EUR	100.00	FC	35,000.00
Beatrixgasse 11-17 GmbH	Vienna	EUR	100.00	FC	35,000.00
Rosenberggürtel Graz GmbH	Vienna	EUR	100.00	FC	35,000.00
Wimmergasse 17 und 21 GmbH	Vienna	EUR	100.00	FC	35,000.00
Schottenfeldgasse 34 GmbH	Vienna	EUR	100.00	FC	35,000.00
Seidengasse 20 GmbH	Vienna	EUR	100.00	FC	35,000.00
ARE Holding GmbH	Vienna	EUR	100.00	FC	35,000.00
ARE Beteiligungen GmbH	Vienna	EUR	100.00	FC	35,000.00
Anzengrubergasse Errichtungs- und Verwertungs GmbH	Vienna	EUR	100.00	FC	35,000.00
NOE Central St. Pölten Verwertungs GmbH	St. Pölten	EUR	67.58	FC	35,000.00
Nußdorferstraße 90-92 Liegenschaftsverwertung GmbH	Vienna	EUR	100.00	NC	35,000.00
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	Vienna	EUR	55.00	EC	35,000.00
Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH	Vienna	EUR	51.00	EC	35,000.00
HAPA Projektmanagement GmbH	Vienna	EUR	50.00	EC	35,000.00
Residenz am Hamerlingpark GmbH & Co KG	Vienna	EUR	50.00	EC	35,000.00
Kaarstraße 21 GmbH	Vienna	EUR	50.00	EC	35,000.00
Am Heumarkt 35 GmbH	Vienna	EUR	50.00	EC	35,000.00
Am Heumarkt 35 GmbH & Co KG	Vienna	EUR	50.00	EC	4,000.00
"Wohngarten Sensengasse" Bauträger GmbH	Vienna	EUR	45.00	EC	35,000.00
SIVBEG Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.	Vienna	EUR	45.00	EC	35,000.00
Schnirchgasse 9-9A GmbH	Vienna	EUR	45.00	EC	35,000.00
Hauptplatz 18 Entwicklungs- und Verwertungs GmbH	Vienna	EUR	36.00	EC	35,000.00
Wien 3420 Aspern Development AG	Vienna	EUR	26.60	EC	70,000.00
Schiffmühlenstraße 120 GmbH	Vienna	EUR	25.00	EC	35,000.00
Hillerstraße - Jungstraße GmbH	Vienna	EUR	25.00	EC	35,000.00
Eslarngasse 16 GmbH	Vienna	EUR	25.00	EC	35,000.00
Fürstenallee 21 GmbH	Vienna	EUR	25.00	EC	35,000.00

1) FC = full consolidation, EC = equity method, NC = not consolidated due to immateriality

The companies BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH and Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH were not fully consolidated because the syndication agreements confer no control for the purposes of IAS 27.13.

The reporting date of all companies in the scope of consolidation is 31 December.

In a share purchase and transfer agreement dated 12 December 2013, BIG Group acquired the 55% share of its project partner in Anzengrubergasse Errichtungs- und Verwertungs GmbH, becoming the sole owner of the company.

BIG Group also acquired 100% of the shares in MED Campus Grundverwertungsgesellschaft m.b.H., which was immediately merged with BIG GmbH as the absorbing company. Both acquisitions are immaterial for the purposes of the Group. The MED Campus, currently BIG's largest project in terms of investment volume, is being built for the Medical University of Graz.

Under the share contribution agreement dated 14 October 2013, BIG transferred its 100% stake in ARE Austrian Real Estate Development GmbH to ARE. After ARE became a sister company of ARE Development following the former's demerger from BIG, this restructuring measure was intended to position the (project development) services provider of the Group as a subsidiary of both holding companies.

The scope of consolidation changed as follows during the 2013 financial year:

	Full consolidation	Equity method
As of 01.01.2013	13	12
Change in scope of consolidation	1	-1
Established during the reporting period	5	5
As of 31.12.2013	**19**	**16**

After control was obtained over Anzengrubergasse Errichtungs- und Verwertungs GmbH in 2013, the company was fully consolidated as opposed to consolidation according to the equity method as applied in 2012. The five newly established fully consolidated 100% subsidiaries in the financial year were as follows:

- Wimmergasse 17 und 21 GmbH
- Schottenfeldgasse 34 GmbH
- Seidengasse 20 GmbH
- ARE Holding GmbH
- ARE Beteiligungen GmbH

Please refer to the disclosures in the management report for information about the five newly established equity companies.
The scope of consolidation changed as follows during the 2012 financial year:

	Full consolidation	Equity method
As of 01.01.2012	10	13
Sold during the reporting period	0	-1
Established during the reporting period	3	0
As of 31.12.2012	**13**	**12**

6.3. Foreign currency

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

6.4. Investment properties

Investment properties consist of land and buildings that are primarily used by third parties. Properties that are used at least in part by the Group are reported as properties used by the Company unless the share of Group use is immaterial.

In the 2013 financial year, the Group applied the revaluation method for investment properties according to IAS 40 for the first time. Previously, the Group recognised investment properties according to the cost model in IAS 40. See item 5.1. for further information.

Investment properties and investment properties under development are initially measured at the cost of acquisition or production less investment grants and construction cost contributions, and subsequently at their fair value, with any changes being recognised through profit or loss.

Every gain or loss incurred when an investment property is sold (calculated as the difference between the net sale proceeds and the carrying amount of the asset) is recognised through profit or loss.

6.5. Plant and equipment and properties used by the Company

Plant and equipment and properties used by the Company are recognised at their cost of acquisition or production less cumulated depreciation and cumulated impairment charges.

The value of buildings, plant, and equipment is written down on a straight-line basis over the expected period of use. Individual parts of buildings and technical systems are not written down separately because these do not represent a material portion of the total acquisition costs. The estimated periods of use for the current year and comparison periods were assumed as follows:

Period of use in years	from	to
Properties used by the Company	33	33
Furniture, fixtures, and equipment	5	10
Other fixed assets	10	33

Depreciation methods, periods of use, and residual values are reviewed and adjusted as needed on every reporting date.

6.6. Intangible assets

The intangible assets have a limited period of use and are recognised on the statement of financial position at the cost of acquisition less straight-line scheduled amortisation and impairment charges. The following periods of use were used to determine the amortisation rates:

Period of use in years	from	to
Software	3	5
Usufruct	20	20

6.7. Leases

BIG Group is the lessor of the properties in its portfolio. When leases are concluded, they are classified according to the extent to which the material risks and opportunities that are associated with ownership are transferred to the lessee. When the lessor maintains the material risks and opportunities of ownership, the agreement is classified as an operating lease. When the material risks and opportunities are transferred to the lessee, the agreement is classified as a finance lease, and a receivable in the amount of the net investment from the lease is recognised.

Under operating leases where BIG is the lessee, the lease payments are distributed evenly over the term of the lease as expenses on the statement of comprehensive income.

6.8. Impairment of non-financial assets

BIG only recognises impairments for properties used by the Company, plant and equipment, and intangible assets that are not recognised according to the revaluation method.

The recoverable amount is the higher of the value in use or fair value, less costs of disposal (net fair value). If this value is less than the carrying amount recognised for the asset, the asset value is reduced to the lower amount by means of an impairment charge.

The impairment charges are recognised through profit or loss. Impairment charges are recognised in a separate item in the statement of comprehensive income.

When the reasons for the impairment no longer apply at a later time, the impairment charge is reversed up to the amount of the original cost of acquisition or production less scheduled amortisation or depreciation; this reversal is recognised in a separate item on the statement of comprehensive income.

6.9. Revenues

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

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

6.10. Inventories

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

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

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

cost of acquisition or production or the net disposal value.

6.11. Financial instruments

The Group classifies non-derivative financial assets in the following categories: financial assets recognised at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. BIG currently makes no use of the category "financial assets held to maturity".

All financial assets and liabilities are recognised on the settlement date. The financial assets and liabilities are derecognised when the right to receive payments from the investment expire or are transferred and BIG has transferred all material risks and opportunities that are associated with ownership.

6.11.1. Financial liabilities measured at fair value through profit or loss

The fixed-rate bonds issued by BIG whose fair value risk is hedged with an interest rate swap (or circus swap) are recognised at fair value through profit or loss (fair value option). These bonds are managed using a documented financing strategy, and their performance is evaluated internally on the basis of the fair value. The category of at fair value through profit or loss only includes bonds that meet these criteria and whose classification provides more relevant information.

The variable-rate bond issued by BIG, whose interest rate risk is hedged with an interest rate swap, is recognised as a cash flow hedge relationship. Changes in the value of the derivative are recognised in other comprehensive income.

The fair values of the financial assets and liabilities are generally the market prices on the reporting date; any deviations are shown in note 7.3.2.2. If prices from active markets are not directly available, the prices are calculated using recognised financial valuation models and current market parameters (especially interest rates, exchange rates, and the credit ratings of the contracting parties) unless they are only of minor importance. The cash flows of the financial instruments are discounted to the reporting date for this.

6.11.2. Loans and receivables

Such assets and liabilities are initially recognised at their fair value plus the directly allocable transaction costs. In future periods, they are recognised at amortised cost according to the effective interest rate method.

The trade receivables, extended loans, receivables from finance leases, and other receivables and assets are classified as loans and receivables. This also applies to other bonds, liabilities to credit institutions, and trade and other liabilities.

If the value of individual receivables is not clear, they are recognised at the lower realisable amount. Impairments are then recognised through profit or loss.

When the reasons for the impairment no longer apply at a later time, the impairment charge is reversed through profit or loss up to the amount of the original cost of acquisition or production less scheduled amortisation.

Leases under which the material risks and opportunities that are associated with ownership are transferred to the lessee are recognised as receivables in the amount of the net investment from the lease. Receivables from finance leases are generally capitalised at the present value of the future minimum lease payments.

6.11.3. Available-for-sale financial assets

The securities are classified as available-for-sale financial assets. They are measured at fair value on initial recognition. The fair values are used when they can be reliably determined.

Value fluctuations from financial assets in this category are recognised in other comprehensive income, including deferred taxes, and are reported in the fair value reserve. These amounts are not recognised through profit or loss until the financial asset is sold or until the asset is subject to substantial and lasting impairment.

6.11.4. Cash and cash equivalents

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

6.11.5. Shares in companies recognised according to the equity method

Shares in associated companies and joint ventures are recognised using the equity method of accounting. They are recognised at the cost of acquisition upon initial recognition, and in subsequent periods at the amortised cost of the proportionate net assets plus any goodwill. The carrying amounts are increased or decreased each year by the proportionate profit or loss, disbursed dividends, and other changes in equity. An impairment charge is recognised when the value determined on the reporting date is lower than the carrying amount.

6.11.6. Derivative financial instruments and hedging transactions

BIG uses derivative financial instruments (especially interest rate swaps, circus swaps, and currency swaps) to mitigate risks, especially to reduce interest rate and currency risks arising from the issue of bonds and the extension of loans.

Derivative financial instruments are initially recognised at their fair value; allocable transaction costs are recognised through profit or loss when incurred. The interbank terms, including the credit margin or exchange prices that are valid for BIG if applicable, are used to measure the derivative financial instruments; the bid and ask prices on the reporting date are used for this. If no exchange prices are used, the fair value is determined using recognised financial models.

BIG applies the hedge accounting rules of IAS 39.71ff to hedge future cash flows. For derivative financial instruments that are intended to hedge against the risk of fluctuating cash flows, the effective portion of the change in the fair value of the derivative is recognised in other comprehensive income and reported in the cash flow hedge reserve. The ineffective portion of the change in the fair value is recognised directly through profit or loss.

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

As soon as the hedging instrument no longer meets the requirements for hedge accounting or the instrument expires, is sold, terminated, or exercised, or is no longer designated as a hedging instrument, the hedge relationship is eliminated.

The regulations for the designation of financial instruments (fair value option according to IAS 39 AG4B ff) are also applied. The designation is made in writing upon initial recognition of the financial instruments to avoid inconsistent measurement between bonds (which are otherwise recognised at amortised cost) and derivative financial instruments (recognised at fair value). The criteria for designation are primarily congruent in terms of nominal amount, term, payment dates, payment amounts, and currencies, and are fulfilled on an ongoing basis.

As hedge accounting was begun after the inception of the bond, and therefore also after the inception of the hedging derivatives, the market value of the derivatives was other than zero at the (delayed) start of the hedge relationship; this market value is distributed over the term of the derivatives. This can primarily be attributed to the fact that the market interest rates have changed since the derivatives were concluded. Nevertheless, the market values of the swaps at the beginning of the hedge relationship are the present value of an "off-market series of payments" by which the "genuine" interest payments of the swap deviate from the theoretically correct (standard market) interest payments. This off-market series of payments is measured separately on each reporting date, and the value fluctuations are recognised through profit or loss so that only the effective portion of the hedge relationship is allocated to the cash flow hedge reserve. The market value of this off-market series of payments should generally decrease over time.

6.12. Employee benefits

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

Defined contribution plans

BIG is legally obligated to pay 1.53% of the monthly salary of all employees who joined the Company after 31 December 2002 into an employee benefit fund. This represents a defined contribution plan. The payments in 2013 amounted to EUR 313.2t (2012: EUR 284.0t) and were recognised immediately as expenses. Contributions are also made to a pension fund; the Company has no further benefit obligations vis-à-vis the beneficiaries. Under an agreement between BIG and a pension fund dated 1 January 2007, some employees who have been with the Company for more than one year fall under a defined contribution pension plan. The contributions to this defined contribution plan in 2013 amounted to EUR 238.8t (2012: EUR 227.1t).

Provision for termination benefits

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

The Group's mandatory severance payment obligations are calculated by estimating the future benefits accrued by employees in the current and previous periods. This amount is discounted.
The provision for termination benefits is calculated once per year by a recognised actuary using the projected unit credit method and an interest rate of 3.5% (2012: 3.75%), expected future pay increases of 3.5% (2012: 3.5%), and a retirement age of 62.0 years for women and men. The fluctuation rate varies depending on employee age and ranges between 0.0 and 5.0% (2012: 0.0 to 5.0%).

Provision for post-employment benefits
BIG has also entered into defined benefit pension obligations for two former managing directors. A separate provision has been formed for this obligation according to the projected unit credit method using an interest rate of 3.5% (2012: 3.75%) on the basis of the actuarial tables of Pagler & Pagler. The expected pension increases were assumed to be 2.5% (2012: 2.5%).

Provision for anniversary bonuses
Civil servants and contract agents of BIG are entitled to anniversary bonuses. According to the legal regulations, the beneficiaries receive different monthly salaries depending on the province and their years of service. The provision is formed over the period of service using the valuation methods for determining the termination benefits provision.

None of the defined benefit plans is financed from a fund.

6.13. Provisions

Provisions are formed when BIG is subject to a legal or de facto obligation vis-à-vis a third party on the basis of a past event and when it is probable that this obligation will result in a cash outflow. These provisions are formed in the amount resulting from the best estimate at the time that the annual financial statements are prepared. If the amount cannot be reliably estimated, no provision is formed. In these rare cases, the obligation is reported as a contingent liability. If the present value of the provision calculated on the basis of a standard market interest rate deviates substantially from the nominal value, the present value of the obligation is used.

6.14. Obligation to make remedial payments to the Republic of Austria

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

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

This is calculated using the following formula:

N = (W-V-A-NV-I)*0.8
N = Remedial payment
W = Re-sale value
V = Selling costs
A = Acquisition value
NV = Assumed net liabilities at the time of acquisition
I = Carrying amount of the investment of BIG and the capitalised usufruct for the property in question

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

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

6.15. Income taxes

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

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

The temporary differences between the balance sheet for tax purposes and the consolidated statement of financial position according to IAS 12 were used to calculate the deferred taxes. The deferred taxes on loss carryforwards are capitalised when it is likely that they can be applied to taxable profits in the

foreseeable future. The Company has capitalised no loss carryforwards because it has no material loss carryforwards.

BIG is the parent of a tax group. The members of this group are:
- ARE Austrian Real Estate GmbH (formerly Karree St. Marx GmbH)
- ARE Austrian Real Estate Development GmbH (formerly 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 positive and negative tax allocation to each group member is 25% (pursuant to § 22 [1] KStG as amended, Federal Law Gazette I 2004/57) of the member's profit or loss for tax purposes. When the group parent holds between 50 and 75% of a member company (WU Neu, for example), only positive amounts are allocated, and tax losses are carried internally. Losses of EUR 7,482t from the project companies for which no tax allocations were made were assumed in financial year 2013.

No reserves for later tax settlement were made because the Company does not assume that the losses that were assumed will have to be paid on the basis of contractual agreements.

6.16. Statement of cash flows

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

6.17. Financial result

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

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

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

7. Explanations about Items in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position

7.1. Consolidated statement of comprehensive income

7.1.1. Revenues

in EURt	2013	2012
Letting revenues	755,207.8	730.605.6
Revenues from operating and heating costs	75,605.4	67,411.8
Revenues from tenant investments	56,144.4	39,326.9
Building management revenues	23,196.5	22,989.7
Facility services revenues	7,781.3	6,304.9
Construction management revenues	1,297.5	999.9
Revenues from the sale of inventory properties	22,490.0	1,597.9
Space management revenues	161.8	46.8
Other revenues	4,455.4	3,134.3
Total sales revenues	946,340.0	872,417.8

7.1.2. Changes in property holdings

in EURt	2013	2012
Tenant investments	-3,681.0	3,904.5
Investments in inventory properties	4,266.6	1,868.9
Inventory properties	-13,306.6	-927.4
Total changes in property holdings	-12,720.9	4,846.0

7.1.3. Other operating revenue

in EURt	2013	2012
Release of other provisions	2,458.3	2,322.1
Assumed refurbishment costs	2,388.1	3,892.4
Income from the release of specific impairment provisions	2,274.3	1,042.9
Other income	5,584.6	4,740.4
Other operating revenue	12,705.3	11,997.8

7.1.4. Result from the revaluation of investment properties

in EURt	2013	2012
Revaluation gains	193,416.4	271,422.5
Revaluation losses	-160,558.8	-197,626.1
Valuation result for investment properties	32,857.6	73,796.4

7.1.5. Result from the sale of properties

in EURt	2013	2012
Gains from the sale of plant and equipment	17,530.2	1,114.3
Losses from the sale of plant and equipment	-3,191.2	-792.1
Result from the sale of properties	14,339.0	322.2

7.1.6. Material expenses

in EURt	2013	2012
Maintenance	-158,006.8	-172,826.3
Tenant investments	-49,512.2	-41,210.5
Operating and heating costs	-82,744.0	-72,938.2
Other services	-30,316.3	-26,045.8
Income from cash discounts	587.8	674.5
Expenses for materials and services	**-319,991.5**	**-312,346.3**

7.1.7. Personnel expenses

in EURt	2013	2012
Wages	-481.5	-530.9
Salaries	-29,701.2	-25,623.4
Expenses for termination benefits and post-employment benefits	-937.8	-1,526.5
Non-wage labour costs	-7,878.8	-7,026.2
Other employee benefits	-662.4	-539.8
Personnel expenses	**-39,661.7**	**-35,246.9**

The personnel structure of BIG breaks down as follows:

Employees (average for the year)

	2013	2012
Salary earners	481	438
Former federal contract agents	89	99
Recognised as personnel expenses	570	537
Federal/provincial civil servants	274	287
Provincial contract agents	3	3
Recognised as purchased services	277	290
Total	**847**	**827**

7.1.8. Amortisation, depreciation, and impairment charges

in EURt	2013	2012
Amortisation and depreciation	-2,723.0	-2,480.0
Impairment charges	-423.3	0.0
Value changes	-3,146.3	-2,480.0

The impairment charges pertain to inventories and were necessary because the recoverable amounts determined on the basis of the valuations in 2013 were lower than the carrying amounts.

7.1.9. Other operating expenses

in EURt	2013	2012
Other expenses	-9,506.7	-12,286.3
Services	-4,341.1	-5,230.0
IT systems	-2,601.6	-2,437.0
Office management	-2,313.1	-2,071.9
Advertising	-1,780.1	-1,250.2
Communication	-430.1	-406.8
Training	-778.8	-597.3
Travel expenses	-600.8	-553.9
Taxes other than income taxes	-253.3	-59,718.5
Motor vehicles	-276.2	-239.4
Disposal costs	-938.4	-444.5
Sundry other operating expenses	-23,820.2	-85,235.8

7.1.10. Financial revenue

in EURt	2013	2012
Interest revenue	2,029.7	4,470.5
Revenue from fund shares	25.1	25.5
Currency translation result and revaluation of bonds	35,423.3	18,873.0
Changes in the fair value of derivatives	0.0	0.0
Other financial revenue	2,604.7	897.6
	40,082.9	**24,266.6**

7.1.11. Financial expenses

in EURt	2013	2012
Interest expenses	-131,137.6	-133,457.5
Currency losses	-0.3	-1,024.5
Derivative instrument fair value changes and revaluation of bonds	-58,926.9	-25,039.4
Other financial expenses	-1,124.8	-5,117.1
	-191,189.5	**-164,638.6**

The currency gains/losses are primarily due to the valuation of issued bonds denominated in foreign currencies on the reporting date.

7.1.12. Net result of the financial instruments by measurement categories according to IAS 39

The net result of the financial instruments by classes or measurement categories according to IAS 39 was as follows in the 2013 and 2012 financial years:

in EURt 2013	Interest	Im- pairment	Other value changes	Total
Loans and receivables	2,030	0	2,605	4,634
Available-for-sale financial assets (fund shares)	25	0	0	25
Financial assets at fair value through profit or loss (held-for-trading derivatives)	0	0	-36,752	-36,752
Financial liabilities at fair value through profit or loss (held-for-trading derivatives)	0	0	0	0
Financial liabilities at fair value through profit or loss (fair value option bonds)	0	0	26,615	26,615
Financial liabilities at amortised cost	-131,138	0	-14,492	-145,629
Total	**-129,083**	**0**	**-22,024**	**-151,106**

2012	Interest	Im- pairment	Other value changes	Total
Loans and receivables	4,471	0	898	5,368
Available-for-sale financial assets (fund shares)	26	0	0	26
Financial assets at fair value through profit or loss (held-for-trading derivatives)	0	0	-25,039	-25,039
Financial liabilities at fair value through profit or loss (held-for-trading derivatives)	0	0	0	0
Financial liabilities at fair value through profit or loss (fair value option bonds)	0	0	18,873	18,873
Financial liabilities at amortised cost	-133,458	0	-6,142	-139,599
Total	**-128,961**	**0**	**-11,411**	**-140,372**

The “other value changes” column includes income and expenses from currency translation and changes in fair values.

7.2. Consolidated statement of financial position

7.2.1. Investment properties

The changes in the properties used by the Company, plant and equipment, and intangible assets are described in the consolidated statement of changes in fixed assets in the notes.

The fair value of the investment properties in Level 3 (let and under development) changed as follows:

in EURt	2013	2012
As of 01.01.	**9,973,964.0**	**9,716,661.1**
Additions	295,107.9	295,888.7
Additions from changes in the scope of consolidation	10,274.6	0.0
Disposals	-18,545.8	-33,687.0
Reclassification of inventory properties	11,725.8	-78,695.2
Write-ups	193,416.4	271,422.5
Write-downs	-160,558.8	-197,626.1
As of 31.12.	**10,305,384.1**	**9,973,964.0**

Determination of the fair values

The fair value of the investment properties was determined by internal and independent external real estate appraisers with pertinent professional qualifications and current experience with the locations and types of the properties being valued. The independent experts assess the fair value of the Group's investment properties every year.

Based on the inputs and measurement methods used, the valuation of the investment properties was classified as a Level 3 fair value.

The following table shows the measurement technique that was used to determine the fair value of the investment properties as well as the material unobservable inputs that were used. The following, in some cases considerable, ranges arise from the significant heterogeneity of the portfolio:

Measurement technique	Material unobservable inputs	Relationship between material unobservable inputs and the fair value measurement
The measurements are completed according to the principles of the federal law for the court-certified assessment of properties (Liegenschaftsbewertungsgesetz – LBG) and according to the European valuation standards of The European Group of Valuers' Associations (TEGoVA). The particular characteristics of the properties to be valued are taken into account by means of a careful selection of the most appropriate measurement model and the selection of parameters in accordance with the specific property (with factors including the location of the property, use type, market environment, and condition). The valuation is generally based on the income approach. The income approach is used to determine the market value of properties for which the yield on the invested capital is decisive for determining the price in the normal course of business. The income approach essentially aims to determine the present value of all future income on the property as of the measurement date.	• Expected market rent uplifts are included in the property rate. • Vacancies are taken into account as a percentage of the gross yield through the rent loss risk. - ARE 0.5%–5.0% These levels apply solely to residential and commercial spaces. - BIG 0.5%–1.5% • Property rates are derived individually for each property on the basis of the market conditions. - ARE 2.25%–11.0% - BIG 3.0%–9.0% • The maintenance costs are assumed at standard market levels based on experience. - ARE 7.0–16.0 EUR/m² and year (for historical monuments up to 30.0 EUR/m²) These levels apply solely to residential and commercial spaces. - BIG 5.0–18.0 EUR/m² and year (for historical monuments up to 21.0 EUR/m²) • The remaining periods of use are also assumed at standard market levels based on experience. - ARE 1.0–80.0 years, up to 100.0 years for historical monuments - BIG 5.0–50.0 years, up to 100.0 years for historical monuments	The estimated fair values would rise (fall) when: • The market rent uplifts are greater (less) than expected. • The vacancy periods are shorter (longer). • The property rates fall (climb). • The maintenance costs are lower (higher).

7.2.2. Properties used by the Company, plant and equipment and intangible assets

As of 31 December 2013, no plant or equipment and no intangible assets were pledged as security for obligations.

The changes in the properties used by the Company, plant and equipment, and intangible assets are described in the consolidated statement of changes in fixed assets in the notes.

7.2.3. Shares in affiliated companies and companies recognised according to the equity method

7.2.3.1. Shares in affiliated companies

The shares in affiliated companies pertain to Nußdorferstraße 90-92 Liegenschaftsverwertung GmbH, which is not consolidated in these financial statements because of immateriality. The shareholding is recognised in the amount of EUR 35.0t, which is the amount of share capital paid in.

7.2.3.2. Shares in companies recognised according to the equity method

in EURt	31.12.2013	31.12.2012
Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH	433,509.7	272,667.0
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	1,619.7	1,544.8
Residenz am Hamerlingpark GmbH & Co KG (formerly GmbH)	5,792.9	6,255.3
"Wohngarten Sensengasse" Bauträger GmbH	3,426.5	3,323.5
Anzengrubergasse Errichtungs- und Verwertungs GmbH	0.0	1,715.4
Wien 3420 Aspern Development AG	0.0	27.5
SIVBEG Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.	1,158.9	1,132.9
Hillerstraße - Jungstraße GmbH	0.0	0.0
Eslarngasse 16 GmbH	309.3	1,106.6
Schnirchgasse 9-9A GmbH	4,896.6	5,026.7
Fürstenallee 21 GmbH	1,143.3	599.6
Schiffmühlenstraße 120 GmbH	1,009.4	1,006.6
Hauptplatz 18 Entwicklungs- und Verwertungs GmbH	1,491.0	0.0
HAPA Projektmanagement GmbH	13.2	0.0
Kaarstraße 21 GmbH	562.8	0.0
Am Heumarkt 35 GmbH	17.0	0.0
Am Heumarkt 35 GmbH & Co KG	0.0	0.0
	454,950.4	**294,406.0**

BIG financed the construction project of Projektgesellschaft Wirtschaftsuniversität Wien Neu GmbH, a joint venture of BIG, which was completed in autumn 2013, by way of non-linear grandparent contributions, and will receive corresponding non-linear dividend disbursements over the 25-year term of the lease. The classification as a joint venture is based on the contractual agreement with the project partner.

The following table shows the changes in the values of the shareholdings in the companies recognised according to the equity method:

in EURt	2013	2012
As of 01.01.	294,406.0	165,521.6
Changes in capital (additional contributions/dividends received, etc.)	153,247.2	126,903.1
Share of profit for the year	7,297.2	1,981.3
As of 31.12.	**454,950.4**	**294,406.0**

The financial position of the companies recognised according to the equity method is as follows:

in EURt	31.12.2013	31.12.2012
Assets	697,339.5	497,446.8
Liabilities	180,976.8	147,056.8
Revenues	19,703.5	20,936.2
Profit for the year	21,235.2	3,411.3

7.2.4. Other financial assets

in EURt	31.12.2013	31.12.2012
Available-for-sale securities	897.7	884.9
Extended loans	23,903.1	37,463.3
Receivables from finance leases	10,251.4	10,650.7
Non-current trade receivables	14,210.0	13,947.7
Non-current other receivables	1,505.7	416.0
Deferred items	0.0	65.1
	50,767.9	**63,427.7**

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

The extended loans pertain to loans granted to associated companies and third parties. The fair value corresponds to the discounted future repayments applying a current market interest rate.

7.2.5. Derivative financial instruments

The derivatives consist primarily of interest rate, currency, and circus swaps for issued bonds and loans. Please refer to item 7.3.2. for further information.

7.2.6 Inventories

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

7.2.7. Trade receivables and other assets

in EURt	31.12.2013	31.12.2012
Current assets		
Receivables from finance leases	1,720.1	1,720.1
Trade receivables	27,945.0	117,281.6
Other receivables and assets	19,161.0	18,567.8
Extended loans	6,114.9	6,762.4
Deferred items	0.0	644.6
Total current assets	**54,941.0**	**144,976.6**

Please refer to item 7.2.4. for further information about the non-current assets.

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

As far as the trade receivables, extended loans, and other receivables that are neither impaired nor in arrears are concerned, there were no signs on the reporting date that the debtors will be unable to meet their payment obligations.

The specific impairment provisions on trade receivables changed as follows in the 2013 and 2012 financial years:

in EURt	2013	2012
As of 01.01.	26,114.7	21,594.6
Allocations	217.1	7,518.8
Use	-16,038.3	-1,911.4
Releases	-2,274.3	-1,087.3
As of 31.12.	**8,019.2**	**26,114.7**

The expenses for the complete derecognition of trade receivables in financial year 2013 total EUR 227.9t (2012: EUR 790.0t).

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

2013 (in EURt):
- Third-party tenant provision 717.3
- Federal tenant provision 7,301.9

2012 (in TEUR):
- Third-party tenant provision 2,754.9
- Federal tenant provision 23,359.8

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

7.2.8. Cash and cash equivalents

in EURt	31.12.2013	31.12.2012
Cash at credit institutions	5,774.5	97,757.5
Cash in hand	9.1	5.2
	5,783.7	**97,762.7**

7.2.9. Equity capital

Please see Annex I/7 for information about the changes in BIG's equity capital.

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

The fair value reserve and the cash flow hedge reserve are for available-for-sale securities and cash flow hedges. These reserves are reported less any deferred taxes that can be allocated to these items. IAS 19R was also applied retrospectively.

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

A statutory earnings reserve of EUR 161.9m was formed in the annual financial statements of the parent company in the 2012 financial year due to a change in the articles of association.

The Company has planned a profit disbursement of EUR 20.0m for the 2014 financial year.

There are also changes that are recognised directly in equity as a result of remedial payments. Please refer to item 6.14. for details.

Capital management

BIG's long-term strategy is to achieve organic growth, in other words to reinvest revenues from rent and financial investments into buildings. The goal is to ensure the continued operation of the Company. For internal management purposes, the management views all assets and liabilities as capital.

The management defines the equity reported according to IFRS as equity capital. The resulting equity ratio was 48.47% as of 31 December 2012, and 50.61% as of 31 December 2013.

This IFRS equity includes the remedial payments to be made to the Republic of Austria in the event of the sale of properties (see also item 6.14.).

7.2.10. Personnel-related provisions

The personnel-related provisions pertain to the present value of the obligations for:

in EURt	2013	2012
Termination benefit obligations	4,976.2	4,349.3
Post-employment benefit obligations	1,017.3	1,013.1
Anniversary bonus obligations	2,506.9	2,652.7
	8,500.5	**8,015.1**

Outstanding entitlements to paid holiday leave amounted to EUR 3,835.5t on 31 December 2013 (2012: EUR 3,362.4t) and are reported under the current other provisions.

Provision for termination benefits

The present value of the termination benefit obligations changed as follows:

in EURt	2013	2012
Present value of the termination benefit obligations on 01.01.	4,349.3	3,722.2
Interest expenses	158.2	171.0
Service costs	228.0	214.8
Actuarial gains/losses from financial assumptions	422.8	414.6
Termination benefits paid	-182.1	-173.4
Present value of the termination benefit obligations on 31.12.	**4,976.2**	**4,349.3**

On 31 December 2013, the weighted average remaining term to maturity of the obligations was 13.0 years (2012: 13.4 years).

Provision for post-employment benefits

The present value of the post-employment benefit obligations changed as follows:

in EURt	2013	2012
Present value of the pension benefit obligations on 01.01.	1,013.1	1,717.4
Interest expenses	36.9	78.9
Actuarial gains/losses from financial assumptions	26.1	-719.7
Post-employment benefits paid	-58.9	-63.5
Present value of the pension benefit obligations on 31.12.	**1,017.3**	**1,013.1**

On 31 December 2013, the weighted average remaining term to maturity of the obligations was 10.8 years (2012: 11.3 years).

Provision for anniversary bonuses

The present value of the anniversary bonus obligations changed as follows:

in EURt	2013	2012
Present value of the anniversary bonus obligations on 01.01.	2,652.7	2,450.1
Interest expenses	90.8	109.5
Service costs	90.3	88.6
Actuarial gains/losses from financial assumptions	-114.0	90.0
Anniversary bonuses paid	-213.0	-85.5
Present value of the anniversary bonus obligations on 31.12.	**2,506.9**	**2,652.7**

Sensitivity analysis

With all other assumptions remaining the same, the realistically possible change in one of the material actuarial assumptions on the reporting date would have had the following effect on the defined benefit obligation:

	Provision for termination benefits	
in EURt	Increase	Decrease
Discount rate (1% change)	-558.0	668.0
Future wage or salary increases (1% change)	629.0	-582.0
	71.0	**86.0**

	Provision for termination benefits	
in EURt	Increase	Decrease
Discount rate (1% change)	-98.0	116.0
Future wage or salary increases (1% change)	0.0	0.0
Future pension increases (1% change)	110.0	-105.0
	12.0	**11.0**

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

Personnel-related provisions (current)

in EURt	Carrying amount on 01.01.2013	Use	Release	Allocation	Carrying amount on 31.12.2013	Thereof Current	Thereof Non-current
Outstanding paid leave entitlement	3,362.4	-369.6	0.0	842.7	3,835.5	3,835.5	0.0
Bonuses	2,769.7	-2,064.7	-705.0	2,953.6	2,953.6	2,953.6	0.0
Credit hours	430.2	-383.8	0.0	506.2	552.6	552.6	0.0
Social capital	30.0	0.0	0.0	0.0	30.0	30.0	0.0
Total	**6,592.3**	**-2,818.1**	**-705.0**	**4,302.5**	**7,371.7**	**7,371.7**	**0.0**

	01.01.2012				31.12.2012		
Outstanding paid leave entitlement	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
Credit hours	401.3	104.5	0.0	133.4	430.2	430.2	0.0
Social capital	30.0	26.5	0.0	26.5	30.0	30.0	0.0
Total	**6,280.5**	**2,370.7**	**689.8**	**3,372.2**	**6,592.3**	**6,592.3**	**0.0**

7.2.11. Other provisions

in EURt	Carrying amount on 01.01.2013	Use	Release	Allocation	Carrying amount on 31.12.2013	Thereof Current	Thereof Non-current
Outstanding construction invoices and other obligations	90,584.3	73,263.5	2,312.4	102,309.8	117,318.1	113,615.8	3,702.3
Anticipated losses	11,033.4	489.1	80.2	8,536.6	19,000.7	3,857.0	15,143.7
Decontamination	4,650.0	0.0	4,650.0	0.0	0.0	0.0	0.0
Accounting and auditing costs	123.5	123.5	0.0	223.2	223.2	223.2	0.0
Costs for legal representation and consultation	6,530.2	6,465.7	64.6	861.5	861.5	861.5	0.0
Demolition costs	1,756.9	0.0	1,756.9	0.0	0.0	0.0	0.0
Other	37,011.7	12,010.6	1.1	8,921.9	33,921.9	33,921.9	0.0
	151,690.0	**92,352.4**	**8,865.1**	**120,853.0**	**171,325.5**	**152,479.5**	**18,846.0**

	01.01.2012				31.12.2012		
Outstanding construction invoices and other obligations	104,110.7	73,948.4	7,479.6	67,901.6	90,584.3	89,263.6	1,320.6
Anticipated losses	7,983.4	0.0	0.0	3,050.0	11,033.4	0.0	11,033.4
Decontamination	4,650.0	0.0	0.0	0.0	4,650.0	0.0	4,650.0
Accounting and auditing costs	66.4	66.4	0.0	123.5	123.5	123.5	0.0
Costs for legal representation and consultation	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
	167,035.0	**85,136.5**	**9,678.7**	**79,470.1**	**151,690.0**	**134,685.9**	**17,004.0**

The other provisions consist primarily of rent credits for controlled rents in the amount of EUR 17.0m (2012: EUR 19.3m), Kohlmarkt in rem restitution in the amount of EUR 7.0m (2012: EUR 7.0m), and provisions for interest on arrears in the amount of EUR 8.0m (2012: EUR 8.0m).

7.2.12. Provisions for actual income taxes

The provisions for actual income taxes pertain to Austrian corporate income tax.

7.2.13. Financial liabilities

in EURt	Maturity			
31.12.2013	Up to 1 year	1 to 5 years	> 5 years	Total
Bonds	325,833.8	492,857.4	1,489,157.3	2,307,848.5
Bank loans and similar financing	621,555.2	281,969.1	638,763.9	1,542,288.2
	947,389.0	**774,826.5**	**2,127,921.2**	**3,850,136.7**
31.12.2012				
Bonds	758,412.0	776,957.4	1,676,396.0	3,211,765.4
Bank loans and similar financing	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**

BIG issued no new bonds in financial year 2013.

2013

Type of financing and currency	Interest variable/fixed	Nominal amount in original currency in thousands	Fair value in original currency in thousands
3.000% CHF private pl. 2002–2015	fixed	40,000	42,116
3.150% CHF private pl. 2002–2014	fixed	50,000	51,164
1.425% JPY private pl. 2004–2017	fixed	5,000,000	5,132,750
1.900% JPY private pl. 2004–2016	fixed	3,000,000	3,103,080
1.759% JPY private pl. 2004–2016	fixed	3,000,000	3,102,930
2.500% CHF bond 2005–2015	fixed	150,000	154,514
2.125% CHF bond 2005–2018	fixed	120,000	127,990
1.560% JPY private pl. 2005–2017	fixed	5,000,000	5,147,750
1.775% JPY private pl. 2005–2020	fixed	5,000,000	5,256,100
1.890% JPY bond 2006–2021	fixed	6,000,000	6,350,040
3.125% CHF bond 2006–2031	fixed	150,000	170,610
2.065% JPY private pl. 2007–2022	fixed	7,000,000	7,487,830
3.155% CHF private pl. 2007–2033	fixed	50,000	56,922
3.125% CHF bond 2007–2014	fixed	350,000	355,481
3.250% CHF bond 2007–2019	fixed	375,000	421,890
1.690% JPY private pl. 2008–2018	fixed	5,000,000	5,209,150
3.250% CHF private pl. 2008–2017	fixed	175,000	193,349
Float EUR private pl. 2010–2025	variable	50,000	51,861
4.250% EUR-NSV. 2010–2030	fixed	50,000	62,342
4.330% EUR private pl. 2010–2030	fixed	50,000	59,732
4.545% EUR private pl. 2011–2026	fixed	20,000	24,096
4.350% EUR private pl. 2011–2026	fixed	9,000	10,654
4.450% EUR private pl. 2011–2031	fixed	21,000	25,594
4.000% EUR private pl. 2011–2031	fixed	150,000	169,797
4.110% EUR private pl. 2011–2026	fixed	50,000	57,915
4.050% EUR private pl. 2012–2027	fixed	150,000	172,739
4.070% EUR private pl. 2012–2032	fixed	100,000	116,801
4.070% EUR private pl. 2012–2032	fixed	50,000	58,405
3.890% EUR private pl. 2012–2042	fixed	200,000	236,450
EUR – European Investment Bank 2021	fixed	41,026	43,221
EUR – European Investment Bank 2022	fixed	67,500	65,876
EUR – European Investment Bank 2024	fixed	47,667	45,009
EUR – European Investment Bank 2016	fixed	50,000	53,672
EUR – European Investment Bank 2024	fixed	50,000	56,971
EUR – European Investment Bank 2025	fixed	50,000	57,232
EUR – European Investment Bank 2025	fixed	50,000	53,965
EUR – European Investment Bank 2038	fixed	72,988	86,894
EUR – European Investment Bank 2038	fixed	71,552	87,539
EUR – European Investment Bank 2038	fixed	80,000	98,036
EUR – European Investment Bank 2038	fixed	33,598	34,677
EUR – RLB NÖ-Wien 2020	variable	1,181	1,181
EUR – RLB NÖ-Wien 2018	variable	9,087	9,087
EUR – RLB NÖ-Wien 2038	fixed	75,000	91,573
EUR – BA/CA 2018	variable	60,391	60,391
EUR – BA/CA 2038	variable	80,620	80,620
EUR – Kommunalkredit 2038	fixed	54,418	64,572
EUR – Wr. Städtische 2017	fixed	452	421

The future drawing of tranches was included in the measurement and depicted repayment of the rollercoaster financing agreements.

Maturity				
< 6 months	6–12 months	1–2 years	2–5 years	> 5 years
		40,000		
	50,000			
			5,000,000	
			3,000,000	
			3,000,000	
		150,000		
			120,000	
			5,000,000	
				5,000,000
				6,000,000
				150,000
				7,000,000
				50,000
	350,000			
				375,000
			5,000,000	
			175,000	
				50,000
				50,000
				50,000
				20,000
				9,000
				21,000
				150,000
				50,000
				150,000
				100,000
				50,000
				200,000
2,564	2,564	5,128	15,385	15,385
3,750	3,750	7,500	22,500	30,000
	4,333	4,334	13,000	26,000
			50,000	
				50,000
				50,000
				50,000
2,159	847	1,749	5,716	63,847
790	808	1,671	5,480	62,803
874	894	1,849	6,075	70,309
397	405	835	2,713	29,248
94	94	189	567	236
957	957	1,913	5,261	
4,794	888	1,868	6,125	70,913
			60,391	
874	894	1,850	6,085	70,917
625	632	1,311	4,285	47,565
53	54	111	234	

The terms of the material financial liabilities are as follows, including the comparison year. The fair values contain no accrued interest or financing costs.

2012 Type of financing and currency	Interest variable/fixed	Nominal amount in original currency in thousands	Fair value in original currency in thousands
3.000% CHF private pl. 2002–2015	fixed	40,000	43,164
4.375% EUR bond 2003–2013	fixed	750,000	772,020
3.150% CHF private pl. 2002–2014	fixed	50,000	52,617
1.425% JPY private pl. 2004–2017	fixed	5,000,000	5,172,200
1.900% JPY private pl. 2004–2016	fixed	3,000,000	3,140,670
1.759% JPY private pl. 2004–2016	fixed	3,000,000	3,136,110
2.500% CHF bond 2005–2015	fixed	150,000	157,944
2.125% CHF bond 2005–2018	fixed	120,000	130,207
1.560% JPY private pl. 2005–2017	fixed	5,000,000	5,193,150
1.775% JPY private pl. 2005–2020	fixed	5,000,000	5,354,900
1.890% JPY bond 2006–2021	fixed	6,000,000	6,488,100
3.125% CHF bond 2006–2031	fixed	150,000	185,330
2.065% JPY private pl. 2007–2022	fixed	7,000,000	7,713,930
3.155% CHF private pl. 2007–2033	fixed	50,000	61,708
3.125% CHF bond 2007–2014	fixed	350,000	366,002
3.250% CHF bond 2007–2019	fixed	375,000	433,575
1.690% JPY private pl. 2008–2018	fixed	5,000,000	5,265,650
3.250% CHF private pl. 2008–2017	fixed	175,000	198,412
Float EUR private pl. 2010–2025	variable	50,000	50,050
4.250% EUR-NSV. 2010–2030	fixed	50,000	67,261
4.330% EUR private pl. 2010–2030	fixed	50,000	62,238
4.545% EUR private pl. 2011–2026	fixed	20,000	24,829
4.350% EUR private pl. 2011–2026	fixed	9,000	10,969
4.450% EUR private pl. 2011–2031	fixed	21,000	26,728
4.000% EUR private pl. 2011–2031	fixed	150,000	173,378
4.110% EUR private pl. 2011–2026	fixed	50,000	59,615
4.050% EUR private pl. 2012–2027	fixed	150,000	177,804
4.070% EUR private pl. 2012–2032	fixed	100,000	121,990
4.070% EUR private pl. 2012–2032	fixed	50,000	61,000
3.890% EUR private pl. 2012–2042	fixed	200,000	248,722
EUR – European Investment Bank 2021	fixed	46,154	49,728
EUR – European Investment Bank 2022	fixed	75,000	81,271
EUR – European Investment Bank 2024	fixed	52,000	57,237
EUR – European Investment Bank 2016	fixed	50,000	55,373
EUR – European Investment Bank 2024	fixed	50,000	60,196
EUR – European Investment Bank 2025	fixed	50,000	60,748
EUR – European Investment Bank 2025	fixed	50,000	57,172
EUR – European Investment Bank 2038	fixed	30,000	39,510
EUR – European Investment Bank 2038	fixed	70,000	90,256
EUR – RLB NÖ-Wien 2020	variable	1,370	1,370
EUR – RLB NÖ-Wien 2018	variable	11,000	11,000
EUR – RLB NÖ-Wien 2038	fixed	55,000	69,702
EUR – BA/CA 2018	variable	60,391	60,391
EUR – BA/CA 2038	variable	57,454	57,454
EUR – Kommunalkredit 2038	fixed	52,167	64,953
EUR – Wr. Städtische 2017	fixed	554	604

Maturity				
< 6 months	6–12 months	1–2 years	2–5 years	> 5 years
			40,000	
	750,000			
		50,000		
			5,000,000	
			3,000,000	
			3,000,000	
			150,000	
				120,000
			5,000,000	
				5,000,000
				6,000,000
				150,000
				7,000,000
				50,000
		350,000		
				375,000
				5,000,000
			175,000	
				50,000
				50,000
				50,000
				20,000
				9,000
				21,000
				150,000
				50,000
				150,000
				100,000
				50,000
				200,000
2,564	2,564	5,128	15,385	20,513
3,750	3,750	7,500	22,500	37,500
	4,333	4,333	13,000	30,334
			50,000	
				50,000
				50,000
				50,000
		803	2,608	26,589
		1,677	5,479	62,844
94	94	189	567	425
957	957	1,913	5,739	1,435
		3,906	5,855	45,239
				60,391
		1,768	5,813	49,873
		1,257	4,104	46,806
51	52	106	345	

The fair values of the bonds in EUR, JPY, and CHF were calculated by discounting the future payments, assuming a current market interest rate. Because of the variable interest rates or short remaining terms to maturity, the fair values of the other financing arrangements largely correspond to the carrying amounts.

Derivative financial agreements are primarily concluded to hedge currency risk.

Analysis of the contractual interest and capital payments

The contractually agreed (undiscounted) interest and capital payments of the original financial liabilities and derivative financial instruments were as follows on 31 December 2013 and on 31 December 2012:

in EURt

31.12.2013	Carrying amount 31.12.2013	Total cash flows 31.12.2013	Cash flows 2014 Interest	Cash flows 2014 Capital	Cash flows 2014 Total
Original financial liabilities[1]					
Bonds (at amortised cost)	2,214,945.1	2,787,422.7	84,997.2	246,824.2	331,821.3
Bonds (at fair value through profit or loss)	92,903.4	119,876.7	1,470.1	0.0	1,470.1
Liabilities to credit institutions	1,542,288.2	1,651,106.4	23,946.1	621,555.2	645,501.4
Liabilities to associated companies	163.4	163.4	0.0	163.4	163.4
Trade liabilities	119,513.1	119,513.1	0.0	113,592.6	113,592.6
Other financial liabilities	79,049.7	79,091.3	17.0	78,704.3	78,721.3
Subtotal	**4,048,862.8**	**4,757,173.5**	**110,430.4**	**1,060,839.6**	**1,171,270.0**
Derivative liabilities					
Derivatives associated with liabilities	36,592.9	81,634.7	3,040.3	0.0	3,040.3
Thereof currently with a negative market value	36,592.9	0.0	0.0	0.0	0.0
Derivatives with a negative market value without a hedge relationship	1,936.7	2,190.2	673.0	0.0	673.0
	38,529.6	**83,824.9**	**3,713.3**	**0.0**	**3,713.3**
	4,087,392.3	**4,840,998.4**	**114,143.7**	**1,060,839.6**	**1,174,983.3**

[1]) Cash flows in the case of a hedge relationship, taking the derivative cash flows into account.

in EURt

31.12.2012	Carrying amount 31.12.2012	Total cash flows 31.12.2012	Cash flows 2013 Interest	Cash flows 2013 Capital	Cash flows 2013 Total
Original financial liabilities					
Bonds (at amortised cost)	2,783,438.7	3,382,470.0	78,947.2	450,000.0	528,947.2
Bonds (at fair value through profit or loss)	428,326.7	411,606.3	14,612.3	300,000.0	314,612.3
Liabilities to credit institutions	705,775.8	913,030.8	14,207.6	19,063.6	33,271.1
Liabilities to associated companies	250.5	250.5	0.0	250.5	250.5
Trade liabilities	159,230.8	159,230.8	0.0	159,230.8	159,230.8
Other financial liabilities	90,854.9	90,854.9	21.1	90,340.4	90,361.5
Subtotal	**4,167,877.5**	**4,957,443.3**	**107,788.3**	**1,018,885.3**	**1,126,673.6**
Derivative liabilities					
Derivatives associated with liabilities	40,300.1	140,372.6	7,520.2	2,102.0	9,622.3
Thereof currently with a negative market value	40,300.1	0.0	0.0	0.0	0.0
	40,300.1	**140,372.6**	**7,520.2**	**2,102.0**	**9,622.3**
	4,208,177.6	**5,097,815.8**	**115,308.5**	**1,020,987.3**	**1,136,295.8**

All financial instruments that were in the portfolio and for which payments had already been contractually agreed on the reporting date were included. Budgeted figures for future liabilities were not included. Amounts in foreign currencies were translated at the spot rate on the reporting date. The variable interest payments from the financial instruments were determined using the last interest rates fixed before the reporting date. Financial

Cash flows 2015 to 2017			Cash flows from 2018		
Interest	Capital	Total	Interest	Capital	Total
161,428.2	299,687.5	461,115.7	589,518.7	1,404,967.0	1,994,485.7
4,026.8	82,750.0	86,776.8	525.7	31,104.2	31,629.9
51,191.4	226,859.4	278,050.8	160,262.1	567,292.1	727,554.2
0.0	0.0	0.0	0.0	0.0	0.0
0.0	5,920.5	5,920.5	0.0	0.0	0.0
24.6	345.4	370.0	0.0	0.0	0.0
216,671.0	**615,562.8**	**832,233.8**	**750,306.5**	**2,003,363.3**	**2,753,669.8**
36,215.6	0.0	36,215.6	42,378.8	42,378.8	42,378.8
0.0	0.0	0.0	0.0	0.0	0.0
1,517.2	0.0	1,517.2	0.0	0.0	0.0
37,732.8	**0.0**	**37,732.8**	**42,378.8**	**0.0**	**42,378.8**
254,403.7	**615,562.8**	**869,966.5**	**792,685.4**	**2,003,363.3**	**2,796,048.6**

Cash flows 2014 to 2016			Cash flows from 2017		
Interest	Capital	Total	Interest	Capital	Total
180,615.0	399,929.1	580,544.1	671,428.3	1,601,550.5	2,272,978.7
4,461.9	22,900.0	27,361.9	1,577.9	68,054.2	69,632.1
34,951.2	124,525.7	159,476.8	101,143.5	619,139.3	720,282.8
0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0
38.0	332.0	370.0	3.6	119.7	123.3
220,066.0	**547,686.8**	**767,752.8**	**774,153.2**	**2,288,863.7**	**3,063,016.9**
48,898.7	6,306.1	55,204.8	71,583.5	3,962.0	75,545.5
0.0	0.0	0.0	0.0	0.0	0.0
48,898.7	**6,306.1**	**55,204.8**	**71,583.5**	**3,962.0**	**75,545.5**
268,964.8	**553,992.9**	**822,957.6**	**845,736.7**	**2,292,825.7**	**3,138,562.4**

liabilities that can be paid back at any time are always assigned to the shortest maturity range. For revolving credit facilities, the interest was calculated assuming an average term of six months. The capital payments for derivative liabilities pertain to "notional" cash flows.

7.2.14. Income taxes

The income tax expenses in the consolidated statement of comprehensive income break down as follows:

in EURt	2013	2012
Corporate income tax (current year)	-58,304.5	-158,136.2
Corporate income tax (previous years)	4.9	-146.5
Changes in deferred taxes	-46,232.6	61,737.7
	-104,532.2	**-96,545.0**

in EURt	Deferred tax assets		Deferred tax liabilities		Net	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**
Plant and equipment	-2,811.2	0.0	1,055,916.6	1,020,145.4	1,053,105.4	1,020,145.4
Financial assets	-304.2	-627.8	0.0	1,396.4	-304.2	768.6
Receivables and other assets	-1,726.1	-2,036.5	2,992.9	3,092.3	1,266.8	1,055.8
Fair value measurement of derivatives	-9,632.4	-10,075.0	100,002.9	101,850.7	90,370.5	91,775.7
Investment grants	0.0	0.0	45,599.6	35,590.0	45,599.6	35,590.0
Personnel-related provisions	-919.5	-1,067.9	0.0	0.0	-919.5	-1,067.9
Other provisions	-269.2	-582.7	141,322.5	141,754.1	141,053.3	141,171.3
Non-current liabilities	-66,353.7	-90,353.7	1,985.5	21,510.2	-64,368.2	-68,843.5
Deferred tax assets/liabilities (gross)	-82,016.2	-104,743.6	1,347,820.0	1,325,339.1	1,265,803.8	1,220,595.5
Deferred tax liabilities (net)					**1,265,803.8**	**1,220,595.5**

The deferred taxes are primarily the result of the fair value measurement of the property assets.

The demerger in 2012 described below also resulted in additional effects in the comparison period. Under the terms of the demerger and transfer agreement dated 10 September 2012, the saleable properties and two settlement liabilities (proportionate transfer of the financing and liability for the billing of services) of BIG were transferred from the sole shareholder BIG to ARE retroactively as of 1 January 2012. As this transaction involves two companies that are ultimately controlled by the same entity (common control transaction), this had no effects on the net assets. The demerger was entered in the trade register on 30 September 2012. The demerger was classified as a tax-relevant exchange because the Reorganisation Tax Act could not be applied.

The reasons for the difference between the expected tax and the reported income tax expenses are as follows:

in EURt	2013	2012
Result before taxes	463,092.0	389,680.4
Expected taxes (25%)	**-115,773.0**	**-97,420.1**
Tax-exempt income (and expenses)	10,331.0	1,034.3
Tax expenses in previous years	-46.0	-146.5
Application of loss carryforward	11.2	12.4
Other	944.7	-25.0
Effective taxes	**-104,532.2**	**-96,545.0**

The item changed as follows:

in EURt	2013	2012
Deferred taxes on 01.01. (net)	1,220,595.5	1,293,018.5
Change recognised in equity	-1,024.3	-10,685.3
Change recognised through profit or loss	46,232.6	-61,737.7
Deferred taxes on 31.12. (net)	**1,265,803.8**	**1,220,595.5**

The following deferred taxes were recognised in the other comprehensive income:

in EURt	2013	2012
IAS 19R revaluation	-50.6	71.3
Available-for-sale securities	-0.7	14.0
Market valuation of cash flow hedges	-973.0	-10,770.6
Change of deferred taxes in other comprehensive income	**-1,024.3**	**-10,685.4**

7.2.15. Trade and other liabilities

The trade and other liabilities break down as follows:

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

in EURt 31.12.2012	Maturity			Total
	Up to 1 year	1 to 5 years	More than 5 years	
Non-current liabilities				
Trade liabilities		**4,048.0**	**51.8**	**4,099.7**
Other liabilities		451.7		451.7
Deferred items		1,053.0		1,053.0
Total other liabilities and deferred items		**1,504.7**		**1,504.7**
Total non-current liabilities		**5,552.7**	**51.8**	**5,604.4**
Current liabilities				
Trade liabilities	**155,131.1**			**155,131.1**
Liabilities to associated companies	250.5			250.5
Other liabilities	91,713.3			91,713.3
Total other liabilities	**91,963.9**			**91,963.9**
Total current liabilities	**247,094.9**			**247,094.9**

7.3. Other disclosures

7.3.1. Leasing

7.3.1.1. Finance leases as lessor

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

in EURt	2013	2012
Gross investment on the reporting date	23,606.1	24,513.6
Unrealised financial revenue	-11,634.5	-12,142.7
Net investment on the reporting date	11,971.6	12,370.8
Current portion	1,720.1	1,720.1

in EURt	2013			2012		
	Outstanding lease payments	Interest	Present value of the outstanding lease payments	Outstanding lease payments	Interest	Present value of the outstanding lease payments
Up to 1 year	1,814.9	94.8	1,720.1	1,814.9	94.8	1,720.1
1–5 years	7,259.8	2,091.8	5,167.9	7,259.8	2,091.8	5,167.9
More than 5 years	14,531.4	9,447.9	5,083.5	15,438.8	9,956.1	5,482.8
Total	**23,606.1**	**11,634.5**	**11,971.6**	**24,513.6**	**12,142.7**	**12,370.8**

7.3.1.2 Operating leases as lessor

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

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

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

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

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

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

in EURt	2013	2012
Up to 1 year	805,123.6	778,240.5
1–5 years	2,167,811.5	2,360,711.8
More than 5 years	3,466,201.0	3,099,627.6
	6,439,136.1	**6,238,579.9**

The minimum lease payments to be received for a period of up to one year include EUR 361,793.9t (2012: EUR 364,040.7t) in rental revenue from the master lease. The master lease was concluded for an indefinite period of time, and has a period of notice of one year in the event of termination. However, no termination is expected in the next five years.

7.3.1.3. Operating leases as lessee

BIG also rents office spaces under operating leases. These operating leases pertain especially to office and archive space in the administrative building at Anzengruberstraße 6–8, A-8010 Graz, and at Rennbahnstraße 29c, A-3100 St. Pölten.

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

in EURt	2013	2012
Up to 1 year	251.7	472.3
1–5 years	1,189.4	1,989.6
More than 5 years *)	*)	*)

*) The agreements with a term of greater than five years are leases with no fixed period of notice.
The annual lease payments total EUR 251.7t (2012: EUR 472.3t).

7.3.2. Financial instruments

The Company's own credit rating (Aaa) did not change in 2013 or 2012.

The difference between the carrying amount of EUR 92.9m (2012: EUR 428.3m) and the repayment amount of EUR 91.0m (2012: EUR 391.0m) is EUR 1.9m (2012: EUR 37.3m) for the financial liabilities for which the fair value option was exercised.

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

7.3.2.1. Derivative financial instruments and hedge relationships

The derivative financial instruments serve solely to hedge the interest rate and currency risks associated with the bonds and bank loans and break down as follows:

31.12.2013	Currency	Nominal amount in thousands of original currency	Market value in EURt	
			Positive	Negative
Cross currency swaps	CHFt	1,460,000	265,471	-2,650
	JPYt	39,000,000	9,130	-10,915
Interest rate swaps	EURt	201,279	0	-24,965
31.12.2012				
			Positive	Negative
Cross currency swaps	CHFt	1,460,000	324,086	-2,325
	JPYt	39,000,000	74,492	0
Interest rate swaps	EURt	480,215	8,824	-37,975

The interest rate swaps on which the cash flow hedge reserve is based have terms until July 2014 and May 2033.

7.3.2.2. Fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It contains no information about the fair value of financial assets and liabilities that are not measured at fair value when the carrying amount is a reasonable approximation of the fair value.

in EURt		Carrying amount	
	Measurement category according to IAS 39	31.12.2013	31.12.2012
Cash and cash equivalents (on hand, in banks)	Not applicable	5,783.7	97,762.7
Trade receivables	Loans and receivables	42,155.0	131,229.3
Receivables from finance leases	Loans and receivables	11,971.6	12,370.8
Other financial receivables including extended loans	Loans and receivables	50,684.7	63,919.3
		104,811.3	**207,519.3**
Available-for-sale securities (fund shares)	Available for sale	897.7	884.9
Derivatives with a positive market value without a hedge relationship	At fair value through profit or loss (held for trading)	5,917.0	40,732.3
Derivatives with a positive market value with a hedge relationship	Hedge accounting	268,684.0	366,670.5
Total		**386,093.6**	**713,569.7**

in EURt		Carrying amount	
	Measurement category according to IAS 39	31.12.2013	31.12.2012
Bonds (at amortised cost)	Financial liabilities measured at amortised cost	2,214,945	2,783,439
Liabilities to credit institutions	Financial liabilities measured at amortised cost	1,542,288	705,776
Liabilities to associated companies	Financial liabilities measured at amortised cost	163	251
Trade liabilities	Financial liabilities measured at amortised cost	119,513	159,231
Other financial liabilities	Financial liabilities measured at amortised cost	79,050	90,855
		3,955,960	**3,739,551**
Derivatives with a negative market value with a hedge relationship	Hedge accounting	36,593	40,300
Bonds (at fair value through profit or loss)	At fair value through profit or loss (fair value option)	92,903	428,327
Derivatives with a negative market value without a hedge relationship	At fair value through profit or loss (held for trading)	1,937	0
		94,840	**428,327**
Total		**4,087,393**	**4,208,178**

	Fair value		Measurement approach according to IAS 39			
	31.12.2013	31.12.2012	Amortised cost	Acquisition cost	Fair value in equity	Fair value through profit or loss
	5,783.7	97,762.7	x	–	–	–
	42,155.0	131,229.3	x	–	–	–
	11,971.6	12,370.8	x	–	–	–
	50,684.7	63,919.3	x	–	–	–
	104,811.3	**207,519.3**				
	897.7	884.9	–	–	x	–
	5,917.0	40,732.3	–	–	–	x
	268,684.0	366,670.5	–	–	x	–
	386,093.6	**713,569.7**				

	Fair value		Measurement approach according to IAS 39			
	31.12.2013	31.12.2012	Amortised cost	Acquisition cost	Fair value in equity	Fair value through profit or loss
	2,467,537	3,142,620	x	–	–	–
	1,642,554	726,707	x	–	–	–
	163	251	x	–	–	–
	119,513	159,231	x	–	–	–
	79,050	90,855	x	–	–	–
	4,308,817	**4,119,664**				
	36,593	40,300	–	–	x	–
	92,903	428,327	–	–	–	x
	1,937	0	–	–	–	x
	94,840	**428,327**				
	4,440,250	**4,588,291**				

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

Type	Measurement technique
Bonds	Discounted cash flows: The measurement model accounts for the present value of the expected payments under the valid market parameters; determined through Bloomberg.
Derivative financial instruments	Sales comparison method: The fair values are based on prices quoted by brokers. Similar contracts are traded on an active market, and the quoted prices reflect the actual transaction costs for similar instruments.

7.3.2.3. Sensitivity analyses

Please refer to item 2.3. of the Group management report for qualitative risk information according to IFRS 7.

Basic information about the sensitivity analyses

To show the material market risks to which financial instruments are exposed, IFRS 7 Financial Instruments requires information about sensitivity analyses that shows the effects of hypothetical changes in relevant risk variables on the result and equity capital. The primary risks to which BIG is exposed are currency risk and interest rate risk. For this reason, corresponding sensitivity analyses were conducted for these market risks. There are no other material price risks. The Company's own credit risk has not changed.

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

The Austrian corporate income tax rate of 25% was used.

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

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

Sensitivity analysis for currency risk

In assessing the currency risk, the assumption was made that the changes in bond prices resulting from currency translation are offset by corresponding changes in currency swaps and forward exchange agreements. As there were no open JPY or CHF positions in 2013, there was no currency risk, as in the previous year.

Sensitivity analysis for interest rate risk

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

in EURt 31.12.2013	Profit (after taxes)		Equity capital	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Measurement of fixed-rate bonds @FV/P&L	209.9	-31.7	209.9	-31.7
Measurement of interest rate derivatives without hedge accounting	-209.9	31.7	-209.9	31.7
Measurement of cash flow hedge derivatives	x	x	67,701.0	-55,531.7
Interest expenses	-2,923.7	2,923.7	-2,923.7	-2,923.7
	-2,923.7	**2,923.7**	**64,777.3**	**-52,608.0**

in EURt 31.12.2012	Profit (after taxes)		Equity capital	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Measurement of fixed-rate bonds @FV/P&L	1,235.5	-1,447.0	1,235.5	-1,447.0
Measurement of interest rate derivatives without hedge accounting	-1,235.5	1,447.0	-1,235.5	1,447.0
Measurement of cash flow hedge derivatives	x	x	52,974.5	-23,980.0
Interest expenses	-3,108.2	3,108.2	-3,108.2	3,108.2
	-3,108.2	**3,108.2**	**49,866.3**	**-20,871.9**

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

7.3.3. Transactions with related parties

The Republic of Austria is 100% owner of BIG.

Related parties for BIG are above all the Republic of Austria, with which revenue of EUR 908,238.7t (2012: EUR 849,290.5t) of the total revenues were generated. All such transactions were conducted at arm's-length terms.

The Group avails itself of the exception for companies that are under the control, joint management, or material influence of a public entity according to IAS 24.25.

The largest development project ever completed by BIG Group, the construction of the new WU Campus in Vienna, was completed at the beginning of October 2013. The project was finished on time and on budget. Please refer to item 7.2.3. for further information.

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

Boards and officers of BIG

The Management Board consists of the following members:
– Wolfgang Gleissner
– Hans-Peter Weiss

The Supervisory Board consisted of the following members in the 2013 financial year:
– Christine Marek (Chairwoman from 16.12.2013)
– Michaela Steinacker (Chairwoman until 22.11.2013)
– Horst Pöchhacker (Deputy Chairman)
– Wolfgang Polzhuber, BMWFW
– Herbert Kasser, BMVIT (until 06.03.2014)
– Thomas Rasch, Works Council
– Manfred Fausik, Works Council

Remuneration of the members of the Management Board and Supervisory Board
The members of the Management Board received remuneration totalling EUR 480.0t in 2013 (2012: EUR 470.0t) and bonuses in the amount of EUR 62.0t (2012: EUR 47.6t). Contributions to employee benefit funds amounted to EUR 7.6t (2012: EUR 7.3t). No loans or advances were granted to members of management. Benefits after the end of the employment relationship in the form of company pensions came to EUR 44.9t in 2013 (2012: EUR 63.5t). The fees paid to the members of the Supervisory Board totalled EUR 25.7t in the reporting period (2012: EUR 29.3t).

7.3.4. Expenses for the financial auditor
The expenses incurred for the financial auditor during the financial year were as follows:

in EURt	2013	2012
Auditing of individual and consolidated financial statements	216.2	144.0
Other attestation services	22.5	30.0
Consulting and other services	0.0	123.6

7.3.5. Other obligations and contingent liabilities

Contingent liabilities
There are no liabilities.

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

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

7.3.6. Obligations for the acquisition of fixed assets
There were no obligations for the acquisition of fixed assets during the reporting period.

7.3.7. Off-balance-sheet transactions
Under an agreement between BIG and the federal government (represented by the Federal Ministry of Education, Arts, and Culture), rent payment deferrals in the years 2010 to 2013 were arranged. According to the agreement, partial rent payments originally due in 2010 in the amount of EUR 155m will be paid in 2012 and 2013. At the same time, rent payments that were originally due in 2012 and 2013 come due earlier. The agreement is designed so that the mutual advantages and disadvantages of the changed payment dates balance out, and so that the new due dates have a neutral economic result for both contracting parties.

The repayment of part of the deferred amount and the advance rent payments for financial years 2012 and 2013 were made as agreed on 16 January 2012 and 16 January 2013.

7.3.8 Events after the reporting date

No relevant material events occurred after the reporting date.

Vienna, 10 April 2014

The Management Board
Wolfgang Gleissner
Hans-Peter Weiss

Schedule of fixed assets

in EURt Carrying amounts	Investment properties	Properties under development	Properties used by the Company	Business equipment and furnishings	Intangible assets	Total
As of 01.01.2012 (adjusted)	**9,377,767.4**	**338,893.7**	**34,863.1**	**2,667.6**	**1,098.4**	**9,755,290.2**
Ongoing investments/production	154,472.3	141,416.4	60.6	539.6	541.8	297,030.7
Disposals	-33,342.5	-344.5	0.0	-25.5	0.0	-33,712.5
Amortisation and depreciation	0.0	0.0	-1,205.4	-953.6	-321.0	-2,480.0
Reclassification from IAS 40 to IAS 2	-61,934.6	-16,760.6	0.0	0.0	0.0	-78,695.2
Other reclassifications	254,292.8	-254,292.8	0.0	0.0	0.0	0.0
Value fluctuations (increase/decrease)	69,501.6	4,294.8	0.0	0.0	0.0	73,796.4
As of 31.12.2012 (adjusted)	**9,760,757.0**	**213,207.0**	**33,718.3**	**2,228.1**	**1,319.2**	**10,011,229.6**
Ongoing investments/production	112,502.3	182,605.6	99.5	1,165.6	797.6	297,170.6
Addition from change in the scope of consolidation	10,274.6	0.0	0.0	0.0	0.0	10,274.6
Disposals	-15,319.1	-3,226.7	0.0	-4.4	0.0	-18,550.2
Amortisation and depreciation	0.0	0.0	-1,208.8	-1,092.2	-422.0	-2,723.0
Reclassification from IAS 40 to IAS 2	11,736.6	-10.8	0.0	0.0	0.0	11,725.8
Other reclassifications	120,172.9	-120,172.9	0.0	0.0	0.0	0.0
Value fluctuations (increase/decrease)	9,912.6	22,945.0	0.0	0.0	0.0	32,857.6
As of 31.12.2013	**10,010,036.9**	**295,347.2**	**32,609.0**	**2,297.1**	**1,694.8**	**10,341,985.0**

Independent Auditor's Report

Opinion on the consolidated financial statements

We audited the attached consolidated financial statements of

Bundesimmobiliengesellschaft m.b.H., Vienna

for the financial year from 1 January 2013 to 31 December 2013. These annual financial statements comprise the consolidated statement of financial position as of 31 December 2013, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity for the financial year ended 31 December 2013, as well as the notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements and for the consolidated accounting records

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

Auditor's responsibility and description of type and scope of the statutory audit

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

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

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

Audit opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements are in accordance with the legal requirements and present fairly, in all material respects, the financial and earnings position of the Group as of 31 December 2013 and of its financial performance and its cash flows for the financial year from 1 January 2013 to 31 December 2013 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

Comments on the management report

Laws and regulations require us to perform audit procedures to determine whether the Group management report is consistent with the consolidated financial statements and whether the other disclosures made in the Group management report give rise to misconception of the position of the Group. The auditor's report must state whether the Group management report is consistent with the consolidated financial statements and whether the disclosures pursuant to § 243a (2) UGB are appropriate.

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

Vienna, 10 April 2014

KPMG
Wirtschaftsprüfungs- und Steuerberatungs AG

Certified public accountants
Mag. Bernhard Gruber
ppa Mag. Nikolaus Urschler

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