ROOM FOR RESULTS

BIG ANNUAL REPORT 2015

KEY FIGURES

in EURm	2015	2014	Change
Financial performance indicators			
Revenues	990.9	937.7	5.7%
of which rental revenues	794.7	771.0	3.1%
Maintenance	140.2	134.5	4.2%
as % of rental revenues	17.6%	17.4%	0.2PP
EBIT	612.9	641.4	-4.4%
EBITDA	622.6	586.3	6.2%
EBITDA margin	62.8%	62.5%	0.3PP
Profit for the period	402.1	419.1	-4.1%
Financial position indicators			
Loan to value ratio (LTV)	30.4%	32.2%	-1.8PP
Equity ratio	52.7%	51.5%	1.2PP
Return indicators			
Return on capital employed (ROCE)	4.9%	5.3%	-0.4PP
Return on equity (ROE)	6.5%	7.2%	-0.7PP
Cash flow indicators			
FFO (excl. net proceeds from transactions)	446.3	444.2	0.5%

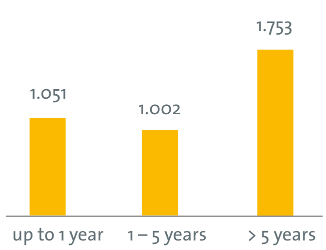
PORTFOLIO

The BIG portfolio consists of 2,119 properties with around 7 million m² rentable space, representing a value of around EUR 11bn; 98.7% of the rentable space in the portfolio is let. The Schools segment accounts for the largest share of around 40%, followed by Universities and Special Properties.

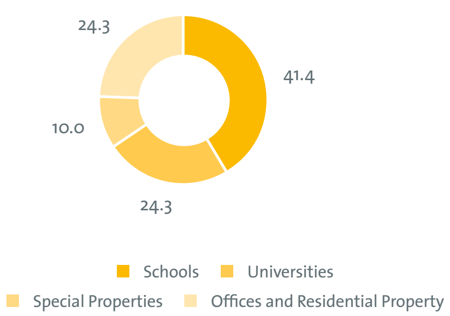
PORTFOLIO FINANCING

BIG strives to secure long-term financing – around 54.9% of the Group's liabilities consist of listed bonds. Bonds are issued on the basis of the EUR 4bn EMTN program in the form of public bonds or private placements. At least 10% of debt is procured on the money market.

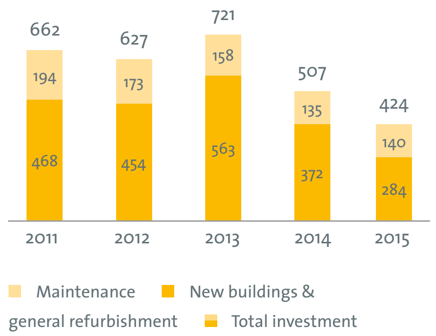
Liability structure
in EURm



Segment division
by rentable space in %



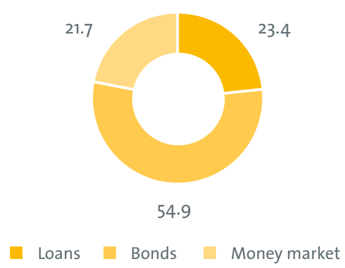
Investments
in EURm



TOP COMMISSIONER

In 2015 the BIG Group invested around EUR 284m in new buildings and general refurbishment. When maintenance costs of around EUR 140m are included, this results in a total investment volume of around EUR 424m. BIG was therefore one of the largest contracting entities for Austrian building construction again in 2015.

Financing structure
in %



ABOUT BIG

BIG is one of the largest property owners in Austria with a focus on the space needed by the Republic of Austria and its institutions. The core market of "public infrastructure" is handled by BIG, while its subsidiary ARE Austrian Real Estate GmbH (ARE) also focuses on offices and residential property for private tenants. Thanks to its strong specialisation in the various asset classes, a flexible service range and a targeted focus on the specific customer groups, BIG intends to expand and consolidate its market position in the segments Schools, Universities and Special Properties. The service segments of Property Management and Facility Services complete the service range.

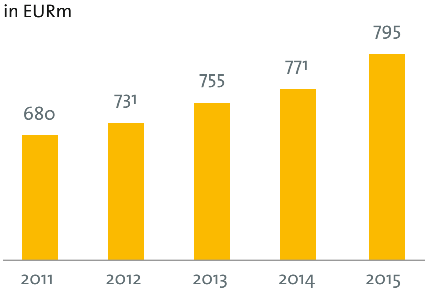
FINANCIAL LIABILITIES

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

CONTINUOUS GROWTH

BIG's rental revenues have been rising steadily for years. In 2015 they amounted to around EUR 795m, up by EUR 24m against the previous year, whereby the strongest growth was generated from completing projects. New lets and contract extensions also contributed to the renewed increase.

Rental revenues
in EURm



BIG

BUNDES
IMMOBILIEN
GESELLSCHAFT

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INCREASING FLEXIBILITY AND RECOGNISING CUSTOMER NEEDS

BIG Directors Hans-Peter Weiss and Wolfgang Gleissner talk about a challenging 2015, a business year that was characterised by the implementation of home-building strategy, the realisation of major construction projects and the provision of shelter during the refugee crisis.

Are you satisfied with the performance in the past business year?

Weiss: We are very satisfied and our revenue of around EUR 991m is just slightly below the one-billion mark. The important factors here were the project business and the increase in rental revenue as a result of completions. Overall, the EUR 36m rise in EBITDA, i.e. the earnings adjusted for effects as of the reporting date, to EUR 623m was also very pleasing. Moreover, we have a very strong equity base – the ratio has risen slightly from 51.5% to 52.7%.

Which events do you think had the greatest influence in the period under review?

Gleissner: There were mainly two dominant issues: firstly, we started a home-building initiative at the beginning of the year with our subsidiary ARE Austrian Real Estate, which will see us invest around EUR 2bn over the next five years. The second key topic is the steady rise in refugees coming in from war zones in the Middle East. A lot of emergency accommodation had to be made available within a very short time frame. This was certainly an enormous challenge – not just in operational terms, but also from a humanitarian viewpoint.

To what extent has the refugee issue had a concrete impact on your earnings situation? Is there an economic effect or is it more to do with "charitable" impacts?

Weiss: Since the start of the year we have systematically gone through the portfolio with a fine-tooth comb. BIG employees spent countless hours and a huge amount of effort to help with managing part of the refugee crisis. Many buildings were set up and opened within the shortest time frame – sometimes overnight. In the meantime almost 110,000m² of space is being used by federal, regional or charitable organisations. Accommodation which BIG has operated long-term is let under the usual model – albeit at more favourable conditions. Lots of emergency shelters involved temporary vacancies, for example project developments which are in the planning phase. We provided these properties rent-free in exchange for reimbursement of the operating costs. BIG is thereby fulfilling its responsibility to manage the portfolio in line with the market at the same time as providing fast, non-bureaucratic, efficient help.

Wolfgang Gleissner

You mentioned that the second key issue is the home-building initiative of your subsidiary – ARE. Has ARE succeeded in establishing itself in the residential construction sector in the year under review?

Weiss: Creating space for people to live in is one of the most pressing issues in the property industry – and demand for homes is set to remain strong in the coming years, particularly in major cities. This is why up to 10,000 additional apartments will be built across Austria as part of a home-building initiative – around 40% of these will be freehold flats and 60% will be affordable, privately financed apartments. We have already achieved significant milestones on several large-scale project developments in Vienna. For example, zoning has been granted on the projects TrIIIple and Wildgarten. In Erdberger Lände we will already start in the coming year with the demolition of the former Postbus garages. These three construction projects alone, which we are realising together with partners, will yield well over 2,000 new-build apartments. Not to mention the fact that this two-billion-strong investment program is acting as a key economic driver.

Does this approach fit in with ARE's corporate strategy?

Gleissner: ARE is experiencing continuous growth, diversifying its portfolio and also increasing the share accounted for by non-public tenants – this is our stated goal. Naturally, we are exploiting the great opportunities currently offered by residential construction and acting as a key driver for the Austrian economy – these investments will secure numerous jobs.

What strategic direction is the Group pursuing?

Gleissner: We want to secure and expand our market position in our classic business segments, namely schools, universities and special-purpose properties – this segment includes properties such as correctional centres, i.e. buildings which are closely tied to safety and security policy. In the coming years it will be necessary to provide solutions which are significantly more individual and more flexible. Attractive alternatives which are tailored to customer requirements need to be developed in terms of construction and financing models.

Have you already had any feedback from customers?

Weiss: We are in constant communication with numerous business partners and we are continuously adapting and growing. Our strategy is validated when a client decides to enter a partnership with us on a new project because they are convinced of our qualities – not because they have to.

Hans-Peter Weiss

BIG positions itself as a sustainable company. What makes BIG different from the others?

Gleissner: Our goal is to take on a more prominent role as a sustainability trailblazer in the real estate industry by 2020. We do not see this issue as an end in itself, it is unquestionably in our own interest.

Why?

Gleissner: In contrast to lots of other companies in this industry, we keep our buildings for a very long time. For example, any mistake that we may make during the construction phase will come back to haunt us, ourselves, later on. We can therefore only enjoy economic success if we take a long-term, holistic approach to our buildings.

Several sustainability initiatives have come from the customers themselves. What concrete steps is BIG taking personally?

Weiss: Lots of business partners have a strong interest in sustainability and some of them have a well-established sustainability management system with which we cooperate closely. For example, smaller universities may have high demands but no individual resources. Here we offer support with a working group in order to optimally realise the client's requirements.

You also offer your own consulting service?

Weiss: Separate from this working group, we have developed our own instrument for consulting – the Holistic Building Program. This is primarily a collection of measures which have a major impact, i.e. they can achieve tangible effects with low outlay. They allow us to go far beyond the issue of energy efficiency.

The Energy Efficiency Act was passed at the beginning of the year. What results were achieved in the period under review?

Gleissner: We have to make savings of 125 GWh by 2020 together with our clients. We are well on track here. Moreover, last year we decided to secure certification in line with ISO 14001 Environmental Management System in connection with an internal energy audit.

"In the coming years it will be necessary to provide solutions which are significantly more individual and more flexible. Attractive alternatives need to be developed in terms of construction and financing models."

Wolfgang Gleissner

"BIG employees spent countless hours and a huge amount of effort to help with managing part of the refugee crisis. Many buildings were set up and opened within the shortest time frame – sometimes overnight."

Hans-Peter Weiss

What are the concrete measures under the Act?

Gleissner: Sensible improvement measures to the building shell and building services are implemented in the course of refurbishments. An additional aspect is the energy-saving contracting, whereby a contractor develops energy-saving measures together with the client. The energy saved has an impact on the customer's costs – the contractor receives 80% and uses this to refinance the measures.

What are BIG's "largest construction sites" at present?

Weiss: At the moment this is the Med Campus Graz, whose completion is planned for 2017. Furthermore, several major projects are in the preparation phase; these will start in the coming year. Included here are refurbishments on the University of Applied Arts and the Innsbruck University of Medicine. There are also numerous construction projects in the schools segment including the new construction of the secondary school AHS Vienna West. However, the largest project in the pipeline is once again a university. In 2015 we purchased multiple properties in Mariannengasse, Vienna, for the Medical University in Vienna, thereby establishing the foundations for the new pre-clinic.

How do you respond to accusations that BIG is too expensive and not flexible enough?

Gleissner: If we were actually so expensive and inflexible, not a lot of people would build with us. But they do. We also succeed against the competition in calls for tender – as recently seen in a school in Weiz. Costs, however, are always also a question of quality requirements. Our partners hire us to build high-end variants of buildings rather than standard properties and so a lot is tied to the demands of clients.

What challenges await in 2016?

Weiss: Europe's refugee crisis will remain a challenge. The priority is to secure accommodation options quickly, options which also speed up the process of integration. We have a dedicated project team to handle these challenges. In general lots of large-scale residential projects will be ready for construction in the coming years. We are thereby approaching a very exciting time in realising the home-building initiative. Following on from a decline in project investment in the period under review, we are expecting another sharp rise in the coming year.

500,000

PEOPLE

USE OUR

BUILDINGS

EVERY DAY

PART 1
BIG PICTURES

The new campus is a four-storey building with sun-soaked terraces and generous gardens. Built sustainably and practically self-sufficient with regard to energy, it boasts space for a kindergarten, an all-day primary school and a school for children with special pedagogical needs.

ARE DEVELOPMENT, together with value one holding, has developed new student halls at the Bahnhofgürtel in Graz. With modern, high-quality fixtures and fittings, it offers 378 individual apartments and generously proportioned communal areas.

MILESTONE GRAZ

BIG


BRG KREMSZEILE
BIG

The federal grammar school in Rechte Kremszeile was refurbished within a two-year period, a generous extension was added and the outdoor facilities were revamped. Pupils and teachers proactively contributed to the design with numerous ideas and practical experience, including an atrium with tropical plants.

LEOPOLD-FRANZENS UNIVERSITY INNSBRUCK

BIG

The Technology Campus is getting a step-by-step makeover. The Architecture and Engineering Science buildings have already been refurbished. The next step is to redesign the outdoor areas.


SALZBURG JUSTICE CENTRE
BIG

The newly built justice centre is a correctional facility for 227 convicts, offering space for men, women and youngsters with modern building and safety standards. It consists of four wings with two exercise yards, an inner courtyard and an outdoor sports facility.

ABOUT BIG

LEADING PROPERTY COMPANY

Bundesimmobiliengesellschaft is one of the largest property owners in Austria. BIG manages 2,119 properties and rental space of approximately 7 million m^2, representing a fair value of around EUR 11bn. With its attractive properties, the Group focuses on both the public sector and on private clients. The core market of "public infrastructure" is handled by BIG, while its subsidiary ARE Austrian Real Estate GmbH (ARE) also focuses on offices and residential property for private tenants. With the exception of the Austrian Cultural Forum in New York and the Austrian Embassy in Bern, BIG exclusively operates on the Austrian market.

ADDING VALUE

An intensive customer focus, long-term added value of the properties and the sustainable management of the portfolio are at the heart of the corporate strategy. The Company's great flexibility – supported by an efficient corporate structure – has secured its market position in the respective segments. The goal for the coming years is to achieve continuous portfolio growth.

POWERFUL STRUCTURE

The segments Schools, Universities, Special Properties and Office and Residential Property were established so that the corporate structure reflects the focus on the respective customer groups – whereby the latter area is handled by ARE. The comprehensive range of services provided by Building Management and Facility Services ensures that BIG supports and manages its properties with complete coverage and added value. Commercial administration and technical maintenance encompass a broad range of services and preserve the high quality of the portfolio.

FULL-SERVICE PROVISION

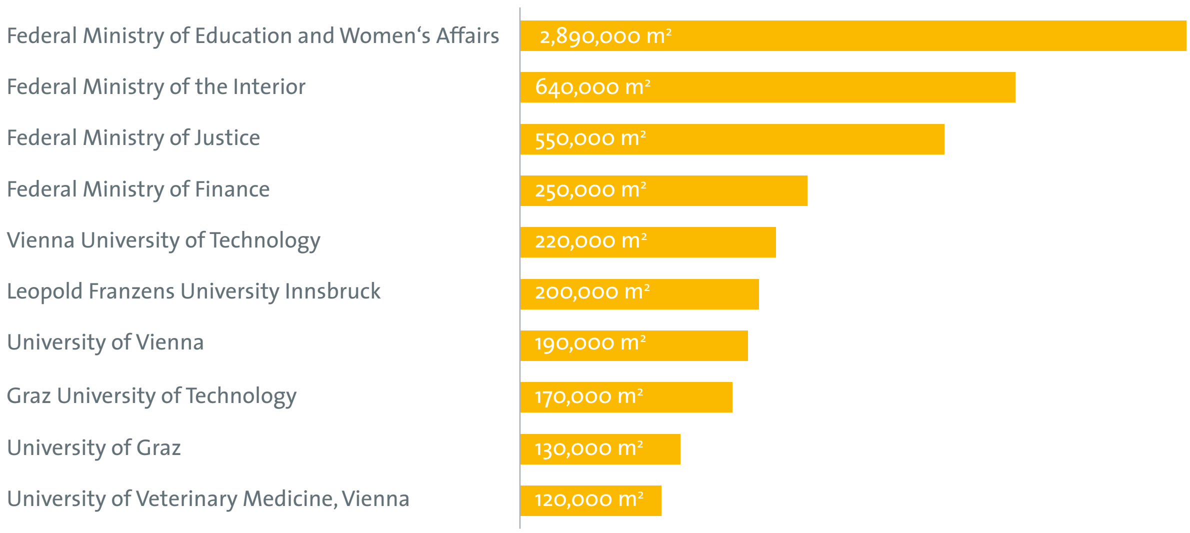
BIG builds, administrates and manages properties throughout the whole of Austria and is committed to comprehensive service provision and close ties to customers. It supports tenants throughout the entire lifespan of a property – from the project idea to the design and construction right through to managing, supporting and selling or letting the property. The in-depth specialisation within the business segments allows the Company to offer individual, tailor-made solutions to every customer. The expansion of the service range in the field of building management is being expedited in order to satisfy the most discerning customer requirements.

RESPONSIBILITY CREATES SPACE

The majority of the properties rented by universities in Austria and an impressive percentage of those of schools are owned by BIG. In the Special Properties segment there is also an array of very different properties which are of strong public interest – from court buildings and correc-

LARGEST TENANTS

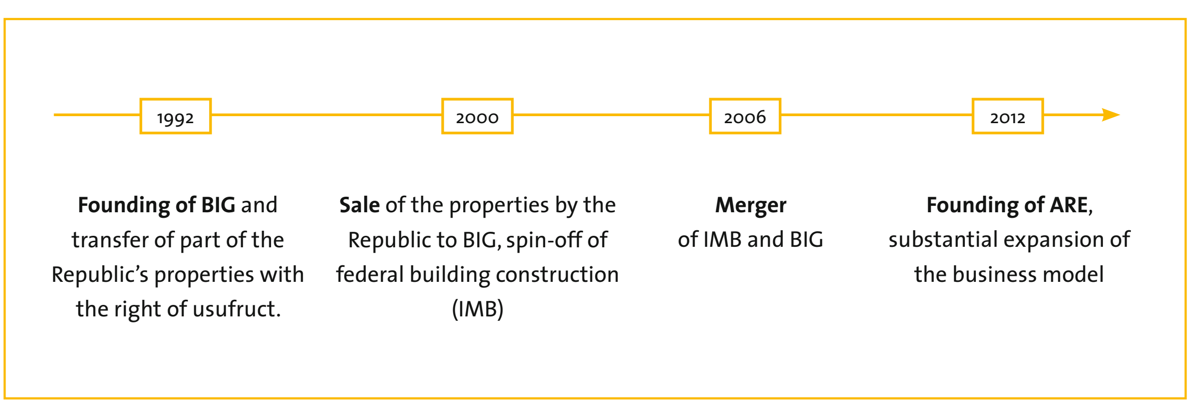
By contractual let space (rounded)



tional facilities to tunnels from the Nazi era and war cemeteries to allotments. Estimates put the number of people who use BIG's buildings at more than 500,000 a day. They find space to learn and work, to live and play. They experience cultural treasures and historic architecture along with innovative construction and spaces with cutting-edge design. BIG is well aware of this responsibility and fulfils the highest demands of its customers in terms of architecture and building technology.

BIG HISTORY

BIG acquired its original properties from the Republic of Austria under the Federal Real Estate Act 2000. The purchase was tied to the mandate of organising property assets and demand for property in line with economic and market-oriented principles. The subsidiary ARE Austrian Real Estate GmbH was founded in 2012 and around 600 properties were transferred in the course of the spin-off, since when ARE has also focused on clients in the non-public sector.



BIG PROJECTS

PROMINENT COMPLETIONS 2015

Schools	Measures	Investment
HTBLVA St. Pölten	Refurbishment and extensions	EUR 73.6m
Seestadt Aspern campus 1, Vienna	New building	EUR 32.1m
Feldbach federal school centre	Refurbishment and extensions	EUR 25.1m

Universities	Measures	Investment
Institute of Biomedical Technology, University of Technology Graz	Refurbishment	EUR 19.0m
Lecture hall "USI Hörsäle", Vienna University	Refurbishment	EUR 6.1m
Technikum lab building, Johannes Kepler University Linz	New building	EUR 4.3m

Special properties	Measures	Investment
Salzburg justice centre, Puch bei Hallein	New building	EUR 43.6m

Offices and residential property	Measures	Investment
AGES lab building, Mödling	New building	EUR 8.9m
Renngasse 5 office building, Vienna	Refurbishment	EUR 4.8m
Fürstenfeld district court	Refurbishment and extensions	EUR 3.8m

MAJOR MAINTENANCE MEASURES 2015

Properties	Measures	Investment*
Federal school centre, Bruck an der Leitha	Thermal shell refurbishment, renewing heating and plumbing	EUR 5.8m
Vienna University of Technology	Thermal refurbishment, ventilation system and emergency lighting	EUR 3.9m
Grammar school Anton Krieger-Gasse, Vienna	Facade refurbishment	EUR 3.2m
Kapfenberg higher technical college	Shell refurbishment	EUR 2.3m
Vienna University of Technology	Replacing chilling system and utilities technology	EUR 1.5m

* without income tax

PROMINENT PROJECTS WITH CONSTRUCTION START IN 2015

Schools	Measures	Investment
Lower Austria Teacher Training College, Baden	Refurbishment and extensions	EUR 44.9m
Seestadt Aspern education quarter, Vienna	New building	EUR 38.2m
Wels grammar school	Refurbishment and extensions	EUR 18.7m

Universities	Measures	Investment
East Brückenkopfgebäude, Linz University of the Arts	Refurbishment	EUR 17.5m
Library, Vienna University of Music and Performing Arts	Refurbishment and extensions	EUR 14.7m
Faculty for Mechanical Engineering, Graz University of Technology	Extension	EUR 14.5m

Special properties	Measures	Investment
Salzburg justice centre	Refurbishment and extensions	EUR 63.2m
Althanstraße office building, Vienna	Refurbishment	EUR 11.6m

Offices and residential property	Measures	Investment
Jordangasse 7a, Vienna	Refurbishment	EUR 4.7m
Paulustorgasse 12 and 19, Graz	Refurbishment	EUR 3.5m
Garnisongasse 3 office and residential building, Vienna	Extension	EUR 2.9m

SELECTED PROJECTS BY ARE DEVELOPMENT

Residential and office property	Measures
TrIIlple project, Vienna	Building three residential towers with heights of around 100 metres and a small office complex
Wildgarten, Vienna	Urban development project with up to 1,100 residential units
Argento project, Vienna	Refurbishing a historic building and closing off the interior courtyard with three high-quality new buildings
Kaarstraße 21, Linz	Residential building with 73 residential units and an office unit for a police department

BOARDS AND OFFICERS OF THE COMPANY

MANAGEMENT BOARD

	Term of office	Responsibilities	Joint responsibilities
Hans-Peter Weiss (1 April 1971)	until 31 May 2016	Group controlling, accounting, treasury, marketing and corporate strategy, communication, IT, Real Estate Investment Management and business segment Universities	Organisation and quality assurance Annual budgeting/ multi-year planning Auditing
Wolfgang Gleissner (23 November 1958)	until 31 May 2016	Legal, human resources, infrastructure, architecture and construction contracts, the business segments Schools and Special Properties, commercial and technical property management, CAD/ data management and facility services.	

SUPERVISORY BOARD POSITIONS HELD BY THE DIRECTORS

HANS-PETER WEISS

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

WOLFGANG GLEISSNER

- Wien 3420 Aspern Development AG (Group equity holding) – Member
- Parlamentssanierungsgesellschaft m.b.H. – Member

SUPERVISORY BOARD

	First appointed	Term of office
Christine Marek Chair	16 December 2013	until the shareholder resolution which rules on the financial year 2015
Wolfgang Hesoun Deputy Chair	16 July 2015	until the shareholder resolution which rules on the financial year 2015
Christian Domany	23 September 2015	until the shareholder resolution which rules on the financial year 2015
Alexander Palma	12 March 2015	until the shareholder resolution which rules on the financial year 2015
Thomas Rasch Works Council	27 June 2001	until the end of the appointment by the Works Council
Daniela Böckl Works Council	8 January 2015	until the end of the appointment by the Works Council

SUPERVISORY BOARD COMMITTEES AND THEIR MEMBERS

AUDIT COMMITTEE

Christine Marek (Committee Chair))
Wolfgang Hesoun
Alexander Palma
Thomas Rasch

REMUNERATION COMMITTEE

Christine Marek (Committee Chair)
Wolfgang Hesoun
Christian Domany
Alexander Palma

BIG ADDS VALUE – SUSTAINABILITY ACTIVITIES IN 2015

BIG's goal is to play a trailblazing role in driving sustainability in the real estate sector. As the owner of numerous public buildings such as schools, universities and offices, the BIG Group has a special responsibility to society. In order to live up to this responsibility, BIG has implemented a Group-wide sustainability management system which bundles all activities in this area. It also facilitates the targeted, systematic realisation of the strategy with regard to the three pillars of sustainability – Economy, Ecology and Social Activities. Profitability, functionality and architectural quality form the foundation for new buildings and refurbishments. BIG has already published two Sustainability Reports which summarize the Group's dedication to this field.

http://www.big.at/ueber-uns/nachhaltigkeit

SOCIAL COMMITMENT

BIG ART – ARTS & CONSTRUCTION

Two special projects were realised in 2015. Architecture and art come together in the ball-sports walls by Sofie Thorsen in the Kremszeile federal grammar school, a successful harmonisation of artistic quality and functionality, inviting pupils to unlock their creative potential. In her short-film project "A deadly noise", Tatiana Lecomte explores the culture of commemoration and remembrance. Here, in the former Nazi tunnel St. Georgen an der Gusen, the noises which had long faded away were brought back to life with the help of a surviving witness.

RESPONSIBILITY TO SOCIETY

The refugee situation presented BIG with major challenges last year. Thanks to the exceptional efforts of its staff, it was possible to offer rapid help in many cases. A ten-strong project team coordinated the rent-free provision of unused space, as well as providing access to two properties. In addition, BIG continued to support the project "Sponsoring children and families in Moldavia" and the VinziPort emergency shelter in an ARE building in Vienna.

ECONOMY AND CUSTOMERS

Investments of around EUR 424m were undertaken in 2015. Almost every construction project is realised by local small and medium enterprises, thereby providing an effective boost to regional economies and securing jobs in the region. In addition to environmental demands, BIG's goal is to sustainably optimise sufficient supply and the quality of properties in cooperation with the users. Regular surveys and the start of roundtables for facilitating the exchange of opinions between experts and decisionmakers have enabled BIG to strengthen its dialogue with stakeholders.

ENVIRONMENT AND ENERGY

BRINGING ENERGY EFFICIENCY TO LIFE

With regard to implementing the Energy Efficiency Act, the main focus is on the environmental aspect of sustainability. Savings of 125 GWh will have to be made by 2020 to fulfil this obligation and therefore the energy-saving contracting in the course of BIG's longstanding climate project "Federal Contracting Offensive" has been expanded to include the Federal Ministry of Science, Research and Economy as a cooperation partner. Since that time, BIG has achieved savings in excess of 135,000 tonnes of CO_2 and cut costs by around EUR 35m. Further measures relate to maintenance, energy management, and the field of renewable energy, as well as thermal insulation projects.

ENVIRONMENT & INTERIOR CLIMATE

Numerous construction and refurbishment projects have seen BIG apply geothermal energy, intelligent lighting control and ventilation, as well as the application of photovoltaic-system standards. Projects supported by BIG in 2015 to measure, analyse and improve air quality included the "green walls" at the Kandlgasse grammar school that were implemented together with children and teachers by Vienna University of Technology and the University of Natural Resources and Life Sciences, Vienna. BIGConair optimises air quality in containers and construction modules.

ENVIRONMENTAL MANAGEMENT SYSTEM

Every one of BIG's nine locations has an environmental manager who is responsible for sustainable purchasing as well as the use and disposal in the building. The high environmental standards in place are reflected in BIG's Green IT, the sustainable purchasing approach, usage which saves energy and resources, as well as in the environmentally sound disposal practices. In addition to the BREEAM and BlueCard (ÖGNI) certificate, the BIG Group is also now certified to ISO 14001.

PERSONNEL

STAFF INVOLVEMENT

BIG's positioning as a leading company in the field of sustainability gives employees the opportunity to play a proactive role in developing sustainable implementation concepts. They participate through regular staff surveys and as part of the innovation portal.

SUPPORTING YOUTH

In 2015 BIG employed over 30 trainees. With the goal of getting female pupils interested in technical vocations, the Company took part in the "Vienna Daughters' Day" and presented the vocations and careers which are available in the Group. The BIG Group holds the "Career and Family" certificate from the Federal Ministry of Science, Research and Economy.

TEAMBUILDING & INNOVATION

The Staff Day, the BIG Baby Day and the BIG Innovation Contest with the realisation of prize-winning projects all contributed to stronger teamwork and raising awareness for sustainability.

SUSTAINABLE BUILDINGS

HOLISITIC BUILDING PROGRAM

Under the Holistic Building Program a property is evaluated over the course of its entire lifespan. This approach assists in planning and decision-making by incorporating predefined, standard measures into the construction process. Moreover, BIG proposes comprehensive measures for developing sustainable buildings to clients within their predefined budgets. The program is already part of the planning process for refurbishment and expanding the Salzburg Regional Court and for the large-scale project MedUni Campus Mariannengasse, Vienna.

SMART REPAIR

Energy requirements are realised both with regard to construction and building services in the course of building maintenance. The goal of the "Smart Repair" project is to develop the mutual influence of these measures and determine combinations of measures for future energy maintenance. Here by the end of 2015 projects on thermal facade insulation had been observed at five schools (higher technical colleges Wiener Neustadt, Mödling, Krems (2x), BORG Scheibbs); the data will be evaluated in 2016.

BIG BUILDING CERTIFICATION

BIG has increased its focus on certifying its buildings since 2012. Projects which stood out in terms of sustainability last year were the finalisation of the first construction phase of the MedCampus Graz, the Radstadt national hostel, the Aspern education campus, the Kremszeile grammar school and the Puch justice centre.

- PHI "passive house" certificate and "Klimaaktiv Gold" for the Faculty of Engineering Science at the University of Innsbruck
- "Klimaaktiv Silver" for the justice centre Puch bei Hallein, Salzburg
- TQB certificate from the Austrian Society for Sustainable Building for the Aspern education campus, Vienna
- BIG Group certification in accordance with ISO 14001 in addition to BREEAM, BlueCard/ÖGNI
- Türkenwirtgebäude, University of Natural Resources and Life Sciences, Vienna, preliminary ÖGNI Silver certification/aiming for final Gold certification

AWARDS

- Climate award by the Klimaaktiv Conference "Shaping the New Energy Era and Transport Shifts Together"; award presented by Federal Minister Andrä Rupprechter for contributions to climate protection
- IOC/KAS Award 2015 for the Zehnergasse grammar school, Wiener Neustadt (design by GABU Heindl Architektur)
- CICA Award 2015 for the new campus of the Vienna University of Economics and Business (master plan by BUSarchitektur)
- Nominated for the 2015 Central Association of Architects Developer Award for Theater im Palais, Graz (balloon_Woholsky ZT-KG)
- ÖGNB/klimaaktiv for outstanding sustainable buildings for the Aspern education campus

Projects completed as part of the research program "Haus der Zukunft+" include "Sustainable renovation" in the Bruck an der Mur administration building, the Plus-Energie office building of the Vienna University of Technology, the BA construction phase and the Faculty of Engineering Science at Innsbruck University; these were presented to a broad public audience as part of the 2015 White Book of the Austrian Institute of Ecology "Sustainable Building in Austria".

SUSTAINABILITY PROJECTS 2016

PROMOTING AND IMPLEMENTING THE SUSTAINABILITY ROADMAP

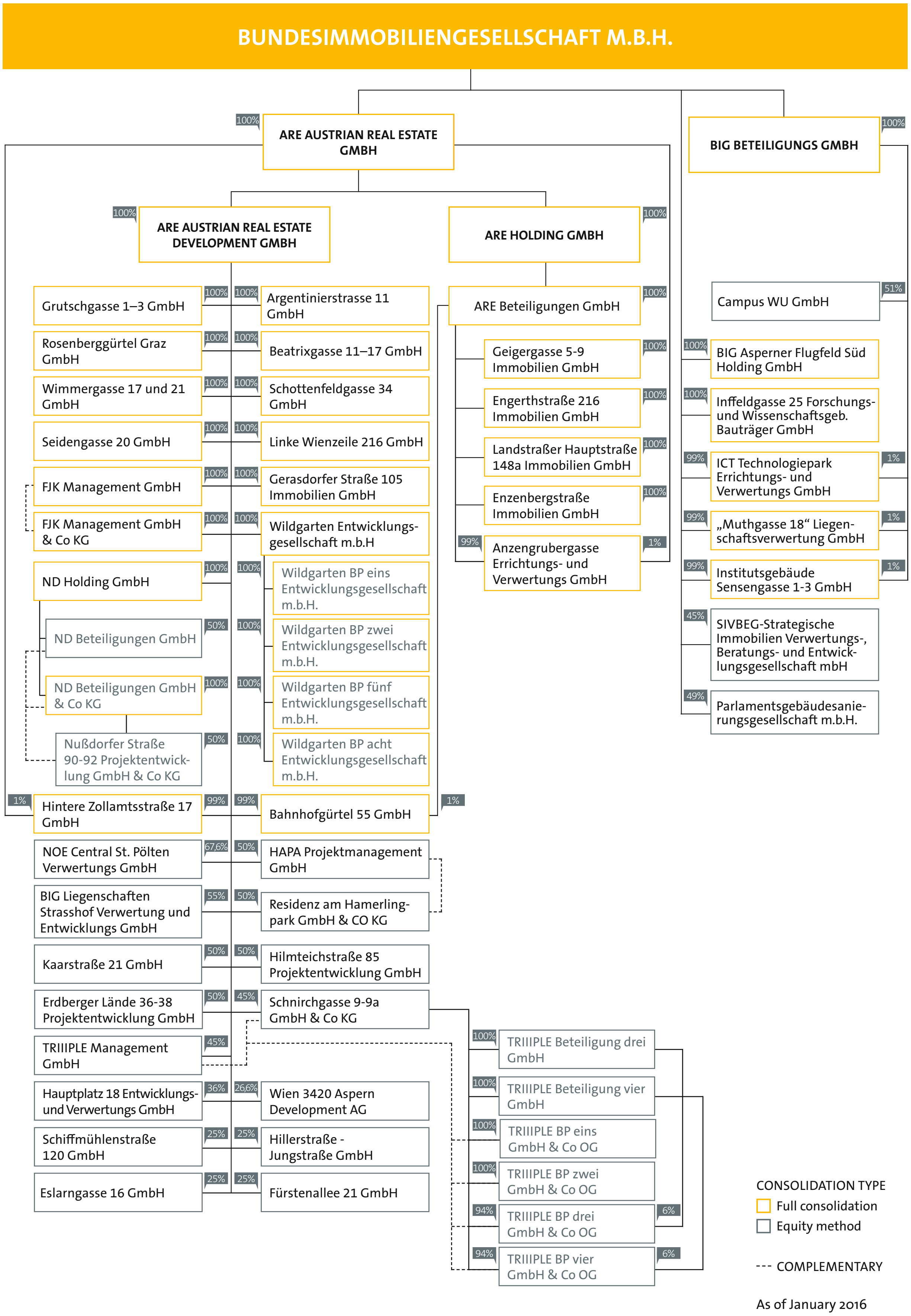
- **Sustainability report and web portal 2015:** Implementing a sustainability portal which is updated regularly. The sustainability report will not be published in print in the future but will instead be available online on this portal.
- **Stakeholder dialogue:** Activities such as round tables are planned in the course of further intensifying dialogue with stakeholders.
- **Expanding user surveys for BIG buildings:** Awareness raising, increasing user satisfaction and incorporating the findings into the Company's sustainability programs and activities.
- **Intensifying internal communication & information:** Expanding the internal portal with regard to sustainability, implementing an integrated forum of ideas for employees to raise awareness, expanding the education program to include a comprehensive sustainability package, as well as implementing measures to facilitate the exchange of professional expertise.
- Further development of the **Holistic Building Program**, initiating measures under the **Energy Efficiency Act**.
- **IT and Infrastructure:** Switching over the servers from physical to virtual units and optimising internal environmental management.


The appearance of the refurbished Faculty of Engineering Science impresses with its new facade. The innovative highlight is the top-hung windows developed especially for this project that cool the building automatically on summer nights.
FACULTY OF ENGINEERING SCIENCE
LEOPOLD FRANZENS UNIVERSITY INNSBRUCK
BIG

OUR **INVESTMENTS** SECURE 10,000 JOBS LONG TERM

PART 2

GROUP MANAGEMENT REPORT


BUNDESIMMOBILIENGESELLSCHAFT M.B.H.
100% ARE AUSTRIAN REAL ESTATE GMBH
100% BIG BETEILIGUNGS GMBH
100% ARE AUSTRIAN REAL ESTATE DEVELOPMENT GMBH
100% ARE HOLDING GMBH
100% Grutschgasse 1–3 GmbH
100% Argentinierstrasse 11 GmbH
100% Rosenberggürtel Graz GmbH
100% Beatrixgasse 11–17 GmbH
100% Wimmergasse 17 und 21 GmbH
100% Schottenfeldgasse 34 GmbH
100% Seidengasse 20 GmbH
100% Linke Wienzeile 216 GmbH
100% FJK Management GmbH
100% Gerasdorfer Straße 105 Immobilien GmbH
100% FJK Management GmbH & Co KG
100% Wildgarten Entwicklungs-gesellschaft m.b.H
100% ND Holding GmbH
100% Wildgarten BP eins Entwicklungsgesellschaft m.b.H.
50% ND Beteiligungen GmbH
100% Wildgarten BP zwei Entwicklungsgesellschaft m.b.H.
100% ND Beteiligungen GmbH & Co KG
100% Wildgarten BP fünf Entwicklungsgesellschaft m.b.H.
50% Nußdorfer Straße 90-92 Projektentwick-lung GmbH & Co KG
100% Wildgarten BP acht Entwicklungsgesellschaft m.b.H.
1% 99% Hintere Zollamtsstraße 17 GmbH
99% 1% Bahnhofgürtel 55 GmbH
67,6% NOE Central St. Pölten Verwertungs GmbH
50% HAPA Projektmanagement GmbH
55% BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH
50% Residenz am Hamerling-park GmbH & CO KG
50% Kaarstraße 21 GmbH
50% Hilmteichstraße 85 Projektentwicklung GmbH
50% Erdberger Lände 36-38 Projektentwicklung GmbH
45% Schnirchgasse 9-9a GmbH & Co KG
45% TRIIIPLE Management GmbH
36% Hauptplatz 18 Entwicklungs- und Verwertungs GmbH
26,6% Wien 3420 Aspern Development AG
25% Schiffmühlenstraße 120 GmbH
25% Hillerstraße - Jungstraße GmbH
25% Eslarngasse 16 GmbH
25% Fürstenallee 21 GmbH
100% ARE Beteiligungen GmbH
100% Geigergasse 5-9 Immobilien GmbH
100% Engerthstraße 216 Immobilien GmbH
100% Landstraßer Hauptstraße 148a Immobilien GmbH
100% Enzenbergstraße Immobilien GmbH
99% 1% Anzengrubergasse Errichtungs- und Verwertungs GmbH
100% TRIIIPLE Beteiligung drei GmbH
100% TRIIIPLE Beteiligung vier GmbH
100% TRIIIPLE BP eins GmbH & Co OG
100% TRIIIPLE BP zwei GmbH & Co OG
94% 6% TRIIIPLE BP drei GmbH & Co OG
94% 6% TRIIIPLE BP vier GmbH & Co OG
51% Campus WU GmbH
100% BIG Asperner Flugfeld Süd Holding GmbH
100% Inffeldgasse 25 Forschungs- und Wissenschaftsgeb. Bauträger GmbH
99% 1% ICT Technologiepark Errichtungs- und Verwertungs GmbH
99% 1% „Muthgasse 18“ Liegen-schaftsverwertung GmbH
99% 1% Institutsgebäude Sensengasse 1-3 GmbH
45% SIVBEG-Strategische Immobilien Verwertungs-, Beratungs- und Entwick-lungsgesellschaft mbH
49% Parlamentsgebäudesanie-rungsgesellschaft m.b.H.
CONSOLIDATION TYPE
Full consolidation
Equity method
--- COMPLEMENTARY
As of January 2016

GROUP STRUCTURE

Bundesimmobiliengesellschaft m.b.H. (BIG) is a group which primarily specialises in building and letting properties and has 61 companies. With the exception of the Austrian Cultural Forum in New York and the Austrian Embassy in Bern, the portfolio consists solely of properties spread throughout the whole of Austria. The BIG property holdings are divided into the business segments Schools, Universities and Special Properties. The Offices and Residential Property segments are managed by the subsidiary ARE Austrian Real Estate GmbH (ARE). Employees at the sites across the whole of Austria provide optimal building management and local customer service. Business fields such as property management and facility services allow BIG to provide services which cover the entire property-related value chain.

For details on the Group structure and the consolidated group see note 6 in the notes to the consolidated financial statements.

GOALS AND STRATEGY

The Group sees its core market primarily as state infrastructure and focuses its activities on schools, universities and special-purpose properties in socially relevant spheres, as well as offices and residential property. In addition to an intensive customer focus, the corporate strategy centres around continuous growth, long-term value creation and the sustainable management of the portfolio.

The primary goal of the BIG Group is to consolidate and expand its market position in these business areas. Overall the Group is operating in a challenging market environment, which is characterised by a frugal federal budget policy, fierce competition among private companies for public-sector clients and a general rise in tenant requirements.

In order to react appropriately, the Company promotes the far-reaching individualisation and enhanced flexibility of the solutions offered. In terms of construction management and financing models, the goal is to develop alternatives which are attractive and tailored to the needs of the customer. New design and planning approaches are a precondition for being able to use a property for a different purpose at a later date with the lowest possible need for extra funds. The Group is also open to strategic partnerships. BIG is committed to a sustainable approach to resources and thereby strives to play a leading role in the real estate industry.

In order to expand and diversify the portfolio and tenant structure, BIG expedites the construction and subsequent letting or use of residential properties. The home-building initiative launched in 2015 will see around EUR 2bn invested in development projects via the Group subsidiary ARE. Furthermore, potential individual purchases are being examined and realised in the segments Schools, Universities and Special Properties, particularly with the purpose of securing or expanding existing locations.

The strategic direction of the BIG Group and the projects and measures for the coming years are constantly evaluated and specified. An integrated strategy and planning process (ISPP) forms the backbone for strategic planning, budgeting and medium-term planning as well as for setting personal targets.

PORTFOLIO

The BIG Group's portfolio consists of 2,119 properties with 7.0 million m² of rentable space and a fair value of EUR 11.0bn at 31 December 2015. 98.7% of the rentable space held by the BIG Group is let.

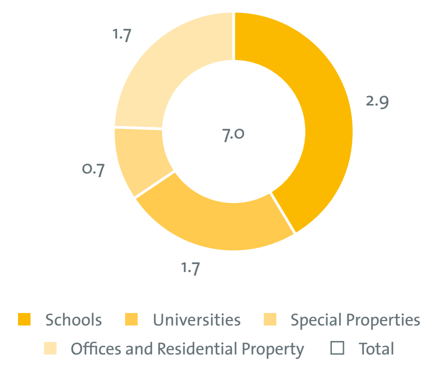
Rentable space by federal province and foreign (rounded)

Burgenland	160,000 m²
Carinthia	360,000 m²
Lower Austria	830,000 m²
Upper Austria	770,000 m²
Salzburg	440,000 m²
Styria	1,080,000 m²
Tyrol	550,000 m²
Vorarlberg	180,000 m²
Vienna	2,640,000 m²
Foreign	3,000 m²
Total	**7,000,000 m²**

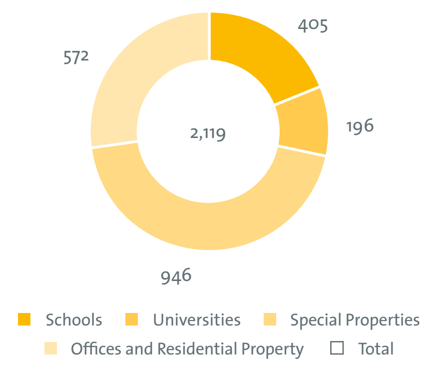
* Calculations based on register numbers

Rentable space by business segment

in million m²



Number of properties by business segment



ECONOMIC BACKDROP

Economic output in Austria increased by 0.9% in 2015. The primary factors behind the modest growth were reticent corporate investments, stifled consumer spending and the weak global economy. Brazil and Russia were mired in recession and China also saw a significant slowdown in growth rates. In line with this, Austrian exports only performed moderately well compared to earlier periods, despite a slight increase.

The international capital markets were still characterised by the expansive monetary policy and prime rates around the zero mark, whereby there was a slight rise in interest rates in the USA in December for the first time in a decade. In contrast, the other major central banks – particularly the ECB – are still on an expansion course. Around the end of the year the ECB announced that it would extend its bond-buying program at least until the end of March 2017.

As the BIG Group generates a significant portion of its revenues with institutions of the Republic, the public purse is highly relevant to the Company's business performance. 2015 was a year characterised by a restrictive budget policy. The national budget deficit improved significantly to -1.6% of GDP (following on from -2.7% in 2014). The debt level, which has also included BIG's liabilities since 2014 (legally adopted debt level calculation in acc. with ESA 2010) underwent a slight rise to 86.2%. The harmonised index of consumer prices – influenced by the low oil price – stood at 0.8%.

The federal government has approved a tax reform which will come into effect from 2016 in order to stimulate the economy. In addition to easing the burden on households, economic researchers predict that the spending on supporting refugees and the home-building initiative will also have a positive impact. The investment plans of the BIG Group, which were presented in spring and involve plans to build around 10,000 apartments for rent and freehold flats worth around EUR 2bn, are also supporting this trend.

The refugee issue and the increase in the number of asylum applications in particular mean that the Republic, and thereby indirectly the BIG Group, is facing major challenges. The flow of migrants requires accommodation options to be made available for thousands of people within a short time period. At 31 December 2015 federal, regional and charitable organisations were using a total of around 110,000m² of the Company's space.

In November 2015 the federal government reached an agreement regarding further attempts towards comprehensive schooling and a new organisation of the educational management. An education office should be set up for each federal province as a joint federal and regional authority, whereby the structures of one of the Group's key business partners will change significantly. However, action is primarily required due to the demographic development of major cities and rural areas. For example, while demand for space is increasing in the city of Vienna, regions that are more sparsely populated are seeing the number of pupils stagnate or even decline. This will present new requirements with regard to space in the future.

In contrast, the development of the Austrian universities shows a uniform tendency. The constant rise in students and ongoing new development of study programs means that the increased demand for space is continuing. However, at the same time there are only limited budgetary funds. This is why more and more partners from the Republic, regions, cities, business and industry are playing a part in financing construction projects and the situation is becoming more complex. Vienna Medical University's commitment to the BIG Group with regard to the new construction of the Meduni Campus Mariannengasse is thereby a success that exemplifies flexibility, customer focus and new forms of cooperation. In 2015 multiple properties were sold off in order to realise this major construction project.

In the year under review, 2015, the real estate sector was one of the winning industry sectors throughout the whole of Europe with its high growth rates. Thanks to a strong fourth quarter, a new record in investment volumes was set in Austria, with investments of around EUR 3.8bn.

The rental performance of Viennese office space was at the level of the previous year, depending on the market analysis. However, the newly concluded contracts did not relate to expansions or first-time tenants, instead they mostly involved relocations. The stable demand at the same time as low volumes of completions led to a slight decrease in the vacancy rate to 6.4%. The prime rents achieved in top locations of the Austrian capital rose slightly and stood at around EUR 26 per m² per month. Overall, the market remained under pressure – the average rents for newly built space with first-time occupancy stood at around EUR 13 per m² per month.

In 2015 the housing market across the whole of Austria was characterised by strong demand. However, a levelling off of prices for freehold properties has been observed overall. In contrast, rents showed an overall upward tendency. In general there is a clear trend towards smaller units – both for sales and rental properties.

BUSINESS DEVELOPMENTS AND FINANCIAL PERFORMANCE

BUSINESS SEGMENTS

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

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

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

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

Facility services provides a broad service range covering everything from monitoring, maintenance, repair and restoration works related to building systems, through to full-service provision.

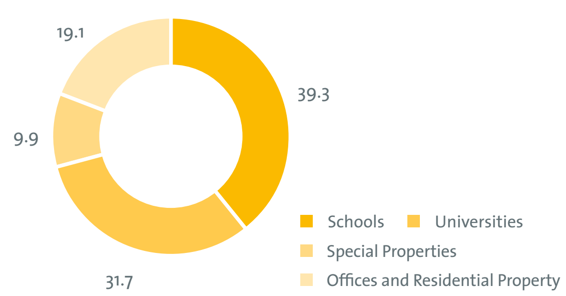
RENTAL REVENUES

Rental revenues for the year 2015 totalled EUR 794.7m and were thereby up by a total of EUR 23.7m against the previous year (EUR 771.0m). A large part of this growth was generated by completed projects of EUR 20.1m. In addition, new lets and contract extensions (EUR 4.4m) contributed to the rise in rental revenues, as did the negative effect in the previous year triggered by adjustments to space in the school sector (EUR 8.4m). This contrasted with rental reductions during construction periods, loss of rental income due to the sale of properties and vacancy rates and rent-free periods amounting to EUR -9.2m.

Rental revenues

in EURm	2015	2014
Schools	312.6	298.4
Universities	251.6	246.2
Special Properties	78.9	76.9
Offices and Residential Property	151.7	149.5
Total	**794.7**	**771.0**

Rental revenues by segment 2015
in %



OPERATING COSTS

The operating costs that are charged to tenants, excluding the fees for building management and facility services provided by the Group, totalled EUR 79.5m in 2015 (previous year: 75.4m). These are included in revenues and are a transitory item. In BIG the only remaining items are the fees for building management services of EUR 24.9m (previous year: EUR 24.3m) and facility services provided by the Group of EUR 10.3m (previous year: EUR 8.7m).

PURCHASES AND SALES, MAINTENANCE AND TENANT INVESTMENTS

PURCHASES

The Company has the legal mandate to provide the Republic of Austria or its institutions with venues in line with market conditions. In light of the low vacancy rate, strategic property purchases are required in addition to new buildings and refurbishment measures in order to be able to offer flexible, modern space in the future. The main purchases made in the period under review were in the Universities segment, with a total volume of EUR 90.3m. The largest purchases were multiple properties from the Vienna Medical University in 1090 Vienna and the existing building in Muthgasse 18, 1190 Vienna

SALES

In addition to the sale of freehold flats under development projects, a minority of sales are concluded in every segment in order to streamline the portfolio. The strategy of selling and transfers is being consistently pursued in the non-profit property sector in particular (border posts, allotments etc.). In the period under review properties generating proceeds of EUR 33.9m were sold. Remedial payments arising from these property transactions totalled EUR 6.3m (previous year: EUR 14.3m), which are paid out to the owner for the same period.

MAINTENANCE

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

A special long-term priority involves individual properties and their further structural development. In 2015 the focus of the measures was primarily on building safety, such as fire safety, and on energy efficiency. Sustainability plays an important role in realising these measures. The efforts of the past years mean that a high proportion of the properties are in good condition.

Another important maintenance aspect in recent years has been providing disabled access; this relates to the entrance of buildings as well as access to the first floor.

In 2015 a total of EUR 140.2m (previous year: EUR 134.5m) was spent on maintaining buildings. The following table shows the maintenance expenses in the individual business segments.

Maintenance expense

in EURm	2015	2014
Schools	61.3	57.6
Universities	44.8	45.1
Special Properties	11.6	9.9
Offices and Residential Property	22.5	21.9
Total	**140.2**	**134.5**

TENANT INVESTMENTS

The Group implemented tenant investments with a value of EUR 36.6m (previous year: EUR 40.9m) as a service provider in 2015.

INVESTMENTS

In 2015 the BIG Group invested EUR 376.8m (previous year: EUR 390.2m) in non-current assets of property, plant and equipment and intangible assets.

Of this total, EUR 284.4m (previous year: EUR 372.0m) went on new building or refurbishment projects on property holdings and EUR 90.3m (previous year: EUR 18.3m) on property acquisitions.

In addition, there were investments of EUR 2.1m (previous year: EUR 1.9m) in intangible assets and fixtures, fittings and equipment for the Company's operations and business.

Upon inclusion of investment incentives of EUR 19.4m (previous year: EUR 40.0m) and rent surcharges of EUR 60.5m (previous year: EUR 39.4m), net investment totalled EUR 296.9m (previous year: EUR 310.8m).

For financing investments in let properties, the Group makes advance payments on behalf of tenants. The tenant settles the investment partly through rent surcharges which are paid in addition to the normal rent for a limited period. Furthermore, the tenant as a rule waives his/her right to give notice on the property related to the investment. As the period for paying the rent surcharge is usually significantly shorter than the period for which the tenant's right to give notice is waived, this results in a linear distribution of the total rent surcharges over the term of the notice waiver in order to recognise the earnings for the period in which they occurred, independent of cash flows. The development of rent surcharges is recognised in the course of property valuation (see note 8.1 of the notes to the consolidated financial statements).

In the reporting period a total of 43 construction projects (previous year: 52) with an investment volume of EUR 324.2m (previous year: EUR 296.0m) were completed (including non-deductible input tax and capitalised own services).

Moreover, the BIG Group started building work on 50 (previous year: 51) construction projects with a planned investment of EUR 426.9m (previous year: EUR 270.0m) (including non-deductible input tax and capitalised own services). A further 43 projects (previous year: 67) have been in the planning stage since 2015.

FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

FINANCIAL PERFORMANCE

In the business year 2015 the figures in the BIG Group were amended. Part of this involved applying new figures for the first time for corporate management purposes, while part involved amending the method of calculation for individual figures and thereby adjusting the comparative values.

Indicators for earnings and returns

in EURm	2015	2014
Revenues	990.9	937.7
of which rental revenues	794.7	771.0
Maintenance	140.2	134.5
as % of rental revenues	17.6%	17.4%
EBITDA[1]	622.6	586.3
EBITDA-margin (= EBITDA/revenues)	62.8%	62.5%
EBIT	612.9	641.4
Profit for the period	402.1	419.1
Return on capital employed[2] (= NOPLAT/average capital employed)	4.9%	5.3%
Return on equity (= profit for the period/ average equity)	6.5%	7.2%

In 2015 revenues stood at EUR 990.9m, which was EUR 53.2m higher than the comparative value of the previous year. This increase was primarily due to the growth in rental revenues (EUR 23.7m), the higher sales proceeds from project development companies (EUR 15.9m), as well first-time proceeds from the Weiz service concession agreement (EUR 12.3m). Proceeds from building management totalled EUR 24.9m in 2015 (previous year: 24.3m). The remaining revenues – which primarily include proceeds from facility services and construction management services – held steady at EUR 14.2m (previous year: EUR 14.4m).

The maintenance ratio of 17.6% underwent an insignificant change against the previous year (17.4%).

The rise in revenues led to an increase in EBITDA in the period under review of EUR 36.3m to EUR 622.6m. This also led the EBITDA margin to increase slightly from 62.5% to 62.8%.

Despite the growth in revenue, EBT declined by EUR 28.5m to EUR 612.9m as a result of the low net gains from revaluation (EUR 66.0m).

The profit for the period slipped back by EUR 17.0m to EUR 402.1m. The decline was caused by the effect on EBT, although there was a counter effect from an improvement in the finance (EUR 5.6m) and tax (EUR 5.6m) results.

The return on capital employed declined slightly to 4.9% (previous year: 5.3%) due to the lower EBT.

The reduction in the profit for the period at the same time as an increase in equity was reflected in lower return on equity of 6.5%.

FINANCIAL POSITION AND CASH FLOWS

Financial position indicators

in %	2015	2014
Loan to value ratio (LTV)[3]	30.4	32.2
Equity ratio (= net debt/fair value)	52.7	51.5

Given the lower level of debt and the increase in property assets, the LTV improved slightly to 30.4% (previous year: 32.2%). Consequently, the equity ratio increased from 51.5% to 52.7%.

[1] EBITDA consists of EBIT without depreciation, amortisation, impairment and net revaluation gains/losses.
[2] NOPLAT consists of EBIT less notional taxes plus the equity result. Capital Employed contains total assets less non-interest-bearing liabilities and cash and cash equivalents.
[3] Net debt contains financial liabilities and derivative financial instruments less cash and cash equivalents. Fair value consists of portfolio properties, properties under development, properties used for the Group's own business, the equity interest in the project company Campus WU GmbH and inventories.

CASH FLOWS

Cash flow indicators

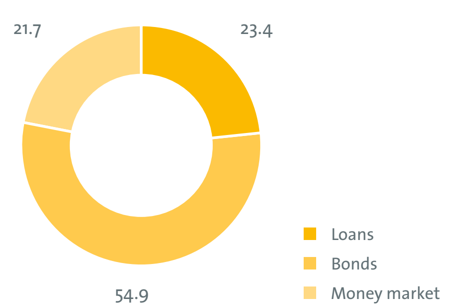
in EURm	2015	2014
FFO (without sales)		
Earnings before income taxes		
- Tax expense (excluding deferred taxes)		
- Equity result (not including WU)		
+/- Net gains/losses from revaluation, depreciation, amortisation and impairment		
+/- Change in non-current provisions		
- Net proceeds from sales (incl. sale of equity interests)		
+/- One-off effects		
= FFO without sales	446.3	444.2

The FFO does not include any effects from sales and is calculated as the annual earnings, adjusted for one-off effects and various items which do not have any impact on cash and cash equivalents.

FINANCING

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

Financing portfolio 2015
in %



At 31 December 2015 the total financing volume of the BIG Group corresponded to an IFRS carrying amount of EUR 3,807.0m, of which non-current financing was EUR 2,755.6m and current financing was EUR 1,051.4m. The average remaining term was 7.5 years as of the reporting date. Of the total volumes, 29.8% was subject to variable interest rates and 70.2% was subject to fixed interest rates.

All bonds issued in a foreign currency have been converted to euros by means of derivatives, resulting in 100% of liabilities being held in euros at 31 December 2015. The market value of the derivatives thereby totalled EUR 273.5m at the reporting date under inclusion of the counterparty risk. This represented a year-on-year increase of around 74% due to fluctuations in the CHF and JPY. Derivative financial instruments are exclusively used to hedge the existing interest and currency risks for bonds and bank loans.

The low interest level had a positive impact on the net interest expense of Bundesimmobiliengesellschaft as a borrower, with this item falling by EUR 12.1m compared to the previous year. The bond that expired in 2015 with a total nominal value of EUR 131.1m was initially refinanced on the money market. The main refinancing product in 2015 was the Commercial Paper, which partially facilitated refinancing at negative conditions. The prevailing Commercial Paper Program allows Commercial Papers to be issued up to a total volume of EUR 1.0bn.

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

In 2015 the internationally renowned rating agency Moody's confirmed the highest credit rating (Aaa) initially with a stable outlook. However, the rating outlook was then amended in October to negative in line with that of the Republic of Austria.

NON-FINANCIAL PERFORMANCE INDICATORS – ENVIRONMENTAL ASPECTS

Efficient energy usage that conserves resources is a key issue for BIG. The Company's goal is to play a trailblazing role in the property industry with a wide range of measures in this area. The Sustainability Board implemented in 2013, in which the most important corporate departments are represented, takes the requisite steps to achieve this goal and implements the necessary amendments to its roadmap on an annual basis.

The energy-saving contracting/in-sourcing activities are being consistently pursued. These activities have led to total savings of around 750 GWh since 1999, with 135,000 tonnes of Co_2 saved as a consequence. Around 1.1 million m² of the Group's let space is currently covered by contracting agreements. An average annual energy savings guarantee of 17.9% is expected for these properties.

As part of the Holistic Building Program (HBP), a property is evaluated over its entire lifespan. This approach serves as an aid to planning and decision-making when incorporating standard measures into the construction process. In addition, BIG proposes comprehensive measures to clients for developing sustainable buildings within their predefined budgets. The program is already part of the planning for both the refurbishment and expansion of the Salzburg regional court (currently under construction) as well as for the major project MedUni Campus Mariannengasse, Vienna (architectural competition planned for 2016).

As part of building maintenance, energy-related measures are realised both in terms of the structures and the building services. The goal of the "Smart Repair" project is to evaluate the influence of individual energy measures. This allows combinations of measures to be developed for future energy-related maintenance. Projects for thermal facade refurbishment were observed at five schools (higher technical colleges Wiener Neustadt, Mödling, Krems (2x), BORG Scheibbs) until the end of 2015. The data will be analysed in 2016.

Under the Energy Efficiency Act, BIG is obliged to realise savings totalling 125 GWh per year by 2020 together with its federal tenants. The primary means to achieve this will involve construction projects, energy-saving contracting, innovation and using alternative energy. Moreover, in 2015 the requisite structures were implemented as a result of the comprehensive reporting requirements.

BIG buildings once again won certificates and awards for sustainability, climate protection and architecture in 2015 (see BIG Pictures & More).

PERSONNEL

At 31 December 2015 the BIG Group had 898 employees (previous year: 852), of which 247 were federal and provincial civil servants (previous year: 255) and 651 were privately employed (previous year: 597), of which 76 were former contract agents. The personnel costs for private employees amounted to EUR 46.7m in the reporting period (previous year: EUR 43.1m). The fluctuation rate declined against the previous year from 4.8% to 3.6%.

BIG has intensified its recruiting since 2015 in order to cover the increased demand for personnel and the expertise in the continuously expanding corporate areas in a targeted manner. Demand has increased in particular for financial processes due to the increase in project business, as well as for employee efforts due to the monitoring activities of external institutions in almost every area of the Company.

Thanks to further strengthening the employer branding, as well as professional recruiting and an improved online presence – particularly on social networks – it has been possible to acquire new employees with outstanding specialist expertise, integrity and social skills. The Company benefits from the targeted, rapid integration of

[*] as per the Schlüter formula

new colleagues as well as proactive, well-documented performance management, which facilitates a better focus on educational measures tailored to individual employee needs.

FURTHER DEVELOPMENT AND TRAINING

In light of the dynamic backdrop, the BIG Group is committed to the ongoing professional and personal development of its employees. Professionalism and a focus on service provision are promoted through targeted development measures. Key topics in the year 2015 involved the expansion of the operating business (home-building offensive) and issues related to compliance. In addition to standardised education topics, the focus was on cooperation across interfaces ("Pro-active teamwork") and professional business training for property management staff. The Company allows educational sabbaticals for personal education and training. In the reporting period 2015 the BIG Group invested a total of EUR 0.6m in further education and training for its staff, involving a total of 3,226 training days.

Other important topics include cross-generational management and supporting older employees. The apprentice project "Old and young pulling together" was realised in 2015 with the goal of promoting professional cooperation, as well as respect and knowledge sharing between the different generations.

A strategy has been developed for the entire property management sector to sharpen the focus on economic goal-setting. There is an additional HR development project to address the assignment of internal resources and knowledge transfer across departments.

PROMOTING FAMILY SUPPORT AND HEALTH AND SAFETY

The works agreement on flexitime specifies an annual working time model as well as notional normal working hours. Employees are entitled to take ten flexi-days per year.

As a family-friendly company, there is a range of models available to employees ranging from part-time work to flexible working models through to unforeseen situations where care is needed (e.g. looking after a family member) through to partial retirement. Employees receive special support when starting a family, for example with a dedicated contact partner in the HR department, the children or newborn subsidies, or the "Road Map", a collection of all of the information and figures related to parental leave. Employees on parental leave have the chance to stay up to date with the so-called "Baby Day", facilitating smoother reintegration into the Group. In 2015 the annual BIG Baby Day was held under the motto "At the construction site". Marginal employment and project work, as well as further training and education, is also an option during parental leave. At 31 December 2015 there were 23 employees on parental leave (previous year: 15), of which three were fathers. A flexible working time model allows mothers and fathers to determine their working hours individually. Another employee benefit is crediting parental leave for increments under collective bargaining agreements. Childcare is available free of charge for older children during the half-term, summer (two weeks) and Christmas holidays. All of this has led to a rate of returning to work after parental leave of 100%. BIG has been awarded the "Career and Family" certificate by the Federal Ministry of Science, Research and Economy.

The health management of BIG provides an appropriate framework for maintaining and improving the health of employees aged between 15 and 65. Under the motto "Aging healthily at work", particular attention is paid to the age structure. Regular health circles promote good health, efficiency and motivation. 306 employees participated in this year's BIG Vital Day, organised across Austria in cooperation with Uniqa insurance, with a focus on "Body composition and mental training". Furthermore, a company doctor provided vaccinations, eye exams and general check-ups, healthy back training and yoga sessions, and a fruit basket was provided twice a week. As part of a feedback culture and as the result of the health circle findings, a staff survey was conducted at the end of the year, exploring physical strain in the workplace. The findings will be presented in January 2016.

REMUNERATION POLICY

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

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

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

Additional employee benefits include a travel subsidy and job tickets (for 362 employees in 2015), cheap garage spaces in the Vienna area, specialist and expert careers as defined in collective bargaining agreements, subsidies for children and births, travel expenses, continued remuneration subsidies, food vouchers, company loans, special leave under collective bargaining agreements, an additional day-off and anniversary bonus regulations.

Furthermore, after a one-year waiting period the employer pays contributions in the amount of the respective salary under the collective bargaining agreement (1.25% from the first year and 1.5% from the fourth year of service) into a federal pension fund for employees.

FORECAST

The Austrian economy is set to experience stronger growth in 2016 according to forecasts by WIFO, IHS and ÖNB. As a consequence, an increase in gross domestic product (GDP) of up to 1.7% is possible. A variety of special factors are responsible for this, including the tax reform taking effect in January 2016, expenditure for asylum seekers and the home-building initiative. However, at the same time unemployment rates are rising to almost 10% and state debt stands at some 86% of GDP. Influxes of refugees and potential terror attacks are exacerbating the situation in the whole of Europe. The migration flow in particular will tie up the Company's resources in 2016. In addition to providing emergency accommodation, work will also be done on developing intelligent, flexible solutions for housing refugees.

In general the backdrop for the Group remains challenging. The current economic situation means that the financial leeway of the Republic is limited and construction projects are subjected to critical analysis. The competition is increasing steadily and is especially reflected in the rising budget pressure for new public-sector projects. This has resulted in a need to adapt the various areas of the Company to the individual requirements of customers – particularly as regards the development of new commercial and legal models.

Nevertheless, pronounced dedication and close ties to customers will lead to a stable situation with orders. Certain projects such as expanding and refurbishing the Wels federal grammar school, the Science Center of the Vienna

University of Technology in Arsenal, the new labour and social court in Vienna and a senior care home in Mödling (Lower Austria) will be completed. Several prominent large-scale projects will begin, including refurbishing the Innsbruck Medical University and the Josefstadt Justice Centre in Vienna.

In the coming years the Group subsidiary ARE will be working intensively on the home-building offensive, under which the residential construction projects Rosenhöfe (Graz), Wohn Delta Alte Donau (Vienna), Kaarstraße (Linz) and M² (Vienna) will be completed in 2016. The start of construction is planned in 2016 for Nußdorferstraße 90-92 and part of the urban development project "Wildgarten". Other large-scale projects such as TRIIIPLE (Vienna) and Erdberger Lände are about to be realised. In addition, former office properties in Vienna will be converted into high-quality apartments.

Continuous efforts are needed to maintain existing business relations and ensure value creation through the management of the portfolio. Here first and foremost BIG will intensify communication with the respective business partners in order to sustainably improve agreements on the property strategy and structural measures. The comprehensive service culture will also be consistently developed in order to secure BIG's positioning as a partner to public institutions for every issue related to infrastructure. In light of the low vacancy rates, the purchase of additional properties is planned in the coming years in every one of the Group's segments. This should allow the establishment of modest strategic reserves in order to acquire tenders from business partners for upcoming expansions or increasing the density of space. Furthermore, evaluations will be conducted with multiple federal institutions on the potential purchase of smaller portfolios that are currently owned by the Republic.

RISK REPORT

With its focus on building and letting properties, Bundesimmobiliengesellschaft increasingly operates in a dynamic economic environment and is thereby confronted with various opportunities and risks. In order to address these challenges, the management employs a proactive risk management approach as part of its fundamental corporate responsibilities and continuously develops this approach. In 2015, the year under review, the Group-wide risk management system was extended to include personnel measures.

The goal of the Group-wide risk management is to recognise opportunities early on and to identify risks in a timely manner, evaluate them, analyse them, and implement appropriate measures to reduce risks or increase opportunities in order to avoid endangering the operating and strategic goals. Regular reporting and ad-hoc reporting to the management in critical cases ensures that possible sources of uncertainty can be considered in the important decision-making processes. The top management is thereby involved in every decision related to risk and bears ultimate responsibility for these decisions.

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

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

Risks and opportunities are evaluated by their risk owners (organisational units) at regular intervals. The potential risks identified are structured into risk spheres and evaluated in terms of content, probability of occurrence and impact. Suitable measures to avoid or mitigate the risk are undertaken and the risk owners report their findings to central risk management.

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

MATERIAL RISKS

PROPERTY VALUATION RISK

The property valuation risk involves the risk that the value of the properties in the Group portfolio will change. These negative and positive value fluctuations are caused by factors including the macroeconomic environment (such as interest rates), local developments on the real estate market, and property-specific parameters. The Group strives to recognise conditions that could have a negative impact on property values as early as possible and to minimise or preclude such effects through active asset and portfolio management. Properties are recognised at fair value; in 2015 the BIG Group determined the fair value of the properties through internal property valuation software as well as through external, independent, renowned valuation experts. The external valuations which were carried out in the reporting period are not only used as fair values in the statement of financial position, but also serve to assess the plausibility of the internal fair values calculated by the valuation software. Standardised information packs for external experts and the internal review of external valuation opinions ensure that the value-related parameters in the valuation reports and therefore the fair value at the valuation date can be presented correctly.

INVESTMENT RISK

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

The individual project controlling in all of BIG and ARE's projects is queried and evaluated at regular intervals using a standardised checklist in order to minimise the risk of construction cost overruns and to identify early on any potential increases in costs when realising projects and take countermeasures. Any project showing signs of deviation from the plan is discussed with the control team and project managers and scheduled countermeasures are defined and monitored.

LETTING RISK

The BIG Group primarily lets its properties to federal government institutions under long-term leases, whereby the vacancy rate for rentable properties in 2015 was around 1.3%.

CONCENTRATION RISK

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

FINANCIAL RISKS AND USE OF FINANCIAL INSTRUMENTS

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

Group financing is conducted centrally by the Treasury department, which reports regularly to the management on the development and structure of the net financial liabilities of the Group and on financial risks. The BIG Group generally procures the long-term financing it needs centrally, as corporate financing, through bank loans and through public bonds and private placements. Short-term refinancing is obtained on the money market in the form of cash advances and through commercial paper. One important factor in the composition of the portfolio is the long-term asset structure, which is accompanied by an appropriate equity and liability structure as part of asset/liability management.

A strategic portfolio approach is employed to optimise the risk/opportunity ratio and is combined with a conservative risk policy. The primary goal of the BIG Group's financial risk management is limiting exposure to financial risks. The most important measures in the Treasury are refinancing on the finance market, managing liquidity so that the Group can meet its obligations at any time, and adjusting the portfolio to the prevailing market backdrop. Financial transactions and the use of derivatives are always based on the needs of the Company's underlying transaction and conducted in a way which minimises any impact on profit or loss. The key objective is securing the Company's operating earnings.

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

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

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

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

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

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

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

DEFAULT RISK
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 transaction is concluded or those secured with collateral. The ratings of each institution are monitored on a regular basis.

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

TAX RISK

A potential tax risk arises from possible changes to the Austrian tax system. The amendments in the course of the 2015/2016 tax reform, in particular with regard to the Real Estate Transfer Act (amendment to the assessment basis under the ordinance on land value), as well as the amendments to the Corporate Tax Act (e.g. the amendment to the depreciation rate for office buildings), will have an impact on BIG from 1 January 2016. To this end, the Group has already introduced the appropriate preventative measures (e.g. in accounting for assets) in 2015. The Group strives to identify any possible consequences of changes in the law early on by working continuously with experts, particularly with external tax advisors, as well as through ongoing monitoring of all important changes in tax laws, taking the findings into account and allocating sufficient provisions for known risks.

INTERNAL CONTROL SYSTEM

Management is required by Art. 22 of the Limited Liability Company Act (GmbHG) to maintain an internal control system (ICS) that satisfies the requirements of the law. The fundamental effectiveness of the ICS must be monitored by the Audit Committee of the Supervisory Board and more stringent reporting obligations on the financial auditor apply when material defects are found in the ICS.

The ICS has the following fundamental objectives: the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations. It aims to ensure compliance with regulations and guidelines, the dual-control principle and the separation of functions, as well as to create favourable conditions for control activities, particularly in the key accounting processes.

CONTROL ENVIRONMENT AND MEASURES

The most fundamental aspect of the control environment is the corporate culture in which the management 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.

Responsibilities under the internal control system have been adjusted to the Group organisation in order to meet the requirements of an appropriate, satisfactory control environment. In addition to the management, the general control environment also includes middle-management level and department heads in particular.

As part of the Group-wide compliance structure, a separate compliance area was set up on the intranet where employees can find information about compliance-related topics and rules (code of conduct, compliance guidelines, etc.).

CONTROL MEASURES

The main goal of controls is to prevent or mitigate the occurrence of errors in the key business processes (preventative controls). Included here are the separation of functions, the dual-control principle, access limitations (authorisation) and the conformance of tasks, skills and responsibilities. The principles of the separation of functions guarantee that activities such as approval, implementation, accounting and monitoring do not lie with the same member of staff or manager.

All control measures are applied in the normal course of business to ensure that potential errors or deviations in the financial reporting are prevented, or that any such errors that occur are discovered and corrected.

MONITORING

The Management Board and the respective department heads have joint responsibility for the continuous monitoring, whereby the department heads are responsible for monitoring their units. Controls are applied and plausibility checks (spot checks) are conducted at regular intervals. Furthermore, the internal audit department is also involved in the monitoring process with its independent, regular assessments of the ICS and accounting processes.

The results of the monitoring activities are reported to the Management Board and Supervisory Board (Audit Committee). The Management Board receives regular reports from the Controlling, Treasury and Risk Management departments. Reports that are to be published are reviewed and approved by the head of accounting and the Management Board before being forwarded to the Supervisory Board.

CORPORATE GOVERNANCE

VOLUNTARY COMMITMENT

Since the realignment of BIG as the parent company in 2001 under the Federal Real Estate Act (Bundesimmobiliengesetz), the Management Board – in close cooperation with the Supervisory Board – has pursued the principle of the utmost transparency within the Company. In order to give this transparency external visibility, BIG announced its commitment to the Austrian Code of Corporate Governance on 17 December 2008. The structures and processes of the Group are regularly adjusted and amended to conform to the rules of the Austrian Code of Corporate Governance. In 2015 an external evaluation of adherence to the C Rules of the Austrian Code of Corporate Governance was commissioned; it found that BIG had upheld the C Rules of the Austrian Code of Corporate Governance in the business year 2014.

Given the ownership role of the Republic of Austria, BIG also adheres the rules of the Federal Code of Public Corporate Governance.

COMPLIANCE AND CORPORATE VALUES

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

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

PREVENTING CORRUPTION AND ADDRESSING CONFLICTS OF INTEREST

As a state-owned company, the BIG Group employs a stringent anti-corruption policy. Legal stipulations call for employees to be classified as public officials, and they are therefore subject to particularly strict rules regarding accepting gifts, hospitality and other benefits. In addition to the mandatory adherence to internal Group guidelines on preventing corruption, all employees are informed about possible corruption risks in dedicated training sessions. Furthermore, a knowledge check on the content from the training was conducted in the Company in 2015.

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

RESEARCH AND DEVELOPMENT

BIG is supporting the Vienna University of Technology project "GrünPlusSchule" at the federal grammar school 7 in Vienna with a three-year term (2015 to 2017). The project measures the impact of courtyard gardens with innovative facade landscaping systems on the microclimate of the part of the city. Given the debate on mechanical ventilation systems, the project is also exploring the extent to which green walls in classrooms affect the interior climate and the impact they have on teachers and pupils.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events occurred between the end of the reporting period and the completion of the annual financial statements.

MISCELLANEOUS

POSTPONING PAYMENTS DUE

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

SPECIAL UNIVERSITY CONSTRUCTION PROGRAM

BIG is investing EUR 200.0m in 17 specific university projects as part of a special one-off construction program by the Federal Ministry of Science, Research and Economy. Of these, construction had already begun on ten projects by the end of 2015. Construction on the largest projects, including the project in Fritz-Pregl Straße of the Innsbruck Medical University, the KFU library in Graz and refurbishing the Schwanzertrakt of the University of Applied Arts in Vienna, will start in 2016 due to the necessary period for planning and preparation. Two projects were already completed in 2015, including the refurbishment of the biomedical technology facilities of the University of Technology in Graz. The program will be completed by 2019 and will be financed through rent from let properties and retained earnings.

REFURBISHING PARLIAMENT

Parlamentsgebäudesanierungsgesellschaft mbH, a cooperation between the Republic of Austria and Bundesimmobiliengesellschaft, was founded in order to realise the „Refurbishing Parliament" project (share capital: 51%

held by the Republic of Austria – represented by the Parliamentary Administration, 49% held by BIG) in line with the statutory powers. Entry into the Commercial Register took place on 20 November 2015.

The Company's purpose is to refurbish the Parliament building in line with the law and to manage the move to the interim location. The detailed preliminary plan was approved in October 2015, the dates and costs went to plan and the tender procedure for erecting a temporary pavilion at Heldenplatz/the National Library courtyard was already in its second phase.

REMEDIAL PAYMENTS

In the course of ongoing consultation with the owner, a possible adjustment to remedial payments for the property portfolio of ARE was one of the issues discussed.

BRANCH OFFICES

The Company has no branch offices.

Vienna, 23 March 2016

The Management Board

Hans-Peter Weiss

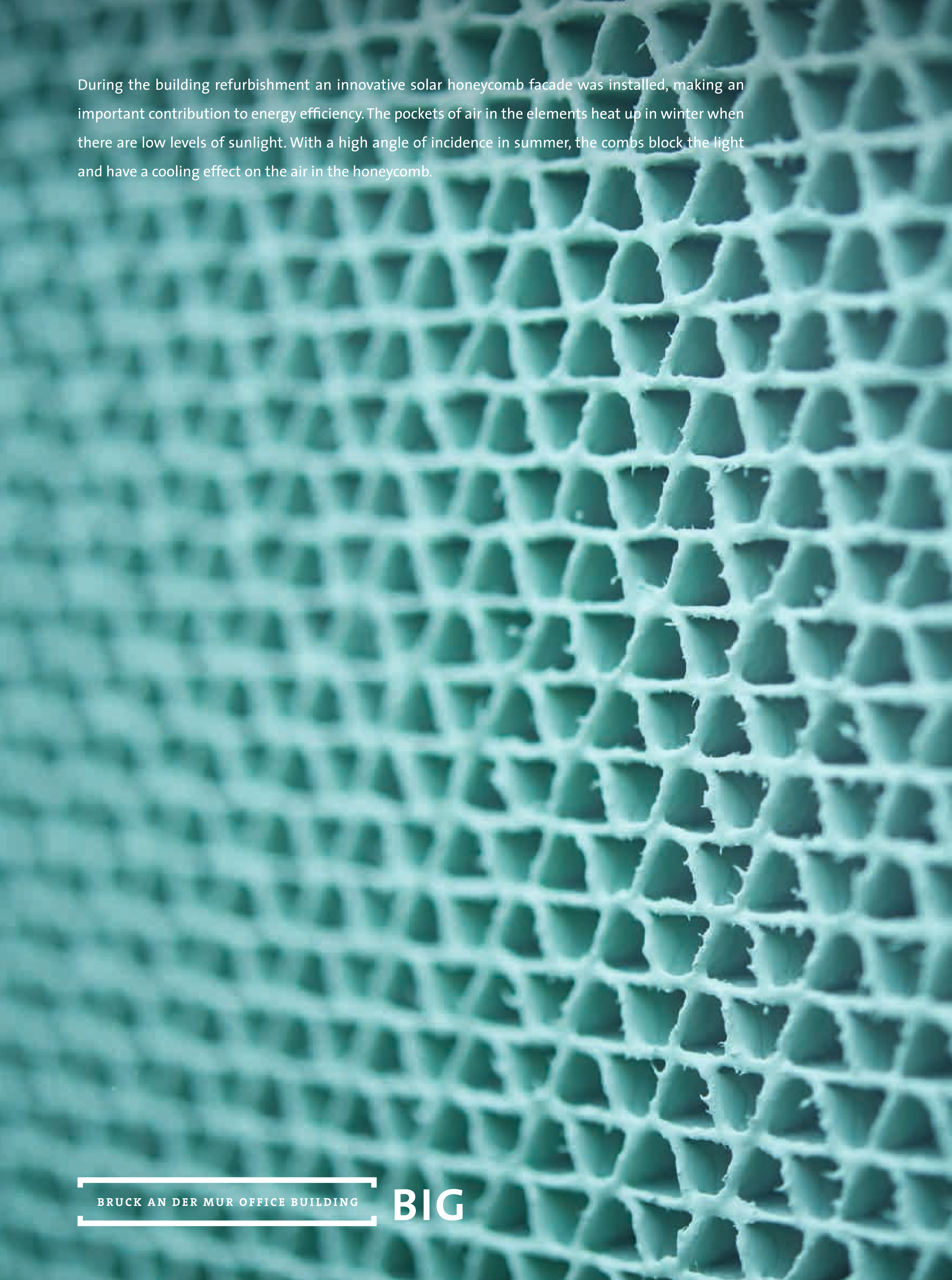
Wolfgang Gleissner

INNOVATION

STARTS WITH THE DETAILS.

PART 3

CONSOLIDATED FINANCIAL STATEMENTS



During the building refurbishment an innovative solar honeycomb facade was installed, making an important contribution to energy efficiency. The pockets of air in the elements heat up in winter when there are low levels of sunlight. With a high angle of incidence in summer, the combs block the light and have a cooling effect on the air in the honeycomb.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EURt	Note	2015	2014
Revenues	7.1.1.	990,899.6	937,711.2
Changes in property holdings	7.1.2.	10,992.6	2,095.0
Other operating income	7.1.3.	22,333.7	13,606.1
Net gains from the sale of property	7.1.4.	1,234.5	2,843.5
Material expenses	7.1.5.	-327,557.1	-294,413.0
Personnel expenses	7.1.6.	-46,738.7	-43,079.3
Other operating expenses	7.1.7.	-28,603.4	-32,473.9
EBITDA		**622,561.3**	**586,289.6**
Depreciation, amortisation and impairment		-2,863.8	-2,652.6
Write-downs on inventory assets	7.1.8.	-94.2	-1,499.0
Net revaluation gains/losses	7.1.9.	-6,720.7	59,281.4
EBIT		**612,882.5**	**641,419.4**
Share of profit/loss from companies recognised under the equity method	8.3.	**22,847.4**	**21,214.7**
Net sales revenue from companies recognised under the equity method		**0.0**	**1,323.5**
Financial expenses	7.1.10.	-107,367.8	-119,603.2
Other financial income/expenditure	7.1.11.	-3,149.9	3,445.2
Net financial income/expenditure		**-110,517.7**	**-116,158.0**
EBT		**525,212.3**	**547,799.6**
Income taxes	8.14.	-123,105.4	-128,737.8
I, Profit for the period		**402,106.9**	**419,061.9**
Items that were or can be reclassified into profit or loss (recyclable)			
Gains/losses from available-for-sale financial instruments	9.2.	-20.7	18.2
Gains/losses from cash flow hedges	7.1.12.	49,399.6	-16,793.5
Applicable taxes	8.14.	-12,344.7	4,193.8
Items that can never be reclassified into profit or loss (non-recyclable)			
Revaluation of defined benefit obligations	8.10.	-141.7	-930.1
Applicable taxes		35.4	232.5
II, Other comprehensive income		**36,928.0**	**-13,279.0**
III, Total comprehensive income		**439,034.8**	**405,782.8**
of which attributable to non-controlling interests		-214.1	-207.7
of which attributable to the parent company		439,249.0	405,990.5
Profit for the period		**402,106.9**	**419,061.9**
of which attributable to non-controlling interests		-214.1	-207.7
of which attributable to the parent company		402,321.0	419,269.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

in EURt	Note	31.12.2015	31.12.2014
Investment property	8.1.	10,641,750.5	10,384,036.0
Properties under development	8.1.	314,828.3	296,055.6
Properties used by the Company	8.2.	36,960.0	31,492.0
Plant and equipment	8.2.	2,772.1	2,570.2
Intangible assets	8.2.	1,994.1	1,790.7
Shares in affiliates		0.0	0.0
Shares in companies recognised under the equity method	8.3.	485,595.0	483,872.7
Derivative financial instruments	9.2.	312,757.8	194,182.1
Other financial assets	8.4.	48,027.5	143,410.4
Non-current assets		**11,844,685.2**	**11,537,409.8**
Inventories	8.6.	81,790.5	71,571.4
Receivables and other assets	8.7.	145,439.4	35,073.1
Derivative financial instruments	9.2.	785.2	27,975.8
Cash and cash equivalents	8.8.	27,196.2	24,805.5
Current assets		**255,211.2**	**159,425.7**
Total assets		**12,099,896.4**	**11,696,835.6**

EQUITY AND LIABILITIES

in EURt	Note	31.12.2015	31.12.2014
Subscribed capital	8.9.	226,000.0	226,000.0
Other reserves	8.9.	-28,643.6	-65,571.5
Retained earnings	8.9.	6,183,845.6	5,861,618.6
Equity attributable to the parent company		6,381,202.0	6,022,047.0
Non-controlling interests	8.9.	0.0	384.8
Equity		**6,381,202.0**	**6,022,431.9**
Financial liabilities	8.13.	2,755,644.4	2,860,142.7
Personnel-related provisions	8.10.	11,683.5	10,310.6
Other provisions	8.11.	38,878.5	40,413.5
Other liabilities	8.15.	2,514.8	4,436.7
Derivative financial instruments	9.2.	40,074.7	65,339.0
Deferred tax liabilities	8.14.	1,375,326.4	1,317,963.0
Non-current liabilities		**4,224,122.3**	**4,298,605.5**
Financial liabilities	8.13.	1,051,400.5	943,542.8
Personnel-related provisions	8.10.	8,024.9	7,643.1
Other provisions	8.11.	155,144.0	176,403.3
Provision for actual income taxes	8.12.	16,785.0	34,329.7
Other liabilities	8.15.	263,217.6	213,879.2
Current liabilities		**1,494,572.0**	**1,375,798.2**
Total liabilities		**12,099,896.4**	**11,696,835.6**

CONSOLIDATED STATEMENT OF CASH FLOWS

in EURt	Note	2015	2014
Cash flow from business activities			
Consolidated income before taxes		525,212.3	547,799.6
Net interest income	7.1.10., 7.1.11.	96,528.5	117,593.2
Depreciation and amortisation	7.1.8.	2,863.8	2,652.6
Write-downs on inventory assets	7.1.8.	94.2	1,499.0
Net gains/losses from revaluation	7.1.4.	6,720.7	-59,281.4
Remeasurement of bonds at fair value through profit or loss (fair value option)	7.1.10.	8,667.7	-412.2
Derivate instrument fair value changes and revaluation of bonds	7.1.11.	5,019.4	1,238.6
Share of profit/loss from companies recognised under the equity method	8.3.	-22,847.4	-21,214.7
Net sales revenue from companies recognised under the equity method	8.3.	0.0	-1,323.5
Gains from the disposal of properties and other assets	8.1.5.	-1,234.5	-2,843.5
Gains and losses from the disposal of financial assets	7.1.10., 7.1.11.	0.0	-2,313.7
Dividends received		31,536.3	39,349.2
Interest received	7.1.10.	847.6	1,405.0
Interest paid	7.1.11.	-109,220.9	-118,664.4
Income taxes paid	8.14.	-99,578.1	-59,265.3
Operating cash flow		**444,609.6**	**446,218.5**
Changes in receivables from finance leases	8.4., 8.7.	503.2	448.1
Changes in receivables and other assets	8.7.	-31,799.1	-92,523.1
Changes in trade payables	8.15.	35,032.4	31,214.4
Changes in personnel-related provisions	8.10.	1,613.0	1,151.4
Changes in other provisions and other liabilities	8.15.	21,243.6	38,802.8
Cash flow from changes in net working capital		**26,593.2**	**-20,906.4**
Cash flow from operating activities		**471,202.8**	**425,312.1**
Cash flow from investing activities			
Acquisition of property and other assets	8.1., 8.2.	-306,304.4	-312,837.0
Acquisition of subsidiaries less cash and cash equivalents acquired	6.4.	0.0	-3,670.0
Acquisition of non-controlling interests		-1,661.9	0.0
Contributions in connection to companies recognised under the equity method	8.3.	-10,045.2	-42,723.9
Payouts for non-current advance project payements		-5,114.6	0.0
Repayment of loans	8.4.	5,317.9	1,304.1
Sale of property and other assets	7.1.4.	7,444.9	21,150.1
Cash flow from investing activities		**-310,363.1**	**-336,776.7**
Cash flow from financing activities			
Redemption of bonds	8.13.	-181,769.5	-329,341.8
Repayment CHF-SWAP (Hedge)		50,625.5	82,516.8
Issue of bonds	8.13.	0.0	132,500.0
Repayment of bank loans	8.13.	-30,307.3	-27,932.8
Acceptance of bank loans and similar financing	8.13.	83,480.1	157,054.7
Dividends paid	8.9.	-69,458.0	-65,000.0
Remedial payments	8.9.	-11,019.7	-19,310.4
Cash flow from financing activities		**-158,448.9**	**-69,513.6**
Total cash flow (= changes in cash and cash equivalents)		**2,390.7**	**19,021.8**
Cash and cash equivalents at 1.1.	8.8.	24,805.5	5,783.7
Cash and cash equivalents at 31.12.	8.8.	27,196.2	24,805.5
Net change in cash and cash equivalents		**2,390.7**	**19,021.8**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EURt	Subscribed capital	Fair value reserve	Reserve for cash flow hedges
Balance at 1.1.2014	**226,000.0**	**16.0**	**-52,370.5**
Profit			
Other comprehensive income		13.6	-12,595.1
Total comprehensive income	**226,000.0**	**29.6**	**-64,965.6**
Transactions with shareholders			
Change in non-controlling interests			
Remedial payments			
Dividend payout			
Total transactions with shareholders			
Balance at 31.12.2014	**226,000.0**	**29.6**	**-64,965.6**
Balance at 1.1.2015	**226,000.0**	**29.6**	**-64,965.6**
Profit			
Other comprehensive income		-15.5	37,049.7
Total comprehensive income	**226,000.0**	**14.1**	**-27,915.9**
Transactions with shareholders			
Change in non-controlling interests			
Remedial payments			
Dividend payout			
Total transactions with shareholders			
Balance at 31.12.2015	**226,000.0**	**14.1**	**-27,915.9**
Note	8.9.	8.9.	8.9.

Revaluation IAS 19R	Retained earnings	Equity attributable to the parent	Non-controlling interests	Total equity
62.0	**5,521,616.0**	**5,695,323.5**	**1,184.2**	**5,696,507.7**
	419,269.5	419,269.5	-207.7	419,061.9
-697.6		-13,279.0		-13,279.0
-635.5	**5,940,885.5**	**6,101,314.0**	**976.5**	**6,102,290.5**
			-591.7	-591.7
	-14,266.9	-14,266.9		-14,266.9
	-65,000.0	-65,000.0		-65,000.0
	-79,266.9	**-79,266.9**	**-591.7**	**-79,858.6**
-635.5	**5,861,618.6**	**6,022,047.1**	**384.8**	**6,022,431.9**
-635.5	**5,861,618.6**	**6,022,047.1**	**384.8**	**6,022,431.9**
	402,321.0	402,321.0	-214.1	402,106.9
-106.2		36,928.0		36,928.0
-741.8	**6,263,939.6**	**6,461,296.0**	**170.7**	**6,461,466.7**
	-1,491.2	-1,491.2	-170.7	-1,661.9
	-8,144.8	-8,144.8		-8,144.8
	-70,458.0	-70,458.0		-70,458.0
	-80,094.0	**-80,094.0**	**-170.7**	**-80,264.7**
-741.8	**6,183,845.6**	**6,381,202.0**	**0.0**	**6,381,202.0**
8.9.	8.9.	8.9.	8.9.	8.9.

BIG ART

BRINGS TOGETHER ART AND ARCHI- TECTURE.

PART 4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS


BIG ART
BIG

Tobias Rehberger has created seven artworks for the BIG headquarters entitled “Time to ...”. If you know the colour code of the lights, you can tell time by them. This makes them utility items and sculptures at the same time.

1 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 Art. 245a of the Austrian Commercial Code (UGB). They were approved for release by the Management Board on 23 March 2016. The reporting date for the Group and all of the companies included in the Group is 31 December 2015.

1.1 FUNCTIONAL AND REPORTING CURRENCY

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

1.2 ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

- The revaluation of investment property and properties under development with a total carrying amount of EUR 10,956,578.8t (previous year: EUR 10,680,091.7t) involved an array of estimates which may be subject to significant fluctuations over time. For details related to property valuation see the table in note 8.1. "Significant non-observable input factors".
- The recognition of deferred tax assets with a total carrying amount of EUR 87,093.3t (previous year: EUR 79,169.4t) is based on the management's assumptions related to sufficient future availability of taxable income. The accounting decision on the amount and future value of deferred tax items is subject to assumptions on the time of the release of deferred tax liabilities.
- The measurement of provisions with a total carrying amount of EUR 213,730.9t (previous year: EUR 234,770.5t) is based on the best-possible estimates, some of which are made by independent experts. Aspects taken into account when measuring provisions included past values, the probability of the outcome of litigation or tax issues, the future development of costs, assumptions about interest rates, etc.
- The valuation of existing severance, pension and anniversary bonus obligations with a total carrying amount of EUR 11,683.5t (previous year: EUR 10,310.6t) involved applying assumptions on the interest rate, retirement age, life expectancy, fluctuation and future salary increases.

2 BUSINESS SEGMENTS

2.1 SEGMENTATION PRINCIPLES

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

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

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

The figure of EUR -330.5t (previous year: EUR 766.9t) in the "Adjustments" column involves, on the one hand, internal invoicing between corporate and service sectors to be eliminated with regard to internal revenues and maintenance expenditure; furthermore, external revenues include revenues which do not have an impact on earnings in the business units, as they represent a transitory item (expenses and proceeds from passing on tenant investments) and are therefore not allocated to the units.

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

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

The consolidation reconciliation mostly involves consolidation-related adjustments to intragroup transactions (consolidating expenditure/income) and investment income from affiliates as well as the results of companies recognised under the equity method.

2.2 INFORMATION ON THE REPORTING SEGMENTS

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

Full year 2015	BIG Individual (UGB)				
in EURt	Special Properties	Schools	Universities	Other	Adjustment
Revenues	93,749.4	344,794.8	271,343.9	50,475.1	-330.5
of which external revenues	93,130.1	344,795.6	270,986.8	9,123.2	28,957.6
of which intragroup revenues	617.2	-0.8	294.9	12,128.0	
of which internal revenues	2.0	0.0	62.2	29,223.9	-29,288.1
Maintenance expenditure	-12,384.9	-65,676.2	-49,172.2	0.0	6,823.9
Depreciation and amortisation	-28,811.6	-102,213.0	-96,493.4	-1,581.3	
Write-downs on inventory assets	0.0	0.0	0.0		
Allocation and release of provisions for onerous contracts	481.0	38.5	-2,225.5		
EBIT	**32,159.5**	**137,099.4**	**101,628.1**	**4,302.5**	
Net financial income/expenditure	-7,574.4	-26,696.2	-12,804.8	20,637.3	
EBT	**24,585.0**	**110,403.1**	**88,823.3**	**24,939.8**	
Income taxes	-8,199.7	-34,142.9	-17,688.8	325.6	
Profit for the period	**16,385.3**	**76,260.2**	**71,134.5**	**25,265.4**	
Capital employed	435,229.8	1,533,974.2	1,800,510.6	758,740.8	
Project volumes at construction start	145,947.9	151,483.3	76,300.3	0.0	
Project volumes for completed projects	44,538.3	195,383.4	35,403.0	0.0	

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

* Fully consolidated companies

BIG Individual (UGB)	IFRS					
Totals	IFRS reconciliation	Individual BIG	Individual ARE	Other individual FC*)	Consolidation	Group
760,032.7	11,820.4	771,853.1	216,453.5	34,695.3	-32,102.3	990,899.6
746,993.4						
13,039.3						
0.0						
-120,409.5						
-229,099.4	227,482.3	-1,617.0	-22.1	-30.3	-1,194.3	-2,863.8
0.0		0.0	-57.0	0.0	-37.2	-94.2
-1,706.0		-1,706.0	1,393.0		-0.0	-313.0
275,189.4	**198,464.6**	**473,653.9**	**119,653.7**	**20,387.8**	**-812.9**	**612,882.5**
-26,438.2	-2,313.4	-28,751.6	-25,806.5	36,549.1	-92,508.8	-110,517.7
248,751.2	**196,151.2**	**444,902.4**	**93,847.2**	**56,936.9**	**-70,474.3**	**525,212.3**
-59,705.8	-47,403.1	-107,108.8	-16,136.5	4,542.1	-4,402.2	-123,105.4
189,045.4	**148,748.1**	**337,793.5**	**77,710.8**	**61,479.0**	**-74,876.4**	**402,106.9**
4,528,455.4						
373,731.6						
275,324.7						

BIG Individual (UGB)	IFRS					
Totals	IFRS reconciliation	Individual BIG	Individual ARE	Other individual FC*)	Consolidation	Group
738,750.9	-448.2	738,302.7	218,525.7	21,173.9	-40,291.1	937,711.2
726,495.3						
12,255.5						
-115,716.7						
-219,619.4	218,213.5	-1,405.9	-10.3	-24.2	-1,212.2	-2,652.6
-409.6		-409.6	-1,089.4			-1,499.0
-18,775.0		-18,775.0	-1,393.0			-20,168.0
249,878.5	**226,654.1**	**476,532.6**	**144,283.3**	**12,543.3**	**8,060.2**	**641,419.4**
-24,990.4	-1,762.7	-26,753.1	-26,961.2	41,961.1	-104,404.8	-116,158.0
224,888.1	**224,891.4**	**449,779.5**	**117,322.1**	**54,504.4**	**-73,806.4**	**547,799.6**
-59,017.6	-31,767.7	-90,785.3	-30,769.6	-503.2	-6,679.7	-128,737.8
165,870.5	**193,123.7**	**358,994.2**	**86,552.5**	**54,001.2**	**-80,486.1**	**419,061.8**
4,457,285.7						
183,026.0						
251,649.6						

2.3 KEY CUSTOMER

Revenues from transactions with the Republic of Austria amounted to EUR 939,837.2t (previous year: EUR 903,536.3t) and were thereby 95% (previous year: 96%) of the Group's total revenues (see note 7.1.1) and relate to every one of the Group's business segments.

3 CHANGES IN ACCOUNTING METHODS

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

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

Standard	Title of the standard or amendment	Obligatory first-time application
New standards and interpretations		
IFRIC 21	Levies	17.6.2014
Amended standards and interpretations		
Annual Improvements (Cycle 2011 – 2013)	Various	1.1.2015
Amendment to 19	Defined Benefit Plans: Employee Contributions	1.2.2015

IFRIC 21 LEVIES

IFRIC 21 Levies is an interpretation of IAS 37. It primarily clarifies when a current liability arises from a levy imposed by a government and when a provision or liability must be recognised. The interpretation does not cover penalties and levies resulting from public-law contracts or those which are governed by other IFRSs, e.g. IAS 12 Income Taxes. IFRIC 21 states that a liability is to be recognised for a levy when the obligating event for triggering the payment of the levy occurs. This obligating event which creates the obligation results in turn from the wording of the underlying standard. Its formulation is crucial for the accounting process.

The Group has applied the new regulations since 1 January 2015. Land taxes were previously recognised as an expense at the respective, quarterly time at which they were paid. Now they are already recognised as a liability at time of the assessment of the land taxes, which led to a postponement of the entire expense in the interim consolidated financial statements as at 30 June 2015 in the first half-year. Owing to the option of passing on operating costs to tenants, the expenses have been deferred. The impact which resulted from the change in accounting as at 30 June 2015 on the one hand involved an increase in other receivables, on the other hand an increase in other liabilities, whereby there was no impact on earnings from this approach. The amendment has not had a significant impact on the consolidated financial statements of BIG.

ANNUAL IMPROVEMENTS (CYCLE 2011 – 2013)

Amendments were made to four standards as part of the Annual Improvements Project. Adjusting the wording in individual IFRSs has led to the clarification of existing regulations. The affected standards are IFRS 1, IFRS 3, IFRS 13 and IAS 40.

AMENDMENTS TO IAS 19 – DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS
The amendments clarify the accounting for employee contributions or those from third parties which relate to the allocation to the service periods if the contributions are tied to the service periods. Furthermore, a simplification has been created for contributions which are independent of the number of years of employee service.

The amendments are effective for annual periods beginning on or after 1 February 2015.

As there are no defined benefit plans for employees or third parties in the Group, this amendment has not had any effect on the consolidated financial statements.

3.2 NEW STANDARDS AND INTERPRETATIONS WHICH HAVE NOT YET BEEN APPLIED

Standard/interpretation	Title of standard/interpretation	Obligatory first-time application as per IASB	EU adoption
New standards and interpretations			
IFRS 14	Regulatory Deferral Accounts	1.1.2016	rejected
IFRS 15	Revenue from Contracts with Customers	1.1.2018	planned Q2/16
IFRS 9	Financial Instruments	1.1.2018	planned H2/16
IFRS 16	Leases	1.1.2019	open
Amended standards and interpretations			
Amendment to IFRS 11	Accounting for acquisitions of interests in joint operations	1.1.2016	24.11.2015
Amendment to IAS 16 and IAS 38	Clarifying acceptable methods of depreciation and amortisation	1.1.2016	2.12.2015
Amendment to IAS 16 and IAS 41	Agriculture: bearer plants	1.1.2016	23.11.2015
Amendment to IAS 27	Equity method in separate financial statements	1.1.2016	18.12.2015
Amendment to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	postponed indefinitely	postponed indefinitely
Annual Improvements (Cycle 2010 – 2012)	Various	1.2.2015	17.12.2014
Annual Improvements (Cycle 2012 – 2014)	Various	1.1.2016	15.12.2015
Amendment to IAS 1	Disclosure initiative	1.1.2016	18.12.2015
Amendments to IFRS 10, 12 and IAS 28	Consolidating investment entities	1.1.2016	planned Q2/16
Amendment to IAS 7	Disclosure initiative	1.1.2017	planned Q4/16
Amendment to IAS 12	Recognition of deferred taxes for unrealised losses	1.1.2017	planned Q4/16

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

As part of a comprehensive project by the IASB, this standard is currently a mere interim solution whose goal is to simplify IFRS accounting for rate-regulated entities adopting IFRS until the IASB publishes regulations which will apply for all IFRS reporters.

Price regulation is found in particular in industries with companies which have significant power over the markets – for example in the traffic and transport or utilities sector (electricity, water, gas). These regulations can lead, for example, to a case in which an increase or decrease in quantities in the current business year results in an obligation to lower prices or a right to raise prices in the following year. The question of whether these rights and/or obligations fulfil the definition of assets or liabilities under IFRSs is being discussed in the literature in the absence of concrete IFRS regulations, but has broadly been rejected. In order to plug the regulatory gap, the IASB has initiated a comprehensive project to address this issue, although its conclusion is not expected for several years.

The interim standard now allows first-time IFRS adopters to account for regulatory deferral account balances in their IFRS financial statements. The precondition is that these items were previously recognised in the financial statements in accordance with the previous GAAP.

The new standard has not been adopted by the EU. There has been no impact on BIG.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 Revenue from Contracts with Customers provides a comprehensive framework to determine the amount and timing for recognising revenues. It replaces the existing guidelines on recognising revenue including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs.

In accordance with IFRS 15, revenue is recognised in the amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. With regard to determining the point in time or the time frame, the focus is no longer on the transfer of risks and rewards (risk and reward approach), but is instead on the transfer of control of the goods or services to the customer (control approach). In future adopters should apply five steps to determine when and in what amount the revenue is to be realised.

The first step is to identify the contract in the sense of IFRS 15. Under certain conditions, contracts are to be grouped.

The second step is to identify the individual performance obligations. Here the goods and services which have been promised in the contract are to be identified and examined as to whether they are distinct in the sense of the standard. Goods and services promised which are not distinct shall be grouped to form a distinct bundle of goods and services.

The third step is to determine the transaction price. Elements of variable consideration such as discounts and significant financing components are to be taken into account.

The fourth step is to allocate the transaction price to the performance obligations in the contracts. The allocation shall be made with reference to the relative standalone selling prices. A differentiation shall be made as to whether these are observable or whether the entity will need to estimate them using an appropriate method.

The fifth step addresses when revenue is recognised depending on when control is passed. For each performance obligation a determination needs to be made as to whether the revenue will be recognised over time or at a point in time.

In addition, the standard specifies comprehensive disclosure obligations on the nature, amount and timing of the revenues and cash flows as well as any related uncertainties.

Subject to adoption into EU law, IFRS 15 is effective for annual periods beginning on or after 1 January 2018. Earlier adoption is permitted.

BIG is currently evaluating the possible impact of the application of IFRS 15 on its consolidated financial statements.

IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9, issued in July 2014, replaces the existing guidelines in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains revised requirements for the recognition and measurement of financial instruments including a new model for expected credit losses to calculate the impairment of financial assets, as well as new general accounting regulations for hedge accounting. It has also adopted the guidelines on recognition and derecognition of financial instruments from IAS 39.

Subject to adoption into EU law, IFRS 9 is effective for annual periods beginning on or after 1 January 2018. Earlier adoption is permitted.

BIG is currently evaluating the possible impact of the application of IFRS 9 on its consolidated financial statements.

IFRS 16 LEASES

The main goal of the new standard is the recognition in general of all leases and the related rights and obligations in the statement of financial position of the lessee. The differentiation between finance leases and operating leases which was previously required under IAS 17 will thereby not be required in future for lessees. The lessee shall recognise a lease liability for the obligation to make future lease payments for all leases in the statement of financial position. At the same time, the lessee recognises a right-of-use asset which fundamentally corresponds to the present value of the future lease payments plus any direct costs incurred. Lease payments include fixed payments, variable payments, as long as they are index-based, expected payments under residual value guarantees and, where applicable, the price of purchase options and penalties for the premature termination of the lease. During the period of the lease, the lease liability is carried forward actuarially similar to the IAS 17 regulations for finance leases, while the right of use is subjected to planned depreciation, which basically leads to higher expenses at the beginning of the term of the lease. The accounting process has been simplified for short-term leases and leases where the underlying asset has a low value.

In contrast, the regulations of the new standard as it applies to lessors are similar to the previous stipulations of IAS 17. The leases continue to be classified as either finance or operating leases. Leases under which all of the significant risks and rewards related to ownership are transferred are classified as finance leases, while all other leases are operating leases. The criteria of IAS 17 have been adopted for the classification under IFRS 16.

The new regulations are obligatory for annual periods beginning on or after 1 January 2019. Early adoption is permitted – subject to adoption by the EU – as long as IFRS 15 is also applied.

The Group is currently evaluating the impact of the changes, whereby no significant impact is expected.

BIG is currently evaluating the possible impact on its consolidated financial statements from the application of IFRS 16.

AMENDMENTS TO IFRS 11 – ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS
IFRS 11 includes regulations for the recognition of joint ventures and joint operations in profit or loss and in the statement of financial position. While joint ventures are recognised under the equity method, the recognition of joint ventures as stipulated in IFRS 11 is comparable to the proportionate consolidation method.

With the amendment to IFRS 11, the IASB regulates the accounting for acquisitions of interests in joint operations which represent a business operation in the sense of IFRS 3 Business Combinations. In cases such as this, the acquirer should apply the principles for accounting for business combinations as per IFRS 3. The disclosure requirements of IFRS 3 also apply in cases such as this.

The amendments are effective for annual periods beginning on or after 1 January 2016.

AMENDMENTS TO IAS 16 AND IAS 38 – CLARIFICATION OF ACCEPTABLE METHODS OF DEPRECIATION AND AMORTISATION
With these amendments, the IASB has provided further guidance on determining the acceptable methods of depreciation and amortisation. Revenue-based methods of depreciation are thereby not appropriate for property, plant and equipment and amortisation based on revenue is only permitted for intangible assets in specific exceptional cases (rebuttal presumption of inadequacy).

The amendments are effective for annual periods beginning on or after 1 January 2016.

AMENDMENTS TO IAS 16 AND IAS 41 – AGRICULTURE: BEARER PLANTS
Until now IAS 41 has required all biological assets to be measured at fair value less estimated costs to sell. This has also applied to so-called bearer plants such as grape vines, rubber trees and oil palms, where the biological assets are harvested over multiple periods without being sold themselves as agricultural products. Following the amendments, bearer plants will be accounted for in the same way as property, plant and equipment in accordance with IAS 16, as their usage is comparable. In contrast, their produce will be accounted for in accordance with IAS 41. In the course of applying the amendments for the first-time, reporters can make use of special simplifications. In this way, bearer plants may be measured at fair value on the transition date for simplification purposes.

The amendments are effective for annual periods beginning on or after 1 January 2016.

There has been no impact on BIG as BIG does not have any bearer plants.

AMENDMENTS TO IAS 27 – EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS
With the amendment the equity method is reinstated as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The existing option for measurement at acquisition cost or in accordance with IAS 39/IFRS 9 remains in place. Since 2005 the application of the equity method for investments in separate financial statements (of the parent) was no longer permitted in accordance with IAS 27.

As the result of complaints by users, including the high level of time and effort for a fair value measurement on every reporting date, in particular for non-listed associates, the IASB has introduced the amendment to IAS 27.

The amendments are effective for annual periods beginning on or after 1 January 2016.

There has been no impact on BIG.

AMENDMENT TO IFRS 10 AND IAS 28 – SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale of assets between an investor and its associate or joint venture and/or the contribution of assets in an associate or joint venture.

According to IFRS 10, a parent has to recognise the profit or loss from the sale of a subsidiary in full in the income statement once the possibility of control is lost. In contrast, the currently applicable IAS 28.28 calls for the sales proceeds from a sales transaction between an investor and an interest recognised under the equity method – whether it be an associate or a joint venture – only to be recognised in the amount of the interest held in this company.

In future the entire profit or loss from a transaction should only be recognised if the asset sold or contributed represents a business in the sense of IFRS 3. This holds true regardless of whether the transaction is conducted as a share or asset deal. In contrast, if the assets do not constitute a business, then recognition of a partial gain or loss is permitted.

The initial effective date of the amendments has been postponed indefinitely by the IASB.

There has been no impact on BIG.

ANNUAL IMPROVEMENTS (CYCLE 2010 – 2012)

In the course of the Annual Improvements Project, amendments were applied to seven standards. Adjusting the formulation in individual IFRSs should lead to the clarification of the existing regulations. There were also amendments with an impact on disclosures in the notes to the financial statements. The standards affected are IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

The amendments are effective for annual periods beginning on or after 1 February 2015.

There has been no impact on BIG.

ANNUAL IMPROVEMENTS TO IFRS (CYCLE 2012 – 2014)

In the course of the Annual Improvements Project, amendments were applied to four standards. Adjusting the formulation in individual IFRSs/IASs should lead to the clarification of the existing regulations. The standards affected are IFRS 5, IFRS 7, IAS 19 and IAS 34.

The amendments are effective for annual periods beginning on or after 1 January 2016.

The impact of the amendments is currently being evaluated by the Group.

AMENDMENT TO IAS 1 DISCLOSURE INITIATIVE

The amendments relate to various disclosure issues. Clarification is given that disclosures in the notes to the financial statements are only needed if their content is not insignificant. This also applies explicitly when an IFRS calls for a list of minimum information. Furthermore, clarification was issued on the aggregation and disaggregation of items in the statement of financial position and the statement of comprehensive income. Clarification was also issued on the presentation of an entity's share in other comprehensive income from associates recognised under the equity method in the statement of comprehensive income. Finally, the sample structure of the notes was removed to encourage greater attention to issues relevant to the individual entity.

The amendments are effective for annual periods beginning on or after 1 January 2016.

There has been no impact on BIG.

AMENDMENTS TO IFRS 10, IFRS 12 AND IAS 28 – INVESTMENT ENTITIES: APPLYING THE CONSOLIDATION EXCEPTION

The standard serves to clarify the questions related to applying the consolidation exception under IFRS 10 if the parent fulfils the definition of an "investment entity". Entities are then also exempt from consolidation if the parent recognises its subsidiaries at fair value in accordance with IFRS 10. If a subsidiary itself fulfils the definition of an investment entity and renders services which are related to the investment activity of the parent, it shall not be consolidated. If an investor, who does not meet the definition of an investment entity, applies the equity method to an associate or joint venture, the investor can retain the fair value accounting which the holding entity applies to its interests in subsidiaries. Furthermore, the IASB has incorporated into the amended standard that an investment entity which recognises all of its subsidiaries at fair value has to provide the obligatory disclosures for investment entities in line with IFRS 12. Subject to adoption by the EU, the amendments are effective for annual periods beginning on or after 1 January 2016; early adoption is permitted.

There has been no impact on BIG.

AMENDMENTS TO IAS 7 – DISCLOSURE INITIATIVE

In the course of its disclosure initiative, the International Accounting Standards Board (IASB) has published amendments to IAS 7 Statement of Cash Flows. The goal of the amendments is to improve the information on the change in an entity's debt.

The amendments are effective for annual periods beginning on or after 1 January 2017; early adoption is permitted.

There has been no impact on BIG.

AMENDMENTS TO IAS 12 – RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALISED LOSSES

With the amendment to IAS 12, the IASB clarifies that writedowns on a lower market value of debt instruments which are measured at fair value and which result from a change in the market interest rate give rise to deductible temporary differences.

The amendments are effective retrospectively for annual periods beginning on or after 1 January 2017.

There has been no impact on BIG.

The impacts of the amendments to IFRS 11, IAS 16, IAS 38, IFRS 10, IAS 28, the Annual Improvements (2012-2014), IAS 1 and IAS 12 are currently being evaluated. From today's standpoint, the amendments to IAS 16 and IAS 41, to IAS 27 and to IFRS 10, IFRS 12 and IAS 28 will not have any impact on the Group.

4 ACCOUNTING AND MEASUREMENT METHODS

4.1 CONSOLIDATION PRINCIPLES

BUSINESS COMBINATIONS

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

SUBSIDIARIES

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

NON-CONTROLLING INTERESTS

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

LOSS OF CONTROL

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

SHARE OF COMPANIES RECOGNISED UNDER THE EQUITY METHOD

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

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

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

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

BUSINESS TRANSACTIONS ELIMINATED UPON CONSOLIDATION

Intragroup balances and transactions and all non-realised income and expenditure from intragroup transactions are eliminated when producing the consolidated financial statements. Non-realised gains from transactions with companies accounted for under the equity method are derecognised against the shareholding in the amount of the Group's share in the company.

4.2 FOREIGN CURRENCY

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

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

4.3 INVESTMENT PROPERTY AND PROPERTIES UNDER DEVELOPMENT

The Group applies the revaluation method for investment property in accordance with IAS 40.

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

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

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

4.4 PLANT AND EQUIPMENT AND PROPERTIES USED BY THE COMPANY

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

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

Useful life in years	**from**	**to**
Property used by the Company	33	33
Furniture, fixtures and equipment	3	10
Other fixed assets	10	33

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

4.5 INTANGIBLE ASSETS

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

Useful life in years	from	to
Software	5	5

4.6 LEASES

DETERMINING WHETHER AN AGREEMENT CONSTITUTES A LEASE
BIG acts as a lessor, renting out its properties to tenants.

Whether an arrangement contains a lease is determined on the basis of the arrangement's economic substance at the time it was concluded and requires an assessment as to whether meeting the contractual arrangement depends on the use of a certain asset or certain assets and whether the arrangement gives the right to use the asset. A new assessment is only required after the lease has begun if the preconditions of IFRIC 4 are met.

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

OPERATING LEASES AS LESSOR
Lease arrangements under which all of the risks and rewards related to ownership are not transferred from the Group to the lessee are classified as operating leases and recognised accordingly.

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 Art. 4 (2) of the Federal Real Estate Act, BIG is required to provide space to meet the federal government's needs under standard market terms when economically feasible; BIG is especially required to provide the buildings that have been transferred to it for this purpose, adapt them as needed, and purchase properties needed for the federal government's new construction projects. The federal government leases the buildings back under the master lease concluded between the Republic of Austria and BIG dated 6 December 2000/2 January 2001. The head leases start on 1 January 2001 and are concluded for an indefinite period of time. The master lease includes a termination right for both parties with a 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 Art. 30 of the Austrian Tenancy Act). In addition to the monthly rent, rent surcharges must also generally be paid for a limited period, and construction cost contributions must also be paid in some cases.

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

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

FINANCE LEASES AS LESSOR

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

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.

OPERATING LEASES AS LESSEE

Assets from leases which are not classified as finance leases (operating leases) are not recognised in the consolidated statement of financial position.

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

FINANCE LEASES AS LESSEE

Assets which the Group holds under a lease arrangement and for which the Group essentially takes on all of the risks and rewards related to ownership are classified as finance leases. The leased asset is initially recognised at the lower of the fair value and the present value of the minimum lease payments. After initial recognition the asset is recognised in accordance with the accounting method applicable for this asset.

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

4.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

4.8 REVENUES

Rental revenues are generally recognised on a straight-line basis over the entire term of the rental agreements, as long as another distribution is not more appropriate.

Incentive agreements such as rent-free periods, reduced rent for a specific period or one-off payments, for example, form part of the rental revenue and are also recognised on a straight-line basis. If rental agreements contain regular adjustments over the term of the rental agreement ("graduated rents"), adjustments of this kind are also recognised on a straight-line basis over the term of the rental agreement.

In contrast, adjustments caused by inflation are not subject to recognition spread over a period. The entire term of the rental agreements, over which the entire proceeds are recognised on a straight-line basis, relate to the non-cancellable period and to other periods for which the tenant can exercise his/her option with or without further payments, if the take-up of the option is sufficiently secure at the beginning of the rental arrangement.

Rental revenue is valued at the fair value of the received and outstanding consideration less any direct discounts.

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

Revenues also include proceeds from operating costs. The Company is responsible for selecting suppliers on behalf of tenants and acts as a contractor for these suppliers. This why both the revenue and the expenses for operating costs are shown in their gross amounts.

Revenues related to construction or expansion services under a service concession agreement in accordance with IFRIC 12 are recognised on the basis of the stage of completion of services rendered in accordance with IAS 11.

Revenues from operations or services are recognised in the period in which the services were rendered by the Group. If the Group renders more than one service under a service concession agreement, then the consideration received is divided in line with the respective fair value of the individual services rendered, as long as a division into individual amounts is possible.

The item in the statement of financial position resulting from realisation of revenue shall subsequently be qualified with regard to whether there is a specific cash consideration or whether it was realised through the use of services by the user.

The first case involves a financial asset, while the second case relates to an intangible asset.

As the parent of the BIG Group, Bundesimmobiliengesellschaft m.b.H won a call for tender for the general refurbishment and subsequent maintenance and servicing for a ten-year period for a school property in the town of Weiz with the federal ministry responsible for education in the year under review.

A right of use was granted to the customer and entered into the Land Registry for the period from the start of the construction phase through to the conclusion of the ten-year maintenance and servicing period.

Once the period of use is over, the right of use expires and all services rendered pass without indemnity to the landowner (town of Weiz). For the ten-year period BIG is entitled to a contractually fixed payment which is independent of the actual usage of the building. The precise amount of the payment will only be known upon conclusion of the project, as adjustments by the contractor are expected, whereby the adjustments will be agreed on an ongoing basis and every change will be accounted for as an adjustment to the ongoing payment. This case thereby represents a financial asset.

This is thereby subject to the measurement categories of IAS 39 and shall then be developed accordingly, whereby the Company has selected the classification under Loans and Receivables and the carrying amount will therefore be recognised in line with the effective interest method.

4.9 INVENTORIES

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

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

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

4.10 EMPLOYEE BENEFITS

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

DEFINED BENEFIT PLANS

BIG is legally obliged to pay 1.53% of the monthly salary of all employees who joined the Company after 31 December 2002 into an employee benefit fund. This represents a defined benefit plan. The payments in 2015 amounted to EUR 412.3t (previous year: EUR 370.3t) and were recognised immediately in profit or loss. Contributions are also made to a pension fund; the Company has no further benefit obligations vis-à-vis the beneficiaries. Under an agreement between BIG and a pension fund dated 1 January 2007, some employees who have been with the Company for more than one year fall under a defined benefit pension plan. The contributions to this defined contribution plan in 2015 amounted to EUR 289.2t (previous year: EUR 267.3t).

PROVISIONS FOR SEVERANCE PAY

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

PROVISIONS FOR PENSIONS

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

PROVISIONS FOR ANNIVERSARY BONUSES

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

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

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

4.11 PROVISIONS

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

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

4.12 OBLIGATION TO MAKE REMEDIAL PAYMENTS TO THE REPUBLIC OF AUSTRIA

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

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

The variable purchase price is calculated using the following formula:

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

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

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

4.13 INCOME TAXES

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

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

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

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

- ARE Austrian Real Estate GmbH
- ARE Austrian Real Estate Development GmbH
- BIG Beteiligungs GmbH
- „Muthgasse 18“ Liegenschaftsverwertung GmbH
- Inffeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH
- BIG Asperner Flugfeld Süd Holding GmbH
- Campus WU GmbH
- ICT Technologiepark Errichtungs- und Verwertungs GmbH
- Argentinierstraße 11 GmbH
- Beatrixgasse 11-17 GmbH
- Rosenberggürtel Graz GmbH
- ARE Holding GmbH
- Wimmergasse 17 und 21 GmbH
- ND Holding GmbH
- Institutsgebäude Sensengasse 1-3 GmbH
- Schottenfeldgasse 34 GmbH
- Seidengasse 20 GmbH
- Wildgarten Entwicklungsgesellschaft m.b.H.
- Bahnhofgürtel 55 GmbH
- Linke Wienzeile 216 GmbH

The positive and negative tax allocation to each group member is 25% (pursuant to Art. 22 [1] Corporate Tax Act as amended, Federal Law Gazette I 2004/57) of the member's profit or loss for tax purposes. When the parent holds between 50% and 75% of a member company (such as Campus WU GmbH), only positive amounts have been allocated since 1 January 2013 and tax losses are carried internally. Losses of EUR 7,224.6t (previous year: EUR 6,619.6t) from the project companies for which no tax allocations were made were assumed in financial year 2015. 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.

4.14 CASH FLOWS

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

In the year under review the statement of cash flows from operating activities and cash flow from investing activities were adjusted with the help of a newly available system evaluation. As the impact on the business year 2014 was insignificant, the cash flow for the previous year has not been adjusted.

4.15 NET FINANCIAL INCOME/EXPENDITURE

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

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

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

5 RECOGNITION OF FINANCIAL INSTRUMENTS

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

5.1 LOANS AND RECEIVABLES

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

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

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

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

5.2 AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

5.3 CASH AND CASH EQUIVALENTS

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

5.4 SHARES IN COMPANIES RECOGNISED UNDER THE EQUITY METHOD

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

5.5 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

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

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

The accumulated amount recognised directly in equity remains in 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, it is no longer recognised as a hedging instrument. If the forecast transaction is no longer expected to occur, the accumulated amount previously recognised in equity is transferred to profit or loss.

5.6 FINANCIAL LIABILITIES RECOGNISED AT AMORTISED COST

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

5.7 FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE THROUGH PROFIT OR LOSS

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

6 CONSOLIDATED GROUP

6.1 CHANGES TO THE CONSOLIDATED GROUP

The following changes to the consolidated group occurred in the 2015 financial year:

	Fully consolidated	Equity method
Balance at 1.1.2015	24	18
Founded in the year under review	11	8
Balance at 31.12.2015	**35**	**26**

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

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

6.2 FULLY CONSOLIDATED COMPANIES

In addition to BIG, 34 (previous year: 23) domestic subsidiaries over which BIG has control were fully consolidated:

Company	Domicile	Currency	Direct share-holding in %	Nominal capital Equity (UGB)
Bundesimmobiliengesellschaft m.b.H.	Vienna	EUR	100.00	100.00
ARE Austrian Real Estate GmbH	Vienna	EUR	100.00	100.00
ARE Austrian Real Estate Development GmbH	Vienna	EUR	100.00	100.00
„Muthgasse 18“ Liegenschaftsverwertung GmbH	Vienna	EUR	100.00	100.00
Inffeldgasse 25 Forschungs- und Wissenschaftsgebäude Bauträger GmbH	Vienna	EUR	100.00	100.00
BIG Beteiligungs GmbH	Vienna	EUR	100.00	100.00
BIG Asperner Flugfeld Süd Holding GmbH	Vienna	EUR	100.00	100.00
ICT Technologiepark Errichtungs- und Verwertungs GmbH	Vienna	EUR	100.00	100.00
Grutschgasse 1-3 GmbH	Vienna	EUR	100.00	100.00
Argentinierstraße 11 GmbH	Vienna	EUR	100.00	100.00
Beatrixgasse 11-17 GmbH	Vienna	EUR	100.00	100.00
Rosenberggürtel Graz GmbH	Vienna	EUR	100.00	100.00
Wimmergasse 17 und 21 GmbH	Vienna	EUR	100.00	100.00
Schottenfeldgasse 34 GmbH	Vienna	EUR	100.00	100.00
Seidengasse 20 GmbH	Vienna	EUR	100.00	100.00
ARE Holding GmbH	Vienna	EUR	100.00	100.00
ARE Beteiligungen GmbH	Vienna	EUR	100.00	100.00
Anzengrubergasse Errichtungs- und Verwertungs GmbH	Vienna	EUR	100.00	100.00
ND Holding GmbH	Vienna	EUR	100.00	100.00
Institutsgebäude Sensengasse 1-3 GmbH	Vienna	EUR	100.00	100.00
Wildgarten Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	100.00
Wildgarten BP eins Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	0.00
Wildgarten BP zwei Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	0.00
Wildgarten BP fünf Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	0.00
Wildgarten BP acht Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	0.00
Linke Wienzeile 216 GmbH	Vienna	EUR	100.00	100.00
Bahnhofgürtel 55 GmbH	Vienna	EUR	100.00	50.00
Hintere Zollamtsstraße 17 GmbH	Vienna	EUR	100.00	0.00
Geigergasse 5-9 Immobilien GmbH	Vienna	EUR	100.00	0.00
Engerthstraße 216 Immobilien GmbH	Vienna	EUR	100.00	0.00
Landstraßer Hauptstraße 148a Immobilien GmbH	Vienna	EUR	100.00	0.00
Gerasdorfer Straße 105 Immobilien GmbH	Vienna	EUR	100.00	0.00
FJK Management GmbH	Vienna	EUR	100.00	0.00
FJK Management GmbH & CoKG	Vienna	EUR	100.00	0.00
ND Beteiligungen GmbH & Co KG	Vienna	EUR	100.00	100.00

6.3 SHARES IN COMPANIES RECOGNISED UNDER THE EQUITY METHOD

At the end of the reporting period there were 26 (previous year: 18) domestic companies recognised under the equity method included in the consolidated financial statements:

Company	Domicile	Currency	Direct share-holding in %	Annual surplus/ deficit (UGB)
Campus WU GmbH	Vienna	EUR	51.00	51.00
Wien 3420 Aspern Development AG	Vienna	EUR	26.60	26.60
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Vienna	EUR	50.00	50.00
Residenz am Hamerlingpark GmbH & Co KG	Vienna	EUR	50.00	50.00
Schnirchgasse 9-9A GmbH & CoKG	Vienna	EUR	45.00	45.00
Schiffmühlenstraße 120 GmbH	Vienna	EUR	25.00	25.00
NOE Central St. Pölten Verwertungs GmbH	St. Pölten	EUR	67.58	67.58
SIVBEG – Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m.b.H.	Vienna	EUR	45.00	45.00
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	Vienna	EUR	55.00	55.00
Hauptplatz 18 Entwicklungs- und Verwertungs GmbH	St. Pölten	EUR	36.00	36.00
Kaarstraße 21 GmbH	Vienna	EUR	50.00	50.00
Eslarngasse 16 GmbH	Vienna	EUR	25.00	25.00
Fürstenallee 21 GmbH	Vienna	EUR	25.00	25.00
ND Beteiligungen GmbH	Vienna	EUR	50.00	50.00
TRIIIPLE Management GmbH	Vienna	EUR	45.00	45.00
HAPA Projektmanagement GmbH	Vienna	EUR	50.00	50.00
Hillerstraße – Jungstraße GmbH	Vienna	EUR	25.00	25.00
Erdberger Lände 36-38 Projektentwicklung GmbH	Vienna	EUR	50.00	50.00
Parlamentsgebäudesanierungsgesellschaft m.b.H.	Vienna	EUR	49.00	0.00
Hilmteichstraße 85 Projektentwicklung GmbH	Vienna	EUR	50.00	0.00
TRIIIPLE BP eins GmbH&CoOG*	Vienna	EUR	45.00	0.00
TRIIIPLE BP zwei GmbH&CoOG*	Vienna	EUR	45.00	0.00
TRIIIPLE BP drei GmbH&CoOG*	Vienna	EUR	45.00	0.00
TRIIIPLE BP vier GmbH&CoOG*	Vienna	EUR	45.00	0.00
TRIIIPLE Beteiligung drei GmbH*	Vienna	EUR	45.00	0.00
TRIIIPLE Beteiligung vier GmbH*	Vienna	EUR	45.00	0.00

* Wholly owned subsidiary of Schnirchgasse 9-9A GmbH&Co KG. The results are a component of this company.

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

For the companies Campus WU GmbH, BIG Liegenschaften Strasshof Verwertung und Entwicklung GmbH and NOE Central St. Pölten Verwertungs GmbH, all material decisions for the Company can only be made jointly with the other owner. This is why these companies are classified as joint ventures, despite ownership of more than 50%.

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

CAMPUS WU GMBH
Accounting for around 95% of the total value of companies accounted for under the equity method, the Group considers Campus WU GmbH to be its most important joint venture.

BIG (51%) and the Vienna University of Business and Economics (WU) are the joint owners of this independent vehicle that operates the WU campus, which is used by the WU as the main tenant.

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

6.4 FIRST-TIME CONSOLIDATION

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

Company	Domicile	Currency	Direct share-holding in %	Type of consolida-tion *)	Founded on
Wildgarten BP eins Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	FC	28.10.2015
Wildgarten BP zwei Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	FC	4.11.2015
Wildgarten BP fünf Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	FC	4.11.2015
Wildgarten BP acht Entwicklungsgesellschaft m.b.H.	Vienna	EUR	100.00	FC	4.11.2015
Hintere Zollamtsstraße 17 GmbH	Vienna	EUR	100.00	FC	3.2.2015
Geigergasse 5-9 Immobilien GmbH	Vienna	EUR	100.00	FC	9.9.2015
Engerthstraße 216 Immobilien GmbH	Vienna	EUR	100.00	FC	26.11.2015
Landstraßer Hauptstraße 148a Immobilien GmbH	Vienna	EUR	100.00	FC	3.12.2015
Gerasdorfer Straße 105 Immobilien GmbH	Vienna	EUR	100.00	FC	26.11.2015
FJK Management GmbH	Vienna	EUR	100.00	FC	26.11.2015
FJK Management GmbH & CoKG	Vienna	EUR	100.00	FC	17.12.2015
Parlamentsgebäudesanierungsgesellschaft m.b.H.	Vienna	EUR	49.00	EQ	20.11.2015
Hilmteichstraße 85 Projektentwicklung GmbH	Vienna	EUR	50.00	EQ	16.12.2015
TRIIIPLE BP eins GmbH&CoOG	Vienna	EUR	45.00	EQ	20.1.2015
TRIIIPLE BP zwei GmbH&CoOG	Vienna	EUR	45.00	EQ	20.1.2015
TRIIIPLE BP drei GmbH&CoOG	Vienna	EUR	45.00	EQ	20.1.2015
TRIIIPLE BP vier GmbH&CoOG	Vienna	EUR	45.00	EQ	20.1.2015
TRIIIPLE Beteiligung drei GmbH	Vienna	EUR	45.00	EQ	29.12.2015
TRIIIPLE Beteiligung vier GmbH	Vienna	EUR	45.00	EQ	29.12.2015

*) FC = fully consolidated, EQ= consolidated under the equity method

6.5 CHANGES TO THE TYPE OF INCLUSION IN THE CONSOLIDATED GROUP

In the financial year there were no changes in the type of inclusion in the consolidated financial statements.

6.6 DECONSOLIDATIONS

There were no deconsolidations in the year under review.

7 NOTES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

7.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

7.1.1 REVENUES

in EURt	2015	2014
Letting revenues	794,695.3	770,987.7
Revenues from operating and heating costs	79,458.4	75,429.2
Revenues from tenant investments	39,064.9	42,079.7
Building management revenues	24,899.9	24,333.1
Facility services revenues	10,338.2	8,694.9
Construction management revenues	456.8	300.8
Proceeds from the sale of inventory properties	26,129.3	10,225.0
Space management revenues	100.4	156.6
Proceeds from service concession arrangements IFRIC 12	12,323.6	0.0
Other revenues	3,432.8	5,504.2
Total revenues	**990,899.6**	**937,711.2**

7.1.2 CHANGES IN PROPERTY HOLDINGS

in EURt	2015	2014
Tenant investments and services not yet invoiced	-1,875.7	1,271.0
Investment in inventory properties	25,949.6	8,460.7
Inventory properties	-13,081.3	-7,636.8
Total changes in property holdings	**10,992.6**	**2,095.0**

7.1.3 OTHER OPERATING INCOME

in EURt	2015	2014
Own work capitalised	6,255.2	6,535.8
Release of other provisions	0.0	0.0
Assumed refurbishment costs	0.0	0.0
Income from the release of provisions for impairment	407.7	0.0
Income from charges passed on to third parties	7,439.5	60.5
Income from building damages claims	4,281.3	2,753.3
Other income	3,950.0	4,256.5
Total other operating income	**22,333.7**	**13,606.1**

7.1.4 NET GAINS FROM THE SALE OF PROPERTY

in EURt	2015	2014
Gains from the sale of plant and equipment	1,506.3	6,188.2
Losses from the sale of plant and equipment	-271.8	-3,344.8
Net gains from the sale of property	**1,234.5**	**2,843.5**

7.1.5 MATERIAL EXPENSES

in EURt	2015	2014
Maintenance	-140,174.1	-134,485.0
Expenses for tenant investments	-36,562.0	-40,940.3
Operating and heating costs	-86,281.5	-82,192.0
Other purchased services	-64,954.5	-37,244.9
Income from cash discounts	415.0	449.3
Total expenses for materials and purchased services	**-327,557.1**	**-294,413.0**

The expenses listed above relate to operating expenses which are directly allocable to investment property.

7.1.6 PERSONNEL EXPENSES

in EURt	2015	2014
Wages	-442.0	-441.2
Salaries	-35,154.1	-32,410.6
Expenses for severance pay and pensions	-1,043.9	-716.6
Ancillary labour costs	-9,211.4	-8,497.2
Other social security expenses	-887.2	-1,013.7
Total personnel expenses	**-46,738.7**	**-43,079.3**

The personnel structure of BIG breaks down as follows:

Employees (average for the year)	2015	2014
Salaried employees	546	512
Former federal contract agents	77	84
Recognised as personnel expenses	**623**	**596**
Federal/provincial civil servants	246	259
Provincial contract agents	3	3
Recognised as purchased services	**249**	**262**
Total employees	**872**	**858**

7.1.7 OTHER OPERATING EXPENSES

in EURt	2015	2014
Change in provisions for onerous contracts	-346.5	-20,168.0
Services	-5,452.2	-5,484.7
IT	-3,055.5	-2,780.4
Office management	-4,980.5	-3,170.0
Advertising	-1,936.8	-1,659.5
Communication	-373.8	-447.9
Training	-616.3	-801.4
Travel expenses	-566.3	-596.9
Taxes other than income taxes	-483.9	-606.8
Motor vehicles	-321.0	-298.3
Sales costs	-617.2	-746.5
Miscellaneous other operating expenses	-9,853.5	4,286.4
Total other operating expenses	**-28,603.4**	**-32,473.9**

7.1.8 WRITE-DOWNS ON INVENTORY ASSETS

In the business year and the previous year the write-downs totalling EUR 94.2t (previous year: EUR 1,499.0t) relate to write-downs on inventory properties.

7.1.9 NET REVALUATION GAINS/LOSSES

in EURt	2015	2014
Revaluation gains	348,666.4	552,705.9
Revaluation losses	-355,387.1	-493,424.5
Net revaluation gains/losses	**-6,720.7**	**59,281.4**

7.1.10 FINANCE EXPENSES

in EURt	2015	2014
Interest expense	-106,531.7	-118,664.4
Other financial expenses	-836.1	-938.8
Total financial expenses	**-107,367.8**	**-119,603.2**

7.1.11 OTHER FINANCIAL INCOME/EXPENSES

in EURt	2015	2014
Interest income	10,003.2	1,405.0
Income from fund units	25.1	23.7
Remeasurement of bonds at fair value through profit or loss (fair value option)	-8,667.7	412.2
Remeasurement of bonds at amortised cost (share in foreign currency)	-122,894.6	-21,296.3
Remeasurement of derivatives – with hedge accounting (share in foreign currency)	109,417.9	21,595.1
Remeasurement of derivatives – fair value option	8,457.3	-1,537.3
Other financial income	508.8	2,842.9
Total financial income	**-3,149.9**	**3,445.2**

In the course of the financial year, EUR 0.0 (previous year: EUR 91.3t) was recognised in financial income from the ineffective portion of cash flow hedges.

Interest income contains a release of provisions of EUR 8,024.2t.

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

The net gains/losses from financial instruments by class and measurement category in accordance with IAS 39 break down as follows for the financial years 2015 and 2014:

2015 in EURt		From remeasurement			
Category	Interest	At fair value through profit or loss	At fair value directly in equity	Disposal	Net gain/loss
Assets					
Loans and receivables	-21,068	0	0	0	0
Available-for-sale securities	25	0	21	0	21
Derivatives – with hedges	-40,660	109,418	49,400	-50,626	108,192
Derivatives – fair value option	1,605	8,457	0	0	8,457
Bonds recognised at fair value through profit or loss	-1,623	-8,668	0	0	-8,668
Bonds recognised at amortised cost	-34,808	-122,895	0	50,626	-72,269
Total	**-96,529**	**-13,688**	**49,421**	**0**	**35,733**

2014 in EURt (adjusted)		From remeasurement			
Category	Interest	At fair value through profit or loss	At fair value directly in equity	Disposal	Net gain/loss
Assets					
Loans and receivables	-32,530	0	0	0	0
Available-for-sale securities	24	0	18	0	18
Derivatives – with hedges	-50,172	21,595	-16,793	0	4,802
Derivatives – fair value option	1,237	-1,537	0	0	-1,537
Bonds recognised at fair value through profit or loss	-1,465	412	0	0	412
Bonds recognised at amortised cost	-34,353	-21,296	0	0	-21,296
Total	**-117,259**	**-826**	**-16,775**	**0**	**-17,602**

8 NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8.1 INVESTMENT PROPERTY AND PROPERTY UNDER DEVELOPMENT

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

Investment property

in EURt	2015	2014
Balance 1.1.	10,384,036.0	10,010,036.9
Additions	137,149.8	167,056.8
Investment grants	-17,415.7	-5,145.3
Rent surcharges	-60,411.7	-39,322.6
Additions from changes to the consolidated group	0.0	20,899.9
Disposals	-6,392.2	-5,816.0
Reclassification from IAS 40 to IAS 2	1,604.2	-7,312.9
Reclassification of completed properties	166,085.4	153,930.5
Value changes (increase/decrease)	37,094.6	89,708.7
Balance 31.12.	**10,641,750.5**	**10,384,036.0**

Property under development

in EURt	2015	2014
Balance 1.1.	296,055.6	295,347.2
Additions	230,908.2	223,181.6
Investment grants	-2,025.0	-34,806.1
Rent surcharges	-41.7	-83.3
Additions from changes to the consolidated group	0.0	0.0
Disposals	-168.2	-3,226.1
Reclassification from IAS 40 to IAS 2	0.0	0.0
Reclassification of completed properties	-166,085.4	-153,930.5
Value changes (increase/decrease)	-43,815.3	-30,427.2
Balance 31.12.	**314,828.3**	**296,055.6**

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

DETERMINING FAIR VALUES

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

VALUATION METHODS

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

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

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

INPUTS

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

Segment	Carrying amount at 31.12.2015 in EURt	Input	Range 2015
Special Properties	1,072,029.3	Loss of rental income	0.0% to 6.0%
		Property rate	0.3% to 10.0%
		Maintenance costs	EUR 0.3 to 27.1/m² p. a.
		Remaining useful life	1.0 to 93.0 years
Schools	4,107,335.6	Loss of rental income	0.0% to 15.0%
		Property rate	0.3% to 9.1%
		Maintenance costs	EUR 0.5 to 50.0/m² p. a.
		Remaining useful life	1.0 to 70.0 years
Universities	3,430,260.4	Loss of rental income	0.0% to 5.0%
		Property rate	0.3% to 18.8%
		Maintenance costs	EUR 1.0 to 30.0/m² p. a.
		Remaining useful life	1.0 to 70.0 years
Total BIG	**8,609,625.3**		
Total ARE	**2,199,639.8**		
Total project companies	**147,313.6**		
Total Group	**10,956,578.7**		

The inputs in the ARE segment by federal province are as follows:

ARE Federal province	Carrying amount at 31.12.2015 in EURt	Input factors	Range 2015
Burgenland	35,754.0	Loss of rental income	0.0% to 6.0%
		Capitalisation rate	4.9% to 10.5%
		Maintenance costs	EUR 1.0 to 30.0/m² p. a
		Remaining useful life	15.0 to 55.0 years
Carinthia	94,256.4	Loss of rental income	0.0% to 6.0%
		Capitalisation rate	0.3% to 8.9%
		Maintenance costs	EUR 0.5 to 26.4/m² p. a.
		Remaining useful life	5.0 to 46.0 years
Lower Austria	155,795.2	Loss of rental income	0.0% to 10.0%
		Capitalisation rate	4.0% to 8.5%
		Maintenance costs	EUR 0.5 to 32.0/m² p. a.
		Remaining useful life	3.0 to 50.0 years
Upper Austria	146,093.4	Loss of rental income	0.0% to 5.0%
		Capitalisation rate	0.3% to 9.5%
		Maintenance costs	EUR 1.5 to 32.2/m² p. a
		Remaining useful life	1.0 to 65.0 years
Salzburg	96,587.6	Loss of rental income	0.0% to 5.0%
		Capitalisation rate	4.0% to 8.5%
		Maintenance costs	EUR 2.0 to 27.6/m² p. a.
		Remaining useful life	3.0 to 70.0 years
Styria	237,000.9	Loss of rental income	0.0% to 8.0%
		Capitalisation rate	4.0% to 8.5%
		Maintenance costs	EUR 1.0 to 24.0/m² p. a.
		Remaining useful life	10.0 to 85.0 years
Tyrol	149,677.3	Loss of rental income	0.0% to 7.0%
		Capitalisation rate	2.0% to 8.0%
		Maintenance costs	EUR 0.4 to 24.0/m² p. a.
		Remaining useful life	1.0 to 72.0 years
Vorarlberg	55,035.9	Loss of rental income	0.0% to 6.0%
		Capitalisation rate	3.5% to 11.0%
		Maintenance costs	EUR 1.0 to 25.0/m² p. a.
		Remaining useful life	10.0 to 45 years
Vienna	1,229,439.1	Loss of rental income	0.0% to 10.0%
		Capitalisation rate	1.0% to 9.0%
		Maintenance costs	EUR 0.2 to 25.0/m² p. a.
		Remaining useful life	1.0 to 80.0 years
Total ARE	2,199,639.8		

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

SENSITIVITY ANALYSIS

The change in the fair value of the properties is closely linked to the current estimate of realisable future rents and the capitalisation rates applied under the income approach. At 31 December 2015 the fair value and carrying amount of investment property and properties under development was EUR 2,199,639.8t in ARE and EUR 8,609,625.3t in BIG.

For conducting the sensitivity analysis, the ten largest economic units – measured by fair value – of ARE and BIG respectively were selected; these exclusively consisted of properties under the Group's sole ownership, on which there were no properties built, which were identified as being assets under development as of 31 December 2015 or which were classed as unimproved land. The fair value volumes of these selected properties at 31 December 2015 amounted to EUR 711,730.8t in ARE (around 32% of the total fair value of property held by ARE) and EUR 1,316,172.6t in BIG (around 15% of the total fair value of property held by BIG).

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

Changes in the sustained annual gross yield	**-10%**	**Initial value**	**+10%**
ARE	EUR 2,003,704.1t -8.9%	EUR 2,199,639.8t 100%	EUR 2,395,531.4t +8.9%
BIG	EUR 7,927,771.6t -7.9%	EUR 8,609,625.3t 100%	EUR 9,291,479.0t +7.9%

Changes in the capitalisation rate	**+50 basis points**	**Initial value**	**-50 basis points**
ARE	EUR 2,032,704.0t -7.6%	EUR 2,199,639.8t 100%	EUR 2,393,845.7t +8.8%
BIG	EUR 8,058,117.9t -6.4%	EUR 8,609,625.3t 100%	EUR 9,247,818.4t +7.4%

Changes in the sustained annual gross yield of +/-10% respectively and in the capitalisation rate of +/-50 basis points respectively leads to a fluctuation range of the fair value of the properties held of -8.9% to +8.9% and thereby lies within the range of +/-10% generally accepted by the market, which can result from various estimates by market participants with regard to future market developments and their effect on the market value of the properties.

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

At 31 December 2015 no plant or equipment or intangible assets were pledged as collateral for liabilities.

Properties used by the Company

in EURt	2015	2014
Balance at 1.1.	31,492.0	32,609.0
Additions	6,680.7	95.3
Disposals	0.0	0.0
Amortisation and impairment	-1,212.8	-1,212.2
Balance at 31.12.	**36,960.0**	**31,492.0**
Acquisition and manufacturing costs	49,193.2	42,512.5
Accumulated amortisation and impairment	-12,233.2	-11,020.4
Balance at 31.12.	**36,960.0**	**31,492.0**

Other plant and equipment

in EURt	2015	2014
Balance at 1.1.	2,570.2	2,297.1
Additions	1,244.9	1,266.5
Disposals	-16.1	-51.5
Amortisation and impairment	-1,027.0	-941.9
Balance at 31.12.	**2,772.1**	**2,570.2**
Acquisition and manufacturing costs	13,915.1	13,110.8
Accumulated amortisation and impairment	-11,143.0	-10,540.5
Balance at 31.12.	**2,772.1**	**2,570.2**

Intangible assets

in EURt	2015	2014
Balance at 1.1.	1,790.7	1,694.8
Additions	827.5	594.1
Disposals	0.0	0.0
Amortisation and impairment	-624.0	-498.3
Balance at 31.12.	**1,994.1**	**1,790.7**
Acquisition and manufacturing costs	8,853.74	8,026.3
Accumulated amortisation and impairment	-6,859.63	-6,235.6
Balance at 31.12.	**1,994.1**	**1,790.7**

8.3 SHARES IN COMPANIES RECOGNISED UNDER THE EQUITY METHOD

in EURt	31,12,2015	31,12,2014
Campus WU GmbH	461,447.3	463,728.8
Residenz am Hamerlingpark GmbH & Co KG	8,895.0	5,197.9
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	4,956.7	5,115.0
Schnirchgasse 9-9A GmbH & CoKG	2,690.1	2,641.2
NOE Central St, Pölten Verwertungs GmbH	2,435.7	2,357.7
SIVBEG – Strategische Immobilien Verwertungs-, Beratungs- und Entwicklungsgesellschaft m,b,H,	1,273.1	1,479.1
BIG Liegenschaften Strasshof Verwertung und Entwicklungs GmbH	1,271.8	1,322.7
Schiffmühlenstraße 120 GmbH	837.7	874.2
Kaarstraße 21 GmbH	458.2	541.4
Hauptplatz 18 Entwicklungs- und Verwertungs GmbH	496.9	499.7
Wien 3420 Aspern Development AG	334.6	66.8
ND Beteiligungen GmbH	18.7	17.5
TRIIIPLE Management GmbH	32.6	15.6
HAPA Projektmanagement GmbH	17.5	15.2
Hillerstraße – Jungstraße GmbH	11.4	0.0
Eslarngasse 16 GmbH	0.0	0.0
Fürstenallee 21 GmbH	0.0	0.0
Erdberger Lände 36-38 Projektentwicklung GmbH	0.0	0.0
Parlamentsgebäudesanierungsgesellschaft m,b,H,	17.2	0.0
Hilmteichstraße 85 Projektentwicklung GmbH	400.6	0.0
Total	**485,595.0**	**483,872.7**

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

in EURt	31.12.2015	31.12.2014
Ownership	51%	51%
Non-current assets	506,900.0	508,400.0
Current assets	964.2	1,844.0
Non-current liabilities	-16,315.5	-7,723.0
Current liabilities	-8,600.7	-19,845.2
Net assets	**482,948.0**	**482,675.8**
of which BIG (incl. non-linear contributions)	461,447.3	463,728.8
of which Campus WU GmbH	21,500.7	18,947.0

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

in EURt	31.12.2015	31.12.2014
Cash and cash equivalents	1.2	1.9
Non-current financial liabilities	0.0	0.0
Current financial liabilities	-8,600.7	-19,845.2

The reconciliation of the proportionate net assets is as follows:

in EURt	31.12. 2015	31.12. 2014
Share of net assets at 1.1.	463,728.8	433,509.7
Comprehensive income attributable to the Group	13,216.3	14,500.0
Non-linear capital injection BIG	9,683.0	41,195.0
Dividends received	-30,696.3	-31,280.0
Special dividend BIG	5,515.6	5,804.1
Share of net assets at 31.12.	**461,447.3**	**463,728.8**

in EURt	2015	2014
Revenue	35,594.7	34,543.1
Profit for the period	25,914.3	28,431.3
Total comprehensive income	**25,914.3**	**28,431.3**

The annual financial statements above include the following amounts:

in EURt	2015	2014
Depreciation	0.0	0.0
Interest income	0.1	0.9
Interest expense	0.0	0.0
Income tax expenses/income	0.0	0.0

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

in EURt	31.12.2015	31.12.2014
Balance at 1.1.	483,872.7	454,950.4
Additions	418.2	5,238.4
Changes to the consolidated group	0.0	821.2
Shares sold	0.0	-217.0
Changes to capital (additional contributions, dividends received etc.)	-21,543.3	1,865.0
Share of profit for the period	22,847.4	21,214.7
Balance at 31.12.	**485,595.0**	**483,872.7**

8.4 OTHER FINANCIAL ASSETS

in EURt	31.12.2015	31.12.2014
Available-for-sale securities	893.5	914.1
Loans	9,390.0	9,589.2
Receivables from finance leases	9,205.3	9,708.5
Non-current trade receivables	19,239.1	110,061.9
Other non-current receivables	9,299.6	13,136.7
Total	**48,027.5**	**143,410.4**

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

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

The high non-current trade receivables in the financial year 2014 primarily relate to a postponement of rent due for the forth quarter 2014 to 2016 of around EUR 88,000t.

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

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

8.5 DERIVATIVE FINANCIAL INSTRUMENTS

The derivatives consist primarily of interest rate, currency, and circus swaps for issued bonds and loans. Please refer to item 9.2 for further information.

8.6 INVENTORIES

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

Inventories for properties

in EURt	2015	2014
Balance at 1.1.	59,181.9	62,015.2
Disposals from changes to the consolidated group	0.0	-9,471.3
Additions from properties	924.9	0.0
Reclassification from IAS 40 to IAS 2	0.0	7,312.9
Reclassification	-1,604.2	0.0
Write-downs	-94.2	-1,498.8
Changes in property holdings	12,868.3	824.0
Balance at 31.12.	**71,276.6**	**59,181.9**

Inventories for tenant investments

in EURt	2015	2014
Balance at 1.1	12,389.6	11,118.6
Changes in property holdings	-1,875.7	1,271.0
Balance at 31.12.	**10,513.9**	**12,389.6**

8.7 RECEIVABLES AND OTHER ASSETS

in EURt	31.12.2015	31.12.2014
Receivables from finance leases	1,814.9	1,814.9
Trade receivables	123,140.2	18,458.8
Other receivables and assets	15,181.8	9,492.7
Loans	5,302.4	5,306.6
Total current assets	**145,439.4**	**35,073.1**

The change in maturity of the postponed amount of EUR 88,000.0t described in note 8.4 led to its recognition under trade receivables in the business year 2015.

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

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

The individual impairment provisions for trade receivables underwent the following changes in the 2015 and 2014 financial years:

in EURt	2015	2014
Balance at 1.1.	677.0	717.3
Allocations	170.7	205.8
Use	-78.1	-230.4
Releases	-192.2	-15.8
Balance at 31.12.	**577.4**	**677.0**

The expenses for the complete derecognition of trade receivables in the financial year 2015 total EUR 118.2t (previous year: EUR 307.8t).

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

8.8 CASH AND CASH EQUIVALENTS

in EURt	2015	2014
Cash at banks	27,188.2	24,797.2
Cash in hand	7.9	8.2
Total cash and cash equivalents	**27,196.2**	**24,805.5**

8.9 EQUITY

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

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

The fair value reserve and the cash flow hedge reserve are for available-for-sale securities and cash flow hedges.

For changes in the cash flow hedge reserve, see the statement of changes in equity.

The revaluation reserve in accordance with IAS 19R relates to the impact from the revaluation of defined benefit plans for post-employment services. These reserves are reported less any deferred taxes that can be allocated to these items.

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

There are also changes that are recognised directly in equity as a result of remedial payments. Please refer to item 4.12 for details.

The Company has planned a distribution of profits of EUR 103,900.3t for the 2016 financial year.

CAPITAL MANAGEMENT

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

Here, financial strength and flexibility play a key role and measures to secure financial flexibility are taken early on. In an uncertain environment on the capital and financial markets, these include a balanced maturity profile for financial liabilities and sufficiently secure lines of credit, along with diversifying sources of financing.

In terms of optimising the capital structure, attention is paid to the use of non-real-estate-backed borrowed capital. Real-estate-backed borrowed capital is only used at the level of project companies which are wholly owned by the Group.

As in the previous years, a solid equity ratio remains an important goal. With an equity ratio of 52.74%, the requisite preconditions are still in place for accessing outside capital at favourable conditions by maintaining the triple A-rating. This equity ratio includes the remedial payments to be made to the Republic of Austria in the event of the sale of properties, which would be classified as a dividend (see also item 5.12).

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

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

8.10 PERSONNEL-RELATED PROVISIONS

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

in EURt	2015	2014
Severance payments	6,251.0	5,873.6
Pensions	1,157.2	1,117.0
Anniversary bonuses	4,275.3	3,320.0
Total	**11,683.5**	**10,310.6**

Outstanding entitlements to paid holiday leave amounted to EUR 4,335.0t at 31 December 2015 (previous year: EUR 4,102.9t) and are reported under other current provisions.

PROVISIONS FOR SEVERANCE PAY

Calculating provisions for severance pay is undertaken annually by a qualified actuary using the projected unit credit method on the basis of an assumed interest rate of 2% (previous year: 2.25%), projected salary increases of 3.5% (previous year: 3.5%) and a retirement age of 62.0 years for men and women. The fluctuation rate is graduated on the basis of age and is between 0.0% and 5.0% (previous year: 0.0% to 5.0%).

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

in EURt	2015	2014
Present value of severance obligations at 1.1.	5,873.6	4,976.2
Interest expense	130.4	165.3
Prior service cost	277.6	241.3
Actuarial gains/losses from financial assumptions	65.4	806.8
Severance payments	-96.0	-316.0
Present value of severance obligations 31.12.	**6,251.0**	**5,873.6**

At 31 December 2015 the weighted average remaining term to maturity of the obligations was 12.7 years (previous year: 13.4 years).

The projected payouts from the plan stand at EUR 11.3t (previous year: EUR 63.8t).

PROVISIONS FOR PENSIONS

Provisions for pensions are calculated using the projected unit credit method on the basis of an assumed interest rate of 2% (previous year: 2.25%) and by applying the life table by Pagler & Pagler. A projected pension increase of 2.5% (previous year: 2.5%) was applied.

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

in EURt	2015	2014
Present value of pension obligations at 1.1.	1,117.0	1,017.3
Interest expense	24.5	34.6
Actuarial gains/losses from financial assumptions	76.3	123.2
Pension payments	-60.5	-58.1
Present value of pension obligations at 31.12.	**1,157.2**	**1,117.0**

At 31 December 2015 the weighted average remaining term to maturity of the obligations was 10.6 years (previous year: 11.1 years).

The projected payouts from the plan stand at EUR 65.9t (previous year: EUR 60.5t).

PROVISIONS FOR ANNIVERSARY BONUSES

Calculating provisions for anniversary bonuses is undertaken annually by a qualified actuary using the projected unit credit method on the basis of an assumed interest rate of 2% (previous year: 2.25%), projected salary increases of 3.5% (previous year: 3.5%) and a retirement age of 62.0 years for men and women. The fluctuation rate is graduated on the basis of age and is between 0.0% and 5.0% (previous year: 0.0% to 5.0%).

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

in EURt	2015	2014
Present value of anniversary bonus obligations at 1.1.	3,320.0	2,506.9
Interest expense	69.8	81.6
Prior service costs (incl. adjustments)	175.3	703.0
Actuarial gains/losses from financial assumptions	887.2	213.3
Anniversary bonuses paid out	-177.0	-184.9
Present value of anniversary bonus obligations at 31.12.	**4,275.3**	**3,320.0**

SENSITIVITY ANALYSIS

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

Provisions for severance pay

	2015		2014	
in EURt	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-703	830	-696.0	827.0
Future salary increase (1% change)	770	-720	770.0	-713.0

Provisions for pensions

	2015		2014	
in EURt	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-111	131	-112.0	133.0
Future pension increase (1% change)	120	-116	125.0	-121.0

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

PERSONNEL-RELATED PROVISIONS (CURRENT)

in EURt	Carrying amount at 1.1.2015	Use	Release	Allocation	Carrying amount at 31.12.2015
Outstanding paid leave	4,102.9	-21.8	0.0	253.9	4,335.0
Bonuses	3,003.5	-2,473.4	-530.1	3,185.7	3,185.7
Credit hours	506.7	0.0	0.0	-32.5	474.3
Social capital	30.0	0.0	0.0	0.0	30.0
Total	**7,643.1**	**-2,495.3**	**-530.1**	**3,407.1**	**8,024.9**

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

8.11 OTHER PROVISIONS

in EURt	Carrying amount at 1.1.2015	Use	Release in profit and loss	Release directly in equity	Allocation	Carrying amount at 31.12.2015	Of which current	Of which non-current
Outstanding invoices	134,309.4	78,765.9	2,599.0	17,042.4	82,768.4	118,670.6	114,839.2	3,831.5
Onerous contracts	36,849.0	2,115.0	8,425.0	0.0	8,738.0	35,047.0	0.0	35,047.0
Accounting and auditing costs	9.5	9.5	0.0	0.0	123.3	123.3	123.3	0.0
Legal and consultancy expenses	1,188.4	120.5	478.4	0.0	375.9	965.5	965.5	0.0
Rent credits	33,923.0	3,064.2	3,532.6	0.0	10,053.4	37,379.7	37,379.7	0.0
Interest on arrears	8,024.2		8,024.2			0.0	0.0	0.0
Management Franz-Grill-Straße	1,183.0	1,183.0				0.0	0.0	0.0
Other	1,330.1	1,018.7	277.1	0.0	1,802.2	1,836.4	1,836.4	0.0
Total	**216,816.8**	**86,276.7**	**23,336.4**	**17,042.4**	**103,861.2**	**194,022.5**	**155,144.0**	**38,878.5**

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

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

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

The allocation of provisions for onerous contracts includes an amount of EUR 882.7t (previous year: EUR 854.0t) from the unwinding of the discount.

8.12 PROVISIONS FOR ACTUAL INCOME TAX

From the provisions for actual income tax totalling EUR 16,785.0t (previous year: EUR 34,329.7t), EUR 16,785.0t (previous year: EUR 26,117.2t) relates to income tax for the current business year.

8.13 FINANCIAL LIABILITIES

31.12.2015 in EURt	Maturity Up to 1 year	1 to 5 years	More than 5 years	Total carrying amount
Bonds	145,828.9	804,961.2	1,131,278.1	2,082,068.2
Bank loans and similar financing	905,571.6	197,533.4	621,871.7	1,724,976.7
Total	**1,051,400.5**	**1,002,494.6**	**1,753,149.8**	**3,807,044.9**

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

No new bonds were issued in the business year 2015.

In 2015 BIG redeemed two expiring bonds for CHF 40m (fixed interest 3.0%) and CHF 150m (fixed interest: 2.5%). As a result of the hedge, this had no impact on profit or loss.

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

2015 Type of financing and currency	Hedge*	Interest variable/fixed	Nominal amount in EURt	IFRS carrying amount in EURt	Fair value in EURt	Maturity < 12 months	< 2 years	< 5 years	> 5 years
2.1% – 3.3% CHF Bond fix. 2005 – 2033	HA	fixed	542,788	802,585	930,366	24,633	186,147	499,049	251,103
1.5% – 2.1% JPY Bond fix. 2004 – 2022	HA	fixed	180,722	198,367	211,667	25,603	41,388	46,083	102,255
1.4% – 1.9% JPY Bond var. 2004 – 2018	FVO	variable	90,954	101,159	101,159	24,523	39,336	38,792	0
3.8% – 4.6% EUR Bond fix. 2010 – 2042	no HA	fixed	800,000	797,728	1,078,820	32,415	32,415	97,245	1,205,008
EUR Bond var. 2014 – 2020	no HA	variable	132,500	132,232	132,925	100,136	-31	32,720	0
EUR Bond var. 2010 – 2025	HA	variable	50,000	49,997	52,140	296	255	1,191	53,662
3.0% – 4.6% EUR Loan fix. 2001 – 2038	no HA	fixed	747,347	743,308	947,568	105,794	54,116	156,968	754,161
EUR Loan var. 2000 – 2038	no HA	variable	143,457	142,960	143,457	4,791	4,678	71,165	81,994

No financial assets were pledged as collateral for accessing financial liabilities.

2014 Type of financing and currency	Hedge*	Interest variable/fixed	Nominal amount in EURt	IFRS carrying amount in EURt	Fair value in EURt	Maturity < 12 months	< 2 years	< 5 years	> 5 years
2.1% – 3.3% CHF Bond fix. 2005 – 2033	HA	fixed	673,933	881,134	1,007,866	184,331	22,197	612,230	231,483
1.5% – 2.1% JPY Bond fix. 2004 – 2022	HA	fixed	180,722	179,026	193,497	3,288	23,945	42,127	129,100
1.4% – 1.9% JPY Bond var. 2004 – 2018	FVO	variable	90,954	92,491	92,491	1,465	22,122	70,511	0
3.8% – 4.6% EUR Bond fix. 2010 – 2042	no HA	fixed	800,000	797,591	1,123,201	32,415	32,415	97,245	1,237,423
EUR Bond var. 2014 – 2020	no HA	variable	132,500	132,036	133,026	273	100,136	33	32,656
EUR Bond var. 2010 – 2025	HA	variable	50,000	49,997	51,820	342	296	1,241	52,481
3.0% – 4.6% EUR Loan fix. 2001 – 2038	no HA	fixed	773,592	769,240	1,003,527	54,021	104,021	151,636	774,507
EUR Loan var. 2000 – 2038	no HA	variable	147,409	146,891	147,409	4,865	4,791	72,561	85,275

* HA = Hedge Accounting, FVO = Fair Value Option

The fair values of the bonds without a stock market price were calculated by discounting the future payments, assuming a current market interest rate.

8.14 INCOME TAXES

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

in EURt	2015	2014
Corporate income tax (current year)	-78,727.5	-65,965.2
Corporate income tax (previous years)	676.2	-8,212.5
Changes in deferred taxes	-45,054.1	-54,560.1
Total tax expense	**-123,105.4**	**-128,737.8**

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

in EURt	2015	2014
EBT	525,212.3	547,799.6
Expected tax expense (25%)	**-131,303.1**	**-136,949.9**
Tax-exempt income (and expenses)	1,898.5	3,222.1
Tax income/expense from previous years	676.2	-1,791.3
Subsequent tax payments	2,036.2	3,566.7
Other	3,586.7	3,214.7
Effective tax expense	**-123,105.4**	**-128,737.7**

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

	Deferred tax assets		Deferred tax liabilities		Net	
in EURt	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Plant and equipment	-3,518.6	-3,237.8	1,229,118.0	1,190,442.4	1,225,599.4	1,187,204.6
Financial assets	-154.2	-161.4	11,362.6	6,679.7	11,208.5	6,518.3
Receivables and other assets	0.0	0.0	2,844.0	2,880.9	2,844.0	2,880.9
Fair value measurement of derivatives	-10,018.7	-16,334.7	78,385.7	55,539.5	68,367.1	39,204.8
Personnel-related provisions	-1,471.6	-1,415.6	0.0	0.0	-1,471.6	-1,415.6
Other provisions	-201.9	-62.8	140,163.6	140,974.6	139,961.7	140,911.8
Non-current liabilities	-71,674.3	-57,957.0	491.7	615.3	-71,182.6	-57,341.7
Deferred tax assets/liabilities (gross)	**-87,039.3**	**-79,169.3**	**1,462,365.7**	**1,397,132.4**	**1,375,326.4**	**1,317,963.1**
Deferred tax liabilities (net)					**1,375,326.4**	**1,317,963.1**

As of 31 December 2015 there was a deferred tax liability of EUR 76,834t for temporary differences of EUR 307,336t related to interests in subsidiaries. This liability has not, however, been recognised, as the Group is capable of controlling the reversal of the temporary differences affecting tax and it is probable that a reversal of these differences with an effect on tax will not take place in the foreseeable future.

The change in the item is as follows:

in EURt	2015	2014
Deferred taxes at 1.1. (net)	**1,317,963.0**	**1,265,803.8**
Changes recognised in equity	12,309.3	-4,426.3
Changes to the consolidated group	0.0	2,025.5
Changes recognised in profit or loss	45,054.1	54,560.1
Deferred taxes at 31.12. (net)	**1,375,326.4**	**1,317,963.0**

The following deferred taxes were recognised in other comprehensive income:

in EURt	2015	2014
IAS 19R revaluation	-35.4	-232.5
Available-for-sale securities	-5.2	4.5
Market valuation of cash flow hedges	12,349.9	-4,198.4
Change in deferred assets in other comprehensive income	**12,309.3**	**-4,426.3**

8.15 OTHER LIABILITIES

The other liabilities break down as follows:

		Maturity		
31.12.2015 in EURt	Up to 1 year	1 to 5 years	More than 5 years	Total
Non-current liabilities				
Trade payables		**2,059.4**		**2,059.4**
Other liabilities		234.8		234.8
Deferred items		220.6		220.6
Total other liabilities and deferred items		**455.4**		**455.4**
Total non-current liabilities		**2,514.8**		**2,514.8**
Current liabilities				
Trade payables	**175,826.3**			**175,826.3**
Liabilities to associates	3.4			3.4
Other liabilities	87,387.8			87,387.8
Total other liabilities	**87,391.3**			**87,391.3**
Total current liabilities	**263,217.6**			**263,217.6**

Of the other liabilities, EUR 42,705.0t relates to interest accrued on financial instruments, EUR 12,643.9t relates to liabilities owed to the tax office and EUR 8,508.1t relates to liabilities for remedial payments.

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

9 OTHER DISCLOSURES

9.1 LEASES

9.1.1 FINANCE LEASES AS LESSOR

in EURt	2015	2014
Future minimum lease payments	19,068.7	20,883.7
Financial income not yet realised	-8,048.5	-9,360.2
Present value of outstanding minimum lease payments	**11,020.2**	**11,523.5**
Current portion	565.1	1,814.9

in EURt	2015			2014		
	Outstanding lease payments	Interest	Present value of outstanding lease payments	Outstanding lease payments	Interest	Present value of outstanding lease payments
Up to 1 year	1,814.9	1,249.8	565.1	3,163.3	1,348.4	1,814.9
1 to 5 years	7,259.8	4,301.3	2,958.5	7,259.8	4,544.5	2,715.3
More than 5 years	9,994.0	2,497.3	7,496.7	10,460.5	3,467.3	6,993.2
Total	**19,068.7**	**8,048.4**	**11,020.3**	**20,883.6**	**9,360.2**	**11,523.4**

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

in EURt	2015	2014
Up to 1 year	867,173.0	828,954.8
1 to 5 years	2,411,927.0	2,294,638.2
More than 5 years	3,943,806.0	3,721,833.5
Total	**7,222,906.0**	**6,845,426.5**

9.1.2 OPERATING LEASES AS LESSEE

BIG also rents office space under operating leases.

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

in EURt	2015	2014
Up to 1 year	333.2	276.5
1 to 5 years	1,665.8	1,308.5
More than 5 years*	*	*

* The agreements with a term of more than five years are leases with no fixed notice period. The annual lease payments total EUR 333.2t (previous year: EUR 276.5t).

9.2 FINANCIAL INSTRUMENTS

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

9.2.1 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGES

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

			Market value	
31.12.2015	Currency	Nominal amount in thousands of original currency	Positive in EURt	Negative in EURt
Cross currency swaps	CHFt	870,000	292,758	0
	JPYt	39,000,000	20,785	0
Interest rate swaps	EURt	193,457	0	-40,075

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

9.2.2 ANALYSIS OF CONTRACTUAL INTEREST AND CAPITAL PAYMENTS

The contractually agreed (undiscounted) interest and capital payments of the original financial liabilities and derivative financial instruments were as follows on 31 December 2015 and on 31 December 2014:

31.12.2015 in EURt	Carrying amount 31.12.2015	Total cash flows 31.12.2015	Cash flows < 1 year	Cash flows 2 – 5 years	Cash flows > 5 years
Original financial liabilities					
Bonds (at amortised cost)	1,980,909.3	2,407,064.7	182,956.0	600,133.3	1,623,975.5
Bonds (at fair value through profit or loss)	101,158.9	102,639.8	24,511.7	78,128	0.0
Liabilities to credit institutions	1,724,976.7	2,070,444.9	934,980.8	245,958.3	889,505.8
Trade payables	175,826.3	175,826.3	173,651.8	2,174.5	0.0
Other liabilities (excl. PRA)	87,390.0	87,390.0	87,390.0	0.0	0.0
Total	**4,070,261.2**	**4,843,365.8**	**1,403,490.3**	**926,394.2**	**2,513,481.2**
Derivatives					
Derivatives with a positive market value	313,542.9	355,030.9	135.9	225,440.2	129,454.8
Derivatives with a negative market value	40,074.7	45,831.4	6,902.2	16,879.8	22,049.3
Total	**273,468.2**	**309,199.5**	**-6,766.3**	**208,560.4**	**107,405.5**

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

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

9.2.3 FAIR VALUES

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

in EURt		Carrying amount	
Assets	**Measurement category as per IAS 39**	31.12.2015	31.12.2014
Cash and cash equivalents	Cash reserves	27,196	24,805
Available-for-sale securities	Available for sale	893	914
Other loans and receivables and assets (excl. ARA)	Loans and receivables	192,573	177,569
Derivatives with a positive market value – fair value option	At fair value through profit or loss	10,900	5,370
Derivatives with a positive market value – hedges	Hedge accounting	302,643	216,787
Total		**534,206**	**425,446**

in EURt		Carrying amount	
Liabilities	**Measurement category as per IAS 39**	31.12.2015	31.12.2014
Bonds (at amortised cost)	At amortised cost	1,980,909	2,039,784
Bonds (at fair value through profit or loss)	At fair value through profit or loss	101,159	92,491
Liabilities to credit institutions	At amortised cost	1,724,977	1,671,410
Trade payables	At amortised cost	175,826	145,728
Other miscellaneous liabilities (excl. PRA)	At amortised cost	87,390	71,349
		4,070,261	**4,020,763**
Derivatives with a negative market value – hedges	Hedge accounting	40,075	62,412
Derivatives with a negative market value – fair value option	At fair value through profit or loss		2,927
		40,075	**65,339**
Total		**4,110,336**	**4,086,102**

	Fair value		Fair value hierarchy 31.12.2014			Fair value hierarchy 31.12.2013		
	31.12.2015	31.12.2014	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	893	914		893			914	
	10,900	5,370		10,900			5,370	
	302,643	216,787		302,643			216,787	

	Fair value		Fair value hierarchy 31.12.2014			Fair value hierarchy 31.12.2013		
	31.12.2015	31.12.2014	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	2,405,919	2,509,409		2,405,919			2,509,409	
	101,159	92,491	101,159			92,491		
	1,929,995	1,911,372		1,929,995			1,911,372	
	40,075	62,412		40,075			62,412	
		2,927					2,927	

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

Type	Measurement method
Bonds	Discounted cash flows: The measurement model accounts for the present value of the expected payments under the respective applicable market parameters; determined through Bloomberg. In terms of BIG's own credit standing, it is assumed that there was no change in the Aaa rating in the years 2015 and 2014.
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.

9.2.4 SENSITIVITY ANALYSES

BASIC INFORMATION ON THE SENSITIVITY ANALYSES

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

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

The valid Austrian corporate tax rate of 25% was used to calculate the deferred taxes.

SENSITIVITY ANALYSIS FOR CURRENCY RISKS

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

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

SENSITIVITY ANALYSIS FOR INTEREST RATE RISKS

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

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

31.12.2015 in EURt	Earnings (before taxes)		Equity	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Revaluation of fixed-rate bonds – Fair value option	269.45	-35.01	269.45	-35.01
Measurement of interest rate derivatives – Fair value option	-269.45	35.01	-269.45	35.01
Measurement of cash flow hedge derivatives	x	x	-80,034.80	55,369.29
Interest expenses	991.84	-991.84	991.84	-991.84
Total	**991.84**	**-991.84**	**-79,042.97**	**54,377.46**

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

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

9.3 RELATED PARTY DISCLOSURES

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

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

With the most significant joint venture, Campus WU GmbH, BIG generated revenue totalling EUR 1,558.0t (previous year: EUR 1,474.8t) for technical and commercial building management. In the reporting period capital injections were made to Campus WU GmbH totalling EUR 9,683.0t (previous year: EUR 41,195.0t). At the same time, the BIG Group received disbursements from Campus WU GmbH of EUR 30,696.3t (previous year: EUR 31,280.0t).

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

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

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

BOARDS AND OFFICERS OF BIG

The Management Board consists of the following members:

- Wolfgang Gleissner
- Hans-Peter Weiss

In the 2015 financial year the Supervisory Board consisted of the following members:

- Christine Marek (Chair)
- Wolfgang Hesoun (Deputy Chair, from 13 August 2014)
- Daniela Böckl
- Alexander Palma (from 10 April 2014)
- Christian Domany (from 6 March 2014)
- Thomas Rasch

REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The members of the Management Board received remuneration totalling EUR 502.2t (previous year: EUR 492.7t) in 2015 and bonuses in the amount of EUR 64.7t (previous year: EUR 63.3t). Contributions to employee benefit funds amounted to EUR 8.0t (previous year: EUR 7.8t). No loans or advances were granted to members of management. Benefits after the end of the employment relationship in the form of corporate pensions came to EUR 45.1t in 2015 (previous year: EUR 44.2t). The fees paid to the members of the Supervisory Board totalled EUR 24.9t in the reporting period (previous year: EUR 26.5t).

9.4 AUDIT EXPENSES

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

in EURt	2015	2014
Auditing the individual and consolidated financial statements	173.7	145.2
Other attestation services	0.0	20.0
Consultancy and other services	184.1	0.0

9.5 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.

9.6 OBLIGATIONS TO ACQUIRE NON-CURRENT ASSETS

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

9.7 MISCELLANEOUS

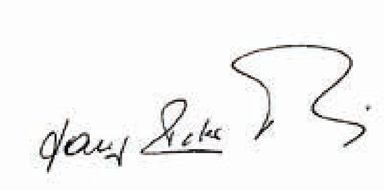
BIG has invested EUR 200.0m in 17 specific university projects as part of a special one-off construction program. Construction works will be completed by 2019 and will be financed through rent from let properties and retained earnings. In the financial year 40% of the retained earnings were dedicated for this purpose on the basis of a shareholder resolution.

9.8 EVENTS AFTER THE END OF THE REPORTING PERIOD

As of 11 March 2016 the agreements of the current Management Board were extended for a further term in office.

Vienna, 23 March 2016

The Management Board



Wolfgang Gleissner

Hans-Peter Weiss

AUDITOR 'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of

Bundesimmobiliengesellschaft m.b.H., Vienna

that comprise the consolidated statement of financial position as of 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year then ended, and the notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing – ISA. In accordance with International Standards on Auditing, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group'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 Group's internal control. 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.

OPINION

Our audit did not give rise to any objections. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

REPORT ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 23 March 2016

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Bernhard Gruber
Austrian Chartered Accountant

This report is a translation of the original report in German, which is solely valid. Publication or dissemination of the financial statements together with our audit opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Art. 281 Sec. 2 Austrian Commercial Code applies.

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