

Annual Financial Report **2015**



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Declaration pursuant to section 82 (4) item (3) Austrian Stock Exchange Act (BörseG)

“Statement of all legal representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces. We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or

loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.”

Vienna, 19 April 2016

The Management Board



Ernst Vejdovszky m.p.



Friedrich Wachernig, MBA m.p.

Management Report

Economic overview

Gross domestic product grew by 1.5% in the eurozone in 2015. According to the Oesterreichische Nationalbank (OeNB), the recovery is progressing at different speeds throughout the eurozone. At the beginning of 2015, economic growth in Ireland and Spain had reached levels like before the crisis in 2008. In France, growth was very volatile over the course of 2015. Thanks to improvements in exports, the economic recovery in Italy was slowly gaining momentum. An average growth rate of about 3% is expected for the Central and Southeastern European countries Poland, the Czech Republic, Hungary, Croatia, Bulgaria and Romania in 2016. This growth is being driven primarily by private consumption. The Kiel Institute for the World Economy (IfW)

projects that the eurozone economy will grow by 1.7% and 2.0% in the next two years.

The Austrian economy recovered somewhat in 2015 with growth of 0.8%. The leading indicators of the Institute for Advanced Studies (IHS) and the Austrian Institute of Economic Research (WIFO) point to a continuation of this moderate growth: They both expect gross domestic product to increase by 1.7% in 2016, with the tax reform boosting private consumption. The annual average unemployment rate rose from 8.4% to 9.1% in 2015. These institutes project a further increase to close to 10% in 2016.

Real estate market overview

Austria

In 2015, total leasing activity amounted to about 195,000 m² on the Viennese office market. This is 7% less than in the previous year. Some 196,000 m² were delivered to the market – most of it at Vienna Central Station. The vacancy rate declined from 6.6% at the end of 2014 to 6.3% due to a low completion rate and sustained demand. In 2016, only 30,000 m² of new space are expected for delivery. The take-up 2016 is expected to approximate the level of 2015.

Demand on the residential market remains well in excess of supply. Thousands more apartments are needed in Vienna alone. Prices rose by 4.9% in 2015.

Vienna's hotel industry set a record in overnight stays for the sixth year in a row in 2015. With growth of 5.9% to over 14.3 million overnight stays, this was the first time that the 14 million mark was broken. Room revenues also increased in the period from January to November 2015, rising 15.5% to EUR 665.6m.

Germany

Rents and prices for apartments and houses in Germany continued to increase in 2015. Boosters of this development are the big cities and especially Berlin. In the capital city, offer prices for freehold flats rose 3.3 percentage points in December alone. The positive trend is expected to continue in 2016. However, from an international viewpoint, the real estate prices in German cities are still catching up.

In 2015, the Berlin office market recorded another record year. Take-up amounted to 881,800 m² – a plus of 45% compared with the previous year. During the course of the year, 234,800 m² of new office space was completed. This represents an increase of 77% as against 2014. However, only 16% of this space was speculative. Due to the strong demand, the vacancy rate decreased to a new low of 6.4%. Berlin's economic upswing is expected to continue in 2016. The extremely strong demand for office space and the low supply are causing rents to rise, not only in the prime segment.

	Prime rents (EUR/m ² /month)				Prime gross yields (%)				Total leasing activity (m ²)		Vacancy rate (%)	
	Q4 2015 Office	Q4 2014 Office	Q4 2015 Retail	Q4 2014 Retail	Q4 2015 Office	Q4 2014 Office	Q4 2015 Retail	Q4 2014 Retail	2015 Office	2014 Office	Q4 2015 Office	Q4 2014 Office
Berlin	23.50 ¹	22.50 ¹	330.00 ¹	330.00 ¹	4.00 ¹	4.55 ¹	3.90 ¹	4.20 ¹	881,800 ⁵	608,800 ⁵	6.4 ⁵	8.0 ⁵
Bratislava	16.00 ¹	16.00 ¹	55.00 ^{*1}	60.00 ^{*1}	6.90 ¹	7.00 ¹	6.50 ^{*1}	6.90 ^{*1}	220,057 ⁷	221,300 ⁷	8.8 ⁷	11.2 ⁷
Bucharest	18.50 ¹	18.00 ¹	60.00 ^{*1}	60.00 ^{*1}	7.50 ¹	7.75 ¹	7.25 ^{*1}	8.00 ^{*1}	240,000 ⁶	320,000 ⁶	11.9 ⁶	13.0 ⁶
Budapest	21.00 ¹	20.00 ¹	95.00 ^{*1}	90.00 ^{*1}	7.15 ¹	7.25 ¹	7.00 ^{*1}	7.00 ^{*1}	538,000 ⁴	465,600 ⁴	12.1 ⁴	16.2 ⁴
Sofia	12.50 ²	12.50 ²	27.00 ^{*3}	20.00 ^{*3}	8.50 ²	9.00 ²	9.00 ^{*3}	9.25 ^{*3}	127,000 ²	154,000 ²	n/a	26.3 ²
Vienna	25.85 ¹	25.75 ¹	310.00 ¹	310.00 ¹	4.20 ¹	4.60 ¹	3.80 ¹	3.90 ¹	195,000 ¹⁰	210,000 ⁸	6.3 ⁸	6.6 ⁸
Zagreb	14.00 ¹	14.25 ¹	22.00 ^{*1}	22.50 ^{*1}	8.05 ¹	8.30 ¹	8.00 ^{*1}	8.25 ^{*1}	45,900 ⁹	82,000 ⁹	16.0 ⁹	14.0–15.0 ⁹

* Data for shopping centres; data for remainder of the locations is for high street retail.

¹ CBRE, Market View, EMEA Rents and Yields, Q4 2014/Q4 2015

² Cushman & Wakefield/Forton, Bulgarian Office Market, Q4 2014/Q4 2015

³ Cushman & Wakefield/Forton, Bulgarian Retail Market, Q4 2014/Q4 2015

⁴ Budapest Research Forum, press release, Q4 2014/Q4 2015

⁵ CBRE, Market View, Office Market Berlin, Q4 2014/Q4 2015

⁶ CBRE, Market View, Office Market Bucharest, Q4 2014/Q4 2015

⁷ CBRE, Market Report, Office Market Bratislava, Q4 2014/Q4 2015

⁸ CBRE, Market View, Office Market Vienna, Q4 2014/Q4 2015

⁹ CBRE, Research Report, Office Market Zagreb, Q4 2014/Q4 2015

¹⁰ CBRE, Press release, January 2016

Central Europe (CEE)

The Budapest office market recorded total leasing activity of around 161,000 m² in Q4 2015. This represents 62% growth quarter-on-quarter. With 50,900 m² in total, the annual supply was around 25% lower than in 2014. For the full year, demand increased by 15.6% and reached a record high of about 538,000 m². The vacancy rate declined further to 12.1%, reaching the lowest level since Q2 2008.

The Bratislava office market recorded total leasing activity of 220,057 m² in 2015 – only a minor decrease compared with the 221,300 m² in 2014. More than one third of all transactions were concluded in the fourth quarter. The vacancy rate dropped markedly from 11.2% at the end of 2014 to 8.8%. Three projects were added to the market in Q4 2015, the largest one amounting to 16,000 m². Currently there are 167,000 m² under construction, which will be available for new tenants within three years.

Budapest's hotel segment enjoyed very positive development: The average room rate achieved in the five-star segment in 2015 is expected to increase by 10% compared with 2014. Occupancy had already risen to 92.6% by August, and average room rates had increased by 14.8% compared with the prior-year period, coming in at EUR 96.24.

The hotel market in Prague also performed very well in 2015, benefiting from the robust development of the Czech economy and a record year for tourism. Room capacities and room rates rose. An increase of more than 20% in gross operating profit per available room is expected for 2015.

Although Bratislava's hotel market is recovering, it remains one of the weakest markets in Europe.

Sources: Austrian Institute of Economic Research (WIFO), Bank Austria, Budapest Research Forum, CBRE, Christie + Co, Cushman & Wakefield, Der Spiegel, Der Standard, Erste Group Research, Forton, German Institute for Economic Research in Berlin (DIW), Horwath HTL, HotStats European Chain Hotels Market Review May and August 2015, IMX December 2015 – The real estate index by ImmobilienScout24, Industriemagazin, Institute for Advanced Studies (IHS), Kiel Institute for the World Economy (IfW), Kurier, Oberösterreichische Nachrichten, Oesterreichische Nationalbank (OeNB), Raiffeisen, Vienna Tourist Board (b2b.wien.info)

Southeastern Europe (SEE)

The Sofia office market performed well in 2015 in terms of leasing activity and rental growth. The annual take-up amounted to about 127,000 m² – a 17.5% decline compared with the previous year. Net absorption, however, was high at approximately 87,400 m². The market was mainly driven by expansions, new leases and pre-leases, reflecting the positive sentiment of the companies. Currently there are about 200,000 m² under construction – 70,000 m² are expected to be completed in 2016 but nearly half of these are owner-occupied or small-sized projects. The vacancy rate of the top ten office projects decreased to 3%. This is a further sign of the high demand for premium office space.

In 2015, total take-up on the Bucharest office market went down by 25% compared with the year before and amounted to 240,000 m². The decline is a result of the typical five-year cycle of lease agreements, which led to a relatively small number of expiring contracts in 2015. Tenant activity is expected to rise again in 2016. Due to the low level of new deliveries and stable take-up, the vacancy rate decreased to 11.9% at the end of 2015. However, the vacancy rate is expected to increase again because of the 408,000 m² of space currently under construction with planned delivery in 2016.

In Q4 2015, the Sofia retail market was characterised by the restructuring of underperforming shopping centres and tenant-mix improvements in existing schemes. There were no additions to the retail stock in the course of the year. The tenants' wish to expand was strong, with the focus being not only on big cities but also on smaller markets with limited competition. In line with the previous quarters, fashion and shoe retailers remained the most active at the end of 2015.

According to the National Institute of Statistics, retail sales in Romania grew by an impressive 8.9% in 2015. Together with increasing consumer confidence, this encouraged retailers to expand. The retailers' preferred targets were well performing shopping centres. In 2015, 82,000 m² of additional space was delivered to the Bucharest retail market. Two further shopping centres are expected to be completed in 2016. According to CBRE, more international brands are expected to enter the market because of Romania's increasing attractiveness as a retail destination.

Group structure and strategy

Business activities and corporate structure

S IMMO Group is an international real estate group headquartered in Vienna, Austria. It also has subsidiaries in, among others, Berlin and Budapest. S IMMO AG has been listed on the Vienna Stock Exchange since 1987.

The property management company Major Domus in Germany is also part of the Group. In addition, the Group includes numerous project, property and holding companies (please refer to section 2.2.4. of the notes).

S IMMO Group manages long-term, income-producing property investments by developing, buying, letting, operating, renovat-

ing and selling properties in Austria and Germany as well as six countries in Central and Southeastern Europe. The Group's activities also include property project development, the operation of hotels and shopping centres, the revitalisation and renovation of standing properties as well as asset management. S IMMO AG does not conduct research and development. The subsidiaries in Germany and Hungary have local responsibility for asset management and letting activities.

As at 31 December 2015, S IMMO employed 111 (31 December 2014: 84) people in Austria, Germany, Hungary, Romania and Bulgaria. Including hotel staff, the Group employed 555 (31 December 2014: 530) people.

Portfolio structure

As at 31 December 2015, S IMMO Group's property portfolio consisted of 222 (31 December 2014: 203) properties with a book value of EUR 1,960.6m (31 December 2014: EUR 1,764.4m) and a total usable space of around 1.2 million m² (31 December 2014: 1.2 million m²). Most of the properties are in capital cities in the European Union.

Properties in Austria, with 29.6% (31 December 2014: 32.4%), and Germany, with 33.1% (31 December 2014: 26.1%), accounted for the largest share of the property portfolio by book value as at 31 December 2015. Properties in SEE (Romania, Bulgaria and Croatia) made up 19.4% (31 December 2014: 22.0%), and 17.9% (31 December 2014: 19.5%) of the portfolio is located in CEE (Czech Republic, Slovakia and Hungary). The portfolio broke down into 40.7% offices (31 December 2014: 40.3%), 24.4% retail properties (31 December 2014: 25.8%), 24.2% residential properties (31 December 2014: 20.2%) and 10.7% hotels (31 December 2014: 13.7%) as at 31 December 2015. The occupancy rate of the entire portfolio was 92.7% (31 December 2014: 91.1%). The calculation of the occupancy rate includes investment properties for which no development potential has currently been identified. The overall rental yield amounted to 6.7% (31 December 2014: 6.9%).

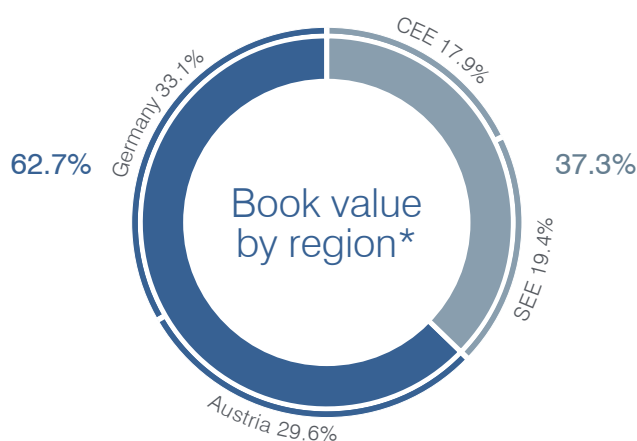
Overview of rental yields*

in %	31 December 2015	31 December 2014
Germany	5.4	6.1
Austria	5.8	6.1
SEE	9.3	8.6
CEE	7.5	7.6
Total	6.7	6.9

* The rental yield is the ratio of annual rental income generated by real estate assets. The calculation includes investment properties for which no development potential has currently been identified. For acquisitions during the reporting period, rental income is calculated for a whole year.

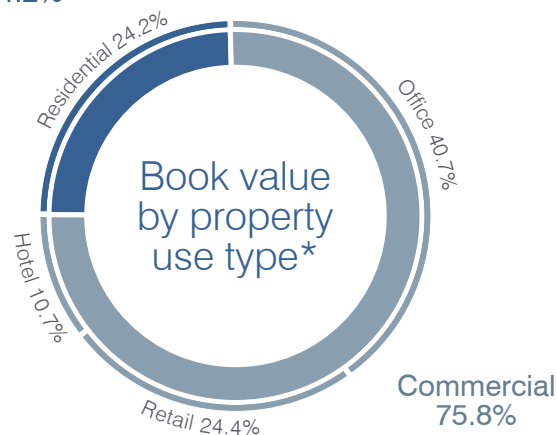
Strategy and objectives

S IMMO AG has been pursuing a sustainable and prudent business policy for almost three decades. The Group invests within the European Union in the segments Austria and Germany as well as Central and Southeastern Europe. It currently focuses on Vienna and Berlin. In terms of categories of use, the focus is on



* Including book value of land bank

Residential 24.2%



* Including book value of land bank

Portfolio insights

In December 2010, S IMMO added a prime property to its portfolio. The **Hoch Zwei** building by the architects Henke and Schreieck is used by the long-term tenant OMV AG as its head office. The 80-metre high, 23-storey building impresses with its unusual concave-convex shape and is situated in the urban quarter Viertel Zwei in Vienna, which boasts an extensive green space concept and which is located right next to the U2 metro line. The dominant elements are steel and glass, enabling natural lighting.



Hoch Zwei

The **Vienna Marriott Hotel** is a 5-star establishment on Vienna's Ringstrasse. It is operated by S IMMO via a management contract with its longstanding partner, the well-known hotel chain Marriott. At present, the hotel has 323 rooms, which are currently being renovated while it remains open. Stage two is set to follow in 2017. When the renovation and conversion work is finished, the hotel will have 328 rooms.



Vienna Marriott Hotel

In Berlin, S IMMO purchased an office property on **Sonnenallee** in 2013 – an example of an anti-cyclical investment. At the time of the purchase, the building – with a total usable space of 12,000 m² – was almost empty. With innovative marketing concepts such as open-plan offices that particularly appeal to Berlin-based start-ups, the building has now been fully let. The architecturally appealing old building is listed. It was constructed in 1917 and refurbished in 1994. The associated new building and underground parking garage also date from 1994.



Office property Sonnenallee

commercial properties with a complementary share of residential properties, primarily in Berlin. The Group's prudent business policy is also reflected in its long-term interest-rate hedging policy. In addition, the Group also operates anti-cyclically depending on market conditions and market opportunities.

With this robust and proven business model, S IMMO pursues the long-term aim of enhancing corporate success in a sustainable way, thus creating value for its shareholders. In the short and medium term, value of the standing properties can be enhanced through asset-management measures, successful letting, refurbishment work and revaluations. On the investment side, office properties with development possibilities in Berlin are currently the greatest source of potential. Re-zoning, refurbishment measures and development of additional space on existing plots of land are being dealt with here. When the market conditions are appropriate, opportunistic purchases and sales are also made.

In its operating activities, the Group is committed to outstanding quality and high property standards – both with its standing properties and with development projects. To ensure this, S IMMO manages its buildings across the entire property cycle with holistic, sustainable concepts. All of this leads to a portfolio with strong earnings and cash flow.

Business performance and results

S IMMO can look back on an extremely successful financial year. The Group more than doubled its consolidated net income to EUR 77.2m in 2015 (2014: EUR 33.8m). Property valuations were a key factor here, rising to EUR 84.6m in 2015 (2014: EUR 56.6m). Earnings per share amounted to EUR 1.17 (2014: EUR 0.46). EBT rose by 88.6% to EUR 112.3m (2014: EUR 59.5m). The financial result including the participating certificates result also significantly improved to EUR -53.4m (2014: EUR -79.2m).

On the capital market, the Group has positioned the S IMMO share as a consistently dividend-paying stock and intends to continue its stable distribution policy. In the forthcoming quarters, the Group aims to extend its international shareholder base and align its share price more closely with the book value.

In addition, S IMMO is characterised by its stable management, its decades of market expertise and its close ties with its stakeholders. Lean structures and short decision-making channels enable fast, flexible and decisive action.

Management and control

In the last financial year, the Management Board consisted of two members. Collaboration between the two members of the Management Board is regulated in the statutory provisions, the articles of incorporation and the rules of procedure. The Management Board pursues a responsible and stable management approach aimed at enhancing earnings and increasing the Group's value on a long-term basis. In addition, the Management Board works closely with the Supervisory Board, which consisted of eight members at the end of the year. For details please refer to section 5.6. of the notes.

Earnings performance

Gross profit

In 2015, S IMMO AG generated rental income of EUR 111.7m (2014: EUR 111.8m). The sales in the last two years naturally led to a reduction in rental income year-on-year. Conversely, the positive effects from purchases, most of which were closed in the second half of the year, did not yet take full effect. On a like-for-like-basis, rents were up 0.7% on the previous year. This increase was diminished mainly due to the poor performance of single properties in CEE.

Rental income for 2014 broke down by region as follows: Austria 25.5% (2014: 26.7%), Germany 27.3% (2014: 25.2%), CEE 17.0% (2014: 18.2%) and SEE 30.2% (2014: 29.9%). In terms of rental income by use type, commercial properties accounted for 80.8% (2014: 81.9%) and residential properties for 19.2% (2014: 18.1%).

Revenues from hotel operations (Vienna Marriott and Budapest Marriott Hotel) improved to EUR 45.5m (2014: EUR 42.1m). A higher occupancy rate and a rise in room prices contributed to this positive development. For 2015, S IMMO's total income therefore came to EUR 190.7m, up on the previous year's figure (2014: EUR 188.5m). Gross profit amounted to EUR 105.2m (2014: EUR 105.7m).

Successful property transactions

In the financial year 2015, S IMMO sold six properties in Germany and Austria with a total book value of EUR 45.9m (2014: EUR 51.6m). Five of these were already classified as held for sale as at 31 December 2014. The corresponding total revaluation gains of EUR 5.0m (2014: EUR 16.4m) were recognised in the results from property valuation for the financial years 2014 and 2015.

Details of the disposals are set out below:

Vienna
Hotel Viertel 2 (hotel)

Wiener Neustadt
Prof.-Dr.-Stephan-Koren-Strasse (office)

Berlin
Friedenstrasse 56 (residential)
Zeitzer Strasse 5 (residential)

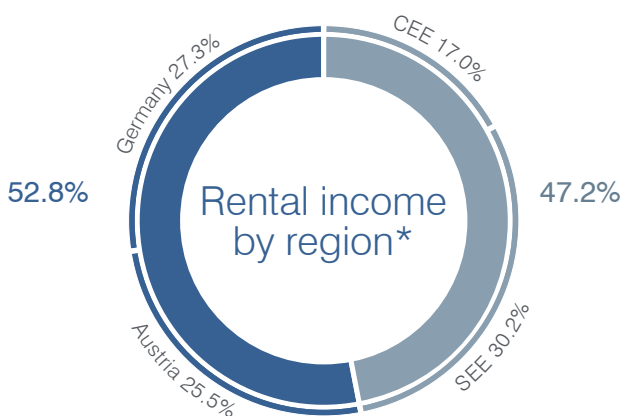
Hamburg
Harburger Rathausplatz 6 (retail)
Harburger Rathausstrasse 18 (residential/retail)

At the same time, S IMMO purchased 24 properties in Germany in the reporting period as well as one property in Vienna for a total price of EUR 140.5m. In addition, purchases amounting to EUR 8.4m for which S IMMO AG will not obtain ownership until after 31 December 2015 were contractually agreed by the time of going to press.

Total rental income*

in EUR m

- CEE
- SEE
- Austria
- Germany



* Not including Vienna Marriott Hotel and Budapest Marriott Hotel

* Not including Vienna Marriott Hotel and Budapest Marriott Hotel

Management expenses totalled EUR 16.5m in the financial year 2015 (2014: EUR 16.1m). This increase was due to the expansion of the portfolio and the associated expenses. EBITDA for the financial year 2015 came to EUR 88.7m (2014: EUR 89.8m).

Revaluation gains

Revaluation gains developed extremely positively in 2015, amounting to EUR 84.6m as at 31 December 2015 (2014: EUR 56.6m). The measures aimed at increasing the value of properties in Asset Management and the constantly improving sentiment on the German property market played a part here. Properties in Germany accounted for EUR 73.1m (2014: EUR 33.4m) of revaluation gains. Overall, revaluation gains for the segments Germany/Austria amounted to EUR 87.8m (2014: EUR 51.0m), while CEE/SEE accounted for EUR -3.2m (2014: EUR 5.6m). The decreases in value relate chiefly to one property in Sofia. As a result, EBIT increased by 19.4% to EUR 165.7m (2014: EUR 138.7m). The pleasing revaluation gains were accompanied by a decrease in the EPRA net initial yield from 5.8% in 2014 to 5.5% in 2015. The EPRA net initial yield is calculated by subtracting operating owner costs from the annualised cash rents at year-end.

Financial result

As at 31 December 2015, the financial result including the participating certificates result stood at EUR -53.4m (2014: EUR -79.2m). This significant improvement is attributable partly to stronger results from derivatives, lower interest payments and – to a smaller extent – an improvement in currency translation differences compared with the previous year.

Net income up considerably

As a result, EBT amounted to EUR 112.3m (2014: EUR 59.5m), up 88.6% on the previous year. Overall, S IMMO ended the financial year 2015 with a net income of EUR 77.2m (2014: EUR 33.8m). Earnings per share also rose very sharply to EUR 1.17 (2014: EUR 0.46).

Net operating income (NOI)

As of 31 December 2015, NOI amounted to EUR 101.7m (2014: EUR 101.0m) and comprises revenues of EUR 190.7m (2014: EUR 188.5m) less property management expenses of EUR 55.8m (2014: EUR 56.2m) and hotel operating expenses of EUR 33.2m (2014: EUR 31.3m).

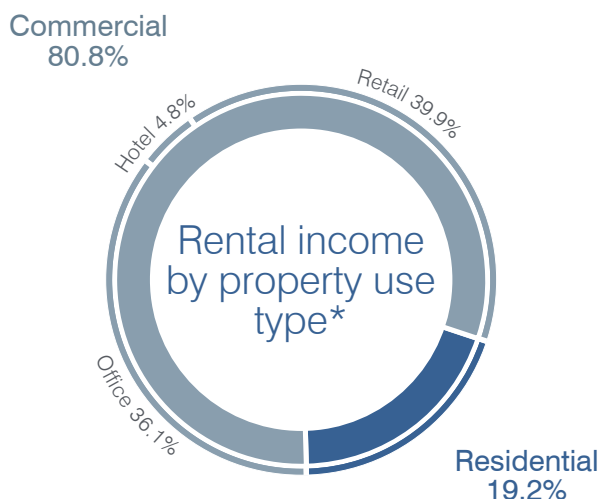
Financial position

Cash flow

Cash flow from operating activities for the financial year 2015 came to EUR 87.0m (2014: EUR 83.6m). Cash flow from investing activities amounted to EUR -141.1m (2014: EUR 47.9m), while cash flow from financing activities totalled EUR 30.1m (2014: EUR -106.7m). The changes in cash flow from investing activities are primarily attributable due to purchases in Germany.

Consolidated statement of financial position

S IMMO Group's total assets increased from EUR 1,894.7m as at 31 December 2014 to EUR 2,067.4m as at 31 December 2015. Cash and cash equivalents amounted to EUR 50.7m as at 31 December 2015 (31 December 2014: EUR 74.7m). As at 31 December 2015, no properties were held for sale (31 December 2014: EUR 42.8m).



* Not including Vienna Marriott Hotel and Budapest Marriott Hotel

Equity

In the reporting period, equity excluding minorities rose to EUR 623.3m (2014: EUR 555.4m) despite the dividend payment and ongoing share repurchase programmes. As a result, the book value per share improved to EUR 9.34 (2014: EUR 8.31) as at 31 December 2015.

Financial management

All of S IMMO's loan liabilities are denominated in euros. As at 31 December 2015, 19% (2014: 18%) of loans were fixed-rate and 81% (2014: 82%) were variable-rate loans. S IMMO reduces the risk of rising interest rates on variable-rate financing with interest rate hedges such as swaps and caps.

In 2015, S IMMO AG issued two corporate bonds: Once again, an exchange offer was geared towards holders of the S IMMO INVEST participating certificate, who were invited to exchange their participating certificates for a corporate bond with a volume of EUR 34m or for a cash sum of EUR 85.00. Another corporate bond with a volume of EUR 65m was also issued. For details, please refer to section 3.1.13. of the notes.

Composition of financial liabilities

in EUR m	2015	2014
Subordinated participating certificate capital	56.0	95.5
Issued bonds	286.9	188.4
Other financial liabilities	792.0	782.2
Current financial liabilities	132.5	123.0
Total	1,267.4	1,189.1

For details, please refer to section 5.2.2. of the notes.

Net debt from secured financing is calculated from total financial liabilities of EUR 1,267.4m (2014: EUR 1,189.1m) less subordinated participating capital of EUR 56.0m (2014: EUR 95.5m), bond liabilities of EUR 286.9m (2014: EUR 188.4m), derivative liabilities of EUR 28.3m (2014: EUR 61.1m) and utilised credit lines of EUR 40.0m (2014: EUR 0). As a result, net debt from secured financing totalled EUR 856.2m (2014: EUR 844.1m).

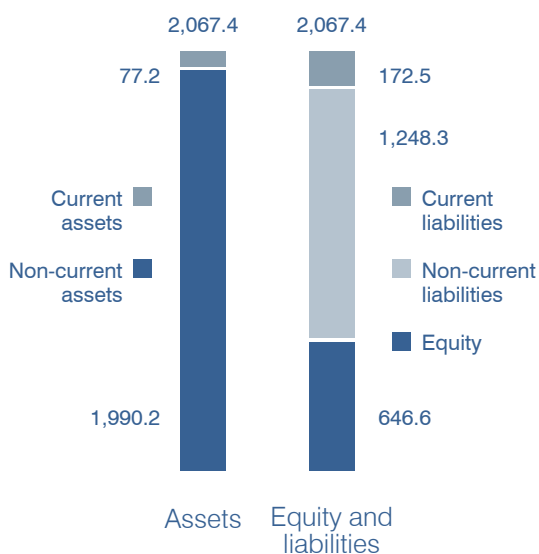
In relation to property assets of EUR 1,960.6m (2014: EUR 1,764.4m), this resulted in the loan to value ratio for secured financing. In the reporting period, this figure was reduced to 43.7% (31 December 2014: 47.8%).

S IMMO also has unsecured financing. Net debt from unsecured financing results from the following items: subordinated participating capital, bond liabilities and utilised credit lines. The available cash and cash equivalents of EUR 50.7m (2014: EUR 74.7m) are deducted from this. As a result, unsecured financing totalled a net amount of EUR 332.2m (2014: EUR 209.2m).

The loan to value ratio for unsecured financing in relation to total property assets therefore amounted to 16.9% (31 December 2014: 11.9%) in the reporting period.

Balance sheet structure 2015

in EUR m



Bond liabilities amounted to EUR 286.9m as at 31 December 2015 (2014: EUR 188.4m). The average residual term of these bonds is 6.6 years. For details, please refer to section 3.1.13. of the notes.

As at 31 December 2015, S IMMO's liabilities to banks were spread among 21 (2014: 22) individual banks. The average maturity of liabilities to banks was 6.2 years (2014: 7.1 years).

In 2015, S IMMO closed out existing derivatives that had been concluded in the past when interest rates were much higher, and negotiated new, long-term interest-rate hedges commensurate with the current low interest rates. As a result, the Group expects improvements in future cash flows as well as FFO (by definition, payments for close-outs are not taken into account in FFO as non-recurring effects).

FFO I shows no sales-related effects, and is calculated as annual earnings adjusted for various non-cash items (e.g. non-cash tax expenses, depreciation and amortisation, property valuations and non-cash effects from interest-rate hedges) and one-off effects. The participating certificates are reflected by including the share of profits accruing over the year, rather than the annual distribution.

FFO II takes into account the disposal gains and the sales-related revaluation gains of the current year and the previous year for properties sold in the financial year.

Overall, derivatives with a nominal value of EUR 375.0m (31 December 2014: EUR 0) were closed out by 31 December 2015, with payments of EUR 32.2m (31 December 2014: EUR 0) being made. Conversely, new derivatives (caps and swaps) amounting to EUR 435m (31 December 2014: EUR 45m) were concluded, ensuring interest-rate hedging in line with current market conditions for roughly the next ten years.

Corporate social responsibility

Corporate social responsibility also pertains to the core business of a company. S IMMO meets the highest standards in both development projects and the energy-efficient and structural renovation of portfolio properties. This reduces operating costs and emissions and makes a significant contribution to protecting the environment and enhancing the satisfaction of the tenants. Green building certifications for properties underscore S IMMO's sustainable approach and high standard of quality.

First certification for an S IMMO portfolio property in Budapest

Portfolio properties make up the majority of S IMMO's real estate holdings. Therefore, the Group began gradually certifying its portfolio properties in 2014. Initial properties have already been certified, and plans are in place to certify additional properties. As at 31 December 2015, a total of six S IMMO properties were certified, including Serdika Center and Serdika Offices in Sofia, Sun Plaza and Sun Offices in Bucharest, and the Eurocenter in

Zagreb. At the end of 2015, the Blue Cube office building became the first S IMMO property in Budapest to receive a BREEAM In-Use certificate. The latest certification brought S IMMO's total certified floor space to 291,953 m² (2014: 298,613 m²), or 23.5% (2014: 24.6%) of the total space held in the portfolio.

The team

S IMMO provides its staff with targeted support for professional and personal training. Along with individual coaching sessions, language courses and part-time training programmes, the primary focus in this area is on expanding employees' industry-specific knowledge, for example through the completion of post-graduate programmes in the field of real estate. S IMMO offers a broad range of benefits aimed at providing a pleasant work environment, including flexible working hours, medical services and meal vouchers.

Team structure

During the reporting period, S IMMO employed 111 people in Austria, Germany, Hungary, Romania and Bulgaria (555 including hotel staff).

Closeness is our strength

As an internationally active Group, S IMMO employs people from many different countries. The Group sees this wealth of languages and cultures as an extremely valuable resource. Our corporate culture is characterised by lean, efficient structures and interdepartmental collaboration. The proximity to the Group's management allows for rapid, open communication. In addition, S IMMO offers room for individual development and advancement.

Corporate volunteering

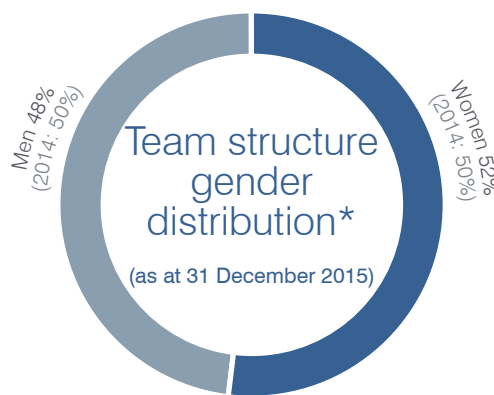
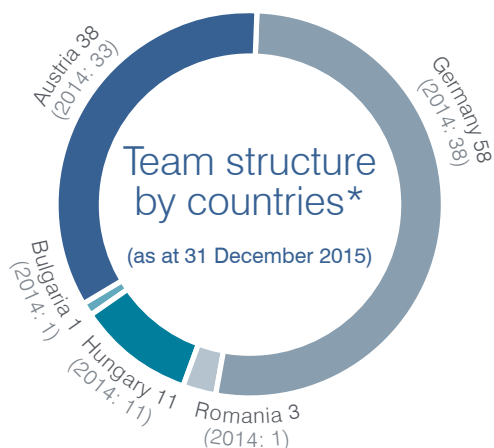
S IMMO supports its employees in volunteering for charitable organisations. In 2015, the Group's staff volunteered at a Caritas facility for the fourth year in a row. The facility that was selected was the "Zweite Gruft", which offers homeless persons a day centre, social counselling, emergency lodging and a short-term residential project. The volunteers worked at the shelter for two days, preparing lunch for around 130 people each day.

Social responsibility

In the area of social responsibility, S IMMO has been supporting projects that offer a new home for people in need in line with the motto "providing shelter" since 2008. The Group places particular emphasis on long-term collaborations and the regular exchange of ideas and experiences with the supported organisations. To this end, the S IMMO team welcomed Michael Landau, president of Caritas Austria, to the Group's headquarters in Vienna again in 2015. Together with his colleagues, he provided an overview of the supported projects and reported on his personal experiences.

In addition, S IMMO once again supported student projects in 2015 in order to encourage future professionals in the real estate industry. As part of the existing collaboration with Danube University Krems, a foreign studies module on the topic of portfolio optimisation was again held at S IMMO Germany in Berlin for students of the postgraduate real estate programme.

S IMMO awarded a scholarship for the short-term master's level course Green.Building.Solutions. This annual summer programme provides 30 students in the fields of architecture and civil engineering with extensive insight into the topic of sustainable construction.



* Not including Vienna Marriott Hotel and Budapest Marriott Hotel

* Not including Vienna Marriott Hotel and Budapest Marriott Hotel

The following projects were also supported in 2015:

- In cooperation with Caritas (since 2008):
 - Community centre in Esztergom, Hungary
 - Hope House and counselling centre in Alba Iulia, Romania
 - Day centre and mobile care in Pokrovan, Bulgaria
- Vienna KunstsUPERMARKT art sales project (since 2007)
- Caritas Socialis (since 2008)
- Christmas donation drive for the benefit of Syrian refugee children in Kilis, Turkey
- International Summer Academy of the University of Music and Performing Arts Vienna

In addition, we supported the People Share Foundation in 2015 by providing three flats for asylum-seeking families.

Additional information about S IMMO's social projects is available at: www.simmoag.at/csr

Contact

If you have any questions about our CSR activities, please contact the Corporate Communications team by telephone on +43 (0)50 100-27063 or by e-mail at media@simmoag.at.

Information about our CSR partners can be found at:

www.kunstsUPERMARKT.at
www.caritas.at
www.cs.or.at
www.peoplesharefoundation.org
www.mdw.ac.at/isa

Risk management report

As an international property group, S IMMO Group faces a host of risks and opportunities that can impact operating activities and strategic management. By identifying, analysing, managing and monitoring risks and opportunities, the Group strives to detect negative developments and potential risk factors in good time and take them into account in its decision-making processes.

S IMMO engages in long-term property investments by developing, buying, letting, operating, renovating and selling properties in Austria, Germany and six countries in Central and South-eastern Europe. The portfolio contains commercial properties (office, retail and hotel) and a complementary set of residential properties. Other activities of the Group therefore include:

- real estate project development,
- the operation of hotels and shopping centres,
- the refurbishment of existing properties, and
- asset management.

In addition to internal regulations and guidelines, risk management at S IMMO comprises ongoing reports in the context of regular meetings with the Management Board. Furthermore, there are control measures in place at the Group for the purpose

of the early detection, management and monitoring of risks. The Management Board takes the key risk-relevant decisions. Investment projects above a specific volume also require approval from the Supervisory Board. Both management bodies are regularly informed with regard to risks and the Internal Control System.

The risk groups set out in this section have been continuously analysed and assessed retrospectively for the financial year 2015 and with regard to business activities in 2016.

Internal Control System

An Internal Control System (ICS) is in place for all key business processes. The effectiveness and economic efficiency of operating activities and the reliability of financial reporting are monitored and controlled in this system.

In conjunction with Internal Audit and compliance with (stock exchange) requirements, the ICS constitutes the Group's internal monitoring system. Core processes – in particular those relating to the Group's financial reporting – are set out in the internal processes database. This includes a risk management matrix in which the processes, potential individual risks and the assigned control steps are defined.

Key features of the accounting-specific ICS are:

- Clear division of tasks between finance and accounting as well as other areas of responsibility (e.g. treasury) defined in writing
- Guidelines on the application of uniform accounting and valuation methods in the consolidated financial statements
- Assessment of risks that could lead to a material misstatement of transactions (e.g. incorrect allocation to balance sheet and profit or loss items)
- Appropriate control mechanisms in the automated preparation of the consolidated financial statements
- Reports to internal recipients (Management Board and Supervisory Board) include quarterly, segment and liquidity reports as well as individual property-specific reports if required.
- Within the preparation process for the consolidated financial statements, there is provision for the respective Accounts departments of the individual companies to prepare reporting packages by each reporting date on the basis of the constantly updated uniform Group-wide accounting manual, and to send these to headquarters for further processing. At the various subsidiaries, external service providers in the form of experienced tax consultancy firms are used to prepare the reporting packages on behalf and under the responsibility of the respective management. In the context of the process-specific control activities, Group Accounting performs regular reviews of the completeness and accuracy of the reported data. Various deviation

analyses are also performed in ongoing coordination with the Management Board. These include a review of the data of all Group companies at headquarters together with the specialist departments (e.g. Asset Management and Tax), with the involvement of the Accounts departments of the individual companies. When preparing the consolidated financial statements, Group Accounting uses a validated consolidation software package. The effectiveness of risk management is also assessed each year by the Group's auditors on the basis of a voluntary critical self-appraisal by the Group in line with the requirements of C Rule no. 83 of the Austrian Code of Corporate Governance. The Management Board, Supervisory Board and Audit Committee are made aware of the results of this audit.

Internal Audit

S IMMO's Internal Audit coordinates audits of significant business processes of the Group parent company and its Austrian and foreign subsidiaries with regard to their effectiveness, existing risks and control weaknesses as well as potential improvements in efficiency. The audits take place in cycles of several years, and are based on the annual audit plan approved by the Management Board. In addition, special audits are commissioned as required. Only external experts are commissioned to perform the audits. The results of the audits are reported to the Management Board. The Audit Committee of the Supervisory Board is regularly informed regarding the audit plan and the results of the audits.

Risk overview

Corporate strategy risks	Property-specific risks	Financial risks	Other risks
Business environment and industry risk Investment risk Capital market risk	Property portfolio risk Letting and rental default risk Property development risk Construction risk Property valuation risk	Liquidity risk Interest rate risk Financing risk Exchange rate risk	Tax risks Environmental risk Legal risk

Notes on individual risks

Corporate strategy risks

Strategic risks are closely associated with S IMMO's business strategy, and could strongly influence this.

Business environment and industry risk

As the economic environment is constantly changing, the resulting risks are hard to forecast. As things stand, S IMMO assesses demand on the Austrian office and retail market as stable or slightly on the rise. In Berlin, the Group continues to benefit from the strong influx. This means that the German residential property market will again be attractive to S IMMO in 2016. Demand for Berlin office space is high, particularly because of the high number of start-ups. Within the CEE region, the office property market in Budapest continues to recover. Rents are rising slightly, and space in established locations is already becoming rare. The Group has also noted a recovery in Southeastern Europe, although Sofia is improving more slowly than Bucharest. Forecasts for the Romanian capital for the next few years are optimistic.

Investment risk

S IMMO faces risks in investments in property development projects as well as property purchases. These are often caused by factors beyond S IMMO Group's control, for example delays in the completion of property projects. Therefore, the Group's strategy is geared towards reducing potential investment risks through careful selection, planning and execution of property projects and purchases. There are set investment volume limits above which Supervisory Board approval is required. Nevertheless, a certain degree of risk cannot be precluded.

Capital market risk

The capital market is hugely important to S IMMO in terms of raising equity and borrowing capital. Unstable capital markets can impair the Group's financing options. The management works to strengthen investors' confidence in the securities issued by S IMMO AG through transparent, reliable information and prompt communication.

Property-specific risks

S IMMO is exposed to all risks associated with the purchase, development, operation and sale of properties.

Property portfolio risk

S IMMO counters property portfolio risk with a balanced portfolio mix. The portfolio contains commercial (office, retail and hotel)

and residential properties. In geographical terms, the properties are divided between Austria and Germany as well as CEE and SEE. The Group focuses on capital cities and cities over the million mark within the European Union. The value of a property depends largely on its location and intended use. Therefore, the attractiveness of the location or the potential use can significantly affect S IMMO's financial situation. The property portfolio risk was not identical in all regions and categories of use in the financial year 2015: For instance, the residential property market in Germany performed particularly well. The office markets in Budapest, Bucharest and Sofia showed a further recovery. Through diversification within the portfolio, risks of one market can be offset by positive developments in another market.

Letting and rental default risk

Letting risk is closely linked with the general economic situation in the individual markets, and therefore involves associated uncertainty in terms of forecasting. For instance, political and economic developments in Hungary and Bulgaria have a higher risk compared with the western EU member states. In the current year, there is again a letting risk in terms of contract extensions due to the various political and economic developments in the individual member states. The competition situation can also impact on the letting rate. Competition between owners for prestigious tenants is intense. Rents are under pressure in many markets in which S IMMO operates. This can mean having to accept rents that are lower than originally forecast.

In addition, S IMMO is exposed to rental default risk. If the Group is unable to extend expiring rental agreements on favourable terms and find suitable creditworthy tenants who are willing to enter into a long-term lease, this impairs the market value of the properties concerned. Particularly in times of economic and political uncertainty, S IMMO may be forced to accept rent reductions in order to maintain its letting rate. The credit rating of a tenant can decrease in the short or medium term, particularly during an economic downturn. In addition, there is the potential risk of a tenant becoming insolvent or otherwise being unable to fulfil their payment obligations under the rental agreement. In the worst case, an insolvent tenant moves out and a vacancy arises. In such situations, S IMMO attempts to find a suitable new tenant as quickly as possible.

Property development risk

In the area of property development, risks may arise in connection with construction cost overruns, construction delays, (construction) quality defects, letting or delays in receiving official approvals. S IMMO counters these risks with regular cost, quality

and deadline checks, deviation analyses and, if possible, minimum pre-letting rates.

Construction risk

Construction risk is the risk of damage to newly constructed properties and standing properties, which S IMMO reduces through industry-standard construction contracts with experienced construction firms, warranty periods and guarantees. To limit risks in this area as much as possible, detailed inspections are arranged before the end of the warranty periods so that any damage can still be rectified at the construction firm's expense.

Property valuation risk

Property valuation depends on various macroeconomic conditions – which are beyond the Group's control – and property-specific factors. In this respect, property risk describes the risk of negative fluctuations in the value of the property portfolio. Beyond the expected rental income, condition and the historical letting level, property experts can also take into account other factors such as taxes on land and property, operating costs, third-party claims on the basis of environmental risks or risks associated with specific construction materials.

Any change in the value of a property can have a negative impact on the Group's net profit or loss and, as a further consequence, its equity and therefore also its share price and creditworthiness.

The Group recognises the majority of its properties at market value, and has them valued once a year by external experts.

Financial risks

For S IMMO Group, the management of financial risks mainly involves the consideration of liquidity, interest rate, financing and exchange rate risks.

Liquidity risk

On the basis of continuous liquidity planning, the Financing department coordinates the Group's cash flows with the Project Development, Asset Management and Acquisitions departments, checks them for plausibility and constantly adjusts them in order to ensure liquidity.

The Group has fluctuating holdings of cash and cash equivalents that it invests in accordance with the respective operational and strategic requirements and objectives. Furthermore, it conducts hedging transactions, especially to hedge against changes in interest rates and the associated fluctuations in its

financing costs. These hedging transactions could prove to be inefficient or unsuitable for meeting the set targets, and could lead to losses that impact income. In addition, the Group is exposed to the risk of its contracting partners failing to fulfil their contractual obligations under the hedging or investment transactions (counterparty risk). S IMMO Group counters this risk by concluding investment and hedging transactions only with respectable banks with a sound credit rating.

Stricter equity and liquidity regulations for banks and resultant increased lending restrictions and reduced lending levels may lead to problems with refinancing. Despite its mainly long-term loan agreements, S IMMO may be affected primarily in the event of loan extensions and refinancing (see also financing risk). This risk may arise primarily when loan extensions or refinancing are delayed or are granted at a lower level than expected. If S IMMO were to be unable to utilise suitable and appropriate external borrowings for project developments and acquisitions or refinancing of expiring external borrowings on time or at all, this could significantly impair its ability to fulfil its obligations under project development contracts or in acquisition projects.

There is also the risk of being unable to repay bonds at the end of the term.

All these consequences or an inability to fulfil the obligations under existing financing agreements and partial debentures due to lack of availability of free liquidity may lead to a significantly adverse impact on the Group's net assets, financial position and earnings situation and impair the Group's credit rating.

Interest rate risk

The vast majority of S IMMO Group's financing agreements provide for a variable interest rate, resulting in the risk of a changing interest rate level. The costs of interest payments increase if the respective reference interest rate rises. However, the European Central Bank is currently expected to keep the base rate at a very low level for the time being. S IMMO Group reduces interest rate risk on a long-term basis by hedging the interest rates of its variable-rate loans. As at 31 December 2015, 19% (31 December 2014: 18%) of loans were fixed-rate and 81% (31 December 2014: 82%) were variable-rate loans – mostly pegged to the three-month Euribor. S IMMO generally hedges its variable-rate loans with the following derivative financial instruments: swaps, caps and collars.

At the end of the year, most of the variable-rate financing portfolio was hedged. The extent to which the Group uses instruments

of this kind depends on the assumptions and market expectations of the management and the responsible employees at S IMMO with regard to the future interest rate level as well as the development of borrowing levels. If these assumptions prove to be incorrect, this may lead to a significant rise in interest expenses. The stress tests, which include the existing bonds (please refer to section 5.2.1. of the notes for details) show that S IMMO Group is exposed to interest rate changes to a lesser extent. An interest rate shift of +1.0% leads to an increase of 22 basis points. This means that despite hedging with derivative financial instruments, the Group would be exposed to higher financing costs if interest rates were to rise.

Financing risk

Market conditions for property financing are constantly changing, and deteriorated significantly in the course of the financial and economic crisis, for example. However, the refinancing situation continued to improve in the previous year. Refinancing – including large volumes – was concluded at further reduced margins due to the investment pressure on many banks, particularly in Germany and Austria. In CEE, access to debt capital is stable – depending on the asset class, location and loan volume – but rather more difficult than in Germany and Austria. However, the situation remains challenging in Hungary, as many banks are not issuing new loans for property financing due to the economic environment.

The attractiveness of various types of financing depends on several factors, some of which are beyond the Group's control. These factors include in particular market interest rates, tax aspects and the assessment of the value and realisation potential of properties that serve as collateral, as well as the assessment of the general economic situation by the financing partners. In times of highly volatile property markets, lenders may sometimes be unwilling to extend maturing loans on terms acceptable to S IMMO Group. This can lead in particular to higher margins, lower lending levels and the need to provide further collateral, and generally leads to a lack of refinancing options.

If the Group is unable to generate liquidity or raise external funds to the required extent at the required time or to borrow on acceptable terms, its ability to fulfil its obligations under financing agreements could be impaired. S IMMO Group strives to reduce this risk by spreading its borrowing among different lenders (21 individual banks as at the reporting date of 31 December 2015). Borrowing is monitored on the basis of approvals on a staggered basis by the Management Board and Supervisory Board. As at 31 December 2015, non-current liabilities to banks had an

average weighted residual term of more than 6.2 years. This long-term financing is standard industry practice.

In addition, there is the risk that it may not be possible to comply with financial covenants (clauses in loan agreements regarding the permitted indebtedness and the debt service cover ratio) or other contractual terms, guarantees or conditions in financing agreements. This may limit flexibility in financing future business activities. Compliance with financial covenants is constantly monitored by S IMMO Group in close contact with lending financial institutions. Covenant infringements may constitute a case of default. The Group is committed to a balanced ratio between financing and the book value of the property portfolio (loan to value ratio). As at 31 December 2015, the Group-wide loan to value ratio for secured financing stood at 43.7% (2014: 47.8%). In addition, the Group has unsecured financing (utilised credit lines, loans and subordinated participating capital) that was equivalent to 16.9% (2014: 11.9%) of the property assets. Despite close monitoring of financing instruments and the relevant parameters, S IMMO could be confronted with risks in the area of refinancing if the economy and the financing environment deteriorate sufficiently.

Exchange rate risk

S IMMO Group's borrowings are entirely denominated in euros and rental agreements are mainly linked to the euro. Therefore, the direct cash-effective exchange rate risk is regarded as low. A changed situation for another currency could indirectly impact on the purchasing power of customers locally, which would have a medium-term effect on property valuations. In accounting terms, short-term, non-cash exchange rate effects could have an indirect impact on the profit and loss account. This may be the case in particular with the Budapest Marriott Hotel, depending on how the Hungarian forint develops against the euro.

Other risks

Tax risks

As an international property group with companies in nine European countries, S IMMO Group is exposed to a large number of different, constantly changing national tax systems. Changes in local taxation conditions (e.g. property-related taxes, sales taxes or income taxes) and uncertain or different interpretations of the often complex tax regulations may lead to unplanned tax charges and therefore always constitute a risk to earnings. By working with local experts at all times, S IMMO attempts to identify possible consequences early on so that they can be reflected in decision-making, and in order to ensure that

adequate accounting provisions are made for all known risks (in connection with Group audits and other fiscal procedures).

Environmental risk

S IMMO is potentially affected by various environmental risks such as natural disasters or man-made disasters. Environmental risks may arise in connection with standing properties as well as development projects. For example, amended laws or renovation obligations as a result of environmental or safety regulations may require the removal or replacement of materials. Environmentally harmful substances at a development site may also have to be disposed of. New or stricter environmental, health and safety legislation may also give rise to additional costs.

Natural disasters or extreme weather conditions such as floods, storms and hail may cause significant damage to properties under construction or standing properties. Man-made disasters such as nuclear incidents or accidents may also cause damage. Serious material damage to buildings is covered by appropriate building insurance policies, supplemented by special insurance policies, for example against earthquakes in Romania and Bulgaria.

S IMMO strives to reduce environmental risks by performing thorough location analyses and obtaining written guarantees when making acquisitions and investments. Furthermore, S IMMO handles standing properties and development projects responsibly by insisting on high-quality materials and construction methods. In this respect, several S IMMO buildings have already received green building certificates. At the end of 2015, the Blue Cube office building in Budapest was awarded a BREEAM In-Use certificate with a "very good" rating in the "Building and Asset Management" category.

Legal risk

S IMMO is exposed to a large number of legal risks as a result of its business activities. These result mainly from legal disputes in connection with S IMMO's business operations (for example disputes arising from property transactions or with construction firms). If applicable, provisions in accordance with IFRS requirements are formed for ongoing legal disputes. As the outcomes of arbitration or legal proceedings are generally hard to predict, expenses may exceed the allocated provisions. Significant risks may also arise from changes in the law, particularly as S IMMO operates in a highly regulated environment and in different jurisdictions.

Overall statement on risks and opportunities

S IMMO AG's business activities are heavily dependent on the macroeconomic environment in the respective markets. The economic recovery in the European Union and the eurozone continues to fall short of expectations. The general economic conditions are still challenging. The economies in CEE and SEE are also recovering only slowly. Hungary, Romania and Bulgaria in particular have a higher economic risk than western EU countries due to their political situation and economic development. Therefore, S IMMO is especially exposed to an increased industry, property portfolio, letting and rental default risk in these countries.

Another risk group relates to liquidity and financing: Stricter equity and liquidity regulations for banks may make refinancing harder due to restrictive lending or reduced lending levels. However, the refinancing situation improved in the reporting period. Loans were taken out at lower margins in Germany and Austria in particular. In CEE, access to debt capital is comparatively harder.

S IMMO counters the risks with careful risk monitoring and a responsible risk policy. In addition, sufficient accounting provisions are made for potential risks.

In addition to the risks described, there are also opportunities: On the investment side, S IMMO regards office properties in Berlin with development opportunities as the greatest source of potential. The ongoing influx and a large number of start-ups will continue to make Berlin attractive in the months ahead. The Group also sees opportunities in its investment in office developments at Vienna Central Station as well as the refurbishment of the Vienna Marriott Hotel while it remains open. S IMMO has also noted an easing of the situation on the Budapest office property market and in Bucharest.

Furthermore, there are opportunities for the Group on the capital market: The S IMMO share performed very well in the financial year 2015. As it continues to be listed below its book value, the management expects further potential. However, any negative developments and volatility on the capital markets should not be disregarded.

Outlook

Significant events after the balance sheet date

In the first quarter of 2016, 18,888 participating certificates were bought back at a price of roughly EUR 1.6m. No share buybacks were executed.

In addition, approval was granted for the office project The Mark in Bucharest and, on the financing front, a swap with a nominal value of EUR 50m was closed out.

Expected economic development

The moderate growth of the global economy continued in 2015, but there was a lack of stimulus for more robust expansion. This trend is expected to remain largely unchanged in the coming months, as geopolitical crises will continue to restrain the positive development of the global economy.

The European Commission expects the international crises to impact economic activity in the eurozone and therefore anticipates only minimal growth. The commission projects GDP growth of 1.7% for the eurozone in 2016 and 1.9% in 2017.

In contrast to the subdued macroeconomic growth in the eurozone, 2015 was an absolute record year for real estate investments in Germany, Austria and the CEE region. The boom in Berlin is expected to continue in 2016. According to CBRE, the high demand will further exacerbate the shortage of space and drive up rents – not only in the premium segment. Austria saw the highest investment value ever achieved in the country, at roughly EUR 3.75bn. The fourth quarter of 2015 was the strongest quarter on record, with a volume of EUR 1.8bn – nearly half of the total for the year as a whole. There is significant demand among investors for office and retail properties in particular. The CEE region also enjoyed positive developments. Some EUR 9.5bn were invested in real estate in 2015, which represents an increase of 19% compared with 2014. The biggest improvement was seen in Hungary at 42%, while investments grew by 33% in the Czech Republic. Prices are on the rise in the region, particularly for properties in prime locations.

Expected business development

S IMMO is benefiting not only from the positive economic developments in its markets, but also from the continued low-interest environment.

With our robust business model, we continuously create value for our shareholders. We continue to see the greatest potential in Germany, particularly among office properties in Berlin offering development opportunities. One such property is the Leuchtenfabrik, a brick building in Berlin that is steeped in history. The building will be repositioned with a focus on highlighting the architectural qualities of the complex through a renovation that will preserve its historic value. Common spaces and pathways to the Spree will be created. With innovative letting concepts, the project will mainly be targeted at start-ups and other companies from the TMT industry (technology, media and telecommunication). A plot of land spanning nearly 45,000 m² was purchased in Berlin-Adlershof, and concepts for the optimal use of the space are currently being developed with various national and international experts. The purchase of a former Karstadt department store in Neukölln also offers development potential. S IMMO plans to completely refurbish the six-storey building. We are working on other projects in Berlin focusing on rezoning, refurbishment measures and the development of available spaces on plots of land already contained in the portfolio.

In Vienna, the Vienna Marriott Hotel has been undergoing renovations since the beginning of the year which will be completed without interrupting the hotel's business. S IMMO is involved in several office development projects at Vienna Central Station. Construction is likely to start on one of these projects this spring.

In Bucharest, we will start construction of an architecturally impressive office property offering roughly 28,000 m² of gross floor space. In addition, we have already started with the reconstruction of our Sun Plaza shopping centre without interrupting the centre's business. Over 20,000 m² will be refurbished and offer space for up to 40 new shops.

In addition, we will realise opportunistic transactions on our markets when market conditions allow.

Our interest rate hedging policy is aimed at creating additional value for our shareholders. In 2015, we bought back derivatives with short remaining terms to maturity and concluded new long-term interest rate hedging transactions at very good conditions. With these steps, S IMMO secured the low interest rate level prevailing in 2015 for roughly 10 years. We will benefit from the positive effects of these measures to their full extent already in 2016.

On the capital market, the Group has positioned the S IMMO share as a sustainable dividend-paying stock, and we will continue to employ this stable dividend disbursement policy. Based on the outstanding results in the reporting period, a dividend is also planned for the 2015 financial year.

Disclosures pursuant to section 243a para 1 Austrian Commercial Code (UGB)

Under section 243a para 1 Austrian Commercial Code (UGB), the following information must be disclosed:

1.) As at 31 December 2015, the issued share capital of S IMMO AG was EUR 243,143,569.90, divided into 66,917,179 no par value bearer shares. All shares have the same rights.

2.) S IMMO AG's articles of incorporation restrict the voting rights of each shareholder at the Annual General Meeting to a maximum of 15% of the issued share capital. For this purpose, shares held by companies that together constitute a group for the purposes of section 15 Austrian Stock Corporation Act (AktG) are to be aggregated, as are shares held by third parties for the account of the relevant shareholder or the account of a company forming part of a group with that shareholder. Holdings of shares by shareholders exercising their voting rights in concert in virtue of an agreement or as part of coordinated behaviour are also to be aggregated.

The Management Board of S IMMO AG is not aware of any agreements applying to limitations of voting rights or the transfer of shares.

3.) The company has been notified under section 91 para 1 Austrian Stock Exchange Act (BörseG) of the following holdings in excess of 10%:

On 20 April 2009, the company was notified that Sparkassen Versicherung Aktiengesellschaft (now Sparkassen Versicherung AG Vienna Insurance Group), a company forming part of Vienna Insurance Group, for the purposes of section 91 para 1 BörseG, had increased its interest in Sparkassen Immobilien Aktien-

gesellschaft (now S IMMO AG) to 7,000,000 shares, which was about 10.27% of the issued share capital at the time, and following the cancellation of treasury shares on 19 December 2013 constituted about 10.46% of the reduced share capital.

On 24 July 2012, the company received notification from Erste Group Bank AG pursuant to section 91 para 1 BörseG that it had increased its interest in S IMMO AG, and that as at 20 July 2012, the 10% threshold specified under section 91 para 1 BörseG had been exceeded. Erste Group Bank AG's direct and indirect interest increased to 6,893,561 shares, which was about 10.12% of the issued share capital at the time, and following the cancellation of treasury shares on 19 December 2013 constituted about 10.30% of the reduced share capital.

On 24 September 2009, the Management Board received notification under section 91 para 1 BörseG from Tri-Star Capital Ventures Ltd., an international investment company, that it had increased its interest in Sparkassen Immobilien Aktiengesellschaft (now S IMMO AG) to about 11.15% of the issued share capital. On 05 December 2013 and 13 January 2014, notifications were received from Anadoria Investments Ltd., a 100% subsidiary of Tri-Star Capital Ventures Ltd., that as at 30 November 2013, it had purchased the 7,593,611 shares in S IMMO AG previously held by Tri-Star Capital Ventures Ltd., which was about 11.15% of the issued share capital at the time, and following the cancellation of treasury shares on 19 December 2013 constituted about 11.35% of the reduced share capital, and that as at 30 November 2013 Tri-Star Capital Ventures Ltd. no longer held any shares in S IMMO AG directly.

Notification under section 91 para 1 BörseG was received from Erste Asset Management GmbH on 30 November 2011, that it and its subsidiaries RINGTURM Kapitalanlagegesellschaft m.b.H. and ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. pursue a joint voting policy, and that the voting rights of the managed funds are therefore reported in aggregate. The three companies therefore reported that as at 29 November 2011, they held 8,130,557 shares in aggregate, which was about 11.94% of the issued share capital at the time, and following the cancellation of treasury shares on 19 December 2013 constituted about 12.15% of the reduced share capital.

S IMMO AG clarifies that its knowledge of interests greater than 10% is based on notifications under section 91 para 1 BörseG, and that it therefore cannot guarantee the completeness or correctness of the above information. Moreover, notifications pursuant to sections 91 et seq BörseG are only required on reaching, exceeding or falling below the relevant thresholds, so that the actual current extent of the interests may differ from those listed in the notifications.

- 4.) There are no shares with special control rights.
- 5.) Employees who are shareholders exercise their voting rights at the Annual General Meeting directly, if appropriate.
- 6.) The Management Board consists of two, three or four members. The members of the Management Board are appointed by the Supervisory Board by a three-quarters majority of the votes cast. The Supervisory Board may at the same time appoint a member of the Management Board as Chairman and another member as Deputy Chairman. This resolution also requires a three-quarters majority of the votes cast. Appointment to the Management Board is open only to those under the age of 65 at the time of appointment.

The Supervisory Board consists of a maximum of 10 members elected by the Annual General Meeting.

Resolutions proposing increases in share capital are passed by a simple majority of the votes cast at the Annual General Meeting and by a simple majority of the shareholders voting on a resolution.

7.) a) In accordance with section 169 AktG and the resolution of the 23rd Annual General Meeting of 01 June 2012, the Management Board, with the approval of the Supervisory Board, is authorised for a period of five years dating from the registration of this change in the articles of incorporation, that is, until 19 October 2017, to increase the share capital of the company by up to EUR 123,754,680.93 in one or more tranches by the issue of up to 34,059,359 ordinary bearer shares for a minimum issue price of 100% of the proportionate share of the issued capital. The issue may be for cash or for contributions in kind (not including contributions in kind made in exchange for the issue by the company of participating certificates and entitlements of such certificates, or other entitlements). The Management Board, with the agreement of the Supervisory Board, is authorised to fix the issue price, the terms and conditions of the issue and all other details of the implementation of the capital increase (authorised capital). In the event of a capital increase for contributions in kind (not including contributions in kind made in exchange for the issue by the company of participating certificates and entitlements of such certificates, or other entitlements), the Management Board is authorised with the approval of the Supervisory Board to exclude shareholder subscription rights in part or in full.

b) At the 25th Annual General Meeting of 11 June 2014, the Management Board was authorised under the provisions of section 65 para 1 fig 8 AktG for a period of 30 months from the date of the passing of the resolution, that is, until 11 December 2016, with the approval of the Supervisory Board, to acquire shares in the company up to the statutory maximum of 10% of the company's share capital on one or more occasions, and if appropriate to cancel them. The Management Board was also authorised for a period of five years from the date of the passing of the resolution, that is, until 11 June 2019, with the approval of the Supervisory Board to dispose of own shares (treasury shares) in a manner other than through the stock exchange or through a public offer and under exclusion of shareholders' subscription rights.

c) In accordance with section 159 para 2 fig 1 AktG, the authorised capital is conditionally increased by up to EUR 123,754,680.93 by the issue of up to 34,059,359 new ordinary bearer shares (conditional capital). The conditional capital increase will only be put into effect to the extent that owners of convertible loan stock issued on the basis of the resolution of the

Annual General Meeting of 01 June 2012 exercise their rights of conversion or subscription. The issue price and the conversion and/or subscription ratios are to be calculated on the basis of the market price of the company's shares in accordance with standard market practice. The issue price may not be less than the proportionate interest in the share capital. With the approval of the Supervisory Board, the Management Board is authorised to determine all other details of the implementation of the conditional capital increase (in particular, the issue price, the rights attached to the shares and the date of entitlement to dividends). The Supervisory Board is authorised to amend the articles of incorporation in connection with the issue of shares out of conditional capital or when the time authorised for the use of such capital expires.

d) At the 23rd Annual General Meeting of 01 June 2012, in accordance with section 174 AktG, the Management Board was authorised, within five years of the passing of the resolution, that is until 01 June 2017, to issue for cash, in one or more tranches, convertible loan stock carrying the right of conversion or subscription to up to 34,059,359 ordinary bearer shares in the company representing a proportionate interest in the share capital of the company of up to EUR 123,754,680.93. The Management Board was also authorised, with the approval of the Supervisory Board, to exclude subscription rights of existing shareholders to convertible loan stock, and to determine all other terms and conditions of the convertible bonds, including their issue price and the conversion procedures.

8.) The 4.5% S IMMO bond 2014–2021 issued in June 2014 (volume of around EUR 90m), the 3% S IMMO bond 2014–2019 issued in October 2014 (volume of EUR 100m), the 3.25% S IMMO bond 2015–2025 issued in April 2015 (volume of around EUR 34m) and the 3.25% S IMMO bond 2015–2027 issued in April 2015 (volume of EUR 65m) contain change-of-control clauses. Under the terms and conditions of these bonds, in the event of a change of control, the bond creditors are entitled to cancel the partial debenture and can demand immediate repayment. Under the terms and conditions of these bonds, a change of control occurs if, at any time, one person or several persons acting jointly or a third party or third parties acting for said person or persons directly or indirectly acquire (i) more than 50% of the voting rights associated with the shares of the issuer (irrespective of the maximum voting right) or (ii) the right to designate the majority of members of the Management Board of the issuer and/or the shareholder representatives on the Supervisory Board of the issuer.

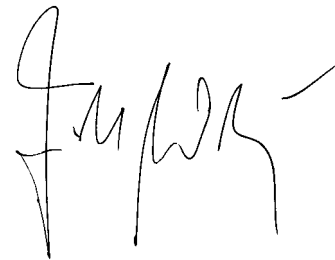
9.) There are no special compensation agreements between the company and members of the Management and Supervisory Boards or the company's employees that would take effect in the event of a public takeover offer.

Vienna, 19 April 2016

The Management Board



Ernst Vejdovszky



Friedrich Wachernig

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Consolidated statement of financial position

as at 31 December 2015

Assets	NOTES	31 December 2015	31 December 2014
EUR '000			
Non-current assets			
Investment properties			
Rental properties	3.1.1.	1,826,403	1,587,063
Properties under development and undeveloped land	3.1.1.	16,201	14,452
		1,842,604	1,601,515
Owner-operated properties	3.1.2.	118,044	119,999
Other plant and equipment	3.1.2.	5,165	6,408
Intangible assets	3.1.2.	210	168
Interests in companies measured at equity	3.1.3.	5,112	8,021
Group interests	3.1.4.	777	834
Loans to companies measured at equity	3.1.3.	6,230	0
Other financial assets	3.1.4.	4,533	600
Deferred tax liabilities	3.1.15.	7,521	10,772
		1,990,196	1,748,317
Current assets			
Inventories	3.1.5.	1,444	1,394
Trade receivables	3.1.6.	10,984	12,078
Other financial assets	3.1.6.	5,205	6,234
Other assets	3.1.7.	8,843	9,107
Cash and cash equivalents	3.1.8.	50,684	74,697
		77,160	103,510
Properties held for sale	3.1.9.	0	42,845
		77,160	146,355
		2,067,356	1,894,672

Equity and liabilities

EUR '000

	NOTES	31 December 2015	31 December 2014
Shareholders' equity			
Share capital	3.1.10.	242,453	242,775
Capital reserves	3.1.10.	72,030	72,350
Other reserves	3.1.10.	308,781	240,272
		623,264	555,397
Non-controlling interests	3.1.11.	23,331	25,855
		646,595	581,252
Non-current liabilities			
Subordinated participating certificate capital	3.1.12.	55,959	95,539
Issued bonds	3.1.13.	286,935	188,367
Other financial liabilities	5.2.2.	792,062	782,190
Provisions	3.1.14.	3,648	3,453
Other liabilities		28	11
Deferred tax liabilities	3.1.15.	109,639	75,156
		1,248,271	1,144,716
Current liabilities			
Financial liabilities	5.2.2.	132,482	122,992
Income tax liabilities		1,277	6,433
Provisions	3.1.14.	395	754
Trade payables	5.2.2.	6,502	6,444
Other liabilities		31,834	32,081
		172,490	168,704
		2,067,356	1,894,672

Consolidated income statement

for the financial year 2015

EUR '000	NOTES	2015	2014
Revenues			
Rental income	3.2.1.	111,686	111,845
Revenues from operating costs		33,465	34,542
Revenues from hotel operations		45,546	42,104
		190,697	188,491
Other operating income		3,534	4,700
Property operating expenses	3.2.2.	-55,841	-56,150
Hotel operating expenses	3.2.2.	-33,164	-31,344
Gross profit		105,226	105,697
Income from property disposals	3.2.3.	15,943	51,587
Book value of property disposals	3.2.3.	-15,938	-51,407
Gains on property disposals	3.2.3.	5	180
Management expenses	3.2.4.	-16,483	-16,050
Earnings before interest, tax, depreciation and amortisation (EBITDA)		88,748	89,827
Depreciation and amortisation	3.2.5.	-7,695	-7,635
Results from property valuation	3.2.6.	84,645	56,552
Operating result (EBIT)		165,698	138,744
Financing cost	3.2.7.	-51,934	-73,104
Financing income	3.2.7.	680	443
Results from companies measured at equity	3.2.7.	2,362	924
Participating certificates result	3.1.12.	-4,553	-7,485
Net income before tax (EBT)		112,253	59,522
Taxes on income	3.1.15.	-35,004	-25,682
Consolidated net income		77,249	33,840
of which attributable to shareholders in parent company		78,209	31,016
of which attributable to non-controlling interests		-960	2,824
Earnings per share			
undiluted = diluted	3.2.8.	1.17	0.46

Consolidated statement of comprehensive income

for the financial year 2015

EUR '000	NOTES	2015	2014
Consolidated net income		77,249	33,840
Change in value of cash flow hedges	5.1.2.	700	9,927
Income taxes on cash flow hedges		149	-3,270
Reclassification of derivative valuation effects	5.1.2.	5,945	4,692
Foreign exchange rate differences	3.1.10.	-63	2,649
Other comprehensive income for the period (realised through profit or loss)		6,731	13,998
Remeasurement of post-employment benefit obligations		-45	-292
Income taxes on remeasurement of post-employment benefit obligations		11	73
Other comprehensive income for the period (not realised through profit or loss)		-34	-219
Total comprehensive income		83,946	47,619
of which attributable to shareholders in parent company		84,591	45,823
of which attributable to non-controlling interests		-645	1,796

Consolidated cash flow statement

for the financial year 2015

EUR '000	NOTES	2015	2014
Net income before tax (EBT)		112,253	59,522
Results from property valuation	3.2.6.	-84,645	-56,552
Depreciation and amortisation	3.2.5.	7,695	7,635
Gains/losses on property sales	3.2.3.	-5	-180
Taxes on income paid	3.1.15.	-4,855	-3,809
Participating certificates result	3.1.12.	4,553	7,485
Financing result	3.2.7.	48,892	71,737
Operating cash flow		83,889	85,838
Changes in net current assets			
Receivables and other assets		3,277	-1,404
Provisions and other non-current liabilities		212	497
Current liabilities		-332	-1,329
Cash flow from operating activities		87,046	83,602
Cash flow from investing activities			
Investments in property portfolio		-135,341	-11,781
Investments in tangible and intangible assets		-149	-151
Investments in equipment and machinery		-691	-1,447
Investments in financial assets		-381	-940
Disposals of financial assets		600	0
Investments in companies measured at equity		-9,165	0
Net cash flow from disposal of property holding companies		13,723	3,124
Net cash flow from initial consolidations		-28,600	0
Disposals of properties		11,280	58,333
Dividends from companies measured at equity		7,144	294
Interest received and other financial income	3.2.7.	460	443
Cash flow from investing activities		-141,120	47,875

EUR '000	NOTES	2015	2014
Consolidated cash flow statement (cont.)			
Cash flow from financing activities			
Purchase of own participating certificates	3.1.12.	-42,809	-92,729
Purchase of own shares	3.1.10.	-642	-536
Bond issues	3.1.13.	98,307	188,282
Cash flows from decreases in non-controlling interests		-1,769	-2,086
Increases in financing		167,073	117,585
Decreases in financing		-96,180	-246,853
Dividend payment	3.1.10.	-16,030	-13,369
Distribution to participating certificates	3.1.12.	-1,960	-6,842
Interest paid		-75,929	-50,105
Cash flow from financing activities		30,061	-106,653
Cash and cash equivalents 01 January		74,697	49,873
Net change in cash and cash equivalents		-24,013	24,824
Cash and cash equivalents 31 December¹⁾		50,684	74,697

¹⁾ The effects of currency translation differences on the cash and cash equivalents were immaterial and are therefore not shown separately.

Changes in consolidated equity

EUR '000	Share capital	Capital reserves	Foreign currency translation reserve	Hedge accounting reserve	Other reserves	Sub-total S IMMO share-holders	Non-controlling interests	Total
As at 01 January 2015	242,775	72,350	-16,473	-26,835	283,580	555,397	25,855	581,252
Consolidated net income	0	0	0	0	78,209	78,209	-960	77,249
Other comprehensive income	0	0	-63	6,479	-34	6,382	315	6,697
Repurchase of own shares	-322	-320	0	0	0	-642	0	-642
Other changes recognised in equity	0	0	0	0	-52	-52	0	-52
Disposals	0	0	0	0	0	0	-1,879	1,879
Distribution for 2014 to shareholders	0	0	0	0	-16,030	-16,030	0	-16,030
As at 31 December 2015	242,453	72,030	-16,536	-20,356	345,673	623,264	23,331	646,595
As at 01 January 2014	243,126	72,535	-19,193	-39,212	266,837	524,093	25,531	549,624
Consolidated net income	0	0	0	0	31,016	31,016	2,824	33,840
Other comprehensive income	0	0	2,649	12,377	-219	14,807	-1,028	13,779
Repurchase of own shares	-351	-185	0	0	0	-536	0	-536
Disposals	0	0	0	0	0	0	-2,086	-2,086
Purchase of non-controlling interests	0	0	71	0	-685	-614	614	0
Distribution for 2013 to shareholders	0	0	0	0	-13,369	-13,369	0	-13,369
As at 31 December 2014	242,775	72,350	-16,473	-26,835	283,580	555,397	25,855	581,252

Notes to the consolidated financial statements

as at 31 December 2015

1. The Group

S IMMO Group (S IMMO AG and its subsidiaries) is an international real estate group. The ultimate parent company of the Group, S IMMO AG, has its registered office and headquarters at Friedrichstrasse 10, 1010 Vienna, Austria. The company has been listed on the Vienna Stock Exchange since 1987, since 2007 in the Prime Market segment. It has subsidiaries in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Romania, Bulgaria and Denmark. As at 31 December 2015,

S IMMO Group owned properties in all the above countries except Denmark. The company's principal business is the acquisition, letting and sale of properties in different regions and market segments in order to achieve a balanced investment portfolio. Another business activity is the development and construction of properties in cooperation with project development partners.

2. Accounting and valuation policies

2.1. Accounting policies

The consolidated financial statements comply with the International Financial Reporting Standards (IFRS), including the interpretations of the IFRS Interpretations Committee, the application of which is mandatory in the European Union at the balance sheet date, as well as supplementary provisions according to para 245a section 1 Austrian Commercial Code (UGB).

The accounting policies of all companies included in consolidation are based on the uniform accounting regulations of S IMMO Group. The financial year for all companies included in consolidation ends on 31 December.

The consolidated financial statements are presented rounded to the nearest 1,000 euros (EUR '000 or kEUR). The totals of rounded amounts and the percentages may be affected by rounding differences caused by the use of computer software.

2.2. Consolidation group and basis of consolidation

2.2.1. Subsidiaries

The consolidated financial statements include all the companies (subsidiaries) over which the parent company has a controlling influence through full consolidation. A controlling interest exists where the parent company is directly or indirectly in a position to have the power of disposition over the associated subsidiary and determine the financial and business policies of the subsidiary in such a way that the yield level can be influenced (risk exposure by or claims related to fluctuating yields). A subsidiary is consolidated from the time when the controlling influence is acquired, and deconsolidated when that influence ceases to exist.

The acquisition date is the date on which control of the new acquisition is acquired. Costs incurred by S IMMO Group in the course of acquisition, such as fees for due diligence reviews, measurements and other consulting services, are recognised as expenses in the period in which they are incurred.

The amount in excess of net assets is in most cases recognised as an addition to the value of the properties. If the amount is negative, it is recognised in profit or loss after a further critical review of the recognition and measurement of the assets and liabilities acquired.

Changes to interests in subsidiaries that do not lead to the establishment or loss of control are classified as equity transactions. The book values of the interests held by the Group and accordingly those held by the controlling shareholders are adjusted in such a way that they reflect the changes to the ownership interests appropriately. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received is recognised under equity and allocated to the shareholders of S IMMO AG.

2.2.2. Non-controlling interests

As a general rule, S IMMO Group recognises non-controlling interests as the proportionate share of identifiable net assets of the subsidiary.

Transactions with non-controlling interests not resulting in loss of control are treated in the same way as transactions with the Group's shareholders. Any difference between the consideration given and the relevant share of the book value of the net assets of the subsidiary arising from the acquisition of a non-controlling interest is recognised in equity. Gains and losses on the disposal of non-controlling interests are also recognised in equity.

Changes to the shareholdings of the non-controlling interests that do not lead to a loss of control of the S IMMO Group are recognised as set out in 2.2.1.

2.2.3. Associates and joint ventures

Companies over whose business and financial policies the parent company can directly or indirectly exercise a significant influence (as a rule, through a direct or indirect interest ranging from 20% to 50% of the share capital) and joint companies are included in the consolidated financial statements at equity.

Interests in companies included at equity are initially recognised at cost of acquisition. For associated companies and jointly controlled companies included at equity, differences resulting from consolidation are calculated in the same way as for fully consolidated companies. The goodwill resulting from the acquisition of a company included at equity is part of the book value and is not subject to scheduled depreciation. As part of the investment in the company included at equity, the goodwill is

reviewed for impairment. S IMMO AG's interest in the profit or loss of an at equity consolidated company after the date of acquisition is included in the consolidated income statement. The share of other comprehensive income is recognised directly in the item other comprehensive income in the consolidated statement of comprehensive income. The cumulative share of such changes increases or reduces the book value of the interest. If S IMMO AG's attributable share of the accumulated losses of a company consolidated at equity exceeds the book value of the interest, excess shares of losses are not recognised, except to the extent that they give rise to obligations. In the event of distributions, the book value of the interest is reduced by the proportionate amount. Intercompany profits and losses between S IMMO AG and at equity consolidated companies are eliminated on consolidation.

If the ownership interest in companies recognised at equity changes and the equity method continues to be applied, the proportion of the gain or loss previously recognised in other comprehensive income attributed to the reduction in ownership interest is to be reclassified to profit or loss if this gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.2.4. Reporting currency

Apart from S IMMO AG, the consolidated financial statements include 71 (2014: 65) companies (property holding and intermediary holding companies) that are fully consolidated and directly or indirectly owned by S IMMO AG, and 11 (2014: 6) companies included at equity.

In the first quarter of 2015, the fully consolidated company Viertel Zwei Hotel GmbH & Co KG was sold; the payment received consisted entirely of cash. Viertel Zwei Hotel GmbH & Co KG had the following book value at the time of the disposal:

EUR '000	Book value
Current assets	
Trade receivables	171
Other financial assets	73
Other assets	149
Cash and cash equivalents	1,992
Properties held for sale	34,664
Total current assets	37,049
Non-current liabilities	32,391

In the first quarter of 2015, S IMMO Berlin II GmbH, Germany, S IMMO APM Hungary Kft, Hungary, S IMMO Beteiligungen GmbH, Austria, and Siebenbrunnengasse 21 GmbH & Co. OG, Austria, were fully consolidated in S IMMO AG's consolidated financial statements for the first time. This was followed by the newly founded company S IMMO Property Eins GmbH, Austria, in the second quarter of 2015, the newly founded company S IMMO Property Zwei GmbH, Austria, in the third quarter and the newly founded companies Viertel Zwei Hoch GmbH, Austria, and Viertel Zwei Plus GmbH, Austria, in the fourth quarter. A business combination as per IFRS 3 did not occur for any of the mentioned companies, as the definition of a business according

to IFRS 3 was not met. In the 2015 financial year, the subsidiary CEE PROPERTY INVEST ROMANIA SRL, Romania, was merged with the Romanian subsidiary DUAL CONSTRUCT INVEST S.R.L.

In 2015, the newly founded companies QBC Alpha SP Immo-management GmbH, Austria, and QBC Gamma SP Immo-management GmbH, Austria, were included in the consolidated financial statements of S IMMO AG as associated companies. The associated companies QBC Immobilien GmbH & Alpha KG, Austria, QBC Immobilien GmbH & Gamma KG, Austria, and QBC Immobilien GmbH & Zeta KG, Austria, were also added.

Company	Location	Nominal capital 2015	Nominal capital 2014	Group share % 2015	Group share % 2014	Currency ¹⁾	Consolidation type ¹⁾
CEE Immobilien GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
CEE PROPERTY-INVEST Immobilien GmbH	A, Vienna	48,000,000	48,000,000	100	100	EUR	FC
CEE CZ Immobilien GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
German Property Invest Immobilien GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
Hotel DUNA Beteiligungs Gesellschaft m.b.H.	A, Vienna	145,346	145,346	100	100	EUR	FC
AKIM Beteiligungen GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
SO Immobilienbeteiligungs GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
CEE Beteiligungen GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
E.V.I. Immobilienbeteiligungs GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
SIAG Berlin Wohnimmobilien GmbH	A, Vienna	3,982,500	3,982,500	99.74	99.74	EUR	FC
E.I.A. eins Immobilieninvestitionsgesellschaft m.b.H.	A, Vienna	36,336	36,336	100	100	EUR	FC
PCC-Hotelerrichtungs- und Betriebsgesellschaft m.b.H. & Co KG	A, Vienna	8,299,238	8,299,238	74.17	74.17	EUR	FC
PCC-Hotelerrichtungs- und Betriebsgesellschaft m.b.H.	A, Vienna	36,336	36,336	100	100	EUR	FC
Neutorgasse 2-8 Projektverwertungs GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
H.S.E. Immobilienbeteiligungs GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
A.D.I. Immobilien Beteiligungs GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
QBC Management und Beteiligungen GmbH & Co KG	A, Vienna	35,000	35,000	35	35	EUR	E
QBC Immobilien GmbH	A, Vienna	60,000	60,000	21.02	35	EUR	E
QBC Management und Beteiligungen GmbH	A, Vienna	35,000	35,000	35	35	EUR	E
QBC Alpha SP Immo-management GmbH	A, Vienna	35,000	N/A	35	N/A	EUR	E
QBC Gamma SP Immo-management GmbH	A, Vienna	35,000	N/A	35	N/A	EUR	E
QBC Immobilien GmbH & Co Alpha KG	A, Vienna	10,000	N/A	35	N/A	EUR	E
QBC Immobilien GmbH & Co Gamma KG	A, Vienna	10,000	N/A	35	N/A	EUR	E
QBC Immobilien GmbH & Co Zeta KG	A, Vienna	10,000	N/A	21.02	N/A	EUR	E

Company	Location	Nominal capital 2015	Nominal capital 2014	Group share % 2015	Group share % 2014	Currency ¹⁾	Consolidation type ¹⁾
BGM-IMMORENT Aktiengesellschaft & Co KG	A, Vienna	4,360,370	4,360,370	22.83	22.83	EUR	E
Viertel Zwei Hoch GmbH & Co KG	A, Vienna	100,000	100,000	100	100	EUR	FC
Viertel Zwei Plus GmbH & Co KG	A, Vienna	100,000	100,000	100	100	EUR	FC
S IMMO Property Invest GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
S Immo Immobilien Investitions GmbH	A, Vienna	35,000	35,000	100	100	EUR	FC
S IMMO Beteiligungen GmbH	A, Vienna	35,000	N/A	100	N/A	EUR	FC
Siebenbrunnengasse 21 GmbH & Co KG	A, Vienna	300	N/A	100	N/A	EUR	FC
S IMMO Property Eins GmbH	A, Vienna	35,000	N/A	100	N/A	EUR	FC
S IMMO Property Zwei GmbH	A, Vienna	35,000	N/A	100	N/A	EUR	FC
Viertel Zwei Hoch GmbH	A, Vienna	35,000	N/A	100	N/A	EUR	FC
Viertel Zwei Plus GmbH	A, Vienna	35,000	N/A	100	N/A	EUR	FC
HANSA IMMOBILIEN OOD	BG, Sofia	8,310,000	10,175,300	76.90	76.90	BGN	FC
CEE PROPERTY BULGARIA EOOD	BG, Sofia	37,180,770	37,180,770	100	100	BGN	FC
Washington Proect OOD	BG, Sofia	20,000	20,000	50	50	BGN	E
ELTIMA PROPERTY COMPANY s.r.o.	CZ, Prague	100,000	100,000	100	100	CZK	FC
REGA Property Invest s.r.o.	CZ, Prague	200,000	200,000	100	100	CZK	FC
Lützw-Center GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
Ikaruspark GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
S IMMO Germany GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
S Immo Geschäftsimmobilien GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
S Immo Wohnimmobilien GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
Markt Carree Halle Immobilien GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
Tölz Immobilien GmbH	DE, Berlin	25,000	25,000	99.74	99.74	EUR	FC
Einkaufs-Center Sofia G.m.b.H. & Co KG	DE, Hamburg	87,000,000	87,000,000	65	65	EUR	FC
SIAG Deutschland Beteiligungs-Verwaltungs GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
SIAG Deutschland Beteiligungs GmbH & Co. KG	DE, Berlin	100,000	100,000	94.9	94.9	EUR	FC
SIAG Leipzig Wohnimmobilien GmbH	DE, Berlin	750,000	750,000	99.74	99.74	EUR	FC
Maior Domus Hausverwaltungs GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
SIAG Property I GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
SIAG Property II GmbH	DE, Berlin	25,000	25,000	100	100	EUR	FC
S IMMO Berlin II GmbH	DE, Berlin	25,000	N/A	100	N/A	EUR	FC
H.W.I. I ApS	DK, Århus	939,000	939,000	99.72	99.72	EUR	FC
H.W.I. IV ApS	DK, Århus	134,000	134,000	99.72	99.72	EUR	FC
GPI I ApS	DK, Århus	17,000	17,000	99.71	99.71	EUR	FC
GPI II ApS	DK, Århus	60,000	60,000	99.71	99.71	EUR	FC
GPI III ApS	DK, Århus	17,000	17,000	99.71	99.71	EUR	FC
Bank-garázs Kft.	H, Budapest	3,000,000	3,000,000	100	100	HUF	FC

Company	Location	Nominal capital 2015	Nominal capital 2014	Group share % 2015	Group share % 2014	Currency ¹⁾	Consolidation type ¹⁾
CEE Property-Invest Kft.	H, Budapest	100,000,000	100,000,000	100	100	HUF	FC
Maros utca Kft.	H, Budapest	3,000,000	3,000,000	100	100	HUF	FC
BUDA Kft.	H, Budapest	3,000,000	3,000,000	100	100	HUF	FC
Duna Szálloda Zrt.	H, Budapest	5,000,000	5,000,000	100	100	HUF	FC
City Center Irodaház Kft.	H, Budapest	44,370,000	98,600,000	100	100	HUF	FC
Szegedi út Kft.	H, Budapest	3,000,000	3,000,000	100	100	HUF	FC
Nagymező Kft.	H, Budapest	462,590,000	462,590,000	100	100	HUF	FC
CEE Property-Invest Hungary 2003 Kft.	H, Budapest	3,000,000	3,000,000	100	100	HUF	FC
S IMMO APM Hungary Kft.	H, Budapest	20,000,000	N/A	100	N/A	HUF	FC
SOCIETATE DEZVOLTARE COMERCIAL SUDULUI (SDCS) SRL.	RO, Bucharest	334,676,390	245,756,390	100	100	RON	FC
VICTORIEI BUSINESS PLAZZA SRL	RO, Bucharest	18,852,144	18,852,144	100	100	RON	FC
DUAL CONSTRUCT INVEST SRL	RO, Bucharest	2,000	2,000	100	100	RON	FC
ROTER INVESTITII IMOBILIARE SRL	RO, Bucharest	4,472,020	4,472,020	100	100	RON	FC
CII CENTRAL INVESTMENTS IMMOBILIARE SRL	RO, Bucharest	1,816,000	1,816,000	47	47	RON	E
Galvániho Business Centrum, s.r.o.	SK, Bratislava	6,639	6,639	100	100	EUR	FC
GALVÁNIHO 2, s.r.o.	SK, Bratislava	6,639	6,639	100	100	EUR	FC
IPD International Property Development, s.r.o.	SK, Bratislava	33,194	33,194	100	100	EUR	FC
SIAG Fachmarktzentren, s.r.o.	SK, Bratislava	6,639	6,639	100	100	EUR	FC
SIAG Hotel Bratislava, s.r.o.	SK, Bratislava	6,639	6,639	100	100	EUR	FC
GALVÁNIHO 4, s.r.o.	SK, Bratislava	33,195	33,195	100	100	EUR	FC
EUROCENTER d.o.o.	HR, Zagreb	20,000	20,000	100	100	HRK	FC

¹⁾ In the financial year 2015, there were no changes compared to the financial year 2014.

The following subsidiaries are not fully consolidated due to immateriality. They had a book value of kEUR 157 as at 31 December 2015 (31 December 2014: kEUR 211). The non-consolidated subsidiaries include aptus Immobilien GmbH, Berlin, Germany (nominal capital kEUR 25, Group share 100%), Einkaufs-Center Sofia Verwaltungs G.m.b.H., Hamburg, Germany (nominal capital kEUR 25, Group share 65%), SIAG Multipurpose s.r.o., Bratislava, Slovakia (nominal capital kEUR 7, Group share 100%), S IMMO Property Drei GmbH, Vienna, Austria (nominal capital kEUR 35, Group share 100%) and S IMMO Berlin I GmbH, Berlin, Germany (nominal capital kEUR 25, Group share 100%).

2.3. Reporting currency and currency translation

The Group's reporting currency is the euro. The functional currency of individual Group companies is determined by the economic environment in which they operate.

For those Group companies for which the local currency is equivalent to the functional currency, functional currencies are translated into the reporting currency in accordance with IAS 21 as follows:

- Assets and liabilities at the closing rate
- Income and expenses at the average rate for the period
- Equity at historical rates
- All resulting exchange differences are recognised in the foreign currency translation reserve under equity.

Foreign currencies have been translated using the following exchange rates:

	Czech Republic CZK	Hungary HUF	Bulgaria BGN	Romania RON	Croatia HRK
At the closing rate 31 December 2015	27.023	315.980	1.956	4.524	7.638
Average price rate in 2015	27.305	310.045	1.956	4.444	7.621
At the closing rate 31 December 2014	27.735	315.540	1.956	4.483	7.658
Average price rate in 2014	27.542	308.987	1.956	4.441	7.634

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date or, in the case of revaluations, on the valuation date. Gains and losses resulting from the settlement of such transactions or from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate prevailing on the balance sheet date are recognised in the income statement.

2.4. New mandatory accounting regulations

2.4.1. New standards and interpretations

The following new or amended Standards and Interpretations were applied for the first time in 2015.

■ IAS 19 “Employee Benefits” and amendment to “Defined Benefit Plans: Employee Contributions”: IAS 19 stipulates that employee contributions, which are established in the formal terms of a defined benefit plan and are related to employee services, are to be attributed to the periods of service as a negative benefit. This requirement complies with the projected unit credit method, i.e. the projection of – in this case, negative – benefits and their allocation to the vesting periods. While it was common practice to consider employee contributions in the amount paid into the pension obligation before the current version of IAS 19 came into effect, it may be necessary to perform highly complex calculations when applying the current version. In view of the adjustment now published and applicable from February 2015, it is permissible to continue recognising employee contributions associated with employee services, which are not linked to the number of years of service, in the period in which the corresponding service was provided, without complying with the calculation and allocation method described when using the projected unit credit method. The adjustment has no impact on existing and future financial statements.

■ The annual improvements from the 2010–2012 cycle were adopted by the EU in December 2014 and may be applied from 01 February 2015. The amendments pertain to IFRS 2 “Share-based Payment”, IFRS 3 “Business Combinations”, IFRS 8 “Operating Segments”, IFRS 13 “Fair Value Measurement”, IAS 7 “Statement of Cash Flows”, IAS 16 “Property, Plant and Equipment”, IAS 38 “Intangible Assets” and IAS 24 “Related Party Disclosures”. The amended standards had no material effects on the recognition and measurement methods of the existing consolidated financial statements.

■ The annual improvements from the 2011–2013 cycle were adopted by the EU in December 2014 and must be applied from 01 January 2015. The amendments pertain to IFRS 1 “First-time Adoption of IFRS”, IFRS 3 “Business Combinations”, IFRS 13 “Fair Value Measurement” and IAS 40 “Investment Property”. The amended standards had no material effects on the recognition and measurement methods of the existing consolidated financial statements.

2.4.2. New standards not yet required to be applied at the balance sheet date

There are several new and amended standards and interpretations that were neither compulsory in the 2015 financial year nor applied in these financial statements.

■ IFRS 9 “Financial Instruments” deals with the classification, recognition and measurement of financial assets and financial liabilities. The complete version of IFRS 9 was published in July 2014. This standard replaces the sections of IAS 39 “Financial Instruments: Recognition and Measurement” that deal with the classification and measurement of financial instruments. IFRS 9 retains a simplified mixed measurement model and defines principal measurement categories for financial assets: measurement at amortised cost, measurement at fair value through profit or loss, and measurement at fair value through other comprehensive income. The classification is directly contingent upon the business model of the reporting entity and upon the characteristics of the contractual cash flows of the financial asset. Shares in equity instruments must be measured at fair value, with value changes being recognised in profit or loss. Alternatively, an entity can irrevocably opt upon initial recognition of the equity instruments to recognise value changes in other comprehensive income (with no later reclassification to profit or loss for the period). In addition, this standard includes a new impairment model based on expected losses (expected credit losses model), which replaces the previous impairment model used in IAS 39 (incurred loss model). For financial liabilities, most of the requirements defined in IAS 39 have been retained. The main change is that in cases where an entity has opted to measure financial liabilities at fair value, changes in fair value related to own credit risk are recognised in other comprehensive income rather than in profit or loss. IFRS 9 loosens the hedge effectiveness requirements by eliminating the previous, narrow restrictions and replacing them with new rules. The Group will apply IFRS 9 at the latest in the financial year starting on 01 January 2018. The effects of IFRS 9 are currently being assessed.

■ The amendment to IFRS 11 “Joint Arrangements” deals with the recognition of the acquisition of shares in a joint operation that constitutes a business as defined in IFRS 3 “Business Combinations”. According to this amendment, the acquiring party must follow the guidelines for the recognition of business combinations according to IFRS 3 and must comply with the corresponding disclosure obligations. The amendment must be applied beginning on 01 January 2016. The amendment was

adopted by the EU on 24 November 2015. At the present time, the Group does not expect the initial application to have any material effects.

■ The amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” pertain to the clarification of permissible depreciation and amortisation methods under IAS 16 and IAS 38. The amendment relates to the application of revenue-based depreciation and amortisation methods. The revenue-based method is not an appropriate depreciation or amortisation method because this method reflects the pattern of the generation of future economic benefits, and not the pattern of the consumption of future economic benefits. The clarification applies to financial years beginning on or after 01 January 2016 and was adopted by the EU on 02 December 2015. This will have no material effects on future consolidated financial statements.

■ Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture: Bearer Plants”. The amendment states that bearer plants must be recognised in the same manner as property, plant and equipment under IAS 16. The amendment was adopted by the EU on 23 November 2015. The change to these biological assets will have no effects on the consolidated financial statements of S IMMO AG and applies starting on 01 January 2016.

■ The improvement to IAS 27 “Equity Method in Separate Financial Statements” once again allows the application of the equity method of recognition for shares in subsidiaries, joint ventures and associated companies. The existing options for measurement at the cost of acquisition or according to IAS 39/IFRS 9 will be retained. The amendments were adopted by the EU on 18 December 2015. The amendments must be applied to financial years beginning on or after 01 January 2016.

■ The amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” regarding “Sales or Contributions of Assets between an Investor and its Associate/Joint Venture” specify that the entire gain or loss from a transaction may be recognised only if the sold or contributed assets constitute a business as defined in IFRS 3. Otherwise, the gain or loss may only be recognised on a pro rata basis. The EU has deferred the endorsement process. At the present time, the Group does not expect the initial application to have any material effects.

■ The amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception” clarify issues relating to the application of the investment entities exception according to IFRS 10 when the parent company meets the definition of an investment entity. For example, parent companies can apply the consolidation exception when the intermediate parent company fulfils the definition criteria for an investment entity and when it recognises its subsidiaries at their fair value. In addition, an investment entity must recognise all subsidiaries that meet the definition of an investment entity at their fair value, even if the subsidiaries render services that relate to the parent’s investment activities. The amendment also specifies that an investment entity that recognises all of its subsidiaries at their fair value must make the disclosures relating to investment entities required by IFRS 12. The amendments must be applied beginning on 01 January 2016. At the present time, the Group does not expect the initial application to have any material effects.

■ IFRS 14 “Regulatory Deferral Accounts” permits an entity which is a first-time adopter to continue to account for regulatory deferral account balances according to its previous accounting standards, subject to some limited changes. Regulatory deferral account balances and changes in them must be presented separately. Specific disclosures are required. IFRS 14 must be applied starting on 01 January 2016. At the present time, the Group does not expect the initial application to have any material effects.

■ IFRS 15 “Revenue from Contracts with Customers” deals with when and in what amount revenues must be recognised. The objective of the standard is to create guidelines that assist entities in reporting and in providing information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for financial years starting on or after 01 January 2018. The effects on the consolidated financial statements are currently being analysed.

■ The disclosure initiative brought amendments to IAS 1 “Presentation of Financial Statements”. The amendments must be applied to financial years beginning on or after 01 January 2016 and were adopted by the EU on 18 December 2015. For example, it was clarified that materiality applies to the entire financial statements and that companies should apply professional judgement in determining the order in which the information is presented.

■ The annual improvements from the 2012–2014 cycle apply for financial years beginning on or after 01 January 2016. They pertain to IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, IFRS 7 “Financial Instruments: Disclosures”, IAS 19 “Employee Benefits” and IAS 34 “Interim Financial Reporting”. The improvements were adopted by the EU on 15 December 2015. The Group does not expect the changes resulting from IAS 1 and from the annual improvements to have any material effects.

■ In the context of its disclosure initiative, the IASB has published amendments to IAS 7 “Statement of Cash Flows”. The amendments are intended to improve information on changes to a company’s debt. According to these amendments, a company must disclose changes in the financial liabilities for which outgoing and incoming payments are reported in the statement of cash flows under cash flow from financing activities. The IASB publication stipulates that the amendments must be applied to financial years beginning on or after 01 January 2017.

■ The amendments to IAS 12 “Income Taxes” provide clarification on the matter of applying deferred tax assets to temporary differences from unrealised losses. Subject to the forthcoming incorporation in EU law, the amendments must be applied compulsorily for the first time in financial years beginning on or after 01 January 2017.

■ The IASB published the standard IFRS 16 “Leases” on 13 January 2016. As a general rule, the lessee should include all leases and the associated contractual rights and obligations in the balance sheet. By contrast, for the lessor, the regulations of the new standard are similar to the previous provisions of IAS 17. The new regulations must be applied to financial years beginning on or after 01 January 2019.

2.5. Changes in accounting and valuation policies

Apart from the new standards described under 2.4.1. there were no changes in accounting and valuation policies or in the presentation of the financial statements in the financial year 2015.

2.6. Accounting and valuation policies

2.6.1. Properties held as financial investments

It is industry practice to measure investment properties using the fair value model, under the option available in IAS 40. Investment properties are properties leased or rented out for the purpose of generating income or held for capital appreciation, together with undeveloped land. Properties acquired for disposal, used by the Group or sold after development do not fall under the scope of IAS 40.

The application of the fair value model means that rental properties and undeveloped land are measured at fair value at the balance sheet date. The resulting changes in book values before revaluation are recognised as a profit or loss under revaluations.

Properties are recognised as assets of the company in question, in the relevant functional currency.

The diversity of the properties to which the fair value model is applied necessitates a careful choice of appropriate valuation models and different parameters for each individual property, so that factors such as location, use type, market environment, building quality, etc. are taken into account.

Subsequent costs for the expansion, partial replacement or maintenance of the property are capitalised to the extent that they represent the replacement of parts of a property unit according to the component approach and provided that the costs can be reliably measured. Costs are also capitalised when the expenditure results in increased future benefits and the costs can be reliably measured. The capitalised costs are not subject to scheduled depreciation because no scheduled depreciation is applied in general pursuant to the fair value model selected according to IAS 40.

Where construction finance can be directly associated with these properties, the borrowing costs of qualifying properties during the period of construction are capitalised as part of acquisition and construction cost.

2.6.2. Inventories

Properties held for sale in the ordinary course of business are not subject to IAS 40, but are to be treated as inventories under IAS 2. Properties held for sale are recognised at cost of acquisition or construction and subsequently measured at the lower of cost or net realisable value. The net realisable value is the estimated proceeds of sale less the estimated costs of com-

pletion and the estimated selling costs. The net realisable value is recalculated in every subsequent period. The costs of acquisition or construction include not only the direct costs of acquisition but also incidental and other costs.

2.6.3. Owner-operated properties, other plant and equipment

Owner-operated properties consist of hotels operated by S IMMO Group. The business of these hotels includes the rental of rooms and catering activities. These hotels are operated under management agreements for the most part, and consequently the risks associated with occupancy rates are borne by S IMMO Group. Hotels of this kind are outside the scope of IAS 40 (investment properties) and are therefore to be treated as tangible non-current assets under IAS 16.

Under IAS 16, owner-operated properties (including owner-managed hotels) and other non-current tangible assets are valued using the cost model. The properties are recognised on initial capitalisation at costs of acquisition or construction and written down in subsequent years to reflect scheduled depreciation and any impairment losses (please refer to section 2.6.6.1. of the notes).

Retroactive acquisition or construction costs are only recognised as part of the acquisition or construction costs of an asset or, if applicable, as a separate asset when it is probable that the Group will receive an economic benefit from the asset in the future and the costs can be reliably measured. The carrying value of the parts that were replaced is derecognised. Repair and maintenance expenses that do not represent a material replacement investment (day-to-day servicing) are recognised as expenses in the income statement in the financial year in which they are incurred.

Gains and losses on disposals of tangible non-current assets are measured as the difference between the disposal proceeds and the carrying values and in the case of properties are reported under gains on property disposals.

Where construction finance can be directly associated with these properties, the borrowing costs of qualifying properties during the period of construction are capitalised as part of acquisition and construction cost.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

	Useful life in years	
	from	to
Owner-operated hotels/ buildings	10	30
Other property, plant and equipment/machinery and equipment	3	10

2.6.4. Intangible assets

Intangible assets for the purpose of IAS 38 are identifiable non-monetary assets without physical substance. To qualify for recognition, an intangible asset must be identifiable and be under the control of the entity. It must be probable that the entity will receive future economic benefits from the asset and its cost must be capable of being measured reliably.

Intangible assets with a limited useful life are subject to scheduled amortisation, calculated on the basis of the following useful lives:

	Useful life in years	
	from	to
Software	3	6

As required under IAS 36, the book values are also reviewed for impairment.

Intangible assets acquired for consideration are recognised at acquisition cost less scheduled straight-line amortisation and provision for any impairment losses.

S IMMO Group has not capitalised any internally generated intangible assets.

2.6.5. Financial instruments

2.6.5.1. Primary financial instruments

In accordance with IAS 39, S IMMO Group as a general rule classifies its financial instruments as follows:

- Financial assets and liabilities measurable at fair value through profit or loss
- Loans and receivables
- Financial assets held to maturity
- Available for sale financial assets
- Financial liabilities at amortised cost

Classification is based on the purpose for which the individual instrument is acquired and takes place at the time of acquisition.

S IMMO Group as a general rule classifies financial instruments into the following categories:

- Group interests
- Trade receivables
- Loans to companies measured at equity
- Other financial assets
- Cash and cash equivalents
- Subordinated participating certificate capital
- Issued bonds
- Other financial liabilities (non-current)
- Current financial liabilities
- Trade payables

The category *financial instruments and liabilities measurable at fair value through profit or loss* includes financial instruments held for trading purposes, financial instruments classified as such at the time of acquisition and all derivative financial instruments except those serving as hedges.

The assets classified under *loans and receivables* are financial instruments with fixed or determinable payment flows not traded in an active market. This category mainly includes trade receivables and other financial assets. Where their remaining maturities are less than 12 months, they are disclosed under *current assets*, and otherwise under *non-current assets*.

Financial assets with fixed or determinable payment flows are disclosed under *financial assets held to maturity*.

Available for sale financial assets comprise all financial assets not included in any of the above categories or deliberately classified as available for sale. These financial instruments are disclosed as non-current assets unless it is Management's intention to dispose of them within the next 12 months.

Financial instruments for which a fair value cannot be reliably determined are recognised at the cost of acquisition less any impairment.

The category *financial liabilities at amortised cost* comprises trade payables and other financial liabilities.

Additions to and disposals of financial instruments are recognised as of the applicable settlement dates. Financial assets in all categories are measured at fair value at the time of acquisition and – with the exception of those recognised at fair value through profit or loss – including transaction costs.

The other financial liabilities are measured at amortised cost.

The fair value of stock market listed financial instruments is their market price at the balance sheet date. For financial assets for which there is no active market, the fair value is calculated with the aid of valuation models. This can involve the derivation of fair value from current transactions in similar financial instruments or from present values of future payment streams (discounted cash flow models), or the use of mathematical models.

2.6.5.2. Derivatives

S IMMO Group always uses derivative financial instruments – interest rate caps, collars and swaps – to reduce the risks attendant on interest rate increases. No collars were in use as at the reporting date. The derivative financial instruments are measured at fair value. To a limited extent, corresponding adjustments on CVAs (Credit Value Adjustment) and DVAs (Debit Value Adjustment) have been taken into account in the valuation of derivatives. The fair value measurement of derivatives is based on estimates made by external experts.

S IMMO Group's business purpose includes the acquisition and development of property for rental or subsequent sale with the aim of generating positive net cash flows. Business activities are financed through equity, and also through long-term borrowings in the form of mortgage loans and other financial liabilities. The

bulk of the external financing consists of variable-rate borrowings, with interest rates linked to the 3-month or 6-month Euribor as the base rate.

S IMMO Group's fundamental risk management strategy is to hedge interest rate risk (i.e., the variability of the base rate) using offsetting hedges, in order to ensure fixed payment streams and to make property project forecasts more reliable. The purpose of cash flow hedging at S IMMO Group is to reduce the risk on existing variable-rate loans, future reinvested funds and transactions expected to be very probable in the future (forecast transactions) by using offsetting derivatives. Cash flow hedging arrangements are used for this purpose.

Hedged risk

The hedged interest rate risk is a market interest rate, the Euribor, which is an identifiable component of the interest rate risk on interest-bearing financial liabilities that can be separately assessed.

Hedging instruments

S IMMO Group uses as hedging instruments only derivatives that, because they move in the opposite direction of the underlying transactions, convert the potential changes in cash flows, in particular from increases in interest rates, into fixed payment streams. The hedging instruments used are interest rate derivatives such as interest rate swaps, caps and collars. The effective portion of the change in fair value of these derivatives is recognised not through profit or loss but under other comprehensive income, the ineffective portion is recognised through profit or loss as part of the financing results. For the non-linear interest rate options used as hedges, only the inner value is designated as a hedge. The fair value, as ineffective, is recognised in the income statement as part of the financing costs. For the collars, care is taken to ensure that there is no net short position.

The changes in the valuation of cash flow hedges recognised under equity are transferred to the income statement in the period in which the hedged underlying transaction affects profit or loss or when the requirements for recognition as a cash flow hedge are no longer met. In the financial year 2015, derivative valuation effects of kEUR 5,945 (2014: KEUR 4,692) were reclassified from equity to the income statement according to the provisions of IAS 39.

In order to meet the requirements for hedge accounting, at the time of the derivative transaction S IMMO Group documents the hedging relationship between the hedging instrument and the underlying transaction, the goals of its risk management and the underlying hedging strategy. The effectiveness of the hedge is regularly assessed using both a priori and a posteriori tests.

2.6.6. Impairment of assets

2.6.6.1. Non-financial assets

For properties used by the owner (at present these are hotels) and for other tangible assets and intangible assets where there is evidence of impairment, the recoverable amount is ascertained in accordance with IAS 36. The recoverable amount is the higher of the fair value less costs to sell (net realisable value) and the value in use.

The fair value is the amount that would be obtained by the sale of the asset in an arm's length transaction between knowledgeable, willing and independent parties.

The value in use is the present value of the estimated future payment flows that can be expected from the continued use of an asset and its disposal at the end of its useful life.

If the recoverable amount is less than the carrying value of the asset, an impairment write-down is applied to the recoverable amount through profit or loss.

The impairment test for hotels is a two-stage process. The carrying value is first compared with the independent assessment of the hotel's fair value. If the carrying value exceeds the fair value, the question is then whether the value in use differs substantially from the fair value. If this is not the case, then the carrying value is written down to correspond to the fair value.

If the impairment subsequently disappears, the impairment loss is reversed through profit or loss, up to the lower of the new recoverable amount or the depreciated original cost of acquisition or construction. The Group had no such reversals of impairment losses in 2015 or the previous year.

2.6.6.2. Financial instruments

S IMMO Group reviews all its financial assets, with the exception of those measured at fair value through profit or loss, at every balance sheet date for any objective indications that any asset or group of assets may have suffered impairment.

For debt instruments of all kinds except those measured at fair value through profit or loss, an impairment is recognised if, as a result of one or more events occurring after the initial recognition of the asset, there is objective evidence that S IMMO Group will no longer be in a position to collect the payments relating to the asset. The amount of the impairment is calculated as the difference between the carrying value of the financial asset and the present value of the future cash flows, calculated using the original rate of interest on the asset. A subsequent disappearance of the factors causing the impairment and a recovery in value entails a reversal of the impairment loss.

Trade receivables

Where there are objective indications that individual receivables cannot be recovered in full, provisions are raised for the amounts expected to be irrecoverable. General provisions for doubtful individual debts are made on the basis of experience. S IMMO Group generally adjusts receivables overdue by more than three months by 50% or 90%, and receivables overdue by more than one year by 100%.

The outstanding balances are constantly monitored by the responsible asset managers, so that appropriate measures can be taken in good time.

2.6.7. Other assets

Other assets are measured at cost less any impairment losses, which are recognised through profit or loss.

2.6.8. Cash and cash equivalents

Cash and cash equivalents comprise cash and sight deposits together with bank deposits with a maturity of up to three months at the time of the original deposit.

2.6.9. Properties held for sale

Property held for sale is not considered to be investment property within the scope of IAS 40 but is treated as held for sale if the corresponding carrying value will be realised by sale and not by continuing use. This means that the corresponding long-term assets and disposal groups in their present condition are available for immediate sale and that a sale is very likely. For property to be considered as held for sale, the sale must be concluded within a year of the property being classified as such.

In accordance with IFRS 5, property held for sale is as a general rule measured at the lower of carrying value and net realisable value.

IFRS 5 provides for an exception with respect to the measurement of properties held as financial investments: They are measured at market value. However, the special disclosure requirements under IFRS 5 are applicable, so that properties held for sale must be shown under current assets.

The Group did not intend to dispose of any property at the end of the reporting period (31 December 2015). The book value of the properties held for sale as at 31 December 2015 amounted to kEUR 0 (2014: kEUR 42,845).

2.6.10. Other provisions

Other provisions are made where S IMMO Group has legal or constructive obligations to other parties arising from past events, where it is probable that the obligation will lead to an outflow of resources and where the amount of the obligation can be estimated reliably.

Provisions are made in the amounts representing the best possible estimates of the expense of meeting the obligations. Where the present value of the provision calculated using a market rate of interest differs materially from the nominal value, the present value is recognised.

Appropriate provisions have been made for unresolved legal disputes and other legal proceedings.

A provision is made for onerous contracts (provision for project and transaction risks) when the expected revenues from a contract are exceeded by the unavoidable costs of meeting the obligations under the contract. The amount of the provision is the lower of the cost of withdrawing from the contract and the net cost of completing it. Before separate provision is made for an onerous contract, impairments on assets connected with the contract are recognised.

2.6.11. Taxes

The individual companies in the Group raise liabilities both for current tax liabilities and for deferred taxes.

In accordance with IAS 12, deferred taxes are recognised on all temporary differences between the carrying value of an asset or liability in the consolidated financial statements and the carrying value for tax purposes in the individual accounts of the Group's subsidiaries. Deferred tax liabilities on the property portfolio have been provided for in full, and even if under appropriate conditions – for example, in the case of a share deal – it would be possible that disposals would be treated as not being subject to taxes on income. Countervailing deferred tax assets on loss carryforwards are recognised to the extent that Management believes they will be realisable. Deferred tax assets on loss carryforwards are as a general rule recognised up to the amounts of deferred tax liabilities. Beyond that limit, deferred taxes are recognised on the basis of tax planning with a planning horizon of five to seven years. Deferred taxes are calculated using the applicable tax rates at the balance sheet date, or where changes in tax law have already been adopted, at the rates applicable in future.

Deferred tax assets and deferred tax liabilities within an individual company are only netted off where the company in question has a legally enforceable right to set tax assets and liabilities against each other, and where the deferred taxes relate to taxes on income assessable by the same tax authority on the same company or where there is a right of set-off within a tax group, as in Austria.

2.6.12. Leasing

The determination as to whether an agreement constitutes or contains a lease is based on the economic substance of the agreement at the inception – whether fulfilment of the agreement depends on the use of a given asset and whether the agreement confers a right of use for the asset. Under IAS 17, allocation of the lease to the lessor or lessee depends on where the risks and rewards of ownership lie.

A lease is classified as a finance lease if it substantially transfers all the risks and rewards incident to the ownership of an asset. For finance leases, assets and liabilities are initially recognised at the lower of fair value and the present value of the minimum lease payments. The asset is depreciated on a straight-line basis over the expected useful life or the term of the agreement, if shorter. The minimum lease payments are divided between financing costs and capital repayments. Financing costs must be spread over the lifetime of the lease so as to achieve a constant rate of interest on the outstanding capital balances. Properties from finance leasing are recognised at fair value pursuant to IAS 40.

With operating leases, economic ownership remains with the lessor, and the lease payments are as a general rule divided proportionately over the term of the lease and recognised as expense.

2.6.13. Revenues**2.6.13.1. Rental income**

Rental income is recognised evenly over the term of the rental agreement. One-time payments and waivers of rent as well as any other kind of rental incentive are spread over the lifetime of rental agreements (according to SIC 15).

2.6.13.2. Revenues from hotel operations

Revenues from hotel operations consist largely of room rental income and catering income. Income is recognised in proportion to the services rendered until the balance sheet date.

2.6.13.3. Income and costs from financial instruments

Income from financial instruments includes interest, dividends and capital gains from the investment of funds and from investments in financial assets, together with reversals of impairment losses. Dividends are recognised at the time the resolution authorising the dividend distribution is passed.

Financial expenses include interest and similar expenses on external borrowings, incidental costs, losses on the disposal of financial assets, impairment losses, current hedging results and exchange rate gains and losses on the valuation of monetary assets and liabilities at the individual company level.

Interest is accrued using the effective interest rate method.

The valuation of derivatives reflects gains and losses on the disposal or revaluation of interest caps, collars and swaps, which have not been recognised in equity and are shown in the income statement as part of the financial results.

Where applicable, short-term exchange gains or losses on the valuation of financial instruments are disclosed here.

2.7. Hierarchy of fair value measurement

The following analysis classifies financial instruments measured at fair value on the basis of the method of valuation. A hierarchy consisting of three levels has been defined for this purpose:

Level 1:	Quoted prices for similar assets or liabilities listed on an active market (without adjustment)
Level 2:	Market inputs for assets or liabilities that are observable either directly (e.g. prices) or indirectly (e.g. derived from prices) other than Level 1 inputs
Level 3:	Inputs for assets or liabilities not based on observable market data

31 December 2015

EUR '000	Level 1	Level 2	Level 3	Total
Properties held as financial investments				
Rental properties	0	0	1,826,403	1,826,403
Properties under development and undeveloped land	0	0	16,201	16,201
Other financial assets				
Derivatives	0	3,937	0	3,937
Financial liabilities				
Derivatives	0	-28,316	0	-28,316

31 December 2014

EUR '000	Level 1	Level 2	Level 3	Total
Properties held as financial investments				
Rental properties	0	0	1,587,063	1,587,063
Properties under development and undeveloped land	0	0	14,452	14,452
Other financial assets				
Derivatives	0	8	0	8
Financial liabilities				
Derivatives	0	-61,133	0	-61,133

2.8. Estimation and assumption uncertainties

The preparation of consolidated financial statements in accordance with IFRS requires estimates and assumptions by Management about future developments. These can have a material influence on the recognition and measurement of assets and liabilities, on information about other obligations at the balance sheet date and on disclosure of income and expenses during the financial year.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Estimates and underlying assumptions are subject to ongoing review. Actual outcomes may differ from the assumptions and estimates made if developments in the business environment turn out differently than expected. Changes are reflected in profit or loss as soon as the altered circumstances become known, and the assumptions are adjusted accordingly.

The following assumptions entail a not insignificant risk that they may result in a material adjustment of assets and liabilities in the next financial year:

2.8.1. Properties held as financial investments

The calculation of the fair value of properties held as financial investments was based on expert valuations by internationally recognised valuers such as CBRE, Colliers International, EHL and Dr. Heinz Muhr. The valuations were prepared in compliance with International Valuation Standards. The values of these properties depend to a significant extent on present estimates of future rental trends and vacancy levels, and on the interest rates used for discounting purposes. Properties held as financial assets had a carrying value of kEUR 1,842,604 (31 December 2014: kEUR 1,601,515).

2.8.1.1. Valuation methods in connection with properties held as financial investments

The following measurement methods were used in calculating hierarchy level 3 fair values: net income approach, discounted cash flow method (DCF method), investment method, residual value method and sales comparison approach.

The net income approach uses the following key input factors for the measurement: adjusted sustainable rent, total operating costs, remaining useful life, capitalisation rate and land value.

The discounted cash flow method works with the following key input factors: net rental income, discount rate, capitalisation rate and incidental acquisition costs.

The investment method calculates the fair value on the basis of the current rental, capitalisation rate and estimated rental value.

The residual value method is based on investment considerations and calculates the residual value that remains when the property is sold, taking account of construction and development costs. The project costs include construction costs, ancillary construction costs, a percentage for contingencies, interest during construction and marketing costs.

In the sales comparison approach, purchase prices that can actually be achieved for comparable properties are included as comparative values. Differing characteristics of the properties to be compared are taken into account in the form of premiums or discounts on the value.

Measurement of fair value on the basis of unobservable inputs (hierarchy level 3)

Different valuation methods were used in the various segments. In Austria, the fair value of kEUR 533,339 was in the majority of cases calculated using the net income approach, while in Germany, mainly the fair value of kEUR 648,290 was calculated using the DCF method. In Central Europe, the DCF method, the net income approach, the investment method and the residual value method were used to calculate the fair value of kEUR 294,579. In Southeastern Europe, the fair value of kEUR 366,396 was calculated using the DCF method, the investment method, the sales comparison approach and the residual value method.

The significant parameters per segment and valuation method applied are as follows:

	Book value as at 31 December 2015 EUR '000	Valuation method	Input factors	Range ¹⁾
Austria	533,339	Capitalised earnings method	Capitalisation rate	3.00% to 6.00%
			Remaining useful life	11 to 65 years
		Sales comparison approach	Comparative value	224.08 or 298.78 EUR/m ²
Germany	648,290	Discounted cash flow	Capitalisation rate	3.00% to 7.75%
			Discount rate	4.50% to 8.50%
		Residual value method	Capitalisation rate	6.50%
			Construction costs	1,200.00 or 1,451.00 EUR/m ²
Central Europe	294,579	Discounted cash flow	Capitalisation rate	7.25% to 8.00%
			Discount rate	7.00% to 8.00%
		Investment method	Capitalisation rate	8.00% to 9.50%
			Discount rate	8.00% to 9.50%
		Capitalised earnings method	Capitalisation rate	4.32% to 7.80%
			Remaining useful life	31 to 43 years
		Residual value method	Capitalisation rate	5.30%
			Construction costs	EUR 1,150.00/m ²
Southeastern Europe	366,396	Discounted cash flow	Capitalisation rate	7.25% to 9.25%
			Discount rate	8.25% to 10.25%
		Investment method	Capitalisation rate	7.75%
		Sales comparison approach	Average comparative value	EUR 41.23/m ²
		Residual value method	Capitalisation rate	8.00%
			Construction costs	EUR 1,250.00/m ²

¹⁾ Across all categories of use

Overview of the average rental yields

in % *)	31 December 2015	31 December 2014
Austria	5.8	6.1
Germany	5.4	6.1
Central Europe	7.5	7.6
Southeastern Europe	9.3	8.6
	6.7	6.9

*) The ratio of generated annual rent at the fair value of the property assets. The calculation includes investment properties for which no development potential has currently been identified. With regard to additions in the course of the year, the rent is annualised.

A reduction in the expected annual rentals leads to a reduction in the fair value, as does an increase in discount and capitalisation rates. There are interdependencies between the rates, because these are partly based on market values.

The expert valuations are carried out once a year by independent, professional experts for the purpose of preparing the annual financial statements as at 31 December. The professional experts are provided with the necessary information, such as current rentals, by the company's Asset Management department. The market assumptions and valuation methods used in preparing the expert valuations are agreed with the Group's appointed professional experts.

2.8.1.2. Information on non-observable input factors underlying valuation (Level 3)

The following tables show the sensitivity of the fair value of rented properties held as financial investments to changes in sustainable rental yields and interest rates:

Change in sustainable rent

EUR '000	2015			2014		
	-10%	Output value	+10%	-10%	Output value	+10%
Austria	477,295	533,339	589,619	439,325	491,159	543,165
Germany	582,489	648,290	712,137	404,110	451,207	497,100
Central Europe	261,415	289,378	318,133	256,144	281,098	307,672
Southeastern Europe	315,271	355,396	395,026	322,969	363,599	404,140
	1,636,470	1,826,403	2,014,915	1,422,548	1,587,063	1,752,077

Change in interest rate

EUR '000	2015			2014		
	-10%	Output value	+10%	-10%	Output value	+10%
Austria	577,270	533,339	494,517	531,405	491,159	455,884
Germany	730,387	648,290	581,159	511,730	451,207	402,860
Central Europe	317,014	289,378	266,402	307,892	281,098	258,274
Southeastern Europe	397,626	355,396	320,798	407,045	363,599	328,200
	2,022,297	1,826,403	1,662,876	1,758,072	1,587,063	1,445,218

2.8.2. Intangible assets and property, plant and equipment

Estimates of the long-term value of tangible and intangible assets are based on assumptions about the future. The calculation of recoverable amounts for the purpose of impairment tests is based on several assumptions, for example, about future net cash flows and discount rates. The book value of intangible assets amounted to kEUR 210 (31 December 2014: kEUR 168), that of other non-current assets to kEUR 5,165 (31 December 2014: kEUR 6,408). Owner-operated properties had a book value of kEUR 118,044 (31 December 2014: kEUR 119,999).

2.8.3. Financial instruments

In estimating the value of financial instruments (in particular, derivatives) for which no active market exists, alternative valuation methods based on investment mathematics are employed.

The parameters on which estimates of fair value are based depend in part on assumptions about the future. The book values of financial instruments are detailed in note 5.1.

2.8.3.1. Valuation of derivatives

S IMMO Group's derivative financial instruments are measured at fair value. The fair values of the swaps or caps are determined using a discounted cash flow method according to IFRS 13. The future payment flows are determined by means of interest modelling using the Hull White one-factor model, specifically using a Monte Carlo simulation. The model is calibrated using swaption and caplet volatilities. The material input parameters are determined for the reporting date. They consist of the specified euro interest yield curve, historical Euribor fixings and caplet and swaption volatility matrices. Market data are obtained from Thomson Reuters and Bloomberg.

CVA/DVA are considered for all existing OTC derivatives, with the exception of derivatives that are secured by property together with the designated loan under the terms of the respective credit agreement. For this, credit spreads were first determined to estimate the probability of default. Then, the share of the default risk was estimated on the basis of theoretical considerations and extrapolated for multiple maturities using an approximate formula to generate a kind of CDS spread curve. Based on materiality considerations, the calculation method described

above was not used for OTC derivatives that are secured by property together with the designated loans under the terms of the respective credit agreements.

2.8.3.2. Derivatives – sensitivity analysis

The fair values of the derivatives change as follows when the interest rates shift by +100 BPS or -50 BPS. In contrast to the previous year, presentation with a negative interest rates shift is also carried out on the basis of the existing interest rate conditions.

		31 December 2015			
		Nominal	Fair value before interest rates shift	Change EUR '000	Change in %
+100 BPS					
EUR '000					
Swaps		480,820	-27,385	33,025	120.59
Caps		214,740	3,007	2,594	86.27
Total		695,560	-24,378	35,619	

		31 December 2015			
		Nominal	Fair value before interest rates shift	Change EUR '000	Change in %
-50 BPS					
EUR '000					
Swaps		480,820	-27,385	-16,941	-61.86
Caps		214,740	3,007	-957	-31.83
Total		695,560	-24,378	-17,898	

		31 December 2015			
		Nominal	Fair value before interest rates shift	Change EUR '000	Change in %
+100 BPS					
EUR '000					
Swaps		470,060	-54,455	15,109	21.51
Collars		100,000	-5,868	1,262	27.75
Total		570,060	-60,323	16,371	

No information was provided about the change in the fair values of the caps in the previous year due to their immateriality at that time.

2.8.4. Deferred tax liabilities

The recognition of deferred tax assets for tax loss carryforwards is based on the assumption that taxable income earned in the future will be sufficient to enable existing loss carryforwards to be utilised. Deferred tax assets for tax loss carryforwards of kEUR 35,224 (31 December 2014: kEUR 32,134) have been recognised. Further information on deferred taxes can be found in note 3.15.

2.8.5. Post-employment benefit obligations

The actuarial computation of entitlements to pension and severance benefits and long-service bonuses requires assumptions about various parameters. The following tables show the sensitivity of the significant assumptions:

Starting value

EUR '000	2015			2014		
	-0.50%	Output value	+0.50%	-0.50%	Output value	+0.50%
Pensions	1,534	1,421	1,319	1,563	1,436	1,323
Severance payments	726	706	688	556	537	518
Long-service bonuses	511	484	459	477	452	429

Change in value

EUR '000	2015			2014		
	-0.20%	Output value	+0.20%	-0.20%	Output value	+0.20%
Pensions	1,408	1,421	1,434	1,422	1,436	1,451
Severance payments	700	706	714	530	537	544
Long-service bonuses	474	484	493	443	452	461

2.8.6. Obligations arising from liabilities not included in the consolidated statement of financial position

Obligations arising from sureties, guarantees and similar liabilities not included in the consolidated statement of financial position are regularly reviewed to ensure that they are not required to be recognised and included.

3. Notes on the consolidated statement of financial position and consolidated income statement

3.1. Statement of financial position

3.1.1. Properties held as financial investments

EUR '000	Rental properties	Properties under development and undeveloped land
As at 01 January 2014	1,580,311	16,677
Additions	6,279	928
Disposals	-8,845	-3,010
Other changes	-4,532	0
Changes in fair value (realised through profit or loss)	56,695	-143
Reclassifications as properties held for sale	-42,845	0
As at 31 December 2014	1,587,063	14,452
whereof pledged as security	1,516,780	0
Additions	159,189	1,323
Disposals	0	0
Other changes	-969	0
Changes in fair value (realised through profit or loss)	84,420	426
Reclassifications as properties held for sale	-3,300	0
As at 31 December 2015	1,826,403	16,201
whereof pledged as security	1,651,819	0

The value of the other changes in the amount of kEUR -969 (31 December 2014: kEUR -4,532) consists primarily of retro-active acquisition cost reductions.

Additions by country were as follows

Rental properties

EUR '000	31 December 2015	31 December 2014
Austria	30,575	2,187
Germany	123,999	431
Central Europe	3,127	2,700
Southeastern Europe	1,488	961
	159,189	6,279

Properties under development and undeveloped land

EUR '000	31 December 2015	31 December 2014
Austria	0	0
Germany	0	0
Central Europe	185	106
Southeastern Europe	1,138	822
	1,323	928

Consisting of

Rental properties

EUR '000	31 December 2015	31 December 2014
Austria	533,339	491,159
Germany	648,290	451,207
Central Europe	289,378	281,098
Southeastern Europe	355,396	363,599
	1,826,403	1,587,063

The measurement of the fair value of rental properties totalling kEUR 1,826,403 in the financial year 2015 was based on hierarchy level 3.

Properties under development and undeveloped land

EUR '000	31 December 2015	31 December 2014
Austria	0	0
Germany	0	0
Central Europe	5,200	4,150
Southeastern Europe	11,001	10,302
	16,201	14,452

The measurement of the fair value of development projects and undeveloped land totalling kEUR 16,201 in the financial year 2015 was based on hierarchy level 3.

Purchasing obligations for properties in the amount of kEUR 5,350 result from the purchasing contracts concluded in the financial year 2015.

S IMMO capitalises borrowing costs that also serve the purpose of acquiring, purchasing or manufacturing a qualifying asset if the qualifying asset is measured at fair value. Capitalising borrowing costs in accordance with IAS 23 was immaterial in the 2015 financial year, as in the 2014 financial year.

3.1.2. Owner-operated properties, other plant and equipment and intangible assets

Changes in the acquisition costs of owner-operated properties, other plant and equipment and intangible assets were as follows:

EUR '000	Owner-operated properties	Other plant and equipment	Intangible assets	Total
Costs of acquisition as at 01 January 2014	174,322	19,552	617	194,491
Currency translation	0	-584	-102	-686
Additions	5,359	1,447	151	6,957
Disposals	0	-461	-48	-509
As at 31 December 2014	179,681	19,954	618	200,253
Currency translation	0	-13	-2	-15
Additions	3,759	691	149	4,599
Disposals	0	-6,092	-20	-6,112
As at 31 December 2015	183,440	14,540	745	198,725

The development in the accumulated depreciation and amortisation of owner-operated properties, other plant and equipment and intangible assets was as follows:

EUR '000	Owner-operated properties	Other plant and equipment	Intangible assets	Total
Accumulated depreciation and amortisation as at 01 January 2014	54,305	12,105	478	66,888
Currency translation	0	-536	-99	-635
Depreciation and amortisation	5,377	2,177	81	7,635
Disposals	0	-200	-10	-210
As at 31 December 2014	59,682	13,546	450	73,678
Currency translation	0	-20	-3	-23
Depreciation and amortisation	5,714	1,877	104	7,695
Disposals	0	-6,028	-16	-6,044
As at 31 December 2015	65,396	9,375	535	75,306
Book value as at 01 January 2014	120,017	7,447	139	127,603
Book value as at 31 December 2014	119,999	6,408	168	126,575
Book value as at 31 December 2015	118,044	5,165	210	123,419

3.1.3. Interests in companies measured at equity

The book value of the companies measured at equity came to kEUR 5.112 as at 31 December 2015 (31 December 2014: kEUR 8,021). The companies recognised according to the equity method are shown in the table depicting the scope of consoli-

dation in section 2.2. These are companies that either hold or develop properties.

The companies recognised according to the equity method were valued as follows on the reporting date:

Associated companies

EUR '000	31 December 2015			31 December 2014		
	of which AT	of which SEE		of which AT	of which SEE	
Non-current assets	66,570	31,157	35,413	52,964	16,722	36,242
Current assets	5,000	4,629	371	10,360	10,123	237
Non-current liabilities	54,866	22,757	32,109	32,896	0	32,896
Current liabilities	462	311	151	6,273	6,016	257
Net assets	16,242	12,718	3,524	24,155	20,829	3,326
Group interest in net assets	5,112	3,456	1,656	8,022	6,459	1,563

EUR '000	2015			2014		
	of which AT	of which SEE		of which AT	of which SEE	
Revenues	5,550	2,528	3,022	5,432	2,421	3,011
Net income for the period	10,706	9,730	976	2,814	1,870	944
Group share of the profit for the period	3,610	3,151	459	831	387	444

Joint ventures

EUR '000	31 December 2015		31 December 2014	
	2015	of which SEE	2014	of which SEE
Non-current assets	2,996	2,996	2,954	2,954
Current assets	10	10	7	7
Non-current liabilities	4,152	4,152	4,103	4,103
Current liabilities	7	7	0	0
Net assets	-1,153	-1,153	-1,142	-1,142
Group interest in net assets	-577	-577	-571	-571

EUR '000	2015		2014	
	2015	of which SEE	2014	of which SEE
Revenues	0	0	0	0
Net income for the period	-11	-11	-12	-12
Group share of the profit for the period	-6	-6	-6	-6

In the financial year 2015, there were proportional losses from companies included at equity amounting to kEUR 6 (2014: kEUR 6) that were not recognised. A cumulative total of kEUR 582 (2014: kEUR 576) was not realised as losses for companies measured at equity.

Loans to associated companies amounted to kEUR 6,230 (2014: kEUR 0) as at 31 December 2015.

3.1.4. Other accounts receivable

The book value of non-current accounts receivable corresponds to the time value in essence.

3.1.5. Inventories

Inventories essentially consist of one freehold apartment (in Austria) and are measured at cost of acquisition and construction. The net realisable value of inventories exceeds their book value.

3.1.6. Trade receivables and other accounts receivable

Trade receivables include rents receivable from tenants less any specific provisions required. These consist mainly of provisions against receivables in SEE of kEUR 15,362 (2014: kEUR 16,313) and in CEE of kEUR 1,160 (2014: kEUR 300). As in 2013, there were no other impairments that had to be recognised. There is

not a concentration of credit risk because the Group generally has a large number of customers (particularly tenants) in the countries in which it operates.

The book value of current accounts receivable corresponds to the time value in essence.

3.1.6.1. Changes in provisions

Provisions for trade receivables developed as follows:

EUR '000	2015	2014
As at 01 January	17,791	16,066
Utilisation	-101	-177
Reversal	-2,554	-2,159
Increased	2,264	4,061
As at 31 December	17,400	17,791

Potential tenants are generally subject to a credit check. Tenants in the shopping centres and in the properties let as hotels include internationally active chains.

3.1.6.2. Receivables – maturities

The non-adjusted but due claims have the following maturities:

EUR '000	2015		2014	
	Trade receivables	Other financial assets	Trade receivables	Other financial assets
Less than 3 months past due	1,855	86	1,016	26
3 to 12 months past due	826	0	165	0
Over 1 year past due	58	0	112	0
Total	2,739	86	1,293	26

3.1.6.3. Other current financial assets

EUR '000	31 December 2015	31 December 2014
Property management agent clearing accounts	1,420	1,556
Receivables from property disposals and property holding companies	1,260	887
Deposits	691	1,356
Finance receivables	692	294
Present value of rental guarantee	0	277
Accrued interest rate caps	0	8
Other assets	1,142	1,856
	5,205	6,234

3.1.7. Other assets

The other assets of kEUR 8,843 (31 December 2014: kEUR 9,107) consisted mainly of prepaid expenses, tax receivables and prepayments.

3.1.8. Cash and cash equivalents

EUR '000	31 December 2015	31 December 2014
Bank balances	50,437	74,511
Cash in hand	247	186
	50,684	74,697

3.1.9. Properties held for sale

EUR '000	Austria	Germany	Total
As at 01 January 2014	0	39,550	39,550
Reclassification	34,865	7,980	42,845
Disposals	0	-39,550	-39,550
As at 31 December 2014	34,865	7,980	42,845
Reclassification	0	0	0
Disposals	-34,865	-7,980	-42,845
As at 31 December 2015	0	0	0

3.1.10. Equity

The nominal capital of the Group's parent company amounted to kEUR 243,144 (2014: kEUR 243,144) and is fully paid up. In the financial year 2015, no shares were cancelled, while in the financial year 2013 a total of 1,201,539 shares were cancelled.

On 15 December 2014, a further share repurchase programme was launched, which expired on 31 December 2015. In the financial year 2015, 88,503 shares were repurchased at a total price of kEUR 642 and in the financial year 2014, 96,500 shares were repurchased at a total price of kEUR 536.

The Management Board is authorised to issue convertible bonds conferring the right of conversion and/or subscription to up to 34,059,359 bearer shares in the company representing up to kEUR 123,755 of the share capital of the company in one or more tranches and with or without an exclusion of subscription

rights until 1 June 2017, with the approval of the Supervisory Board. These shares will be issued against cash or equivalent contributions. The share capital is conditionally increased pursuant to para 159 (2) 1 AktG by up to kEUR 123,755 through the issue of up to 34,059,359 common bearer shares (authorised but unissued capital). The Management Board is authorised to increase the share capital by up to kEUR 123,755 through the issue of new bearer shares against cash contributions or contributions in kind (authorised capital).

Details of share capital

EUR '000	2015	2014
Total share capital	243,144	243,144
Treasury shares (nominal)	-691	-368
	242,453	242,775

Changes in number of shares

	2015	2014
Number of shares as at 01 January	66,815,679	66,912,179
Repurchase of own shares	-88,503	-96,500
Issue of new shares	0	0
Treasury shares sold	0	0
Issued share capital at 31 December	66,727,176	66,815,679

The shares are listed in the Prime Market segment of the Vienna Stock Exchange.

The nominal share capital is divided into 66,917,179 ordinary bearer shares that are fully paid up and have no par value.

The bearer shares confer on the shareholders the usual rights provided for under the Austrian Stock Corporation Act (AktG). These include the right of a dividend payment approved by the Annual General Meeting and the right to vote at the Annual General Meeting.

The capital reserves of kEUR 72,030 (31 December 2014: kEUR 72,350) are restricted reserves in the meaning of section 229 (5) Austrian Commercial Code (UGB).

The other reserves of kEUR 345,673 (31 December 2014: kEUR 283,580) shown in the statement of changes in consolidated equity consist mainly of reversed capital reserves together with accumulated retained earnings. The foreign currency reserve of kEUR -16,536 (31 December 2014: kEUR -16,473) is made up of the currency translation differences in accordance with IAS 21. The hedge accounting reserve of kEUR -20,356 (31 December 2014: kEUR -26,835) comprises the measurement differences on cash flow hedges recognised under equity.

Additional information on capital management

S IMMO Group manages its capital with the aim of maximising its returns by optimising the relationship between equity and debt. At the same time, care is taken to ensure that all Group companies can operate on a going concern basis.

The Group's capital consists of bank and financial liabilities including bonds, equity provided by the shareholders in the parent company and subordinated participating certificates, which are described in more detail in note 3.1.12. There are no provisions in the articles of incorporation concerning the capital structure.

The equity attributable to the shareholders of the parent company consists of the shares in circulation, capital and other reserves and the consolidated net profit, as shown in the statement of changes in consolidated equity.

The capital structure is constantly monitored, and the costs of capital and the risks associated with each type of capital are taken into account. The Group will continue to optimise the capital structure by issuing and repaying debt and issuing and repurchasing shares as appropriate.

The Group is not managed according to individual parameters. However, the equity ratio is not allowed to fall significantly below 30% over the long term. Capital management at S IMMO changed during the reporting period in that bonds were issued once again.

3.1.11. Non-controlling interests

The minority interests of kEUR 23,331 (31 December 2014: kEUR 25,855) primarily relate to Einkaufscenter Sofia G.m.b.H. & Co KG (35% interest). As at 31 December 2015, Einkaufscenter Sofia G.m.b.H. & Co KG reported equity of kEUR 61,157 (31 December 2014: kEUR 68,964) and annual net loss of kEUR -3,651 (2014: annual net income kEUR 7,653). The disposals in the amount of kEUR 1,879 (2014: kEUR 2,086) shown in the statement of changes in consolidated equity are due primarily to distributions.

3.1.12. Subordinated participating certificate capital

The terms of the agreement for S IMMO INVEST participating certificates were changed retroactively with effect from 01 January 2007 and the S IMMO INVEST Participating Certificates Fund was dissolved (resolution of the meeting of the holders of the participating certificates on 11 June 2007 and resolution of the Annual General Meeting on 12 June 2007).

Under the amended agreement, the holders of the participating certificates receive an annual income entitlement (interest) calculated as follows:

$$\frac{\text{(Participating certificate capital + Profit brought forward)} \times \text{Consolidated EBIT}}{\text{Average property portfolio (not including development projects)}}$$

To the extent that the interest under the terms of the Participating Certificates Agreement is not paid out, it is added to the profit carried forward into the next year.

For the financial year 2015, the profit for the year was kEUR 4,452 (2014: kEUR 6,905).

As at 31 December 2015, there were 630,779 participating certificates in circulation. The total entitlements of participating certificate holders as of that date were EUR 88.72 (2014: EUR 84.50) per certificate, which break down as follows:

EUR '000	Participating certificate capital	Profit brought forward	Profit for the period	Share of undisclosed reserves on property portfolio	Total
Participating certificates capital 01 January 2015	82,166			1,608	83,774
Profit brought forward 01 January 2015		4,860			4,860
Income entitlements of participating certificate holders from 2014			6,905		6,905
Distribution 22 May 2015			-1,960		-1,960
Change in profit brought forward pursuant to Clause 5 (6), Participating Certificates Agreement		4,945	-4,945		0
Repurchase and retirement of 499,902 participating certificates	-36,328	-5,134		-711	-42,173
Income entitlements of participating certificate holders			4,452		4,452
Allocation of undisclosed reserves on property portfolio				101	101
Participating certificates capital as at 31 December 2015	45,839	4,671	4,452	998	55,959
Per participating certificate (EUR)	72.67	7.41	7.06	1.58	88.72

Value for 2014:

EUR '000	Participating certificate capital	Profit brought forward	Profit for the period	Share of undisclosed reserves on property portfolio	Total
Participating certificates capital 01 January 2014	167,704			2,099	169,803
Profit brought forward 01 January 2014		7,632			7,632
Income entitlements of participating certificate holders from 2013			9,211		9,211
Distribution 28 April 2014			-6,842		-6,842
Change in profit brought forward pursuant to Clause 5 (6), Participating Certificates Agreement		2,368	-2,368		0
Repurchase and retirement of 1,177,066 participating certificates	-85,537	-5,141		-1,071	-91,749
Income entitlements of participating certificate holders			6,905		6,905
Allocation of undisclosed reserves on property portfolio				580	580
Participating certificates capital as at 31 December 2014	82,166	4,860	6,905	1,608	95,539
Per participating certificate (EUR)	72.67	4.30	6.11	1.42	84.50

The participating certificates mature on 31 December 2029. With effect from 31 December 2017, both the holders and the company may annually give notice of redemption of the participating certificates in whole or in part.

Due to the exchange of participating certificates for a bond or the acceptance of a cash offer as described in section 3.1.13., the result attributable to the sum of liabilities arising from the participating certificates continued to decline substantially in the 2015 financial year. On 31 December 2015, the participating certificate tranche with the ISIN AT0000795737 was listed at a price of EUR 85.00 per certificate; the tranche with the ISIN AT0000630694 was listed at a price of EUR 85.00 per certificate, which translates to a fair value of kEUR 53,616.

3.1.13. Issued bonds

In June 2014, S IMMO AG issued a bond (ISIN AT0000A177D2) with a total nominal value of kEUR 89,739.5. The bond is divided into 179,479 units with a nominal value of EUR 500, and was issued in exchange for participating certificates. At the beginning of October 2014, S IMMO AG issued a bond (ISIN AT0000A19SB5) with a total nominal value of kEUR 100,000

divided into 200,000 shares with a nominal value of EUR 500 each.

In April 2015, S IMMO AG issued two more bonds. The bond with the ISIN AT0000A1DBM5 followed a voluntary public offer pursuant to section 4 et seqq. Austrian Takeover Act (ÜbG) issued in March 2015 to the holders of the S IMMO INVEST participating certificates with the ISIN AT0000795737 and the ISIN AT0000630694 for the purchase of these participating certificates by way of an alternative exchange and cash offer. A total of 401,312 participating certificates were exchanged for a bond from the company, and 74,457 participating certificates were submitted for the cash offer. The bond with the ISIN AT0000A1DBM5 was issued with a total nominal value of kEUR 33,993.5, broken down into 67,987 shares with a nominal value of EUR 500 each. The exchange of the participating certificates for the bond was recognised according to IAS 39.40. Also in April 2015, S IMMO AG issued a further bond (ISIN AT0000A1DWK5) with a total nominal value of kEUR 65,000 divided into 130,000 shares with a nominal value of EUR 500 each. Taking into account the issue costs to be offset, this resulted in an increase in bond liabilities of kEUR 33,666 and kEUR 64,640 during the reporting period.

The following table shows key data of the issued corporate bonds:

ISIN	Total nominal value EUR '000	Coupon	Effective interest rate	Maturity	Market price as at 31 December 2015
AT0000A177D2	89,739.5	4.50%	4.66%	16 June 2021	110.55
AT0000A19SB5	100,000	3.00%	3.13%	02 October 2019	106.00
AT0000A1DBM5	33,993.5	3.25%	3.36%	08 April 2025	102.00
AT0000A1DWK5	65,000	3.25%	3.31%	20 April 2027	105.00

All of the bonds are listed in the Corporates Prime segment of the Vienna Stock Exchange. The market value of the bond liabilities as at 31 December 2015 is kEUR 308,130 according to the stock exchange listing.

3.1.14. Provisions

The non-current provisions developed as follows:

EUR '000	As at 01 January 2015	Accumulation	Reclassification	Reversal	Increased	As at 31 December 2015
Project and transaction risks	1,553	75	0	-9	0	1,619
Employee provisions	1,900	0	0	0	129	2,029
	3,453	75	0	-9	129	3,648

The provision for project and transaction risks relates to risks in respect of projects currently being carried out.

The employee provisions as at 31 December 2015 include provisions for pension entitlements of kEUR 839 (31 December 2014: kEUR 912), provisions for severance benefits of kEUR 706 (31 December 2014: kEUR 537) and provisions for long-service entitlements of kEUR 484 (31 December 2014: kEUR 452). The following parameters were taken as a basis for the actuarial calculation:

	31 December 2015	31 December 2014
Actuarial interest rate	1.50% to 2.50%	1.85%
Expected raise in salaries	1.50% to 2.58%	1.50% to 2.58%
Blanket fluctuation allowance	7.00% to 22.36%	7.00% to 22.36%

Please refer to section 2.8.5. of the notes for information about the sensitivity of assumptions for the calculation of post-employment, termination and anniversary benefits.

The present values of pension, severance and long-service entitlements developed as follows:

EUR '000	Pension	Severance payment	Anniversary
Present value of obligation at 01 January 2014	1,093	468	354
Current service costs	56	19	64
Interest expense	36	15	11
Payments	0	0	-35
Remeasurement of benefit obligations	251	35	58
Present value of obligation at 31 December 2014	1,436	537	452
Plan assets at 31 December 2014	524	0	0
Provisions at 31 December 2014	912	537	452
Present value of obligation at 01 January 2015	1,436	537	452
Current service costs	69	46	81
Interest expense	27	9	8
Payments	0	-42	-35
Remeasurement of benefit obligations	-111	156	-22
Present value of obligation at 31 December 2015	1,421	706	484
Plan assets at 31 December 2015	582	0	0
Provisions at 31 December 2015	839	706	484

The obligation to form a provision for severance benefits is based on labour law. For persons whose employment started before 01 January 2003, S IMMO Group is required under the statutory provisions to make a one-time severance payment to any employee whose employment is terminated by the employer or who reaches the age of retirement while employed. The benefit entitlements are dependent on the number of years of service and the level of remuneration at the time the

entitlement arises, and amount to between two and 12 months' salary. The pension obligations shown at the balance sheet date relate to current staff. Payments for Group employees are made to an external pension fund. The plan assets resulting from these contributions amounted to kEUR 582 as at 31 December 2015 (31 December 2014: kEUR 524).

The current provisions developed in the financial year 2015 as follows:

EUR '000	As at 01 January 2015	Reclassification	Reversal	Utilised	Increased	As at 31 December 2015
Project and transaction risks	300	0	-300	0	0	0
Other provisions	454	0	-93	-6	40	395
	754	0	-393	-6	40	395

The provisions for project and transaction risks consisted essentially of existing projects in Southeastern Europe.

Other provisions include provisions for indemnification costs and legal disputes.

3.1.15. Taxes on income

3.1.15.1. Current and deferred taxes on income

Tax expense was made up as follows:

EUR '000	2015	2014
Current taxes	1,091	-5,162
Deferred tax liabilities	-36,095	-20,520
	-35,004	-25,682

Taxes on income comprise income tax on the taxable income of the individual companies included in consolidation for the financial year, adjustments to prior years' tax and changes in deferred taxes.

The reconciliation of income tax at the standard rate to the income tax disclosed in the financial statements is as follows:

EUR '000	01 – 12/2015	01 – 12/2014
Net income before tax	112,253	59,522
Income tax expense at the standard Austrian tax rate of 25%	-28,063	-14,881
Effects of differing foreign tax rates	3,575	3,127
Taxable appreciation of interests and loans	-3,098	-12,162
Taxes from previous years	-3,883	-3,367
Decreases relating to non-deductible expenses	2,662	2,908
Increases relating to non-deductible expenses	-6,197	-1,307
Tax expense as disclosed	-35,004	-25,682
Effective tax rate	31.18%	43.15%

3.1.15.2. Deferred tax liabilities

In accordance with IAS 12, the provision for deferred taxation is calculated using the balance sheet liability method: Deferred tax must be provided for all temporary differences between the values for balance sheet purposes in the IFRS consolidated statement of financial position and the current values for tax purposes for the individual companies. Temporary differences can be either:

- *taxable temporary differences*, which will result in taxable amounts in the calculation of taxable income or tax loss in future periods when the book value of the asset is realised or the liability is settled, or
- *deductible temporary differences*, which will result in tax deductible amounts in the calculation of taxable income or tax loss in future periods when the carrying value of the asset is realised or the liability is settled.

As a general principle, a deferred tax asset or liability must be recognised for all taxable temporary differences. There are exceptions for the recognition of goodwill in an initial consolidation or the initial recognition of an asset or liability in a business transaction which is not a business combination and which at the time of the transaction does not affect the profit or loss either under IFRS or for tax purposes.

Temporary differences between values in the IFRS consolidated statement of financial position and the corresponding values for tax purposes had the following effects on deferred taxes as shown in the consolidated statement of financial position:

EUR '000	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Properties	8,045	-149,249	10,395	-120,257
Financial instruments	4,879	-674	13,059	0
Other items	2,935	-3,279	3,006	-2,721
Tax loss carryforward	35,224	0	32,134	0
Subtotal	51,084	-153,202	58,594	-122,978
Netting	-43,564	43,564	-47,822	47,822
Deferred tax assets (+) / liabilities (-)	7,521	-109,639	10,772	-75,156

Of these totals, deferred tax assets of kEUR 5,684 (2014: kEUR 7,301) from derivatives valuation and deferred tax liabilities of kEUR 57 (2014: kEUR 46) from actuarial profits and losses were recognised not through profit or loss but under other comprehensive income in accordance with IAS 19. No deferred tax assets have been recognised for tax loss carryforward totalling kEUR 96,703 (31 December 2014: kEUR 75,496) due to a lack of realisability.

The sum of the taxable temporary differences related to interests in affiliated companies, joint ventures and associated companies for which no deferred taxes are realised under IAS 12.39 amounts to kEUR 164,030 (31 December 2014: kEUR 159,949).

Assuming that the property values were to change uniformly by +/-10% across the portfolio, the deferred property taxes would change as follows under identical book values for tax purposes:

EUR '000	+10%	Output value for deferred taxes in 2015 (offset)	-10%	+10%	Output value for deferred taxes in 2014 (offset)	-10%
Deferred property taxes	179,436	141,204	102,971	144,154	109,862	75,567

In the event of a uniform change in property values by +/-10%, there is a simultaneous change in the applicable deferred taxes on deferred tax assets. The applied deferred tax on loss carryforward of kEUR 35,224 changes to kEUR 36,181 if property values rise by 10%, and to kEUR 33,580 if property values fall by 10%.

3.1.15.3. Measurement

Deferred taxes are calculated on the basis of the tax rates in force or expected to apply in the relevant countries at the time of realisation. Changes in the tax legislation in force or approved at the balance sheet date are taken into account. The tax rates used in calculating deferred taxes were as follows:

EUR '000	Applicable tax rate in 2016	Applicable tax rate in 2015
Austria	25.00%	25.00%
Germany	15.83% or 30.20% ¹⁾	15.83% or 30.80% ¹⁾
Czech Republic	19.00%	19.00%
Slovakia	22.00%	22.00%
Hungary	19.00% ²⁾	19.00% ²⁾
Croatia	20.00%	20.00%
Romania	16.00%	16.00%
Bulgaria	10.00%	10.00%

¹⁾ The tax rate in Germany can vary depending on whether the company is subject to business tax or not.

²⁾ The tax rate in Hungary is progressive: Up to a taxable amount of HUF 500,000,000, the tax rate is 10%, thereafter 19%.

3.2. Income statement

3.2.1. Rental income and revenues from operating costs

Rental income EUR '000	2015	2014
Office	40,281	38,908
Residential property	21,421	20,267
Retail	44,586	44,086
Hotel	5,398	8,584
	111,686	111,845

The rental income and revenues from operating costs result almost entirely from investment properties.

3.2.2. Operating costs and expenses from properties and hotel operations

The expenses presented in the following table are almost exclusively expenses related to investment properties.

EUR '000	2015	2014
Operating costs	-38,493	-38,062
Maintenance expenses	-12,005	-10,877
Write-offs of and provisions on trade receivables	-533	-2,620
Commissions	-1,479	-1,360
Other	-3,331	-3,231
	-55,841	-56,150

Expenses of kEUR 270 were attributable to properties not yet generating income (2014: kEUR 277).

The expenses of hotel operations are largely made up of expenses for food, beverages, catering supplies, hotel rooms, licences and management fees, maintenance, operating costs, commissions, personnel expenses and advertising.

3.2.3. Gains on property disposals

EUR '000	2015	2014
Disposal proceeds		
Properties held as financial investments	0	0
Properties held for sale	15,943	51,587
Inventories	0	0
	15,943	51,587
Book value of property sold		
Properties held as financial investments	0	0
Properties held for sale	-15,938	-51,407
Inventories	0	0
	-15,938	-51,407
Gains on property disposals		
Properties held as financial investments	0	0
Properties held for sale	5	180
Inventories	0	0
	5	180

The properties held for sale include properties that were recognised as held for sale in the interim financial reports.

3.2.4. Management expenses

Management expenses are expenses not directly attributable to properties; they were made up as follows:

EUR '000	2015	2014
Staff costs	-7,665	-6,826
Legal, audit, consulting and estimated costs	-2,719	-3,471
Servicing fees and administration costs	-999	-1,466
Corporate communications and investor relations	-1,426	-1,408
Other taxes and duties	-723	-721
Other	-2,951	-2,158
	-16,483	-16,050

Fees for the Group's auditors for 2015 totalled kEUR 243 (2014: kEUR 370). This amount is divided into the following fields of activity:

EUR '000	2015	2014
Audit of the consolidated financial statements	52	48
Other audit-related services	191	253
Tax consultation services	0	0
Other consultation services	0	69
	243	370

The average number of employees in 2015 was 555 (2014: 516), including hotel staff. Personnel expenses for the hotels are disclosed under hotel operations.

The personnel expenses disclosed here are salaries of the Group's employees other than the hotel staff. The amount also includes performance-related bonuses paid to certain employees under individual agreements.

Defined contribution plans

As required by law, S IMMO Group pays 1.53% of the relevant monthly salaries into an employees' severance pay and pension fund for all employees who joined the Group after 31 December 2002. Personnel expenses included contributions of kEUR 50 (2014: kEUR 48) paid into the fund. For other defined contribution plans, kEUR 108 (2014: kEUR 107) were recognised in profit or loss.

3.2.5. Depreciation and amortisation

This item comprises scheduled and unscheduled depreciation and amortisation on owner-operated properties, other plant and equipment, and intangible assets. Depreciation and amortisation were made up as follows:

EUR '000	2015	2014
Owner-operated properties	-5,714	-5,377
Other plant and equipment	-1,877	-2,177
Intangible assets	-104	-81
	-7,695	-7,635

3.2.6. Results from property valuation

Gains and losses on revaluation include all increases and decreases in value on properties held as financial investments, and were made up as follows:

EUR '000	2015	2014
Changes in fair value		
Increases	124,481	68,561
Reductions	-40,173	-12,759
Others	337	750
	84,645	56,552

In the reporting period, other operating income from property valuations consisted of the change in provisions for project and transaction risks and building cost settlements.

The revaluation result relating to transaction-based revaluation versus carrying value is as follows:

EUR '000	2015	2014
Properties held in the portfolio	84,196	49,541
Properties held for sale	0	4,568
Properties sold	449	2,443
	84,645	56,552

Gains and losses on revaluation break down by region as follows:

EUR '000	2015	2014
Austria	14,736	17,567
Germany	73,079	33,402
Central Europe	6,515	184
Southeastern Europe	-9,685	5,399
	84,645	56,552

3.2.7. Financing result

EUR '000	2015	2014
Bank interest expense (incl. derivatives accounted for)	-33,186	-50,954
Effects arising from hedge accounting and the measurement of derivatives through profit or loss	-7,020	-11,849
Result from foreign exchange differences	-712	-3,360
Bond interest	-9,584	-3,016
Result from the repurchase and collection of participating certificates	-298	-1,338
Other financing and interest expenses	-1,134	-2,587
Bank interest revenue	84	226
Income from equity investments	86	86
Results from companies measured at equity	2,362	924
Other financing and interest income	510	131
	-48,892	-71,737

3.2.8. Earnings per share

The earnings per share ratio compares the consolidated net profit to the average number of shares in circulation during the year.

		2015	2014
Own share in consolidated net profit	EUR '000	78,209	31,016
Average number of shares in issue	Number	66,768,722	66,850,164
Basic earnings	EUR	1.17	0.46
Diluted earnings	EUR	1.17	0.46

Diluted and basic earnings per share are the same, since there are no potentially dilutive financial instruments in issue.

4. Operating segments

An operating segment is defined as having the following characteristics:

- It engages in business activities in which it may earn revenue and incur expenses.
- Its operating results are reported regularly to the enterprise's chief operating decision maker, who uses the information to allocate resources to it and to review its performance.
- Separate financial information is available for the segment.

Based on these characteristics, segmentation occurs by region at S IMMO Group. The four regions selected are as follows.

		Austria	
EUR '000		2015	2014
Rental income		28,458	29,906
Revenues from operating costs		6,501	7,184
Revenues from hotel operations		25,127	24,498
Total revenues		60,086	61,588
Other operating income		653	2,108
Property operating expenses		-9,841	-10,881
Hotel operating expenses		-19,456	-19,329
Gross profit		31,442	33,486
Gains on property disposals		1	0
Management expenses		-9,419	-9,816
EBITDA		22,025	23,670
Depreciation and amortisation		-3,359	-2,849
Results from property valuation		14,736	17,567
EBIT		33,402	38,388
Non-current assets as at 31 December		599,308	549,248
Non-current liabilities (incl. participating certificates in Austria) as at 31 December		611,177	530,028

Austria: This operating segment includes all of the Group's Austrian subsidiaries.

Germany: This operating segment includes the German subsidiaries and also the subsidiaries in Denmark and Austria, which are property ownership companies holding properties in Germany.

Central Europe: This operating segment comprises the subsidiaries in Slovakia, the Czech Republic and Hungary.

Southeastern Europe: This operating segment includes the subsidiaries in Bulgaria, Croatia and Romania.

The segment reporting is based on the internal reporting system for management purposes.

Each segment is operationally independent of the others, since each must take the local market and business environment into account. The Group's CFO has been nominated as the chief operating decision maker with responsibility for segment operations. He is responsible for the allocation of resources to the individual segments and for reviewing their performance. Quarterly management reports are prepared for each operating segment and submitted to the CFO.

In preparing and presenting the segment information, the same accounting and valuation policies are applied as for the consolidated financial statements. The carrying value of the interests in companies that are recognised according to the equity method breaks down to kEUR 3,455 for the segment of Austria (31 December 2014: kEUR 6,458) and kEUR 1,657 for the segment of Southeastern Europe (31 December 2014: kEUR 1,563).

Germany		Central Europe		Southeastern Europe		Total	
2015	2014	2015	2014	2015	2014	2015	2014
30,466	28,153	19,052	20,387	33,710	33,399	111,686	111,845
8,953	8,970	6,382	6,095	11,629	12,293	33,465	34,542
0	0	20,418	17,606	0	0	45,546	42,104
39,419	37,123	45,852	44,088	45,339	45,692	190,697	188,491
1,208	1,725	469	522	1,203	345	3,534	4,700
-21,342	-19,518	-9,736	-8,418	-14,922	-17,333	-55,841	-56,150
0	0	-13,707	-12,015	0	0	-33,164	-31,344
19,285	19,330	22,878	24,177	31,621	28,704	105,226	105,697
4	0	0	180	0	0	5	180
-4,633	-3,371	-1,611	-1,557	-821	-1,306	-16,483	-16,050
14,656	15,959	21,268	22,800	30,800	27,398	88,748	89,827
-113	-124	-3,524	-3,966	-699	-696	-7,695	-7,635
73,079	33,402	6,515	184	-9,685	5,399	84,645	56,552
87,622	49,237	24,258	19,018	20,416	32,101	165,698	138,744
649,842	451,951	354,269	351,121	386,777	395,997	1,990,196	1,748,317
230,496	190,826	204,709	218,364	201,889	205,498	1,248,271	1,144,716

Major customers

Because of the large number of customers, no single customer is responsible for more than 10% of S IMMO Group's total revenues.

5. Other information

5.1. Financial instruments

5.1.1. Categories

S IMMO Group classifies its financial instruments as follows:

31 December 2015 Book values EUR '000	Derivatives	Available for sale	Held to maturity	Loans and receivables	Financial liabilities at amortised cost	Total
Assets						
Non-current assets						
Group interests		777				777
Loans to companies measured at equity				6,230		6,230
Other financial assets	3,937		381	215		4,533
Current assets						
Trade receivables				10,984		10,984
Other financial assets				5,205		5,205
Cash and cash equivalents				50,684		50,684
Total assets	3,937	777	381	73,318	0	78,413
Equity and liabilities						
Non-current liabilities						
Subordinated participating certificate capital					55,959	55,959
Issued bonds					286,935	286,935
Other financial liabilities	19,243				772,819	792,062
thereof finance leasing					3,978	
Current liabilities						
Financial liabilities ¹⁾	9,073				123,409	132,482
thereof finance leasing					11,259	
Trade payables					6,502	6,502
Total equity and liabilities	28,316	0	0	0	1,245,624	1,273,940

¹⁾ including bond interest accrued

31 December 2014 Book values EUR '000	Derivatives	Available for sale	Held to maturity	Loans and receivables	Financial liabilities at amortised cost	Total
Assets						
Non-current assets						
Group interests		834				834
Other financial assets				600		600
Current assets						
Trade receivables				12,078		12,078
Other financial assets	8			6,226		6,234
Cash and cash equivalents		0		74,697		74,697
Total assets	8	834	0	93,601	0	94,443
Equity and liabilities						
Non-current liabilities						
Subordinated participating certificate capital					95,539	95,539
Issued bonds					188,367	188,367
Other financial liabilities	61,133				721,057	782,190
thereof finance leasing					15,236	
Current liabilities						
Financial liabilities ¹⁾					122,992	122,992
thereof finance leasing					3,923	
Trade payables					6,444	6,444
Total equity and liabilities	61,133	0	0	0	1,134,399	1,195,532

The bond liabilities had a fair value of kEUR 308,130 as at 31 December 2015 (31 December 2014: kEUR 203,038). The fair value of the participating certificate liabilities as at 31 December 2015 is kEUR 53,616 (31 December 2014: kEUR 91,585). The book values indicated for the other financial liabilities largely correspond to the fair values.

The individual categories of financial instruments recognised in the income statement can be assigned as follows:

EUR '000	2015		2014	
	Current financial result	Valuation effects	Current financial result	Valuation effects
Derivatives	-11,800	-7,020	-25,747	-11,849
Available for sale	86		86	
Loans and receivables		-533		-2,620
Financial liabilities at amortised cost	-35,523		-35,579	

The amounts for exchange rate differences were incurred as costs for financial liabilities at amortised cost amounting to kEUR 749 (2014: kEUR 3,076).

5.1.2. Derivatives

The company generally uses swaps, caps and collars to manage the interest rate risk in connection with variable-rate property financing. In some cases, interest rate derivatives are

concluded for individual projects, and in other cases large volume derivatives are used for financing agreements for a number of individual projects.

Derivatives disclosed under other current and non-current financial assets (kEUR 3,937; 31 December 2014: kEUR 8) and under non-current and current financial liabilities (kEUR 28,316; 31 December 2014: kEUR 61,133).

EUR '000	31 December 2015				31 December 2014			
	Nominal	Positive fair value	Negative fair value	Maturity	Nominal	Positive fair value	Negative fair value	Maturity
Swaps	50,000	0	-9,073	< 1 year	0	0	0	< 1 year
	120,820	0	-11,099	1 – 5 years	383,560	0	-44,102	1 – 5 years
	310,000	359	-7,573	> 5 years	86,500	0	-10,353	> 5 years
Caps	0	0	0	< 1 year	19,500	3	0	< 1 year
	44,740	1	-571	1 – 5 years	47,020	2	-810	1 – 5 years
	170,000	3,577	0	> 5 years	25,000	3	0	> 5 years
Collars	0	0	0	1 – 5 years	100,000	0	-5,868	1 – 5 years
Total	695,560	3,937	-28,316		661,580	8	-61,133	

5.2. Risk management

5.2.1. Exchange and interest rate risk

Since S IMMO Group's rental contracts are mostly linked to the euro and almost all of its loans are denominated in euro, the exchange rate risk is considered to be low.

At 31 December 2015, around 81% (31 December 2014: 82%) of the Group's credit portfolio consisted of variable-rate loans and roughly 19% (31 December 2014: 18%) were fixed-rate loans. The current and non-current financial liabilities include fixed-rate loans in the amount of kEUR 166,364 (31 December 2014: kEUR 152,781). Of the variable-rate loans, roughly 90% are based on the three-month Euribor with quarterly adjustment (31 December 2014: approx. 90%), roughly 9% on the six-month

Euribor with bi-annual adjustment (31 December 2014: approx. 10%) and roughly 1% on the one-month Euribor (31 December 2014: 0%). In the 2014 and 2015 financial years, the company issued fixed-rate bonds. More details can be found in section 3.1.13.

The variable-rate loans are protected with hedging instruments such as caps and swaps.

The stress test (based on the variable- and fixed-rate financial liabilities as at 31 December 2015) shows that increases in the base rate (Euribor) have only a small effect on the Group's financing costs. For example, a 100 BPS increase in the Euribor increases financing costs by only 22 BPS.

Stress test as at 31 December 2015

Stress test (parallel shift of the interest rate curve)	Three-month Euribor	Cost of funding	Difference cost of funding	Interest sensitivity
Interest rates shift +400 BPS	3.96%	4.09%	62 BPS	16%
Interest rates shift +300 BPS	2.96%	4.03%	57 BPS	19%
Interest rates shift +200 BPS	1.96%	3.89%	43 BPS	21%
Interest rates shift +100 BPS	0.96%	3.68%	22 BPS	22%
Interest rates shift +50 BPS	0.46%	3.56%	10 BPS	20%
Interest rates shift -50 BPS	-0.54%	3.51%	4 BPS	-8%

Stress test as at 31 December 2014

Stress test (parallel shift of the interest rate curve)	Three-month Euribor	Cost of funding	Difference cost of funding	Interest sensitivity
Interest rates shift +400 BPS	4.08%	5.28%	52 BPS	13%
Interest rates shift +300 BPS	3.08%	5.11%	35 BPS	12%
Interest rates shift +200 BPS	2.08%	4.99%	23 BPS	12%
Interest rates shift +100 BPS	1.08%	4.88%	12 BPS	12%
Interest rates shift +50 BPS	0.58%	4.82%	6 BPS	13%

5.2.2. Liquidity and lender risks

S IMMO Group manages liquidity and lender risks actively. As part of managing and monitoring liquidity, all maturities are subject to continual review, and appropriate adjustments are made as part of the rolling budget process if necessary. In order to minimise liquidity risks, the Group ensures that a balanced relationship is maintained between the amounts of loans and the market values of the individual properties.

In 2015, the loan to value ratio for secured financing amounted to 44% (2014: 48%) and for unsecured financing to 17% (2014: 12%). To keep lender risks to a minimum, S IMMO Group works with a total of 21 different, well-known financial institutions in Austria and Germany.

	Share in liabilities to banks
Erste Group	26%
Savings banks	12%
Other Austrian banks	28%
Insurance	21%
German banks	13%

Maturity analysis of financial liabilities

The maturities of the undiscounted payment flows for future periods are as follows:

31 December 2015

EUR '000	Subordinated participating certificate capital	Issued bonds	Other financial liabilities ¹⁾	Trade payables
Remaining maturity less than 1 year	0	10,256	155,783	6,502
Remaining maturity between 1 and 5 years	55,959	138,022	598,087	0
Remaining maturity over 5 years	0	213,083	280,412	0

¹⁾ Thereof finance leasing less than 1 year: kEUR 4,109, between 1 and 5 years: kEUR 8,797, over 5 years: kEUR 2,749

31 December 2014

EUR '000	Subordinated participating certificate capital	Issued bonds	Other financial liabilities ¹⁾	Trade payables
Remaining maturity less than 1 year	0	7,038	161,172	6,444
Remaining maturity between 1 and 5 years	95,539	128,153	480,684	0
Remaining maturity over 5 years	0	97,816	376,093	0

¹⁾ Thereof finance leasing less than 1 year: kEUR 4,120, between 1 and 5 years: kEUR 10,735, over 5 years: kEUR 4,962

5.2.3. Borrower risks

The amounts disclosed as assets represent the maximum default risk since there are no significant netting agreements.

Provisions are formed for default risks on receivables from tenants and purchasers of properties to the extent that such risks are recognised. The criteria for the formation of these provisions are explained in note 2.6.6.2.

5.3. Rental agreements

The tenancy agreements concluded by S IMMO Group are classified as operating leasing under IFRS. These tenancy agreements are as a rule protected by linking the rents to the euro and to international indices.

Total future minimum leasing payments (nominal value) from operating leasing agreements are as follows:

EUR '000	2015	2014
In the following year	86,187	83,356
For the 4 years following thereafter	227,289	237,216
Over 5 years	120,741	149,941
	434,217	470,513

The planned changes to the accounting for leases according to IFRS are expected to have an immaterial effect on the consolidated financial statements of S IMMO, because this proposed standard will most likely not be applicable to properties that are recognised at fair value according to IAS 40.

5.4. Leasing – Group as lessee

The total of future minimum lease payments from operating leases are as follows:

EUR '000	2015	2014
In the following year	482	475
For the 4 years following thereafter	1,901	1,885
Over 5 years	11,888	12,008
	14,271	14,368

The investment property assets include properties from finance leases in the amount of kEUR 54,050 (2014: kEUR 51,490).

Finance leases are concluded for a term of 10 to 15 years. The interest rates upon which the contracts are based are variable and linked to the three-month Euribor or six-month Euribor.

The obligations from finance leases are shown in the following tables:

EUR '000	In the following year	For the 4 years following thereafter	Over 5 years	31 December 2015
Amount of future minimum lease payments	4,109	8,798	2,749	15,656
Interest amount	131	274	14	419
Present value of minimum lease payments	3,978	8,524	2,735	15,237

EUR '000	In the following year	For the 4 years following thereafter	Over 5 years	31 December 2014
Amount of future minimum lease payments	4,120	10,735	4,962	19,817
Interest amount	197	407	54	658
Present value of minimum lease payments	3,923	10,328	4,908	19,159

5.5. Pending litigation

S IMMO Group was involved in a number of open legal disputes at the balance sheet date. However, the amounts involved were not significant and even in total the amount was not material in the Management's estimation.

5.6. Related party disclosures

For S IMMO Group related parties are as follows:

- S IMMO Group's managing bodies
- Erste Group
- Vienna Insurance Group
- Arealis Liegenschaftsmanagement GmbH
- Associated companies and joint venture companies of the Group

Erste Group and Vienna Insurance Group are S IMMO AG's strategic core shareholders. Arealis Liegenschaftsmanagement GmbH is a joint subsidiary of Erste Group and Vienna Insurance Group.

S IMMO Group's managing bodies are as follows:

S IMMO AG Management Board

Ernst Vejdovsky, Vienna
Friedrich Wachernig, MBA, Vienna

S IMMO AG Supervisory Board

Martin Simhandl, Vienna (Chairman)
Ralf Zeitlberger, Vienna (first deputy chairman)
Franz Kerber, Graz (second deputy chairman)
Andrea Besenhofer, Vienna
Christian Hager, Krems
Erwin Hammerbacher, Vienna
Michael Matlin, MBA, New York
Wilhelm Rasinger, Vienna

The remuneration of the Management Board breaks down as follows:

EUR '000	2015	2014
Fixed	463	453
Variable	334	318
	797	771

In addition to the amounts specified above, other benefits consisted primarily of contributions to pension funds in the amount of kEUR 53 (2014: kEUR 53) and contributions to the staff benefit fund in the amount of kEUR 12 (2014: kEUR 12). The allocable service cost from pension entitlements comes to kEUR 69 (2014: kEUR 56).

In 2015, members of the Supervisory Board received remuneration amounting to kEUR 109 (2014: kEUR 106). Members of subsidiaries' supervisory boards received no remuneration. Neither members of the Management Board nor Supervisory Board members received either loans or advances, and no guarantees have been provided on their behalf.

Erste Group mainly provides S IMMO Group with administrative, intermediary and financial services, while Vienna Insurance Group mostly provides financial and insurance services.

There were the following receivables and payables with Erste Group and Vienna Insurance Group as at 31 December 2015 and as at 31 December 2014:

EUR '000	31 December 2015	31 December 2014
Other receivables	2,038	3,581
Bank balances	25,678	22,199
Receivables	27,716	25,780

Bank balances consist mainly of current account balances at interest rates of up to 0.01%.

EUR '000	31 December 2015	31 December 2014
Non-current bank and financial liabilities	424,715	376,568
Current bank and financial liabilities	63,585	99,715
Trade payables	185	402
Other liabilities	469	906
Liabilities	488,954	477,591

The financial liabilities and liabilities to banks were subject to interest rates of between 0.80% and 6.54% and for the most part had residual maturities of more than 4.5 years.

From 01 January 2014 until 31 December 2014 and from 01 January 2015 until 31 December 2015, the following material expenses were incurred and income generated in connection with Erste Group and Vienna Insurance Group:

EUR '000	2015	2014
Commissions	-33	-149
Management fees	-884	-1,339
Bank loan interest, other financing expenses and charges	-53,085	-34,659
Other expenses	-1,755	-2,741
Expenses	-55,757	-38,888

EUR '000	2015	2014
Rent and revenues from operating costs	650	705
Bank interest	3	66
Other interest income	169	51
Income	822	822

Property management for the majority of the Austrian properties is provided by Arealis Liegenschaftsmanagement GmbH, Vienna, in which Erste Group and Vienna Insurance Group each hold a 50% interest.

A provision for liability risks was formed in the amount of kEUR 1,619 (2014: kEUR 1,553) for a company measured at equity.

Loans were granted to associated companies recognised according to the equity method in the 2015 financial year. As at 31 December 2015, there were receivables of kEUR 6,230 resulting from these loans. Other than this, no transactions were conducted with associated companies or joint ventures that are recognised according to the equity method.

5.7. Significant events after the balance sheet date

In the first quarter of 2016, 18,888 participating certificates were bought back at a price of around kEUR 1,625; no shares were repurchased.

In addition, project approval was issued for The Mark, an office project in Bucharest. On the financing side, there was as also close-out of a swap with a nominal value of EUR 50m.

Vienna, 19 April 2016

The Management Board

Ernst Vejdovszky m.p.

Friedrich Wachernig, MBA m.p.

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of S IMMO AG, Vienna, which comprise the consolidated balance sheet as of 31 December 2015, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year then ended, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements under Section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 generally accepted auditing standards. Those standards require the application of the International Standards on Auditing (ISA) according to which we are to comply with ethical requirements and to plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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, the auditor considers 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 comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2015 and of its financial performance and its cash flows for the fiscal year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 245a UGB.

Comments 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 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 are appropriate.

Vienna, 19 April 2016

PwC Wirtschaftsprüfung GmbH

Peter Pessenlehner m.p.
Austrian Certified Public Accountant

Dear Shareholders,

The year 2015 was very good for the property industry, particularly in Germany and Austria. S IMMO benefited from this positive development, as evidenced by very strong revaluation gains, for instance. The company considerably increased its net income year-on-year in 2015.

Resounding success was also achieved on the capital markets: For instance, the S IMMO share gained an impressive 32.90% in the course of the year, significantly outperforming the ATX and the IATX. Including the dividend, which was increased to EUR 0.24 for the financial year 2014, the total performance for the year came to 36.79%. There is further potential, as the S IMMO share is listed below its book value.

In 2015, S IMMO hedged a further portion of the interest rates on its borrowings on a long-term basis. Two bonds were issued – one with a ten-year term as an exchange offer to holders of S IMMO INVEST participating certificates, and one with a 12-year term. This means that the long-term financing of the company is secured at the low interest rates of 2015.

The Supervisory Board once again advised and assisted S IMMO AG and its Management Board in all the company's undertakings in 2015. In its meetings and the meetings of its committees, the Supervisory Board discharged its duties under the law, the company's articles of incorporation and the Group's internal rules and procedures, advised the Management Board on strategic issues in particular and monitored its activities.

The 26th Annual General Meeting was held on 03 June 2015 at the Hotel Courtyard by Marriott Vienna. The Annual General Meeting unanimously approved the actions of the Supervisory Board and Management Board. In addition, six members of the Supervisory Board were re-elected for the maximum statutory duration until the Annual General Meeting in 2020.

In addition to the Annual General Meeting, five Supervisory Board meetings were held in the reporting period, at which the average attendance of Supervisory Board members was 80%. Only one member was unable to be present at more than half of the meetings of the Supervisory Board. In addition, the Supervisory Board decided on two motions by way of circular resolution.



Martin Simhandl

At the five Supervisory Board meetings, the Supervisory and Management Boards of S IMMO AG discussed the Group's economic situation, its risk and opportunity management, its strategic direction and its business development. The Management Board reported in detail at the meetings on the Group's business affairs and finances as well as on strategic issues.

S IMMO AG has subscribed to the Austrian Code of Corporate Governance since 2007. The voluntary obligations contained in the Code go beyond the statutory requirements applicable to public limited companies and are designed to ensure even greater transparency in reporting.

The Supervisory Board has formed three committees: the Management Board Committee (Remuneration Committee), the Audit Committee and the Working Committee. The duties and composition of the committees are detailed in the corporate governance section of this report starting on page 81.

The Audit Committee met twice in the year under review. Its agenda covered the accounting process and Group auditing activities, the internal control and risk management systems, the audit system and compliance issues.

In preparation for the Supervisory Board's nomination of auditors for the company's individual and consolidated annual financial statements, the Audit Committee reviewed the documentation submitted by PwC Wirtschaftsprüfung GmbH evidencing their authorisation to practise as auditors. A written report confirmed that there were neither grounds for exclusion nor any circumstances that could give rise to concerns about conflicts of interest. A schedule of the total remuneration paid to PwC Wirtschaftsprüfung GmbH by S IMMO AG, itemised by category,

ries of services, was requested and inspected. It was also confirmed that PwC Wirtschaftsprüfung GmbH complies with the legally required quality assurance measures for maintaining audit quality. The Audit Committee reported to the Supervisory Board on the outcomes of its reviews and its findings in these matters. On this basis, the Supervisory Board proposed to the Annual General Meeting the appointment of PwC Wirtschaftsprüfung GmbH as auditors of the company's individual and consolidated annual financial statements for the financial year 2015.

The Audit Committee of the Supervisory Board also accepted the submission of the annual financial statements as at 31 December 2015 by the Management Board, together with the management report and the corporate governance report. In the course of this review, the Management Board's proposal for the distribution of profits was discussed. The Audit Committee also reviewed the consolidated annual financial statements as at 31 December 2015 prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU together with the Group management report. On the basis of its review and discussions, the Audit Committee recommended to the Supervisory Board the acceptance of the company's individual annual financial statements and their adoption in accordance with section 96 para 4 Austrian Stock Corporation Act (AktG) and the acceptance of the Group's consolidated financial statements. The Supervisory Board discussed in detail and reviewed the individual annual financial statements as at 31 December 2015, including the management and corporate governance reports, the consolidated financial statements as at 31 December 2015 prepared in accordance with the International Financial Reporting Standards (IFRS) including the Group management report and the distribution of profits proposed by the Management Board.

The Audit Committee and the Supervisory Board also reviewed and discussed with PwC Wirtschaftsprüfung GmbH the audit reports submitted by PwC Wirtschaftsprüfung GmbH on the individual annual financial statements as at 31 December 2015 including the management report and the consolidated annual financial statements as at 31 December 2015 including the Group management report. No objections were raised by PwC Wirtschaftsprüfung GmbH in the course of their audit of the annual financial statements and the management reports of the company and the Group for the year ended 31 December 2015. PwC Wirtschaftsprüfung GmbH confirmed that the individual annual financial statements as at 31 December 2015 comply with the statutory requirements and give a true and fair view of the assets and finances of S IMMO AG as at 31 December 2015 and of its earnings for the year ended on that date, and are in

accordance with generally accepted Austrian accounting principles. The management report is consistent with the individual annual financial statements as at 31 December 2015. PwC Wirtschaftsprüfung GmbH further confirmed that the consolidated annual financial statements as at 31 December 2015 comply with the statutory requirements and give a true and fair view of the assets and finances of the Group as at 31 December 2015 and of its earnings and cash flows for the year ended on that date, and are in accordance with the IFRS as adopted by the EU and the additional requirements under section 245a UGB. The Group management report is consistent with the consolidated financial statements as at 31 December 2015. The disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate.

The review by the Audit Committee and Supervisory Board gave no grounds for objection. The Supervisory Board declared that it had nothing to add to the audit reports by the auditors. The Supervisory Board therefore resolved to accept without objection the individual annual financial statements and management report for the year ended 31 December 2015 prepared by the Management Board, and the consolidated annual financial statements prepared in accordance with the IFRS as adopted by the EU and the Group management report for the year ended 31 December 2015. The Supervisory Board also resolved to accept the Management Board's proposal for the distribution of profits. In accordance with section 96 para 4 AktG, the individual annual financial statements as at 31 December 2015 were therefore adopted.

The Supervisory Board will propose to the Annual General Meeting that the Management Board's proposal for the distribution of profits be adopted, and that the Management and Supervisory Boards be discharged from liability.

And finally on behalf of the Supervisory Board, I would like to thank the Management Board and staff of S IMMO AG for their hard work and dedication each and every day during the past year and wish them a successful financial year 2016. In connection with this, I am particularly pleased to inform you that the Supervisory Board has extended the Management Board mandate of Mr Vejtdovszky until 30 June 2019.

Vienna, April 2016
The Supervisory Board



Martin Simhandl, Chairman

Corporate Governance Report

1. Clear commitment to the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance contains rules and principles relating to transparency and sound management. S IMMO AG has subscribed to the Austrian Code of Corporate Governance (ÖCGK) since 2007. This code is available on the website of the Austrian Working Group for Corporate Governance.

Information on Corporate Governance:
www.simmoag.at/en/cgk
www.corporate-governance.at

Notwithstanding the exceptions set out and explained below, the Management Board and Supervisory Board of S IMMO AG declare full

observance of and compliance with the C Rules of the ÖCGK.

Exceptions from the C Rules:

S IMMO AG does not fully comply with the following C Rules of the ÖCGK:

C Rule 2: "Shares are to be construed in accordance with the principle of 'one share – one vote'."

The 66,917,179 common shares in S IMMO AG are construed in accordance with the principle "one share – one vote". All shares carry the same rights. In particular, there are no registered shares with special rights such as nomination of Supervisory Board members or preference shares. The only restriction regarding the voting right associated with all shares exists in the context of the maximum voting right provided for in section 13 para 3 of the articles of incorporation. According to this, the voting right of each shareholder (shares of affiliated companies, shares held for the account of the shareholder or affiliated companies and shares of jointly acting parties must be aggregated here; see section 13 para 3 for further details) is restricted to 15% of the issued shares at the Annual General Meeting. The maximum voting right is intended to restrict the influence of major shareholders. It thus serves to protect minority shareholders. S IMMO AG therefore believes that the maximum voting right is consistent with sound management.

The maximum voting right was adopted on 03 May 2006 at the 17th Annual General Meeting of S IMMO AG at the joint request of the Management Board and the Supervisory Board.

C Rule 41: "The Supervisory Board shall appoint a nominations committee."

The Supervisory Board has the authority to appoint, dismiss and extend the term of office of members of the Management Board. These are part of its core tasks. The associated duties apply equally to all Supervisory Board members, and all members should also be equally involved in decision-making.

C Rule 49: "The company shall disclose in its annual report details of the objects and remuneration of contracts and agreements requiring approval under L Rule 48. Summary disclosure of agreements of similar kinds is permissible."

According to section 95 para 5 item 12 of the Austrian Stock Corporation Act (AktG), contracts with members of the Supervisory Board that commit said members to perform a service outside their work on the Supervisory Board for the company or a subsidiary in return for a material consideration require the consent of the Supervisory Board. This also applies to contracts with enterprises in which a member of the Supervisory Board has a material interest. The company has concluded loan and insurance agreements at normal market conditions with enterprises at which Supervisory Board members perform executive functions. The details and considerations in these agreements are not published for reasons of business policy and competition.

C Rule 62: "The company shall have compliance with the C Rules of the Code evaluated periodically, but at least every three years, by an external institution and a report on the findings of the evaluation is to be published in the Corporate Governance Report."

The company does not have compliance with the C Rules evaluated by an external institution. Based on the company's circumstances, the Management Board and Supervisory Board do not consider it to be sensible to commission a company to perform such an evaluation.

2. Composition of managing bodies and remuneration

Management Board

In the last financial year, the Management Board consisted of two members. More detailed information about the individual members and their responsibilities is shown in the overview of management bodies on page 85 of this report. The members of the Management Board keep each other informed of all important business events and developments at all times and discuss the progress of business in regular Management Board meetings. There is an ongoing exchange of information with the managers responsible for the various departments.

Remuneration of the Management Board

Remuneration of the Management Board consists of a fixed component and a variable component. The fixed basic salary is based on the scope of tasks and responsibilities of each Management Board member as well as their years of service. The basic salary is paid out 14 times per year. The criteria for variable profit-sharing are the attainment of quantitative and qualitative targets such as EBT, cash flow, one-year share performance and the purchasing volume, with the maximum limit being set at around one year's annual fixed remuneration. Overall, in 2015, the Management Board received total remuneration of EUR 861,886 (2014: EUR 836,573), including contributions to pension funds of EUR 52,721 (2014: EUR 52,811) and contributions to the employees' severance pay and pension fund of EUR 12,478 (2014: EUR 12,108). A change in actuarial parameters resulted in a release from the pension reserve pursuant to IAS 19 for Mr Vejdozsky in the amount of EUR 15,590 (allocation in 2014: EUR 342,947).

Total Management Board remuneration in 2015

in EUR	Vejdozsky	Wachernig
Fixed remuneration	256,239	206,766
Variable remuneration	184,746	148,936
Other remuneration	36,868	28,331
Total	477,853	384,033

S IMMO AG currently has no stock option plan and no severance payment claims for Management Board members.

D&O insurance

In line with the resolution of the Annual General Meeting in 2009, a directors & officers (D&O) insurance has been in place since 01 September 2009. This insurance covers claims for damages by the company, shareholders, or third parties against the governing bodies or executives of the company that may be enforced as a result of breaches of duty of care. The costs are borne by the company.

Supervisory Board

As at 31 December 2015, the Supervisory Board consisted of eight members. Information on the Supervisory Board members, their positions, their principal occupations and other supervisory board appointments can be found in the overview of management bodies on page 86.

Criteria for independence

S IMMO AG's Supervisory Board has established the following criteria for the independence of its members as required under C Rule 53 of the Austrian Code of Corporate Governance:

- A Supervisory Board member should not in the preceding five years have been a member of the Management Board or an executive officer of S IMMO AG or one of its subsidiaries.
- A Supervisory Board member should not maintain, or in the preceding year have maintained, a business relationship of material importance to that Supervisory Board member with S IMMO AG or one of its subsidiaries. This also applies to business relationships with enterprises in which the Supervisory Board member has a material interest. The approval of individual transactions by the Supervisory Board in accordance with L Rule 48 does not automatically mean that a person is not independent.
- A Supervisory Board member should not in the preceding three years have served as statutory auditor of S IMMO AG, or have had an interest in, or been an employee of the auditing firm.
- A Supervisory Board member should not be a member of the management board of another company where a member of the Management Board of S IMMO AG is a member of that company's supervisory board.
- A Supervisory Board member should not be a close family member (direct descendant, spouse, life partner, parent, uncle, aunt, sibling, nephew, niece) of a member of the Management Board or of persons in any of the positions described above.

For the financial year 2015, the following members of the Supervisory Board, who together constitute the majority of the Supervisory Board, were independent in the meaning of C Rule 53 of the Code of Corporate Governance:

- Andrea Besenhofer
- Franz Kerber
- Christian Hager
- Erwin Hammerbacher
- Michael Matlin, MBA
- Wilhelm Rasinger
- Ralf Zeitlberger

Of the independent members as per C Rule 53, a further three members of the Supervisory Board were not shareholders with a stake of more than 10% or did not represent the interests of such a shareholder pursuant to C Rule 54 of the Code of Corporate Governance:

- Franz Kerber
- Christian Hager
- Wilhelm Rasinger

Remuneration of the Supervisory Board

Remuneration including meeting fees paid to Supervisory Board members totalled EUR 108,500 (2014: EUR 105,500).

Total Supervisory Board remuneration in 2015

Simhandl	EUR	18,500
Zeitlberger	EUR	17,000
Kerber	EUR	13,000
Besenhofer	EUR	13,000
Hager	EUR	11,000
Hammerbacher	EUR	13,000
Matlin	EUR	11,000
Rasinger	EUR	12,000
Total	EUR	108,500

The members of the Supervisory Board did not receive any loans or advances, and no guarantees were entered into on behalf of these persons.

3. Details of the activities and procedures of the Management Board and Supervisory Board

The activities of the Management Board and Supervisory Board and the collaboration between the two bodies are based on legislation, the articles of incorporation and the rules and procedures.

The Management Board runs the company – its allocation of tasks is set out in the overview of management bodies on page 85. The Management Board also provides the Supervisory Board with information about all material aspects of the progress of business and all strategic considerations. They jointly pursue the aim of managing the company responsibly with a long-term approach geared towards sustainable value creation and lasting corporate success. The Management Board and Supervisory Board work very closely together in the interest of the company. The intensive, ongoing dialogue between the two bodies forms the basis for this.

In its meetings, the Supervisory Board discusses the management of the business as well as the finances, strategy, performance and risk management of the company. Investment projects above a specific volume also require approval from the Supervisory Board. The Supervisory Board has formed three committees, which are listed on the next page.

During the year under review, there were five Supervisory Board meetings. One member was unable to be present at more than half of the meetings of the Supervisory Board.

Supervisory Board committees

Audit Committee

The functions of the Audit Committee include monitoring the accounting and reporting process and the work of the auditors, monitoring the effectiveness of the Internal Control System and the risk management system, and monitoring the process of auditing the Group's financial statements. The Audit Committee consists of the following members: Martin Simhandl (Chairman), Ralf Zeitlberger, Erwin Hammerbacher, Franz Kerber and Wilhelm Rasinger. In virtue of their experience and specialist knowledge of finance and accounting, Martin Simhandl and Ralf Zeitlberger are the committee's financial experts. The Audit Committee met twice during the year under review.

Management Board Committee (Remuneration Committee)

The Management Board Committee is responsible for negotiating, concluding and amending the contracts of Management Board members. The committee consists of the following members: Martin Simhandl (Chairman), Franz Kerber and Ralf Zeitlberger. The Management Board Committee did not meet in 2015.

Working Committee

The Working Committee has been given authority by the Supervisory Board to approve certain transactions up to a specified maximum value, where due to lack of time or other organisational constraints seeking the approval of the full Supervisory Board would be impractical. This applies in the case of the purchase or sale of properties up to a certain risk level as defined in the Supervisory Board's rules and procedures. The members of the Working Committee are Ralf Zeitlberger (Chairman), Andrea Besenhofer, Erwin Hammerbacher and Franz Kerber. Three meetings of the Working Committee were held in the year under review.

4. Measures for the advancement of women

S IMMO AG has set itself the aim of continuously increasing the proportion of women in management positions and is expressly committed to the advancement of women in management positions. The company places great emphasis on the advancement of women when filling senior managerial positions. As at 31 December 2015, 52% of the workforce and 38% of managers were female.

Specific measures to appoint women to the Management Board will be considered when a change to the composition of the Management Board is due. With the company's best interests in mind, the emphasis when making appointments to the Management Board and the Supervisory Board has been on the maximum possible degree of professional skill and international experience. Considerations such as gender are taken into account only as a secondary factor. Where appropriate, however, when men and women are equally qualified and experienced, S IMMO AG will give preference to women. There were no women on the Management Board of S IMMO AG in the year under review.

At the 24th Annual General Meeting on 12 June 2013, a woman – Andrea Besenhofer – was voted on to the Supervisory Board of S IMMO AG. As at 31 December 2015, the proportion of women on the Supervisory Board was 12.5%. The Supervisory Board mandate of Andrea Besenhofer was extended until the Annual General Meeting in 2020 at the 26th Annual General Meeting on 03 June 2015.



Ernst Vejdovszky

Friedrich Wachernig

Management Board

ERNST VEJDOVSZKY

CEO

Born: 30 October 1953
Appointed until: 30 June 2019
First appointed: 01 January 2001

Responsible for finance, corporate communications, investor relations, acquisitions, sales, risk management, audit, asset management in Germany

After studying business IT at the Vienna University of Technology, he started his career in 1982 at Girozentrale in Vienna. He became a founding Management Board Member of Sparkassen Immobilien Anlagen AG, Vienna (later Sparkassen Immobilien AG) in 1986, and has been a member of the Management Board at S IMMO AG, Vienna, since 2001.

Other appointments:

Member of the Supervisory Board, Erste Immobilien Kapitalanlagegesellschaft m.b.H.

FRIEDRICH WACHERNIG, MBA

Member of the Management Board

Born: 28 June 1966
Appointed until: 14 November 2016
First appointed: 15 November 2007

Responsible for project development, asset management in CEE/SEE and Austria, legal, compliance, organisation, IT, HR

After studying business administration at the Vienna University of Economics and Business, he joined Eraproject GmbH, Vienna, in 1993. He held various development and management roles at Strabag AG, Raiffeisen Evolution GmbH and Porr Solutions GmbH in several Eastern European countries, and has been a member of the Management Board at S IMMO AG, Vienna, since 2007.

Supervisory Board

MARTIN SIMHANDL

Chairman of the Supervisory Board

Born: 05 November 1961
Appointed until: AGM in the year 2020
First appointed: 24 June 2004

Chairman of the Audit Committee
Chairman of the Management Board
Committee

CFO at Vienna Insurance Group AG
Wiener Versicherung Gruppe

Other Supervisory Board appointments:
WIENER STÄDTISCHE VERSICHERUNG
AG Vienna Insurance Group; Sparkassen
Versicherung AG Vienna Insurance Group;
Ringturm Kapitalanlagegesellschaft
m.b.H.; Wiener Börse AG

RALF ZEITLBERGER

First Deputy Chairman of the
Supervisory Board

Born: 07 April 1959
Appointed until: AGM in the year 2020
First appointed: 21 May 2010

Chairman of the Working Committee
Member of the Audit Committee
Member of the Management Board
Committee

Head of Group Corporate Workout at
Erste Group Bank AG

Other Supervisory Board appointments:
Let's Print Holding AG

FRANZ KERBER

Second Deputy Chairman of the
Supervisory Board

Born: 20 June 1953
Appointed until: AGM in the year 2020
First appointed: 24 June 2004

Member of the Management Board
Committee
Member of the Working Committee
Member of the Audit Committee

Deputy Chairman at Steiermärkische Bank
und Sparkassen AG

Other Supervisory Board appointments:
Bankhaus Krentschker & Co. AG; Erste &
Steiermärkische Bank d.d., Rijeka; MCG
Graz e.gen.

Other appointments:
Member of the Board at Höller-Privat-
stiftung, Graz

ANDREA BESENHOFER

Member of the Supervisory Board

Born: 02 July 1970
Appointed until: AGM in the year 2020
First appointed: 12 June 2013

Member of the Working Committee

Division Manager of Group Services at
Erste Group Bank AG;
Project Manager of Quartier Belvedere at
Erste Group Immorent AG (until
28 February 2015)

Other functions:
Member of the Board of Besenhofer
Privatstiftung (without ongoing operational
activity)

CHRISTIAN HAGER

Member of the Supervisory Board

Born: 06 December 1967
Appointed until: AGM in the year 2019
First appointed: 23 June 2009

Member of the Board at KREMSER BANK
und Sparkassen AG

ERWIN HAMMERBACHER

Member of the Supervisory Board

Born: 27 May 1957
Appointed until: AGM in the year 2018
First appointed: 28 May 2008

Member of the Audit Committee
Member of the Working Committee

Member of the Board at Sparkassen
Versicherung AG Vienna Insurance Group

MICHAEL MATLIN, MBA

Member of the Supervisory Board

Born: 07 January 1964
Appointed until: AGM in the year 2020
First appointed: 21 May 2010

Managing Director of Concord Manage-
ment LLC (consultancy firm for investment
strategy); Member of the Investment
Advisory Committee for the Carlyle
European Real Estate Funds

WILHELM RASINGER

Member of the Supervisory Board

Born: 04 March 1948
Appointed until: AGM in the year 2020
First appointed: 21 May 2010

Member of the Audit Committee

Chairman of the Austrian Shareholder
Association (IVA); Chairman of the
Supervisory Board at Friedrichshof
Wohnungsgenossenschaft

Other Supervisory Board appointments:
Erste Group Bank AG; Wienerberger AG;
Haberhorn Holding AG; Gebrüder Ullmer
Holding GmbH

Other appointments:
Appointment on the Board of HATEC
Privatstiftung, Dornbirn

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Lagebericht für das Geschäftsjahr 2015

Geschäftstätigkeit der S IMMO AG

Die S IMMO AG ist eine international tätige Immobilieninvestment- und entwicklungsgesellschaft mit Sitz in Wien und Notiz an der Wiener Börse. Sie ist als Konzernleitgesellschaft der S IMMO Gruppe direkt bzw. über Tochterunternehmen indirekt in den Segmenten Österreich, Deutschland, Zentral- und Südosteuropa tätig. In ihrem Portfolio hält die Gesellschaft unmittelbar bzw. mittelbar über Tochterunternehmen Büro-, Geschäfts- und Wohnflächen sowie Hotels. Das Unternehmen verfolgt das Ziel, den Unternehmenswert im Sinne seiner Aktionäre durch langfristige, ertragreiche Immobilieninvestments bzw. Immobilienprojektentwicklungen nachhaltig zu steigern. Unter dieser Prämisse entwickelt es das Portfolio beständig weiter und optimiert es durch aktives Asset Management.

Zweigniederlassungen

Der Firmensitz der S IMMO AG ist in Wien. Es bestehen keine Zweigniederlassungen.

Forschung und Entwicklung

Die S IMMO AG betreibt keine Forschung und Entwicklung

Geschäftsverlauf

Die Umsatzerlöse sind im Geschäftsjahr mit TEUR 19.168 (2014: TEUR 20.141) geringfügig gesunken, da 2015 eine Immobilie verkauft wurde. Die sonstigen betrieblichen Erträge betragen TEUR 3.109 (2014: TEUR 3.258).

Die sonstigen betrieblichen Aufwendungen sind von TEUR 6.603 auf TEUR 5.218 gesunken. Grund dafür sind vor allem geringere Verwaltungskosten und geringerer Rechts- und Beratungsaufwand.

Das Finanzergebnis beträgt TEUR -5.259 (2014: TEUR 67.584). Der Rückgang ist vor allem auf geringere Beteiligungserträge (TEUR 5.806; 2014: TEUR 33.789) sowie geringere Zuschreibung zu Finanzanlagen in Höhe von TEUR 14.108 (2014: TEUR 61.711) zurückzuführen. Im

S IMMO AG, Wien

Geschäftsjahr 2015 wurden bestehende Derivate glattgestellt, die in der Vergangenheit in einem deutlich höheren Zinsumfeld abgeschlossen worden waren. Im Gegenzug schloss die S IMMO AG neue, langfristige und dem aktuellen, niedrigen Zinsniveau entsprechende Zinsabsicherungen ab. Daraus erwartet sich die Gesellschaft künftig deutlich bessere Kennzahlen, unter anderem werden verbesserte Cashflows aus der laufenden Geschäftstätigkeit und verbesserte Aktienkennzahlen erwartet. Durch diese Maßnahmen soll auch die Attraktivität der Gesellschaft auf dem österreichischen Kapitalmarkt verbessert werden.

Die Bilanzsumme ist von TEUR 953.430 auf TEUR 1.014.051 zum Bilanzstichtag 31.12.2015 gestiegen. Das Grundkapital beträgt zum Stichtag 31.12.2015 TEUR 243.144. Das Eigenkapital hat sich zum Bilanzstichtag von TEUR 419.580 auf TEUR 401.647 reduziert. Die Eigenkapitalquote betrug zum 31.12.2015 40% (31.12.2014: 44%).

Im Juni 2014 hat die S IMMO AG eine Anleihe (ISIN AT0000A177D2) im Gesamtnennbetrag von TEUR 89.739,5 aufgeteilt auf 179.479 Teilschuldverschreibungen im Nominale von EUR 500 pro Stück im Wege eines Tauschs gegen Genussscheine emittiert. Anfang Oktober 2014 emittierte die S IMMO AG eine Anleihe (ISIN AT0000A19SB5) im Gesamtnennbetrag von TEUR 100.000, aufgeteilt auf 200.000 Teilschuldverschreibungen im Nominale von EUR 500 pro Stück.

Im April 2015 emittierte die S IMMO AG erneut zwei Anleihen. Die Anleihe mit der ISIN AT0000A1DBM5 folgte einem freiwilligen öffentlichen Angebot im März 2015 gemäß §§ 4 ff. ÜbG an die Inhaber der S IMMO INVEST Genussscheine mit der ISIN AT0000795737 sowie der ISIN AT0000630694 zum Erwerb dieser Genussscheine in Form eines alternativen Umtausch- und Barangebots. Insgesamt wurden 401.312 Genussscheine zum Umtausch gegen Schuldverschreibungen der Gesellschaft und 74.457 Stück Genussscheine zur Bar-Alternative eingereicht. Die Anleihe mit der ISIN AT0000A1DBM5 wurde im Gesamtnennbetrag von TEUR 33.993,5 aufgeteilt auf 67.987 Teilschuldverschreibungen im Nominale von EUR 500 pro Stück emittiert. Ebenfalls im April 2015 emittierte die S IMMO AG eine weitere Anleihe (ISIN AT0000A1DWK5) im Gesamtnennbetrag von TEUR 65.000 aufgeteilt auf 130.000 Teilschuldverschreibungen im Nominale von EUR 500 pro Stück.

S IMMO AG, Wien

Durch den oben beschriebenen Tausch von Genussscheinen in eine Anleihe bzw. die Annahme einer Bar-Alternative hat sich im Berichtszeitraum 2015 das Genussscheinkapital von TEUR 95.540 per 31.12.2014 auf TEUR 55.960 zum 31.12.2015 reduziert.

Im Geschäftsjahr 2015 bestanden ein Aktien- und Genussscheinrückkaufprogramm, in deren Rahmen es zu geringfügigen Rückkäufen der jeweiligen Wertpapiere kam. Einen wesentlichen Schritt setzte die Gesellschaft aber nicht durch punktuelle Rückkäufe, sondern durch den oben beschriebenen Genussscheinruckerwerb im Rahmen einer Anleihebegebung.

Die Verbindlichkeiten gegenüber Kreditinstituten haben sich im laufenden Geschäftsjahr von TEUR 81.246 zum Stichtag 31.12.2014 auf TEUR 158.599 per 31.12.2015 erhöht.

Immobilienportfolio in Österreich – wesentliche Ereignisse 2015

Die S IMMO AG konnte ihr bestehendes Portfolio weiter optimieren. So wurde im Geschäftsjahr 2015 die Prof.-Dr.-Stephan-Koren-Str. 8a in Wiener Neustadt mit Gewinn veräußert.

Voraussichtliche Entwicklung

Die S IMMO AG profitiert vom derzeit niedrigen Zinsumfeld und erwartet für das Geschäftsjahr 2016 eine positive Entwicklung.

Risikomanagement

Als Konzernmuttergesellschaft eines internationalen Immobilienkonzerns ist die S IMMO AG mit einer Vielzahl von Risiken und Chancen konfrontiert, die sowohl auf die operative Geschäftstätigkeit als auch die strategische Unternehmensführung Einfluss haben können. Durch die Identifizierung, Analyse, Steuerung und Überwachung der Risiken und Chancen versucht die Gesellschaft, negative Entwicklungen und potenzielle Risikofaktoren rechtzeitig zu erkennen und diese in den Entscheidungsprozessen zu berücksichtigen.

S IMMO AG, Wien

Im breit gestreuten Konzern-Portfolio befinden sich Wohn-, Büro-, Geschäftsflächen und Hotels. Mit der Kombination aus Entwicklung, Ankauf, Vermietung, Betrieb, Sanierung und Verkauf von Immobilien versucht die S IMMO AG, mögliche Risiken zu reduzieren. Die S IMMO Gruppe ist in vier unterschiedlichen Nutzungsarten operativ tätig und konzentriert sich dabei auf vier regionale Segmente (Österreich, Deutschland, Zentraleuropa und Südosteuropa). Diese Streuung ermöglicht es dem Unternehmen, Immobilienzyklen strategisch und bestmöglich zu nutzen.

Das Risikomanagement umfasst neben internen Regelungen und Richtlinien auch laufende Berichte im Rahmen von regelmäßigen Jours fixes an den Vorstand. Weiters existieren Kontrollmaßnahmen, die im Konzern implementiert sind und der Früherkennung, Steuerung sowie Überwachung von Risiken dienen. Der Vorstand trifft die wesentlichen risikorelevanten Entscheidungen. Investitionsvorhaben unterliegen ab einer bestimmten Wertgrenze zusätzlich der Genehmigung durch den Aufsichtsrat. Beide Organe werden über Risiken sowie über das Interne Kontrollsystem regelmäßig informiert.

Die in diesem Abschnitt dargestellten Risikogruppen wurden sowohl rückblickend für das Geschäftsjahr 2015 als auch im Hinblick auf die Geschäftstätigkeit 2016 laufend analysiert und bewertet.

Internes Kontrollsystem

Für alle wesentlichen Geschäftsprozesse besteht ein Internes Kontrollsystem (IKS). Dabei werden die Wirksamkeit und Wirtschaftlichkeit der betrieblichen Tätigkeit und die Zuverlässigkeit der Finanzberichterstattung überwacht und kontrolliert.

Das IKS bildet gemeinsam mit der Internen Revision und der (börsenrechtlichen) Compliance das interne Überwachungssystem der Gruppe. Wesentliche Kernprozesse sind in der internen Prozessdatenbank erfasst. Diese beinhaltet eine Risiko-Kontroll-Matrix, in der die Abläufe, potenzielle Einzelrisiken und die zugeordneten Kontrollschritte definiert sind.

Interne Revision

Die Interne Revision der S IMMO AG koordiniert Prüfungen wesentlicher Geschäftsprozesse der Konzern-Muttergesellschaft bzw. ihrer in- und ausländischen Tochtergesellschaften hinsichtlich ihrer Funktionsfähigkeit, bestehender Risiken und Kontrollschwächen sowie möglicher Effizienzverbesserungspotenziale. Die Grundlage für die in mehrjährigen Zyklen stattfindenden Revisionsprüfungen bildet der vom Vorstand genehmigte operative Jahresrevisionsplan. Zusätzliche werden Sonderprüfungen im Bedarfsfall beauftragt. Mit der Durchführung der Revisionsprüfungen werden ausschließlich externe Experten beauftragt. Die Ergebnisse der Prüfungen werden an den Vorstand berichtet. Der Prüfungsausschuss des Aufsichtsrats wird regelmäßig über den Revisionsplan sowie die Ergebnisse der durchgeführten Revisionen informiert.

Risikoübersicht

Unternehmensstrategische Risiken	Immobilienpezifische Risiken	Finanzielle Risiken	Sonstige Risiken
Umfeld- und Branchenrisiko Investitionsrisiko Kapitalmarktrisiko	Immobilienportfoliorisiko Vermietungs- und Mietausfallrisiko Immobilienentwicklungsrisiko Bautechnisches Risiko Immobilienbewertungsrisiko	Liquiditätsrisiko Zinsänderungsrisiko Finanzierungsrisiko Fremdwährungsrisiko	Steuerliche Risiken Umweltrisiko Rechtsrisiko

Erläuterung der Einzelrisiken

Unternehmensstrategische Risiken

Strategische Risiken sind sehr eng mit der Geschäftsstrategie der S IMMO AG verbunden und können diese gegebenenfalls stark beeinflussen.

Umfeld- und Branchenrisiko

Da sich das wirtschaftliche Umfeld laufend ändert, sind die sich daraus ergebenden Risiken teilweise nur schwer prognostizierbar. Aus aktueller Sicht schätzt die Gruppe die Nachfrage am österreichischen Büro- und Einzelhandelsmarkt konstant bis leicht steigend ein. In Berlin profitiert die Gesellschaft nach wie vor von einem starken Zuzug. Das macht den deutschen Wohnimmobilienmarkt auch für das Jahr 2016 für den S IMMO Konzern attraktiv. Die Nachfrage nach Berliner Büroflächen ist hoch, vor allem auf Grund der zahlreichen Unternehmensgründungen. Innerhalb der Region CEE erholt sich der Büroimmobilienmarkt in Budapest weiterhin. Die Mieten sind leicht steigend und Flächen in etablierten Lagen werden bereits rar. Eine Erholung spürt die Gruppe auch in Südosteuropa, wobei diese in Sofia langsamer stattfindet als in Bukarest. Für die rumänische Hauptstadt sind die Prognosen für die kommenden Jahre optimistisch.

Investitionsrisiko

Die S IMMO AG ist sowohl bei Investitionen in Immobilienentwicklungsprojekte als auch bei Immobilienzukaufen Risiken ausgesetzt. Diese werden oft durch Faktoren verursacht, die außerhalb des Wirkungsbereichs des Unternehmens liegen, wie beispielsweise Verzögerungen bei der Fertigstellung von Immobilienprojekten. Daher zielt die Unternehmensstrategie darauf ab, durch sorgsame Auswahl, Planung und Ausführung der Immobilienprojekte bzw. der Immobilienzäufe potenzielle Investitionsrisiken zu reduzieren. Es sind Limits festgelegt, ab welchem Investitionsvolumen eine Genehmigung des Aufsichtsrats erforderlich ist. Ein Restrisiko kann trotzdem nicht ausgeschlossen werden.

Kapitalmarktrisiko

Der Kapitalmarkt ist für die S IMMO AG bezüglich der Aufnahme von Eigen- bzw. Fremdkapital von großer Wichtigkeit. Instabile Kapitalmärkte können die Finanzierungsmöglichkeiten des Unternehmens beeinträchtigen. Das Management arbeitet daran, das Vertrauen der Anleger in

die von der S IMMO AG emittierten Wertpapiere durch transparente und verlässliche Information und zeitnahe Kommunikation zu stärken.

Immobilienpezifische Risiken

Die S IMMO AG unterliegt allen Risiken, die mit dem Kauf, der Entwicklung, der Bewirtschaftung und dem Verkauf von Immobilien zusammenhängen.

Immobilienportfoliorisiko

Mit einem ausgewogenen Portfolio-Mix begegnet der S IMMO Konzern dem Immobilienportfoliorisiko. Im Portfolio der Gruppe befinden sich Gewerbeflächen (Büro, Geschäft, Hotel) und Wohnimmobilien. Geografisch verteilen sich die Objekte auf die Regionen Österreich und Deutschland, sowie CEE und SEE. Dabei konzentriert sich die Gruppe auf Haupt- und Millionenstädte innerhalb der Europäischen Union. Der Wert einer Immobilie hängt zu einem beträchtlichen Teil von ihrem Standort und der beabsichtigten Nutzung ab. Die Attraktivität des Standorts oder die mögliche Nutzung der Objekte können daher die finanzielle Lage der S IMMO Gruppe erheblich beeinflussen. Das Immobilienportfoliorisiko war im Berichtsjahr nicht in allen Regionen und Nutzungsarten gleichermaßen ausgeprägt: Der Wohnimmobilienmarkt in Deutschland etwa entwickelte sich besonders positiv. Die Büromärkte in Budapest, Bukarest und Sofia zeigen eine weitere Erholung. Durch die Streuung innerhalb des Portfolios können Risiken eines Markts durch positive Entwicklungen in einem anderen Markt abgedeckt werden.

Vermietungsrisiko und Mietausfallsrisiko

Das Vermietungsrisiko ist stark mit der allgemeinen wirtschaftlichen Lage in den einzelnen Märkten verknüpft und damit auch mit entsprechenden Planungsunsicherheiten behaftet. So weist zum Beispiel die politische und wirtschaftliche Entwicklung in Ungarn und Bulgarien ein höheres Risiko im Vergleich zu den westlichen EU-Mitgliedsstaaten auf. Auch im laufenden Jahr bleibt auf Grund der unterschiedlichen politischen und wirtschaftlichen Entwicklung der einzelnen Mitgliedsländer ein Vermietungsrisiko auch bei Vertragsverlängerungen bestehen. Die Konkurrenzsituation kann sich ebenfalls auf den Vermietungsgrad auswirken. Der Wettbewerb zwischen den Eigentümern um namhafte Mieter ist intensiv. In vielen Märkten, in denen die S IMMO Gruppe tätig ist, stehen die Mieten unter Druck. Dies kann dazu führen, dass Mietpreise akzeptiert werden müssen, die niedriger sind als ursprünglich prognostiziert.

Außerdem unterliegt der Konzern dem Mietausfallrisiko. Ist die Gruppe nicht in der Lage, auslaufende Mietverträge zu vorteilhaften Konditionen zu verlängern und geeignete kreditwürdige Mieter zu finden, die bereit sind, langfristige Mietverhältnisse einzugehen, beeinträchtigt dies den Marktwert der betroffenen Immobilien. Besonders in Zeiten wirtschaftlicher und politischer Unsicherheiten kann die S IMMO Gruppe dazu gezwungen sein, Mietsenkungen zu akzeptieren, um den Vermietungsgrad aufrechtzuerhalten. Die Bonität eines Mieters, insbesondere während eines wirtschaftlichen Abschwungs, kann kurz- oder mittelfristig sinken. Darüber hinaus kann das Risiko entstehen, dass ein Mieter insolvent wird oder sonst außerstande ist, seinen Zahlungspflichten aus dem Mietvertrag nachzukommen. Im ungünstigsten Fall zieht ein insolventer Mieter aus und es entsteht ein Leerstand. In solchen Situationen versucht die Gruppe so schnell als möglich einen geeigneten Nachmieter zu finden.

Immobilienentwicklungsrisiko

Im Bereich von Immobilienentwicklungen können Risiken im Zusammenhang mit Baukostenüberschreitungen, Errichtungsdauer, (Bau-)Qualitätsmängeln, der Vermietung oder Verzögerungen bei der Erlangung von behördlichen Genehmigungen entstehen. Diesen Risiken begegnet der S IMMO Konzern mit regelmäßigen Kosten-, Qualitäts- und Terminkontrollen, Abweichungsanalysen und falls möglich Mindest-Vorvermietungsquoten.

Bautechnisches Risiko

Unter dem bautechnischen Risiko versteht man das Risiko auftretender Schäden an neu errichteten Objekten und Bestandsobjekten, welche die S IMMO Gruppe durch branchenübliche Bauverträge mit erfahrenen Baufirmen, Gewährleistungsfristen und –garantien reduziert. Um Risiken in diesem Bereich in Grenzen zu halten, werden eingehende Prüfungen vor Ablauf der Gewährleistungsfristen veranlasst, um mögliche Schäden noch auf Kosten der Bauunternehmen zu sanieren.

Immobilienbewertungsrisiko

Das Immobilienbewertungsrisiko beschreibt das Risiko von negativen Wertschwankungen des Immobilienportfolios, die sich auf Grund von geänderten makroökonomischen Gegebenheiten – außerhalb des Einflussbereichs des Unternehmens – und immobilien-spezifischen Faktoren ergeben können. Die Bewertung hängt von verschiedenen Faktoren ab. Über die erwarteten Mieteinnahmen, den Zustand und den historischen Vermietungsgrad hinaus können

Immobilienfachverständige auch andere Faktoren wie beispielsweise Steuern auf Grund und Boden, Betriebskosten, Ansprüche Dritter auf Basis von Umwelt- oder mit bestimmten Baumaterialien verbundenen Risiken berücksichtigen.

Jede Wertänderung einer Immobilie kann im Zuge von außerplanmäßigen Abschreibungen den Bilanzgewinn des Unternehmens schmälern. Darüber hinaus können sich negative Immobilienbewertungen in Konzerngesellschaften negativ auf die Vermögens-, Finanz- und Ertragslage auswirken.

Finanzielle Risiken

Die Steuerung von finanziellen Risiken beinhaltet für die S IMMO Gruppe vor allem die Berücksichtigung von Liquiditäts-, Zinsänderungs-, Finanzierungs- und Währungsrisiken.

Liquiditätsrisiko

Zur Sicherstellung der Liquidität werden die Zahlungsströme des Unternehmens von der Finanzierungsabteilung auf Basis einer kontinuierlichen Liquiditätsplanung in Zusammenarbeit mit den Bereichen Projektentwicklung, Asset Management und Akquisition koordiniert, auf Plausibilität geprüft und laufend angepasst.

Die S IMMO Gruppe verfügt über fluktuierende Bestände liquider Mittel, die sie nach den jeweiligen operativen und strategischen Erfordernissen und Zielen veranlagt. Weiters tätigt sie Absicherungsgeschäfte, insbesondere um sich gegen Zinsänderungen und die damit verbundenen Schwankungen ihrer Finanzierungskosten abzusichern. Solche Absicherungsgeschäfte könnten sich als ineffizient oder ungeeignet herausstellen, um die angestrebten Ziele zu erreichen, sowie zu ergebniswirksamen Verlusten führen. Darüber hinaus ist die Gruppe dem Risiko ausgesetzt, dass ihre Vertragspartner die Verpflichtungen aus den Absicherungs- oder Veranlagungsgeschäften nicht vereinbarungsgemäß erfüllen (Kontrahentenrisiko). Diesem Risiko begegnet die S IMMO Gruppe, indem sie Veranlagungs- und Absicherungsgeschäfte nur bei namhaften Banken mit guter Bonität abschließt.

Auf Grund verschärfter Eigenkapital- und Liquiditätsvorschriften für Banken und daraus resultierender restriktiverer Kreditvergabe sowie reduzierter Beleihungshöhen kann es zu Schwierigkeiten bei Refinanzierungen kommen. Der S IMMO Konzern kann davon trotz überwiegend langfristig abgeschlossener Kreditverträge hauptsächlich bei Kreditverlängerungen und Refinanzierungen betroffen sein (siehe auch Finanzierungsrisiko). Das Risiko kann primär

auftreten, wenn es bei Kreditverlängerungen oder Refinanzierungen zu Verzögerungen kommt oder diese in einer geringeren Höhe als erwartet erfolgen. Würde es der Gruppe nicht oder nicht zeitgerecht gelingen, geeignete und angemessene Fremdkapitalfinanzierungen für Projektentwicklungen und Akquisitionen oder die Refinanzierung auslaufender Fremdkapitalfinanzierungen in Anspruch zu nehmen, könnte dies die Fähigkeit erheblich beeinträchtigen, ihren Verpflichtungen aus Projektverpflichtungsverträgen oder Akquisitionsprojekten nachzukommen.

Weiters besteht das Risiko, Anleihen bei Laufzeitende nicht zurückzahlen zu können.

All diese Folgen oder eine aus mangelnder Verfügbarkeit freier Liquidität resultierende Unfähigkeit, den Verpflichtungen aus bereits bestehenden Finanzierungsverträgen und Teilschuldverschreibungen nachzukommen, können einen wesentlich nachteiligen Einfluss auf die Vermögens-, Finanz- und Ertragslage des Unternehmens haben und die Bonität beeinträchtigen.

Zinsänderungsrisiko

Der weitaus überwiegende Teil der Finanzierungsverträge der S IMMO Gruppe sieht einen variablen Zinssatz vor, wodurch das Risiko sich ändernder Zinsniveaus besteht. Die Kosten des Zinsendienstes erhöhen sich bei Anstieg des jeweiligen Referenzzinssatzes. Derzeit wird allerdings erwartet, dass die Europäische Zentralbank den Leitzins vorerst weiterhin auf sehr niedrigem Niveau belässt. Das Zinsänderungsrisiko reduziert die S IMMO Gruppe langfristig durch Zinsabsicherungen ihrer variabel verzinsten Kredite. Per 31.12.2015 waren 19 % (31.12.2014: 18 %) der konzernweiten Kreditverbindlichkeiten fix und 81 % (31.12.2014: 82 %) der Kreditverbindlichkeiten – größtenteils an den Drei-Monats-EURIBOR gebunden – variabel verzinst. Zur Absicherung variabel verzinsten Kredite verwendet die S IMMO Gruppe prinzipiell folgende derivative Finanzinstrumente: Swaps, Caps und Collars.

Per Jahresende war ein Großteil des variabel verzinsten Finanzierungsportfolios abgesichert. Das Ausmaß, in dem sich die Gruppe derartiger Instrumente bedient, hängt von den Annahmen und Markterwartungen des Managements und der zuständigen Mitarbeiter der S IMMO Gruppe in Bezug auf das zukünftige Zinsniveau sowie von der Entwicklung der Höhe der Kreditverbindlichkeiten ab. Erweisen sich diese Annahmen als unrichtig, kann dies zu einem beträchtlichen Anstieg des Zinsaufwands führen. Die durchgeführten Stresstests, welche die

bestehenden Anleihen inkludieren, zeigen, dass die S IMMO Gruppe an Änderungen des Zinsniveaus in einem geringen Ausmaß partizipiert. Ein Zinsshift um +1,0% führt zu einer Erhöhung um 22 Basispunkte. Dies hat zur Folge, dass der Konzern im Falle von Zinssteigerungen – trotz Absicherung durch derivative Finanzinstrumente – höheren Finanzierungskosten ausgesetzt wäre, was naturgemäß mit Auswirkungen auf die Konzernmutter verbunden wäre.

Finanzierungsrisiko

Die Marktbedingungen für Liegenschaftsfinanzierungen ändern sich immer wieder und verschlechterten sich beispielsweise im Laufe der Finanz- und Wirtschaftskrise deutlich. Im Vorjahr verbesserte sich die Refinanzierungssituation jedoch weiter. Refinanzierungen – auch großer Volumina – konnten auf Grund des Veranlagungsdrucks vieler Banken, insbesondere in Deutschland und Österreich, zu weiter sinkenden Margen abgeschlossen werden. In CEE ist die Fremdkapitalbeschaffung – abhängig von der Assetklasse, der Lage und der Kredithöhe – stabil, aber im Vergleich zu Deutschland und Österreich noch etwas schwieriger. In Ungarn ist die Situation nach wie vor sehr schwierig, da viele Banken auf Grund der wirtschaftlichen Lage keine Neukredite zur Immobilienfinanzierung vergeben.

Die Attraktivität verschiedener Finanzierungsvarianten hängt von einer Reihe von Faktoren ab, von denen einige nicht von der S IMMO Gruppe beeinflusst werden können. Diese Faktoren umfassen insbesondere Marktzinsen, steuerliche Aspekte und die Beurteilung des Werts und der Verwertbarkeit von Immobilien, die als Sicherheiten dienen, sowie die Einschätzung der allgemeinen wirtschaftlichen Lage durch die Finanzierungspartner. In Zeiten stark volatiler Immobilienmärkte sind Fremdkapitalgläubiger unter Umständen nicht bereit, abreifende Kredite zu für die S IMMO Gruppe akzeptablen Konditionen zu prolongieren. Dies kann insbesondere zu höheren Margen, geringeren Beleihungshöhen und der Notwendigkeit zur Bestellung weiterer Sicherheiten sowie generell zu einem Mangel an Refinanzierungsmöglichkeiten führen.

Sollte die Gruppe außerstande sein, Liquidität oder Fremdmittel im benötigten Ausmaß zur benötigten Zeit zu generieren bzw. zu akzeptablen Konditionen aufzunehmen, könnte ihre Fähigkeit beeinträchtigt sein, ihren Verpflichtungen aus Finanzierungsverträgen nachzukommen. Dieses Finanzierungsrisiko versucht die S IMMO Gruppe durch Streuung ihrer Kreditgeber (zum Bilanzstichtag per 31.12.2015 waren es 21 Einzelbanken) zu reduzieren. Eine Kontrolle der Kreditaufnahmen erfolgt durch Genehmigungen nach gestaffelten Beträgen durch den Vorstand und den Aufsichtsrat. Per 31.12.2015 hatten die langfristigen Bankverbindlichkeiten eine

durchschnittlich gewichtete Restlaufzeit von mehr als 6,3 Jahren. Die Langfristigkeit der Finanzierung entspricht der branchenüblichen Praxis.

Darüber hinaus besteht das Risiko, dass Financial Covenants (Klauseln in Kreditverträgen hinsichtlich des zulässigen Verschuldungsgrads und des Schuldendienstdeckungsgrads) oder andere Vertragsbedingungen, Gewährleistungen oder Auflagen in Finanzierungsverträgen nicht eingehalten werden können. Dies kann die Flexibilität bei der Finanzierung zukünftiger Geschäftstätigkeit einschränken. Die Einhaltung von Financial Covenants wird von der S IMMO Gruppe – in engem Kontakt mit kreditvergebenden Finanzinstituten – laufend überwacht. Covenant-Verletzungen können einen Verzugsfall darstellen. Die Gesellschaft legt großen Wert auf ein ausgewogenes Verhältnis zwischen Finanzierungen und Immobilienbuchwerten der Objekte (Loan-to-Value-Ratio). Zum Stichtag 31.12.2015 lag die konzernweite Loan-to-Value-Ratio (berechnet auf Basis des Konzernabschlusses 2015) für besicherte Finanzierungen bei 44 % (2014: 48 %). Darüber hinaus verfügt das Unternehmen über unbesicherte Finanzierungen (ausgenützte Kreditlinien, Anleiheverbindlichkeiten und nachrangiges Genussrechtskapital), welche 17 % des Immobilienvermögens (2014: 12 %) ausmachen. Trotz genauen Monitorings der Finanzierungsinstrumente und der relevanten Parameter kann bei entsprechend negativer Entwicklung der Konjunktur und des Finanzierungsumfelds nicht ausgeschlossen werden, dass die S IMMO mit Risiken im Bereich der Refinanzierung konfrontiert wird.

Fremdwährungsrisiko

Kreditfinanzierungen der S IMMO AG sind ausschließlich in Euro denominated und die Mietverträge sind ausschließlich an den Euro gebunden. Daher besteht kein unmittelbares Fremdwährungsrisiko.

Sonstige Risiken

Steuerliche Risiken

Als international tätiger Immobilienkonzern mit Gesellschaften in derzeit neun europäischen Ländern ist die S IMMO Gruppe mit einer Vielzahl von unterschiedlichen - laufenden Änderungen unterworfenen - nationalen Steuersystemen konfrontiert. Änderungen der lokalen steuerlichen Rahmenbedingungen (zum Beispiel bei den immobilienbezogenen Steuern, Umsatz- bzw. Ertragssteuern) sowie Unsicherheiten in der bzw. unterschiedliche Auffassungen in Bezug auf die Auslegung der vielfach komplexen steuerlichen Vorschriften können zu nicht

geplanten Steuerbelastungen führen und stellen damit stets ein Ertragsrisiko dar. Die S IMMO Gruppe versucht, allfällige Konsequenzen durch die kontinuierliche Zusammenarbeit mit lokalen Steuerexperten frühzeitig zu erkennen, bei der Entscheidungsfindung zu berücksichtigen sowie für (aus Betriebsprüfungen bzw. steuerlichen Verfahren) bekannte Risiken ausreichende bilanzielle Vorsorgen zu treffen.

Umweltrisiko

Der S IMMO Konzern ist diversen Umweltrisiken wie Naturkatastrophen oder menschlich verursachten Katastrophen ausgesetzt. Umweltrisiken können sowohl im Zusammenhang mit Bestandsimmobilien als auch mit Entwicklungsprojekten auftreten. Beispielsweise können geänderte Gesetze oder Sanierungsverpflichtungen auf Grund umwelt- oder sicherheitsrechtlicher Vorschriften das Entfernen oder den Austausch von Materialien notwendig machen. Ebenso kann die Entsorgung umweltschädlicher Substanzen auf einem Entwicklungsgrundstück erforderlich sein. Neue oder strengere Umwelt-, Gesundheits- und Sicherheitsgesetze können ebenfalls zusätzliche Kosten verursachen.

Naturkatastrophen oder extreme Wettereinwirkungen wie beispielsweise Überflutungen, Sturm und Hagel können erhebliche Schäden an im Bau befindlichen Objekten oder Bestandsimmobilien verursachen. Ebenso können auch von Menschen verursachte Katastrophen wie zum Beispiel nukleare Zwischen- und Störfälle zu Schäden führen. Durch entsprechende Gebäudeversicherungen sind wesentliche Schäden an Gebäuden abgedeckt.

Die S IMMO Gruppe versucht, Umweltrisiken dadurch zu senken, dass bei Akquisitionen und Investitionen genaue Standortanalysen durchgeführt und gegebenenfalls Garantieerklärungen eingeholt werden. Weiters agiert die S IMMO Gruppe verantwortungsvoll sowohl bei Bestandsimmobilien als auch bei Entwicklungsprojekten, indem auf qualitativ hochwertige Materialien und Bauweisen geachtet wird. In diesem Zusammenhang erhielten bereits mehrere Gebäude der S IMMO Gruppe Green-Building-Zertifikate.

Rechtsrisiko

Die S IMMO Gruppe ist auf Grund ihrer Geschäftstätigkeit einer Vielzahl rechtlicher Risiken ausgesetzt. Diese resultieren unter anderem aus Rechtsstreitigkeiten im Zusammenhang mit der operativen Geschäftstätigkeit der S IMMO AG (zum Beispiel Streitigkeiten aus Immobilientransaktionen oder mit Baufirmen). Für laufende Rechtsstreitigkeiten werden gegebenenfalls im erforderlichen Ausmaß Rückstellungen gebildet. Da der Ausgang

(schieds-)gerichtlicher Verfahren in der Regel schwer vorhersehbar ist, können über die dotierten Rückstellungen hinausgehende Aufwendungen entstehen. Signifikante Risiken können sich auch aus Veränderungen der Rechtslage ergeben, zumal der S IMMO Konzern in einem stark regulierten Umfeld tätig ist.

Gesamtaussage zu Risiken und Chancen

Die Geschäftstätigkeit der S IMMO AG ist stark vom makroökonomischen Umfeld in den jeweiligen Märkten abhängig. Die wirtschaftliche Erholung in der Europäischen Union und in der Eurozone liegt hinter den Erwartungen. Die allgemeinen wirtschaftlichen Bedingungen sind immer noch herausfordernd. Die Wirtschaften in CEE und SEE erholen sich ebenfalls langsam. Entwarnung gibt es aber trotzdem noch keine. Vor allem Ungarn, Rumänien und Bulgarien weisen auf Grund ihrer politischen Situation und wirtschaftlichen Entwicklung ein höheres wirtschaftliches Risiko im Vergleich zu den westlichen EU-Ländern auf. Daher ist die S IMMO Gruppe in diesen Ländern vor allem mit einem erhöhten Branchen-, Immobilienportfolio-, Vermietungs- und Mietausfallsrisiko konfrontiert.

Eine weitere Risikogruppe betrifft die Liquidität und die Finanzierung: Strengere Eigenkapital- und Liquiditätsvorschriften für Banken können wegen einer restriktiven Kreditvergabe oder reduzierter Beleihungshöhen eine Refinanzierung erschweren. Allerdings verbesserte sich die Refinanzierungssituation im Berichtszeitraum. Vor allem in Deutschland und Österreich konnten Kredite zu niedrigeren Margen abgeschlossen werden. In CEE ist die Fremdkapitalbeschaffung vergleichsweise schwieriger.

Die S IMMO Gruppe begegnet den Risiken mit sorgfältigem Risikomonitoring und verantwortungsvoller Risikopolitik. Darüber hinaus wird ausreichende bilanzielle Vorsorge für potenzielle Risiken getroffen.

Den beschriebenen Risiken stehen Chancen gegenüber: Investitionsseitig sieht die S IMMO Gruppe das größte Potenzial bei Berliner Büroimmobilien mit Entwicklungspotenzial. Anhaltender Zuzug und eine hohe Anzahl an Unternehmensgründungen werden Berlin auch in den kommenden Monaten attraktiv machen. Chancen sieht der S IMMO Konzern auch in seiner Beteiligung an Büroentwicklungen am Wiener Hauptbahnhof, ebenso in der Sanierung des Vienna Marriott Hotels bei laufendem Betrieb. Eine Entspannung spürt die S IMMO Gruppe auch auf dem Budapester Büroimmobilienmarkt und in Bukarest.

Am Kapitalmarkt bieten sich der S IMMO ebenfalls Chancen: Die S IMMO Aktie hat sich im Geschäftsjahr 2015 sehr gut entwickelt. Da das Wertpapier noch immer unter seinem inneren Wert notiert, geht das Management von weiterem Potenzial aus. Allerdings dürfen etwaige negative Entwicklungen und Volatilitäten auf den Kapitalmärkten nicht außer Acht gelassen werden.

Finanzielle und nichtfinanzielle Leistungsindikatoren

Strategisches Ziel ist die nachhaltige Steigerung des Unternehmenswertes. Zentrale finanzielle Leistungsindikatoren (Kennzahlen) sind dabei für den Gesamtkonzern u.a. der NAV pro Aktie, die Loan to Value (LTV) Ratio sowie Kennzahlen wie der FFO (Funds from Operations) und die Eigenkapitalquote.

Für die S IMMO AG wurden folgende finanzielle Leistungsindikatoren identifiziert:

		2015	2014
Eigenkapitalquote	%	40	44
Betriebsergebnis	TEUR	1.412	171

Diese Finanzkennzahlen werden zur Steuerung des operativen Geschäfts durch mehrere nichtfinanzielle Leistungsindikatoren (Leerstandsrate, Portfoliostreuung, Standortqualität) ergänzt.

Der Netto-Geldfluss aus laufender Geschäftstätigkeit beträgt für 2015 TEUR -18.933 (2014 TEUR 15.619). Der Cashflow aus der Investitionstätigkeit beträgt TEUR -87.740 (2014 TEUR 5.807), der Cashflow aus der Finanzierungstätigkeit beträgt TEUR 67.051 (2014 TEUR 18.540). Die Veränderung des operativen Cashflows zum Vorjahr resultiert im Wesentlichen aus im Geschäftsjahr 2015 erfolgten Derivatglattstellungen im zahlungswirksamen Ausmaß in Höhe von ca. Mio. EUR 32. Der Cashflow aus der Investitionstätigkeit ist im Wesentlichen von an Tochterunternehmen gegebenen Zuschüssen und Ausleihungen geprägt. Die Veränderung des Cashflows aus der Finanzierungstätigkeit ist maßgeblich von der Begebung zweier Anleihen und der Verminderung des Genusscheinkapitals beeinflusst.

Gesamt kommt es in der zahlungswirksamen Veränderung des Finanzmittelbestandes zu einer Verminderung um TEUR 39.622 (2014 Erhöhung um TEUR 39.966), womit der Finanzmittelbestand am Ende der Periode TEUR 394 (2014 TEUR 40.016) beträgt.

Die Geldflussrechnung wurde auf Basis des Fachgutachtens KFS/BW 2 des Fachsenates für Betriebswirtschaft und Organisation der Kammer der Wirtschaftstrehänder erstellt.

Informationen gemäß § 243a Abs. 1 Unternehmensgesetzbuch (UGB)

Gemäß § 243a Abs. 1 Unternehmensgesetzbuch (UGB) sind die folgenden Informationen anzugeben:

1.) Das Grundkapital der S IMMO AG beträgt zum Bilanzstichtag 31.12.2015 EUR 243.143.569,90 und ist in 66.917.179 auf Inhaber lautende Stückaktien zerlegt. Es bestehen keine unterschiedlichen Aktiengattungen.

2.) Die Satzung der S IMMO AG beschränkt das Stimmrecht jedes Aktionärs in der Hauptversammlung mit 15 % der ausgegebenen Aktien (Höchststimmrecht). Hierbei sind die Aktien von Unternehmen, die miteinander einen Konzern im Sinne des § 15 Aktiengesetz (AktG) bilden, zusammenzurechnen, ebenso die Aktien, die von Dritten für Rechnung des betreffenden Aktionärs oder eines mit ihm konzernmäßig verbundenen Unternehmens gehalten werden. Zusammenzurechnen sind weiters Aktienbestände von Aktionären, die bei der Ausübung der Stimmrechte auf Grund eines Vertrags oder auf Grund abgestimmten Verhaltens gemeinsam vorgehen.

Dem Vorstand der S IMMO AG sind keine Vereinbarungen über Beschränkungen, die Stimmrechte oder die Übertragung von Aktien betreffen, bekannt.

S IMMO AG, Wien

3.) Der Gesellschaft wurden folgende Beteiligungen über 10 % an ihr gemäß § 91 Abs. 1 Börsegesetz (BörseG) gemeldet:

Am 20.04.2009 meldete die Sparkassen Versicherung Aktiengesellschaft (nunmehr Sparkassen Versicherung AG Vienna Insurance Group), ein Konzernunternehmen der Vienna Insurance Group, gemäß § 91 Abs. 1 BörseG, dass sie ihre Beteiligung an der Sparkassen Immobilien Aktiengesellschaft (nunmehr S IMMO AG) auf 7.000.000 Stückaktien, was ca. 10,27 % des damaligen Grundkapitals bzw. ca. 10,46 % des derzeitigen, im Zuge der Einziehung eigener Aktien zum 19.12.2013 herabgesetzten Grundkapitals entspricht, erhöht habe.

Am 24.07.2012 meldete die Erste Group Bank AG gemäß § 91 Abs. 1 BörseG, dass sie ihre Beteiligung an der S IMMO AG erhöht habe und am 20.07.2012 die im § 91 Abs. 1 BörseG vorgesehene Anteilsschwelle von 10 % der Stimmrechte überschritten habe; der Anteil der nunmehr von der Erste Group Bank AG (unmittelbar und mittelbar) gehaltenen Stimmrechte an der S IMMO AG erhöhte sich auf 6.893.561 Stückaktien, was ca. 10,12 % des damaligen Grundkapitals und ca. 10,30 % des derzeitigen, im Zuge der Einziehung eigener Aktien zum 19.12.2013 herabgesetzten Grundkapitals entspricht.

Am 24.09.2009 erhielt der Vorstand der S IMMO AG von der Tri-Star Capital Ventures Ltd., einer internationalen Investmentgesellschaft, eine Mitteilung gemäß § 91 Abs. 1 BörseG, wonach das Unternehmen die Beteiligung an der Sparkassen Immobilien Aktiengesellschaft (nunmehr S IMMO AG) auf ca. 11,15 % des stimmberechtigten Grundkapitals aufgestockt habe; mit Meldungen vom 05.12.2013 bzw. 13.01.2014 informierte Anadoria Investments Ltd., eine 100 %-Tochter der Tri-Star Capital Ventures Ltd., dass sie die ursprünglich von Tri-Star Capital Ventures Ltd. gehaltenen 7.593.611 Stückaktien der S IMMO AG, was ca. 11,15 % des damaligen Grundkapitals und ca. 11,35 % des derzeitigen, im Zuge der Einziehung eigener Aktien zum 19.12.2013 herabgesetzten Grundkapitals entspricht, mit Wirkung zum 30.11.2013 erworben habe und Tri-Star Capital Ventures Ltd. direkt keine Aktien mehr an der S IMMO AG hält.

Die Erste Asset Management GmbH meldete am 30.11.2011 gemäß § 91 Abs. 1 BörseG, dass sie gemeinsam mit ihren Tochtergesellschaften RINGTURM Kapitalanlagegesellschaft m.b.H. und ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. eine gemeinsame

S IMMO AG, Wien

Stimmrechtspolitik verfolge und daher Stimmrechtsmitteilungen der verwalteten Fondsbestände kumuliert erfolgen. Dementsprechend meldeten die drei genannten Gesellschaften, dass sie per 29.11.2011 insgesamt 8.130.557 Stimmrechte an der S IMMO AG hielten, was ca. 11,94 % des damaligen Grundkapitals und ca. 12,15 % des derzeitigen, im Zuge der Einziehung eigener Aktien zum 19.12.2013 herabgesetzten Grundkapitals entspricht.

Die S IMMO AG weist klarstellend darauf hin, dass sie auf Grund von Meldungen gemäß § 91 Abs. 1 BörseG vom Entstehen von Beteiligungen über 10 % erfährt und daher unter anderem die Vollständigkeit und Richtigkeit obiger Aufzählung nicht garantieren kann. Darüber hinaus haben Meldungen gemäß §§ 91 ff. BörseG nur beim Erreichen, Über- oder Unterschreiten der darin festgesetzten Schwellenwerte zu erfolgen, weshalb das tatsächliche (aktuelle) Beteiligungsausmaß von den gemeldeten Zahlen durchaus abweichen kann.

4.) Es bestehen keine Aktien mit besonderen Kontrollrechten.

5.) Arbeitnehmer, die im Besitz von Aktien sind, üben bei der Hauptversammlung ihr Stimmrecht gegebenenfalls unmittelbar aus.

6.) Der Vorstand besteht aus zwei, drei oder vier Mitgliedern. Die Mitglieder des Vorstands werden vom Aufsichtsrat mit Drei-Viertel-Mehrheit der abgegebenen Stimmen bestellt. Der Aufsichtsrat kann dabei auch ein Mitglied des Vorstands zum Vorsitzenden und eines zum Stellvertreter des Vorsitzenden bestimmen. Auch dieser Beschluss bedarf einer Drei-Viertel-Mehrheit der abgegebenen Stimmen. Eine Bestellung zum Vorstand ist letztmalig vor Erreichen des 65. Lebensjahres möglich.

Der Aufsichtsrat besteht aus höchstens zehn von der Hauptversammlung gewählten Mitgliedern.

Beschlüsse über ordentliche Kapitalerhöhungen beschließt die Hauptversammlung mit einfacher Mehrheit der abgegebenen Stimmen und mit einfacher Mehrheit des bei der Beschlussfassung vertretenen Grundkapitals.

7.) a) Der Vorstand ist mit Beschluss der 23. Ordentlichen Hauptversammlung vom 01.06.2012 für fünf Jahre nach Eintragung dieser Satzungsänderung, somit bis 19.10.2017, ermächtigt, gemäß § 169 AktG mit Zustimmung des Aufsichtsrats, das Grundkapital der Gesellschaft um bis zu EUR 123.754.680,93 durch Ausgabe von bis zu 34.059.359 Stück auf Inhaber lautende Stammaktien zum Mindestausgabekurs von 100 % des anteiligen Betrags jeder Aktie am Grundkapital gegen Bar- oder Sacheinlagen (ausgenommen Sacheinlage gegen von der Gesellschaft ausgegebene Genussscheine und Forderungen aus diesen Genussscheinen oder sonstige Forderungen) in einer oder mehreren Tranchen zu erhöhen und den Ausgabekurs, die Ausgabebedingungen und die weiteren Einzelheiten der Durchführung der Kapitalerhöhung im Einvernehmen mit dem Aufsichtsrat festzusetzen (genehmigtes Kapital); im Falle einer Kapitalerhöhung gegen Sacheinlage (ausgenommen Sacheinlage gegen von der Gesellschaft ausgegebene Genussscheine und Forderungen aus diesen Genussscheinen oder sonstige Forderungen) ist der Vorstand ermächtigt, mit Zustimmung des Aufsichtsrats das Bezugsrecht der Aktionäre ganz oder teilweise auszuschließen.

b) In der 25. ordentlichen Hauptversammlung vom 11.06.2014 wurde dem Vorstand die Ermächtigung erteilt, nach den Bestimmungen des § 65 Abs. 1 Z 8 AktG für die Dauer von 30 Monaten ab dem Datum der Beschlussfassung, somit bis 11.12.2016, mit Zustimmung des Aufsichtsrats eigene Aktien im gesetzlich zulässigen Höchstausmaß von bis zu 10 % des Grundkapitals der Gesellschaft, auch wiederholt zu erwerben und gegebenenfalls einzuziehen. Der Vorstand wurde auch ermächtigt, für die Dauer von fünf Jahren ab Beschlussfassung, somit bis 11.06.2019, mit Zustimmung des Aufsichtsrats für die Veräußerung der eigenen Aktien auch eine andere Art als über die Börse oder durch ein öffentliches Angebot unter Ausschluss des Bezugsrechts der Aktionäre zu beschließen.

c) Das Grundkapital wird gemäß § 159 Abs. 2 Z 1 AktG um bis zu EUR 123.754.680,93 durch Ausgabe von bis zu 34.059.359 Stück neuen auf Inhaber lautende Stammaktien bedingt erhöht (bedingtes Kapital). Die bedingte Kapitalerhöhung wird nur insoweit durchgeführt, als Inhaber von auf der Grundlage des Hauptversammlungsbeschlusses vom 01.06.2012 ausgegebenen Wandelschuldverschreibungen von dem ihnen eingeräumten Umtausch- und/oder Bezugsrecht Gebrauch machen. Der Ausgabebetrag und das Umtausch- und/oder Bezugsverhältnis sind unter Berücksichtigung marktüblicher Berechnungsmethoden sowie des Kurses der Aktien der Gesellschaft zu ermitteln (Grundlagen der Berechnung des Ausgabebetrags); der

Ausgabebetrag darf nicht unter dem anteiligen Betrag des Grundkapitals liegen. Der Vorstand ist ermächtigt, mit Zustimmung des Aufsichtsrats die weiteren Einzelheiten der Durchführung der bedingten Kapitalerhöhung (insbesondere Ausgabebetrag, Inhalt der Aktienrechte, Zeitpunkt der Dividendenberechtigung) festzulegen. Der Aufsichtsrat ist ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien aus dem bedingten Kapital oder auf Grund des Ablaufs der Frist zur Ausnutzung des bedingten Kapitals ergeben, zu beschließen.

d) In der 23. ordentlichen Hauptversammlung vom 01.06.2012 wurde der Vorstand gemäß § 174 AktG ermächtigt, innerhalb von fünf Jahren ab Beschlussfassung, somit bis 01.06.2017, mit Zustimmung des Aufsichtsrats Wandelschuldverschreibungen, mit denen ein Umtausch- oder Bezugsrecht auf bis zu 34.059.359 Stück auf Inhaber lautende Stammaktien der Gesellschaft mit einem anteiligen Betrag am Grundkapital von bis zu EUR 123.754.680,93 verbunden ist, in einer oder mehreren Tranchen, auch verbunden mit einer Ermächtigung des Vorstands, mit Zustimmung des Aufsichtsrats das Bezugsrecht der Aktionäre für die Wandelschuldverschreibungen auszuschließen, gegen Barwerte auszugeben und alle weiteren Bedingungen der Wandelschuldverschreibungen, die Ausgabe und das Umtauschverfahren festzusetzen.

8.) Die im Juni 2014 begebene 4,5 % S IMMO Anleihe 2014 – 2021 (Volumen rd. 90 Mio. EUR), die im Oktober 2014 begebene 3 % S IMMO Anleihe 2014 – 2019 (Volumen EUR 100 Mio), die im April 2015 begebene 3,25% S IMMO Anleihe 2015 – 2025 (Volumen rd. 34 Mio. EUR) sowie die im April 2015 begebene 3,25% S IMMO Anleihe 2015 – 2027 (Volumen 65 Mio. EUR) enthalten sogenannte Change-of-Control-Klauseln. Gemäß den Bedingungen dieser Anleihen sind die Anleihegläubiger im Falle eines Kontrollwechsels zur Kündigung der Teilschuldverschreibung berechtigt und können die sofortige Rückzahlung verlangen. Ein Kontrollwechsel findet gemäß den Bedingungen dieser Anleihen dann statt, wenn eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder -personen, die für eine solche Person oder Personen handeln, zu irgendeiner Zeit direkt oder indirekt (i) mehr als 50 % der mit den Aktien der Emittentin verbundenen Stimmrechte (ohne Berücksichtigung des Höchststimmrechts) oder (ii) das Recht, die Mehrzahl der Mitglieder des Vorstands der Emittentin und/ oder der Kapitalvertreter im Aufsichtsrat der Emittentin zu bestimmen, erworben haben.

9.) Es bestehen keine Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Vorstands- und Aufsichtsratsmitgliedern oder Arbeitnehmern für den Fall eines öffentlichen Übernahmeangebots.

Ereignisse nach dem Bilanzstichtag

Im ersten Quartal 2016 wurden 18.888 Genussscheine zu einem Preis von rund EUR 1,6 Mio. zurückgekauft. Aktienrückkäufe wurden keine getätigt. Darüber hinaus erfolgte die Glattstellung eines Swaps mit einem Nominale in Höhe von EUR 50 Mio.

Wien, am 19. April 2016

Der Vorstand:

Mag. Ernst Vejdovsky

Mag. Friedrich Wachernig, MBA

Bilanz zum 31.12.2015

Aktiva				Passiva					
31.12.2015		31.12.2014		31.12.2015		31.12.2014			
EUR	EUR	TEUR	TEUR	EUR	EUR	TEUR	TEUR		
A. Anlagevermögen				A. Eigenkapital					
I. Immaterielle Vermögensgegenstände				I. Grundkapital					
1. ähnliche Rechte	72.508,59		28	243.143.569,90		243.144			
2. Geschäfts(Firmen)wert	0,00	72.508,59	0	28					
II. Sachanlagen				II. Kapitalrücklagen					
1. Grundstücke, grundstücksgleiche Rechte, einschließlich der Bauten auf fremdem Grund davon Verschmelzungsmehrwert EUR 7.865.444,32, i.Vj: TEUR 8.091	160.535.238,68		166.811	1. Gebundene	77.943.846,02	77.944			
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	214.651,58	160.749.890,26	217	167.028	III. Gewinnrücklagen				
III. Finanzanlagen				1. Rücklage für eigene Anteile §225 Abs.5 UGB					
1. Anteile an verbundenen Unternehmen davon Verschmelzungsmehrwert EUR 369.528,03, i.Vj: TEUR 370	516.563.996,93		456.133	2. Andere Rücklagen (freie Rücklagen)	58.355.348,93	563			
2. Ausleihungen an verbundene Unternehmen	325.543.495,74		283.251	IV. Bilanzgewinn, davon Gewinnvortrag EUR 6.863.733,49 (i.Vj: TEUR 22.691)	21.000.000,00	401.647.466,45	22.894		
3. Beteiligungen	1.978.237,32		1.978				419.580		
4. Wertpapiere (Wertrechte) des Anlagevermögens	963.467,61	845.049.197,60	524	741.886	B. Unversteuerte Rücklagen				
B. Umlaufvermögen				1. Bewertungsreserve auf Grund von Sonderabschreibungen					
I. Forderungen und sonstige Vermögensgegenstände				7.949.836,60				7.949.836,60	8.153
1. Forderungen aus Lieferungen und Leistungen	391.524,41		252	C. Rückstellungen					
2. Forderungen gegenüber verbundenen Unternehmen davon aus Lieferungen und Leistungen EUR 0,00 i.Vj.:TEUR 0	1.692.055,09		388	1. Rückstellungen für Abfertigungen	144.151,08		125		
3. Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	752.166,36		563	2. Rückstellungen für Pensionen	1.420.765,57		1.436		
4. Sonstige Forderungen und Vermögensgegenstände	3.204.148,51	6.039.894,37	2.034	3. Steuerrückstellungen	13.917,00		814		
II. Wertpapiere und Anteile				4. Sonstige Rückstellungen					
1. eigene Anteile	1.204.701,60	1.204.701,60	563	20.080.622,09	21.659.455,74	35.634	38.010		
2. eigene Genussscheine	399.904,67	399.904,67	61	D. Verbindlichkeiten					
III. Kassenbestand, Guthaben bei Kreditinstituten				1. Anleihen					
394.453,29	394.453,29	40.016		288.664.000,00	288.664.000,00	189.671			
C. Rechnungsabgrenzungsposten				2. Genussscheinkapital					
140.732,91	140.732,91	611		55.960.340,00	55.960.340,00	95.540			
	1.014.051.283,29	953.430		3. Verbindlichkeiten gegenüber Kreditinstituten	158.598.686,83	81.246			
				4. Verbindlichkeiten aus Lieferungen und Leistungen	653.067,00	910			
				5. Verbindlichkeiten gegenüber verbundenen Unternehmen	70.317.286,44	114.445			
				6. Sonstige Verbindlichkeiten	7.593.830,62	4.762			
				davon aus Steuern EUR 345.927,27 i.Vj: TEUR 104					
				davon im Rahmen der sozialen Sicherheit EUR 68.002,07, i.Vj.:TEUR 61					
				0,00	237.162.870,89	0	201.364		
				E. Rechnungsabgrenzungsposten					
				1.007.313,61	1.007.313,61		1.112		
					1.014.051.283,29		953.430		
				Haftungsverhältnisse					
					369.471.086,31		506.402		

Gewinn- und Verlustrechnung
für das Geschäftsjahr vom
1. Jänner 2015 bis 31. Dezember 2015

	2015		2014	
	EUR	EUR	TEUR	TEUR
1. Umsatzerlöse	19.168.110,44	19.168.110,44		20.141
2. <u>Sonstige betriebliche Erträge</u>				
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	2.109.667,03		1.665	
b) Erträge aus der Auflösung von Rückstellungen	142.171,11		336	
c) Übrige	857.013,56	3.108.851,70	1.257	3.258
3. <u>Aufwendungen sonstige bezogene Herstellungsleistungen</u>	-5.754.888,85	-5.754.888,85		-6.396
4. <u>Personalaufwand</u>				
a) Gehälter	-3.429.740,11		-3.459	
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-68.814,40		-65	
c) Aufwendungen für Altersversorgung	-34.459,57		-395	
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-678.675,13		-646	
e) Sonstige Sozialaufwendungen	-40.360,14	-4.252.049,35	-42	-4.608
5. <u>Abschreibungen</u>				
a) auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-5.639.897,99	-5.639.897,99		-5.621
6. <u>Sonstige betriebliche Aufwendungen</u>				
a) Steuern, soweit sie nicht unter Z 18 fallen	-63.630,23		-65	
b) Übrige	-5.154.513,74	-5.218.143,97	-6.538	-6.603
7. <u>Zwischensumme aus Z 1 bis 6</u>		1.411.981,98		171
8. <u>Erträge aus Beteiligungen</u>				
<i>davon aus verbundenen Unternehmen EUR 5.227.543,21, i.Vj.: TEUR 33.207</i>	5.805.818,21	5.805.818,21		33.789
9. <u>Erträge aus Ausleihungen des Finanzanlagevermögens</u>				
<i>davon aus verbundenen Unternehmen EUR 10.941.406,94, i.Vj.: TEUR 6.759</i>	10.941.406,94	10.941.406,94		6.759
10. <u>Sonstige Zinsen und ähnliche Erträge</u>				
<i>davon aus verbundenen Unternehmen EUR 13.534.465,37, i.Vj.: TEUR 6.459</i>	13.566.246,15	13.566.246,15		6.542
11. <u>Erträge aus der Zuschreibung zu Finanzanlagen</u>	14.107.700,00	14.107.700,00		61.711
12. <u>Aufwendungen aus Finanzanlagen</u>	-1.049.446,84	-1.049.446,84		-6.062
a) Abschreibungen: EUR 1.049.446,84, i.Vj.: TEUR 6.062				
b) Aufwendungen aus verbundenen Unternehmen EUR 1.049.446,84, i.Vj.: TEUR 6.062				
13. <u>Zinsen und ähnliche Aufwendungen</u>	-44.077.341,73	-44.077.341,73		-27.670
<i>davon betreffend verbundene Unternehmen EUR 5.044.773,13, i.Vj.: TEUR 2.957</i>				
14. <u>Ergebniszubeisung Genussscheine</u>	-4.452.346,31	-4.452.346,31		-6.905
15. <u>Zubeisung anteilige stille Reserven im Immobilienvermögen für die Genussscheine</u>	-100.936,28	-100.936,28		-580
16. <u>Zwischensumme aus Z 8 bis 15</u>		-5.258.899,86		67.584
17. <u>Ergebnis der gewöhnlichen Geschäftstätigkeit</u>		-3.846.917,88		67.755
18. <u>Steuern vom Einkommen und vom Ertrag</u>	1.741.118,98	1.741.118,98		-575
<i>davon Ertrag aus Steuerumlage EUR 1.471.874,50, iVj. Aufwand: TEUR -5</i>				
19. <u>Jahresfehlbetrag/überschuss</u>		-2.105.798,90		67.180
20. Auflösung unverteuerter Rücklagen	203.078,16	203.078,16		203
21. Auflösung von Gewinnrücklagen	30.788.603,74	30.788.603,74		
22. Zubeisung zu Gewinnrücklagen	-14.749.616,49	-14.749.616,49		-67.180
23. Gewinnvortrag aus dem Vorjahr	6.863.733,49	6.863.733,49		22.691
24. Bilanzgewinn / Bilanzverlust		21.000.000,00		22.894

Anhang zum Jahresabschluss 31.12.2015

I. Bilanzierungs- und Bewertungsmethoden

Der Jahresabschluss zum 31. Dezember 2015 wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, erstellt. Die Bilanzierung, die Bewertung und der Ausweis der einzelnen Posten des Jahresabschlusses wurden nach den allgemeinen Bestimmungen der §§ 196 bis 211 UGB unter Berücksichtigung der Sondervorschriften für Kapitalgesellschaften der §§ 221 bis 235 UGB vorgenommen. Der Jahresabschluss der S IMMO AG wurde nach den Vorschriften des Unternehmensgesetzbuches in der geltenden Fassung erstellt.

Bei der Aufstellung des Jahresabschlusses wurden die Grundsätze der Vollständigkeit und der ordnungsmäßigen Bilanzierung eingehalten. Bei der Bewertung wurde von der Fortführung des Unternehmens ausgegangen.

Bei Vermögensgegenständen und Schulden wurde der Grundsatz der Einzelbewertung angewendet. Dem Realisationsprinzip wurde Rechnung getragen, indem insbesondere nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste, die im Geschäftsjahr oder in einem der früheren Geschäftsjahre entstanden sind, wurden berücksichtigt.

1. Anlagevermögen

1.1 Immaterielles Anlagevermögen

Erworbene immaterielle Vermögensgegenstände werden zu Anschaffungskosten bewertet, vermindert um planmäßige Abschreibungen entsprechend der Nutzungsdauer. Die planmäßigen Abschreibungen werden linear angenommen. Als Nutzungsdauer wird ein Zeitraum von 4 Jahren zugrunde gelegt. Die Abschreibung des Firmenwertes erfolgte auf die Geschäftsjahre, in denen er voraussichtlich genutzt wurde.

1.2 Sachanlagevermögen

Das Sachanlagevermögen wurde zu Anschaffungs- und Herstellungskosten abzüglich Investitionszuschüssen und bisher aufgelaufenen und im Berichtsjahr planmäßig fortgeführten Abschreibungen bewertet. Zur Ermittlung der Abschreibungssätze wird generell die lineare Abschreibungsmethode gewählt. Der Rahmen der Nutzungsdauer beträgt für die einzelnen Anlagengruppen:

Gebäude: 33 bis 50 Jahre
Hardware: 4 Jahre
Betriebs- und Geschäftsausstattung: 5 bis 10 Jahre

Im Geschäftsjahr 2015 wurden keine außerplanmäßigen Abschreibungen vorgenommen.

Geringwertige Vermögensgegenstände (Wirtschaftsgüter gemäß § 13 EStG 1988) werden im Jahr der Anschaffung sofort voll abgeschrieben. Bilanzuell wurde diese Abschreibung gemäß § 226 Abs 3 UGB als Abgang dargestellt.

1.3 Finanzanlagevermögen

Die Finanzanlagen sind zu Anschaffungskosten abzüglich außerplanmäßiger Abschreibungen unter Beachtung des gemilderten Niederstwertprinzips bewertet.

2. Umlaufvermögen

2.1 Forderungen und sonstige Vermögensgegenstände

Die Forderungen wurden zum Nennwert bzw. Barwert bewertet. Bei der Bewertung von Forderungen wurden erkennbare Risiken durch individuelle Abwertungen berücksichtigt.

Soweit erforderlich, wurde die späte Fälligkeit durch Abzinsung berücksichtigt.

Die Bewertung der Guthaben bei Kreditinstituten erfolgte mit dem Nennwert.

2.2 Rechnungsabgrenzungsposten

Die aktiven und passiven Rechnungsabgrenzungsposten wurden mit dem Nennwert bewertet.

3. Rückstellungen

3.1. Abfertigungsrückstellungen

Die Rückstellungen für Abfertigungen wurden gemäß den International Financial Reporting Standards nach versicherungsmathematischen Methoden mit einem Rechnungszinssatz von 1,5% (i.Vj. 1,85%) auf Basis eines Pensionsantrittsalters von 62 Jahren ermittelt.

	2015	2014
Zinssatz	1,5%	1,85%
Gehalts/Lohnsteigerung	2,5%	2,5%
Fluktationsabschläge	Pauschal 7 %	Pauschal 7 %
Pensionsalter	62 Jahre	Männer 62/Frauen 60

3.2 Pensionsrückstellungen

Die Berechnung der Pensionsrückstellungen erfolgte nach anerkannten Regeln der Versicherungsmathematik und unter Beachtung der Vorschriften gemäß der International Financial Reporting Standards.

	2015	2014
Zinssatz	2,5 %	1,85 %
Gehalts/Lohnsteigerung	1,0 %	3,0 %
Pensionsalter	65 Jahre	65 Jahre

3.3 Sonstige Rückstellungen

Die Steuer- und sonstigen Rückstellungen berücksichtigen unter Beachtung des Imparitäts- und Höchstwertprinzips alle erkennbaren Risiken und ungewissen Verbindlichkeiten in Höhe jenes Betrages, der nach vernünftiger unternehmerischer Beurteilung hierfür notwendig ist.

4. Verbindlichkeiten

Die Verbindlichkeiten sind mit dem Rückzahlungsbetrag unter Bedachtnahme auf den Grundsatz der Vorsicht bewertet.

II. Allgemeine Erläuterungen zur Bilanz und Gewinn- und Verlustrechnung

Die Erstellung der Bilanz sowie der Gewinn- und Verlustrechnung wurde den gesetzlichen Vorschriften entsprechend vorgenommen. Die Gewinn- und Verlustrechnung wurde nach den Gesamtkostenverfahren erstellt.

III. Erläuterungen der Konzernverhältnisse

Die S IMMO AG, Wien, stellt einen Konzernabschluss gemäß § 245a UGB in Übereinstimmung mit den vom International Accounting Standards Board (IASB) formulierten Standards (IFRS und IAS) und Interpretationen (IFRIC und SIC), wie sie in der Europäischen Union (EU) anzuwenden sind, auf. Der Konzernabschluss ist beim Handelsgericht Wien hinterlegt.

IV. Erläuterungen zur Gruppenbesteuerung

Die Gesellschaft ist Gruppenträger einer steuerlichen Unternehmensgruppe gemäß § 9 Abs. 1 KStG.

Zwischen Gruppenträger und Gruppenmitgliedern besteht ein Vertrag zur Regelung des Steuerausgleichs. Die Ermittlung des Steuerausgleichs erfolgt demnach nach der Belastungsmethode: weist ein inländisches Gruppenmitglied ein positives steuerliches Ergebnis aus, dann ist eine positive Steuerumlage in Höhe von 25% an den Gruppenträger zu entrichten. Im Falle eines negativen steuerlichen Ergebnisses erhält das inländische Gruppenmitglied keine sofortige Zahlung, vielmehr werden die negativen Ergebnisse als interner Verlustvortrag des jeweiligen Gruppenmitgliedes in Evidenz gehalten, welcher mit zukünftigen positiven Ergebnissen verrechnet werden kann.

V. Erläuterungen zur Bilanz

AKTIVA

1. Anlagevermögen

Die Entwicklung der einzelnen Posten des Anlagevermögens und die Aufgliederung der Jahresabschreibung nach einzelnen Posten sind aus dem Anlagenspiegel (Beilage zum Anhang) ersichtlich.

1.1 Finanzanlagen

Angabe gem. § 238 Z 2 UGB für Beteiligungen ab 20%

	Anteil in %	Stichtag	Währung	Eigenkapital per 31.12.	Ergebnis des Geschäftsjahres
CEE PROPERTY-INVEST Immobilien GmbH, Wien	100	31.12.2015	T€	305.399	30.149
German Property Invest Immobilien GmbH, Wien	100	31.12.2015	T€	140.726	20.780
A.D.I. Immobilien Beteiligungs GmbH, Wien	100	31.12.2015	T€	56.150	-85

Typisch stille Beteiligung an der PCC - Hotelerrichtungs- und Betriebsgesellschaft m.b.H. & Co. KG:

Einlage € 3.633.641,71 zuzüglich Verschmelzungsmehrwert € 369.528,03

Anteile an verbundenen Unternehmen

Im Geschäftsjahr erfolgten Zuschreibungen an Anteilen an verbundenen Unternehmen i.Hv. T€ 12.390 (i.Vj. T€ 58.711).

Ausleihungen an verbundene Unternehmen

Diese betreffen Darlehen an zahlreiche Konzernunternehmen.

Ausleihungen an verbundene Unternehmen mit einer Restlaufzeit unter 1 Jahr betragen EUR T€ 429.

Im Geschäftsjahr wurden Ausleihungen an verbundene Unternehmen i.Hv. T€ 1.049 (i.Vj. T€ 6.062) abgeschrieben sowie i.Hv. T€ 1.718 (i.Vj. T€ 3.000) zugeschrieben.

Beteiligungen

Hierunter werden die Kommanditbeteiligung an der BGM – IMMORIENT Aktiengesellschaft & Co KG und die Beteiligung an der ERSTE Immobilien Kapitalanlagegesellschaft m.b.H. ausgewiesen.

2. Umlaufvermögen

2.1 Forderungen und sonstige Vermögensgegenstände

Die Fälligkeiten der Forderungen stellen sich folgendermaßen dar:

		Restlaufzeit		
		Summe	bis 1 Jahr	über 1 Jahr
		T€	T€	T€
Forderungen aus Lieferungen und Leistungen	2015	392	392	0
	VJ	252	252	0
Forderungen gegenüber verbundenen Unternehmen	2015	1.692	1.692	0
	VJ	388	388	0
Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	2015	752	752	0
	VJ	563	563	0
sonstige Forderungen und Vermögensgegenstände	2015	3.204	1.230	1.974
	VJ	2.034	2.034	0

2.1.1 Forderungen aus Lieferungen und Leistungen

Die Forderungen aus Lieferungen und Leistungen beinhalten Mieten und Betriebskostenforderungen. Einzelwertberichtigungen in Höhe von T€ 375 (i.Vj. T€ 505) sind bereits abgezogen.

2.1.2 Forderungen gegenüber verbundenen Unternehmen

Die Forderungen gegenüber verbundenen Unternehmen betreffen Zinsen für eine stille Beteiligung und Forderungen an zahlreiche Konzerngesellschaften aus Steuerumlagen.

2.1.3 Sonstige Forderungen und Vermögensgegenstände

Die sonstigen Forderungen und Vermögensgegenstände beinhalten mit T€ 2.233 Up-Front-Prämien der Zinscaps, die gem. AFRAC-Stellungnahme zu „Die unternehmensrechtliche Bilanzierung von Derivaten und Sicherungsinstrumenten“ vom September 2010 bilanziert werden und über die Laufzeit abgeschrieben werden. Weiters umfasst die Position mit T€ 622 (i.Vj. T€ 1.240) die Betriebskostenverrechnung und mit T€ 349 (i.Vj. T€ 794) sonstige Forderungen.

2.1.4 Wertpapiere und Anteile des Umlaufvermögens

Die Gesellschaft hält zum Bilanzstichtag 190.003 Stück eigene Aktien. Dies entspricht rund 0,28 % des Grundkapitals bzw. einem anteiligen Betrag am Grundkapital von EUR 690.375,90. Am 31.12.2015 endete das im Dezember 2014 beschlossene Aktienrückkauf-Programm. Weiters hält die Gesellschaft zum Bilanzstichtag 4.701 Stück eigene Genussscheine.

3. Derivative Finanzinstrumente

Derivate werden grundsätzlich zur Reduzierung des Zinsänderungsrisikos eingesetzt. Zinsänderungsrisiken ergeben sich aufgrund bestehender variabel verzinslicher Finanzierungsverbindlichkeiten. Grundsätzlich wird versucht, die Sicherungsinstrumente auf die Laufzeit der abzusichernden Zahlungsströme aus den Finanzierungsverbindlichkeiten abzuschließen; für den Fall, dass Sicherungsinstrumente beispielsweise nicht für die gesamte Laufzeit der Finanzierungsverbindlichkeiten verfügbar sind, kommen auch rollierende Sicherungsstrategien zum Einsatz.

Die Gesellschaft hatte zum Bilanzstichtag Zinsswap und Zinscap-Verträge abgeschlossen:

	Volumen in T€	Marktwert in T€
Zinsswaps	320.000	-20.407
Zinscaps	170.000	2.232
Summe	490.000	-18.175

Für Swaps mit zum Bilanzstichtag negativen Marktwerten besteht eine Rückstellung für drohende Verluste in Höhe von T€ 17.154 (im Hinblick auf die AFRAC- Stellungnahme zu „Die unternehmensrechtliche Bilanzierung von Derivaten und Sicherungsinstrumenten“ vom September 2010). Für Derivate mit negativen Marktwerten in Höhe von T€ 3.253 wurde keine Rückstellung für drohende Verluste gebildet, da aufgrund bestehender Vereinbarungen mit verbundenen Unternehmen von einem gegenläufigen, erfolgswirksamen Cash Flow aus mit den Derivaten unmittelbar kausal verknüpften Geschäften ausgegangen werden kann.

PASSIVA

4. Eigenkapital

Das Grundkapital wird mit T€ 243.144 ausgewiesen und zerfällt in 66.917.179 Stück auf Inhaber lautende Stückaktien. Die Aktien notieren an der Wiener Börse.

Im Berichtsraum 2015 wurden keine Aktien eingezogen.

Im Geschäftsjahr 2015 wurden freie Gewinnrücklagen in Höhe von TEUR 30.789 aufgelöst. Außerdem wurde unter anderem vom Jahresüberschuss 2015 ein Betrag in Höhe von TEUR 14.108 den freien Gewinnrücklagen zugewiesen, welcher einer Ausschüttungssperre gem. § 235 Z 1 UGB unterliegt.

Der Vorstand ist ermächtigt, bis zum 1. Juni 2017 mit Zustimmung des Aufsichtsrats Wandelschuldverschreibungen, mit denen ein Umtausch- und/oder Bezugsrecht auf bis zu 34.059.359 Stück auf Inhaber lautende Stammaktien der Gesellschaft mit einem anteiligen Betrag am Grundkapital von bis zu TEUR 123.755 verbunden ist, mit oder ohne Bezugsrechtsausschluss auch in mehreren Tranchen gegen Barwerte auszugeben.

Das Grundkapital ist gem. § 159 Abs. 2 Z 1 AktG um bis zu TEUR 123.755 durch Ausgabe von bis zu 34.059.359 Stück auf Inhaber lautende Stammaktien bedingt erhöht (bedingtes Kapital).

Der Vorstand ist ermächtigt, das Grundkapital um bis zu TEUR 123.755 durch Ausgabe von neuen, auf Inhaber lautenden Aktien gegen Bar- oder Sacheinlage zu erhöhen (genehmigtes Kapital).

In der am 03.06.2015 abgehaltenen 26. ordentlichen Hauptversammlung der S IMMO AG wurde für das Geschäftsjahr 2014 die Ausschüttung einer Dividende von EUR 0,24 je dividendenberechtigter Aktie beschlossen. Der gesamte Ausschüttungsbetrag belief sich auf T€ 16.030.

4.1 Kapitalrücklagen

Die Kapitalrücklage setzt sich aus der gebundenen Kapitalrücklage zusammen.

4.2 Gewinnrücklagen

Hier werden die Rücklage für eigene Anteile und eine freie Rücklage ausgewiesen.

5. Unversteuerte Rücklagen

5.1 Sonstige unversteuerte Rücklagen

Die Bewertungsreserve gemäß § 12 EStG zeigt folgende Entwicklung:

	Stand am 1.1.2015 T€	Dotierung T€	Auflösung T€	Stand am 31.12.2015 T€
Sachanlagen	8.153	0	203	7.950

6. Rückstellungen

6.1 Rückstellung für Abfertigungen

	31.12.15 T€	31.12.14 T€
Rückstellung für Abfertigungen	144	125

6.2 Rückstellung für Pensionen

	31.12.15 T€	31.12.14 T€
Rückstellung für Pensionen	1.421	1.436

6.3 Steuerrückstellungen

	31.12.15 T€	31.12.14 T€
Körperschaftsteuer	0	625
Eintragungsgebühren	14	14
Ausländische Ertragsteuern	0	175
Gesamt	14	814

6.4 Sonstige Rückstellungen

	31.12.15 T€	31.12.14 T€
Rechts-, Prüfungs-, Beratungs-, Schätz-, Veröffentlichungskosten	391	583
Instandhaltung	247	395
Personalkosten	670	633
Regress aus Garantien	1.619	1.553
Drohverluste aus Derivate	17.154	32.470
Gesamt	20.081	35.634

7. Verbindlichkeiten

7.1. Anleihen

Die Anleihenverbindlichkeiten zum 31. Dezember 2015 setzen sich folgendermaßen zusammen:

ISIN	Buchwert T€	Kupon	Begeben in	Laufzeit bis
AT0000A177D2	89.739,50	4,50 %	2014	16.06.2021
AT0000A19SB5	99.931,00	3,00 %	2014	02.10.2019
AT0000A1DBM5	33.993,50	3,25 %	2015	08.04.2025
AT0000A1DWK5	65.000,00	3,25 %	2015	20.04.2027
Gesamt	288.664,00			

7.2. Genussscheinkapital

Die Genussscheinbedingungen für die obligationenähnlichen Genussscheine s IMMO INVEST wurden rückwirkend ab 1. Jänner 2007 geändert und der s-IMMO-INVEST-Genussscheinfonds aufgelöst (Beschluss der Versammlung der Genussscheininhaber vom 11. Juni 2007 und Beschluss der Hauptversammlung vom 12. Juni 2007).

Die Genussscheininhaber erhalten nach den geänderten Genussscheinbedingungen einen jährlichen Ergebnisanspruch (Zinsen), welcher sich wie folgt errechnet:

$$(\text{Genussscheinkapital} + \text{Ergebnisvortrag}) * \frac{\text{Konzern EBIT}}{\text{durchschnittliches Immobilienvermögen ohne Entwicklungsprojekte}}$$

Soweit der Ergebnisanspruch entsprechend den Genussscheinbedingungen nicht ausbezahlt wird, wird dieser dem Ergebnisvortrag des nächsten Jahres zugeschlagen.

Für den Zeitraum Jänner bis Dezember 2015 ergibt sich ein Ergebnisanspruch von T€ 4.452 (i.Vj. T€ 6.905)

7.3. Verbindlichkeiten

Die Aufgliederung der Verbindlichkeiten gemäß § 225 Abs 6 und § 237 Z 1a und b UGB stellt sich folgendermaßen dar:

		Restlaufzeit			
		Summe	bis 1 Jahr	über 1 Jahr	über 5 Jahre
		T€	T€	T€	T€
Verbindlichkeiten gegenüber Kreditinstituten	2015	158.599	49.267	69.880	39.452
	VJ	81.246	6.184	19.773	55.289
Verbindlichkeiten aus Lieferungen und Leistungen	2015	653	653	0	0
	VJ	910	910	0	0
Verbindlichkeiten gegenüber verbundenen Unternehmen	2015	70.317	33.903	13.058	23.356
	VJ	114.445	72.307	15.121	27.017
Sonstige Verbindlichkeiten	2015	7.594	6.541	0	1.053
	VJ	4.762	3.660	0	1.102

7.3.1. Verbindlichkeiten gegenüber Kreditinstituten

Vom Gesamtbetrag der Verbindlichkeiten gegenüber Kreditinstituten sind T€ 103.361 (Vorjahr T€ 61.887) dinglich gesichert (Grundpfandrecht).

Die Verbindlichkeiten gegenüber Kreditinstituten enthalten mit T€ 15.237 (i.Vj.: T€ 19.171) Verbindlichkeiten aus Sale-und-Lease-back-Verträgen.

7.3.2 Verbindlichkeiten gegenüber verbundenen Unternehmen

Die Verbindlichkeiten gegenüber verbundenen Unternehmen betreffen im Wesentlichen Barvorlagen von mehreren Konzerngesellschaften. Hinsichtlich der Fristigkeiten verweisen wir auf Punkt 7.2.

7.4 Sonstige Verbindlichkeiten

Die sonstigen Verbindlichkeiten enthalten mit T€ 1.053 (i.Vj.: T€ 1.102) Kautionen, mit T€ 346 (i.Vj.: T€ 104) Verbindlichkeiten aus Steuern, mit T€ 68 (i.Vj.: T€ 61) Verbindlichkeiten aus sozialer Sicherheit, mit T€ 5.231 (i.Vj.: T€ 2.934) Verbindlichkeiten aus Anleihezinsen und mit T€ 896 (i.Vj.: T€ 561) sonstige Verbindlichkeiten.

In den sonstigen Verbindlichkeiten sind Aufwendungen in Höhe von T€ 5.435 (i.Vj.: T€ 2.934) enthalten, die erst nach dem Stichtag zahlungswirksam werden.

8. Rechnungsabgrenzungsposten

Unter dieser Position werden im Wesentlichen die Erlöse aus dem Verkauf eines Mietrechtes ausgewiesen.

VI. Erläuterungen zur Gewinn- und Verlustrechnung

1. Umsatzerlöse

Die Umsatzerlöse setzen sich wie folgt zusammen:

	2015 T€	2014 T€
Erlöse aus Vermietung	15.503	16.269
Betriebskostenverrechnung	3.665	3.821
Sonstige Mieten	0	51
Gesamt	19.168	20.141

2. Sonstige betriebliche Erträge

	2015 T€	2014 T€
Erträge aus dem Abgang vom Anlagevermögen	2.110	1.665
Erträge aus der Auflösung von Rückstellungen	142	336
Erlöse aus der Verwaltungstätigkeit und Beratung für ausländische Töchtergesellschaften	32	49
Erträge aus Schadenersatzleistungen	0	540
Diverse	825	668
Gesamt	3.109	3.258

3. Aufwendungen für sonstige bezogene Herstellungsleistungen

	2015 T€	2014 T€
Betriebskosten und laufende öffentliche Abgaben gemäß § 21 Abs 1 und 2 MRG	4.348	4.511
Instandhaltungsaufwendungen	1.407	1.885
Gesamt	5.755	6.396

4. Personalaufwand

Die Gesellschaft beschäftigte im Jahresdurchschnitt 2 Vorstandsmitglieder, 34 Angestellte und keine Arbeiter. (Im Vorjahr 2 Vorstandsmitglieder, 32 Angestellte und keine Arbeiter.)

Die Bezüge der Mitglieder des Vorstands lassen sich wie folgt aufgliedern:

	2015 T€	2014 T€
Fix	463	453
Variabel	334	318
Gesamt	797	771

Neben den oben genannten Beträgen bestanden noch sonstige Bezüge, die im Wesentlichen die Beiträge an Pensionskassen in Höhe von T€ 53 (i.Vj.: T€ 53) und die Beiträge an die Mitarbeitervorsorgekasse in Höhe von T€ 12 (i.Vj.: T€ 12) enthalten.

5. Abschreibungen

Hierunter werden planmäßige Abschreibungen auf immaterielle Vermögensgegenstände und Sachanlagen (abzüglich der aliquoten Auflösung des Investitionszuschusses) von T€ 5.640 (i.Vj. T€ 5.621) ausgewiesen.

6. Sonstige betriebliche Aufwendungen

a) Steuern, soweit sie nicht unter Z 18 fallen

Die Steuern betreffen im Wesentlichen nicht abzugsfähige Vorsteuern.

b) Übrige

	2015 T€	2014 T€
Verwaltungskosten	1.581	1.828
Verkaufs- und Vertriebskosten	1.662	1.566
Garantieprovisionen	231	231
Rechts- und Beratungsaufwand	1.401	2.361
Vergütungen an Aufsichtsratsmitglieder	109	106
Aufwendungen für Forderungsausfälle und Dotierung von Wertberichtigungen zu Forderungen	37	128
Regress aus Garantien	66	148
Diverse	68	170
Gesamt	5.155	6.538

Vergütungen inkl. Sitzungsgelder der Aufsichtsratsmitglieder:

Dr. Martin SIMHANDL, EUR 18.500

Mag. Franz KERBER, EUR 13.000

Christian HAGER, EUR 11.000

Mag. Erwin HAMMERBACHER, EUR 13.000

Michael MATLIN, MBA, EUR 11.000

Mag. Dr. Wilhelm RASINGER, EUR 12.000

Dr. Ralf ZEITLBERGER, EUR 17.000

Mag. Andrea BESENHOFER, EUR 13.000

Bezüglich der Angabe gemäß § 237 Z 14 UGB verweisen wir auf den Konzernabschluss zum 31.12.2015, welcher beim Firmenbuch des Handelsgerichts Wien hinterlegt ist.

7. Erträge aus Beteiligungen

Hierunter werden Ausschüttungen aus Anteilen an verbundenen Unternehmen T€ 5.228 (i.Vj.: T€ 33.207) und aus Beteiligungen T€ 578 (i.Vj.: T€ 582) ausgewiesen.

8. Erträge aus Ausleihungen des Finanzanlagevermögens

Hierunter gelangen im Wesentlichen die Zinserträge von Ausleihungen an verbundene Unternehmen zum Ausweis.

9. Sonstige Zinsen und ähnliche Erträge

Die sonstigen Zinsen und ähnlichen Erträge resultieren mit T€ 13.534 (i.Vj. T€ 6.459) aus weiterverrechneten Finanzierungs- und Zinssicherungskosten an diverse Konzerngesellschaften, mit T€ 30 (i.Vj. T€ 51) aus Bankzinsen und T€ 2 (i.Vj. T€ 32) betreffen sonstige Zinsen und ähnliche Erträge.

10. Erträge aus der Zuschreibung zu Finanzanlagen

Hierunter wird die Auflösung einer Wertberichtigung auf eine Ausleihung an einem verbundenen Unternehmen i.Hv. T€ 1.718 (i.Vj. T€ 3.000) und die Zuschreibung auf Anteile an verbundenen Unternehmen i.Hv. T€ 12.390 (i.Vj. T€ 58.711) ausgewiesen.

11. Aufwendungen aus Finanzanlagen

Hierunter wird die Wertberichtigung auf Ausleihungen an verbundenen Unternehmen i.Hv. T€ 1.049 (i.Vj.: T€ 6.062) ausgewiesen.

12. Zinsen und ähnliche Aufwendungen

Der Zinsenaufwand resultiert mit T€ 33.416 (i.Vj.: T€ 23.516) aus Bankzinsen und Derivat-zinsen, mit T€ 9.335 (i.Vj.: T€ 2.934) aus eigenen Anleihen, mit T€ 490 (i.Vj.: T€ 1.085) aus Aufwendungen im Zusammenhang mit der Begebung von Anleihen und mit T€ 836 (i.Vj.: T€ 135) aus sonstigen Zinsen.

13. Ergebnisanspruch der Genussscheininhaber

Als Ergebnisanspruch der Genussscheininhaber werden für das Jahr 2015 T€ 4.452 (i.Vj. T€ 6.905) ausgewiesen.

14. Zuweisung anteilige stille Reserven im Immobilienvermögen für die Genussscheine

Gemäß § 6 Abs 4 der Genussscheinbedingungen haben die Genussscheininhaber bei Laufzeitende, bei Kündigung und im Falle der Auflösung Anspruch auf einen Anteil an den in der Konzernbilanz (nach IFRS) nicht bilanzierten stillen Reserven. Zum 31. Dezember 2015 errechnete sich dieser Anteil mit T€ 998 (i.Vj. T€ 1.608).

15. Steuern vom Einkommen und vom Ertrag

Dieser Posten beinhaltet mit T€ 25 (i.Vj.: T€ 647) den Körperschaftsteuer-Aufwand (Mindest-KöSt für Gruppenträger und Gruppenmitglieder der Unternehmensgruppe nach § 9 KStG für das Jahr 2015). Weiters gelangen Erträge aus Steuerumlagen von zur Unternehmensgruppe gehörenden Gruppenmitgliedern in Höhe von T€ 1.472 (i.Vj.: Aufwand T€ 5), mit T€ 1 (i.Vj.: Ertrag T€ 80) ein ausländischer Ertragsteueraufwand und mit T€ 295 (i.Vj.: Aufwand T€ 3) ein Steuerertrag aus Vorperioden zum Ausweis.

Vom Wahlrecht, aktive latente Steuern auf temporäre Differenzen gem. § 198 Abs. 10 UGB anzusetzen, wurde kein Gebrauch gemacht. Der gem. § 198 Abs. 10 ansetzbare Wert beträgt T€ 7.055 (i.Vj.: T€: 11.171).

Unterlassene Zuschreibungen gem. § 208 Abs. 2 UGB

Im Berichtsjahr wurden wie im Vorjahr keine Zuschreibungen an Anteilen an verbundenen Unternehmen unterlassen.

Haftungsverhältnisse

Unter dieser Position gelangen Verpflichtungen aus abgegebenen Bürgschaften und Garantien T€ 201.426, (i.Vj.: T€ 298.700) sowie Patronatserklärungen T€ 168.045, (i.Vj.: T€ 207.702) für Konzerngesellschaften zum Ausweis.

Darüber hinaus hat die Gesellschaft zu Gunsten einzelner Konzerngesellschaften Patronatserklärungen abgegeben, mit denen sie sich verpflichtet hat, diese Gesellschaften ab dem jeweiligen Erklärungsdatum zumeist über mindestens 12 Monate so mit finanziellen Mitteln auszustatten, dass diese jederzeit in der Lage sind, alle Zahlungsverpflichtungen zeitgerecht erfüllen zu können.

VII. Sonstige Angaben

Die Organe der Gesellschaft setzten sich wie folgt zusammen:

Aufsichtsrat :

Dr. Martin SIMHANDL, Wien (Vorsitzender)
Dr. Ralf ZEITLBERGER, Wien (1. stellvertretender Vorsitzender)
Mag. Franz KERBER, Graz (2. stellvertretender Vorsitzender)
Mag. Andrea BESENHOFER, Wien
Christian HAGER, Krems
Mag. Erwin HAMMERBACHER, Wien
Michael MATLIN, MBA, New York
Mag. Dr. Wilhelm RASINGER, Wien

Vorstand:

Mag. Ernst VEJDOVSZKY
Mag. Friedrich WACHERNIG, MBA

Die Mitglieder des Vorstandes und des Aufsichtsrates erhielten weder Kredite noch Vorschüsse, es bestehen auch keine zugunsten dieser Personen eingegangenen Haftungsverhältnisse.

Wien, am 19. April 2016

Der Vorstand:

Mag. Ernst VEJDOVSZKY e.h.

Mag. Friedrich WACHERNIG, MBA e.h.

ANLAGENSPIEGEL GEMÄSS § 226 (1) UGB PER 31. DEZEMBER 2015

	Anschaffungs- bzw. Herstellungskosten			Stand 31.12.2015	Abschreibungen kumuliert (-)	Buchwert 31.12.2015	Vorjahr	Abschreibungen des Geschäfts- jahres	Zuschreibungen des Geschäfts- jahres
	Stand 01.01.2015	Zugänge	Abgänge						
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Immaterielle Vermögensgegenstände									
1. ähnliche Rechte	153.797,64	58.240,00	-	212.037,64	139.529,05	72.508,59	28.345,53	14.076,94	-
2. Geschäfts(Firmen-)wert	1.764.039,40	-	1.764.039,40	-	-	-	-	-	-
	1.917.837,04	58.240,00	1.764.039,40	212.037,64	139.529,05	72.508,59	28.345,53	14.076,94	-
II. Sachanlagen									
1. Grundstücke, grundstückgleiche Rechte, einschließlich Bauten auf fremden Grund	-	-	-	-	-	-	-	-	-
Grundwert (Unbebauet)	1.007.000,00	-	-	1.007.000,00	-	1.007.000,00	1.007.000,00	-	-
Grundwert (bebauet)	50.691.463,60	-	288.250,41	50.403.213,19	529.776,69	49.873.436,50	50.161.686,91	-	-
Gebäudewert	186.721.811,61	497.130,69	2.281.438,81	184.937.503,49	71.931.592,72	113.005.910,77	119.086.182,10	5.675.319,46	-
Investitionszuschuss aus öffentlichen Mitteln	-	4.686.173,43	-	4.686.173,43	-	3.351.108,59	3.444.350,86	93.242,27	-
	233.734.101,78	497.130,69	2.569.689,22	231.661.543,25	71.126.304,57	160.535.238,68	166.810.518,15	5.582.077,19	-
2. andere Anlagen (Betriebs- und Geschäftsausstattung*)									
eigene	344.373,18	22.333,87	4.180,07	362.526,98	200.135,77	162.391,21	177.622,55	37.565,21	-
vermietete Mobilien	143.222,19	18.612,48	-	161.834,67	109.574,30	52.260,37	39.826,54	6.178,65	-
	487.595,37	40.946,35	4.180,07	524.361,65	309.710,07	214.651,58	217.449,09	43.743,86	-
	234.221.697,15	538.077,04	2.573.869,29	232.185.904,90	71.436.014,64	160.749.890,26	167.027.967,24	5.625.821,05	-
III. Finanzanlagen									
1. Anteile an verbundenen Unternehmen	468.522.384,16	48.041.612,77	-	516.563.996,93	-	516.563.996,93	456.132.684,16	-	12.389.700,00
2. Ausleihungen an verbundene Unternehmen	296.255.448,87	132.983.043,57	91.359.146,36	337.879.346,08	12.335.850,34	325.543.495,74	283.251.045,37	1.049.446,84	1.718.000,00
3. Beteiligungen	2.906.417,60	-	-	2.906.417,60	928.180,28	1.978.237,32	1.978.237,32	-	-
4. Wertpapiere (Wertrechte) des Anlagevermögens	524.191,38	439.276,23	-	963.467,61	-	963.467,61	524.191,38	-	-
	768.208.442,01	181.463.932,57	91.359.146,36	858.313.228,22	13.264.030,62	845.049.197,60	741.886.158,23	1.049.446,84	14.107.700,00
Summe	1.004.347.976,20	182.060.249,61	95.697.055,05	1.090.711.170,76	84.839.574,31	1.005.871.596,45	908.942.471,00	6.689.344,83	14.107.700,00
*) davon geringwertige Vermögensgegenstände		4.180,07	4.180,07					4.180,07	

5.639.897,99 lt. GuV = OK

ADI+CEE Prop+German Prop+PCC KG

BGM+ IMMO KAG

Bestätigungsvermerk

Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der S IMMO AG, Wien, bestehend aus der Bilanz zum 31. Dezember 2015, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr sowie dem Anhang, geprüft.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung und sachgerechte Gesamtdarstellung dieses Jahresabschlusses in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und für die internen Kontrollen, die die gesetzlichen Vertreter als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Verantwortung des Abschlussprüfers

Unsere Aufgabe ist es, auf der Grundlage unserer Prüfung ein Urteil zu diesem Jahresabschluss abzugeben. Wir haben unsere Abschlussprüfung in Übereinstimmung mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der internationalen Prüfungsstandards (International Standards on Auditing). Nach diesen Grundsätzen haben wir die beruflichen Verhaltensanforderungen einzuhalten und die Abschlussprüfung so zu planen und durchzuführen, dass hinreichende Sicherheit darüber erlangt wird, ob der Jahresabschluss frei von wesentlichen falschen Darstellungen ist.

Eine Abschlussprüfung beinhaltet die Durchführung von Prüfungshandlungen, um Prüfungsnachweise für die im Jahresabschluss enthaltenen Wertansätze und sonstigen Angaben zu erlangen. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers. Dies schließt die Beurteilung der Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Jahresabschluss ein. Bei der Beurteilung dieser Risiken berücksichtigt der Abschlussprüfer das für die Aufstellung und sachgerechte Gesamtdarstellung des Jahresabschlusses durch die Gesellschaft relevante interne Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben. Eine Abschlussprüfung umfasst auch die Beurteilung der Angemessenheit der angewandten Rechnungslegungsgrundsätze und der Vertretbarkeit der von den gesetzlichen Vertretern ermittelten geschätzten Werte in der Rechnungslegung sowie die Beurteilung der Gesamtdarstellung des Jahresabschlusses.

Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Nach unserer Beurteilung entspricht der Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. Dezember 2015 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Aussagen zum Lagebericht

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben nach § 243a UGB sind zutreffend.

Wien, den 19. April 2016

PwC Wirtschaftsprüfung GmbH

gez.:

Mag. Peter Pessenlehner
Wirtschaftsprüfer

Eine von den gesetzlichen Vorschriften abweichende Offenlegung, Veröffentlichung und Vervielfältigung im Sinne des § 281 Abs. 2 UGB in einer von der bestätigten Fassung abweichenden Form unter Beifügung unseres Bestätigungsvermerks ist nicht zulässig. Im Fall des bloßen Hinweises auf unsere Prüfung bedarf dies unserer vorherigen schriftlichen Zustimmung.