



VIG FUND uzavřený investiční fond, a.s.

**Auditor's report
and annual report
31 December 2012**

Translated from the Czech original



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This document is an English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of VIG FUND uzavřený investiční fond, a.s.

Financial statements

On the basis of our audit, on 21 March 2013 we issued an auditor's report on the Company's statutory financial statements, which are included in this annual report, and our report was as follows:

"We have audited the accompanying financial statements of VIG FUND uzavřený investiční fond, a.s., which comprise the balance sheet as of 31 December 2012, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and the notes to these financial statements including a summary of significant accounting policies and other explanatory notes. Information about the company is set out in Note I to these financial statements.

Statutory Body's Responsibility for the Financial Statements

The statutory body of VIG FUND uzavřený investiční fond, a.s. is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal controls as the statutory body determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the 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 entity's internal controls. 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 financial statements.

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



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of VIG FUND uzavřený investiční fond, a.s. as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.”

Report on relations between related parties

We have reviewed the factual accuracy of the information disclosed in the report on relations between related parties of VIG FUND uzavřený investiční fond, a.s. for the year ended 31 December 2012. The responsibility for the preparation and factual accuracy of this report rests with the Company’s statutory body. Our responsibility is to express our view on the report on relations based on our review.

We conducted our review in accordance with Auditing Standard No. 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain limited assurance as to whether the report on relations is free of material misstatement. A review is limited primarily to inquiries of the Company’s personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the report on relations and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that would lead us to believe that the report on relations between related parties of VIG FUND uzavřený investiční fond, a.s. for the year ended 31 December 2012 contains material factual misstatements.

Annual report

We have audited the consistency of the annual report with the audited financial statements. This annual report is the responsibility of the Company’s statutory body. Our responsibility is to express our opinion on the consistency of the annual report with the audited financial statements based on our audit.

We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the audit to obtain reasonable assurance that the information disclosed in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the audited financial statements. We believe that the audit we have conducted provides a reasonable basis for our audit opinion.



In our opinion, the information disclosed in the annual report is, in all material respects, consistent with the audited financial statements.

Prague
26 March 2013

KPMG Česká republika Audit

KPMG Česká republika Audit, s.r.o.
Licence number 71

Roger Gascoigne

Roger Gascoigne
Partner

Veronika Strolená

Veronika Strolená
Senior Manager
Licence number 2195

Annual Report 2012

VIG FUND uzavřený investiční fond, a.s.

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2. Basic Company Information

Company: VIG FUND uzavřený investiční fond, a.s.

Company address: Templová 747/5, 11000 Praha 1 - Staré Město

Legal form: joint-stock company

Identification no.: 24220809

Date of balance: 31 December 2012

Accounting period: 01 March 2012 – 31 December 2012

VIG FUND uzavřený investiční fond, a.s. was founded by registration in the Commercial Register of the Municipal Court in Prague, Section B, File no. 17896 on 1 March 2012 (hereinafter referred to as "VIG Fund" or the "Company").

The business objective is collective investment in accordance with Act no. 189/2004 Sb. (Collection of Czech Laws and Regulations), on Collective Investment, as amended, based on the licence issued by the Czech National Bank.

VIG FUND is a joint-stock company, managed by VIG Asset Management investiční společnost, a.s., ID 24838233, with registered office at 11000 Praha 1, Templová 747/5, registered in the Commercial Register of the Municipal Court in Prague, Section B, File no. 17131 (hereinafter referred to as "VIG AM" or "Investment Company").

3. Particulars of the Annual Report according to the Annex no. 1 to Decree No. 194/2011 Coll.

a) Name of the Company and its identification pursuant to the International Securities Identification Numbering (ISIN) system or another Securities Identification Numbering (SIN) system, if assigned

Name of the Company: VIG FUND uzavřený investiční fond, a.s.

Neither ISIN nor SIN was assigned to VIG Fund.

b) Changes to the facts registered in the Commercial Register

In the reported period, the records in the Commercial Register were changed in the following way:

The Company was registered in the Commercial Register as of 1 March 2012.

The following changes in the Supervisory Board were subsequently entered for the Company: The General Meeting resolved that with effect as of 17 April 2012

Mr. Gary Wheatley Mazzotti becomes member of the Supervisory Board for a period of five years and that Mr. Gerald Weber resigns from his Supervisory Board Position as of that date.

On 31 August 2012, as a consequence of the merger with VIG BM, the capital of the VIG BM, was transferred to VIG FUND as a succession company.

The capital increase of the Company's registered capital was entered on 12th December 2012. The Company's share capital had been increased solely by monetary investments by CZK 270,000, i.e. by issuing 1,350 pcs of new unquoted ordinary shares issued in the name and in documentary form, each in the nominal value of CZK 200. The Company's registered capital as per 31 December 2012 amounts to CZK 2,270,000.

c) Information about the Investment Company that managed the assets of the Company

The properties of the Company are being managed by VIG AM. On 21 October 2011, VIG AM was granted the license to carry the business of an investment company from the Czech National Bank. VIG AM manages the properties of the Company based on a management contract established on 13 March 2012 according to Section 17 of the Collective Investment Act.

d) Facts with a significant impact on the performance of activities by the Company

In 2012, the Company performed a merger with VIG BM a.s. with its registered office at 11000 Praha 1, Templová 747/5, ID 24133779, registered in the Commercial Register of the Municipal Court in Prague, Section B, File no. 17304 (hereinafter referred to as "VIG BM"). All assets and liabilities of VIG BM were transferred to VIG FUND uzavřený investiční fond, a.s., as a succession company.

On 31 December 2012 the Company acquired 100 % of the shares of BB C – Building C, s.r.o., with its registered office at 15000 Praha 5, Smíchov, Štefánikova 248/32, ID 63079666, registered in the Commercial Register of the Municipal Court in Prague, Section C, File no. 202916.

e) Members of the board of directors, supervisory board and auditor of the Company

Board of Directors

DI Caroline Mocker, MSc. MRICS

Chairperson of the Board of Directors

Function established on: 1 March 2012

- Graduate of the Vienna University of Technology (Architecture)
- Postgraduate studies at the Vienna University of Technology (Real Estate Management and Pricing)
- Member of Royal Institution of Chartered Surveyors

Experience:

- since 04/2011 International real estate expert (Vienna Insurance Group AG)
- 12/2010 - 03/2011 Project management "Smashing Suns" Franchise GmbH

- 07/2009 - 11/2010 Project manager of group investments (Bank Austria Real Invest GmbH)
- 01/2008 - 06/2009 Investment manager for Real Invest Austria (RIA) and Real Invest Europe (RIE)
- 01/2007 - 12/2007 Head of the Portfolio Management Department (Bundesimmobiliengesellschaft mbH)
- 11/2005 - 12/2006 Portfolio manager (Bundesimmobiliengesellschaft m.b.H)
- 02/1998 - 10/2005 Technical employee and work on free-lance basis

Ing. Luděk Marek

Member of the Board of Directors

Function established on: 1 March 2012

- Graduate of the University of Economics in Prague, Faculty of Economics, Finances

Experience:

- since 2002 Head of the Treasury Division (Kooperativa pojišťovna, a.s., Vienna Insurance Group)
- 1993 – 2001 Head of the Portfolio and Liquidity Management Department (Kooperativa pojišťovna, a.s., Vienna Insurance Group)
- 1991 – 1993 Trade certificate for the area of business consulting
- 1987 – 1991 Česká státní pojišťovna – Economy Department
- 1985 – 1987 Československá obchodní banka

Ing. Mag. Christoph Roiser

Member of the Board of Directors

Function established on: 1 March 2012

- Graduate of the Vienna University of Economics and Business (Business Economics, Production and IT Management)
- Study abroad at the University of Illinois at Urbana-Champaign, USA (Production)
- Study abroad at the Jiangxi University of Finance and Economics, China (International Management and Accounting)

Experience:

- since 2008 Deputy manager of the Real Estate Department, (WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group)
- 2005-2008 Business manager (general manager) of the "Electronic Assembly" operational unit for Central and Eastern Europe (Siemens AG Austria, Automation & Drives)
- 2002-2004 Senior Controller of Sales (Siemens AG Germany, Logistics & Assembly)
- 1999-2002 Project manager (Siemens AG Austria, Siemens Dematic)

Supervisory Board

Dr. Martin Simhandl

Chairperson of the Supervisory Board

Function established on: 1 March 2012

- Graduate of the University of Vienna (Law)

Experience:

- since 11/2004 Member of the Board of Directors
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 1994 - 2004 Management of subsidiaries
(Head of Subsidiary Management since 2008)
- 1985 – 1993 Legal department (proxy holder since 1991)
- 1985 Start in Vienna Insurance Group

Mag. Roland Gröll

Member of the Supervisory Board

Function established on: 1 March 2012

- Graduate of the Vienna University of Economics and Business

Experience:

- since 01/2010 Member of the Board of Directors
Donau Versicherung AG Vienna Insurance Group
- since 10/2008 Deputy of the Board of Directors
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 02/2008-2010 Member of the Extended Board of Directors
Vienna Insurance Group Wiener Städtische Versicherung AG
- since 03/2008 Head of the Financial and Accounting Department
- since 06/2003 Proxy holder, WIENER STÄDTISCHE Versicherung AG
Vienna Insurance Group
- 05/2003-02/2008 Deputy manager of the Financial and Accounting Department
- 01/2001 Proxy holder
- 02/1994 Start in WIENER STÄDTISCHE Versicherung AG
Vienna Insurance Group, Financial and Accounting Department

Gary Wheatley Mazzotti

Member of the Supervisory Board

Function established on: 17 April 2012

- Graduate of the University of Reading (Economics)
- ACA authorised accountant

Experience:

- since 3/2012 Senior Executive
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 10/2010-01/2012 Senior Investment Director, PPF, a.s.
- 09/2008-10/2010 Chief Financial Officer Private Equity Division, PPF, a.s.
- 09/2007-09/2008 Chief Executive Officer, ENERGY 21, a.s.
- 01/2006-08/2007 Chief Operating Officer, AAA Auto, a.s.
- 09/2001-12/2005 Chief Financial Officer, AAA Auto, a.s.

- 04/1994-08/2001 Finance Director,
Sound and Media Group (Part of Virgin Group)
- 03/1991-04/1994 Group Operational Review Manager, Atlantic Computers PLC
- 09/1988-03/1991 Financial Controller, Greyhound Leasing

Auditor

The financial statements of the Company have been audited by KPMG Česká republika Audit, s.r.o. (license no. 71).

f) Persons who had a qualified holding in the Company

VIG-CZ Real Estate GmbH, Vienna (72.80 %) and Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prag (16.16 %) had a qualified holding in the Company.

g) Persons in which the Company had a qualified holding

The Company has qualified interest in:

- SK BM s.r.o.: As a result of the merger with VIG BM the Company holds 100 % of the shares of SK BM s.r.o., with its registered office at Stefanovičova 4, 816 23 Bratislava, registered in the Commercial Register at the Municipal Court in Bratislava under Number 77149/B.SK BM is a real estate company according to the fund statute and complies with the investment orientation of the fund according to its statute;
- HUN BM Kft: As a result of the merger with VIG BM the Company holds 100 % of the shares of HUN BM Korlátolt Felelősségű Társaság with its registered office at Baross utca 1, 1082 Budapest, Trade Register No: Cg.01-09-972521. HUN BM is a real estate company according to the fund statute and complies with the investment orientation of the fund according to its statute;
- BBC – Building C, s.r.o.: BB C – Building C, s.r.o. amounting to 100% since 31 December 2012. BB C – Building C, s.r.o. is a real estate company according to the fund statute and complies with the investment orientation of the fund according to its statute.

h) Persons who were interconnected with the Company in personnel terms

Board Members and Members of the Supervisory Board of the Company had inter alia the following relevant mandates in the reported period:

Dipl.Ing. Caroline Mocker, MSc. MRICS

BB C - Building C, s.r.o.	Managing Director
HUN BM Kft.	Managing Director
SK BM s.r.o.	Managing Director
VIG Asset Management investicni spolecnost, a.s.	Chairperson of Board of Directors

Ing.Mag. Christoph Roiser

BB C - Building C, s.r.o.	Managing Director
HUN BM Kft.	Managing Director
SK BM s.r.o.	Managing Director

VIG Asset Management investicni spolecnost, a.s. Member of the Board of Directors

Ing. Ludek Marek

Kooperativa, pojist'ovna, a.s. Vienna Insurance Group Authorized Officer
VIG Asset Management investicni spolecnost, a.s. Member of the Board of Directors

Dr. Martin Simhandl

DONAU Versicherung AG Vienna Insurance Group Member of the Supervisory Board
InterRisk Lebensversicherungs-AG Vienna Insurance Group Deputy Chairperson of the Supervisory Board
InterRisk Versicherungs-AG Vienna Insurance Group Chairperson of the Supervisory Board
Sparkassen Versicherung AG Vienna Insurance Group Member of the Supervisory Board
VIENNA INSURANCE GROUP AG Wiener Versicherung
Gruppe Member of the Board of Directors
VIG Asset Management investicni spolecnost, a.s. Chairperson of the Supervisory Board
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance
Group Member of the Supervisory Board
Wiener Städtische Wechselseitiger Versicherungsverein Member of the Board of Directors

Mag. Roland Gröll

DONAU Versicherung AG Vienna Insurance Group Member of the Board of Directors
HELIOS Vienna Insurance Group d.d. Member of the Supervisory Board
KOOOPERATIVA poist'ovna, a.s. Vienna Insurance Group Member of the Supervisory Board
Kooperativa, pojist'ovna, a.s. Vienna Insurance Group Member of the Supervisory Board
VIENNA INSURANCE GROUP AG Wiener Versicherung
Gruppe Deputy Member of the Board of Directors
VIG Asset Management investicni spolecnost, a.s. Member of the Supervisory Board
VIG RE zajist'ovna, a.s. Member of the Supervisory Board

Mr. Gary Wheatley Mazzotti

VIG Asset Management investicni spolecnost, a.s. Member of the Supervisory Board

i) Persons who acted in concert with the Company not listed in e) to g)

In 2012, the investment fund did not act in concert with any person, who is not listed in paragraph e) to g).

j) Depository of the Company

In the reported period, Česká spořitelna, a.s., with registered office at 14000 Praha 4, Olbrachtova 1929/62, ID 45244782, registered in the Commercial Register of the Municipal Court in Prague, Section B, File no. 1171, was the only depository of the Company.

k) The person who ensures the safekeeping or some other custody of the assets of the Company

In 2012, Česká spořitelna, a.s. ensured safekeeping or other custody of the assets of the Company.

l) All investment firms that performed the activities of an investment firm for the Company

The Company did not trade in securities in the reported period; therefore no broker or investment firm performed activities of an investment firm for the Company.

m) The day on which the period expires for which the Company has been set up

The Fund has been established for an indefinite period of time.

n) Judicial or arbitration disputes in which the Company was or is involved

The Company was not involved in judicial or arbitration disputes in 2012.

o) Assets of the Company encumbered with rights of third parties

The shares of SK BM, s.r.o. and HUN BM, Kft. are pledged as well as the Company's, receivables and bank accounts, land and buildings are mortgaged.

All encumbrances serve as collaterals for the Company's loans respectively the Company's subsidiaries loans.

p) The development of the value of a share of the Company

The value of a share of the Company increased from EUR 8,817 (as at 1 March 2012) to EUR 9,291 (as at 31 December 2012).

q) An identification of the assets

The Company's assets as at 31 December 2012 consisted of

Investment Properties	EUR 107,670
Shares in Subsidiaries	EUR 38,353
Loans to group entities	EUR 16,083
Trade and tax receivables	EUR 1,110
Cash and cash equivalents	EUR 5,427
Accrued assets	EUR 2,320

r) All earnings per share that were paid out

The Company did not pay any dividends in 2012.

s) The number of shares issued

In 2012 the Company issued 1,350 pcs. of new shares. The total number of issued shares is 11,350 pcs. as of 31 December 2012, each in the nominal value of CZK 200.

t) The equity capital that falls upon one share

The equity capital that falls upon one share is listed under x).

u) The composition of and changes to the assets in the portfolio

In 2012, the Company performed a merger with VIG BM a.s. with its registered office at 11000 Praha 1, Templová 747/5, ID 24133779, registered in the Commercial Register of the Municipal Court in Prague, Section B, File no. 17304 (hereinafter referred to as "VIG BM"). All assets and liabilities of VIG BM were transferred to VIG FUND uzavřený investiční fond, a.s., as a succession company.

On 31 December 2012 the Company acquired 100 % of the shares of BB C – Building C, s.r.o., with registered office at 15000 Praha 5, Smíchov, Štefánikova 248/32, ID 63079666, registered in the Commercial Register of the Municipal Court in Prague, Section C, File no. 202916.

The structure of the assets as of 31 December 2012 is shown under q) of this annual report.

v) Payments to the Investment Company for its management of the assets of the Company

In 2012, the Company paid management fee in amount of EUR 423,287 to the Investment Company for management of its assets.

w) Payment for the performance of the depositary function

In 2012, the Company paid an amount of EUR 25,302 to Česká spořitelna, a.s. for the performance of the depositary function.

x) The equity capital of the Company and the equity capital falling upon one share

Date	Equity capital of the Company	Equity capital per share
01.03.2012	TEUR 88,168	EUR 8,817
31.12.2012	TEUR 105,454	EUR 9,291

4. Information on facts that occurred after the date of balance and are significant for fulfilling the purpose of the Annual Report

No significant events occurred after the Balance Sheet date.

5. Report of the Board of Directors on Business Activities and Status of Properties

In February 2012, VIG FUND uzavřený investiční fond, a.s. received the license and VIG FUND was founded by registration in the Commercial Register of the Municipal Court in Prague, Section B, File No. B 17896 as of 1 March 2012. VIG FUND is a non-autonomous joint-stock company, its properties are managed by VIG Asset Management investiční společnost, a.s. based on a management contract.

The Company performed two intended investment actions in 2012, in which it acquired real estate assets. As of 31 August 2012, the merger of the Company with VIG BM a.s. came into force. As a consequence of this merger, the Company acquired a portfolio of eight retail stores and two subsidiaries. On 31 December 2012, 100 % of the shares of of BB C – Building C, s.r.o. were acquired.

Thus the economic activities of the Company ended with a profit of TEUR 4,777 for the period from 1 March 2012 to 31 December 2012. The results of the economic activity of the Company have been verified by the auditor KPMG Česká republika Audit, s.r.o. (license no. 71).

Status of Properties

Assets

In balance as of 31 December 2012, the Company reported assets amounting to TEUR 170,963 (out of which TEUR 146,023 consists of investment properties and shares).

Liabilities

Total liabilities of the Company amount to TEUR 65,509.

Registered share capital

The Company's registered share capital amounts to TCZK 2,270.

The management of the company is not aware of any other facts that would significantly affect the financial situation of the Company as of the date of generating the annual report for 2012. The management is furthermore not aware of any substantial lawsuits (active or passive) that could affect the financial situation of the company for 2012.

6. Estimated Company development in 2013

In 2013 it is planned to merge BB C – Building C, s.r.o. with the Company. The Company will focus on searching for other investments to real estates in Central and Eastern Europe and on managing the already acquired properties.

7. Other information

Activities in the area of research and development

The Company is currently not active in the area of research and development.

Activities in the area of environmental protection and labor-law relations

With respect to environmental protection and labor-law relations, the Company adheres to the corresponding legally binding regulations.

Organizational units abroad

The Company has no organizational unit abroad.

Information on monetary and non-monetary benefits

Members of the Board of Directors and members of the Supervisory Board did not receive any monetary or non-monetary benefits from the Company within the reported period.

Information on lawsuits or arbitrations

The Company was not involved in lawsuits or arbitrations in 2012.

Prague 26 March 2013



DI Caroline Mocker

Chairperson of the Board of Directors



Ing. Mag. Christoph Roiser

Member of the Board of Directors



8. Report on relationships between related parties

The controlled company: VIG FUND uzavřený investiční fond, a.s.

The Company is part of the Vienna Insurance Group consolidation group with the ultimate parent company being VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna, Austria.

The controlling companies:

Shareholder	Share on registered capital
VIG-CZ Real Estate GmbH, Wien	72.80%
VIG RE zajišťovna, a.s., Prag	5.11%
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prag	16.16%
InterRisk Towarzystwo Ubezpieczen Spolka Skcyjna Vienna Insurance Group, Warschau	0.58%
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warschau	0.58%
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	0.48%
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	0.78%
Poist'ovna Slovenskej sporitel'ne, a.s. Vienna Insurance Group, Bratislava	0.58%
Komunálna poisťovna, a.s. Vienna Insurance Group, Bratislava	0.78%
KOOPERATIVA poisťovna a.s. Vienna Insurance Group, Bratislava	1.17%
HELIOS Vienna Insurance Group d.d., Zagreb	0.98%
Total	100.00%

Related Parties:

A list of the subsidiaries of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is shown under 11.

Real concern

The Company did not conclude any control agreement with Related Parties.

Contracts and agreements concluded between entities within the group

The following contracts between the Company and entities within the group were concluded in the reported period:

- Agreement on sub-lease of non-residential premises with VIG Asset Management investiční společnost, a.s.
- Management agreement with VIG Asset Management investiční společnost, a.s.
- Loan Agreement with SK BM s.r.o.
- Loan Agreement with Wiener Städtische Versicherung AG VIENNA INSURANCE GROUP, Sparkasse Versicherung AG VIENNA INSURANCE GROUP, DONAU Versicherung AG, VIENNA INSURANCE GROUP, INTERRISK, Lebensversicherungs-AG, VIENNA INSURANCE GROUP, INTERRISK Versicherungs-AG VIENNA INSURANCE GROUP

Other legal acts and measures

The Company executed no other legal acts in the interest of Related Parties and it did not receive or realize other provisions in the interest of or based on instructions of Related Parties.

Transactions with Related Parties

Transactions with the parent company	31 December 2012	1 March 2012
In thousands of EUR		
STATEMENT OF FINANCIAL POSITION		
Interest bearing liabilities	37,359	20,342
Interests from loans	24	202
STATEMENT OF COMPREHENSIVE INCOME		
Interest expenses	-724	0

Transactions with entities with common or significant influence	31 December 2012	1 March 2012
In thousands of EUR		
STATEMENT OF FINANCIAL POSITION		
Accrued liabilities	37	0
STATEMENT OF COMPREHENSIVE INCOME		
Indirect expenditures	-426	0

Transactions with the subsidiaries	31 December 2012	1 March 2012
In thousands of EUR		
STATEMENT OF FINANCIAL POSITION		
Loans to group entities	16,083	6,000
Accrued assets	267	19
Interest bearing liabilities	0	1,000
Interests from loans	0	2
Accrued liabilities	82	19
STATEMENT OF COMPREHENSIVE INCOME		
Other financing revenues	248	0
Dividend income	473	0
Other financing expenses	-63	0
Interest expenses	-27	0

Conclusion

Processing of the Report on relations between Related Parties was ensured by the Board of directors of the Company.

The Board of directors of the controlled company claims that no damage for the Company was incurred in respect of the contracts listed above, the implementation of the above-mentioned legal acts and other measures taken by their performance or considerations.

The business relations are performed at arm's length.

Prague, 26 March 2013



DI Caroline Mocker, MSc. MRICS
Chairperson of the Board of Directors



Ing. Mag. Christoph Roiser
Member of the Board of Directors

9. Report of the Supervisory Board

The following three persons were definitely appointed as members of the Supervisory Board: Mag. Garry Mazzotti, Dr. Martin Simhandl and Mag. Roland Gröll.

In the reported period from 1 March 2012 to 31 December 2012, the Supervisory Board performed its duties to supervise the activities of the Company and consisted of the following members as of 31 December 2012: Dr. Martin Simhandl (chairperson of the Supervisory Board), Mag. Roland Gröll (member of the Supervisory Board) and Gary Wheatley Mazzotti (member of the Supervisory Board).

The Supervisory Board performed its duties based on the statutes of the Company, the Commercial Code and other legally binding regulations. The Supervisory Board performed its supervisory authority in form of resolutions. The resolutions of the Supervisory Board were adopted during the board meetings or via circular resolutions. In line with the entrusted authority, the Supervisory Board has furthermore proposed recommendations and considered proposals suggested by the Board of Directors.

Summary

In the opinion of the Supervisory Board, the Board of Directors of VIG FUND uzavřený investiční fond, a.s. fulfilled its duties in 2012 properly, as laid by the statutes of the Company, the Commercial Code and other legally binding regulations. The Board of Directors properly fulfilled its duties laid by the law and performed recommendations of the Supervisory Board.

Based on the reports submitted by the Board of Directors, the Supervisory Board regularly assessed the activities of the Board of Directors from the perspective of the legality of the activities the Board of Directors committed itself to do as well as fulfillment of tasks set by the directives of the Supervisory Board.

In the opinion of the Supervisory Board, the cooperation with the Board of Directors in the period to which this report is related to was performed correctly and the Board of Directors fulfilled its duties properly.

The Supervisory Board suggests the shareholders to approve the annual balance of accounts for 2012.

The Supervisory Board verified the report on relations with related parties worked out by the Board of Directors and declares that there are no reservations against this report.

24 April 2013

.....
Dr. Martin Simhandl

Chairperson of the Supervisory Board

10. Related Parties and equity interests of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

Company	Registered office	Interest %
Consolidated companies		
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H., Wien	Österreich	100,00
"Schwarzatal" Gemeinnützige Wohnungs- und Siedlungsanlagen-GmbH, Wien	Österreich	55,00
"WIENER RE" akcionarsko društvo za reosiguranje, Beograd	Serbien	100,00
"WIENER STÄDTISCHE OSIGURANJE" akcionarsko drustvo za osiguranje, Beograd	Serbien	100,00
Alpenländische Heimstätte Gemeinnützige Wohnungsbau- und Siedlungsgesellschaft m.b.H., Innsbruck	Österreich	94,00
Andel Investment Praha s.r.o., Prag	Tschechische Republik	100,00
ARITHMETICA Versicherungs- und Finanzmathematische Beratungs-Gesellschaft m.b.H., Wien	Österreich	100,00
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A., Bukarest	Rumänien	99,10
BENEFIA Towarzystwo Ubezpieczen na Zycie S.A. Vienna Insurance Group, Warschau	Polen	100,00
BENEFIA Towarzystwo Ubezpieczen S.A. Vienna Insurance Group, Warschau	Polen	100,00
Blizzard Real Sp. z o.o., Warschau	Polen	100,00
BML Versicherungsmakler GmbH, Wien	Österreich	100,00
BULSTRAD LIFE VIENNA INSURANCE GROUP Joint Stock Company, Sofia	Bulgarien	95,11
BULSTRAD VIENNA INSURANCE GROUP PUBLIC LIMITED COMPANY, Sofia	Bulgarien	98,00
Business Insurance Application Consulting GmbH, Wien	Österreich	100,00
Businesspark Brunn Entwicklungs GmbH, Wien	Österreich	100,00
CAL ICAL "Globus", Kiev	Ukraine	80,00
CAME Holding GmbH, Wien	Österreich	100,00
CAPITOL, a.s., Bratislava	Slowakei	100,00
CENTER Hotelbetriebs GmbH, Wien	Österreich	80,00
Central Point Insurance IT-Solutions GmbH, Wien	Österreich	100,00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prag	Tschechische Republik	100,00
COMPENSA Holding GmbH, Wiesbaden	Deutschland	100,00
Compensa Life Vienna Insurance Group SE, Tallinn	Estland	100,00
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group, Warschau	Polen	100,00
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warschau	Polen	99,89
DBR-Liegenschaften GmbH & Co KG, Stuttgart	Deutschland	100,00
DBR-Liegenschaften Verwaltungs GmbH, Stuttgart	Deutschland	100,00

Deutschmeisterplatz 2 Objektverwaltung GmbH, Wien	Österreich	100,00
Donau Brokerline Versicherungs- Service GmbH, Wien	Österreich	100,00
DONAU Versicherung AG Vienna Insurance Group, Wien	Österreich	99,24
DVIB GmbH, Wien	Österreich	100,00
ELVP Beteiligungen GmbH	Österreich	100,00
Erste osiguranje Vienna Insurance Group d.d., Zagreb	Kroatien	95,00
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H., Wien	Österreich	100,00
GPIH B.V., Amsterdam	Niederlande	91,11
HELIOS Vienna Insurance Group d.d., Zagreb	Kroatien	100,00
HUN BM Kft.	Ungarn	100,00
Interalbanian Sh.a., Tirana	Albanien	78,33
International Insurance Company IRAO Ltd., Tiflis	Georgien	100,00
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	Deutschland	100,00
InterRisk Towarzystwo Ubezpieczen Spolka Skcyjna Vienna Insurance Group, Warschau	Polen	99,98
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	Deutschland	100,00
INTERSIG Sh.A., Tirana	Albanien	75,00
JAHORINA OSIGURANJE a.d., Pale	Bosnien und Herzegowina	97,56
Joint Stock Insurance Company WINNER-Vienna Insurance Group, Skopje	Mazedonien	100,00
JSC "GPI Insurance Company Holding", Tiflis	Georgien	90,00
KÁLVIN TOWER Immobilienentwicklungs- und Investitionsgesellschaft m.b.H., Budapest	Ungarn	100,00
Kapitol pojišťovací a finanční poradenství, a.s., Brünn	Tschechische Republik	100,00
Komunálna poisťovna, a.s. Vienna Insurance Group, Bratislava	Slowakei	100,00
KOOPERATIVA poisťovna, a.s. Vienna Insurance Group, Bratislava	Slowakei	100,00
Kooperativa, poisťovna, a.s. Vienna Insurance Group, Prag	Tschechische Republik	98,39
Kvarner Vienna Insurance Group dionicko drustvo za osiguranje, Rijeka	Kroatien	99,36
Kvarner Wiener Städtische Nekretnine d.o.o., Zagreb	Kroatien	100,00
LVP Holding GmbH, Wien	Österreich	100,00
MAP Bürodienstleistung Gesellschaft m.b.H., Wien	Österreich	100,00
MH 54 Immobilienanlage GmbH, Wien	Österreich	100,00
NEUE HEIMAT Gemeinnützige Wohnungs-und SiedlungsgesmbH, Linz	Österreich	99,81
Neue Heimat Oberösterreich Holding GmbH, Wien	Österreich	90,00
OMNIASIG VIENNA INSURANCE GROUP S.A., Bukarest	Rumänien	98,56
Passat Real Sp. z o.o., Warschau	Polen	100,00
PFG Holding GmbH, Wien	Österreich	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG, Wien	Österreich	92,88
Poisťovna Slovenskej sporiteľ'ne, a.s. Vienna Insurance Group, Bratislava	Slowakei	95,00
Pojišť'ovna české spořitelny, a.s., Vienna Insurance Group, Pardubice	Tschechische Republik	95,00
Private joint-stock company "Insurance Company "Ukrainian Insurance Group", Kiev	Ukraine	100,00
Private Joint-Stock Company "JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP", Kiev	Ukraine	97,80
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP", Kiev	Ukraine	99,99
PROGRESS Beteiligungsges.m.b.H., Wien	Österreich	60,00
Projektbau GesmbH, Wien	Österreich	100,00
Projektbau Holding GmbH, Wien	Österreich	90,00

Ray Sigorta A.S., Istanbul	Türkei	94,26
S.C. BCR Asigurari de Viata Vienna Insurance Group S.A., Bukarest	Rumänien	92,36
SECURIA majetkovosprávna a podielová s.r.o., Bratislava	Slowakei	100,00
Senioren Residenz Fultererpark Errichtungs- und VerwaltungsGmbH, Innsbruck	Österreich	100,00
SK BM s.r.o.	Slovakei	100,00
Sparkassen Versicherung AG Vienna Insurance Group, Wien	Österreich	95,00
SVZ GmbH, Wien	Österreich	100,00
SVZI GmbH, Wien	Österreich	100,00
TBI BULGARIA EAD, Sofia	Bulgarien	100,00
TBIH Financial Services Group N.V., Amsterdam	Niederlande	100,00
UNION Vienna Insurance Group Biztosító Zrt., Budapest	Ungarn	100,00
V.I.G. ND, uzavřený investiční fond a.s., Prag	Tschechische Republik	100,00
Vienna-Life Lebensversicherung Aktiengesellschaft, Bendorf	Liechtenstein	100,00
VIG FUND uzavřený investiční fond, a.s., Prag	Tschechische Republik	100,00
VIG RE zajišťovna, a.s., Prag	Tschechische Republik	100,00
VIG REAL ESTATE DOO, Belgrad	Serbien	100,00
VIG Real Estate GmbH, Wien	Österreich	100,00
VIG-CZ Real Estate GmbH, Wien	Österreich	100,00
VLTAVA majetkovosprávní a podílová spol.s.r.o., Prag	Tschechische Republik	100,00
WGPV Holding GmbH, Wien	Österreich	100,00
WIENER STÄDTISCHE Beteiligungs GmbH, Wien	Österreich	100,00
WIENER STÄDTISCHE Finanzierungsdienstleistungs GmbH, Wien	Österreich	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Wien	Österreich	99,90
Wiener Verein Bestattungs- und Versicherungsservice Gesellschaft m.b.H., Wien	Österreich	100,00
WSV Immo Holding GmbH, Wien	Österreich	100,00

Companies consolidated by the equity method

AIS Servis, s.r.o., Brunn	Tschechische Republik	100,00
Benefita, a.s., Prag	Tschechische Republik	100,00
Ceska Kooperativa London Ltd., London	Vereinigtes Königreich	100,00
CPP Servis, s.r.o., Prag	Tschechische Republik	100,00
CROWN-WSF spol. s.r.o., Prag	Tschechische Republik	30,00
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H., Wien	Österreich	99,77
Gewista-Werbegesellschaft m.b.H., Wien	Österreich	33,00
Global Expert, s.r.o., Pardubice	Tschechische Republik	100,00
HOTELY SRNI, a.s., Prag	Tschechische Republik	72,43
Kámen Ostromer, s.r.o., Ostromer	Tschechische Republik	100,00
KIP, a.s., Prag	Tschechische Republik	100,00
Medial Beteiligungs-Gesellschaft m.b.H., Wien	Österreich	29,63
Melnická zdravotní, a.s., Prag	Tschechische Republik	100,00
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H., Wien	Österreich	50,12
S IMMO AG, Wien	Österreich	10,04
Sanatorium Astoria, a.s., Karlovy Vary	Tschechische Republik	75,06

SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft, Wien	Österreich	50,12
SURPMO, a.s., Prag	Tschechische Republik	100,00
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Wien	Österreich	60,00

Non-consolidated companies

Akcionarsko drustvo za zivotno osiguranje Wiener Städtische Podgorica, Podgorica	Montenegro (Rep.)	100,00
AREALIS Liegenschaftsmanagement GmbH, Wien	Österreich	50,00
BB C - Building C, s.r.o., Prag	Tschechische Republik	100,00
Beteiligungs- und Immobilien GmbH, Linz	Österreich	25,00
Beteiligungs- und Wohnungsanlagen GmbH, Linz	Österreich	25,00
Bulstrad Health Insurance AD, Sofia	Bulgarien	97,00
CAPITOL Spolka z o.o., Warschau	Polen	100,00
DIRECT-LINE Direktvertriebs-GmbH, Wien	Österreich	100,00
EBS Wohnungsgesellschaft mbH Linz, Linz	Österreich	99,99
EXPERTA Schadenregulierungs- Gesellschaft m.b.H., Wien	Österreich	100,00
GEO HOSPITALS LLC, Tiflis	Georgien	100,00
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH, Wien	Österreich	100,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje	Mazedonien	100,00
Österreichisches Verkehrsbüro Aktiengesellschaft, Wien	Österreich	36,58
PAC Doverie AD, Sofia	Bulgarien	92,58
Palais Hansen Immobilienentwicklung GmbH, Wien	Österreich	43,26
PFG Liegenschaftsbewirtschaftungs GmbH, Wien	Österreich	74,64
Renaissance Hotel Realbesitz GmbH, Wien	Österreich	40,00
RISK CONSULT Sicherheits- und Risiko-Managementberatung Gesellschaft m.b.H., Wien	Österreich	51,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG, Wien	Österreich	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH, Wien	Österreich	100,00
Senioren Residenz gemeinnützige Betriebsgesellschaft mbH, Wien	Österreich	100,00
Towarzystwo Ubezpieczen na Zycie "Polisa - Zycie" Spolka Akcyjna, Warschau	Polen	96,49
Untere Donaulände 40 GmbH & Co KG, Wien	Österreich	100,00
Untere Donaulände 40 GmbH, Wien	Österreich	100,00
VBV - Betriebliche Altersvorsorge AG, Wien	Österreich	23,56
Versicherungsaktiengesellschaft "Kupala", Minsk	Weissrussland	98,26
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia, Warschau	Polen	100,00
Vienna International Underwriters GmbH, Wien	Österreich	100,00
VIG Asset Management investicni spolecnost, a.s.	Tschechische Republik	100,00
WILA GmbH, Wien	Österreich	100,00
WNH Liegenschaftsbesitz GmbH, Wien	Österreich	100,00
Wohnungsanlagen Gesellschaft m.b.H., Linz	Österreich	100,00
WSV Vermögensverwaltung GmbH, Wien	Österreich	100,00

VIG FUND uzavřený investiční fond, a.s.

Financial Statements

As of 31st December 2012

VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Identification number: 242 20 809

Legal form: joint-stock company

Subject of business: collective investment

Date of Financial Statements: December 31st, 2012

Date of preparation: February 27th, 2013

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VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Financial Statements as of December 31st, 2012

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VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Financial Statements as of December 31st, 2012

A. STATEMENT OF FINANCIAL POSITION

<i>Far the year ended 31st December</i>		31st December	
<i>In thousands of euro</i>	Note	2012	1st March 2012
Assets			
Non-current assets		146 023	124 921
Investment properties	1.3	107 670	107 606
Shares	1.4	38 353	17 315
Current assets		24 940	14 396
Loans to group entities	1.5	16 083	6 000
Tax receivables	1.6	220	121
Trade receivables	1.7	890	676
Cash and cash equivalents	1.8	5 427	5 330
Accrued assets	1.9	2 320	2 269
Total assets		170 963	139 317

VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Financial Statements as of December 31st, 2012

STATEMENT OF FINANCIAL POSITION CONTINUED

*For the year ended 31st December**In thousands of euro*

	Note	31st December 2012	1st March 2012
Equity			
Share capital	2.1	-91	-81
Legal reserve	2.2	-16	-16
Capital reserve	2.2	-40 791	-28 761
Revaluation reserve	2.2	-59 310	-59 310
Available for sales reserve	2.3	-469	0
Retained earnings	2.3	-4 777	0
Total equity		-105 454	-88 168
Liabilities			
Non-current liabilities			
Loans, non-current part	2.4	-60 694	-45 759
Current liabilities			
Trade and othes payables	2.5	-31	-6
Provisions	2.6	0	-747
Accrued liabilities	2.7	-1 342	-684
Loans, current part	2.4	-3 064	-3 322
Interest from loans	2.8	-24	-394
Tax payables	2.9	-270	-237
Other payables	2.10	-84	0
Total liabilities		-65 509	-51 149
Total equity and liabilities		-170 963	-139 317

VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Financial Statements as of December 31st, 2012

B. STATEMENT OF COMPREHENSIVE INCOME for the 10 month period 2012*For the year ended 31st December**In thousands of euro*

	Note	2012
Rental income	3.1	6 806
Operating costs charged to tenants	3.1	64
Operating expenses	3.2	-215
Net operating income		6 655
Other operating income	3.3	185
Indirect expenditures	3.4	-841
Operating result		5 999
Revaluation of investment property	1.3	64
Operating result after revaluation (EBIT)		6 063
Interest income	3.5	6
Dividend income	3.6	473
Other financing revenues	3.7	121
Interest expenses	3.8	-1 706
Foreign currency gain/loss	3.9	-30
Other financing expenses	3.10	-74
Financial result		-1 210
Net result before taxes (EBT)		4 853
Income tax	3.11	-76
Profit for the period		4 777
Other comprehensive income		
Revaluation of shares, available for sale financial assets, gross	1.4	469
Revaluation of shares, available for sale financial assets, tax	1.4	0
Revaluation of shares, available for sale financial assets, net	1.4	469
Other comprehensive income total		469

VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Financial Statements as of December 31st, 2012

C. CASH FLOW STATEMENT for the 10 month period 2012

<i>For the year ended 31st December</i>		31st
<i>In thousands of euro</i>	Note	December
		2012
Cash flows from operating activities		
Profit before tax		4 853
Adjustments to reconcile profit before tax to net cash flows:		
Valuation gains on investment property		-64
Change in provisions		-17
Dividend income		-473
Interest income		-6
Interest expense		1 706
Working capital adjustments		
Decrease/increase in trade and other receivables and accruals		-264
Decrease/increase in trade, other payables and accruals		240
Income tax paid		-904
Net cash flow from/(used in) operating activities		5 070
Cash flows from investment activities		
Acquisition of businesses		-14 012
Proceeds from borrowings - loans provided to group companies		-16 083
Dividends received		473
Interest received		6
Net cash from/(used in) investment activities		-29 616
Cash flows from financing activities		
Proceeds from borrowings		19 000
Redemption of borrowings - repayment of bank loan		-1 340
Redemption of borrowings - repayment of other loans from group companies		-2 982
Proceeds from issue of share capital		12 040
Interest paid		-2 075
Net cash (used in)/from financing activities		24 643
Net (decrease)/increase in cash and cash equivalents		97
Cash and cash equivalents at 1 March		5 330
Cash and cash equivalents at 31 December		5 427

VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Financial Statements as of December 31st, 2012

D. STATEMENT OF CHANGES IN EQUITY

<i>For the year ended 31st December</i> <i>In thousands of euro</i>	Note	Share capital	Legal reserve	Capital reserve	Revaluation reserve	Available for sales reserve	Retained earnings	Total equity
Opening balance as of 1st March 2012		81	16	28 761	59 310	0	0	88 168
Profit or loss after tax	2.3	0	0	0	0	0	4 777	4 777
Other comprehensive income	2.2	0	0	0	0	469	0	469
Increase of reserves, paid in	2.2	0	0	77	0	0	0	77
Shares issued	2.1	10	0	11 953	0	0	0	11 963
Closing balance as of 31st December 2012		91	16	40 791	59 310	469	4 777	105 454

VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00

Financial Statements as of December 31st, 2012

E. GENERAL NOTES**1. INFORMATION CONCERNING THE COMPANY****1.1 Description of the accounting unit**

Company:	VIG FUND uzavřený investiční fond, a.s. („the Company“)
Identification number:	242 20 809
Date of Establishment:	The Company was set up by the Articles of association on 27th November 2011. The Company was registered into the Commercial Register on 1st March 2012.
Registered Office:	Prague 1, Templová 747/5, postcode 110 00
Legal form:	joint-stock company („akciová společnost“)
Subject of business:	collective investment
Trade Register File Nr:	Section B, entry 17896 of the Commercial Register kept by the Municipal court in Prague
Country of incorporation:	Czech republic
Accounting period:	1st March 2012 – 31st December 2012

The Company is a special fund of qualified investors pursuant to Article 56 et seq. of the Act No 189/2004 Coll., on collective investments („Act“)

The Company has been established for an indefinite period of time.

The Company has entrusted the management of its assets to investment company VIG Asset Management a.s., ID no. 24838233, having its registered office at Prague 1, Templová 747, post code 110 01, registered in the Commercial Register administered by the Municipal court in Prague, section B, insert 17131.

1.2 Establishment of the Company

The Company has been established on 1st March 2012. With the decisive day 1st March 2012 the Company merged through a merger by acquisition with VIG BM a.s. with the Company being the acquiring company and VIG BM a.s. being the acquired company. The merger was registered as of 31st August 2012.

1.3 Statutory bodies in the course of the accounting period

The board of directors in the accounting period are:

Name	Function	From (date)	To (date)
Dipl.-Ing. Caroline Mocker	Board of Directors member	1.3.2012	31.12.2012
Ing. Luděk Marek	Board of Directors member	1.3.2012	31.12.2012
Ing. Mag. Christoph Roiser	Board of Directors member	1.3.2012	31.12.2012

1.4 Employees

The Company has no employees. All Company activities are provided by suppliers.

VIG FUND uzavřený investiční fond, a.s.

Templová 747/5, Prague 1, 110 00
Financial Statements as of December 31st, 2012

1.5 Shareholders

The Company is part of a VIG consolidation group with parent company being VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, Vienna, Austria, the ultimate shareholder.

The shareholders as of 31st December 2012 are as follows:

Shareholder	Share on registered capital	Relationship to the Company
VIG-CZ Real Estate GmbH, Wien	72,80%	Parent company
VIG RE zajišťovna, a.s., Prag	5,11%	Entity with joint control
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prag	16,16%	Entity with joint control
InterRisk Towarzystwo Ubezpieczeń Spółka Skcyjna Vienna Insurance Group, Warschau	0,58%	Entity with joint control
Compensa Towarzystwo Ubezpieczeń Spółka Akcyjna Vienna Insurance Group, Warschau	0,58%	Entity with joint control
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	0,48%	Entity with joint control
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	0,78%	Entity with joint control
Poist'ovna Slovenskej sporitel'ne, a.s. Vienna Insurance Group, Bratislava	0,58%	Entity with joint control
Komunálna poisťovna, a.s. Vienna Insurance Group, Bratislava	0,78%	Entity with joint control
KOOPERATIVA poisťovna a.s. Vienna Insurance Group, Bratislava	1,17%	Entity with joint control
HELIOS Vienna Insurance Group d.d., Zagreb	0,98%	Entity with joint control
Total	100,00%	

2. ACCOUNTING PRINCIPLES

The separate financial statements of the Company were prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements are presented in one thousand euros (rounded according to the commercial rounding method).

3. ACCOUNTING POLICIES

Functional currency

The Company determined Euro as its functional currency in accordance with IAS 21.

Business operations in foreign currency

The functional currency of the Company is Euro (EUR). The Company records foreign currency transactions at the rate of exchange ruling on the day of the relevant transaction. Any resulting foreign currency gains or losses are recognised in the income statement of the relevant business year. Used foreign currencies are CZK and HUF.

The foreign currency translation of business operations (transactions) was based on the current exchange rates. As of balance sheet days the following exchange rates were used:

FX rates EUR	quantity	As of 31.12.2012	As of 1.3.2012
HUF	1	292,30	288,71
CZK	1	25,14	24,84

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Properties - classification

The "investment properties" item consists of investment properties and properties under development that are held neither for own use, nor for sale in the ordinary course of business, but to generate rental income and appreciate in value.

Properties – valuation

All investment properties are measured according to the fair value model specified as an option under IAS 40. Under this model, the property assets are measured at the fair value prevailing on the relevant reporting date. Differences compared with the current book value prior to revaluation (fair value of previous year plus subsequent/additional acquisition) are recognised in the statement of comprehensive income under "Revaluation of investment property".

Determination of fair value

The relevant fair value of investment properties is established, if a value is not indicated by binding purchase agreements, applying recognised valuation methods. The valuations are carried out by independent real estate valuation experts in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS).

Other interest in companies

Other interest in companies are originally valued at their acquisition cost and consequently revalued at fair value reflecting into other comprehensive income.

Receivables and other financial assets

Trade receivables from the provision of services, other receivables and other financial assets are measured initially at fair value, and thereafter at amortised cost, applying the effective interest-rate method and allowing for impairments.

Cash and cash equivalents

Cash and cash equivalents include cash, as well as bank balances subject to drawing restrictions of not more than 3 months. Bank balances subject to drawing restrictions with a longer time limit are recognised under the receivables and other assets.

Borrowing cost

The borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs which occur in connection with the borrowing of funds.

Other financial liabilities

Other financial liabilities, such as trade creditors, are assigned to the category "financial liabilities at amortised cost" (FLAC) and measured upon receipt at fair value, and thereafter at amortised acquisition cost.

Interest bearing liabilities

All loans are initially recognized at fair value less directly attributable transaction cost. After initial recognition, loans are measured at amortized cost using the effective interest method.

Derivative financial instruments

The Company uses derivative financial instruments in order to hedge against risks. In particular, the Company entered into a loan agreement with a variable interest rate having the obligation from this agreement to enter into an interest rate swap with the loan creditor to fix the interest rate. The Company considered the swap as embedded derivative as it constitutes one unit with the underlying financial instrument. Therefore, the Company does not account for the swap separately from the underlying loan agreement.

Impairment

In accordance with IAS 36, the Company performs impairment tests when there are indications that an asset may be impaired. The Company determines the recoverable amount, which is the higher of the fair value less the cost of selling (net realisable value) and value in use. If the carrying amount of an asset exceeds the recoverable amount, the difference is recognised as an impairment loss. If there is an indication that the reasons for impairment no longer exist or have decreased, the impairment loss is reversed to the carrying amount of the respective asset.

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Other provisions and contingent liabilities

Other provisions are recognised if the Company has legal or actual obligations towards a third party due to a past event and the obligation is likely to lead to an outflow of funds. Such provisions are stated at the value which can be determined by the best possible estimate at the time the financial statements are prepared. If the cash value of the provision determined on the basis of prevailing market interest rates differs substantially from the nominal value, the cash value of the obligation is stated.

Current taxes

The income tax expense reported for the business year is calculated from the taxable income and the tax rate enacted and applicable in the Czech republic. Current income tax assets and liabilities are measured at amounts which are expected to be received from or paid to the respective tax authority.

Deferred taxes

Deferred taxes are recognized on all temporary differences between the tax values of assets and liabilities and their carrying amount in the financial statements. Deferred income tax assets are recognized only to the extent in which it is probable that the assets can be utilized.

Deferred tax is measured at the enacted tax rates that are expected to apply to the year when the underlying asset or liability will be settled. Since the Company is a fund in accordance with the Act, it is subject to 0% corporate income tax rate starting with the fiscal period 2015 and 5% for the fiscal periods 2012-2014. Due to this fact, long term differences between the tax values of assets and liabilities and their carrying amount in the financial statements will never be materially realized. Therefore, the company does not recognize deferred tax from investment property.

Operating lease contracts

The Company has entered into commercial property leases on its investment property portfolio. The Company determined that it retains all the significant risks and rewards of ownership of these property. Therefore, the Company accounts for the leases as operating leases.

Recognition of revenues

Rental income is recognised on a straight-line basis over the term of the lease unless a different method is more appropriate to the circumstances. Agreed incentives, such as rent-free periods, reduced rents for a certain period, or oneoff payments, are not applied.

Dividend income

The Company recognizes dividend income when the shareholder's right to receive payment is established.

Judgments and estimates

When preparing the financial statements, the Company's management uses judgments and estimates. These judgments and estimates affect the recognition and value of assets, liabilities, income, expenses and the information given in the notes.

The judgments and estimates on fair value of investment property carry a risk that they may lead to a material adjustment in their value. The fair value of investment property is determined on the basis of appraisals prepared by independent property experts. The appraisals are based on discounted cash flow models. The preparation of these appraisals involves the use of assumptions, such as applied yield and expected cash flow from rentals. A change in these assumptions may lead to an increase or decrease in the value of the investment property.

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Standards and interpretations announced, but not yet adopted by the EU

The following changes or revisions to standards and interpretations had been announced as of the balance sheet date, but have not yet been adopted by the EU and are therefore not applicable:

Standard	Content	Effective date
Changes to standards and interpretations		
IFRS 7	Disclosure-Offsetting Financial Assets and Financial Liabilities	1st January 2013
IFRS 10 and IAS 27	Consolidated Financial Statements and Separate Financial Statements	1st January 2014
IFRS 11	Joint Arrangements	1st January 2014
IFRS 12	Disclosure of Interests in Other Entities	1st January 2014
IFRS 13	Fair Value Measurement	1st January 2013
IAS 1	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income	1st July 2012
IAS 12	Deferred Tax: Recovery of Underlying Assets	1st January 2013
IAS 19	Employee Benefits	1st January 2013
IAS 27	Separate Financial Statements	1st January 2014
IAS 28	Investments in Associates and Joint Ventures	1st January 2014
IAS 32	Offsetting Financial Assets and Financial Liabilities	1st January 2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1st January 2013

Amendments to **IFRS 7 - Disclosure-Offsetting Financial Assets and Financial Liabilities** contain new disclosure requirements for financial assets and liabilities that are:

- offset in the statement of financial position; or
- subject to master netting arrangements or similar agreements.

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. IFRS 10 introduces new requirements to assess control that are different from the existing requirements in IAS 27 (2008). Under the new single control model, an investor controls an investee when:

- it is exposed or has rights to variable returns from its involvements with the investee;
- it has the ability to affect those returns through its power over that investee; and
- there is a link between power and returns.

The new Standard also includes the disclosure requirements and the requirements relating to the preparation of consolidated financial statements. These requirements are carried forward from IAS 27 (2008).

IFRS 11, Joint Arrangements, supersedes and replaces IAS 31, Interest in Joint Ventures. IFRS 11 does not introduce substantive changes to the overall definition of an arrangement subject to joint control, although the definition of control, and therefore indirectly of joint control, has changed due to IFRS 10. Under the new Standard, joint arrangements are divided into two types, each having its own accounting model defined as follows:

- a joint operation is one whereby the jointly controlling parties, known as the joint operators, have rights to the assets, and obligations for the liabilities, relating to the arrangement.
- A joint venture is one whereby the jointly controlling parties, known as joint venturers, have rights to the net assets of the arrangement.

IFRS 11 effectively carves out from IAS 31 jointly controlled entities those cases in which, although there is a separate vehicle for the joint arrangement, separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31, and are now called joint operations. The remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of equity accounting or proportionate consolidation; they must now always use the equity method in its consolidated financial statements.

IFRS 12 requires additional disclosures relating to significant judgements and assumptions made in determining the nature of interests in an entity or arrangement, interests in subsidiaries, joint arrangements and associates and unconsolidated structured entities.

IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. The standard does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The standard contains an extensive disclosure framework that provides additional disclosures to existing requirements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs, the effect of the measurements on profit or loss or other comprehensive income.

The amendments to **IAS 1**:

- require that an entity presents separately the items of other comprehensive income that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. If items of other comprehensive income are presented before related tax effects, then the aggregated tax amount should be allocated between these sections.
- change the title of the Statement of Comprehensive Income to Statement of Profit or Loss and Other Comprehensive Income, however, other titles are also allowed to be used.

The amendments to **IAS 12** introduce a rebuttable presumption that the carrying value of investment property measured using the fair value model would be recovered entirely by sale. Management's intention would not be relevant unless the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. This is the only instance in which the presumption can be rebutted.

The amendment to **IAS 19** requires actuarial gains and losses to be recognised immediately in other comprehensive income. The amendment removes the corridor method previously applicable to recognising actuarial gains and losses, and eliminates the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under the requirements of IAS 19. The amendment also requires the expected return on plan assets recognised in profit or loss to be calculated based on rate used to discount the defined benefit obligation.

IAS 27 (2011) carries forward the existing accounting and disclosure requirements of IAS 27 (2008) for separate financial statements, with some minor clarifications. As well, the existing requirements of IAS 28 (2008) and IAS 31 for separate financial statements have been incorporated into IAS 27 (2011). The Standard no longer addresses the principle of control and requirements relating to the preparation of consolidated financial statements, which have been incorporated into IFRS 10, Consolidated Financial Statements.

There are limited amendments made to **IAS 28** (2008):

- Associates and joint ventures held for sale. IFRS 5, Non-current Assets Held for Sale and Discontinued Operations applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. For any retained portion of the investment that has not been classified as held for sale, the equity method is applied until disposal of the portion held for sale. After disposal, any retained interest is accounted for using the equity method if the retained interest continues to be an associate or a joint venture.
- Changes in interests held in associates and joint ventures. Previously, IAS 28 (2008) and IAS 31 specified that the cessation of significant influence or joint control triggered remeasurement of any retained stake in all cases, even if significant influence was succeeded by joint control. IAS 28 (2011) now requires that in such scenarios the retained interest in the investment is not remeasured.

The Amendments to **IAS 32** do not introduce new rules for offsetting financial assets and liabilities; rather they clarify the offsetting criteria to address inconsistencies in their application.

The Amendments clarify that an entity currently has a legally enforceable right to set-off if that right is:

- not contingent on a future event; and
- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

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The Interpretation **IFRIC 20** sets out requirements relating to the recognition of production stripping costs, initial and subsequent measurement of stripping activity assets.

To the extent that benefits from production stripping are realised in the form of inventory produced, the related production stripping costs are accounted for in accordance with IAS 2 Inventories.

Production stripping costs that improve access to ore to be mined in the future are recognised as a non-current asset if, and only if, all of the following criteria are met:

- it is probable that future economic benefits will flow to the entity;
- the entity can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

The stripping activity asset shall be accounted for as an addition to, or as an enhancement of, an existing asset.

The stripping activity asset shall initially be recognised at cost while after initial recognition, it shall be carried at either its cost or its revalued amount, less depreciation or amortisation and impairment losses, in the same way as the existing asset of which it is a part. The Interpretation also requires that when the costs of the stripping activity asset and of the inventory produced are not separately identifiable, the entity allocates production stripping costs between the two based on a 'relevant' production measure.

The Company's management is currently evaluating the effects of these new and revised standards on the financial statements. There are no plans for premature application on a voluntary basis.

4. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The objective of the Company is to increase the value of the managed assets in the long term by investing in the following assets:

- a. immovable property, including accessories thereof, and in interest in real estate companies that generate regular income, particularly in Countries in which VIG Group operates or intends to operate; If VIG Group enters a new market, the Company can also invest in this market.
- b. liquid assets with lower risk, especially deposits on the bank accounts, money market instruments and bonds.

The Company will reinvest investment yield in accordance with investment objectives.

The Company is designed for qualified investors pursuant to Article 56(1) of the Act No 189/2004 Coll., on collective investments (hereinafter Act). The Company is designed for investments by investors who are experienced in trading of the assets in which the Company predominantly invests. The Company is suitable for investors who are ready to keep an investment in the Company for at least 5 years. Third parties give no guarantees with a view to protect investors.

The Company is a fund of qualified investors in terms of the classification of collective investment funds according to risk and type of assets in which it predominantly invests, focusing on direct or indirect real estate investments generating regular income and on investments into liquid assets with lower risk. The Company is not a capital guaranteed fund.

5. PRINCIPLES OF MANAGING THE COMPANY ASSETS

The assets and liabilities arising from the Company's investment activities are subject to valuation at their fair value. The method of setting the fair value of the Company's assets and liabilities is laid down by the Rules Decree (Decree No 194/2011 Coll., providing for the detailed regulations of collective investment).

The real estate and participation in Real Estate Companies in the possession of the Company are valued in accordance with the Act, on a regular basis, once a year, as of 31st December.

The Company's financial statements are subject to approval of the General Meeting, in accordance with the Company's Articles of Association. The Company's financial statements must be reviewed by an auditor.

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6. INFORMATION ON RISKS, RISK PROFILE**Credit risk**

Credit risk, based on an issuer or a counterparty failing to keep their obligations – The credit risk may be primarily based on the failure by entities with payment obligations to the Company to fulfil their obligations. The Company primarily minimises those risks by screening its counterparties, by setting the limits on the amounts of receivables due from individual counterparties and by appropriate contractual arrangements.

The maximum credit risk represents the amounts reported under assets on the balance sheet.

The following table summarizes the Company's exposure to credit risk:

Credit risk (in TEUR)	Loans to group entities	Trade receivables	Cash and cash equivalents
General allowance	0	0	0
Specific allowance	0	0	0
Overdue with no allowance	0	0	0
Neither past due, nor impaired	16 083	890	5 427

Liquidity risk

Liquidity risk is the risk that financial liabilities cannot be settled at the time they are payable. An important aspect in managing the liquidity risk is to secure necessary cash position to pay the Company's financial liabilities when they are due. The Company manages its liquidity position by monitoring expected and actual cash in- and outflows on a regular basis. Further the Company maintains cash and liquid deposits to meet the demands.

The following table shows the contractually agreed repayments of financial liabilities:

Liquidity risk (in TEUR)	1 year	1 - 5 years	more than 5 years
Interest bearing liabilities	3 064	13 790	46 904
Interest from loans	24	0	0
Trade and other payables	31	0	0
Other payables	84	0	0
Total	3 203	13 790	46 904

Currency risk

Currency risk is a subset of market risk, where the value of assets and liabilities is denominated in a foreign currency and may be affected by a change in the exchange rate.

The inflow of rental income, the interest bearing liabilities, as well as large part of other business transactions of the Company, are denominated in Euro, which is the Company's functional currency. Therefore, the Company has no significant currency risk exposure.

The following table summarizes the Company's exposure to currency risk:

Currency risk (in TEUR)	Assets	Liabilities	Net exposure
CZK	583	281	302
Total	583	281	302

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Market risk and property-specific risk

The value of investment may decrease or increase, with the return on the initially invested amount not guaranteed. Given possible unforeseeable deviations on financial and real estate markets, the Company cannot guarantee hitting the targets set. A previous performance of the Company does not guarantee the same performance in a future period.

Risk of the unstable present value of the securities issued by the Company, due to the asset structure or the method of managing the Company assets – If the real estate market and other liquid assets are volatile, this may also lead to the volatility of the value of the Company shares. Particularly at the beginning of the Company's existence, the individual real estate assets will make up a significant proportion to all of the Company assets, and thus an unfavourable development of a price of an individual real estate asset may have a significant impact on the development the Company stock prices.

Market risks, arising from the effect of changes of the overall market developments on the prices and values of the individual types of the Company assets – The development of exchange rates, interest rates, credit spreads and, where appropriate, other market indicators always has an impact on the value of assets in general. The degree of this influence depends on the exposure of the Company assets to those risks (such as the payment of rent in euro, a change in the market value of a bond at the time of an interest rate change, etc.).

Settlement risk – This risk primarily consists of counterparty's failure when a transaction is being settled. These risks are primarily minimised by selecting credible counterparties, by settling investment instrument transactions within dependable settlement systems and, if real estate asset transactions are involved, by using quality legal institutes to govern such transactions.

Risk of insufficient liquidity, based on a certain asset of the Company not being encashed in time at a reasonable price – Given the nature of the market in immovable property, which may make up a substantial portion of the Company assets, we need to point out that encashing an immovable property in an effort to obtain the best price requires time. In an extreme scenario, the liquidity risk may lead to a liquidity crisis.

Currency risk, where the value of an investment may be affected by a change in the exchange rate – Currency risk is a subset of market risks, which are described above.

Risk of losing the assets received into custody - The Company assets are received into custody with the Depository, if the nature thereof does not preclude it. Yet the risk of losing those assets may exist, due to insolvency, negligence or wilful conduct by that party.

Risk associated with the Company's investment specialisation in certain industries, countries or regions, other parts of the market or certain types of assets – The investment specialisation of the Company in the immovable property in Countries in which VIG Group operates or intends to operate involves a systematic risk, when the developments in such a sector influence a significant portion of the Company portfolio. This systematic risk is addressed by diversification, i.e. the distribution of investments.

Concentration risk - Due to the fact that it is the first financial year of the Company a significant proportion of its revenues is obtained by one individual tenant and the properties are all of the same usage (retail), which leads to a concentration risk. This risk is being reduced (a) by further acquisitions which will lead to additional diversification of customer and usage and (b) by the fact that the Company's assets are all buildings in a good state of preservation in very good locations well diversified in geographical respect.

Risk of dissolving the Company for reasons laid down by law – The Company may be dissolved, for example by reasons of a decision on a merger or a division of the Company, equity lower than CZK 50,000,000 liquidation of the Company.

Risks associated with construction defects – Immovable property may be affected by construction defects, which may take the form of, for example hidden defects or defects that occur after a longer period of time. This risk may be reduced by hiring good construction supervisors and by contractual liability for defects. These defects may lead to a reduction of the immovable property value and the increased costs of repairs, etc.

Risks associated with the defects of movables – Movables may be affected by defects, for example by hidden defects or defects that occur after a longer period of time. If a defect occurs in movables which are part of a group of items that generates regular profit, the performance of the entire group of movables may be affected. This risk may be reduced by contractual liability for defects and by ensuring that the warranty and post-warranty service is of good quality. These defects may lead to a reduction in the value of movables and the groups thereof and the increased costs of repairs, etc.

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Risks associated with the acquisition of foreign immovable property – For foreign immovable property, we need to point out political risks, economic risks or risks of legal instability. These risks may particularly lead to the occurrence of unfavourable conditions in respect of using (selling) the immovable property, for example because of forex or legal restrictions, economic recession or, in the extreme scenario, nationalisation or expropriation.

Risks associated with a lower degree of inspection by the Depositary – In accordance with Article 21(4) of the Act, the Investment Company has arranged a lower degree of Depositary's inspection in the depository contract for the Company. This risk may particularly lead to deficiencies in the activities the inspection of which by the Depositary has been precluded and replaced with inspection by the Investment Company or the Investment Manager.

F. NOTES TO THE FINANCIAL STATEMENTS

1.1 General information on the financial statements

These separate financial statements of VIG FUND uzavřený investiční fond, a.s. (hereinafter Company) are the first financial statements prepared in accordance with International Financial Reporting standards as adopted by European Union.

The opening financial information is shown as of 1st March 2012, which is the day of incorporation of the Company and, moreover, which is the decisive day of merger of the Company with VIG BM a.s. The comparative information is given as of this date and it represents the opening balances of the Company after the merger.

The accounting period for 2012 is a ten month period from 1st March 2012 to 31st December 2012.

The Company does not prepare consolidated financial statements as it is, including its subsidiaries, part of consolidation by its ultimate parent.

All figures are in thousands of Euros except when otherwise stated.

1.2 Additional information to the comparative financial information

Statement of financial position: Data from the opening balance sheet of VIG FUND uzavřený investiční fond, a.s. were used as the comparative information.

Statement of comprehensive income: The comparative information is not stated as the Company did not exist before 1st March 2012.

Cash flow statement: The comparative information is not stated as the Company did not exist before 1st March 2012.

Statement of changes in equity: The comparative information is not stated as the Company did not exist before 1st March 2012.

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1.3 Investment properties

The development of the fair value of investment properties is shown below:

Investment properties	Total (in TEUR)
Balance as of 1st March 2012	107 606
Revaluation	64
Balance as of 31st December 2012	107 670

The market value of the properties assigned as collateral for external financings totals to TEUR 107,670 as of 31st December 2012 and TEUR 107,606 as of 1st March 2012.

1.4 Investments – shares

Subsidiary	Field of activity	Country of operation	Equity share		Investment (In TEUR)			
			31.12.2012	1.3.2012	31.12.2012	Additions	Revaluations	1.3.2012
HUN BM Kft.	rental properties	Hungary	100%	100%	6 486	6 000	408	78
SK BM s.r.o.	rental properties	Slovakia	100%	100%	17 298	-	61	17 237
BB C Building C, s.r.o.	rental properties	Czech Republic	100%	0%	14 569	14 569	-	0
					38 353	20 569	469	17 315

During the reported period the Company made additional contribution to the HUN BM Kft. capital reserve in the amount of TEUR 6,000 by capitalizing its subordinated loan into HUN BM Kft.'s equity.

The shares in HUN BM Kft. and SK BM s.r.o. are pledged in favor of the subsidiaries' creditors.

Further, the Company acquired 100 % share in the company BB C Building C, s.r.o. as of 31st December 2012.

The investments in the subsidiaries were initially recognized at their acquisition prices and they are being revaluated for the purpose of preparation of financial statements.

1.5 Loans to group entities

Related party	31.12.2012	1.3.2012
HUN BM Kft.	0	6 000
BB C - Building C, s.r.o.	16 083	0
Total	16 083	6 000

The opening balance shows a subordinated loan to the subsidiary HUN BM Kft. in the amount of TEUR 6,000. The loan was capitalized into the subsidiary's capital reserve as of 17th April 2012.

The Company acquired the BB C - Building C, s.r.o. as of 31st December 2012. In connection with the acquisition, the Company granted to BB C - Building C, s.r.o. a loan amounting to TEUR 16,083 in order to refinance the financial obligations of BB C - Building C, s.r.o. No doubtful debt nor provision has been raised in the respect of the loans.

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1.6 Tax receivables

	Tax receivables (in TEUR)		
	31.12.2012	change	1.3.2012
Income tax	207	169	38
Deferred tax	13	-70	83
	220	99	121

The income tax receivable relates to advance payments of corporate income tax.

The opening balance of deferred tax assets in amount TEUR 83 results from the tax loss carry forwards. The closing balance of deferred tax in amount TEUR 13 results from the tax loss carry forwards.

Under current legislation the expected tax rate equals 0% starting 2015.

1.7 Trade receivables

The opening balance of trade receivables includes trade receivables in the amount of TEUR 671 and advance payments in the amount of TEUR 6. The closing balance represents trade receivables in the amount of TEUR 890, most not due on 31st December 2012.

Age structure of trade receivables as of 31st December 2012

	Age structure					Total (in TEUR)
	before due date	< 30 days	31 - 180 days	181 - 360 days	overdue more than 1 year	
Trade receivables	890	0	0	0	0	890

1.8 Cash and cash equivalents

Cash and cash equivalents include the credit bank balances of bank accounts. The Company has no cash on hand.

1.9 Accrued assets

Accrued assets	31.12.2012	1.3.2012
Pre-paid expenses	2 053	2 250
Estimated receivable	185	0
Accrued income	82	19
	2 320	2 269

The Company records the pre-paid expenses which are mainly represented by accrued expenses for easement for using foreign land for parking.

The estimated receivables include services rendered to the Company's subsidiaries – HUN BM Kft. and SK BM s.r.o.

Accrued income consists of a guarantee fee from the Company's subsidiaries – HUN BM Kft. and SK BM s.r.o.

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2.1 Share capital

Type of shares	Number as of		Nominal value	Unpaid
	31.12.2012	1.3.2012		
registered	11 350 pcs.	10 000 pcs.	200 CZK	0 CZK

As of 31st December 2012 the share capital of the Company recorded in the Commercial Register totaled TCZK 2,270 and consisted of 11,350 shares with a nominal value of CZK 200 per share. All shares are fully paid in and authorised.

During the reported period 1,350 new shares with a nominal value of CZK 200 were issued. The issue rate consists of two amounts – CZK 200 per share which increased the share capital to the amount of TCZK 2,270 (i.e. TEUR 91) and TEUR 9 per share which constituted share premium amounting to TEUR 11,953 (shown under capital reserve).

All shares are voting shares.

2.2 Other reserves

Other reserves	(In TEUR)		Distribution possibility
	31.12.2012	1.3.2012	
Legal reserve	16	16	No
Capital reserve	40 791	28 761	Yes
Revaluation reserve	59 310	59 310	No
Available for sales reserve	469	0	No
Total	100 586	88 087	

Legal reserve is made up of mandatory reserves above the share capital of the Company in the amounts of TEUR 16.

Capital reserve as of 1st March 2012 consisted of paid in other reserves in the amount of TEUR 28,761.

During the reported period the former share capital of VIG BM a.s. amounting to TEUR 77 (TCZK 2,000) was added to the capital reserve of the Company as a consequence of the above mentioned merger. Further, the share premium from capital increase was added to the capital reserve of the Company amounting to TEUR 11,953.

The opening balance of revaluation reserve as of 1st March 2012 consisted of the revaluation of investment property amounting to TEUR 58,259 and the revaluation of share in subsidiaries amounting to TEUR 21. The revaluation was carried out in the course of the merger.

Available for sales reserve consists of the other comprehensive income amounting to TEUR 469.

Revaluation reserve	31.12.2012	1.3.2012
Difference from revaluation - assets and liabilities	59 310	58 276
Reversal of fair value revaluation of swap	0	1 034
Total	59 310	59 310

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2.3 Retained earnings

Retained earnings include the profit of the reported period after tax amounting to TEUR 4,777.

2.4 Interest bearing liabilities

The structure of the interest bearing liabilities is as follows:

Loans (in TEUR)	As of 31.12.2012			As of 1.3.2012		
	Principal amount	Interest	Total	Principal amount	Interest	Total
Bank loans	26 399	0	26 399	27 739	190	27 929
Loans - group companies	37 359	24	37 383	21 342	204	21 546
Total	63 758	24	63 782	49 081	394	49 475
thereof: short-term	3 064	24	3 088	3 322	394	3 716
thereof: long-term	60 694	0	60 694	45 759	0	45 759

As of 31st December 2012 the terms of interest-bearing liabilities are as follows:

Loan	Signed on	Principal amount	Due date
Investment Loan 1	29.11.2011	48 081	31.12.2026
Investment Loan 2	12.12.2012	18 000	31.12.2024

The agreed interest rate for Investment Loan 1 is fixed except for the part of bank creditor with whom a variable interest rate was agreed on. For this purpose an interest rate swap was entered into to fix the variable interest rate. The interest is calculated quarterly on the basis of actual/360 method. The principal amount repayments are to be made quarterly starting on 31st December 2012 (Loan 1) and on 30th June 2013 (Loan 2), respectively.

As security for the loans the Company provides the following collaterals:

- Mortgage on the land or the land and building
- Pledge of shares of SK BM, s.r.o. and HUN BM, Kft.
- Pledge of receivables (from rental agreements, insurance contracts etc.)
- Pledge of bank accounts (accounts for rental payments)

The following table summarizes the carrying amounts of financial assets pledged as collateral:

Financial assets pledged as collateral	Total (in TEUR)
Investment properties	107 670
Trade receivables from rental incomes	824
Cash and cash equivalents	5 045

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2.5 Trade and other payables

The position is made up of the unpaid invoices for provision of services and advanced payments for services from tenants. The detailed information is shown in the following tables:

	(In TEUR)	
	31.12.2012	1.3.2012
Accounts payable - inland	25	4
Accounts payable - foreign	1	0
Advanced payments	5	2
Total	31	6

Age structure of accounts payable as of December 31st 2012

	Before due date	After due date				Total
	< 30 days	<60 days	<90 days	<120 days		
Accounts payable - inland	18	7	0	0	0	25
Accounts payable - foreign	0	0	0	0	1	1
Advanced payments	5	0	0	0	0	5
Total	23	7	0	0	1	31

2.6 Provisions

Provisions	Corporate income tax provision	Other provisions	Total
As of 1st March 2012	730	17	747
Use	-730	-17	-747
Release	0	0	0
Creation	0	0	0
As of 31st December 2012	0	0	0
thereof: short-term	0	0	0
thereof: long-term	0	0	0

Other reserve as of 1st March 2012 relate to expense for services.

2.7 Accrued liabilities

Accrued liabilities	31.12.2012	1.3.2012
Accrued revenues	570	558
Accrued expenses	82	19
Estimated payables	690	107
	1 342	684

The accrued revenue represents rent revenue for 2013 amounting to TEUR 570, invoiced in advance.

Accrued expenses consist of fee for pledge of shares from the Company's subsidiaries – HUN BM Kft. and SK BM s.r.o.

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Estimated payables mainly represent estimates for the unreceived invoices for provision of services as follows:

Estimated payables	Total (in TEUR)
legal consulting	165
other consultancy	432
accounting	4
tax advisory	30
regular services (management fee, depositary fee, etc.)	42
audit	17
Total	690

2.8 Interest from loans

Interest from loans amounting to TEUR 24 represent unpaid interest from loans provided by group companies. The interest is calculated for the period from 19th to 31st December 2012. For further information see also 2.4 Interest bearing liabilities.

2.9 Tax payables

Tax payables consist of the liabilities for value added tax for November and December 2012 in the amounts of TEUR 129 and TEUR 141 respectively.

2.10 Other payables

The purchase price of BB C Building C, s.r.o. share has been increased in the amount of TEUR 84. The other payables represent the obligation to the seller.

2.11 Contingent liabilities

The Company provided guarantees to its subsidiaries valid during the life of the loans in order to secure the loans granted to these subsidiaries. The carrying amount of the guarantees is TEUR 15,800 and TEUR 16,900 as of 31st December 2012 and 1st March 2012, respectively.

The underlying loans for which the guarantee was provided have the following maturity:

Underlying loans (in TEUR)	1 year	1 - 5 years	more than 5 years
Interest bearing liabilities SK BM & HUN BM	1 128	4 512	10 151

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2.12 Financial instruments

The values of financial assets and liabilities are as follows:

Financial instruments	31.12.2012		1.3.2012	
	carrying amount	fair value	carrying amount	fair value
Financial assets:				
Shares	38 353	38 353	17 315	17 315
Loans to group entities	16 083	16 083	6 000	6 000
Tax receivables	207	207	121	121
Trade receivables	890	890	676	676
Cash and cash equivalents	5 427	5 427	5 330	5 330
Total	60 960	60 960	29 442	29 442
Financial liabilities:				
Loans, non-current part	-60 694	-60 694	-45 759	-45 759
Loans, current part	-3 064	-3 064	-3 324	-3 324
Interest from loans	-24	-24	-392	-392
Trade and other payables	-31	-31	-6	-6
Other payables	-84	-84	0	0
Total	-63 897	-63 897	-49 481	-49 481

Shares are originally valued at their acquisition cost and consequently revaluated at fair value reflecting into other comprehensive income. The fair value measurement is based on discounted cash flow models. The preparation of the appraisals is based on other observable inputs such as applied yield (Lever 2 of fair value hierarchy).

Loans to group entities and measured at fair value on their initial recognition. As loans to group entities were recognized on 31 December 2012, the carrying amount equals fair value as the contractual conditions in principle reflect present market conditions.

Tax and trade receivables are generally considered to be current or are carried net of any necessary valuation adjustments and, for this reason, fair value reflects the carrying amount. The same applies to cash and cash equivalents.

Carrying amount of the loans is shown as fair market value as there is no significant difference between fair market value and carrying amount as contractual conditions in principle reflect present market conditions.

Interest, trade and other payables approximates the carrying amount.

3.1 Rental income and operating costs

The Company generates rental income and income from operating costs charged to tenants in connection with investment property:

Revenue	Total (in TEUR)
Rental income	6 806
Operating costs charged to tenants	64
	6 870

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The Company has entered into operating lease agreements with business tenants on its investment property. The lease agreements are denominated in Euros and linked to the inflation rate. Future minimum rental income under non-cancellable operating leases as of 31st December 2012 are as follows:

Future minimum rental income	Total (in TEUR)
not later than one year	8 319
between 1 and 5 years	30 152
more than 5 years	68 412

The Company has no contingent rents.

3.2 Operating expenses

Operating expenses represent cost for easement in the amount of TEUR 178, facility management fee in the amount of TEUR 18 and insurance in the amount of TEUR 19.

3.3 Other operating income

The Company generates other revenues from rendering of services to its subsidiaries:

Other operating income	Total (in TEUR)
services to SK BM, s.r.o.	155
services to HUN BM, Kft.	30
	185

3.4 Indirect expenditures

Indirect expenditures	Total (in TEUR)
Management fee	423
Custodian fee	25
Audit and legal fees	212
Administration fees	167
Bank charges	4
Other services	27
Release of provisions	-17
	841

Investment management fees are created by the management fee of VIG Asset Management investiční společnost, a.s.

Custodian fees are created by the depositary fee of the depositary bank in accordance with the depositary contract in the amount of TEUR 25.

Other services mainly represent rent fees and services for rent and valuation.

3.5 Interest income

Interest income represents the credit interest from current bank account in the amount of TEUR 6.

3.6 Dividend income

Dividend income represents the revenue from long-term financial assets. The share of profit from SK BM s.r.o. has been paid to the Company as of 12th December 2012 in the amount of TEUR 473.

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3.7 Other financing revenues

The Company generates other financing revenues from accruals for guarantee fee in the amount of TEUR 63. For further information see also 1.9 Accrued assets.

The reduction of purchase price of being acquired company is represented by amount TEUR 58.

3.8 Interest expenses

The interest expenses amount to TEUR 1,706, thereof TEUR 751 relates to interest to related parties. For further information see also 2.4 Interest bearing liabilities.

3.9 Foreign currency gain/loss

Foreign currency loss amounts to TEUR 30.

3.10 Other financing expenses

Other financing expenses mainly represent fee for pledge of shares in the amount of TEUR 63. For further information see also 2.7 Accrued liabilities.

3.11 Income tax

The following table shows details on other finance costs:

Other finance costs - Corporate income tax	Total
Income tax on ordinary activities - due	6
Income tax on ordinary activities - deferred	70
	76

The following table explains the relationship between accounting profit and tax expense:

Income tax	as of 31.12.2012 (in TEUR)
Net result before tax	4 853
Corporate income tax rate	5%
Expected tax	243
Tax reconciliation:	
Adjustment of non-recognition of deferred tax	-108
Tax depreciation adjustment	-42
Non-deductible expenses	5
Amounts deducted from tax	-4
Non-taxable income	-24
Foreign exchange differences	6
Current Income tax	76
Effective tax rate in %	1.57

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3.12 Segmental information

Since the Company is in its first business year after incorporation and it holds direct investments in retail stores exclusively and therefore is no segmental information for the reported period.

3.13 Related party information

Transactions with related parties are carried out at arm's length.

Transactions with the parent company	31.12.2012	1.3.2012
In thousands of EUR		
STATEMENT OF FINANCIAL POSITION		
Interest bearing liabilities	37 359	20 342
Interest from loans	24	202
STATEMENT OF COMPREHENSIVE INCOME		
Interest expenses	-724	0

Transactions with entities with common or significant influence	31.12.2012	1.3.2012
In thousands of EUR		
STATEMENT OF FINANCIAL POSITION		
Accrued liabilities	37	0
STATEMENT OF COMPREHENSIVE INCOME		
Indirect expenditures	-426	0

The Company has three subsidiaries: SK BM, s.r.o., HUN BM, Kft. And BB C - Building C, s.r.o.

Transactions with the subsidiaries	31.12.2012	1.3.2012
In thousands of EUR		
STATEMENT OF FINANCIAL POSITION		
Loans to group entities	16 083	6 000
Accrued assets	267	19
Interest bearing liabilities	0	1 000
Interests from loans	0	2
Accrued liabilities	82	19
STATEMENT OF COMPREHENSIVE INCOME		
Other financing revenues	248	0
Dividend income	473	0
Other financing expenses	-63	0
Interest expenses	-27	0

Beside the above mentioned the Company does not record any further related party transactions.

For further information see also E. GENERAL NOTES part 1.5 Shareholders.

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G. INFORMATION ON THE DISTRIBUTION OF PROFIT

If the Company shows a profit for an accounting period, the profit may not be necessarily distributed; it may be used for reinvestments with a view to increase the Company assets, as part of the Company's financial management.

The General Meeting of the Company may, pursuant to the Commercial Code, decide to distribute profit (dividend) among shareholders. The dividend is determined as the ratio of the nominal value of shareholder's shares to the nominal value of all of the Company shareholders' shares as at the date of the dividend payment determined to that end by the Company's General Meeting. The Company may not make advance payments in respect of profit sharing.

The operative date for claiming the dividend is a date determined by the Fund's General Meeting. That day may not precede the date of holding the General Meeting which decided to pay dividends, and may not fall beyond the day when the dividend is due.

Dividend is due within six months of the date when the General Meeting resolution to distribute profit is adopted; however, the dividend paid out by money transfer to shareholder's account is not due sooner than one month after the shareholder tells the Company the bank account number to which the dividend should be remitted.

Dividend is paid out via bank transfer to a shareholder's account.

The limitation period applicable to the right to be paid dividends the payment of which has been decided by the Company's General Meeting is four years after the elapse of the due date.

If the Company shows a loss for an accounting period, the General Meeting may decide, while approving the financial statements for the accounting period in which the loss occurred, to settle the loss from the Company resources.

H. DATA ON SECURITIES ISSUED BY THE COMPANY

The Company issues ordinary shares which are not quoted, registered in the European official market, or accepted for trading in a market which is not a regulated market pursuant to the Act on Capital Market Business.

The Company shares are registered shares. Shares may be transferred only subject to the conditions stipulated by the applicable legal regulations, the Articles of Association and by the Statute.

The Company shares are securities in certificated form.

The nominal value of one share is CZK 200 (in words: two hundred Czech crowns). The nominal value of all Shares issued by the Company is the same.

The Fund shares may not be publicly offered or promoted.

I. SUBSEQUENT EVENTS

The Company acquired the BB C Building C, s.r.o. as of 31st December 2012. This company will merge into the Company with decisive day 1st January 2013. The merger is not registered in the Commercial Register at the date of the financial statements.

March 21st, 2013

DI Caroline Mocker, MSc. MRICS
Chairperson of the Board of Directors

Ing. Mag. Christoph Roiser
Member of the Board of Directors