
CORPORATE GOVERNANCE
REPORT 2009

09

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REPORT OF THE SUPERVISORY BOARD



Helmut Bernkopf
Chairman of the Supervisory Board

DEAR SHAREHOLDERS!

The Supervisory Board held five meetings with the Management Board in business year 2009, all of which took the form of open discussions. Regular reporting has provided the Supervisory Board with full and timely updates on all pertinent issues linked to the economic situation, current business developments, staff changes and (dis)investment plans across the CA Immo International Group; associated opportunities and threats were thus evaluated in detail. The company's strategic alignment was coordinated with the Supervisory Board at a special one-day strategy convention, and progress on strategy implementation was discussed at regular intervals. With 2009 presenting major challenges for the real estate sector, the focus moved away from the aggressive expansion of recent years and onto the stabilisation of core business. The main emphasis was on the maintenance and consolidation of operating cash-flow through a combination of proactive letting activities, a consistent programme of cost reduction, judicious implementation of projects launched in recent years and the preservation of a sound capital basis. Once again, special reports concerning the company's liquidity and property valuation were on the agenda. The Supervisory Board Chairman maintained close contact with the Management Board, which fully explained any departures from agreed plans and targets. Decisions and measures taken by the Management Board were transparent and raised no objections.

In the last business year, Regina Prehofer and Gerhard Nidetzky stepped down from the Supervisory Board prematurely. We would like to take this opportunity to thank them for their dedication! At the proposal of the full Supervisory Board, Helmut Bernkopf and Peter Hofbauer were elected to the Supervisory Board for the statutory term of office by the 5th Ordinary General Meeting; at the subsequent constitutive meeting held on 7 May 2009, Helmut Bernkopf was appointed Chairman and Alarich Fenyves was elected as Deputy Chairman.

On 11 September 2009, Alarich Fenyves died unexpectedly at the age of 64. Alarich Fenyves was born in the city of Fürth in Bavaria. He studied law in Graz and New York. Much of his career was spent in managerial roles for Creditanstalt and Bank Austria. Mr. Fenyves was elected to the Management Board of Bank Austria in 1995, later becoming a partner at Roland Berger in 2001 and joining the Supervisory Board of CA Immo International in 2006. As a member of the Supervisory Board, he was well known for his depth of expertise, his straightforwardly engaging manner, his tolerance and, above all, his sound business judgement. The sudden passing of Mr. Fenyves came as a deeply painful shock to us all, and we will honour his memory. He is succeeded as Deputy Chairman of the Supervisory Board by Ernst Nonhoff.

The Management Board of CA Immo International was consolidated by the accession of Bernhard H. Hansen,

previously Chairman of the Management Board at CA Immo's German subsidiary Vivico Real Estate GmbH; the contracts of executive officers Bruno Ettenauer and Wolfhard Fromwald were extended.

Last business year, as in 2008, the Supervisory Board was predominantly concerned with realising and monitoring the status of CA Immo International Group development projects initiated in previous years and resumed in 2009. Written reports on project controlling were submitted to the Supervisory Board at regular intervals.

At its meeting of 26 May 2009, the Supervisory Board addressed the amalgamation of two Hungarian subsidiaries, a move that would simplify the Group structure considerably. Capital increases at subsidiaries in Hungary and Serbia and replacements for senior executives in various property companies were approved on 23 March and 25 November 2009 respectively with a view to consolidating the equity structure.

At its meetings of 26 May and 27 August 2009, the Supervisory Board considered at length the issue of financing in connection with the realisation of the Airport City St. Petersburg project.

In addition, the various committees addressed more specific matters. The audit committee convened twice in the period under review, and the remuneration and nomination committee also sat twice to discuss matters relating to the Management Board. The investment committee did not convene, although it did issue a number of authorisations by round-robin. The corporate governance report contains more information on the composition and activities of the Supervisory Board and its committees.

At the meeting held on 23 March 2009, the Supervisory Board discussed compliance management at CA Immo International and the compliance officer's annual report; on 26 May 2009, corporate governance within the Group was reviewed and the independence criteria for

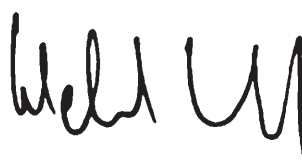
Supervisory Board members were reaffirmed in accordance with the Austrian Corporate Governance Code. The independence criteria defined by the Supervisory Board may be viewed in full on the company's website (www.caimmointernational.com). In order to uphold and enhance the efficiency of its activities as well as sensitivity to the interests of shareholders, Supervisory Board carried out its first self-evaluation (C-Rule 36) in business year 2009, thereby complying with international standards. In future, the results of the evaluation will be established as part of a critical self-assessment process.

The rules of procedure for the Supervisory Board and Management Board were adapted by resolution on 26 May 2009 in the area of transactions requiring consent.

KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH has audited the annual financial statements for 2009 (including the management report) and the consolidated financial statements for 2009 (including the Group management report) and expressed its unqualified auditor's opinion. All documents making up the financial statements, the Management Board's proposal on the distribution of profit, the auditor's reports and the corporate governance report were discussed in detail by the audit committee in the presence of the auditor and the Management Board members and examined according to Article 96 of the Austrian Stock Corporation Act; after concluding the examination, no significant objections were raised. The Supervisory Board endorsed the annual financial statements, which were thus adopted in accordance with Article 96 Subsection 4 of the Austrian Stock Corporation Act, and indicated its consent to the Management Board's proposal on the distribution of profit.

The Supervisory Board would like to extend thanks to the Management Board and all employees for their forward-looking contributions.

Vienna, March 2010



On behalf of the Supervisory Board
Helmut Bernkopf, Chairman

CORPORATE GOVERNANCE REPORT

From basic values to real-world value management

Since the implementation of the Austrian Corporate Governance Code, the CA Immo Group has been determined to play a pioneering role in this field and set an example to the sector. The Group management has never been concerned about providing details of individual executive salaries, for example; neither was there ever any debate about transparency in the area of property valuation, with specific property values invariably open to scrutiny. Professional, transparent and value-based corporate management is also becoming ever more important in view of rising demands from investors, tighter credit markets and so on. For CA Immo International, therefore, corporate governance is not simply a question of acting in accordance with the law or voluntarily introducing self-regulation measures; it is about adhering to all aspects of corporate management, monitoring compliance with legal, economic and social requirements and ensuring day-to-day processes take account of such requirements. In other words, all measures (linked to value management, sound corporate governance and compliance management) are implemented at all corporate levels, and in the various subsidiary companies.

The Austrian Corporate Governance Code

The Austrian Corporate Governance Code has established as an element of the capital market system in Austria since 2002; it is thus a key tool in terms of cementing the trust of national and international investors. The Code was revised in the last business year in response to the Austrian Stock Corporation Amendment Act of 2009 and implementation of the EU recommendation on managerial remuneration in listed companies. In particular, amendments were made to the regulations on variable remuneration, severance indemnity, share-based remuneration, remuneration reporting and the remuneration committee. The amended C and R Rules of the Code in its January 2010 version shall apply to all business years commencing after 31 December 2009. The Code may be viewed on the website of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

Commitment to observing the provisions of the Austrian Corporate Governance Code

The Management Board and Supervisory Board of CA Immo International are committed to the regulations of the Austrian Corporate Governance Code and thus to transparency and uniform principles of good corporate management. CA Immo International has implemented almost in full the regulations and recommendations of the

Code as amended in January 2009, as applicable for the 2009 business year just completed. There are deviations with respect to the following C Rules: No. 39 (Emergency decision-making committee); No. 45 (Executive functions in competitor companies); and No. 53 (Autonomy of the Supervisory Board). This Report contains an explanation of these deviations. Compliance with the Code is evaluated annually by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH, which in 2010 once again confirmed the validity of public statements concerning compliance with the Code in the 2009 business year. The results of the evaluation may be viewed on the website www.caimmointernational.com/de/investor_relations/corporate_governance.

Prevention of insider dealing

The Management Board of CA Immo International, which has always placed a high priority on the equal treatment of all shareholders, is determined to avoid conflicts of interest and insider trading. The introduction of compliance guidelines has ensured active implementation of the Issuer Compliance Decree published by the Austrian Financial Market Authority in all executive bodies of the Group and at all corporate levels. Observance of these guidelines and other sector-specific rules of conduct is monitored by the compliance officer. Members of the Management and Supervisory Boards and others performing management tasks at CA Immo International are required to disclose all personal acquisitions and sales of shares in CA Immo International and CA Immo. The ruling also applies to anyone with a close relationship to such managerial personnel. Purchases and sales of personal shares by Board members are reported at www.caimmointernational.com on an ongoing basis; an overview of share ownership is provided on page 15 (Directors' dealings).

'One share – one vote'

CA Immo International has issued 43.5 million ordinary shares in accordance with the 'one share – one vote' principle. Around 63 % of shares are held, directly or indirectly, by the parent company CA Immo (also a listed company). The shareholder structure is set out in detail in the Annual Report 2009 on page 17 and page 18. There are no preference shares or restrictions on ordinary shares of the company. The Austrian Takeovers Act ensures that all CA Immo International shareholders would receive the same price for their shares in the event of a takeover bid (mandatory offer). The shareholders alone would decide whether to accept or reject any such bid.

Regulations on conflicts of interest and own-account business

To avoid conflicts of interest, Supervisory Board members are prohibited from taking up executive positions with any competitor companies; otherwise, a substantiated statement must be submitted in accordance with the 'comply or explain' principle (C-Rule 45). Although a number of CA Immo International Supervisory Board members hold executive positions with similar companies within the sector, each of them is obliged to declare without delay any consultancy or executive functions performed for a competitor organisation or business partner. Stringent standards are applied when determining the existence of a conflict of interests; in the event of a contradiction of interests arising, the member in question shall be required to abstain from taking part in voting procedures. Moreover, Management Board members may only enter into secondary activities (in particular accepting Supervisory Board mandates with companies not connected to the Group) with the approval of the Supervisory Board. The Management Board must authorise all external mandates held by senior executives. The following Supervisory Board members hold executive positions with similar companies: alongside their functions at CA Immo International, Helmut Bernkopf and Reinhard Madlencnik serve on the Supervisory Board of the parent company CA Immo (also a listed company). Furthermore, as a result of their functions in UniCredit Bank Austria AG, Helmut Bernkopf, Reinhard Madlencnik and Peter Hofbauer also hold supervisory board mandates in a number of subsidiaries of the Bank with corporate objects in a similar sector (property, project developments). A full list of executive functions performed by Management and Supervisory Board members may be viewed at www.caimmointernational.com and in the related party disclosures in the Annual Report 2009 in the notes from page 124 on. No loans were extended to Supervisory Board members. There are no direct agreements, and in particular no consultancy contracts, between CA Immo International and members of the Supervisory Board.

Supervisory and Management Board collaboration according to the Code

Cooperation between the Supervisory Board and the Management Board is based on open discussion between and within these bodies in accordance with the principles of sound corporate governance. The Supervisory Board is provided with full details of pertinent issues regularly (or informed in good time prior to relevant Supervisory Board meetings) in order that business developments and issues requiring decisions may be considered in the proper manner.

Management Board jurisdiction

Since October 2009, the Management Board of CA Immo International has comprised three members. Cooperation between Board members is regulated by pertinent legal provisions as well as the Articles of Association and rules of procedure passed by the Supervisory Board (including the schedule of responsibilities). Regardless of the individual responsibilities of Board members, all agendas are discussed openly at regular Management Board meetings, with departmental representatives included in the discussions; the implementation of resolutions passed is constantly monitored. The Supervisory Board is informed immediately of any significant discrepancies from planned values. To a large extent, the Management Board takes responsibility for communication tasks of critical importance.

COMPOSITION OF THE MANAGEMENT BOARD

BRUNO ETTENAUER CHIEF EXECUTIVE OFFICER

Bruno Ettenauer was born in 1961. He joined P.S.K. Bank in 1985, where he spent five years in the Private Clients/Special Financing department. A year at Austrian Länderbank and another year at Bankhaus Feichtner gave the lawyer valuable insight and experience in the fields of property/mortgage financing, due diligence and contractual procedures. In 1999, Bruno Ettenauer joined Creditanstalt AG as co-head of the Financing and Consulting department; in November 2000, he was appointed head of real estate transactions (Austria and central/eastern Europe) at Creditanstalt/Bank Austria. Bruno Ettenauer became a member of the CA Immo International Management Board in 2006; he is responsible for the areas of real estate (investment/asset management), financing (equity and debt funding), project organisation, IT, personnel and legal affairs. Alongside other Group functions (including acting as the CEO of CA Immo), he holds Supervisory Board mandates at UBM Realitätenentwicklung AG¹⁾, Bank Austria Creditanstalt Real Invest GmbH, Bank Austria Creditanstalt Real Invest Immobilien-Kapitalanlage GmbH, Bank Austria Wohnbaubank AG and WED Wiener Entwicklungsgesellschaft für den Donauraum AG; he is also general partner at Dr. Bruno Ettenauer Immobilienhandel KEG.

Initial appointment²⁾: 19 June 2006 Term of office ends: 30 September 2012

WOLFHARD FROMWALD MEMBER OF MANAGEMENT BOARD, CFO

Wolfhard Fromwald, born in 1952, completed a degree in business administration at the Hochschule für Welthandel (now the Vienna University of Economics and Business). From 1980 to 2001, he worked in the Investment department of Creditanstalt. He held various positions during that time, including deputy head of division and head of the Industry, Service and Trade department. From 1990 onwards, he acted as Managing Director of various investment companies, including CA Immobilien Invest AG, CA Immobilien Development AG, Industrie und Immobilien-Verwaltung GmbH, Handelsbeteiligung GmbH and SCS Liegenschaftsverwaltung GmbH. He was also a Supervisory Board member at ÖRAG Österreichische Realitäten AG, Universale Bau AG and Semperit Holding. At CA Immo International, Wolfhard Fromwald is responsible for the areas of finance and accounting, controlling, corporate communications and investor relations and capital markets. At present he holds a Supervisory Board mandate at UBM Realitätenentwicklung AG¹⁾; amongst his Group functions, he serves on the Management Board of the parent company CA Immo (also a listed company).

Initial appointment²⁾: 19 June 2006 Term of office ends: 30 September 2012

BERNHARD H. HANSEN MEMBER OF MANAGEMENT BOARD, CTO

Bernhard H. Hansen, born in 1954, gained his first experience of real estate projects at organisations that included Strabag Bau AG and the United States Army Corps of Engineers; he also headed the construction division of the European Space Agency. He joined Deutsche Bank AG in 1992, where he oversaw project development for a subsidiary company. In 1996 he was appointed Managing Director of Deutsche Interhotel Holding GmbH & Co. KG, later fulfilling the same role at companies that included DB Immobilien. In 2000 he was appointed to the Management Board of DB Station & Service AG. At the start of 2006, Bernhard H. Hansen became Chairman of the Management Board of Vivico. In October 2009, he joined the Management Board of CA Immo International; in his capacity as CTO (Chief Technical Officer), he is responsible for all technological divisions and the implementation of all Group development activities. In addition to his Group functions, Mr. Hansen holds posts in Eurohypo Aktiengesellschaft, IREBS Immobilienakademie, ULI Germany, Bulwien Gesa AG, the ICG Corporate Governance Initiative, the architecture working group of the Kulturkreis der deutschen Wirtschaft (which promotes culture through businesses) and the German Property Federation (ZIA).

Initial appointment: 1 October 2009 Term of office ends: 30 September 2012

¹⁾ 25 % participation (plus four shares) through CA Immo International AG

²⁾ In relation to the IPO of CA Immo International AG (initial appointment to the pre-registration company: 2004)

DIVISION OF RESPONSIBILITIES

FULL MANAGEMENT BOARD

DIVISIONS:
AUDITING AND RISK MANAGEMENT



BRUNO ETTENAUER



WOLFHARD FROMWALD



BERNHARD H. HANSEN

DIVISIONS:
EQUITY AND DEBT FUNDING

Project organisation /IT/ personnel/
legal affairs
Investment management
Asset management

DIVISIONS:
CORPORATE COMMUNICATIONS
INVESTOR RELATIONS/
CAPITAL MARKETS

Finance and accounting
Controlling

Development
Technology

COMPOSITION OF THE SUPERVISORY BOARD



HELMUT BERNKOPF

CHAIRMAN OF SUPERVISORY BOARD

Helmut Bernkopf, who was born in 1967, began his international career in the corporate clients area of Bank Austria in 1994. In the course of his career, he headed the corporate clients business at Bank Austria Romania and was appointed to the Management Board of HVB Bank Romania. He returned to Vienna at the end of 2004 to take up the post of General Manager at Bank Austria, where he was responsible for the central and eastern Europe region. From 2007 to 2008, Mr. Bernkopf was Deputy President of the Board of Management at UniCredit Bank Russia. He returned to the Management Board of UniCredit Bank Austria AG in September 2008 in order to oversee corporate clients business and the investment banking division. In addition to his role at CA Immo International, Mr. Bernkopf is Deputy Chairman of the Supervisory Board at CA Immobilien Anlagen AG and a Supervisory Board member at Lenzing AG (both listed companies). He holds other mandates in non-listed companies.

Initial appointment: 2009

Term of office ends: 2014 (10th Ordinary General Meeting)



ERNST NONHOFF

DEPUTY CHAIRMAN OF SUPERVISORY BOARD

Ernst Nonhoff, who was born in 1944, worked for IBM Austria for 30 years, serving as Director General from 2000 to 2007. In 2002 he was appointed President of the Board of Trustees at the American Chamber of Commerce in Austria, in 2006 he became a member of the Supervisory Board and since 2009 he has served as the Deputy Chairman of the Supervisory Board at CA Immo International. He holds no mandates with listed companies at home or abroad aside from his post as a Supervisory Board member at S&T System Integration & Technology Distribution AG.

Initial appointment: 2006

Term of office ends: 2011 (7th Ordinary General Meeting)



PETER HOFBAUER

Peter Hofbauer, born in 1964, has performed a senior management role at UniCredit Bank Austria AG since 2005. He started his career in 1983 as a system programmer at Siemens while still reading for a degree in business computing and IT at the University of Vienna. After completing his studies and taking on various other tasks, he joined KPMG in 1988, subsequently being appointed authorised agent in 1991 and authorised signatory/senior manager in 1996. Peter Hofbauer has been a certified accountant and tax advisor since 1996, his main task being the auditing of banks. From 1998 to 2004, he performed a range of roles at BAWAG in his capacity as head of Risk Controlling; during this time he also served on the Executive Board of Slovakian subsidiary Istrobanka. In mid-2006, Peter Hofbauer accepted the leadership of the Shareholdings, Capital and Strategic Projects department at Bank Austria, while also heading the Group Accounting & Tax department. Mr. Hofbauer holds no other Supervisory Board mandates or similar functions with domestic or foreign listed companies.

Initial appointment: 2009

Term of office ends: 2014 (10th Ordinary General Meeting)



REINHARD MADLENCNIK

As head of the Real Estate division at UniCredit Bank Austria AG, Reinhard Madlencnik, who was born in 1961, is responsible for all commercial real estate business as well as property financing. He holds no posts with listed companies at home or abroad aside from his Supervisory Board functions at CA Immo International and CA Immobilien Anlagen AG.

Initial appointment ¹⁾: 2006

Term of office ends: 2011 (7th Ordinary General Meeting)

¹⁾ In relation to the IPO of CA Immo International AG (initial appointment to the pre-registration company: 2004)

Independence of Supervisory Board members

The Supervisory Board of CA Immo International currently has four members, all of whom were elected by the Ordinary General Meeting. In compliance with the Corporate Governance Code, the Supervisory Board has defined criteria for evaluating its independence (C Rule 53). According to these criteria, a Board member shall be deemed to be independent where he or she has no business or personal relationship with CA Immo International or its Management Board which could cause a material conflict of interests and thus influence the conduct of that member. The guidelines on independence compiled by the Supervisory Board are published in full on the company's website (www.caimmointernational.com), along with a list of all mandates outside of CA Immo International held by Board members. All members of the Supervisory Board have declared their independence in line with these criteria. In addition, all members of the Supervisory Board meet the criteria under C Rule No. 54, in that they do not represent the interests of any shareholder with more than a 10% holding. Some Board members perform functions in related companies or organisations that could potentially lead to conflicts of interests (C Rule 45), but appropriately stringent internal provision has been made in these cases (described on page 07). A detailed account of business relationships with related companies and persons (related party disclosures) appears in the notes in the Annual Report 2009 from page 124 on.

Responsibilities of the Supervisory Board

The responsibilities of the Supervisory Board are stipulated in the Articles of Association and the rules of procedure adopted by the Supervisory Board. The obligations therein defined as regards information provision and reporting by the Management Board also apply to the subsidiaries of CA Immo International. The full committee rules on matters of critical importance as well as general strategy. The Supervisory Board held five meetings in the year under review. The Board also executes its duties through three competent committees. In contrast to the provisions of C Rule No. 39, where decisions are required on urgent matters, the Chair of the Supervisory Board is competent. However, such decisions must be submitted as quickly as possible to the whole of the Supervisory Board for approval. Regular reports on the work of the committees as well as the presiding committee are submitted to the Supervisory Board.

The audit committee

CA Immo International's audit committee, which is responsible for overseeing the entire process of financial reporting, carries out preparatory work for the full

Supervisory Board on all issues connected with the annual and consolidated financial statements, the proposal on the use of profit and the management report. It also monitors the effectiveness of the internal control system and the CA Immo International risk management system as well as the independence and competence of the auditing company (as assessed by 'peer reviews'). The audit committee convened twice in 2009 to discuss and audit the annual and consolidated financial statements for 2008, including the management reports and corporate governance report, with the auditor and the Management Board (23 March 2009). A statement was obtained from the proposed auditor, whose legal relationship with CA Immo International and its senior executives was scrutinised; the fee for carrying out the audit was negotiated and a recommendation on the selection of an auditor was submitted. The Internal Monitoring System and the implementation of risk management in the company were also examined. At the meeting held on 27 August 2009, the audit committee discussed the financial results for the first half of 2009. No objections were raised at either meeting. A financial expert, Peter Hofbauer, sits on the audit committee of CA Immo International in compliance with the Code.

The investment committee

The investment committee may approve transactions and measures to a maximum volume of € 75 m; beyond this limit, the full Supervisory Board assumes responsibility. Working with the Management Board and bringing in competent experts where necessary, the investment committee is also required to prepare the ground for significant (investment) decisions to be taken by the full Supervisory Board. The investment committee did not convene during the reporting period, although it did issue a number of authorisations by round-robin.

The remuneration and nomination committee

The remuneration and nomination committee is responsible for all Management Board-related matters, and succession planning in particular. Management Board members are selected according to a defined appointment procedure, taking into account corporate strategy and the current position of the organisation. When Supervisory Board mandates become available, the nomination committee (or full Supervisory Board) also proposes candidates to the Ordinary General Meeting, taking into consideration personal and specialist qualifications as well as the diversification of the Supervisory Board. The remuneration and nomination committee convened twice during the reporting period to discuss Management Board matters (Management Board mandates and changes

COMPOSITION OF COMMITTEES

| Audit committee | Investment committee | Remuneration and nomination committee |
|---------------------------|----------------------------|---------------------------------------|
| Peter Hofbauer (Chairman) | Helmut Bernkopf (Chairman) | Helmut Bernkopf (Chairman) |
| Reinhard Madlencnik | Reinhard Madlencnik | Peter Hofbauer |
| Ernst Nonhoff | Ernst Nonhoff | Ernst Nonhoff |

to the regulations on variable remuneration). In accordance with the criteria outlined, Bernhard H. Hansen, then Chairman of the Management Board of CA Immo's German subsidiary Vivico Real Estate GmbH, was proposed to the Supervisory Board as a suitable CTO (Chief Technical Officer) for CA Immo International. The full Supervisory Board subsequently appointed Mr. Hansen as a new Management Board member with effect from 1 October 2009 (to the end of September 2012). The contracts of executive officers Bruno Ettenauer and Wolfhard Fromwald were extended to this date. Supervisory Board members Helmut Bernkopf and Peter Hofbauer were re-elected as proposed by the full Supervisory Board.

Measures for the active promotion of women

CA Immo International actively promotes career opportunities for women in senior positions within the company. Details are provided in the Annual Report 2009 in the Chapter "Personnel" on page 60.

Risk management

The entire Management Board of CA Immo International takes responsibility for the area of risk management. Under a reorganisation process designed to maintain and enhance the quality of risk management, a separate Internal Auditing unit under the control of the full Management Board was set up under C-Rule 18 alongside the Risk Management department in October 2009. The unit, will take up its assigned tasks from the 2010 business year onwards and, will oversee compliance with legal provisions, internal guidelines and rules of conduct on the basis of an auditing plan; it will also monitor the potential for risk in operational processes (upholding the dual verification principle in all organisational entities, continual reporting, and so on) while assessing the potential for efficiency improvements. Reports on the auditing plan and assessment results will be submitted to the Supervisory Board at least once every year. The Internal Monitoring System has also been extended to promote the early

identification and monitoring of risk; this has ensured full compliance with C-Rule 18 of the Austrian Corporate Governance Code. The full risk management report appears in the Annual Report 2009 on page 64.

Auditing company fees

CA Immo International's annual and consolidated financial statements were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH. In the case of foreign subsidiaries, local KPMG accountants are generally charged with reviewing and auditing the semi-annual and annual financial statements and with overseeing the conversion to IFRS. The management letter from the auditing company along with a report on the effectiveness of risk management within the Group were brought to the attention of the Supervisory Board Chairman and discussed by the audit committee and the full Supervisory Board. A total of € 155 K (€ 148 K in 2008) was charged for auditing the Group and associated similar services. Project-related and other (consultancy) services amounted to € 33 K in the reporting period (€ 68 K in 2008). No consulting services which could compromise independence (particularly legal/tax consultancy services) were rendered.

REMUNERATION REPORT

The remuneration report sets out the principles for determining payments to the Management Board and the remuneration of the Supervisory Board. It explains the relevant amounts and structure and indicates the number of shares owned by the members of the Management and Supervisory Boards.

Payments to the Management

Board Members of the Management Board are remunerated for the functions they perform at CA Immo International and CA Immo as well as their management services to Vivico Real Estate GmbH, which is responsible for all CA Immo Group activities in Germany; they are remunerated solely on the basis of employment contracts concluded with the parent company CA Immo. These contracts were redefined in October 2009 in connection with the appointment of Bernhard H. Hansen and the extensions to the mandates of Bruno Ettenauer and Wolfhard Fromwald. Remuneration for Management Board members continues to comprise a fixed element and a (variable) performance-related element, which has a ceiling of 100 % of the fixed annual salary. The level of fixed salaries depends on spheres of responsibility as determined in the schedule of responsibilities. Fixed salaries are paid in advance in 14 monthly payments. Operational and qualitative targets are agreed annually for the calculation of the variable payment, a positive consolidated result (after minorities) being the basic prerequisite for any variable payment. About one-third of the total payments to the Management Board, corresponding to time expenditure, are charged to CA Immo International. Furthermore, from the 2010 business year onwards, the Management Board (and the first management level) will also have the option, by making the relevant own investment,

of participating in an LTI programme (Long Term Incentive) and hence in the medium and long-term development of the corporate group as well defined according to the scope of duties, responsibilities taken, corporate goals achieved and the financial position of the company.

Principles and criteria of profit sharing

The variable element of remuneration as defined by the remuneration committee at the end of the business year and insofar as it is dependent on results is checked by the auditor and paid retrospectively. From the 2010 business year onwards, 50 % of the assessment basis for the level of performance-related pay will be based on the budgeted operating result (EBITDA) of the CA Immo Group being achieved, since this takes account of all key operating control parameters that may be influenced by the Management Board. The other half of the variable remuneration will be geared to qualitative targets, including, for the 2010 business year, the organisational adaptation of the Group to the altered market conditions, the implementation of a sustainability concept and a Corporate Governance strategy across the entire Group.

Management Board's costs for 2009

Management Board costs charged by CA Immo to CA Immo International in 2009 (which included auxiliary staff costs, remuneration in kind and pension provision) totalled € 243.4 K (€ 250.7 K in 2008), corresponding to some 34 % of total Management Board remuneration and allocated on the basis of work and time involved. Due to the economic environment and current business trends, no performance-related salary elements were paid in 2009 (for business year 2008); 100 % of Management Board remuneration was thus made up of fixed salary elements

MANAGEMENT BOARD REMUNERATION ATTRIBUTED TO CA IMMO INTERNATIONAL

| in € 1,000 | 2009 | | | 2008 | | |
|------------------------------------|---------------------|------------------------|--------------|---------------------|------------------------|--------------|
| | Fixed ¹⁾ | Variable ²⁾ | Total | Fixed ¹⁾ | Variable ²⁾ | Total |
| Gerhard Engelsberger ³⁾ | – | – | – | 20.9 | – | 20.9 |
| Bruno Ettenauer | 111.6 | – | 111.6 | 114.4 | 245.6 | 360.0 |
| Wolfhard Fromwald | 111.6 | – | 111.6 | 115.4 | 245.6 | 361.0 |
| Bernhard H. Hansen ³⁾ | 20.4 | – | 20.4 | – | – | – |
| Total | 243.4 | – | 243.4 | 250.7 | 491.2 | 741.9 |

¹⁾ Including auxiliary staff costs, remuneration in kind and travel expenses.

²⁾ Paid in 2008 for 2007; no variable remuneration paid for 2008 and 2009.

³⁾ Gerhard Engelsberger until 31.1.2008; Bernhard H. Hansen from 1.10.2009.

(previous year: 34 % fixed/66 % variable). No separate payment is made for accepting mandates in Group companies in addition to remuneration for management functions in CA Immo International or within the, CA Immo Group (with the exception of Supervisory Board mandates in UBM Realitätenentwicklung AG).

Pension funds and severance payments

All members of the Management Board have pension fund agreements, with annually agreed contributions paid by the parent company CA Immo; these contributions are paid by CA Immo subsidiary Vivico for Bernhard H. Hansen. During 2009, approximately € 63.7 K (around € 56.5 K in 2008) was paid for the Management Board members in the form of contributions to pension funds (defined contribution plan). In accordance with the legal regulations in Austria, the amount of a legal severance payment is determined by the amount of an overall salary as well as length of service, with the maximum payout equating to one full year's salary. Payment is forfeited in the event of the employee serving notice of termination. Payments to form a reserve for severance payment claims (defined benefit plan) amounted to € 9.2 K in business year 2009 (compared to approximately € 246.7 K in 2008). There are no further obligations. The proportion attributed to CA Immo International was included in the Management Board costs passed on. No other payments were made to former Management Board members or their surviving dependents.

Supervisory Board remuneration

Remuneration for the Supervisory Board is determined annually by the Ordinary General Meeting. In addition to the reimbursement of cash expenses, every member of the

Board will receive a fixed annual payment of € 10 K. The chairman will receive double that amount, with the deputy chairman paid one and a half times the fixed fee. Members of committees are paid € 500 for each attendance at a committee meeting. Remuneration is paid pro rata where a Supervisory Board member steps down during the year. There are no stock option plans for members of the Board. Supervisory Board remuneration was agreed to € 68.0 K for business year 2008 (previous year: € 59.5 K). No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were paid to either Management Board or Supervisory Board members.

Directors' dealings

As part of its accumulation programme, the parent company CA Immo increased its stake in CA Immo International from 61.74 % to 62.77 % at year end. The company acquired 396,187 CA Immo International shares in 2009. As of the balance sheet date, CA Immo held a total of 27,279,396 shares in CA Immo International. In addition, 2,000 shares in total (2,000 shares in 2008) shares were privately held by Management Board member Wolfhard Fromwald at the end of 2009. Supervisory Board members hold no shares in the company.

D&O insurance

At CA Immo Group level, D&O manager liability insurance with coverage of € 50 m was taken out for the executive bodies (Management Board members, administrative authorities, supervisory bodies and senior executives) of the parent company and subsidiaries. The insurance does not provide for any excess.

BY AGM AGREED SUPERVISORY BOARD REMUNERATION

| in € | 2009 for 2008 | 2008 for 2007 |
|--|------------------|------------------|
| Helmut Bernkopf, Chairman from 7.5.2009 | – | – |
| Ernst Nonhoff, Deputy Chairman from 26.11.2009 | 10,500.0 | 10,500.0 |
| Alarich Fenyves from 7.5.2009 to 11.9.2009 | 10,500.0 | – |
| Peter Hofbauer from 7.5.2009 | – | – |
| Reinhard Madlencnik | 10,500.0 | 11,000.0 |
| Gerhard Nidetzky to 7.5.2009 | 16,000.0 | 17,000.0 |
| Regina Prehofer to 7.5.2009 | 20,500.0 | 20,500.0 |
| Total | 68,000.0 | 59,500.0 |

COMPLY OR EXPLAIN

According to Article 243b of the Austrian Commercial Code (UGB), publicly owned companies are obliged to compile corporate governance reports in line with the ‘comply or explain’ principle. The CG Code defines the following categories of rules:

| | |
|--|---|
| 1. Legal requirements ('L Rules') | All regulations based on binding legal provisions. |
| 2. Comply or explain ('C Rules') | Rules that must be observed to ensure compliance with the CG Code; reasons must be stated in the event of non-compliance. |
| 3. Recommendations ('R Rules') | Rules that are recommendatory in nature; there is no requirement to report or justify non-compliance with them. |

CA Immo International complies fully with all recommendatory rules and with most C Rules in the CG Code. Deviation is confirmed in the following areas:

C Rule 39: The Supervisory Board forms competent committees according to the number of its members and the specific circumstances of the company. The purpose of the committees is to help the Board function more efficiently and handle complex issues, although certain committee matters may still be dealt with by the full Supervisory Board. The committee chairpersons report regularly to the Supervisory Board on the work of their committees. The Supervisory Board must make provision to ensure committees are authorised to reach decisions in urgent cases. The majority of committee members meet the independence criteria in accordance with C Rule 53. The names of committee members and the chairpersons must be given in the corporate governance report, which must also state the number of committee meetings and describe committee activities.

Explanation/reason: The responsibilities of the Supervisory Board are stipulated in the Articles of Association and the rules of procedure adopted by the Supervisory Board. The obligations therein defined as regards information provision and reporting by the Management Board also apply to the subsidiaries of CA Immo International. The full committee rules on matters of critical importance as well as general strategy. The Board also executes its duties through three competent committees.

Notwithstanding the provisions of C Rule 39, the chairperson of the Supervisory Board shall be competent where decisions are required on urgent matters; however, such decisions must be submitted as quickly as possible to the full Supervisory Board for approval. Regular reports are submitted to the Supervisory Board concerning the work of the committees and the presiding committee. All committee members have declared compliance with the criteria for independence stipulated under C Rule 53. The corporate governance report contains more details on the committees (composition, activities, meetings held etc.).

C Rule 45: Supervisory Board members are prohibited from taking up executive positions with competitor companies.

Explanation/reason: Although a number of CA Immo International Supervisory Board members hold executive positions with similar companies within the sector, each of them is obliged to declare without delay any consultancy or executive functions performed for a competitor organisation or business partner. Stringent standards are applied when determining the existence of a conflict of interests; in the event of a contradiction of interests arising, the member in question shall be required to abstain from taking part in voting procedures. The following Supervisory Board members hold executive positions with similar companies: alongside their functions at CA Immo International, Helmut Bernkopf and Reinhard

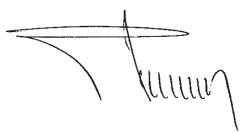
Madlencnik are represented on the Supervisory Board of the parent company CA Immo, which is also publicly owned. Furthermore, in connection with their functions at UniCredit Bank Austria AG, Helmut Bernkopf, Reinhard Madlencnik and Peter Hofbauer hold supervisory board mandates in a number of subsidiaries of the Bank involved in similar business areas (real estate and development projects). A full list of executive functions performed by Management and Supervisory Board members may be viewed at www.caimmointernational.com. No loans were extended to Supervisory Board members. There are no direct agreements, and in particular no consultancy contracts, between CA Immo International and members of the Supervisory Board.

C Rule 53: The majority of Supervisory Board members elected by the Ordinary General Meeting or appointed by shareholders on the basis of the Articles of Association are independent of the company and its Management Board. A Supervisory Board member shall be deemed to be independent where he or she has no business or personal relationship with the company or its Management Board which could cause a material conflict of interests and thus influence the conduct of that member. On the basis of this general provision, the Supervisory Board defines the criteria for independence and publishes these in the corporate governance report. The guidelines on independence as shown in the first notes section provide additional information. According to the defined criteria, all Supervisory Board members are personally responsible for declaring their own independence or otherwise to the Board. Supervisory Board members who meet the criteria must be named in the corporate governance report.

Explanation/reason: In compliance with the Corporate Governance Code, the Supervisory Board has defined criteria for evaluating its independence. According to these criteria, a Board member shall be deemed to be independent where he or she has no business or personal relationship with CA Immo International or its Management Board which could cause a material conflict of interests and thus influence the conduct of that member. The guidelines on independence compiled by the Supervisory Board are published in full on the company's website (www.caimmointernational.com), along with a list of all mandates outside of CA Immo International held by Board members. All members of the Supervisory Board have declared their independence in line with these criteria. In addition, all members of the Supervisory Board meet the criteria under C Rule 54 in that they do not represent the interests of any shareholder with a holding in excess of 10%. Some Board members perform functions in related companies or organisations that could potentially lead to conflicts of interests: as an executive board member at UniCredit Bank Austria AG, Helmut Bernkopf is responsible for corporate clients business as well as the Investment Banking area; Peter Hofbauer has headed the Shareholdings, Capital and Strategic Projects division at UniCredit Bank Austria AG since mid-2006 and runs the Group Accounting & Tax division; at the same bank, Reinhard Madlencnik is the head of the Real Estate division. UniCredit Bank Austria AG/UniCredit Group is the principal bank of the CA Immo International Group: the company performs most of its payment and loan financing transactions and makes most of its financial investments with this bank. Reference is hereby made to the remarks concerning C Rule 45 (executive functions performed for competitor organisations).

Vienna, March 2010

The Management Board



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DISCLAIMER

Companies voluntarily undertake to adhere to the principles set out in the Austrian Code of Corporate Governance, which is the basis for this Report. Where legally permissible, liability on the part of the company or its executive bodies arising from failure to comply with the provisions of the Austrian Code of Corporate Governance as amended is excluded. This Report does not constitute an invitation to buy or sell the shares of CA Immo International AG.

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We ask for your understanding that gender-conscious notation in the texts of this Report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

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