
CORPORATE GOVERNANCE
REPORT 2010

10

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REPORT OF THE SUPERVISORY BOARD



Dr. Wolfgang Ruttensdorfer
Chairman of the Supervisory Board

Another key event alongside the Europolis acquisition was the amalgamation of CA Immo International AG with CA Immobilien Anlagen AG following last year's voluntary takeover bid; the operational integration of Vivico within the CA Immo Group, the development of a sustainability strategy and continual improvements to corporate governance were also major strategic targets in 2010.

Cooperation between the Management Board and Supervisory Board

The Supervisory Board convened seven times in business year 2010. Regular reporting provided the Board with full and timely updates on all pertinent issues linked to business development, including the risk situation and risk management in the CA Immo Group. Issues such as future trends on the real estate market (development of interest rates, rental prices, etc.), (dis)investment plans, staff changes and associated opportunities and threats were evaluated in detail, special reports on profitability, liquidity and property valuation featured regularly were also on the agenda in 2010. All meetings took the form of open discussions between the members of the Management Board and the Supervisory Board. The Supervisory Board Chairman maintained close and regular 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.

DEAR SHAREHOLDERS AND READERS,

After two crisis-hit years for the real estate sector, raising the profitability of the CA Immo Group and bringing about sustainable organic growth through the implementation of development projects became the priorities in 2010. The measures required to achieve these objectives have been founded on a comprehensive corporate strategy. The main focus was on the effective and profitable utilisation of liquidity generated through the issuing of two bonds in 2009, an aspiration successfully fulfilled with the acquisition of Europolis, a company with a portfolio that rates highly in terms of both quality and cash flow. Given that it mainly comprises investment properties in the CEE markets of Poland, the Czech Republic and Hungary, the € 1.5 bn portfolio dovetails ideally with our development activities in Germany.

Priorities in 2010

Last year, the acquisition of Europolis in particular served to consolidate CA Immo's position as a leading listed property concern in Central Europe. The task in the medium term will be steadily to optimise the platform established over the past few years, thereby utilising the potential in the portfolio with a view to generating regular returns for the shareholders. To this end, the Supervisory Board organised a one-day strategy meeting with the Management Board last summer as well as a special meeting in the autumn in order to review strategy in detail and define the main strategic objectives for the CA Immo Group. The actual acquisition of Europolis was approved by the Supervisory Board at a special meeting held in May 2010, at which the main focus of discussion was the structure of the acquisition, the purchase price, opportunities and threats and the implications for the balance sheet of the

CA Immo Group. More information on the strategy of the CA Immo Group and on Europolis AG are included into this report. Progress towards the realisation of strategic targets is discussed by the Supervisory Board on a regular basis. The Supervisory Board paid particular attention to the following topics at its ordinary meetings:

At the meetings held on 2 July 2010 and 25 August 2010, the Supervisory Board discussed measures aimed at simplifying the structure of the CA Immo Group, and in particular the consolidation of CA Immo International AG and CA Immobilien Anlagen AG by means of a merger. On the basis of the joint merger report of the Boards of CA Immo International AG and CA Immobilien Anlagen AG and the merger audit report of the joint merger auditor PwC Transaction Services Wirtschaftsprüfung GmbH, the Supervisory Board scrutinised the merger and approved the relevant audit report. The Supervisory Board found the information in the merger agreement to be complete and correct. In the view of the Supervisory Board, the merger was advisable from a business standpoint and the exchange ratio (10 CA Immobilien Anlagen AG exchange shares to 19 CA Immo International shares) was appropriate. The Supervisory Board had addressed the takeover bid preceding the merger in the spring of 2010, subsequently authorising the Management Board to enact a voluntary takeover bid for free float shares of CA Immo International AG at an offer price of € 6.50 per share. KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH was appointed as an independent expert for CA Immo ("bidder") and PwC Wirtschaftsprüfung GmbH was the independent expert for the target company CA Immo International AG. For more information on the transaction, please refer to the Investor Relations section.

In addition to the topics outlined above, the Supervisory Board devoted a number of meetings to detailed discussions on the acquisition and implementation of various development projects in Germany and Eastern Europe as well as the sale of real estate.

Amongst other things, the Board approved the planning and realisation of two office/commercial buildings with a total investment volume of € 43.4 m for BelsenPark (the new district of Oberkassel) and the sale of four other sites for residential construction in the park. The Supervisory Board also considered land development for the new Europacity district in Berlin, the construction of a three-star InterCity Hotel in Berlin's Lehrter quarter and sales of real estate in Frankfurt, Munich and Basel. In Eastern Europe, the Supervisory Board turned its attention to the implementation of construction phase two of the Poleczki Business Park in Warsaw; phase one, which lasted just under two years, was concluded in June 2010.

Issues relating to risk management, progress on development projects launched in recent years and continuing in 2010, refinancing and personnel were also addressed at a number of meetings; the Supervisory Board received written and verbal reports on such matters at regular intervals.

In January 2010, the Board conducted its first self-assessment on the efficiency of its activities, evaluating in particular its organisation and procedures in 2009 (C-Rule 36 of the Austrian Corporate Governance Code). At a meeting held on 24 March 2010, the results of the evaluation and the annual activity report on compliance management within the CA Immo Group were discussed as appropriate; corporate governance was also reviewed. Observance of the Corporate Governance Code was evaluated by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH.

Committees

The audit committee convened twice in 2010. The investment committee also convened on two occasions in order to hold detailed discussions with the Management Board on the Europolis acquisition and prepare the ground for a decision of the full Supervisory Board. The remuneration and nomination committee convened once in the period under review. The corporate governance report contains more information on the composition and activities of the Supervisory Board and its committees.

Staff changes

Last year (effective 31 July 2010), Horst Pöchlhacker resigned his mandate prematurely and of his own volition on account of his substantial commitments to ÖBB and ASFINAG. Mr. Pöchlhacker had served the Supervisory Board since May 2007, and we would like to thank him for his positive contribution. No replacement Board member has been appointed. His resignation has reduced the Supervisory Board to five members, with the mandates of Regina Prehofer and Detlef Bierbaum due to expire in the business year ahead. A proposal concerning the filling of the vacant positions will be submitted to the Ordinary General Meeting by the nomination committee or the full Supervisory Board in good time. The proposal will pay particular attention to the balanced composition of the Supervisory Board (diversity) as well as the professional and personal qualifications of candidates.

Consolidated and annual financial statements for 2010

KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH has audited the annual financial statements for 2010 (including the management report) and the consolidated financial statements for 2010 (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 the dedication they have shown.

Vienna, February 2011

A handwritten signature in black ink, appearing to read 'Wolfgang Ruttendorfer', with a stylized flourish at the end.

On behalf of the Supervisory Board
Wolfgang Ruttendorfer, Chairman

MANAGEMENT BOARD

BRUNO ETTENAUER CHIEF EXECUTIVE OFFICER, CEO (BORN 1961)

Bruno Ettenauer gained his initial experience in the field of real estate and mortgage financing with banking organisations such as P.S.K. Bank, Österreichische Länderbank and Bankhaus Feichtner. In 1999, Ettenauer joined the Financing and Consulting department of Creditanstalt AG; in November 2000 he was appointed head of real estate transactions (for Austria and central/eastern Europe) at Creditanstalt/Bank Austria. Bruno Ettenauer became a member of the CA Immo Management Board in 2006; he is responsible for the areas of real estate, financing, project organisation, IT, personnel and legal affairs. Alongside other Group functions, he holds Supervisory Board mandates at UBM Realitätenentwicklung AG, Bank Austria Real Invest GmbH, Bank Austria Real Invest Immobilien-Kapitalanlage GmbH, Bank Austria Wohnbaubank AG and WED Wiener Entwicklungsgesellschaft für den Donauraum Aktiengesellschaft.

Initial appointment: 1 March 2006 Term of office ends: 30 September 2012

WOLFHARD FROMWALD MEMBER OF THE MANAGEMENT BOARD, CFO (BORN 1952)

From 1980 to 2001, Wolfhard Fromwald worked in the Investment department of Creditanstalt. During that time he held various positions, including deputy head of division and head of the Industry, Trade and Service 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. Wolfhard Fromwald joined the Management Board of CA Immo in 1990, since when he has been responsible for the areas of finance and accounting, controlling, corporate communications and investor relations and capital markets. He is also a member of the Supervisory Board at UBM Realitätenentwicklung AG, in which CA Immo holds a stake of 25 % plus four shares.

Initial appointment: 28 March 1990 Term of office ends: 30 September 2012

BERNHARD H. HANSEN MEMBER OF THE MANAGEMENT BOARD, CTO (BORN 1954)

Bernhard H. Hansen gained his first experience of real estate projects at organisations that included Strabag Bau AG; 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. On 1 January 2006, Bernhard H. Hansen switched to become Chairman of the Management Board of Vivico. He joined the Management Board of CA Immo on 1 October 2009; in his capacity as CTO, he is responsible for all technological divisions and the implementation of all Group development activities. Amongst other functions, Mr. Hansen is also the Chairman of ULI Germany, a member of the Supervisory Board of Bulwien Gesa AG, a member of the presiding committee at ZIA (Zentraler Immobilien Ausschuss) and an advisor to Eurohypp AG and IREBS in Germany.

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

DIVISION OF RESPONSIBILITIES

FULL MANAGEMENT

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

SUPERVISORY BOARD



WOLFGANG RUTTENSTORFER

CHAIRMAN OF THE SUPERVISORY BOARD
(BORN 1950)

Wolfgang Ruttendorfer started his career in 1976 with OMV, where his fields of responsibility included planning and control, corporate development and marketing. He was appointed an Executive Board member in 1992, a role he performed until 1997. From 1997 to 1999, he served as State Secretary at the Federal Ministry of Finance. Early in 2000, he returned to the OMV Group as Deputy Director General. He was appointed Chief Executive Officer and Director General of OMV in 2002. In addition to his posts at OMV and CA Immo, Wolfgang Ruttendorfer is a member of the Supervisory Board of the listed Swiss company Roche Holding Ltd, the Supervisory Board Chairman at Vienna Insurance Group AG and a Supervisory Board member at Telekom Austria AG.

Initial appointment: 2009
Term of office ends: 2014
(27th Ordinary General Meeting)



HELMUT BERNKOPF

DEPUTY CHAIRMAN OF THE
SUPERVISORY BOARD (BORN 1967)

Helmut Bernkopf began his international career in the corporate clients area of Bank Austria in 1994. In the course of his career, he has headed loan syndication in London and served on the Management Board of HVB Bank Romania. He oversaw the central and eastern Europe region as a General Manager at Bank Austria from 2005 to 2006 before being appointed to the Board of Management of International Moscow Bank. In September 2008, he joined the Management Board of UniCredit Bank Austria AG to run the corporate clients business and the investment banking division. In addition to his role at CA Immo, Helmut Bernkopf is a member of the Supervisory Board at Lenzing AG. He holds other mandates in non-listed companies.

Initial appointment: 2009
Term of office ends: 2014
(27th Ordinary General Meeting)



DETLEF BIERBAUM
(BORN 1942)

Detlef Bierbaum was appointed as a general partner (co-owner) of the bank Sal. Oppenheim in 1991. He took responsibility for asset management before switching to the Supervisory Board of Sal. Oppenheim Germany at the end of March 2010. Having accumulated over 40 years' experience in the international finance industry, he is now a sought-after advisor to numerous companies and institutions. Mr. Bierbaum sits on the Supervisory Boards of two listed companies in Germany: IVG Immobilien AG (as Chairman) and Douglas Holding AG.

Initial appointment: 2006
Term of office ends: 2011
(24th Ordinary General Meeting)



REINHARD MADLENCNIK
(BORN 1961)

After completing a degree in business administration, Reinhard Madlencnik joined the BA-CA Group (now UniCredit Bank Austria AG) in 1985. Having fulfilled various roles in the fields of commercial financing and risk management, he was appointed deputy head of Real Estate in 2003, going on to manage the division in 2006. In his present position, he 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 function at CA Immo.

Initial appointment: 2002
Term of office ends: 2012
(25th Ordinary General Meeting)



REGINA PREHOFER
(BORN 1956)

Regina Prehofer began her professional career with Österreichische Kontrollbank AG in 1981 before moving to Creditanstalt in 1987. In 2000, she was appointed head of the Division for Multinational Corporates, Corporate Finance and Trade Finance; three years later, she joined the Management Board of Bank Austria. Regina Prehofer moved to the Management Board of BAWAG P.S.K. in September 2008, where until September 2010 she oversaw all private and corporate client business in Austria. She holds no posts with listed companies at home or abroad aside from her function as a Supervisory Board member at CA Immo.

Initial appointment: 2006
Term of office ends: 2011
(24th Ordinary General Meeting)

CORPORATE GOVERNANCE REPORT

ALWAYS REMEMBERING OUR RESPONSIBILITY

As a listed real estate company, CA Immo knows that integrity, professionalism, transparency and fairness constitute the essential foundation in our dealings with investors, business partners, clients, tenants, staff and the general public. We are mindful of economic, environmental and social aspects as we develop and manage properties, and we regard raising the value of real estate and the company as our duty and our goal.

For CA Immo, integrating corporate governance in everyday business dealings is of fundamental importance. We organise our business in such a way that we are able to comply with all applicable compliance standards. Above all, the CA Immo business model is based on the trust that we have earned from our stakeholders.

CA Immo is committed to observing the provisions of the Austrian Corporate Governance Code

Even before the implementation of the Austrian Corporate Governance Code in 2002, the CA Immo Group was determined to ensure that the business activity of CA Immo and the company itself were as transparent and open to external scrutiny as possible. The CA Immo Management and Supervisory Boards attach great importance to compliance with legal provisions applicable in Austria; they are committed to observing the Austrian Corporate Governance Code and thus to transparency and uniform principles of good corporate management. In business year 2010, CA Immo implemented almost in full the regulations and recommendations of the Code as amended in January 2010. Discrepancies were noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board), 39 (independence of committee members), 45 (executive positions with competitor companies) and 53 (independence of the Supervisory Board). This report contains a corresponding statement on the discrepancies. Compliance with the Code is evaluated annually (most recently by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH). The results of the evaluation may be viewed on the website (www.caimmoag.com), whilst the Austrian Corporate Governance Code itself may be viewed on the website of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

Moreover, CA Immo voluntarily observes the ICG standards (those defined by the Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V.), under which Vivico, the company's subsidiary, became one of the first German property developer to be certified. The ICG standards complement the Austrian Corporate Governance Code by setting down appropriate regulations for listed stock corporations active in the real estate sector. In particular, the standards stipulate a duty to inform as regards changes in property valuations, promote specific knowledge of real estate within the Supervisory Board and define rules on the prevention of conflicts of interest in acquisitions and sales of real estate as well as the awarding of contracts in the property sector. Accordingly, all staff members of Vivico have been trained in these guidelines in 2010 and have entered into a binding agreement to observe the code. The company's business partners and service providers have also been informed of the regulations and pledged to comply with them. The rules cover everything from contract award guidelines to principles of payment transactions and dealing with gifts and invitations. Needless to say, we comply with local laws as regards our subsidiaries in (South) Eastern Europe.

CA Immo has also codified the basic principles of its business practice in a code of conduct along the lines of the German ICG standards. Based on the company's values, the code applies to all business areas from business year 2011 and will be a central document in terms of enacting the CA Immo Group's aims and strategies. The code of conduct was compiled internally with the cooperation of the various units and business divisions. The majority of CA Immo Group employees have already received training in the guidelines.

Compliance management and the prevention of insider trading

The Management Board has in the past made appropriate arrangements to prevent insider trading by implementing the Issuer Compliance Decree published by the Austrian Financial Market Authority (FMA) within the company. The restructuring of the CA Immo Group on account of the integration of Vivico (functional merger), the re-integration of CA Immo International AG (amalgamation of 16 November 2010) and especially the acquisition of Europolis in June 2010 necessitated revision of CA Immo's compliance guidelines during business year 2010;

the guidelines were approved by the Management Board early in 2011. Along with other sector-specific and company-specific rules of conduct, the compliance guidelines apply in full to all corporate units and staff members of the CA Immo Group. Observance of the guidelines is monitored by the compliance officer.

Members of the Management and Supervisory Boards and others performing management tasks at CA Immo are required to disclose all personal acquisitions and sales of shares in CA Immo. The ruling also applies to anyone with a close relationship to such managerial personnel. Acquisitions and sales of CA Immo securities by Board members are regularly reported at www.caimmoag.com. The remuneration report contains an overview of share ownership.

Equal treatment of shareholders is top priority

CA Immo has issued 87.9 million ordinary shares in accordance with the 'one share – one vote' principle. Around 88 % of shares were in free float as at key date 31 December 2010. UniCredit Bank Austria AG holds 12 % of the capital stock plus four registered shares, which entitle the bank to nominate one Supervisory Board member for each share. To date, this right has not been exercised; all Supervisory Board members have been elected by the Ordinary General Meeting. There are no preference shares or restrictions on ordinary shares of the company. In addition, the Austrian Takeover Act ensures that all shareholders would receive the same price for their CA Immo shares in the event of a takeover bid (mandatory offer). In all cases, the shareholders alone would decide whether to accept or reject any such bid. The shareholder structure is set out in detail in the Investor Relations section of the annual report 2010.

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 matters 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. Details of the main activities of the Supervisory Board in business year 2010 are listed in the Supervisory Board report.

Responsibilities of the Management Board

The Management Board of CA Immo has three members. Bruno Ettenauer has been the Chief Executive Officer since October 2009. Cooperation between Management 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 individual departmental and Board responsibilities, all agendas are discussed openly by the Board members 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.

Declaration of independence by the Supervisory Board

The Supervisory Board of CA Immo currently comprises five 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 or its Management Board which could cause a material conflict of interests and thus influence the conduct of that member. Specifically, no Supervisory Board member may have served on the Management Board or as a senior executive of CA Immo or one of its subsidiaries in the last five years; more generally, no Supervisory Board member may have, or have had in the past year, a business relationship of excessive closeness to the CA Immo Group. The same applies to professional links with companies in which the Supervisory Board member has a significant business interest. Acceptance by the Supervisory Board of such business relations in individual cases does not, however, lead to automatic classification as non-independent. Moreover, Supervisory Board members may not have been auditors of CA Immo or employees or stakeholders of the company's firm of auditors during the last three years. Cross-links and close family relationships between the Supervisory Board and the Management Board are also discouraged. Finally, a Supervisory Board member will no longer be regarded as independent where that person has served on the Supervisory Board of CA Immo for a term in

excess of 15 years (exceptions to this are shareholders with stakes of over 10 % or the representatives thereof).

All members of the Supervisory Board have declared their independence in the knowledge of these criteria. Moreover, the majority of Supervisory Board members (Wolfgang Ruttenstorfer, Detlef Bierbaum and Regina Prehofer) meet the criteria of C Rule 54 in that they do not represent the interests of any shareholder with a stake of more than 10 % (UniCredit Bank Austria AG). The guidelines on independence compiled by the Supervisory Board are also published on the company's website (www.caimmoag.com), along with a list of all mandates held by Board members outside of the CA Immo Group.

Preventing conflicts of interest

To avoid any 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 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. In the event of a contradiction of interests arising, the member in question shall be required to abstain from taking part in voting procedures or leave the meeting while the relevant item on the agenda is being discussed. Stringent standards are applied when determining the existence of a conflict of interests. The following Supervisory Board members hold executive positions with similar companies: Alongside their posts at CA Immo, Helmut Bernkopf and Reinhard Madlencnik, who also hold positions with UniCredit Bank Austria AG, fulfil Supervisory Board mandates with a number of the bank's subsidiaries that are active in similar fields of business (real estate and project development). Detlef Bierbaum also chairs the Supervisory Board of IVG Immobilien AG in Germany. A full list of executive functions performed by Management and Supervisory Board members may be viewed at and in the related party disclosures in the notes of the annual report 2010. No loans were extended to Supervisory Board members. There are no direct agreements, and in particular no consultancy contracts, between CA Immo and members of the Supervisory Board.

To ensure conflicts of interest are also prevented at Board level, 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.

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. The full committee rules on matters of critical importance as well as general strategy. The Supervisory Board held seven meetings in the year under review. A detailed description of the main activities of the Supervisory Board in business year 2010 is provided in the Supervisory Board report. The Board also executes its duties through three competent committees. Where decisions are required on urgent matters, the presiding committee of the Supervisory Board is convened. Regular reports on the work of the committees as well as the presiding committee are submitted to the Supervisory Board.

THE SUPERVISORY BOARD COMMITTEES

The audit committee

CA Immo'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 distribution of profit and the management report. It also monitors the effectiveness of the internal control system and the CA Immo 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 2010 to discuss and audit the annual and consolidated financial statements for 2009, including the management reports and corporate governance report, with the auditor and the Management Board (24 March 2010). A statement was obtained from the proposed auditor, whose legal relationship with CA Immo 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 25 August 2010, the audit committee discussed the financial results for the first half of 2010. No objections were raised at either meeting. In compliance with the Code, all members of the audit committee are acknowledged as financial experts on the basis of their experience and professional track records.

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 held two meetings in the period under review, both of which were convened to prepare for and examine the acquisition of Europolis with a view to a subsequent resolution by the full Supervisory Board.

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. The remuneration and nomination committee convened once in the period under review in order to arrive at a final definition of the LTI programme for the Management Board and first-level managerial employees. For more details, please refer to the remuneration report.

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 professional qualifications as well as the diversification of the Supervisory Board. Last year (effective 31 July 2010), Horst Pöchacker resigned his mandate prematurely and of his own volition on account of his substantial commitments to ÖBB and ASFINAG. No replacement Board member has been appointed. His resignation has reduced the Supervisory Board to five members, with the mandates of Regina Prehofer and Detlef Bierbaum due to expire in the business year ahead. An appropriate proposal concerning the filling of the vacant positions will be submitted to the Ordinary General Meeting by the nomination committee or the full Supervisory Board in good time. The proposal will pay particular attention to the balanced composition of the Supervisory Board (diversity) as well as the professional and personal qualifications of candidates.

COMPOSITION OF COMMITTEES

Audit committee	Investment committee	Remuneration and nomination committee
Wolfgang Ruttendorfer (Chairman)	Wolfgang Ruttendorfer (Chairman)	Wolfgang Ruttendorfer (Chairman)
Helmut Bernkopf	Helmut Bernkopf	Helmut Bernkopf
Reinhard Madlencnik	Reinhard Madlencnik	Regina Prehofer

Active risk management

Risk Management and Internal Auditing are separate units under the control of the full CA Immo Management Board (C Rule 18). Both units took up their assigned duties in business year 2010. They now oversee compliance with legal provisions, internal guidelines and rules of conduct on the basis of an annually compiled auditing plan and also monitor the potential for risk in operational processes (upholding the dual verification principle in all organisational entities, continual reporting, and so on).

Reports on the auditing plan and assessment results will be submitted to the Supervisory Board at least once every year. The Internal Monitoring System (IMS) is also being continually expanded to assist in the early identification and monitoring of risks. Further information appears in the full risk management report of the annual report 2010.

Women are strongly represented

We believe that for our company to be successful, our male and female employees must work together on the

basis of trust and equality. This means that all staff members must be treated in accordance with the same principles, with equal opportunities in terms of advancement and remuneration. The aim of our active personnel policy is qualitatively, quantitatively and structurally to increase the proportion of women in the workforce as a whole, in trained positions and at all managerial and executive levels. The proportion of women in the CA Immo Group currently stands at approximately 44 %. Although the composition of the Management Board is exclusively male, the proportion of female executives at the second level of management (Group manager level) stands at 36 %, which is close to being in compliance with the European Union's much-discussed proposal on introducing a female ratio of 40 % for managerial positions. Amongst the five members of the Supervisory Board there is one female representation.

Auditing company fees

CA Immo'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. In 2010 a total of € 256.2K (€ 289.8K in 2009) was charged for auditing the Group. Project-related and other (audit) services amounted to € 239.0K in the reporting period (€ 198.0K in 2009). No consulting services which could compromise independence (particularly legal/tax consultancy services) were rendered by the auditor.

COMPLY OR EXPLAIN

Compliance with most of the C Rules of the Austrian Corporate Governance Code has been achieved. Discrepancies are noted in the following areas:

C Rule no. 2:

Formulation of shares in accordance with the 'one share – one vote' principle.

Explanation/reason:

CA Immo has issued 87.9 million ordinary shares in accordance with the 'one share – one vote' principle.

Around 88 % of shares were in free float as at key date 31 December 2010. UniCredit Bank Austria AG holds 12 % of the capital stock plus four registered shares, which entitle the bank to nominate one Supervisory Board member for each share. To date, this right has not been exercised; all Supervisory Board members have been elected by the Ordinary General Meeting. There are no preference shares or restrictions on ordinary shares of the company. In addition, the Austrian Takeover Act ensures that all shareholders would receive the same price for their CA Immo shares in the event of a takeover bid (mandatory offer). In all cases, the shareholders alone would decide whether to accept or reject any such bid.

C Rule no. 39:

The Supervisory Board forms competent committees regardless of the specific circumstances of the company and the number of its members. The committees serve to increase the efficiency of the Supervisory Board's work and the handling of complex issues. However, the Supervisory Board is at liberty to have committee matters discussed by the full Board. All committee chairpersons report to the Supervisory Board regularly on the work of their committees. The Supervisory Board must ensure that committees are authorised to take decisions in urgent cases. The majority of committee members satisfy the criteria for independence in line with C Rule 53. The names of committee members and their chairpersons must be listed in the corporate governance report; the report must also state the number of meetings held by the committees and details of their activities.

Explanation/reason:

Fundamentally, CA Immo complies with all the requirements of this rule. Reference is made to the explanation/reason for C Rule no. 53 solely with regard to the independence of committee members, all CA Immo committees are represented by three members, and both Helmut Bernkopf and Reinhard Madlencnik sit on the audit committee and the investment committee.

C Rule no. 45:

Supervisory Board members may not take up executive positions with companies that are competitors of CA Immo.

Explanation/reason:

Although a number of CA Immo 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. In the event of a contradiction of interests arising, the member in question shall be required to abstain from taking part in voting procedures or leave the meeting while the relevant item on the agenda is being discussed. Stringent standards are applied when determining the existence of a conflict of interests. The following Supervisory Board members hold executive positions with similar companies: Alongside their posts at CA Immo, Helmut Bernkopf and Reinhard Madlencnik, who also hold positions with UniCredit Bank Austria AG, fulfil Supervisory Board mandates with a number of the bank's subsidiaries that are active in similar fields of business (real estate and project development). Detlef Bierbaum also chairs the Supervisory Board of IVG Immobilien AG in Germany. A full list of executive functions performed by Management and Supervisory Board members may be viewed at www.caimmoag.com.

C Rule no. 53:

The majority of Supervisory Board members elected by the Ordinary General Meeting or appointed by the shareholders in accordance with the Articles of Association are independent of the company and its Management Board. A 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. The Supervisory Board compiles the independence criteria on the basis of this general clause and publishes them in the corporate governance report. The independence guidelines in appendix 1 provide an additional point of reference. In line with the defined criteria, every member of the Supervisory Board is personally responsible for declaring their own independence to the Supervisory Board. Members of the Supervisory Board who meet the criteria are 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 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.caimmoag.com), along with a list of all mandates outside of CA Immo held by Board members.

All members of the Supervisory Board have declared their independence in line with these criteria. Moreover, the majority of Supervisory Board members (Wolfgang Ruttendorfer, Detlef Bierbaum and Regina Prehofer) meet the criteria of C Rule 54 in that they do not represent the interests of any shareholder with a stake of more than 10% (UniCredit Bank Austria AG). Some members of the Supervisory Board perform functions in related companies or organisations that have the potential to create a conflict of interests: Helmut Bernkopf, who serves on the executive board of UniCredit Bank Austria AG, is responsible for corporate clients business and the Investment Banking division, whilst Reinhard Madlencnik heads the Real Estate division at UniCredit Bank Austria AG. UniCredit Bank Austria AG is the principal bank of the CA Immo Group and the largest shareholder in the company with a stake of over 10% (as at 31 December 2010). CA Immo processes most of its payment transactions and arranges much of its credit financing and financial investment through the bank. UniCredit Bank Austria AG also holds four registered shares, which entitle the bank to nominate one Supervisory Board member for each share (see explanation for C Rule 2). Reference is also made to the remarks on C Rule 45 (executive positions with competitor companies).

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

Until the time of the merger in November 2010, members of the Management Board were remunerated both for the functions they performed at CA Immo and CA Immo International as well as their managerial services to German subsidiary Vivico Real Estate GmbH, solely on the basis of employment contracts concluded with CA Immo (for Vivico this is still the case). Remuneration for Management Board members comprises a fixed element and a variable performance-related element, the upper limit of which is set at 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. The main prerequisite for variable remuneration is positive consolidated net income after minorities. Moreover, operational and qualitative targets are agreed annually with a view to assessing the level of variable remuneration. From business year 2010 onwards, Management Board members and first-level managers have also had the option (subject to appropriate personal investment) of taking part in a Long Term Incentive (LTI) programme, which will enable them to share in the development of the Group over the medium to long term.

Principles and criteria of profit sharing

The variable element of remuneration (linked to net income) is assessed by the remuneration committee or the full Supervisory Board at the end of the business year, checked by the auditor and paid retrospectively. As from business year 2010, achievement of the budgeted operating result (EBITDA) by the CA Immo Group will serve as the assessment basis for half of the performance-related pay element as this takes account of all key operational parameters that can be influenced by the Management Board. The other half of the variable remuneration will be based on qualitative objectives; in business year 2010,

these included the organisational adaptation of the Group to changing market conditions, the implementation of a sustainability concept and the cross-company corporate governance strategy.

The Long Term Incentive (LTI) programme

In addition to agreed annual targets, the capital market is also calling for mid-term 'incentive plans' that reward share performance (total return) over an extended period. To this end, Management Board members have been invited to take part in a revolving LTI programme with a term of three years (per tranche) as from business year 2010. Participation requires personal investment limited to 50 % of the basic salary. The investment is evaluated at the closing rate as at 31 December 2009, with the number of associated shares thereby determined. Performance will be measured according to the following indicators: NAV growth, ISCR (interest service coverage ratio) and TSR (total shareholder return). Payments will be made in cash according to the degree to which targets are attained. First-level managerial staff are also entitled to take part in the LTI programme; for these staff members, the personal investment is limited to 35 % of the basic salary. For this purpose provisions have been made in a total amount of € 171.5 K.

Payments to the Management Board in 2010

Total salaries paid to the Management Board (including auxiliary staff costs, remuneration in kind and travel expenses) amounted to € 1,051.6 K last year (compared to € 718.6 K in 2009). Owing to the business trend of the past two years, no performance-related component was paid out in 2009 or 2010 in respect of business years 2008 and 2009; Management Board remuneration was thus entirely made up of fixed salary components. For achieving the targets agreed in 2010 (which will lead to the payment of variable remuneration in 2011) reserves amounting to € 852.1 K (including incidental expenses) have been set aside. No separate payment is made for accepting mandates in Group companies in addition to remuneration for management functions in CA Immo and Vivico Real Estate GmbH (with the exception of Supervisory Board mandates at UBM Realitätenentwicklung AG, in which CA Immo has a holding of 25 % plus four shares).

MANAGEMENT BOARD EMOLUMENTS

in € 1,000	Fixed ¹⁾	Variable ²⁾	2010 Total	Fixed ¹⁾	Variable ²⁾	2009 Total
Bruno Ettenauer	423.9	-	423.9	325.0	-	325.0
Wolfhard Fromwald	325.0	-	325.0	320.7	-	320.7
Bernhard H. Hansen ³⁾	302.6	-	302.6	72.9	-	72.9
Total	1,051.6	-	1,051.6	718.6	-	718.6

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

2) for 2008 and 2009 (paid in 2009 and 2010); no variable remuneration paid

3) Bernhard H. Hansen from 1.10.2009

Pension funds and severance payments

All members of the Management Board have pension fund agreements, into which annually agreed contributions are paid. In 2010, contributions to pension funds (defined contribution plan) amounted to around € 88.7 K, compared to approximately € 63.7 K in 2009. 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 € 110.3 K in business year 2010 (€ 9.2 K in 2009). Neither CA Immo nor Vivico have any further obligations. No other payments were made to former Management Board members or their surviving dependants.

REMUNERATION OF THE SUPERVISORY BOARD

In addition to the reimbursement of cash expenses, all Supervisory Board members receive a fixed annual payment currently set at € 10 K. The chairman receives double that amount, with the deputy chairman paid one and a half times the fixed fee. In addition, 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. Remuneration for the Supervisory Board is determined annually by the Ordinary General Meeting. Supervisory Board remuneration of € 79.0 K for business year 2009 (payment in 2010) and € 76.5 K for 2008 (payment in 2009) was approved. 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.

BY AGM AGREED SUPERVISORY BOARD REMUNERATION

in €	2010 agreed for 2009	2009 agreed for 2008
Wolfgang Ruttenstorfer, Chariman from 13.5.2009	13,712.0	-
Helmut Bernkopf, Deputy Chairman from 13.5.2009	10,534.0	-
Detlef Bierbaum	10,000.0	10,000.0
Reinhard Madlencnik	11,000.0	10,000.0
Gerhard Nidetzky to 13.5.2009	7,788.0	20,500.0
Christian Nowotny to 13.5.2009	5,966.0	15,500.0
Horst Pöchhacker to 31.7.2010	10,000.0	10,000.0
Regina Prehofer	10,000.0	10,500.0
Total	79,000.0	76,500.0

Directors' dealings

As at 31 December 2010, a total of 49,000 CA Immo shares were privately held by Management Board and Supervisory Board members (compared to 13,973 shares in the previous year). In addition, 42,319 shares were acquired by CA Immo employees in business year 2010 in respect of the LTI programme. As at the key date, the company itself did not hold any own shares.

D&O insurance

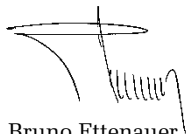
At CA Immo Group level, D&O manager liability insurance with coverage of € 50 m was taken out for the executive bodies (Management Board members, administrative authorities, supervisory bodies and senior executives) of the parent company and all subsidiary companies. The insurance does not provide for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

NUMBER OF CA IMMO SHARES HELD BY
MANAGEMENT BOARD AN SUPERVISORY BOARD
MEMBERS


Number of shares	as at 31.12.2010	as at 31.12.2009
Bruno Ettenauer	11,000.0	5,000.0
Wolfhard Fromwald	12,000.0	8,973.0
Bernhard H. Hansen	16,000.0	-
Wolfgang Ruttenstorfer	10,000.0	-
Total	49,000.0	13,973.0

Vienna, 28. February 2011

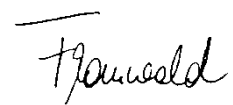
The Management Board



Bruno Ettenauer
Chairman



Bernhard H. Hansen



Wolfhard Fromwald

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DISCLAIMER

This Corporate Governance Report contains statements and forecasts which refer to the future development of CA Immobilien Anlagen AG and their companies. The forecasts represent assessments and targets which the Company has formulated on the basis of any and all information available to the Company at present. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or the risks set out in the risk management report materialise, then the actual results may deviate from the results currently anticipated. This Corporate Governance Report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.

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

This Corporate Governance Report is printed on environmentally friendly and chlorine-free bleached paper.

