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FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2010

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## FINANCIAL STATEMENTS AND MANAGEMENT REPORT

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## AUDITOR'S REPORT

## DECLARATION OF THE MANAGING BOARD DUE TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT (BÖRSEGESETZ)

Contact

DISCLAIMER

IMPRINT

**BALANCE SHEET AS AT 31.12.2010**

Assets	31.12.2010	31.12.2009
	€	€ 1,000
<b>A. Fixed assets</b>		
<b>I. Intangible fixed assets</b>		
1. Rights	0.00	0.3
2. EDP software	70,698.92	56.2
3. Goodwill	214,479.75	429.0
	<b>285,178.67</b>	<b>485.5</b>
<b>II. Tangible fixed assets</b>		
1. Property and buildings	263,896,156.25	283,349.1
of which land value: € 52,092,393.33; 31.12.2009: € 57,567.1K		
2. Other assets, office furniture and equipment	1,189,172.52	1,260.0
3. Down payments made and construction in progress	616,650.66	255.2
	<b>265,701,979.43</b>	<b>284,864.3</b>
<b>III. Financial assets</b>		
1. Investments in affiliated companies	1,753,500,562.80	1,629,444.8
2. Loans to affiliated companies	194,630,490.34	111,093.5
3. Down payments made on investments in affiliated companies	200,000.00	0.0
4. Investments in associated companies	124,919.72	7.3
5. Other loans	4,146,771.00	0.0
	<b>1,952,602,743.86</b>	<b>1,740,545.6</b>
	<b>2,218,589,901.96</b>	<b>2,025,895.4</b>
<b>B. Current assets</b>		
<b>I. Receivables</b>		
1. Trade debtors	329,844.33	122.1
2. Receivables from affiliated companies	28,630,412.15	31,995.6
3. Other receivables	3,073,746.94	9,502.3
	<b>32,034,003.42</b>	<b>41,620.0</b>
<b>II. Other securities</b>	<b>3,853,474.84</b>	<b>6,948.2</b>
<b>III. Cash on hand, credit balances with banks</b>	<b>43,554,217.43</b>	<b>231,752.5</b>
	<b>79,441,695.69</b>	<b>280,320.7</b>
<b>C. Deferred expenses</b>	<b>1,418,272.40</b>	<b>1,667.3</b>
	<b>2,299,449,870.05</b>	<b>2,307,883.4</b>

**Liabilities and Shareholders' equity**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	€	€ 1,000
<b>A. Shareholders' equity</b>		
I. Share capital	638,713,556.20	634,370.0
II. Tied capital reserves	820,184,324.63	868,545.0
III. Retained earnings		
Other reserves (free reserves)	0.00	6,276.9
IV. Net profit	0.00	5,896.7
of which profit carried forward: € 5,896,665.38; 31.12.2009: € 0.0K		
	<b>1,458,897,880.83</b>	<b>1,515,088.6</b>
<b>B. Untaxed reserves</b>		
<b>Other untaxed reserves</b>		
<b>Special item for investment grants</b>	<b>78,627.00</b>	<b>81.0</b>
<b>C. Provisions</b>		
1. Provision for severance payment	611,927.00	489.0
2. Tax provisions	378,562.90	283.7
3. Other provisions	74,654,765.17	49,266.6
	<b>75,645,255.07</b>	<b>50,039.3</b>
<b>D. Liabilities</b>		
1. Bonds	485,000,000.00	485,000.0
of which convertible: € 135,000,000.00; 31.12.2009: € 135,000.0K		
2. Liabilities to banks	144,499,223.66	152,544.4
3. Trade creditors	296,917.30	496.5
4. Payables to affiliated companies	125,369,213.43	95,653.2
6. Other liabilities	8,453,460.53	7,702.1
of which from taxes: € 262,952.4; 31.12.2009: € 2,107.8K		
of which in connection with social security: € 88,129.58; 31.12.2009: € 64.4K		
	<b>763,618,814.92</b>	<b>741,396.2</b>
<b>E. Deferred income</b>	<b>1,209,292.23</b>	<b>1,278.3</b>
	<b>2,299,449,870.05</b>	<b>2,307,883.4</b>
Contingent liabilities from guarantees	259,596,300.00	144,087.0

## INCOME STATEMENT FOR THE YEAR ENDED 31.12.2010

	€	2010 €	€ 1,000	2009 € 1,000
<b>1. Gross Revenues</b>		<b>23,933,201.25</b>		<b>28,434.6</b>
<b>2. Other operating income</b>				
a) Income from the sale of fixed assets except of financial assets	103,308.24		9,680.5	
b) Income from the reduction of provisions	286,122.16		348.7	
c) Other income	4,729,111.77	5,118,542.17	3,223.0	13,252.2
<b>3. Staff expense</b>				
a) Wages	- 13,500.00		- 13.3	
b) Salaries	- 6,270,082.70		- 3,317.5	
c) Expenses for severance payments and payments into staff welfare funds	- 222,466.17		- 20.8	
d) Expenses in connection with pensions	- 153,074.56		- 108.2	
e) Payments relating to statutory social security contributions as well as as payments dependent on remuneration and compulsory contributions	- 1,165,621.59		- 699.8	
f) Other social expenses	- 28,887.78	- 7,853,632.80	- 36.1	- 4,195.7
<b>4. Depreciation on intangible fixed assets and tangible fixed assets</b>		<b>- 18,223,089.08</b>		<b>- 8,833.9</b>
of which unscheduled depreciation in accordance with § 204 para. 2 Commercial Code: € 10,052,113.76; 2009: € 0.0K				
<b>5. Other operating expenses</b>				
a) Taxes	- 588,035.66		- 389.1	
b) Other expenses	- 19,748,122.07	- 20,336,157.73	- 13,774.8	- 14,163.9
<b>6. Subtotal from S 1 to 5 (operating result)</b>		<b>- 17,361,136.19</b>		<b>14,493.3</b>
<b>7. Income from investments</b>		<b>1,970,377.83</b>		<b>435,400.0</b>
of which from affiliated companies: € 1,970,377.83; 2009: € 435,400.0K				
<b>8. Income from loans from financial assets</b>		<b>10,458,251.71</b>		<b>5,772.8</b>
of which from affiliated companies: € 8,107,150.82; 2009: € 5,772.8K				
<b>9. Other interest and similar income</b>		<b>9,194,197.34</b>		<b>10,413.5</b>
of which from affiliated companies: € 7,999,084.91; 2009: € 9,621.4K				
<b>10. Income from the disposal and appreciation of financial assets and short-term securities</b>		<b>37,064,785.06</b>		<b>23,729.3</b>
of which from the disposal of own shares: € 0.00; 2009: 7,991.6K				
<b>11. Expenses for financial assets and for short-term securities,</b>		<b>- 55,634,135.60</b>		<b>- 440,357.2</b>
thereof				
a) Depreciation: € 54,769,305.56; 2009: € 438,940.7K				
b) Expenses from affiliated companies: € 52,410,016.49; 2009: € 439,664.4K				
<b>12. Interest and similar expenses</b>		<b>- 56,297,631.49</b>		<b>- 54,684.4</b>
of which relating to affiliated companies: € 4,061,283.40; 2009: € 10,468.1K				
<b>13. Subtotal from S 7 to 12 (financial result)</b>		<b>- 53,244,155.15</b>		<b>- 19,726.0</b>
<b>14. Result from usual business activity</b>		<b>- 70,605,291.34</b>		<b>- 5,232.7</b>
15. Extraordinary income		5,464,722.79		0.0
16. Extraordinary expenses		- 5,812,841.85		- 899.7
<b>17. Extraordinary result</b>		<b>- 348,119.06</b>		<b>- 899.7</b>
<b>18. Taxes on income</b>		<b>5,731,391.44</b>		<b>11,900.6</b>
<b>19. Annual loss/income</b>		<b>- 65,222,018.96</b>		<b>5,768.2</b>
<b>20. Dissolution of untaxed reserves</b>				
a) Valuation reserve based on special depreciation in accordance with § 10 a para. 3 of the Income Tax Act		0.00		126.2
b) Special item for investment grants		2,333.16		2.4
<b>21. Dissolution of tied capital reserves</b>		<b>53,046,149.80</b>		<b>0.0</b>
<b>22. Dissolution of free reserves</b>		<b>6,276,870.62</b>		<b>0.0</b>
<b>23. Profit carried forward from the previous year</b>		<b>5,896,665.38</b>		<b>0.0</b>
<b>24. Net profit</b>		<b>0.00</b>		<b>5,896.8</b>

## NOTES FOR THE BUSINESS YEAR 2010

### 1. ACCOUNTING AND VALUATION PRINCIPLES AND GENERAL INFORMATION

The financial statements have been drawn up pursuant to the provisions of the Austrian Commercial Code (UGB).

With the merger agreement of 28.6.2010 CA Immobilien Anlagen Beteiligungs GmbH, Vienna, a 100%-owned subsidiary, being the transferor company, was merged with CA Immobilien Anlagen Aktiengesellschaft, the acquiring company, with retrospective effect to 31.12.2009 subject to the application of Section I of the Corporate Restructuring Taxes Act (UmgrStG). The merger results in a merger profit in the amount of € 5,464.7K.

With the merger agreement of 27.9.2010 CA Immo International AG, Vienna, being the transferor company, was merged with CA Immobilien Anlagen Aktiengesellschaft, the acquiring company, with retrospective effect to 31.12.2009 subject to the application of Section I of the Corporate Restructuring Taxes Act (UmgrStG). The merger results in a merger loss in the amount of € 5,812.8K. CA Immobilien Anlagen Aktiengesellschaft owned 97.4 % of the share capital of CA Immo International AG. The free float shareholders of CA Immo International AG received new shares of CA Immobilien Anlagen Aktiengesellschaft with a proportionate amount of the share capital of € 7.27 each; the exchange ratio was 19:10.

CA Immo International AG, Vienna, was a management holding, the balance sheet and income statement of which essentially comprised financial assets and receivables due from affiliated companies and the expenses and income resulting from these. Due to the merger with CA Immo International AG, Vienna, the figures of the previous year are only comparable to a limited degree.

#### 1.1. Fixed assets

##### Intangible and tangible fixed assets

Intangible and tangible fixed assets are stated at acquisition or production cost reduced by scheduled depreciation, where depreciable, and unscheduled depreciation, where required.

The scheduled depreciation is carried out on a linear basis, with the depreciation period corresponding to the useful life expectancy. Additions in the first half of the fiscal year are subject to full annual depreciation, additions in the second half are subject to half of annual depreciation.

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments have occurred. In fiscal 2010 unscheduled depreciation on tangible fixed assets are made in the amount of € 10,052.1K (2009: € 0.0K).

In fiscal 2010 appreciation on tangible fixed assets in the amount of € 3,904.8K (2009: € 8,548.0K) were not carried out.

##### Financial assets

Investments in affiliated companies including down payments and investments in associated companies are stated at acquisition cost reduced by unscheduled depreciation.

The loans to affiliated and associated companies as well as other loans are stated at acquisition cost reduced by repayments made and unscheduled depreciation.

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments have occurred. In fiscal 2010 unscheduled depreciation in the amount of € 54,769.3K (2009: € 438,940.7K) and appreciation in the amount of € 34,010.7K (2009: € 15,737.7K) were made on the financial assets.

#### 1.2. Current assets

Receivables are valued at nominal value. Identifiable defaults risks are considered by carrying out individual value adjustments.

Securities are stated including accrued interest attributable to the securities, though not higher than at market value.

### 1.3. Other untaxed reserves

The construction cost subsidies received from the public sector are shown as Special item for investment grants and are reversed on a pro rata basis in accordance with the effective life of the projects they are used to part-finance.

### 1.4. Provisions and liabilities

Provisions for severance payments amount to 103.52 % (31.12.2009: 134.4 %) of the imputed statutory severance payment obligations existing on the balance sheet date. The calculation is made using the PUC method, which is recognised in international accounting, based on an interest rate of 4.5 % (31.12.2009: 5.0 %) and future salary increases of 2 % for employees plus an inflation compensation of 2 % and not taking into account a fluctuation discount. The interest rate was reduced by 0.5 % compared to the previous year, otherwise the same parameters were applied for calculation of the provisions as in the previous year.

The Tax and Other provisions are made on a prudent basis in accordance with the anticipated requirement. They take into account all identifiable risks and as yet unquantified liabilities.

Liabilities are stated on a prudent basis at their repayment amount.

### 1.5. Note on currency conversion

Foreign exchange receivables are valued at the purchase price or at the lower bid rate as at the balance sheet date. Foreign exchange liabilities are valued at the purchase price or at the higher offer rate as at the balance sheet date.

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## 2. EXPLANATORY NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

### 2.1. Explanatory notes on the balance sheet

#### 2.1.1. Fixed assets

The breakdown and development of the fixed assets can be seen from the assets analyses in appendix 1, where the additions at acquisition cost are shown in a separate column due to the mergers with CA Immobilien Anlagen Beteiligungs GmbH, Vienna, and CA Immo International AG, Vienna.

#### Intangible fixed assets

The Goodwill is the result of the merger with CA Immo Beteiligungen und Leasing GmbH which took place in fiscal 2002 and is amortised over a period of ten years in accordance with the effective economic life.

#### Tangible fixed assets

The additions to Property and buildings and to Down payments made and construction in progress relate for the most part to current investments, in particular amalgamation and division of leased premises at the Handelskai and Schubertstraße locations and preconstruction works for the Erdberger Lände. The disposals relate to the sale of two properties. As at the balance sheet date the tangible fixed assets include 28 properties (31.12.2009: 30 properties).

#### Financial assets

The notes on group companies can be found in appendix 2.

The book value of the Investments in affiliated companies is € 1,753,500.6K (31.12.2009: € 1,629,444.8K). The current additions are mainly the result of the acquisition of 15,050,648 shares in CA Immo International AG, Vienna, with a value of € 98,834.8K including incidental costs, a shareholder contribution in the amount of € 136,000.0K for the down payment made for the acquisition of Europolis AG, Vienna, and diverse shareholder contributions in the amount of € 14,857.0K to companies in Eastern Europe. The disposals of financial assets are the result of the companies merged in 2010 and the liquidation of a company in Croatia. The depreciation relates for the most part to shares in Eastern Europe in the amount of € 35,059.0K and in Germany in the amount of € 15,928.7K. The appreciation can be attributed to an Austrian holding with shares in Austria and Germany in the amount of € 28,326.7K.

The Loans to affiliated companies are made up as follows:

€ 1,000	31.12.2010	31.12.2009
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna	117,415.5	111,093.5
R70 Invest Budapest Kft., Budapest	18,003.9	0.0
BA Business Center a.s., Bratislava	11,000.0	0.0
Vaci 76 Kft., Budapest	7,700.0	0.0
S.C. BBP Leasing S.R.L., Bucharest	7,589.7	0.0
CAINE B.V., Hoofddorp	7,000.0	0.0
Europort Airport Center a.s., Prague	5,713.1	0.0
others below € 5,000.0K	20,208.3	0.0
	<b>194,630.5</b>	<b>111,093.5</b>

All Loans to affiliated companies have a maturity of up to one year.

In the fiscal year, unscheduled depreciation in the amount of € 7.2K (2009: € 0.0K) was made on Investments in associated companies.

All of the Loans to associated companies have a maturity of up to one year and have been value-adjusted by unscheduled depreciation.

The Other loans were added in relation to the merger with CA Immo International AG.

### 2.1.2. Current assets

Trade debtors to the value of € 329.8K (31.12.2009: € 122.1K) include outstanding rent and operating cost payments.

Receivables from affiliated companies are made up as follows:

€ 1,000	31.12.2010	31.12.2009
Receivables from charging of derivative financial instruments	15,190.6	16,527.5
Receivables from tax compensation	6,209.9	11,445.9
Receivables from interests	5,340.6	3,277.1
Trade debtors (current transfer to affiliated companies)	1,888.6	696.9
Other receivables	0.7	48.2
	<b>28,630.4</b>	<b>31,995.6</b>

In the Other receivables in the amount of € 3,073.7K (31.12.2009: € 9,502.3K) the main items are receivables from short-term loans and receivables from the passing-on of costs. In 2010 the cost of value adjustment amounts to € 6,012.4K (2009: € 0.0K).

Other securities include 433 shares in ABS Dynamic Cash to the value of € 3,853.5K (31.12.2009: 1,180 shares to the value of € 6,948.2K).

As in the previous year, all receivables have a maturity of up to one year.

### 2.1.3. Deferred expenses

Deferred expenses in the amount of € 1,418.3K (31.12.2009: € 1,667.3K) essentially comprise deferred discounts to the value of € 1,340.6K (31.12.2009: € 1,606.7K) for the issuance of a bond in the amount of € 200,000.0K in 2006 and a bond issued in fiscal 2009 to the value of € 150,000.0K.

#### 2.1.4. Shareholders' equity

The stated Share capital is the nominal capital in the amount of € 638,713,556.20 (31.12.2009: € 634,370,022.00), which is fully paid up. It is broken down into 87,856,056 (31.12:2009: 87,258,596) bearer shares and 4 nonpar registered shares. The registered shares are held by UniCredit Bank Austria AG, Vienna, and carry the right to nominate one Supervisory Board member each. This right has not been exercised. All Supervisory Board members have been elected by the General Meeting.

With the merger agreement of 27.9.2010 CA Immo International AG, Vienna, was merged with CA Immobilien Anlagen Aktiengesellschaft with retrospective effect to 31.12.2009. In order to implement the merger, CA Immobilien Anlagen Aktiengesellschaft raised its share capital from € 634,370,022.00 by € 4,343,534.20 to € 638,713,556.20 by issuing 597,460 new bearer shares. The exchange ratio was 19:10. The shares were issued with a proportionate amount of the share capital of € 7.27. The part of the corporate assets of CA Immo International AG which is not attributable to the shares held by CA Immobilien Anlagen Aktiengesellschaft was taken into account as a contribution in kind to the amount of the capital increase. The tied capital reserves of € 868,545.0K were also increased by € 4,685.4K to € 873,230.5K.

In fiscal 2010, tied capital reserves to the value of € 53,046.1K and free reserves to the value of € 6,276.9K were reversed according to the resolution passed by the Management Board on 23.2.2011. The tied capital reserves thus amount to € 820,184.3K.

In the 21st Ordinary General Meeting of 13.5.2008 the Management Board was authorised with the approval of the Supervisory Board and up to 12.5.2013 to issue convertible bonds to a total nominal value of up to € 317,185.0K on a one-off basis or repeatedly, also under exclusion of the subscription rights of the shareholders, and to grant the bearers of convertible bonds conversion rights on up to 43,629,300 bearer shares of CA Immobilien Anlagen Aktiengesellschaft. In November 2009, on the basis of this authorisation, a five-year convertible bond with a volume of € 135,000.0K was issued. The coupon of the convertible bond (payable semi-annually) was fixed at 4.125 % and the conversion price at € 11.5802 (this corresponds to a premium of 27.5 % over the reference price on the date of issuance). Thus, a maximum of 11,657,829 bearer shares can be issued if the conversion right is exercised. According to the terms and conditions of issuance of the convertible bond, the creditors are entitled to convert their bonds into shares of CA Immobilien Anlagen Aktiengesellschaft at the conversion price at any time (i.e. also before the end of the term of the bond in 2014). As at the balance sheet date of 31.12.2010 the stock exchange price of the CA Immo share was € 11.91 and thus exceeded the conversion price. No bonds were submitted for conversion by the balance sheet date.

As at the reporting date of 31.12.2010 there is authorised but unissued capital in the amount of € 312,841,476.80 which can be made use of up until 8.8.2012 at the latest and conditional capital in the amount of € 317,185,011.00.

#### 2.1.5. Untaxed reserves

The Special item for investment grants relates to construction cost subsidies of the municipality of Linz for the property at Schubertstraße 16-20, Linz, and of the Provincial Government of Vienna for the property at Zimmermannplatz 1, Vienna 9. The subsidies are reversed income statement related in accordance with the remaining useful life of the investments thus financed.

#### 2.1.6. Provisions

The Provision for severance payment in the amount of € 611.9K (31.12.2009: € 489.0K) consists of the severance payment claims of employees of the company.

The Tax provisions in the amount of € 378.6K (31.12.2009: € 283.7K) relate for the most part to provisions for German corporation tax and additional payments resulting from a tax audit for 2004 to 2007.

The Other provisions are made up as follows:

€ 1,000	31.12.2010	31.12.2009
Derivative transactions	54,012.3	46,964.8
Provision for allowances to group companies	15,452.2	723.7
Premiums	1,743.0	0.0
Real property tax and land transfer tax	1,216.9	0.0
Legal, auditing and consultancy fees	662.9	245.5
Commissions	595.0	39.4
Staff (vacation and overtime)	331.7	362.9
Publications and expert opinions	250.8	269.0
Group reorganisation	0.0	350.0
Others	390.0	311.3
	<b>74,654.8</b>	<b>49,266.6</b>

In business year 2010, the members of the Management Board were for the first time invited to take part in an LTI (long-term incentive) programme with a term of three years. Participants are required to invest funds of their own, subject to a ceiling of 50 % of their basic salary. This own investment is measured at the closing rate on 31.12.2009, and the number of underlying shares is calculated accordingly. Performance is measured according to several indicators, namely NAV growth, ISCR (interest service coverage ratio) and TSR (total shareholder return). Employees belonging to the first tier of management were also invited to join the LTI scheme. Their own investment is restricted to 35 % of their basic salary. Therefore this is classified as cash-settled share-based payment plan. A provision for the services received from employees is recognised in connection with this LTI programme, the amount of which is measured upon recognition at fair value. Until the liability is settled, its fair value is remeasured as of each reporting date and on the settlement date, and all changes in fair value are recognised in profit or loss. The payment of the LTI programme will be after the expiry of three years.

### 2.1.7. Liabilities

31.12.2010	Maturity	Maturity	Maturity	Total
€ 1,000	up to 1 year	1-5 years	more than 5 years	
Bonds	0.0	285,000.0	200,000.0	485,000.0
Liabilities to banks	33,698.7	51,900.6	58,899.9	144,499.2
Trade creditors	227.6	69.3	0.0	296.9
Payables to affiliated companies	112,627.8	6,039.6	6,701.8	125,369.2
Other liabilities	8,453.5	0.0	0.0	8,453.5
<b>Total</b>	<b>155,007.6</b>	<b>343,009.5</b>	<b>265,601.7</b>	<b>763,618.8</b>

31.12.2009	Maturity	Maturity	Maturity	Total
€ 1,000	up to 1 year	1-5 years	more than 5 years	
Bonds	0.0	285,000.0	200,000.0	485,000.0
Liabilities to banks	6,745.6	85,812.7	59,986.1	152,544.4
Trade creditors	408.9	87.6	0.0	496.5
Payables to affiliated companies	77,580.6	8,274.6	9,798.0	95,653.2
Other liabilities	7,702.1	0.0	0.0	7,702.1
<b>Total</b>	<b>92,437.2</b>	<b>379,174.9</b>	<b>269,784.1</b>	<b>741,396.2</b>

Bonds comprise the following liabilities:

	Nominal value	Nominal interest rate
	€ 1,000	
Bond 2006-2016	200,000.0	5,125%
Bond 2009-2014	150,000.0	6,125%
Convertible bond 2009-2014	135,000.0	4,125%
	<b>485,000.0</b>	

The maturity of the convertible bond was assigned on the basis of the end of its term.

The Liabilities to banks mainly comprise investment loans to the value of € 144,499.2K (31.12.2009: € 152,203.9K) with properties pledged as collateral in the land register.

The Trade creditors for the most part comprise liabilities for construction services and liability guarantees as well as general administrative costs.

The liabilities shown under the Payables to affiliated companies mainly relate to group-internal loans.

The Other liabilities are essentially made up of accrued interest for bonds and convertible bonds (€ 5,503K) which only become cash-effective in spring or autumn of 2011, unpaid purchase prices for stakes in group companies (€ 2,530.3K) and tax office netting from the advance VAT return for November and December 2010.

#### 2.1.8. Deferred income

The deferred income comprises the following items:

€ 1,000	31.12.2010	31.12.2009
Comprised rent prepayments received for various properties	891.1	936.5
Investment grant from the municipality of Vienna	318.2	336.4
Other	0.0	5.4
	<b>1,209.3</b>	<b>1,278.3</b>

**2.1.9. Contingent liabilities**

	<b>Maximum amount as at</b>		<b>Used as at reporting date</b>	<b>Used as at reporting date</b>
	<b>31.12.2010</b>		<b>31.12.2010</b>	<b>31.12.2009</b>
	1,000		€ 1,000	€ 1,000
Irrevocable guarantee for a loan granted to CA Immo Rennweg 16 GmbH, Vienna	10,900.0	EUR	8,900.0	15,054.0
Guarantee for loans granted to CA Immo BIP Liegenschaftsverwaltung GmbH, BIL-S Superädifikatsverwaltungs GmbH, CA Immo Galleria Liegenschaftsverwaltung GmbH, Betriebsobjekte Verwertung Gesellschaft mbH & Co. Leasing OHG and Vivico Real Estate GmbH	192,478.5	EUR	122,459.9	129,033.0
Guarantee for loans granted to Vivico Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	25,000.0	EUR	19,065.2	0.0
Guarantee for loans granted to Vivico Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	34,000.0	EUR	19,065.2	0.0
Irrevocable guarantee for a loan granted to Opera Center Two S.R.L., Bucharest	440.0	USD	329.8	0.0
Irrevocable guarantee for a loan granted to S.C. BBP Leasing S.R.L., Bucharest	33,150.0	EUR	18,309.7	0.0
Irrevocable guarantee for a loan granted to Kilb Kft, Budapest	21,000.0	EUR	14,344.8	0.0
Irrevocable guarantee for a loan granted to Vaci 76 Kft., Budapest	45,600.0	EUR	36,000.0	0.0
Irrevocable guarantee for a loan granted to Doratus Sp.z.o.o., Warsaw	8,500.0	EUR	7,549.5	0.0
Irrevocable guarantee for a loan granted to Starohorska Development s.r.o., Bratislava	1,905.0	EUR	1,905.0	0.0
Irrevocable guarantee for a loan granted to CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna	7,500.0	EUR	4,015.6	0.0
Irrevocable guarantee for a loan granted to Canada Square Kft., Budapest	8,200.0	EUR	6,319.6	0.0
Irrevocable guarantee for a loan granted to Kapas Kft., Budapest	888.0	EUR	888.0	0.0
Irrevocable guarantee for a loan granted to Officecenter Mladost EOOD, Sofia	1,887.0	EUR	444.0	0.0
			<b>259,596.3</b>	<b>144,087.0</b>

Furthermore, the stakes of CA Immobilien Anlagen Aktiengesellschaft in the following companies are pledged in favour of the lenders financing the subsidiaries:

Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG, Vienna  
CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna  
CA Immo International Holding GmbH, Vienna  
Canada Square Kft., Budapest  
Kapas Center Kft, Budapest  
Kilb Kft., Budapest  
Vaci 76 Kft., Budapest  
BBP Leasing S.R.L. , Bucharest  
Opera Center Two S.R.L., Bucharest  
Europort Airport Center a.s., Prague  
FCL Property a.s., Prague  
2P s.r.o., Pilsen  
Office Center Mladost II EOOD, Sofia

Furthermore, the following letters of comfort were issued to financial institutions financing subsidiaries:

BIL S Superädifikationsverwaltungs GmbH, Vienna  
 Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OHG, Vienna  
 CA Immobilien Anlagen d.o.o., Ljubljana  
 2P s.r.o., Pilsen  
 FCL Property a.s., Prague

The partner from a Russian project has announced an arbitration action for € 48,000.0K. The chances of this action are considered succeeding as minimal. As a payment in this respect is regarded as not probable, this issue has not been recognized in the balance sheet.

In 2010, CA Immobilien Anlagen Aktiengesellschaft and CA Immo CEE Beteiligungs GmbH, Vienna, concluded a contract for the acquisition of the shares in Europolis AG, Vienna. CA Immobilien Anlagen Aktiengesellschaft is liable towards the seller for the entire purchase price. As at 31.12.2010, the open purchase price amounts to €136.0 m, which is still subject to the usual adjustments that may arise from the balance sheet as at 31.12.2010 of Europolis AG. The outstanding purchase price is deferred over a period of five years.

#### 2.1.10. Liabilities from utilisation of tangible fixed assets

The lease-related liability from utilisation of tangible fixed assets not reported in the balance sheet is € 690.0K for the subsequent fiscal year and € 3,458.0K for the subsequent five fiscal years.

Of this € 684.9K is attributable to affiliated companies for the subsequent fiscal year and € 3,424.3K for the subsequent five fiscal years.

#### 2.1.11. Details of derivative financial instruments

Interest rate swap (fixed interest payers)	Nominal amount	Fair Value € 1,000	Balance sheet items	Book value € 1,000
with positive fair value at balance sheet date	103,200.0	2,175.3	-	0.0
with negative fair value at balance sheet date	585,602.5	54,012.3	Other provisions	54,012.3

The fair value corresponds to the amount that CA Immobilien Anlagen Aktiengesellschaft would receive or pay upon liquidation of the business on the balance sheet date. These values were determined by the financial institution with which the transactions were concluded. The cited figures are present values. Future cash flows from variable payments and discount rates are determined on the basis of generally recognised financial models. Interbank mid-rates are used for valuation. Specific bid/offer spreads and other liquidation costs are not included in the valuation.

## 2.2. Explanatory notes on the Income Statement

### 2.2.1. Gross revenues

The gross revenues relate in full to real estate located in the domestic market and are made up as follows:

€ 1,000	2010	2009
Rental income for real estate	19,322.6	24,895.1
Operating costs passed on to tenants	4,610.6	3,539.5
	<b>23,933.2</b>	<b>28,434.6</b>

**2.2.2. Other operating income**

The other income item of the other operating income of € 4,729.1K (2009: € 3,223.0K) results from management fees invoiced to subsidiaries in the amount of € 2,971.9K (2009: € 2,613.5K), cost allocations and insurance compensations.

**2.2.3. Staff expense**

This item includes wages, salaries, statutory social welfare contributions and expenses for severance payments and pensions totalling € 7,853.6K (2009: € 4,195.7K) for the 60 staff (2009: 43) employed by the company on average.

The Expenses for severance payments and payments into staff welfare funds are made up as follows:

€ 1,000	2010	2009
Allocation to/release of provision for severance payments to directors and executive employees	117.6	- 24.4
Allocation to provision for severance payments to other employees	5.3	3.0
Severance payments to other employees	0.0	3.0
Pension fund contributions for directors and executive employees	53.5	13.0
Pension fund contributions for other employees	46.1	26.2
	<b>222.5</b>	<b>20.8</b>

The Expenses in connection with pensions are made up as follows:

€ 1,000	2010	2009
Pension fund contributions for directors and executive employees	123.1	98.0
Pension fund contributions for other employees	30.0	10.2
	<b>153.1</b>	<b>108.2</b>

**2.2.4. Depreciation**

The scheduled depreciation relates to:

€ 1,000	2010	2009
Depreciation of intangible fixed assets	249.4	258.4
Scheduled depreciation of buildings	7,474.2	8,147.5
Unscheduled depreciation of real estate	10,052.1	0.0
Depreciation of other assets, office furniture and equipment	436.5	424.9
Low-value assets	10.9	3.1
	<b>18,223.1</b>	<b>8,833.9</b>

**2.2.5. Other operating expenses**

Taxes in the amount of € 588.0K (2009: € 389.1K) which do not belong to taxes on income comprise the additional VAT payments for 2004 to 2007 and real estate charges passed on to tenants in the amount of € 331.4K (2009: € 342.2K).

The Other expenses item of the other operating expenses is made up as follows:

€ 1,000	2010	2009
Other expenses directly related to properties		
Operating costs passed on to tenants	4,261.6	3,181.1
Maintenance costs	2,500.0	1,435.9
Own operating costs (vacancy costs)	1,392.9	844.1
Administration and agency fees	436.1	230.1
Losses from the disposal of real estate assets	0.0	12.2
Other	129.3	136.7
<b>Subtotal</b>	<b>8,719.9</b>	<b>5,840.1</b>
General administrative costs		
Legal and consulting fees	2,649.7	1,283.8
Claims and reserves for bad debts of other receivables	4,371.9	0.0
Advertising and representation expenses	904.2	645.5
Office rent including operating costs	731.9	741.8
Administrative and management costs	522.5	564.5
Current expenses of bonds and convertible bond (2009: including issuance)	280.6	2,685.6
Other fees and bank charges	147.5	433.1
Group reorganisation	0.0	686.0
Other	1,419.9	894.4
<b>Subtotal</b>	<b>11,028.2</b>	<b>7,934.7</b>
<b>Total other operating expenses</b>	<b>19,748.1</b>	<b>13,774.8</b>

The other general administrative costs comprise remuneration of the Supervisory Board (including CA Immo International AG for 2010) and publication expenses.

#### 2.2.6. Income from investments

This item comprises dividends paid by affiliated companies from Eastern Europe in the amount of € 1,850.4K and from Austrian companies in the amount of € 120.0K (2009: CA Immo International Holding GmbH in the amount of € 435,400.0K).

#### 2.2.7. Income from loans from financial assets

This item comprises interest income from loans to affiliated and associated companies as well as from other loans.

#### 2.2.8. Other interest and similar income

The interest income results from fixed term deposits, investments in securities and cash at bank as well as from loans and swap transfers to affiliated companies.

#### 2.2.9. Income from the disposal and appreciation of financial assets and short-term securities

Due to reversals of impairment losses appreciation of investments in affiliated companies to the value of € 34,010.7K (2009: € 15,737.7K) and of short-term securities from current assets to the value of € 1,303.8K (2009: € 0.0K) were carried out. In addition income from the sale of short-term securities from current assets to the value of € 1,722.3K (2009: of the company's own shares to the value of € 7,991.6K) was generated.

**2.2.10. Expenses for financial assets and for short-term securities**

The expenses consist of

€ 1,000	2010	2009
Depreciation of financial assets	54,769.3	438,940.7
Provision for contributions to group companies	824.1	723.7
Loss from disposal of investments in related companies	40.7	0.0
Disposal and impairment of other short-term securities	0.0	692.8
	<b>55,634.1</b>	<b>440,357.2</b>
of which due to dividends	603.0	435,400.0

**2.2.11. Interest and similar expenses**

This item consists of

€ 1,000	2010	2009
Interest costs for bonds	25,006.3	12,940.8
Expenses for derivative transactions	24,115.1	25,505.3
Interest for loans taken up and bank liabilities for the financing of real estate assets	3,100.2	5,759.2
Interest costs in respect of affiliated companies	4,061.3	10,468.0
Other	14.7	11.1
	<b>56,297.6</b>	<b>54,684.4</b>

**2.2.12. Extraordinary result**

The extraordinary income is the result of the merger of CA Immobilien Anlagen Aktiengesellschaft with CA Immobilien Anlagen Beteiligungs GmbH and the extraordinary expense is the result of the merger with CA Immo International (2009: MI Immobilienverwertungs-Gesellschaft m.b.H.).

**2.2.13. Taxes on income**

This item essentially comprises the income from tax compensation of group members in the amount of € 5,733.9K (2009: € 11,448.7K).

As at 31.12.2010 CA Immobilien Anlagen Aktiengesellschaft has a tax loss carried forward in the amount of € 254,260.2K (31.12.2009: € 195,329.0K) for which, pursuant to the provisions of the Austrian Commercial Code (UGB), no deferred taxes were shown in the financial statements. Furthermore, no deferred tax assets were recognised for depreciation of financial assets in the amount of € 32,208.2K that have not yet been claimed for tax purposes.

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### 3. OTHER INFORMATION

#### 3.1. Group companies

CA Immobilien Anlagen Aktiengesellschaft, Vienna, is the ultimate parent company of CA Immobilien Anlagen AG Group. The Group Consolidated Financial Statements are prepared pursuant to International Financial Reporting Standards (IFRS) and the supplementary provisions of § 245a Austrian Commercial Code (UGB) and filed at the Vienna Commercial Court.

#### 3.2. Fiscal corporate group

In fiscal 2005 a group and tax compensation agreement was concluded for the formation of a fiscal corporate group within the meaning of § 9 Corporation Tax Act (KStG) effective from fiscal 2005, and this was expanded in the subsequent years to include additional group members. The group is headed by CA Immobilien Anlagen Aktiengesellschaft, Vienna.

In 2010 the following companies are group members:

- BIL-S Superädifikatsverwaltungs GmbH, Vienna
- CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna
- CA Immo CEE Beteiligungs GmbH, Vienna
- CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna
- CA Immo Germany Holding GmbH, Vienna
- CA Immo International Beteiligungsverwaltungs GmbH, Vienna
- CA Immo International Holding GmbH, Vienna
- CA Immo Investment Management GmbH, Vienna
- CA Immo LP GmbH, Vienna
- CA Immo ProjektentwicklungsgmbH, Vienna
- CA Immo Rennweg 16 GmbH, Vienna
- CA Immo – RI – Residential Property Holding GmbH, Vienna
- omniCon Baumanagement GmbH, Vienna
- Parkring 10 Immobilien GmbH, Vienna
- SQUARE S Holding GmbH, Vienna

#### 3.3. Executive bodies and employees

##### Supervisory Board<sup>1</sup>

Dr. Wolfgang Ruttenstorfer, Chairman  
Mag. Helmut Bernkopf, Deputy Chairman  
Mag. Reinhard Madlencnik  
Mag. DDr. Regina Prehofer  
Detlef Bierbaum  
DI Horst Pöchhacker (until 31.7.2010)

##### Management Board

Dr. Bruno Ettenauer  
Mag. Wolfhard Fromwald  
Bernhard H. Hansen

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<sup>1</sup> As at 31.12.2010 all members of the Supervisory Board had been elected by the General Meeting.

In fiscal 2010 remuneration to the total value of € 667.2K (2009: € 581.0K) was paid to the members of the Management Board. Both in 2010 and in 2009, the remuneration of the Management Board members did not include any variable salary components. However, provisions for variable remuneration/bonuses incl. incidental salary costs in the amount of € 609.1K (2009: € 0.0K) and for an LTI (long term incentive) programme in the amount of € 104.8K (2009: € 0.0K) were recognised as expenses in the fiscal year. No loans or advances were paid to Management Board members.

Subject to the adoption of a resolution by the Annual General Meeting the total remuneration of the Supervisory Boards of CA Immobilien Anlagen Aktiengesellschaft and CA Immo International AG for fiscal 2010 (payments will be made in 2011) was € 112.7K (2009: € 79.0K) for CA Immobilien Anlagen Aktiengesellschaft and € 52.7K for CA Immo International AG. No additional fees were paid to Supervisory Board members.

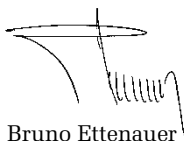
The average number of staff employed by the company during the fiscal year was 60 (2009: 43).

#### 3.4. Auditor's remuneration

There is no indication of the auditor's remuneration for the fiscal year pursuant to § 237 para. 14 Austrian Commercial Code (UGB), as this information is contained in the Group Consolidated Financial Statements of CA Immobilien Anlagen Aktiengesellschaft.

Vienna, 28 February 2011

The Management Board



Bruno Ettenauer  
Chairman



Wolfhard Fromwald



Bernhard H. Hansen

## ASSETS ANALYSES FOR THE BUSINESS YEAR 2010

	Acquisition and production costs as of 1.1.2010	Addition	Addition Merger	Disposal	Reclassification	Acquisition and production costs as at 31.12.2010	Depreciation and amortisation (accumulated)	Book value as of 31.12.2010	Depreciation and amortisation in 2010	Appreciation in 2010	Book value as at 31.12.2009
	€	€	€	€	€	€	€	€	€	€	€ 1,000
<b>I. Intangible fixed assets</b>											
1. Rights and EDP software	997,155.62	49,104.85	0.00	812,665.13	0.00	233,595.34	162,896.42	70,698.92	34,926.20	0.00	56.50
2. Goodwill	2,144,798.13	0.00	0.00	0.00	0.00	2,144,798.13	1,930,318.38	214,479.75	214,479.82	0.00	429.00
	<b>3,141,953.75</b>	<b>49,104.85</b>	<b>0.00</b>	<b>812,665.13</b>	<b>0.00</b>	<b>2,378,393.47</b>	<b>2,093,214.80</b>	<b>285,178.67</b>	<b>249,406.02</b>	<b>0.00</b>	<b>485.50</b>
<b>II. Tangible fixed assets</b>											
1. Property and buildings											
a) Land	71,932,894.43	0.00	0.00	922,969.30	0.00	71,009,925.13	18,917,531.80	52,092,393.33	4,585,439.04	0.00	57,567.15
b) Land	326,005,810.66	4,069.26	0.00	2,906,570.32	201,252.10	323,304,561.70	111,500,798.78	211,803,762.92	12,840,815.23	0.00	225,782.00
	<b>397,938,705.09</b>	<b>4,069.26</b>	<b>0.00</b>	<b>3,829,539.62</b>	<b>201,252.10</b>	<b>394,314,486.83</b>	<b>130,418,330.58</b>	<b>263,896,156.25</b>	<b>17,426,254.27</b>	<b>0.00</b>	<b>283,349.15</b>
2. Other assets, office furniture and equipment	3,095,915.38	292,410.87	163,269.12	25,000.00	0.00	3,526,595.37	2,337,422.85	1,189,172.52	436,483.69	0.00	1,260.00
3. Low-value assets	0.00	10,945.10	0.00	10,945.10	0.00	0.00	0.00	0.00	10,945.10	0.00	0.00
4. Down-payments made and construction in progress	255,204.79	677,777.97	0.00	15,080.00	- 201,252.10	716,650.66	100,000.00	616,650.66	100,000.00	0.00	255.10
	<b>401,289,825.26</b>	<b>985,203.20</b>	<b>163,269.12</b>	<b>3,880,564.72</b>	<b>0.00</b>	<b>398,557,732.86</b>	<b>132,855,753.43</b>	<b>265,701,979.43</b>	<b>17,973,683.06</b>	<b>0.00</b>	<b>284,864.25</b>
<b>III. Financial assets</b>											
1. Investments in affiliated companies	2,109,826,318.76	255,285,782.32	531,973,057.91	548,273,952.36	0.00	2,348,811,206.63	595,310,643.83	1,753,500,562.80	52,582,758.49	34,010,696.10	1,629,444.80
2. Loans to related companies	111,093,500.00	34,795,000.00	65,734,990.84	16,993,000.50	0.00	194,630,490.34	0.00	194,630,490.34	0.00	0.00	111,093.50
3. Down payments made on investments in affiliated companies	0.00	100,000.00	5,313,882.39	0.00	0.00	5,413,882.39	5,213,882.39	200,000.00	100,000.00	0.00	0.00
4. Investments in associated companies	7,332.69	0.00	6,252,863.40	0.00	0.00	6,260,196.09	6,135,276.37	124,919.72	7,174.00	0.00	7.30
5. Loans to associated companies	0.00	2,079,373.07	0.00	0.00	0.00	2,079,373.07	2,079,373.07	0.00	2,079,373.07	0.00	0.00
6. Other loans	0.00	902,000.00	30,264,769.00	0.00	0.00	31,166,769.00	27,019,998.00	4,146,771.00	0.00	0.00	0.00
	<b>2,220,927,151.45</b>	<b>293,162,155.39</b>	<b>639,539,563.54</b>	<b>565,266,952.86</b>	<b>0.00</b>	<b>2,588,361,917.52</b>	<b>635,759,173.66</b>	<b>1,952,602,743.86</b>	<b>54,769,305.56</b>	<b>34,010,696.10</b>	<b>1,740,545.6</b>
	<b>2,625,358,930.46</b>	<b>294,196,463.44</b>	<b>639,702,832.66</b>	<b>569,960,182.71</b>	<b>0.00</b>	<b>2,989,298,043.85</b>	<b>770,708,141.89</b>	<b>2,218,589,901.96</b>	<b>72,992,394.64</b>	<b>34,010,696.10</b>	<b>2,025,895.4</b>

## INFORMATION ABOUT GROUP COMPANIES

### Direct investments<sup>1)</sup>

Name and registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal		Shareholders' equity		Profit/loss for fiscal		Shareholders' equity	
				2010		as at 31.12.2010		2009		as at 31.12.2009	
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG, Vienna	4,135,427	EUR	100.00	- 318	TEUR	4,347	TEUR	1,932	TEUR	4,665	TEUR
CA Immo International Beteiligungsverwaltungs GmbH, Vienna	35,000	EUR	100.00	625	TEUR	20,333	TEUR	2,833	TEUR	25,561	TEUR
CA Immo International Holding GmbH, Vienna	35,000	EUR	100.00	25,104	TEUR	1,340,574	TEUR	- 6,621	TEUR	1,179,465	TEUR
CA Immo Investment Management GmbH, Vienna	100,000	EUR	100.00	407	TEUR	660	TEUR	94	TEUR	253	TEUR
CA Immo ProjektentwicklungsgmbH, Vienna	72,500	EUR	100.00	- 1,887	TEUR	- 1,011	TEUR	- 3,445	TEUR	- 724	TEUR
CA Immo Rennweg 16 GmbH, Vienna	35,000	EUR	100.00	- 2,299	TEUR	1,329	TEUR	- 2,517	TEUR	3,628	TEUR
CAII Projektmanagement GmbH, Vienna	35,000	EUR	100.00	- 8,297	TEUR	1,788	TEUR			Established 2010	
CEE Hotel Development GmbH, Vienna	70,000	EUR	50.00	- 1	TEUR	94	TEUR	- 72	TEUR	95	TEUR
CEE Hotel Management und Beteiligungs GmbH, Vienna	35,000	EUR	50.00	- 10	TEUR	46	TEUR	129	TEUR	156	TEUR
omniCon Baumanagement GmbH, Vienna	100,000	EUR	100.00	- 16	TEUR	91	TEUR	34	TEUR	176	TEUR
CA Immo d.o.o., Belgrade	390,500	EUR	100.00	- 2,385	TRSD	3,364	TRSD	- 4,993	TRSD	5,749	TRSD
Starohorska Development s.r.o., Bratislava	6,639	EUR	50.00	- 359	TEUR	628	TEUR	- 898	TEUR	988	TEUR
CA Immo Holding Hungary Kft., Budapest	13,000,000	HUF	100.00	122,300	THUF	2,979,449	THUF	179,080	THUF	2,857,150	THUF
Canada Square Kft., Budapest	12,500,000	HUF	100.00	30,188	THUF	161,053	THUF	28,796	THUF	142,269	THUF
Casa Property Kft., Budapest	51,310,000	HUF	100.00	72,744	THUF	186,515	THUF	42,796	THUF	113,771	THUF
Kilb Kft., Budapest	30,000,000	HUF	100.00	341,857	THUF	761,694	THUF	111,784	THUF	934,229	THUF
R70 Invest Budapest Kft., Budapest	5,250,000	HUF	100.00	210,693	THUF	1,287,580	THUF	94,904	THUF	1,076,887	THUF
Skogs Buda Business Center II Kft., Budapest	327,000,000	HUF	100.00	- 72,294	THUF	667,210	THUF	- 43,580	THUF	739,504	THUF
Vaci 76 Kft., Budapest	3,100,000	HUF	100.00	- 799,302	THUF	4,459,735	THUF	8,961	THUF	5,259,037	THUF
CA Immobilien S.R.L., Bukarest	947,100	RON	100.00	133	TRON	443	TRON	- 29	TRON	310	TRON
VIVICO AG, Frankfurt	50,000	EUR	100.00	- 9,112	TEUR	296,879	TEUR	2,068	TEUR	304,082	TEUR
CA Immo Holding B.V., Hoofddorp	51,200,000	EUR	100.00	- 13,882	TEUR	104,626	TEUR	2,845	TEUR	118,508	TEUR
CA Immoobilien Anlagen d.o.o., Ljubljana	50,075	EUR	100.00	- 4,529	TEUR	- 11,133	TEUR	- 10,867	TEUR	- 9,480	TEUR
CA Immo New Europe Property Fund S.C.A. SICAR, Luxembourg	139,670,000	EUR	60.00	- 28,435	TEUR	52,824	TEUR	- 50,547	TEUR	78,139	TEUR
CA Immo S.a.r.l., Luxembourg	33,000	EUR	100.00	- 5	TEUR	0	TEUR	- 23	TEUR	- 45	TEUR
2P s.r.o., Pilsen	240,000	CZK	100.00	- 86,623	TCZK	85,097	TCZK	1,828	TCZK	168,466	TCZK
Europort Airport Center a.s., Prague	14,100,000	CZK	100.00	- 120,830	TCZK	47,902	TCZK	22,437	TCZK	168,954	TCZK
FCL Property a.s., Prague	2,000,000	CZK	100.00	- 200	TCZK	7,683	TCZK	2,824	TCZK	7,011	TCZK
Office Center Mladost EOOD, Sofia	5,000	BGN	100.00	586	TBGN	6,574	TBGN	594	TBGN	5,946	TBGN
Office Center Mladost 2 EOOD, Sofia	5,000	BGN	100.00	916	TBGN	678	TBGN	863	TBGN	- 296	TBGN
Mahler Property Services Sp.z.o.o., Warsaw	50,000	PLN	50.00	126	TPLN	635	TPLN	603	TPLN	909	TPLN
PBT IT-Services Sp.z.o.o., Warsaw	50,000	PLN	50.00	- 30	TPLN	20	TPLN			Established 2010	

<sup>1)</sup> Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

**Indirect investments<sup>1)</sup>**

Name and registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal		Shareholders' equity		Profit/loss for fiscal		Shareholders' equity	
				2010		as at 31.12.2010		2009		as at 31.12.2009	
BIL-S Superädifikatsverwaltungs GmbH, Vienna	70,000	EUR	100.00	- 2,203	TEUR	- 7,702	TEUR	2,569	TEUR	- 5,499	TEUR
CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna	3,738,127	EUR	100.00	17,009	TEUR	86,175	TEUR	26,670	TEUR	69,166	TEUR
CA Immo CEE Beteiligungs GmbH, Vienna	35,000	EUR	100.00	3,072	TEUR	139,107	TEUR			Established 2010	
CA Immo Galleria Liegenschaftsverwaltungs GmbH, Vienna	35,000	EUR	100.00	- 7,967	TEUR	24,607	TEUR	60	TEUR	32,574	TEUR
CA Immo Germany Holding GmbH, Vienna	35,000	EUR	100.00	32,746	TEUR	945,832	TEUR	- 17,630	TEUR	918,586	TEUR
CA Immo LP GmbH, Vienna	146,000	EUR	100.00	1,862	TEUR	45,931	TEUR	7,445	TEUR	44,068	TEUR
CA Immo-RI-Residential Property Holding GmbH, Vienna	35,000	EUR	100.00	- 6,366	TEUR	262,529	TEUR	5,166	TEUR	268,890	TEUR
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna	2,537,600	EUR	100.00	- 32	TEUR	2,295	TEUR	- 186	TEUR	- 203	TEUR
CAII Projektbeteiligungs GmbH	35,000	EUR	100.00	- 8,291	TEUR	1,777	TEUR			Established 2010	
I.N.A. Handels GmbH, Vienna	37,000	EUR	100.00	- 137	TEUR	65	TEUR	- 222	TEUR	- 647	TEUR
Parkring 10 Immobilien GmbH, Vienna	35,000	EUR	100.00	- 3,137	TEUR	24,922	TEUR	2,990	TEUR	28,060	TEUR
SQUARE S Holding GmbH, Vienna	35,000	EUR	100.00	- 3	TEUR	30,903	TEUR	- 3	TEUR	30,901	TEUR
OOO Saimir, Moskau	10,000	RUB	100.00	- 3,718	TRUB	- 189	TRUB	- 924	TRUB	- 914	TRUB
UBM Realitätenentwicklung AG, Vienna	5,450,463	EUR	25.00	3,460	TEUR	133,567	TEUR	3,004	TEUR	93,795	TEUR
Einkaufszentrum Erlenmatt AG, Basel	100,000	CHF	49.87	- 1,058	TCHF	- 1,104	TCHF	- 132	TCHF	- 68	TCHF
CA Immo Sava City d.o.o., Belgrade	24,520,000	EUR	100.00	- 892,387	TRSD	- 869,267	TRSD	- 895,381	TRSD	- 497,594	TRSD
Log Center d.o.o., Belgrade	150,000	EUR	50.00	- 50,155	TRSD	- 100,620	TRSD	- 32,646	TRSD	- 64,405	TRSD
TM Immo d.o.o., Belgrade	5,250,000	EUR	100.00	- 293,911	TRSD	- 305,764	TRSD	- 234,548	TRSD	- 11,853	TRSD
Dorotheenhöfe - Grundstücks GmbH & Co. KG , Berlin	255,646	EUR	99.74	- 18	TEUR	559	TEUR	- 155	TEUR	757	TEUR
Dorotheenhöfe Grundstücksverwaltungs-GmbH , Frankfurt	25,565	EUR	99.74	- 14	TEUR	29	TEUR	- 3	TEUR	43	TEUR
BA Business Center a.s., Bratislava	7,503,200	EUR	100.00	- 2,629	TEUR	- 5,415	TEUR	- 6,463	TEUR	- 2,786	TEUR
Kapas Center Kft, Budapest	772,560,000	HUF	100.00	144,257	THUF	1,601,862	THUF	154,140	THUF	1,446,117	THUF
Opera Center One S.R.L., Bukarest	2,531,150	RON	100.00	7,540	TRON	41,084	TRON	7,877	TRON	33,544	TRON
Opera Center Two S.R.L., Bukarest	4,700,400	RON	100.00	820	TRON	8,212	TRON	1,456	TRON	7,392	TRON
S.C. BBP Leasing S.R.L., Bukarest	14,637,711	RON	100.00	- 3,036	TRON	14,857	TRON	2,366	TRON	16,298	TRON
TC Investments Arad SRL, Bukarest	4,018,560	RON	57.53	- 2,498	TRON	- 3,371	TRON	- 3,534	TRON	- 873	TRON
Blitz F07-neunhundert-sechzig-acht GmbH, Frankfurt	25,000	EUR	100.00	- 5	TEUR	27	TEUR	- 4	TEUR	12	TEUR
Blitz F07-neunhundert-sechzig-neun GmbH, Frankfurt	25,000	EUR	100.00	- 7	TEUR	53	TEUR	- 6	TEUR	60	TEUR
CA Immo Null Verwaltungs GmbH, Frankfurt	25,000	EUR	100.00	8	TEUR	51	TEUR	12	TEUR	44	TEUR
CA Immo Eins GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	2,805	TEUR	43,905	TEUR	2,237	TEUR	41,100	TEUR
CA Immo Zwei GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	8,232	TEUR	59,277	TEUR	3,260	TEUR	51,045	TEUR
CA Immo Drei GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	- 540	TEUR	17,054	TEUR	910	TEUR	15	TEUR
CA Immo Vier GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	438	TEUR	847	TEUR	247	TEUR	409	TEUR
CA Immo Fünf GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	395	TEUR	5,711	TEUR	1,056	TEUR	5,317	TEUR

<sup>1)</sup> Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

Name and registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal		Shareholders' equity		Profit/loss for fiscal		Shareholders' equity	
				2010		as at 31.12.2010		2009		as at 31.12.2009	
CA Immo Sechs GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	1,399	TEUR	31,327	TEUR	3,214	TEUR	29,928	TEUR
CA Immo Sieben GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	2,169	TEUR	37,896	TEUR	2,256	TEUR	35,727	TEUR
CA Immo Acht GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	1,043	TEUR	3,792	TEUR	812	TEUR	2,749	TEUR
CA Immo Neun GmbH & Co. KG, Frankfurt	25,000	EUR	100.00	1,922	TEUR	21,392	TEUR	4,092	TEUR	19,470	TEUR
CA Immo Zehn GmbH, Frankfurt	25,000	EUR	100.00	- 534	TEUR	12,561	TEUR	- 1,179	TEUR	12,394	TEUR
CA Immo Elf GmbH, Frankfurt	25,000	EUR	100.00	159	TEUR	2,817	TEUR	47	TEUR	2,657	TEUR
CA Immo GB GmbH, Frankfurt	25,000	EUR	100.00	- 65	TEUR	3,856	TEUR	4	TEUR	11	TEUR
CA Immo GB Eins GmbH & Co. KG, Frankfurt	25,000	EUR	94.90	- 14	TEUR	1,241	TEUR	114	TEUR	1,717	TEUR
CEREP Allemöhe GmbH, Frankfurt	25,000	EUR	100.00	824	TEUR	22,973	TEUR	611	TEUR	31,049	TEUR
CM Komplementär F07-888 GmbH & Co. KG, Frankfurt	25,000	EUR	94.90	64	TEUR	38,610	TEUR	- 2,345	TEUR	41,301	TEUR
REC Frankfurt Objekt KG, Frankfurt	50,000	EUR	49.87	- 1,597	TEUR	- 2,095	TEUR	- 544	TEUR	- 497	TEUR
VIADOR GmbH, Frankfurt	100,000	EUR	69.82	- 13	TEUR	344	TEUR	- 117	TEUR	357	TEUR
Vivico Berlin Europaplatz 01 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 87	TEUR	- 163	TEUR	- 80	TEUR	- 75	TEUR
Vivico Berlin Europaplatz 01 Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	- 4	TEUR	17	TEUR	- 4	TEUR	21	TEUR
Vivico Berlin Hallesches Ufer GmbH, Frankfurt	25,000	EUR	99.74	393	TEUR	- 1,048	TEUR	- 104	TEUR	- 1,440	TEUR
Vivico Berlin Lehrter Stadtquartier Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	6	TEUR	55	TEUR	5	TEUR	49	TEUR
Vivico Berlin Lehrter Stadtquartier 3 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	196	TEUR	3,332	TEUR	430	TEUR	3,136	TEUR
Vivico Berlin Lehrter Stadtquartier 4 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 238	TEUR	- 477	TEUR	- 261	TEUR	239	TEUR
Vivico Berlin Lehrter Stadtquartier 5 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 176	TEUR	41	TEUR	- 85	TEUR	217	TEUR
Vivico Berlin Lehrter Stadtquartier 6 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	475	TEUR	- 1,539	TEUR	874	TEUR	- 2,014	TEUR
Vivico Berlin Lehrter Stadtquartier 7 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 268	TEUR	- 836	TEUR	- 331	TEUR	- 568	TEUR
Vivico Berlin Lehrter Stadtquartier 8 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 176	TEUR	987	TEUR	- 190	TEUR	1,163	TEUR
Vivico Berlin Lehrter Stadtquartier 9 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 2,085	TEUR	- 3,116	TEUR	- 177	TEUR	- 1,031	TEUR
Vivico Berlin Lietzenburger Straße GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 17	TEUR	- 12	TEUR			Established 2010	
Vivico Berlin Lietzenburger Straße Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	- 4	TEUR	21	TEUR			Acquired 2010	
Vivico Berlin Schöneberger Ufer Beteiligungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	17,617	TEUR	3,372	TEUR	17,617	TEUR
Vivico Berlin Schöneberger Ufer GmbH & Co. KG, Frankfurt	25,000	EUR	99.74	- 3,807	TEUR	4,736	TEUR	2,794	TEUR	4,398	TEUR
Vivico Berlin Schöneberger Ufer Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	16	TEUR	- 3	TEUR	16	TEUR
Vivico Berlin Unter den Linden Beteiligungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	13,147	TEUR	- 2	TEUR	13,147	TEUR
Vivico Berlin Unter den Linden GmbH & Co. KG, Frankfurt	12,500	EUR	99.74	- 1,760	TEUR	11,413	TEUR	6,542	TEUR	13,173	TEUR
Vivico Berlin Unter den Linden Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	15	TEUR	- 3	TEUR	15	TEUR
Vivico Frankfurt Bauphase I GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 325	TEUR	12,945	TEUR	- 2,330	TEUR	13,186	TEUR
Vivico Frankfurt Bauphase I Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	13	TEUR	- 3	TEUR	13	TEUR
Vivico Frankfurt Nord 1 Beteiligungs GmbH, Frankfurt	25,000	EUR	99.74	- 116	TEUR	3,438	TEUR	- 51	TEUR	3,554	TEUR

<sup>1)</sup> Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

Name and registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal		Shareholders' equity		Profit/loss for fiscal		Shareholders' equity	
				2010		as at 31.12.2010		2009		as at 31.12.2009	
Vivico Frankfurt Nord 1 Projekt GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	7,213	TEUR	1,102	TEUR	- 515	TEUR	- 6,111	TEUR
Vivico Frankfurt Nord 1 Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	- 3	TEUR	14	TEUR	- 2	TEUR	17	TEUR
Vivico Frankfurt Nord 4 GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 550	TEUR	- 439	TEUR	- 58	TEUR	111	TEUR
Vivico Frankfurt Nord 4 Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	- 6	TEUR	15	TEUR	- 3	TEUR	21	TEUR
Vivico Frankfurt Tower 185 Beteiligungs GmbH, Frankfurt	25,000	EUR	99.74	- 87	TEUR	3,328	TEUR	- 9	TEUR	3,414	TEUR
Vivico Frankfurt Tower 185 Projekt GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	8,112	TEUR	73,421	TEUR	- 29,744	TEUR	65,309	TEUR
Vivico Frankfurt Tower 185 Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	- 3	TEUR	14	TEUR	- 2	TEUR	17	TEUR
Vivico Frankfurt Tower- 2-Besitz GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 53	TEUR	- 80	TEUR	- 13	TEUR	27	TEUR
Vivico Frankfurt Tower- 2-Geschäftsführungs GmbH, Frankfurt	25,000	EUR	99.74	- 3	TEUR	1	TEUR	- 5	TEUR	4	TEUR
Vivico Frankfurt Tower- 2-Hotelbetriebsgesellschaft mbH, Frankfurt	25,000	EUR	99.74	- 3	TEUR	18	TEUR	- 5	TEUR	20	TEUR
Vivico Frankfurt Tower- 2-Verwaltungsgesellschaft mbH, Frankfurt	25,000	EUR	99.74	- 1	TEUR	18	TEUR	0	TEUR	19	TEUR
Vivico Köln K1 GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	- 703	TEUR	67	TEUR	- 703	TEUR
Vivico Köln K2 GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	4,252	TEUR	353	TEUR	4,252	TEUR
Vivico Köln K3 GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	1,097	TEUR	6,607	TEUR	1,097	TEUR
Vivico München Ambigon Nymphenburg GmbH & Co. KG, Frankfurt	5,000	EUR	99.74	- 242	TEUR	- 523	TEUR	- 286	TEUR	- 281	TEUR
Vivico München Ambigon Nymphenburg Verwaltungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	13	TEUR	- 8	TEUR	13	TEUR
Vivico München Lokhalle Beteiligungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	4	TEUR	- 3	TEUR	5	TEUR
Vivico München MI 1 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	25,000	EUR	99.74	- 638	TEUR	1,301	TEUR	2,021	TEUR	1,939	TEUR
Vivico München MK 2 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	7,308	TEUR	- 118	TEUR	7,308	TEUR
Vivico München MK 6 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	25,000	EUR	99.74	0	TEUR	9,006	TEUR	9,132	TEUR	9,006	TEUR
Vivico München Perlach Grundstücksverwertungs GmbH, Frankfurt	25,000	EUR	99.74	716	TEUR	252	TEUR	- 160	TEUR	- 464	TEUR
Concept Bau- Premier Vivico Isargärten GmbH & Co. KG, Grünwald	25,000	EUR	33.24	2	TEUR	27	TEUR	- 1,533	TEUR	2,812	TEUR
Concept Bau- Premier Vivico Isargärten Verwaltungs GmbH, Grünwald	15,000	EUR	33.24	- 903	TEUR	- 965	TEUR	2	TEUR	25	TEUR
Vivico Real Estate GmbH, Frankfurt	5,000,000	EUR	99.74	53,640	TEUR	662,094	TEUR	66,014	TEUR	660,472	TEUR
omniCon Gesellschaft für innovatives Bauen mbH, Frankfurt	100,000	EUR	99.74	62	TEUR	396	TEUR	27	TEUR	328	TEUR
omniPro Gesellschaft für Projektmanagement mbH, Frankfurt	25,000	EUR	99.74	- 5	TEUR	104	TEUR	1	TEUR	109	TEUR
Infraplan Vivico Isargärten GmbH & Co. KG, Grünwald	15,000	EUR	33.24	- 384	TEUR	437	TEUR	- 567	TEUR	2,322	TEUR
Infraplan Vivico Isargärten Verwaltungs GmbH, Grünwald	25,000	EUR	33.24	1	TEUR	23	TEUR	- 3	TEUR	22	TEUR
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	30,000	EUR	33.24	54	TEUR	5	TEUR	166	TEUR	54	TEUR
SKYGARDEN Arnulfpark GmbH & Co. KG, Grünwald	100,000	EUR	49.87	- 460	TEUR	3,364	TEUR	- 620	TEUR	3,724	TEUR
SKYGARDEN Arnulfpark Verwaltungs GmbH, Grünwald	25,000	EUR	49.87	- 1	TEUR	14	TEUR	- 2	TEUR	15	TEUR
Pannonia Shopping Center Kft, Győr	380,000,000	HUF	30.00	- 220,205	THUF	148,176	THUF	- 920,008	THUF	368,381	THUF
Congress Centrum Skyline Plaza GmbH & Co. KG, Hamburg	25,000	EUR	49.87	- 12	TEUR	1	TEUR			Acquired 2010	
Congress Centrum Skyline Plaza Verwaltung GmbH, Hamburg	25,000	EUR	49.87	- 1	TEUR	24	TEUR			Acquired 2010	

<sup>1)</sup> Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

Name and registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2010		Shareholders' equity as at 31.12.2010		Profit/loss for fiscal 2009		Shareholders' equity as at 31.12.2009	
	REC Frankfurt Objekt Verwaltungsgesellschaft mbH, Hamburg	50,000		EUR	49.87	- 1	TEUR	13	TEUR	- 3	TEUR
CAINE B.V., Hoofddorp	18,151	EUR	60.00	- 28,727	TEUR	- 11,305	TEUR	- 17,381	TEUR	17,422	TEUR
Pulkovo B.V., Hoofddorp	25,000	EUR	60.00	- 7	TEUR	2	TEUR	- 6	TEUR	- 11	TEUR
CAINE S.à.r.l., Luxembourg	12,500	EUR	60.00	- 37	TEUR	2	TEUR	- 58	TEUR	- 71	TEUR
Mainzer Hafen GmbH, Mainz	25,000	EUR	49.87	4	TEUR	29	TEUR				Acquired 2010
OOO Business Center Maslovka, Moskau	23,500,000	RUB	50.00	Not published		Not published		- 131,389	RUB	- 282,179	RUB
OOO BBM, Moskau	10,000	RUB	50.00	Not published		Not published		- 353,091	RUB	- 1,128,837	RUB
Larico Limited, Nicosia	1,737	EUR	50.00	Not published		Not published		- 559	EUR	- 891	EUR
Triastron Investments Limited, Nicosia	1,438	EUR	50.00	Not published		Not published		- 550	EUR	- 2,735	EUR
EG Vivico MK3 Arnulfpark GmbH & Co. KG, Obererhaching	100,000	EUR	99.74	- 57	TEUR	11,868	TEUR	- 38	TEUR	11,424	TEUR
EG Vivico MK 3 Arnulfpark Verwaltungs GmbH, Oberhaching	25,000	EUR	49.87	- 3	TEUR	23	TEUR	0	TEUR	25,000	TEUR
K&K Investments Sibiu SRL, Sibiu	21,609,000	RON	54.00	- 7,714	TRON	- 5,902	TRON	- 4,371	TRON	1,813	TRON
Megapark o.o.d., Sofia	5,000	BGN	35.00	0	TGBN	0	TGBN				Acquired 2010
OAo Avielen AG, St. Petersburg	370,000,000	RUB	15.00	98,707	TRUB	315,365	TRUB	- 106,970	TRUB	216,658	TRUB
Soravia Center OÜ, Tallinn	100,000	EUR	40.00	Not published		Not published		- 2,437	TEEK	- 7,679	TEEK
Boulevard Süd 4 GmbH & Co. KG, Ulm	200,000	EUR	49.87	3,890	TEUR	790	TEUR	4,119	TEUR	1,986	TEUR
Boulevard Süd 4 Verwaltungs-GmbH, Ulm	25,000	EUR	49.87	- 3	TEUR	7	TEUR	- 3	TEUR	10	TEUR
CA Betriebsobjekte Polska Sp.z.o.o., Warsaw	228,404,000	PLN	50.00	12,487	TPLN	303,469	TPLN	7,970	TPLN	291,534	TPLN
Doratus Sp. z o.o., Warsaw	2,000,000	PLN	100.00	3,638	TPLN	14,666	TPLN	1,885	TPLN	10,864	TPLN
Poleczki Business Park Sp.z.o.o., Warsaw	3,936,000	PLN	30.00	- 6,061	TPLN	- 2,980	TPLN	16,944	TPLN	1,291	TPLN
Zollhafen Mainz GmbH & Co. KG	1,200,000	EUR	49.97	- 515	TEUR	- 519	TEUR				Established 2010

<sup>1)</sup> Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

## MANAGEMENT REPORT

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### MANAGEMENT REPORT OF CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT FOR THE PERIOD 1. JANURAY TO 31. DECEMBER 2010

CA Immobilien Anlagen Aktiengesellschaft ("CA Immo") is the parent company of the CA Immo Group. Its head office is at Mechelgasse 1, 1030 Vienna. The CA Immo Group is an internationally active property group. It has subsidiaries in Bulgaria, Germany, Estonia, Luxembourg, the Netherlands, Austria, Poland, Romania, Russia, Switzerland, Serbia, Slovakia, Slovenia, the Czech Republic, Hungary and Cyprus. As of 31 December 2010, the CA Immo Group owned real estate and properties in all of the aforementioned countries except Estonia, Luxembourg, the Netherlands and Cyprus. The company's main activity involves administering and financing the domestic and foreign subsidiaries. It also owns 28 properties in Austria (as of 31 December 2010).

Following the conclusion of the merger agreement on 27 September 2010, CA Immo International AG, Vienna, (the transferring company) merged with CA Immobilien Anlagen AG (the acquiring company) with retroactive effect from 31.12.2009 by applying Article I of the Austrian Company Reorganisation Act (UmgrStG). The merger resulted in losses of € 5,812.8K. CA Immobilien Anlagen AG owned 97.4 % of the share capital of CA Immo International AG. CA Immo International AG's free-float shareholders received new issue shares in CA Immobilien Anlagen AG in proportion to the share capital valued at € 7.27 per share; the exchange ratio was 19:10.

CA Immo International AG, Vienna, was a management holding company whose balance sheet and income statement primarily consisted of financial assets and receivables from affiliated companies and/or the resultant earnings and expenses. Comparisons with the results of the previous year can only be made to a limited extend due to the merger with CA Immo International AG, Vienna.

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### BUSINESS ACTIVITY IN 2010

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#### THE CYCLICAL TREND

The real estate sector is closely intertwined with the macroeconomic developments on its markets. As regards the demand for commercial real estate in particular, economic growth is proving to be a determining factor. The recent recessionary years have thus been as challenging as might be expected. Not only was the investment market brought to a halt, but companies shelved their expansion plans, significantly cutting the demand for office space.

In 2010, nearly two years after the financial and economic crisis took hold, activity in the global economy picked up pace once again, sparking signs of recovery and renewed growth as the year progressed. Expansion on the global markets was driven by the emerging nations such as China and India in particular. However, the pace of economic recovery varied from one country to another.

Widely divergent economies were also the story of the upturn within the eurozone. Germany took centre stage as the most positive contributor, recording extremely dynamic growth. Austria followed suit, albeit with more moderate expansion figures. By contrast, growth in France – the second largest economy in the eurozone – slowed considerably. On the margins, Greece, Ireland, Portugal and Spain found themselves mired in crisis. GDP rose in the eurozone by an average of 1.7 % during 2010; the inflation rate stood at 2.2 % in December.

#### **Austria** <sup>2</sup>

Evidence of growth was seen in the Austrian economy: economic output expanded by 2.0 %, largely as a result of exports (particularly to Germany, Austria's rapidly growing trading partner; cf. GDP decrease of 3.9 % in 2009). However, domestic demand remained somewhat muted. Given the weak development of actual earnings, consumption by private households remained deeply restrained. Although incomes are set to rise again this year, private consumer spending is not expected to increase accordingly because of government consolidation measures and planned tax rises.

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<sup>2</sup> Quellen: Eurostat, Datenabruf 30.12.2010; OeNB

From the outset, the economic crisis impacted only minimally on the Austrian labour market. The unemployment rate, which was 4.3 % in the year preceding the crisis (2007), stood at 5.0 % in December 2010, rising by 0.5 % over the year as a whole. This confirms Austria, along with the Netherlands and Luxembourg, as the country with the lowest unemployment level in the eurozone. The inflation rate was 1.7 % at the end of 2010; the Austrian National Bank (OeNB) is predicting that the rate will break the 2.0 % barrier in 2011.

#### **Germany**<sup>3</sup>

Germany has recovered from the crisis surprisingly quickly. Although forecasts of GDP growth to the midway point of the year were even more modest than previously, growth picked up speed as the summer progressed. Remarkably, despite a steep GDP fall of 4.7 % in 2009, the economy again expanded by 3.6 % in 2010. The economic recovery was chiefly driven by the country's high export ratio; there was world-wide demand for German high-tech products, for example, especially on the booming markets of Asia.

The upturn in foreign trade also had a positive effect on the domestic economy, as investment again rose substantially. The collapse of the labour market predicted at the start of the year also failed to materialise; the unemployment rate was at 6.7 % at the end of 2010. The improving employment figures for the whole year boosted consumer confidence in turn, and private consumption rose particularly strongly towards the end of 2010.

#### **CEE/SEE**<sup>4</sup>

Economic development was very patchy in the CEE and SEE states during 2010. The Central and Eastern European nations of Poland, the Czech Republic and Slovakia (for whom Germany is a key trading partner) benefited from German economic growth last year in the shape of a higher export volume. In Slovakia, economic power expanded by a total of 4.1 %; GDP rose by 3.5 % in Poland and by 2.4 % in the Czech Republic. The economy broadly stabilised in Bulgaria, Hungary and the Baltic states in 2010; Romania and Croatia remained deep in recession, however, mainly on account of structural factors such as their trade orientation and the composition of export goods, but also because of internal imbalances (high unemployment, low consumption and so on) and

problems with debt and refinancing in the public finances.

In the early part of the year, the Russian economy was benefiting from the rise in the oil price around the world; GDP growth, which had been negative in 2009, turned around again during the first six months of 2010. Expansion slowed in the second half of the year, however, partly because raw material prices remained short of expected levels throughout the year, and partly because the moderate expansion in credit held back the economic recovery. The OECD forecast GDP growth of 3.7 % for Russia by the end of the year.

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#### **MONEY MARKET AND INTEREST RATE ENVIRONMENT**

For most countries, economic stabilisation in 2010 went hand in hand with a sharp rise in national debt; the costs of combating the financial crisis were a significant factor behind these increases. At European level, this development impacted most severely on countries like Greece, Spain, Portugal and Ireland, where growth is low and debt levels were already high. Around the middle of the year, the public finance problems in these nations began to pose a major threat to the stability of the euro as the 'Greek crisis' ballooned into a crisis of the euro. However, government intervention and consolidation measures in the public sector succeeded in reassuring the financial markets. In May 2010 – at the height of the crisis in Greece – the ECB and central banks started buying government bonds from European countries for the first time since the launch of the euro in an attempt to regain the trust of the markets. By the end of the year, however, the ECB had not managed to neutralise the additional liquidity completely.

The value of the euro declined significantly against almost every other currency in 2010, losing around 9 % against the US dollar. In the second year since the onset of the crisis, the base rate of the European Central Bank again stood at 1.0 %. As measured by the three month EURIBOR, the money market rates critical to variable refinancing remained at record low levels throughout most of last year. In the final quarter of 2010, however, they began to rise steadily to the level of the European Central Bank refinancing rates. Long-term interest rates, including the 10 year swap rate which is relevant to CA Immo, remained at their lowest levels in quarter three. Since then, however, they have gradually risen.

<sup>3</sup> Quellen: Deutsche Bundesbank, Statistisches Bundesamt, Bundesagentur für Arbeit

<sup>4</sup> Quellen: OeNB, Eurostat, EZB Monatsbericht, OECD

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## OUTLOOK

We expect the European economy as a whole to continue to recover during 2011. However, the upturn will depend on growth engines like Germany, and in particular a sustained revival in its domestic economy. For this reason, economic research institutes are predicting only moderate growth of 2.3 % for 2011. The Austrian National Bank expects the Austrian economy to carry on accelerating this year; at present, GDP is forecast to rise by 2.1 %. Improving growth figures are also expected on the CA Immo markets of Central and Eastern Europe, albeit to strongly varying degrees.

Inflation rates are likely to maintain their upward path in the various countries. The inflation rate in the eurozone is likely to remain around the 2 % level in 2011 because of the fluctuating prices of crude oil and food. The interest rate trend on CA Immo's markets will continue to be influenced by the political response to the debt crisis in Europe, the interest rate policy of the European Central Bank and the future of the banking sector following implementation of new regulatory requirements such as Basel III.

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## THE REAL ESTATE MARKET

### Austria

The positive effects of the slow but steady upturn in the Austrian economy that has been taking place since the end of last year have also been felt on the real estate market. The transaction market received a boost from the brightening of the economic environment combined with stable rent levels and the continuing appeal of direct property investments. The lettings market was characterised by increasingly predatory competition to the advantage of modern premises and a continual increase in large-scale letting agreements. Despite the encouraging economic signs, however, many market players continue to be highly risk-averse, with efficiency and flexibility emerging as priorities in the choice of location.

### Deutschland

In 2010, the rapid recovery of the German economy combined with the return of investor confidence in the long-term attractiveness of Germany as a place to invest led to an 83 % increase in investment turnover in commercial real estate compared to the previous year. In particular, the restricted supply of low-risk products proved to be the limiting factor in the face of strong de-

mand for core properties.<sup>5</sup> The first signs of recovery also emerged on the rental market, with encouraging levels of turnover and stable or slightly rising rent levels.

### CEE/SEE

Although the CEE region was harder hit by the economic crisis than more stable markets such as Germany, real estate investment accelerated at a relatively faster pace in 2010. Given the fact that economic performance varies so widely across Eastern Europe, though, the investment market was also inconsistent. Around three quarters of all property investment was transacted in Poland and Russia, whilst liquidity remains especially severely restricted in South Eastern Europe. The gap between the CEE and SEE is also reflected in the development of peak yields and rental rates.

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## PROPERTY ASSETS

The CA Immo Group is active in Austria, Germany and Eastern Europe. The Group's core business is commercial real estate, with a clear focus on office properties; it deals with both investment properties (76 % of the total portfolio) and development properties (22 % of the total portfolio). Properties intended for trading and property assets held for sale each account for around 1 % of property assets.

In the consolidated statement of financial position for 2010, the CA Immo Group indicates property assets of some € 3.6 bn (against € 3.5 bn on 31.12.2009). Of this total, investment properties (including own used properties and properties intended for trading or sale) accounted for € 2.8 bn (78 % of the total portfolios) and investment properties under development represented € 790.9 m (22 % of the overall portfolio).

As at key date 31 December 2010, the Group's asset portfolio comprised a total rentable effective area of € 1.5 million sqm, of which offices accounted for some 62 % and commercial/storage space represented 24 %. The remainder of the floor space is utilised for business (7 %), hotel (5 %) and residential purposes (2 %). On the basis of market value, around 49 % of investment properties are in Germany, 26 % are in Austria and 25 % are in the CEE/SEE region.

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<sup>5</sup> CB Richard Ellis, Deutschland Investment Quarterly Q4 2010

As regards development projects, approximately 3 % of the company's developments and strategic land reserves are in Austria and 94 % are in Germany; projects in CEE and SEE countries as well as the CIS account for the remaining 3 %. Development projects in Germany have a total market value of € 741.6 m. Of this total, projects that are either under construction or have imminent start

dates for construction account for approximately € 282 m; long-term real estate reserves account for € 460 m.

The Group generated rental income of € 164.4 m in 2010, compared to € 177.0 m in 2009. On the basis of annualised rental revenue, the asset portfolio produced a yield of 5.8 % (6.5 % in 2009). Vacancy by surface area was 11.5 % as at 31 December 2010, with the economic occupancy rate at 88 % (91 % on 31.12.2009). The decline in lettings resulted from the vacation of premises by Siemens at the Erdberger Lände site as scheduled, the addition to the portfolio in 2010 of the completed Poleczki Business Park project in Warsaw and the acquisition under the terms of a forward purchase agreement of the Megapark office property in Sofia. In like-for-like comparison (excluding the aforementioned special cases), economic utilisation was virtually unchanged at 90 % as at 31 December 2010.

Of the total portfolio, CA Immobilien Anlagen AG itself holds 28 properties with a total lettable space of 231,150 sqm and a recognised value of € 264,512.8 K (2009: € 283,604.3 K). In 2010 the company invested around € 985.2 K (2009: € 1,091.8 K) in properties.

#### THE BUSINESS TREND OF CA IMMOBILIEN ANLAGEN AG

Gross revenues are derived exclusively from the rental of properties in Austria. Compared to the previous year, a decrease of -15.8 % was recorded from € 28,434.6K to € 23,933.2K. The main cause for this development was the loss of rental income following the sale of properties in 2009. The remainder of other operating income totalled € 4,729.1K (2009: € 3,223.0K) and is primarily derived from management fees charged to subsidiary companies, bills and insurance revenues.

Staff expenses rose by 87.2 % to a total of € 7,853.6K (2009: € 4,195.7K). This is predominantly due to the acceptance of 18 employees (pro rata staff expenses

€ 1,649.6K) following the merger with CA Immo International AG, but also results from the creation of a new bonus provision for 2010, amounting to € 1,743.0K.

"Amortisation of intangible and fixed assets" increased to € 18,223.1K (2009: € 8,833.9K) due to unscheduled depreciation. Other operating income increased by 43.6 %, from € 14,163.9K in 2009 to € 20,336.2K in 2010, particularly as a result of specific allowances for interest receivable and short-term cash advances in Eastern Europe amounting to € 4,371.9K. The operating result totalled € - 17,361.1K (2009: € 14,493.3K).

Investment earnings decreased to € 1,970.4K (2009: € 435,400.0K) as a result of profit being distributed by CA Immo subsidiaries in Eastern Europe and CA Immo International Holding GmbH. By way of contrast, there are expenses from financial assets and securities held as current assets totalling € - 55,634.1K (2009: € - 440,357.2K), which are predominantly the result of depreciation and amortisation on shares in affiliated companies linked to profit distribution.

Revenues of € 10,458.3K (2009: € 5,772.8K) have been generated through lending. Interest earnings declined from € 10,413.5K in 2009 to € 9,194.2K in 2010. These are derived from fixed deposits, as well as bank deposits and cash advances to affiliated companies. Earnings from the disposal and appreciation in value of financial assets and securities held as current assets amounted to € 37,064.8K (2009: € 23,729.3K) and are due to the appreciation in value of shares in affiliated companies, amounting to € 34,010.7K (2009: € 15,737.7K); however, they are also the result of the sale and appreciation in value of securities held as current assets. Interest and similar expenditure totalled € 56,297.6K (2009: € 54,684.4K) and consists of loan interest to finance property assets, expenditure for derivative transactions, interest payable on convertible bonds and the two bond liabilities, as well as interest expenses for affiliated companies.

As a result of the aforementioned factors, the financial result as at the balance sheet date was € - 53,244.2K, compared to € - 19,726.0K in the previous period. The operating result amounted to € - 70,605.3K (2009: € - 5,232.7K).

Since the start of the 2005 business year, CA Immobilien Anlagen AG has been concluding a number of group and tax compensation agreements with its subsidiary compa-

nies. In 2010, the subsidiary companies generated large taxable profits, primarily due to property sales (disclosure of hidden reserves), for which they each had to pay 22 % group tax to CA Immobilien Anlagen AG as at 30 September of the following year.

After the tax proceeds are taken into account (predominantly from group tax), which amount to € 5,731.4K (2009: € 11,900.6K), there remains a net loss of € – 65,222.0K (2009: net surplus of € 5,768.2K), and after the release of non-distributable capital reserves and profit reserves are taken into account, the annual result stands at € 0.0K (2009: € 5,896.8K).

Cash flow from operating activities (operating cash flow plus changes in net current assets) for the 2010 business year stood at € 38,641.05K (2009: € 418,100.00K) and cash flow from investment activities at € – 270,794.46K (2009: € – 456,600.00K). Cash flow from financing activities totalled € – 8,045.20K (2009: € 245,900.00K).

Total assets of CA Immobilien Anlagen AG remained almost unchanged, standing at € 2,299,449.9K (31.12.2009: € 2,307,883.4K). Fixed assets increased from € 2,025,895.4K to € 2,218,589.9K compared to the previous period. The proportion of fixed assets in relation to total assets as at 31.12.2010 stood at around 96.5 % (2009: 87.8 %). As at 31.12.2010, the company's property assets encompassed 28 real estate sites in Austria with a book value of € 264,512.8K (31.12.2009: 30 real estate sites, € 283,604.3K). The total effective area was 233,301 sqm. Intangible assets total € 285.2K (31.12.2009: € 485.5K) at the end of the period and comprise IT software and above all goodwill, which declined in line with planned depreciation and amortisation from € 429.0K in the previous year to € 214.5K as at 31.12.2010. Compared to the previous year, fixed assets decreased to € 265,702.0K (31.12.2009: € 284,864.3K). Accruals for prepayments received and sites under construction predominantly affect on-going investments, particularly consolidation and separation of rentable spaces at Handelskai and Schubertstraße, as well as the preparatory construction works for the Erdberger Lände.

The book value of the shares in affiliated companies is € 1,753,500.6K (31.12.2009: € 1.629.444,8K). Current accruals are mainly due to the acquisition of 15,050,648 shares in CA Immo International AG, Vienna, totalling € 98,834.8K including auxiliary costs, a shareholder contribution of € 136,000.0K as a down payment to acquire Europolis AG, Vienna, as well as various shareholder

contributions amounting to € 14,857.0K paid to companies in Eastern Europe. There was a disposal of financial assets as a result of the merger of the companies in 2010 and the liquidation of a company in Croatia. Depreciation and amortisation predominantly affected shares in Eastern Europe and totalled € 35,059.0K; in Germany, the figure stood at € 15,928.7K. Appreciation amounted to € 28,326.7K and affected an Austrian holding company with shares in Austria and Germany.

Lending to affiliated companies comprises a loan to CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG for € 117,415.5K (31.12.2009: € 111,093.5K), with the purpose in each case being to refinance subsidiary companies in Austria and Germany for property investment and various lending to companies in Eastern Europe totalling € 77,215.0 (31.12.2009: € 0.0K). Current assets fell from € 280,320.7K as at 31.12.2009 to € 79,441.7K as at 31.12.2010. The change mainly reflects the acquisition of 15,050,648 shares in CA Immo International AG, Vienna, totalling € 98,834.8K including auxiliary costs and a down payment of € 136,000.0K to acquire Europolis AG, Vienna.

In 2010, shareholders' equity decreased compared to 31.12.2009 by approximately 3.7 %, from € 1,515,088.6K to € 1,458,897.9K. The equity ratio stands at around 63.4 % (31.12.2009: 65.6 %). Fixed assets were funded by 65.8 % (31.12.2009: 74.8 %) equity. Provisions increased by 51.2 % from € 50,039.3K as at 31.12.2009 to € 75,645.3K and take into account liabilities from derivative transactions, as well as provisions for contributions to group companies. The rise in liabilities from € 741,396.2K to € 763,618.8K can be attributed particularly to additional payment liabilities to affiliated companies.

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#### INFORMATION PROVIDED UNTER ARTICLE 243 A OF THE AUSTRIAN COMMERCIAL CODE (UGB)

The following information must be declared according to Section 243a UGB:

Implementation of the merger agreement concluded between CA Immo and CA Immo International AG on 27 September 2010 raised the capital stock of CA Immo by € 4,343,534.20, from an initial figure of € 634,370,022.00 to € 638,713,556.20 through contributions in kind against the issue of 597,460 bearer shares with a proportionate amount of the capital stock of € 7.27 per new share. The new shares (exchange shares) quali-

fied for dividends as at 1 January 2010 and were approved for official trading on the Vienna Stock Exchange. The capital stock of CA Immo was divided into four registered shares and 87,856,056 bearer shares traded on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352). The four registered shares are held by UniCredit Bank Austria AG and each equate to one position on the Supervisory Board, although this right has not been exercised. All members of the Supervisory Board are elected at the General Meeting. As at 31 December 2010, the company held none of its own shares; this position has not changed from the previous year.

There are no limitations on voting rights. The transfer of registered shares is linked to the company's approval.

Around 11.8 % of the capital stock and the four registered shares are held by UniCredit Bank Austria AG; as the company's largest shareholder, the bank has constituted the majority at each of the last three Ordinary General Meetings of CA Immo. The company is not aware of any other shareholders with a stake of more than 5 %. The remaining shares of CA Immo (approximately 88.2 % of the capital stock) are in free float. On 3 December 2010, UniCredit Bank Austria AG of Vienna announced its intention to make a voluntary public partial takeover bid under the terms of article 4ff of the Austrian Takeover Act with a view to acquiring shares in CA Immo. On 29 January 2011, the takeover bid was published simultaneously with the statement of the administrative bodies of CA Immobilien Anlagen AG. The bid proposed the acquisition of up to 15,031,823 free-float, no-par bearer shares of CA Immo approved for official trading on the Vienna Stock Exchange (equivalent to approximately 17.1 % of the capital stock). The acceptance period extended from 31 January up to and including 16 February 2011. The offer price was € 12.35 per share, 18.64 % above the closing price for the CA Immo share (€ 10.41) on 2 December 2010, the final day of trading before the announcement of the intended takeover, and above the average weighted prices for the last one, three, six, 12 and 24 calendar months. Taking account of average figures, the offer price of € 12.35 was also roughly 8.7 % above the average obtainable target prices of the respective investment banks and financial institutions before the announcement of the intended takeover, but below the book values per share as at 30 September 2010 (-31.2 %), 31 December 2009 (-30.9 %), 31 December 2008 (-34.7 %) and 31 December 2007 (-44.0 %). Since the bid was voluntary under the terms of article 4 of the Austrian Takeover Act, the bidder was entitled to determine the offer price freely.

Except for UniCredit Bank Austria AG, no other shareholders had particular controlling rights.

Employees who hold shares may exercise their voting rights directly at the General Meeting. According to the Articles of Association, the company's Management Board must comprise one, two or three people. The age limit for Management Board members is set at 65 and is laid down in the rules of procedure for the Management Board. The tenure of a company officer on the Management Board ends after the Ordinary General Meeting, which falls after his or her 65th birthday. The Supervisory Board must comprise at least three, and a maximum of twelve, members. Owners of the four registered shares are each entitled to send one member to the Supervisory Board. The members of the Supervisory Board who have been sent by the registered shareholders can be recalled and replaced at any time by the shareholders. The provisions of the Articles of Association do not apply to members sent to the Supervisory Board for the duration of their time in office. The remaining members of the Supervisory Board are elected at the General Meeting. The age limit for members of the Supervisory Board is set at 70 and is laid down in the rules of procedure for the Supervisory Board. Supervisory board members retire from their position on the Supervisory Board after the next Ordinary General Meeting held after their 70th birthday.

As at 31 December 2010, there was a total of € 312,841,476.80 non-exhausted authorised capital (article 169 AktG), which can be utilised until 8 August 2012 at the latest.

At the Ordinary General Meeting on 13 May 2008, the Management Board was authorised to issue convertible bonds, even by excluding shareholder subscription rights, for a maximum nominal amount of up to € 317,185.0K by 12 May 2013 with the approval of the Supervisory Board on single or multiple occasions, and to guarantee conversion rights on up to 43,629,300 bearer shares in the company for convertible bond holders. As a result of this authorisation, a five-year convertible bond was issued in November 2009 with a volume of € 135,000.0K. The half-yearly coupon payable on the convertible bond was set at 4.125 % and the conversion price was set at € 11.5802 (this represents a premium of 27.5 % above the reference price). As such, a maximum of 11,657,829 no-par value shares will be paid out for any conversion rights which may be exercised. In this regard, the same General Meet-

ing approved contingent capital (article 159 AktG) amounting to € 317.2m.

At the 23rd Ordinary General Meeting on 12 May 2010, the Management Board was authorised in accordance with art. 65 subsection 1 line 8 of the AktG to buy back and, where necessary, sequester or sell the maximum proportion of its own shares via alternative means than on the stock market, or even via public offering, as allowed by law (10 % of share capital) for a period of 30 months after the decision was taken. As at 31 December 2010, this right had not been exercised.

There are no substantive agreements, which come into effect, change or cease with a change of control within the company as a result of a takeover offer.

In the case of a public takeover offer, there will be no compensation agreements with members of the Management or Supervisory Boards or employees.

With regards the accounting process, the main features of the internal monitoring and risk management system are: Minimum standards for internal monitoring systems are determined in an internal group directive. In order to monitor whether these standards were being observed, a separate Internal Auditing unit under the control of the full Management Board was set up as part of a reorganisa-

tion process alongside the Risk Management department. The unit, which took up its assigned tasks in 2010, 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 (regular auditing of individual group companies). 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) has been expanded to assist in the early identification and monitoring of risks. An internal group directive also governs uniform regulations for the group for the production of annual financial statements and interim statements. The group has a comprehensive risk management system. The accounting process was analysed with regard to the important subprocesses. The efficiency of subprocess is audited on the basis of a rotating time plan and designed around best practices (e.g. derivatives, accounts receivable management). The risk management system is part of the auditor's regular program. The results of the audits are reported to the audit committee of the Supervisory Board.

Development of shareholders' equity is as depicted below.

€ 1,000	31.12.2009	Capital increase	Dividend payments	Annual result	Release of capital reserves	31.12.2010
Share capital	634,370.0	4,343.6	0.0	0.0	0.0	638,713.6
Tied capital reserves	868,545.0	4,685.4	0.0	0.0	-53,046.1	820,184.3
Retained Earnings	6,276.9	0.0	0.0	0.0	-6,276.9	0.0
Net profit	5,896.7	0.0	0.0	-65,219.7	59,323.0	0.0
<b>Total equity</b>	<b>1,515,088.6</b>	<b>9,029.0</b>	<b>0.0</b>	<b>-65,219.7</b>	<b>0.0</b>	<b>1,458,897.9</b>

#### COMMITMENT 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). An

appropriate statement concerning the deviations is published at [http://www.caimmoag.com/investor\\_relations/corporate\\_governance/](http://www.caimmoag.com/investor_relations/corporate_governance/) in the corporate governance report, which listed companies are bound to compile according to Article 243b of the Austrian Commercial Code (UGB). 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](http://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](http://www.corporate-governance.at).

## RISK MANAGEMENT

The last business year was characterised by a slow but steady recovery on real estate markets. Compared to recent years, risk factors specific to the market and to real estate have lessened significantly. Real estate yield and the performance of the CA Immo share, both of which have come under severe pressure over the past couple of years, improved to some extent, especially in the second half of the year. Although CA Immo was largely spared from tenant insolvency, vacancy in the portfolio has increased, mainly because of the withdrawal by Siemens from the Erdberger Lände property; some tenants also required less office space on account of staff reductions. Valuations have taken account of current vacancy levels as well as rental agreements that will expire in the future. Generally speaking, CA Immo performed well as regards lettings despite the somewhat subdued market environment. Overall lettings performance of around 175,000 sqm in 2010 was stimulated mainly by significant new lettings and pre-letting in Germany (totalling some 57,000 sqm) as well as the large-scale letting agreement (approximately 32,500 sqm) with Post AG at the Lände 3 site in Vienna.

### General

Systematic risk management is a key element of the CA Immo Group's internal controlling process with a direct bearing on strategic and operational decision-making within the company. The Group is exposed to many kinds of risk as an international manager of property stocks and project developer. These risks have the potential to influence current operational business outcomes and progress towards the strategic goals of the company. Therefore, the objective of risk management at CA Immo is to identify at an early stage and continually

monitor potentially hazardous developments as well as opportunities so that suitable measures can be implemented as necessary. To be able to evaluate the company's risk position at all times, CA Immo is constantly evaluating the level of risk by means of regular reporting that takes account of the current situation of the company and the market. In these reports, risks are documented in relation to specific properties and projects. Other aspects of risk reporting involve simulations and depictions of scenarios as regards the value trend for certain properties as well as exit strategies and financial planning. In addition, specific risk types are assessed at regular intervals, with external advisors consulted: new areas of risk not previously appearing in the risk inventory may be identified and included, whilst others may be classed as no longer significant or removed from the inventory altogether. The last inventory of risk types took place in business year 2008; the categorisation of risks defined at the time is still valid today.

### Risk management at all levels of the company

CA Immo assesses risk according to substance, effect and the likelihood of occurrence. On that basis, risk management is implemented at every level of the company and is therefore binding on all organisational divisions. From a strategic viewpoint, risk management includes the compilation of compulsory guidelines on investment policy. Operational risk management is concerned with countering property-specific and general business risks. The company circumvents unexpected risk by means of early warning indicators such as rent forecasts and vacancy analyses as well as the continual monitoring of lease agreement periods and the possibility of terminations. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. Clear internal guidelines and strategies, business and investment plans and the introduction of continuous reporting systems have made it possible to monitor and control the economic risks associated with everyday business activity. Measures are applied to all Group subsidiaries. Investment plans are also subject to scrutiny by the Supervisory Board or its investment committee. The Controlling department supports the realisation of risk management by providing structured information and data; individual matters are also spot-checked by the Internal Auditing division. In 2010 potential hazard areas were investigated in connection with the issue of corruption. There was no evidence for the existence of crime. The internal monitoring system (IMS) has been expanded to assist in the early

identification and monitoring of risks. The effectiveness of risk management at CA Immo is appraised annually by the auditor, who reports findings to the audit committee, Supervisory Board and Management Board.

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## STRATEGIC RISKS

### **Capital market and financing risk**

Refinancing on the financial market is an important matter for CA Immo. It has become clear in recent years that the proper functioning of the capital market presupposes adherence to the regulations on the part of its participants, and that breaches of the rules impair the trust of investors and thus make the procurement of capital (both shareholders' equity and loan capital) much more difficult. CA Immo addresses this capital market risk on several levels. The company is highly skilled at planning and securing liquidity, and also covers itself by entering into equity partnerships (joint ventures) at project level as an alternative and supplement to established sources of equity capital procurement. More generally, CA Immo regards capital market compliance as a fixed element of corporate risk management involving not just observance of the applicable regulations, but also efficient communication that addresses the interests of investors and analysts and builds the trust of investors on the basis of constant transparency. CA Immo's compliance programme comprises internal guidelines (including compliance guidelines), a code of conduct for staff, training and internal counselling for individuals as required as well as the assertion of sanctions under employment law where violations occur.

The risk of (re)financing may remain a latent factor over the years ahead. As regards the raising of loan capital, CA Immo is increasingly seeking to establish or develop business relationships with domestic and foreign banks (in addition to UniCredit Bank Austria, its principal bank). Financial planning for the coming years has thus been carried out in detail, taking particular account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales). The expiry profile of financial liabilities for the CA Immo Group is reasonably stable over the next two years. In the years up to 2014, the annual refinancing volume will be below € 150 m, excluding Europolis (or below € 300 m (including Europolis); these figures relate only to financing at property or project level. The refinancing of the 6.125 % CA Immo bond 09-14 (ISIN:

AT0000A0EXE6) and the convertible bond are scheduled for 2014, provided conversion rights are not exerted.

Project development also makes up a substantial part of the CA Immo Group's business activity. For these projects to be realised, it is essential that equity or additional loan capital (project financing) is available. Delays in credit lending can lead to delays in construction work, which has a negative knock-on effect on project valuation; where pre-letting has been secured, this can result in the imposition of contractual penalties. Loss of rental revenue can in turn have serious implications for the company's cash flow. Moreover, where construction costs increase, this can mean a danger of financing conditions being tightened. With all of this in mind, CA Immo takes various steps to control the risks associated with project development (cost monitoring, variance analyses, long-term liquidity planning, observance of minimum pre-letting quotas, and so on).

### **Expansion risk**

Over recent years, the portfolio of the CA Immo Group has expanded rapidly. The realisation of investment plans, the assimilation of fully acquired real estate packages and companies and (not least) project development pose major challenges for the company and its employees. Taking account of properties acquired through the takeover of Europolis AG, CA Immo's property assets at the start of 2011 stood at just over € 5 bn, equivalent to an average annual growth rate in excess of 30 % over the last five years. Having come through this period of expansion, the clear priority for CA Immo now is to optimise the existing portfolio rather than aim for further acquisitions. CA Immo is therefore flexibly adapting its pace of growth to global (and especially regional) conditions. Expansion planning is carefully coordinated with the planning of financial and personnel resources. To prevent organisational bottlenecks, service processes have been developed and are subject to continual adaptation. Staff development is addressed by means of active personnel management.

### **Concentration (cluster) risk**

Concentration risk arises where individual investments lead to a defined upper value in the total portfolio being exceeded as regards location or investment volume. In such cases, the potential market risk is significantly raised and the prospect of selling these properties is diminished (especially where the market environment is constricted). On the other hand, exceptionally small properties raise the danger of excessive administration

costs (in relation to rental revenue). For this reason, joint venture partners are sought for large-scale investment initiatives in order to reduce the share of risk borne by CA Immo considerably. To bring about a suitable balance between expenditure and revenue, small properties (which are generally acquired through portfolio purchases) are regularly sold off and the composition of the portfolio is assessed on a quarterly basis.

Concentration risk is created where certain investments lead to over-representation in the overall portfolio for a particular region, country, specific usage type or tenant structure: this is because changes in the market can affect levels of demand which will impact negatively on the company's profitability. Concentration risk as regards tenants generally arises where individual tenants are over-represented in terms of rental revenue and rentable space and thus have a significant bearing on the earnings of the CA Immo Group (as was the case, for example, with the package of investment properties acquired from the state of Hesse in 2006). However, validity terms on existing rental agreements and creditworthy tenants (such as the state of Hesse) will nullify concentration risk and the risk of tenant withdrawal. As a countermeasure, especially on the target markets of Eastern and South Eastern Europe, CA Immo applies regional investment limits according to the size of the overall portfolio and, in the case of individual properties, the size of the respective market. Aside from regional distribution, efforts are made to ensure diversification in the tenant structure and usage types.

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#### PROPERTY-SPECIFIC RISKS

##### **Market and liquidation risk**

The real estate sector is closely intertwined with the macroeconomic developments on its markets. As regards the demand for commercial real estate in particular, economic growth is proving to be a determining factor. The recent recessionary years have thus been as challenging as might be expected. Not only was the investment market brought to a halt, but companies shelved their expansion plans, significantly cutting the demand for office space. In 2010, nearly two years after the financial and economic crisis took hold, activity in the global economy picked up pace once again, sparking signs of recovery and renewed growth as the year progressed. However, the pace of economic recovery varied from one country to another. The European economy as a whole is expected to maintain its recovery in 2011, with the upturn driven by

growth engines like Germany. Improving growth figures are also expected on the CA Immo markets of Central and Eastern Europe, albeit to strongly varying degrees. Inflation rates are likely to continue rising in the various countries.

Office properties constitute the core business for CA Immo. Given that good quality properties are in short supply, however, the price of more risky value-added investments is also set to increase sharply. With stable growth rates, rising corporate profits and attractive levels of consumption, Western European countries promise consistent growth potential at low risk. Feri Finance (a corporate group specialising in financial and portfolio advice, economic research and rating) is forecasting rental rates to rise by 3.2% in 2011 and 4.2% in 2012. Although the development of rental rates in prime locations in Germany can be below average, German cities offer a high level of security, with low volatility of rents and yields. Rent levels bottomed out in 2010 and are likely to start rising again in 2011. Although European locations will offer the best overall investment opportunities in 2011, supply will remain limited as demand, as it did last year, continues to focus on buildings in prime locations with long-term lease contracts ('core' properties). According to recent estimates, however, these properties comprised just 5–15% of the total market in 2010. The selective stance of investors will therefore be reflected in the price level. Bearing this in mind, CA Immo performs its own exhaustive market analyses prior to any investment decision and as a regular part of portfolio management; the company also maintains constant contact with leading experts in the sector. To minimise regional risks, the ideal resale times for the largest properties in the portfolio are considered as part of regular discussions concerning location quality, property quality and market changes. In this way, CA Immo reduces the risk of not being able to sell properties, or only being able to sell them at a discount. Through this approach, key early indicators of market risk are systematically applied to evaluations of investment and project plans, and thus to medium-term corporate planning.

Depending on market trends, CA Immo is subject to a certain profit fluctuation risk associated with both resale and vacancy risk: where floor space is not let, income is forfeited, vacancy costs arise and the value of a property falls. The vacancy level for CA Immo in Austria increased enormously last year owing to the withdrawal by Siemens from the Erdberger Lände property; however, a desirable new tenant was secured in the form of Post AG, which

will lease around 32,500 sqm of floor space on the site as from 1 August 2011. On account of market conditions, vacancy levels are also very high in (South) Eastern Europe, and particularly Hungary and Serbia. Over the business year ahead, therefore, the focus will switch to lettings activity in these regions as well as properties under construction in Germany. The danger of loss of rent is also a possibility; after all, we still cannot rule out the risk that in spite of the economic upturn, certain tenants will not have come through the recent crisis unscathed. Risk of this nature faces the company at its Pilsen and Prague hotel properties in particular. The potential for risk is generally countered by demanding securities (bank guarantees) in order to offset any rent arrears. The risk of lost rent is also taken into account to a sufficient degree in the valuation of relevant properties. To keep vacancy and rent losses to an absolute minimum, CA Immo screens the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored, and structured quality checks are carried out. Lease agreements generally have a balanced lease expiry profile, but rent reductions in the course of contract extensions remain a risk. The company cooperates with reputable estate agents when seeking new tenants.

Since the location of real estate has a decisive influence on rentability and long-term letting potential as well as the earning power and sales revenue of a property, and therefore represents the greatest risk associated with real estate investment, CA Immo commissions external experts to carry out regular analyses of locations and trends. Locations that are candidates for investment are assessed separately according to additional requirements.

#### **Project development and investment cost risk**

Since 2006, the CA Immo Group has significantly increased its involvement in development projects, with the area gaining a boost from the acquisition of Vivico Real Estate GmbH in Germany. In Eastern Europe, these activities are generally managed through the CA Immo New Europe project development fund. The objective is to generate extra income through the addition of value inherent to project development. Project business is, however, associated with higher risk. Risks can arise from imponderables such as delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects and so on. Even with meticulous planning and monitoring, these risks can never be completely eliminated. Project development risk has increased substantially in recent years as capital market

risks, financing risks and geopolitical risks have intensified and general conditions have changed. Original project costings have thus had to be revised in the (South) Eastern European portfolio, in some instances considerably. CA Immo is responding to the evolving situation as necessary, adjusting book values clearly and appropriately. In general, CA Immo is countering project development risk by choosing partners and service providers with care whilst maintaining stringent controlling, both internally and externally. Controlling involves regular cost monitoring, variance analyses and appropriate reporting. The start-up losses that typically arise in connection with project development also have a detrimental effect on earnings with the accrual of non-capitalisable costs. Over the project lifecycle, these losses are offset against revenue from lettings and sales; accordingly, projects are only launched after comprehensive and long-term liquidity planning. CA Immo invariably seeks to secure pre-letting (50–60% in Germany, for example) before actually commencing a project. In Eastern and South Eastern Europe in particular, however, this may not be achievable (or only possible to a limited degree) on account of the specific market situation. In this region, lease contracts tend to be signed only when there is a sufficient likelihood of project completion and projects are sometimes initiated even with low levels of pre-letting.

Fluctuating building costs also pose a risk to CA Immo. At present, costs are rising in virtually all regions in which CA Immo is involved in project development. The price trend in the raw materials sector (steel, aluminium, copper, etc.) is particularly important. With this in mind, cost pools are formed for large-scale projects and contracts are awarded singly or in batches. All current projects are being implemented within their approved budgetary frameworks.

Another cost factor is the build quality of a property, which has a considerable influence on the costs of its management. A property that does not comply with current standards can generate higher investment costs in connection with restoration and improvement measures, or fail to attract tenants; this in turn adversely affects the earning power of that property. To stop this happening, CA Immo undertakes technical due diligence prior to acquisition in order to determine a property's quality and the compliance of its fixtures and fittings with CO<sub>2</sub> criteria, energy performance certificates and so on. The company also maintains close contact with tenants and property managers so that any hidden construction defects can

be remedied quickly and cost-effectively. CA Immo oversees an international portfolio of properties built at different times and in varying conditions, and these properties must be regularly inspected and refurbished as necessary. An instrument for analysing and evaluating the sustainability of portfolio buildings was produced and tested in 2010. The tool was mainly applied to offices, with 15 of these properties from the Group's overall portfolio assessed according to environmental, economic and social criteria. The CA Immo Sustainability Tool (CAST) maps a total of 62 sustainability criteria. When the tool is rolled out as planned to cover the entire portfolio, it will be possible to obtain fast, cost-effective overviews of the condition of assessed properties.

When implementing its own projects, CA Immo seeks to ensure that properties qualify for green building certification. A catalogue of criteria is applied to ensure economic, environmental, technical, social and functional quality. These sustainability standards in the real estate development field will be gradually rolled out to all new CA Immo Group projects: every new project launched by the Group will either be sustainability-certified or, at least, constructed in compliance with certification standards.

#### **Property valuation risk**

Real estate prices are subject to considerable fluctuation on account of changing economic conditions (rising and falling interest rates, expanding or contracting economies, imbalance between the supply and demand of real estate and other factors). In common with most companies in the sector, CA Immo opted for the market value method in the conversion of its accounting to IFRS. Changes in market value can lead to major discrepancies in results, and this has produced some very negative outcomes in the past two years. Such value reductions curtail not only results but also equity capital; this in turn adversely affects creditworthiness, with loan-to-value covenants unable to be upheld in some circumstances. To maintain its creditworthiness, CA Immo agrees appropriate leverage in advance and secures appropriate restoration periods in connection with financing. All CA Immo real estate is externally valued once a year.

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## FINANCIAL RISKS

Risks linked to liquidity, interest rates, credit and currencies make up the main financial risks. The various financial risks facing CA Immo are as follows:

#### **Interest rate risk**

For the CA Immo Group, risks associated with changes in interest rates tend to arise in connection with long-term financing with outside capital. CA Immo uses a mix of long-term fixed-rate and floating-rate loans to counter the interest rate risk. Some floating-rate loans are secured by means of derivative financial instruments (interest rate caps/swaps), which without exception are used to hedge against the risk of interest rate changes arising from underlying transactions. On account of market conditions, it has been necessary over the past three years to set up derivative financial instruments for 100 % of the outstanding amount on new loans. Even these instruments can be subject to changes in value, however.

Interest rate swaps have proved to be particularly inefficient in connection with early loan repayments and property sales (around € 261 m of fair value swaps after netting with offsetting swaps). In the case of contracts classified as fair value derivatives, value changes are directly shown as revenue or expenditure in the income statement and are charged along with additional interest payable from interest rate swaps no longer required for hedging purposes. This generally applies to non-cash valuation results. By contrast, changes in the value of contracts that can be defined as cash flow hedges (and the majority of the swaps used by CA Immo come into this category) are shown as changes in shareholders' equity in the consolidated financial statement according to IFRS. In addition to the valuation result, the delta between the interest reference rate and the swap rate is posted as cash expenditure.

To neutralise the interest rate risk associated with these swaps, two new countervailing swaps with a nominal value of € 105.4 m were concluded in business year 2009 and one new countervailing swap with a nominal value of € 65 m was concluded in 2010, thereby producing a fair value hedging relationship in this amount. Following the acquisition of Europolis (which, unlike CA Immo, does not hedge against interest rate risks), the hedging quota was reduced to the reasonable level of around 76 %.

No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all identified risks.

#### **Currency risk**

Owing to investment activity abroad, the management of currency risk is an important element of risk management. Currency changes generally affect earnings as a result of

rental income and rents receivable in foreign currency (especially BGN, CZK, HUF, PLN, RON and RSD). Non-cash effects on consolidated net income can result from the translation of individual financial statements of subsidiaries outside the eurozone. CA Immo counters this risk by pegging rents to a hard currency (EUR or USD), and no significant currency risk exists at present. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. Loans are taken out in the currency underlying the relevant lease (this mainly applies to financing in CZK and USD). Currency risks are rarely secured in connection with construction projects at present (the Poleczki Business Park is an exception).

#### **Liquidity risk**

Controlling liquidity means ensuring sufficient financial means are available for the settlement of liabilities as they become due. The company is highly skilled at planning and securing liquidity in order to avoid bottlenecks and thereby circumvent unnecessary potential losses and risks. Loans are usually agreed on a long-term basis in accordance with the investment horizon for real estate. Although the acquisition of Europolis and the purchase of CA Immo International shares that preceded the merger of CA Immo International AG with CA Immo served to reduce the liquidity of the CA Immo Group, sufficient liquidity remains to support planned investments and projects under construction. Even with meticulous planning, however, liquidity risk cannot be eliminated, particularly where capital requests linked to joint venture partners are not viable. Moreover, capital commitments are typical in the case of development projects. Given that Vivico, a company forming part of the Group, has a particularly high commitment in the case of the Tower 185 project, the finalising of sales planned for 2011 is of critical importance. To support liquidity, project budgets are continually evaluated as regards the level and urgency of capital required and efforts are made to cut the equity requirement by involving joint venture partners to a greater degree.

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### GENERAL BUSINESS RISKS

#### **Legal risks**

In addition to the usual legal disputes that arise in the sector (especially against tenants), CA Immo faces the risk of disputes with, for example, joint venture and project partners. Disputes can also potentially arise from past and

future sales of real estate as well as annulment actions brought by shareholders in connection with resolutions of the Ordinary General Meeting or review of the exchange ratio applied in the merger of CA Immo International AG and CA Immo. At present, however, no lawsuits or arbitration proceedings which could have a material influence on the economic situation of the company are pending or foreseeable. Almost all pending actions relate to conventional operational business activity. Accordingly the partner of a Russian project has signaled to file an arbitrational lawsuit (value of the claim € 48.0 m). Sufficient provisions are formed as necessary: as at 31 December 2010, provisions of approximately € 1.8 m had been allocated (in the CA Immo Group). Within CA Immobilien Anlagen AG provisions of approximately € 0.7 m had been allocated for legal, auditing and consultancy fees (as of 31.12.2010). In order to minimise legal risks, CA Immo works with lawyers on its relevant target markets, integrating them into decision-making processes at appropriate stages.

#### **Environmental risk**

Environmental legislation has a critical bearing as regards investing in real estate. The CA Immo Group can incur significant costs arising from its responsibility to prevent specific damage to the environment; contamination may be established, for example, from toxic substances and materials in built structures. It is also possible that changes in the law may require previously acceptable materials and substances to be subsequently eliminated. It is not possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; negative effects on the company's assets, financial and earnings position are feasible. Moreover, new regulations passed by legislators can have a bearing on existing contracts and thus impact the value trend for real estate significantly. CA Immo therefore incorporates these considerations into its wide-ranging assessments prior to every purchase. Appropriate guarantees are also required from sellers. In its capacity as a project developer, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies wherever possible. In future, environmental risks associated with investment properties, amongst other things, will be assessed by the CA Immo Sustainability Tool (CAST).

#### **Taxation law risk**

National taxation systems are subject to ongoing change on the target markets of the CA Immo Group. Working

with international consultants, the company monitors all relevant debates and decisions taken by national legislators. Despite this, short- and long-term tax expenditure linked to changing legal frameworks poses a constant risk to revenue. Sufficient financial provisions have been made for established risks.

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#### THE INTERNAL MONITORING SYSTEM (IMS)

The internal monitoring system (IMS) is a conglomeration of systematically structured measures designed to ensure compliance with guidelines and prevent errors; the guidelines include both specific company rules (Group manual, allocation of responsibilities, authority to sign, dual verification principle, regulations for release, etc.) as well as legal provisions. The objectives of the IMS are to preclude (preventive monitoring) and identify (detective monitoring) errors in accounting and financial reporting, thus enabling amendments or countermeasures to be introduced in good time. The operational divisions are involved to ensure a complete overview of the process of financial reporting. CA Immo defines preventive monitoring as those checks undertaken by responsible administrators as they carry out business processes prior to and/or within specific systems (e.g. accounting and consolidation software). Detective monitoring refers in particular to controls carried out by responsible heads of department or the head of finance and accounting on the basis of analyses derived from such systems. In accordance with the organisational structure of the CA Immo Group, responsibility for the implementation and supervision of the internal monitoring system lies with the appropriate local management teams, i.e. the managing directors of the various subsidiaries are required to perform self-checks in order to assess and document compliance with the monitoring measures making up the IMS, which has been standardised across the Group. As part of a reorganisation process, CA Immo set up an Internal Auditing unit under the control of the full Management Board to consolidate the internal monitoring system alongside the Risk Management division. Both units took up their assigned duties in business year 2010. On the basis of annually compiled auditing plans, or in response to ad-hoc assessments performed as needs dictate, they now oversee compliance across the Group with legal provisions, internal guidelines and rules of conduct. On an operational level, the units review the functioning of (business) processes as regards possible risk and cost-effectiveness and assess the potential for efficiency improvements. The internal auditing unit also supervises

the observance of checking procedures by local management teams and determines the dependability of operational information as well as the effectiveness of the internal monitoring system. To achieve this, detailed reporting (EuroSox/SOX documentation) on specific processes and controls as well as accounting and financial reporting is essential. Finally, the results of these assessments are reported to the responsible executive boards as well as the full CA Immo Management Board. The Supervisory Board is informed as to the auditing plan and the assessment results at least once a year. Furthermore, the proper functioning of the risk management system is evaluated annually by the Group auditor, with the findings presented to the Management Board and the Supervisory Board or its audit committee.

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#### FINANCIAL INSTRUMENTS

The company uses interest caps to minimise existing risks resulting from interest rate rises. Furthermore, CA Immo has concluded interest rate swap agreements in order to counteract the risk of fluctuations in interest rates. The interest cap valuation is carried out at amortised costs or at a lower market value as at the balance sheet date. The interest rate swaps are only recognised in the provisions at the fair value for a single loss calculated as at the balance sheet date according to the principle of unrealised gains. The fair value equates to the value, which the company would receive or have to pay when releasing the transaction as at the balance sheet date. The nominal amount and the market value as at 31 December 2010 are set out in the notes. This value is calculated in each case by the bank with whom the transaction was concluded. Risks associated with changes in interest rates only tend to arise in connection with long-term financing with outside capital. CA Immobilien Anlagen AG has accounted for expenses relating to derivative transactions (interest including valuation), which totalled € 24.1m (previous year: € 25.5m), under the item "interest and similar expenses".

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#### BRANCH OFFICES

The CA Immo Group has its head office in Austria and also has a presence in Germany via the subsidiary Vivico Real Estate in Frankfurt, Berlin, Munich and Cologne, as well as in eastern Europe via subsidiaries in Budapest, Warsaw, Belgrade and Bucharest.

## INVESTMENTS AND FUNDS

CA Immo has positioned itself as an investor in commercial real estate, focusing on the Central European region through the twin business areas of investment properties and project development. The company's activities are focused in Austria, Germany, Central Eastern Europe (CEE), South Eastern Europe (SEE) and Russia. All CA Immo business in Germany is managed by Vivico Real Estate, the subsidiary company acquired early in 2008. The subsidiary CA Immo International AG, which had handled the Eastern European activities since 2006, merged with the parent company CA Immo in November 2010 with retrospective effect to 31 December 2009. The project development area has essentially been managed by the CA Immo New Europe (CAINE) special fund, in which CA Immo holds a 60 % stake, since 2006. Given that the commitment period during which new projects can be initiated has already ended, all new undertakings will be implemented directly by CA Immo itself (where the fund partner decides against individual realisation). The acquisition early in 2011 of Europolis AG, a subsidiary of the Austrian Volksbank specialising in real estate, has raised the profile of the company in its core region of Eastern Europe. The acquisition will be reflected on the balance sheet on 31 March 2011.

### Vivico AG

CA Immo has been investing in Germany since the autumn of 2006. Most of its investment properties in Germany, including the package of properties acquired from the state of Hesse in 2006, are maintained by Vivico AG (and affiliates), in which CA Immo has direct and indirect holdings amounting to 100 %. Vivico AG is fully consolidated in the consolidated financial statements of CA Immo. As at key date 31 December 2010, the market value of its property assets stood at € 879.3 m (consolidated financial statement).

### Vivico Real Estate GmbH

Vivico Real Estate GmbH, the German company that specialises in urban development, has served as the operational platform for the Group's activities in Germany (project development and asset management) since 2008. Vivico, which was previously a collecting society for railway properties owned by the German state, has extensive expertise in developing inner city properties formerly devoted to industrial or railway purposes. Projects on these development sites are at various stages of preparation and will be rapidly progressed to construction readiness over the coming years. This type of urban de-

velopment – turning brownfield sites without land use plans into completed urban districts – has high potential for added value and ideally complements the more stable core business of managing investment properties. Vivico Real Estate GmbH is also fully consolidated in the consolidated financial statements of CA Immo.

The property assets of Vivico Real Estate GmbH mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale (with a market value of € 1,157 m as at 31 December 2010). On completion, development projects are either sold, transferred to the company's asset portfolio or sold to property developers as construction-ready real estate.

At Vivico, all tasks critical to the creation of value are performed by the company's own staff. These include developing urban district concepts, land development (including site planning) and the preparation of sites for sale. With branch offices in Frankfurt/Main, Berlin and Munich, the Vivico organisation meets the requirements of local presence as well as cross-company management and support. Every site functions as a profit centre, generally taking sole responsibility for the implementation of its projects. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by the Vivico subsidiary **omniCon** (acquired in July 2008), which also performs these services for third parties. In 2007 Vivico, in partnership with the Feuring Group, established **Viador**, a company that specialises in concept development for hotels (another element in urban development project work). Its service range includes site inspections, analyses of the hotel market and feasibility studies as well as business planning based on these. External service providers are brought in to carry out certain other activities, which enables the cost structure to be adapted flexibly to varying workloads.

### CA Immo New Europe property fund

CA Immo has been managing its development projects through this project development fund since the start of 2007. The investment strategy of the fund, which is structured under Luxembourg law as a SICAR (société d'investissement en capital à risque), is aligned towards real estate development projects in Eastern and South Eastern Europe. Until the merger in November 2010, a 60 % stake in the fund was held by CA Immo International, which was also a listed CA Immo subsidiary at the time. As a result of the merger, this shareholding was trans-

ferred to CA Immo under the terms of universal succession; four institutional investors at home and abroad account for the remaining 40 %. The planned lifespan of the fund, which is managed by a CA Immo subsidiary, is seven years in total (with the option to extend). The commitment period (in which new projects can be initiated) ended on 31 December 2009.

The total volume of the fund was originally envisaged at € 1 bn, of which € 400.0 m was to be made available as equity. In view of the changed market conditions, however, investment activity fell far short of the levels originally intended; agreement was reached with the co-partners only to proceed with development projects that were already in progress. As a result, only one third or so of the maximum amount had actually been requested by 31 December 2010. As at the balance sheet date, the market value of the fund portfolio was approximately € 134 m. Three projects are in progress at the present time; another three have been finalised since the fund was set up and will henceforth be held directly by the fund as investment properties.

#### **Investment in UBM**

CA Immo has a 25 % holding plus four shares (vetoing minority holding) in the listed property developer UBM Realitätenentwicklung AG, which is based in Vienna. Aside from CA Immo, the main shareholder in UBM is the PORR Group with a holding of around 41 %. With its track record of development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. The shared Poleczki Business Park project in Warsaw is being realised under the terms of a 50:50 joint venture between the CA Immo New Europe project development fund and UBM. Following a construction period of just under two years, phase one – comprising two separate buildings with very high occupancy rates – was completed at the end of quarter two 2010. A modern office district with a total effective area of 200,000 sqm is scheduled for completion by 2015. Investment in the first building section amounted to some € 110 m, with the total construction project costing at around € 250 m. Preparations are currently under way for construction phase two. UBM is also involved in the Airport City St. Petersburg project in St. Petersburg, where it is contributing both capital and, in particular, its expertise as a project developer.

In 2010, CA Immo received a dividend for 2009 of € 750 K for its holdings in UBM, corresponding to a return of 3 % on the capital invested.

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#### **PENDING LAWSUITS**

The company is involved in several lawsuits arising from the ordinary course of business. The partner of a Russian project has signaled to file an arbitrational lawsuit (value of the claim € 48.0 m). Provisions were formed, depending on the likelihood of a claim being asserted.

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#### **FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS**

In strategic terms, the business activity of CA Immo revolves around raising the value of the company over the long term. Central financial performance indicators (key figures) are an important tool as regards identifying the main factors that contribute to the long-term increase in corporate value and quantifying those factors for the purposes of value management.

The primary financial performance indicator in this context is the net income generated with the money shareholders have invested (return on equity, RoE). The aim is to produce a ratio higher than the imputed cost of equity (we assume a medium-term rate of around 7.0 %) and thereby generate shareholder value. The return on equity for 2010 was around 2.8 %, below the target value for the year, which was therefore not attained. Despite this, we remain confident that the measures defined under our strategy will enable us to return to an acceptable return on equity in the medium term.

Among the other quantitative factors used to measure and manage our shareholders' long-term yield are the change in NAV per share, the operating cash flow per share, return on capital employed (ROCE) and economic value added (EVA; see table).

## VALUE INDICATORS FOR THE CA IMMO GROUP

		2010	2009	2008	2007
<b>Key figures per share</b>					
NAV/share	€	18.70	17.90	18.90	22.00
Change in NAV/share	%	4.5	-5.3	-14.1	6.8
Operating cash flow / share	€	1.38	1.40	1.32	1.07
RoE <sup>1)</sup> in %	%	2.8	-4.8	-13.4	3.3
ROCE <sup>2)</sup> in %	%	4.8	0.1	Negativ	5.2
EVA <sup>3)</sup>	€ m	Negativ	Negativ	Negativ	2.7

<sup>1)</sup> Return on Equity (Eigenkapitalrentabilität) = Konzernergebnis nach Minderheiten / Ø Eigenkapital (ohne Minderheitsanteile)

<sup>2)</sup> Return on Capital Employed (ROCE) = Nettorendite auf das eingesetzte Kapital: ROCE = Net Operating Profit After Tax (NOPAT) / Capital Employed

<sup>3)</sup> EVA (Economic Value Added) ist eine eingetragene Marke von Stern Stewart & Co; EVA = Capital Employed \* (ROCE - WACC); WACC 2010 = 5,0

The key factors for CA Immo AG include the equity ratio, net debt (bonds and liabilities to bank less cash and cash equivalents) and equity-to-fixed-assets ratio. The equity ratio reflects the portion of the company's financing that is covered by its equity. It

is an important indicator when assessing a company's creditworthiness. The equity-to-fixed-assets ratio indicates the extent to which, measured in percent, equity covers the fixed assets of CA Immo AG.

## VALUE INDICATORS FOR CA IMMOBILIEN ANLAGEN AG

		2010	2009	2008	2007
Equity ratio	%	63.4	65.6	59.5	68.8
Net debt	€ m	585.9	405.8	367.5	439.7
Equity-to-fixed-assets ratio	%	65.8	74.8	61.3	85.4

Since the financial indicators ultimately demonstrate the operational success of our property business, they are preceded by a series of performance indicators that cannot be immediately quantified in financial terms and which are key to measuring and managing our operational business:

**Vacancy rate and average rent**

Sound economic data feeds the demand for commercial premises and invigorates both building activity and the property market. Cyclical discrepancies between supply and demand are reflected in the utilisation rate and attainable rents. Viewed over time, the vacancy rate and average rent are key indicators of a portfolio's quality and its successful management; they are also indicative of the

asset managers' ability to respond in a timely fashion to economic influences.

**Location quality**

The quality of a site is a major criterion in property marketing; the accessibility of a location, determined by infrastructure, plays a particularly crucial role. Changes in the quality of a location take place gradually and are eventually reflected not only in price, but also in the difficulty of attracting new tenants.

**Local presence**

Local knowledge and familiarity with markets are key to the effective cultivation of highly diverse regional markets. For this reason, CA Immo maintains branch offices in the company's main markets of Germany and Eastern

Europe (the latter have been consolidated by the recent influx of Europolis staff members).

#### **Expertise and synergy**

The competitive edge of CA Immo stems from the local knowledge of its operating employees and the utilisation of synergies in the Group, especially in the fields of project development and property marketing. The competitive edge of CA Immo stems from the local knowledge of its operating employees and the utilisation of synergies in the Group, especially in the fields of project development and property marketing.

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#### **STAFF**

As at 31.12.2010, the Group employed a total of 318<sup>6</sup> people (31.12.2009: 332). CA Immobilien Anlagen AG itself employed 58 people (31.12.2009: 46).

#### **Re-Integration CA Immo International**

The agendas of CA Immo are largely centrally controlled from the head office in Vienna. Until the merger key date of CA Immo International as at 15.11.2010, staff in the functional areas of Investor Relations, Corporate Communications, Finance and Accounting, Controlling, Legal Affairs and Personnel as well as IT and Organisation, which is employed by CA Immobilien Anlagen AG, performed their tasks for both companies. The associated costs were divided between the two companies according to requirements so that synergies between the two companies could be exploited cost-effectively. Asset and Investment Management and Holding Management were managed separately by the individual companies and absorbed into CA Immo AG as at 15.11. The areas of property management, project control, bookkeeping and facility management for the Eastern European investment properties are still covered by local subsidiaries in Poland, Hungary, Serbia and Romania. CA Immo staff also work in a joint executive capacity for CA Immo New Europe where they and their teams contribute the necessary expertise to the management of the Special Fund.

#### **Vivico Integration: Functional Merger Complete**

The process of integrating the German subsidiary company Vivico Real Estate into the CA Immo Group as part of a functional merger was completed in 2010. The main focus was on identifying and realising synergies, both on the CA Immo and Vivico side, in order to increase effi-

ciency and reduce costs as a result of dual structures. During the course of these structural changes, the number of employees at CA Immo in Austria and Germany was reduced by around 10 % on a like-for-like basis, with individual measures sometimes being taken to support some of those affected in their future careers.

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#### **OUTLOOK 2011**

Economic indicators for the main markets of the CA Immo Group clearly show the recovery that started in 2010 gathering pace. Against this background, we expect the key factors that drive real estate markets – including demand for rental premises and vacancy rates – to improve steadily.

However, the decisive element in the financial figures for the CA Immo Group in 2011 will be the initial consolidation of Europolis AG, which will significantly expand our property assets to some € 5.1 bn. We expect rental income to increase to approximately € 100 m as a consequence, which in turn will have a highly positive influence on the earnings position of the CA Immo Group.

During 2011, we will once again arrange selective sales from a portfolio now expanded by Europolis, and we will seek to raise the total sales volume in comparison with the figure for 2010. Sales will be counterbalanced by investment of some € 250-300 m, especially in current development projects

On the basis of these activities, and assuming further improvements in property valuations as well as little change in interest rates from the end of 2010, the Management Board anticipates a return on equity of at least 5 % for 2011. A similar increase in the NAV is also a realistic possibility. Provided our targets are reached, the Management Board has every intention of proposing to the Ordinary General Meeting for 2011 the payment of a dividend of around 2 % of NAV for the first time.

#### **Outlook on the capital market**

As 2011 began, the public real estate sector appeared to be in much better health than at any time in the past three volatile years. If the more optimistic mood in the field continues, the effects on the CA Immo share price are likely to be positive.

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<sup>6</sup> Davon 5 % Teilzeitarbeitskräfte

### Major risks and uncertainties in respect to the 2011 outlook

Our predictions for 2011 are subject to certain assumptions on general conditions as well as parameters specific to the real estate sector. The economic picture remains unpredictable, which means more uncertainty as to whether we will meet our targets for investment volumes, realisation timeframes and revenue.

We believe the main factors influencing our business plans for 2011 will be

- Trends on international capital markets and the effects of these on economies in the regions in which we operate.
- The extent of the impact of economic developments on demand for rental premises and rental prices across our various regions.
- The accessibility (and cost) of financing with outside capital.
- Developments on the real estate investment market, the associated price trend and the resultant effects on the value of our portfolio.
- The speed at which planned development projects are realised (which will largely depend on the availability of necessary external debt capital and equity).
- Political, fiscal, legal and economic risks; the transparency and development level on our real estate markets.
- The general development of interest rates.

### RESEARCH, DEVELOPMENT AND ENVIRONMENTAL CONSIDERATIONS

The main aims of research and development activity at CA Immo are to secure the value of real estate and the quality of life for users for the long term and to control, quantify and communicate these activities through consistent standards and certifications. The trend of the past few years has shown that sustainability is emerging as the decisive competitive factor in the real estate sector.

In order visibly to incorporate long-term effects into the processes of the Group, the Management Board decided to base its financial reporting on the **standards of the global reporting initiative (GRI)**<sup>7</sup>, which promotes qualitative measures to support sustainability through transparency, from 2010 onwards. Use of the system rooted in the GRI standards enables each department to group its

actions as regards sustainability by means of performance indicators, thereby maximising their effectiveness. Accordingly, the various sections of this report contain information on different aspects of sustainability.

### Economic, environmental and social goals of the sustainability mission in the real estate sector

- Minimising the lifecycle costs of buildings
- Minimising maintenance investment in relation to the development of new buildings
- Constructing and managing properties in a way that conserves resources and minimises carbon emissions
- As far as possible, avoiding pollutants in the construction, modification and use of properties and closing the cycle of building materials
- Creating an appropriate living and working environment with social integration rather than ghettos
- Linking work, living and leisure time in the residential scheme, thus creating a stable environment for the long term
- Minimising 'pioneer risk' in urban district development

### Areas of activity for the business divisions

- Planning, developing and constructing urban districts and individual properties
- Managing stock properties
- Integrating and monitoring performance indicators in all workflows

**As regards project development**, CA Immo seeks to secure certification, which optimises the intrinsic value of a property for investors and tenants alike. The market availability of certified properties – which are characterised, amongst other things, by low energy consumption and higher comfort – is very limited. For this reason, all development projects across the Group must qualify for certification. Two main certification methods are applied within the CA Immo Group: the American Leadership in Energy and Environmental Design (LEED) certification and the seal of quality from the German Sustainable Building Council (DGNB).

### The evaluation criteria for LEED certification (American sustainability standard) include:

- Environmental compatibility of the land (including location)
- Efficiency of water consumption (rainwater use)
- Energy efficiency (operation/installation engineering/energy sources)
- Raw materials and building materials (recycling/regional materials/renewable raw materials)

<sup>7</sup> For more information on GRI, visit [www.globalreporting.org](http://www.globalreporting.org)

–Quality of the interior (air/light/climate)

#### **CAST portfolio evaluation tool tested in 2010**

Different evaluation systems are used for the management of properties on CA Immo's various markets. Systems such as the Austrian energy performance certificate are not internationally compatible. In 2010, therefore the company decided to develop an in-house instrument for analysing and evaluating the sustainability of existing buildings. The result is CAST, the CA Immo Sustainability Tool. The tool was subjected to feasibility testing in the year under review, with 15 properties in seven countries assessed in accordance with the 62 CAST sustainability criteria. CAST will be implemented throughout the Group in 2011 so that the CA Immo's entire international real estate portfolio can be rated. The planned roll-out across the portfolio will facilitate fast and cost-effective overviews of the condition of properties inspected. 75 % of the group's total office property stock shall be evaluated by CAST in 2011, this quota will be raised up to 100 % in 2012.

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#### **SUPPLEMENTARY REPORT**

The following activities are reported for the opening months of business year 2011:

At the turn of the year, the CA Immo Group acquired **100 % of the shares in Europolis AG**. The date of initial consolidation was 1 January 2011, and the acquisition will be reflected in the interim financial statements for 31 March 2011. For full details on Europolis, please refer to the section 'Profile of Europolis'.

#### **UniCredit Bank Austria AG holds an approximate stake of 16.9% in CA Immobilien Anlagen Aktiengesellschaft**

On 29 January 2011, UniCredit Bank Austria AG announced a voluntary public takeover bid in accordance with article 4ff of the Austrian Takeover Act to the shareholders of CA Immobilien Anlagen AG ('CA Immo') with a view to acquiring their shares CA Immo. The offer price was € 12.35 per CA Immo share. The takeover bid was open to acceptance until 16 February 2011. At the time of declaring the takeover bid, the bidder held 10,438,224 shares in CA Immo, equivalent to a stake of 11.88 % in the capital stock of CA Immo. During the acceptance period, the bid was accepted in respect of 4,402,326 CA Immo shares, equivalent to a stake of approximately 5.01 % in the total capital stock of CA Immo. With the

transfer of the new shares, and taking into account shares held prior to the takeover bid, the bidder will hold 14,840,550 CA Immo shares, equivalent to a stake of around 16.9 % in the total capital stock of CA Immo.

#### **Germany**

The sale of four construction sites spanning a total of 17,500 sqm in the **Düsseldorf district of BelsenPark** was agreed in January 2011. The investors PANDION AG and PATRIZIA Immobilien AG will develop up to 350 apartments in BelsenPark.

CA Immo plans to construct the new **headquarters of Mercedes-Benz Vertrieb Deutschland (MBVD)** in the Berlin district of Friedrichshain; the approximate investment volume will be € 72.1 m. A corresponding lease contract, which will run for 10 years from 2013 in the first instance, was signed in February 2011. Construction of the building, which will be realised in compliance with DGNB green building standards, is likely to start in the autumn of 2011.

CA Immo will build an InterCity hotel for the Steigenberger hotel group on the **Europacity** site close to Berlin's main rail station; a 20-year lease agreement was concluded in February. The eight-floor property, which will have around 410 rooms and gross floor space of 19,800 sqm, has been designed as an upper-mid-range hotel. The approximate investment volume is some € 54.6 m. Construction of the 30-metre structure will commence in quarter three of this year.

The laying of the foundation stone for the green building in Europacity known as TOUR TOTAL took place in February. Completion of the 69 m tower, which will serve as the new German headquarters of French oil company TOTAL, is scheduled for the third quarter of 2012.

#### **Serbia**

Under the terms of a 2007 cooperation agreement, CA Immo acquired real estate close to a motorway exit near Belgrade with the aim of building a logistics centre (amongst other things) in a project entitled **Novi Banovci**. CA Immo sold its 50 % stake in the project development company at the end of January 2011.

#### **Slovakia**

Construction of a multi-level mixed use building with around 34,000 sqm of net effective area (office, retail and residential space) had been planned in Bratislava through a 50:50 joint venture with Sekyra. The project develop-

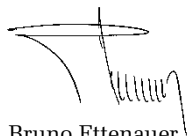
ment company owned a plot of land spanning some 7,410 sqm in the centre of Bratislava, close to the old town area. When approval for the project as contractually envisaged failed to materialise, CA Immo's participation in the project company reverted to Sekyra on 25 January 2011. Changes to commercial law are being implemented at present. The value of the real estate had been adjusted in 2009 owing to the market situation.

#### Poland

In January, additional lease contracts covering some 3,000 sqm were concluded with Kapsch in the first construction zone of the **Poleczki Business Park** complex in Warsaw, which was completed in 2010. As a result, the complex is 74 % let.

Vienna, 28 February 2011


The Management Board



Bruno Ettenauer  
Chairman



Wolfhard Fromwald



Bernhard H. Hansen

## AUDITOR'S REPORT

### **Report on the Financial Statements**

We have audited the accompanying financial statements, including the accounting system, of

**CA Immobilien Anlagen Aktiengesellschaft,  
Vienna,**

for the fiscal year from 1 January 2010 to 31 December 2010. These financial statements comprise the balance sheet as of 31 December 2010, the income statement for the fiscal year ended 31 December 2010, and the notes.

### **Management's Responsibility for the Financial Statements and for the Accounting System**

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' Responsibility and Description of Type and Scope of the statutory audit**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance for the year from 1 January 2010 to 31 December 2010 in accordance with Austrian Generally Accepted Accounting Principles.

**Report on Other Legal Requirements (Management Report)**

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

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

Vienna, 28 February 2011

KPMG  
Wirtschaftsprüfungs- und Steuerberatungs GmbH

Mag. Walter Reiffenstuhl

ppa. Mag. Nikolaus Urschler

Wirtschaftsprüfer

Wirtschaftsprüfer

(Austrian Chartered Accountants)

Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

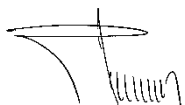
This report is a translation of the original report in German, which is solely valid.

## DECLARATION OF THE MANAGING BOARD DUE TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT (BÖRSENGESETZ)

The managing board confirms to the best of their knowledge that the financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the CA Immobilien Anlagen Aktiengesellschaft and that the management report gives a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties the CA Immobilien Anlagen Aktiengesellschaft faces.

Vienna, 28 February 2011

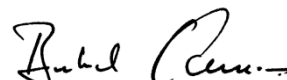
The Management Board



Bruno Ettenauer  
Chairman



Wolfhard Fromwald



Bernhard H. Hansen



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## DISCLAIMER

This 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 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 Report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

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

