CA IMMO

REPORT OF THE MANAGEMENT BOARD PURSUANT TO SECTION 174 (4) IN CONJUNCTION WITH SECTION 153 (4) STOCK CORPORATION ACT

At the 26th Annual General Meeting of CA Immobilien Anlagen Aktiengesellschaft, FN 75895 k, Mechelgasse 1, 1030 Vienna (hereinafter referred to as "Company") to be held on May 7, 2013 resolutions will have to be taken on the following motions, among others,

(i) to authorise the Management Board of CA Immobilien Anlagen Aktiengesellschaft, pursuant to Section 174 (2) Stock Corporation Act, to issue, within five years from the date of the resolution and with the consent of the Supervisory Board, convertible bonds associated with conversion and subscription rights for up to 13,756,000 no-par value bearer shares of the Company representing a pro-rata amount in the share capital of up to EUR 100,006,120, also in several tranches, and to determine all other terms and conditions, the issuance and the exchange procedure of the convertible bonds (convertible bonds/authorisation 2013); as well as

(ii) to exclude the subscription right of the shareholders pursuant to Section 174 (4) Stock Corporation Act in conjunction with Section 153 Stock Corporation Act upon the issuance of the aforementioned convertible bond.

Contingent capital (TOP 8 b)) and treasury shares or a combination thereof, if any, may be used for servicing conversion or subscription rights.

Pursuant to Section 174 (4) Stock Corporation Act in conjunction with Section 153 (4) Stock Corporation Act, the Management Board, with regard to the exclusion of the subscription right, herewith submits the following

REPORT:

1. Interest of the Company

The main advantages of issuing convertible bonds with direct exclusion of subscription rights are low financing costs for the Company, a generally high share issuing price and tapping of a specialised investor pool.

a. Improved financing conditions

Investors in convertible bonds receive interest payments, are usually entitled to repayment of the capital and at the same time they are given the right to acquire shares of the Company in the future in return for a price already determined at the time of issuance of the convertible bonds, thus allowing the investors to participate in the substance and profitability of the Company. That way investors are also given the opportunity to participate in increases in the value of the Company at a relatively low default risk in comparison to a direct equity investment.

The Company pursues an active management of its capital structure in order to keep capital costs as low as possible. Convertible bonds are an adequate instrument for the Company to achieve this goal. Through the components mentioned, namely a lower default risk for convertible bond holders and the opportunity to participate in share price increases via the conversion right (conversion and/or subscription right) the Company shall receive access to attractive financing conditions, which are, in general, below the level of (pure) debt capital instruments. Furthermore, convertible bonds offer the opportunity to use the volatility of the Company's shares to the benefit of the Company, therewith reducing the Company's capital costs.

b. Optimisation of the terms of issuance and of the share issuing price via exclusion of subscription rights

Because of the terms and conditions which are common for convertible bonds on the capital markets the conversion price of the shares to be issued at conversion (exertion of the conversion and/or subscription right) will be above the share price at the time of issuance of the convertible bonds, so that the Company can achieve a higher issuing price in comparison to an immediate capital increase. Practical experience has shown that through an issuance with exclusion of subscription rights better terms and conditions can be achieved because the immediate placement avoids price-relevant risks from changed market situations to the detriment of the Company and particular investors specialised in convertible bonds can be approached.

With respect to the issuance with subscription rights, however, a minimum of a two weeks subscription period has to be observed (Section 174 (4) in conjunction with Section 153 (1) Stock Corporation Act). This rule has to be observed also if the General Meeting has authorised the Management Board only to exclude the subscription right, as in that case, a two-week waiting period following publication of the Report of the Management Board has to be observed before the Supervisory Board can adopt a resolution, pursuant to Section 171 (1) Stock Corporation Act. If the Company has to observe subscription or waiting periods when it issues convertible bonds, these investors could normally not be approached at all, or only with a lower issuance amount, because of unusual structuring or allotment mechanisms and/or market risks for these investors during the subscription or waiting period. Because of this the exclusion of subscription rights has become standard practice on the international capital market for convertible bond issuances. This is also accepted by the stock market as shareholders can share in the benefits through the purchase of convertible bonds via the capital market. Therefore it is also intended to list the convertible bonds on an eligible exchange or a multilateral trading facility.

The share price is a major aspect for determining the terms and conditions of the convertible bond (see issue price in Item 2 of the Report). It is therefore in the best interest of the Company to have the widest possible control over the time of allotment of an issuance. It is in particular the volatility observed in the stock markets in general and the volatility of the share of the Company that show clearly that both the price performance and the market assessment may be subject to rather substantial changes within a two-week subscription or waiting period – which would have to be observed unless subscription rights are excluded. However, in case of issuances with the exclusion of subscription rights, the Company may rather rapidly and flexibly choose the point in time when the allotment takes place.

Consequently, more attractive financing conditions can be achieved only if the Company is able to react quickly and flexibly to favourable market conditions. This advantage could not be achieved to the same extent through an issuance or the mere authorisation to exclude subscription rights. Thus, in the course of an issuance with direct exclusion of subscription rights usually more capital can be raised for the Company in return for a lower number of shares to be issued.

In addition, the value of the subscription rights is economically insignificant if the convertible bonds are valued at market and placed at the best terms possible, as it is intended by the Company in its own interest as well as in the interest of its shareholders. This can be achieved especially through determination of the issuing price of the shares to be issued on the exertion of the conversion and/or subscription right at a price sufficiently above the current share price, and in doing so all current shareholders are in general protected against dilution.

Without the time consuming and costly processing of the subscription right the financing and capital demands of the Company can be met out of short-term market opportunities in a timely and cost effective manner and new investors can be accessed domestically and abroad. Hence, through the opportunity to exclude the subscription right, a stabilisation of the equity and a reduction in financing costs both in the interest of the Company and of all shareholders is achieved.

c. Institutional investors as target group

Convertible bonds are subscribed primarily by such institutional investors specialised in this asset class. Institutional investors have specific demands on denomination, characteristics and timing in respect of the issuance of convertible bonds; also a tailor-made communication for the target group is essential. In general these demands can only be met through an issuance under exclusion of subscription rights. With an issuance subject to subscription rights institutional investors could not be approached at all, or only with a lower issuance amount, because of unusual structuring or allotment mechanisms and/or market risks for these investors during the minimum two weeks subscription period. Because of this the exclusion of subscription rights is necessary on strategic, financial and organisational grounds in order to position the convertible bonds on the capital market accordingly to be able to offer them to investors specialised in convertible bonds in a tailor-made way so that the advantages associated with the issuance of convertible bonds can be optimally utilised for the Company. Should convertible bonds be issued on the market in the course of an issuance with subscription rights, the above mentioned advantages deriving from the relatively favourable financing conditions as well as swiftness and flexibility would be significantly reduced by the considerably increased processing efforts (time consuming preparation) and the one-off and recurring processing costs or could potentially not be achieved at all.

2. Determination of the share issuing price, terms and conditions of convertible bonds

Conditions of convertible bonds are determined based on the current volume-weighted average price of shares at the time of allotment of the convertible bonds. In the process, commonly used calculation methods are applied, and the issuing price of the convertible bonds is composed of the issuing price of a traditional convertible bond with fixed interest rate, the price of the conversion right (conversion and/or subscription right) and the other features. The aim is to get the highest possible premium above the lowest issuing price of exchange shares, which derives from the expected performance based on analyst assessments and the premiums achieved in comparable capital market transactions (reference transactions) and the current general situation in the capital market. The minimum issue amount thus determined depends on objective, international practices and safeguards the interests of all shareholders, as it does not lead to dilution of their asset shareholding.

3. Weighing of interests

The proposed authorisation to exclude the subscription rights is objectively justified and suitable due to the aspired goals, namely an optimisation of the capital structure and a reduction of financing costs thereby stabilising and improving the Company's market and competitive position in the interest of the Company and the shareholders.

Moreover, the exclusion of subscription rights is adequate and necessary, because the financing and expected equity injection through the target group orientation of the convertible bond issuance replaces more cost-intensive capital measures, offers more favourable financing terms and conditions and long-term and flexible financial and business planning, and ensures the realisation of the planned financing and goals of the Company to the benefit of the Company and, in doing so, also to the benefit of all shareholders. Without exclusion of subscription rights the Company cannot react in a comparable swift and flexible way to favourable market conditions.

In order to avoid dilution of the existing shareholders an issuance price for the shares (conversion price) will be intended which results in an insignificant economic value of the hypothetical subscription rights in respect of the convertible bonds to be issued and thus is irrelevant to the shareholders.

The Management Board of the Company expects that the advantage of the Company from the issuance of convertible bonds under exclusion of subscription rights is to the benefit of all shareholders and that this advantage clearly outweighs the relative loss in shareholding by the shareholders excluded from the subscription right. To conclude, when balancing all mentioned criteria, it can be observed that the exclusion of subscription rights within the limits described is necessary, suitable and appropriate and justified objectively and advised as being in the predominant interest of the Company.

Vienna, April 2013

The Management Board