

# PROSPECTUS



URBAN  
BENCHMARKS.

## CA Immobilien Anlagen Aktiengesellschaft

(incorporated as joint stock company (*Aktiengesellschaft*) under the laws of the Republic of Austria, FN 75895k)

### Offering of EUR [●] [●]% Bonds due 2024

ISIN AT0000A1TBC2

Reoffer Price: [●] %

This offering (the “**Offering**”) consists of (i) an offer to the public in the Republic of Austria (“**Austria**”) of EUR [●] [●]% 2017-2024 bonds in bearer form with a denomination of EUR 1,000.00 each (the “**Bonds**”) and (ii) an offering of the Bonds to selected institutional investors outside of Austria. CA Immobilien Anlagen Aktiengesellschaft, with its business address at Mechelgasse 1, 1030 Vienna, Republic of Austria (the “**Issuer**” or “**CA Immo**” and together with its fully consolidated subsidiaries, the “**Group**”) will issue the Bonds on February 22, 2017 (the “**Issue Date**”). The Bonds will bear interest from and including February 22, 2017 to, but excluding, February 22, 2024 at a rate of [●]% *per annum*, payable annually in arrears on February 22 of each year, commencing on February 22, 2018.

The reoffer price, at which institutional investors may buy the Bonds (the “**Reoffer Price**”), the issue price, at which retail investors may subscribe the Bonds (the “**Issue Price**”) and the aggregate principal amount of the Offering will be determined by the Issuer after consultation with the Joint Lead Managers and Bookrunners (as stated below) in the course of a bookbuilding procedure on or about February 15, 2017. The Reoffer Price of the Bonds is expected to range between 98% and 100% of the nominal amount of the Bonds. The interest rate, the aggregate principal amount, the Reoffer Price, the Issue Price, the issue proceeds and the yield of the issue will be included in a pricing notice, filed with the *Commission de Surveillance du Secteur Financier* (“**CSSF**”) of the Grand Duchy of Luxembourg (“**Luxembourg**”) and published in accordance with Article 10, 16 (2) and (3) of the Luxembourg Act dated July 10, 2005 on the prospectuses for securities (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières*, the “**Luxembourg Prospectus Law**”) on the website of the Luxembourg Stock Exchange (“**Luxembourg Stock Exchange**”) ([www.bourse.lu](http://www.bourse.lu)) on or around February 16, 2017. The Bonds will be governed by the laws of Austria.

The Bonds will be represented by a modifiable global note (global note pursuant to § 24 lit b of the Austrian Depot Act) (the “**Global Note**”). This prospectus (the “**Prospectus**”) constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 (the “**Prospectus Directive**”) as amended from time to time. This Prospectus, any supplement thereto and all documents incorporated by reference will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and of the Issuer ([www.caimmo.com](http://www.caimmo.com)).

This Prospectus was drawn up in accordance with Annexes IV, V, XXII, XIX and XXX of the Commission Regulation (EC) No 809/2004 of April 29, 2004 as amended (the “**Prospectus Regulation**”) and has been approved by the CSSF in its capacity as competent authority under the Luxembourg Prospectus Law. By approving this Prospectus, CSSF gives no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer. The Issuer will prepare and make available an appropriate supplement to this Prospectus if at any time the Issuer will be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Prospectus Law. The Issuer has requested CSSF to provide the competent authority in Austria and may request CSSF to provide competent authorities in additional host Member States within the European Economic Area with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law.

**Prospective investors should be aware that an investment in the Bonds involves certain risks and that, if certain risks, in particular those described in the chapter “Risk Factors” occur, the investors may lose all or a very substantial part of their investment.**

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy Bonds in any jurisdiction where such offer or solicitation is unlawful. The Bonds have not been and will not be registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the Securities Act). For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see “*Selling Restrictions*” below.

With respect to the Bonds application has been made to the Luxembourg Stock Exchange for the Bonds to be listed on the Official List of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s Regulated Market, and application will be made for admission to and trading on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange on or around the Issue Date. The Regulated Market of the Luxembourg Stock Exchange and the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange are regulated markets for the purposes of the Market and Financial Instruments Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments.

### Joint Lead Managers and Bookrunners

Erste Group Bank AG

Raiffeisen Bank International AG

The date of this Prospectus is February 9, 2017

## NOTICE

This Prospectus is to be read in conjunction with any supplement hereto and with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated by reference and form part of the Prospectus.

The Issuer has confirmed to the Joint Lead Managers and Bookrunners Erste Group Bank AG, with its business address at Am Belvedere 1, 1100 Vienna, Austria and Raiffeisen Bank International AG, with its business address at Am Stadtpark 9, 1030 Vienna, Austria (each a “**Joint Lead Manager**” and together, the “**Joint Lead Managers**”), that this Prospectus contains all information which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Bonds which is material in the context of the issue and offering of the Bonds; that the information contained in the Prospectus with respect to the Issuer and the Bonds is accurate and complete in all material respects and is not misleading; that any opinions and intentions expressed in the Prospectus are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer or the Bonds, the omission of which would make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading; that the Issuer has made all reasonable enquiries to ascertain all facts material for the purposes aforesaid.

The Issuer will supplement this Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus in respect of the Issuer and/or the Bonds which is capable of affecting the assessment of the Bonds and which arises or is noted between the time when this Prospectus has been approved and the later of the final closing of the public offer of the Bonds or when trading of the Bonds on a regulated market begins.

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the financial situation of the Issuer or the Group since the date of this Prospectus, or, as the case may be, the date on which this Prospectus has been most recently supplemented, or that the information herein is correct at any time since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently supplemented.

Neither the Joint Lead Managers nor any other person mentioned in this Prospectus, except for the Issuer, is responsible for the accuracy of the information and statements contained in this Prospectus or any other document incorporated herein by reference. None of the Joint Lead Managers has independently verified the Prospectus, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of them makes any representation, express or implied, or warranty or accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents. The Joint Lead Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

Each investor contemplating purchasing any of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. This Prospectus does not constitute an offer of Bonds or an invitation by or on behalf of the Issuer or the Joint Lead Managers to purchase any Bonds.

**Prospective investors should be aware that an investment in the Bonds involves certain risks and that if certain risks, in particular those described under “*Risk Factors*”, occur, the investors may lose all or a very substantial part of their investment.**

Neither this Prospectus nor any other information supplied in connection with the Bonds should be considered as a recommendation by the Issuer or the Joint Lead Managers to a recipient hereof and thereof that such recipient should purchase any Bonds. The distribution of this Prospectus and the offering, sale

and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. For a further description of certain restrictions applicable in the European Economic Area in general, the United States of America and the United Kingdom, see “*Selling Restrictions*” below. In particular, the Bonds have not been and will not be registered under the Securities Act, as amended, and are subject to tax law requirements of the United States of America; subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons (as defined in the Securities Act).

The legally binding language of the Prospectus is English; except for the terms and conditions of the Bonds (the “**Terms and Conditions**”) where the German language is legally binding. The English version of the Terms and Conditions is shown in the Prospectus for additional information.

In this Prospectus all references to “*EUR*” or “*Euro*” are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of May 3, 1998 on the introduction of the Euro, as amended, or any other official currency in Austria at the time when the relevant payment is due.

**This Prospectus may only be used for the purpose for which it has been published. This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.**

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. Forward-looking statements are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements can be identified by the use of terms and phrases such as “*anticipate*”, “*believe*”, “*could*”, “*estimate*”, “*expect*”, “*intend*”, “*may*”, “*plan*”, “*predict*”, “*project*”, “*will*” and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Group’s business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Group’s financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Group’s business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: “*Risk Factors*” and “*Business Activities*”. These sections include more detailed descriptions of factors that might have an impact on the Group’s business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor any of the Joint Lead Managers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

The forward-looking statements contained in this Prospectus include all matters that are not historical facts and include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry and markets in which the Issuer operates. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

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## SUMMARY

*This summary of the Prospectus is comprised of disclosure requirements known as “elements”. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all of the elements which are required to be included in a summary for securities and issuers of this kind. As some elements are not required, there may be gaps in the numbering sequence of the elements. Even where an element is mandatory for the summary on account of the type of securities and issuer, it is possible that no relevant information can be given regarding the element. In this case, a short description of the element is included in the summary together with the words “not applicable”.*

### Section A – Introduction and Warnings

A.1 Warnings..... The following summary should be read as an introduction to the Prospectus. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, a plaintiff investor might, under the national legislation of the member state of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

A.2 Consent by the Issuer to the use of the prospectus by financial intermediaries . CA Immobilien Anlagen Aktiengesellschaft (the “**Issuer**”) gives its express consent to the use of the Prospectus for a subsequent resale or final placement of the Bonds in Austria, by financial intermediaries between February 10, 2017 and February 21, 2017. Financial intermediaries can make a subsequent resale or final placement of Bonds during this period. Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent and the conditions attached thereto. The Issuer accepts responsibility for the content of the Prospectus also with respect to a subsequent resale or final placement of securities by any financial intermediary which was given consent to use the Prospectus; an exceeding liability of the Issuer is excluded. No other conditions are attached to the consent which are relevant for the use of the Prospectus. However, the Issuer may revoke or limit its consent at any time, whereby such revocation requires a supplement to the Prospectus. **In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

### Section B – Issuer

B.1 Legal and commercial name ..... The legal name of the Issuer is “CA Immobilien Anlagen Aktiengesellschaft”, the commercial name is “CA Immo”.

B.2 Domicile, legal form, legislation, country of incorporation..... The Issuer is an Austrian joint stock corporation (*Aktiengesellschaft*) incorporated in Austria, governed by Austrian law, having its business address at Mechelgasse 1, 1030 Vienna, Austria.

B.4b Known Trends of the Issuer and its industries ..... Apart from other developments (like economic growth, unemployment figures and purchasing power), the developments on the most important real estate markets, in which it operates, are relevant for the Issuer (*The sources for the information in this part of the summary are Eurostat, the ECB, IMF Deistatis, Bloomberg, The Economist, the Financial Times, the Central Statistical Offices of Poland, Hungary, Czechia and the National Institute of Statistics in Romania; CBRE: European Investment Quarterly MarketView (Q3 2016); Austria Investment MarketView (Q3 2016); Germany Investment MarketView (Q3 2016); Germany Office Investment MarketView (Q3 2016), Office Market View Vienna, Berlin, Frankfurt, Munich, Budapest, Bucharest, (Q3 2016); and Jones Lang LaSalle: Budapest, Warsaw City Report (Q3 2016).*

***The real estate investment market***

The transaction activity on the European investment market for commercial real estate began to develop well in 2016. Although the investment volume of EUR 51.6 billion in the third quarter of 2016 was below the previous year's value of EUR 66.7 billion, the transaction level in Europe is currently in excess of the 10-year average. Around 80% of the volume was invested in the office property sector. With the United Kingdom market highly uncertain in the wake of the Brexit vote, Germany overtook the United Kingdom in the third quarter of 2016 to become Europe's biggest marketplace for real estate investments with 29% of all completed transactions. Demand for core properties remains strong in Germany, leading to a restricted supply and an ongoing compression of yields.

In the first three quarters of 2016, the investment volume for commercial real estate in Germany was EUR 32.7 billion (-15% year-on-year). The asset class of office properties remains the segment with the strongest demand. The yield spread between government bonds and peak yields remains at an all-time high; returns are continuing to diminish, albeit at a slower rate. As of the third quarter of 2016, the peak yield for offices was 4.10% for Frankfurt (second quarter 2016: 4.20%), with Berlin currently at 3.50% (3.75%) and Munich at 3.30% (3.60%).

The total investment volume on the Austrian commercial property market was approximately EUR 314 million in the third quarter of 2016 (down 52% on last year). Office properties accounted for roughly 43% of the invested volume. The peak yield in the office sector remains under pressure at 4.75% for good locations, while the yield for prime properties may decrease to as much as 4.05%.

In the CEE region, the pace of investment varies according to country. Transaction activity in Poland, for example, is approximately EUR 4.6 billion in the year 2016 (up 61% year-on-year) while the investment volume in Czechia is down by 42.8% at EUR 1.58 bil-

lion. Peak yields for offices were as follows: Warsaw 5.5%, Prague 4.75%, Budapest 6.75% and Bucharest 7.5%.

### ***The office property markets***

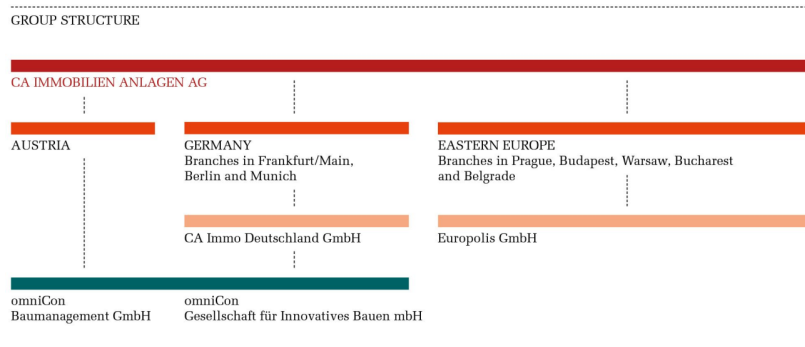
The good performance of the office rental market in Germany continued in the first three quarters of 2016. Lettings activity increased while vacancy fell and rent levels rose in Berlin, Frankfurt and Munich, the core markets of CA Immo. Lettings performance in Berlin reached a level in excess of 670,900 m<sup>2</sup>, with the third quarter of 2016 accounting for 255,400 m<sup>2</sup> of this figure (up 21% year-on-year). The vacancy rate decreased below the 6% mark for the first time to stand at 5.5%. Floor space turnover in Frankfurt was 121,600 m<sup>2</sup> in the third quarter of 2016 (up 12% year-on-year), with a stable vacancy rate of 11.7%. The office rental market in Munich showed the best half-yearly result for five years, the turnover volume of 169,200 m<sup>2</sup> in the third quarter of 2016 was around 15% below value in 2015; however, the full-year forecast for 2016 of 750,000 m<sup>2</sup> (similar to the 2015 level) is regarded as realistic. The vacancy rate at the end of the third quarter was at an all-time low of 4.3%.

By the third quarter of 2016, lettings performance in Vienna had more than trebled to a total of 112,000 m<sup>2</sup> (third quarter of 2015: 33,000 m<sup>2</sup>). The vacancy rate continued to decrease and stood to stand at 5.4%. Just 16,000 m<sup>2</sup> of new office space were completed in Vienna during the third quarter of 2016.

The office market in Warsaw continued to be characterised by extensive construction activity. Office space take-up remained at high levels, totalling approximately 531,000 m<sup>2</sup> in the first three quarters of 2016. A total of 378,000 m<sup>2</sup> of new office space has been completed in the first three quarters of 2016 (thereof 350,000 m<sup>2</sup> in the first six months of 2016). The vacancy rate has decreased slightly to 14.6%. The vacancy rate in Budapest has stabilised at 10.3% with a slightly increasing trend. Floor space turnover remained at a good level of 308,000 m<sup>2</sup> in the first three quarters of 2016 (first half year of 2016: approximately 214,000 m<sup>2</sup>). Lettings activity in Prague was approximately 109,600 m<sup>2</sup> in the third quarter of 2016, of which new lettings represented 86,300 m<sup>2</sup> (up 4% on the second quarter of 2016). The average vacancy rate decreased to 11.7%. The highly dynamic start to the year 2016 in Bucharest was not maintained, as lettings performance declined by around 12% year-on-year in the third quarter of 2016; however, the total result of 268,300 m<sup>2</sup> (first three quarters of 2016) exceeded the value of 2015 by 11%. The vacancy rate was 12.3%.

**B.5 Description of the Group and the position of the Issuer in the Group .....**

The Issuer is the parent company of an international real estate group with its registered office in Vienna. The following graphic shows the holding structure of the Issuer as at the date of the prospectus:



Source: Internal data of the Issuer, as at the date of this Prospectus.

**Material Subsidiaries**

Name of the company	Registered office	Capital share
CA Immo Deutschland GmbH	Frankfurt a.M.	100%
Europolis GmbH	Vienna	100%

Source: Internal data of the Issuer, as at the date of this Prospectus.

Interests are held in project, property and management companies in Austria, Germany, Czechia, Slovakia, Hungary, Poland, Ukraine, Romania, Bulgaria, Croatia, Serbia and Slovenia via the holding companies listed above and via holding companies in Cyprus and the Netherlands.

**B.9 Profit forecasts or estimates .....**

Not applicable. No profit forecasts or estimates are made by the Issuer.

**B.10 Qualifications in the audit report .....**

Not applicable. The annual financial statements and the annual consolidated financial statements have been provided with unqualified audit opinions.

**B.12 Selected key financial information .....**

*The following selected financial information of the Group was taken or derived from the unaudited consolidated interim financial statements as of September 30, 2016 and the audited consolidated annual financial statements as of December 31, 2015 of the Issuer.*

	As of, and for the nine months ended September 30,		As of, and for the fiscal year ended December 31,	
	2016	2015	2015	2014
<b>All figures in EUR million, except explicitly stated otherwise</b>				
	<b>unaudited</b>		<b>audited</b>	
Rental income .....	122.6	111.7	154.8	145.2
Net rental income .....	108.8	98.1	135.6	128.8



	As of, and for the nine months ended September 30,		As of, and for the fiscal year ended December 31,	
	2016	2015	2015	2014
	All figures in EUR million, except explicitly stated otherwise			
	unaudited		audited	
Result from hotel operations .....	0.0	0.3	0.3	1.8
Trading result .....	4.8	0.0	3.1	8.7
Income from services .....	9.9	12.9	16.2	16.0
Result from the sale of investment properties.....	19.4	0.7	36.5	29.8
Earnings before interest, taxes, depreciation and amortization („EBITDA“).....	111.8	80.5	149.0	149.1
Depreciation and impairment/reversal .....	-1.6	-2.1	-2.9	-10.3
Result from revaluation .....	100.3	78.5	213.8	-4.2
Result from joint ventures <sup>(1)</sup> .....	7.3	30.7	43.2	8.2
Earnings before interests and taxes („EBIT“).....	217.8	187.5	402.7	142.9
Financial result.....	-45.2	-53.0	-86.7	-58.3
Earnings before taxes .....	172.6	134.5	316.0	84.6
Income tax.....	-46.2	-45.8	-95.2	-13.8
Consolidated net income .....	126.4	88.7	220.8	70.8
Total assets.....	4,234.5	3,932.9 <sup>(2)</sup>	3,984.0	3,670.9
Shareholders' equity.....	2,166.4	1,977.6 <sup>(2)</sup>	2,120.5	1,951.7
Interest-bearing liabilities.....	1,543.3	1,427.3 <sup>(2)</sup>	1,404.0	1,229.1
Equity ratio (in %) <sup>(3)</sup> .....	51.2	50.3 <sup>(2)</sup>	53.2	53.2
Property investments .....	255.6	69.0	92.5	184.0
Cashflow from operating activities.....	82.4	78.1	113.2	99.6
Cashflow from investing activities .....	-14.9	120.9	101.5	-184.2
Cashflow from financing activities.....	16.2	-194.5	-171.4	-363.0
Cash and cash equivalents.....	289.1	163.5	207.1	163.7
NOI margin (in %) <sup>(4)</sup> .....	88.7	87.9	87.6	88.7
Basic earnings per share (in EUR).....	1.32	0.90	2.25	0.76
Diluted earnings per share (in EUR) ...	1.32	0.90	2.25	0.73
Book value per share (in EUR) <sup>(5)</sup> .....	23.09	20.36 <sup>(2)</sup>	21.90	19.75
Operating cash flow per share (in EUR) .....	0.86	0.79	1.16	1.07
Property assets <sup>(6)</sup> .....	3,435.3	3,178.9 <sup>(2)</sup>	3,206.4	2,706.6
thereof development assets and undeveloped land.....	459.9	375.6 <sup>(2)</sup>	409.0	496.3

(1) The results of jointly controlled companies consolidated under the equity method are reported under “Results from joint ventures” in the consolidated income statement, which is included in EBIT (and not in EBITDA).

(2) The figures are not shown in the financial report dated September 30, 2016.

(3) The equity ratio is the ratio of equity to total assets.

(4) The NOI (net operating income) margin expresses the ratio of net rental income to rental income and is an efficiency indicator for income-producing investment properties.

(5) Also referred to as “NAV (net asset value) (IFRS) per share”; the number corresponds to equity attributable to the shareholders of the parent company divided by the number of shares outstanding at the end of the reporting period.

(6) Property assets on statement of financial position comprise income-producing investment properties, investment properties under development, own used properties as well as properties held for trading or sale.

### Loan-to-value ratio

The loan-to-value ratio (“**LTV Ratio**”) is defined as net financial liabilities (net financial liabilities are defined as the net debt or the long- and short-term interest bearing liabilities plus bonds less cash and cash equivalents) divided by the value of the total real estate

assets (total real estate assets are defined as income-producing investment properties plus investment properties under development, own used properties, investment properties held for sale and properties held for trading). The Issuer considers the LTV Ratio to be an important indicator of the capital structure. The Issuer applies the LTV Ratio to identify scope for optimizing the cost of capital, for possible acquisitions and for necessary financial measures. The following table sets out the calculation of the LTV Ratio as of September 30, 2016, and as of December 31, 2015 and 2014:

	September 30, 2016	December 31, 2015	December 31, 2014
	(unaudited in EUR million, unless otherwise indicated)	(audited in EUR million, unless otherwise indicated)	
Short-term interest-bearing liabilities.....	249.9	353.0	199.9
Long-term interest-bearing liabilities.....	824.7	684.5	841.9
Short-term bonds .....	6.1	192.2	2.6
Long-term bonds .....	462.6	174.3	184.8
<b>Long- and short-term interest-bearing liabilities .....</b>	<b>1,543.3</b>	<b>1,404.0</b>	<b>1,229.1</b>
Cash and cash equivalents .....	-289.1	-207.1	-163.6
Cash and cash equivalents with drawing restrictions .....	-4.3	-5.4	-4.2
<b>Net debt .....</b>	<b>1,249.8</b>	<b>1,191.4</b>	<b>1,061.3</b>
Investment properties income producing (fair value IAS 40).....	2,910.2	2,714.3	2,092.9
Investment properties under development (fair value IAS 40)...	459.9	409.0	496.3
Hotel and other own used properties.....	6.7	7.0	7.5
Investment properties held for sale (fair value IFRS 5).....	28.6	54.0	91.5
Properties held for trading .....	29.8	22.1	18.4
<b>Total properties .....</b>	<b>3,435.3</b>	<b>3,206.4</b>	<b>2,706.6</b>
<b>Loan-to-value ratio net (in %)<sup>(1)</sup> .....</b>	<b>36.4%</b>	<b>37.2%</b>	<b>39.4%</b>
<b>Loan-to-value ratio gross (in %)<sup>(1)</sup> .....</b>	<b>44.9%</b>	<b>43.8%</b>	<b>45.6%</b>

(1) LTV Ratio calculations are based on own unaudited calculations by the Issuer. A definition of LTV Ratio is included in the first paragraph above.

No material adverse

change statement..... There has been no material adverse change in the prospects of the Group since December 31, 2015.

Significant changes in the financial or trading position of the Issuer .....

Not applicable. There were no significant changes in the financial or trading position subsequent to September 30, 2016.

B.13 Recent events to a material extent relevant for the solvency of the Issuer ...

In July 2016, the management board of CA Immo (“the **Management Board**”) gave its consent to transfer four registered shares in CA Immo (which grant the right to nominate up to four members of the Issuer’s supervisory board (the “**Supervisory Board**”) to IMMOFINANZ AG. In August 2016, IMMOFINANZ AG partly exercised its delegation rights pursuant to the registered shares in CA Immo, recalled two members of the Supervisory Board and delegated two members of the management board of IMMOFINANZ AG with immediate effect and until revocation in the Supervisory

Board.

In September 2016, the Issuer signed a contract for the acquisition of the centrally located Millennium Towers office complex comprising 70,400 m<sup>2</sup> in Budapest. TriGranit and an affiliate of Heitman LLC sold the tower for EUR 175 million. The tower provides an annual rental income of EUR 12 million.

In September 27, 2016, Florian Nowotny resigned at his own request as a member of the Management Board and Chief Financial Officer of CA Immo as at September 30, 2016; the Supervisory Board appointed Hans Volckens with immediate effect to the Management Board and as new Chief Financial Officer of CA Immo.

In October 2016, the Issuer's share buyback program which was initially intended to run until October 7, 2016, was terminated ahead of schedule after having reached the target buyback volume of 2,000,000 shares. In November 2016, a new share buyback programme for up to one million shares (approximately 1% of the current capital stock of the Issuer) and a maximum limit of EUR 17.50 per share was set up.

On October 12, 2016, the Supervisory Board members Wolfgang Rutenstorfer, Barbara Knoflach and Maria Doralt resigned from the Supervisory Board with effect from November 10, 2016. On November 23, 2016, Dmitry Mints resigned as deputy chairman of the Supervisory Board with effect from December 21, 2016; IMMOFINANZ AG exercised its delegation rights pursuant to the registered shares, recalled Timothy Fenwick and delegated Klaus Hirschler and Sven Bienert to the Supervisory Board with effect from December 1, 2016 and until revocation.

On December 19, 2016 IMMOFINANZ AG announced that talks about a possible merger between IMMOFINANZ AG and CA Immo will be suspended and that the timetable will be adjusted until the separation of IMMOFINANZ AG's Russian portfolio has been completed.

B.14 Dependency of the Issuer on other entities of the Group.....

In its capacity as parent company with its own real estate holdings, the Issuer is only aiming to generate income by itself to a limited extent. Furthermore, the Issuer is dependent on contributions and dividends paid out by its subsidiaries.

B.15 Principal activities of the Issuer.....

The Issuer's main activity is the strategic and operational management of domestic and foreign subsidiaries. In addition, the Issuer owns real estate assets in Austria worth approximately EUR 254 million (as of September 30, 2016), thereof EUR 250 million investment properties. The Issuer's domestic and foreign subsidiaries are managed via its main subsidiaries and intermediate holding companies CA Immo Deutschland GmbH and Europolis GmbH (CA Immo Deutschland GmbH holds six fully-owned investment properties with a book value (as of September 30, 2016) of approximately EUR 60 million, and development properties with a book value of EUR 181 million). Project, ownership and management companies in the aforementioned core regions are held by these

holding companies.

The Group's business revolves around the purchase, construction, leasing, operation, refurbishment and sale of real estate in Austria and Germany and in a total of nine countries in Central, Eastern and South Eastern Europe. In addition, there are non-operative holding companies in the Netherlands and Cyprus. The Group's activities also include real estate project development, the revitalisation and refurbishment of investment properties and asset management. German developments are the major organic growth driver. Construction management is carried out by the subsidiary omniCon, which also performs these services for third parties.

**B.16 Ownership and controlling interest .....**

The Issuer's capital stock amounts to EUR 718,336,602.72 and is divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of EUR 7.27 in the capital stock. The registered shares are held by IMMOFINANZ AG and grant IMMOFINANZ AG the right to nominate up to four Supervisory Board members (provided that the number of nominated members must not be higher than one third of the overall number of supervisory board members according to the Austrian Stock Corporation Act (*Aktiengesetz*)). As of the date of this Prospectus, IMMOFINANZ AG has made use of all of its four nomination rights: Oliver Schumy, Stefan Schönauer, Sven Bienert and Klaus Hirscher have been designated to the Supervisory Board.

On the basis of the notifications received by the Issuer as of the date of this Prospectus in accordance with the Austrian Stock Exchange Act and pursuant to the information provided by the respective shareholders, the following shareholders hold more than 4% of the Issuer's ordinary shares as of the date of this Prospectus:

**Shareholders**

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IMMOFINANZ AG..... 26.00%

The Issuer is not aware of any other shareholders with a stake of more than 4%. The remaining shares in the Issuer (approximately 74% of the capital stock) are in free float with both institutional and private investors.

As of September 30, 2016, the Issuer held 5,000,000 treasury shares, i.e. 5% of the issued share capital. On November 23, 2016, the Issuer announced to launch another share buy-back programme in accordance with the Austrian Stock Corporation Act (*Aktiengesetz*) for up to approximately 1% of the issued share capital with a maximum purchase price of EUR 17.50 per share to begin on November 28, 2016 at the earliest and to end on October 2, 2018 at the latest. Accordingly, the number of treasury shares of the Issuer might continue to increase (as at February 7, 2017 the Issuer held a total of 5,438,046 treasury shares, i.e. 5.5% of the issued share capital).

**B.17 Ratings of the Issuer and its debt securities .....**

As of the publication date of the Prospectus, the long term issuer rating assigned to the Issuer by Moody's Investors Services Ltd.

(“**Moody’s**”) was Baa2 with negative outlook.

The issuer has ordered ratings to be assigned to the Bonds by Moody’s. The rating is expected to be Baa2.

### Section C - Securities

C.1	Type and class, identification .....	Unsubordinated, fixed rate bonds.  ISIN: AT0000A1TBC2
C.2	Currency .....	Euro
C.5	Restrictions on free transferability .....	Not applicable. The Bonds are bearer securities and in general freely transferable. Restrictions on transferability can result from applicable regulations of the clearing systems.
C.8	Rights, ranking, limitations to the rights .....	Each holder of the Bonds (each, a “ <b>Bondholder</b> ”) has the right to claim payment of interest and principal from the Issuer when such payments are due as further described in element C.9. Furthermore, the other rights and obligations attached to the Bonds are described in this element C.8 and element C.9.
	Negative Pledge .....	The terms and conditions of the Bonds (the “ <b>Terms and Conditions</b> ”) contain a negative pledge provision.
	Termination by the Issuer ...	The Terms and Conditions entitle the Issuer to terminate the Bonds for tax reasons if it otherwise was obliged to pay additional amounts.
	Events of Default .....	An ordinary termination for the Bondholders is not provided. The Terms and Conditions determine reasons which entitle the Bondholders to terminate the Bonds and claim for immediate redemption.
	Covenants .....	The Terms and Conditions contain covenants for the Issuer and provide for limitations on the incurrence of financial indebtedness and certain reporting obligations.
	Ranking .....	The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, save for obligations which are senior pursuant to applicable mandatory law; these include e.g. the costs of insolvency proceedings or any claims for current remuneration asserted by employees after insolvency proceedings have been initiated.
	Limitations to the rights attached to the bonds .....	Not applicable. There are no limitations to the rights attached to the Bonds.
C.9	Interest, due dates and redemption, yield, repres-	Please also see Element C.8 above. The nominal interest rate, the

<p>entation .....</p> <p>C.10 Derivative component.....</p> <p>C.11 Admission to trading .....</p>	<p>aggregate principal amount, the reoffer price, at which institutional investors may buy the Bonds (the “<b>Reoffer Price</b>”), the issue price, at which retail investors may subscribe the Bonds (the “<b>Issue Price</b>”), the issue proceeds and the yield of the issue will be filed with the <i>Commission de Surveillance du Secteur Financier</i> of Luxembourg (“<b>CSSF</b>”) in accordance with the Luxembourg Prospectus Law and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or around February 16, 2017.</p> <p>Interest on the Bonds will be payable annually, for a period starting on February 22, 2017 (inclusive) and ending on the day preceding the maturity of the Bonds (February 22, 2024). Interest is payable in arrears at February 22 of each calendar year. The first interest payment is due on February 22, 2018 and will be made for the period starting on February 22, 2017 (inclusive) and ending on February 22, 2018 (exclusive). The Bonds will be redeemed at their principal amount on February 22, 2024.</p> <p>Payments by the Issuer on the Bonds shall be made to the clearing system or to its order for credit to the accounts of the relevant account holders of the clearing system and will be credited through the individual custodian banks of the Bondholders.</p> <p>The Terms and Conditions contain no provisions on the representation of the Bondholders. Under certain conditions, a trustee (<i>Kurator</i>) may be appointed to represent the Bondholders before the courts in accordance with Austrian Bond Trustee Act Gazette RGBI 1874/49, as amended.</p> <p>Not applicable. Please also see Element C.9 above. The Bonds do not have a derivative component.</p> <p>Application has been made for the Bonds to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>). Furthermore application will be made for admission to and trading on the Second Regulated Market (<i>Geregelter Freiverkehr</i>) of the Vienna Stock Exchange on or about the issue date (February 22, 2017). The Regulated Market of the Luxembourg Stock Exchange and the Second Regulated Market (<i>Geregelter Freiverkehr</i>) of the Vienna Stock Exchange are regulated markets for the purposes of the Market and Financial Instruments Directive 2004/39/EC.</p>
<p><b>Section D - Risks</b></p>	
<p>D.2 Key risks specific to the Issuer.....</p>	<p><b>Risk factors relating to the financial, economic and sovereign debt crisis</b></p> <ul style="list-style-type: none"> <li>• The global financial and economic crisis and the sovereign debt crisis, especially in the eurozone, have negatively affected the financial position, results of operations and cash flows of the Issuer in the past and the recovery from the crisis is slow and uncertain. Loose monetary policies as consequence of the crisis may have adverse effects on the economy in Europe. Another aggravation of the crisis could lead to negative consequences for the Issuer in the future.</li> </ul>

- A possible reintroduction of national currencies by individual members of the eurozone can lead to severe negative consequences for the European economy and financial markets as well as the financial position, results of operations and cash flows of the Group.
- The current economic environment is characterised by very low interest rates and comparatively high valuations of real estate portfolios. Any rise in interest rates could have material adverse effects on the real estate markets in which the Group operates.

**Risks of the real estate industry and the markets in which the Group operates**

- The Group is exposed to numerous general risks of investments in real estate and other developments in the general real estate market. The real estate market where the Group is active depends on the macroeconomic development and on the demand for real estate. The sluggish and uncertain recovery of the global economy from the recent financial and economic crisis may result in economic instability, limited access to debt and equity financing and potential defaults of the Group's business partners.
- The Group is subject to the rental risk and risk of rental loss as well as risks relating to the extension of lease agreements regarding buildings on third party land.
- In the case of insufficient liquidity in the property market, the Group is exposed to the risk of not being able to sell properties at all or only at unacceptable conditions.
- In markets in which it operates, the Group is significantly competing with other owners, operators and developers of commercial properties and this may intensify in the future and therefore have a material effect on its net assets, financial position and results of operations.
- The valuation of properties is based on assumptions and considerations which are not only subject to adjustments but are also subjective and uncertain. It is possible that appraisal reports do not correctly reflect the actual value of a property to which the reports relate.
- The Group is subject to location risk.
- The Group is subject to risks related to maintenance and renovation of properties.
- The Group is exposed to environmental risks and risk of catastrophes caused by nature as well as humans.
- The delay of commencement or completion of construction projects could jeopardise usage rights and building permits of the Group, trigger rights to repurchase and hamper or impede construction work.
- Shopping centres and specialty retail shopping centres, which are also contained in the Group's portfolio, have and need a

high visitor frequency, which results in particular risks.

#### **Geographical risks relating to the Group's business**

- Economic uncertainty in the countries of Central, Eastern and South Eastern Europe may have material adverse effects on the Group.
- Crime, corruption and money laundering may have a material adverse effect on the business of the Group.
- The development process through which the legal systems in the CEE region are going is not yet completed and is associated with legal uncertainty and risks for the Group.
- The Group is subject to the general tax environment and uncertainties of tax systems in the markets in which it operates. The Group's tax burden may increase as a consequence of future tax treatment of dividend payments, current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof.
- Due to the partial sale of Tower 185 and the sale of the Hessen portfolio in 2013, the Group is subject to a subsequent real estate transfer tax risk in Germany.

#### **Risks relating to the business of the Group**

- The group structure is complex, comprises different jurisdictions, a variety of properties and related financings, which gives rise to a considerable risk of management and controlling errors.
- The Group is exposed to significant risks relating to investments in property development projects.
- The Group is dependent on partners regarding important development projects and a range of portfolio properties and is thus exposed to counterparty risks.
- The Group acquires and disposes of real estate portfolios and companies to optimise its portfolio quality and is therefore exposed to risks relating to property acquisitions and sales.
- It may become more difficult for the Group to acquire properties and land at favorable terms.
- The ownership claims and other rights of the Group relating to properties may be contested. Permits may have been obtained illegally.
- The ability of the Group to adjust rents to reflect fluctuations in the market may be heavily restricted.
- The Group is subject to the risk of value retention.
- The Group is exposed to risks relating to the hotel business.
- The Group is exposed to risks relating to the property office



markets.

- The Issuer's assessment of a property's appeal to suitable tenants might be wrong and the planned rental revenues may not realize.
- The Issuer is exposed to leasing risks and may not be able to find and retain solvent tenants or renew leases on favorable terms.
- Indexing clauses in most of the Issuer's lease agreements may adversely affect leasing revenues.
- Limitation of the Issuer's property portfolio to certain regions may result in a dependence on regional market developments and in expansion risks.
- The Issuer may incur higher-than-expected maintenance costs for properties.
- The Group is exposed to risks relating to the delegation of tasks to third parties.
- The Group is dependent on the uninterrupted operation and security of its computer and data processing systems.
- The success of the Group is dependent on the quality of its executives, other key personnel, and highly-qualified employees.
- The insurance coverage of the Group may prove to be insufficient.
- The Issuer is a holding company and its ability to satisfy any debt obligations depends on its receipt of funds from its subsidiaries.

#### **Financial risks of the Group**

- If the Issuer, also following a merger with IMMOFINANZ AG, loses its investment grade rating, it may no longer be able to pursue its financing strategy, including satisfaction of its future financing needs through the issuance of unsecured corporate bonds.
- The Group is exposed to the risk of loss and counterparty risk when investing liquid assets as well as during hedging transactions.
- The Group may be insufficiently protected against changes in interest rates.
- The Group has a substantial need of financing and refinancing and is exposed to the risk of not being able to obtain debt financing to the extent necessary or at the time required. In the case of refinancing, the conditions may deteriorate substantially, for example in the form of higher interest rates or additional

collateralisation requirements.

- Conditions imposed in financing agreements concluded by the Group may limit its financial and commercial flexibility. Violations may impair the financial position of the Group.
- The Group's business may be significantly impaired due to the lack of availability of equity financing.
- The Group may find itself unable to borrow sufficient capital to continue current development projects or to finance acquisitions.
- The Group is exposed to currency risks and translation risks due to exchange rate fluctuations.

#### **Legal Risks**

- The Group is subject to risks resulting from legal disputes related to its operating business.
- In the countries in which the Group has investments, it is exposed to various political, economic and legal environments. In particular in connection with the degree of development of the legal systems in the CEE region significant legal uncertainties and risks exist.
- In the case of renting, the Group is exposed to legal risks arising from provisions governing the protection of tenants.
- The Group is generally exposed to the risk of change in legislation, especially in regulatory, commercial-financial and tax law.
- The development and exploitation (renting, operating) of properties of the Group is subject to numerous permits and administrative authorizations and risks related to their revocation, expiration, suspension and similar associated risks.
- Changes of use of real estate of the Group are limited by dedication, construction and regional planning regulations.
- The Group can be exposed to losses and liabilities (including tax burdens) in relation to its properties, as a result of acts or omissions of sellers or previous owners, or which refer to a former owner.
- The current core shareholder IMMOFINANZ AG holds four registered shares which entitle to nominate up to four Supervisory Board members and therefore can irrespective of its shareholding in the Issuer significantly influence the composition of the Supervisory Board and, indirectly the Management Board.
- It is unclear if and when a combination of the businesses of the Issuer and IMMOFINANZ AG will take place. Rating agencies may reduce or withdraw their rating as a result of such a business combination or an expected combination of business. A reduction in its credit rating could adversely affect CA Immo,

and, if the merger becomes effective, the combined entity.

- The control and prevention mechanisms of the Group's compliance structure may not have been, or may not be, sufficient to adequately protect the Group from all legal or financial risks. Cases of irregularities could lead to official investigations or third-party claims against the Group, which, in turn, could have a material adverse effect on its business, net assets, financial condition, cash flow, results of operations and reputation.

D.3 Key risks specific to the bonds.....

- The Bonds may not be a suitable investment for all investors.
- Risks exist due to the structural subordination of Bonds towards other financing obtained by the Issuer or its subsidiaries based on the financial structure of the Group as well as the Terms and Conditions.
- Bondholders are subject to credit risk with regard to the Issuer and the insolvency of the Issuer may lead to a total loss of the investment of Bondholders.
- The solvency of the Issuer can change during the term of the Bonds (solvency risk).
- The market price of interest-paying bonds can decrease due to changes of the market interest rate (price risk).
- Bondholders are exposed to the risk that a liquid market for the Bonds does not develop or that trading of the Bonds is suspended. Revocation of the listing or suspension of trading with Bonds can lead to distorted pricing or to the sale of the Bonds becoming impossible.
- The Issuer can terminate the Bonds for tax reasons.
- Bondholders are exposed to the risk that reinvestment may only be possible at less favourable conditions.
- Bondholders are dependent on the operation of the clearing systems.
- The Issuer or the Joint Lead Managers can effect transactions which are not in the Bondholders' interest, or other reasons may lead to conflicts of interest arising between the Issuer and the Bondholders. Moreover, there may be business relations between the Issuer and the Joint Lead Managers.
- Future inflation could lead to a reduction in the return on investment in the Bonds.
- Transaction costs and charges may significantly reduce the return on investment in the Bonds.
- Careful consideration should be given to the tax consequences of investing in the Bonds.
- Where the acquisition of the Bonds is financed with debt this

may significantly increase any possible loss.

- Changes to applicable law, regulations or administrative practice can lead to negative consequences for the Issuer, the Bonds and the Bondholders.
- The purchase of the Bonds by potential investors may violate applicable law.
- A court can appoint a trustee (*Kurator*) for the Bonds who shall exercise the rights and represent the interests of the Bondholders on their behalf.
- Claims towards the Issuer in respect of repayment become time-barred if not asserted within thirty years and in respect of interest within three years.
- Bondholders are exposed to the risk of a lack of influence on the Issuer.
- Credit ratings may not reflect all risks and are subject to change.
- A potential investor may not rely on the Issuer, the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Bonds.
- Although the occurrence of a change of control will permit Bondholders to require redemption of the Bonds, the Issuer may not be able to redeem such Bonds.
- Exchange rate risks and exchange controls.
- Payments on the Bonds may be subject to U.S. withholding under the Foreign Account Tax Compliance Act.
- The Financial Transactions Tax could apply to certain dealings in the Bonds.

### Section E - Offer

E.2b Reasons for the offer and use of proceeds .....

In connection with the offering of the Bonds (the “**Offering**”), the Issuer expects to receive net proceeds of approximately EUR [●]. The Issuer makes the Offering and intends to use the net proceeds of the issue of the Bonds for the optimisation of debt and other general corporate purposes. The expected net proceeds are almost entirely earmarked for the early repayment of project-financed bank loans in CEE, irrespective of them being due for repayment or not, or rather for the substitution of planned bank financings. The repayment may also involve existing financing agreements between the Joint Lead Managers and the Issuer. Remaining net proceeds will be used for other general corporate purposes.

E.3 Terms and conditions of the offer .....

The Offering will be coordinated and the Bonds will be offered to

investors by Erste Group Bank AG, Am Belvedere 1, 1100 Vienna, Austria, and Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria (together, the “**Joint Lead Managers**”). The Bonds will be offered through the Joint Lead Managers and other syndicate members (which will be disclosed in the pricing notice) (together, the “**Managers**”) to institutional investors. During the period from February 17, 2017 to, including, February 21, 2017, the Bonds will be offered to retail investors in Austria. The Bonds will be issued on or about February 22, 2017.

The Reoffer Price for the Bonds is not yet fixed and expected to range between 98% and 100% of the nominal amount of the Bonds. The Reoffer Price and the interest rate will be determined on basis of the tenor of the Bonds, the yield and the demand by institutional investors in the course of the determination of the conditions (bookbuilding procedure) on or around February 15, 2017. It cannot be excluded that investors which do not qualify as institutional investors are addressed during this period; accordingly, the Offer Period extends from February 10 through February 21, 2017 (the “**Offer Period**”). In the course of the bookbuilding procedure, the Joint Lead Managers will accept within a limited period of time binding subscription orders from institutional investors, including credit spreads usually within a predetermined spread range. Subsequently, the Joint Lead Managers determine in consultation with the Issuer the interest rate (coupon), the Reoffer Price and the Issue Price.

Should the Issuer and the Joint Lead Managers determine any shortening or extension of the Offer Period (e.g., due to changing market conditions), such changes will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)); an extension of the Offer Period requires a supplement to the Prospectus pursuant to Article 13 of the Luxembourg Prospectus Law.

Institutional investors may buy the Bonds at the Reoffer Price. The Issue Price at which retail investors may buy the Bonds during the Offer Period is determined on the basis of the Reoffer Price for institutional investors plus selling commission of up to 1.5%-points. The Issue Price and the Reoffer Price will be published in the pricing notice on or around February 16, 2017 in accordance with applicable laws.

The Bonds will be offered to institutional and retail investors in compliance with public offer restrictions. The Bonds may be offered to the public in Austria on the day following the notification of the Prospectus by the CSSF according to Article 18 of the Prospectus Directive to the competent authority in Austria.

E.4	Material interest in the issue/offer including conflicting interests .....	The Issuer has the interest to raise additional debt capital through the Offering.
		The Joint Lead Managers participate in the issue of the Bonds in the course of their ordinary business as credit institutions in order to gain commissions. The Joint Lead Managers or their affiliates and further members of the respective banking sector or connected companies may from time to time in the course of their ordinary business separately or jointly conduct further business relations with the Issuer, e.g. investment, advising or financial transactions, and continue to do so in the future. Furthermore, there are existing financing agreements between the Joint Lead Managers and the Issuer. The Issuer may in the course of its normal financing activities use the proceeds of the issue of the Bonds to partly or entirely repay its existing financings with the Joint Lead Managers, irrespective of them being due for repayment or not.
E.7	Estimated expenses charged to the investor by the issuer or the offeror.....	The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Bonds. The Managers and other banks may charge a selling commission of up to 1.5%-points of the respective Reoffer Price and depositary banks may charge customary charges and fees to the Bondholders.

## GERMAN TRANSLATION OF THE SUMMARY

### ZUSAMMENFASSUNG

*Diese Zusammenfassung des Prospekts besteht aus sogenannten Elementen, die verschiedene Informations- und Veröffentlichungspflichten enthalten. Die Elemente sind in den Abschnitten A bis E nummeriert (A.1 bis E.7). Diese Zusammenfassung enthält alle Elemente, die für Wertpapiere und Emittenten dieser Art vorgeschrieben sind. Da manche Elemente nicht erforderlich sind, können Lücken in der Nummerierung der Elemente auftreten. Auch wenn ein Element aufgrund der Art der Wertpapiere und des Emittenten für die Zusammenfassung vorgeschrieben ist, kann es sein, dass dazu keine passende Information gegeben werden kann. In diesem Fall ist in der Zusammenfassung eine kurze Beschreibung des Elements mit dem Hinweis „entfällt“ enthalten.*

#### Abschnitt A - Einleitung und Warnhinweise

- A.1 Warnhinweise..... Diese Zusammenfassung sollte als Prospekt einleitung verstanden werden. Anleger sollten sich bei jeder Entscheidung, in die Teilschuldverschreibungen zu investieren auf den Prospekt stützen. Ein Anleger, der wegen der in diesem Prospekt enthaltenen Angaben Klage einreichen will, muss je nach den nationalen Rechtsvorschriften des Mitgliedstaats des Europäischen Wirtschaftsraums möglicherweise für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann. Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die Teilschuldverschreibungen für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.
- A.2 Zustimmung der Emittentin zur Prospektverwendung..... CA Immobilien Anlagen Aktiengesellschaft (die “**Emittentin**” oder “**CA Immo**“) erteilt ihre ausdrückliche Zustimmung zur Verwendung dieses Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung der Teilschuldverschreibungen durch Finanzintermediäre in Österreich zwischen dem 10. Februar 2017 und dem 21. Februar 2017. Während dieses Zeitraums können Finanzintermediäre spätere Weiterveräußerungen oder endgültige Platzierungen vornehmen. Jeder Finanzintermediär, der den Prospekt verwendet, hat auf seiner Webseite anzugeben, dass er den Prospekt mit Zustimmung und gemäß den Bedingungen verwendet, an die die Zustimmung gebunden ist. Die Emittentin erklärt, die Haftung für den Inhalt des Prospekts auch hinsichtlich einer späteren Weiterveräußerung oder endgültigen Platzierung von Wertpapieren durch Finanzintermediäre, denen die Zustimmung zur Prospektverwendung erteilt wurde, zu übernehmen. Darüber hinaus übernimmt die Emittentin keine Haftung. Die Zustimmung der Emittentin zur Verwendung dieses Prospekts ist an keine sonstigen Bedingungen gebunden, kann jedoch jederzeit widerrufen oder eingeschränkt werden, wobei ein Widerruf eines Nachtrags zum Prospekt bedarf. **Macht ein Finanzintermediär ein Angebot hinsichtlich der Teilschuldverschreibungen, ist er verpflichtet, Informationen über die Bedingungen des Angebots zum Zeitpunkt der Vorlage des Angebots zur Verfügung zu stellen.**

## Abschnitt B – Emittentin

- B.1 Gesetzliche und kommerzielle Bezeichnung ..... Die gesetzliche Bezeichnung der Emittentin ist „CA Immobilien Anlagen Aktiengesellschaft“, die kommerzielle Bezeichnung „CA Immo“.
- B.2 Sitz, Rechtsform, Recht, Land der Gründung ..... Die Emittentin ist eine in Österreich gegründete und eingetragene Aktiengesellschaft nach österreichischem Recht, mit der Geschäftsanschrift Mechelgasse 1, 1030 Wien, Österreich.
- B.4b Bekannte Trends bei der Emittentin und in ihrer Branche..... Neben anderen gesamtwirtschaftlichen Entwicklungen (wie etwa Wirtschaftswachstum, Arbeitslosenzahlen und Kaufkraft) sind die Entwicklungen auf den wichtigsten Immobilienmärkten, auf denen sie tätig ist, für die Emittentin relevant (*Quellen: Die Informationen aus diesem Teil der Zusammenfassung stammen von Eurostat, ECB, IMF Deistatis, Bloomberg, The Economist, the Financial Times, den Statistischen Zentralämtern von Polen, Ungarn, der Tschechischen Republik und dem Nationalen Statistische Institut Rumäniens; CBRE: European Investment Quarterly MarketView (Q3 2016); Austria Investment MarketView (Q3 2016); Germany Investment MarketView (Q3 2016); Germany Office Investment MarketView (Q3 2016), Office Market View Wien, Berlin, Frankfurt, München, Budapest, Bukarest, (Q3 2016); und Jones Lang LaSalle: Budapest, Warschau City Report (Q3 2016).*

### **Immobilien-Investmentmarkt**

Die Transaktionsaktivität auf dem europäischen Investmentmarkt für Gewerbeimmobilien entwickelte sich gut in 2016. Das Investitionsvolumen des 3. Quartals 2016 lag mit rund EUR 51,6 Mrd. zwar unter dem Vorjahreswert (EUR 66,7 Mrd.), aber über dem 10-jährigen Durchschnitt. Rund 80% des Volumens flossen in den Büroimmobiliensektor. Während der Markt im Vereinigten Königreich durch die Brexit-Abstimmung von Unsicherheit geprägt war, hat Deutschland im 3. Quartal 2016 mit 29% aller getätigten Transaktionen das Vereinigte Königreich als größten Immobilienmarktplatz in Europa überholt. Die in Deutschland weiterhin starke Nachfrage für Core-Immobilien führt zu zunehmender Verknappung des Angebots sowie anhaltender Renditekompression.

Das Gewerbeimmobilien-Investitionsvolumen in Deutschland betrug in den ersten drei Quartalen 2016 rund EUR 32,7 Mrd. (-15% zum Vorjahreswert). Die Anlageklasse von Büroimmobilien war weiterhin das am stärksten nachgefragte Segment. Der Renditeabstand zwischen Staatsanleihen und Spitzenrenditen blieb historisch hoch, der Renditerückgang setzt sich, wenn auch verlangsamt, fort. Die Büro-Spitzenrendite beträgt im 3. Quartal 2016 in Frankfurt 4,10% (2Q 2016: 4,20%), in Berlin 3,50% (3,75%) und in München 3,30% (3,60%).

Das Gesamtinvestitionsvolumen in Gewerbeimmobilien betrug in Österreich im 3. Quartal 2016 auf rund EUR 314 Mio. (-52% zum Vorjahr); davon entfielen rund 43% auf Büroimmobilien. Die Büro-



Spitzenrendite bleibt unter Druck und liegt für gute Lagen bei 4,75%, während die Rendite für Top-Objekte auf bis zu 4,05% sinken kann.

Im CEE-Raum ist länderabhängig eine konträre Investitionsdynamik erkennbar. So gab es in Polen 2016 eine Transaktionsaktivität von rund EUR 4,6 Mrd. (+ 61% zum Jahr 2015), während in Tschechien mit einem Investitionsvolumen von EUR 1,58 Mrd. ein signifikanter Rückgang um etwa 42,8% erkennbar war. Die Büro-Spitzenrenditen betrug für Warschau 5,5%, Prag 4,75%, Budapest 6,75% und Bukarest 7,5%.

### ***Büroimmobilienmärkte***

Der deutsche Bürovermietungsmarkt zeigte in den ersten drei Quartalen 2016 weiterhin eine sehr gute Entwicklung. Auf den Kernmärkten der CA Immo (Berlin, Frankfurt und München) wurden steigende Vermietungsleistungen, sinkende Leerstände und ein Mietwachstum beobachtet. Die Vermietungsleistung in Berlin betrug zum Ende des 3. Quartals 2016 über 670.900 m<sup>2</sup>, davon etwa 255.400 m<sup>2</sup> im 3. Quartal 2016 (+21% zum 3. Quartal 2015). Die Leerstandsrate ist weiter gesunken und liegt erstmalig unter der 6%-Marke bei 5,5%. In Frankfurt wuchs der Flächenumsatz im 3. Quartal 2016 um 12% auf 121.600 m<sup>2</sup>. Die Leerstandsrate stand stabil bei 11,7%. Nach dem besten Halbjahresergebnis seit fünf Jahren lag das Umsatzvolumen in München im 3. Quartal 2016 mit 169.200 m<sup>2</sup> zwar rund 15% unter dem Wert von 2015, für das Gesamtjahr 2016 liegt die Erwartung mit 750.000 m<sup>2</sup> etwa auf Niveau von 2015. Die Leerstandsquote lag mit 4,3% historisch niedrig.

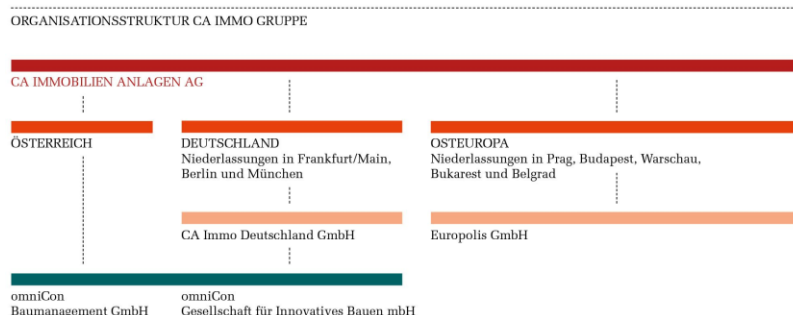
Die Vermietungsleistung in Wien hat sich mit insgesamt 112.000 m<sup>2</sup> im 3. Quartal 2016 gegenüber dem Wert von 2015 mehr als verdreifacht. Die Leerstandsrate ging weiter zurück und betrug 5,4%. Im 3. Quartal 2016 wurden in Wien lediglich 16.000 m<sup>2</sup> neue Büroflächen fertig gestellt.

Der Büromarkt in Warschau bleibt von extensiver Bautätigkeit geprägt. Der Büroflächenumsatz betrug in den ersten drei Quartalen 2016 ungefähr 531.000 m<sup>2</sup>. Insgesamt wurden 2016 bisher rund 378.000 m<sup>2</sup> neue Büroflächen fertiggestellt, davon rund 350.000 m<sup>2</sup> in den ersten sechs Monaten. Die Leerstandsrate zeigt eine leicht fallende Tendenz und stand bei 14,6%. In Budapest hat sich die Leerstandsrate bei 10,3% stabilisiert, mit einer leicht negativen Tendenz. Der Flächenumsatz blieb in den ersten drei Quartalen 2016 auf einem soliden Niveau von 308.000m<sup>2</sup> (in der ersten Hälfte 2016: rund 214.000m<sup>2</sup>).

In Prag betrug die Vermietungsaktivität im 3. Quartal 2016 rund 109.600 m<sup>2</sup>, davon 86.300 m<sup>2</sup> Neuvermietungen (+4% zum Vorquartal). Die durchschnittliche Leerstandsrate verminderte sich auf 11,7%. In Bukarest verlangsamte sich die zu Jahresbeginn sehr dynamische Vermietungsleistung im 3. Quartal 2016 (-12% zum Jahr 2015), das summierte Jahresergebnis lag mit 268.300 m<sup>2</sup> aber 11% über dem Wert des Jahres 2015. Die Leerstandsrate stand bei rund 12,3%.

B.5 Beschreibung der Gruppe und der Stellung der Emittentin in der Gruppe.....

Die Emittentin ist die Muttergesellschaft eines international tätigen Immobilienkonzerns mit Sitz in Wien. Die folgende Grafik zeigt die Konzernstruktur der Emittentin zum Prospektdatum:



Quelle: Interne Daten der Emittentin, zum Datum dieses Prospekts.

### Wesentliche Tochtergesellschaften

Name der Gesellschaft	Sitz	Anteil am Kapital
CA Immo Deutschland GmbH	Frankfurt a.M.	100%
Europolis GmbH	Wien	100%

Quelle: Interne Daten der Emittentin, zum Datum dieses Prospekts.

Über die oben dargestellten Holdinggesellschaften und über die Holdinggesellschaften in Zypern und den Niederlanden werden Projekt-, Immobilien- und Managementgesellschaften in Österreich, Deutschland, Tschechien, Slowakei, Ungarn, Polen, Ukraine Rumänien, Bulgarien, Kroatien, Serbien und Slowenien gehalten.

B.9 Gewinnprognosen oder -schätzungen .....

Entfällt, weil die Emittentin keine Gewinnprognosen oder -schätzungen abgibt.

B.10 Beschränkungen im Bestätigungsvermerk.....

Entfällt, weil die Jahres- und Konzernjahresabschlüsse mit einem uneingeschränkten Bestätigungsvermerk des Abschlussprüfers versehen wurden.

B.12 Ausgewählte wesentliche Finanzinformationen .....

Die folgenden ausgewählten Finanzinformationen der Gruppe wurden dem ungeprüften Konzernzwischenabschluss zum 30. September 2016 und dem geprüften Konzernjahresabschluss zum 31. Dezember 2015 der Emittentin entnommen.

	Zum und für die neun Monate endend am 30. September		Zum und für das Geschäftsjahr endend zum 31. Dezember	
	2016	2015	2015	2014
<b>Alle Zahlen in Millionen EUR, außer explizit anders angeführt</b>				
	<b>ungeprüft</b>		<b>geprüft</b>	
Mieterlöse .....	122,6	111,7	154,8	145,2
Nettomietergebnis .....	108,8	98,1	135,6	128,8
Ergebnis aus Hotelbewirtschaftung ..	0,0	0,3	0,3	1,8
Ergebnis aus Immobilienhandel .....	4,8	0,0	3,1	8,7
Erlöse aus Dienstleistungen.....	9,9	12,9	16,2	16,0

Ergebnis aus Verkauf langfristiges Immobilienvermögen .....	19,4	0,7	36,5	29,8
Earnings before interest, taxes, depreciation and amortization („EBITDA“) .....	111,8	80,5	149,0	149,1
Abschreibung und Wertänderungen .....	-1,6	-2,1	-2,9	-10,3
Ergebnis aus Neubewertung .....	100,3	78,5	213,8	-4,2
Ergebnis aus Gemeinschaftsunternehmen <sup>(1)</sup> .....	7,3	30,7	43,2	8,2
Earnings before interests and taxes („EBIT“) .....	217,8	187,5	402,7	142,9
Finanzergebnis .....	-45,2	-53,0	-86,7	-58,3
Earnings before taxes .....	172,6	134,5	316,0	84,6
Ertragssteuern .....	-46,2	-45,8	-95,2	-13,8
Ergebnis der Periode .....	126,4	88,7	220,8	70,8
Bilanzsumme .....	4.234,5	3.932,9 <sup>(2)</sup>	3.984,0	3.670,9
Eigenkapital .....	2.166,4	1.977,6 <sup>(2)</sup>	2.120,5	1.951,7
Finanzverbindlichkeiten .....	1.543,3	1.427,3 <sup>(2)</sup>	1.404,0	1.229,1
Eigenkapitalquote (in %) <sup>(3)</sup> .....	51,2	50,3 <sup>(2)</sup>	53,2	53,2
Investitionen in Immobilienvermögen, immaterielles Vermögen und Sachanlagen .....	255,6	69,0	92,5	184,0
Cashflow aus operative Geschäftstätigkeit .....	82,4	78,1	113,2	99,6
Cashflow aus Investitionstätigkeit .....	-14,9	120,9	101,5	-184,2
Cashflow aus Finanzierungstätigkeit .....	16,2	-194,5	-171,4	-363,0
Liquide Mittel .....	289,1	163,5	207,1	163,7
NOI-Marge (in %) <sup>(4)</sup> .....	88,7	87,9	87,6	88,7
Unverwässertes Ergebnis je Aktie (in EUR) .....	1,32	0,90	2,25	0,76
Verwässertes Ergebnis je Aktie .....	1,32	0,90	2,25	0,73
Buchwert je Aktie (in EUR) <sup>(5)</sup> .....	23,09	20,36 <sup>(2)</sup>	21,90	19,75
Operativer Cashflow je Aktie (in EUR) .....	0,86	0,79	1,16	1,07
Immobilienvermögen <sup>(6)</sup> .....	3.435,3	3.178,9 <sup>(2)</sup>	3.206,4	2.706,6
davon Entwicklungsprojekte und unbebaute Grundstücke .....	459,9	375,6 <sup>(2)</sup>	409,0	496,3

- (1) Die laufenden Ergebnisse der nach der Equity-Methode konsolidierten Gemeinschaftsunternehmen werden als Ergebnis aus Gemeinschaftsunternehmen in der Konzern-Gewinn- und Verlustrechnung gezeigt. Diese Ergebnisposition fließt daher nicht EBITDA- sondern EBIT-wirksam in das Konzernergebnis ein.
- (2) Die Zahlen sind im Finanzbericht vom 30. September 2016 nicht ausgewiesen.
- (3) Die Eigenkapitalquote entspricht dem Anteil des Eigenkapitals an der Bilanzsumme.
- (4) Die NOI-Marge (*net operating income*, Nettobetriebsergebnis) gibt das Verhältnis von Nettomietergebnis zu Mieterlöse an und ist ein Indikator für die Effizienz des Bestandsgeschäftes.
- (5) Auch als „NAV (*net asset value*, Nettovermögenswert) (IFRS) je Aktie“ bezeichnet; die Kennzahl entspricht dem auf Anteilsinhaber der Muttergesellschaft entfallenden Eigenkapital dividiert durch die im Umlauf befindlichen Aktien zum Ende des Geschäftsjahres.
- (6) Das gesamte bilanzielle Immobilienvermögen umfasst Bestandsimmobilien, Immobilien in Entwicklung, selbst genutzte Immobilien sowie zum Handel bzw. Verkauf gehaltene Immobilien.

### Loan-to-value

Die Loan-to-value Quote („LTV Quote“) ist definiert als Nettofinanzverbindlichkeiten (Nettofinanzverbindlichkeiten sind definiert als Nettoverschuldung oder lang- und kurzfristig verzinsliche Finanzverbindlichkeiten zuzüglich Anleihen abzüglich flüssiger Mittel) dividiert durch den Wert des gesamten Immobilienvermögens (das gesamte Immobilienvermögen ist definiert als Bestandanla-

geimmobilien zuzüglich Anlageliegenschaften in Entwicklung, selbstgenutzte Immobilien, Anlageliegenschaften die zur Veräußerung gehalten werden und Immobilien, die zum Handel gehalten werden). CA Immo sieht die LTV Quote als wichtigen Indikator der Kapitalstruktur an. Die Emittentin wendet die LTV Quote zur Identifizierung von Möglichkeiten zur Optimierung der Kapitalkosten, für mögliche Akquisitionen und für notwendige finanzielle Maßnahmen an. Die folgende Tabelle zeigt die Berechnung der LTV Quote zum 30. September 2016 und zum 31. Dezember 2015 und 2014:

	30. September 2016 (ungeprüft in Millionen EUR, außer explizit anders angeführt)	31. Dezember 2015	31. Dezember 2014
		(geprüft in Millionen EUR, außer explizit anders angeführt)	
Kurzfristig verzinsliche Finanzverbindlichkeiten .....	249,9	353,0	199,9
Langfristig verzinsliche Finanzverbindlichkeiten .....	824,7	684,5	841,9
Kurzfristige Anleihen .....	6,1	192,2	2,6
Langfristige Anleihen .....	462,6	174,3	184,8
<b>Lang- und kurzfristige verzinsliche Finanzverbindlichkeiten</b>	<b>1.543,3</b>	<b>1.404,0</b>	<b>1.229,1</b>
Flüssige Mittel .....	-289,1	-207,1	-163,6
Flüssige Mittel mit Verfügungsbeschränkung .....	-4,3	-5,4	-4,2
<b>Nettoverschuldung.....</b>	<b>1.249,8</b>	<b>1.191,4</b>	<b>1.061,3</b>
Bestandanlageimmobilien (Zeitwert IAS 40) .....	2.910,2	2.714,3	2.092,9
Anlageliegenschaften in Entwicklung (Zeitwert IAS 40) ...	459,9	409,0	496,3
Hotel und andere selbstgenutzte Immobilien .....	6,7	7,0	7,5
Liegenschaften die zur Veräußerung gehalten werden (Zeitwert IFRS 5) .....	28,6	54,0	91,5
Immobilien die zum Handel gehalten werden.....	29,8	22,1	18,4
<b>Immobilien gesamt .....</b>	<b>3.435,3</b>	<b>3.206,4</b>	<b>2.706,6</b>
<b>Netto Loan-to-value (in %)<sup>(1)</sup> .....</b>	<b>36,4%</b>	<b>37,2%</b>	<b>39,2%</b>
<b>Brutto Loan-to-value (in %)<sup>(1)</sup> ...</b>	<b>44,9%</b>	<b>43,8%</b>	<b>45,4%</b>

(1) Berechnung der LTV Quote basiert auf internen ungeprüften Berechnungen der Emittentin. Eine Definition der LTV Quote befindet sich im Absatz oberhalb.

Keine wesentliche Verschlechterung – Erklärung...

Seit 31. Dezember 2015 haben sich die Aussichten der Gruppe nicht wesentlich verschlechtert.

Wesentliche Veränderungen in der Finanzlage oder Handelsposition der Emittentin.....

Entfällt. Es gab seit dem 30. September 2016 keine wesentlichen Veränderungen in der Finanzlage oder der Handelsposition der Emittentin.

B.13 Für die Zahlungsfähigkeit der Emittentin in hohem Maße relevante Ereignisse...

Im Juli 2016 erteilte der Vorstand der CA Immo (der „Vorstand“) seine Zustimmung zur Übertragung von vier Namenaktien (mit denen das Recht zur Entsendung von bis zu vier Mitgliedern des Aufsichtsrats der Emittentin (der „Aufsichtsrat“) verbunden ist) an

die IMMOFINANZ AG. Anfang August 2016 machte IMMOFINANZ AG von ihren Entsendungsrechten aus den Namensaktien teilweise Gebrauch, berief zwei Mitglieder des Aufsichtsrates der Emittentin ab und entsandte zwei Mitglieder des Vorstands der IMMOFINANZ AG mit sofortiger Wirkung bis auf Widerruf in den Aufsichtsrat.

Im September 2016 unterschrieb die Emittentin einen Vertrag für den Erwerb des zentral gelegenen, 70.400 m<sup>2</sup> fassenden Bürokomplexes Millennium Towers in Budapest. TriGranit und eine Tochtergesellschaft von Heitman LLC verkauften den Tower für EUR 175 Millionen. Der Tower verschafft jährliche Mieterlöse von EUR 12 Millionen.

Am 27. September 2016 schied Florian Nowotny auf eigenen Wunsch per 30. September 2016 als Vorstand und Chief Financial Officer der CA Immo aus; der Aufsichtsrat der Gesellschaft bestellte Hans Volckens mit sofortiger Wirkung zum Vorstandsmitglied und neuen Chief Financial Officer der CA Immo.

Im Oktober 2016 wurde das ursprünglich bis zum 7. Oktober 2016 geplante Aktienrückkaufprogramm nach Erreichen des beabsichtigten Rückkaufvolumens von 2.000.000 Stück Aktien vorzeitig beendet. Im November 2016 wurde ein neues Aktienrückkaufprogramm für bis zu eine Millionen Stück Aktien (entspricht rund 1% des derzeit aktuellen Grundkapitals der Emittentin) mit einem Höchstlimit von EUR 17,50 je Aktie beschlossen.

Am 12. Oktober 2016 legten die Aufsichtsratsmitglieder Wolfgang Rutenstorfer, Barbara Knoflach und Maria Doralt ihre Aufsichtsratsmandate mit Wirkung zum 10. November 2016 zurück. Am 23. November 2016 legte Dmitry Mints sein Mandat als stellvertretender Aufsichtsratsvorsitzender mit Wirkung zum 21. Dezember 2016 zurück; IMMOFINANZ AG machte von ihrem Entsendungsrecht aus den vier Namensaktien Gebrauch, berief Timothy Fenwick ab und entsandte Klaus Hirschler und Sven Bienert mit Wirkung zum 1. Dezember 2016 und bis auf Widerruf in den Aufsichtsrat.

Am 19. Dezember 2016 teilte IMMOFINANZ AG mit, die Gespräche über eine mögliche Fusion zwischen IMMOFINANZ AG und CA Immo ruhen zu lassen und den Zeitplan für eine mögliche Fusion bis zum Abschluss der Abtrennung ihres Russland Portfolios anzupassen.

B.14 Abhängigkeit der Emittentin von anderen Unternehmen der Gruppe .....

Aus ihrer Funktion als Muttergesellschaft mit eigenem Immobilienbesitz erzielt die Emittentin nur beschränkt eigene Einkünfte. Darüber hinaus ist die Emittentin von Beiträgen und Ausschüttungen ihrer Tochtergesellschaften abhängig.

B.15 Haupttätigkeiten der Emittentin.....

Die Haupttätigkeit der Emittentin besteht in der strategischen und operativen Leitung der in- und ausländischen Tochtergesellschaften. Darüber hinaus besitzt die Emittentin Immobilien in Österreich mit einem Gesamtwert von circa EUR 254 Millionen (zum 30. September 2016), davon sind EUR 250 Millionen Bestandsim-

mobilien. Die inländischen und ausländischen Tochtergesellschaften der Emittentin werden von ihren wesentlichen Tochtergesellschaften und Zwischenholding-Gesellschaften CA Immo Deutschland GmbH und Europolis GmbH verwaltet (CA Immo Deutschland GmbH hält sechs Bestandsimmobilien mit einem Buchwert (zum 30. September 2016) von circa EUR 60 Millionen und Entwicklungsimmobilien mit einem Buchwert von EUR 181 Millionen). Die Projekt-, Besitz- und Verwaltungsgesellschaften in den oben genannten Kernregionen werden von diesen Holdinggesellschaften gehalten.

Die Geschäftstätigkeit der Gruppe bezieht sich auf den Kauf, die Errichtung, die Vermietung, den Betrieb, die Sanierung und den Verkauf von Immobilien in Österreich und Deutschland sowie in insgesamt neun Ländern in Zentral- und Osteuropa. Darüber hinaus gibt es nicht-operative Holdinggesellschaften in den Niederlanden und Zypern. Die Geschäftstätigkeiten der Gruppe umfassen Immobilien-Projektentwicklung, die Wiederbelebung und Sanierung von Anlageimmobilien und die Vermögensverwaltung. Deutsche Entwicklungen sind die wesentlichen organischen Wachstumstreiber. Das Baumanagement wird von der CA Immo-Tochter omniCon durchgeführt, die diese Dienstleistungen auch für Dritte erbringt.

**B.16 Beteiligungen und Beherrschungsverhältnisse .....**

Das Grundkapital von CA Immo beträgt EUR 718.336.602,72 und wird in vier Namensaktien und 98.808.332 Inhaberaktien jeweils mit einem anteiligen Betrag von EUR 7,27 am Grundkapital aufgeteilt. Die Namensaktien werden von IMMOFINANZ AG gehalten und gewähren der IMMOFINANZ AG das Recht bis zu vier Aufsichtsratsmitglieder zu nominieren (vorausgesetzt, dass die Anzahl der nominierten Mitglieder nicht höher als ein Drittel der Gesamtzahl der Aufsichtsratsmitglieder gemäß österreichischem Aktiengesetz sein darf). Zum Zeitpunkt dieses Prospekts hat IMMOFINANZ AG von sämtlichen ihrer vier Nominierungsrechte Gebrauch gemacht: Oliver Schumy, Stefan Schönauer, Sven Bienert und Klaus Hirschler wurden zu Mitgliedern des Aufsichtsrat ernannt.

Auf der Grundlage der Mitteilungen, die die Emittentin zum Zeitpunkt dieses Prospekts gemäß dem österreichischen Börsegesetz erhalten hat, und den Informationen, die von den jeweiligen Aktionären zur Verfügung gestellt wurden, halten folgende Aktionäre mehr als 4% der Stammaktien der Emittentin zum Zeitpunkt des Prospekts:

**Aktionäre**

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IMMOFINANZ AG.....	26,00%
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Darüber hinaus sind der Emittentin keine Aktionäre bekannt, die eine Beteiligung von mehr als 4% halten. Die übrigen Anteile an CA Immo (circa 74% des Grundkapitals) sind in Streubesitz von institutionellen und privaten Anlegern.

Zum 30. September 2016 hielt die Emittentin 5.000.000 eigene Aktien, das sind etwa 5,00% des ausgegebenen Grundkapitals. Am 23. November 2016 hat die Emittentin den Beginn eines Aktienrückkaufprogramms nach österreichischem Aktiengesetz für bis zu

	etwa 1% des ausgegebenen Grundkapitals mit einem maximalen Kaufpreis von EUR 17,50 je Aktie, frühestens beginnend mit 28. November 2016 bis spätestens 2. Oktober 2018, bekanntgegeben. Demgemäß kann sich die Anzahl eigener Aktien der Emittenten weiter erhöhen (zum 7. Februar 2017 hielt die Emittentin gesamt 5.438.046 eigene Aktien, das sind 5,5% der ausgegebenen Aktien).
B.17 Ratings der Emittentin und ihrer Schuldtitel .....	<p>Zum Zeitpunkt der Veröffentlichung des Prospekts hat Moody's Investors Services Ltd. ("Moody's") der Emittentin ein Long Term Issuer Rating von Baa2 mit einem negativen Ausblick zugewiesen.</p> <p>Die Emittentin hat Moody's beauftragt, die Schuldverschreibungen zu bewerten. Die Bewertung wird mit Baa2.</p>
<b>Abschnitt C - Wertpapiere</b>	
C.1 Art und Gattung, Wertpapierkennung .....	<p>Nicht nachrangige, fixverzinsliche Teilschuldverschreibungen.</p> <p>ISIN: AT0000A1TBC2</p>
C.2 Währung .....	Euro
C.5 Beschränkungen der Übertragbarkeit.....	Entfällt. Die Teilschuldverschreibungen sind Inhaberwertpapiere und grundsätzlich frei übertragbar. Beschränkungen der Übertragbarkeit können sich aus den anwendbaren Regeln der Clearingsysteme ergeben.
C.8 Rechte, Rang, Beschränkung der Rechte.....	Jeder Inhaber von Teilschuldverschreibungen hat aus ihnen das Recht, Zahlungen von Zinsen und Kapital von der Emittentin zu verlangen, wenn diese Zahlungen fällig sind, wie in Element C.9 näher beschrieben. Ansonsten sind mit den Teilschuldverschreibungen jene anderen Rechte und Pflichten verbunden wie in diesem Element C.8 und im Element C.9 beschrieben.
Negativverpflichtung.....	Die Anleihebedingungen der Teilschuldverschreibungen enthalten eine Negativverpflichtung.
Kündigung durch die Emittentin .....	Die Anleihebedingungen berechtigen die Emittentin zur Kündigung der Teilschuldverschreibungen aus steuerlichen Gründen, wenn sie ansonsten zur Zahlung zusätzlicher Beträge verpflichtet wäre.
Kündigungsgründe .....	Eine ordentliche Kündigung durch die Anleihegläubiger ist nicht vorgesehen. Die Anleihebedingungen definieren Gründe, aus denen Anleihegläubiger die Teilschuldverschreibungen kündigen und deren sofortige Rückzahlung verlangen können.
Covenants .....	Die Anleihebedingungen enthalten Covenants für die Emittentin, die Beschränkungen für die Aufnahme von Finanzverbindlichkeiten und bestimmte Informationspflichten vorsehen.
Rang .....	Die Teilschuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der

	<p>Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, mit Ausnahme von Verbindlichkeiten, die nach geltendem zwingenden Recht vorrangig sind; dazu gehören etwa die Kosten eines Insolvenzverfahrens oder Forderungen von Arbeitnehmern auf laufendes Entgelt nach Insolvenzeröffnung.</p>
Beschränkung der Rechte....	Entfällt. Die mit den Teilschuldverschreibungen verbundenen Rechte unterliegen keinen Einschränkungen.
C.9 Zinssatz, Zahlungstermine, Rendite, Vertretung .....	<p>Siehe auch Element C.8 oben. Die Nominalverzinsung, das endgültige Emissionsvolumen, der Reoffer Preis, zu dem institutionelle Investoren die Teilschuldverschreibungen erwerben können (der „<b>Reoffer Preis</b>“), der Emissionspreis, zu dem Privatanleger die Teilschuldverschreibungen erwerben können (der „<b>Emissionspreis</b>“), der Emissionserlös und die Rendite werden am oder um den 16. Februar 2017 in Übereinstimmung mit dem Luxemburger Prospektgesetz (<i>loi relative aux prospectus pour valeurs mobilières</i>) bei der <i>Commission de Surveillance du Secteur Financier</i> in Luxemburg („<b>CSSF</b>“) eingereicht und auf der Webseite der Luxemburger Börse (<a href="http://www.bourse.lu">www.bourse.lu</a>) veröffentlicht werden.</p> <p>Die Zinsen werden jährlich bezahlt, für einen Zeitraum beginnend am 22. Februar 2017 (einschließlich) und endend am der Fälligkeit vorangehenden Tag (22. Februar 2024). Die Zinsen sind im Nachhinein am 22. Februar eines jeden Kalenderjahres, erstmalig am 22. Februar 2018, zahlbar. Die erste Zinszahlung ist am 22. Februar 2018 fällig und wird für den Zeitraum beginnend am 22. Februar 2017 (einschließlich) und endend am 22. Februar 2018 (ausschließlich) geleistet. Die Rückzahlung erfolgt zum Nominalbetrag am 22. Februar 2024.</p> <p>Zahlungen durch die Emittentin erfolgen an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems und werden den Inhabern über ihre Depotbanken gutgeschrieben.</p> <p>Die Anleihebedingungen enthalten keine Bestimmungen zur Vertretung von Anleihegläubigern. Unter bestimmten Umständen könnte jedoch ein gemeinsamer Vertreter (<i>Kurator</i>) nach dem Kuratorengesetz RGBI 1874/49, in der geltenden Fassung, zur Vertretung von Anleihegläubigern vor Gericht bestellt werden.</p>
C.10 Derivative Komponente .....	Entfällt, weil die Teilschuldverschreibungen keine derivative Komponente haben. Siehe auch Element C.9 oben.
C.11 Zulassung zum Handel .....	Es wurde beantragt, die Teilschuldverschreibungen zum Handel am Geregelten Markt der Börse von Luxemburg ( <i>Bourse de Luxembourg</i> ) zuzulassen. Weiters wird die Zulassung zum und der Handel im Geregelten Freiverkehr der Wiener Börse am oder um den Begebungstag (22. Februar 2017) beantragt werden. Der Geregelte Markt der Börse von Luxemburg und der Geregelte Freiverkehr der Wiener Börse sind Geregelte Märkte im Sinne der Richtlinie über Märkte für Finanzinstrumente 2004/39/EC.



## Abschnitt D - Risiken

D.2 Wesentliche Risiken, die der Emittentin eigen sind.....

### **Risiken in Zusammenhang mit der Finanz-, Wirtschafts- und Staatsschuldenkrise**

- Die globale Finanzmarkt- und Wirtschaftskrise sowie die Staatsschuldenkrise insbesondere im Euroraum haben auf die Vermögens-, Finanz- und/oder Ertragslage der Emittentin in der Vergangenheit wesentliche negative Auswirkungen gehabt und es findet nur eine langsame und ungewisse Erholung von der Krise statt. Eine lockere Währungspolitik als Folge der Krise kann negative Auswirkungen auf die europäische Wirtschaft haben. Insbesondere eine erneute Verschärfung der Krise kann in Zukunft wesentliche negative Folgen für die Emittentin haben.
- Eine allfällige Wiedereinführung nationaler Währungen durch einzelne Mitglieder der Eurozone kann gravierende negative Auswirkungen auf die europäischen Volkswirtschaften und die Finanzmärkte sowie auf die Vermögens-, Finanz- und/oder Ertragslage der Gruppe haben.
- Das aktuelle wirtschaftliche Umfeld ist durch sehr niedrige Zinssätze und vergleichsweise hoher Bewertung von Immobilienportfolios gekennzeichnet. Ein Zinsanstieg kann erhebliche negative Auswirkungen auf den Immobilienmarkt haben, auf dem die Gruppe tätig ist.

### **Risiken der Immobilienbranche und der von der Gruppe bearbeiteten Märkte**

- Die Gruppe ist zahlreichen allgemeinen Risiken der Veranlagung in Immobilien und andere Entwicklungen im allgemeinen Liegenschaftsmarkt ausgesetzt. Der Liegenschaftsmarkt, in dem sich die Gruppe bewegt, hängt von der makroökonomischen Entwicklung und der Nachfrage nach Liegenschaften ab. Die schwerfällige und unsichere Erholung der globalen Wirtschaft von der jüngsten Wirtschafts- und Finanzkrise kann zu wirtschaftlicher Instabilität, beschränktem Zugang zu Fremd- und Eigenkapitalfinanzierungen und zu möglichen Ausfällen der Geschäftspartner der Gruppe führen.
- Die Gruppe unterliegt dem Vermietungs- und dem Mietausfallsrisiko sowie Risiken in Zusammenhang mit der Verlängerung von Liegenschaftsbestandsverträgen bezüglich Bauten auf fremdem Grund.
- Die Gruppe ist dem Risiko ausgesetzt, bei mangelnder Liquidität des Immobilienmarktes, Immobilien möglicherweise nicht oder nur zu inakzeptablen Konditionen veräußern zu können.
- Die Gruppe steht in den von ihr bearbeiteten Märkten mit anderen Eigentümern, Betreibern und Entwicklern von gewerblichen Immobilien deutlich im Wettbewerb, der sich in Zukunft intensivieren und so maßgeblichen Einfluss auf die Vermögens-, Finanz- und/oder Ertragslage der Gruppe haben kann.

- Die Bewertung von Immobilien stellt auf Annahmen und Erwägungen ab, die nicht nur laufenden Anpassungen unterliegen, sondern subjektiv und ungewiss sind. Es ist daher möglich, dass Bewertungsgutachten den tatsächlichen Wert einer Immobilie, auf den sich die Gutachten beziehen, nicht korrekt wiedergeben.
- Die Gruppe unterliegt dem Standortrisiko.
- Die Gruppe unterliegt Risiken im Zusammenhang mit der Erhaltung und Renovierung von Immobilien.
- Die Gruppe ist Umweltrisiken und dem Risiko von Natur- als auch von Menschen verursachten Katastrophen ausgesetzt.
- Verzögerungen mit dem Beginn oder dem Abschluss von Bauprojekten können Nutzungsrechte und Baubewilligungen der Gruppe gefährden, Rückkaufsrechte auslösen und Bauarbeiten behindern oder aufhalten.
- Shopping-Center und Fachmarktzentren, die auch im Portfolio der Gruppe enthalten sind, haben und benötigen eine hohe Besucherfrequenz woraus sich besondere Risiken ergeben.

#### **Geografische Risiken der Geschäftstätigkeit der Gruppe**

- Wirtschaftliche Unsicherheiten in den zentral-, ost- und südosteuropäischen Staaten können erheblich nachteilige Auswirkungen auf die Gruppe haben.
- Kriminalität, Korruption und Geldwäsche können die Geschäftstätigkeit der Gruppe erheblich nachteilig beeinflussen.
- Der noch nicht abgeschlossene Entwicklungsprozess der Rechtsordnungen in der CEE-Region ist für die Gruppe mit Rechtsunsicherheiten und Risiken verbunden.
- Die Gruppe unterliegt dem Steuerumfeld und den Unsicherheiten der Steuersysteme der Märkte, in denen sie tätig ist. Die Steuerlast der Gruppe kann aufgrund der zukünftigen steuerlichen Behandlung von Dividendenzahlungen, aktuellen oder zukünftigen Steuerbemessungen, Steuerprüfungen oder Gerichtsverfahren im Zusammenhang mit Änderungen der Steuergesetze, Änderungen in deren Anwendung oder Interpretation zunehmen.
- Bedingt durch den Teilverkauf des Tower 185 sowie des Verkaufs des Hessen Portfolios im Geschäftsjahr 2013 unterliegt die Gruppe in Deutschland einem nachlaufenden Grunderwerbsteuerrisiko.

#### **Risiken der Geschäftstätigkeit der Gruppe**

- Die Konzernstruktur der Gruppe ist komplex, umfasst verschiedene Jurisdiktionen, eine Vielzahl von Immobilien und mit diesen verbundenen Finanzierungen, woraus sich ein beträchtliches Risiko von Management- und Controllingfehlern ergibt.
- Die Gruppe ist bei der Investition in Immobilienent-

wicklungsprojekte erheblichen Risiken ausgesetzt.

- Die Gruppe ist bei wichtigen Entwicklungsprojekten und zahlreichen Bestandimmobilien von Partnern abhängig und somit Gegenparteirisiken ausgesetzt.
- Die Gruppe erwirbt und verkauft Immobilienportfolios und Gesellschaften, um die Qualität ihres Portfolios zu optimieren, und ist daher Risiken in Zusammenhang mit Immobilienakquisitionen und -verkäufen ausgesetzt.
- Es könnte für die Gruppe schwierig werden, Immobilien und Grundstücke zu günstigen Konditionen zu erwerben.
- Die Eigentumsansprüche und sonstigen Rechte der Gruppe in Zusammenhang mit Immobilien können Gegenstand von Anfechtungen sein. Genehmigungen können rechtswidrig erwirkt worden sein.
- Die Fähigkeit der Gruppe Mieten an Schwankungen des Marktes anzupassen, kann stark eingeschränkt sein.
- Die Gruppe unterliegt dem Wertsicherungsrisiko.
- Die Gruppe ist Risiken in Zusammenhang mit dem Hotelbetrieb ausgesetzt.
- Die Gruppe ist Risiken in Zusammenhang mit dem Büroimmobilienmarkt ausgesetzt.
- Die Beurteilung der Attraktivität einer Immobilie für geeignete Mieter durch die Emittentin könnte falsch sein und die geplanten Mieterträge könnten nicht realisierbar sein.
- Die Emittentin ist Vermietungsrisiken ausgesetzt und könnte außerstande sein, zahlungsfähige Mieter zu finden und zu halten oder Mietverträge zu günstigen Konditionen zu verlängern.
- Indexklauseln in den meisten Mietverträgen der Gruppe könnten negative Auswirkungen auf Mieterträge haben.
- Die Einschränkung des Immobilienportfolios der Emittentin auf bestimmte Regionen könnte zu einer Abhängigkeit von regionalen Marktentwicklungen und zu Expansionsrisiken führen.
- Der Emittentin könnten höher als erwartete Kosten für die Instandhaltung von Immobilien entstehen.
- Die Gruppe ist Risiken in Zusammenhang mit der Übertragung von Aufgaben an Dritte ausgesetzt.
- Die Gruppe ist auf den unterbrechungsfreien Betrieb und die Sicherheit ihrer Computer- und Datenverarbeitungssysteme angewiesen.
- Der Erfolg der Gruppe ist von der Qualität ihrer leitenden Führungskräfte, anderer Schlüsselkräfte, sowie hochqualifizierter

Mitarbeiter abhängig.

- Der Versicherungsschutz der Gruppe kann sich als nicht ausreichend erweisen.
- Die Emittentin ist eine Holding-Gesellschaft; die Erfüllung ihrer finanziellen Verpflichtungen hängt von Mitteln, die sie von ihren Tochterunternehmen erhält, ab.

### **Finanzrisiken der Gruppe**

- Wenn die Emittentin, auch nach einer Verschmelzung mit IM-MOFINANZ AG, ihr Investment-Grade Rating verliert, kann sie möglicherweise ihre Finanzierungsstrategie nicht länger aufrechterhalten, einschließlich der Deckung ihres zukünftigen Finanzierungsbedarfs durch Emission unbesicherter Unternehmensanleihen
- Die Gruppe ist bei der Veranlagung liquider Mittel sowie bei Absicherungsgeschäften Verlustrisiken und dem Gegenpartei-risiko ausgesetzt.
- Die Gruppe ist möglicherweise nicht ausreichend gegen Zinsänderungen abgesichert.
- Die Gruppe hat einen substanziellen Bedarf an Finanzierungen und Refinanzierungen und ist dem Risiko ausgesetzt, auslaufende Fremdkapitalfinanzierungen nicht oder nicht im erforderlichen Ausmaß oder Zeitpunkt erlangen zu können. Bei Refinanzierungen können sich die Konditionen erheblich verschlechtern, etwa in Form von höheren Zinsen oder zusätzlichen Besicherungserfordernissen.
- Auflagen in Finanzierungsverträgen der Gruppe können ihre finanzielle und geschäftliche Flexibilität einschränken. Ihre Verletzung kann die Finanzlage der Gruppe beeinträchtigen.
- Die Geschäftstätigkeit der Gruppe kann durch mangelnde Verfügbarkeit von Eigenkapitalfinanzierungen erheblich beeinträchtigt werden.
- Die Gruppe könnte sich außer Stande sehen, ausreichend Fremdkapital aufzunehmen, um die derzeitigen Entwicklungsprojekte fortzuführen oder Akquisitionen zu finanzieren.
- Die Gruppe ist Währungsrisiken und dem Translationsrisiko aufgrund von Wechselkursschwankungen ausgesetzt.

### **Rechtliche Risiken**

- Die Gruppe unterliegt dem Risiko aus Rechtsstreitigkeiten in Zusammenhang mit ihrer operativen Geschäftstätigkeit.
- Die Gruppe unterliegt in den Staaten, in denen sie investiert ist, mannigfaltigen politischen, wirtschaftlichen und rechtlichen Rahmenbedingungen. Insbesondere im Zusammenhang mit

dem Entwicklungsgrad der Rechtsordnungen in CEE bestehen erhebliche Rechtsunsicherheiten und Risiken.

- Die Gruppe ist bei der Vermietung rechtlichen Risiken von Mieterschutzvorschriften ausgesetzt.
- Die Gruppe ist generell dem Risiko einer Änderung der Gesetzgebung, insbesondere der regulatorischen, unternehmensrechtlich-bilanziellen und steuerlichen Gesetzgebung ausgesetzt.
- Die Entwicklung und Bewirtschaftung (Bestandgabe, Betrieb) der Immobilien der Gruppe unterliegt einer Vielzahl von Bewilligungen und verwaltungsrechtlichen Genehmigungen und den mit deren möglichen Widerruf, Ablauf, Aussetzung oder ähnlichem verbundenen Risiken.
- Nutzungsänderungen von Immobilien der Gruppe sind durch Widmung, Bau- und Raumordnung beschränkt.
- Die Gruppe kann Verlusten und Haftungen (einschließlich Steuerbelastungen) in Bezug auf ihre Immobilien ausgesetzt sein, die aus den Handlungen und Unterlassungen von Verkäufern oder früheren Eigentümern oder Besitzern resultieren oder sich auf einen Vorbesitzer beziehen.
- Der derzeitige Hauptaktionär IMMOFINANZ AG hält vier Namensaktien, die das Recht gewähren bis zu vier Aufsichtsratsmitglieder zu nominieren, und somit kann dieser unabhängig von seiner Beteiligung an der Emittentin die Zusammensetzung des Aufsichtsrates und indirekt des Vorstandes wesentlich beeinflussen.
- Es ist unsicher, ob und wann eine Vereinigung der Geschäfte der Emittentin und IMMOFINANZ AG stattfindet. Ratingagenturen könnten als Ergebnis einer solchen Vereinigung oder beabsichtigten Vereinigung ihr Rating herabsetzen oder zurückziehen. Eine Herabsetzung ihres Kreditratings könnte die CA Immo, und wenn die Verschmelzung wirksam wird, die kombinierte Gesellschaft beeinträchtigen.
- Die Kontroll- und Präventionsmaßnahmen der Compliance-Struktur der Gruppe waren oder sind möglicherweise nicht genug, um die Gruppe von allen rechtlichen und finanziellen Risiken ausreichend zu beschützen. Fälle von Unregelmäßigkeiten können zu offiziellen Untersuchungen oder Ansprüche Dritter gegen die Gruppe führen, die wiederum erhebliche nachteilige Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Gruppe haben könnten.

D.3 Wesentliche Risiken, die den Teilschuldverschreibungen eigen sind.....

- Die Teilschuldverschreibungen sind möglicherweise keine geeignete Anlage für alle Investoren.
- Risiken bestehen aufgrund der strukturellen Nachrangigkeit der Teilschuldverschreibungen gegenüber anderen von der Emitten-

tin und deren Tochtergesellschaften aufgenommenen Finanzierungen aufgrund der Finanzierungsstruktur der Gruppe sowie aufgrund der Anleihebedingungen.

- Anleihegläubiger unterliegen im Hinblick auf die Emittentin dem Kreditrisiko und die Zahlungsunfähigkeit der Emittentin kann zum Totalverlust des Investments der Anleihegläubiger führen.
- Die Liquidität der Emittentin kann sich während der Laufzeit der Teilschuldverschreibungen verschlechtern (Liquiditätsänderungsrisiko).
- Der Kurs von fix verzinsten Teilschuldverschreibungen kann aufgrund von Veränderungen des Marktzinssatzes sinken (Kursrisiko).
- Anleihegläubiger sind dem Risiko ausgesetzt, dass sich kein liquider Markt für die Teilschuldverschreibungen entwickelt oder der Handel ausgesetzt wird. Aufgrund eines Widerrufs der Notierung oder einer Aussetzung des Handels mit den Teilschuldverschreibungen kann es zu verzerrter Preisbildung oder zur Unmöglichkeit des Verkaufs der Teilschuldverschreibungen kommen.
- Die Emittentin kann die Teilschuldverschreibungen aus Steuergründen kündigen.
- Anleihegläubiger sind dem Risiko ausgesetzt, dass eine Wiederveranlagung nur zu ungünstigeren Konditionen erfolgen kann.
- Anleihegläubiger sind vom Funktionieren der Clearingsysteme abhängig.
- Die Emittentin oder die Joint Lead Manager können Transaktionen tätigen, die nicht im Interesse der Anleihegläubiger sind, oder es kann aus anderen Gründen zu Interessenkonflikten zwischen der Emittentin und den Anleihegläubigern kommen. Darüber hinaus können Geschäftsbeziehungen zwischen der Emittentin und den Joint Lead Managern bestehen.
- Bei einer zukünftigen Geldentwertung (Inflation) könnte sich die reale Rendite der Investition in Teilschuldverschreibungen verringern.
- Transaktionskosten und Spesen können die Rendite von Teilschuldverschreibungen erheblich verringern.
- Die steuerlichen Auswirkungen einer Anlage in Teilschuldverschreibungen sollten sorgfältig bedacht werden.
- Wird der Erwerb von Teilschuldverschreibungen fremdfinanziert, kann dies die Höhe des möglichen Verlusts erheblich erhöhen.
- Änderungen der anwendbaren Gesetze, Verordnungen oder der Verwaltungspraxis können negative Auswirkungen auf die

Emittentin, die Teilschuldverschreibungen und die Anleger haben.

- Der Kauf der Teilschuldverschreibungen durch potentielle Anleger kann gegen Gesetze verstoßen.
- Ein Gericht kann einen gemeinsamen Vertreter (*Kurator*) für die Ausübung von Rechten aus den Teilschuldverschreibungen und zur Vertretung der Anleihegläubiger bestellen.
- Die Verjährungsfrist aus Ansprüchen auf das Kapital beträgt dreißig Jahre und aus Ansprüchen auf Zinsen drei Jahre, jeweils ab Fälligkeit.
- Anleger sind dem Risiko der fehlenden Einflussnahmemöglichkeit auf die Emittentin ausgesetzt.
- Bonitätsbeurteilungen spiegeln möglicherweise nicht alle Risiken wider und unterliegen Änderungen.
- Ein potentieller Anleger darf sich nicht auf die Emittentin, die Joint Lead Manager oder ihre jeweiligen Tochtergesellschaften im Zusammenhang mit der Festlegung der Rechtmäßigkeit seines Erwerbs der Teilschuldverschreibungen verlassen.
- Obwohl ein Kontrollwechsel den Anleihegläubigern gestattet die Rückzahlung der Teilschuldverschreibungen zu verlangen, kann die Emittentin möglicherweise solche Teilschuldverschreibungen nicht zurückzahlen.
- Wechselkursrisiken und Devisenkontrollen.
- Zahlungen auf die Teilschuldverschreibungen können möglicherweise US-Quellensteuern gemäß dem Foreign Account Tax Compliance Act unterliegen.
- Die Transaktionssteuer kann möglicherweise auf bestimmte Transaktionen angewendet werden.

### **Abschnitt E – Angebot**

E.2b Gründe für das Angebot, Zweckbestimmung der Erlöse.....

Im Zusammenhang mit dem Angebot der Teilschuldverschreibungen erwartet die Emittentin einen Emissionserlös von ungefähr EUR [●]. Die Emittentin macht das Angebot und beabsichtigt, den Emissionserlös aus der Ausgabe der Teilschuldverschreibungen für die Optimierung bestehender Finanzierungen und sonstige allgemeine Unternehmenszwecke heranzuziehen. Der geplante Emissionserlös ist nahezu komplett für die vorzeitige Rückzahlung von projektfinanzierten Bankkrediten in CEE, unabhängig davon, ob diese fällig sind oder nicht, bzw. für die Substitution von geplanten Bankfinanzierungen, vorgesehen. Die Rückzahlung kann auch bestehende Finanzierungsverträge zwischen den Joint Lead Managern und der Emittentin umfassen. Ein verbleibender Emissionserlös wird für sonstige allgemeine Unternehmenszwecke herangezogen werden.

E.3 Angebotskonditionen.....

Erste Group Bank AG, Am Belvedere 1, 1100 Wien, Österreich, und Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Wien,

Österreich (gemeinsam, die „**Joint Lead Manager**“) koordinieren das Angebot und verkaufen die Teilschuldverschreibungen. Die Teilschuldverschreibungen werden von den Joint Lead Managern und anderen Syndikatsmitgliedern (die in der Preismitteilung bekannt gegeben werden) (zusammen die „**Manager**“) institutionellen Investoren angeboten. Im Zeitraum vom 17. Februar 2017 bis zum (einschließlich) 21. Februar 2017 werden die Teilschuldverschreibungen Privatanlegern in Österreich angeboten. Die Teilschuldverschreibungen werden am oder um den 22. Februar 2017 ausgegeben.

Der Emissionspreis für die Teilschuldverschreibungen ist noch nicht fixiert. Die Emittentin erwartet, dass der Reoffer Preis zwischen 98% und 100% des Nominalbetrags der Teilschuldverschreibungen betragen wird. Der Reoffer Preis und der Zinssatz werden auf Basis der Laufzeit der Teilschuldverschreibungen, der Rendite und der Nachfrage von institutionellen Investoren im Rahmen der Festlegung der Konditionen (Bookbuilding-Verfahren) am oder um den 15. Februar 2017 festgelegt. Es kann nicht ausgeschlossen werden, dass Investoren, die sich nicht als institutionelle Investoren qualifizieren, in diesem Zeitraum angesprochen werden; dementsprechend erstreckt sich die Angebotsdauer vom 10. Februar bis zum 21. Februar 2017 (die „**Angebotsfrist**“). Im Rahmen des Bookbuilding-Verfahrens werden die Joint Lead Manager innerhalb einer bestimmten Frist bindende Zeichnungsaufträge von institutionellen Investoren akzeptieren, die Renditezuschläge (credit spreads) innerhalb einer vorgegebenen Bandbreite beinhalten. In der Folge bestimmen die Joint Lead Manager in Absprache mit der Emittentin den Zinssatz (Kupon), den Reoffer Preis und den Emissionspreis.

Sollten die Emittentin oder die Joint Lead Manager eine Kürzung oder Verlängerung der Angebotsfrist beschließen (z.B. aufgrund von geänderten Marktbedingungen), würde eine solche Änderung auf der Webseite der Luxemburger Börse ([www.bourse.lu](http://www.bourse.lu)) veröffentlicht; eine Verlängerung der Angebotsfrist bedarf eines Prospektnachtrags gemäß Artikel 13 des Luxemburger Prospektgesetzes.

Institutionelle Investoren können Teilschuldverschreibungen zum Reoffer Preis kaufen. Der Emissionspreis, für den Privatanleger die Teilschuldverschreibungen während der Angebotsfrist kaufen können, wird auf Basis des Reoffer Preises für institutionelle Investoren zuzüglich einer Verkaufsprovision von bis zu 1,5 %-Punkten berechnet. Der Emissionspreis und der Reoffer Preis werden am oder um den 16. Februar 2017 in Übereinstimmung mit den anwendbaren Gesetzen in der Preismitteilung veröffentlicht.

Die Teilschuldverschreibungen werden institutionellen und Privatanlegern unter Einhaltung der Einschränkungen für öffentliche Angebote angeboten. Die Teilschuldverschreibungen können in Österreich ab dem Tag, welcher der Notifizierung des Prospekts durch die CSSF gemäß Artikel 18 der Prospektrichtlinie an die zuständige Behörde in Österreich folgt, öffentlich angeboten werden.

E.4 Wesentliche Interessen an der Emission/dem Angebot einschließlich Interessen-



<p>konflikte.....</p>	<p>Die Emittentin hat das Interesse, durch das Angebot der Teilschuldverschreibungen zusätzliches Fremdkapital einzuwerben.</p> <p>Die Joint Lead Manager nehmen an der Emission der Anleihen im Rahmen ihrer gewöhnlichen Geschäftstätigkeit als Kreditinstitute teil, um Kommissionen zu erlangen. Die Joint Lead Manager oder ihre Tochtergesellschaften sowie weitere Mitglieder des jeweiligen Banksektors oder verbundene Unternehmen können gelegentlich im Rahmen ihrer gewöhnlichen Geschäftstätigkeit entweder einzeln oder zusammen weitere Geschäftsbeziehungen mit der Emittentin führen wie beispielsweise Anlage-, Beratungs- oder Finanzgeschäfte und werden dies auch zukünftig weiterhin tun. Darüber hinaus gibt es bestehende Finanzierungsverträge zwischen den Joint Lead Managern und der Emittentin. Die Emittentin kann im Rahmen ihrer gewöhnlichen Finanzierungstätigkeiten den Emissionserlös der Teilschuldverschreibungen teilweise oder ganz für die Rückzahlung bestehender Finanzierungen mit den Joint Lead Managern verwenden, unabhängig davon, ob diese fällig sind oder nicht.</p>
<p>E.7 Voraussichtliche dem Investor von der Emittentin oder dem Anbieter in Rechnung gestellte Kosten ..</p>	<p>Die Emittentin wird in Zusammenhang mit der Emission der Teilschuldverschreibungen keine Kosten, Aufwendungen oder Steuern direkt an die Investoren verrechnen. Die Manager und andere Kreditinstitute können eine Verkaufsprovision von bis zu 1,5 %-Punkten auf den Reoffer Preis aufschlagen und Depotbanken können den Anleihegläubigern übliche Spesen und Gebühren verrechnen.</p>

## RISK FACTORS

Before making an investment decision and deciding to purchase any of the Bonds, and in addition to the other information as set out in this Prospectus, prospective investors should carefully review and consider the following risk factors. Should one or more of the risks described below individually or together with other circumstances materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (*Vermögens-, Finanz- und Ertragslage*) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market price of the Bonds and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Bonds may decrease, in which case the holders of the Bonds ("**Bondholders**") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to the Issuer or which it may not currently be able to anticipate. Additional risks of which the Issuer is not presently aware could also affect the business operations of the Group and have a material adverse effect on the Group's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

### **Risk factors relating to the financial, economic and sovereign debt crisis**

*The global financial and economic crisis and the sovereign debt crisis, especially in the eurozone, have negatively affected the financial position, results of operations and cash flows of the Issuer in the past and the recovery from the crisis is slow and uncertain. Loose monetary policies as consequence of the crisis may have adverse effects on the economy in Europe. Another aggravation of the crisis could lead to negative consequences for the Issuer in the future.*

The economic environment and the financial, economic and sovereign debt crisis in particular had and are still having negative effects in those countries in which the Group is operating. The collapse of the U.S. subprime lending market in 2008 triggered a severe financial crisis and caused a global slowdown leading to recession in many regions, including Europe, the USA and other important economies. Decline in consumer confidence, rising unemployment and a lack of liquidity on the money and credit markets led to significant economic impairment of numerous industries and regions. Governmental economic recovery programs and support measures for the financial sector led to strained national budgets. In the wake of the financial and economic crisis, several member states of the European Monetary Union experienced a sovereign debt crisis, to which the response was often restrictive economic policy and austerity measures.

Financial markets were and continue to be partly characterised by high volatility (price and currency fluctuations). Parallel price developments (correlations) between different categories of capital assets as observed in the past no longer exist, while the resulting uncertainties are enhanced by liquidity shortages. These developments had a material adverse effect on the availability and performance of financial instruments, which are also used to hedge risks in the real estate industry. Moreover, the financial, economic and sovereign debt crisis triggered a widespread loss of investor confidence, which at first mainly concerned companies in the financial industry, but subsequently spread to companies in other industries and markets.

The general economic slowdown had a material adverse effect on real estate markets. The reduced availability of bank financing combined with the decline in consumer spending had a material adverse effect on corporate financing and the ability of tenants to expand their business activities and production volumes.

Notwithstanding improvements in business conditions since the economic and financial crisis, the global economy continues to experience a slow and uncertain recovery. Persistent issues with the pace of economic growth, instability of the credit and financial markets and weak consumer confidence in many markets may continue to put pressure on global economic conditions. Material public debt and budget restrictions are still a major issue in many European countries. Moreover, the UK in June 2016 has voted to leave the EU (“**Brexit**”) and the UK government in January 2017 indicated its intention to abandon the single market, the customs union and the European Court of Justice with no associated or partial EU membership in order to achieve a clean break with the EU for regaining full control of its borders and pursuing international trade deals, which is perceived to become a “hard Brexit”. This decision had and is likely to continue to have significant short- and long-term implications on both the UK and the EU. As a first consequence, the British pound as well as stock markets fell as the Brexit was confirmed. Rating agencies already lowered or announced to lower the UK’s credit grade or at least its outlook, because the expected uncertainty and delay in spending and investment decisions will be negative for the UK’s economy. Following formal notification of the European council, a (at least) two-year negotiation period is expected in order to negotiate the terms of the UK’s departure from the EU and trade agreement to be entered into between the UK and the EU. In November 2016, Mr. Trump won the US presidential elections and was sworn in in January 2017. Few days before that he gave a series of discursive interviews where he questioned China’s One China policy (with Taiwan being to his views an inalienable part of the mainland), criticized Germany for dominating the EU (with more member states than the UK about to vote to leave the European Union), labeled the NATO as being obsolete for supposedly not confronting terrorism, and endorsed the UK’s vote to leave the EU (while promising quick and fair trade deals outside the EU). These and potentially other forthcoming positionings of the head of the United States could lead to uncertainties also in a potentially transformative political year where elections in important EU member states are scheduled, with the risk of populists successful in such elections being able to further destabilize the EU. In combination with severe geopolitical tensions such as the crises in the east Ukraine and sanctions imposed on Russia, the violence and political instability in Turkey, and the ongoing Syrian civil war, these circumstances lead to exceptionally high levels of uncertainty in relation to medium-term economic developments in Europe. Such instability and the resulting market volatility may also create contagion risks for economically strong countries like Austria and Germany and may spread to the Austrian and German financial sector and real estate markets.

In addition, effects connected with the loose monetary policy of the European Central Bank (“**ECB**”) and other central banks (such like the US Federal Reserve, the Bank of England and the Bank of Japan) in the last years are uncertain. Following the outright monetary transactions programme in 2012 which aimed at a stabilization of the Euro and the eurozone economy by purchases of notes issued by eurozone member states, the ECB in 2015 initiated a large-scale, open-ended asset purchase programme (“quantitative easing”) which comprises the monthly purchases of public and private sector securities of up to EUR 60 billion, intended to be carried out until September 2016 and expected to be conducted until the ECB sees a sustained adjustment in the path of inflation consistent with its mandate to achieve price stability in the eurozone. Since April 2016, the purchase programme has been increased to EUR 80 billion per month; it was extended and will be carried out until the end of 2017 and in any case until the ECB sees a sustained adjustment in the path of inflation that is consistent with its aim of achieving inflation rates below, but close to, 2 % over the medium term. A further prolonged period of expansionary monetary policy could pose risks to financial stability and long-term economic growth. These risks could include adverse incentive effects for governments, misallocation of financial investment and resources and the building of asset and financial bubbles. Ultimately, the bursting of asset bubbles could induce a financial crisis or global recession as experienced in 2008 and 2009. It is likely that another aggravation of the crisis could lead to negative consequences for the Issuer in the future. Economically challenging times can especially lead to deterioration in the creditworthiness of tenants, increased rent arrears, rising vacancy rates and loss of rent. At the same time it is very difficult or impossible for the Issuer to hedge against risks resulting from the financial crisis and sovereign debt crisis. The exit of individual countries from the European Monetary Union, especially the exit of one of the large economic countries such as Germany, France, Italy or Spain, or a full collapse of the European Monetary Union would have extensive consequences on the financial markets and real economy. It is probable that such a scenario would have material effects on the Issuer’s business, net assets, financial condition, cash

flow and results of operation and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***A possible reintroduction of national currencies by individual members of the eurozone can lead to severe negative consequences for the European economy and financial markets as well as the financial position, results of operations and cash flows of the Group.***

Both, the ongoing sovereign debt crisis of several member states of the European Union and the spill-over risk to other, economically more stable countries have led to severe uncertainty in the eurozone. Whilst several measures, especially guarantee funds and stability funds were adopted at the national as well as international level, there are partly material political and economic differences between the member states of the European Union regarding an appropriate strategy against the sovereign debt crisis and its effects. Even though Greece and its creditors reached an agreement to secure a third EUR 86 billion support programme in July 2015 aimed at ensuring long overdue economic reforms, after disbursing EUR 21.4 billion payouts have come to a stop; in 2016 the eurozone finance ministers approved Greece's reform efforts and disbursed another EUR 10.3 billion bailout funds to Greece. However, uncertainty remains with regards to further proceedings as well as the programme's successful implementation and a default of Greece and/or an exit of Greece from the eurozone cannot be excluded. Therefore, the financial markets are still characterised by high volatility and uncertainty.

It is still uncertain whether and under which circumstances individual members of the eurozone, whether voluntarily or not, can exit the eurozone and reintroduce national currencies. Such an exit of one or more countries from the European Monetary Union may lead to negative consequences which are potentially severe and hard to predict, for the economy of the exiting country as well as for the economies of all member states of the eurozone and the European Union. After such a step has been made, a following profound reassessment of the credit risks of the eurozone could lead to significant changes in the financial markets and ongoing uncertainty.

All this may affect the economic situation in countries in which the Group is active, as well as currency risks and other risks of international business and therefore lead to material effects on the Group's business, net assets, financial condition, cash flow and results of operation that are currently hard to predict and which may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The current economic environment is characterised by very low interest rates and comparatively high valuations of real estate portfolios. Any rise in interest rates could have material adverse effects on the real estate markets in which the Group operates.***

The financial and economic crisis and the unstable global economic recovery have resulted in increased uncertainty regarding the future economic developments. This uncertainty has increased the popularity of investment opportunities that provide stable and largely predictable cash flows, such as investments in Austrian and German real estate. This trend has been exacerbated by historically low interest rates in Europe. As a result, property prices and the valuations of real estate companies have increased.

These developments could reverse if interest rates rise again. A rise in interest rates could result from an improvement of the economic environment, with a resulting increase in investor interest in investments with a higher risk profile and a decreasing interest in real estate investments. Rising interest rates could adversely impact the Group in a number of ways, including a decrease in demand for real estate which could make it more difficult to dispose of non-strategic assets and an increase in the discount rate used to calculate the value of the Group's properties, which would lead to a lower fair value. In addition, financing costs may increase and impair the targeted profit.

### **Risks of the real estate industry and the markets in which the Group operates**

***The Group is exposed to numerous general risks of investments in real estate and other developments in the general real estate market. The real estate market where the Group is active depends on the macroeconomic development and on the demand for real estate. The sluggish and uncertain recovery of the global economy from the recent financial and economic crisis may result in economic instabil-***

***ity, limited access to debt and equity financing and potential defaults of the Group's business partners.***

The Group is exposed to all risks typically associated with the acquisition, development, management and disposal of real estate, including in particular the following risks:

- cyclical fluctuations (depending on economic trends) of the real estate market in general as well as of national and local markets in which real estate assets are held may affect the availability of attractive real estate portfolios and the ability to rent or sell the properties on advantageous terms;
- financing and interest rate risk;
- delays and budgeted overruns in connection with real estate development, construction and renovation;
- environmental pollution and liability (e.g. for contamination or soil pollution) in connection with construction sites and other properties;
- defects and quality defects and shortcomings affecting properties;
- natural disasters and their impact on real estate;
- the investment activity of other real estate companies;
- the purchasing power and ability of the general public to rent;
- the availability of appropriate tenants;
- demographic risks (migration, population decline);
- strong dependence on the development of a certain location in case of insufficient diversification and related cluster formation;
- default of a counterparty; and
- fluctuations in maintenance and energy costs.

Each of the above factors, individually or collectively, may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The Group is subject to the rental risk and risk of rental loss as well as risks relating to the extension of lease agreements regarding buildings on third party land.***

Real estate markets are usually subject to fluctuations, whereas real estate prices and rents in particular reflect positive and negative economic developments and other developments of the markets in general and of the respective real estate markets in particular. Many of these factors which could lead to negative developments are not within the Group's sphere of influence. Factors such as changes in disposable income, economic performance, interest rate levels or tax policies, economic growth, unemployment rates or consumer confidence influence directly or indirectly the local supply and demand for real estate. Changes in supply and demand can lead to fluctuations in market prices, rents and occupancy rates. Such fluctuations may have material adverse effects on the value of properties and revenue generated therefrom. Furthermore, the political and economic development in countries in which the Group is active can significantly affect occupancy rates and rental loss. As of September 30, 2016, the Group-wide vacancy rate of the consolidated portfolio property was 8.5%; office properties as the Group's core segment accounts for 8.8% vacancy as of that date (in each case including Kontorhaus in Munich, John F. Kennedy – Haus and Monnet 4 in Berlin, three projects recently transferred into the investment portfolio, which are still being completed). The sale of fully rented properties could further strain the vacancy rate.

If the Group is no longer able to extend expiring rental agreements at favourable terms and conditions and to find creditworthy tenants willing to enter into long-term rental agreements, the market value of

the affected property will be impaired. Furthermore, tenants of the Group's properties can have extraordinary termination rights and it is possible that rental agreements entered into by the Group are invalid in whole or in part due to the lack of essential mandatory components or ambiguous or inconsistent wording in the contract, which could lead to early termination rights by the tenant and prevent the Group from exercising its rights and claims from the rental agreements.

The creditworthiness of a tenant can decline in the short or medium term, especially during an economic slowdown, and the risk of a tenant becoming insolvent or being in any other way unable to meet its obligations from the rental agreement may occur. If the credit assessment of a key tenant turns out to be incorrect, the rental income from a property with unchanged operating costs can turn out to be significantly below expectations. Especially during a severe economic slowdown or in politically unstable countries, in which the Group is active, the Group may decide to accept rent reductions in order to maintain a reasonable occupancy rate.

If one or more of the aforementioned risks materialise, it may have a material adverse effect on the Issuer's business, net assets, financial condition, cash flow and results of operation and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***In the case of insufficient liquidity in the property market, the Group is exposed to the risk of not being able to sell properties at all or only at unacceptable conditions.***

Real estate investments are characterised by limited liquidity and, under certain conditions, may also be subject to significant volatility in fair values. The Group's property sales depend on the condition of investment markets and on market liquidity. Investors might hesitate to or refrain from investing in real estate. The reasons could be the general assumption of decreasing real estate prices, the unavailability of appropriate financing, or the market assessment of a declining demand for living, office and retail space or hotels, causing a decrease in rental revenue and liquidity.

Investments of the Group are largely (direct or indirect) investments in real estate. A depressed market, applicable law and contractual regulations may have an impact on the Group to sell certain properties to strategically adjust the geographical and sectorial alignment of the portfolio or to sell parts of the portfolio at acceptable conditions in a timely manner.

Furthermore, certain circumstances may arise (e.g. due to unfavourable market conditions, default of counterparties or liquidity shortages within the Group) that make it appear necessary or advisable to sell the Group's real estate portfolio or parts of it promptly. Such being the case, there would likely be a significant shortfall between the fair value and the sale price of such property, in particular if the current market conditions do not improve substantially. Any such inability for timely sales of real estate assets at acceptable conditions may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***In markets in which it operates, the Group is significantly competing with other owners, operators and developers of commercial properties and this may intensify in the future and therefore have a material effect on its net assets, financial position and results of operations.***

The business model of the Group is based on the ability to develop and administer its real estate portfolio sustainably and at financially favourable conditions. In connection with the renting of property, the Group is in competition with local and international investors in all the markets in which it operates. The Group competes with other real estate companies, real estate developers and owners of property in acquiring and contracting with suitable tenants at conditions favourable to the Group. It also competes with other investors including European listed real estate companies in the development of properties, which have more resources at their disposal.

Rents are under pressure in many of the markets where the Group is active. Competition between real estate investors for renowned tenants is huge, might even intensify and impairs the ability of the Group

to acquire and contract with tenants. Moreover, the Group could be forced to accept rental prices lower than those predicted in order to remain attractive to tenants.

Properties which are in competition with those of the Group can have a lower occupancy rate than those of the Group. This can increase the willingness of their owners to offer floor space at rental prices lower than what the Group is willing to offer. Nevertheless, the Group is forced to offer the lower price in order to remain competitive. Therefore, it is uncertain whether the Group will be able to successfully compete in the future. Should the Group no longer be able to develop real estate portfolios successfully or rent space at favourable conditions, the ability of the Issuer to implement its strategy will be negatively affected. This may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The valuation of properties is based on assumptions and considerations which are not only subject to adjustments but are also subjective and uncertain. It is possible that appraisal reports do not correctly reflect the actual value of a property to which the reports relate.***

Due to their illiquid nature and particular characteristics of properties, their valuation is subjective and therefore subject to uncertainties. The valuation of a property depends on the factors considered when determining the valuation and the chosen valuation method. Fluctuations in value can occur due to modified macroeconomic conditions or real estate-specific factors. A real estate expert may take other factors into consideration over and above the expected rental income of a specific property, its condition and previous occupancy rate, such as property taxes, operating costs, claims of third parties due to environmental risks or risks relating to construction materials. Appraisal reports are based on assumptions, which can prove to be incorrect. An adverse change in connection with an assumption on which a valuation was based, or in a factor considered when determining the valuation, can affect the estimated value of a property. Furthermore, the consideration of different factors can lead to significant deviations in property valuations. There is no certainty that the valuation of properties which are held by the Group reflect the actual sales or market value (even if such a sale is supposed to take place shortly after the respective valuation date), or that the estimated rate of return or annual income will actually be achieved. Moreover, the Group usually has the market value of its properties determined only once a year by external experts. Any change in the value of properties can negatively affect retained profit or loss of the Group as well as the gearing ratio and subsequently the market price and creditworthiness of the Issuer. Depending on the amount of the purchase price, the sale of properties can also result in a loss.

The aforementioned factors can lead to the valuation of properties held by the Group, determined in appraisal reports prepared by external experts, being higher than the amounts achievable by the sale of individual properties or the entire portfolio. Appraisal reports are particularly based on numerous substantial assumptions which partly rely on information provided to the expert by the Group. The Group cannot guarantee that the assumptions made on the basis of such information turn out to be correct. An adverse change of essential assumptions or factors considered when determining the valuation could significantly reduce the estimated value of the properties.

Particularly in the countries of the Central and Eastern Europe (“CEE”) region there are considerable political risks that may potentially lead to severe negative effects on the valuation of properties. Currently, the political situation in Hungary, Russia and Ukraine, which has already affected the real estate market, should be highlighted. Several investors are withdrawing from the market, big corporations are merging their locations and the demand for office space is decreasing.

There is no certainty that the value of properties held by the Group remains constant as time goes by or that the fundamental assumptions for the valuation do not change. Each of these cases may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The Group is subject to location risk.***

The properties of the Group are located in different regions. Its geographical focus is on Austria, Germany and CEE (in particular Czechia, Hungary, Poland and Romania). The Group mainly focuses on the capital cities of these key markets and additionally in Germany on the metropolitan cities Frankfurt and Munich.

The value of a property mostly depends on its location and intended use. To the extent the Group incorrectly estimates the attractiveness or possible use of a location, it may prove difficult to rent the entire property or achieve the estimated rental prices. If the Group is forced to reduce the rent level of a property in order to gain tenants or in the case of the property being mostly empty for a longer period of time, the market value can substantially decrease and the income and profitability of the Group can be negatively affected.

If the rental income of a property turns out to be lower than estimated (i.e. due to changes in the tenant structure) or if its location is not accepted by the market, its profitability will be subject to long-term effects. Estimations or assumptions in connection with location advantages and disadvantages can prove to be incorrect (for example due to changes of economic conditions). Such misjudgements or miscalculations can lead to a material adverse effect on the business, net assets, financial condition, cash flow and results of operation of the Group and the ability of the Issuer to meet its obligations under the Bonds.

***The Group is subject to risks related to maintenance and renovation of properties.***

The demand for rental properties not only depends on their location, but also on their condition and technical characteristics. In order for a property to remain attractive to tenants so that long-term appropriate income can be achieved, it is necessary to maintain and occasionally improve its condition to satisfy the demand of the market.

The real estate portfolio of the Group partly consists of older properties. The maintenance of the market standard of rental properties can require substantial costs, which according to the respective jurisdiction have to be paid by the landlord. In doing so, the landlord is burdened with high expenses which are not reimbursed by the tenant, especially for necessary repairs or required improvements in order to comply with changed legal provisions. Moreover, maintenance work and improvements may be required in order to be able to compete with offers from other real estate investors. Unexpected additional expenses can be incurred by the Group if the expenses for maintenance work and for making improvements to a property exceed the estimates of the Group or in the case of latent defects arising during such work not covered by insurance or contractual provisions, or if the Group is unable to increase the rent in accordance with legal provisions. If similar competing properties are built or renovated in the neighbourhood of a property held by the Group, the value and net income from this property can decrease.

A failure to undertake appropriate maintenance and refurbishment work could entitle tenants to withhold or reduce rental payments or even to terminate existing lease agreements and could adversely affect the rental income earned from affected properties. This could have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may have a negative effect on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is exposed to environmental risks and risk of catastrophes caused by nature as well as humans.***

Environmental and safety regulations set out effective and latent obligations in the markets in which the Group is active to refurbish contaminated properties. These obligations can apply to properties currently owned by the Group or which were owned by the Group in the past or which are or were managed or developed by it, or in which operational waste of the Group was deposited. In particular, it may be that buildings of the Group contain harmful materials that have been undiscovered, or that properties of the Group are contaminated with pollutants or war material or are subject to other environmental risks or liabilities such as soil contamination or pollution to an unforeseen extent. Obligations for remediation



due to environmental or safety regulations and the resulting consequences may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations. These negative effects can result in civil and criminal liabilities and consequences in the case of the violation of environmental regulations by the Group, its employees or those responsible. Some regulations and provisions which are constantly subject to possible changes impose sanctions where emissions are discharged into the air, or leak into the soil or water, including asbestos which can lead to liabilities towards third parties for personal or other damages. The presence of such contamination or the failure to remove such substances can impair the ability of the Group to sell or rent the affected property or to use it as collateral. After all, the tenants can refuse to pay the agreed rent in whole or in part until such contamination is removed or terminate the rental agreement prematurely and/or claim damages including those for interruption of business. This may lead to a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and the ability of the Issuer to meet its obligations under the Bonds.

More strict environmental, health and safety laws and implementation measures may result in significant expenses and liabilities and require a more thorough investigation of the properties held by the Group compared to current practice. The compliance with these provisions may lead to substantial investment and other costs and therefore have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and the ability of the Issuer to meet its obligations under the Bonds.

Natural catastrophes and extreme weather conditions such as earthquakes, flooding, storms and hail can cause severe damage to properties under construction or those already completed. Such damage can also occur due to man-made catastrophes such as nuclear incidents. If such damage is not sufficiently covered by insurance policies, the Group's business, net assets, financial condition, cash flow and results of operations and the ability of the Issuer to meet its obligations under the Bonds could be materially adversely affected.

***The delay of commencement or completion of construction projects could jeopardise usage rights and building permits of the Group, trigger rights to repurchase and hamper or impede construction work.***

The Group may stop construction projects for a certain time, for example due to poor economic development or to a shortage of liquidity. Local and regional authorities may refuse to extend limited or expired land use contracts of the Group or building permits regarding properties of the Group, may claim repurchase rights or annul existing land use contracts or construction permits on the grounds that the construction work was not completed at a fixed date or that other essential conditions or provisions of land use contracts, building permits or purchase contracts were infringed. Each such termination or refusal to extend expired use contracts or permits and each claim of repurchase rights may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operation and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***Shopping centres and specialty retail shopping centres, which are also contained in the Group's portfolio, have and need a high visitor frequency, which results in particular risks.***

A part of the Group's portfolio consists of shopping centres and retail parks, which are associated with particular risks. Construction defects may lead to property and personal damage, bomb threats can stop business operations temporarily, declining visitor numbers may substantially impede the tenants business or a low quality of the centre management may have material adverse effects. There is strong competition in this business area, which has recently even been on the rise. Declining visitor numbers and strong competition may lead to decreasing rents and to a total loss of important tenants. Losing key tenants, such as construction markets or furniture markets, leads to substantial reductions in revenue. Such areas are often adapted to the individual needs of the tenant and therefore it can be difficult to find appropriate new tenants at reasonable conditions or to find a new tenant at all. Finally, if important retail tenants become insolvent, it usually has material adverse effects on the Group.

All of these factors may result in material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operation and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

### **Geographical risks relating to the Group's business**

#### ***Economic uncertainty in the countries of Central, Eastern and South Eastern Europe may have material adverse effects on the Group.***

The political, economic and legal systems of the countries of the CEE region and in South Eastern Europe ("SEE") are at various stages of convergence with EU standards. Political or economic upheaval and changes to the legal system or the application of the law may adversely affect the business of the Group and compromise its investments.

The economic and financial crisis has significantly affected a number of countries in the CEE and SEE region. At the present time, the Group is unable to predict when and whether the national economies of these countries will begin to recover. Should one or more of the following factors that characterised the national economies of some of the countries in the CEE or SEE region re-emerge, this may have a negative impact on the investment climate in this region and have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and on the ability of the Issuer to meet its obligations under the Bonds:

- currency export restrictions;
- a significant drop in economic output (GDP);
- high inflation;
- unstable local currencies;
- high national debt measured in terms of gross domestic product;
- a weak banking system that makes very little liquidity available to local businesses;
- a high proportion of exchange transactions and the use of illiquid notes and debt obligations to perform commercial transactions;
- the widespread avoidance or evasion of taxes;
- high levels of growth in the black market and shadow economy;
- capital flight;
- corruption and extensive penetration of the economy by organised crime;
- a steep rise in unemployment and underemployment; and
- the impoverishment of significant sections of the population.

#### ***Crime, corruption and money laundering may have a material adverse effect on the business of the Group.***

Organised crime, in particular fraud and extortion, is a general risk to which commercial activities are exposed. Many countries continue to suffer from considerable shortcomings in the fight against corruption and organised crime. The business, net assets, financial condition, cash flow and results of operations of the Group may be significantly affected by such illegal activities, corruption or third party claims that are based on accusations regarding the alleged involvement of the Group in such activities and this may have a negative impact on the ability of the Issuer to meet its obligations under the Bonds.

***The development process through which the legal systems in the CEE region are going is not yet completed and is associated with legal uncertainty and risks for the Group.***

The countries of the CEE region have reformed their legal systems several times in the recent past. Nevertheless, many of the legal systems in this region continue to find themselves in a state of transition and they therefore carry greater risks and uncertainties than more mature legal systems. The risks relating to the legal systems of the CEE region include in particular: (i) inconsistencies between the constitution, laws, regulations, decisions, resolutions and decrees of the president, the government, ministries and local administrations and other acts done or performed in the exercise of public authority; (ii) the lack of availability of public registers, in particular land registers, but also commercial registers (and significant delays in the making of registry entries); (iii) frequent, partly unforeseeable changes to legal and tax provisions, at times with retroactive effect; (iv) unlawful or arbitrary acts of public authority, such as for example the withdrawal of licences, authorizations, permits, etc., unannounced tax audits or prosecutions; (v) the lack of predictability with regard to the application of rules of law and legislative norms by the courts in the same or similar cases; and (vi) the lack of efficiency of the court system, in particular also difficulties encountered in connection with the enforcement of court decisions and judgments. These and other defining factors of the legal systems in the CEE region subject these markets to greater risks and uncertainties than other markets in which the Group is active, and they may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and this may have a negative impact on the ability of the Issuer to meet its obligations under the Bonds.

In the field of real estate law, it may prove difficult to establish with absolute certainty whether or not unencumbered ownership of a property has been acquired due to the lack of reliability of public registers and the ambiguity of the applicable rules of law and legislative norms. Some legal systems may recognise unregistered encumbrances as valid. Furthermore, some legal systems do not provide for temporal limits on the application for registration of encumbrances eligible for registration. Therefore, it may well be that third parties successfully argue the existence of encumbrances relating to property owned by the Group of which the Group has no knowledge, or third parties are able to have such encumbrances registered. The existence or substantiation of encumbrances in favour of third parties as well as the delayed registration of security interests by financing partners may constitute a breach of conditions imposed under financing agreements. This may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is subject to the general tax environment and uncertainties of tax systems in the markets in which it operates. The Group's tax burden may increase as a consequence of future tax treatment of dividend payments, current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof.***

The Group is subject to the general tax environment in the markets in which it operates. The Group's tax burden depends on various aspects of tax laws as well as their application and interpretation. Amendments to tax laws, for example an increase of statutory taxes or the introduction of further taxes due to excessive public debt and budget restrictions may have a retroactive effect and their application or interpretation by tax authorities or courts may change. Furthermore, court decisions are occasionally limited to their specific facts by tax authorities by way of non-application decrees. This may also increase the Group's tax burden.

In numerous countries tax regulations exist both at the central level and at the level of local administrations. In less developed national economies and legal systems, these regulations have been in force for a short period of time, which in many cases is reflected in unclear or non-existent implementing provisions. Furthermore, such tax regulations are frequently subject to changes and amendments, which may result in significant complexity and related costs for the Group. In many cases, there are differences of opinion regarding the interpretation of tax regulations between, but also within, public authorities, including the tax authorities, which may lead to legal uncertainties and conflicts. Decreasing tax pay-

ments as well as other regulatory concerns are being investigated and assessed by numerous authorities, which are often authorised to impose significant fines and interest on tax underpayments.

As a result of the OECD-action plan against abusive international tax planning structures, the EU member states are in the process of adopting measures to avoid so-called “base erosion and profit shifts” (BEPS) in national tax legislations. One element thereof is the adoption of rules which limit the deductibility of interests, i.e. the so-called “interest barrier rules”. Such rules might limit the deduction of interests on these Bonds in the subscriber’s jurisdiction as well. The Issuer of the Bonds has significant real estate operations in Germany being subject to various tax rules applicable to the real estate industry. In particular, the Issuer constantly has to deal with (i) roll over schemes in order to transfer undisclosed hidden reserves to other investments (so-called “sec. 6b Income Tax Act roll over relief”), (ii) Real Estate Transfer Tax planning opportunities in order to mitigate the relevant tax burden on real estate transactions, e.g. as a result of changes also in the indirect ownership structure of real estate companies, as well as (iii) the deduction of input VAT on construction costs as an ongoing issue in the development phase of projects. Therefore, due to circumstances that are out of the Issuer’s control, changes in tax laws as well as alterations of its interpretation by the tax administration and tax courts, the aforementioned tax issues might be treated differently and, therefore, could have an adverse impact on the tax position of the Issuer.

Any of these circumstances could have an impact on the tax position of the Issuer which may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***Due to the partial sale of Tower 185 and the sale of the Hessen portfolio in 2013, the Group is subject to a subsequent real estate transfer tax risk in Germany.***

The Group owns real estate in Germany via joint stock companies and partnerships. The sale or disposal of joint stock companies and partnerships with property in Germany (“**share deal**”) may in principle trigger a requirement to pay real estate transfer tax in Germany. In particular, the two largest sales (the partial sale of Tower 185 and the sale of the Hessen portfolio) were transacted in the form of share deals and they therefore expose the Group to particular risks in connection with the payment of real estate transfer tax, the realisation of which may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

### **Risks relating to the business of the Group**

***The group structure is complex, comprises different jurisdictions, a variety of properties and related financings, which gives rise to a considerable risk of management and controlling errors.***

The Group comprises numerous companies and owns a significant number of properties in various jurisdictions. Furthermore, the Group makes use of a wide range of financing instruments, some of which are complex, both at the level of the Issuer and at the level of project companies of the Group. Should the Group find itself in a position where it is no longer able to efficiently monitor its management and internal administration as well as external real estate management (including efficient cost controlling and accounting) in order to uncover management and administration errors in a timely manner and in their entirety, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is exposed to significant risks relating to investments in property development projects.***

The Group typically incurs costs during the early stages of real estate development projects, whereas income is only generated during the later stages of the project. Development projects are often associated with cost overruns and suffer from delays in completion frequently caused by factors that are beyond the control of the Group. In the event the Group is unable to address such risks relating to real estate development adequately by carefully selecting, planning and executing the projects, and if it fails to

provide for contractual penalties and other rights in the event of delays or cost overruns, this may have a negative impact on the economic success of development projects. If the Group enters into lease agreements for properties during the development phase, and if completion is delayed, the Group may be exposed to contractual penalties or claims for damages. Where on the other hand the Group fails to find suitable tenants or to enter into lease agreements during the construction phase for other reasons or only leases parts of the property, this may result in the property standing empty following its completion. Should one or more of these risks materialise, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is dependent on partners regarding important development projects and a range of portfolio properties and is thus exposed to counterparty risks.***

The Group is involved in development projects with partners. It cannot be ruled out that the Group has not or will not have exclusive control of the identification, acquisition or the development, financing, leasing, management or other aspects of current or future development projects, nor is it able to exert any influence over the way in which joint venture partners conduct themselves, nor is there any certainty that joint real estate properties can be optimally realised. Important decisions among joint venture partners usually require unanimous votes. Furthermore, the interests or objectives of its partners may conflict with or pose an obstacle to those of the Group. In the case of these investments, the Group is often dependent on the resources of its partners, in particular their staff resources. Differences of opinion between the partners may lead to significant disruptions regarding these projects and to court proceedings, even if the Group is able to retain control over the project.

Part of the Group's portfolio of investment properties in Eastern Europe is held via its subsidiary Europolis GmbH. Several property assets are held in joint ventures with the major joint venture partner being Union Investment Real Estate GmbH. In Germany, the Group holds its largest development project so far, Tower 185 in Frankfurt, in a joint venture. Where the Group is not the sole owner of a property, it is party to a co-investment agreement, which imposes various obligations and restrictions on the investors and grants the partners of the Group (or the respective managers) rights to preferred dividends or other rights in connection with the investment property, such as pre-emption rights for shares in the Group subject to certain conditions. All this may impact the value of the Group's investment in such properties. The proportion of the costs, taxes or liabilities to be borne by the Group may exceed its share of participation. Furthermore, the Group is exposed to the credit risk of its counterparties in such a partnership or under such a co-investment agreement and their ability to meet and comply with the conditions of these agreements. Depending on the respective agreement, the Group may also be joint and severally liable with its co-investors for costs, taxes and other third party claims and it may have to bear the credit risk of its co-investors in the event of their default. In the event of a default of co-investors, the Group may also be obliged to bear their proportion of the costs, taxes or other liabilities, without being able to seek recourse against them (for instance, due to their insolvency or a limitation period). The Group may be exposed to significant delays in the event of a liquidation of an investment, may incur significant losses during the period in which it asserts its rights, including impairment losses on investments, costs and fees, or it may find that it is not in a position to realise profits. Even if the Group has a steering role under the respective contractual arrangements concluded with its partners, there is still the risk that this role is not exercised efficiently and in a timely manner. Where it has compensation claims against a co-investor, there is the risk that such claims may be irrecoverable, in particular in the event of the insolvency of the co-investor. All of these factors may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus, on the ability of the Issuer to meet its obligations under the Bonds.

***The Group acquires and disposes of real estate portfolios and companies to optimise its portfolio quality and is therefore exposed to risks relating to property acquisitions and sales.***

In the past the Group has acquired entire companies, stakes in joint ventures, property portfolios or completed buildings, plots of land and other properties in various stages of development. As part of its strategy of, among others, finalising the sale of non-strategic properties and generating value-enhancing

growth for the Group within its defined core markets, the Group will continue to undertake acquisitions and disposals. Value-enhancing acquisitions may only be implemented if attractive real estate portfolios or companies are available for purchase at reasonable prices. Such portfolios or companies may be unavailable or available only on unfavourable terms. In addition, competitors with asset acquisition objectives similar to those of the Group may have greater financial resources and lower costs of capital than the Group. Furthermore, it cannot be guaranteed that the Group will be able to generate sufficient funds to finance envisaged acquisitions in the future. Moreover, real estate markets are characterised by limited liquidity and the ability of the Group to sell non-strategic properties depends on the state of investment markets and on market liquidity. All these circumstances could jeopardise the Group's efforts to improve portfolio quality.

Generally, each acquisition is subject to uncertainties and involves risks, including the risk that an acquisition is not completed after the Group has made significant investments in assessing the project from a legal perspective and in accordance with economic, technical and environmental criteria. Completed acquisitions of property and participations in companies or funds entail additional risks. Within the context of the due diligence normally undertaken by the Group during the course of an acquisition, the Group or its advisors and experts may incorrectly assess or have incorrectly assessed the risks relating to the acquisition of property or those relating to the acquisition of the participation. Warranty and liability claims for defects of a material nature relating to the property or participation may be limited by contractual provisions to an inadequate amount, and such claims may not be enforceable against the seller. Each sales transaction is also subject to uncertainties and involves risks, including the risk that a sale is not completed after the Group has made significant investments in conducting due diligence which is normally undertaken in the run-up to the sale. If property or participations are sold, the Group may be exposed to claims of the purchaser, in particular warranty claims, claims for compensation, or other claims relating to representations and warranties (rental guarantees), which may subsequently cause the agreed purchase price to be greatly reduced. Furthermore, where purchase contracts are successfully contested by the purchaser, this may result in the unwinding of profitable real estate transactions. Should one or more of these risks materialise, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***It may become more difficult for the Group to acquire properties and land at favorable terms.***

The Issuer's core expertise lies in the development and management of office properties. Accordingly, the Group needs to be able to find and purchase land suitable for development of office units and properties. This strategy, however, may only be implemented if the Group can purchase attractive properties and land at reasonable prices. If demand for real estate increases further and market prices for office real estate properties and land become unfavorably high, the Group may not be able to acquire further properties or land at reasonable terms which could negatively impact its strategy.

Several of the Group's competitors may have objectives for acquiring properties similar to the Group's focus and may possess greater financial resources and lower costs of capital than the Group is able to obtain. Competition and the gap between the demand and supply would make it more costly to compete for properties and more difficult to successfully implement the Issuer's growth strategy.

Any prospective inability to acquire suitable properties on attractive terms in the future could impair the Issuer's perspectives.

Each of the above factors, individually or collectively, may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The ownership claims and other rights of the Group relating to properties may be contested. Permits may have been obtained illegally.***

In some cases, it may prove difficult or even be impossible to establish with absolute certainty whether or not unencumbered ownership of property has been acquired due to the complexity of real estate law

in some jurisdictions and continuous amendments. In accordance with the rules applicable in some jurisdictions in which the Group is active, real estate transactions may be contested for various reasons, for instance because the seller or other parties allegedly authorised to dispose of the property were in fact not authorised to do so, *inter alia* due to the lack of internal authorization as required under company law. Even if ownership of a property has been recorded in a public register, ownership may be contested in some jurisdictions, and there is in such a case no certainty that the Group can put up a success defence in the event its claims to ownership are challenged. Each time the ownership of a previous owner of a property is successfully challenged by a public authority or third party, the Group may find itself exposed to claims for restitution, the outcome of which is unpredictable. Furthermore, the Group is exposed to the risk of expropriation. Should one or more of these risks materialise, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group.

Furthermore, it is possible that building permits, authorizations, dedications or similar requirements were obtained unlawfully, for instance in exchange for the unlawful granting of benefits. Such matters can be challenged afterwards. A similar situation is possible in connection with privatisations, tender procedures and auctions relating to the acquisition of land use and development rights. Where building permits, authorizations, dedications or similar requirements are successfully challenged, this may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The ability of the Group to adjust rents to reflect fluctuations in the market may be heavily restricted.***

Rents and the market value of properties are influenced by general economic conditions, such as for example gross domestic product (“GDP”), developments in the labour markets, inflation, interest rate levels and the availability of financing. Both, rental income and property values are also influenced by other factors specifically relating to the property market, in particular (i) if lease agreements cannot be concluded at the originally estimated rental prices, (ii) if it is agreed that the amount of rent payable by key tenants is dependent on turnover (and thus rental payments fall in line with the tenant's turnover), and (iii) if the vast majority of lease agreements with the Group provide for indexation on the basis of consumer price indices. The income from such lease agreements is therefore dependent on the general economic development, market conditions and future levels of inflation. Furthermore, the ability of the Group to increase rents during the agreed term of the lease may be subject to prohibitions or restrictions in some jurisdictions. Increasing competition, pressure on rental prices and a deterioration of the economic situation of tenants may result in the Group being unable to pass on cost increases to its tenants in full. Ultimately, it may prove necessary for the Group to defer or reduce rents due to the economic pressure on its tenants. Each of these factors may negatively impact the ability of the Group to increase rents in line with market requirements, which may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is subject to the risk of value retention.***

Many lease agreements concluded by the Group include escalation clauses, mostly with reference to a country-specific consumer price index. The amount of income generated from such lease agreements is therefore not only dependent on general economic development but to a much greater extent on the development of the rate of inflation. Where such lease agreements come to an end after a long period of time, the fact that the rental payment is index-linked may give rise to a considerable deviation from achievable rents in the case of new tenants if normal market rents have not kept pace with the rate of inflation. If a lease agreement does not contain an escalation clause (index clause), the rent may remain at the same level for a long period of time, whereas the costs incurred by the Group for maintaining the property increase in line with inflation. These factors may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is exposed to risks relating to the hotel business.***

The Group's portfolio includes hotels, for some of which turnover-linked rents were agreed. In this respect, the Group bears an indirect economic operator risk. The business, net assets, financial condition, cash flow and results of operations of the Group are therefore also dependent on the services and efficiency of the hotel management, the satisfaction of hotel guests and the development of the hotel market.

***The Group is exposed to risks relating to the property office markets.***

The Group's focus on office properties exposes it to the office market cycles on its core markets, which are affected by economic indicators such as economic growth, industrial activity, unemployment, consumer confidence and other factors relevant to the overall economic development. As a consequence, these factors may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Issuer's assessment of a property's appeal to suitable tenants might be wrong and the planned rental revenues may not realize.***

The Issuer estimates the rental revenues that it plans to realize from the real estate that it acquires to a large extent based on location, actual or intended use, technical condition, floor layout, and on expected macroeconomic and microeconomic developments. If the management of the Issuer misjudges the attractiveness or future attractiveness of a property or its location, characteristics, general and local trend in rental space requirement, or the demand for such premises, it may be difficult to find suitable tenants that are willing to rent at the rent levels anticipated by the Issuer. If the Issuer is required to reduce the rent of a property to attract suitable tenants, or if the property remains wholly or partially vacant for an extended period of time or requires significant incentives (e.g. lease free periods) due to the inability to find a tenant, the market value of the property could significantly decline and the Issuer's revenues and assets could be adversely affected. If estimated or expected rental revenues fail to materialize as planned, due, for example, to changes in the tenant structure or lack of demand in the market for property in a particular location or of a particular use, this may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus, on the ability of the Issuer to meet its obligations under the Bonds.

***The Issuer is exposed to leasing risks and may not be able to find and retain solvent tenants or renew leases on favorable terms.***

The Issuer's business depends on its ability to generate sufficient and reliable revenues from leases, which can be influenced by several factors, including the solvency of current and future tenants as well as the ability to find or retain suitable tenants that are willing to enter into long-term lease agreements on terms favorable to the Issuer. The Issuer's ability to lease property on favorable terms is also subject to the market environment, i.e., supply and demand in the respective real estate market, the quality, layout and characteristics of the properties, the development of the infrastructure and local conditions as well as energy efficiency of the property. If the Issuer is unable to continue current or renew expiring leases on favorable terms, respectively, and to find and retain suitable solvent tenants willing to enter into long-term lease agreements at expected rent levels and without significant periods with vacant properties, the Issuer's business could be materially adversely affected. Further, the creditworthiness of a tenant can decline and entail a risk that the tenant will become insolvent or otherwise unable to meet its obligations under the lease. These factors may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus, on the ability of the Issuer to meet its obligations under the Bonds.

***Indexing clauses in most of the Issuer's lease agreements may adversely affect leasing revenues.***

Most of the Issuer's leases include a clause providing for partial or full indexation of the applicable rent in line with a reference, typically a consumer price index. Lease adjustments under the Issuer's lease



agreements will generally only be triggered if certain thresholds are crossed. In accordance with the applicable law, these clauses provide not only for upward adjustments but also for downward adjustments tied to changes in the relevant index. Consequently, an increase in rental proceeds from such leases during their term is tied to future rates of inflation and the crossing of the relevant indexing thresholds, and rental proceeds may decrease if consumer prices decline. If the relevant index rises slowly over a longer period of time so that the relevant threshold for a lease adjustment is only exceeded after such a longer period in time, the respective rent will remain constant for such term of the lease, while the Issuer's costs of maintaining the property may increase due to a variety of possible factors. The same may apply if a lease contains no indexation or equivalent adjustment clause, so that the applicable rent will remain constant for the term of the lease, while Issuer's costs of maintaining the property may increase.

Any of the factors described above may lead to a decrease in actual yields of the Group's business and may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Bonds.

***Limitation of the Issuer's property portfolio to certain regions may result in a dependence on regional market developments and in expansion risks.***

The Issuer has a property portfolio which is concentrated in Central, and Eastern and South Eastern Europe. Whereas its business activities in Germany are largely focused on the cities of Munich, Frankfurt and Berlin, its strategic focus in other countries (Austria, Czechia, Hungary, Poland and Romania) is primarily on the respective capital cities. Because of its concentration on certain regions, there is a dependence on the development of the real estate markets in these focus areas. Because of its regional specialization, the Issuer could incur expansion risks if it invests in other regions of the respective country. One of these risks, for example, could be that because of their geographical location, the newly acquired properties cannot be serviced from the Issuer's current locations, and therefore additional management units could be necessary.

The Issuer's geographical exposure on individual regions, and the associated risks, may therefore have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Issuer may incur higher-than-expected maintenance costs for properties.***

Rental premises must be maintained in an appropriate condition in order to keep facilities serviceable, to meet the conditions set out in the relevant lease agreements and to generate a continuous long-term revenue stream. The Issuer is often unable to recover maintenance expenses from its tenants, as such expenses are typically to be borne primarily by the property owner. If the actual costs of maintenance exceed the Issuer's estimates or if the Issuer is not permitted to raise its rents due to legal or contractual constraints, profit generated from an affected property could decline, which may have a negative impact on the Issuer's results of operations.

Higher maintenance costs for the Issuer may also result from renegotiations of current or expiring lease agreements especially if current or future supply/demand turbulences put tenants in a relatively stronger position for negotiations. Current or prospective tenants may request that the Issuer as landlord will have to bear a larger portion of maintenance costs than in the past. As a consequence, the Issuer's maintenance costs could increase.

The materialization of any of these risks may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is exposed to risks relating to the delegation of tasks to third parties.***

The Group outsources some tasks relating to property management and other administrative tasks to external third parties. It is possible that knowledge of the properties being managed and the administra-

tive processes involved is lost during the course of delegating administrative tasks, and the Group may be unable to identify and contract with suitable and reliable service providers within the required timeframe. This may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is dependent on the uninterrupted operation and security of its computer and data processing systems.***

The Group depends on the efficient and uninterrupted operation of its computer and data processing systems. Computer and data processing systems are generally vulnerable, susceptible and prone to disruptions, damage, power failures, computer viruses, fires and similar events and may be exposed to unlawful or other harmful acts such as unauthorised access, data misuse and theft (hacking). For this reason, it cannot be ruled out that these systems may be subject to operational disruptions or interruptions or that they are compromised by third parties. Due to the fact that the Group's structure is decentralised and because a significant portion of the Group's business activities are abroad, the Group relies on the smooth operation of Group-wide corporate reporting. Disruptions or interruptions in the operations of the computer and data processing systems used by the Group may impede effective management of the Group. Where the confidentiality of sensitive data, for instance that of business secrets, the valuations of individual properties, or other internal information regarding projects or properties, is breached by data misuse or theft, this may significantly impair and cause great damage to the operational and strategic business of the Group and its business model in general. This may have material adverse effects on the business, net assets, financial condition, cash flow and results of operations of the Group and/or the Issuer and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The success of the Group is dependent on the quality of its executives, other key personnel, and highly-qualified employees.***

The success of the project development, asset management and investment activities of the Group is, among other factors, fundamentally based on the ability of the Issuer's management board (the "**Management Board**") and other executives and key employees to identify and exploit suitable business opportunities for the Group. If one or more members of the Management Board or key employees leave the Issuer, it is possible that the Group will not succeed in recruiting management staff or key employees with the same level of qualifications within a reasonable timeframe and on terms in line with the market. Such departures would mean the loss of valuable knowledge and experience and may have a considerable impact on the operational management and activities of the Issuer until suitable replacements are found. The departure of such personnel may impair the ability of the Group to complete development projects on time or to manage existing properties competently. The Group may find it is unable to fill management positions as they become vacant with suitably qualified candidates and to retain the managers and employees it needs to conduct its business efficiently. Furthermore, the necessary use of resources to attract and retain qualified employees may adversely affect the Group's operating margin. These factors may therefore have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The insurance coverage of the Group may prove to be insufficient.***

Where insurance coverage is incorrectly evaluated, this may result in risks such as liability or natural catastrophes only being covered to a limited extent or not being covered by insurance policies at all. Therefore, the Group is exposed to the risk of having insufficient or no insurance coverage for risks such as inflation, changes in the legal provisions for building and regional planning, legal deficiencies such as lack of ownership, construction defects, floods, fire or similar natural catastrophes as well as terrorism and other damage events with regard to the real estate. If a loss is incurred which exceeds the sum insured or in respect of which no cover is provided, the Group may lose the capital invested in the real estate and expected revenues or appreciation may not occur. Moreover, additional costs may arise for the Group from repairing damage caused by uninsured risks. The Group would continue to be liable for debt and other financial obligations regarding the affected real estate. Substantial losses exceeding

the insurance coverage may be incurred which may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The Issuer is a holding company and its ability to satisfy any debt obligations depends on its receipt of funds from its subsidiaries.***

The Issuer is the parent company of the Group. Although the Issuer is not a pure holding company, its main activity is the strategic and operational management of its domestic and foreign subsidiaries. Therefore, the Issuer's ability to satisfy any debt obligations depends on receipt of sufficient funds from its subsidiaries. The extent of such cash flows to the Issuer will depend on the business, financial condition and results of operations of its subsidiaries. In addition, payments and transfers of funds may be restricted by the terms of any indebtedness that may be incurred by subsidiaries and by applicable law. Furthermore, the Bondholders' ability to receive payments of interest and/or principal under the Bonds in case of the Issuer's insolvency will depend on the value of the Issuer's subsidiaries which will have to be disposed of in such default scenario. As senior unsecured creditors of the Issuer, the Bondholders' claims not only will be discharged following secured creditors of the Issuer, but are also structurally subordinated to creditors of the Issuer's subsidiaries, which enjoy privileged access to assets of such subsidiaries, because in case of the insolvency of a subsidiary, the Issuer may distribute only eventual liquidation proceeds (following satisfaction of all secured and unsecured creditors of the subsidiary) to its Bondholders.

Some countries may impose regulations restricting the payment of dividends to foreign shareholders through exchange control regulations. To the Issuer's knowledge, there are currently no countries in which it has operative subsidiaries that directly restrict the payment of dividends. However, there can be no assurance that such restrictions will not arise in the future. The above factors could cause any or all subsidiaries to be unable to pay dividends or make other distributions directly or indirectly to the Issuer which may have a material adverse effect on the Group's business, net assets, financial condition cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

### **Financial risks of the Group**

***If the Issuer, also following a merger with IMMOFINANZ AG, loses its investment grade rating, it may no longer be able to pursue its financing strategy, including satisfaction of its future financing needs through the issuance of unsecured corporate bonds.***

The Issuer satisfies a significant portion of its financing needs through the issuance of unsecured corporate bonds. To facilitate the issuance of unsecured bonds, the Issuer recently obtained an investment grade rating of "Baa2" from Moody's Investors Services Ltd. ("Moody's"). Issuers with a "Baa2" rating are rated as medium grade with moderate credit risk but some speculative elements. Moody's appends numerical modifiers 1, 2, and 3 to each generic assessment classification, whereas the modifier 2 indicates a mid-range ranking of that generic rating category. While on April 20, 2016, Moody's affirmed the Issuer's Baa2 rating, it changed the outlook from stable to negative following the announcement of a proposed merger with IMMOFINANZ AG, because the merged entity might have higher leverage and more exposure to weaker Eastern European markets. Moody's calculated that the combined pro-forma LTV Ratio for a merged entity would be 46.4% compared to a 37.2% LTV Ratio most recently reported by CA Immo and that the occupancy rate might deteriorate to 87.2% from 93.3% and indicated that further downward pressure on the rating or outlook could result if (i) the effective leverage rises to above 45%, (ii) the fixed charge cover remains below 2.25x (both on a sustainable basis); or (iii) the merged entity does not maintain an adequate liquidity profile at all times.

In case of a downgrade and subsequent loss of the investment grade rating, future debt issuances may become significantly more expensive or may not be possible in the targeted amounts. Moody's could downgrade the Issuer if the value of the Group's assets, its interest coverage ratio were to fall below or its leverage were to rise above certain values, if the Group was unable to keep or render sufficient values of its assets unencumbered or if the real estate markets in which the Group operates generally dete-

riorate. If any of the risks described above were to materialise, it would be more difficult for the Issuer to pursue its current financing strategy, which could have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The Group is exposed to the risk of loss and counterparty risk when investing liquid assets as well as during hedging transactions.***

The Group has fluctuating levels of liquid assets that are invested in accordance with the respective operational and strategic requirements and objectives. On a case by case basis, such investments can also be made in listed securities or funds that are subject to an increased risk of loss. Furthermore, the Group enters into hedging transactions on an ongoing basis, in particular to hedge against changes in interest rates and the related fluctuations in its financing costs. Such hedging transactions may prove to be inefficient or unsuitable for attaining the objectives sought, and may result in losses recognised in profit and loss. Further, the assessment of the value of derivatives may have a negative impact on the result and/or on the equity of the Issuer. Furthermore, the Group is exposed to the risk that its contract partners are unable to meet their obligations as agreed under hedging or investment transactions, for instance to effect payment of amounts under swap transactions, make repayments, pay interest or effect other payments in the agreed amount or on the agreed due date (counterparty risk). This may have material adverse effects on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group may be insufficiently protected against changes in interest rates.***

Interest rate fluctuations caused by market factors have an effect on both the rate of financing and the market value of the interest rate hedging transactions concluded. Depending on its investment strategy, the Group opts for a mixture of long-term fixed interest rates and variable interest rate loans regarding the financing it takes out. The latter are not entirely hedged by derivative financial instruments. The extent to which the needs of the Group are serviced by derivative instruments depends on the assumptions and market expectations of the management and the responsible employees of the Group in relation to the future interest rate level, in particular the 3-month EURIBOR. Should these assumptions prove incorrect, this may result in a significant increase in expenditure on interest and have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group has a substantial need of financing and refinancing and is exposed to the risk of not being able to obtain debt financing to the extent necessary or at the time required. In the case of refinancing, the conditions may deteriorate substantially, for example in the form of higher interest rates or additional collateralisation requirements.***

Financing (or refinancing) on the financial and capital markets represents one of the most important measures available to real estate companies. The Group needs outside capital in particular to refinance existing loans and bonds and to finance the current and future development of the Group. In 2017, the refinancing requirement for existing loans amounts to approximately EUR 165 million, of which approximately EUR 52 million is for CEE and EUR 67 million for Germany (*source: Internal unaudited data of the Issuer, as at the date of this Prospectus*). Apart from issuing corporate bonds, the Issuer has available refinancing opportunities at conditions which may give the creditor(s) more rights and/or have stricter covenants than corporate bonds (e.g. a revolving loan facility granted by Raiffeisen Bank International AG).

However, in times of extremely volatile real estate markets, it may well be that the providers of outside capital are unwilling to extend maturing loans at all or at conditions which are acceptable to the Group. This may in particular lead to higher margins, make it necessary to provide further collateral and generally result in a lack of refinancing opportunities. In Hungary in particular, the financing of real estate projects is particularly difficult at present due to the economic situation there because several of the banks which have provided the Group with financing in Hungary are not currently issuing new loans for real estate financing. To the extent the Group is unable to generate liquidity or outside capital to the

extent necessary and at the time required and/or raise such liquidity or outside capital at acceptable conditions, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***Conditions imposed in financing agreements concluded by the Group may limit its financial and commercial flexibility. Violations may impair the financial position of the Group.***

The financing agreements concluded by the Group contain conditions, in particular restrictions regarding the permissible debt-equity ratio, equity capital clauses (minimum difference between assets and liabilities), and debt and/or interest service coverage ratios (DSCR, ISCR). These conditions may restrict or otherwise constrain the flexibility of the Group to obtain financing for future business activities and to meet its financing needs in the case of special business opportunities. The assessment of such covenants may also be negatively influenced by changes to regulatory and financial reporting standards and/or amended estimates. This may have a negative impact on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

The Group may find it is in breach of conditions or representations and warranties stipulated in financing agreements if the relevant issue was not approved by the respective financing partner. Such a breach or violation may be deemed to constitute an event of default under the respective financing agreement and furthermore as a cross default under other financing agreements. This may entitle the respective contract partner to accelerate payment of the financing provided and demand its immediate repayment. If the Group does not have sufficient liquidity to finance such repayments, it may be compelled to sell properties from its real estate portfolio or to take out refinancing, if at all available, at unfavourable conditions. As the debt financing of the Group is largely secured by security interests in real estate, financing partners may also be entitled to sell such properties during enforcement proceedings regarding these securities. Such a forced sale may be made at conditions which are much more unfavourable than those assessed by the Group, and the proceeds from the sale may not entirely cover the claims of the financing partner together with enforcement costs.

Should one or more of these risks materialise, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group's business may be significantly impaired due to the lack of availability of equity financing.***

The Group does not exclude the possibility of financing its business activities in future through the issuance of further shares. Where no investors who typically invest in the shares of real estate companies can be found, for example due to the market assessment that the risks relating to the shares of issuers outside of the real estate sector or real estate companies other than the Issuer are lower for economic reasons or for other reasons or the expected return on such shares is higher, it may prove difficult for the Group to raise or obtain further outside capital at adequate conditions, or even at all. This may make it necessary to raise capital at more unfavourable conditions or even to change the strategy of the Group. Should the Group be unable to obtain sufficient capital resources at adequate conditions for a planned acquisition for instance due to unfavourable market conditions, this may mean that it is not possible for the transaction to be performed or that the level of leverage has to be increased. All of this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group may find itself unable to borrow sufficient capital to continue current development projects or to finance acquisitions.***

The Group finances project developments and acquisitions with debt financing. As a result, it is therefore dependent on the willingness of banks to provide additional debt or to extend existing financing arrangements at reasonable conditions, also with regard to collateralisation requirements. The market conditions for real estate financing change on an ongoing basis and in particular have deteriorated con-

siderably during the course of the economic and financial crisis. The attractiveness of various forms of financing depends on a range of factors, some of which cannot be influenced by the Group. These factors include in particular market interest rates, the amount of financing required, issues relating to taxation, and the appraisal of the value – and the ability to realise the value – of properties provided as collateral, and the assessment of the general economic situation by the financing partner.

Should the Group not manage to obtain suitable and adequate debt financing for project developments and acquisitions or to obtain refinancing for expiring debt financing arrangements, or is unable to do so on time, this may have a material adverse effect on the ability of the Group to increase the degree of completion of its development portfolio or to invest in suitable acquisition projects. All of these consequences, or the inability of the Issuer to meet its obligations under existing financing agreements possibly as a result of the lack of available debt financing, may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

***The Group is exposed to currency risks and translation risks due to exchange rate fluctuations.***

The Group is active in some markets outside of the eurozone. Insofar as rental invoices are denominated in a currency other than the Euro and are not fully adjusted to current exchange rates, changes in the exchange rate may give rise to a reduction in payments received when translated to Euros. Insofar as expenses and investments are not made in Euros, exchange rate fluctuations may adversely affect the solvency of group companies and be a burden or put pressure on the results of the Issuer. Agreements in which amounts are denominated in Euros may due to exchange rate fluctuations put a strain on the business, net assets, financial condition, cash flow and results of operations of individual companies in countries in which regulations require such companies to draw up their balance sheets in the local currency. Likewise, transactions performed in local currencies may negatively impact the business due to changes in exchange rates. The reporting currency for the Group is the Euro. In those countries in particular where foreign subsidiaries use a local foreign currency for their day-to-day business operations, translation differences may adversely affect the consolidated financial statements of the Group.

All of the above factors may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Bonds.

**Legal Risks**

***The Group is subject to risks resulting from legal disputes related to its operating business.***

The Group may be involved in legal disputes as plaintiff or defendant within the scope of its ordinary business. The Group may be involved in disputes and litigation in different jurisdictions where legal systems and procedures deviate significantly from Austrian or German standards. The respective applicable procedural law, different levels of efficiency of the competent courts and the complex nature of the legal disputes may prolong proceedings and also give rise to the risk that even with regard to disputes with positive expectations no timely payment will be received or there is no obligation to effect payment. In general, the Group has established balance-sheet provisions for legal disputes, but it did not make value adjustments or provisions for all legal disputes. It cannot be ruled out that these forecasts will change in the future and that adjustments will need to be made to the valuation of balance sheet items for this reason. If insufficient value adjustments or provisions are made, the result of such legal disputes may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***In the countries in which the Group has investments, it is exposed to various political, economic and legal environments. In particular in connection with the degree of development of the legal systems in the CEE region significant legal uncertainties and risks exist.***

The Issuer is an entity established and administered under Austrian law. The subsidiaries of the Issuer are established under the laws of the countries where the Group is active (in particular Germany and CEE countries). The Group structure is based on the current political, economic and legal framework conditions. Changes in the political and economic system as well as in the legislation, jurisdiction or administration practice may lead to the necessity of reorganization, which may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***In the case of renting, the Group is exposed to legal risks arising from provisions governing the protection of tenants.***

In Austria and Germany there are strict and complex regulations in place that protect tenants against unlawful termination and exorbitant rents, determine the protection of investments in the rental property made by the tenant, ensure defined minimum standards, and in relation to many other topics. Such provisions are in particular applicable to the share of the Group's residential properties in Austria. In many other countries where the Group is active similar provisions are applicable. Those provisions may limit the Group's utilization of the real estate and may involve excessive compliance costs. They may lead to significant claims of tenants for repayments, in particular of rent, operating costs and costs for maintenance and improvement, if the rent exceeds the permitted maximum. Due to regulated rents, the Group may not be able to redeem its costs arising from compliance with those rules, which may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The Group is generally exposed to the risk of change in legislation, especially in regulatory, commercial-financial and tax law.***

The structure of the Group is based on the current tax framework regulation. Due to changes in legislation, jurisdiction or administrative practice, the conclusion or implementation of double taxation agreements, the tax environment in general or certain reasons of the Group for the maintenance of its structure, the Group may be subject to a higher tax burden than expected. Some countries of the CEE region have a higher risk of change in the tax framework than e.g. in Germany or Austria. The saving and consolidation measures undertaken to react to the sovereign debt crisis may cause significant changes in tax provisions in certain European countries. This happened for example in Hungary because of the introduction of special taxes and crisis taxes, which partly affected certain industries retroactively. This causes considerable uncertainty with regard to the continuity of the tax framework regulation, in respect of which no predictions can be made at this stage.

The companies of the Group are subject to a wide range of tax regulations, partly not being in force for long and being enforced by different regional authorities. There are hardly any precedents for the enforcement and administrative practice can be unpredictable. Taxpayers often have to take legal action to defend themselves against the tax authorities. The risk of unpredictable and burdensome taxation persists therefore for companies of the Group. At the same time, the tax risk is significantly higher in the countries of the CEE region than in other countries whose tax systems look back on a longer history of development.

The Group's investment and financing policy can be significantly impaired by changed cash flows due to a changed tax burden. Changes in tax regulations may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The development and exploitation (renting, operating) of properties of the Group is subject to numerous permits and administrative authorizations and risks related to their revocation, expiration, suspension and similar associated risks.***

In order to undertake a development project, the property in question has to be zoned for building offices, apartments, hotels and other undertakings intended by the Group. If the current zoning is not suitable or the property is not yet zoned, the Group has to apply for appropriate zoning. This process may be subject to delays, particularly in countries with inefficient bureaucracy, and there is no certainty that the required zoning takes place within the timeframe necessary to complete the planned development of offices, stores or apartments prior to possible projects of competing companies, or that the project can be completed at all.

Resistance from neighbours against proposed reclassifications or building permits may as well cause significant delay and additional costs. Moreover, arbitrary changes in the zoning by the competent authorities may jeopardise projects already initiated. If the Group is not able to obtain the required zoning or the corresponding procedure is delayed, it can lead to an increase in costs.

The maintenance of real estate projects requires approvals and authorizations. If the Group does not comply with legal provisions and constraints, the approvals and authorizations may be revoked or suspended and the Group may be unable to maintain the operation and the renting of the properties. In case of an infringement of legal provisions or constraints, local authorities may impose sanctions and measures and in the worst case place a demolition order for buildings already constructed.

All this may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***Changes of use of real estate of the Group are limited by dedication, construction and regional planning regulations.***

If decreased profitability due to competition, age, decreasing demand, changes in supervisory law or other factors requires a change in use of the Group's properties, such change might be impossible or be possible only to a certain extent. Generally, the change in use of the development projects and of commercial real estate requires considerable capital investments and may in addition be subject to regulatory approvals, especially from the perspective of construction and spacial planning laws. If the current use of the property becomes unprofitable, its market value might decrease. Applications for a change in use or a new development of a property may be declined by the competent authority or delayed because of objections raised by third parties. This might interfere with the Group's ability to develop the property suitable to its change in use and to find new tenants. This may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The Group can be exposed to losses and liabilities (including tax burdens) in relation to its properties, as a result of acts or omissions of sellers or previous owners, or which refer to a former owner.***

The Group may be subject to losses and liabilities, including tax, regulatory, environmental or compliance risks, with regard to acquired real estate. Actions and omissions of previous owners or possessors of the real estate, changes in legal provisions and numerous other factors may lead to such losses and liabilities. There is thus a risk that some of the properties have hidden defects that once detected are the responsibility of the Group, and for that risk the Group possibly has insufficient insurance coverage.

In the course of acquiring a real estate portfolio, the Group may have conducted only limited due diligence on the properties in question. Consequently, it might not have sufficiently ascertained that the previous owner of the properties obtained all governmental approvals and authorizations and acted in compliance with applicable law or that the properties were kept in accordance with applicable provisions. In certain cases the Group may not have carried out all investigations, inquiries and appraisals (e.g. environmental legal investigations, testing for asbestos contamination and technical assessment)



normally conducted when acquiring real estate. Contracts relating to the purchase of real estate may contain only limited liability and warranty of the seller and no further contractual protection for the benefit of the Group. Finally, the respective seller may not be able to satisfy possible claims of the Group. All of this may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***The current core shareholder IMMOFINANZ AG, one of the Issuer's major competitors, holds four registered shares which entitle to nominate up to four Supervisory Board members and therefore can irrespective of its shareholding in the Issuer significantly influence the composition of the Supervisory Board and, indirectly the Management Board.***

In addition to approximately 25.7 million bearer shares (corresponding to approximately 26% of the outstanding shares) IMMOFINANZ AG (“**IMMOFINANZ AG**” and together with its affiliates “**IMMOFINANZ Group**”) holds four registered shares in the Issuer each granting its holder the right to nominate – within the restrictions of the Austrian Stock Corporation Act (*Aktiengesetz*) – one member of the Issuer's supervisory board (the “**Supervisory Board**”). These nomination rights allow IMMOFINANZ AG to significantly influence the composition of the Supervisory Board independent from its participation in the Issuer. The influence of the remaining shareholders of the Issuer is reduced accordingly. The Supervisory Board among others appoints the Management Board members and is responsible for the Management Board's remuneration issues. The interests of IMMOFINANZ AG's nominees with cross-interlocking functions on the Supervisory Board may conflict with the interests of the Issuer and IMMOFINANZ AG may support resolutions not supported by a large majority at shareholders' meetings or may not support resolutions which are supported by a large majority at shareholders' meetings. These conflicts of interest could lead to difficulties in the managing of the Issuer and conflicts among the Issuer's shareholders. All of this may have material adverse effects on the Issuer's net assets, financial condition, cash flow, results of operations and reputation.

***It is unclear if and when a combination of the businesses of the Issuer and IMMOFINANZ AG will take place. Rating agencies may reduce or withdraw their rating as a result of such a business combination or an expected combination of business. A reduction in its credit rating could adversely affect CA Immo, and, if the merger becomes effective, the combined entity.***

The potential business combination of IMMOFINANZ AG and the Issuer as announced in April 2016 requires the previous separation of IMMOFINANZ AG's Russian properties and a 75% shareholders' vote on both IMMOFINANZ AG's and the Issuer's shareholders' meetings, which are expected to take place no earlier than in 2018. The resolution on the merger and the exchange ratio may be challenged by shareholders of both, the Issuer and IMMOFINANZ AG. Shareholders may challenge the resolution on the merger solely to try to receive unfair advantages from IMMOFINANZ AG or the Issuer in exchange for their withdrawal of such complaint. Shareholders may also ask for a judicial review of the exchange ratio, i.e. the number of CA Immo shares they will receive for each IMMOFINANZ AG share, which could result in future cash payouts.

IMMOFINANZ AG and CA Immo have operated and, until the completion of the merger, will continue to operate independently. It is possible that the integration process could result in the loss of key employees, as well as the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies, any or all of which could adversely affect the Issuer's ability to maintain relationships with clients, customers, and employees after the merger or to achieve the anticipated benefits, such as synergies, of the merger. Integration efforts between the two companies will also divert management attention and resources.

The Issuer's borrowing costs and access to the debt capital markets, and thus its liquidity, depends significantly on its credit ratings. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings as a result of the proposed business combination which could have negative implications. A deterioration of CA Immo's credit rating could increase its borrowing costs and limit its access to the debt capital markets, which, in turn, could reduce its earnings. If the merger becomes effective, the combined entity will be similarly exposed to changes in its credit rating. According to

Moody's current view, the proposed business combination will increase leverage and vacancy rates and the combined entity will on balance have a weaker credit profile which may cause the rating to go down by one or more notches.

Any of the outlined events could have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations and may have a negative effect on the ability of the Issuer to meet its obligations under the Bonds.

***The control and prevention mechanisms of the Group's compliance structure may not have been, or may not be, sufficient to adequately protect the Group from all legal or financial risks. Cases of irregularities could lead to official investigations or third-party claims against the Group, which, in turn, could have a material adverse effect on its business, net assets, financial condition, cash flow, results of operations and reputation.***

The proper functioning of the risk management system is evaluated annually by the Group auditor in line with the requirements of C Rule 83 of the Austrian Code of Corporate Governance. Nevertheless, the Group's techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate. Some of the Group's qualitative tools and metrics for managing risk are based upon its use of observed historical market behaviour. The Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. In addition, the Group's quantified modelling does not take all risks into account. Its more qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. If the Group's risk management turns out to be inadequate, losses greater than anticipated could harm the Group's revenues and profits as well as its reputation.

To protect the Group against legal risks and other potential harm, a Group-wide compliance management system (the "CMS") has been implemented. Binding policies apply to all employees and the members of the Management Board and Supervisory Board and address conduct, corruption prevention, conflicts of interest, information and data protection, discrimination, environmental protection and protection of company property. In signing a 'compliance declaration for third parties', all business partners commit to observing, to the best of their knowledge, applicable legislation and complying with the Group's ethical and moral principles in their business dealings with the Group. As part of the CMS all compliance competencies are assumed by the Group's compliance officer who reports to the Management Board. Legal and compliance risks are addressed by the Group's risk management and the compliance steering committee. However, there can be no assurance that the aforementioned compliance arrangements will be sufficient to completely prevent all unauthorised practices, legal infringements or corruption within the Group. Any failure in compliance could have material adverse effects on its net assets, financial condition, cash flow, results of operations and reputation.

### **Key risks specific to the Bonds**

#### ***The Bonds may not be a suitable investment for all investors***

Potential investors should consider whether an investment in the Bonds is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Bonds and to get their own idea about the investment. An investment in the Bonds is only suitable for investors who

- possess sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the chances and risks of an investment in the Bonds and the information contained or incorporated by reference into the Prospectus or any supplement thereto;

- have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Bonds will have on their overall investment portfolio;
- understand thoroughly the Terms and Conditions of the Bonds and are familiar with the behaviour of the financial markets;
- are capable of bearing the economic risk of an investment in the Bonds until the maturity of the relevant Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- know that it may not be possible to dispose of the Bonds for a substantial period of time, if at all before maturity; and
- are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and ability to bear the applicable risks.

***Risks exist due to the structural subordination of Bonds towards other financing obtained by the Issuer or its subsidiaries based on the financial structure of the Group as well as the Terms and Conditions.***

Bondholders are unsecured creditors of the Issuer. Hence Bondholders are subordinated to secured creditors of the Issuer and its subsidiaries, since they have preferential access to the financial assets on which they hold security interests.

Structural subordination exists with regard to unsecured creditors of subsidiaries, because in the event of the insolvency of the subsidiary they have access to the financial assets of the respective subsidiary, whereas the Issuer has potential proceeds from the liquidation of the respective subsidiary at his disposal only after all creditor's claims. The Issuer holds large investments domestically and abroad and hence exercises a holding function. As a holding company the Issuer has a weaker position than creditors of the subsidiaries.

Numerous financings of the Group do not take place at the Group level, but as project financing at the level of the project companies. Creditors of project financings are typically secured by all financial assets of the project company and therefore they in any case have access to the assets of the project company prior to the Bondholders. Moreover, claims of the Issuer against the subsidiary may under applicable law be treated subordinately in case of insolvency of the subsidiary.

As a consequence, many outside creditors of the Group have an advantageous creditor position in comparison to Bondholders through possible access to securities and because of direct claims against several project companies that have financial assets at their disposal. Those aspects as well as the financing structure of the Issuer in general may infringe the ability of Bondholders to enforce their claims against the Issuer and may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Bonds.

***Bondholders are subject to credit risk with regard to the Issuer and the insolvency of the Issuer may lead to a total loss of the investment of Bondholders.***

In case of insolvency, the Issuer is usually not able to meet its obligations resulting from the issuance of the Bonds. Therefore, the insolvency of the Issuer may lead to interest and capital payment default and in the worst case to a total loss of the invested capital. The claims under the Bonds are not subject to any legal deposit protection, other protection schemes or guarantees.

***The solvency of the Issuer can change during the term of the Bonds (solvency risk).***

The solvency of the Issuer significantly influences the price development of the Bonds. In addition to the factors surrounding the Issuer's business development, a policy of paying excessive dividends (which cannot be influenced by the Bondholders) may have adverse effects on the Issuer's solvency. Possible redemptions of treasury shares may have adverse effects on key figures of the Issuer, in particular with regard to debt financed acquisitions of treasury shares. A deterioration of the Issuer's solvency may lead to a negative price development and selling the Bonds before maturity may lead to losses.

***The market price of interest-paying bonds can decrease due to changes of the market interest rate (price risk).***

While the nominal interest rate of a Bond with a fixed interest rate is fixed for the entire tenor of such Bonds, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the market price of a Bond with a fixed interest rate also changes – but in the opposite direction. The longer the remaining term of a bond, the bigger the change of the price is when a change of the interest level occurs. If the market interest rate increases, the price of fixed rate bonds typically falls until the yield of such bond approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate bond typically increases until the yield of such Bond is approximately equal to the market interest rate. Potential investors should be aware that fluctuations of the market interest rate can have adverse material effects on the price of the Bonds and that the selling of the Bonds before maturity can lead to losses.

***Bondholders are exposed to the risk that a liquid market for the Bonds does not develop or that trading of the Bonds is suspended. Revocation of the listing or suspension of trading with Bonds can lead to distorted pricing or to the sale of the Bonds becoming impossible.***

The liquidity (tradability) of the Bonds is influenced by different factors such as issue volume, facilities and market situation. Application will be made for the Bonds to be listed on the Luxembourg Stock Exchange's Regulated Market and on the Second Regulated Market of the Vienna Stock Exchange. Regardless of the listing, it cannot be guaranteed that a secondary market for the Bonds will develop and/or persist. In an illiquid market it may happen that Bondholders are not able to sell their Bonds at any time or at a market price in line with their expectations.

The admission of the Bonds to be traded on a regulated market may be revoked for numerous reasons (e.g. due to a decision of the exchange operating company or the supervisory authority or upon application of the Issuer) and/or the Bonds may be suspended from trading by the exchange operating company or the competent financial market authority (e.g. if certain price limits are exceeded, legal provisions are infringed, in case of operational problems of the stock exchange, in case of publication of information relevant to stock prices or in general, if it is necessary to guarantee a functioning market or the protection of Bondholders). The suspension of trading typically means that orders already placed expire. The Issuer is not able to influence the revocation or suspension from the trade (except where it is based on an action taken by the Issuer) and Bondholders are exposed to this risk.

Finally Bondholders have to consider that neither revocation nor suspension from the trade is necessarily a sufficient or proper instrument to avoid market or price disturbances or to protect the Bondholders' interests. If, for instance, trading is suspended because information relevant to stock prices is published, it is possible that the price of the Bonds was already influenced prior to the suspension. All of this may lead to the market price not corresponding to the value of the Bonds so that the Bonds cannot be sold or can only be sold for a price that is lower than the value of the capital employed by the Bondholder to purchase the Bond or lower than the value of the Bond at the time of sale. Bondholders must in particular not rely on the possibility to sell the Bonds at a certain time at a certain price.

***The Issuer can terminate the Bonds for tax reasons.***

In accordance with § 5 of the Terms and Conditions, the Issuer is under certain circumstances entitled to terminate the Bonds in the event of changed tax law provisions.

In case of termination and premature repayment, Bondholders bear the risk that the returns of the Bonds are lower than expected. The Issuer might exercise its call right if the yield on comparable bonds in the capital markets falls, which means that the investor may only be able to reinvest the redemption proceeds in bonds with a lower yield.

***Bondholders are exposed to the risk that reinvestment may only be possible at less favourable conditions.***

In case of premature sale and premature termination of the Bonds as well as their repayment at the maturity date, it is uncertain that the Bondholders can reinvest their capital under at least equivalent conditions.

***Bondholders are dependent on the operation of the clearing systems.***

The Global Note, which will document the Bonds, will be kept in custody by OeKB CSD GmbH (“OeKB”) as central depository. Hence, purchases and sales of securities do not take place through delivery of physical certificates but are settled through clearing systems. With respect to the transfer of the Bonds and the receipt of payments out of the Bonds, the Bondholders are reliant on the operation of the relevant process. The Issuer assumes no responsibility or liability for the actual booking of the securities to the securities account of the Bondholder in case of an acquisition or for derecognition when Bonds are sold. Due to the use of clearing systems, there is the risk that bookings are not made, not made within the time expected by the Bondholder or only made with a delay and therefore the Bondholder suffers economic disadvantages.

***The Issuer or the Joint Lead Managers can effect transactions which are not in the Bondholders’ interest, or other reasons may lead to conflicts of interest arising between the Issuer and the Bondholders. Moreover, there may be business relations between the Issuer and the Joint Lead Managers.***

The interests of the Issuer are not congruent with the interests of the Bondholders. Future businesses and transactions of the Issuer or the Group may have an adverse effect on the Bondholders’ position. In particular with regard to the issuance of Bonds, the Issuer’s right to enter into unsubordinated obligations with the same ranking as the obligations of the Bonds is not restricted. Any further obligation of the Issuer may have adverse effects on the Bonds’ market price, increases the probability of a delayed coupon payment and/or may reduce the recoverable amount of the Bondholders in case of insolvency of the Issuer.

Moreover, the Issuer and Joint Lead Managers could have business relationships which can influence the position of the Bondholders. For instance, the funds deriving from the issuance of the Bonds may be used to repay existing financing of the Joint Lead Managers to the Group.

***Future inflation could lead to a reduction in the return on investment in the Bonds.***

The inflation risk indicates the possibility that financial assets such as Bonds or their interest depreciate if the purchasing power of a currency falls due to inflation. The actual yield from an investment is reduced by inflation. If the inflation rate is higher than the interests of the Bonds, the actual yield is negative.

***Transaction costs and charges may significantly reduce the return on investment in the Bonds.***

Purchasing, depositing and selling Bonds may trigger commissions, transaction and other fees causing significant costs, which can be especially high with regard to small order values. These additional costs may significantly reduce any profit gained by holding the Bonds. Hence, prior to the purchase or sale of the Bonds potential investors should inform themselves of the specific costs they would incur.

***Careful consideration should be given to the tax consequences of investing in the Bonds.***

For interest payments from the Bonds and disposal proceeds of the Bondholder realised by sale or repayment of the Bonds it may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors who are uncertain of the tax implications of an investment in the Bonds are advised to ask their own tax advisor for advice on their individual taxation. Furthermore, applicable tax law provisions may change in the future to the disadvantage of Bondholders, e.g. with regard to the taxation treatment of the ownership of the Bonds, interest payments and realised disposal proceeds. In this context the increase of the uniform special income tax rate for interest payments and disposal proceeds of individuals subject to income tax liability in Austria from 25% to 27.5% as of January 1, 2016 should be mentioned.

***Where the acquisition of the Bonds is financed with debt this may significantly increase any possible loss.***

Bondholders which finance the acquisition of any Bonds with debt should bear in mind that current interest payments of the Bonds may be lower than the interest rate of any loan taken out. Bondholders cannot rely on the ability to cover the credit liabilities (including interests) with yields or realised disposal proceeds of the Bonds. If the purchase of the Bonds was financed by a loan and later on a payment delay or default of the Issuer occurs, or the rate of the Bonds decreases, the Bondholder has to bear its own loss as well as pay the credit interest and repay the loan. In general, it is not recommended to finance the purchase of Bonds by a loan.

***Changes to applicable law, regulations or administrative practice can lead to negative consequences for the Issuer, the Bonds and the Bondholders.***

The terms and conditions of the Bonds are subject to Austrian law as in force at the date of the Prospectus. No assurances can be given with regard to the impacts of possible court decisions or changes in Austrian law provisions (or the law applicable in Austria) or the administrative practice, that takes place after the date of this Prospectus. Bondholders are exposed to the risk that those decisions and/or changes negatively affect the Issuer, the Bonds and the Bondholders.

***The purchase of the Bonds by potential investors may violate applicable law.***

Neither the Issuer nor the Joint Lead Managers and their affiliates are responsible for the legitimacy of the acquisition of Bonds by potential investors or their compliance with the applicable provisions of national law or the respective administrative practice in the home country of the investor. Potential investors must not rely on the Issuer or the Joint Lead Managers and companies affiliated with them with regard to the legitimacy of the acquisition of the Bonds.

***A court can appoint a trustee (Kurator) for the Bonds who shall exercise the rights and represent the interests of the bondholders on their behalf.***

Pursuant to the Bonds Trustee Act (*Kuratorenengesetz*) (RGI 49/1874 of April 24, 1874), a trustee (*Kurator*) can be appointed by a court for the purposes of representing the common interests of bondholders; for instance, in connection with any amendments to the Terms and Conditions of the Bonds, changes relating to the Issuer, the insolvency of the Issuer, or other such circumstances. If a trustee is appointed, it will exercise the rights and represent the interests of the Bondholders and will be entitled to make statements on their behalf which shall be binding on all Bondholders. Where a trustee represents the interests and exercises the rights of Bondholders, this can conflict with or otherwise adversely affect the interests of individual or all Bondholders.

***Claims towards the Issuer in respect of repayment become time-barred if not asserted within thirty years and in respect of interest within three years.***

Claims towards the Issuer for repayment relating to the Bonds become time-barred and terminate, if not asserted within thirty years (in respect of repayment) and three years (in respect of interest). There is a risk that holders of Bonds will not be able to assert their payment claims against the Issuer after expiration of the limitation periods.

***Bondholders are exposed to the risk of a lack of influence on the Issuer.***

The Bonds exclusively represent and securitise the rights of the Bondholder (creditors' rights). However, these rights do not constitute shareholders' rights, in particular they do not entitle Bondholders to participate in or vote at the shareholders' meeting of the Issuer. The Bondholders are not able to impact the business policy or the entrepreneurial decisions of the Issuer. The Issuer may operate against the will of Bondholders and make decisions in future that deviate from the information provided in this Prospectus. This may impede the ability of the Issuer to meet its obligations under the Bonds and hence have material adverse effects on Bondholders.

***Credit ratings may not reflect all risks and are subject to change.***

Ratings assigned to the Issuer by rating agencies are an indicator of the Issuer's ability to meet its obligations under the Bonds in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. The market price of the Bonds from time to time is likely to be dependent upon the level of credit rating assigned to the long-term debt of the Issuer. Rating agencies may change, suspend or withdraw their ratings at short notice. A rating's change, suspension or withdrawal may affect the price and the market price of the outstanding Bonds. An investor may thus incur financial disadvantages, as he may not be able to sell the Bonds at a fair price. The ratings may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***A potential investor may not rely on the Issuer, the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Bonds.***

Each potential investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its (or if it is acquiring the Bonds in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Bonds as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Bonds in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

A potential investor may not rely on the Issuer, the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Bonds or as to the other matters referred to above.

Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Bonds and may lose parts or all of his capital invested without taking such or other risks into consideration before investing in the Bonds.

***Although the occurrence of a change of control will permit Bondholders to require redemption of the Bonds, the Issuer may not be able to redeem such Bonds.***

Upon the occurrence of a change of control, Bondholders will have the right to require the redemption at their principal amount, plus accrued and unpaid interest. Bondholders must bear in mind that such

right according to the Terms and Conditions only exists in case of a change of control which leads to a material adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds (which might be hard to prove). The Issuer's ability to redeem Bonds upon such a change of control will be limited by its access to funds at the time of the redemption. Upon a change of control, the Issuer may be required to immediately repay the outstanding principal, any accrued interest on and any other amounts owed by it under other debt outstanding. The source of funds for these repayments would be the available cash or cash generated from other sources. However, there can be no assurance that there will be sufficient funds available upon a change of control to make these repayments and any required redemption of tendered Bonds.

***Exchange rate risks and exchange controls.***

Potential investors should bear in mind that an investment in the Bonds involves currency risks. This presents certain risks relating to currency conversions if a Bondholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency of the Bonds. These include the risk that exchange rates may change significantly (including changes due to devaluation of the specified currency of the Bonds or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency of the Bonds would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Bondholders may receive less interest or principal than expected, or no interest or principal.

***Payments on the Bonds may be subject to U.S. withholding under the Foreign Account Tax Compliance Act.***

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or "**FATCA**") imposed a reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. While the Bonds are in global form and held within Euroclear Bank SA/NV. or Clearstream Banking, société anonyme (together the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Bonds are discharged once it has paid the common depositary or common safekeeper for the ICSDs, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Prospective investors should refer with respect to FATCA to the section "*Taxation—U.S. Foreign Account Tax Compliance Withholding*".



***The Financial Transactions Tax could apply to certain dealings in the Bonds.***

On February 14, 2013, the European Commission published a proposal for a directive for a common financial transactions tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). The FTT as proposed by the European Commission could, if introduced, apply to certain dealings in the Bonds in certain circumstances, in particular where at least one party is a financial institution. The FTT, if introduced, could apply to persons both within and outside of the participating Member States. As a result, Bondholders may be burdened with additional costs for the execution of transactions with the Bonds. Prospective investors should refer with respect to the FTT to the section “*Taxation—Proposed Financial Transaction Tax*”.

## PRESENTATION OF SELECTED FINANCIAL AND OTHER INFORMATION

The following selected financial information of the Group was taken or derived from the Consolidated Financial Statements of the Issuer (as defined and described under “Documents incorporated by reference – Finance Information, Auditors” below).

	As of, and for the nine months ended September 30,		As of, and for the fiscal year ended December 31,	
	2016	2015	2015	2014
	All figures in EUR million, except explicitly stated otherwise			
	Unaudited		Audited	
Rental income .....	122.6	111.7	154.8	145.2
Net rental income .....	108.8	98.1	135.6	128.8
Result from hotel operations .....	0.0	0.3	0.3	1.8
Trading result.....	4.8	0.0	3.1	8.7
Income from services .....	9.9	12.9	16.2	16.0
Result from the sale of investment properties .....	19.4	0.7	36.5	29.8
Earnings before interest, taxes, depreciation and amortization („EBITDA“).....	111.8	80.5	149.0	149.1
Depreciation and impairment/reversal.....	-1.6	-2.1	-2.9	-10.3
Result from revaluation .....	100.3	78.5	213.8	-4.2
Result from joint ventures <sup>(1)</sup> .....	7.3	30.7	43.2	8.2
Earnings before interests and taxes („EBIT“).....	217.8	187.5	402.7	142.9
Financial result.....	-45.2	-53.0	-86.7	-58.3
Earnings before taxes .....	172.6	134.5	316.0	84.6
Income tax .....	-46.2	-45.8	-95.2	-13.8
Consolidated net income .....	126.4	88.7	220.8	70.8
Total assets.....	4,234.5	3,932.9 <sup>(2)</sup>	3,984.0	3,670.9
Shareholders' equity .....	2,166.4	1,977.6 <sup>(2)</sup>	2,120.5	1,951.7
Interest-bearing liabilities.....	1,543.3	1,427.3 <sup>(2)</sup>	1,404.0	1,229.1
Equity ratio (in %) <sup>(3)</sup> .....	51.2	50.3 <sup>(2)</sup>	53.2	53.2
Property investments.....	255.6	69.0	92.5	184.0
Cashflow from operating activities .....	82.4	78.1	113.2	99.6
Cashflow from investing activities .....	-14.9	120.9	101.5	-184.2
Cashflow from financing activities .....	16.2	-194.5	-171.4	-363.0
Cash and cash equivalents.....	289.1	163.5	207.1	163.7
NOI margin (in %) <sup>(4)</sup> .....	88.7	87.9	87.6	88.7
Basic earnings per share (in EUR) .....	1.32	0.90	2.25	0.76
Diluted earnings per share (in EUR) .....	1.32	0.90	2.25	0.73
Book value per share (in EUR) <sup>(5)</sup> .....	23.09	20.36 <sup>(2)</sup>	21.90	19.75
Operating cash flow per share (in EUR) .....	0.86	0.79	1.16	1.07
Property assets <sup>(6)</sup> .....	3,435.3	3,178.9 <sup>(2)</sup>	3,206.4	2,706.6
thereof development assets and undeveloped land .....	459.9	375.6 <sup>(2)</sup>	409.0	496.3

- (1) The results of jointly controlled companies consolidated under the equity method are reported under “Results from joint ventures” in the consolidated income statement, which is included in EBIT (and not in EBITDA).
- (2) The figures are not shown in the financial report dated September 30, 2016.
- (3) The equity ratio is the ratio of equity to total assets.
- (4) The NOI (net operating income) margin expresses the ratio of net rental income to rental income and is an efficiency indicator for income-producing investment properties.
- (5) Also referred to as “NAV (IFRS, net asset value) per share”; the number corresponds to equity attributable to the shareholders of the parent company divided by the number of shares outstanding at the end of the reporting period.
- (6) Property assets on balance sheet comprise income-producing investment properties, investment properties under development, own used properties as well as properties held for trading or sale.

### Loan-to-value ratio

The loan-to-value ratio (“**LTV Ratio**”) is defined as net financial liabilities (net financial liabilities are defined as the net debt or the long- and short-term interest bearing liabilities plus bonds less cash and cash equivalents) divided by the value of the total real estate assets (total real estate assets are defined

as income-producing investment properties plus investment properties under development, own used properties, investment properties held for sale and properties held for trading). The Issuer considers the LTV Ratio to be an important indicator of the capital structure. The Issuer applies the LTV Ratio to identify scope for optimizing the cost of capital, for possible acquisitions and for necessary financial measures. The following table sets out the calculation of the LTV Ratio as of September 30, 2016, and as of December 31, 2015 and 2014:

	September 30, 2016	December 31,	
	(unaudited in EUR million, unless otherwise indicated)	2015	2014
Short-term interest-bearing liabilities .....	249.9	353.0	199.9
Long-term interest-bearing liabilities .....	824.7	684.5	841.9
Short-term bonds.....	6.1	192.2	2.6
Long-term bonds.....	462.6	174.3	184.8
<b>Long- and short-term interest-bearing liabilities..</b>	<b>1,543.3</b>	<b>1,404.0</b>	<b>1,229.1</b>
Cash and cash equivalents.....	-289.1	-207.1	-163.6
Cash and cash equivalents with drawing restrictions.....	-4.3	-5.4	-4.2
<b>Net debt.....</b>	<b>1,249.8</b>	<b>1,191.4</b>	<b>1,061.3</b>
Investment properties income producing (fair value IAS 40).....	2,910.2	2,714.3	2,092.9
Investment properties under development (fair value IAS 40) .....	459.9	409.0	496.3
Hotel and other own used properties .....	6.7	7.0	7.5
Investment properties held for sale (fair value IFRS 5).....	28.6	54.0	91.5
Properties held for trading .....	29.8	22.1	18.4
<b>Total properties .....</b>	<b>3,435.3</b>	<b>3,206.4</b>	<b>2,706.6</b>
<b>Loan-to-value ratio net (in %)<sup>(1)</sup>.....</b>	<b>36.4%</b>	<b>37.2%</b>	<b>39.4%</b>
<b>Loan-to-value ratio gross (in %)<sup>(1)</sup>.....</b>	<b>44.9%</b>	<b>43.8%</b>	<b>45.6%</b>

(1) LTV Ratio calculations are based on own unaudited calculations by the Issuer. A definition of LTV Ratio is included at the beginning of this chapter.

## BUSINESS ACTIVITIES

### Overview

The Group is an international real estate group headquartered in Vienna, which comprises companies and owns properties in various jurisdictions. Its core expertise lies in the management and development of modern, spacious office properties in Central, Eastern and South Eastern Europe. Its core region includes the following countries: Austria, Czechia, Germany, Hungary, Poland and Romania. Whereas its business activities in Germany are largely focussed on the cities of Munich, Frankfurt and Berlin, its strategic focus in other countries is primarily on the respective capital cities. The proportion of office properties in its fully consolidated asset portfolio stands at approximately 85% and this is expected to rise. Apart from office properties, the Group's asset portfolio also includes hotels, specialist stores and shopping centres and logistics properties. Value is generated on the basis of a comprehensive value chain, from the design and development of entire urban districts to the active management of investment properties. As at September 30, 2016, the Group had approximately 357 employees in total.

As of the date of this Prospectus, IMMOFINANZ AG is the Issuer's core shareholder. In line with the most recent notification of voting rights as required under Section 91 *et seq* of the Stock Exchange Act (*Börsengesetz*), IMMOFINANZ AG holds 25,690,163 bearer shares (corresponding to approximately 26% of the voting rights in the Issuer) and four registered shares.

The Issuer is the parent company of the Group. The Issuer's main activity is the strategic and operational management of domestic and foreign subsidiaries. In addition, the Issuer owns real estate assets in Austria worth approximately EUR 254 million (as at September 30, 2016), thereof EUR 250 million investment properties. In its capacity as parent company with its own real estate holdings, the Issuer is only aiming to generate income by itself to a limited extent. Furthermore, the Issuer is dependent on contributions and dividends paid out by its subsidiaries. Its domestic and foreign subsidiaries are managed via its main subsidiaries and intermediate holding companies CA Immo Deutschland GmbH and Europolis GmbH (CA Immo Deutschland GmbH alone holds 6 fully-owned investment properties with a book value (as at September 30, 2016) of approximately EUR 60 million, and development properties with a book value of EUR 181 million (*source: Internal unaudited and unreviewed data of the Issuer, as at the date of this Prospectus*). Project, ownership and management companies in the aforementioned core regions are held by these holding companies.

The Group's business revolves around the purchase, construction, leasing, operation, refurbishment and sale of real estate in Austria and Germany and in a total of nine countries in Central, Eastern and South Eastern Europe. In addition, there are non-operative holding companies in the Netherlands and Cyprus. The Group's activities also include real estate project development, the revitalisation and refurbishment of investment properties and asset management. German developments are the major organic growth driver. The Issuer does not engage in research and development. The Group regards leasing as local business and therefore leases properties in its core regions via local teams. It has subsidiaries with their own staff in Czechia, Germany, Hungary, Poland, Romania and Serbia, which have responsibility for asset management and leasing activities in those countries, among other tasks.

The Group views the development and subsequent realization of high quality and sustainable commercial real estate properties in selected European growth regions as one of its core competencies. Costs are typically incurred during the early stages of real estate development projects, whereas income is only generated once a project is completed, be it as a result of a total or partial sale or through leasing the projects developed. In Germany in particular, the Group is involved in numerous development projects with partners.

Part of the Group's portfolio of investment properties in Eastern Europe is held via its subsidiary Europolis GmbH.

The holding structure of the Group is shown below:

GROUP STRUCTURE



Source: Internal data of the Issuer, as at the date of this Prospectus.

## Portfolio structure

*Unless stated otherwise, all explanations provided in this section are based on the internal unaudited and unreviewed data of the Issuer, as at the date of this Prospectus.*

### *Presentation of real estate assets*

As of September 30, 2016, the fully consolidated real estate assets of the Group as a whole amounted to approximately EUR 3.4 billion. The Group's core business is geared to commercial real estate with a clear focus on office properties in Germany, Austria and Eastern Europe and includes both income-producing investment properties (85% of the overall portfolio) and real estate assets under development including land reserves (12% of the overall portfolio). The remaining real estate assets (approximately 3%) are intended for trading and are shown under current assets.

#### **Regional distribution of the fully consolidated real estate book values:**

Region	Real estate book values as at September 30, 2016 (in million EUR)	Percentage as at September 30, 2016	Real estate book values as at December 31, 2015 (in million EUR)	Percentage as at December 31, 2015
	Austria.....	571	16.6%	609
Germany.....	1,384	40.3%	1,306	40.8%
CEE.....	1,480	43.1%	1,288	40.2%

The fully consolidated income-producing investment properties had a book value of approximately EUR 2.9 billion as at September 30, 2016 and comprised total rentable space of 1.4 million m<sup>2</sup>. At 35%, Germany accounts for the largest country exposure in the portfolio. The asset portfolio in Austria accounts for approximately 18%. Around 47% of real estate assets are located in the CEE and SEE region (Bulgaria, Croatia, Czechia, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and the Ukraine). With an overall percentage of approximately 15%, Hungary represents the Group's largest portfolio by fair value in Eastern Europe. Project developments and land reserves in Germany account for approximately 90% of real estate assets under development, and around 9% in Eastern Europe, with an overall fully consolidated book value of approximately EUR 460 million. During the first three quarters of 2016, the Group generated rental income in the amount of EUR 122.6 million. The fully consolidated portfolio (including the development projects Kontorhaus in Munich, John F. Kennedy – Haus and Monnet 4 in Berlin, which were included in the investment portfolio in 2015, which, however, are in a stabilisation phase) achieved a gross initial yield of 6.1%. As at September 30, 2016, the occupancy rate

was 91.5%. Accordingly, the group-wide vacancy rate for fully consolidated income-producing investment properties stood at 8.3% as at September 30, 2016. The core asset class “office properties” had an occupancy rate of 91.1% as at September 30, 2016. Excluding the recently completed development properties in Munich and Berlin, a gross initial yield was recorded for the first three quarters of the year 2016 of 6.3%. The occupancy rate for the portfolio as a whole was 92.9%, and 91.2% for the office portfolio.

**Regional distribution of the fully consolidated income-producing investment properties:**

<b>Region</b>	<b>Real estate book values as September 30, 2016 (in million EUR)</b>	<b>Percentage as at September 30, 2016</b>	<b>Real estate book values as at December 31, 2015 (in million EUR)</b>	<b>Percentage as at December 31, 2015</b>
Austria.....	562	19.3%	588	21.6%
Germany.....	939	32.2%	877	32.3%
CEE.....	1,410	48.4%	1,250	46.1%

As at September 30, 2016, the Group held income-producing investment properties in Austria valued at EUR 562 million with an occupancy rate of 93.4%. In the first three quarters of the year 2016, the asset portfolio with total rentable space of 363,300 m<sup>2</sup> generated rental income of EUR 24.4 million. As at September 30, 2016, the Group held fully consolidated portfolio properties in Germany valued at approximately EUR 939 million (with total rentable space of 296,607 m<sup>2</sup>). The occupancy rate of the fully consolidated real estate assets in Germany stood at 93.3% as at September 30, 2016 (excluding the recently completed projects Kontorhaus, John F. Kennedy – Haus and Monnet 4, the occupancy rate stood at 97.6%). If rental contributions from property assets intended for trading and temporarily leased land reserves in the development segment are taken into account, rental income of EUR 32.4 million was generated in the first three quarters of 2016. The book value of the fully consolidated real estate assets under development (including land reserves) in Germany was EUR 413 million as at September 30, 2016. Short-term real estate assets in Germany with a value of EUR 30 million were shown in the unaudited consolidated interim financial statements of the Issuer as at September 30, 2016. On this date, the Group held fully consolidated portfolio properties in Eastern Europe valued at EUR 1,410 million. In the first three quarters of 2016, properties let out to tenants with total rentable space of 632,400 m<sup>2</sup> generated rental income of EUR 60.4 million. The occupancy rate in Eastern Europe was 91.3% as at December 31, 2015 and stood 90.4% as at September 30, 2016.

The Group’s portfolio of buildings is diversified according to different types of use: The Group has office buildings, logistics and retail properties, residential properties and hotels. Broken down according to these types of use, the fully consolidated asset portfolio was distributed as follows at the end of the last interim period and the end of the last financial year:

**Distribution of the fully consolidated asset portfolio according to type of use:**

<b>Type of use</b>	<b>Real estate book values as at September 30, 2016 (in million EUR)</b>	<b>Percentage as at September 30, 2016</b>	<b>Real estate book values as at December 31, 2015 (in million EUR)</b>	<b>Percentage as at December 31, 2015</b>
Office.....	2,785	86.5%	2,286	84.0%
Retail.....	123	3.8%	160	5.9%
Hotels.....	187	5.8%	184	6.7%
Logistics.....	33	1.0%	6	0.2%
Other.....	67	2.1%	60	2.2%
Residential.....	25	0.7%	12	0.9%

**Implementation of new IFRS standards and their impact on the presentation of real estate assets**

All mandatory accounting standards and any amendments to such standards have been complied with in the preparation of the Unaudited Consolidated Interim Financial Statements (for details, see “Annex –

*Changes in presentation and accounting policies*” on page 30 of the English language financial report dated September 30, 2016).

The first time application of the new standard IFRS 10 as of January 1, 2014 had a significant impact. It brings IAS 27 and SIC 12, which were the standards previously applicable for assessing consolidation types, together in one single standard and at the same time introduced a new control concept for determining which entities should be included for the purposes of consolidation. Whereas the old standard focussed mainly on the existence of a voting rights majority in a company and stipulated that where this is the case the assumption should be that control exists, IFRS 10 – which is now applicable – is linked to a lesser extent to formal criteria under company law; instead, it states that control is deemed to exist in those cases in which an investor is able to exert considerable influence over the significant activities of an associated company on the basis of existing rights and as a result of this, a significant influence is brought to bear on the amount of revenue generated by the associated company. In addition, the use of proportionate consolidation for jointly controlled entities is no longer permissible under IFRS 11. These undertakings are now to be included in the consolidated financial statements using the equity method.

Due to the change of the control concept in IFRS 10 and 11 described above, effective with January 1, 2014, a change of accounting method was made. The most significant effect of the new standards is that a number of companies, which previously have been consolidated as jointly controlled companies on a *pro rata* basis, or, companies, which previously have been fully consolidated giving consideration to non-controlling interests are now consolidated using the equity method. This results in the elimination of the respective companies’ previous contribution to the various line items in the consolidated income statement and the consolidated statement of financial position. Instead, all assets and liabilities of jointly controlled companies are summarised under one line item and reported as interests in jointly controlled companies in the consolidated statement of financial position (“Investments in joint ventures”) and “Results from investments in joint ventures” in the consolidated income statement.

The following table shows the real estate assets as at September 30, 2016 which are held by companies consolidated at equity; property values are each represented on a pro rata basis in accordance with the participation held by the Group in the respective ownership company.

**Regional distribution of real estate held at equity (pro-rata values)**

Region	Real estate book values as at September 30, 2016 (in million EUR)	Percentage as at September 30, 2016
Austria.....	8	2%
Germany.....	235	64%
CEE.....	122	34%

**Tenant structure**

The Group’s properties have a stable, sustainable cash flow and a diversified portfolio and tenant structure. All material lease contracts in the portfolio have been entered into by the Group’s investment and property companies with tenants, which, according to the Issuer’s judgment, have a sufficient financial standing. The Group generally calls for the payment of rents in Euros. The following table lists the Group’s largest tenants in the portfolio according to contracted rent as of September 30, 2016 and their respective share of total contracted rent of the group portfolio:

Tenant Name	Industry	Region	Share of contracted rent <sup>(1)</sup>
PWC.....	Audit/Tax/Consulting	Germany	3.0%
Verkehrsbuero Hotellerie .....	Hotel	Austria/Eastern Europe	2.5%
Land Berlin c/o Berliner Immobilienmanagement.....	Real Estate (Property administration)	Germany	2.2%
TOTAL Deutschland.....	Energy	Germany	2.1%
Google.....	IT	Germany	2.0%
Robert Bosch.....	Industrial	Austria	1.9%
Morgan Stanley.....	Finanacal	Eastern Europe	1.8%
Oesterreichische Post .....	Postal services	Austria	1.8%
InterCity Hotel .....	Hotel	Germany	1.5%
Deloitte.....	Audit/Tax	Eastern Europe	1.3%
Orange.....	Telecommunication	Eastern Europe	1.3%

Tenant Name	Industry	Region	Share of contracted rent <sup>(1)</sup>
British American Tobacco.....	Consumer/Industrial	Eastern Europe	1.3%
Nokia.....	Telecommunication	Eastern Europe	1.2%
Meininger.....	Hotel	Austria/Germany	1.1%
K&H Bank	Financial	Eastern Europe	1.1%
Bombardier.....	Industrial	Germany	1.1%
UPC.....	IT	Eastern Europe	1.0%
IBM.....	IT	Eastern Europe	1.0%
Salesforce.com.....	IT	Germany	1.0%
IKEA.....	Retail	Austria	0.9%

(1) Share of the Group's total annual contracted rent.

### *Expiry schedule of lease contracts*

The following table sets forth the proportion of the Group's existing lease contracts as of September 30, 2016 according to expiry dates, and taking into account the earliest date on which the lease may be terminated by the tenant, based on actual contracts and assuming performance of the contracts in accordance with their respective terms:

	Contracted rent per annum (EUR millions) <sup>(1)</sup>	Proportion of total contracted rent
during 2016.....	13.5	8%
during 2017.....	38.1	21%
during 2018.....	28.3	16%
during 2019.....	21.3	12%
during 2020.....	12.7	7%
during and after 2021.....	64.7	36%
<b>Total.....</b>	<b>178.6</b>	<b>100%</b>

Region	Annualised rental income	Proportion of contracted rent	Average lease term in years <sup>(1)</sup>
Austria.....	30.7	17%	4.1
Germany.....	46.6	26%	7.2
Czechia.....	13.8	8%	3.4
Hungary.....	33.5	19%	3.0
Poland.....	19.0	11%	2.0
Romania.....	20.3	11%	2.1
Others.....	14.7	8%	2.5
<b>Total.....</b>	<b>178.6</b>	<b>100%</b>	<b>4.1</b>

Main usage type	Annualised rental income	Proportion of contracted rent	Average lease term in years <sup>(1)</sup>
Office.....	156.6	88%	3.7
Retail.....	6.2	3%	4.0
Hotel.....	9.5	5%	11.3
Logistics.....	1.0	1%	1.0
Others.....	4.1	2%	1.8
Residential.....	1.2	1%	8.7
<b>Total.....</b>	<b>178.6</b>	<b>100%</b>	<b>4.1</b>

(1) Weighted average lease term ("WALT") in years.

Source: Own calculations of the Issuer.

## **CA Immo strategy**

### *CA Immo profile and business model*

The core expertise of CA Immo lies in the development and management of modern, spacious office properties in Central, Eastern and South Eastern Europe. Its core region includes the following countries: Austria, Czechia, Germany, Hungary, Poland and Romania. Whereas its business activities in Germany are largely focused on the cities of Munich, Frankfurt and Berlin, its strategic focus in other countries is primarily on the respective capital cities. At these strategic key locations, the Issuer has the necessary minimum portfolio size that enables it to manage its portfolio efficiently in conjunction with a decentralised organizational structure. Strengthening the market position at these existing key locations with local asset management teams has strategic priority compared with entering new markets. The proportion of office properties in the entire real estate portfolio currently stands at approximately 86% and this is expected to rise. Value is generated on the basis of a comprehensive value chain, from the design and development of entire urban districts to the active management of investment properties. The business model of the CA Immo Group aims at the generation of stable rental earnings from a first-



class pool of tenants with high levels of creditworthiness, plus additional earnings from property development and the sale of real estate.

### ***Implementation of the 2012-2015 strategy***

Implementation of the 2012-2015 strategy programme ahead of schedule led to a solid balance sheet, a more balanced and focussed real estate portfolio and a more efficient business platform. Since the end of 2012, the Group's equity ratio has increased significantly from approximately 30% to 51% as at September 30, 2016. The loan-to-value ratio has improved from approximately 58% to 36% and reflects the solid financial structure of the Group. The real estate portfolio of CA Immo became considerably more efficient and focussed as a result of the sale of non-strategic properties, such as logistics properties in Eastern Europe in particular. Furthermore, it has been possible to increase the proportion of the portfolio that consists of the Issuer's core products: large-scale, energy efficient core office properties in the major cities of Central, Eastern and South Eastern Europe. The occupancy of the asset portfolio increased from 88% at the end of business year 2012 to around 93% at the end of business year 2015. Streamlining the corporate structure achieved savings of approximately 20% of the Group's administrative costs and reducing the number of minority shareholders at the property level resulted in increased operational efficiency.

### ***New strategy for 2015-2017***

The successful implementation of the strategy programme ahead of time follows a new strategy for 2015-2017 which, in addition to finalising the sale of non-strategic properties and further optimising the financing structure, shifts the focus back to generating value-enhancing growth for the Group within its defined core markets. The continuous improvement of the group's sustainable cash flow remains priority. A return on equity of 5% from the current rental business is defined as a medium-term objective. CA Immo is also aiming to generate additional annual earnings contributing a return on equity of at least 2% to the overall result by way of property sales and real estate development.

Key value drivers in this respect are:

#### ***1. Continuing optimization of the portfolio***

Strengthening the market position at existing key markets with local asset management teams has strategic priority compared with entering new markets. To be able to operate these local platforms efficiently, CA Immo has defined a minimum portfolio size of between EUR 250 million to EUR 300 million in its core cities. The operational focus on the core business of office properties, which is considerably more advanced as a result of the implementation of the 2012-2015 strategy, also increases the efficiency of portfolio management. Remaining non-strategic properties, including a portion of the land reserves in Germany, smaller or other than office use properties in the core markets shall be sold. Further monetisation of land reserves in Germany should consequently reduce those components of net asset value which do not contribute current income to the overall result. No new investments will be made and medium-term exit strategies will be agreed on markets where CA Immo does not have critical mass (Croatia, Serbia and Bulgaria). CA Immo has made good progress in this respect in 2015 and 2016. The reduction in non-strategic real estate, which has already been implemented, should be largely completed within the next one to two years, so that CA Immo's portfolio focus on high-quality office buildings in its core markets will continue to be increasingly evident and operational efficiency should further improve.

#### ***2. Further optimisation of the financing structure***

Average cost of debt is a major driver of the recurring profitability of CA Immo. Establishing a very effective structuring and optimisation of financing with outside capital is highly relevant; alongside management of the real estate portfolio, this is one of the key factors in the overall result of the Group. The consistent strategy implementation has resulted in a capital base with strengthened equity. Apart from the improvement of balance sheet ratios, as outlined above, the average financing costs were reduced over the past two years. Since the second quarter of 2014, the average financing costs, which

stood at 5.1% on June 30, 2016, were reduced to 2.4% as at September 30, 2016. The use of cash and cash equivalents to optimise the financing structure through the repayment of costly loans and derivatives for interest rate hedging were key drivers.

### *3. Property development as a driver of growth*

The central drivers of organic growth will continue to be in-house development and the transfer of modern, energy-efficient core properties on the main markets of CA Immo to the investment portfolio upon completion. In Germany in particular, the Group's expertise in the area of real estate development as well as the land reserves which form part of its portfolio offer the Group a strategic competitive advantage in securing highly competitive access to high quality assets in urban centres. The successful completion of numerous development projects in Germany, including large and complex projects with renowned tenants such as PricewaterhouseCoopers, Total, Mercedes-Benz, White & Case, Airbus or Google and Salesforce, has highlighted the Issuer's development expertise and strengthened even further its ability to acquire top tenants, thereby laying the foundation for new project developments. The Group subsidiary omniCon bears responsibility for construction management, including project management, tenders, the awarding of contracts, construction supervision and general planning, and demonstrates its competitiveness on the market by being awarded contracts by third parties. High pre-lease rates of at least 40% at the time projects start also mitigate risks relating to real estate development. As in recent years, the focus of the Issuer's development activities will continue to be concentrated on the German market, which at the present moment in time offers very favourable market conditions. However, the market environment in Eastern Europe, which is progressively improving, also results in new project developments being re-evaluated in this market region. The continuous acquisition of own project developments increases the quality of the real estate portfolio and strengthens sustainable cash flow from its rental business. These organic growth opportunities represent a strategic competitive advantage compared with those of numerous competitors. Three high-quality development projects (Kontorhaus in Munich, John F. Kennedy – Haus and Monnet 4 in Berlin) were successfully completed and integrated into the asset portfolio in Germany recently. Alongside projects currently under construction (KPMG in Berlin, Mannheimer Strasse in Frankfurt, Orhideea Towers in Bucharest and ViE in Vienna), a number of other projects are currently in preparation stage (in particular the prime office projects MY.O in Munich and Cube Berlin).

### *4. Property acquisitions as additional growth stimulus*

A second component of CA Immo's growth strategy is the selective acquisition of high-quality investment properties in the core markets outside of Germany. External, value-creating growth opportunities shall be used to strengthen the Group's market position and are primarily seen in the Eastern European core markets of CA Immo. Key investment criteria include classification of the building as "core"; that is to say, the building is strategically located in one of the Issuer's core cities of Vienna, Warsaw, Budapest, Prague or Bucharest, and there is a top-quality tenant structure. In this respect, the acquisition of the minority share of joint venture partners EBRD and Union Investment in Eastern Europe was an important growth stimulus and was a factor that contributed towards strengthening the sustainable profitability of the Group. In addition, the acquisition of the modern office complex Millennium Towers in Budapest (closing in September 2016) with around 70,400 m<sup>2</sup> of lettable space with a strong cash flow and blue-chip – tenant base has made an important contribution to the recurring earnings of the Group.

### **New developments and the outlook regarding the Group**

In July 2016, the Management Board gave its consent to transfer the four registered shares of CA Immo to IMMOFINANZ AG. In August 2016, IMMOFINANZ AG partly exercised its delegation rights pursuant to the registered shares of CA Immo, recalled two Supervisory Board members and delegated two members of the management board of IMMOFINANZ AG with immediate effect and until revocation.

In September 2016, the Issuer signed a contract for the acquisition of the centrally located Millennium Towers office complex comprising 70,400 m<sup>2</sup> in Budapest. TriGranit and an affiliate of Heitman LLC sold the tower for EUR 175 million. The tower provides an annual rental income of EUR 12 million.

On September 27, 2016, Florian Nowotny resigned at his own request as a member of the Management Board and Chief Financial Officer of CA Immo as at September 30, 2016. The Supervisory Board appointed Hans Volckens with immediate effect to the Management Board and as new Chief Financial Officer of CA Immo.

In October 2016, a share buyback program was terminated after having reached the target buyback volume of 2,000,000 shares. In November 2016, a new share buyback programme for up to one million shares (approximately 1% of the current capital stock) and a maximum limit of EUR 17.50 per share was set up.

On October 12, 2016, Supervisory Board members Wolfgang Rutenstorfer, Barbara Knoflach and Maria Doralt resigned from the Supervisory Board effective November 10, 2016. On November 23, 2016, Dmitry Mints resigned as deputy chairman of the Supervisory Board with effect from December 21, 2016. IMMOFINANZ AG exercised its delegation rights pursuant to the registered shares, recalled Timothy Fenwick and delegated Klaus Hirschler and Sven Bienert to the Supervisory Board with effect from December 1, 2016 and until revocation.

On December 19, 2016, IMMOFINANZ AG announced that talks about a possible merger between IMMOFINANZ AG and CA Immo will be suspended and that the timetable will be adjusted until the separation of IMMOFINANZ AG's Russian portfolio has been completed.

### **Investments**

Investments amounting to EUR 255.6 million were made in the first three quarters of 2016. The majority were for progress on projects under construction. These investments were financed out of current cash flow and by bank financing. The Management Board has not already made firm commitments regarding any important future developments, with the exception of further investments in ongoing development projects.

### **Legal disputes**

During the past twelve months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are still pending or might be initiated of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or earnings power.

### **Significant contracts**

In the Issuer's estimation, no contracts exist which were concluded outside of the normal course of business and/or as a result of which the Issuer or its subsidiaries have entered into a commitment or have obtained a right which is of major importance to the Group or the ability of the Issuer to meet its obligations vis-à-vis its Bondholders.

### **Property valuation**

Property valuation constitutes the basis on which a real estate company is appraised, and is thus the most important factor in determining its net asset value. In addition to property-specific criteria, there are many economic and political factors that can affect the development of property values. In the office property sector, which represents the core business of the Group, the general economic pattern – especially where economic growth and the employment rate are concerned – directly influences the real estate cycle. Moreover, factors such as interest rates and geopolitical developments are also key variables with a major influence on the demand situation on real estate investment markets.

The value of real estate is generally determined by independent expert appraisers from outside the Issuer applying recognised valuation methods. External valuations are carried out in line with standards defined by the Royal Institution of Chartered Surveyors (“**RICS**”). RICS defines fair value as the estimated value at which an asset or liability can be sold to a willing buyer by a willing seller on the valuation date in the framework of a transaction in the usual course of business after a reasonable marketing

period, whereby each party acts knowledgeably, prudently and without compulsion. The valuation method applied by the expert appraiser in a particular case is mainly determined by the stage of development and usage type of a property:

- Rented commercial real estate (which makes up the bulk of the Group’s portfolio) is generally valued according to the investment method; fair values are based on capitalised rental revenue or the discounted cash flow expected in future. In addition to current contractual rents and lease expiry profiles, the competent assessment of the expert appraiser determines and can take account of other parameters such as in particular the attainable market rent and the equivalent yield for a property.
- The residual value procedure is applied to sites at the development and construction phase. In this case, fair values are determined following completion, taking account of outstanding expenses and imputing an appropriate developer profit. Possible risks are considered, amongst other things, in future attainable rents and the capitalization and discounting rates. Interest rates are influenced in particular by general market behaviour as well as locations and usage types. The closer a project comes to the point of completion, the larger the proportion of parameters derived from actual and contractually stipulated figures. Sites are valued according to the investment method shortly before and after completion.
- In the case of land reserves where no active development is planned for the near future, the comparable value method (or the liquidation, costing or residual value method) is used, depending on the property and the status of development.

An external valuation of over 94% of property assets was carried out on the key date December 31, 2015. The values for other property assets were updated on the basis of binding purchase agreements or internally in line with the previous year’s valuations.

The valuations as at December 31, 2015 were compiled by the following expert appraisal companies:

- CB Richard Ellis (Austria, Germany, Eastern Europe)
- Cushman & Wakefield (Eastern Europe)
- MRG Metzger Realitäten Beratungs- und Bewertungsgesellschaft (Austria)
- Knight Frank (Eastern Europe)
- Ö.b.u.v.SV Dipl.-Ing. Eberhard Stoehr (Germany, Eastern Europe)
- Valeuro Kleiber und Partner (Germany)
- Buschmann Immobilien Consulting (Germany)

Set forth in the table below is the result of the valuation of the Group’s core regions Austria, Germany and Eastern Europe as at December 31, 2015, as extracted from the Consolidated Annual Financial Statements 2015 (as defined and described under “*Documents incorporated by reference – Finance Information, Auditors*” below).

	Acquisition costs as at December 31, 2015 <sup>(2)</sup>	Book value as at December 31, 2015 <sup>(2)</sup>	Revaluation / Im- pairment
(in EUR million)			
<b>Austria<sup>(1)</sup></b>			
<b>Income-producing investment properties</b> .....	<b>644.9</b>	<b>587.6</b>	<b>0.8</b>
Investment properties under development.....	7.6	16.2	4.7
Assets held for sale.....	1.2	1.0	-0.1
<b>Total</b> .....	<b>653.7</b>	<b>604.8</b>	<b>5.4</b>
<b>Germany<sup>(1)</sup></b>			

	Acquisition costs as at December 31, 2015 <sup>(2)</sup>	Book value as at December 31, 2015 <sup>(2)</sup>	Revaluation / Im- pairment
(in EUR million)			
<b>Austria<sup>(1)</sup></b>			
<b>Income-producing investment properties</b> .....	<b>732.6</b>	<b>876.7</b>	<b>87.9</b>
Investment properties under development.....	291.5	355.1	45.7
Assets held for sale.....	13.7	50.1	35.8
Properties held for trading.....	24.7	22.1	0.0
<b>Total</b> .....	<b>1,062.6</b>	<b>1,303.9</b>	<b>169.4</b>
<b>Eastern Europe<sup>(1)</sup></b>			
Investment properties.....	1,365.0	<b>1,250.0</b>	<b>35.4</b>
Investment properties under development.....	53.4	37.7	3.6
Assets held for sale.....	0.0	0.0	0.0
<b>Total</b> .....	<b>1,418.4</b>	<b>1,287.7</b>	<b>39.0</b>

(1) Based on fully consolidated properties.

(2) Excludes properties used for own purposes. The average gross yield on investment properties in Austria remained stable at 5.7% in 2015 compared to the previous year, in Germany decreased from 5.8% in 2014 to 4.8% in 2015, and in Eastern Europe decreased to 7.6% in 2015 compared to 7.8% in 2014.

The Bonds are not secured by the Issuer's properties. Accordingly despite being a property company under Article 23 of the Prospectus Regulation, this Prospectus for a public offer and admission to trading of Bonds with a denomination of EUR 1,000 each does not include valuation reports.

## ECONOMIC ENVIRONMENT

*The sources for the information in this chapter on the economic environment are Eurostat, the ECB, OECD, Deistatis, Bloomberg, The Economist, the Financial Times, the Central Statistical Offices of Poland, Hungary, Czechia and the National Institute of Statistics in Romania. Information on property markets is sourced on CBRE: European Investment Quarterly MarketView (Q3 2016), Central Eastern Europe Property Investment (Q3 2016); EMEA Rents and Yields MarketView (Q3 2016), Office Market View (Vienna, Budapest, Bucharest, Warsaw); and Jones Lang LaSalle: Investmentmarktüberblick Deutschland (Q3 2016) and Office Market Profile (Berlin, Frankfurt, Munich; Q3 2016)).*

### General market climate

In its most recent Economic Outlook in September 2016, the OECD predicted that the global economy would expand at a slower rate than last year. Global economic growth of 2.9% was envisioned for 2016, with the figure for 2017 forecast as 3.2%. The reduction in the figures compared to the last publication in June 2016 is largely based on a deceleration in industrialised nations. The forecast for the eurozone is 1.5% in 2016 and 1.4% in 2017. While somewhat stronger growth was foreseen in Germany (1.8% in 2016), this is expected to fall to 1.5% in 2017. The OECD also warns against the excessive dependence of countries on the monetary policy of central banks and the extremely low (or even negative) interest rates, which are serving to distort financial markets and increase risks.

Following the presidential election in the USA in November 2016, the mood brightened on international capital markets after an initially negative reaction. The infrastructure investment and tax cuts signalled have prompted many investors to factor in higher expectations of growth and inflation and, by extension, interest rates. Yields on 10-year US Treasury bonds and other government stocks, and especially those in emerging nations and the eurozone, have posted the biggest gains since the financial crisis in some instances. Heightened expectations of an interest rate rise in the USA and the possibility of interest rate changes in Europe as a consequence have given rise to significant volatility in the listed real estate sector.

In the third quarter of 2016, seasonally adjusted GDP in the eurozone rose on the previous quarter by a moderate 0.3%, and by 0.4% for the EU28 area; growth in the reference period of 2015 was 1.6% and 1.8% respectively. Germany reported GDP growth of 1.7% in yearly comparison (and 0.2% on the previous quarter). Austria reported growth of 1.7% year-on-year and growth of 0.5% in the third quarter of 2016 compared to the second quarter of 2016.

In March 2016, the ECB under Mario Draghi announced a package of measures that exceeded market expectations. The policy of quantitative easing was extended with a further reduction in the deposit rate to -0.4%. Starting in April 2016, EUR 80 billion (up from the previous level of EUR 60 billion) will be invested in the purchase programme for government bonds and other securities. In December 2016, the programme was extended at least to the end of 2017, from April 2017 with monthly repurchases reduced from EUR 80 billion to EUR 60 billion. The inflation rate in the eurozone remains at a low level; a figure of 0.5% was reported for October 2016, against 0.4% in September 2016.

The unemployment rate in the eurozone was 10.0% in September 2016, compared to 10.6% in June 2015; the figure for the EU28 was 8.5% (against 9.2% in September 2015). The lowest unemployment rates on the core markets of CA Immo (all of which stood well below the European average) are in Czechia (4.0%) and Germany (4.1%), where the rate has also fallen significantly over the last quarter of 2016. Unemployment was also relatively low in Hungary (5.0%), followed by Poland and Romania at 5.7% and 5.9% respectively and Austria with 6.3%.

### The interest environment

The 3 month Euribor rate remains in negative territory, and fluctuated between -0.32% and -0.13% in 2016. As a result of the expansive policy of the ECB, yields on government bonds from eurozone countries and corporate bonds with good credit ratings remain at historic lows. The 10-year German federal bond produced a negative yield for the first time in the second quarter of 2016. Corporate bonds with a

negative yield of -0.05% were issued for the first time in the third quarter of 2016. At its meeting on January 19, 2017 the European Central Bank kept its main interest rate unchanged at zero. The ECB's stimulus programme, conducted through regular bond purchases, will continue and may be increased if necessary, according to the ECB's president Mario Draghi. He also stated that deflation risks have "disappeared" and that the euro-zone economy has been gaining strength.

## **Central, Eastern and Southeastern Europe**

As in preceding quarters of the year 2016, the core CA Immo markets in the CEE region displayed positive growth trends, although the pace of growth has slowed somewhat (with the exception of Romania). In the third quarter of 2016, GDP in Poland expanded by 2.1% on the previous year, with minimal growth of 0.2% on the previous quarter reported. Hungary reported GDP growth of 0.2% on the second quarter of 2016 and 1.4% year-on-year. In the third quarter of 2016, GDP growth decelerated on the previous three quarters in Czechia (by 1.9% year-on-year), while growth continues to surge in Romania: in the third quarter of 2016, real-terms GDP rose by 0.6% on the previous quarter and by 4.6% on the third quarter of 2015.

## **Property Markets**

### *The real estate investment market*

The transaction activity on the European investment market for commercial real estate began to develop well in 2016. Although the investment volume of EUR 51.6 billion in the third quarter of 2016 was below the previous year's value of EUR 66.7 billion, the transaction level in Europe is currently in excess of the 10-year average. Around 80% of the volume was invested in the office property sector. With the UK market highly uncertain in the wake of the Brexit vote, Germany overtook the UK in the third quarter of 2016 to become Europe's biggest marketplace for real estate investments with 29% of all completed transactions. Demand for core properties remains strong in Germany, leading to a restricted supply and an ongoing compression of yields.

In the first three quarters of 2016, the investment volume for commercial real estate in Germany was EUR 32.7 billion (-15% year-on-year). The asset class of office properties remains the segment with the strongest demand. The yield spread between government bonds and peak yields remains at an all-time high; returns are continuing to diminish, albeit at a slower rate. As of the third quarter of 2016, the peak yield for offices was 4.10% for Frankfurt (second quarter 2016: 4.20%), with Berlin currently at 3.50% (3.75%) and Munich at 3.30% (3.60%).

The total investment volume on the Austrian commercial property market was approximately EUR 314 million in the third quarter of 2016 (down 52% on last year). Office properties accounted for roughly 43% of the invested volume. The peak yield in the office sector remains under pressure at 4.75% for good locations, while the yield for prime properties may decrease to as much as 4.05%.

In the CEE region, the pace of investment varies according to country. Transaction activity in Poland, for example, is approximately EUR 4.6 billion in the year 2016 (up 61% year-on-year) while the investment volume in Czechia is down by 42.8% at EUR 1.58 billion. Peak yields for offices were as follows: Warsaw 5.5%, Prague 4.75%, Budapest 6.75% and Bucharest 7.5%.

### *The office property markets*

The good performance of the office rental market in Germany continued in the first three quarters of 2016. Lettings activity increased while vacancy fell and rent levels rose in Berlin, Frankfurt and Munich, the core markets of CA Immo. Lettings performance in Berlin reached a level in excess of 670,900 m<sup>2</sup>, with the third quarter accounting for 255,400 m<sup>2</sup> of this figure (up 21% year-on-year). The vacancy rate decreased below the 6% mark for the first time to stand at 5.5%. Floor space turnover in Frankfurt was 121,600 m<sup>2</sup> in the third quarter of 2016 (up 12% year-on-year), with a stable vacancy rate of 11.7%. The office rental market in Munich showed the best half-yearly result for five years, the turnover volume of 169,200 m<sup>2</sup> in the third quarter of 2016 was around 15% below the value in 2015; how-

ever, the full-year forecast for 2016 of 750,000 m<sup>2</sup> (similar to the 2015 level) is regarded as realistic. The vacancy rate at the end of the third quarter was at an all-time low of 4.3%.

By the third quarter of 2016, lettings performance in Vienna had more than trebled to a total of 112,000 m<sup>2</sup> (third quarter of 2015: 33,000 m<sup>2</sup>). The vacancy rate continued to decrease and stood to stand at 5.4%. Just 16,000 m<sup>2</sup> of new office space were completed in Vienna during the third quarter.

The office market in Warsaw continued to be characterised by extensive construction activity. Office space take-up remained at high levels, totalling approximately 531,000 m<sup>2</sup> in the first three quarters of 2016. A total of 378,000 m<sup>2</sup> of new office space has been completed in 2016 so far (thereof 350,000 m<sup>2</sup> in the first six months of 2016). The vacancy rate has decreased slightly to 14.6%. The vacancy rate in Budapest has stabilised at 10.3% with a slightly increasing trend. Floor space turnover remained at a good level of 308,000 m<sup>2</sup> in the first three quarters of 2016 (first half year of 2016: approximately 214,000 m<sup>2</sup>). Lettings activity in Prague was approximately 109,600 m<sup>2</sup> in the third quarter of 2016, of which new lettings represented 86,300 m<sup>2</sup> (up 4% on the second quarter of 2016). The average vacancy rate decreased to 11.7%. The highly dynamic start to the year 2016 in Bucharest was not maintained, as lettings performance declined by around 12% year-on-year in the third quarter of 2016; however, the total result of 268,300 m<sup>2</sup> (first three quarters of 2016) exceeded the value of 2015 by 11%. The vacancy rate was 12.3%.



## SHAREHOLDER STRUCTURE

The Issuer's capital stock amounts to EUR 718,336,602.72 and is divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of EUR 7.27 in the capital stock. The share capital has been fully paid up. The bearer shares trade on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352). The registered shares are held by IMMOFINANZ AG and grant IMMOFINANZ AG the right to nominate up to four member of the Supervisory Board (as defined below) (provided that the number of nominated members must not be higher than one third of the overall number of supervisory board members according to the Austrian Stock Corporation Act (*Aktiengesetz*)). As of the date of this Prospectus, IMMOFINANZ AG has made use of all of its four nomination rights: Oliver Schumy, Stefan Schönauer, Sven Bienert and Klaus Hirschler have been designated to the Supervisory Board.

On the basis of the notifications received by the Issuer as of the date of this Prospectus in accordance with the Stock Exchange Act and pursuant to the information provided by the respective shareholders, the following shareholders hold more than 4% of the Issuer's ordinary shares as of the date of this Prospectus:

### Shareholders

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IMMOFINANZ AG .....	26.00%
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The Issuer is not aware of any other shareholders with a stake of more than 4%. The remaining shares in the Issuer (approximately 74% of the capital stock) are in free float with both institutional and private investors.

As of September 30, 2016, the Issuer held 5,000,000 treasury shares, i.e. 5.00% of the issued share capital. On November 23, 2016, the Issuer announced to launch another share buy-back programme in accordance with the Austrian Stock Corporation Act (*Aktiengesetz*) for up to approximately 1% of the issued share capital with a maximum purchase price of EUR 17.50/share to begin on November 28, 2016, at the earliest, and to end on October 2, 2018 at the latest. Accordingly, the number of treasury shares of the Issuer might continue to increase (as at February 7, 2017, the Issuer held a total of 5,438,046 treasury shares, i.e. 5.5% of the issued share capital).

There are no particular measures to prevent abusive exercise of control on the Issuer. The Issuer's Management Board believes that the Issuer's corporate governance structure, together with the provisions of Austrian corporate law, provides sufficient safeguards against the abuse of controlling interests by shareholders.

## MANAGEMENT

*Unless stated otherwise, all information contained in this section stems from internal unaudited and unreviewed enquiries made by the Issuer.*

### General

The Issuer has a two-tier management and oversight structure, consisting of the Issuer's Management Board (*Vorstand*) and the supervisory board of the Issuer (*Aufsichtsrat*). The Supervisory Board elects the members of the Management Board for a maximum term of office of five years. However, the Supervisory Board may call upon members of the Management Board to step down prematurely if there are important grounds for doing so (e.g. breach of duty or a vote of no confidence by the general meeting). The Management Board is solely responsible for managing the Issuer (sole managerial power and freedom to issue instructions). Certain transactions specified by law require the prior approval of the Supervisory Board. Furthermore, the articles of association or the rules of procedure may make certain actions of the Management Board subject to the approval of the Supervisory Board. The Management Board – or, in the case of transactions subject to approval, the Supervisory Board – may present motions for approval to the general meeting; however, this is normally only the case in the event of fundamental restructuring measures (for instance the disposal of major divisions of a company).

Unless regulated by law, the responsibilities of the Management Board and Supervisory Board, and cooperation between the two, are defined in the articles of association and the bylaws adopted by the Supervisory Board (including the schedule of responsibilities for the Management Board). The Management Board's information and reporting obligations specified therein cover all subsidiaries of the Issuer. The full Supervisory Board decides on matters of critical importance as well as on the strategic direction of the business. Furthermore, the Supervisory Board executes its duties through three competent committees and. The rules of procedure of the Supervisory Board and the transactions subject to its approval, which also covers all group subsidiaries, can be viewed at [www.caimmo.com](http://www.caimmo.com).

All members of the Issuer's Management Board and Supervisory Board can be reached via the Issuer's business address: Mechelgasse 1, 1030 Vienna, Austria.

In 2015, the total salary payments to active Management Board members were TEUR 1,485 (2014: TEUR 1,326). Of this amount, TEUR 101 (2014: TEUR 93) were salary-dependent fees and TEUR 60 (2014: TEUR 56) were pension fund expenditure. Management Board remuneration contained TEUR 545 for short term incentives (2014: TEUR 541) and TEUR 175 from the long term incentive ("LTI") tranche for the period 2012 until 2014 (2014: TEUR 74). Payments to form a reserve for severance payment claims amounted to TEUR 65 (2014: TEUR 97).

Following early termination of his Management Board contract, Florian Nowotny, the former Chief Financial Officer of the Issuer, received severance payments in the amount TEUR 2,441 in business year 2016 and will receive additional TEUR 150 on March 31, 2017. Corresponding salary-based taxes in 2016 amounted to TEUR 169. Bruno Ettenauer, the former Chief Executive Officer of the Issuer, received severance payments in the amount TEUR 2,490 in business year 2015 and additional TEUR 150 on June 30, 2016; the amount has already been taken into account in the consolidated financial statements for the year 2015. There are no additional obligations.

Provisions of TEUR 467 (including incidental charges) were allocated at Management Board level for variable salary components payable in 2016 on the basis of targets agreed in business year 2015. Provisions totalling TEUR 1,835 (including incidental charges; TEUR 2,226 on December 31, 2014) had been formed in connection with the LTI programme as at December 31, 2015; thereof, the Management Board accounted for TEUR 206 (2014: TEUR 483).

The members of the Supervisory Board received remuneration in the amount of TEUR 198 (2014: TEUR 122). The Supervisory Board members of subsidiaries received no remuneration. The members of the Management Board and the Supervisory Board received no loans or advances. Furthermore, no contingent liabilities were assumed in favour of these persons.

## Management Board

The Issuer is represented in its external relations by and through the members of the Management Board. In accordance with the articles of association, the Management Board consists of one, two or three persons. The Supervisory Board may – according to the articles of association – appoint a member of the Management Board as chairman of the Management Board. The Issuer is represented by two members of the Management Board acting jointly or by one of them together with an authorised signatory (*Prokurist*). The Management Board currently consists of Frank Nickel (chairman) and Hans Volckens.

### *Frank Nickel*

Frank Nickel, born on January 30, 1959, is spokesperson and chairman of the Issuer's Management Board. He was appointed as member of the Management Board with effect from January 1, 2016. Frank Nickel bears overall responsibility for organisation and management and for the strategic direction and future development of the business and he is also responsible for representing the Issuer before the Supervisory Board and owners. In addition to being responsible for corporate strategy, Frank Nickel also bears responsibility for real estate (investment and asset management), development, engineering, human resources, administration and IT. Before joining CA Immo, Frank Nickel was CEO of Cushman & Wakefield in Germany. In addition he led the Corporate Finance business of Cushman & Wakefield in EMEA for three years. Previously, he managed the Commercial Real Estate Group of Deutsche Bank for six years.

### *Hans Volkert Volckens*

With a doctorate in Law, Hans Volkert Volckens initially has been in investment banking and worked there as a lawyer, tax consultant and tax law specialist. From 2008 to 2011, Hans Volckens was a member of the management board of Hannover Leasing GmbH & Co. KG and a member of the real estate working group of the World Economic Forum; from there, he transferred to IC Immobilien Holding AG and managed its refinancing. From October 2011 to April 2014, Hans Volckens was Chief Financial Officer of IVG Immobilien AG.

In addition to their positions on the Management Board, the members of the Issuer's Management Board perform the following principal activities outside of the Group:

Name	Key external positions held
Frank Nickel	Member of the committee of Zentraler Immobilien Ausschuss e.V. (ZIA), member of the supervisory board of the International Real Estate Business School at the University of Regensburg (IREBS), managing director of Olymp Beteiligungs GmbH, Mercurius UG and Nivatus Immobilien GmbH
Hans Volkert Volckens	Chairman of the tax committee of Zentraler Immobilien Ausschuss e.V. (ZIA), Head of the Working Group Restructuring of the Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V. (ICG), lecturer for real estate tax law at the University of Regensburg, managing limited partner of Immobilis Trust UG & Co KG

## Supervisory Board

In accordance with the articles of association, the Supervisory Board comprises not less than three and not more than twelve members elected by the general meeting (disregarding members delegated by the works council as described in the forthcoming paragraph). Each holder of the four registered shares in the Issuer is entitled to nominate one Supervisory Board member. The Austrian Stock Corporation Act (*Aktiengesetz*) provides that not more than one third of the shareholder representatives may be nominated. All other members of the Supervisory Board are elected by the general meeting. At present, the Supervisory Board comprises five members elected by the general meeting, four members delegated by IMMOFINANZ AG as holder of the registered shares, and four works council representatives.

Pursuant to the co-determination rules of the Austrian Labor Constitutional Act (*Arbeitsverfassungsgesetz*), an Austrian stock corporation's works council may delegate one member for every two members of the Supervisory Board (and of the Committees of the Supervisory Board) elected by the general meeting, and, in the event of an uneven number of elected members, an additional works council member.

There are no cross-links: No former Management Board members or senior managers are members of the Supervisory Board of CA Immo. The Supervisory Board is an oversight body. Matters of critical importance and matters concerning the strategic direction of CA Immo require its approval. Depending on the significance of particular issues, the Supervisory Board also performs its monitoring function through committees. The Supervisory Board of CA Immo comprises a sufficient number of specialists with excellent reputations who are independent of the Issuer and its Management Board. No members have business or personal links to the Issuer or its Management Board that could serve to influence the conduct of that member (C Rule 53 of the Austrian Code of Corporate Governance).

The Supervisory Board consists of the following members: Torsten Hollstein as chairman, Florian Koschat as deputy chairman, Richard Gregson, John Nacos, Michael Stanton, Oliver Schumy, Stefan Schönauer, Sven Bienert, Klaus Hirschler, Sebastian Obermaier, Georg Edinger, Nicole Kubista and Franz Reitermayer.

In addition to their positions on the Supervisory Board, the members of the Supervisory Board of the Issuer perform the following principal activities outside of the Group:

Name	Key external positions held
Torsten Hollstein	Managing director and founding partner of CR Holding GmbH, managing director of Larmag Germany Holding, PolyVestor GmbH, BSA + OFK Germany Real Estate GmbH., member of board of directors at K&K Group AG, designated supervisory board member (chairman) for the DPF Group
Florian Koschat	Member of the management board of Pallas Capital Advisory AG, White and Green Holding AG, Odin Privatstiftung, Greenwald Privatstiftung and White Energy Privatstiftung (deputy chairman), managing director of ARAMIS Management GmbH, Pallas Capital Holding GmbH, Pallas Capital Management GmbH, GNI Beteiligung GmbH, ZestHimmel Holding GmbH, AVA Technologie GmbH, APOLLO Energy Trading GmbH, Albereta GmbH, Green Media Hotels GmbH, Waage Holding GmbH, member of the supervisory board at Private Placement Immobilien AG, partner of X-Jet GmbH
Richard Gregson	Independent non-executive director of OI Properties Limited, member of the management board of Walker Wayland Audit (WA) Pty Ltd. and Pure Integrity Pty. Ltd., member of the board of directors of Hall Chadwick WA Audit Pty Ltd., Hall Chadwick WA Advisory Pty Ltd. and Marra Worra Worra Aboriginal Corporation
John Nacos	Founding partner and member of the board of directors (co-portfolio manager) of EG Real Estate Advisors, member of the board of CR Holding GmbH, member of the advisory board of Laurus Property Partners Ltd.
Michael Stanton	Founding partner of EG Real Estate Advisors, member of the board of CR Holding GmbH
Oliver Schumy <sup>(1)</sup>	CEO of IMMOFINANZ AG, member of the supervisory board of BUWOG AG (deputy chairman)
Stefan Schönauer <sup>(1)</sup>	CFO of IMMOFINANZ AG
Sven Bienert <sup>(1)</sup>	Managing director of BS Institute for Real Estate Business University Regensburg, member of the management board of ICG Corporate Governance Initiative, member of

<b>Name</b>	<b>Key external positions held</b>
	the supervisory board of ZIMA Holding AG, member of the real estate advisory committee of the German Sustainable Building Council (DGNB e.V.)
Klaus Hirschler <sup>(1)</sup>	Member of the Austrian Financial Reporting and Auditing Committee (AFRAC)
Sebastian Obermaier <sup>(2)</sup>	N.a.
Georg Edinger <sup>(2)</sup>	N.a.
Nicole Kubista <sup>(2)</sup>	Managing Director of Felix Agnes Privatstiftung
Franz Reitermayer <sup>(2)</sup>	N.a.

(1) Nominated by IMMOFINANZ AG.

(2) Nominated by the Issuer's works council.

### **Committees of the Supervisory Board**

The Supervisory Board has established three committees: Apart from the audit committee, which is required by law, an investment committee and a remuneration and nomination committee were also established. According to the Issuer's bylaws, the committees have to consist of not less than three members (shareholder representatives).

The audit committee is composed of the shareholder representatives Richard Gregson (chairman), Florian Koschat, Michael Stanton and the works council nominees Nicole Kubista and Sebastian Obermaier. The terms of reference under which the audit committee operates include overseeing of the entire financial reporting process, the audit of the annual financial statement and the consolidated financial statements and the monitoring of the effectiveness of the internal control system, the internal auditing system and of the risk management. Furthermore, it is the responsibility of the audit committee to audit the annual and consolidated financial statements, including the management reports, the corporate governance report and the proposal for the distribution of profit. It also monitors the independence and competence of the statutory auditor on the basis of peer reviews. All members of the audit committee – but in particular, Richard Gregson – are recognised as being financial experts by virtue of their professional activities and due to their experience. The audit committee convened (differently composed) three times in 2015 and four times in 2016.

By working with the Management Board, the investment committee prepares the way for significant decisions to be taken by the full Supervisory Board. Furthermore, investments in and divestments of real estate and/or companies and the implementation of project developments and similar measures with a total investment volume of below EUR 50 million can be approved by the investment committee. Any matters exceeding this limit require the approval of the full Supervisory Board. The investment committee is composed of the shareholder representatives Torsten Hollstein (chairman), John Nacos, Michael Stanton and the works council nominees Franz Reitermayer and Georg Edinger. In 2015 the investment committee (differently composed) met twice and three times in 2016.

The remuneration and nomination committee is responsible for succession planning with regard to both, the Management Board and Supervisory Board. Furthermore, the remuneration and nomination committee has responsibility for the remuneration system for the Management Board and – in the event of extraordinary bonuses – for employees. The remuneration and nomination committee is composed of the shareholder representatives Torsten Hollstein (chairman), John Nacos, Michael Stanton and the works council nominees Sebastian Obermaier and Georg Edinger. The committee convened (differently composed) twice in 2015 and three times in 2016.

## Potential conflicts of interest

Potential conflicts of interest result from board members of the Issuer holding positions on the boards of similar companies within the sector (see “—Compliance with the Austrian Code of Corporate Governance” below and “—Management Board” and “—Supervisory Board” above), in particular with two management board members of IMMOFINANZ AG, one of the Issuer’s major competitors, serving on the Supervisory Board (see also “Risk Factors— Legal Risks —The current core shareholder IMMOFINANZ AG, one of the Issuer’s major competitors, holds four registered shares which entitle to nominate up to four Supervisory Board members and therefore can irrespective of its shareholding in the Issuer significantly influence the composition of the Supervisory Board and, indirectly the Management Board”). In this connection, the Supervisory Board has resolved that the four board members designated to the board on the basis of the nomination rights under the four registered shares of CA Immo held by IMMOFINANZ AG are excluded from any vote on topics which may result in a conflict of interest out of this competitive position.

Further to that, the Issuer has no knowledge of potential conflicts of interest relating to members of the Management Board and Supervisory Board.

## Compliance with the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance (“**Österreichischer Corporate Governance Kodex**”) includes rules for the management and control of companies and thus forms the basis for sound corporate governance. The Issuer declares its voluntary commitment to the Austrian Code of Corporate Governance, the requirements of which it met in 2016. The current version of the Austrian Code of Corporate Governance may be viewed on the website of the Issuer and at [www.corporate-governance.at](http://www.corporate-governance.at).

The Issuer’s Management Board and Supervisory Board are committed to complying with the regulations of the Austrian Code of Corporate Governance and thus, to transparency and good corporate management at all times. The Austrian Code of Corporate Governance, which was first drawn up by the Austrian Working Group for Corporate Governance in 2002, is a vital part of the Austrian capital markets system and thus a key instrument for strengthening the confidence of investors in the management and monitoring of companies. It is a voluntary commitment which goes beyond the legal requirements imposed on listed stock corporations and is regularly reviewed and adapted to reflect national and international developments. The set of rules contained in the Austrian Code of Corporate Governance are structured as follows:

1. Legal Requirement (L): L Rules are based on mandatory legal requirements and must be complied with.
2. Comply or Explain (C): C Rules should be complied with. Reasons and explanations for deviations from C Rules must be provided in order to ensure compliance with the code.
3. Recommendation (R): R Rules are recommendations only. Deviations from R Rules neither need be disclosed nor reasons given.

During the 2016 reporting year, the Issuer complied with all L Rules.

Deviations exist for the following C Rules, in respect of which the Issuer provided the following explanations:

C Rule 2: “Shares are issued in accordance with the “one share, one vote” principle”.

The “one share, one vote” principle is generally adhered to by the Issuer. The Issuer’s capital stock amounts to EUR 718,336,602.72 and is divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of EUR 7.27 in the capital stock. 74% of the voting rights in the Issuer are held in free float and 26% of the voting rights are held through IMMOFINANZ AG (for information regarding the stake held by IMMOFINANZ AG, see “Shareholder Structure”). The registered

shares are held by IMMOFINANZ AG, too, and grant IMMOFINANZ AG the right to nominate up to four Supervisory Board members (provided that the number of nominated members must not be higher than one third of the overall number of supervisory board members according to the Austrian Stock Corporation Act (*Aktiengesetz*)). At present, the Supervisory Board comprises five members elected by the general meeting, four members delegated by IMMOFINANZ AG as holder of the registered shares and four members nominated by the works council. The transfer of registered shares is subject to the approval of the Issuer. Due to the limitation of nominated members and the right to recall such members the Issuer believes that shareholder participation rights are protected in a proper manner by the Austrian Stock Corporation Act. There exist neither preference shares nor restrictions on the ordinary shares issued by the Issuer. The Takeover Act (*Übernahmegesetz – ÜbG*) guarantees that each shareholder receives the same price for his/her/its shares in CA Immo in the event of a takeover offer (mandatory offer). However, it is the shareholders alone who decide on the acceptance or rejection of takeover offers.

C Rule 38: *“The supervisory board shall define a profile for the management board members that takes into account the enterprise’s business focus and its situation, and shall use this profile to appoint the management board members in line with a predefined appointment procedure. The supervisory board shall take care that no member of the management board has been convicted by law for a criminal act that would compromise the professional reliability as a management board member. Furthermore, the supervisory board shall also give due attention to the issue of successor planning.”*

Due to the unplanned withdrawal of Bruno Ettenauer and Florian Nowotny from the Management Board at the end of 2015 or the end of September 2016 respectively, a prompt decision in terms of their replacement was in the Issuer’s as well as the shareholders’ interest. Therefore, the Issuer’s Supervisory Board waived the appointment procedures usually applied for the Issuer’s Management Board members (executive search; selection of potential candidates via long or short lists). Nevertheless this was a decision that carefully weighed discussions within the remuneration and nomination committee and the full Issuer’s Supervisory Board.

C Rule 39: *“The supervisory board shall set up expert committees from among its members depending on the specific circumstances of the enterprise and the number of supervisory board members. These committees shall serve to improve the efficiency of the work of the supervisory board and shall deal with complex issues. However, the supervisory board may discuss the issues of the committees with the entire supervisory board at its discretion. Each chairperson of a committee shall report periodically to the supervisory board on the work of the committee. The supervisory board shall ensure that a committee has the authorisation to take decisions in urgent cases. The majority of the committee members shall meet the criteria for independence of the C-Rule 53. The Corporate Governance Report shall state the names of the committee members and the name of the chairperson. The Corporate Governance Report must disclose the number of meetings of the committees and discuss the activities of the committees.”*

As in previous years, the Issuer has established an audit committee, an investment committee and (in personal union) a remuneration and nomination committee. In 2016, there was no committee for decisions in critical cases; such urgent decisions had been taken immediately by the full Supervisory Board. In accordance with the Issuer’s bylaws, the Supervisory Board will again establish a presidential committee with the chairman and his deputy together with another member of the Supervisory Board being a committee member.

C Rule 45: *“Members of the Supervisory Board must not hold executive positions on the boards of rival companies.”*

According to L Rule 52 the general meeting shall take due care to ensure the expertise and personal qualifications of the supervisory board members and a balanced composition with respect to the structure and the business of the Issuer, when appointing the members of the supervisory board. Furthermore, reasonable attention is to be given to the aspect of diversity of the supervisory board with respect to the representation of both genders and the age structure, and in the case of exchange listed companies, also with a view to the internationality of the members. To meet all those criteria, it is evident to approach experts and people from similar sectors. Thus, it cannot be excluded that supervisory board

members hold positions with broadly similar companies. However, the persons proposed for election to the Supervisory Board are required to disclose to the general meeting their expert qualifications, their professional or comparable positions, as well as all circumstances which might give rise to concerns regarding their partiality.

Without the consent of the Supervisory Board, members of the Management Board may neither operate a business or hold participations as a personally liable shareholder nor accept a position on the supervisory board of a company outside of the Group. The approval of the Management Board is required before senior executives accept any additional posts, in particular the acceptance of a position on the board of a company outside of the Group.

In taking decisions, members of the Management Board and of the Supervisory Board must not pursue their own interests or those of companies or persons close to them which conflict with the interests or business opportunities of the Group. Any conflicts of interest must be disclosed immediately. In the case of contradictory interests, the member in question must abstain from casting a vote during any voting procedure or leave the meeting when the relevant item on the agenda is being discussed.

The following members of the Supervisory Board hold positions on the boards of similar companies within the sector:

After acquiring the 26% stake and the four registered shares of the Issuer in August 2016, both members of the management board of IMMOFINANZ AG (Oliver Schumy and Stefan Schönauer) joined the Supervisory Board. IMMOFINANZ AG is one of the major competitors of the Issuer. Moreover, the Issuer and IMMOFINANZ AG agreed to enter into a constructive dialogue concerning a potential merger. The separation of IMMOFINANZ AG's Russian portfolio is prerequisite for potential successful merger negotiations. Until this point of time all negotiations should be suspended.

In addition, Oliver Schumy is deputy chairman of BUWOG AG's supervisory board. In terms of BUWOG's privatisation process (Causa BUWOG) the Issuer, who in the bidding process was only narrowly beaten by the IMMOFINANZ consortium, has joined criminal proceedings as a private party.

Further Supervisory Board members hold executive positions with similar companies; but so far there is no direct competition between the Issuer and those companies. Reference is made to the complete list of board positions held by the members of the Management Board and Supervisory Board at [www.caimmo.com](http://www.caimmo.com).

All transactions between the Issuer and members of the Management Board or the companies or persons close to them must comply with the standards customarily applied in the sector and are subject to the approval of the Supervisory Board. The same applies to contracts concluded by the Issuer with members of the Supervisory Board under which such members are committed to the performance of a service for the Group outside of their activities on the Supervisory Board against payment of a not insignificant fee (L Rule 48). This also applies to contracts concluded with companies in which a member of the Supervisory Board has a significant economic interest. The Issuer is prohibited from granting company loans to members of the Supervisory Board outside of its ordinary course of business.



## GENERAL INFORMATION ON THE ISSUER

### Legal and commercial name, registered office, financial year, period of existence, share capital

The Issuer's legal name is "CA Immobilien Anlagen Aktiengesellschaft" and its commercial name is "CA Immo". The Issuer is a stock corporation established in Austria under Austrian law. It is registered in the commercial register of the Commercial Court of Vienna under FN 75895k. The Issuer was established for an indefinite period of time. It has its registered office in Vienna, Austria. Its business address is Mechelgasse 1, 1030 Vienna, Austria. The telephone number of the Issuer is +43 (1) 532 59 07. The Issuer can also be reached via its website: [www.caimmo.com](http://www.caimmo.com). Unless explicitly included by reference, the information and details provided on the Issuer's website do not form part of the content of this Prospectus. The financial year of the Issuer begins on January 1 and ends on December 31. As of the date of this Prospectus, the Issuer has a fully paid-up share capital of EUR 718,336,602.72, as registered in the Commercial Register. Its share capital is divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of the share capital of EUR 7.27. Each share corresponds to an equal portion of the share capital and grants the holder one vote at the general meeting of the Issuer. Registered shares entitle holders to nominate one Supervisory Board member for each share held (provided that the number of nominated members must not be higher than one third of the overall number of supervisory board members according to the Austrian Stock Corporation Act (*Aktiengesetz*)). Market capitalisation as at September 30, 2016 was approximately EUR 1.7 billion. As of September 30, 2016, the Issuer held 500,000,000 treasury shares, i.e. approximately 5.00% of the issued share capital. On November 23, 2016, the Issuer announced to launch another share buy-back programme in accordance with the Austrian Stock Corporation Act (*Aktiengesetz*) for up to approximately 1% of the issued share capital with a maximum purchase price of EUR 17.50 per share to begin on November 28, 2016 at the earliest and to end on October 2, 2018 at the latest. Accordingly, the number of treasury shares of the Issuer might continue to increase (as at February 7, 2017 the Issuer held a total of 5,438,046 treasury shares, i.e. 5.5% of the issued share capital).

### History of the Issuer

The Issuer was founded by Creditanstalt-Bankverein, Maschinen + Anlagen Investitions-Gesellschaft m.b.H. and MA Leasing Gesellschaft m.b.H. and has been steadily building up its business and portfolio since 1987. Originally only active on the Austrian market, CA Immo started to invest in Eastern Europe in 1999 where it is now one of the biggest investors after having successfully acquired the Europolis Group in 2011. At the same time as its successive expansion in Eastern Europe, it continued to expand its real estate assets in Austria and Germany: In 2006 through the acquisition of a property package from the Land of Hessen, and through the acquisition of the German urban district development company Vivico Real Estate GmbH (now CA Immo Deutschland GmbH) that was finalised at the beginning of 2008. Since 1988, shares in the Issuer have been listed on the Vienna Stock Exchange, and the Issuer has been included on the ATX price index since March 2011.

Year	Event
1987	Foundation of CA Immobilien Anlagen AG
1988	Stock market listing of CA Immobilien Anlagen AG on the Vienna Stock Exchange
1999	First expansion to Eastern Europe through the acquisition of office properties in Budapest
2000	First investment in Bratislava
2001	Acquisition of office properties in the Polish capital Warsaw Start of real estate development with projects in Budapest and Prague
2003	Market entry in South Eastern Europe with investments in Sofia and Bucharest
2005	Purchase of 78 properties in Austria from the former Brau Union package
2006	Issuance of the first public corporate bond Spin-off of the Eastern European portfolio via CA Immo International AG Purchase of a property package from the Land of Hessen, Germany
2008	Acquisition of the German Vivico Group

Year	Event
2009	Issuance of the second public corporate bond
2010	Re-integration of CA Immo International AG
2011	Acquisition and integration of the Europolis Group Inclusion in the Austrian ATX price index Completion of largest development project: Tower 185 in Frankfurt
2013	Sale of the Hessen portfolio and partial sale of Tower 185 Buy-out of joint venture partner AXA in the “P1-Portfolio” in Warsaw
2014	Strategic program 2012-2015 successfully implemented ahead of schedule Sale of 25% (plus eight shares) stake in UBM Realitätsentwicklung Aktiengesellschaft UniCredit Bank Austria sold 16% to O1 Group Limited
2015	O1 increased stake to 26% by voluntary offer (EUR 422 million) Sale of CEE logistics Buy-out of joint venture partner EBRD in the “E-Portfolio” Issuance of the third public corporate bond
2016	Issuance of the fourth and fifth public corporate bond O1 sells its stake to IMMOFINANZ AG. CA Immo and IMMOFINANZ AG start dialogue on potential amalgamation of the two companies
2017	Intended issuance of the sixth public corporate bond Buy-out of joint venture partner UNION INVESTMENT in the “C1-Portfolio”

## Business purpose

The purpose of the Issuer is laid down in section 2 of its articles of association and reads as follows:

“(1) *The purpose of the Company domestically and internationally is:*

- a) *Acquisition, development and utilisation of developed and undeveloped properties and similar land rights (including sale, hiring, renting and leasing);*
  - b) *Completion of all procedures regarding planning permission and zoning in connection with the project development as well as other approval procedures such as building and demolition permits and use permits;*
  - c) *Planning, designing and implementing building projects of any kind as well as preparing submission and execution plans and general plans;*
  - d) *Executing construction works of any kind up to turnkey production as well as all construction services connected with the project development, be it as general contractor, total contractor or property developer;*
  - e) *Exercising the trades of property developer, real estate broker and property manager (real estate agents);*
  - f) *Operating hotel establishments and similar operator-run properties, parking garages and parking lots;*
  - g) *Acquisition, utilisation and management of shareholdings and/or companies having the same or similar business purpose;*
  - h) *Development and assessment of financing and taxation models and of concepts under company law to the extent that such activities are not reserved to other professional groups;*
  - i) *Preparation of site analyses as well as market, feasibility and project studies;*
  - j) *Trade in goods of any kind;*
  - k) *Conclusion of any other business transactions serving the interests of the company.*
- (2) *The company has the right to establish branch offices domestically and internationally, to acquire shares in other enterprises of the same or similar type, to acquire and establish such enter-*

*prises and to enter into any and all kinds of business and interest communities suitable for promoting the business purpose of the company, with the exception of banking transactions.”*

### **Main subsidiaries**

<b>Name of the company</b>	<b>Registered office</b>	<b>Share in the capital</b>
CA Immo Deutschland GmbH	Frankfurt am Main	100%
Europolis GmbH	Vienna	100%

Source: Internal data of the Issuer, as at the date of this prospectus.

Project, ownership and management companies in Austria, Germany, Eastern Europe (Czechia, Hungary, Poland, Slovakia, and Ukraine) and South Eastern Europe (Bulgaria, Croatia, Romania, Serbia and Slovenia) are held by the holding companies listed above and via holding companies in Cyprus and the Netherlands.

## TERMS AND CONDITIONS OF THE BONDS

### TERMS AND CONDITIONS

#### § 1

#### Aggregate principal amount, denomination, form, representation, central depository, ISIN, definitions

- (1) Aggregate principal amount, denomination. The [●]% bonds 2017-2024 (the “**Bond**”) of CA Immobilien Anlagen Aktiengesellschaft (the “**Issuer**”) will be issued in an aggregate principal amount of EUR [●] (in words: Euro [●]) (the “**Principal Amount**”) with a denomination of EUR 1,000 (in words: Euro one thousand) (the “**Bonds**”) by means of a public offer in Austria.
- (2) Form. The bonds are issued in bearer form.
- (3) Representation. The Bonds are entirely represented by a modifiable global (the “**Global Note**”) note pursuant to § 24 lit b of the Austrian Securities Custody Act (*Depotgesetz*). The Global Note shall be signed by authorised representatives of the Issuer and shall be authenticated by a securities controller. The right to have definitive notes or interest coupons issued is excluded.
- (4) Central depository. The Global Note will be kept in custody by OeKB CSD GmbH (“**OeKB**”) as central depository until all obligations of the Issuer under the Bonds have been satisfied. The Bondholders hold proportionate co-ownership interests in the Global Note, which are transferable pursuant to the general terms and conditions of OeKB and applicable law and outside of Austria pursuant to the conditions of Clearstream Banking, société anonyme, Luxembourg (“**CBL**”) and Euroclear Bank S.A./N.V. Brussels, Belgium (“**Euroclear**”) and together with OeKB and CBL the “**Clearing Systems**”).
- (5) International Securities Identification Number (“**ISIN**”): AT0000A1TBC2

### ANLEIHEBEDINGUNGEN

#### § 1

#### Gesamtnennbetrag, Stückelung, Form, Verbriefung, Wertpapiersammelbank, ISIN, Begriffsbestimmungen

- (1) Gesamtnennbetrag, Stückelung. Die [●]% Anleihe 2017-2024 (die „**Anleihe**”) der CA Immobilien Anlagen Aktiengesellschaft (die „**Emittentin**”) wird im Gesamtnennbetrag von EUR [●] (in Worten: Euro [●]) (der „**Nennbetrag**”) in einer Stückelung von EUR 1.000 (in Worten: Euro eintausend) (die „**Teilschuldverschreibungen**”) in Form eines öffentlichen Angebotes in Österreich begeben.
- (2) Form. Die Teilschuldverschreibungen lauten auf den Inhaber.
- (3) Verbriefung. Die Teilschuldverschreibungen werden zur Gänze durch eine veränderbare Sammelurkunde (die „**Sammelurkunde**”) gemäß § 24 lit b Depotgesetz verbrieft. Die Sammelurkunde ist von bevollmächtigten Vertretern der Emittentin firmenmäßig gezeichnet und ist von einem Wertpapierkontrollor mit einer Kontrollunterschrift versehen. Ein Anspruch auf Ausfolgung definitiver Einzelurkunden oder einzelner Zins-scheine besteht nicht.
- (4) Wertpapiersammelbank. Die Sammelurkunde wird von der OeKB CSD GmbH („**OeKB**”) als Wertpapiersammelbank verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Teilschuldverschreibungen erfüllt sind. Den Anleihegläubigern der Teilschuldverschreibungen stehen Miteigentumsanteile an der Sammelurkunde zu, die gemäß den allgemeinen Geschäftsbedingungen der OeKB und anwendbarem Recht und außerhalb der Republik Österreich gemäß den Vorschriften der Clearstream Banking société anonyme, Luxemburg („**CBL**”) und der Euroclear Bank S.A./N.V., Brüssel, Belgien („**Euroclear**”) und zusammen mit OeKB und CBL die „**Clearingsysteme**”) übertragen werden können.
- (5) International Securities Identification Number („**ISIN**”): AT0000A1TBC2

(6) “**Bondholder**” means each holder of proportionate co-ownership or other similar right in the Bonds represented by the Global Note.

(7) “**Terms and Conditions**” means these terms and conditions.

## § 2

### Status, warranties and representations

(1) Status. The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer, save for obligations which are senior pursuant to current mandatory law.

(2) Negative pledge. The Issuer undertakes for the tenor of these Bonds, but no longer than up to the time all amounts of principal and interest for the Bonds have been placed in full at the disposal of the Paying Agent appointed pursuant to § 6,

(a) not to create Securities for other Capital Market Indebtedness of the Issuer, and

(b) not to procure that third parties create Securities over its assets or earnings for other Capital Market Indebtedness of the Issuer,

as well as to take care that its Subsidiaries will

(a) not create Securities for other Capital Market Indebtedness of the Issuer, and

(b) not procure that third parties create Securities over its assets or earnings for other Capital Market Indebtedness of the Issuer,

without assuring immediately in each case that the Bondholders participate at the same time and ranking *pari passu* in such Security or in such other security as shall be approved

(6) „**Anleihegläubiger**” bezeichnet jeden Inhaber eines Miteigentumsanteils oder eines ähnlichen Rechts an den durch die Sammelurkunde verbrieften Teilschuldverschreibungen.

(7) „**Anleihebedingungen**” bezeichnet die gegenständlichen Anleihebedingungen.

## § 2

### Status, Zusicherungen und Gewährleistungen

(1) Status. Die Teilschuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen gegenwärtigen oder künftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, mit Ausnahme von Verbindlichkeiten, die nach geltendem zwingenden Recht vorrangig sind.

(2) Negativverpflichtung. Die Emittentin verpflichtet sich für die Laufzeit der gegenständlichen Anleihe, längstens jedoch bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen für die Teilschuldverschreibungen der gemäß § 6 bestellten Zahlstelle vollständig zur Verfügung gestellt worden sind,

(a) für andere Kapitalmarktverbindlichkeiten der Emittentin keine Sicherheiten zu bestellen, und

(b) Dritte nicht zur Bestellung von Sicherheiten an deren Vermögen oder Einkünften für andere Kapitalmarktverbindlichkeiten der Emittentin zu veranlassen,

sowie weiters dafür Sorge zu tragen, dass ihre Tochtergesellschaften

(a) für andere Kapitalmarktverpflichtungen der Emittentin keine Sicherheiten bestellen, und

(b) Dritte nicht zur Bestellung von Sicherheiten an deren Vermögen oder Einkünften für andere Kapitalmarktverbindlichkeiten der Emittentin zu veranlassen,

ohne jeweils unverzüglich sicherzustellen, dass die Anleihegläubiger zur gleichen Zeit und im gleichen Rang an solchen Sicherheiten oder an anderen Sicherheiten, die von

as equal security by an, internationally acknowledged certified public auditor which is independent from the current auditor of the Issuer or its Subsidiaries.

“**Securities**” are mortgages, pledges, lien or other form of encumbrances or security interests over the present or future assets or earnings of the Issuer, its Subsidiaries or third parties.

“**Subsidiary**” within the meaning of these Terms and Conditions means a corporation or partnership in which the Issuer directly or indirectly holds more than 50% of the share capital or the voting shares or which is otherwise directly or indirectly controlled by the Issuer and/or its Subsidiaries within the meaning of this provision.

“**Capital Market Indebtedness**” means

- (a) any present or future indebtedness to pay borrowed money, which is represented by bonds, notes or other similar debt instruments, irrespective of whether listed on a stock exchange or other accredited securities market, traded or able to be traded, represented or documented, or if raised by means of a bonded loan, and
  - (b) all guarantees, liabilities or other representations of the Issuer or its Subsidiaries for such Capital Market Indebtedness.
- (3) Positive commitment. The Issuer undertakes for the tenor of the Bond, but no longer than up to the time all amounts of principal and interest for the Bonds have been placed in full at the disposal of the Paying Agent, to work towards any Subsidiaries, as far as necessary and as far as they make profits, distributing at least as much funds to the Issuer as to enable the Issuer to meet its obligations under § 4 (Interest) and to redeem the Bond pursuant to § 5 (Redemption).

einem vom bestehenden Wirtschaftsprüfer der Emittentin oder ihrer Tochterunternehmen unabhängigen, international anerkannten Wirtschaftsprüfer als gleichwertige Sicherheit anerkannt werden, teilnehmen.

„**Sicherheiten**” sind Hypotheken, Pfandrechte, Zurückbehaltungsrechte oder sonstige Formen von Belastungen und Sicherungsrechte an den gegenwärtigen oder zukünftigen Vermögenswerten oder Einkünften der Emittentin, deren Tochtergesellschaften oder Dritter.

„**Tochtergesellschaft**” im Sinne dieser Anleihebedingungen ist jede Kapital- oder Personengesellschaft, an der die Emittentin direkt oder indirekt mehr als 50% des Kapitals oder der stimmberechtigten Anteile hält oder die sonst unmittelbar oder mittelbar unter dem beherrschenden Einfluss der Emittentin und/oder ihrer Tochtergesellschaften im Sinne dieser Bestimmung steht.

„**Kapitalmarktverbindlichkeiten**” bezeichnet

- (a) jede gegenwärtige oder künftige Verbindlichkeit zur Zahlung aufgenommener Gelder, die durch Anleihen, Schuldverschreibungen oder sonstige Schuldinstrumente, unabhängig davon, ob sie an einer Börse oder an einem anderen anerkannten Wertpapiermarkt notiert oder gehandelt werden oder gehandelt werden können, verbrieft oder dokumentiert ist, oder durch Schuldscheine aufgenommen wurde, und
  - (b) alle für solche Kapitalmarktverbindlichkeiten übernommenen Garantien, Haftungen oder sonstigen Gewährleistungen der Emittentin oder ihrer Tochtergesellschaften.
- (3) Positivverpflichtung. Die Emittentin verpflichtet sich, während der Laufzeit der gegenständlichen Anleihe, jedoch nicht länger als bis zu dem Zeitpunkt, zu dem alle Beträge an Kapital und Zinsen für die Teilschuldverschreibungen der Zahlstelle vollständig zur Verfügung gestellt worden sind, darauf hinzuwirken, das sämtliche Tochtergesellschaften, sofern erforderlich und sofern sie Gewinne erwirtschaften, zumindest so viele Mittel an die Emittentin ausschütten, sodass

die Emittentin in der Lage ist, ihren Verpflichtungen aus § 4 (Zinsen) nachzukommen und die Anleihe gemäß § 5 (Rückzahlung) zu tilgen.

- |                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(4) Limitation of dividend payments. The Issuer undertakes not to pay any dividends if thereby its ability to meet its obligation to make interest and redemption payments under the Bond would be materially negatively affected.</p> | <p>(4) Beschränkung von Dividendenzahlungen. Die Emittentin verpflichtet sich, keinerlei Dividendenausschüttungen vorzunehmen, wenn sie damit die Fähigkeit, ihren Verpflichtungen zu Zins- und Tilgungszahlungen aus der Anleihe nachzukommen, wesentlich negativ beeinflussen würde.</p> |
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**§ 3  
Tenor**

The tenor of the Bonds starts on February 22, 2017 and ends on February 21, 2024. The tenor shall therefore be 7 years.

**§ 3  
Laufzeit**

Die Laufzeit der Teilschuldverschreibungen beginnt am 22. Februar 2017 und endet am 21. Februar 2024. Die Laufzeit beträgt somit 7 Jahre.

**§ 4  
Interest**

- (1) Rate of interest and Interest Payment Dates. The Bonds shall bear interest on their Principal Amount from (and including) February 22, 2017 (the “**Issue Date**”) until the day preceding the Maturity Date (as defined in § 5 (1)) at the rate of [●]% *per annum*. Interest shall be payable in arrears on February 22 of each year (each an “**Interest Payment Date**”). The first interest payment shall be made on February 22, 2018.
- (2) Interest period. “**Interest Period**” means the period from and including the Issue Date until and excluding the first Interest Payment Date or, respectively, the period from and including each Interest Payment Date until and excluding the following respective Interest Payment Date.
- (3) Accrual of interest. If the Issuer does not redeem the Bonds when due, the Bonds will not cease to bear interest on the day preceding the Maturity Date but on the day preceding the effective redemption of the Bonds.
- (4) Calculation of interest for parts of periods. If interest is calculated for a period of less than a year (the “**Interest Calculation Period**”) the calculation is carried out on the basis of the actual number of days within the Interest Calculation Period divided by the actual number of days in the respective Interest Pe-

**§ 4  
Zinsen**

- (1) Zinssatz und Zinszahlungstage. Die Teilschuldverschreibungen werden vom 22. Februar 2017 (der „**Begebungstag**”) (einschließlich) bis zu dem dem Fälligkeitstag (wie in § 5 (1) definiert) vorangehenden Tag mit jährlich [●]% vom Nennbetrag verzinst. Die Zinsen sind nachträglich am 22. Februar eines jeden Jahres zahlbar (jeweils ein „**Zinszahlungstag**”). Die erste Zinszahlung erfolgt am 22. Februar 2018.
- (2) Zinsperiode. „**Zinsperiode**” bezeichnet den Zeitraum vom Begebungstag (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Zinszahlungstag (ausschließlich).
- (3) Auflaufende Zinsen. Falls die Emittentin die Teilschuldverschreibungen bei Fälligkeit nicht zurückzahlt, endet die Verzinsung nicht an dem dem Fälligkeitstag vorangehenden Tag, sondern erst mit dem Tag, der der tatsächlichen Rückzahlung der Teilschuldverschreibungen vorangeht.
- (4) Berechnung der Zinsen für Teile von Zeiträumen. Sofern Zinsen für einen Zeitraum von weniger als einem Jahr (der „**Zinsberechnungszeitraum**”) zu berechnen sind, erfolgt die Berechnung auf der Grundlage der aktuellen Tage in dem Zinsberechnungszeitraum, geteilt durch die Anzahl der aktuel-

riod. Basis of calculation: actual/actual (according to ICMA rules).

- (5) Default Interest. If the Issuer fails by whatsoever reason to pay any amounts which are due on the Bonds, interest shall accrue on such outstanding amounts from the date when such amounts were due (including) until the date when such amounts have been paid to the Bondholders in full (excluding) at the default rate of interest (currently 4% *per annum*) established by law (§ 1000 of the General Civil Code – *Allgemeines Bürgerliches Gesetzbuch*). This does not affect any additional rights that might be available to the Bondholders (particularly those pursuant to subsection (3)).

### § 5 Redemption

- (1) Redemption at maturity. To the extent not previously redeemed according to § 5 para (2) or § 8 in whole or in part or repurchased and cancelled, the Bonds shall be redeemed at their Principal Amount on February 22, 2024 (the “**Maturity Date**”). Except for the provision of § 5 para (2), the Issuer is not entitled to redeem the Bonds before the Maturity Date.
- (2) Redemption upon early termination for tax reasons. If, as a result of a change in, or amendment to, the fiscal laws of or in the Republic of Austria or as a consequence of a change in, or amendment to, any official interpretation of those laws, the Issuer is under the obligation to pay Additional Amounts (as defined in § 7 para (1)) on the next Interest Payment Date and the Issuer cannot avoid this obligation with measures reasonably expected from it, the Issuer shall be entitled to early termination of the Bonds, in whole but not in part, and to redeem the Bonds at the Principal Amount together with interest accrued up to the date fixed for redemption.

Such an early redemption must not (i) be made with effect earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts, if at that time a payment in respect of the

len Tage der Zinsperiode. Berechnungsbasis: actual/actual (gemäß ICMA-Regelung).

- (5) Verzugszinsen. Wenn die Emittentin eine fällige Zahlung auf die Teilschuldverschreibungen aus irgendeinem Grund nicht leistet, wird der ausstehende Betrag ab dem maßgeblichen Fälligkeitstag (einschließlich) bis zum Tag der vollständigen Zahlung an die Anleihegläubiger (ausschließlich) in Höhe des gesetzlich (§ 1000 ABGB) jeweils geltenden Verzugszinssatzes (derzeit 4% *per annum*) verzinst. Weitergehende Ansprüche der Anleihegläubiger (insbesondere jene gemäß Absatz (3)) bleiben unberührt.

### § 5 Rückzahlung

- (1) Rückzahlung bei Endfälligkeit. Soweit nicht zuvor bereits gemäß § 5 Absatz (2) oder § 8 ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Teilschuldverschreibungen zum Nennbetrag am 22. Februar 2024 (der „**Fälligkeitstag**“) zurückgezahlt. Mit Ausnahme der Bestimmung des § 5 Absatz (2) ist die Emittentin nicht berechtigt, die Teilschuldverschreibungen vor dem Fälligkeitstag zurückzuzahlen.
- (2) Vorzeitige Rückzahlung aus steuerlichen Gründen. Falls die Emittentin als Folge einer Änderung oder Ergänzung der steuerrechtlichen Vorschriften von oder in der Republik Österreich oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Vorschriften am nächstfolgenden Zinszahlungstag zur Zahlung von zusätzlichen Beträgen (wie in § 7 Absatz (1) definiert) verpflichtet ist, und die Emittentin diese Verpflichtung nicht durch ihr zumutbare Maßnahmen vermeiden kann, ist die Emittentin berechtigt, die Teilschuldverschreibungen insgesamt, jedoch nicht teilweise, vorzeitig zu kündigen und zum Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückzuzahlen.

Eine solche vorzeitige Kündigung darf nicht (i) mit Wirkung früher als 90 Tage vor dem frühest möglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zah-



Bonds were due, or (ii) be made, if at the time on which the termination is effected, the obligation to pay or to deduct or withhold Additional Amounts ceases to be in force.

Such an early termination must be communicated by the Issuer on giving not less than 30 days' notice to the Paying Agent with registered letter, whereas such early termination shall be effective at the time of receipt of the termination by the Paying Agent, if the termination is made towards the Bondholders pursuant to § 13. The termination is irrevocable, shall contain the chosen day of redemption and a summary explanation elaborating the facts being constitutive for the Issuer's right of redemption.

## § 6

### **Paying Agent, payments**

- (1) Paying Agent. The initial paying agent is Raiffeisen Bank International AG with its initial specified office at Am Stadtpark 9, 1030 Vienna, Austria (the "**Paying Agent**").
- (2) Change of appointment or dismissal. The Issuer reserves the right at any time to terminate the appointment of the Paying Agent, but undertakes for this case to appoint another Paying Agent simultaneously with the termination. The Issuer undertakes that at any time (i) it maintains a Paying Agent and (ii) for as long as the Bonds are listed on the Vienna Stock Exchange it maintains a Paying Agent with a specified office in Vienna and/or in such other place as may be requested by the rules of the Vienna Stock Exchange. Any dismissal, appointment or any other change of the Paying Agent shall only become effective (except in the event of an insolvency where such change shall become effective immediately) if the Bondholders have been informed thereof in advance pursuant to § 13 by giving not less than 30, but no more than 45 days' notice.
- (3) Agents of the Issuer. The Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards the Bondhold-

lung auf die Teilschuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen oder zum Einbehalt oder Abzug nicht mehr wirksam ist.

Eine solche vorzeitige Kündigung ist durch die Emittentin mit einer Kündigungsfrist von mindestens 30 Tagen gegenüber der Zahlstelle mittels eingeschriebenem Brief mitzuteilen, wobei eine solche Kündigung zum Zeitpunkt des Zugangs der Kündigung bei der Zahlstelle wirksam wird, sofern die Kündigung gegenüber den Anleihegläubigern gemäß § 13 erfolgt. Die Kündigung ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

## § 6

### **Zahlstelle, Zahlungen**

- (1) Zahlstelle. Die anfänglich bestellte Zahlstelle ist die Raiffeisen Bank International AG mit ihrer anfänglichen bezeichneten Geschäftsstelle in der Am Stadtpark 9, 1030 Wien, Österreich (die „**Zahlstelle**“).
- (2) Änderung der Bestellung oder Abberufung. Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Zahlstelle zu beenden, verpflichtet sich für diesen Fall jedoch gleichzeitig mit der Beendigung der Bestellung eine andere Zahlstelle zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Zahlstelle unterhalten und (ii) solange die Teilschuldverschreibungen an der Wiener Börse notieren, eine Zahlstelle mit bezeichneter Geschäftsstelle in Wien und/oder anderen Orten unterhalten, wie es die Regeln der Wiener Börse verlangen. Eine Abberufung, Bestellung oder ein sonstiger Wechsel der Zahlstelle wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.
- (3) Beauftragte der Emittentin. Die Zahlstelle handelt ausschließlich als Beauftragte der Emittentin und übernimmt keinerlei Ver-

ers. No relationship of contract, agency or trust shall be created between the Paying Agent and the Bondholders.

- (4) Payment of principal and interest. The Issuer undertakes to pay, when due, principal and interest in Euro. Such payments shall, subject to applicable fiscal and other laws and regulations, be made via the Paying Agent to the Clearing Systems or to their order for credit to the respective account holders. Payment to the Clearing Systems or to their order shall, to the extent of amounts so paid and provided the Bonds are still held by the relevant Clearing System, release the Issuer from its corresponding obligations under the Bonds.

- (5) Due date not a Business Day. If the due date for the payment of principal and/or interest is not a Business Day, payment shall be made on the next following Business Day; Bondholders shall have no right to claim payment of interest or other indemnity in respect of such delay in payment.

“**Business Day**” means a day (except a Saturday or Sunday) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System 2 (TARGET2) and the Clearing Systems settle payments in Euro as well as on which banks in Vienna are open to public business.

## § 7 Taxation

- (1) Additional Amounts. All payments in respect of the Bonds shall be made free and clear of, and without withholding or deduction at source for, present or future taxes or other duties of whatever nature imposed or levied by the Republic of Austria or on the account of it or by or on the account of any political subdivision or any tax authority of or in the Republic of Austria, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts (the “**Additional Amounts**”) as will by necessary to result in the Bondholders re-

pflchtigungen gegenüber den Anleihegläubigern. Es wird kein Auftrags- oder Treuhandverhältnis zwischen ihr und den Anleihegläubigern begründet.

- (4) Zahlung von Kapital und Zinsen. Die Emittentin verpflichtet sich, Kapital und Zinsen bei Fälligkeit in Euro zu bezahlen. Derartige Zahlungen erfolgen, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, über die Zahlstelle an die Clearingsysteme oder an deren Order zur Gutschrift für die jeweiligen Kontoinhaber. Die Zahlung an das maßgebliche Clearingsystem oder an dessen Order, vorausgesetzt, die Teilschuldverschreibungen werden noch durch das Clearingsystem gehalten, befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Teilschuldverschreibungen.

- (5) Fälligkeitstag kein Geschäftstag. Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Zinsen kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; Anleihegläubiger sind nicht berechtigt, eine Zinszahlung oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

„**Geschäftstag**” ist ein Tag (außer einem Samstag oder Sonntag), an dem das Trans-European Automated Real-Time Gross Settlement Express Transfer System 2 (TARGET2) und die Clearingsysteme Zahlungen in Euro abwickeln sowie an dem Kreditinstitute in Wien zum öffentlichen Geschäftsbetrieb geöffnet sind.

## § 7 Steuern

- (1) Zusätzliche Beträge. Sämtliche auf die Teilschuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug an der Quelle von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Republik Österreich oder für deren Rechnung oder von oder für Rechnung einer Gebietskörperschaft oder Steuerbehörde der oder in der Republik Österreich auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen

ceiving the same amounts after such withholding or deduction corresponding to the amounts of principal and interest they would have received without such withholding or deduction.

(2) The obligation to pay such Additional Amounts shall not exist for such taxes and duties that:

- (a) are payable other than by withholding or deduction at source on payments of principal or interest on the Bonds; or
- (b) are payable because the Bondholder (i) by reason of having some connection with the Republic of Austria from a tax perspective other than the mere holding of a Bond or (ii) receives a payment of principal or interest on the Bonds from a coupon paying agent located in the Republic of Austria (within the meaning of § 95 of the Income Tax Act 1988 as amended or any successor provision thereto); or
- (c) are withheld or deducted by a paying agent provided that such payment could have been made by another paying agent without withholding or deduction; or
- (d) are deducted or withheld upon payment made by the Issuer in connection with a transfer to the Bondholders; or
- (e) were not payable if the Bondholder had asserted his entitlement to payment of principal or interest in due form within 30 days after the respective due date; or
- (f) are reimbursable pursuant to double taxation treaties or the fiscal laws of the Republic of Austria or are dischargeable at source pursuant to community law (EU); or

Beträge (die „**zusätzlichen Beträge**“) zahlen, die erforderlich sind, damit die den Anleihegläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen von Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Anleihegläubigern empfangen worden wären.

(2) Die Verpflichtung zur Zahlung solcher zusätzlichen Beträge besteht jedoch nicht für solche Steuern und Abgaben, die:

- (a) anders als durch Einbehalt oder Abzug an der Quelle auf Zahlungen von Kapital oder Zinsen aus den Teilschuldverschreibungen zu entrichten sind; oder
- (b) zahlbar sind, weil der Anleihegläubiger (i) zur Republik Österreich eine aus steuerlicher Sicht andere relevante Verbindung hat als den bloßen Umstand, dass er Inhaber der Teilschuldverschreibungen ist, oder (ii) eine Zahlung von Kapital oder Zinsen aus den Teilschuldverschreibungen von einer in der Republik Österreich befindlichen kuponauszahlenden Stelle (im Sinne des § 95 EStG 1988 idgF oder einer allfälligen entsprechenden Nachfolgebestimmung) erhält; oder
- (c) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
- (d) nach Zahlung durch die Emittentin im Rahmen des Transfers an den Anleihegläubiger abgezogen oder einbehalten werden; oder
- (e) nicht zahlbar wären, wenn der Anleihegläubiger den Anspruch auf die betreffende Zahlung von Kapital oder Zinsen ordnungsgemäß innerhalb von 30 Tagen nach dem jeweiligen Fälligkeitstag geltend gemacht hätte; oder
- (f) aufgrund eines Doppelbesteuerungsabkommens oder der Steuergesetze der Republik Österreich rückerstattbar wären oder aufgrund gemeinschaftsrechtlicher Bestimmungen (EU) an der Quelle entlastbar wären; oder

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| <p>(g) are imposed or levied due to or as a result of (i) an international treaty to which the Republic of Austria is a party or (ii) a regulation or directive due to or as a result of such an international treaty; or</p> <p>(h) are payable due to a change of law, such change becoming effective later than 30 days after the due date of the respective payment, or in case this payment is made later, after proper provision of all due amounts and a respective notice in accordance with § 13; or</p> <p>(i) were withheld or deducted by a paying agent pursuant to the directive 2003/48/EC or pursuant to the EU Withholding Tax Act (official gazette I no. 33/2004) or other statutory or administrative provisions enacted for the implementation of this directive;</p> <p>(j) would not have to be paid by a Bondholder if it could have obtained tax exemption or a tax restitution or tax rebate in a reasonable way.</p> | <p>(g) aufgrund oder infolge (i) eines internationalen Vertrages, dessen Partei die Republik Österreich ist oder (ii) einer Verordnung oder Richtlinie aufgrund oder infolge eines solchen internationalen Vertrages auferlegt oder erhoben werden; oder</p> <p>(h) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder - wenn die Zahlung später erfolgt - nach ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird; oder</p> <p>(i) von einer Zahlstelle auf Grund der Richtlinie 2003/48/EG einbehalten oder abgezogen wurden, oder auf Grund des EU-QuStG (BGBl I Nr. 33/2004) oder anderer Rechts- und Verwaltungsvorschriften, welche zur Umsetzung dieser Richtlinie erlassen wurden; oder</p> <p>(j) von einem Anleihegläubiger nicht zu leisten wären, soweit er in zumutbarer Weise Steuerfreiheit oder eine Steuererstattung oder eine Steuervergütung hätte erlangen können.</p> |
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### § 8

#### Right of termination for Bondholders

- (1) Each Bondholder shall be entitled to terminate his Bonds for cause and to demand immediate redemption at their Principal Amount together with accrued interest to the date of redemption if:
- (a) the Issuer fails to pay principal or interest within 7 days after the respective due date; or
- (b) the Issuer fails to duly comply with any other substantial obligation from the Bonds and such failure continues more than 14 calendar days upon receipt of a Bondholder's notice or a notice by the Paying Agent related thereto by the Issuer; or

### § 8

#### Kündigungsrecht der Anleihegläubiger

- (1) Jeder Anleihegläubiger ist berechtigt, seine Teilschuldverschreibungen zu kündigen und deren sofortige Rückzahlung zum Nennbetrag, zuzüglich allfälliger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:
- (a) die Emittentin Kapital oder Zinsen nicht innerhalb von 7 Kalendertagen nach dem jeweiligen Fälligkeitstag zahlt; oder
- (b) die Emittentin die ordnungsgemäße Erfüllung irgendeiner anderen wesentlichen Verpflichtung aus den Teilschuldverschreibungen unterlässt und die Unterlassung länger als 14 Kalendertage fort dauert, nachdem die Emittentin hierüber eine Benachrichtigung von einem Anleihegläubiger oder der Zahlstelle erhalten hat; oder

- (c) (i) an obligation of the Issuer or a Material Subsidiary which was legally recognised by an (arbitration) court or an administrative authority or (ii) a claim expressly acknowledged by the Issuer, each in an amount exceeding EUR 10,000,000 (or the equivalent thereof in another currency) is not performed and such non-performance persists longer than four weeks upon receipt of a Bondholder's notice or a notice by the Paying Agent related thereto by the Issuer; or
- (d) a Security created for a claim of the Issuer is realised by a contractual party with the consent of the Issuer and the ability of the Issuer to satisfy claims under the Bonds is thereby materially affected; or
- (e) the Issuer or a Material Subsidiary suspends payments or publicly announces its illiquidity or over-indebtedness, or offers its creditors a general arrangement for the payment of its obligations; or
- (f) any order shall be made by a court to open insolvency proceedings against the Issuer or a Material Subsidiary or such insolvency proceedings are declined for lack of cost covering assets; or
- (g) the Issuer or a Material Subsidiary (i) ceases all or substantially all of its business operations, or (ii) sells or disposes of its assets or substantial parts thereof, or (iii) concludes agreements, which are not at arm's length, with affiliated companies, and this has a material adverse effect on the economic, financial and/or profit situation of the Issuer; or
- (h) the Issuer or a Material Subsidiary enters into liquidation, save for the purpose of amalgamation or any other form of merger or a restructuring (other than
- (c) (i) eine von einem (Schieds-)Gericht oder einer Verwaltungsbehörde rechtskräftig festgestellte Schuld der Emittentin oder einer wesentlichen Konzerngesellschaft oder (ii) eine von der Emittentin ausdrücklich anerkannte Forderung mit jeweils einem EUR 10.000.000 (oder dem Gegenwert in einer anderen Währung) übersteigenden Betrag nicht erfüllt wird und diese Nichterfüllung länger als vier Wochen fort dauert, nachdem die Emittentin hierüber von einem Anleihegläubiger oder der Zahlstelle eine Benachrichtigung erhalten hat; oder
- (d) eine für eine Verbindlichkeit der Emittentin bestellte Sicherheit von einer Vertragspartei unter Zustimmung der Emittentin verwertet wird und es dadurch zu einer wesentlichen Beeinträchtigung der Fähigkeit der Emittentin kommt, ihre Verbindlichkeiten aus den Teilschuldverschreibungen zu bedienen; oder
- (e) die Emittentin oder eine wesentliche Konzerngesellschaft ihre Zahlungen einstellt oder ihre Zahlungsunfähigkeit oder Überschuldung allgemein bekannt gibt, oder ihren Gläubigern eine allgemeine Regelung zur Bezahlung ihrer Schulden anbietet; oder
- (f) ein Gericht ein Insolvenzverfahren gegen die Emittentin oder eine wesentliche Konzerngesellschaft eröffnet oder ein solches Insolvenzverfahren mangels kostendeckenden Vermögens abgelehnt wird; oder
- (g) die Emittentin oder eine wesentliche Konzerngesellschaft (i) ihre Geschäftstätigkeit ganz oder überwiegend einstellt, oder (ii) alle oder wesentliche Teile ihrer Vermögenswerte veräußert oder anderweitig abgibt, oder (iii) nicht fremdübliche Geschäfte mit verbundenen Unternehmen abschließt, und sich die Vermögens-, Finanz- und/oder Ertragslage der Emittentin dadurch wesentlich verschlechtert, oder
- (h) die Emittentin oder eine wesentliche Konzerngesellschaft in Liquidation (in einer anderen Form als in Absatz § 8 (1)(k) unten) tritt, es sei denn, dies

in a form as described in § 8 para (1)(k) below) and all obligations under these Bonds will be taken over by the other or the new company and the creditworthiness of this company is equal or higher than those of the Issuer; or

- (i) a Change of Control (as defined below) occurs and such change of control leads to a material adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds. The Issuer shall announce a change of control immediately as set forth in § 13. A termination according to this § 8 para (1)(i) shall only be effective if the Default Notice according to § 8 para (2) is given within 30 days after the announcement of the change of control; or
- (j) the Issuer violates its obligations pursuant to § 2
- (k) the Core Shareholder (as defined below) is combined with the Issuer by any form of merger into, amalgamation or any other form of restructuring with the Issuer and the resulting entity does not within a period of 90 days following registration of such merger with the companies register of the competent commercial court obtain a credit rating of at least (i) BBB- by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc., (ii) Baa3 by Moody's Investors Services Ltd. or (iii) BBB- by Fitch Ratings Ltd (or any successor entity respectively). A termination according to this § 8 para (1)(k) shall only be effective if the Default Notice according to § 8 para (4) is received by the Paying Agent within 30 days after the publication of the notice in accordance with § 8 para (2). Redemption according to this § 8 para (1)(k) shall only be made 90 days after the publication of the notice in accordance with § 8 para (2).

geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses oder einer Umstrukturierung und sämtliche Verpflichtungen aus diesen Teilschuldverschreibungen von der anderen oder neuen Gesellschaft übernommen werden und die Kreditwürdigkeit dieser Gesellschaft gleich oder höher als die der Emittentin ist; oder

- (i) ein Kontrollwechsel (wie unten definiert) erfolgt und dieser Kontrollwechsel zu einer wesentlichen Beeinträchtigung der Fähigkeit der Emittentin führt, ihre Verpflichtungen aus den Teilschuldverschreibungen zu erfüllen. Die Emittentin wird einen Kontrollwechsel unverzüglich gemäß § 13 bekannt machen. Eine Kündigung nach diesem § 8 Absatz (1)(i) ist nur gültig, wenn die entsprechende Kündigungserklärung gemäß § 8 Absatz (2) innerhalb von 30 Tagen nach der Bekanntmachung des Kontrollwechsels erfolgt; oder
- (j) die Emittentin gegen eine ihrer Verpflichtungen nach dem § 2 verstößt.
- (k) Der Hauptgesellschafter (wie unten definiert) wird mit der Emittentin durch irgendeine Form von Verschmelzung, Vereinigung oder irgendeine andere Restrukturierungsform verbunden und die so zusammengeführte Gesellschaft erhält innerhalb eines Zeitraums von 90 Tagen nach Eintragung dieser Vereinigung im Firmenbuch beim zuständigen Handelsgericht nicht ein Kreditrating von zumindestens (i) BBB- von Standard & Poor's Rating Services einer Abteilung der The McGraw-Hill Companies Inc., (ii) Baa3 durch Moody's Investors Services Ltd. oder (iii) BBB- durch Fitch Ratings Ltd (oder jeweils einer Nachfolgegesellschaft). Eine Kündigung gemäß diesem § 8 Absatz (1)(k) kann nur wirksam werden, wenn die Zahlstelle die Kündigungserklärung gemäß § 8 Absatz (4) innerhalb von 30 Tagen nach Veröffentlichung der Kündigungsgrundmitteilung gemäß § 8 Absatz (2) erhält. Eine Rückzahlung gemäß diesem § 8 Absatz (1)(k) ist erst 90 Tage nach Veröffentlichung der Kündigungsgrundmitteilung gemäß § 8 Absatz (2) fällig.

“**Material Subsidiary**” pursuant to this § 8 means a subsidiary (in the sense of § 15 Austrian Stock Corporation Act) of the Issuer, (i) the rental income of which based on the most recent published annual report exceeded 10% of the consolidated rental income of the Issuer’s group of companies and (ii) the consolidated total assets of which based on the most recent annual report exceeded 10% of the consolidated total assets of the Issuer.

In case of a discrepancy as to the existence of a Material Subsidiary, a report of the Issuer’s auditor obtained in such case which states that in his view, on the basis of the most recent audited consolidated financial statements and taking into consideration the above definition, a subsidiary of the Issuer is or is not or was or was not a Material Subsidiary shall (in the absence of an obvious mistake) be binding and final on all parties.

As “**Change of Control**” shall be deemed the obtainment of a controlling participation in the Issuer within the meaning of the Austrian Takeover Act by a person or any persons acting in concert or any third person or persons acting on behalf of any such person(s), who at the time of issuance of the Bonds have no controlling interest;

“**Core Shareholder**” means IMMOFINANZ AG with a 26% stake in the Issuer.

- (2) Upon the occurrence of an event which entitles the Bondholders to terminate their Bonds for cause pursuant to § 8 para (1), the Issuer shall publish a notice hereof in accordance with § 13 within 3 Business Days after (i) the occurrence of such event and, for the avoidance of doubt, (ii) any cure period being elapsed without the respective event of default being remedied by the Issuer.

Als „**wesentliche Konzerngesellschaft**” im Sinne dieses § 8 gilt ein Konzernunternehmen (iSd § 15 AktG) der Emittentin, (i) dessen Mieterlöse auf Basis des letzten veröffentlichten jährlichen Geschäftsberichts mehr als 10% der konsolidierten Konzernmieterlöse der Unternehmensgruppe der Emittentin und (ii) dessen konsolidierte Bilanzsumme auf Basis des letzten veröffentlichten Geschäftsberichts mehr als 10% der Konzernbilanzsumme der Emittentin erreicht.

Wenn es eine Meinungsverschiedenheit über das Vorliegen einer wesentlichen Konzerngesellschaft gibt, ist ein in diesem Fall eingeholter Bericht des Abschlussprüfers der Emittentin, dass nach seiner Auffassung auf Basis des letzten geprüften Konzernabschlusses der Emittentin und im Sinne der obigen Definition eine Tochtergesellschaft der Emittentin eine wesentliche Tochtergesellschaft ist oder nicht ist oder war oder nicht war, für alle Parteien (sofern kein offensichtlicher Fehler vorliegt) endgültig und bindend.

Als „**Kontrollwechsel**” im Sinn dieses § 8 gilt die Erlangung einer kontrollierenden Beteiligung an der Emittentin im Sinn des österreichischen Übernahmegesetzes durch eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder Personen, welche im Namen einer solchen Person oder solcher Personen handeln, der/die im Zeitpunkt der Begebung der Anleihe nicht über eine kontrollierende Beteiligung verfügen.

“**Hauptaktionär**” bedeutet IMMOFINANZ AG mit einer 26%-igen Beteiligung an der Emittentin.

- (2) Sobald ein Ereignis eingetreten ist, das die Anleihegläubiger zur Kündigung ihrer Teilschuldverschreibungen gemäß § 8 Abs (1) berechtigt, wird die Emittentin binnen 3 Geschäftstagen nach (i) dem Eintritt dieses Ereignisses und, zur Vermeidung von Zweifeln, (ii) der Heilungsfrist, die ohne Beseitigung des Kündigungsgrunds durch die Emittentin abgelaufen ist, eine Mitteilung hierüber gemäß § 13 veröffentlichen.

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| <p>(3) The right to declare Bonds due shall lapse if the event of default has been cured before the right is validly exercised.</p> <p>(4) Any notices of the Bondholders addressed to the Paying Agent, in particular any notice to terminate Bonds (a “<b>Default Notice</b>”) in accordance with para (1) above shall be made by means of a written declaration in German language delivered to the Paying Agent with registered letter. Notwithstanding para (2), notices become effective upon receipt by the Paying Agent. The notice shall be accompanied by a proof that such Bondholder at the time of the notice is a holder of the relevant Bonds. The proof can be a certificate of the custodian bank or in any other appropriate manner.</p> | <p>(3) Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor wirksamer Ausübung des Kündigungsrechts geheilt wurde.</p> <p>(4) Alle Mitteilungen der Anleihegläubiger an die Zahlstelle, insbesondere eine Kündigung der Teilschuldverschreibungen (eine „<b>Kündigungserklärung</b>”) gemäß Absatz (1), sind schriftlich in deutscher Sprache per Einschreiben an die Zahlstelle zu übermitteln. Mitteilungen werden (vorbehaltlich Absatz (2)) mit Zugang an die Zahlstelle wirksam. Der Mitteilung ist ein Nachweis darüber beizufügen, dass der betreffende Anleihegläubiger zum Zeitpunkt der Mitteilung Inhaber der betreffenden Teilschuldverschreibungen ist. Der Nachweis kann durch eine Bescheinigung der Depotbank oder auf andere geeignete Weise erbracht werden.</p> |
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**§ 9**  
**Covenants**

- (1) Limitations on the Incurrence of Financial Indebtedness. The Issuer undertakes that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness (except for Financial Indebtedness for refinancing existing Financial Indebtedness with an aggregate principal amount that is equal to or less than the aggregate principal amount of the refinanced Financial Indebtedness) if, immediately after giving effect to the incurrence of such additional Financial Indebtedness (taking into account the application of the net proceeds of such incurrence),

the ratio of (i) the sum of (x) the Consolidated Net Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (y) the Net Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the sum of (without duplication) (x) the Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, (y) the purchase price

**§ 9**  
**Verpflichtungserklärungen**

- (1) Beschränkungen für das Eingehen von Finanzverbindlichkeiten. Die Emittentin verpflichtet sich, nach dem Begebungstag keine Finanzverbindlichkeiten (mit Ausnahme von Finanzverbindlichkeiten zur Refinanzierung bestehender Finanzverbindlichkeiten mit einem Gesamtnennbetrag, der dem Gesamtnennbetrag der refinanzierten Finanzverbindlichkeiten entspricht oder diesen unterschreitet) einzugehen und sicherzustellen, dass ihre Tochtergesellschaften nach dem Begebungstag keine Finanzverbindlichkeiten eingehen, wenn unmittelbar nach dem wirksamen Eingehen solcher weiterer Finanzverbindlichkeiten (unter Berücksichtigung der Verwendung der damit erzielten Nettoerlöse),

das Verhältnis (i) der Summe (x) der Konsolidierten Nettofinanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, und (y) der Nettofinanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, zu (ii) der Summe (unter Ausschluss einer Doppelberücksichtigung) (x) der Summe Aktiva zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der



of any Real Estate Property acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness) (such ratio, with respect to any date, the “**Loan-to-Value Ratio**” as of that date) would exceed 60 %.

(2) *Reports.* For so long as any Bonds are outstanding, the Issuer shall post on its website,

(a) within 120 days after the end of each of the Issuer’s fiscal years, annual reports containing the audited consolidated financial statements in accordance with IFRS as adopted by the EU and the management report in accordance with section 267 of the Austrian Commercial Code (*Unternehmensgesetzbuch*); and

(b) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Issuer, unaudited condensed consolidated quarterly financial statements in accordance with IFRS as adopted by the EU and the requirements of section 87 of the Austrian Stock Exchange Act (*Börsegesetz*).

“**Consolidated Financial Statements**” means, with respect to any person, the consolidated financial statements and notes to those financial statements of that person and its subsidiaries prepared in accordance with IFRS as adopted by the EU.

“**Consolidated Net Financial Indebtedness**” pursuant to this § 9 means the financial indebtedness of the Issuer and any of its Subsidiaries minus Cash and Cash Equivalents of the Issuer and any of its subsidiaries, each calculated on a consolidated basis and in ac-

Emittentin veröffentlicht worden ist, (y) des Kaufpreises für Immobilienvermögen, das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) des Erlöses aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) (dieses Verhältnis in Bezug auf einen beliebigen Zeitpunkt der “**Verschuldungsgrad (LTV)**” zu dem entsprechenden Zeitpunkt) 60 % überstiege.

(2) *Berichte.* Solange Schuldverschreibungen ausstehen, veröffentlicht die Emittentin die folgenden Angaben auf ihrer Internetseite:

(a) Innerhalb von 120 Tagen nach dem Ende des Geschäftsjahrs der Emittentin einen Geschäftsbericht mit einem geprüften Konzernabschluss nach den in der EU anwendbaren International Financial Reporting Standards (IFRS) und einem Lagebericht nach § 267 UGB; und

(b) innerhalb von 60 Tagen nach dem Ende jedes der ersten drei Quartale jedes Geschäftsjahrs der Emittentin einen ungeprüften verkürzten Konzern-Zwischenabschluss nach den in der EU anwendbaren IFRS und den Anforderungen des § 87 BörseG.

“**Konzernabschluss**” bezeichnet in Bezug auf eine Person den nach den in der EU anwendbaren IFRS erstellten Konzernabschluss mit Anhang für diese Person und ihre Tochterunternehmen.

“**Konsolidierte Nettofinanzverbindlichkeiten**” im Sinne dieses § 9 bezeichnet die nach den in der EU anwendbaren IFRS ermittelten Finanzverbindlichkeiten der Emittentin und ihrer Tochtergesellschaften auf konsolidierter Basis abzüglich Zahlungsmittel und Zah-

cordance with IFRS as adopted by the EU, other than any amount raised pursuant to the issue of any bond, note, debenture or any similar instrument the repayment obligation under which qualifies as “equity” on a consolidated basis under IFRS as adopted by the EU.

“**Financial Indebtedness**” pursuant to this § 9 means (without duplication) any indebtedness (excluding any indebtedness owed to another member of the Group) for or in respect of:

- (i) money borrowed;
- (ii) any amount raised by acceptance under any acceptance credit facility or a dematerialised equivalent;
- (iii) any amount raised pursuant to the issue of bonds, notes, commercial papers or any similar instrument, other than any amount raised pursuant to the issue of any bond, note, debenture or any similar instrument the repayment obligation under which qualifies as “equity” on a consolidated basis under IFRS as adopted by the EU;
- (iv) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (v) any amounts raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding bank guarantee facilities made or to be made available by financial institutions to the Issuer or a Subsidiary under which the Issuer or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favor of a person who agrees to purchase a Real Estate Property owned by the Issuer or a Subsidiary;
- (vi) any counter-indemnity obligation in re-

lungsmitteläquivalente der Emittentin und ihrer Tochtergesellschaften auf konsolidierter Basis, mit Ausnahme von aufgenommenen Beträgen aus der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder vergleichbaren Instrumenten, wenn die Rückzahlungsverpflichtung daraus nach den in der EU anwendbaren IFRS als Eigenkapital (*equity*) auf konsolidierter Basis gilt.

“**Finanzverbindlichkeiten**” im Sinne dieses § 9 bezeichnet (unter Ausschluss einer Doppelberücksichtigung) alle Verbindlichkeiten (ausgenommen solche gegenüber anderen Mitgliedern der Gruppe) aus:

- (i) aufgenommenen Geldern;
- (ii) allen im Rahmen von Akzeptkrediten oder eines dematerialisierten Äquivalents aufgenommenen Beträge;
- (iii) im Rahmen von der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder vergleichbaren Instrumenten aufgenommenen Beträgen, mit Ausnahme von aufgenommenen Beträgen aus der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder vergleichbaren Instrumenten, wenn die Rückzahlungsverpflichtung daraus nach den in der EU anwendbaren IFRS als Eigenkapital (*equity*) auf konsolidierter Basis gilt;
- (iv) veräußerten oder diskontierten Forderungen (außer bei einem Forderungsverkauf ohne Rückgriffsrecht);
- (v) der Aufnahme von Beträgen im Rahmen anderer Rechtsgeschäfte (einschließlich Termingeschäften), die die wirtschaftliche Wirkung einer Kreditaufnahme haben, ausgenommen jedoch Bankgarantie-Fazilitäten, die der Emittentin oder einer Tochtergesellschaft von Finanzinstituten gewährt werden oder gewährt werden sollen und in deren Rahmen die Emittentin bzw. die jeweilige Tochtergesellschaft die Ausstellung einer oder mehrerer Bankgarantien zugunsten einer Person verlangen kann, die sich zum Erwerb von Immobilienvermögen von der Emittentin oder einer Tochtergesellschaft verpflichtet hat;
- (vi) einer Gegenverpflichtung zur Freistel-

spect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

- (vii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vi) above,

in each such case only if and to the extent the relevant amount or obligation is recorded as “*indebtedness*” in accordance with IFRS as adopted by EU.

“**Net Financial Indebtedness**” pursuant to this § 9 means the difference between (a) the nominal amount of Financial Indebtedness incurred minus the nominal amount of Financial Indebtedness repaid and (b) the nominal amount of Cash and Cash Equivalents received minus the nominal amount of Cash and Cash Equivalents paid.

“**Real Estate Property**” means (without duplication) the real estate property of the Issuer and the Subsidiaries that is recognised as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, or is required to be recognised in accordance with IFRS as adopted by the EU since the immediately preceding Reporting Date for which Consolidated Financial Statements of the issuer have been published, in the balance sheet items “investment properties”, “property, plant and equipment”, “land and buildings held for sale” or “assets held for sale” of the Consolidated Financial Statements of the Issuer.

“**Reporting Date**” pursuant to this § 9 means March 31, June 30, September 30 and December 31 of each year.

“**Total Assets**” means the value of the consolidated total assets of the Issuer and the Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Issuer prepared in accordance with as adopted by the EU IFRS, provided that “Total Assets” shall include the proceeds

lung in Bezug auf eine Bürgschaft, eine Freistellungsverpflichtung, eine Garantie, ein Garantie- oder Dokumentenkreditiv oder ein anderes von einer Bank oder einem Finanzinstitut ausgestelltes Instrument; und

- (vii) Verbindlichkeiten aus einer Garantie, Bürgschaft oder Freistellungsverpflichtung in Bezug auf Verbindlichkeiten der in den vorstehenden Absätzen (i) bis (vi) genannten Art,

jeweils nur falls und soweit der jeweilige Betrag oder die jeweilige Verpflichtung nach den in der EU anwendbaren IFRS als „*Verbindlichkeit*” erfasst wird.

“**Nettofinanzverbindlichkeiten**” im Sinne dieses § 9 bezeichnet die Differenz aus (a) dem Nennbetrag der eingegangenen Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Finanzverbindlichkeiten und (b) dem Nennbetrag der eingegangenen Zahlungsmittel und Zahlungsmitteläquivalente abzüglich der ausbezahlten Zahlungsmittel und Zahlungsmitteläquivalente.

“**Immobilienvermögen**” bezeichnet (unter Ausschluss einer Doppelberücksichtigung) das im Konzernabschluss der Emittentin in den Bilanzpositionen „als Finanzinvestition gehaltene Immobilien”, „Sachanlagen”, „zum Verkauf bestimmte Grundstücke und Gebäude” oder „zur Veräußerung gehaltene Vermögenswerte” zum unmittelbar vorausgehenden Berichtsstichtag, zu dem Konzernabschlüsse der Emittentin veröffentlicht worden sind, angesetzt oder nach den in der EU anwendbaren IFRS seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, anzusetzende Immobilienvermögen der Emittentin und der Tochtergesellschaften.

“**Berichtsstichtag**” im Sinne dieses § 9 ist der 31. März, 30. Juni, 30. September und 31. Dezember eines jeden Jahres.

“**Summe Aktiva**” bezeichnet den Wert der konsolidierten Bilanzsumme der Emittentin und der Tochtergesellschaften, der in einer nach den in der EU anwendbaren IFRS erstellten konsolidierten Bilanz der Emittentin erscheint oder erschienen würde, wobei die „Summe Aktiva” die Zuflüsse aus den ein-

of the Financial Indebtedness to be incurred.

zugehenden Finanzverbindlichkeiten einschließt.

### **§ 10 Prescription**

Entitlement to payment of interest prescribes three years, entitlement to payment of principal prescribes thirty years after the date when such payment was due.

### **§ 10 Verjährung**

Ansprüche auf die Zahlung von Zinsen verjähren nach drei Jahren, Ansprüche auf die Zahlung von Kapital verjähren nach dreißig Jahren ab Fälligkeit.

### **§ 11 Listing**

Application has been made for admission of the Bonds to trading on the Luxembourg Stock Exchange's Regulated Market and application will be made for admission to trading on the Second Regulated Market of the Vienna Stock Exchange.

### **§ 11 Börseinführung**

Die Zulassung der Teilschuldverschreibungen zum Handel am Regierten Markt der Börse von Luxemburg wurde beantragt und die Zulassung der Teilschuldverschreibungen zum Regierten Freiverkehr an der Wiener Börse wird beantragt werden.

### **§ 12 Issue of further Bonds, purchase and cancellation**

- (1) Issue of further bonds. The Issuer may without the consent of the Bondholders issue further bonds having the same conditions so that those bonds constitute a single series with the this Bonds.
- (2) Purchase. The Issuer is entitled to purchase its own Bonds in the market or elsewhere at any price. The purchased Bonds may at the Issuer's option be held, resold or handed in to the Paying Agent for the purpose of cancellation.
- (3) Cancellation. All Bonds completely redeemed must be cancelled without delay and cannot be reissued or sold again.

### **§ 12 Emission weiterer Teilschuldverschreibungen, Ankauf, Entwertung**

- (1) Emission weiterer Teilschuldverschreibungen. Die Emittentin kann ohne die Zustimmung der Anleihegläubiger weiterer Teilschuldverschreibungen mit gleicher Ausstattung begeben, sodass sie mit diesen Teilschuldverschreibungen eine einheitliche Serie bilden.
- (2) Ankauf. Die Emittentin ist berechtigt, Teilschuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Teilschuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.
- (3) Entwertung. Sämtliche vollständig zurückgezahlten Teilschuldverschreibungen sind unverzüglich zu entwerten und können nicht wieder emittiert oder wieder verkauft werden.

### **§ 13 Notices**

- (1) All notices concerning the Bonds will be published in accordance with Article 16 of the *Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières* (the Luxembourg prospectus law) or in the *Amtsblatt zur*

### **§ 13 Bekanntmachungen**

- (1) Alle die Teilschuldverschreibungen betreffenden Mitteilungen an die Anleihegläubiger sind gemäß Artikel 16 des *loi relative aux prospectus pour valeurs mobilières* (Luxemburger Prospektgesetz) oder im *Amtsblatt zur*

*Wiener Zeitung* or, if it ceases to be published, in any other daily newspaper published in Austria. Any notice so given will be deemed to have been validly given on the date of such publication.

- (2) If the Bonds are admitted to trading on a regulated market, all notices to the Bondholders shall be deemed to be validly effected, if they are published by electronic means within the European Union and the country of the relevant regulated market where the Bonds are listed, through electronic publication, so long as the listing continues and the rules of the relevant stock exchange so require. Each such notification will be deemed to have been validly given on the date of the first publication; if notification is required by more than one electronic means, the day when the notice is first published by all such required electronic means, shall be relevant.

#### § 14

##### **Governing law, Jurisdiction, partial invalidity**

- (1) Governing law, place of performance. The Bonds as well as all rights and obligations thereof shall be governed by Austrian law excluding the conflict of law rules of the Austrian international private law insofar as such rules would lead to the application of foreign law. Place of performance is Vienna, Austria.
- (2) Place of jurisdiction. For all disputes in connection with these Terms and Conditions the court competent for commercial matters in Vienna shall have exclusive jurisdiction.
- (3) Place of jurisdiction for consumers. For claims of a consumer against the Issuer at the consumer's option the competent court where the consumer has its domicile or the Issuer has its seat, or another competent court on the basis of statutory legal provisions, shall be competent.

The general place of jurisdiction for claims of consumers due to subscription of the

*Wiener Zeitung* oder, falls diese ihr Erscheinen einstellt, in einer anderen Tageszeitung mit Verbreitung in ganz Österreich zu veröffentlichen. Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung als wirksam erfolgt.

- (2) Falls die Teilschuldverschreibungen zum Handel an einem geregelten Markt zugelassen werden, gelten sämtliche Mitteilungen an die Anleihegläubiger als ordnungsgemäß bekannt gemacht, wenn sie durch elektronische Mitteilungsform mit Verbreitung innerhalb der Europäischen Union und dem Staat des jeweiligen geregelten Marktes, an der Teilschuldverschreibungen notiert sind, durch elektronische Veröffentlichung veröffentlicht werden, solange diese Notierung fort dauert und die Regeln der jeweiligen Börse dies erfordern. Jede Mitteilung gilt mit dem Tag der ersten Veröffentlichung als bekannt gemacht; falls eine Veröffentlichung in mehr als einer elektronischen Mitteilungsform vorgeschrieben ist, ist der Tag maßgeblich an dem die Bekanntmachung erstmals in allen erforderlichen elektronischen Mitteilungsformen erfolgt ist.

#### § 14

##### **Anwendbares Recht, Gerichtsstand, Teilnichtigkeit**

- (1) Anwendbares Recht, Erfüllungsort. Die Teilschuldverschreibungen sowie sämtliche Rechte und Pflichten daraus unterliegen österreichischem Recht unter Ausschluss der Verweisungsnormen des österreichischen internationalen Privatrechts sofern diese zur Anwendbarkeit fremden Rechts führen würden. Erfüllungsort ist Wien, Österreich.
- (2) Gerichtsstand. Für alle Rechtsstreitigkeiten im Zusammenhang mit diesen Anleihebedingungen ist das für Handelssachen jeweils zuständige Gericht in Wien ausschließlich zuständig.
- (3) Verbrauchergerichtsstände. Für Klagen eines Verbrauchers gegen die Emittentin ist nach Wahl des Verbrauchers das zuständige Gericht am Wohnsitz des Verbrauchers oder am Sitz des Emittenten oder ein sonstiges, aufgrund der gesetzlichen Bestimmungen zuständiges Gericht zuständig.

Der für Klagen eines Verbrauchers bei Zeichnung der Teilschuldverschreibungen

Bonds remains upheld, even if the consumer after subscription transfers its domicile abroad and Austrian legal rulings are enforceable in such jurisdiction.

gegebene allgemeine Gerichtsstand in Österreich bleibt auch dann erhalten, wenn der Verbraucher nach Zeichnung seinen Wohnsitz ins Ausland verlegt und österreichische gerichtliche Entscheidungen in diesem Land vollstreckbar sind.

(4) Partial invalidity. If a provision in these Terms and Conditions becomes legally invalid, in whole or in part, the remaining provisions shall remain in effect.

(4) Teilnichtigkeit. Sollten einzelne Bestimmungen dieser Anleihebedingungen ganz oder teilweise rechtsunwirksam sein oder werden, so bleiben die übrigen Bestimmungen dieser Anleihebedingungen in Kraft.

### **§ 15 Language**

These Terms and Conditions are drawn up in the German language and provided with an English language translation. The German version shall be the only legally binding version. The English translation is for convenience only.

### **§ 15 Sprache**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung ist unverbindlich.

## TAXATION

*The following is a general overview of certain tax consequences under the tax laws of Austria and Luxembourg. It contains the information required on taxation by the Commission Regulation (EC) No 809/2004 of April 29, 2004. Information exceeding this information requirement is included herein solely for information purposes. This overview does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Bonds. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser, relates only to the position of persons who are absolute beneficial owners of the Bonds and may not apply to certain classes of persons such as dealers, certain professional investors or persons connected with the Issuer. This overview is based on the laws of Austria and Luxembourg (including the practice of the respective tax authorities of each jurisdiction) currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect. It is not intended to be, nor should it be construed to be, legal or tax advice.*

**PROSPECTIVE PURCHASERS OF BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE BONDS, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN AUSTRIA AND LUXEMBOURG AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

### **Taxation in Austria**

*The following is a general overview of certain Austrian tax aspects in connection with the Bonds. This overview is based on Austrian law as in force when drawing up this Prospectus. The laws and their interpretation by the tax authorities may change and such changes may also have retroactive effect. It cannot be ruled out that the Austrian tax authorities adopt a view different from that outlined below. Tax risks resulting from the Bonds shall in any case be borne by the investors. For the purposes of the following it is assumed that the Bonds are offered legally and factually to an indefinite number of persons.*

#### ***Austrian residents***

Income from the Bonds derived by individuals whose domicile or habitual abode is in Austria is subject to Austrian income tax pursuant to the provisions of the Austrian Income Tax Act (*Einkommensteuergesetz*).

Interest income from the Bonds is subject to a special (flat) income tax rate of 27.5%. If the interest is paid out to the Bondholder by an Austrian paying agent (*auszahlende Stelle*) the interest income from the Bonds is subject to Austrian withholding tax (*Kapitalertragsteuer*) at a rate of 27.5% which is withheld by the Austrian paying agent. An Austrian paying agent is an Austrian bank or an Austrian branch of a non-Austrian bank or investment firm which pays out or credits the interest income to the Bondholder, or the Issuer if it directly pays out the interest income to the Bondholder. Withholding tax on interest income generally has the effect of final taxation (*Endbesteuerung*) for individuals, irrespective of whether the Bonds are held as private assets or as business assets, i.e. no additional income tax is levied over and above the amount of tax withheld. If the interest income is not subject to Austrian withholding tax because there is no Austrian paying agent, the taxpayer will have to include the interest income derived from the Bonds in his personal income tax return; in this case it is, in general, subject to income tax at the special tax rate of 27.5%.

Furthermore, any realized capital gain (*Einkünfte aus realisierten Wertsteigerungen*) from the Bonds is subject to the special (flat) income tax rate of 27.5%. Realized capital gain means any income derived from the sale or redemption or other disposal of the Bonds. The tax base is, in general, the difference between the sales proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Expenses which are directly connected with income subject to the special flat tax rate are not deductible. For Bonds held as private assets, the acquisition costs shall not include incidental acquisition costs. For the calculation of the acquisition costs of Bonds held within the same securities

account and having the same securities identification number but which are acquired at different points in time, an average price shall apply.

Where an Austrian securities depository (*depotführende Stelle*) or paying agent is involved and pays out or settles realized capital gains from the Bonds, these also are subject to the 27.5% withholding tax. The withholding tax deduction will in general result in final income taxation for individuals holding the Bonds as private assets, provided that the investor has evidenced the factual acquisition costs of the Bonds to the securities depository. If the realized capital gain is not subject to Austrian withholding tax because there is no Austrian securities depository or paying agent, the taxpayer will have to include the realized capital gain derived from the Bonds in his personal income tax return; in this case they are subject to income tax at the special tax rate of 27.5%.

Withdrawals (*Entnahmen*) and other transfers of Bonds from the securities account will be treated as disposals (sales), unless specified exemptions will be fulfilled like the transfer of the Bonds to a securities account owned by the same taxpayer (i) with the same Austrian securities depository (bank), (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring Austrian bank to transmit the pertaining information to the competent tax office or has, in the case of transfers from a foreign account, himself notified the competent Austrian tax office within a month; or like the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the bank or the bank has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month. Special rules apply if a taxpayer transfers his residence outside of Austria or Austria loses for other reasons its taxation right in respect of the Bonds to other countries (which gives rise to a deemed capital gain and exit taxation with the option for deferred taxation upon application in certain cases of a transfer to an EU Member State or certain member states of the European Economic Area).

Individuals whose regular personal income tax is lower than the special flat tax rate may opt for taxation of the income derived from the Bonds at their regular personal income tax rate. Any tax withheld will then be credited against the income tax. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special flat tax rates pursuant to sec. 27a(1) of the Austrian Income Tax Act. Expenses in direct economical connection with such income are also not deductible if the option for taxation at the regular personal income tax rate is exercised.

Income from Bonds which are not offered to the public within the meaning of the Austrian Income Tax Act would not be subject to withholding tax and final taxation but subject to normal progressive personal income tax rates.

Losses from Bonds held by individuals as private assets may only be set off with other investment income subject to the special tax rate (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not be set off with any other income. Austrian tax law provides for a mandatory set-off by the Austrian securities depository of losses against investment income from securities accounts at the same securities depository (subject to certain exemptions). However, a carry-forward of such losses is not permitted.

Interest income and realized capital gains derived from the Bonds which are held as business assets are also subject to the special flat income tax rate of 27.5% which is deducted by way of the withholding tax. However, realized capital gains, contrary to interest income, have to be included in the tax return. The special income tax rate will only be applicable if such income is not a focus of the taxpayer's business activity. Write-downs and losses derived from the sale or redemption of Bonds held as business assets must primarily be set off against positive income from realized capital gains of financial instruments of the same business and only 55% of the remaining loss may be set off against any other income or carried forward.



Interest income and realized capital gains from the Bonds derived by corporate Bondholders whose seat or place of management is based in Austria is subject to 25% Austrian corporate income tax pursuant to the provisions of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*). Corporate Bondholders deriving business income from the Bonds may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*). There is, *inter alia*, a special tax regime for private foundations established under Austrian law (*Privatstiftungen*) (interim tax, no withholding tax).

The Issuer does not assume responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

### ***Non-residents***

Interest income and realized capital gains derived from the Bonds by individuals who do not have a domicile or their habitual abode in Austria or by corporate investors who do not have their corporate seat or their place of management in Austria (“**non-residents**”) in general are subject to the following:

For non-resident individuals interest income derived from the Bonds is subject to a 27.5% Austrian withholding tax (*Kapitalertragsteuer*) if such interest income is paid out through a paying agent or securities depository located in Austria. Taxable interest income from the Bonds includes accrued interest realized upon a sale or repayment of the Bonds. Interest income which is not subject to Austrian withholding tax (because it is not received through an Austrian paying agent or securities depository) is, however, not taxable in Austria.

There is an exemption from such withholding tax for interest income which is received by individuals resident in a jurisdiction with which an automatic exchange of financial account information in tax matters is in place provided that the respective Bondholder provides a certificate of residency to the paying agent.

Also applicable double tax treaties may provide for a reduction of, or relief from, such Austrian withholding tax. However, Austrian banks are not entitled to apply such double tax reduction or relief at source so that Bondholders wishing to obtain relief from the respective Austrian withholding tax under an applicable double tax treaty would have to file for a refund with the competent Austrian tax office which will require a certificate of residency issued by the competent authority of the Bondholder's state of residence.

For non-resident corporate Bondholders interest income and capital gains derived from the Bonds is not taxable in Austria.

Thus, non-resident corporate Bondholders – in case they receive income or capital gains from the Bonds through a securities depository or paying agent located in Austria – may avoid the application of Austrian withholding tax if they evidence their non resident-status vis-à-vis the paying agent by disclosing, *inter alia*, their identity and address pursuant to the provisions of the Austrian income tax guidelines. The provision of evidence that the Bondholder is not subject to Austrian withholding tax is the responsibility of the Bondholder.

If Austrian withholding tax is deducted by the securities depository or paying agent from any non-taxable payment, the tax withheld shall be refunded to the non-resident Bondholder upon his application which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax. Applications for refund may only be filed after the end of the calendar year when the withholding was made and require the submission of a certificate of residency issued by the competent authority of the Bondholder's state of residence.

The Issuer does not assume responsibility for withholding tax at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Where non-residents receive income from the Bonds as part of business income taxable in Austria (e.g. permanent establishment), they will, in general, be subject to the same tax treatment as resident investors.

### ***Other taxes***

There should be no transfer tax, registration tax or similar tax payable in Austria by Bondholders as a consequence of the acquisition, ownership, disposition or redemption of the Bonds. The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) was abolished with effect as of August 1, 2008. However, gifts from or to Austrian residents have to be notified to the tax authorities within a three months notification period. There are certain exemptions from such notification obligation, e.g. for gifts among relatives that do not exceed an aggregate amount of EUR 50,000 per year or gifts among unrelated persons that do not exceed an aggregate amount of EUR 15,000 within five years.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria.

Concerning the proposed financial transaction tax (“FTT”) please see below under “—*Proposed Financial Transaction Tax*”.

For a potential US withholding tax deduction under FATCA please see below “*U.S. Foreign Account Tax Compliance Withholding*”.

The Issuer does not assume responsibility for any such tax and is not obliged to make additional payments in case of any such tax deductions.

### **Taxation Luxembourg**

The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Bonds. Each prospective holder or beneficial owner of the Bonds should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Bonds.

#### *Withholding tax*

Under Luxembourg tax law currently in effect and subject to the exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest).

In accordance with the law of December 23, 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents securing interest payments on behalf of Luxembourg individual residents are subject to a 20% withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

### **U.S. Foreign Account Tax Compliance Withholding**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.A. FEDERAL INCOME TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIR-

CULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASER SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The United States enacted rules under the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest), payments of gross proceeds from the certification or reporting requirements and certain other payments made by entities that are classified as financial institutions under FATCA. The United States has entered into IGAs regarding the implementation of FATCA with several other states.

Pursuant to FATCA, non-U.S. financial institutions through which payments on any Bonds are made may be required to withhold U.S. tax at a rate of 30% on all, or a portion of payments made after December 31, 2018 in respect of (i) any Bonds issued or materially modified after the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register and (ii) any Bonds which are treated as equity for U.S. federal tax purposes, whenever issued.

Whilst the Bonds are in global form and held within Clearstream Banking AG (the “**ICSD**”), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Bonds by the Issuer and any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the ICSD is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Bonds. Further, the foreign financial institutions in a jurisdiction which has entered into an IGA are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments the make.

It is not yet certain how the United States will address withholding on “foreign passthru payments” (as described in FATCA) or if such withholding will be required at all.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE BONDS AND THE BONDHOLDERS IS UNCERTAIN AT THIS TIME. EACH BONDHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH BONDHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

### **Proposed Financial Transaction Tax**

The European Commission has published a proposal for a Directive for a common Financial Transaction Tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. In December 2015 Estonia withdrew from the group of states willing to introduce the FTT (the “**Participating Member States**”).

The proposed FTT has very broad scope and could, if introduced, apply to certain dealings in Bonds (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Bonds where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including

- (a) by transacting with a person established in a Participating Member State or
- (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It is uncertain at the moment, if at all, when and in which form the FTT will be introduced.

Prospective Bondholders are advised to seek their own professional advice in relation to the FTT.

## SELLING RESTRICTIONS

### General

Each Joint Lead Manager has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Joint Lead Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Bonds or has in its possession or distributes any offering material relating to them.

### Public offer selling restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each financial intermediary represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Bonds, unless that from the Relevant Implementation Date in the Relevant Member State such public offer is admissible. This is the case:

- (a) after publication of a prospectus for the Bonds approved by the competent authority of the Relevant Member State or approved in another Relevant Member State and notified to the competent authority of the Relevant Member State;
- (b) to qualified investors in the meaning of the Prospectus Directive;
- (c) to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the Prospectus Directive), if the Joint Lead Managers gave their consent to such offer;  
or
- (d) in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

provided that no such offer of Bonds shall require the Issuer or the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Bonds to the public” in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC as amended and, for the purposes of this section, includes any relevant implementing measure in each Relevant Member State.

### United States of America and its territories

Each Joint Lead Manager has acknowledged that the Bonds have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States of America (the “**United States**”) to or for the account or benefit of, United States persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered and will offer, sell or deliver any Bonds within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Joint Lead Manager has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Bonds. Terms used in this subparagraph have the meaning given to them by Regulation S. The Bonds will be issued in accordance

with the provisions of United States Treasury Regulation § 1.163- 5(c)(2)(i)(D) (the “**TEFRA D Rules**” or “**TEFRA D**”).

- (a) Except to the extent permitted under TEFRA D, each Joint Lead Manager has represented that (i) it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Bonds to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions such Bonds that are sold during the restricted period;
- (b) Each Joint Lead Manager has represented that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such Bonds are aware that such Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) If it is a United States person, each Joint Lead Manager has represented that it is acquiring such Bonds for purposes of resale in connection with their original issuance and if it retains such Bonds for its own account, it will only do so in accordance with the requirements of the TEFRA D Rules; and
- (d) With respect to each affiliate that acquires such Bonds from a Joint Lead Manager for the purpose of offering or selling such Bonds during the restricted period, such Joint Lead Manager repeats and confirms the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate’s behalf.

Terms used in this subparagraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

#### **United Kingdom of Great Britain and Northern Ireland**

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

### Authorizations

The creation and issue of the Bonds has been authorised by a resolution of the Management Board of the Issuer dated February 9, 2017 and by a resolution of the Supervisory Board of the Issuer dated January 18, 2017.

### Reasons for the Offering and use of proceeds

In connection with the Offering of the Bonds, the Issuer expects to receive net proceeds of approximately EUR [●]. The Issuer makes the Offering and intends to use the net proceeds of the issue of the Bonds for the optimisation of debt and other general corporate purposes. The expected net proceeds are almost entirely earmarked for the early repayment of project-financed bank loans in CEE, irrespective of them being due for repayment or not, or rather for the substitution of planned bank financings. The repayment may also involve existing financing agreements between the Joint Lead Managers and the Issuer. Remaining net proceeds will be used for other general corporate purposes.

### Yield of the Bonds

Based on the Reoffer Price of [●]%, the yield for Bondholders which hold the Bonds until final maturity amounts to [●]%.

Based on the Issue Price of [●]%, the yield for Bondholders which hold the Bonds until final maturity amounts to [●]%.

### Clearance and settlement, paying agent, transferability

The Bonds have been accepted for clearance through OeKB CSD GmbH (“OeKB”), Strauchgasse 1-3, 1010 Vienna, Austria. The Bonds have been assigned the following securities code: ISIN AT0000A1TBC2.

Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria, is appointed as paying agent.

The Bonds are bearer securities and in general freely transferable. Restrictions on transferability can result from applicable laws and applicable regulations of the clearing systems.

### Listing and admission to trading

Application has been made to list the Bonds on the Official List of the Luxembourg Stock Exchange and to admit the Bonds to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*), and application will be made for admission to and trading on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange on or about the Issue Date. The Regulated Market of the Luxembourg Stock Exchange and the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange are regulated markets for the purposes of the Market and Financial Instruments Directive 2004/39/EC.

The following table sets forth the bonds issued by the Issuer which are currently listed on regulated markets:

Total amount in EUR	Term	Coupon	ISIN	Market
175,000,000	2015-2022	2.750%	AT00000A1CB33	Vienna Stock Exchange
150,000,000	2016-2023	2.750%	AT0000A1JVU3	Luxembourg Stock Exchange Vienna Stock Exchange
140,000,000	2016-2021	1.875%	AT0000A1LJH1	Luxembourg Stock Exchange Vienna Stock Exchange

Source: Internal data of the Issuer, as at the date of this Prospectus.

## **Ratings**

Detailed information on the rating can be found on the Issuer's website (<http://www.caimmo.com/investor-relations/anleihen>). General information regarding the meaning of the rating and the qualifications which have to be observed in connection therewith can be found on Moody's ([www.moody.com](http://www.moody.com)) websites.

Moody's has its registered office at One Canada Square, Canary Wharf, London E14 5FA, United Kingdom and is registered at Companies House in England.

Moody's is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of Council of September 16, 2009 on credit rating agencies as amended from time to time (credit rating agency regulation, the "**CRA Regulation**") as a registered rating agency. The European Securities and Markets Authority publishes on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list shall be updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation. The European Commission publishes that updated list in the Official Journal of the European Union within 30 days following the updates.

**A RATING IS NOT A RECOMMENDATION TO BUY, SELL OR HOLD SECURITIES AND MAY BE SUSPENDED, CHANGED OR WITHDRAWN AT ANY TIME BY THE ASSIGNING RATING AGENCY.**

### ***Credit Ratings of the Issuer***

As of the publication date of the Prospectus, the long term issuer rating assigned to the Issuer assigned to the Issuer by Moody's was Baa2 with negative outlook. Moody's defines the generic assessment classification "Baa2" in relation to the issuer as follows: "Issuers assessed Baa are judged to have medium-grade intrinsic, or standalone, financial strength, and thus subject to moderate credit risk and, as such, may possess certain speculative credit elements absent any possibility of extraordinary support from an affiliate or a government." Moody's appends numerical modifiers 1, 2, and 3 to each generic assessment classification, whereas the modifier 2 indicates a mid-range ranking of that generic rating category.

### ***Ratings assigned to the Bonds***

The issuer has ordered ratings to be assigned to the Bonds by Moody's. The rating is expected to be Baa2.

### **Significant changes and material adverse changes**

There has been no material adverse change in the prospects of the Group since December 31, 2015. There were no significant changes in the financial or trading position subsequent to September 30, 2016.

### **Websites**

For the avoidance of doubt the content of the websites [www.caimmo.com](http://www.caimmo.com) and [www.moody.com](http://www.moody.com), [www.bourse.lu](http://www.bourse.lu), [www.esma.europa.eu](http://www.esma.europa.eu) and [www.corporate-governance.at](http://www.corporate-governance.at) do not form part of this Prospectus.



## OFFER, SALE AND SUBSCRIPTION OF THE BONDS

### Offer of the Bonds

The Bonds will be offered through the Joint Lead Managers and other syndicate members (together the “**Managers**”) to institutional investors in the course of the bookbuilding procedure on or around February 15, 2017. It cannot be excluded that investors which do not qualify as institutional investors are addressed during this period. During the period from February 17, 2017 to, including, February 21, 2017) the Bonds will be offered through the Managers and other banking institutions to retail investors in Austria; accordingly, the Offer Period extends from February 10 through February 21, 2017 (the “**Offer Period**”). These institutions will supply retail investors with the relevant information on such orders. The Bonds will be issued on or about February 22, 2017.

Should the Issuer and the Joint Lead Managers determine any shortening or extension of the Offer Period (e.g., due to changing market conditions), such changes will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)); an extension of the Offer Period requires a supplement to the Prospectus pursuant to Article 13 of the Luxembourg Prospectus Law.

The International Securities Identification Number (ISIN) is AT0000A1TBC2.

### Subscription by the Managers

The Managers will enter with the Issuer into a subscription agreement on or about February 20, 2017 (the “**Subscription Agreement**”) in which they agree to subscribe for the Bonds. Each Manager will be entitled to withdraw from its obligations under the Subscription Agreement prior the value date if in its opinion a material adverse effect on the financial conditions of the Issuer (or its subsidiaries) occurs, the Issuer breaches contractual obligations in connection with the Offering, the technical implementation of trading the Bonds is impeded or restricted in the market elsewhere because of certain circumstances, a change in the national or international, financial, political, legal or fiscal conditions or a catastrophe or an emergency situation arises, which causes or may cause a material decrease in the market price of the Bonds, the Issuer did not fulfill a contractual condition for the payment of the issue proceeds or the contractual commitments of the Issuer are not correct or not met. In such event, no Bonds will be delivered to investors. Furthermore, the Issuer will agree in the Subscription Agreement to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

The Bonds will be subscribed by the Managers at the Reoffer Price less a management fee of 0.35% of the Principal Amount of the Bonds subscribed and distributed by the Managers with the consent of the Issuer. In addition, the Issuer has agreed to reimburse the Managers in respect of certain of their costs and expenses.

### Allotment, Admission to Trading, Pricing

There are no conditions to which the Offer is subject. In particular, there is no minimum or maximum amount of Bonds required to be purchased. Investors may place offers to purchase Bonds in any amount, subject to the Principal Amount of EUR 1,000 per Bond. Subscription rights for the Bonds will not be issued. No procedures are in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

Trading will commence, if an approval for listing of the Bonds on the Official List of the Luxembourg Stock Exchange is granted, and is expected on or about the Issue Date, and/or an approval for listing of the Bonds on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange is granted which is expected on or about the Issue Date.

Institutional investors may buy the Bonds at the Reoffer Price. The Issue Price at which retail investors may buy the Bonds during the Offer Period is determined on the basis of the Reoffer Price for institutional investors plus selling commission of up to 1.5%-points. The Reoffer Price for the Bonds is expected to range between 98% and 100% of the nominal amount of the Bonds. The Reoffer Price, the

Issue Price, the aggregate principal amount and the interest rate will be determined by the Issuer in consultation with the Joint Lead Managers on basis of the tenor of the Bonds, the yield and the demand by institutional investors in the course of the bookbuilding procedure on or around February 15, 2017 and will then, together with the yield of the Bonds, be filed with the CSSF in accordance with the Luxembourg Prospectus Law and published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) on or about February 16, 2017.

### **Material interests in the issue / the Offering including conflicts of interests**

The Issuer has the interest to raise additional debt capital through the Offering.

The Joint Lead Managers participated in the issue of the Bonds in the course of their ordinary business as credit institutions in order to gain management fees and selling commissions. The Joint Lead Managers or their affiliates and further members of the respective banking sector or connected companies may from time to time in the course of their ordinary business separately or jointly conduct further business relations with the Issuer, e.g. investment, advising or financial transactions, and continue to do so in the future and may continue to receive customary fees and commissions. Furthermore, there are existing financing agreements between the Joint Lead Managers and the Issuer. The Issuer may in the course of its normal financing activities use the proceeds of the issue of the Bonds to partly or entirely repay its existing financings with the Joint Lead Managers, irrespective of them being due for repayment or not. In this connection see *“Risk Factors— Key risks specific to the Bonds — The Issuer or the Joint Lead Managers can effect transactions which are not in the Bondholders’ interest, or other reasons may lead to conflicts of interest arising between the Issuer and the Bondholders. Moreover, there may be business relations between the Issuer and the Joint Lead Managers.”*

### **Confirmation of offers placed by, and allotments to, investors**

It is intended to allocate the amount of Bonds ordered by the investors. The acceptance takes place in accordance with the available Bonds in the order of receipt, whereas the Issuer and the Joint Lead Managers reserve the right to shorten without giving reason, asymmetrically accept or to decline a subscription order. Generally, if there are no remaining Bonds, no further subscription orders will be accepted. The Joint Lead Managers and the Issuer have reserved the right to prematurely terminate the Offer Period. In case of a premature termination all subscriptions for the Bonds received before termination of the Offer Period will remain valid and will be settled at the Issue Date.

### **Delivery of the Bonds to investors**

The Bonds are bearer bonds which will be delivered to those investors who have provided the respective funds required on the value date with their custodian bank (*Depotbank*). Delivery of the Bonds will be made by crediting the allotted Bonds on the respective investors’ deposit accounts on the value date on or about February 22, 2017. OeKB acts as central depository agent.

The Bonds will be represented by a modifiable global note (global note pursuant to § 24 lit b Austrian Depot Act) (the **“Global Note”**). The Global Note will be signed by authorised representatives of the Issuer and shall be authenticated by a securities controller. The right to have definitive notes or interest coupons issued is excluded. The Global Note for the Bonds will be deposited with OeKB for the tenor of the Bonds. The Bondholders hold proportionate co-ownership interests in the Global Note, which are transferable pursuant to the general terms and conditions of OeKB and applicable law outside of Austria pursuant to the terms and conditions of Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, 1855 Luxembourg, and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium.

### **Costs and expenses relating to the Offering**

The total expenses of the issue are expected to amount to TEUR 320 plus commissions payable to the Managers of 0.35% of the total issue volume. The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Bonds. The Managers and other banks may charge a

selling commission of up to 1.5%-points of the respective purchase price and depositary banks may charge customary charges and fees to the Bondholders.

### **Consent to use the Prospectus**

The Issuer gives its express consent to the use of the Prospectus for a subsequent resale or final placement of the Bonds in Austria by financial intermediaries between February 10, 2017 and February 21, 2017. Financial intermediaries can make a subsequent resale or final placement of Bonds during this period. **Any financial intermediary using the prospectus has to state on its website that it uses the prospectus in accordance with the consent and the conditions attached thereto.** The Issuer accepts responsibility for the content of the Prospectus also with respect to a subsequent resale or final placement of securities by any financial intermediary which was given consent to use the Prospectus; any liability of the Issuer beyond that is excluded. No other conditions are attached to the consent which are relevant for the use of the Prospectus. However, the Issuer may revoke or limit its consent at any time, whereby such revocation requires a supplement to the Prospectus. **In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

## DOCUMENTS INCORPORATED BY REFERENCE

### Finance Information

English translations of the consolidated financial statements of the Issuer for the business year from January 1, 2015 through December 31, 2015 (the “**Consolidated Annual Financial Statements 2015**”) as well as the English translations of the consolidated financial statements of the Issuer for the business year from January 1, 2014 through December 31, 2014 (the “**Consolidated Annual Financial Statements 2014**”, and together with the Consolidated Annual Financial Statements 2015, the “**Consolidated Annual Financial Statements**”), extracted from the English language annual reports 2015 and 2014 respectively, and the English translation of the unaudited condensed consolidated interim financial statements of the Issuer for the nine months from January 1, 2016 through September 30, 2016 (the “**Unaudited Consolidated Interim Financial Statements**” and together with the Consolidated Annual Financial Statements, the “**Consolidated Financial Statements**”), extracted from the English language financial report as of September 30, 2016 are incorporated by reference into this Prospectus and are defined as “**Documents Incorporated by Reference**”. This Prospectus should be read in conjunction with all Documents Incorporated by Reference which have been published and filed with CSSF and constitute a part of this Prospectus.

The Issuer has prepared the German language Consolidated Annual Financial Statements in accordance with International Financial Reporting Standards as adopted by the EU and the additional requirements pursuant to § 245a Austrian Commercial Code (*Unternehmensgesetzbuch*) (“**IFRS**”), and the German language Unaudited Consolidated Interim Financial Statements in accordance with International Financial Reporting Standards as adopted by the EU.

The Prospectus does not contain any other financial information than the Consolidated Annual Financial Statements that has been audited by an auditor. All financial information which is reflected in this Prospectus, in particular the information under the heading “Presentation of Financial and other Information” was extracted and derived from the Consolidated Financial Statements, unless explicitly indicated in this Prospectus.

### Auditors

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Porzellangasse 51, 1090 Vienna, Austria, member of the Austrian Chamber of Chartered Public Accountants and Tax Advisors, has audited in accordance with laws and regulations applicable in Austria and the International Standards on Auditing (“**ISA**”) as published by the International Auditing and Assurance Standards Board (“**IAASB**”) of the International Federation of Accountants (“**IFAC**”) the German language Consolidated Annual Financial Statements of the Issuer prepared in accordance with IFRS as adopted by the EU, for the financial years from January 1, 2015 to December 31, 2015 and from January 1, 2014 to December 31, 2014 (the “**Audited Consolidated Annual Financial Statements**”), in respect of which it issued unqualified audit opinions in German language, dated March 17, 2016 and March 23, 2015 respectively, and it is noted that English translations of these audit opinions on the Issuer’s financial statements as at December 31, 2015 and as at December 31, 2014 are incorporated into this prospectus by reference.

### Table of Documents Incorporated by Reference

The Consolidated Financial Statements together with the audit opinions are extracted from the published English language annual reports 2015 and 2014 and the financial report as of September 30, 2016. All documents listed in the following form parts of this Prospectus:

- English language financial report as of September 30, 2016: Consolidated income statement (page 20), consolidated statement of comprehensive income (page 21), consolidated statement of financial position (page 22), consolidated statement of cash flows (page 23), statement of changes in equity (pages 24-25), segment reporting (pages 26-29), notes (pages 30-40);

- English language annual report 2015: Consolidated income statement (page 82), consolidated statement of comprehensive income (page 83), consolidated statement of financial position (page 84), consolidated cash flow statement (page 85), consolidated statement of changes in equity (pages 86-87), notes (pages 88-177), auditors report (pages 178-179).
- English language annual report 2014: Consolidated income statement (page 84), consolidated statement of comprehensive income (page 85), consolidated statement of financial position (page 86), consolidated cash flow statement (page 87), consolidated statement of changes in equity (pages 88-89), notes (pages 90-181), auditors report (pages 182-183);

Information in the documents above which is not explicitly included in the Table of the Documents Incorporated by Reference above are either not relevant for the investor, or covered already elsewhere in this Prospectus.

### **Documents on Display**

This Prospectus, any supplement thereto, if any, and any Documents Incorporated by Reference into this Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange under [www.bourse.lu](http://www.bourse.lu) and of the Issuer under [www.caimmo.com](http://www.caimmo.com). Copies of this Prospectus will be available free of charge at the Issuer's registered office during usual business hours for twelve months from the day of this Prospectus.

Copies of the following documents may be inspected for twelve months from the date of this Prospectus on the Issuer's registered seat, Mechelgasse 1, 1030 Vienna, Austria, Tel. +43 (0)1 532 59 07-0, during usual business hours:

- the articles of association of the Issuer;
- this Prospectus;
- the English language annual reports 2015 and 2014 including the Consolidated Annual Financial Statements;
- the English language financial report as of September 30, 2016, including the Unaudited Consolidated Interim Financial Statements.

### **Third Party Information**

This Prospectus contains information about the general economic as well as the specific real estate related data for certain countries where the Group is active. This data is partly based on internal reports, partly on reports published by Eurostat, the ECB, IMF Deistatis, Bloomberg, The Economist, the Financial Times, the Central Statistical Offices of Poland, Hungary, Czechia and the National Institute of Statistics in Romania. Information on property markets is sourced on CBRE: European Investment Quarterly MarketView, Central Eastern Europe Property Investment (Q3 2016); EMEA Rents and Yields MarketView (Q3 2016), Office Market View (Vienna, Budapest, Bucharest, Warsaw); and Jones Lang LaSalle: Investmentmarktüberblick Deutschland (Q3 2016) and Office Market Profile (Berlin, Frankfurt, Munich Q3 2016).

The Issuer principally does not assume any responsibility for the correctness of any such third party market data included in this Prospectus. The Issuer confirms that the information provided by third parties has been accurately reproduced in so far as the Issuer is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Issuer has no access to facts and assumption which form the basis for numbers, market data or other information extracted from publicly available sources and has not independently verified market data provided by third parties or contained in industry or other general publications. In many cases there is no readily available external information (e.g. by authorities, federations or other organisations) to confirm market related analyses and

assumptions which is the reason why the Issuer has to rely on internal estimates. While management believes its internal research to be accurate, such research has not been verified by any independent sources and accordingly the Issuer cannot assume any responsibility for its correctness. Management believes that such data is useful to help to understand the business in which the Group operates and the Group's position within its business.

#### **RESPONSIBILITY STATEMENT**

The Issuer accepts responsibility for the information contained in this Prospectus and relating to the Bonds. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

## **ISSUER**

**CA Immobilien Anlagen Aktiengesellschaft**  
Mechelgasse 1  
1030 Vienna  
Austria

## **JOINT LEAD MANAGERS AND BOOKRUNNERS**

**Erste Group Bank AG**  
Am Belvedere 1  
1100 Vienna  
Austria

**Raiffeisen Bank International AG**  
Am Stadtpark 9  
1030 Vienna  
Austria

## **PAYING AGENT**

**Raiffeisen Bank International AG**  
Am Stadtpark 9  
1030 Vienna  
Austria

## **LEGAL ADVISERS**

*To the Issuer*  
**Cerha Hempel Spiegelfeld Hlawati**  
**Rechtsanwälte GmbH**  
Parkring 2  
1010 Vienna  
Austria

*To the Joint Lead Managers*  
**WOLF THEISS Rechtsanwälte**  
**GmbH & Co KG**  
Schubertring 6  
1010 Vienna  
Austria

## **AUDITORS**

**KPMG Austria GmbH Wirtschaftsprüfungs-**  
**und Steuerberatungsgesellschaft**  
Porzellangasse 51  
1090 Vienna  
Austria