

INFORMATION ON THE DIVIDEND

Disclaimer

CA Immobilien Anlagen AG has prepared this memorandum to provide information on specific aspects of Austrian tax law that apply to natural persons who are resident in Austria and hold CA Immobilien Anlagen AG shares as part of their private assets. The memorandum does not cover the respective tax aspects for legal entities resident in Austria or natural persons who hold CA Immobilien Anlagen AG shares as part of their business assets. Also not included are the tax consequences of the dividend payment for legal entities and natural persons who are not considered Austrian residents for tax purposes.

*Please note that this information should be understood as a general guide for orientation. It is not legally binding and does not contain complete or comprehensive information or legal or tax advice on the dividend payment. **Shareholders should therefore obtain professional advice on the tax consequences of the dividend as related to their personal situation.***

Information on the dividend

The Management Board and the Supervisory Board will make a recommendation to the 27th Ordinary Shareholders' Meeting of CA Immobilien Anlagen AG on 8 May 2014, **calling for the distribution of a 40 cent dividend per share from retained earnings as shown in the annual financial statements as of 31 December 2013.**

As of the date of the Ordinary Shareholders' Meeting, 87,856,060 shares of overall 87,921,713 issued shares of CA Immobilien Anlagen AG are eligible to receive this dividend. Decisive for the dividend payment is the depository balance on the day immediately before the dividend ex-day, i.e. the depository balance on Monday, 12 May 2014.

According to Section 9 (a) of the terms and conditions of the 4.125% convertible bond 09-14 the new shares deriving from conditional capital (settlement shares with ISIN AT0000A154Z4) have rights to full dividends for the Financial Year in which they are issued and all following Financial Years (but not for the Financial Year 2013 even if a dividend therefore has not been paid yet).

In accordance with the above recommendation, the dividend will be distributed to shareholders on 14 May 2014 by their depository institution through UniCredit Bank Austria AG as the payment office for CA Immobilien Anlagen AG.

Qualification as a repayment of capital without the deduction of withholding tax

The Management Board and the Supervisory Board will recommend that the Shareholders' Meeting approve the classification of this profit distribution for tax purposes as a repayment of capital. The most important advantage of this classification is that the dividend will not be subject to 25% withholding tax. Shareholders will therefore receive the 0.40 euros dividend per share "gross for net", i.e. without the deduction of withholding tax (see the following notes under tax information).

Tax informationen for private investors

The following information applies only to natural persons who are resident in Austria for tax purposes and who hold CA Immobilien Anlagen AG shares as part of their private assets. In connection with this information, please note the disclaimer at the beginning of the memorandum.

1. What is a repayment of capital

A repayment of capital is a tax-neutral redistribution to shareholders from a corporation's equity, outside of taxable distributions.

2. Is 25% withholding tax deductible on such distributions?

No, because a dividend under company law is classified as a repayment of capital for tax purposes as defined in § 4 (12) of the Austrian Income Tax Act. Withholding tax is not deductible on such repayments of capital. The dividend is transferred to the shareholder "gross for net", i.e. without the deduction of taxes.

3. Can this dividend create a tax liability for natural persons who are resident in Austria for tax purposes and hold shares as part of their private assets?

The repayment of capital is a tax-neutral event and, as such, will principally not create a tax liability for natural persons who are resident in Austria for tax purposes and hold the shares as part of their private assets. However, the capital repayment reduces the acquisition costs of the shares (for tax purposes) and thus amounts to a deemed disposal. Taxation is only applied where the total capital repayment exceeds the acquisition costs.

Therefore, when the purchase price of a share (for tax purposes) equals or exceeds 40 cents on the date of the capital repayment (e.g. the share was purchased for 40 cents), there will be no fictitious gain on sale for the objective capital repayment of 40 cents per share because this capital repayment did not exceed the purchase price of the shares (for tax purposes).

Shareholders who are resident in Austria for tax purposes and hold shares as part of their private assets will basically only incur a tax liability when the sum of the capital repayments (altogether) exceeds the purchase price of the shares (for tax purposes). In this case the surplus amount will be taxed as a fictitious gain on sale.

***Example:** If a natural person resident in Austria for tax purposes holds a share as part of his/her private assets and the purchase price of this share for tax purposes was EUR 1.00, the purchase price for tax purposes will be reduced from EUR 0.10 to EUR 0.90 by the capital repayment. There is no tax obligation because the EUR 0.10 capital repayment does not exceed the EUR 0.10 purchase price for tax purposes. Any additional capital repayments in the future will reduce the purchase price for tax purposes by the amount of the respective capital repayment ("reduction of the investment"). Under certain circumstances the shareholder could incur a tax liability when the purchase price for tax purposes reaches zero (i.e. the capital repayment is higher than the (remaining) purchase price for tax purposes).*

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If a natural person resident in Austria for tax purposes holds shares as part of his/her private assets and the sum of capital repayments is higher than the purchase price of the shares (for tax purposes), the tax liability will also be dependent on the date of the share purchase, the percentage owned and the date of “sale”. For a capital repayment, this fictitious “date of sale” is considered to be the date on which the decision over the capital repayment was made, i.e. the date of the annual general meeting (here: 8 May 2014).

Depending on the time of acquisition, the consequences are as follows:

- *Holding below 1%¹*

Provided the shares were acquired by the natural person in Austria prior to 1 January 2011, no (fictitious) capital gain will be subject to taxation on earnings where a capital repayment is made after 31 March 2012.

If the shares were acquired by the natural person in Austria after 1 January 2011, the (fictitious) sale will be subject to a special tax rate of 25% where a capital repayment is made after 31 March 2012.

- *Holding of 1% or more*

Where the shareholder (or their legal predecessor if the acquisition was gratuitous) had a holding of at least 1% in CA Immobilien Anlagen AG or its fiscal legal predecessor at any point in the five years² prior to 1 April 2012, the special tax rate of 25% shall apply.

The same applies where the shareholder (or their legal predecessor where the acquisition was gratuitous) acquired the shares after 31 March 2012 (taxation at special rate of 25%).

The general tax rate may be applied instead of the special rate of 25% on request (standard tax option). This decision can only be made where the current income situation of the individual shareholder is taken into account. For this reason, shareholders are advised to seek tax advice that takes their personal circumstances into consideration.

These remarks are only intended to provide a general overview. Please take note of the disclaimer at the start of this document. It should also be emphasised that the views set out do not apply to (all) future circumstances; the possibility of changes to taxation regulations must be recognised. In particular, therefore, all future capital gains must be assessed in the light of actual circumstances.

4. Can the capital repayment result in a tax liability for other persons resident in Austria who hold shares as part of their private assets, in particular legal entities, natural persons who hold shares as part of their business assets or foreign shareholders?

¹ Holding below 1% at any time during the past five years

² Where the holding of at least 1% in the transferring or acquiring company falls below 1% as a result of certain reorganisation measures, tax shall remain pending for the extended period of 10 years from the key reorganisation date.

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This memorandum only provides an overview, in accordance with Austrian tax law, of the situation of natural persons resident in Austria for tax purposes who hold shares as part of their private assets. All shareholders and, above all, legal entities, natural persons who hold shares as part of their business assets and shareholders who are not classified as Austrian residents for tax purposes should obtain advice from a tax professional on the consequences of the dividend payment (qualified as a repayment of capital for tax purposes) for their personal situation.

Please Note:

The above presentation is general and does not cover all aspects of taxation. This memorandum is provided solely for information purposes; it is in no way conclusive and does not represent a substitute for professional advice by a tax accountant or attorney. Shareholders should obtain appropriate advice on the tax treatment of the dividend payment.

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