CA IMMO

ANNUAL FINANCIAL REPORT 2011
IN ACCORDANCE WITH THE § 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT

11

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INVESTMENTS AND FUNDS

The listed company CA Immobilien Anlagen Aktiengesellschaft, based in Vienna, is the parent company of the CA Immo Group. The Group's activities are focused on Austria, Germany and Eastern Europe. The Group has 263 subsidiaries, of which

- 42 are in Austria (including 8 joint ventures),
- 103 are in Germany (including 20 joint ventures) and
- 118 other companies (including 24 joint ventures) were created in connection with investment in Eastern Europe.

All tasks are performed through a network of branch offices in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia; there are also offices in Russia, Ukraine and Cyprus employing a total of 390 staff members. Every site functions as a profit centre. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by **omniCon**, the subsidiary of CA Immo Deutschland acquired in July 2008. omniCon also performs these services for third parties. In addition, DRG was founded in 2011 as a joint venture with the estate agent and property management firm ÖRAG. **DRG** undertakes tenant management, service charge accounting, rental revenue enhancement, cost reduction, maintenance tasks and letting for CA Immo's office investment properties in Germany. Throughout the group, external service providers are brought in to carry out certain other activities. This enables the cost structure to be adapted flexibly to varying workloads. All activity in Germany is processed via CA Immo Deutschland; business in Eastern Europe is bundled in CA Immo as well as in Europolis AG, which was acquired early in 2011. Since 2006, project development in Eastern Europe has been managed largely through the CA Immo New Europe (CAINE) special fund.

CA IMMO DEUTSCHLAND

CA Immo entered the German market in the autumn of 2006. Since 2008, **CA Immo Deutschland GmbH** (formerly Vivico Real Estate GmbH, a collecting society for railway properties owned by the German state) has provided the operational platform. CA Immo Deutschland has extensive expertise in developing inner city properties. Projects on these development sites are at various stages of preparation and will be rapidly progressed to construction readiness over the coming years. On completion, development projects are either sold, transferred to the company's asset portfolio or sold to property developers as construction-ready real estate. With branch offices in Frankfurt, Berlin and Munich, the organisation of CA Immo Deutschland meets the requirements of local presence. CA Immo Deutschland GmbH is fully consolidated in the consolidated financial statements of CA Immo. The company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale. As at key date 31 December 2011, the market value of this real estate portfolio was € 1,343 m (€ 1,157 m on 31.12.2010). Most of the investment properties in Germany, including the package of properties acquired from the state of Hesse in 2006, are maintained by Frankfurt-based **CA Immo AG**, in which CA Immobilien Anlagen Aktiengesellschaft of Vienna has direct and indirect holdings amounting to 100 %. CA Immo AG of Frankfurt is also fully consolidated in the consolidated financial statements. The market value of the property assets was € 1,019 m as at 31 December 2011 (against € 1,006 m in the previous year).

EUROPOLIS AG

Europolis AG, which was acquired from the Volksbank Group at the start of January, is also a wholly owned subsidiary of CA Immo. The Europolis Group, which has been in existence since 1990, focuses on class A office, logistical and retail buildings in Eastern Europe. The Europolis AG portfolio also includes a small number of development projects and undeveloped plots in Poland, Hungary and the Ukraine. The overall portfolio is divided into six smaller portfolios in which reputable partners such as the EBRD, AXA and Union Invest hold shares of between 25 % and 49 %. The portfolios are managed by **Europolis Real Estate Asset Management GmbH** of Vienna (EREAM), a wholly owned subsidiary of Europolis AG, alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as "CA Immo Real Estate Management". As at 31 December 2011, the property assets of the Europolis Group had an approximate market value of € 1,408 m (€ 1,517 m in the previous year).

CA IMMO NEW EUROPE PROPERTY FUND

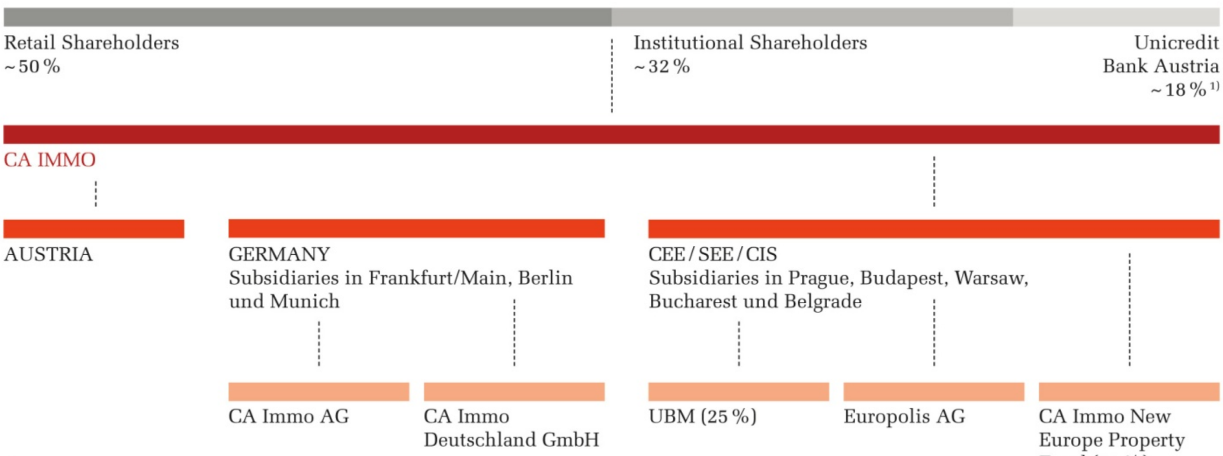
The **CA Immo New Europe property fund** is a project development fund structured under Luxembourg law as a SICAR (societé d'investissement en capital à risque). The fund has drawn together CA Immo's development projects in Eastern Europe since early 2007. CA Immo raised its stake by a further 10 % in the fourth quarter and now holds 70 % of the shares in the fund. The remaining 30 % is held by three institutional investors. The planned lifespan of the fund, which is managed by a CA Immo subsidiary, is seven years in total (with the option to extend). The commitment period (in which new projects can be initiated) ended on 31 December 2009. In view of changed market conditions, investment activity fell far short of the levels originally intended; agreement was reached with the co-partners only to proceed with development projects that were already in progress. In future, new projects will be realised by CA Immo itself where the fund partner decides against individual involvement in the implementation. As at the balance sheet date, the fund portfolio had a book value of around € 142 m (compared to € 134 m in the previous year). Three projects are in progress at the present time; another three have been finalised since the fund was set up and will henceforth be held directly by the fund as investment properties.

INVESTMENT IN UBM

CA Immo holds a stake of 25 % plus four shares (vetoing minority holding) in the listed Vienna-based real estate developer **UBM Realitätenentwicklung AG** through a subsidiary company. The main shareholder in UBM is the PORR Group with a holding of approximately 41 %. With its track record of development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. Projects realised with UBM include the Poleczki Business Park in Warsaw and the Airport City St. Petersburg project. The investment in UBM contributed a total of € 1,640 K to the earnings of CA Immo in 2011 (previous year: € 2,751 K). CA Immo thus received a dividend for business year 2010 of € 825 K (€ 750 K in the previous year), corresponding to a return on invested capital of around 5 % or a dividend yield of approximately 4 %.

For more information, please refer to the Property Assets section and the notes.

GROUP STRUCTURE



1) As at 31.12.2011

ECONOMIC ENVIRONMENT

THE CYCLICAL TREND

Economic growth is the main factor that drives demand for office space in the real estate sector; similarly, liquidity and interest rates are the key criteria in operational business developments. The continuing debt crisis is therefore impacting on general economic stability and feeding insecurity on markets and amongst investors.

With average GDP growth of 1.6 % (compared to 1.7 % in 2010), the dynamism witnessed on most EU markets early in the year had tailed off dramatically by the end of 2011. Against this background of tension, economic data shows that the core markets of CA Immo performed above the EU average in 2011. Compared to most eurozone nations, economic output on the majority of CA Immo's core markets in Eastern Europe is more stable, with higher growth rates and far lower levels of debt. Poland and Germany were at the forefront of economic expansion with impressive GDP growth of 4 % and 3 % respectively, whilst the Hungarian economy (1.4 % GDP growth) was adversely affected by the uncertain political climate.

THE MONEY MARKET AND INTEREST RATE ENVIRONMENT [1]

The average inflation rate for 2011 in the eurozone was 2.7 %, well above the two percent target level specified by the European Central Bank (ECB). Once again, prices were driven by energy and other commodities. The ECB responded to the rising inflation in the first six months by raising the base rate from 1.0 % to 1.5 %. During the fourth quarter, the bank then cut back the base rate by 50 base points to its original level of 1.0 %.

Money market rates were significantly more volatile, especially in the final quarter of 2011, with major differences between the secured and unsecured markets. At the end of the year, the average monthly interest rate for term deposits in interbank transactions (3 month Euribor), which is used as the basis for variable financing, stood at 1.35 %; since then it has fallen closer to 1.0 %. Despite the low interest level, total financing costs are the same or higher than in previous years owing to higher bank margins. The main cause of this is restraint in interbank transactions and a greater capital requirement on the part of banks.

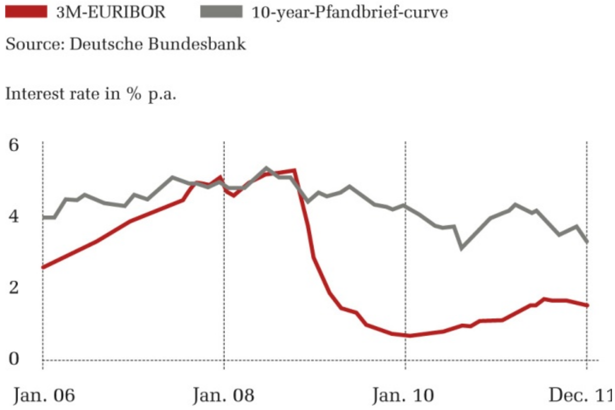
[1] Sources: Eurostat 2012, European Central Bank, Monthly Bulletin January 2012

ECONOMIC DATA OF CA IMMO CORE MARKETS

	Growth rate of the real GDP [1] 2011	Growth rate of the real GDP [1] 2012	Annual inflation rates [2] in %	Rate of unemployment [3] in %	Gross public dept in %	Public deficit/ -surplus in % of the GDP 2010	Balance of trade in € bn
EU (27)	1.6	0.6	3.1	9.8	80.1	−6.6	−7.2
Euro zone (17)	1.5	0.5	2.7	10.0	85.3	−6.2	6.9
AT	2.9	0.9	3.4	4.0	71.8	−4.4	−7.3
D	3	0.8	3.2	5.5	83.2	−4.3	129.2
PL	4	2.5	4.5	10.0	54.9	−7.8	−12.0
CZ	1.8	0.7	2.8	6.7	37.6	−4.8	6.5
BG	2.2	2.3	2.0	10.9	16.3	−3.1	−2.1
HU	1.4	0.5	4.1	10.7	81.3	−4.2	6.0
RO	1.7	2.1	3.2	7.3	31	−6.9	−7.7

[1] Change from previous year (%),
[2] December 2011,
[3] November 2011 (seasonally adjusted)

INTEREST RATE DEVELOPMENT



CURRENCIES [1]

The exchange rate for the euro remained volatile as the sovereign debt crisis in peripheral European nations unfolded. The value of the euro has been falling sharply against the currencies of the 20 main trading partners since the end of August. By the end of the year, the exchange rate against the US dollar had fallen by 1.9 % on the previous year's value to US$ 1.3920 on average. However, given that CA Immo's lease contracts are all concluded in euros, this did not impact directly on rental revenue.

OUTLOOK

In 2012, economic development in Europe will be governed by the sovereign debt crisis on the continent, a weakening macro-economic environment and diminishing consumer confidence as a result. The economic stability of Europe will depend heavily on the savings and reform measures enacted by the debt-ridden member states of Greece, Italy, Spain and Portugal.

[1] Sources: European Central Bank, Monthly Bulletin January 2012, www.finanzen.net; closing rate on 30.12.2011

As the year progresses, the slowdown in the global economy will mean companies investing less and export ratios falling in most countries – a scenario that could seriously affect the commercial property market as demand for office premises negatively. Only core properties let for the long term are likely to benefit from the increaseing reluctance of investors to take risks.

Stability in the banking sector will spur economic activity

The lowering of the credit quality threshold for certain asset-backed securities (ABS) confirmed by the ECB in December entails credit default risk; moreover, this will not solve the problem of declining interbank transactions owing to mistrust between banks. Radical reforms on the money and capital markets are thus inevitable.

The tightening of financing conditions in particular is sure hinder economic dynamism, at least temporarily. By the middle of the year, European banks will have to comply with the requirements of the European Banking Authority and raise their core capital stock by a minimum of 9 %. The stance taken by individual banks – and the effect this will have on bank lending to the real economy – remain unclear. Guaranteeing the medium-term resilience of banks within the eurozone on the one hand whilst sustaining economic development through lending to the real economy on the other will constitute a balancing act.

The limits of financing with outside capital

Since the availability of loan capital will also be limited in the real estate sector over the years ahead, the financing of development projects and other transactions will be a major challenge. In the medium term, identifying alternative forms of finance and financing partners (such as capital market financing in the form of bonds) will be critical. The extent to which insurance companies and pension funds play a greater role will surely also depend on the future patterns of savings by private households and financial asset acquisition by institutional investors.

PROPERTY MARKETS

The core markets of CA Immo held their ground in 2011, producing not only above average economic data but also stable or improving performance indicators on the property investment and rental markets. With steady growth and large, liquid real estate markets, Germany proved a particularly safe haven in 2011, developing more strongly than many other major international markets. Generally speaking, performance on the company's main markets in Eastern Europe was also stable to above average in 2011, although investment and lettings activity slowed somewhat in the second half of the year.

Once again, security and core were central factors in the purchase decisions of investors. As a result, the gap has widened between high quality real estate in capital cities and older properties in B-class locations that fall short of modern technical standards. This trend is expected to continue in 2012.

THE REAL ESTATE MARKET IN AUSTRIA [1]

The investment market

Around € 1.7 bn was invested in Austrian real estate in 2011, an increase of 7.0 % on the transaction volume for 2010. Investors were strongly attracted to high quality office properties (27 %) and hotels (24 %). In year-on-year comparison, peak yields fell by five base points to stand at 5.20 % at the turn of the year. Yields are expected to stagnate in 2012.

The office property market

During 2011, 260,000 sqm of office space was let in Vienna, around 5.4 % down on the previous year and the lowest figure since the crisis began in 2008. Market activity in Vienna will continue to be characterised by small-scale new lettings in 2012. Although demand stagnated in 2011, the production of (office) premises rose by 14 %. Another 178,000 sqm of office space is expected to be produced in 2012 as various projects are completed (not including general restorations). Moreover, owing to the fact that older properties are required to undergo full redevelopment prior to re-utilisation in order to attain certain rent levels, more and more fully restored properties are coming onto the market – a trend that is sure to intensify. During 2012, CA Immo will also market a restoration project comprising some 18,800 sqm of reconditioned office premises at the Lände 3 site. As a result, both competition for tenants and vacancy (especially in previously occupied properties not conforming to the latest standards) will increase this year.

Peak rent levels were hovering around € 23.75/sqm at the end of 2011. Rental rates are expected to rise marginally this year in prime locations; stagnation is likely in other locations owing to excess supply.

OFFICE MARKET DEVELOPMENT IN VIENNA

	2011	2010	Change in %
Take up in sqm	260,000	275,000	–5
Vacancy rate in %	6.1	5.5	11
Peak rent in €/sqm net exclusive	23.8	23.0	3
Prime yield in %	5.2	5.3	–1

Sources: BNP Paribas Real Estate 2012; CBRE, Vienna Office MarketView, Q4 2011, EMEA Rents and Yields Q4 2011

THE REAL ESTATE MARKET IN GERMANY [2]

The investment market

Economic stability, a polycentric structure and large, liquid real estate markets are making Germany a magnet for investors. Some € 23.5 bn was invested in real estate purchases in 2011, up nearly 20 % on the previous year's figure. Peak yield values were stable throughout the year in most locations. With real estate in Germany retaining its popularity despite the financial market crisis, the transaction volume for 2012 is likely to be similarly high. Demand also remained strong for high quality properties with good letting levels (core segment), especially in the usage categories of retail properties (46 % of the total investment volume) and office premises (30 %). At present, we expect this demand to be maintained in 2012, leading to further increases in value in this segment.

With a transaction volume of € 2.96 bn (up 58 %), Frankfurt once again led the German investment market in terms of sales; it was followed by Munich (€ 2.88 bn), which experienced a boom as the investment volume exceeded the previous year's value by 70 %. The transaction volume in Berlin fell 26 % to € 2.34 bn; the reason for this was not a lack of demand from investors, however, but a shortage of suitable supply.

[1] Sources: CBRE, Vienna Office MarketView Q4 2011; EHL Market Research 2012

[2] Sources: BNP Paribas Real Estate 2012; CBRE EMEA Rents and Yields Q4 2011; CBRE MarketView, Office Market Frankfurt/Munich Q4 2011

The office property market

As regards the office rental market in Germany, office space totalling 1.75 mn sqm was let on the core CA Immo markets of Munich, Berlin and Frankfurt in 2011 (compared to 1.52 mn sqm in 2010). Strong demand for high quality premises coupled with falling construction levels will reduce vacancy further in the quality segment during 2012. At the same time, vacancy in class B real estate that does not conform to the latest standards will continue to rise.

Owing to the fact that construction has only been carried out as required in recent years (and subject to appropriate levels of pre-letting), the supply of new premises in **Berlin** is moderate. Demand for modern properties in central locations is rising steadily, which in turn is pushing up office rents – a trend expected to continue in 2012.

In **Frankfurt** a divide opened up in 2011: while the investment market flourished, the result for the office rental market was rather average. The supply of modern premises available at short notice is limited while outside of the prime segment structural vacancy has risen markedly, producing strong competition for space. There were only few rentals in the prime segment, the peak rent declined by 16 % from 38.5 €/sqm (2010) to 32.3 €/sqm (2011). In the medium term, therefore, refurbishment will form the focus of development activity in Frankfurt.

In terms of floor space, **Munich** has by far the highest turnover of the office centres in Germany (755,000 sqm, up 49.5 % on the previous year). Rent levels have also risen in response to high demand. Vacancy has declined by around 14 % compared to 2010, not least because of the diminishing completion volume.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2011	2010	Change in %
Berlin			
Take up in sqm [1]	568,000	541,000	5
Vacancy rate in %	7.7	8.3	–7
Peak rent in €/sqm net exclusive	21.6	20.9	3
Prime yield in %	5.1	5.3	–4
Frankfurt am Main			
Take up in sqm [1]	423,500	470,000	–10
Vacancy rate in %	13.8	14.6	–6
Peak rent in €/sqm net exclusive	32.3	38.5	–16
Prime yield in %	5.0	5.1	–2
Munich			
Take up in sqm [1]	755,000	504,877	50
Vacancy rate in %	7.3	8.5	–14
Peak rent in €/sqm net exclusive	34.8	33.9	3
Prime yield in %	4.8	4.8	0

[1] Including surrounding area and owner-occupier transactions

Sources: BNP Paribas Real Estate 2012; CBRE 2012 EMEA Rents and Yields Q4 2011; gif e.V. (German Society of Property Researchers), Annual Survey of Office Markets 2010 and 2011, Research working group; correct as of January 2012. All floor space data is rentable space (gif e.V.), conversion factor = gross floor space x 0.85.

THE REAL ESTATE MARKET IN EASTERN EUROPE [1]

The investment market

In 2011, investment activity in Eastern Europe was characterised by a search for secure asset classes (especially in capital cities). Taking account of the acquisition of the Europolis portfolio by CA Immo, the total office transaction volume exceeded € 4 bn (up 60 % on the prior year). The markets of Russia (42 %), Poland (29 %) and the Czech Republic (14 %) generated the highest shares of the total volume. By contrast, very little investment activity was reported in the smaller nations of South Eastern Europe in particular owing to worsening economic conditions and the lack of financing.

A strong phase of recovery was followed by a slump in the investment volume in the fourth quarter of 2011; this was mainly due to the limited availability of core properties, for which demand was high, and constraints on financing – issues likely to remain prominent in 2012. With little construction activity on most markets, investors are falling back on investment properties. Moreover, only a few banks are prepared to provide finance in Eastern Europe. Poland and the Czech Republic have emerged as the only relatively liquid markets (unlike Hungary, the Balkan states and the Ukraine, where investment activity is likely to remain at very low levels for some time to come).

Peak yields did not vary greatly in 2011, although there was a slight trend towards compression in the second half of the year. For class A office properties in Poland and the Czech Republic, peak yields were 6.25 % and 6.75 % respectively. Given the limited supply of high quality prime real estate on these markets, a further fall in yields is expected for this product class.

[1] Sources: CBRE Market View, CEE Offices February 2012; CBRE EMEA Rents and Yields Q4 2011

OFFICE MARKET DEVEOLOPMENT IN CA IMMO CORE MARKETS IN CEE/SEE

	2011	2010	Change in %
Budapest			
Take up in sqm	394,655	312,200	26
Vacancy rate in %	19.2	20.6	–7
Peak rent in €/sqm net exclusive	20.0	20.0	0
Prime yield in %	7.3	7.5	–3
Bukarest			
Take up in sqm	262,000	190,000	38
Vacancy rate in %	14.1	17.5	–19
Peak rent in €/sqm net exclusive	19.5	19.5	0
Prime yield in %	8.3	9	–8
Prague			
Take up in sqm	325,564	215,700	51
Vacancy rate in %	12.0	13.2	–9
Peak rent in €/sqm net exclusive	21.0	21.0	0
Prime yield in %	6.5	6.8	–4
Warsaw			
Take up in sqm	573,000	356,500	61
Vacancy rate in %	6.7	7.0	–4
Peak rent in €/sqm net exclusive	27.0	25.0	8
Prime yield in %	6.3	6.3	0

Sources: CBRE 2011/2012; Jones Lang Lasalle 2011/2012
Note: floor space turnover includes owner-occupier transactions

The office market in Eastern Europe [1]

Like the investment market, the office rental market also slowed down in the second six months. Compared to the first half of 2011, market absorption in Warsaw, Bucharest and Prague fell by 20-40 %. Despite this, overall lettings performance in Warsaw reached a record level. Minimal levels of building activity have reduced vacancy, although the influx of new tenants has been generally low. There is a clear focus on extending and expanding existing lease contracts on portfolio buildings. For countries with strong links to Western Europe in particular, the development of the demand situation will depend largely on the economic trend in this region. However, the stable performance of the German economy gives rise to hopes of a further boost to the Czech and Slovakian markets especially.

With the exception of Warsaw, vacancy rates on most markets remain above 10 % (although the trend is downward). Owing to the limited availability of financing, high levels of pre-letting on new development projects are required, and this should continue to suppress vacancy. Some cities in the SEE region in particular (including Sofia and Belgrade) are still struggling with high (22 %) rates of vacancy, and this in turn is forcing down rental rates. By contrast, rent levels are stable or rising modestly on core CA Immo markets such as Warsaw.

[1] Sources: CBRE Market View, CEE Offices February 2012; CBRE EMEA Rents and Yields Q4 2011

Logistics [2]

The logistics segment – a sector that traditionally has shorter lease agreement terms, higher volumes of floor space and direct links to the business environment – generally responds more quickly to international trends than the office sector. Despite the volatile climate, development for the logistics area in Eastern Europe was largely stable in the first six months of the year. Poland, the Czech Republic and Russia achieved the strongest growth on the European logistics market in terms of both transaction volumes and lettings performance.

General conditions in the second half of 2011 mirrored those for the office markets: limited supply and minimal construction in the core segment coupled with an increasingly uncertain economic outlook suppressed activity on the investment as well as the lettings markets.

Thanks to the country's strong domestic market and stable economic growth, demand expanded steadily in the logistics segment in Poland. Floor space turnover in the commercial sector increased by over 30 % during 2011, driven mainly by the logistics area. The logistics vacancy rate fell marginally to around 9-15 % (depending on location), with rent levels stabilising in the range of 2.8 €/sqm to 5.0 €/sqm. Peak yields were also stable at 7.75 %. Rents and yields are not expected to change significantly in 2012.

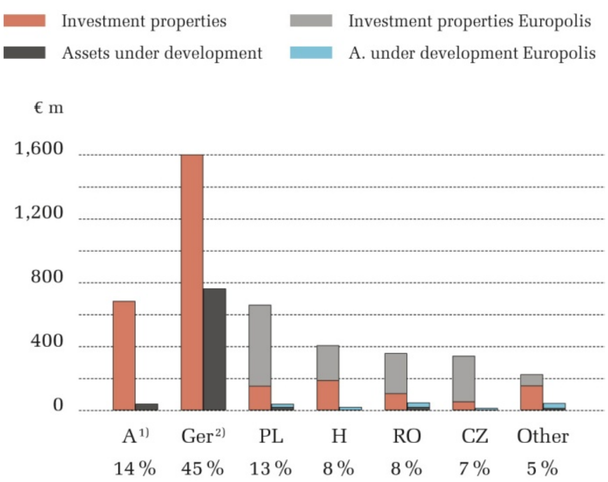
[2] Sources: Jones Lang LaSalle, European Industrial Bulletin, September 2011; CBRE Big Box Poland Industrial Market View, Q4 2011

BUCHAREST, Europolis Park

PROPERTY ASSETS

The CA Immo Group divides its core activity into two business areas: letting investment properties and developing real estate. In both of these business areas, CA Immo specialises in commercial real estate with a clear focus on office properties in the center of Europe. The objective is to build up a focused portfolio of high quality and sustainable investment properties within the core markets of Germany, Austria, the Czech Republic, Poland, Hungary, Romania and Slovakia. The company generates additional revenue through the utilisation of developed real estate reserves.

DISTRIBUTION OF PROPERTY ASSETS BY COUNTRY AND TYPE



1) including 0.1 € m properties held as current assets
2) including 91.6 € m properties held as current assets

Expansion through acquisition of Europolis AG

Early in 2011, CA Immo acquired properties with an approximate value of € 1.5 bn in Eastern and South Eastern Europe through the takeover of Europolis AG. Investment properties on the core markets of Poland, the Czech Republic and Hungary comprise the greater part (75 %) of the portfolio. With 21 % of property assets, Romania is the most important market in South Eastern Europe. Undeveloped land reserves for potential development projects make up some 7 % of the Europolis portfolio.

Property assets of € 5.2 bn

As a result of the integration of Europolis, the property assets of the CA Immo Group in the consolidated statement of financial position for 2011 rose from approximately € 3.6 bn (as at 31 December 2010) to € 5.2 bn as at 31 December 2011. Of this figure € 4.2 bn (82 % of the total portfolio) are investment properties[1], and € 0.9 bn (18 % of the total portfolio) represent property assets under development. The proportion of the Eastern and South Eastern European segment expanded from around 20 % to over 41 % of the company's overall property assets, bringing it onto a par with the German segment.

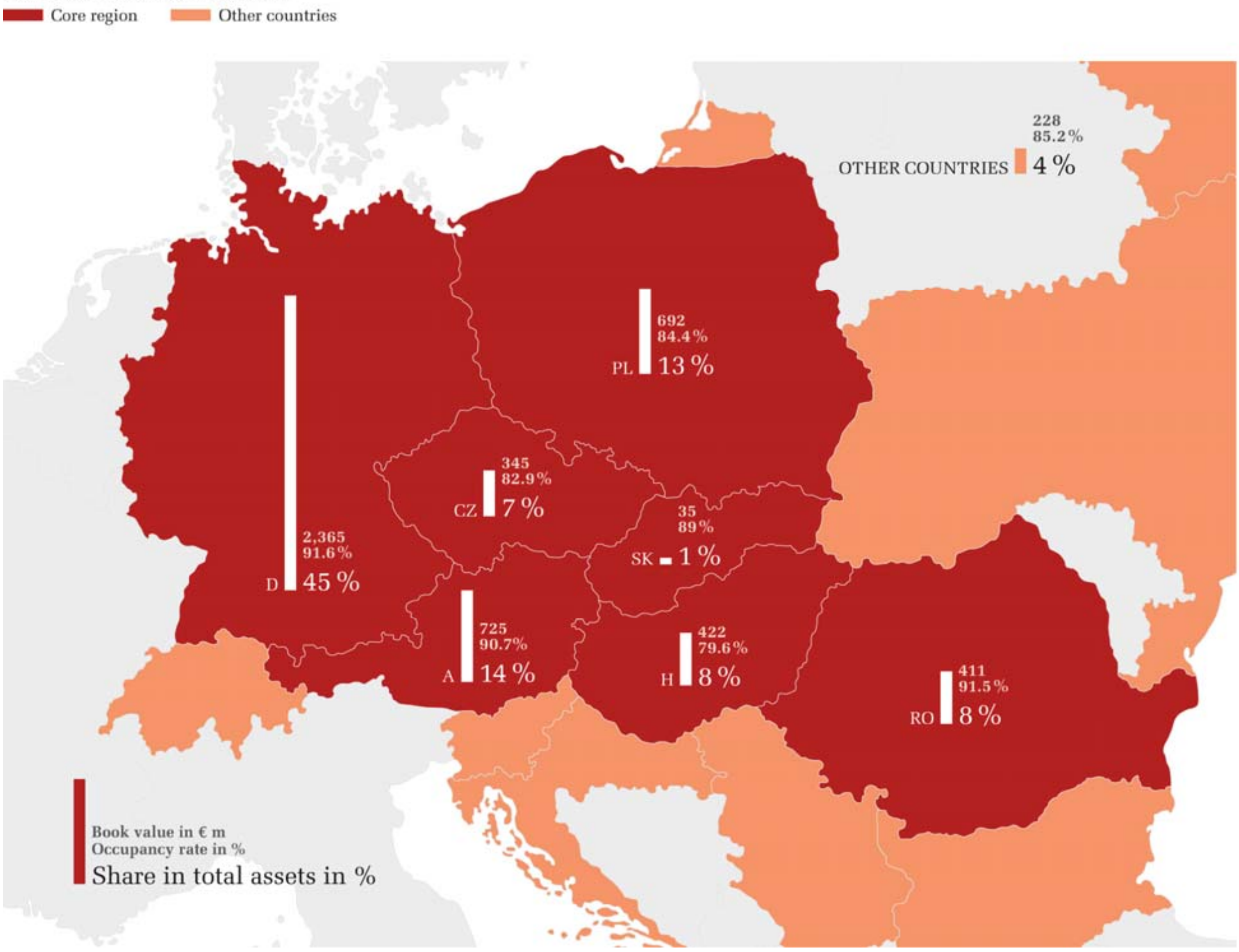
[1] including own use properties and properties intended for trading or sale

PROPERTY ASSETS OF CA IMMO GROUP AS OF 31.12.2011 (BOOK VALUES)

in € m	Investment properties [1]	Investment properties under development	Properties held as current assets [2]	Property assets	Property assets in %
Austria	692	33	0	725	14%
Germany	1,502	771	92	2,365	45%
Czech Republic	337	8	0	345	7%
Hungary	409	12	0	422	8%
Poland	660	32	0	692	13%
Romania	369	41	0	411	8%
Others	227	37	0	263	5%
CA IMMO	**4,196**	**934**	**92**	**5,222**	**100.0%**
Share in portfolio	**80%**	**18%**	**2%**	**100%**	

[1] Incl. own use properties
[2] Incl. properties intended for trading or sale

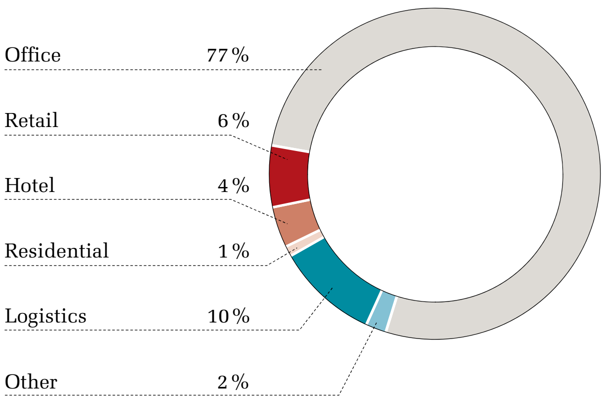
CA IMMO PROPERTY ASSETS



Conserving the environment and resources

Around 40 % of all carbon emissions in industrialised nations come from buildings[1]– a finding that inspired CA Immo to focus on energy efficiency, product configuration and the environmental impact of its portfolio buildings and development projects. More and more investors and capital contributors are attracted by the lasting value offered by sustainable buildings. For end customers (i.e. the tenants), this approach pays dividends in terms of lower operating expenses and better living conditions, to give two examples.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES BY MAIN USAGE (Basis: € 4.2 bn)



[1] Source: Study by the Royal Institution of Chartered Surveyors (RICS)

GROUP MANAGEMENT REPORT

Sales

In 2011 building sales with an extent of € 324.7 m were completed. **Building plots** connected with urban district development activities (mainly in inner city areas of Germany) accounted for 56 % of sales; suitably value-enhancing property use approvals had previously been obtained. Since this real estate had not been generating any rental income, the sales will not lead to falls in cash flow over the long term.

During 2011, the year under review, CA Immo also sold **two shopping centres in the Czech Republic** with a combined asset value of approximately € 100 m. Since 2003, both malls had been part of the C1 fund portfolio, in which the CA Immo subsidiary Europolis holds a 51 % stake. The rentable floor space amounted to 21,884 sqm in the Mladá Boleslav shopping centre and 32,157 sqm in the Teplice mall. In Austria's capital cities and in the federal capital city Vienna above all small and medium apartment buildings were market placed gainfully.

Total income of € 52.8 m was generated from sales in 2011 (compared to € 44.4 m in 2010).

Forward sales

The sale to Allianz of 80 % of the **Skyline Plaza shopping centre** in Frankfurt's Europaviertel was agreed as a forward sale in mid-September. As joint venture partners, CA Immo and ECE will each retain 10 % of the property following completion. The total investment volume for this development project stands at € 360 m; ground-breaking took place early in June 2011. When completed in the autumn of 2013, the Skyline Plaza will provide some 38,000 sqm of retail space for around 180 shops.

Investment

CA Immo invested approximately € 241.6 m (2010: € 284.3 m) in its real estate portfolio in 2011. Of this figure, € 37.9 m was earmarked for modernisation and optimisation measures in the asset portfolio and € 203.7 m was devoted to the furtherance of development projects. Real estate with a value of € 1,557.7 m (incl. Europolis) was acquired. Amongst other things, CA Immo procured the 50 percent share of OFB Projektentwicklung in the **SKYGARDEN office building** in Munich's Arnulfpark. This property, constructed through a joint venture with OFB, was completed in August 2011. The proportionate value of real estate acquired amounts to around € 61 m.

PROPERTY ASSETS BRIDGE 2010 TO 2011

		Austria	Germany	Eastern Europe	Total
Property assets 31.12.2010	**€ m**	**736.0**	**2,165.9**	**710.3**	**3,612.2**
Acquisition of new properties	€ m	0.0	61.4	1,496.3	1,557.7
Investments in current projects	€ m	13.6	173.5	16.6	203.7
Investments in the portfolio stock	€ m	14.1	8.3	15.4	37.9
Change from revaluation/impairment/depreciation	€ m	(4.1)	67.8	(16.7)	47.0
Capitalised rent incentive	€ m	0.5	(0.3)	12.5	12.6
Disposals	€ m	(35.3)	(111.7)	(101.9)	(248.9)
Property assets 31.12.2011	**€ m**	**724.8**	**2,364.9**	**2,132.4**	**5,222.2**
Annual rental income[1)]	€ m	37.1	90.1	138.3	265.5
Annualised rental income	€ m	38.4	84.6	148.9	271.9
Economic vacancy rate for investment properties	%	9.3	8.4	15.4	12.6
Yield (investment properties)	%	5.6	5.2	7.4	6.3

[1]Incl. annual rental income of sold properties in 2011 (€ 5.5 m)

THE INVESTMENT PROPERTY AREA

Contributing around 73 % of EBIT and 82 % of the company's total property assets, the investment property area is CA Immo's core business and main source of income. The principle objective of the company is thus the continual quality optimisation of its portfolio and the retention and acquisition of tenants with a view to securing stable and regular rental revenue.

Assets rise to € 4.2 bn

As at key date 31 December 2011, the Group's asset portfolio incorporated a total rentable effective area of 2.5 mn sqm with an approximate book value of € 4.2 bn (compared to € 2.7 bn in 2010). Having integrated the asset portfolio of Europolis AG, which was acquired early in 2011, the Eastern Europe segment accounts for the greater part (48 %) of book value, generating around 53 % of rental revenue in 2011. CA Immo generated total rental income of € 265.6 m in 2011 (€ 164.4 m in 2010). On the basis of annualised rental revenue, the asset portfolio produced a yield of 6.3 % (5.8 % in 2010).

Stable utilisation rate in core office segment

The utilisation rate in the core office segment was 87.4 % on the key date (compared to 86.5 % on 31 December 2010). Despite the drop in the overall utilisation rate of logistic premises (76.2 % as at 31 December 2011) in Eastern Europe acquired along with Europolis and the take over of the two finished German buildings Skygarden and Ambigon into the investment property portfolio, the economic occupancy rate for the portfolio as a whole as at 31 December 2011 with 87.4 % was similar to the rate in the year before (88.2 %on 31 December 2010). In like-for-like comparisons of real estate forming part of the portfolio as at 31 December 2010, the economic occupancy rate increased from 88.2 % on that date to 93.1 % on the balance sheet date for 2011.

INVESTMENT PROPERTIES: KEY FIGURES BY COUNTRY[1]

	Book value in € m	Book value in %	Rentable area in sqm	Rented area in sqm	Occupancy rate in %	Rental income in € m	Yield in %
Austria	682.2	16.3%	336,815	307,054	90.7%	35.9	5.6%
Germany	1,499.4	35.8%	788,740	733,867	91.6%	82.9	5.2%
Czech Republic	336.8	8.1%	173,594	140,930	82.9%	25.0	8.0%
Hungary	409.2	9.8%	305,078	243,223	79.6%	27.2	7.3%
Poland	659.9	15.8%	429,383	312,424	84.4%	37.8	6.5%
Romania	369.3	8.8%	327,533	282,906	91.5%	28.5	8.6%
Others	226.5	5.4%	120,825	99,076	85.2%	15.5	7.6%
Total	**4,183.2**	**100.0%**	**2,481,967**	**2,119,481**	**87.4%**	**252.8**	**6.3%**

[1] Excl. own use properties

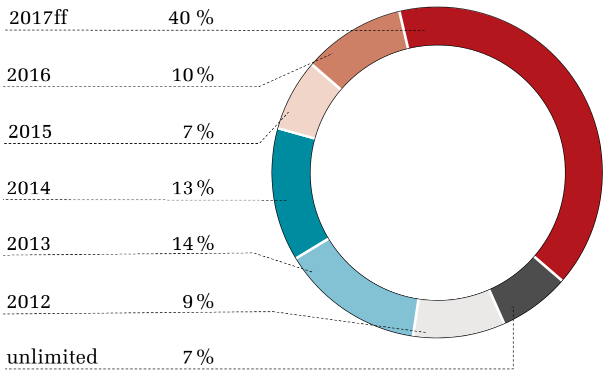
LIKE-FOR-LIKE-ANALYSIS OF PROPERTIES THAT WERE ALREADY CORE AS OF 31 DECEMBER 2010

	Book values		Annualised rental income		Gross yield		Occupancy rate	
m	2011	2010	2011	2010	2011	2010	2011	2010
Austria	680.6	702.1	38.3	36.0	5.6%	5.1%	91%	82%
Germany	1,315.0	1,334.9	72.5	70.8	5.5%	5.3%	99%	98%
Eastern Europe	687.8	677.6	54.1	50.2	7.9%	7.4%	88%	81%
Total	**2,683.4**	**2,714.7**	**164.8**	**157.0**	**6.1%**	**5.8%**	**93%**	**88%**

Lettings performance of over 540.000 sqm

During 2011, the CA Immo Group as a whole let effective area of approximately 541,000 sqm. Lettings performance was thus equivalent to around 22 % of the Group's asset portfolio, which amounts to 2.5 mn sqm. Of this total figure, new lettings were responsible for around 37 % and 63 % was accounted for by existing tenants extending contracts and expanding their floor space. The main impetus came from large-scale lettings in Eastern European investment properties together with various new contracts linked to recently completed development projects in Germany. As at 31 December 2011 47 % of lease contracts have a term in excess of five years (including leases with unlimited duration).

EXPIRY PROFILE OF LEASE AGREEMENTS BASED ON EFFECTIVE RENTAL INCOME (€ 271.9 m)



CAST: the quality assurance tool for portfolio buildings

CA Immo holds investment properties of many different kinds in many different countries. In response to the lack of a certification scheme on the market for portfolio buildings which would adequately clarify and facilitate comparison of the sustainability of portfolio buildings across various countries, CA Immo developed its own recording system for office buildings in its portfolio in 2010. The tool was named CAST (CA Immo Sustainability Tool).

CAST not only records economic and social criteria, but also (and especially) the technical quality of installations and facilities across the Group; build quality is also recorded. This process creates transparency within the asset portfolio – a sound basis for purchase decisions and portfolio strategies.

In accordance with declared corporate strategy, 85 % of office investment properties were entered into the CAST tool during 2011. By resolution of the Supervisory Board, acquisitions of office properties will in future depend on a minimum points score in the CAST system. The aim is for all office investment properties (including acquisitions) to be recorded by 2012. This database will then be used to enact specific measures designed to optimise energy efficiency.

MAJOR TENANTS

	Sector	Region	Share [1]
Hesse (state of Germany)	Public administration	Germany	16%
Pekao S.A	banks	CEE	3%
PWC	Auditor	Germany	3%
Hennes & Mauritz GmbH	Fashion retail	Germany	3%
BIM Berliner Immobilienmanagement GmbH	Real estate and administration	Germany	2%
Verkehrsbüro Hotellerie GmbH	Hotel sector	Austria	1%
IBM	IT	CEE	1%
Österreichische Post AG	Postal services	Austria	1%
ECM Hotel Operations Europort s.r.o. (final user Marriott)	Hotel sector	CEE	1%
Carrefour Romania SA	Retail	CEE	1%

[1] by annualised rental income

THE AUSTRIA SEGMENT

The asset portfolio in Austria comprises rentable effective area of some 336,815 sqm with a market value of around € 682 m according to current valuations. Taking account of properties sold in 2011, this portfolio generated rental income of € 37.0 m last year (€ 38.9 m in 2010), which is equivalent to an average yield of 5.6 % (2010: 5.1 %).

The economic occupancy rate in the asset portfolio (measured on the basis of expected annual rental income) stood at 90.7 % in 2011 (81.8 % in 2010). The rise in the occupancy rate compared to the previous year was mainly the result of Post AG, the principal tenant taking up residence at the Erdberger Lände site in Vienna in autumn 2011 as planned.

CA Immo invested approximately € 14.1 m in its Austrian asset portfolio in 2011 (compared to € 14.4 m in 2010). Refurbishment of the portfolio building at the Lände 3 site accounted for € 9.8 m of this figure. An additional € 2.0 m or so (€ 2.4 m in 2010) was devoted to maintenance costs with a view to upholding the fabric of buildings and the quality of rental units.

INVESTMENT PROPERTIES AUSTRIA: KEY FIGURES[1]

in € m	31.12.2011	31.12.2010	Change
book value	682.2	703.7	-3.1%
Annualised rental income	38.3	36.1	+6.2%
Gross initial yield	5.6%	5.1%	+0.5 pp
Economic vacancy rate	9.3%	18.2%	-9.0 pp

[1] Excl. own use properties

THE GERMANY SEGMENT

The asset portfolio in Germany comprises rentable effective area of some 788,740 sqm with a market value of around € 1,499 m according to current valuations (€ 1.335 m in 2010). Alongside landmark buildings such as the Königliche Direktion in Berlin, the company's investment property assets in Germany include a package of properties in Hesse with a value of € 806.2 m. These properties are leased to the state of Hesse on a long-term basis, with average remaining terms of 25 years still to run on contracts.

Two finished projects became investment properties
Rental income of € 82.9 m was generated in 2011 (including properties sold in 2011); the figure for 2010 was € 63.2 m. The occupancy rate for the properties averaged 91.6 % in 2011 (98.2 % in 2010). This decline is caused by the transfer of two finished projects in Munich, the Skygarden building (book value of € 135.6 m) and the Ambigon building (€48.8 m; see 'The project development area' for details) to the asset portfolio upon their completion in the final quarter of 2011. As at 31 December 2011, the yield on the portfolio stood at 5.2 % (5.3 % in 2010). CA Immo invested approximately € 2.7 m in maintaining its German investment properties in 2011.

By contrast the Tower 185 high-rise, which was completed at the end of the year, will only be incorporated in the portfolio (and reflected on the balance sheet) in the first quarter of 2012; the property is not therefore included in the key figures below.

Lettings
Significant new lettings were concluded in relation to recently completed development projects in Germany (and in other areas). Lease contracts were finalised on around 5,000 sqm of the Skygarden office building in Munich, which was completed in autumn 2011. Large-scale contract extensions have also been agreed, including a 10-year lease extension on around 30,000 sqm of the Spreebogen office building by the state of Berlin. In total, new lease contracts and extensions to existing agreements accounted for almost 70,000 sqm of floor space in 2011.

INVESTMENT PROPERTIES GERMANY: KEY FIGURES[1]

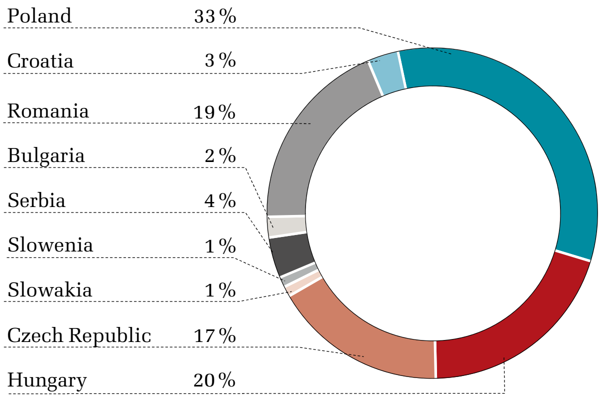
in € m	31.12.2011	31.12.2010	Change
book value	1,499.4	1,334.9	+12.3%
Annualised rental income	77.9	70.8	+10.1%
Gross initial yield	5.2%	5.3%	+0.1 pp
Economic vacancy rate	8.4%	1.8%	+6.6 pp

[1] Excl. own use properties

THE EASTERN EUROPE SEGMENT

CA Immo has been investing in Eastern Europe since 1999. The company now maintains investment properties in 9 countries of Central and Eastern Europe (CEE, 71 %) and South Eastern Europe (SEE, 29 %). The acquisition on 1 January 2011 of the Europolis AG portfolio, which is focused on (South) Eastern Europe and valued at € 1.5 bn, increased the share of Eastern Europe in the asset portfolio as a whole from 25 % to around 48 %. In this region, CA Immo concentrates on high quality office properties in capital cities of Eastern and South Eastern Europe; these make up 79 % of the overall Eastern European portfolio.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES EASTERN EUROPE BY COUNTRIES (Basis: € 2 bn)



53 % of rental revenue from Eastern Europe

As at the balance sheet date 31 December 2011, investment properties had an approximate market value of € 2,001.7 m (€ 678 m on 31 December 2010). The company's Eastern European asset portfolio comprises 1,356,412 sqm of rentable effective area which generated rental income of € 134.0 m in 2011 (compared to € 45.5 m in 2010). This represents 53 % of CA Immo's total rental revenue.

Quality: the basis for stable, long-term revenue

The high quality of the portfolio is expressed in landmark buildings such as the Warsaw Financial Center, Capital Square in Budapest, the three office blocks making up the River City complex in Prague and many more. By placing its faith in top quality locations and properties, CA Immo has been able to increase the utilisation rate of its office portfolio even in the time of crisis (see next page). The general overview of properties included in this report has full details on the various properties in the Eastern European asset portfolio.

Utilisation rate in core office segment rises to 86 %

As at 31 December 2011, the economic occupancy rate for the asset portfolio (measured on the basis of expected annual rental income) was 85 % (against 81 % in 2010). The utilisation rate in the core office segment stood at 86 % (79 % in 2010). The overall portfolio produced an initial yield of 7.4 % (7.4 % in 2010), with the yield for properties in the SEE region standing at 8.2 % (7.6 % in 2010) and 7.1 % (7.3 % in 2010) for those in the CEE region. Full details of the valuation results are contained in the 'Property valuation' section.

ASSET PROPERTIES EASTERN EUROPE: KEY FIGURES

in € m	Book value	Annualised rents	Occupancy rate	Gross yield	Equivalent Yield
Poland	659.9	43.2	84%	6.5%	7.7%
Hungary	409.2	29.8	80%	7.3%	9.0%
Romania	369.3	31.7	92%	8.6%	9.4%
Czech Republic	336.8	27.0	83%	8.0%	8.0%
Serbia	89.0	6.9	93%	7.7%	9.0%
Croatia	62.4	5.0	91%	8.0%	9.0%
Bulgaria	45.3	2.8	63%	6.3%	9.5%
Slovenia	17.6	1.5	89%	8.7%	9.3%
Slovakia	12.2	0.9	89%	7.7%	8.0%
Total	**2001,7**	**148.9**	**85%**	**7.4%**	**8.5%**

Large-scale lettings to creditworthy tenants

Lettings performance in 2011 totalled 422,600 sqm of rentable effective area, of which 133,100 sqm was re-let or newly let; contract extensions were responsible for 52.900 sqm and expansions of premises by existing tenants accounted for 236.600 sqm (mainly in the logistics sector). Significant new and extended contracts included Puma and Deloitte (1,000 sqm in Danube House and 8,900 sqm in Nile House respectively, both office properties being located in Prague), Nokia Siemens Network (13,000 sqm of office space in City Gate, Budapest), Tetra Pak (2,160 sqm in the Poleczki Business Park, Warsaw) and IBM (3,800 sqm in the Blonie logistics park in Poland).

Investment properties are managed on site by local teams. The regional companies of CA Immo and Europolis in Prague, Budapest, Warsaw, Bucharest and Belgrade have been amalgamated into CA Immo Real Estate Management, and all activity in Eastern Europe is now carried out under the CA Immo brand.

Logistics: Europolis acquisition creates new asset class

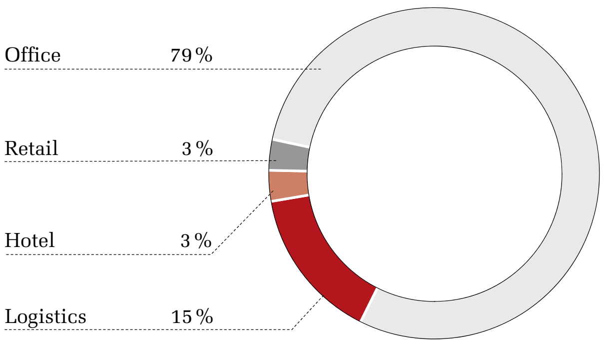
Integration of the investment properties of Europolis introduced logistics as a new asset class in the Eastern Europe segment; logistics made up 15 % of the portfolio as at 31 December 2011. In terms of lettings activity, this asset class is relatively volatile; owing to lease contract terms that are shorter on average, it is particularly exposed to the tough global economic situation. As a result, the vacancy rate in the portfolio is deteriorating. In the medium term, the objective will be to reduce the proportion of logistics as soon as the market allows.

MARKET ASSESSMENT

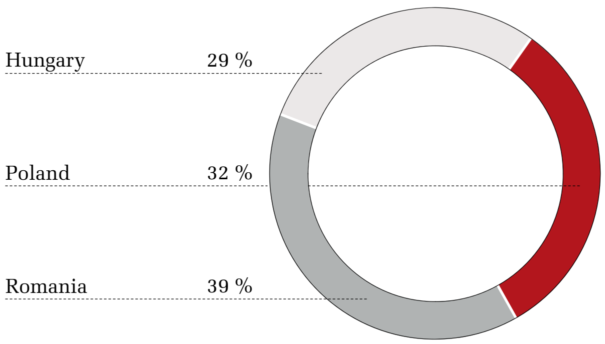
Given CA Immo's relatively high profile in Eastern Europe, investors and other capital contributors often ask whether the markets of the region represent a stable place to do business despite the current political and economic instability across Europe. In the estimation of CA Immo, the following facts make the case for our commitment to Eastern Europe:

- Compared to most Western European nations, economic output on the majority of the Eastern European markets is more stable, with higher growth rates and far lower levels of debt.
- Given the prospect of minimal new construction and consistently high levels of demand, quality real estate will remain sought after in Eastern European cities.
- Poland and the Czech Republic in particular represent established markets with growth potential, in contrast to the saturated and strongly competitive markets of Western Europe.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES EASTERN EUROPE BY MAIN USAGE (Basis: € 2 bn)



DISTRIBUTION OF BOOK VALUE LOGISTICS PROPERTIES EASTERN EUROPE BY COUNTRIES (Basis: € 301.5 m)



THE INVESTMENT PROPERTIES UNDER DEVELOPMENT AREA

Alongside its core business of portfolio management, CA Immo acts as a project developer on its markets. CA Immo acquired the project development company Vivico Real Estate GmbH, which changed its name to CA Immo Deutschland GmbH on 1 July 2011, early in 2008; since then, the company has significantly expanded its project development activity in Germany. Vivico was formed in 2001, having previously been a collecting society for railway properties in Germany. The acquisition provided CA Immo with extensive land reserves in central locations (especially in Frankfurt, Berlin and Munich) along with a strong platform for developing these sites. All activity in Germany has been carried out under the CA Immo brand since July 2011.

82 % of development activity in Germany

As at 31 December 2011, the development division represented around 18 % (equivalent to approximately € 934 m) of CA Immo's total property assets. Germany is clearly the focus of project development activity, accounting for 82.5 %; the remaining property assets under development are distributed between developments and land reserves in Austria and Eastern Europe (3.5 % and 14.0 % respectively). Of the development projects in Germany with a total market value of € 770.9 m, projects under construction account for around € 345.6 m, with plots subject to property use approval and long-term real estate reserves making up € 425.3 m.

Project development sustains portfolio quality over the long term

One objective of development activity is to raise the quality of the company's portfolio by absorbing projects as they are completed; another is to generate profit by selling dedicated building plots. To this end, the value of land reserves in Germany in particular is increased by acquiring building rights in connection with urban district development activity before they are utilised through sales to partners or the company's own development projects. CA Immo either transfers completed projects to its portfolio or sells them (through forward sales or to investors upon completion). In the course of its development activity, CA Immo covers the entire value chain through its subsidiaries: from site development and property use approval to project management and the letting or sale of completed properties.

INVESTMENT PROPERTIES UNDER DEVELOPMENT BY COUNTRY

	In Zoning		Landbank		Projects under construction		Total	
in € m	Book value	Book value in %	Book value	Book value in %	Book value	Book value in %	Book value	Book value in %
Austria	**0.0**	**0.0%**	**14.4**	**4.1%**	**18.4**	**4.8%**	**32.8**	**3.5%**
Frankfurt	0.0	0.0%	141.6	39.9%	273.5	70.7%	415.1	44.4%
Berlin	68.7	35.7%	81.7	23.0%	72.1	18.6%	222.5	23.8%
Munich	104.1	54.1%	6.1	1.7%	0.0	0.0%	110.1	11.8%
Rest of Germany	13.8	7.2%	9.3	2.6%	0.0	0.0%	23.1	2.5%
Germany	**186.6**	**97.0%**	**238.7**	**67.2%**	**345.6**	**89.3%**	**770.9**	**82.5%**
Czech Republic	0.0	0.0%	8.1	2.3%	0.0	0.0%	8.1	0.9%
Hungary	0.0	0.0%	12.4	3.5%	0.0	0.0%	12.4	1.3%
Poland	0.0	0.0%	17.7	5.0%	14.4	3.7%	32.1	3.4%
Romania	0.0	0.0%	41.3	11.6%	0.0	0.0%	41.3	4.4%
Serbia	0.0	0.0%	1.4	0.4%	0.0	0.0%	1.4	0.1%
Ukraine	0.0	0.0%	12.3	3.5%	0.0	0.0%	12.3	1.3%
Slovakia	5.7	3.0%	8.9	2.5%	8.6	2.2%	23.2	2.5%
Eastern Europe	**5.7**	**3.0%**	**102.1**	**28.7%**	**23.0**	**5.9%**	**130.8**	**14.0%**
CA IMMO	**192.3**	**100.0%**	**355.2**	**100.0%**	**387.0**	**100.0%**	**934.4**	**100.0%**

PROJECTS UNDER CONSTRUCTION

in € m	Book value	Book value in %	Outstanding construction costs	Planned rentable effective area in sqm	Expected value [1]	Yield	City	Main usage	Share	pre-letting rate	scheduled completion
Silbermöwe	18.4	11%	22.3	18,860	47.6	5.7%	Vienna	Office	100%	0%	12/2012
Austria	**18.4**	**11%**	**22.3**	**18,860**	**47.6**	**5.7%**					
Poleczki Business Park [2]	14.4	9%	6.2	10,418	22.5	7.7%	Warsaw	Office	50%	41%	5/2012
BBC 1 Plus	8.6	5%	23.0	15,847	33.5	7.5%	Bratislava	Office	100%	25%	9/2012
Eastern Europe	**23.0**	**14%**	**29.2**	**26,265**	**56.0**	**7.6%**					
Mercedes Benz VD	12.4	8%	57.7	26,380	76.9	5.3%	Berlin	Office	100%	100%	4/2013
TOUR TOTAL	42.3	26%	45.2	24,737	91.9	5.3%	Berlin	Office	100%	100%	7/2012
InterCity Hotel	17.4	11%	34.8	20,445	59.0	5.8%	Berlin	Hotel	100%	100%	9/2013
Skyline Plaza [2,3]	47.6	30%	130.4	36,154	182.7	5.5%	Frankfurt	Retail, div.	50%	46%	8/2013
Germany [4]	**119.7**	**74%**	**268.1**	**107,716**	**410.5**	**5.4%**					
CA IMMO	**161.1**	**100%**	**319.6**	**152,841**	**514.1**	**6.1%**					

[1] Upon completion
[2] All statements refer to the 50 % share
[3] Incl. Congress Center
[4] Excl. Tower 185 (project), which was handed over to the tenant in January 2012

Sustainability: an element in competitiveness and our responsibility to society

Through its real estate and urban district development activities, CA Immo is helping to shape the skylines of major cities like Vienna, Berlin and Munich – by collaborating on master plans and creating associated infrastructure such as public roads, cycle paths, parks, water features, cultural facilities, daycare centres and other utilities.

CA Immo only constructs energy-efficient office buildings. For over three years, the company's development projects (except hotels) in Germany have qualified for certification – an obligation extended across the Group since the end of 2011. By complying with various certification requirements (LEED, DGNB), the company makes allowance for the conservation of resources such as energy and water as well as emissions, wastewater, refuse and the transporting thereof. So the Mercedes Benz sales office in Berlin falls below the common primary energy consumption for more than 25 % (calculated according to DGNB method).

Within the scope of **land development**, CA Immo meets its obligation to furnish proof of biodiversity etc. and aims to establish dialogue with various interest groups at an early stage. For example, contact options are provided where residents have concerns in connection with development projects.[1]

THE AUSTRIA SEGMENT

CA Immo's development activities in Austria are centred on Vienna and span investment assets under development with a total book value of around € 32.8 m. As at 31 December 2011, the company was realising one development project in Vienna.

Early in 2010, CA Immo launched a large-scale inner city development and restoration project known as **Lände 3** on the Erdberger Lände site in the capital. The site, which currently offers some 80,000 sqm of rentable area, comprises a number of sections. Following a phase of restoration, the tenant Post AG started to occupy 31,000 sqm of office space in August 2011; by December, all of the organisation's office-based operations in Vienna had been amalgamated on the site. Sim & More GmbH also signed up as a tenant and operator of a self-service restaurant with usable space of 2,500 sqm.

[1] For details on the stakeholder-dialogue see GRI Annex

Meanwhile, full-scale revitalisation work on the Silbermöwe office property began in March: by the autumn of 2012, modern and sustainable office space with rental effective area of approximately 18,800 sqm will be created within the nine-storey building, which is just under 40 metres high. An application will be made for ÖGNI sustainability certification for the building.

Project completions

Two budget **MEININGER hotels** were completed in 2011: on Fürbergstrasse in Salzburg (attached to the Zentrum im Berg shopping centre) and on Vienna's Rembrandtstrasse, adjacent to the Augarten park. The Salzburg hotel has 101 rooms while its Viennese counterpart has 131 rooms. MEININGER will lease both properties for a term of 20 years. The total investment volume for the two hotels was € 16 m.

THE GERMANY SEGMENT

CA Immo is focusing its development activity on the cities of Munich, Frankfurt and Berlin, aiming in particular to make progress on large-scale, mixed use urban development projects.

As at 31 December 2011, CA Immo held rentable effective area of approximately 107,716 sqm in Germany along with a total budgeted project volume of around € 410.5 m for construction (excl. Tower 185). Around 31 % of the investment costs have been recovered; outstanding construction costs of around € 268.1 m, split between 2012 (€ 135.1 m) and 2013 (€ 133.0 m), are covered by loan commitments and capital resources. This extensive project pipeline together with additional land reserves and land development projects with an approximate value of € 425.3 m confirm Germany as the main driver behind the organic asset accumulation envisaged for the years ahead and CA Immo as the biggest project developer in the country[1].

Project completions

After the completion of the **SKYGARDEN** office building in the Munich **Arnulfpark®** urban district in August 2011, CA Immo took over the proprietor parts of the joint partner OFB project developer by 100 %. The building realised as a green building, offers around 33,000 sqm of gross floor space above ground; as at the balance sheet date, it was 71 % pre-let. The book value is € 135.6 m. PwC, the principal tenant, has established its new Munich headquarters across some 17,500 sqm of floor space. The finalisation of this project virtually completes the development of the 18-hectare urban area close to Munich's main rail station.

At the end of the year, the **AMBIGON** office, commercial and medical centre was completed in the **Schlossviertel Nymphenburg**, a district of quality residential and office units. With a gross floor area of approximately 16,400 sqm, the complex combines a range of usage types under one roof: offices, retail outlets, a medical centre and a rehabilitation/fitness zone. Prior to completion, CA Immo was able to conclude contracts on around 45 % of the rentable space, the book value is € 48 m.

GERMANY: BREAKDOWN OF ASSETS UNDER DEVELOMENT

[1] Source: BulwienGesa AG analysis institute

The Europacity district close to the main station in Berlin

Key development activities in Germany include:

Berlin

CA Immo is implementing a number of highly significant urban planning projects in the German capital. These include the **Europacity district** in the vicinity of the city's main station. At 40 hectares in total, CA Immo is developing approximately half of the site.

The foundation stone for the 17-storey **TOUR TOTAL** office high-rise on Europaplatz – the future German headquarters of oil company TOTAL – was laid during the year under review. Occupying around 14,000 sqm of floor space, TOTAL is renting the entire tower, which was designed as a green building. The company will take up residence in the structure, which is approximately 69 metres tall, in the second half of 2012.

A 20-year lease agreement for an **InterCityHotel**, south of Berlin's main rail station, has been concluded with Steigenberger Hotels AG. The eight-storey building will have gross floor space of 19,800 sqm, making it the largest InterCityHotel in Germany; it is scheduled for completion in the second half of 2013. CA Immo is acting as constructor and investor.

CA Immo is also developing the new company headquarters of **Mercedes-Benz sales department Germany** (MBVD) in the Berlin borough of Friedrichshain-Kreuzberg. As many as 1,200 Mercedes employees will occupy around 26,000 sqm of floor space.

SUSTAINABILITY CERTIFICATIONS OF GERMAN DEVELOPMENT PROJECTS

City	**project**	**status**	**certification**
Munich	Ambigon	completed	DGNB silver aspired
Munich	Skygarden	completed	LEED gold aspired
Frankfurt	Tower 185	completed	precertificate DGNB, LEED gold aspired
Frankfurt	Skyline Plaza	under construction	precertificate DGNB gold
Berlin	Tour TOTAL	under construction	DGNB silver aspired
Berlin	Intercity Hotel	under construction	DGNB silver aspired
Berlin	MBVD Headquarter	under construction	DGNB silver aspired

DEVELOPMENT OF URBAN DISTRICT EUROPAVIERTEL IN FRANKFURT

1

MÖVENPICK HOTEL FRANKFURT

- Ground floor area: 16,100 sqm
- Main usage: Hotel
- Opened: 2006
- Status: sold

2

EUROVENIA

- Ground floor area: 17,200 sqm
- Main usage: Residential
- Opened: 2009
- Status: sold

3

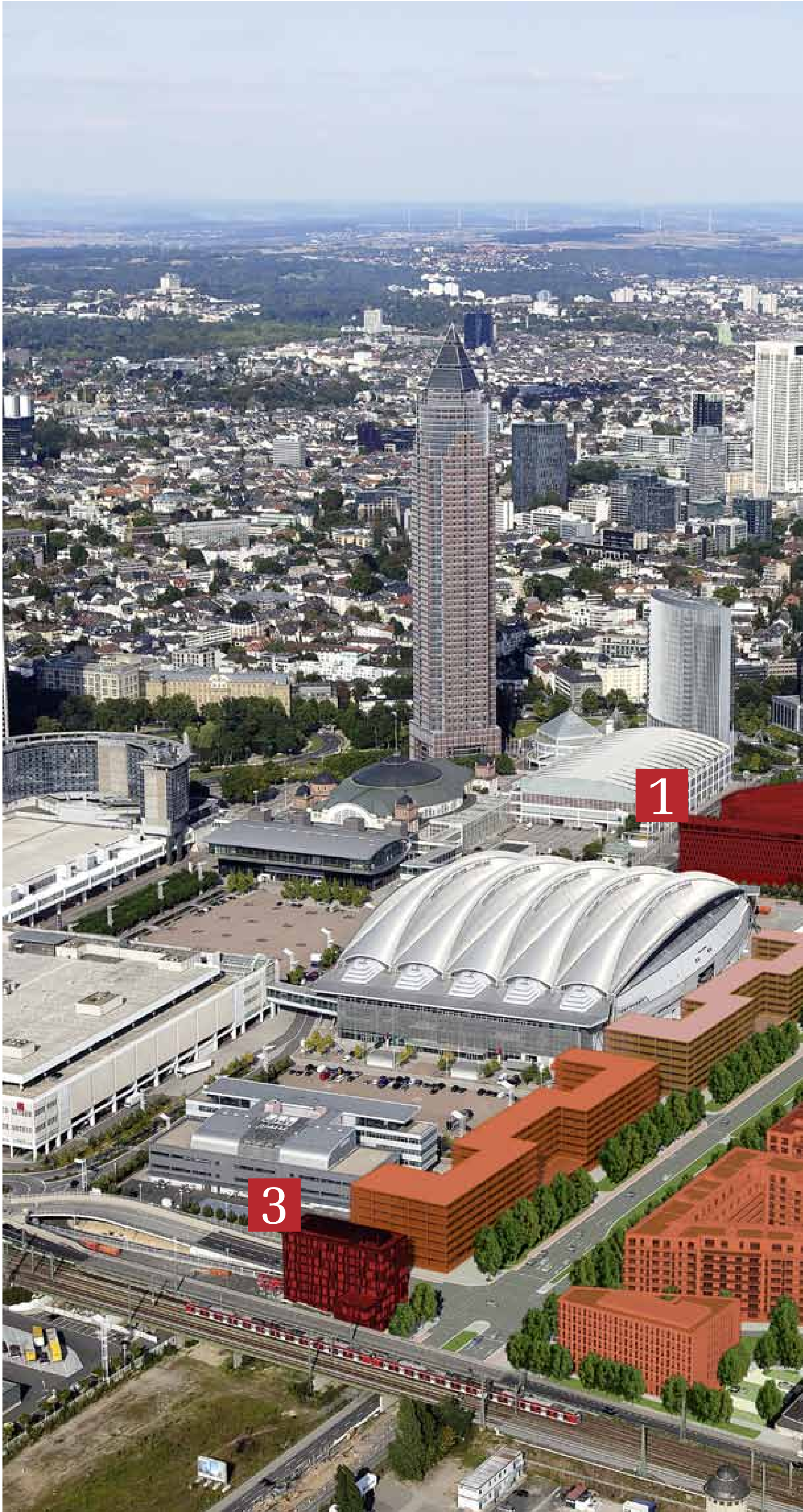
MEININGER HOTEL FRANKFURT

- Ground floor area: 4,300 sqm
- Main usage: Hotel
- Opened: 2010
- Status: rented

4

CITY COLOURS

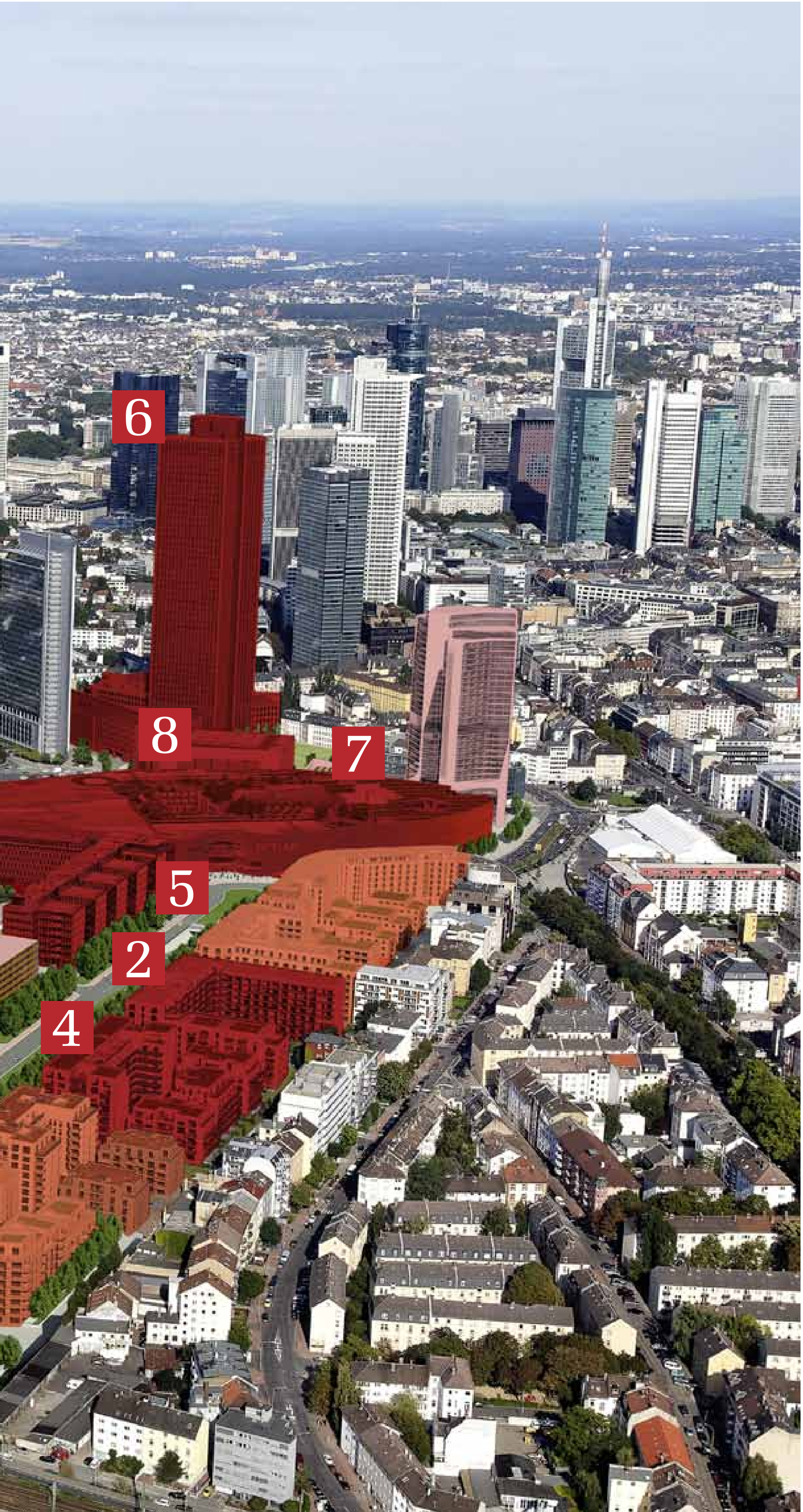
- Ground floor area: 17,200 sqm
- Main usage: Residential
- Opened: 2010
- Status: sold
- Joint Venture with Realgrund



developed by CA Immo

Property sold, developed by partners

Property owned by CA Immo



5

EUROPA ALLEE 12–22

- Ground floor area: 25,500 sqm
- Main usage: Office, Retail, Gastronomy
- Opened: 2010
- Status: sold

6

TOWER 185

- Ground floor area: 130,000 sqm
- Main usage: Office
- Opened: 2010 plinth building, 2012 tower
- Status: rented/for rent

7

SKYLINE PLAZA

- Ground floor area: 180,000 sqm
- Main usage: Shopping, Congress, Fitness/Wellness, Gastronomy, Parking
- Planned completion: 2013
- Status: under construction, 90% sold (forward sale)

8

KONGRESSZENTRUM

- Ground floor area: 17,000 sqm
- Main usage: Congress
- Planned completion: 2013
- Status: sold

MANAGEMENT REPORT

GERMANY: FOCUS ON CITY QUARTER DEVELOPMENTS

VALUE CREATION CHAIN

CREATION OF CITY QUARTERS

- Define intended usage-mix
- Obtain zoning and development rights
- Final product: Zoned land ready to be sold or used for own project-developments

PROJECT-DEVELOPMENT

- Building, letting and selling of properties
- Significant in-house expertise in construction management
- After completion: either take over of properties in the standing-portfolio or prepare for sale

- CA Immo covers full development-value chain
- Existing on-balance sheet land bank is basis for further profitable growth

Europaviertel, Frankfurt

The Europaviertel is one of CA Immo's biggest urban district development projects. The new city quarter spans around 90 hectares, of which CA Immo is developing 18 hectares. This modern area of residential units, offices, restaurants, retail outlets and a conference centre is directly adjacent to the Frankfurt Exhibition Centre and the banking district. Reputable companies such as BNP Paribas, PricewaterhouseCoopers (PwC), Allianz and MEININGER have signed up as tenants or investors.

Following a construction period of 33 months, CA Immo completed **Tower 185** on schedule at the end of the reporting year. The 200-metre structure in Frankfurt's Europaviertel is the fourth highest building in Germany. PwC, the auditing and consulting firm, is the biggest tenant with around 68,000 sqm of office space. Another 4,500 sqm is let to the international law firm Mayer Brown LLP. As at 31 December 2011, Tower 185 had an approximate market value of € 391.7 m; it will be incorporated in the portfolio (and reflected on the balance sheet) in the first quarter of 2012.

CA Immo started constructing the **SKYLINE PLAZA** shopping centre in Frankfurt in a joint venture with ECE Projektentwicklung in June 2011. The shopping mall will accommodate around 180 shops across floor space of some 38,000 sqm; it will also feature a health and fitness zone of around 8,500 sqm, a restaurant area of approximately 4,500 sqm and a roof garden spanning around 10,000 sqm. The total investment volume for the project (including the conference centre) is € 360 m. Allianz Real Estate acquired 80 % of the shares in Skyline Plaza in September under the terms of a forward sale; ECE and CA Immo will each continue to hold a 10 % stake in the property after completion.

Messe Frankfurt will operate the **conference centre** being built in parallel with the Skyline Plaza. Construction of the conference facility was a precondition of the city of Frankfurt for approval of the shopping centre; it will include halls of varying capacity on three levels plus one mezzanine.

THE EASTERN EUROPE SEGMENT

The debt crisis in Europe is having a major bearing on project development activity across Eastern Europe. In particular, restrictions on financing and protracted contract negotiations with international tenants have led to delays and even cancellations of building projects. Despite this climate, CA Immo made progress on selected development projects in the region during 2011. The total market value of land reserves and projects under construction in the Eastern Europe segment is approximately € 130.8 m.

Slovakia

Ground-breaking at the **Bratislava Business Center 1 Plus** took place in January 2011. The structure was designed as an extension to the present Bratislava Business Center 1; a direct link to the original building will be established. Capital resources will be used to finance the project. The new building will have 13 floors providing rentable effective area of around 15,900 sqm plus a car park with 313 spaces. BBC 1 Plus is being constructed as a sustainable building with the environmental standards that implies. An application will be made for LEED certification. Pre-letting on the project (mainly to international tenants) was around 30 % (incl. LOI) as at 31 December 2012.

Poland

The **Poleczki Business Park** is being realised under the terms of a 50:50 joint venture between the CA Immo New Europe project development fund and UBM Realitätenentwicklung AG. The state-of-the-art office district is emerging on a site spanning some 140,000 sqm close to Warsaw Airport. The project – the largest of its kind in Poland – provides for the construction of 16 buildings in several construction phases. Construction phase one was concluded in the second quarter of 2010. Phase two, which started in December 2010, comprises two four-storey buildings with a rentable effective area of around 21,000 sqm; this phase is scheduled for completion in quarter two of 2012. By the end of 2011, pre-letting stood at 40 %.

In September, the two structures making up the current construction phase won the International Property Award (Highly Commended Best Mixed Use Development category). The International Property Award is a globally recognised award for residential and commercial properties. Construction phase two was also awarded gold LEED for Core & Shell pre-certification by the Green Building Certification Institute (GBCI) in August.

Russia

Located adjacent to St. Petersburg's Pulkovo 2 international airport, **Airport City St. Petersburg** is being realised by the project development company OAO Avielen AG in a joint venture with Warimpex and UBM. The first premium class business centre for the region represents a major infrastructure project for the expanding economic area of St. Petersburg. CA Immo holds a 35 % stake in the venture through the CA Immo New Europe project development fund.

The first phase of the project was finalised in December with the completion and opening of a four-star hotel along with the Jupiter and Airport office towers, which together provide 17,000 sqm of office space. Run by the InterContinental Group, the four-star Crowne Plaza is the only hotel at the airport itself. With 294 rooms and large-scale conference facilities for up to 1,000 visitors, the hotel is geared to the needs of international business travellers.

In addition to the projects under construction described above, CA Immo holds real estate reserves with an approximate value of € 102.1 m in Eastern Europe. No specific construction projects are planned for these sites at present.

LAND BANK IN EASTERN EUROPE BY ZONING CLASSIFICATION

in € m	Office	Logistics	Others	Total
Czech Republic	0.0	0.0	8.1	8.1
Hungary	0.0	12.4	0.0	12.4
Poland	2.2	15.5	0.0	17.7
Romania	20.7	8.3	12.3	41.3
Ukraine	0.0	12.3	0.0	12.3
Slovakia	8.9	0.0	0.0	8.9
Others	0.0	1.4	0.0	1.4
Total	**31.9**	**49.8**	**20.4**	**102.1**

PROPERTY VALUATION

The valuation of the properties constitutes the fundamental basis on which a real estate company is assessed, and is thus the most important factor in determining the value of such a company's shares. The crisis afflicting the global financial system has caused real estate prices and values to fluctuate substantially over recent years, and the situation has also affected the CA Immo Group directly.

The fair value of real estate that is used for accounting purposes is generally determined by independent third party expert appraisers using 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 a property should be sold on the valuation date, after a reasonable marketing period, between a willing seller and a willing buyer in the usual course of business, whereby the parties each acted 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 CA Immo 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 qualified assessment of the expert appraiser determines and takes account of other parameters such as, in particular, the long-term rental price achievable for a property (ERV, expected rental value) and the equivalent yield for a property.

The residual value method is applied to properties 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 of 5.0 % to 20.0 %. Possible risks are considered, amongst other things, in future attainable rents and the capitalisation and discounting rates. Cap rates were unchanged on the previous year in the range of 5.0–8.5 %; they 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. Shortly before completion and after completion, properties are valued according to the investment method (see above), taking outstanding residual work into consideration.

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.

In Austria, external valuations had been carried out on the key date 31.12.2011 for 99.5 % of the property assets (compared to 99.4 % on 31.12.2010); in Germany the figure was approximately 96.5 % (around 96.0 % on 31.12.2010) and in (South) Eastern Europe it was 99.9 % (99.0 % on 31.12.2010). The values for the remaining property assets were updated internally on the basis of previous year valuations and binding sale agreements.

The valuations as at 31 December 2011 were compiled by the following companies:

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

Stable environment in 2011

As in 2010, real estate values remained stable in 2011. Significant changes in value (both positive and negative) were due mainly to property-specific events such as completions of development projects and changes to occupancy rates.

For 2011 as a whole, these events produced a positive revaluation result of € 49.143 K (€ 32.052 K in 2010).

ÖSTERREICH

Für den Großteil des Portfolios in Österreich waren nur geringe Wertänderungen festzustellen. Den wesentlichsten Anteil am Neubewertungsergebnis hatte die Liegenschaft Erdberger Lände (Lände 3), bei der es insgesamt zu einer Abwertung um -3.636 T€ aufgrund von nicht zur Gänze in einer höheren Bewertung widergespiegelten unterjährig durchgeführten Investitionen kam.

Der dargestellte Anstieg der Bruttoanfangsrendite von 5,1% auf 5,6 % hängt in erster Linie mit der im Vergleich zum Vorjahr deutlich erhöhten annualisierten Miete in Folge des Einzugs des neuen Hauptmieters der Liegenschaft Erdberger Lände (Lände 3) zusammen.

BEWERTUNGSERGEBNIS ÖSTERREICH

Mio. €	Anschaffungskosten	Bilanzwert	Neubewertung /Wertminderung/Wertaufholung	Bruttoanfangsrendite	
	31.12.2011	31.12.2011		31.12.2010	31.12.2011
Bestandsimmobilien	757,1	682,2	– 5,5	5,1%	5,6%
Immobilien in Entwicklung	37,9	32,8	2,0		
Zur Veräußerung gehaltene Immobilien	0,1	0,1	0,0		
Gesamt	**795,1**	**715,1**	**– 3,4**		

[1] Exkl. selbst genutzte Immobilien

DEUTSCHLAND

Für 2011 konnte in Deutschland insbesondere aufgrund von Neubewertungen in Folge von Projektfertigstellungen ein deutlich positives Neubewertungsergebnis erzielt werden. Die betragsmäßig wesentlichste Aufwertung ergab sich dabei bei dem in 2011 fertiggestellten Objekt Skygarden in München (+ 10,8 Mio. €). Ebenfalls bedingt durch den Baufortschritt ergab sich weiters bei der aktuell größten Projektentwicklung, dem Tower 185 in Frankfurt, eine Aufwertung um 7,0 Mio. €.

Bei der dargestellten Brutto-Anfangsrendite von rd. 5,2 % ist zu beachten, dass die 2010 und 2011 fertig gestellten Objekte (erster Bauteil des Tower 185, Skygarden sowie Ambigon) noch nicht ihre Ziel-Auslastung erreicht haben, bzw. aufgrund von Staffelmieten die annualisierte Miete zum Stichtag unter der kalkulatorischen Sollmiete liegt. Ohne diese Objekte würde die Brutto-Anfangsrendite bei rd. 5,7 % liegen.

BEWERTUNGSERGEBNIS DEUTSCHLAND

Mio. €	Anschaffungskosten	Bilanzwert	Neubewertung/Wertminderung/Wertaufholung	Bruttoanfangsrendite	
	31.12.2011	31.12.2011		31.12.2010	31.12.2011
Bestandsimmobilien [1]	1.498,4	1.499,4	25,3	5,3%	5,2%
Immobilien in Entwicklung	732,1	770,9	31,9		
Zur Veräußerung gehaltene Immobilien	49,0	57,7	12,0		
Zum Handel bestimmte Immobilien	42,0	33,9	–1,2		
Gesamt	**2.321,5**	**2.361,9**	**68,0**		

[1] Exkl. selbst genutzte Immobilien

EASTERN AND SOUTH EASTERN EUROPE

Over the past few years, Eastern and South Eastern Europe has been affected much more severely by the turmoil of the financial crisis than other regions in our portfolio. Wide variations were reported in certain countries and asset classes. Yields fell in Poland but rose in Hungary and Romania, for example; yields on office properties in Hungary ranged from 7.5 % to 9.25 % (7.2–9.0 % on 31.12.2010); they ranged from 8.5 % to 10 % in Romania, 8.25 % to 11 % in Serbia and 6.8 % to 9.7 % in Poland. Yields on portfolio hotels in Slovenia and the Czech Republic expanded to the 8.8 % to 10 % range (9.0 % on 31.12.2010).

The valuation result for office properties – the most important asset class for CA Immo – was positive at € 8.3 m; this resulted from an upward valuation of € 17.3 m for investment properties together with a devaluation of € -9.0 m for development sites (especially in Romania). By contrast, the valuation result for logistical real estate was clearly negative; the overall devaluation for this asset class was around € -14.9 m, of which investment properties in Romania, Hungary and Poland accounted for € -11.6 m and land reserves represented € -3.2 m. Hotels in the portfolio in the Czech Republic and Slovenia were also subject to significant negative corrections of € -7.1 m.

VALUATION RESULT EASTERN AND SOUTH EASTERN EUROPE

In € m	**Acquisition costs 31.12.2011**	**Book value 31.12.2011**	**Revaluation/Impairment**
Investment properties	2,104.8	2,001.7	–3.1
investment properties under development	173.2	130.8	–13.6
Total	**2,277.9**	**2,132.4**	**–16.7**

FINANCING

As a real estate company, CA Immo operates in a capital-intensive sector that relies to a large extent on the availability of debt financing. It is critical to establish the most effective possible structuring of financing; alongside successful management of the real estate portfolio, this is one of the key factors in the overall result of the CA Immo Group. As at 31 December 2011, the financial liabilities of the CA Immo Group totalled € 3,264,014 K (compared to € 2,126,355 K on 31 December 2010); financing costs for 2011 stood at € – 161,009 K (€ – 117,202 K in 2010). The main reason for the increase was the initial consolidation of the Europolis Group in 2011. In addition to financing already secured which is thus reflected on the balance sheet, the CA Immo Group has unused credit lines totalling € 150 m that can be drawn to finance development projects under construction.

Debt Expiry profile

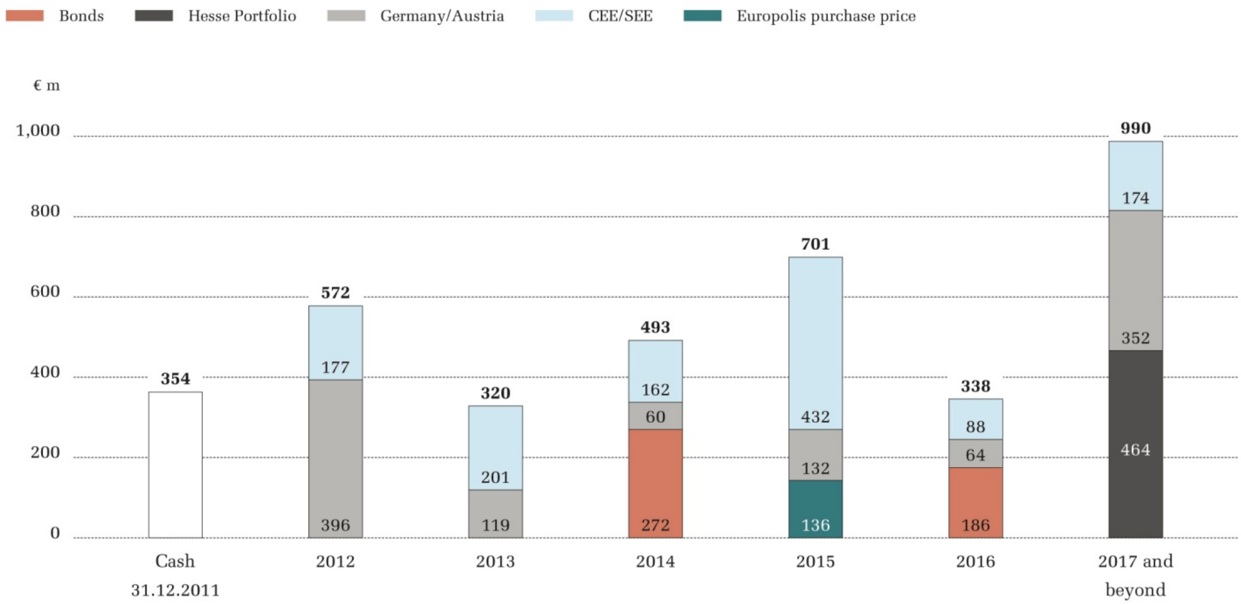
The diagram below shows the maturity profile of the financial liabilities of the CA Immo Group as at 31 December 2011 (assuming options to extend are exercised). The due amounts shown for 2012 total € 572 m.

This number includes in particular the following large-scale financings:

– Construction financing of € 265 m for Tower 185: the loan provided by a consortium of four banks to finance the construction of Tower 185 matures in the fourth quarter of 2012. The construction for which the loan was used was completed on time and on budget at the end of 2011, and the principal tenant has moved in. As at 31 December 2011, the LTV ratio was approximately 56 %.
– Financing of € 50 m for the Warsaw Financial Center: the term of the investment loan granted by a German bank in 2009 in relation to the Warsaw Financial Center expires in the second quarter of 2012. This office property, which commands a prime location in central Warsaw, is almost fully let; as at 31 December 2011, the LTV ratio was around 48 %.
– Construction financing of € 30 m for Ambigon in Munich: the loan provided by a German bank to finance construction of the Ambigon property in Munich matures in the fourth quarter of 2012. The building was completed in 2011; the LTV ratio as at 31 December 2011 was around 61 %.

The prolongation of these loans, respectively the transfer of the construction financings into longer term investment loans are generally routine transactions. For this reason, CA Immo is confident that discussions with banks will produce positive outcomes in good time.

DEPT EXPIRY PROFILE CA IMMO GROUP



FINANCING COSTS

in € m	Book value	Book value in %	Occupancy rate	Annualised rents	Gross-yield in %	Outstanding financial liabilities	Financing costs in %	LTV in %
Investment properties [1]								
Austria	691.9	13.2%	90.7%	38.3	5.5%	305.2	4.7%	44%
Germany	1,502.4	28.8%	91.6%	77.9	5.2%	788.1	4.3%	52%
Czech Republic	336.8	6.4%	82.9%	27.0	8.0%	244.0	4.0%	72%
Hungary	409.2	7.8%	79.6%	29.8	7.3%	168.8	3.9%	41%
Poland	659.9	12.6%	84.4%	43.2	6.5%	424.9	3.2%	64%
Romania	369.3	7.1%	91.5%	31.7	8.6%	225.0	4.4%	61%
Others	226.5	4.3%	85.2%	17.2	7.6%	117.9	6.5%	52%
Total	**4,196.0**	**80.3%**	**87.4%**	**265.1**	**6.3%**	**2,273.9**	**4.2%**	**54%**
Development projects	934.4	18%		6.0		410.7	4.2%	44%
Properties held as current assets	91.7	2%		0.8		0.6	5.4%	1%
Financing on parent company level	0.0	0%		0.0		578.9	4.6%	n.a.
CA IMMO	**5,222.2**	**100%**		**271.9**		**3,264.0**	**4.3%**	

[1] Incl. self use properties

As the table above shows, the average cost of financing for the CA Immo Group amounts to 4.3 %. In this figure those interest rate derivatives that can be directly attributed to a specific loan are already reflected. The different levels of interest rate hedges between the individual regions also explain most of the variance in the financing costs between the countries. As the financings that were taken over with Europolis are in most instances not hedged or only hedged via out-of-the money Caps, the Eastern European countries show lower costs of financing than Austria or Germany. This is despite the fact that financing margins are in generally higher in those countries than in Western Europe. In Austria and Germany, the majority of the loans have been hedged against interest rate risk by long term swap contracts. Due to this the reduction in the base rate (Euribor) has not had an effect on the level of the financing costs.

If in addition to the interest rate hedges that are directly linked to a specific loan contract one also considers those derivatives that cannot be directly attributed, the financing costs increase to 4.7 %.

BASIC PARAMETERS OF THE FINANCING STRATEGY

Emphasis on secured financing

The backbone of the financing strategy are mortgage loans secured with property; the debt is taken up in the (subsidiary) companies in which the respective real estate is held. Unsecured financing at Group parent company level is limited to the three bonds placed on the capital markets. This structure offers the following key advantages:

- Loans secured by a mortgage on a property generally offer more favourable conditions than unsecured financings and longer terms are possible.
- Since financing is provided at subsidiary level, there is no recourse to the parent company or other parts of the Group.
- Covenants are only tested on the level of the individual asset and not on group wide ratios. This expands strategic flexibility considerably; moreover, any breaches of covenants at property level can be remedied much easier than it would be the case at overall Group level.

The outstanding volume of loans secured with property stood at € 2.7 bn as at 31 December 2011. The approximate book value of the properties serving as security on these loans was € 4.3 bn. The book value of CA Immo's unmortgaged properties as at 31 December 2011 was around € 0.8 bn, with undeveloped sites making up the majority of this. The volume of unsecured bond financing was € 0.4 bn.

Long-term interest rate hedging

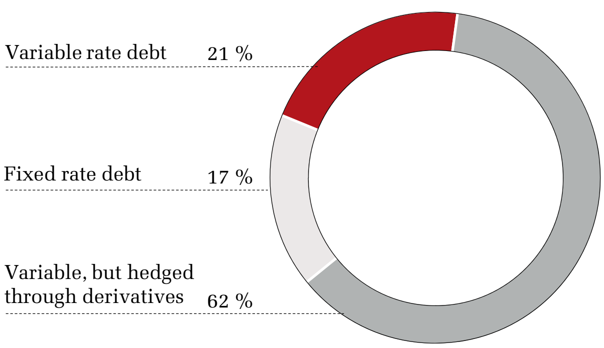
Given that the interest paid makes up the biggest expense item in the income statement for most real estate companies, interest rate rises can have a serious impact – especially since the income side (rent) is usually based on long-term agreements, which means increases in financing costs cannot be counterbalanced by higher revenue. For this reason, CA Immo Group's financing policy involves hedging a substantial proportion of the debt against fluctuations over the long term. Interest rate swaps (and, to a lesser extent, interest rate caps) are used as hedging tools.

Of the derivatives deployed, swap contracts account for a nominal value of € 1,828.2 m and interest rate caps represent a nominal value of € 229.4 m. The weighted average interest rate fixed via swap contracts is 3.7 %, with the average rate ceiling for the interest rate caps at 4.4 %. The weighted average term remaining on derivatives used for interest rate hedging is around 4.4 years, compared to a weighted remaining term of 4.2 years on variable interest-bearing liabilities.

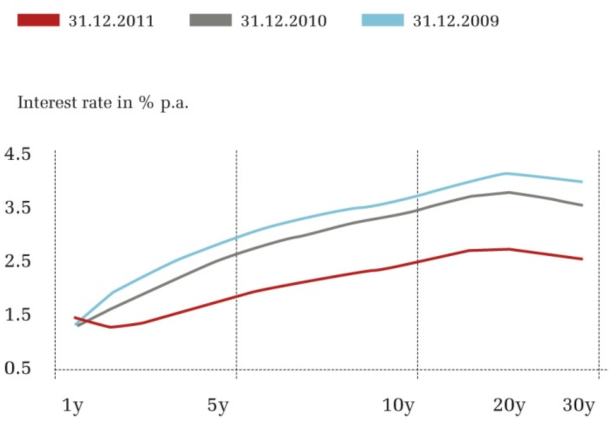
The fair value of the swap contracts is strongly negative on account of the sharp drop in the general interest level in recent years. The total fair value as at 31 December 2011 was € -184.1 m (for the entire nominal amount of € 1,828.2 m). In terms of the balance sheet, a distinction is drawn between those contracts directly attributable to a loan (thus meeting the criteria for hedge accounting as cash flow hedges) and those for which these preconditions are not met (fair value derivatives). For cash flow hedges, the change in the fair value on the relevant key date is recognised directly in equity; for fair value derivatives, by contrast, the change is recognised as expenditure in the income statement under 'Income/Expenses from derivative transactions'. As at key date 31 December 2011, contracts with a nominal value of € 1,366.6 m and a fair value of € -119.1 m fulfilled the preconditions for hedge accounting. The nominal value of swaps classified as fair value derivatives was € 461.5 m; the negative fair value was € -65.0 m as at 31 December 2011.

The following diagram shows the fall over recent years in the swap curve, which is critical to the valuation of swap contracts:

FINANCIAL DEBT AS OF 31.12.2011



SWAP CURVE 2009–2011



Bonds and other key sources of financing

CA Immo currently has three bonds outstanding, which are registered for trading on the unlisted securities market of the Vienna Stock Exchange:

ISIN	Type	Outstanding volume	Maturity	Coupon
AT0000A0EXE6	Corporate Bond	150 Mio. €	2009-2014	6,125%
AT0000A026P5	Corporate Bond	186 Mio. €	2006-2016	5,125%
AT0000A0FS99	Convertible Bond	115 Mio. €	2009-2014	4,125%

The bonds provide unsecured financing at Group parent company level; they are pari passu to one another and to all other unsecured financing of CA Immobilien Anlagen AG. The conditions of the bonds do not provide for any relevant financial covenants.

Between September 2011 and the end of the reporting year, convertible bonds with a nominal value of € 20.5 m were repurchased from the market at an average price of 94.6 %; bonds from 2006 with a nominal value of € 14.0 m were bought back at a rate of 97.5 %.

Key features of the convertible bond:

The conversion price of the convertible bond is € 11.58; the planned payment of a dividend will result in adjustment of the conversion price and thus the maximum number of bearer shares issued where the right of conversion is exercised. The conversion price will thereby be reduced in the magnitude of the dividend yield at the time of the dividend payment.

Early repayment of the convertible bonds by CA Immo is possible as from the end of the final quarter of 2012 provided the price of the CA Immo share (in certain periods) amounts to at least 130 % of the applicable conversion price at that time.

In terms of amount, the largest financing aside from the bonds is the loan for the **Hesse portfolio** (real estate value of € 813.9 m as at 31 December 2011), which had an outstanding volume of € 512.2 m as at 31 December 2011. The original loan was securitised by the arranging bank and placed on the capital market (‘Opera Germany 3’ transaction, ISIN XS0293598495 (tranche A) and XS0293599113 (tranche B)). The financing concluded at the end of 2006 runs until the first quarter of 2017. The margin on the loan is 0.5 % above the 3 month Euribor rate; the Euribor was secured through a swap with a rate of 3.94 %, resulting in effective interest costs of 4.44 %.

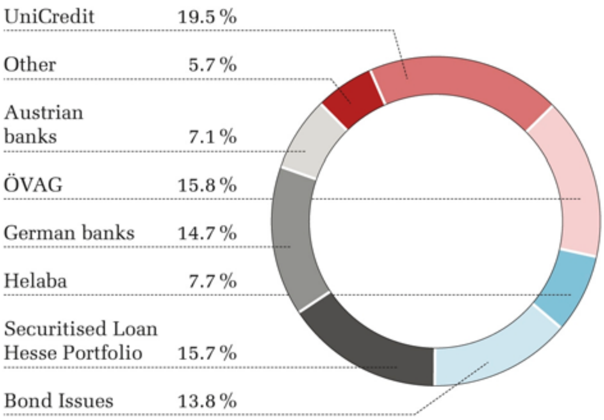
The main covenants for this financing are as follows:

Ratio	Covenant	Current level
DSCR	1.05x	>1.35x
ICR	1.15x	>1.80x
LTV	<75%	~64%

Financing banks

CA Immo has business relations with a large number of banks. With around 19 % of outstanding financial liabilities, the main financing bank is the UniCredit Group. As the diagram below shows, the Österreichische Volksbanken-AG Group (ÖVAG) and Helaba in Germany also account for significant shares. Taken together, all of the other banks each provide less than 5 % of the credit volume.

FINANCING VOLUME BY BANKS



RESULTS

First-time recognition of Europolis Group

The Europolis Group has been included in the consolidated financial statements of CA Immo since the closing of the Europolis AG acquisition effective 1 January 2011. As explained below by referring to the key items, this consolidation has a significant impact on the financial and earnings position of the CA Immo Group. The insight provided by a comparison with the prior-year figures is therefore limited.

Gross revenues and net operating income

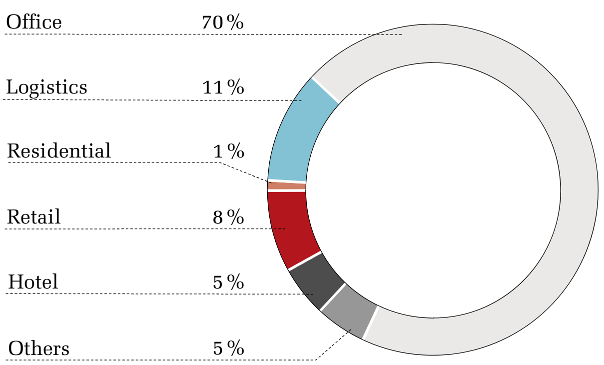
Measured against 2010, rental income increased by 61.5 %to € 265,576 K. The advance was prompted chiefly by rental income from the Europolis Group. As illustrated by the table below, rental income advanced significantly in the Eastern/South Eastern Europe segment following the addition of the Europolis properties. The growth in rental income in Germany, in contrast, is chiefly attributable to the completion of development projects, which more than made good the reduction triggered by disposals. The rental income in the Germany segment also includes a one time amount of € 5.782 K arising from a supplementary rent charge. In Austria, sales prompted a year-on-year decrease in rental income.

Lease incentives, in particular rent-free periods, are linearised over the full term of the lease, so that the rental income reflects not the actual cash rent received in the period, but the economically effective rent. Of the rental income recognized in 2011, an amount of € 7,296 K is attributable to such linearisation.

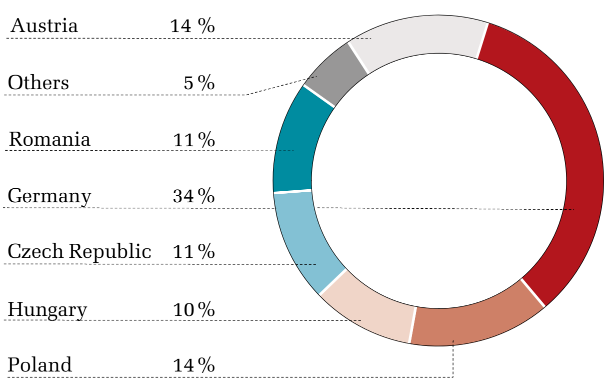
The 49.0% rise in direct management costs for the rented properties, from € -25,827 K to € -38,490 K was less pronounced than the increase in rental income. The principal direct costs are vacancy costs and operating costs that cannot be passed on to tenants (€ -11,087 K), maintenance costs (€ -6,005 K) and allowances for uncollectible accounts (€ -8,497 K). In 2011, such allowances contain value adjustments in connection with two hotels in the Czech Republic in particular.

Net operating income attributable to letting activities after the deduction of direct management costs increased from € 138,597 K to € 227,086 K. The margin (net operating income relative to rental income) edged up from 84.3 % to 85.5 %.

RENTAL INCOME
BY MAIN USAGE



RENTAL INCOME
BY COUNTRY



CHANGE IN RENTAL INCOME FROM 2010 TO 2011

€ m	Austria	Germany	Eastern/South East Europe	Total
2010	**39.0**	**79.8**	**45.6**	**164.4**
Change				
Resulting from indexation	0.7	1.0	1.7	3.4
Resulting from change in vacancy rate or reduced rentals	– 1.0	0.7	– 0.9	– 1.1
Resulting from new acquisitions	0.0	0.0	89.3	89.3
Resulting from whole-year rental for the first time	0.0	0.4	2.6	3.0
Resulting from completed projects	0.2	11.7	0.0	11.9
Subsequent rent payment	0.0	5.8	0.0	5.8
Resulting from redevelopment	0.0	– 2.1	0.0	– 2.1
Resulting from sale of properties	– 1.8	– 7.1	0.0	– 8.9
Total change in rental income	**– 1.9**	**10.4**	**92.8**	**101.2**
2011	**37.1**	**90.2**	**138.3**	**265.6**

In connection with the scheduled sale of trading properties (mainly Germany), trading income totalled € 28,049 K in 2011 (2010: € 115,657 K). These revenues stand alongside book value disposals in the amount of € -18,722 K and other development expenses/material costs in the amount of € -760 K. The earnings contribution of the trading portfolio therefore totalled € 7,791 K (2010: € 30,490 K). The year-on-year decrease in this item is primarily attributable to the sharp decline in the total volume of the trading portfolio in recent years. At the year-end, the remaining volume of properties intended for trading stood at € 33,904 K.

Gross revenue from development services for third parties (generally performed by the Group subsidiary omniCon) totalled € 2,320 K. The prior year figure was € 2,764 K. Income from development services for third parties totalled € 578 K (2010: € 564 K).

Direct property expenses attributable to investment properties under development increased from € -5,713 K to € -7,315 K.

These changes pushed up net operating income (NOI) year on year by 39.2 % to € 228,139 K.

Result from the sale of long-term properties

Property sales contributed € 44,961 K to the result in 2011 (2010: € 13,936 K). Sales in Germany contributed around € 33,573 K, sales in Eastern/South Eastern Europe about € 9,972 K, and sales in Austria around €1,416 K.

For accounting purposes, in the case of disposals that are structured as share deals, the proceeds and book values sold are derived not from the actual property values, but the pro rata equity of the company holding the property. In the event of the disposal of a previously fully consolidated company, therefore, only the pro rata gain is recognised, so that the gain on disposal does not require adjustment in the non-controlling interests. Following these principals, the proceeds from sales shown in the accounts were € 223,715 K and the corresponding profit was € 44,961 K.

If, however, the actual asset values behind the transactions are considered, the proceeds (for a 100 %) were € 296,695 K and the profit (before non controlling interests) would have been € 51,191 K. The margin over the book value sold was therefore 21 %.

The difference can mainly be attributed to the largest transaction of 2011, which was the sale of the 51% shares in the Olympia Shopping Centres in the Czech Republic, which had been fully consolidated prior to the sale.

Indirect expenditures

In compliance with customary international reporting practice, the previously separate items "indirect expenditures" and "capitalised services" are now netted under a single item.

As a consequence of recognising the indirect expenditures of Europolis, this item increased by 29.8%, from € -33,923 K to € -44,045 K. The principal items included in this total are as follows:

€ 1,000	2011	2010
Staff expenses	-32,220	-23,728
Office rent	-2,430	-2,232
Travel expenses and transportation costs	-1,347	-956
Others	-4,602	-4,012
Internal management	**-40,599**	**-30,928**
Legal, auditing and consultancy fees	**-11,343**	**-8,530**
Other indirect expenses	**-4,907**	**-6,322**
subtotal	**-56,849**	**-45,780**
Capitalised services on long-term property assets	12,108	10,773
Changes to stock properties intended for trading	696	1,084
Indirect expenditures	**-44,045**	**-33,923**

Capitalised services, in the amount of € 12,804 K, is to be regarded as a contra item to indirect expenditures which counterbalances the portion of the internal Vivico expense that is directly attributable to individual development projects and thus qualifies for capitalisation.

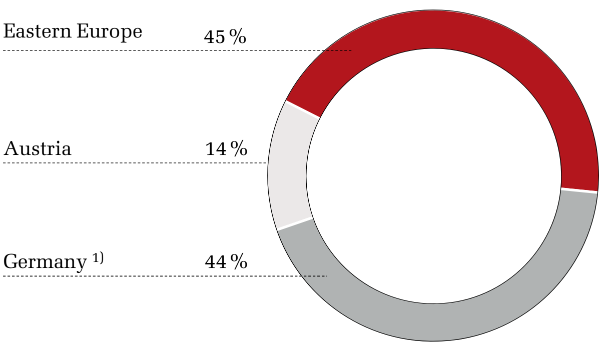
Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA climbed sharply by 63.8 %, in particular because of the consolidation of Europolis. The figure totalled € 246,423 K (€ 150,409 K in the previous year).

The first-time inclusion in the scope of consolidation of Europolis, which operates exclusively in Eastern and South Eastern Europe, also significantly shifted the relative contributions made by the individual regional segments.

At € 111,230 K, the relative share of the Eastern and South Eastern Europe segment in consolidated EBITDA more than doubled to around 45 %. The share of the Germany segment was 44 %, and that of Austria 13 %.

EBIT



[1] A property in Switzerland is assigned to the Germany segment

Revaluation result

The revaluation result for 2011 was € 49,143 K (2010: € 32,052 K). From a regional perspective, the revaluation result arises from an appreciation of € 69,242 K in Germany, and negative revaluations in the Eastern and South Eastern Europe segment (€ -16,671 K) and Austria (€ -3,428 K).

For an explanation of the factors governing the valuation of properties, see also the "Property valuation" section.

Operating result (EBIT)

In combination, the forenamed factors raised EBIT substantially, from € 176,490 K in 2010 to € 285,045 K in 2011. A large portion of this turnaround is attributable to the Eastern and South Eastern Europe segment, where the EBIT increased from € 14,781K to € 93,532 K. EBIT increased also in Germany € 173,506 K (2010: € 121,791 K), while Austria generated € 25,042 K compared to € 47,173 K in 2010.

The result consists of contributions made in Q1, of € 48,439 K; Q2, of € 63,998 K; Q3, of € 91,703 K; and Q4, of € 80,904 K. The variances between the quarters is primarily explained by the unequal distribution of the capital gains.

Financial result

The financial result for 2011 totalled € -177,945 K (2010: € -107,672 K). The changes in the constituents of the financial result are described in detail below.

The first-time recognition of Europolis pushed up financing costs by 37.4 % to € -161,009 K. Alongside the interest expenses recognised in the income statement, interest on development projects under construction, in the amount of € 9,934 K, was capitalised as well.

The year-on-year further increases valuation loss from interest-rate hedges (2011: € -22,456 K, 2010: € -4,446 K) also exerted a major influence. A large portion of this loss is a non-cash valuation result.

At the end of HY1 2011, the gain stood at € 3,604 K, but the yield curve that determines the valuation of interest-rate hedges retracted further in the second half-year, so that the present value of the swaps was steadily eroded. For further details, see also the "Financing" section.

The decrease in the result from financial investments, from € 14,418 K to € 11,557 K, stems chiefly from the year-on-year decline in interest rates.

Income from associated companies (2011: € -1,696 K, 2010: € -328 K) represents the net amount arising from a positive contribution from the investment in UBM, in the amount of € 1,640 K (including a cash dividend of € 825 K), and a devaluation of the shares in the company managing the project at Pulkovo Airport in St. Petersburg.

Taxes on income and earnings

The developments described above gave rise to earnings before taxes (EBT) for 2011 in the amount of € 107,100 K (2010: € 68,818 K). Of the taxes on income totalling € -39,429 K (2010: € -24,999 K), current taxes, mainly resulting from the sale of property in Germany, accounted for € -27,261 K. The remainder arose largely from the change in deferred taxes.

Result for the period

At € 67,671 K, the result for the period shows a profit (2010: € 43,819 K). The result attributable to non-controlling interests was € 5,042 K, as against € -1,596 K in 2010. In 2011, the non-controlling interests were chiefly the joint venture partners in the sub-portfolios of Europolis.

The share of the result attributable to owners of the parent closed 2011 at € 62,629 K. The figure for 2010 was € 45,415 K.

Cash flow

The cash flow from earnings for 2011 totalled € 191,861 K (2010: € 121,422 K). The difference largely reflects the change in EBITDA between the periods, arising from the acquisition of Europolis. The increase in cash flow from operating activities, from € 172,033 K to € 198,626 K, was less pronounced because the cash inflows from the disposal of properties intended for trading, which are recognised in this item, were much lower than in 2010.

Cash flow from investment activities in 2011 came to € -62,623 K (2010: € -251,532 K). The primary cause of the reduced cash outflow is the reflection in the cash flow of the stages of the Europolis acquisition process. An instalment in the amount of € 136,000 K triggered a cash outflow in 2010, but the first-time consolidation of the cash and cash equivalents of Europolis gave rise to a positive cash effect in the amount of € 71,880 K in 2011.

The cash flow from financing activities in 2011 totalled € -134,643 K (2010: € -63,092 K). Alongside the cash outflow for interest payments (2011: € -148,181 K, 2010: -107,131 € K), the change is attributable to the fact that, unlike in 2010, the amount of new loans was only marginally higher than the redemption of borrowings (2011: € 252,226 K and € -232,786 K; 2010: € 280,291 K and € -138,831 K). In 2010, this cash flow item also contained the outflows for the increase in the investment in the then subsidiary CA Immo International.

CASH FLOW STATEMENT – SHORT VERSION

€ m	2011	2010	Change
Cash flow from			
- business activities	198.6	172.0	15%
- Investment activities	-62.6	-251.5	-75%
- financing activities	-134.6	-63.1	>100%
Changes in cash and cash equivalents	**1.4**	**-142.6**	**>100%**
Cash and cash equivalents			
- beginning of the business year	354.8	497.2	-29%
- changes in the value of foreign currency	-2.3	0.2	>100%
- the end of the business year	353.8	354.8	0%

FFO – funds from operations

Funds from operations before taxes (FFO) came to € 93,423.6 K in 2011. The doubling of the amount compared to 2010 is mainly attributable to the forenamed rise in EBITDA.

FUNDS FROM OPERATIONS (FFO)

€ m	31.12.2011	31.12.2010
Net income before taxes before minorities	107.1	68.8
Depreciation and amortisation	10.6	6.0
Revaluation results	-49.1	-32.1
Foreign currency gain/loss	-0.3	-0.7
Corr. At-Equity result	2.6	1.2
Valuation of financial instruments	22.6	3.1
Funds from Operations before taxes	**93.4**	**46.4**
Corporate income tax (actual tax)	-27.3	-25.9
Funds from Operations	**66.2**	**20.5**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SHORT VERSION

		2011		2010	Change
	€ m	**in %**	**€ m**	**in %**	**in %**
Properties	5,130.4	87	3,520.4	80	46
Prepayments made on investments in properties	2.2	0	136.2	3	-98
Intangible assets	39.1	1	31.5	1	24
Financial and other assets	119.6	2	79.8	2	50
Deferred tax assets	11.7	0	14.1	0	-17
Long-term assets	**5,303.0**	**90**	**3,782.0**	**86**	**40**
Receivables	168.1	3	147.0	3	14
Assets held for sale	57.8	1	46.5	1	24
Property intended for trading	33.9	0	45.3	1	-25
Cash equivalents and securities	353.8	6	358.6	8	-1
Short-term assets	**613.6**	**10**	**597.4**	**14**	**3**
Total assets	**5,916.6**	**100**	**4,379.4**	**100**	**35**
Shareholders' equity	1,809.5	31	1,659.9	38	9
shareholders' equity as a % of statement of financial position total	*31%*		*38%*		
Liabilities from bonds	444.8	7	475.6	11	-6
Long-term interest-bearing liabilities	2,042.1	35	1,412.7	32	45
Short-term interest-bearing liabilities	777.1	13	238.0	5	>100
Other liabilities	651.3	11	477.0	11	37
Deferred tax assets	191.8	3	116.2	3	65
Total liabilities and shareholders' equity	**5,916.6**	**100**	**4,379.4**	**100**	**35**

Statement of financial position: assets

Measured against the situation as of 31 December 2010, significant changes occurred on the assets side in 2011 as a consequence of the consolidation of the Europolis Group. The greatest impact was on the "investment properties" item, which increased from € 2,716,211 K to € 4,183,202 K.

Besides the addition of the Europolis properties, some properties were also reclassified from the "properties under development" item, because of completions. The principal reclassifications (additions) arose from two properties that were completed in 2011, namely Skygarden (book value as of 31 December 2011: € 135,600 K) and Ambigon (book value as of 31 December 2011 (€ 48,800 K) in Munich. As regards the largest individual property belonging to the Group, Tower 185, only the pedestal building that was completed in 2010 was recognised as an investment property as of the reporting date. As of 31 December 2011, the tower itself remained part of the "properties under development" item, with a book value of € 225,900 K.

Total property assets – consisting of investment properties, properties under development, and properties forming part of current assets – closed the year at € 5,222,183.0 K, which reflects an increase of around 44.6%.

In 2011, an amount of € 203,654 K was invested in the properties under development.

Cash and cash equivalents as of 31 December 2011 stood at € 353,778 K, which was only marginally lower than the figure posted at the start of the year. Total assets increased by 35.1% to € 5,916,576 K.

Statement of financial position: liabilities and shareholders' equity

Shareholders' equity

The company's share capital stands at € 638,713.6 K, and the number of ordinary shares outstanding remains unchanged at 87,856,060.

As of the reporting date, 31 December 2011, according to the company, around 82 % of the shares were in free float, and the remaining 18 %, as well as the four registered shares that entitle each of the holders to nominate one member of the Supervisory Board, were held by UniCredit Bank Austria AG.

As of the reporting date, 31 December 2011, capital authorised but not issued (pursuant to Section 169 AktG (Austrian Stock Corporation Act)) existed in the amount of € 312.8 m (up to 43,031,840 no-par shares); the closing date for the issue of the capital against cash or non-cash contribution is 8 August 2012. Authority for a contingent capital increase (pursuant to Section 159 AktG) in the amount of € 317.2 m (up to 43,629,300 no-par shares) also existed. In 2011, the company did not hold any treasury shares.

Shareholders' equity (including non-controlling interests) increased by 9.0 %, from € 1,659,939 K to € 1,809,455 K, in 2011. Apart from the annual result, the other principal factor influencing this change was the recognition of the non-controlling interests in the sub-portfolios of the Europolis Group. This increase stood alongside a negative influence from the valuation of interest-rate hedges recognised as cash flow hedges. As of 31 December 2011, the negative valuation result of these cash flow hedges recognised in equity stood at € -93,022 K, which represented a year-on-year deterioration of € -20,306 K.

Financial liabilities

Financial liabilities rose by 53.5% to € 3,264,014 K. Net debt (financial liabilities less cash and cash equivalents) increased year-on-year from € 1,724,166 K to € 2,854,171 K; gearing (ratio of net debt to shareholders' equity) rose from 104 % as of 31 December 2010 to 158 % as of 31 December 2011.

The Group also has access to credit facilities for the projects under development; amounts are made available by the banks as construction work progresses. The balance of financial liabilities contains the amount currently drawn; joint ventures are recognised in the amount of the holding.

Around 99 % of the financial liabilities are denominated in euros. CA Immo operates a comprehensive hedging strategy against interest rate risk. For further details concerning the financial liabilities, see the "Financing" section.

KEY FINANCING FIGURES

€ m	2011	2010
Shareholders' equity	**1,809.5**	**1,659.9**
Short-term interest-bearing liabilities	777.1	238.0
Long-term interest-bearing liabilities	2,486.9	1,888.3
Cash equivalents (including short-term securities)	-353.8	-358.6
restricted cash	-56.1	-43.6
Net debt	**2,854.1**	**1,724.1**
Gearing	**158%**	**104%**
EBITDA / net interest (factor)	**1.6**	**1.4**

Net asset value

NAV (shareholders' equity excluding non-controlling interests according to IFRS) closed 31 December 2011 at € 1,684.6 m (€ 19.2 per share), representing a rise of 2.6 %. This change reflects both the annual result and the forenamed other changes in shareholders' equity. The table below shows how the NNNAV is calculated from the NAV in compliance with the best practice policy recommendations of the European Public Real Estate Association (EPRA).

Given that the CA Immo share price on the reporting date was lower than the conversion price of the convertible bond, the EPRA NAV was calculated without giving consideration to a dilutive effect arising from a hypothetical exercise of the conversion option. As of 31 December 2011, the (diluted = undiluted) NNNAV per share stood at € 19.8 per share, representing a year-on-year increase of 4.6 %. This disproportionate increase, measured against the change in the NAV, is chiefly attributable to the rise in deferred tax liabilities following the Europolis acquisition, which are added to equity on a discounted basis to derive the NNNAV. The number of shares outstanding as of 31 December 2011 remained unchanged at 87,856,060.

ASSET VALUE (NAV AND NNNAV AS DEFINED BY EPRA)

€ m	31.12.2011	31.12.2010
	undiluted	**undiluted**
Equity (NAV)	**1,684.6**	**1,641.8**
NAV/share in €	**19.17**	**18.69**
Computation of NNNAV		
NAV after exercise of options	**1,684.6**	**1,641.8**
Value adjustment for		
- own use properties	3.5	1.7
- properties held as current assets	7.6	8.6
- Financial instruments	93.0	72.7
Deferred taxes	141.0	70.6
EPRA NAV after adjustments	**1,929.7**	**1,795.4**
Value adj. for financial instruments	(93.0)	(72.7)
Value adjustment for liabilities	(2.9)	(15.4)
Deferred taxes	(91.4)	(42.4)
EPRA NNNAV	**1,742.3**	**1,664.9**
EPRA NNNAV per share in €	**19.8**	**19.0**
Change of NNNAV against previous year	**4.6%**	**2.6%**
Price (31.12.) / NNNAV per share – 1	(58.2)	(37.2)
Number of shares	87,856,060	87,856,060

OUTLOOK

During the year 2011 the focus was on the integration of Europolis. Now the emphasis has switched to the careful implementation of our corporate strategy, stage by stage.

Our main expectations for 2012 are thus:

- Modest rise of around 2 % in rental income: additional rent from project completions in particular will more than compensate for losses of rental income due to sales
- Sales of approximately € 300 m - € 350 m, split more or less equally between Eastern Europe and Germany
- Start of preparations for the sale (or partial sale) of Tower 185
- Utilisation of released funds primarily for the purposes of debt reduction; in particular, opportunistic repurchasing of outstanding bonds
- Investment of around € 300 m, especially in current development projects

In general, conditions on the rental and transaction markets are not expected to change significantly compared with last year. Given the reduction in the credit volume proposed by the banks, however, the financing market is likely to pose challenges in 2012.

The main threats to our forecasts for 2012

Our predictions for 2012 are subject to certain assumptions on general conditions as well as parameters specific to the real estate sector. The economic picture remains unpredictable, which means more uncertainty as to whether we will meet our targets for investment volumes, realisation timeframes and revenue.

We believe the main factors influencing our business plans will be:

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

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2012:

Frankfurt

PwC AG (PricewaterhouseCoopers) rented two additional office floors of **Tower 185** with total floor space of 2,800 sqm in February. The new lease contract means that PwC now rents an approximate total of 71,000 sqm of office space in the building. The occupancy rate for the high rise, which was completed at the turn of the year 2011/2012, has thereby risen to around 75 %.

Slovakia

Two international firms have signed up as tenants of the **Bratislava Business Center 1** (BBC 1) investment property: Henkel is renting 1,500 sqm of floor space, with Kapsch renting 362 sqm. The occupancy rate for the building is now 85 % as a result.

Vienna

In Vienna, Update Training GmbH has rented the investment property on **Klosterneuburger Strasse 23-27**, occupying usable space of around 1,050 sqm.

RESEARCH AND DEVELOPMENT

To facilitate the ongoing redevelopment and modernisation of the real estate portfolio, staff qualification is an investment priority for CA Immo; the support of external experts is selectively enlisted as required.

During the winter semester of 2011, CA Immo supported a series of events entitled 'Future way of working' by futureLAB of the UCLA (University of California, Los Angeles). FutureLAB is concerned with the experimental testing and implementation of innovative solutions and new technologies in architecture. The events were conducted with the cooperation of the interior design programme at the Academy of Fine Arts in Munich (product design module).

Numerous architects, designers and real estate experts set out their views and visions to students in a series of lectures and workshops. It is hoped that the work of the students will provide food for thought and offer fresh perspectives on future development projects at CA Immo.

FRANKFURT, Tower 185: 75 % occupancy rate

EMPLOYEES

As at 31 December 2011, the CA Immo Group had a total of 390[1] employees at its headquarters in Vienna and its sites in Frankfurt, Berlin, Munich, Budapest, Warsaw, Prague, Belgrade and Bucharest; the comparable figure for 31 December 2010 was 318.

Integration of Europolis completed

The Europolis team has relocated to CA Immo headquarters in Vienna and local branch offices have been amalgamated in Eastern Europe. As a result of this, the staffing level has changed: a total of 64 new employees[2] joined the Group in 2011.

Shared corporate culture

Corporate acquisitions in recent years and the associated increase in employee numbers have given rise to the need for measures that will enable all staff to identify with the values and objectives of CA Immo. Accordingly, the Management Board of CA Immo have initiated a process aimed at raising awareness of a shared corporate culture. The aims of this process are as follows:

– To foster a shared identity across the Group by means of active team building
– To enhance the commitment of staff to the company
– To create an agreeable and productive working environment for all employees
– To improve internal information flows and communication channels with a view to making working practices more efficient

[1] Of these, 7 % were part-time staff members
[2] Excl. employees taken over with Europolis

In the autumn of 2011, a staff survey was conducted throughout the Group in partnership with Great Place To Work. Evaluation of this wide-ranging analysis of corporate culture, which included suggestions on the improvement of internal information flows as well as sustainable human resources development, will provide a basis for necessary change processes.

Uniform human resources management

Another project aimed at standardising principles and processes in the human resources area across the Group was initiated in 2011. At the end of the year, the Management Board approved a comprehensive staff concept with a view to guaranteeing equal treatment for all employees as regards opportunities for promotion and training, remuneration and other conditions. From 2012 onwards, structures in the personnel area – non-uniform in some instances owing to corporate acquisitions – will be gradually aligned across the Group on the basis of the new guidelines; the main emphasis in this process will be on transparency and clarity for employees.

Synergy between countries will be utilised and processes simplified in the following areas:

– Recruitment: requirements planning, acquisition and appointment processes
– Staff support and development: retaining and developing employees, remuneration, training and incentives
– Personnel management and organisation: processes, time management, payroll accounting, etc.

GROUP MANAGEMENT REPORT

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP

	31.12.2011		31.12.2010		Change	Fluctuation rate
	Total employees	thereof women in %	Total employees	Absolute	in %	in %
Austria	86	53	64	22	34	24
Germany	176	44	175	1	1	17
Eastern Europe	128	62	79	49	62	9
Total	**390**	**52**	**318**	**72**	**23**	**16**

[1] Fluctuation rate: new personnel x 100 / average number of employees

Profit sharing scheme to encourage entrepreneurship

The commitment to sustainability at the heart of CA Immo strategy is mirrored in the company's remuneration model. To promote strong identification with its objectives and ensure employees have a stake in the success of CA Immo, the company plans to introduce variable remuneration for all staff alongside fixed salaries. The precondition will be achievement of budgeted quantitative and qualitative annual targets, and in particular positive consolidated net income after minorities. Executive bonuses will also be linked to the attainment of specific operational annual targets.

Since business year 2010, Management Board members and other managerial employees have also been able to join the LTI (**l**ong **t**erm **i**ncentive) share scheme and thereby participate in the success of CA Immo over the medium to long term (subject to appropriate personal investment; see also 'Remuneration report').

Staff provisions and safety at work

CA Immo contributes to pension provision for its staff by paying voluntary contributions into a company pension fund. In addition, all employees are covered by collective accident insurance that offers permanent coverage, both at work and outside of work.

No serious occupational work-related injuries[1], illness or absences from work were reported in the Group in 2011. On building sites, safety guidance is regularly communicated to CA Immo staff members and health and safety plans are drawn up. Commissioned companies are responsible for the safety of subcontractor employees.

AVERAGE ABSENCES FROM WORK BY REGIONS

in days		**vacation**	**illness**	**training**
Austria	Women	21	8	0.8
	Men	21	5	0.4
Germany	Women	28	10	0.6
	Men	27	4	0.4
Eastern Europe	Women	23	5	0.1
	Men	25	3	0

[1] Occupational injuries: injuries which require medical attendance

PERSONNEL DISTRIBUTION BY AGE, GENDER AND CATEGORIES (Total: 390 employees)

White-collar employees [1)]

317 employees	<28	29–48	49<
W	13 %	43 %	5 %
M	2 %	26 %	11 %

Blue-collar staff

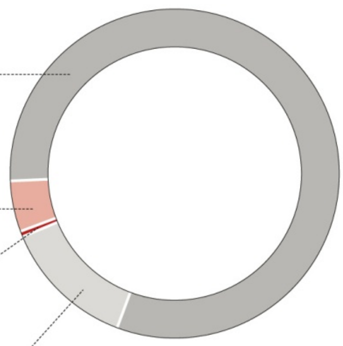
19 employees	<28	29–48	49<
W	0 %	0 %	5 %
M	0 %	42 %	53 %

Management Board

3 employees	<28	29–48	49<
W	0 %	0 %	0 %
M	0 %	0 %	100 %

Executives [2) 3)]

51 employees	<28	29–48	49<
W	0 %	12 %	4 %
M	0 %	65 %	19 %



1) thereof 1 % with handicap 2) thereof 2 % with handicap
3) thereof 16 % female executives
Employees with handicap are not subdivided for reasons of data protection.

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator in this context is the net income generated with the equity shareholders have invested (return on equity, RoE). The aim is to produce a ratio higher than the imputed cost of equity (we assume a medium-term rate of around 7.0 %) and thereby generate shareholder value. The return on equity of around 3.8 % was below the target value for 2011; despite a significant rise on the previous year, one main reason for the target not being reached was the negative contribution to earnings from the valuation of interest-rate hedges. Despite this, we remain confident that the measures defined under our strategy will enable us to return to an acceptable return on equity in the medium term.

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

Since the financial indicators ultimately demonstrate the operational success of our property business, they are preceded by a series of other non-financial performance indicators which are key to measuring and managing our operational business:

Vacancy rate and average rent

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

Location quality

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

Local presence

Local knowledge and familiarity with markets are key to the effective cultivation of highly diverse regional markets. For this reason, CA Immo maintains branch offices in the company's main markets of Germany and Eastern Europe (the latter have been consolidated by the recent influx of Europolis staff members).

Expertise and synergy

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

VALUE-INDICATORS

		2011	2010	2009	2008
Key figures per share					
NAV/share	€	19.2	18.7	17.9	18.9
Chance in NAV/share	%	2.7	4.5	–5.3	–14.1
Operating cash flow / share	€	2.18	1.38	1.40	1.32
RoE [1] in %	%	3.8	2.8	–4.8	–13.4
ROCE [2] in %	%	5.5	4.8	0.10	Negativ
EVA [3]	€ m	44.0	Negativ	Negativ	Negativ

[1] Return on equity = consolidated net income after minorities/Ø shareholders' equity (excluding minority interests)
[2] Return on capital employed (ROCE) = net operating profit after tax (NOPAT)/capital employed
[3] EVA (economic value added) is a registered trademark of Stern Stewart & Co; EVA = capital employed * (ROCE – WACC); WACC 2011 = 4.51%

Statement of Value Added

Having integrated GRI reporting (in line with the global reporting initiative) into the annual report in 2011, a value added statement must now be included. The aim of the table below is to give the reader an overview of the sources of value generated in the company and the utilisation of that value according to recipients:

STATEMENT OF VALUE ADDED

	in € 1,000	in %
Gross revenues	332,222	
Result from the sale of long-term properties	251,764	
Result from revaluation	49,143	
other income	17,368	
operating expenses	–308,070	
Depreciation and impairment	–10,521	
other expenses	–14,485	
incurrence	**317,421**	
to non-controlling interest	–5,042	2%
to staff	–33,164	10%
to state [1]	–43,797	14%
to non-profit organisations	–2	0%
to lender	–172,787	54%
to company/shareholders	–62,629	20%
allocation	**–317,421**	**100%**

[1] thereof Germany (€ –34,671K), Austria (€ 1,737K), Eastern/South East Europe (€ -10.855K), others (€ -7K)

RISK MANAGEMENT REPORT

CA IMMO GROUP RISK MANAGEMENT

RISIK MANAGEMENT AT CORPORATE LEVEL

STRATEGIC RISKS

- Capital market/financing risk
- Expansion risk

PROPERTY-SPECIFIC RISKS

- Market risk
- Profit fluctuation risk
- Asset management risk

GENERAL BUSINESS RISKS

- Financial risk
- Legal risk
- Tax change risk

RISIK MANAGEMENT AT REAL ESTATE LEVEL

STRATEGIC RISKS

- Concentration (cluster) risk
- Country-spcific/transfer risk

PROPERTY-SPECIFIC RISKS

- Location risk
- Letting risk (vacancy, property management, re-letting)
- Profitability risk
- Property valuation risk
- Tenant risk (loss of rent)
- Partner risk
- Liquidation risk
- Project development/ investment cost risk

GENERAL BUSINESS RISKS

- Environmental risk
- Contract/documentation risk

The persistently tough economic climate is posing significant risks to CA Immo and its business activities. The main risks to the Group derive from the market-linked danger of rising vacancy rates, tenant insolvency, the difficult environment for real estate transactions created by the restrictive lending policy of banks, associated increase in yields and the decline in property values. The risk categories outlined below were re-evaluated following a risk assessment carried out in 2011; the major risks facing the Group have not changed significantly from the previous year.

RISK MANAGEMENT

General

Systematic risk management is a key element of the CA Immo Group's internal controlling process with a direct bearing on strategic and operational decision-making within the company. Therefore, the objective of risk management is to identify at an early stage and continually monitor potentially hazardous developments as well as opportunities so that suitable measures can be implemented as necessary. To be able to evaluate the company's risk position at all times, CA Immo is constantly evaluating the level of risk by means of quarterly reporting that takes account of the current situation of the company and the market. In these reports, risks are documented in relation to specific properties and projects but also to (sub-)portfolio level. Other aspects of risk reporting involve simulations and depictions of scenarios as regards the value trend for the portfolio as well as exit strategies and liquidity planning. In addition, specific risk types are assessed at regular intervals, with external advisors consulted. CA Immo assesses risk according to substance, effect and the likelihood of occurrence. On that basis, risk management is implemented at every level of the company and is therefore binding on all organisational divisions. From a strategic viewpoint, risk management includes the compilation of compulsory guidelines on investment policy.

GROUP MANAGEMENT REPORT

Operational risk management is concerned with countering property-specific and general business risks. The company circumvents unexpected risk by means of early warning indicators such as rent forecasts and vacancy analyses as well as the continual monitoring of lease agreement periods and the possibility of terminations. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. Clear internal guidelines and strategies, business and investment plans and the continuous reporting systems have made it possible to monitor and control the economic risks associated with everyday business activity. Measures are applied to all Group subsidiaries. Investment plans are also subject to scrutiny by the Supervisory Board or its investment committee. The Controlling department supports the realisation of risk management by providing structured information and data; individual matters are also spot-checked by the Internal Auditing division.

THE INTERNAL MONITORING SYSTEM (IMS)

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

STRATEGIC RISKS

Capital market and financing risk

Refinancing on the financial market is one of the most important measures open to CA Immo. However, developments have shown that the erosion of trust in a functioning capital market can make the procurement of capital much more difficult. Due to the implementation of Basel III an increasing number of banks reconsider their mortgaging. Therefore, it is assumed that lending will be handled extremely restrictive in future. In addition, some banks currently make market stress test of scattered Eastern European countries or are preparing their exit from the region. Especially in Hungary and Romania refinancing could become more difficult in the upcoming months; however, in Poland and the Czech Republic willingness to finance is a little more stable. Above all, German banks have announced their plans to stop lending outside their home market temporarily, by implication, vice versa in the following years there will be sufficient liquidity in the German market. With the introduction of Solvency II it is assumed that insurance companies will occur increasingly in the financing business, which could provide a slight improvement on the financing sector. For this reason, it is essential that the company has the ability to plan and secure liquidity. As an alternative and supplement to established means of (equity) capital procurement, the company enters into equity partnerships (joint ventures) at project level. Given that the risk of (re)financing may remain a latent factor, detailed liquidity planning has been drawn up for the years ahead. This planning takes particular account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales). The expiry profile of financial liabilities for the CA Immo Group is reasonably stable until business year 2014; loans maturing by that date are linked solely to financing at property or project level. The refinancing of the 6.125 % CA Immo bond 09-14 (ISIN: AT0000A0EXE6) and the convertible bond are scheduled for 2014, provided conversion rights are not exerted.

Concentration (cluster) risk

A certain level of concentration (cluster) risk in the portfolio arises where a single investment exceeds a defined upper value in the total portfolio as regards location or investment volume. In such cases, the potential market risk is heightened significantly and the prospect of selling these properties can be diminished (especially where the market environment is constricted). On the other hand, exceptionally small properties raise the danger of excessive administration costs (in relation to rental revenue). For this reason, CA Immo seeks joint venture partners or an early (partial) exit for large-scale investment initiatives as this substantially lessens the burden of risk on the company. To bring about a suitable balance between expenditure and revenue, small properties (which are generally acquired through portfolio purchases) are regularly sold off and the composition of the portfolio is assessed on a quarterly basis. Concentration risk is also created where certain investments lead to over-representation of a particular region, country and specific usage type or tenant structure in the overall portfolio: this is because changes in the market can affect levels of demand which will impact negatively on the company's profitability. Concentration risk as regards tenants generally arises where individual tenants are over-represented in terms of rental revenue and rentable space and thus have a significant bearing on the earnings of the CA Immo Group. As a countermeasure, especially on the target markets of Eastern and South Eastern Europe, CA Immo applies regional investment limits according to the size of the overall portfolio and, in the case of individual properties, the size of the respective market. Aside from regional distribution, efforts are made to ensure diversification in the tenant structure and usage types. In terms of tenants a concentration risk will only be accepted in case of long-term leases and an excellent credit rating.

If we define the limit value for concentration/cluster risk at 5 % of the total portfolio, only one investment (Tower 185) falls into this category. Given the current equity commitment of € 190 m on this project, an (partial) exit is planned following completion. Construction financing until is valid until the end of 2012. Due to the difficult market environment negotiation about the prolongation are already initiated. Although the package of investment properties acquired from the state of Hesse in 2006 makes up some 15 % of the overall portfolio, it comprises a total of 36 properties that the company could sell individually. In view of the long-term nature of existing lease contracts and the satisfactory creditworthiness of the tenant (the state of Hesse), this portfolio represents a calculated risk. Alongside Tower 185 and the Hesse portfolio, three more individual properties have an IFRS market value of over € 100 m. In terms of location, Prague (River City) and the logistics park in Bucharest have created concentration risk within the portfolio. As regards our land reserves and land development projects, risk arises from the high associated capital commitment; the prevailing market climate is also hampering development projects. For this reason, further property sales are in the pipeline for 2012, measures have been put in place to accelerate land development projects where possible and joint venture partners are being involved at an early stage with a view to cutting the capital commitment.

Country-specific risk and transfer risk

Country-specific and transfer risk incorporate the dangers of economic and political instability. Given the CA Immo Group's high level of investment activity abroad – and particularly in Eastern Europe – inflows of capital and liquidity to which the company is undoubtedly entitled can fail to materialise owing to a lack of foreign currency or transfer restrictions in other countries. There is no generally effective way to hedge against this kind of transfer risk. CA Immo counters country-specific risk by concentrating on a defined core region with local subsidiaries and on-site staff, and through appropriate regional allocation within that core market. The company ensures it is able to respond quickly to economic and political events through continual portfolio monitoring and specific portfolio management. CA Immo negates transfer risk by repatriating liquid assets from investment markets with a low credit standing.

PROPERTY-SPECIFIC RISKS

General

The real estate sector is closely intertwined with the macroeconomic developments on its markets. Any worsening of the debt and financial crisis in Europe poses the greatest risk to the real estate area as such a scenario has the potential to make financing conditions significantly harder for businesses. It seems ever more probable that the European economy will shrink even further during 2012; most indicators point to a slowdown in growth rates across the continent. This would have a particularly serious effect on the commercial property market, depressing the demand for office space whilst rendering access to finance more restrictive and costly. Only core properties let for the long term look like benefiting from the increasing reluctance of investors to take risks.

Market and liquidation risk

From a financing point of view, the risk to property investment markets remains considerable as more and more banks become ever more reluctant to finance large-scale investment in real estate. A deceleration in the transaction rate in 2012, which cannot therefore be ruled out, could impact negatively on CA Immo's sales targets for the year. There is also a danger that owing to rising yields, CA Immo will either be unable to sell properties, or only able to sell them at a discount. This could adversely affect the company's liquidity. To prevent such risks arising, CA Immo performs its own exhaustive market analyses prior to any investment decision and as a regular part of portfolio management; the company also maintains constant contact with leading experts in the sector. To minimise regional risks, the ideal resale times for the largest properties in the portfolio are considered as part of regular discussions concerning location quality, property quality, market changes and emerging trends. Through this approach, key early indicators of market risk are systematically applied to evaluations of investment and project plans, and thus to medium-term liquidity and corporate planning.

Letting risk, loss of rent risk

The opportunities and risks posed by trends on the rental markets are closely linked to economic development, one of the factors that drive demand for commercial real estate. Given the economic outlook for the eurozone and the CEE/SEE markets in the medium term, the high degree of uncertainty will persist throughout 2012. Rental markets will remain at risk of a downturn despite low levels of building activity. We expect rent prices to pick up slowly in the months ahead; in some subsegments rent prices will decline, as potential tenants will be reserved in making their decision about investments or locations. Significant reduction in vacancy rates – particularly in Eastern Europe – is therefore not expected in 2012.

Within the CA Immo portfolio, vacancy increased particularly sharply in (South) Eastern Europe following the takeover of Europolis; the negative trend has been especially acute in the area of logistics. Although vacancy was reduced moderately in the office area, lettings activity in Hungary was persistently problematic. In Austria too, CA Immo still has high vacancy relative to total available rental space despite the handover of rental premises at the Lände 3 site to Österreichische Post AG. Reducing the vacancy level is likely to remain a challenge in 2012: on the office rental market in Vienna, office space (and rent prices) outside the prime segment are still coming under pressure owing to the rising production of new premises and the high availability of modern, energy-efficient office units. The lettings situation thus continues to be characterised by protracted decision-making on the part of potential tenants. By comparison, vacancy rates in the German asset portfolio are low; here, the only vacancy risk is linked to recently completed development projects Tower 185, Ambigon (both being in the stabilisation phase) and Skygarden. Nonetheless, office tenants continue to favour prime real estate in top locations, and are especially keen to secure first occupancy of new buildings. The fact that the supply of such properties remains limited is helping CA Immo to market its modern office premises in Germany.

Aside from greater vacancy risk, it is also possible that existing tenants will be unable to meet their rent payments given the economic circumstances (loss of rent risk). This risk is generally countered by demanding securities (bank guarantees). To keep vacancy and rent losses to an absolute minimum, CA Immo screens the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored, and structured quality checks are carried out. Properties with heightened risk potential are managed by a specially formed restructuring unit with a view to securing their sale at the earliest opportunity after restructuring. The only rental payments outstanding are in the Eastern Europe segment, particularly in relation to hotels, three logistics parks and a shopping centre. The value of all outstanding receivables has been adjusted, taking account of the risk of lost rent to a sufficient degree in the valuation of properties. Reduced income following contract extensions remains a risk where rent levels have to be reduced or greater incentives are offered. Overall, however, the aforementioned problematic cases do not pose a noteworthy risk potential to the company.

Project development risks

The realisation of projects is associated with higher risk. Risks can arise from imponderables such as delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects, low demand for rental premises and similar factors. Nonetheless, given the high value that can be created through development projects, this business area also offers the chance of generating additional revenue. For projects to be realised, it is essential that equity or additional loan capital (project financing) is available. Delays in credit lending can lead to delays in construction work, which has a negative knock-on effect on project valuation; where pre-letting has been secured, this can result in the imposition of contractual penalties. Loss of rental revenue can in turn have serious implications for the company's cash flow. Moreover, financing conditions can be tightened where construction costs increase. With all of this in mind, CA Immo takes various steps to control the risks associated with project development (cost monitoring, variance analyses, long-term liquidity planning and observance of minimum pre-letting quotas, and so on). In general, CA Immo is countering project development risk by choosing partners and service providers with care whilst maintaining stringent controlling, both internally and externally. Controlling involves regular cost monitoring, variance analyses and appropriate reporting. The start-up losses that typically arise in connection with project development also have a detrimental effect on earnings with the accrual of non-capitalisable costs. Over the project lifecycle, these losses are offset against revenue from lettings and sales; accordingly, projects are only launched after comprehensive and long-term liquidity planning. CA Immo invariably seeks to secure pre-letting (50–60 % in Germany, for example) before actually commencing a project. In Eastern and South Eastern Europe in particular, however, this may not be achievable (or only possible to a limited degree) on account of the specific market situation. In this region, lease contracts tend to be signed as soon as there is a sufficient likelihood of project completion and projects are sometimes initiated even with low levels of pre-letting, but ever having a secured funding in place.

CA Immo also faces the risk of significant cost variation linked to price trends in the raw materials sector (steel, aluminium, copper, etc.). With this in mind, cost pools are formed for large-scale projects to pass on the risk of rising commodity prices or production costs to the contractor. All current projects are being implemented within their approved budgetary frameworks. Pressure on development earnings results primarily from the market-driven extension of the stabilisation phase (initial renting) and from the risk of rising yields due to restrictive lending.

Property valuation risk

Owing to changing framework conditions, property prices can fluctuate considerably. CA Immo subjects its properties to annual valuation by an outside party; value changes during the year are identified by internal specialists.

The rise in yields over recent years continues to be reflected in valuation reports owing to the discount and capitalisation rates assessed and directly influences consolidated net income through the changes in market value that must be recognised under IAS 40; shareholders' equity is also reduced. Developments in the second half of 2011 especially have shown that Eastern Europe, having been unable to evade the turbulence given the region's close economic ties with Western Europe (especially in the banking sector), is coming under renewed pressure. In core markets such as Poland and the Czech Republic, yields remained stable and sporadically even a decline in yields was observed. With banks significantly reducing their exposure in these markets, it is likely that the property investment market will bottom out partially in 2012, which could lead to a rise in yields. The demand for core properties in core markets, however, continues unabated. The diminishing prospect of rental growth also poses the danger that starting yields for commercial real estate will be adjusted upwards. Changes in value will continue to represent a significant risk in 2012 in view of the expected market trend. If yields fall by an average of 25 base points in the short term and rent levels remain the same, losses in the Eastern Europe portfolio alone could potentially amount to € 50-70 m (in the worst case scenario).

GENERAL BUSINESS RISKS

Legal risks

In addition to the usual legal disputes that arise in the sector (especially against tenants), CA Immo faces the risk of disputes with, for example, joint venture and project partners. There is also potential for disputes arising over past and future sales of real estate as well as annulment actions brought by shareholders in connection with resolutions of the Ordinary General Meeting or review of the exchange ratio applied in the 2010 merger of CA Immo International AG and CA Immo. Legal disputes are monitored and managed centrally by the legal department. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are imminent or pending. Almost all pending actions relate to conventional operational business activity. Sufficient provisions are formed as necessary; as at 31 December 2011, these amounted to approximately € 7,726 K (CA Immo Group). In addition, the joint venture partner of the 'Maslov' project has filed an arbitration claim for € 48,097 K (including interest). CA Immo considers the chances of this action succeeding as minimal. For the expected cash outflow an adequate provision has been made.

Environmental risk

The CA Immo Group can incur significant costs from its responsibility to prevent certain kinds of damage to the environment (from toxic substances and materials in built structures and contamination); there is also a risk that the legal changes may require previously acceptable materials and substances to be eliminated. It is not possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; changes could adversely affect real estate values and thus the company's assets, financial and revenue positions. To minimise the risk, CA Immo incorporates these considerations into its wide-ranging assessments prior to every purchase. Appropriate guarantees are also required from sellers. The CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies wherever possible. Environmental risks associated with investment properties are assessed by the CA Immo Sustainability Tool (CAST).

Taxation risk

National taxation systems are subject to ongoing amendment on the target markets of the CA Immo Group. The company monitors all relevant debates and decisions taken by national legislators. Despite this, tax rises linked to changing legal frameworks pose a constant risk to revenue. Sufficient financial provisions have been made for established risks.

FINANCIAL RISKS

Risks linked to liquidity, credit, interest rates and currencies make up the main financial risks.

Liquidity risk

Owing to a clear reluctance on the bank of banks to extend credit at present, short-term liquidity risks cannot be ruled out. Liquidity risk is potentially created where negative market trends prevent or lead to delays in planned sales activity. Other risks arise from unforeseen additional funding obligations in relation to project financing and breaches of covenant in the property financing area. CA Immo is highly skilled at planning and securing liquidity in order to counter these risks and ensure the Group can meet unexpected cash flow requirements as well as its financing commitments on projects and investments. To this end, various liquidity deployment measures have been identified; amongst other things, these provide for the early redemption of loans with very high margins. Loans are invariably agreed on a long-term basis in accordance with the investment horizon for real estate. Even with meticulous planning, however, liquidity risk cannot be eliminated, particularly where capital requests linked to joint venture partners and fund partners are not viable. Capital commitments are typical in the case of development projects; the Group company CA Immo Deutschland has a particularly high commitment in the case of the Tower 185 project. Financing has been secured for all projects under construction; additional financing is required for new project launches, however.

Given the refinancing scheduled for 2012/13, partner risks pose a particular threat; project-related and country-specific risks will also persist, especially with regard to further developments in Hungary. Additional reserves are needed to cover any breaches of covenant. The refinancing risk and the risk of a breach of contract terms are monitored continuously. The worst case resulting from the potential hazard is included in the current liquidity planning.

Interest rate risk

Interest rate risk stems from market-related fluctuations in the interest rate. This risk affects both the level of financing costs and the fair value of interest hedging transactions concluded, which influences the company's earnings and equity. Moreover, where new loans are agreed or loans are extended in particular, there is a danger that credit margins will rise substantially. The base rate was cut from 1.5 % to 1.25 % early in November 2011 and again to 1 % at the start of December in a bid to combat the worsening recession. According to the latest interest rate forecasts, the base rate is likely to remain at its present level of 1 % until the end of 2012. Swap rates (which have stayed highly volatile as the critical situation persists) are also unlikely to rise significantly.

CA Immo generally opts for a mix of long-term fixed-rate and floating-rate loans; in some cases, the latter are secured by means of derivative financial instruments (interest rate caps/swaps), which without exception are used to hedge against the risk of interest rate changes arising from underlying transactions. With the incorporation of Europolis, the risk of rate changes is 60 % hedged on all variable-rate loans of the CA Immo Group. Continuous monitoring of the interest rate risk is imperative. No risks constituting a serious and sustained threat to the company exist at the present time. Sufficient provisions have been formed for all risks identified.

Currency risk

Since CA Immo invests in various currency areas, the company is exposed to certain currency risks. CA Immo counters currency risk from the inflow of rental income and rents receivable in BGN, CZK, HUF, PLN, RON and RSD by pegging rents to a hard currency (EUR or USD). No significant currency risk exists at present. Since incoming payments are mainly received in local currency, however, free liquidity is converted into euros upon receipt. The pegging of rents to the EUR/USD affects the creditworthiness of tenants and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent. Loans are taken out in the currency underlying the relevant lease (this mainly applies to financing in CZK and USD). Currency risks are hedged in connection with construction projects if possible.

FINANCIAL RISK MANAGEMENT

RISK	EFFECT	COUNTERMEASURE
UNFORESEEABLE LIQUIDITY REQUIREMENT - Lack of liquidity - Capital requests linked to joint venture partners not viable	- Non-utilisation of opportunities - Distress sales - Insolvency	- Continual analysis, planning and monitoring of liquidity - Optimisation of investment - Cash pooling
FINANCING - Breach of covenants - Non-extension of expiring credit - Follow-up financing not secured after project phase	- Cost disadvantages during credit term - Additional requirement for equity or liquidity	- Continual monitoring of the viability of real estate and the fulfilment of covenants from loan agreements - Conclusion of project-related loan agreements, ideally for the long term - Establishment of a liquidity reserve
DEVELOPMENT OF EXCHANGE RATES - Evaluation of EUR/foreign currency relations	- Significant fluctuation in earnings owing to exchange rate gains/losses	- Harmonising of loan and rental agreements - Rapid conversion of free liquidity into EUR - Forward cover, especially for construction contracts - Restrictive approach to foreign currency loans
INTEREST RATE CHANGES/ EVALUATION OF INTEREST RATE HEDGING - Evaluation of interest rate developments	- Significant fluctuation in earnings and change in equity ratio due to changing interest level (financing costs, evaluation of interest-rate hedges)	- Mix of long-term fixed-rate and floating-rate loans - On-schedule use of derivatives (swaps/caps) - Continuous monitoring of interest rate forecasts

CA IMMO

CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2011

€ 1,000	Notes	2011	2010
Rental income	2	265,576	164,424
Operating costs passed on to tenants	3	64,326	30,204
Operating expenses	3	– 75,413	– 35,547
Other expenses directly related to property rented	3	– 27,403	– 20,484
Net rental income		**227,086**	**138,597**
Income from the sale of properties intended for trading	4	28,049	115,657
Book value of properties intended for trading	4	– 20,259	– 85,167
Result from property transactions		**7,790**	**30,490**
Gross revenues from development services	5	2,320	2,764
Expenditures on development services	5	– 1,742	– 2,200
Result from development services		**578**	**564**
Other expenses directly related to investment properties under development	6	– 7,315	– 5,713
Net operating income		**228,139**	**163,938**
Result from the sale of long-term properties	7	44,961	13,936
Indirect expenditures	8	– 44,045	– 33,923
Other operating income	9	17,368	6,458
EBITDA		**246,423**	**150,409**
Depreciation and amortisation of long-term properties		– 9,282	– 4,268
Change in value of properties intended for trading		– 1,239	– 1,703
Depreciation and impairment/reversal	**10**	**– 10,521**	**– 5,971**
Revaluation gain		133,509	101,631
Revaluation loss		– 84,366	– 69,579
Result from revaluation		**49,143**	**32,052**
Operating result (EBIT)		**285,045**	**176,490**
Financing costs	11	– 161,009	– 117,202
Foreign currency gain/loss	16	334	652
Result from interest derivative transactions	12	– 22,456	– 4,446
Result from financial investments	13	11,557	14,418
Result from other financial assets	14	– 4,675	– 766
Result from associated companies	15	– 1,696	– 328
Financial result	**16**	**– 177,945**	**– 107,672**
Net result before taxes (EBT)		**107,100**	**68,818**
Income tax	17	– 39,429	– 24,999
Consolidated net income	**1**	**67,671**	**43,819**
thereof attributable to non-controlling interests		5,042	– 1,596
thereof attributable to the owners of the parent		**62,629**	**45,415**
Earnings per share in € (undiluted equals diluted)	**42**	**€ 0.71**	**€ 0.52**

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2011

€ 1,000	Notes	2011	2010
Consolidated net income		67,671	43,819
Other comprehensive income			
Valuation cash flow hedges		– 30,209	– 18,008
Raclassification cash flow hedges		4,892	378
Other comprehensive result of associated companies		194	– 110
Exchange rate differences		– 391	– 36
Income tax related to other comprehensive income		5,151	2,532
Other comprehensive income for the year	**18**	**– 20,363**	**– 15,244**
Comprehensive income for the year		**47,308**	**28,575**
thereof attributable to non-controlling interests		5,232	– 2,368
thereof attributable to the owners of the parent		**42,076**	**30,943**

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2011

€ 1,000	Notes	31.12.2011	31.12.2010	1.1.2010
ASSETS				
Investment properties	19	4,183,202	2,716,211	2,409,589
Investment properties under development	19	934,482	790,582	962,459
Own used properties	19	12,760	13,575	14,248
Prepayments made on properties	19	0	0	544
Office furniture, equipment and other assets	19	10,470	1,638	1,939
Intangible assets	20	39,103	31,468	39,529
Prepayments made on investments in properties	21	2,217	136,200	200
Investments in associated companies	22	34,719	37,096	38,242
Financial assets	23	74,308	41,075	36,899
Deferred tax assets	24	11,739	14,133	24,606
Long-term assets		**5,303,000**	**3,781,978**	**3,528,255**
Long-term assets as a % of statement of financial position total		89.6%	86.4%	81.8%
Assets held for sale	25	57,835	46,509	6,020
Property intended for trading	26	33,904	45,339	122,902
Receivables and other assets	27	168,059	147,019	149,325
Securities	28	0	3,854	6,949
Cash and cash equivalents	29	353,778	354,764	497,199
Short-term assets		**613,576**	**597,485**	**782,395**
Total assets		**5,916,576**	**4,379,463**	**4,310,650**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		638,714	638,714	634,370
Capital reserves		1,062,184	1,061,464	1,013,988
Other reserves		– 93,288	– 72,735	– 58,262
Retained earnings		76,954	14,325	– 31,091
Attributable to the owners of the parent		**1,684,564**	**1,641,768**	**1,559,005**
Non-controlling interests		124,891	18,171	170,155
Shareholders' equity	**30**	**1,809,455**	**1,659,939**	**1,729,160**
Shareholders' equity as a % of statement of financial position total		30.6%	37.9%	40.1%
Provisions	31	9,182	6,239	522
Interest-bearing liabilities	32	2,486,925	1,888,306	1,852,194
Other liabilities	33	373,489	230,402	217,077
Deferred tax liabilities	24	191,813	116,157	129,788
Long-term liabilities		**3,061,409**	**2,241,104**	**2,199,581**
Income tax liabilities	34	36,839	59,894	82,292
Provisions	31	79,292	58,809	57,083
Interest-bearing liabilities	32	777,089	238,049	124,902
Other liabilities	33	152,492	115,814	117,632
Liabilities relating to disposal groups	25	0	5,854	0
Short-term liabilities		**1,045,712**	**478,420**	**381,909**
Total liabilities and shareholders' equity		**5,916,576**	**4,379,463**	**4,310,650**

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2011

€ 1,000	Notes	2011	2010
Operating activities			
Net result before taxes	1	107,100	68,818
Revaluation loss		– 49,143	– 32,052
Depreciation and impairment/reversal	10	10,521	5,971
Result from the sale of long-term properties and office equipment	7	– 44,866	– 13,945
Taxes paid excl. taxes for the sale of properties	35	– 9,696	– 15,042
Interest income/expense	11, 13	149,452	102,784
Foreign currency gain/loss	16	– 334	– 652
Result from interest derivative transactions	12	22,456	4,446
Result from other financial assets and from investments in associated companies	15, 11	6,371	1,094
Operating cash flow		**191,861**	**121,422**
Property intended for trading	26	10,250	77,200
Receivables and other assets	23, 27	– 4,732	– 19,881
Provisions	31	717	– 347
Other liabilities	33	530	– 6,361
Cash flow from change in net current assets		**6,765**	**50,611**
Cash flow from operating activities		**198,626**	**172,033**
Investment activities			
Acquisition of and investment in properties		– 243,618	– 300,440
Acquisition of property companies, less incl. cash and cash equivalents in the amount of € 128,308 K (2010: € 2,206 K) incl. Prepayments	35	71,880	– 137,317
Acquisition of office equipment and intangible assets		– 1,382	– 670
Acquisition of financial assets		– 12,926	– 7,062
Disposal of short term securities	28	4,653	6,014
Financing of joint ventures	41	9,929	0
Disposal of long-term properties and other assets	7	131,459	216,199
Disposal of companies with long-term properties, less incl. cash and cash equivalents in the amount of € 2,696 K (2010: € 366 K)		29,998	– 362
Taxes paid relating to the sale of long-term properties		– 49,291	– 29,563
Dividend payments of associated companies and securities		891	857
Interest paid capitalised on properties under development	19	– 9,934	– 6,851
Interest received from financial investments	13	5,718	7,663
Cash flow from investment activities		**– 62,623**	**– 251,532**
Financing activities			
Cash inflow from financing	32	252,226	280,291
Cash inflow from related companies and from non-controlling interests	41	4,861	1,788
Payments of subsidiaries to and purchase of non-controlling interests		– 10,763	– 99,209
Repayment of loans		– 232,786	– 138,831
Interest paid	11	– 148,181	– 107,131
Cash flow from financing activities		**– 134,643**	**– 63,092**
Net change in cash and cash equivalents		**1,360**	**– 142,591**
Cash and cash equivalents as at 1.1.		354,764	497,199
Changes in the value of foreign currency		– 2,346	156
Cash and cash equivalents as at 31.12.	**29**	**353,778**	**354,764**

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2011

€ 1,000	Notes	Share capital	Capital reserves	Retained earnings
As at 1.1.2010		**634,370**	**1,013,988**	**– 31,091**
Valuation cash flow hedge	18	0	0	0
Income recognised directly in the associates' equity	18	0	0	0
Reserves from foreign currency translation	18	0	0	0
Consolidated net income	1	0	0	45,415
Comprehensive income for 2010		**0**	**0**	**45,415**
Purchase of shares in CAIIAG		0	41,429	0
Capital increase as the result of the merger of CA Immo International AG		4,344	6,047	0
Payments from and purchase of non-controlling companies		0	0	0
As at 31.12.2010	**30**	**638,714**	**1,061,464**	**14,325**
As at 1.1.2011		**638,714**	**1,061,464**	**14,325**
Valuation cash flow hedge	18	0	0	0
Income recognised directly in the associates' equity	18	0	0	0
Reserves from foreign currency translation	18	0	0	0
Consolidated net income	1	0	0	62,629
Comprehensive income for 2011		**0**	**0**	**62,629**
Acquisition of Europolis AG	35	0	0	0
Disposal due to sale of companies		0	0	0
Dividend payments of subsidiaries to non-controlling interests		0	0	0
Capital payments to non controlling interest		0	0	0
Payments from non-controlling companies		0	0	0
Purchase of non-controlling interest		0	1,301	0
Repurchase convertible bond		0	– 581	0
As at 31.12.2011	**30**	**638,714**	**1,062,184**	**76,954**

Other reserves			Shares held by the shareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
Valuation result (hedging)	Reserves from associates	Reserves from foreign currency translation			
– 58,291	**27**	**2**	**1,559,005**	**170,155**	**1,729,160**
– 14,425	0	0	– 14,425	– 715	– 15,140
0	– 11	0	– 11	– 57	– 68
0	0	– 36	– 36	0	– 36
0	0	0	45,415	– 1,596	43,819
– 14,425	**– 11**	**– 36**	**30,943**	**– 2,368**	**28,575**
0	0	0	41,429	– 140,463	– 99,034
0	0	0	10,391	– 10,401	– 10
0	0	0	0	1,248	1,248
– 72,716	**15**	**– 34**	**1,641,768**	**18,171**	**1,659,939**
– 72,716	**15**	**– 34**	**1,641,768**	**18,171**	**1,659,939**
– 20,306	0	0	– 20,306	190	– 20,116
0	144	0	144	0	144
0	0	– 391	– 391	0	– 391
0	0	0	62,629	5,042	67,671
– 20,306	**144**	**– 391**	**42,076**	**5,232**	**47,308**
0	0	0	0	131,866	131,866
0	0	0	0	– 24,179	– 24,179
0	0	0	0	– 1,225	– 1,225
0	0	0	0	– 4,098	– 4,098
0	0	0	0	4,564	4,564
0	0	0	1,301	– 5,440	– 4,139
0	0	0	– 581	0	– 581
– 93,022	**159**	**– 425**	**1,684,564**	**124,891**	**1,809,455**

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2011

GENERAL NOTES

1. Information concerning the company

CA Immobilien Anlagen Aktiengesellschaft, together with its subsidiaries (the "CA Immo Group"), is an internationally active property group. The parent company is CA Immobilien Anlagen Aktiengesellschaft ("CA Immo AG"), which has its head office at Mechelgasse 1, 1030 Vienna. As of 31.12.2011, the CA Immo Group owned office, hotel, commercial and residential properties in Austria and Germany, and in Eastern and South East Europe. CA Immo AG is listed in the prime market segment of the Vienna Stock Exchange and belongs to the ATX (Austrian Traded Index of leading companies).

2. Accounting principles

The consolidated financial statements of CA Immo AG were prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS), to the extent that these standards are applicable to companies within the European Union. When the consolidated financial statements are prepared, the acquisition cost principle is applied as a general rule. Excepted from this rule are the investment properties (including properties under development), properties held for sale, securities, derivative financial instruments and provisions for cash-settled share-based payment plans, which are measured at fair value. The net item for plan assets arising from pension obligations recognises the fair value of the plan assets less the present value of the obligations.

The consolidated financial statements are presented in one thousand euros ("€K", rounded according to the commercial rounding method). The use of automatic data processing equipment may lead to rounding differences in the addition of rounded amounts and percentage rates.

3. Scope of consolidation

The consolidated financial statements include the supreme parent company CA Immo AG and the companies listed in Annex I.

Changes in scope of consolidiation

	Companies under full consolidation	Companies under proportional consolidation	Companies consolidated at equity
As at 1.1.2011	**121**	**27**	**4**
Acquisitions	101	2	0
Share deals	– 2	– 3	– 1
New establishments	13	8	0
Company disposal from liquidation or restructuring	– 8	0	0
Reclassification within basis of consolidation	2	– 2	0
As at 31.12.2011	**227**	**32**	**3**
thereof foreign companies	187	29	2

Acquisition an disposals

The closing date of the transaction to acquire all the shares in Europolis AG, Vienna, was 1.1.2011. This acquisition gave the CA Immo Group interests in 100 companies in 11 countries (see Annex I). Payment of a portion of the cash purchase price of € 283,614 K, a part in the amount of € 136,000 K, has been deferred until 2015. The shares in Europolis AG, Vienna, have been pledged in favour of the seller as security. The acquisition of the Europolis Group has significantly reinforced the presence of the CA Immo Group in the key market of Eastern and South East Europe. Another major outcome of the transaction is the rise in the share of investment properties in the portfolio as a whole.

In business year 2011, the CA Immo Group also acquired the following companies:

Company name/domicile	Purpose	Interest in %	Purchase price in € 1,000	First-time consolidation date
CA Immo Berling MBVD Verwaltungs GmbH, Frankfurt	Project company for distribution centre Mercedes Benz	100	27	25.1.2011
Mahler Property Services Sp.z.o.o., Warschau (in prior years interest of 50%)	Property management company	50	50	1.4.2011
Flottwellpromenade Verwaltungs GmbH, Berlin	Property company	50	14	24.5.2011
SKYGARDEN Arnulfpark GmbH & Co. KG, Grünwald (in prior years interest of 50%)	Project company	50	22,660	1.10.2011
CA Immo Berlin Stadthafenquartier Europacity Verwaltungs GmbH, Frankfurt	General partner company for project company	50	28	9.11.2011
Pannonia Shopping Center Kft., Györ (in prior years interest of 50 %)	Property company	50	425	31.12.2011
			23,204	

These purchase prices were paid in full in cash.

In the business year, the company acquisitions gave rise to legal consulting and company valuation expenses in the amount of € 39 K (2010: € 546 K). These were recognised in the consolidated income statement under the indirect expenditures.

The CA Immo Group disposed of the following companies in business year 2011:

Company name/domicile	Interest in %	Sales price € 1,000	Deconsolidation date
Log Center d.o.o., Belgrade	50	2,100	1.1.2011
Starohorska Development s.r.o., Bratislava	50	0	1.1.2011
Einkaufszentrum Erlenmatt AG, Basel	50	42	1.4.2011
OLYMPIA Mladá Boleslav s.r.o., Prague	51	14,697	1.7.2011
OLYMPIA Teplice s.r.o., Prague	51	15,855	1.7.2011
SOFTWARE PARK KRAKÓW Sp.z.o.o., Warschau	50	0	30.9.2011
Soravia Center OÜ, Tallinn	40	0	31.12.2011
Total sales price		**32,694**	

The disposal prices were paid in full in cash.

The forenamed acquisitions and disposals (measured as of the initial group consolidation or deconsolidation date, as appropriate) affected the composition of the consolidated financial statements as follows:

€ 1,000	Acquisition of Europolis Group at market values	Other acquisitions at market values	Sales at book values
Properties	1,507,051	69,377	– 104,682
Cash and cash equivalents	127,300	1,008	– 2,696
Other assets	41,012	187	– 2,256
Deferred taxes	– 80,857	2	9,716
Financial liabilities	– 1,118,981	– 35,334	40,351
Provisions	– 13,914	– 573	1,305
Other liabilities	– 196,356	– 604	31,617
Receivables/payables of affiliated companies	0	– 10,929	– 141
Net assets	**265,255**	**23,134**	**– 26,786**
Goodwill	18,359	0	0

The recognised goodwill (non tax deductible) represents the benefit resulting from the later maturity of the acquired and undiscounted deferred tax liabilities.

The acquired other assets contain receivables and other assets with a fair value of € 26,972 K (nominal amount of € 31,991 K less impairments of € 5,019 K).

Rental income of the acquired companies totalled € 121,991 K from the time of acquisition (from 1.1.2011: € 122,952 K), and the result for the period came to € 23,548 K (from 1.1.2011: € 25,321 K). Thereof € 121,633 K gross revenue and € 23,675 K net income result from acquisition of Europolis Group.

Joint ventures

The proportional values for the companies that are consolidated proportionally are as follows:

€ 1,000	31.12.2011	31.12.2010
Properties as per IAS 40	247,212	264,733
Other long-term assets	38	0
Property intended for trading	11,887	17,983
Other short-term assets	32,977	29,106
Deferred tax assets	1,272	645
Total assets	**293,386**	**312,467**
Long-term liabilities	103,769	97,071
Short-term liabilities	104,579	103,214
Deferred tax liabilities	15,495	21,902
Liabilities	**223,843**	**222,187**

€ 1,000	2011	2,010
Rental income	11,520	8,189
Income from the sale of properties intended for trading	18,852	19,021
Result from revaluation	3,265	6,475
Other income	1,622	1,100
Other expenses incl. book value of assets disposed	– 23,629	– 19,294
Operating result (EBIT)	**11,630**	**15,491**
Financial result	– 5,769	– 4,472
Net result before taxes (EBT)	**5,861**	**11,019**
Income tax	– 3,052	– 4,357
Consolidated net income	**2,809**	**6,662**

Associated companies

The following information concerning assets, liabilities, rental income and results for the period is available for the companies included in the consolidated financial statements by way of at-equity consolidation:

€ 1,000	31.12.2011	31.12.2010
Properties as per IAS 40	456,603	356,146
Other long-term assets	123,357	120,443
Short-term assets	194,134	166,359
Long-term liabilities	451,584	429,447
Short-term liabilities	182,509	72,659
Group's share in net assets	**35,008**	**34,754**
	2011	**2010**
Gross revenues	92,252	162,237
Net income	3,325	16,746
Group's share in net income	**832**	**4,187**

As of 31.12.2011, the accumulated total amount of unrecognised losses from associated companies is € 0 K (31.12.2011: € 196 K).

4. Accounting methods

a) Changes in presentation and classification

In order further to improve the clarity of the consolidated financial statements, their presentation was thoroughly revised in the business year. The format of the annual financial statements and the recognition of individual items were also adjusted. To enhance comparability, the prior-year figures were restated as well for the items affected by changes.

Changes to the consolidated income statement

The CA Immo Group generates gross revenues from renting, trading and development services. Since various direct expenses arise in connection with the income streams, the net operating income from the relevant revenue category is now recognised directly in the consolidated income statement.

Tenants who wish to dissolve their leases before a contractually agreed termination date are required to pay settlements. Since these amounts represent anticipated rental income, they are now recognised under the gross revenues from renting. For the reference period, namely business year 2010, an amount of € 90 K was therefore reclassified from other operating income to rental income.

The CA Immo Group measures the property assets as of each quarterly reporting date. The market values are determined values recognised in the consolidated income statement as the result from revaluation (revaluation gain/loss), or as an impairment/reversal. When property assets are sold during the business year, the valuation gain/loss recognised in the business year is reclassified as a gain/loss on disposal. This applies to both the result from the sale of long-term properties and the result from property transactions (under book value of properties intended for trading). For the reference period, namely business year 2010, the impairments and impairment reversals for properties intended for trading that were sold in the business year were reclassified, so that an impairment in the amount of € -393 K and a reversal in the amount of € 866 K are recognised under book value of properties intended for trading in the total amount of € 473 K. An amount of € 14,664 K was likewise reclassified from the result from revaluation to the item for revaluation of properties sold in the current business year.

In view of their direct apportionability, the staff expenses for development services are disclosed as expenditures on development services. The amount for 2010, namely € 1,575 K, was reclassified from the indirect expenses to the result from development services.

The CA Immo Group has amended the disclosure of own work capitalised in the present consolidated financial statements. Since this item refers exclusively to indirect expenditures that are capitalised as the acquisition, construction or production cost of properties, it is no longer recognised separately. For the reference period, business year 2010, the amount of € 11,857 K was therefore netted against the indirect expenditures item.

Goodwill impairment is now recognised in the consolidated income statement under depreciation and amortisation (impairments), if the goodwill impairment concerns the current year. Goodwill of disposals of investment property is also recognised as disposal under result from the sale of properties. Prior year income tax, in the amount of € 6,844 K, was reclassified to depreciation and amortisation (impairments) in the amount of € 2,701 K and to the result from the sale of long-term properties in the amunt of € 4,143 K.

The change in deferred taxes arising from exchange rate differences is no longer recognised under the foreign currency gain/loss item, but in the income tax expense. An amount of € 97 K was accordingly reclassified from taxes on income to foreign currency gain/loss for the reference period 2010.

The net income attributable to as liabilities recognised non-controlling interests is now recognised under the financing costs. The prior-year item, in the amount of € 244 K, was reclassified to the financing costs.

Changes to the consolidated statement of financial position

The classification of individual items in the statement of financial position has been fundamentally revised. In the long-term assets, loans are now grouped together with the other financial assets. In the short-term assets, receivables from joint ventures are reported together with the receivables and other assets in a single sum. On the liabilities side, the interest-bearing liabilities now encompass bonds, financial liabilities, loans to joint ventures and subordinated liabilities. In addition, the non-controlling interests classified as loan capital, trade creditors, non-interest-bearing liabilities to joint ventures, and other liabilities are recognised under the other liabilities item. The previous year's figures have been adjusted accordingly.

Changes to the consolidated cash flow statement

The presentation of the consolidated cash flow statement has been revised to reflect the amended recognition of items in the consolidated income statement.

Pre tax income of 2010 has been decreased in the amount of € 6,491 K, as in consolidated income statement for the year ended 31.12.2010 reclassifications of income tax, depreciation and amortisation in the amount of € 2,701 K, to profit from the sale of long-term properties in the amount of € 4,143 K and foreign currency gain/loss in the amount of € 97 K have been made.

Realised impairments/reversals have been reclassified from depreciation and amortisation (impairments), and reversal of impairments, to changes in properties intended for trading. The prior-year figure, in the amount of € -473 K, has been reclassified from the cash flow from change in net current assets to the operating cash flow.

The acquisition of non-controlling interests was reclassified from the cash flow from investment activities to the cash flow from financing activities. The previous year's figure, in the amount of € 99,045 K, concerning the acquisition of the shares in CA Immo International AG, including the cost of the capital increase, has been reclassified.

Interest paid that is recognised under properties under development is now reported in the cash flow from investment activities. The prior-year figure, in the amount of € 6,851 K, has been reclassified from cash flow from financing activities.

Changes to segment reporting

In view of a change in the internal reporting to the Management Board of the CA Immo Group in business year 2011, the segment reporting has been modified. To enhance comparability, the prior-year figures were restated as well.

The issues addressed under the segmentation by regions are treated likewise under the segmentation by sectors. Changes in structure of the consolidated income statement have been also made in segment reporting.

For 2010, rental income attributable to other segments, in the amount of € 889 K are now disclosed in the net rental income and eliminated by way of the "consolidation" column.

The general activities of CA Immo that are not directly related to the property portfolio are now disclosed in the Holding segment.

Intra-Group revenues and settlements with other segments are now being disclosed separately, so that the figures are brought into line with the consolidated income statement by way of a "consolidation" column.

In addition, in 2010, management fees paid by the holding company to the property company, in the amount of € 3,392 K, and € 937 K of other companies in Germany and South and South East Europe were passed on to other segments. Management fees were disclosed in the individual segments as indirect expenses. Furthermore rent of property companies in other segments have been recognised as indirect expense of the Holding in amount of € 671 K and € 218 K was recognized in the segment development Germany (indirect expense in total € 5,218 K).

Because of internal financing among the segments, financing costs and the result from financial investments are shown separately for each segment in 2010. An amount of € 19,025 K is eliminated by way of the "consolidation" column.

The underlying financing is similarly assigned to the relevant segment as other assets or interest-bearing liabilities, and then consolidated in the Group.

The holding company posts deferred tax assets in the amount of € 38,563 K. In view of the group of companies in Austria and the existence of a common taxable entity, however, the amount is disclosed as a decrease in deferred tax liabilities in the Group.

b) Consolidation methods

All companies under the controlling influence of the parent company are fully consolidated in the consolidated financial statements. A company is first consolidated as of the time at which the controlling influence passes to the parent. It is deconsolidated when the control lapses. All Group-internal transactions between companies belonging to the scope of full and proportional consolidation, and the relevant income and expenses, receivables and payables, as well as unrealised interim profits, are eliminated in full (or pro rata in the case of proportional consolidation).

The CA Immo Group acquires companies that hold property assets. At the time of acquisition, it must be determined whether only assets are being purchased or an entire business operation is being acquired. If an entire business operation is purchased, the acquisition encompasses not only properties and other assets and liabilities, but also an integrated company. In detail, the assessment is performed according to the following criteria:

– Number of properties and sites belonging to the subsidiary
– Purchase of other major areas of activity by way of the acquisition, such as property or asset management, accounting etc.
– Existence of own employees for managing the properties

If the transaction bringing about the acquisition of a property company is not classified as a "business combination", the purchase encompasses only assets and liabilities. The acquired company's identifiable assets and liabilities are recognised at fair value. This takes place by allocating the acquisition costs to the revalued assets (especially properties) and liabilities of the subsidiary. Goodwill is not recognised.

If an acquired company is a business operation, the acquisition is classified as a business combination. In this event, the subsidiary is consolidated for the first time by the purchase method, by recognising its identifiable assets and liabilities at fair value.

Non-controlling interests are recognised according to the categorisation of the capital interest as either shareholders' equity or loan capital, namely under the non-controlling interests in shareholders' equity or under the other liabilities in loan capital. The interests of non-controlling shareholders are measured upon recognition at the relevant portion of the acquired company's identifiable net assets. When subsequently measured, the book value of the non-controlling interests is amortised according to the changes in shareholders' equity attributable to the non-controlling interests. The total comprehensive income is attributed to the non-controlling interests even if such interests then have a negative balance.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The book values of the controlling and non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the company.

If a business operation is acquired, goodwill arises from a comparison of the fair value of the consideration and the amount recognised for the non-controlling interests on the one hand, and the fair value of the acquired company's identifiable assets and liabilities (net assets) on the other. The amount exceeding the net assets is recognised as goodwill.

Joint ventures

In the context of property rental and project development partnerships, the CA Immo Group forms joint ventures with one or several partner companies. Joint management of these ventures is established by contract. Interests in such jointly managed ventures are included proportionally in the consolidated financial statements of the CA Immo Group. The Group's interests in the assets, liabilities, income and expenses of jointly managed ventures are assigned to the relevant items of the consolidated financial statements.

Associated companies

An associated company is one on which the Group exerts a significant influence and is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting (AE – at equity). Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost, including directly apportionable ancillary costs, as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, giving due consideration to the pro rata income as per the income statement, the pro rata
other comprehensive income as per the statement of comprehensive income, and dividend payouts and contributions, and less any impairment in the value of individual investments.

Once the book value of the holder's interests in an associated company has decreased to zero, additional losses are recognised as a liability only to the extent that the holder has incurred legal or constructive obligations or made payments on behalf of the associate.

c) Foreign currency translation

Business operations in foreign currency

The individual Group companies record foreign currency transactions at the rate of exchange ruling on the day of the relevant transaction. Monetary assets and liabilities in foreign currency existing on the reporting date are translated into euros, the Group currency, at the rate of exchange ruling on that date. Any resulting foreign currency gains or losses are recognised in the income statement of the relevant business year.

The foreign currency translation of business operations (transactions) was based on the following rates of exchange:

		Acquisition 31.12.2011	Sale 31.12.2011	Acquisition 31.12.2010	Sale 31.12.2010
Switzerland	CHF	1.2090	1.2218	1.2428	1.2556
USA	USD	1.2905	1.3005	1.3341	1.3441

Translation of individual financial statements denominated in foreign currency

The Group currency is the euro (EUR). Since the euro is also the functional currency of the companies in Eastern and South Eastern Europe outside the European Monetary Union that are included in the consolidated financial statements, the financial statements prepared in foreign currency are translated in accordance with the temporal method. Under this method, investment property (including properties under development) as well as monetary assets and liabilities are translated at closing rates, whereas other non-monetary assets are translated at historical exchange rates. Items of the income statement are translated at the average exchange rates of the relevant reporting period. Any gains and losses resulting from foreign currency translation are recognised in the income statement.

For the subsidiaries in Ukraine, the management companies in Eastern and South East Europe, and the subsidiary in Switzerland that was sold in 2011, the functional currency is the relevant local currency. The figures in the statement of financial position are translated at the exchange rate applying on the reporting date. Only the shareholders' equity is translated at historical rates. Items of the income statement are translated at the average exchange rates of the relevant reporting period. Gains and losses arising from application of the closing rate method are included in the comprehensive other income in the statement of comprehensive income, and recognised under the reserves from foreign currency translation.

Individual financial statements were translated on the basis of the following rates of exchange:

		Closing rate 31.12.2011	**Closing rate 31.12.2010**	**Average exchange rate 2011**	**Average exchange rate 2010**
Bulgaria	BGN	1.9558	1.9558	1.9558	1.9558
Croatia	HRK	7.5250	7.3800	7.3209	7.2985
Poland	PLN	4.4168	3.9670	4.1457	4.0041
Romania	RON	4.3197	4.2890	4.2313	4.2248
Russia	RUB	41.7000	40.9000	41.0177	40.2238
Switzerland (until 1.4.2011)	CHF	n/a	1.2492	1.2910	1.3694
Serbia	RSD	106.0000	105.5000	101.9208	103.5958
Czech Republic	CZK	25.8000	25.0800	24.5788	25.2633
Ukraine	UAH	10.3624	n/a	11.1648	n/a
Hungary	HUF	311.1300	278.0000	280.6958	276.7133

d) Properties

Classification

The "investment properties" item consists of investment properties and properties under development that are held neither for own use, nor for sale in the ordinary course of business, but to generate rental income and appreciate in value.

Properties under development are reclassified as investment properties once the main construction services are completed.

Properties are recognised as held or intended for trading if the property concerned is intended for sale in the ordinary course of business or under construction for subsequent sale in the ordinary course of business. Properties held for administration purposes are allocated to the own used properties item.

Some properties are mixed-use – they are used to generate rental income and appreciate in value on the one hand, and for administration purposes on the other. If the relevant portions can be sold separately, the CA Immo Group also recognises them separately. If the portions cannot be separated, the entire property is classified as an investment property only if the own use occupies less than 5.0 % of the total useful area. Otherwise, the entire property is classified as for own use.

Valuation

All investment properties are measured according to the fair value model specified as an option under IAS 40. Under this model, the property assets are measured at the fair value prevailing on the relevant reporting date. Differences compared with the current book value prior to revaluation (fair value of previous year plus subsequent/additional acquisition or production cost less subsequent acquisition cost reductions, paying due regard to the change in agreed incentives) are recognised in the income statement under "Result from revaluation".

The properties held for trading are measured at the lower of cost and net realisable value as of the relevant reporting date.

The own used properties and the office furniture, equipment and other assets items are measured in accordance with the cost method; in other words, at acquisition or production cost less regular depreciation and impairments. Investment grants are recognised as reductions of acquisition costs from the time a binding agreement exists.

Regular depreciation of office furniture, equipment and other assets is done on a straight-line basis over the estimated useful life, which is generally 3 to 40 years. The estimated useful life of the own used properties, applying the principle that each part of an item with a significant cost shall be depreciated separately, is 70 to 75 years for the carcass, 15 to 50 years for the façade, 20 years for the building services, 15 to 20 years for the roof, and 10 to 20 years for the tenant's finishing works.

Financing (borrowing) costs arising during property construction are allocated to the production costs if they can be directly attributed to a qualifying asset. In this context, a qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. In cases in which loan capital was obtained not directly for the procurement of an individual qualifying asset, the pro rata amount of the capitalisable general borrowing costs is attributed to the qualifying assets. All other financing costs are recognised in profit or loss in the period in which they arise.

Determination of fair value

The relevant fair value of properties is established, if a value is not indicated by binding purchase agreements, largely by external independent experts applying recognised valuation methods. The external valuations are carried out in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS). The RICS defines the fair value as the estimated amount for which a property could be exchanged on the valuation date, after a reasonable period on the market, between willing parties in an arm's length transaction in the normal course of business in which both the buyer and the seller act knowledgeably, prudently and without compulsion.

The valuation method applied by the expert in an individual case depends, in particular, on the property's stage of development and type of use.

Rented commercial properties, which constitute the largest portion of the CA Immo Group's portfolio, are valued largely by the investment method. In such cases, the fair values are based on capitalised rental income and discounted, expected future cash flows. Alongside the current contractual rents and lease expiration profile, the value appraiser in this context establishes and gives consideration to further parameters on the basis of a professional assessment including, in particular, the long-term expected rental value (ERV), and equivalent yields. The equivalent yields fell slightly in Austria and Germany, which are regarded as exceptionally stable markets. In Germany the capitalisation/discount interest rates range from 4.0 % to 8.25 % as at 31.12.2011 (31.12.2010: 4.0 % to 7.75 %), in Austria they range from 4.25 % to 10.7 % and the same as in the previous year. The trends in Eastern/South Eastern Europe differ greatly. While the equivalent yields continue to decline in Poland, increases are being posted in Hungary and Romania. Enormous variances in development potential exist in Romania and Ukraine. The yields for office properties, for example, range from 7.5 % to 9.25 % (31.12.2010: 7.2 % to 9.0 %) in Hungary, 8.5 % to 10.0 % in Romania, 8.25 % to 11.0 % in Serbia and 6.8 % to 9.7 % in Poland. For the hotel properties in the portfolio in Slovenia and the Czech Republic, the yields climbed above 8.8 % to 10.0 % (31.12.2010: 9.0 %).

For properties under development and construction, the residual value method is applied. In this case, the fair value is based on the established market value upon completion, giving due consideration to the outstanding expenditure and the application of an imputed reasonable, not changed compared to the previous year, profit for the developer in the range of 5.0 % to 20.0 %. Due regard is given to any risks, including in the future expected rents and/or the capitalisation/discount rates. The interest rates range from 5.0 % to 8.5 %, the same as in the previous year. They vary in particular according to the general market climate, location and type of use. The nearer a project is to completion, the greater the portion of parameters that are based on actual or contractually fixed figures. Either after or just before completion, the properties are valued by applying the investment method (see above), paying due regard to the outstanding works.

Land banks, consisting of land that is not earmarked for active development in the near future, are valued, depending on the property and the stage of development, on the basis of comparable transactions or by the liquidation value, cost or residual value method.

Around 99.5 % (31.12.2010: 99.4 %) of the properties in Austria, about 96.5 % (31.12.2010: around 96.0 %) of the properties in Germany, and about 99.9 % (31.12.2010: 99.0 %) of the properties in Eastern/South Eastern Europe were subject to an external valuation as of the reporting date 31.12.2011. The values for the other properties were established internally on the basis of the previous year's valuations or binding purchase agreements.

e) Intangible assets

In the case of business combinations pursuant to IFRS 3, the goodwill item mainly corresponds to the difference arising from the allocation of acquisition cost to the fair values of the acquired properties and the relevant deferred tax liabilities not discounted in line with IAS 12. It represents the benefit resulting from the later maturity of the acquired deferred tax liabilities. The goodwill is not amortised regularly, but tested for impairment at least annually. The impairment test focuses on the discounted cash flows arising from the properties as of the relevant reporting date, paying due regard to the change in expected tax payments. An impairment is recognised if the book value of the cash generating unit exceeds the present value of the related cash flows. It is reported in the consolidated income statement under depreciation and impairment/reversal.

Other intangible assets chiefly comprise software and are recognised at acquisition cost less straight-line amortisation and impairments. For the amortisation of computer software, a useful life of 3 to 5 years was assumed.

f) Impairments

If signs of a value impairment are evident, the CA Immo Group determines the recoverable amount for the own used properties; office furniture, equipment and other assets; and intangible assets. The recoverable amount is the higher of the fair value less the cost of selling (net realisable value) and the utility value or value in use. The value in use is the present value of the expected future cash flows that are likely to be generated by the continued use of an asset and its retirement at the end of its useful life.

If this recoverable amount is lower than the carrying value of the asset, the asset is written down to the lower value.

If at a later date an impairment ceases to exist, the impairment loss is reversed to profit or loss – except in the case of goodwill – up to the carrying amount of the amortised original acquisition or production cost.

Goodwill is tested for impairment annually, with the cash generating unit representing individual properties. Since the recoverable amount for the cash generating unit cannot be determined without taking account of the expected tax effects directly attributable to individual properties owing to the specific nature of the recognised goodwill, in addition to the allocatable goodwill the book value of the cash generating unit includes the directly attributable deferred tax liability of the property at the time of the company's acquisition. The recoverable amount is determined on the basis of fair value. The fair value for a property is determined on the basis of external valuation reports as well as the underlying property yields and expected rental revenue. The cash value of cash flows in relation to tax effects was determined with due regard to post-tax interest rates, i.e. the respective yield less the effect of the tax rate in a particular country. The impairment test assumes a retention period for properties in the CA Immo Group of 15 or 25 years for land/land reserves from the time of acquisition. Since the end of the retention period is approaching under this assessment model and the discounting period is thus shortening, further value decreases in the amount of the lower cash value benefit are likely in the years ahead.

g) Financial instruments

Securities

Securities are attributed to the category "at fair value through profit and loss" (FV/PL) because the securities are controlled on the basis of the fair values. The securities are measured as of the acquisition date at fair value excluding transaction costs directly attributable to the securities' acquisition. In subsequent periods they are measured at the fair value as of the reporting date, as indicated by stock market prices. Gains or losses are recognised in profit or loss. The result of the market valuation and realisation is recognised under the result from financial investments. Securities purchases and sales are recognised at the trading date.

Other interests in companies

Interests in companies which, owing to a lack of control, are not consolidated, and upon which a material influence is not exerted, are assigned to the category "available for sale/at cost" (AFS/AC). Since a listed price on an active market is not available and the fair value cannot be reliably established, the interests are measured at acquisition cost.

Loans and prepayments made on investments

Loans granted by the company and prepayments made on property investments are assigned to the category "loans and receivables" (L&R). They are measured at fair value upon recognition, and subsequently at amortised cost, applying the effective interest-rate method.

Receivables and other financial assets

Trade receivables from the provision of services, other receivables and other financial assets are primary financial instruments that are not listed on active markets and not intended for sale. They are assigned to the measurement category "loans and receivables" (L&R). They are measured initially at fair value, and thereafter at amortised cost, applying the effective interest-rate method and allowing for impairments.

An impairment for receivables and other assets is formed depending on the status of the dunning procedure, the past due date, and the individual credit rating of the relevant debtor, paying due regard to the security received, and is recognised if there is an objective indication that the receivables cannot be collected in full. Uncollectible receivables are derecognised. Subsequent payments in respect of receivables for which impairment losses have been recognised are recognised in profit and loss under the other operating income.

Receivables from the sale of properties having a period for payment of greater than one year are recognised as non-current receivables at present value as of the relevant reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits with banks, as well as fixed-term deposits with an original term of up to three months. This item also encompasses bank balances subject to drawing restrictions of not more than 3 months. Bank balances subject to drawing restrictions with a longer time limit are recognised under the receivables and other assets.

Interest-bearing liabilities

Interest-bearing liabilities are assigned to the category "financial liabilities at amortised cost" (FLAC) and recognised upon disbursement at the amount actually received, less transaction costs. Any difference between the amount received and the repayment amount is allocated over the term of the financing according to the effective interest-rate method and recognised under financing costs or, if the conditions set forth in IAS 23 are met, capitalised as part of the acquisition, construction or production cost.

Other financial liabilities

Other financial liabilities, such as trade creditors, are assigned to the category "financial liabilities at amortised cost" (FLAC) and measured upon receipt at fair value, and thereafter at amortised acquisition cost..

For current other liabilities, the fair value generally corresponds to the estimated sum of all future payments. For non-current other liabilities, the acquisition cost of the liabilities corresponds to their present value, determined by discounting the future payments with a reasonable market interest rate giving due consideration to the maturity and risk. Interest rates with matching maturities for bearer debt securities or government bonds, plus a premium, are used as the discount rates.

Derivative financial instruments

The CA Immo Group uses derivative financial instruments, such as interest rate caps, floors and swaps, and forward exchange transactions, in order to hedge against interest and currency risks. These derivative financial instruments are recognised at fair value at the time the contract is concluded and remeasured at fair value in the following periods. Derivative financial instruments are recognised as financial assets if their fair value is positive, and as financial liabilities if their fair value is negative. The fair value of the derivative financial instruments corresponds to the amount that would be payable by or to the CA Immo Group if the position were closed on the balance sheet date.

Derivative financial instruments are recognised as non-current assets or liabilities if the remaining term of the instrument is more than twelve months and realisation or settlement within twelve months is not expected. The other derivative financial instruments are recognised as current assets or liabilities.

The method applied by the CA Immo Group when recognising gains and losses from derivative financial instruments depends on whether or not the criteria for cash-flow hedge accounting (hedging of future cash flows) are met.

In the case of derivative financial instruments serving the purpose of hedging future cash flows and thus qualifying as cash flow hedges, the effective portion of the change in fair value is recognised in the other comprehensive income; in other words, directly in equity. The ineffective portion is immediately recognised as an expense under the item "Result from interest derivative transactions". The measurement gains or losses from cash flow hedges recognised in equity are reclassified into profit or loss in the period in which the hedged underlying is recognised in profit or loss and/or the conditions for (cash flow) hedge accounting are no longer satisfied. The hedging relationship between the instrument and the hedged item is documented when the hedge is undertaken and afterwards on an ongoing basis.

In order to make a clear distinction from cash flow hedges, the CA Immo Group describes derivative financial instruments that do not satisfy or no longer satisfy the criteria for cash flow hedge accounting as "fair value derivatives". This applies, for example, to interest rate caps, floors and swaps without a concurrent credit agreement. Pursuant to IAS 39, derivatives not qualifying for hedge accounting are assigned to the category "held for trading" (HFT). The change in the fair value is therefore recognised in the full amount in profit or loss under the item "Result from interest derivative transactions".

The fair values of the interest rate swaps, caps and floors are calculated by discounting the future cash flows from variable payments on the basis of generally recognised models of financial mathematics.

h) Construction contracts

Pursuant to the applicable percentage of completion method, the contract revenue and contract costs associated with construction contracts and arising from the performance of services (such as project management, building works, interior works, site development, decontamination) are recognised as receivables by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is established according to the ratio of contract costs incurred as of the reporting date to the estimated total contract costs as of the reporting date (cost-to-cost method). An expected loss from a construction contract is immediately recognised as an expense.

i) Other non-financial instruments

Other non-financial instruments largely consist of prepayments made on properties, receivables from fiscal authorities, and prepaid expenses. They are measured at cost less impairments.

Other non-financial liabilities refer to liabilities to fiscal authorities and prepaid rents. These are measured on initial recognition at the amount corresponding to the likely outflow of funds. When measured subsequently, value changes arising from new information are recognised in profit or loss.

j) Assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if the relevant book value is expected to be realised from a disposal and not from continued use. This case applies if the relevant non-current assets and disposal groups are available for immediate sale in their current condition and a disposal is very probable. Furthermore, the sale must be highly probable within one year of the classification as held for sale. Disposal groups consist of assets that are to be sold together in a single transaction and the associated liabilities that are also to be transferred by way of the transaction.

Non-current assets and disposal groups that are classified as held for sale are recognised at the lower of book and fair value less disposal costs as a general rule. Excepted from this policy are investment properties, which continue to be measured according to the fair value model.

k) Payment obligations to employees

Variable remuneration

In business year 2010, the members of the Management Board were for the first time invited to take part in an LTI (long-term incentive) programme with a term of three years. Participants are required to invest funds of their own, subject to a ceiling of 50 % of their annual basic salary. This first investment was measured at the closing rate on 31.12.2009, and the number of underlying shares was calculated accordingly. Performance is measured according to several indicators, namely NAV growth, ISCR (interest coverage ratio) and TSR (total shareholder return). Employees belonging to the first tier of management were also invited to join the LTI scheme. Their own investment is restricted to 35 % of their basic salary. In business year 2011, the LTI programme was continued. The members of the Management

Board and employees belonging to the first management tier were again invited to take part. In keeping with the 2010 LTI programme, the key indicators were NAV growth, ISCR and TSR, but the weighting of these factors was revised and the target values were raised.

For such cash-settled share-based payments, the incurred liability is recognised as provisions during a qualifying period of 3 years in the amount of the fair value. Until the liability is settled, the fair value is remeasured on each annual reporting date and on the settlement date. All changes are recognised in profit and loss in the relevant business year.

Defined benefit plans upon termination of employment

The CA Immo Group has the legal obligation to make a one-off severance payment to staff employed in Austria before 1.1.2003 in the event of dismissal or retirement. The amount of this payment depends on the number of years of service and the relevant salary at the time the settlement is payable. It varies between two and twelve monthly salary payments. A provision is formed for this defined benefit obligation.

In addition, obligations arising from defined benefit pension plans exist for four persons in the CA Immo Germany Group. The commitments concern four pension expectancies, three thereof are for managing directors who have already retired. In respect of the reinsurance cover obtained in previous years for defined benefit pension obligations, plan assets are recognised according to IAS 19.59 under the non-current receivables and other assets to the extent that the plan assets exceed the present value of the future obligations and the claims are due to the CA Immo Group.

External actuarial opinions are obtained annually for the defined benefit pension obligations. The projected cover funds (liability) are calculated according to IAS 19 by the projected unit credit method based on the following parameters:

	31.12.2011	31.12.2010
Interest rate	4.75%	4.5%
Salary increases expected in the future	2.0%	2.0%
Accumulation period	25 years	25 years
Forecast income from plan asset	3.0%	6.0%

The actual return on the plan assets for 2011 is 3.2 % (2010: 2.4 %).

The expected return on the plan assets is established on the basis of the actuarial calculations performed by a major insurer. As at 31.12.2011, the expected return on the plan assets was recognised at the mean of 3.0 % observed in recent years.

The entire service cost and amount of actuarial gains and losses in connection with the obligation is recognised in profit and loss in the staff expenses – and therefore in the indirect expenditures – in the year in which they arise. The interest expenses are recognised in the financing costs. Both actuarial gains and losses in connection with the plan assets and the expected return on the plan assets are fully recognised in profit and loss under the result from financial investments in the year in which they arise.

Defined contribution plans

The CA Immo Group has the legal obligation to pay 1.53 % of the monthly salary of all staff joining companies in Austria after 31.12.2002 into a staff pension fund. No other obligations exist. The payments are considered as staff expenses and are included in the indirect expenditures.

Based on agreements with two different pension funds in Austria and a benevolent fund for small and medium-sized enterprises in Germany, a defined contribution pension commitment exists for employees in Austria and Germany after a certain number of years of service (Austria: 1 or 3 years, depending on age; Germany: immediately upon reaching the age of 27). The amount of the contribution is a percentage of the relevant monthly gross salary, namely 2.5 % or 2.7 % in Austria, and 2.0 % in Germany. After a certain period (Austria: 5 or 7 years; Germany: 3 years) the contributions paid accrue as a vested pension right, and the entitlement is paid out as a monthly pension upon retirement.

l) Other provisions and contingent liabilities

Other provisions are recognised if the CA Immo Group has legal or actual obligations towards a third party due to a past event and the obligation is likely to lead to an outflow of funds. Such provisions are stated at the value which can be determined by the best possible estimate at the time the consolidated financial statements are prepared. If the cash value of the provision determined on the basis of prevailing market interest rates differs substantially from the nominal value, the cash value of the obligation is stated.

If the amount of an obligation cannot be established reliably, it is classified as a contingent liability. These are possible obligations arising from past events, whose existence depends on the occurrence or non-occurrence of one or several future events that are not entirely within the Group's control. In such cases, a provision is not formed and an explanation of the facts is given in the Notes. Contingent liabilities are also recognised if a future outflow of funds is not probable and a provision is not formed for that reason, but is likewise not improbable. The recognised amounts are measured at the present value of the best estimate.

m) Taxes

The income tax expense reported for the business year contains the income tax of the individual subsidiaries, calculated from their taxable income and the tax rate applicable in the relevant country ("current tax"), and the change in deferred taxes recognised in profit and loss ("deferred tax"), as well as the tax effect arising from equity capital postings not giving rise to temporary differences and recognised in equity (e.g. taxes concerning issuing costs of capital increases and subscription rights to convertible bonds, the measurement and sale of treasury shares, and – in some cases – the measurement of derivative transactions).

In line with IAS 12, all temporary differences between the statement of financial position for tax purposes and the consolidated statement of financial position are given consideration in the calculation of deferred taxes. Deferred taxes on losses carried forward are capitalised paying due regard to their restricted or unrestricted eligibility for carrying forward and their future usability. The recognition of the deferred tax claim arises first from existing projections for the next 5 to 7 years that show a utilisation in the foreseeable future of the tax losses carried forward, and second from the existence of adequate taxable temporary differences, arising chiefly from property assets.

The deferred taxes are measured according to the following tax rates, being those expected to apply at the time the differences are reversed:

Country		Tax rate	Country		Tax rate
	2011	2010		2011	2010
Bulgaria	10.0%	10.0%	Switzerland	31.9%	31.9%
Germany	15.8% to 31.9%	15.8% to 31.9%	Serbia	10.0%	10.0%
Croatia	20.0%	20.0%	Slovakia	19.0%	19.0%
Luxembourg	28.6%	28.6%	Slovenia	20.0%	20.0%
Netherlands	20.0%	20.0%	Czech Republic	19.0%	19.0%
Austria	25.0%	25.0%	Ukraine	21.0%	25.0%
Poland	19.0%	19.0%	Hungary	10.0% / 19,0%	10.0% / 19,0%
Romania	16.0%	16.0%	Cyprus	10.0%	10.0%
Russia	20.0%	20.0%			

A group and tax compensation agreement for the formation of a group of companies as defined by Section 9 of the Austrian Corporation Tax Act (KStG) exists in Austria for selected companies of the CA Immo Group. The head of the group is CA Immobilien Anlagen Aktiengesellschaft, Vienna. All of the Austrian companies belonging to the Europolis Group are included in the group of companies.

A tax consolidation arrangement for income taxes exists under the law of each country for some companies in the Europolis Group and CA Immo Germany Group. The controlling enterprise is Europolis AG, Vienna, or CA Immo Deutschland GmbH, Frankfurt. Profit and loss transfer agreements oblige the controlled companies to transfer to the controlling enterprise their entire profit (the annual surplus before the profit transfer, less any loss carried forward from the previous year – giving due consideration to the formation or reversal of reserves). The controlling enterprise is obliged to make good any annual deficit arising for the duration of the agreement to the extent that such deficits are not equalised by drawings on amounts allocated to the retained earnings during the term of the agreement.

n) Segment reporting

The business segments subject to mandatory reporting were identified on the basis of the information regularly used by the company's principal decision maker when deliberating on the allocation of resources and assessing earning power. The principal decision-making body of the CA Immo Group is the full Management Board. It controls the individual properties that are combined in business segments. The presentation of business segments is done by region and division, and corresponds to the CA Immo Group's internal reporting system.

The segments are formed according to property category and the main activities of the management/holding companies. Items that cannot be directly attributed to a property or segment management structure are disclosed in the Holding business segment. The following segments have been established:

– Properties: Let investment properties, own used properties and investment properties pursuant to IFRS 5
– Development: Properties under development and land banks, completed development properties (investment properties) until the second annual reporting date after completion (depending on the tenancy rate), development services for third parties, properties under development pursuant to IFRS 5, and properties intended for trading
– Holding: General management and financing activities of CA Immo AG, Vienna

o) Recognition of revenues

Rental income is recognised on a straight-line basis over the term of the lease unless a different method is more appropriate to the circumstances. Agreed incentives, such as rent-free periods, reduced rents for a certain period, or one-off payments, form part of the rental income. In this respect as well, therefore, the amounts are recognised on a straight-line basis over the entire term.

For leases envisaging a regular rent adjustment over the term (graduated rents), such adjustments are likewise recognised on a straight-line basis over the term of the lease. Any adjustments attributable to inflation, in contrast, are not distributed over the term.

Conditional rent payments, such as those depending on the sales of business premises, are recognised in profit or loss at the time of accrual.

The full term of a lease over which the entire rental income is apportioned on a straight-line basis encompasses the non-terminable period, as well as further periods for which the tenant can exercise an option, with or without making additional payments, provided that the exercise of the option is sufficiently likely upon the inception of the lease.

Rental income is measured at the market value of the consideration received or outstanding, less direct sales allowances.

Payments on account received from tenants for the premature termination of a lease and payments for damage to rented premises are recognised in profit or loss at the time of accrual.

Operating costs incurred by the CA Immo Group for properties rented to third parties and which are charged to tenants and recognised in profit and loss under the operating costs passed on to tenants.

Income from service contracts is recognised in proportion to the services performed as of the reporting date.

Income from the sale of properties is recognised if

– all the material economic opportunities and risks associated with ownership have passed to the buyer,
– the CA Immo Group does not retain any rights of disposal or effective power of disposition in respect of the object sold,
– the amount of the revenues and the costs incurred or to be incurred in connection with the sale can be reliably determined, and
– it is sufficiently likely that the economic benefit from the sale will accrue to the CA Immo Group.

Non-current, deferred payments received in advance (prepayments received) are discounted at the time of receipt with a reasonable market interest rate giving due consideration to the maturity and risk, and marked up when subsequently measured. The accrued interest is recognised in profit and loss under the financial result.

Income from the sale of properties under construction is to be assessed according to IFRIC 15 in order to establish whether IAS 11 or IAS 18 applies and thus to determine when, during the construction period, the income from the sale is to be recognised. This investigation is subject to the condition that the disposing enterprise neither retains rights of disposal, as are usually associated with ownership, nor holds effective power of disposition in respect of the constructed property. This would be the case, for example, if the CA Immo Group were to retain the right to rental or disposal income, or could influence the design of the property. If this does not apply, the facts are to be investigated to establish whether they fall within the scope of IAS 11 or IAS 18.

If a contract for the construction of a property is recognised as a construction contract, the income arising therefrom is recognised – in compliance with IAS 11 – in proportion to the services performed according to the stage of completion as of the reporting date. The stage of completion of an individual construction contract is established according to the ratio of contract costs incurred for work performed as of the reporting date to the estimated total contract costs as of the reporting date.

A key criterion for accounting in compliance with IAS 11 is the customer's influence on the design. The criterion is met if the buyer is able to specify the major structural elements of the design before construction begins and once construction is in progress. If, in contrast, an agreement for the construction of real estate gives buyers only limited ability to influence the design of the real estate, for example to select a design from a range of specified options, or to specify only minor variations to the basic design, it is an agreement for the sale of goods within the scope of IAS 18.

When revenues from property transactions are being realised, IAS 18 requires that contracts are separated into individual services if material different services are combined in a single contract. Such multiple element transactions are deemed to exist if a contract contains several complementary but different elements, such as a service provided alongside a sale of real estate. These different elements give rise to the separate realisation of revenues. The purchase price of the property is recognised according to the criteria for realising revenues from sales. The revenues arising from the service are realised according to the stage of completion.

p) Result from the sale of long-term properties

In compliance with IAS 40, investment properties are measured as of each quarterly reporting date and, as a general rule, changes in market values are recognised in the consolidated income statement as the result from revaluation (revaluation gain/loss). When property assets are sold during the business year, the valuation gain/loss realised in the business year to date is reclassified and recognised as a gain/loss on disposal together with the other gain/loss on disposal. The economic annual gain/loss arising from a property sold in the business year is thus recognised in the full amount in the result from the sale of long-term properties.

q) Financial result

Financing costs comprise interest payable for external funds (if not eligible for capitalisation according to IAS 23), interest recognised by the effective interest-rate method, interest for committed external funds not yet received, current interest on hedging transactions, the interest costs arising from the calculation of retirement benefits, the net income attributable to non-controlling interests in limited partnerships and expenses similar to interest. Interest is deferred over time. The share of net income attributable to non-controlling interests in limited partnerships contains the pro rata net income of non-controlling partners in German limited partnerships, whose capital contribution is recognised as loan capital in the statement of financial position under other liabilities.

The foreign currency gains and losses arising chiefly in connection with financing and investment transactions, and the changes in measurement and the result arising from the realisation of forward exchange transactions are recognised in the exchange rate differences.

The income from derivative transactions consists of gains and losses from the sale or measurement of interest rate swaps, caps and floors unless same are recognised in equity as cash flow hedges. The non-effective portion of the cash flow hedge relationships is also recognised in the result from derivative transactions.

The result from financial investments includes interest, dividends and other income from the investment of funds and investments in financial assets, gains and losses from the measurement and sale of securities, actuarial gains and losses in connection with plan assets, and the expected return on plan assets.

The expenses from financial investments chiefly refer to the valuation of loans and prepayments on investments in properties.

r) Material discretionary decisions, assumptions and estimates

When preparing the consolidated financial statements, senior management is required to make discretionary decisions, assumptions and estimates that affect both the recognition and measurement of the assets, liabilities, income and expenses, and the information contained in the Notes. Future actual values can be at variance with the original assumptions.

Property valuation

The crisis in the global financial system in recent years has triggered considerable uncertainty in the commercial property markets. Therefore, prices and values are subject to significant fluctuation. In particular, restricted liquidity in the capital markets can make it more difficult to sell the properties in the short term.

All valuations represent an estimate of the price that could be obtained in a transaction taking place on the valuation date. Valuations are based on assumptions, such as the existence of a regulated market in the region concerned. Unforeseen macroeconomic or political crises can exert a main influence on the market. Such events can trigger panic buying or selling, or a general reluctance to conclude business transactions. If a valuation date immediately follows an event of this kind, the data underlying the valuation may be questionable, incomplete or inconsistent, which affect inevitably the reliability of the estimate.

For properties that currently have a high vacancy rate or short-term leases, the influence of the valuer's assumptions on the property value is greater than it is in the case of properties with cash flows that are secured by long-term contracts. It is likewise true that the influence exerted by the valuer's assumptions on the established property value is greater, the more distant the scheduled completion date.

The property values established by external valuers depend on an abundance of parameters, some thereof influence each other in a complex way. For the purposes of analysing the sensitivity of entire sub-portfolios to the effect of changes in a parameter on the valuation, simplified assumptions are made below in order to reveal possible changes.

The table below illustrates the sensitivity of the fair value to a change in rental income (for the purposes of this model, defined as sustainable (reversionary) rent) and yield. It is based on a representative section of the Group portfolio of investment properties that contains the 10 highest-value investment properties of Germany as well as of Eastern/South East Europe and the 5 highest-value investment properties of Austria. In total the market value of these 25 investment properties amounts to € 1,852m and represents 44.3 % of the investment property portfolio.

Change of Yield (in % point)	**Change of sustainable rent**				
	10.0%	**5.0%**	**0,0%**	**-5,0%**	**10,0%**
-0.55%	14.0%	10.4%	6.8%	3.2%	-0.4%
-0.25%	10.2%	6.7%	3.3%	-0.2%	-3.6%
0.00%	6,6%	3.3%	0.0%	-3.3%	-6.6%
0.25%	3.3%	0.2%	-3.0%	-6.2%	-9.4%
0.50%	0.3%	-2.8%	-5.9%	-8.9%	-12.0%

The scenarios show that a change in the gross rental income has a disproportionate effect on the fair values while a change of yield has an important effect on fair values. The table below, for the development projects, illustrates the sensitivity of the fair value to an increase or decrease in the calculated outstanding development and construction costs. It is based on the development projects under construction in Germany. The portion of CA Immo Group of the total calculated investment costs for these projects is estimated at around € 370 m.

	Still outstanding capital expenditures				
in € m	**– 10%**	**– 5%**	**Initial value**	**5%**	**10%**
Outstanding capital expenditures	210	222	233	245	257
Fair values	142	130	118	106	95
Changes to initial value	19.7%	9.9%	0.0%	– 9.9%	– 19.7%

The calculated scenarios indicate that a clear disproportionate relationship exists at present between a change in the outstanding investment costs and the fair values. This relationship represents only a snapshot, however, because the book values as of the reporting date are clearly lower to the expected outstanding investment costs as the relevant development projects are still at the beginning of construction. As the stage of completion advances, the relationship will become more disproportionate because the ratio of the outstanding investment costs to the invested capital will gradually diminish.

Taxes

All companies with property holdings are, as a general rule, liable in the country concerned for income tax on both rental income and capital gains. Material discretionary decisions must be made concerning the amount of tax provisions that are to be formed. An examination must also be performed to establish the extent to which deferred tax assets are to be recognised.

Income from the disposal of investments in companies in Germany, Switzerland and Eastern/South Eastern Europe is wholly or partially exempt from income tax subject to compliance with certain conditions. Even if it is intended to comply with the conditions, the full amount of deferred tax liabilities is recognised for the properties.

The probability that deferred tax assets arising from temporal differences and losses carried forward can be offset against taxable profits is to be assessed. In this connection, uncertainties exist concerning the interpretation of complex tax regulations and as regards the amount and effective date of future taxable income. The impairment test applied to deferred tax assets depends on enterprise-specific forecasts concerning, among other things, the future earnings situation in the relevant Group company. In particular against the background of an existing web of diverse international alliances, differences between the actual results and the assumptions on the one hand, and future changes to these assumptions on the other, can influence future tax expenses and refunds. The CA Immo Group forms appropriate provisions for probable charges arising from current tax audits by the relevant national revenue authorities.

Measurement of interest rate derivatives

The CA Immo Group uses interest rate swaps, caps and floors in order to counter the risk of interest rate fluctuations. These Interest rate derivatives are recognised at fair value. The fair value is the value which the CA Immo Group would receive or pay upon liquidation of the deal on the reporting date. This value was determined by the bank with which the transaction was concluded.

The fair values are calculated by discounting the future cash flows from variable payments on the basis of generally recognised models of financial mathematics. The interest rates for discounting the future cash flows are estimated by referencing an observable market yield curve. The calculation is based on interbank middle rates.

s) New and revised standards and interpretations

First-time application of new and revised standards and interpretations not materially influencing the consolidated financial statements

The following standards and interpretations, already an integral part of EU law, were to be applied for the first time in business year 2011:

Standard / interpretation	Content	Entry into force[1]
IAS 24	Revised IAS 24: Related Party Disclosures	1.1.2011
IAS 32	Amended IAS 32: Classification of Rights Issues	1.2.2010
IFRS 1	Amended IFRS 1: Limited Exemption from Comperative IFRS 7 Disclosures	1.7.2010
IFRIC 14	Amended IFRIC 14: Prepayments of a Minimum Funding Requirement	1.1.2011
IFRIC 19	New Interpretation: Extinguishing Financial Liabilities with Equity Instruments	1.7.2010
Various	Improvements to IFRS 2010	Various

[1] The standards and interpretations are to be applied to business years commencing on or after the effective date.

New and revised standards and interpretations that are not yet compulsory

The following amendments and new versions of standards and interpretations have been issued, but are not yet applicable as of the reporting date:

Standard / interpretation	Content	Entry into force[1]
IAS 1	Amended IAS 1: Presentation of Items of Other Comprehensive Income	1.7.2012[2]
IAS 12	Amended IAS 12: Deferred Tax: Recovery of Underlying Assets	1.1.2012[2]
IAS 19	Amended IAS 19: Employee Benefits	1.1.2013[2]
IAS 27	Revised IAS 27: Separate Financial Statements	1.1.2013[2]
IAS 28	Revised IAS 28: Investments in Associates and Joint Ventures	1.1.2013[2]
IAS 32	Amended IAS 32: Offsetting Financial Assets and Financial Liabilities	1.1.2014[2]
IFRS 1	Amended IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1.7.2011[2]
IFRS 7	Amended IFRS 7: Disclosures - Transfers of Financial Assets	1.7.2011
IFRS 7	Amended IFRS 7: Offsetting Financial Assets and Financial Liabilities	1.1.2013[2]
IFRS 9	New Standard: Financial Instruments	1.1.2015[2]
IFRS 10	New Standard: Consolidated Financial Statements	1.1.2013[2]
IFRS 11	New Standard: Joint Arrangements	1.1.2013[2]
IFRS 12	New Standard: Disclosures of Interests in Other Entities	1.1.2013[2]
IFRS 13	New Standard: Fair Value Measurement	1.1.2013[2]
IFRIC 20	New Interpretation: Stripping Costs in the Production Phase of a Surface Mine	1.1.2013[2]

[1] The standards and interpretations are to be applied to business years commencing on or after the effective date.
[2] Not yet adopted by the EU as of the reporting date. The effective date envisaged by an EU Regulation may differ from the date indicated by the IASB.

The forenamed new versions and interpretations are not being applied prematurely by the CA Immo Group. The expected changes arising from IAS 19 and IFRS 9 to IFRS 13 will have a material influence on the presentation of the CA Immo Group's financial and earnings position. The new IFRSs will require the CA Immo Group in future, from the date the new standards take effect, to include jointly managed ventures in the consolidated financial statements at equity, rather than by the proportional method applied thus far. As of the reporting date, these standards had not been adopted by the EU and were therefore not (prematurely) applicable. The other anticipated changes are not expected to have any material effects.

NOTES TO THE CONSOLIDATED INCOME STATEMENT, CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED CASH FLOW STATEMENT

1. Segment reporting

€ 1,000			Austria	
2011	**Income producing**	**Development**	**Total**	**Income producing**
Rental income	36,918	197	37,115	71,229
Revenues with other operating segments	622	0	622	312
Operating costs passed on to tenants	7,947	43	7,990	6,104
Operating expenses	– 9,650	– 49	– 9,699	– 6,870
Other expenses directly related to property rented	– 3,314	0	– 3,314	– 4,346
Net rental income	**32,523**	**191**	**32,714**	**66,429**
Result from property transactions	0	0	0	0
Result from development services	0	0	0	0
Other expenses directly related to investment properties under development	0	– 515	– 515	0
Net operating income	**32,523**	**– 324**	**32,199**	**66,429**
Result from the sale of long-term properties	3,619	– 2,203	1,416	– 818
Indirect expenditures	– 935	– 709	– 1,644	– 3,914
Other operating income	421	11	432	4,874
EBITDA	**35,628**	**– 3,225**	**32,403**	**66,571**
Depreciation and impairment/reversal	– 3,873	– 60	– 3,933	– 74
Result from revaluation	– 6,713	3,285	– 3,428	13,606
Operating result (EBIT)	**25,042**	**0**	**25,042**	**80,103**
Financing costs	– 18,361	– 1,194	– 19,555	– 37,095
Foreign currency gain/loss	0	0	0	0
Result from interest derivative transactions	– 2,849	0	– 2,849	– 2,347
Result from financial investments	2,138	15	2,153	1,600
Result from other financial assets	0	0	0	0
Result from associated companies	0	0	0	0
Net result before taxes (EBT)	**5,970**	**– 1,179**	**4,791**	**42,261**

31.12.2011				
Properties[2)]	680,938	43,900	724,838	1,152,014
Other assets	23,644	5,569	29,213	152,778
Deferred tax assets	0	0	0	2,444
Total assets	**704,582**	**49,469**	**754,051**	**1,307,236**
Interest-bearing liabilities	383,135	33,934	417,069	709,253
Other liabilities	8,483	1,024	9,507	102,635
Deferred tax liabilities incl. income tax liabilities	52,008	523	52,531	9,941
Liabilities	**443,626**	**35,481**	**479,107**	**821,829**
Shareholders' equity	**260,956**	**13,988**	**274,944**	**485,407**
Capital expenditures[3)]	18,157	9,617	27,774	1,373

Development[1]	Germany[1] Total	Income producing	Development	Eastern/South East Europe Total	Holding	Total segments	Consolidation	Total
18,922	90,151	132,282	6,028	138,310	0	265,576	0	265,576
0	312	0	0	0	0	934	– 934	0
4,738	10,842	43,226	2,268	45,494	0	64,326	0	64,326
– 3,896	– 10,766	– 50,897	– 4,051	– 54,948	0	– 75,413	0	– 75,413
– 4,458	– 8,804	– 14,021	– 1,264	– 15,285	0	– 27,403	0	– 27,403
15,306	**81,735**	**110,590**	**2,981**	**113,571**	**0**	**228,020**	**– 934**	**227,086**
7,790	7,790	0	0	0	0	7,790	0	7,790
578	578	0	0	0	0	578	0	578
– 5,970	– 5,970	0	– 830	– 830	0	– 7,315	0	– 7,315
17,704	**84,133**	**110,590**	**2,151**	**112,741**	**0**	**229,073**	**– 934**	**228,139**
34,391	33,573	9,044	928	9,972	0	44,961	0	44,961
– 11,991	– 15,905	– 16,777	– 4,480	– 21,257	– 11,714	– 50,520	6,475	– 44,045
2,887	7,761	7,720	2,053	9,773	4,943	22,909	– 5,541	17,368
42,991	**109,562**	**110,577**	**652**	**111,229**	**– 6,771**	**246,423**	**0**	**246,423**
– 5,224	– 5,298	– 704	– 322	– 1,026	– 264	– 10,521	0	– 10,521
55,636	69,242	– 342	– 16,329	– 16,671	0	49,143	0	49,143
93,403	**173,506**	**109,531**	**– 15,999**	**93,532**	**– 7,035**	**285,045**	**0**	**285,045**
– 29,700	– 66,795	– 73,895	– 8,645	– 82,540	– 17,852	– 186,742	25,733	– 161,009
515	515	246	– 427	– 181	0	334	0	334
– 13,728	– 16,075	– 2,307	– 12	– 2,319	– 1,213	– 22,456	0	– 22,456
3,607	5,207	8,390	1,351	9,741	20,189	37,290	– 25,733	11,557
0	0	0	– 4,675	– 4,675	0	– 4,675	0	– 4,675
– 2	– 2	0	– 1,694	– 1,694	0	– 1,696	0	– 1,696
54,095	**96,356**	**41,965**	**– 30,101**	**11,864**	**– 5,911**	**107,100**	**0**	**107,100**

1,212,884	2,364,898	1,900,229	232,218	2,132,447	0	5,222,183	0	5,222,183
286,751	439,529	231,172	103,838	335,010	303,445	1,107,197	– 424,543	682,654
6,518	8,962	2,316	461	2,777	39,083	50,822	– 39,083	11,739
1,506,153	**2,813,389**	**2,133,717**	**336,517**	**2,470,234**	**342,528**	**6,380,202**	**– 463,626**	**5,916,576**
739,562	1,448,815	1,521,031	232,756	1,753,787	67,933	3,687,604	– 423,590	3,264,014
228,570	331,205	199,428	10,324	209,752	64,944	615,408	– 953	614,455
90,394	100,335	111,988	2,881	114,869	0	267,735	– 39,083	228,652
1,058,526	**1,880,355**	**1,832,447**	**245,961**	**2,078,408**	**132,877**	**4,570,747**	**– 463,626**	**4,107,121**
447,627	**933,034**	**301,270**	**90,556**	**391,826**	**209,651**	**1,809,455**	**0**	**1,809,455**
242,886	244,259	1,379,253	176,626	1,555,879	157	1,828,069	0	1,828,069

CONSOLIDATED FINANCIAL STATEMENTS

€ 1,000			Austria	
2010	**Income producing**	**Development**	**Total**	**Income producing**
Rental income	39,000	50	39,050	62,544
Revenues with other operating segments	671	0	671	218
Operating costs passed on to tenants	7,990	6	7,996	7,314
Operating expenses	– 10,107	– 7	– 10,114	– 7,312
Other expenses directly related to property rented	– 4,093	– 71	– 4,164	– 7,822
Net rental income	**33,461**	**– 22**	**33,439**	**54,942**
Result from property transactions	0	0	0	0
Result from development services	0	0	0	0
Other expenses directly related to investment properties under development	0	– 101	– 101	0
Net operating income	**33,461**	**– 123**	**33,338**	**54,942**
Result from the sale of long-term properties	5,769	– 5	5,764	100
Indirect expenditures	– 1,020	– 683	– 1,703	– 4,491
Other operating income	– 38	0	– 38	417
EBITDA	**38,172**	**– 811**	**37,361**	**50,968**
Depreciation and impairment/reversal	– 1,708	0	– 1,708	– 80
Result from revaluation	13,350	– 1,830	11,520	– 2,276
Operating result (EBIT)	**49,814**	**– 2,641**	**47,173**	**48,612**
Financing costs	– 18,918	– 769	– 19,687	– 37,479
Foreign currency gain/loss	0	0	0	0
Result from interest derivative transactions	– 766	0	– 766	– 1,337
Result from financial investments	2,769	14	2,783	958
Result from other financial assets	0	0	0	0
Result from associated companies	0	0	0	0
Net result before taxes (EBT)	**32,899**	**– 3,396**	**29,503**	**10,754**
31.12.2010				
Properties[2)]	714,442	21,640	736,082	1,137,916
Other assets	91,729	391	92,120	163,843
Deferred tax assets	0	0	0	2,129
Total assets	**806,171**	**22,031**	**828,202**	**1,303,888**
Interest-bearing liabilities	387,005	19,765	406,770	764,124
Other liabilities	6,936	277	7,213	79,571
Deferred tax liabilities incl. income tax liabilities	58,015	– 433	57,582	5,473
Liabilities	**451,956**	**19,609**	**471,565**	**849,168**
Shareholders' equity	**354,215**	**2,422**	**356,637**	**454,720**
Capital expenditures[3)]	14,401	640	15,042	14,405

Development[1)]	Germany[1] Total[)]	Income producing	Development	Eastern/South East Europe Total	Holding	Total segments	Consolidation	Total
17,215	79,759	45,150	465	45,615	0	164,424	0	164,424
0	218	0	0	0	0	889	– 889	0
2,056	9,370	12,646	192	12,838	0	30,204	0	30,204
– 2,396	– 9,708	– 15,297	– 428	– 15,725	0	– 35,547	0	– 35,547
– 2,492	– 10,314	– 5,672	– 334	– 6,006	0	– 20,484	0	– 20,484
14,383	**69,325**	**36,827**	**– 105**	**36,722**	**0**	**139,486**	**– 889**	**138,597**
30,490	30,490	0	0	0	0	30,490	0	30,490
564	564	0	0	0	0	564	0	564
– 5,291	– 5,291	0	– 321	– 321	0	– 5,713	0	– 5,713
40,146	**95,088**	**36,827**	**– 426**	**36,401**	**0**	**164,827**	**– 889**	**163,938**
8,072	8,172	0	0	0	0	13,936	0	13,936
– 10,507	– 14,998	– 8,198	– 3,298	– 11,496	– 10,944	– 39,141	5,218	– 33,923
3,937	4,354	2,044	413	2,457	4,014	10,787	– 4,329	6,458
41,648	**92,616**	**30,673**	**– 3,311**	**27,362**	**– 6,930**	**150,409**	**0**	**150,409**
– 3,654	– 3,734	– 204	0	– 204	– 325	– 5,971	0	– 5,971
35,185	32,909	– 15,988	3,611	– 12,377	0	32,052	0	32,052
73,179	**121,791**	**14,481**	**300**	**14,781**	**– 7,255**	**176,490**	**0**	**176,490**
– 25,108	– 62,587	– 31,696	– 4,324	– 36,020	– 17,933	– 136,227	19,025	– 117,202
1,247	1,247	– 949	356	– 593	– 2	652	0	652
– 2,010	– 3,347	– 111	– 58	– 169	– 164	– 4,446	0	– 4,446
2,324	3,282	4,388	2,249	6,637	20,741	33,443	– 19,025	14,418
0	0	0	– 766	– 766	0	– 766	0	– 766
0	0	0	– 328	– 328	0	– 328	0	– 328
49,632	**60,386**	**– 13,887**	**– 2,571**	**– 16,458**	**– 4,613**	**68,818**	**0**	**68,818**

1,027,938	2,165,854	623,575	86,705	710,280	0	3,612,216	0	3,612,216
305,167	469,010	240,403	95,158	335,561	247,437	1,144,128	– 391,014	753,114
12,003	14,132	1	0	1	38,563	52,696	– 38,563	14,133
1,345,108	**2,648,996**	**863,979**	**181,863**	**1,045,842**	**286,000**	**4,809,040**	**– 429,577**	**4,379,463**
515,898	1,280,022	618,488	81,466	699,954	125,318	2,512,064	– 385,709	2,126,355
239,946	319,517	25,471	13,638	39,109	56,584	422,423	– 5,305	417,118
118,299	123,772	31,306	1,954	33,260	0	214,614	– 38,563	176,051
874,143	**1,723,311**	**675,265**	**97,058**	**772,323**	**181,902**	**3,149,101**	**– 429,577**	**2,719,524**
470,965	**925,685**	**188,714**	**84,805**	**273,519**	**104,098**	**1,659,939**	**0**	**1,659,939**
239,528	253,933	38,640	18,702	57,342	352	326,668	0	326,668

[1] Incl. a property in Switzerland
[2] Properties include investment properties, investment properties under development, own used properties, properties intended for trading and prepayments made on properties.
[3] Capital expenditures include all acquisitions of properties (long-term and short-term) including from first-time consolidation, office furniture, equipment, other assets and intangible assets; thereof € 7,514K (31.12.2010: € 7,383K) in properties intended for trading.

Business relationships within a business segment are consolidated within the segment. Business relationships with other business segments are shown, and the figures are brought into line with the consolidated income statement and consolidated statement of financial position by way of the "consolidation" column.

The accounting principles of the reporting business segments correspond to those described under "Accounting methods".

Transactions between business segments are attributed as follows:

– The staff costs that are directly attributable to a business segment are recognised in the relevant segment.
– Management fees for services performed by the holding segment (e.g. accounting, controlling, general expenses) correspond to the actual costs and are assigned to the individual business segments on the basis of the invoiced services. They are recognised in the Holding segment as other operating income.
– The segments are formed according to the main activities of management companies. Management fees of these companies are attributed based on the invoiced services to the individual business segments of the applicable region and are recognised in the management company' segments as other operating income.
– Interest expenses and income are attributed based on the corresponding financing agreements.
– Additionally, financial liabilities in the amount of € 265,699 K (31.12.2010: € 265,090 K) and the related interest expenses and derivative transactions resulting from the acquisition of CA Immo Deutschland Group are attributed to the German development segment. The Holding segment is credited in the same amount.
– Furthermore, financial liabilities in the amount of € 218,640 K (31.12.2010: € 216,030 K) and the related interest expenses/income relating to the acquisition of Europolis AG, Vienna, and the acquisition of shares in CA Immo International AG, Vienna, are attributed to the Eastern/South East Europe income producing segment. The Holding segment is credited in the same amount.

The segments generate gross revenues from letting activities, the sale of properties intended for trading as well as from development services. The gross revenues are attributed to the country in which the investment properties are situated. Most of the revenues are generated in Germany so that they are presented as a separate segment. A material portion of the total rental income is generated in the four core regions of the Eastern/South East Europe segment, and a material portion of the investment properties of the CA Immo Group is situated in this segment:

	2011 € 1,000	2011 Share in %	2010 € 1,000	2010 Share in %
Rental income				
Poland	37,846	14.3	7,330	4.5
Romania	28,494	10.7	9,443	5.7
Czech Republic	29,313	11.0	6,755	4.1
Hungary	27,163	10.2	11,321	6.9
Market value of properties				
Poland	628,997	12.0	171,357	4.7
Romania	410,581	7.9	114,941	3.2
Czech Republic	344,920	6.6	57,920	1.6
Hungary	421,570	8.1	192,140	5.3

2. Rental income

€ 1,000	2011	2010
Continuous rental income	254,126	160,499
Conditional rental income	3,006	3,835
Amendments of the rental income of incentive agreements	7,296	0
Income from cancellation of rent agreements	1,148	90
Rental income	**265,576**	**164,424**

In 2010, the amount of rental income of incentive contracts was immaterial and therefore not considered.

The CA Immo Group generates the rental income through the following types of property:

2011	Austria € 1,000	Austria Share in %	Deutschland Tsd. €	Deutschland Anteil in %	Ost-/Südosteuropa Tsd. €	Ost-/Südosteuropa Anteil in %	Gesamt Tsd. €	Gesamt Anteil in %
Offices	14,233	39	73,228	82	99,568	72	187,029	70
Hotel properties	4,910	13	882	1	7,022	5	12,814	5
Retail	10,836	29	365	0	9,172	6	20,373	8
Logistic	143	0	7,273	8	21,686	16	29,102	11
Residental	4,023	11	45	0	0	0	4,068	1
Other properties	2,970	8	8,358	9	862	1	12,190	5
Rental income	**37,115**	**100**	**90,151**	**100**	**138,310**	**100**	**265,576**	**100**

2010	Austria		Deutschland		Ost-/Südosteuropa		Gesamt	
	€ 1,000	Share in %	Tsd. €	Anteil in %	Tsd. €	Anteil in %	Tsd. €	Anteil in %
Offices	17,095	44	59,053	74	35,941	79	112,089	68
Hotel properties	4,031	10	152	0	8,158	18	12,341	8
Retail	9,273	24	412	1	689	1	10,374	6
Logistic	139	0	7,275	9	0	0	7,414	5
Residental	5,489	14	64	0	0	0	5,553	3
Other properties	3,023	8	12,803	16	827	2	16,653	10
Rental income	**39,050**	**100**	**79,759**	**100**	**45,615**	**100**	**164,424**	**100**

The CA Immo Group generates rental income from a number of investment property lessees: There is one tenant in Germany (Fed. State Hessen) from which the CA Immo Group generates a material portion of the total rental income. The portion of this tenant in Hessen in the total rental income is as follows:

€ 1,000	2011	2010
Rental income Fed. State Hessen	43,297	42,553
Principal tenant as a % of the rental income total	16.3%	25.9%
Market value properties leased to Fed. State Hessen	813,850	787,600
Principal tenant as a % of the investment properties	19.5%	29.0%

3. Operating result and other expenses directly related to let properties

€ 1,000	2011	2010
Operating costs passed on to tenants	64,326	30,204
Operating expenses	– 75,413	– 35,547
Own operating costs	**– 11,087**	**– 5,343**
Maintenance costs	– 6,005	– 8,245
Bad debt losses and reserves for bad debts	– 8,497	– 4,464
Agency fees	– 2,369	– 1,736
Other directly related expenses	– 10,532	– 6,039
Other expenses directly related to property rented	**– 27,403**	**– 20,484**
Total	**– 38,490**	**– 25,827**

4. Result from property transactions

€ 1,000	2011	2010
Income from sales	**28,049**	**115,657**
Book value of properties intended for trading	– 18,722	– 84,767
Reversal of impairment of properties intended for trading sold within the business year	20	866
Impairment of properties intended for trading sold within the business year	– 121	– 393
Other development expenses/materials expenses	– 760	– 310
Own operating costs (vacancy costs)	– 675	– 564
Book value of properties intended for trading	**– 20,258**	**– 85,168**
Result from property transactions	**7,791**	**30,490**
Result from property transactions as a % of the income from sales	27.8%	26.4%

The other development expenses/materials expenses include non-capitalisable project costs at the CA Immo Germany Group, in particular advertising and public relations expenses.

5. Result from development services

€ 1,000	2011	2010
Gross revenues from commissioned work as per IAS 11	702	1,609
Gross revenues from service contracts	1,618	1,155
Other material costs	– 798	– 625
Staff expenses	– 944	– 1,575
Result from development services	**578**	**564**
Result from services as a % of the development revenues	24.9%	20.4%

The costs incurred for commissioned work as defined in IAS 11 in projects in process at the balance sheet date total € 602 K (2010: € 1,172 K) . The prepayments received total € 742 K (31.12.2010: € 3,029 K). Profits registered according to progress of performance in the 2011 financial year amount to € 197 K (2010: € 142 K).

6. Other expenses directly related to investment properties under development

€ 1,000	2011	2010
Operating expenses related to investment properties under development	– 4,466	– 3,715
Property advertising costs	– 1,427	– 1,469
Project development and project execution	– 1,422	– 529
	– 7,315	**– 5,713**

7. Result from the sale of long-term properties

€ 1,000	Austria	Germany	Eastern/-South East Europe	2011	Austria	Germany	2010
Purchase prices for interests	0	42	32,958	33,000	0	0	0
Book value of sold net assets	0	530	– 26,474	– 25,944	0	0	0
Goodwill of disposed property	0	0	– 1,472	– 1,472	0	0	0
Revaluation result	0	226	5,183	5,409	0	0	0
Subsequent costs and additional costs	0	– 111	– 307	– 418	0	0	0
Results from share deals	**0**	**687**	**9,888**	**10,575**	**0**	**0**	**0**
Profit from the sale of long-term properties	38,259	152,032	424	190,715	37,536	169,210	206,746
Book value of properties	– 37,334	– 114,008	– 340	– 151,682	– 36,006	– 147,853	– 183,859
Goodwill of disposed property	– 709	– 1,401	0	– 2,110	– 2,150	– 1,993	– 4,143
Revaluation result	1,917	19,561	0	21,478	6,900	7,764	14,664
Subsequent costs and additional costs	– 717	– 23,298	0	– 24,015	– 516	– 18,956	– 19,472
Results from asset deals	**1,416**	**32,886**	**84**	**34,386**	**5,764**	**8,172**	**13,936**
Result from the sale of long-term properties	**1,416**	**33,573**	**9,972**	**44,961**	**5,764**	**8,172**	**13,936**

The book value of the sold net assets (= equity) includes investment properties in the amount of € 3,270 K (2010: € 0 K) in Germany and € 33,573 K (2010: € 0 K) in Eastern/South East Europe, wherefore purchase prices in the amount of total € 105,980 K (2010: € 0 K) were agreed.

8. Indirect expenditures

€ 1,000	2011	2010
Staff expenses	– 32,220	– 23,728
Office rent	– 2,430	– 2,232
Travel expenses and transportation costs	– 1,347	– 956
Others	– 4,602	– 4,012
Internal management	**– 40,599**	**– 30,928**
Legal, auditing and consultancy fees	**– 11,343**	**– 8,530**
Other indirect expenses	**– 4,907**	**– 6,322**
subtotal	**– 56,849**	**– 45,780**
Capitalised services on long-term property assets	12,108	10,773
Changes to stock properties intended for trading	696	1,084
Indirect expenditures	**– 44,045**	**– 33,923**

The staff expenses comprise payments to the staff provision fund in the amount of € 114 K (2010: € 99 K) and payments to pension and relief funds in the amount of € 373 K (2010: € 254 K) .

9. Other operating income

€ 1,000	2011	2010
Management fees	3,966	893
Payment of compensation	3,380	0
Release of provisions	2,901	1,280
Release of value adjustments	2,220	522
Others	4,901	3,763
	17,368	**6,458**

10. Depreciation and impairment/reversal

€ 1,000	2011	2010
Scheduled depreciation	– 2,381	– 1,566
Goodwill	– 6,901	– 2,701
Impairment loss of properties intended for trading	– 1,284	– 1,705
Reversal of impairment of properties intended for trading	44	0
Depreciation and impairment/reversal	**– 10,521**	**– 5,971**

11. Financing costs

€ 1,000	2011	2010
Interest expenses banks	– 120,766	– 80,778
Bond interest	– 19,871	– 20,242
Interest on non-current liabilities	– 8,235	– 7,321
Convertible bonds interest	– 6,582	– 7,803
Interest expenses of joint venture partners	– 511	– 823
Interest expenses of joint ventures	– 146	– 24
Non-controlling interests held by limited partners	– 164	244
Other interest and financing costs	– 4,734	– 455
Financing costs	**– 161,009**	**– 117,202**

12. Result from interest derivative transactions

€ 1,000	2011	2010
Valuation interest rate derivative transactions (not realised)	– 17,645	– 3,963
Reclassification from prior years valuations recorded in equity	– 4,892	– 378
Ineffectiveness of interest rate swaps	– 111	– 105
Realised result from interest derivative transactions	192	0
Result from interest derivative transactions	**– 22,456**	**– 4,446**

The item "Valuation derivative transactions (not realised)" breaks down as follows:

€ 1,000	2011	2010
Valuation cash flow hedges on account of premature termination of cash flow hedge relation	1,558	350
Valuation of interest rate swaps without cash flow hedge relation	– 16,436	– 6,704
Valuation result from counter-swaps	– 1,874	2,479
Valuation of interest rate caps and interest rate floors	– 893	– 88
Valuation interest rate derivative transactions (not realised)	**– 17,645**	**– 3,963**

13. Result from financial investments

€ 1,000	2011	2010
Realised income from securities	815	1,722
Valuation securities (not realised)	0	1,304
Income from bank interest	3,896	6,255
Interest income from loans to associated companies and joint ventures	3,480	3,276
Income from investments	35	0
Other interest income	3,331	1,861
Result from financial investments	**11,557**	**14,418**

14. Impairment of financial investments

The impairment of financial investments amounts to € 4,675 K in 2011 (2010: € 766 K). It relates to a reversal of impairment for prepayments made on investment in properties in the amount of € 325 K (2010: € 0 K) and a value adjustment of loans for business operations in Eastern and South East Europe in the amount of € 5,000 K (2010: € 766 K).

15. Income from associated companies

€ 1,000	2011	2010
UBM Realitätenentwicklung AG, Vienna	1,640	2,751
OAO Avielen AG, St. Petersburg	– 3,334	– 3,079
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	– 2	0
	– 1,696	**– 328**

16. Net results from categories of financial instruments

€ 1,000		Category[1)]	2011	2010
Interest expenses		FLAC	– 134,556	– 92,196
		L&R	– 26,453	– 25,006
Foreign currency gain/loss	Valuation	HFT	5,100	916
	Realisation	HFT	– 3,267	329
Forward foreign exchange transactions	Valuation	HFT	– 1,432	– 910
	Realisation	HFT	– 67	317
Interest rate swaps	Valuation	HFT	– 21,644	– 4,253
		CFH	– 111	– 105
	Realisation	HFT	192	0
Interest rate cap and interest rate floor	Valuation	HFT	– 893	– 88
Securities	Valuation	FV/PL	0	1,304
	Realisation	FV/PL	815	1,722
Interest income		L&R	10,707	11,392
		AFS/AC	35	0
Result from other financial assets		L&R	– 4,675	– 766
Result from associated companies		AE	– 1,696	– 328
Financial result			**– 177,945**	**– 107,672**

1) FLAC – financial liabilities at amortised cost, L&R – loans and receivables, HFT – held for trading, CFH – cash-flow hedge, FV/PL – at fair value through profit or loss, AFS/AC - available for sale/at cost, AE – at equity

17. Taxes on income and earnings

€ 1,000	2011	2010
Income tax (current year)	– 27,619	– 28,496
Income tax (previous years)	358	2,600
Corporate income tax (actual tax)	**– 27,261**	**– 25,896**
Tax quota (actual tax)	25.5%	37.6%
Change in deferred tax liabilities (deferred tax)	– 17,645	757
Tax income on valuation of derivative transactions	5,477	140
Tax expenses	**– 39,429**	**– 24,999**
Tax quota (total)	36.8%	36.3%

The reasons for the difference between the expected tax expenditure and the effective tax expenditure can be derived from the following table:

€ 1,000	2011	2010
Net result before taxes	107,100	68,818
Expected tax expenses (tax rate Austria 25.0% / prior year 25.0%)	**– 26,775**	**– 17,205**
Non-usable losses carried forward	– 17,221	– 17,652
Amortisation of investment affecting tax	5,493	9,911
Impairment goodwill	– 2,940	– 1,917
Non-tax deductible expense and permanent differences	– 977	– 2,839
Utilisation of in prior years unrecorded losses carried forward	6,988	2,500
Differing tax rates abroad	5,039	1,749
Adjustment of preceeding periods	– 7,797	1,697
Exchange rate differences not affecting tax	– 2,817	– 1,127
Tax-exempt income	3,019	975
Change in tax rate	– 1,748	71
Trade tax effects	881	55
Others	– 574	– 1,217
Effective tax expense	**– 39,429**	**– 24,999**

18. Other income

2011

€ 1,000	Valuation result (hedging)	Reserves from associates	Reserves from foreign currency translation	Total
Other income before taxes	– 25,317	194	– 391	– 25,514
Income tax related to other comprehensive income	5,201	– 50	0	5,151
Other comprehensive income for the year	**– 20,116**	**144**	**– 391**	**– 20,363**
thereof: attributable to the owners of the parent	– 20,306	144	– 391	– 20,553
thereof: attributable to non-controlling interests	190	0	0	190

2010

€ 1,000	Valuation result (hedging)	Reserves from associates	Reserves from foreign currency translation	Total
Other income before taxes	– 17,630	– 110	– 36	– 17,776
Income tax related to other comprehensive income	2,490	42	0	2,532
Other comprehensive income for the year	**– 15,140**	**– 68**	**– 36**	**– 15,244**
thereof: attributable to the owners of the parent	– 14,425	– 11	– 36	– 14,472
thereof: attributable to non-controlling interests	– 715	– 57	0	– 772

The reserves from associates comprise currency translation effects and cash flow hedge valuations.

The reclassifications in the amount of € 4,892 K (2010: € – 378 K) relate to the fair values for cash flow hedges recorded in equity at the balance sheet date of the previous year where the loans on which they are based were repaid prematurely during the 2011 financial year.

The reasons for the difference between the expected tax expenditure/tax income and the disclosed effective tax expenditure/tax income on the valuation result (hedging) are outlined in the following table:

€ 1,000	**2011**	**2010**
Valuation of cash flow hedges	– 30,209	– 18,008
Reclassification swaps	4,892	378
Valuation results (hedging)	**– 25,317**	**– 17,630**
Expected tax income (tax rate Austria: 25.0 % / prior year 25.0 %)	**6,329**	**4,408**
Not considered tax expense on the valuation of negative interest derivative transactions	– 959	– 1,011
Utilisation of in prior years unrecorded losses carried forward	1,172	0
Differing tax rates abroad	– 1,211	– 740
Tax rate changes	– 130	– 167
Effective tax income	**5,201**	**2,490**

19. Long-term investment properties and office furniture, equipment and other assets

€ 1,000	Investment properties	Properties under development	Own used properties	Prepayments for properties	Office furniture and equipment	Total
Book values						
As at 1.1.2010	**2,409,589**	**962,459**	**14,248**	**544**	**1,939**	**3,388,779**
Addition company acquisitions	34,430	0	0	0	0	34,430
Addition property acquisitions	7,046	0	0	0	0	7,046
Current investments/productions	20,724	250,974	17	5,210	457	277,382
Disposals	–37,900	–148,552	0	–7	–16	–186,476
Depreciation and amortisation	0	0	–690	0	–669	–1,359
Transfers	281,884	–276,048	0	–5,746	–73	17
Transfers to assets held for sale	–336	–44,462	0	0	0	–44,798
Revaluation	774	45,942	0	0	0	46,716
Currency conversion	0	269	0	0	0	269
As at 31.12.2010 = 1.1.2011	**2,716,211**	**790,582**	**13,575**	**0**	**1,638**	**3,522,006**
Addition company acquisitions	1,455,909	111,212	40	0	9,268	1,576,428
Current investments/productions	32,403	191,545	0	0	1,078	225,028
Disposals	–132,682	–73,772	0	0	–180	–206,634
Depreciation and amortisation	0	0	–762	0	–1,370	–2,132
Transfers	65,558	–65,006	–93	0	–443	15
Transfers to assets held for sale	0	–49,124	0	0	0	–49,124
Revaluation	33,171	29,135	0	0	479	62,785
Currency conversion	0	–90	0	0	0	–90
Addition of incentives agreements company acquisitions	8,939	0	0	0	0	8,939
Modification of incentives agreement	3,693	0	0	0	0	3,693
As at 31.12.2011	**4,183,202**	**934,482**	**12,760**	**0**	**10,470**	**5,140,914**

The below table gives an overview of the composition of the book values at the respective balance sheet date:

€ 1,000	Investment properties	Properties under development	Own used properties	Prepayments for properties	Office furniture and equipment	Total
As at 1.1.2010						
Acquisition costs incl. valuation of properties	2,409,589	962,459	16,672	544	3,564	3,392,828
Accumulated depreciation	0	0	–2,424	0	–1,625	–4,049
Market value/book value	**2,409,589**	**962,459**	**14,248**	**544**	**1,939**	**3,388,779**
As at 31.12.2010 = 1.1.2011						
Acquisition costs incl. valuation of properties	2,716,211	790,582	16,689	0	3,845	3,527,328
Accumulated depreciation	0	0	–3,115	0	–2,207	–5,322
Market value/book value	**2,716,211**	**790,582**	**13,575**	**0**	**1,638**	**3,522,006**
As at 31.12.2011						
Acquisition costs incl. valuation of properties	4,170,570	934,482	16,637	0	13,895	5,135,583
Accumulated depreciation	0	0	–3,877	0	–3,425	–7,301
Net book value	**4,170,570**	**934,482**	**12,760**	**0**	**10,470**	**5,128,282**
Incentives agreements	12,633	0	0	0	0	12,633
Market value/book value	**4,183,202**	**934,482**	**12,760**	**0**	**10,470**	**5,140,914**

The additions from company acquisitions mainly relate to the acquisition of the Europolis Group as well as the aquisiton of the SKYGARDEN Arnulfpark GmbH & Co KG in Munich.

The current capital expenditure for existing investment properties under development mainly relates to the "Tower 185" project (€ 66,899 K), “Ambigon”, Munich (€ 19,751 K), “Europaplatz”, Berlin (€ 18,809 K), as well as further projects in Vienna, Berlin, Frankfurt, Bratislava and Warsaw. The capital expenditure for existing properties mainly relates to the project “Lände 3” in Vienna as well from the completion of the object SKYGARDEN in Munich.

The disposals mainly relate to the projects “Flottwellpromenade, Berlin” (€ 12,819 K), “Europaallee Nord 3, Frankfurt” (€ 11,180 K), the disposal of the two Czech companies “Olympia Teplice s.r.o.” and “Olympia Mladà Bolslav s.r.o. and various sales transactions in Vienna, Basel, Berlin, Munich and Düsseldorf.

The market value of the properties assigned as collateral for external financings totals € 4,315,776 K (31.12.2010: € 2,850,722 K) thereof € 176,181 K (31.12.2010: € 180,854 K) relate to joint ventures.

In the 2011 financial year, a total of € 9,934 K (2010: € 6,851 K) in borrowing costs were recognised at a weighted average interest rate of 2.8 % (2010: 4.1 %) on the acquisition cost for the construction of properties.

20. Intangible assets

€ 1,000	Goodwill	Software	Total
Book values			
As at 1.1.2010	**39,181**	**348**	**39,529**
Current additions	237	233	470
Disposals	–5,623	0	–5,623
Depreciation and amortisation	0	–208	–208
Impairment	–2,701	0	–2,701
As at 31.12.2010 = 1.1.2011	**31,094**	**373**	**31,468**
Addition company acquisitions	18,019	76	18,094
Current additions	0	334	334
Disposals	–3,581	–28	–3,610
Depreciation and amortisation	0	–268	–268
Impairment	–6,901	0	–6,901
Transfers	0	–14	–14
As at 31.12.2011	**38,631**	**473**	**39,103**

The below table gives an overview of the composition of the book values at the respective balance sheet date:

€ 1,000	Goodwill	Software	Total
As at 1.1.2010			
Acquisition costs	68,364	846	69,210
Accumulated depreciation	–29,182	–498	–29,681
Book values	**39,181**	**348**	**39,529**
As at 31.12.2010 = 1.1.2011			
Acquisition costs	62,960	1,079	64,039
Accumulated depreciation	–31,866	–706	–32,572
Book values	**31,094**	**373**	**31,468**
As at 31.12.2011			
Acquisition costs	64,464	1,377	65,841
Accumulated depreciation	–25,834	–905	–26,738
Book values	**38,631**	**473**	**39,103**

21. Prepayments made on investments in properties

The item "Prepayments made on investments in properties" relates to contracts with the closing to be effected at a later point in time. The CA Immo Group has cancelled this contract. This item includes the prepayment made on a project company in Prague (forward purchase) in the amount of € 2,217 K (31.12.2010: € 200 K).

Moreover, as at 31.12.2010, a partial amount of € 136,000 K related to the prepayment made on the acquisition of the Europolis Group.

22. Investments in associated companies

€ 1,000	Region [1]	1.1.2011	Capital contribution	Dividend distribution	Result from associated companies	Changes of associated companies reserve	31.12.2011
UBM Realitätenentwicklung AG, Vienna	CEE	33,739	0	–825	1,641	143	34,698
OAO Avielen AG, St. Petersburg	CEE	3,335	0	0	–3,335	0	0
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	Germany	22	0	0	–1	0	21
		37,096	**0**	**–825**	**–1,695**	**143**	**34,719**

€ 1,000	Region [1]	1.1.2010	Capital contribution	Dividend distribution	Result from associated companies	Changes of associated companies reserve	31.12.2010
UBM Realitätenentwicklung AG, Vienna	CEE	31,806	0	–750	2,751	–68	33,739
OAO Avielen AG, St. Petersburg	CEE	6,414	0	0	–3,080	0	3,335
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	Germany	22	0	0	0	0	22
		38,242	**0**	**–750**	**–329**	**–68**	**37,096**

1) CEE – Eastern and South East Europe

Associated companies relate entirely to development segment.

Reserves from associates comprise the changes in equity with no effect on the income statement of one company consolidated at equity, in which the valuation of cash flow hedges and the change in reserves from foreign exchange gains/losses are included.

The share price of UBM Realitätenentwicklung AG, Vienna, was at € 25,00 as at 31.12.2011 (31.12.2010: € 32,01). Hence, the stock market value of 750,004 shares held by CA Immobilien Anlagen AG amounted to € 18,750 K (31.12.2010: € 24,008 K).

23. Financial assets

€ 1,000	31.12.2011	31.12.2010
Other financial assets	39,684	25,702
Long-term receivables and other assets	32,751	13,435
Net position plan assets from pensions obligations	1,873	1,938
	74,308	**41,075**

Other financial assets

€ 1,000	Acquisition costs 31.12.2011	Changes in value recognised in profit or loss 2011	Changes in the value accumulated 31.12.2011	Book value 31.12.2011
Loans to joint ventures	8,710	1,048	1,048	9,758
Loans to associated companies	20,932	–453	–453	20,480
Other loans	32,076	–3,979	–23,018	9,058
L&R	**61,719**	**–3,384**	**–22,423**	**39,296**
AFS/AC	**331**	**–1**	**–1**	**330**
Interest rate caps	**659**	**–601**	**–601**	**58**
Other financial assets	**62,709**	**–3,985**	**–23,025**	**39,684**

€ 1,000	Acquisition costs 31.12.2010	Changes in value recognised in profit or loss 2010	Changes in the value accumulated 31.12.2010	Book value 31.12.2010
Loans to joint ventures	27,068	–15,926	–15,926	11,142
Loans to associated companies	18,296	1,183	–3,746	14,551
L&R	**45,365**	**–14,742**	**–19,671**	**25,693**
AFS/AC	**8**	**–1**	**–1**	**7**
Interest rate caps	**32**	**–31**	**–31**	**1**
Other financial assets	**45,405**	**–14,774**	**–19,703**	**25,702**

[1] L&R – loans and receivables, AFS/AC – available for sale/at cost

The disclosed interest rate caps relate to maximum interest contractually agreed-upon.

In 2011 a reclassification of loans to joint ventures and of short term receiveables to the other loans was made.

Long-term receivables and other assets

€ 1,000	Book value 31.12.2011	Book value 31.12.2010
Cash and cash equivalents with drawing restrictions	32,171	7,260
Receivables from property sales	0	4,000
Positive market value of derivative financial instruments (hedge accounting)	0	2,175
Other receivables and assets	580	0
	32,751	**13,435**

Net item plan assets from pension obligations

The CA Immo Group obtained a reinsurance policy for pension obligations (= plan assets).

€ 1,000	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Cash value of obligation	–4,269	–4,084	–3,033	–2,343
Fair value of plan asset	6,141	6,022	5,966	2,343
Net position recorded in consolidated statement of financial position	**1,873**	**1,938**	**2,933**	**0**
Experience adjustments of cash value of obligation	63	–815	–138	583
Experience adjustments of fair value of plan asset	–242	–216	13	–583

The pension obligations and plan assets developed as follows:

€ 1,000	2011	2010
Scope of obligation as at 1.1.	4,084	3,033
Current service costs	59	65
Past service costs	207	0
Interest expenses	184	171
Actuarial gains/losses	–265	815
Scope of obligation as at 31.12.	**4,269**	**4,084**
Plan asset as at 1.1.	6,022	5,966
Forecast income from plan asset	361	358
Actuarial losses	–242	–216
Outpayments	0	–86
Plan asset as at 31.12.	**6,141**	**6,022**

The following expense was recorded in profit and loss:

€ 1,000	2011	2010
Service costs	–59	–65
Interest expenses	–184	–171
Forecast income from plan asset	361	358
Actuarial gains/losses from pension obligation	265	–815
Actuarial losses from plan asset	–242	–216
Pensions costs	**141**	**–909**

24. Deferred taxes

€ 1,000	31.12.2011	31.12.2010
Long-term properties	25,787	46,985
Intangible assets	1,550	1
Office furniture, equipment and other assets	2,126	772
Financial assets	0	5
Receivables and other assets	6,718	5,164
Cash and cash equivalents	170	72
Property intended for trading	0	808
Trade creditors	46,174	37,419
Deferred tax assets	**82,525**	**91,226**
Long-term properties	260,214	197,069
Assets held for sale	10,776	7,757
Property intended for trading	2,358	0
Provisions	22,854	27,342
Deferred tax liabilities	**296,202**	**232,168**
Non-capitalised deferred tax assets	**–25,594**	**–9,529**
Deferred taxes on losses carried forward	**59,197**	**48,447**
Tax deferral (net)	**–180,074**	**–102,024**
thereof deferred tax assets in statement of financial position	**11,739**	**14,133**
thereof deferred tax liabilities in statement of financial position	**191,813**	**116,157**

The deferred taxes developed as follows at the respective balance sheet date:

€ 1,000	2011	2010
Deferred taxes as at 1 January (net)	**–102,024**	**–105,182**
Change due to company acquisitions/purchase price arrears	–80,857	–237
Change due to sale of companies	9,716	0
Change due to exchange rate fluctuations	117	106
Changes recognised in equity	10,619	2,630
Changes recognised in the income statement	–17,645	659
Deferred taxes as at 31 December (net)	**–180,074**	**–102,024**

The non-capitalised deferred taxes on losses carried forward amount to € 119,826 K (31.12.2010: € 81,345 K). The loss carryforwards for which no deferred taxes were recognised total € 522,719 K (31.12.2010: € 351,060 K); they are forfeited after the following periods:

€ 1,000	2011	2010
In the following year	4,784	1,119
Thereafter 4 years	87,913	24,044
More than 5 years	35,632	37,185
Without limitation in time	394,390	288,712
Sum total unrecorded losses carried forward	**522,719**	**351,060**
thereof non-capitalised deferred taxes	119,826	81,345

The temporary differences related to investments in affiliated companies, joint ventures and associated companies for which no deferred tax liabilities were recorded pursuant to IAS 12.39 are as follows:

The total temporary differences related to investments in Austrian affiliated companies, joint ventures and associated companies for which no deferred taxes were recorded pursuant to IAS 12.39 amount to € 38,596 K (31.12.2010: € 7,601 K). Loss carryforwards of the Austrian companies that were not recognised amount to € 219,845 K (31.12.2010: € 131,866 K) - including € 70,484 K (31.12.2010: € 36,364 K) of depreciation of the seventh part that has not yet been recognised at all or asserted for tax purposes.

The total temporary differences related to investments in foreign affiliated companies, joint ventures and associated companies for which no deferred taxes were recorded pursuant to IAS 12.39 amount to € 452 K (31.12.2010: € 1,253 K). Non-capitalised loss carryforwards of foreign entities amount to € 302,874 K (31.12.2010: € 219,194 K). When fulfilling special requirements, gains from the disposal of investments in a foreign company are partially or completely exempted from income taxes.

25. Assets held for sale and liabilities related thereto

As at 31.12.2011, assets at a fair value of € 57,835 K (31.12.2010: € 46,509 K) were classified as assets held for sale. For those assets the disposal has been agreed by the adequate management board of CA Immo Group as well as the contract of sale has been terminated until the preparation of the consolidated financial statements.

€ 1,000	31.12.2011	31.12.2010
Austria - Investment properties	100	336
Germany - Properties under development	57,735	41,160
Properties held for sale	**57,835**	**41,496**

The result from revaluation includes the amount of € 3,302 K (2010: € 0 K) related to investment properties after their reclassification as properties held for sale.

As at 31.12.2011, no assets and liabilities were reclassified and attributed to disposal groups. The major groups of assets and liabilities classified as held for sale are as follows:

€ 1,000	31.12.2011	31.12.2010
Investment properties under development	0	3,302
Property intended for trading	0	1,250
Receivables and other assets	0	461
Assets in disposal groups held for sale	**0**	**5,013**
Provisions	0	55
Interest-bearing liabilities	0	5,611
Other liabilities	0	188
Liabilities relating to disposal groups	**0**	**5,854**
Net-assets/liabilities included in disposal groups	**0**	**–841**

€ 100 K (31.12.2010: € 2,630 K) of the properties classified as IFRS 5 (individual assets and disposal groups) are mortgaged as a collateral for loan liabilities.

26. Properties intended for trading

€ 1,000	Acquisition / production cost	Accumulated impairment	31.12.2011 Book values	Acquisition / production cost	Accumulated impairment	31.12.2010 Book values
At production costs	25,276	0	25,276	30,048	0	30,048
At realisable value	16,715	–8,087	8,628	22,644	–7,353	15,291
Total properties intended for trading	**41,990**	**–8,087**	**33,904**	**52,692**	**–7,353**	**45,339**

The fair value of the properties intended for trading which are recorded at acquisition/production cost amounts to € 32,861 K (31.12.2010: € 38,673 K).

Properties intended for trading in the amount of € 20,159 K (31.12.2010: € 20,910 K) are expected to be realised within more than 12 months. This applies to 19 real estates (31.12.2010: 18 real estates) in Germany.

€ 397 K (31.12.2010: € 8,148 K) of the properties intended for trading are mortgaged as a collateral for loan liabilities.

In the 2011 financial year, a total of € 130 K (2010: € 90 K) in borrowing costs were recognised at a weighted average interest rate of 4% (2010: 3.5%) on the acquisition cost for properties intended for trading.

27. Receivables and other assets

€ 1,000	Book value 31.12.2011	Book value 31.12.2010
Accounts receivable and other financial assets	139,265	132,917
Derivative financial instruments	11	12
Other non financial assets	28,783	14,088
	168,059	**147,017**

The receivables and other financial assets contain receivables as per IAS 11 in the amount of € 45 K (31.12.2010: € 533 K).

Value adjustments were made for current receivables and other assets with a nominal value of € 19,301 K (31.12.2010: € 12,801 K) in the amount of € 17,466 (31.12.2010: € 11,083 K). The allowances in the amount of € 9,369 K (€ 6,228 K allocated in 2011, and € 2,950 K in 2010) posted against a tenant in the Czech Republic arise largely from the owed hotel rent, which is the subject of the pending insolvency proceedings against the tenant. A partial satisfaction of the registered claim is currently considered probable.

Change in value adjustments:

€ 1,000	**2011**	**2010**
As at 1.1.	**11,083**	**5,833**
Appropriation (value adjustment expenses)	11,762	6,470
Disposal deconsolidation	– 177	– 292
Use	– 463	– 433
Release	– 2,129	– 525
Reclassification to long term financial assets	– 2,099	0
Foreign currency gains/losses	– 511	31
As at 31.12.	**17,466**	**11,083**

The age structure of short-term receivables and other assets, whose value has not been adjusted, is as follows:

	not due				**overdue**	**Total**
		< 30 days	**31 - 180 days**	**181 - 360 days**	**> 1 year**	
31.12.2011	152,601	6,639	3,010	790	3,184	166,224
31.12.2010	137,548	4,343	1,772	603	1,034	145,300

28. Securities

In the 2011 business year, all securities (book value as at 31.12.2010: € 3,854 K) were sold.

29. Cash and cash equivalents

€ 1,000	**31.12.2011**	**31.12.2010**
Credit balances with banks	337,493	344,035
Bank balances subject to drawing restrictions	16,261	10,708
Cash on hand	25	21
	353,778	**354,764**

Bank balances subject to drawing restrictions comprise bank balances to which the CA Immo Group has limited access only. The bank balances subject to drawing restrictions entirely include balances that serve the purpose of securing current loan liabilities (repayment and interest). The Group cannot access the funds any other way without the express approval of the lenders. The amounts fall due within less than three months.

30. Shareholders' equity

The share capital equals the fully paid in nominal capital of CA Immobilien Anlagen Aktiengesellschaft of € 638,713,556 (31.12.2010: € 638,713,556). It is divided into 87,856,056 (31.12.2010: 87,856,056) registered shares of no par value and 4 registered bearer shares of no par value. The registered shares are held by UniCredit Bank Austria AG, Vienna, and grant the right to nominate one member of the Supervisory Board each. This right has not been exercised. All members of the Supervisory Board were elected by the General Meeting.

In November 2009, a 5-year convertible bond with a volume of € 135,000 K was issued. The coupon of the convertible bond payable every six months was fixed at 4.125%, the initial conversion price at € 11.5802. On the basis of this initial conversion price, upon exercising of the conversion right, if any, no more than 11,657,829 registered shares of no par value may be issued. The planned distribution of a divided will lead to an adjustment of the conversion price and, thus, the maximum number of registered shares of no par value that may be issued upon exercising of the conversion right. The amount of this adjustment depends on the share price directly before the ex-dividend date. According to the terms and conditions applicable to the issuance of the convertible bond, the creditors have the right to convert their bond at any time (i.e. also prior to the expiration date of the bond in 2014) into shares in CA Immobilien Anlagen Aktiengesellschaft at the conversion price. At the balance sheet date, the share price of the CA Immo share amounted to € 8.29 and was thus below the conversion price. No bond had been submitted for conversion by the balance sheet date. In 2011, the company redeemed convertible bonds with a nominal value of € 20,500 K from the market at an average redemption price of 94.6%. The convertible bond had led to an increase in the capital reserves of € 3,460 K in 2009. As at 31.12.2011, the repurchase of the convertible bond now leads to a reduction of the capital reserves of € 581 K (31.12.2010: € 0 K).

The tied capital reserves disclosed in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft total € 820,184 K (31.12.2010: € 820,184 K). As a rule, profits can only be distributed up to the amount of the net profit of the parent company disclosed in the individual financial statements in accordance with the Austrian Corporate Code (UGB). A partial amount € 18,431 K of the net profit of CA Immobilien Anlagen Aktiengesellschaft in the amount of € 98,748 K (31.12.2010: € 0 K) disclosed as at 31.12.2011 is blocked from distribution in 2011. The Management Board of CA Immo AG proposes to use part of the next retained earnings of € 98,748 K to pay a dividend of € 0,38 per share, i.e. a total of € 33,385 K to the shareholders. The rest of the net retained earnings in the amount of € 65,363 K is intended to be carried forward to new account.

As at the reporting date of 31.12.2011 there is an unused authorised capital in the amount of € 312,841,477 that can be utilised on or before 8.8.2012, as well as a conditional capital in the amount of € 317,185,011.

31. Provisions

€ 1,000	Staff	Others	Total
As at 1.1.2011	**5,292**	**59,756**	**65,048**
Use	– 4,104	– 40,249	– 44,353
Release	– 420	– 7,397	– 7,817
Allocation	7,186	55,580	62,766
Addition from first-time consolidation	1,490	13,364	14,854
Disposal from deconsolidation	– 194	– 1,250	– 1,444
Foreign currency gains/losses	– 16	– 564	– 580
As at 31.12.2011	**9,234**	**79,240**	**88,474**
thereof: short-term	7,000	72,292	79,292
thereof: long-term	2,234	6,948	9,182

Provision for staff

The provision for staff primarily comprises the cash value of the long-term obligations for settlement payments to employees in the amount of € 967 K (31.12.2010: € 642 K), premiums in the amount of € 6,808 K (31.12.2010: € 3,633 K), and unused holiday entitlements in the amount of € 1,080 K (31.12.2010: € 688 K). The provision for premiums comprises a long-term provision for the 2010 and 2011 LTI-(long-term incentive) programmes in the amount of € 1,266 K (31.12.2010: € 314 K) that were endowed from the 2010 business year on. Both LTI-programmes set forth a payment after the expiration of three years. In 2011 business year expenses in the amount of € 952 K (31.12.2010: € 314 K) were recognised.

The cash value of severance payment obligations developed as follows:

€ 1,000	2011	2010	2009	2008	2007
Cash value of defined benefit obligations as at 1.1	642	522	560	599	371
Addition from company acquisitions	458	0	0	0	0
Use	– 45	0	– 99	– 325	0
Service cost	– 171	184	– 42	491	425
Interest expenses	52	24	22	24	15
Actuarial losses/gains	31	– 88	81	– 229	– 212
Cash value of defined benefit obligations as at 31.12	**967**	**642**	**522**	**560**	**599**

Experience adjustments of the present value of the obligation are negligible.

Furthermore, there are performance-based pension plans in Germany; a reinsurance policy was obtained for the pension obligations. Since the plan assets at the balance sheet date exceed the cash value of the pension obligations, the net item in the amount of € 1,873 K (31.12.2010: € 1,938 K) is disclosed under long-term receivables.

Other provisions

€ 1,000	31.12.2011	31.12.2010
Construction services	34,099	26,577
Subsequent costs of sold properties	17,674	14,460
Warranty and technical risks from sales	4,092	3,774
Real estate transfer tax and registration fees	3,681	4,522
Other	19,694	10,423
Total	**79,240**	**59,756**

32. Interest-bearing liabilities

€ 1,000	Short-term	Long-term	31.12.2011 Total	Short-term	Long-term	31.12.2010 Total
Convertible bond	488	112,724	113,212	793	130,538	131,331
Other bonds	4,516	332,106	336,622	4,711	345,027	349,738
Bonds	**5,004**	**444,830**	**449,834**	**5,504**	**475,565**	**481,069**
Investment loan	725,524	1,953,270	2,678,794	210,353	1,399,853	1,610,206
Subordinated liabilities	37,066	79,845	116,911	0	0	0
Loans from joint venture partners	8,059	8,980	17,039	21,053	12,888	33,941
Liabilities to joint ventures	1,436	0	1,436	1,139	0	1,139
Other interest-bearing liabilities	**772,085**	**2,042,095**	**2,814,180**	**232,545**	**1,412,741**	**1,645,286**
	777,089	**2,486,925**	**3,264,014**	**238,049**	**1,888,306**	**2,126,355**

The subordinate liabilities relate to liabilities of the Europolis Group towards Österreichische Volksbanken-Aktiengesellschaft, Vienna and the European Bank for Reconstruction and Development (EBRD), London.

99.2% (31.12.2010: 99.6%) of interest-bearing liabilities exist in EUR, 0.6% (31.12.2010: 0,0 %) in USD, and 0.2% (31.12.2010: 0.4%) in CZK.

Bonds

31.12.2011	Nominal value in € 1,000	Book value Total € 1,000	Deferred interest in € 1,000	Nominal interest rate	Effective interest rate	Issue	Repayment
Convertible bond	114,500	112,724	488	4.13%	6.15%	9.11.2009	9.11.2014
Bonds 2006-2016	185,992	182,865	2,618	5.13%	5.53%	22.9.2006	22.9.2016
Bonds 2009-2014	150,000	149,241	1,897	6.13%	6.33%	16.10.2009	16.10.2014
Total	**450,492**	**444,830**	**5,004**				

Starting in September 2011, convertible bonds with a nominal value of € 20,500 K and bonds from 2006 with a nominal value of € 14,008 K were bought back from the market until the end of the year under review. The repurchase generated a profit in the total amount of € 1,481 K (2010: € 0 K), which was recognised as a reduction in the interest expenses for bonds. Thie capital reserves declined by € 581 K (2010: € 0 K).

31.12.2010	Nominal value in € 1,000	Book value Total € 1,000	Deferred interest in € 1,000	Nominal interest rate	Effective interest rate	Issue	Repayment
Convertible bond	135,000	130,538	793	4.13%	6.15%	9.11.2009	9.11.2014
Bonds 2006-2016	200,000	196,028	2,813	5.13%	5.53%	22.9.2006	22.9.2016
Bonds 2009-2014	150,000	148,999	1,897	6.13%	6.33%	16.10.2009	16.10.2014
Total	**485,000**	**475,565**	**5,504**				

Other interest-bearing liabilities

99.3 % of other interest-bearing liabilities within the CA Immo Group are subject to financial covenants. These usually are particular LTV (loan to value) and DSCR (debt service coverage ratio) figures with investment properties and particular LTC (loan to cost) and ISCR (interest service coverage ratio) figures with project financings.

Other interest-bearing liabilities in relation to which financial covenants have not been met as at 31.12.2011 and such breach of financial covenants generally entitles the lender to early termination are recorded under the short-term financial liabilities regardless of the date on which they fall due. This applies irrespective of the state of negotiations with the banks regarding a continuation or amendment of the loan agreements. As at 31.12.2011, four loans in Eastern/South East Europe in a total amount of € 69,965 K (31.12.2010: two loans in Eastern and South East Europe in the total amount of € 33,457 K) were affected by this. The CA Immo Group takes according action (e.g. partial repayment of the loans, increase in equity of the relevant companies) in order to remedy the breach of the financial covenants.

As at 31.12.2011 and 31.12.2010 the terms of other interest-bearing liabilities are as follows:

Type of financing and currency	Effective interest rate as at 31.12.2011 in %	Interest variable/ fixed	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value in € 1,000
Investment loan / EUR	4.41%	variable	01/2017	512,240	514,978	514,978
Investment loan / EUR	4.68%	variable	12/2012	264,806	262,140	262,140
Loans for investments (each below 100 m EUR)	1.40% - 7.73%	variable	01/2012 - 12/2030	1,783,970	1,780,189	1,780,189
Investment loan / EUR	3.90% - 7.58%	fixed	06/2013 - 12/2013	93,739	94,171	96,940
Investment loan / CZK	5.72%	variable	06/2013	7,211	7,211	7,211
Investment loan / USD	2.83% - 4.08%	variable	12/2012 - 12/2017	19,463	20,105	20,105
Investment loan (total)				**2,681,429**	**2,678,794**	**2,681,563**
Subordinated liabilities	**2.30% - 2.90%**	**variable**	**12/2012 - 09/2016**	**124,651**	**116,911**	**116,911**
Loans from joint venture partners / EUR	1.10% - 5.37%	variable	03/2012 - 12/2018	6,988	8,213	8,213
Loan from joint venture partners / EUR	0.00% - 7.00%	fixed	12/2012 - 12/2020	7,420	8,178	8,510
Loan from joint venture partners / HUF	0.00%	fixed	03/2012	648	648	646
Loans of joint venture partners (total)				**15,056**	**17,039**	**17,369**
Liabilities to joint ventures	**2.56%**	**variable**	**12/2011 - 12/2012**	**1,413**	**1,436**	**1,436**
				2,822,549	**2,814,180**	**2,817,279**

Type of financing and currency	Effective interest rate as at 31.12.2010 in %	Interest variable/ fixed	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value in € 1,000
Investment loan / EUR	4.41%	variable	01/2017	520,161	522,687	522,687
Investment loan / EUR	4.67%	variable	12/2012	151,507	147,689	147,689
Loans for investments (each below 100 m EUR)	1.53% - 7.71%	variable	02/2011 - 12/2032	923,129	919,327	919,327
Investment loan / EUR	4.25% - 5.16%	fixed	05/2011 - 12/2013	12,444	12,497	13,562
Investment loan / CZK	5.72%	variable	06/2013	7,675	7,675	7,675
Investment loan / USD	2.25%	variable	07/2011	330	331	331
Investment loan (total)				**1,615,246**	**1,610,206**	**1,611,271**
Loans from joint venture partners / EUR	1.53% - 5.12%	variable	03/2011 - 12/2016	14,562	14,562	14,562
Loan from joint venture partners / EUR	0.00% - 8.50%	fixed	12/2011 - 12/2013	19,379	19,379	20,384
Loans of joint venture partners (total)				**33,941**	**33,941**	**34,946**
Liabilities to joint ventures	**1.94%**	**variable**	**12/2010 - 12/2011**	**1,125**	**1,139**	**1,139**
				1,650,312	**1,645,286**	**1,647,356**

Taking into account all interest hedging agreements, the average weighted interest rate stands at 4.1% (31.12.2010: 4.6%) for all EUR financial liabilities, 3.9% (31.12.2010: 2.3%) for all USD financial liabilities and 5.7% (31.12.2010: 5.7%) for the CZK financial liability.

33. Other liabilities

€ 1,000	Short-term	Long-term	31.12.2011 Total	Short-term	Long-term	31.12.2010 Total
Fair value derivative transactions	**5,418**	**181,092**	**186,510**	**1,304**	**137,917**	**139,221**
Outstanding purchase invoices	2,320	136,000	138,320	8,291	0	8,291
Prepayments received	36,222	31,717	67,939	32,311	43,360	75,671
Trade creditors	53,002	8,552	61,554	25,025	37,104	62,129
Rent deposits	2,173	13,162	15,335	685	4,462	5,147
Non realized income from deconsolidation	6,400	0	6,400	6,400	0	6,400
Settlement of operating costs	3,325	0	3,325	4,784	0	4,784
Other	7,722	2,182	9,904	3,785	2,009	5,794
Primary financial financial instruments	**111,164**	**191,613**	**302,777**	**81,281**	**86,934**	**168,215**
Taxes	30,733	0	30,733	29,618	0	29,618
Prepaid rent	5,177	784	5,961	3,611	5,551	9,162
Non-financial financial instruments	**35,910**	**784**	**36,694**	**33,229**	**5,551**	**38,780**
	152,492	**373,489**	**525,981**	**115,814**	**230,402**	**346,216**

34. Liabilities on taxes on income and earnings

This item includes the amount of € 35,921 K (31.12.2010: € 58,822 K) related to the CA Immo Deutschland Group and comprises corporate income tax and trade tax for the years 2008 to 2011 that have not been finally assessed, as well as potential risks from a current tax audit completed in Germany for the years 2001 to 2006.

35. Cash flow

The cash flow from the acquisition of real estate companies reduced by cash and cash equivalents is shown in detail below:

€ 1,000	2011
Purchase prices for acquisitions (for Europolis AG stated provisionally)	– 306,818
Less pre-payment in prior year	136,000
Less respite of purchase price	136,000
Dividend payment to previous shareholder of Europolis AG	– 21,610
Acquired funds	128,308
Acquisition of property companies, less cash and cash equivalents	**71,880**

36. Financial instruments

Financial instruments include both primary and derivative financial instruments. The CA Immo Group divides its financial assets and receivables into the following categories in accordance with IAS 39.9:

Financial assets

Category € 1,000	HFT	AFS/AC	L&R	IAS 39 category [1] Non-FI and FI beyond IAS 39	Book value 31.12.2011	Fair value 31.12.2011
Prepayments made on investments in properties	**0**	**0**	**2,217**	**0**	**2,217**	**2,217**
Net position plan assets from pensions obligations	0	0	0	1,873	1,873	1,873
Cash and cash equivalents with drawing restrictions	0	0	32,171	0	32,171	32,171
Derivative financial instruments	58	0	0	0	58	58
Primary financial instruments	0	330	39,876	0	40,206	40,206
Financial assets	**58**	**330**	**72,047**	**1,873**	**74,308**	**74,308**
Cash and cash equivalents with drawing restrictions	0	0	23,894	0	23,894	23,894
Derivative financial instruments	11	0	0	0	11	11
Primary financial instruments	0	0	115,326	28,828	144,154	144,154
Receivables and other assets	**11**	**0**	**139,220**	**28,828**	**168,059**	**168,059**
Cash and cash equivalents	**0**	**0**	**353,778**	**0**	**353,778**	**353,778**
	69	**330**	**567,262**	**30,701**	**598,362**	**598,362**

Category € 1,000	HFT	FV/PL	AFS/AC	L&R	IAS 39 category [1)] Non-FI and FI beyond IAS 39	Book value 31.12.2010	Fair value 31.12.2010
Prepayments made on investments in properties	**0**	**0**	**0**	**136,200**	**0**	**136,200**	**136,200**
Net position plan assets from pensions obligations	0	0	0	0	1,938	1,938	1,938
Cash and cash equivalents with drawing restrictions	0	0	0	7,260	0	7,260	7,260
Derivative financial instruments	2,176	0	0	0	0	2,176	2,176
Primary financial instruments	0	0	7	29,693	0	29,701	29,701
Financial assets	**2,176**	**0**	**7**	**36,953**	**1,938**	**41,075**	**41,075**
Cash and cash equivalents with drawing restrictions	0	0	0	36,311	0	36,311	36,311
Derivative financial instruments	12	0	0	0	0	12	12
Primary financial instruments	0	0	0	96,075	14,621	110,696	110,696
Receivables and other assets	**12**	**0**	**0**	**132,386**	**14,621**	**147,019**	**147,019**
Securities	**0**	**3,854**	**0**	**0**	**0**	**3,854**	**3,854**
Cash and cash equivalents	**0**	**0**	**0**	**354,764**	**0**	**354,764**	**354,764**
	2,188	**3,854**	**7**	**660,303**	**16,559**	**682,912**	**682,912**

[1)] HFT – held for trading, FV/PL – at fair value through profit or loss, AFS/AC – available for sale/at cost, L&R – loans and receivables, FI – financial instruments

The fair value of the primary financial instruments essentially equates to the book value due to daily and/or short-term maturities. Since no price listed on active markets is available for the financial instruments of the AFS/AC category and the fair value cannot be calculated reliably, valuation has been carried out on the basis of their acquisition cost. Therefore, their book value is also indicated in the "Fair value" column.

Financial liabilities

Category € 1,000	HFT	CFH	FLAC	IAS 39 category [1)] Non-FI	Book value 31.12.2011	Fair value 31.12.2011
Convertible bond	0	0	113,212	0	113,212	115,760
Other bonds	0	0	336,622	0	336,622	337,492
Other interest-bearing liabilities	0	0	2,814,180	0	2,814,180	2,822,283
Interest-bearing liabilities	**0**	**0**	**3,264,014**	**0**	**3,264,014**	**3,275,534**
Derivative financial instruments	67,381	119,129	0	0	186,510	186,510
Primary financial instruments	0	0	302,777	36,694	339,471	339,471
Other liabilities	**67,381**	**119,129**	**302,777**	**36,694**	**525,981**	**525,981**
	67,381	**119,129**	**3,566,791**	**36,694**	**3,789,995**	**3,801,515**

Category € 1,000	HFT	CFH	FLAC	IAS 39 category [1] Non-FI	Book value 31.12.2010	Fair value 31.12.2010
Convertible bond	0	0	131,331	0	131,331	143,100
Other bonds	0	0	349,738	0	349,738	357,285
Other interest-bearing liabilities	0	0	1,645,286	0	1,645,286	1,652,860
Interest-bearing liabilities	**0**	**0**	**2,126,355**	**0**	**2,126,355**	**2,153,245**
Derivative financial instruments	45,459	93,761	0	0	139,220	139,220
Primary financial instruments	0	0	168,216	38,780	206,996	206,996
Other liabilities	**45,459**	**93,761**	**168,216**	**38,780**	**346,216**	**346,216**
Liabilities relating to disposal groups	**0**	**0**	**5,854**	**0**	**5,854**	**5,854**
	45,459	**93,761**	**2,300,424**	**38,780**	**2,478,425**	**2,505,315**

[1] HFT – held for trading, CFH – cash flow hedge, FLAC – financial liabilities at amortised cost, FI – financial instruments

37. Derivative financial instruments

€ 1,000	Nominal value	Fair value	31.12.2011 Book value	Nominal value	Fair value	31.12.2010 Book value
Interest rate swaps	**1,828,152**	**– 184,121**	**– 184,121**	**1,857,934**	**– 136,942**	**– 136,942**
- thereof cash flow hedges	1,366,614	– 119,129	– 119,129	1,263,389	– 93,761	– 93,761
- thereof fair value derivatives	461,538	– 64,992	– 64,992	594,545	– 43,181	– 43,181
Interest rate caps	**229,448**	**58**	**58**	**50,000**	**13**	**13**
Interest rate floors	**24,109**	**– 1,188**	**– 1,188**	**0**	**0**	**0**
Forward foreign exchange transactions	**11,289**	**– 1,191**	**– 1,191**	**1,383**	**– 103**	**– 103**
Total	**2,092,998**	**– 186,442**	**– 186,442**	**1,909,317**	**– 137,032**	**– 137,032**
- thereof cash flow hedges	1,366,614	– 119,129	– 119,129	1,263,389	– 93,761	– 93,761
- thereof fair value derivatives	726,384	– 67,313	– 67,313	645,928	– 43,271	– 43,271

Overall, the nominal value for the cash flow hedges directly attributable to the respective credits and concluded as at the balance sheet date stood at 48.5% (31.12.2010: 76.3%) of the nominal value of all variable-interest EUR investment credits and 100.0% (31.12.2010: 100.0%) of the variable-interest CZK investment credit. No interest rate swap agreements have been concluded for the USD investment credits.

Interest rate swaps

Interest rate swaps were terminated to hedge future cash flows. The effectiveness of the hedge relationship between hedging and underlying transactions is regularly examined using effectiveness measurements.

€ 1,000	Nominal value	Fair value	31.12.2011 Book value	Nominal value	Fair value	31.12.2010 Book value
- Cash flow hedges (effective)	1,362,878	– 119,018	– 119,018	1,260,468	– 93,655	– 93,655
- Cash flow hedges (ineffective)	3,736	– 111	– 111	2,921	– 106	– 106
- Fair value derivatives (HFT) without counter-swaps	461,538	– 64,992	– 64,992	258,145	– 43,181	– 43,181
- Fair value derivatives (HFT) with counter-swaps	0	0	0	168,200	– 1,874	– 1,874
- Counter-swaps (HFT)	0	0	0	168,200	1,874	1,874
Interest rate swaps	**1,828,152**	**– 184,121**	**– 184,121**	**1,857,934**	**– 136,942**	**– 136,942**

The interest rate swaps have the following market values and conditions:

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2011	Reference interest rate	Fair value 31.12.2011 in € 1,00o	Category
EUR	464,461	12/2006	01/2017	3.91%	3M-Euribor	– 54,565	CFH
EUR	264,700	03/2010	12/2012	1.93%	3M-Euribor	– 2,093	CFH
EUR (nominal value each below 100 m EUR)	609,364	03/2006 - 10/2011	06/2012 - 12/2022	1.30% - 4.79%	3M-Euribor	– 60,472	CFH
EUR (nominal value each below 100 m EUR)	461,538	09/2002 - 12/2008	09/2012 - 12/2022	4.17% - 5.28%	3M-Euribor	– 64,992	HFT
EUR	20,878	05/2006	12/2014	4.20%	6M-Euribor	– 1,623	CFH
CZK	7,211	06/2008	06/2013	4.62%	3M-Pribor	– 377	CFH
Total = variable in fixed	**1,828,152**					**– 184,121**	

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2010	Reference interest rate	Fair value 31.12.2010 in € 1,000	Category
EUR	464,461	12/2006	01/2017	3.91%	3M-Euribor	– 37,222	CFH
EUR	151,400	03/2010	12/2012	1.93%	3M-Euribor	– 2,492	CFH
EUR (nominal value each below 100 m EUR)	617,947	09/2004 - 06/2009	07/2011 - 12/2022	1.93% - 4.79%	3M-Euribor	– 51,953	CFH
EUR (nominal value each below 100 m EUR)	426,345	07/2007 - 12/2008	12/2012 - 12/2022	4.01% - 4.61%	3M-Euribor	– 45,055	HFT
EUR	21,905	05/2006	12/2014	4.20%	6M-Euribor	– 1,603	CFH
CZK	7,675	06/2008	06/2013	4.62%	3M-Pribor	– 491	CFH
variable in fixed	**1,689,734**					**– 138,816**	
EUR	168,200	10/2009 - 12/2010	12/2013 - 12/2020	1.53% - 3.29%	3M-Euribor	1,874	HFT
fixed in variable	**168,200**					**1,874**	
Total	**1,857,934**					**– 136,942**	

Interest rate caps/interest rate floors

Interest rate caps and/or interest rate floors are exclusively used to hedge the risk of interest rate changes on existing loans:

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2011	Reference interest rate	Fair value 31.12.2011 in € 1,000	Category
Interest rate caps EUR	229,448	10/2006 - 03/2011	06/2012 - 12/2014	1.22% - 6.50%	3M-Euribor	58	HFT
Interest rate floor EUR	24,109	06/2008	12/2013	3.85%	3M-Euribor	– 1,188	HFT
Total	**253,557**					**– 1,130**	

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2010	Reference interest rate	Fair value 31.12.2010 in € 1,000	Category
Interest rate caps EUR	50,000	04/2010 - 07/2010	10/2011 - 12/2011	1.00% - 2.50%	1M-Euribor	13	HFT

Forward foreign exchange transactions

The forward foreign exchange transactions were concluded to hedge against future currency fluctuations for two long-term loans in Poland and for rental incomes in USD in Poland.

Currency	Fixed Exchange rate as at 31.12.2011	Start	End	Nominal value in 1,000 Foreign currency	Nominal value in € 1,000	Fair value 31.12.2011 in € 1,000	Category
PLN	4.0020 - 4,6320	03/2009 - 04/2011	01/2012 - 08/2013	44,357	10,940	– 1,152	HFT
USD	1.4337	06/2009	06/2012	500	349	– 39	HFT
					11,289	**– 1,191**	

Currency	Fixed Exchange rate as at 31.12.2010	Start	End	Nominal value in 1,000 Foreign currency	Nominal value in € 1,000	Fair value 31.12.2010 in € 1,000	Category
USD	1.4236 - 1,4337	06/2009	06/2011 - 06/2012	1,975	1,383	– 103	HFT

Changes recorded in other comprehensive income

€ 1,000	2011	2010
As at 1.1.	**– 73,766**	**– 62,480**
Change in valuation of cash flow hedges	– 30,320	– 18,114
Change of ineffectiveness cash flow hedges	111	106
Raclassification cash flow hedges	4,892	378
Taxes on income on cash flow hedges	5,201	2,490
Reclassification acquisition of non-controlling interests	0	3,854
As at 31.12.	**– 93,882**	**– 73,766**
thereof attributable to the owners of the parent	– 93,022	– 72,716
thereof attributable to non-controlling interests	– 860	– 1,050

The reclassification related to the valuation of the cash flow hedges including tax on profits on non-controlling interests for capital reserves due to the acquisition of shares in CA Immo International AG, Vienna, and the subsequent merger, which was recorded as an equity transaction without an impact on net income in accordance with IFRS 3/IAS 27.

Hierarchy of fair values

The table below sets out the financial instruments, whose subsequent valuation has been carried out on the basis of their fair value. These are divided into three stages, depending on the extent to which it is possible to observe the fair value (level 1 - observable, level 2 - partially observable, level 3 - non-observable):

€ 1,000	Level 1	Level 2	Level 3	31.12.2011 Total
Financial assets HFT				
Interest rate caps	0	58	0	58
Financial liabilities CFH				
Interest rate swaps	0	– 119,129	0	– 119,129
Financial liabilities HFT				
Interest rate swaps	0	– 64,992	0	– 64,992
Interest rate floors	0	– 1,188	0	– 1,188
Forward foreign exchange transactions	0	– 1,191	0	– 1,191
Total	**0**	**– 186,442**	**0**	**– 186,442**

€ 1,000	Level 1	Level 2	Level 3	31.12.2010 Total
Financial assets FV/PL				
Securities	0	3,853	0	3,853
Financial assets HFT				
Interest rate caps	0	13	0	13
Financial liabilities CFH				
Interest rate swaps	0	– 93,761	0	– 93,761
Financial liabilities HFT				
Interest rate swaps	0	– 43,181	0	– 43,181
Forward foreign exchange transactions	0	– 103	0	– 103
Total	**0**	**– 133,179**	**0**	**– 133,179**

FV/PL – at fair value through profit or loss, HFT – held for trading, CFH – Cash-flow Hedge

No transfers between the levels were made during the 2011 and 2010 reporting periods.

38. Financial risks

Interest rate risk

Risks resulting from changes in interest rates basically concern long-term loans. A mix of long-term fixed-rate and floating-rate loans are used to reduce the interest rate risk. In the case of floating-rate loans, derivative financial instruments (interest rate caps, interest rate floors and interest rate swaps) are also used to hedge against the risk of cash flow interest rate changes arising from underlying transactions.

The following analysis shows the effects of a change in interest rates by 100 basis points on the income statement and equity. The analysis assumes that all other variables, particularly foreign exchange rates, remain constant:

€ 1,000	Recognised in profit or loss		Recognised directly in equity	
	100 bps Increase	100 bps Decrease	100 bps Increase	100 bps Decrease
31.12.2011				
Variable rate instruments	– 27,019	27,019	0	0
Derivative financial instruments (interest)	20,817	– 20,817	0	0
Derivative financial instruments (valuation)	14,327	– 15,234	38,695	– 39,956
	8,125	**– 9,032**	**38,695**	**– 39,956**
31.12.2010				
Variable rate instruments	– 15,969	15,969	0	0
Derivative financial instruments (interest)	18,579	– 18,579	0	0
Derivative financial instruments (valuation)	14,613	– 15,651	43,342	– 45,990
	17,224	**– 18,261**	**43,342**	**– 45,990**

Variable rate instruments contain variable rate financial liabilities, loans and financial receivables and do not take into account hedge relationships. In the case of derivative financial instruments, an interest rate change gives rise to a component that is recognised in profit and loss (interest, valuation of fair value derivatives and ineffective portions of cash flow hedge valuation) and to the change in value of cash flow hedges recognised in equity. The market value of interest rate caps and interest rate floors is equal to the book value.

Currency risk

Currency risks result from rental income and rental receivables in foreign currencies principally BGN, CHF, CZK, HRK, HUF, PLN, RON and RSD. These foreign currency rental earnings are secured through a linkage of rents to EUR and USD, so that on balance no major risk exists. On the liabilities side risks may result from financing in CZK and USD. This risk is mainly counterbalanced by rental income in CZK and USD. Loans are taken out in the same currency as the one covering the lease in question.

The following table shows what effect a 10% increase or decrease in the Euro compared to the respective foreign currency would have. A positive number indicates an increase in the annual result if the Euro were to rise by 10% compared to the respective foreign currency. If the Euro were to fall by 10% compared to the relevant foreign currency, this would have a similarly negative effect on the annual result. The outstanding financial liabilities in foreign currencies of the CA Immo Group as at the balance sheet date serve as a basis for the sensitivity analysis assuming a 10% increase or decrease in the Euro compared to the respective foreign currency.

31.12.2011 € 1,000	USD	Impact	CZK	Impact	HUF	Impact
Exchange rate	**1.2905**		**25.8000**		**311.1300**	
+10% increase	1.4196	1,828	28.3800	656	342.2430	59
–10% decrease	1.1615	– 2,234	23.2200	– 801	280.0170	– 72
31.12.2010 € 1,000	**USD**	**Impact**	**CZK**	**Impact**	**HUF**	**Impact**
Exchange rate	**1.3341**		**25.0800**		**278.0000**	
+10% increase	1.4675	30	27.5880	698	305.8000	0
–10% decrease	1.2007	– 37	22.5720	– 853	250.2000	0

Forward foreign exchange transactions have been concluded to avoid the risk of currency fluctuations; these should counteract future local fluctuations for long-term USD loans and in USD rental income. As these derivatives are in no cash flow hedge relationships, the effect on the net income corresponds to that on the equity in the sensitivity analysis.

Credit risk

The amounts listed for all financial assets and the guarantees and other commitments assumed represent the maximum default risk as no major set-off agreements exist.

Trade debtors are off-set against deposits received amounting to € 15,335 K (31.12.2010: € 5,147 K) and bank guarantees. As far as it can be determined, the risk to receivables from tenants and property purchasers has been taken into consideration as part of the value adjustments. If there are objective indications of a value adjustment (e.g. through defaults in payment, litigation, insolvency), an impairment is recognised. The same applies to financing obtained by joint ventures or associated companies, should it become likely that these companies, following developments in the course of their business, will no longer be able to meet their financial obligations in full. The impairment loss is the difference between the current book value for the asset and the cash value of the future cash flow expected from the receivables. The default risk for other financial instruments listed on the assets side of the balance sheet should be seen as minimal, as the majority of financial instruments used by contractual partners have the highest credit rating scores possible and/or are provided by state authorities.

Liquidity risk

There is a liquidity risk where financial liabilities cannot be settled at the time they are payable. Guaranteeing sufficient moneys to pay liabilities due whilst avoiding unnecessary potential losses and risks forms the basis of CA Immo Group's liquidity control. Loans are usually agreed on a long-term basis in accordance with the investment horizon for real estate.

The CA Immo Group manages the liquidity risk in several different ways: firstly, the company is highly skilled at liquidity planning and safeguarding measures in order to avoid tight positions. Secondly, the CA Immo Group protects itself by entering into capital partnerships (joint ventures) for project development purposes as an alternative and extension to established sources of equity capital procurement. Outside capital is procured by the CA Immo Group not only from its principal bank, UniCredit Bank Austria AG/UniCredit Group, but also and to a growing extent through new or developing business relationships with other domestic and foreign banks. In order to improve the financing structure and strengthen the liquidity of the CA Immo Group, two bonds and one convertible bond have been issued.

The contractually agreed (non-discounted) interest payments and repayments for primary financial liabilities and derivative financial instruments can be seen in the table below.

31.12.2011 € 1,000	Book value 2011	Contractually agreed cash flows	Cash flow 2012-2015	Cash flow 2013-2016	Cash flow 2017 ff
Convertible bond	113,212	– 128,669	– 4,723	– 123,946	0
Other bonds	336,622	– 411,215	– 18,720	– 392,495	0
Other interest-bearing liabilities	2,814,180	– 3,182,602	– 779,079	– 1,339,086	– 1,064,437
Other liabilities	339,471	– 339,471	– 147,074	– 180,387	– 12,010
Primary financial liabilities	**3,603,485**	**– 4,061,957**	**– 949,596**	**– 2,035,914**	**– 1,076,447**
Interest rate derivatives in connection with cash flow hedges	119,129	– 120,656	– 30,984	– 82,510	– 7,162
Interest rate derivatives not connected with hedges	66,180	– 69,053	– 16,507	– 43,657	– 8,889
Forward foreign exchange transactions not connected with hedges	1,201	– 1,201	– 964	– 237	0
Derivative financial liabilities	**186,510**	**– 190,910**	**– 48,455**	**– 126,404**	**– 16,051**
	3,789,995	**– 4,252,867**	**– 998,051**	**– 2,162,318**	**– 1,092,498**

31.12.2010 € 1,000	Book value 2010	Contractually agreed cash flows	Cash flow 2011	Cash flow 2012-2015	Cash flow 2016 ff
Convertible bond	131,331	– 157,275	– 5,569	– 151,706	0
Other bonds	349,738	– 448,250	– 19,438	– 218,562	– 210,250
Other interest-bearing liabilities	1,645,286	– 1,983,310	– 269,469	– 640,209	– 1,073,632
Other liabilities	206,996	– 206,996	– 114,511	– 76,567	– 15,918
Liabilities relating to disposal groups	5,854	– 5,854	– 5,854	0	0
Primary financial liabilities	**2,339,205**	**– 2,801,685**	**– 414,841**	**– 1,087,044**	**– 1,299,800**
Interest rate derivatives in connection with cash flow hedges	93,761	– 98,510	– 31,533	– 60,320	– 6,657
Interest rate derivatives not connected with hedges	45,356	– 49,456	– 13,888	– 29,029	– 6,539
Forward foreign exchange transactions not connected with hedges	103	– 103	– 74	– 29	0
Derivative financial liabilities	**139,220**	**– 148,069**	**– 45,495**	**– 89,378**	**– 13,196**
	2,478,425	**– 2,949,754**	**– 460,336**	**– 1,176,422**	**– 1,312,996**

Cash flows for interest rate derivatives are based on assumptions for the underlying forward rates.

The cash flows from derivatives in cash flow hedge relationships are expected to have an effect on profit and loss in the period of their occurrence.

Capital management

The objective of CA Immo Group's capital management is, firstly, to make the necessary resources for the continuation of the company available at all times, and secondly, to optimise the costs for the capital required for this.

The key parameters for determining the capital structure of the CA Immo Group are, on the one hand, the general relationship of shareholders' equity to liabilities, and on the other, the split within liabilities between that using properties as collateral, which are taken out by special-purpose vehicles, and unsecured liabilities, which are taken out by the group parent company. Equity based on the IFRS accounts is used for management. With regard to the first parameter, the CA Immo Group strives to maintain an equity ratio of some 35% to 40%. As at 30.6.2011, the equity ratio was below this target corridor. This can be attributed to the first-time consolidation of the Europolis Group in 2011. Consequently, the CA Immo Group intends to take active steps to improve the equity ratio, particularly through the sale of properties and the repayment of liabilities associated with this.

With regard to the second parameter, the CA Immo Group is focusing on secured property loans for financing with liabilities, which are usually taken out by special-purpose vehicles that hold the object in question. Generally speaking, secured financing offers more favourable conditions compared to unsecured financing, as these are structurally subordinated to the secured financing. Unsecured financing is only really available in the form of corporate bonds issued on the capital markets. There are no external ratings or explicit requirements, which have been stipulated by a third party, in respect of key parameters for managing the group's capital.

Net debt and the gearing ratio are other key figures for presenting the capital structure of the CA Immo Group:

€ 1,000	31.12.2011	31.12.2010
Interest-bearing liabilities		
Long-term interest-bearing liabilities	2,486,925	1,888,306
Short-term interest-bearing liabilities	777,089	238,049
Interest-bearing assets		
Securities	0	– 3,854
Cash and cash equivalents	– 353,778	– 354,764
Cash and cash equivalents with drawing restrictions	– 56,065	– 43,572
Net debt	2,854,171	1,724,166
Shareholders' equity	1,809,455	1,659,939
Gearing ratio (Net debt/equity)	**157.7%**	**103.9%**

Cash and cash equivalents with drawing restrictions have been taken into account for net debt, as they are used to secure the repayments on financial liabilities.

39. Other liabilities and contingent liabilities

Guarantees and other commitments

As at 31.12.2011 the CA Immo Deutschland Group has guarantees and other commitments amounting to € 23,801 K (31.12.2010: € 24,870 K) derived from urban development contracts and purchase agreements, which have been concluded to absorb the costs of contaminated sites and war damage totalling € 1,485 K (31.12.2010: € 3,374 K). Furthermore, there are have been made no rental guarantees (31.12.2010: € 64 K). In addition comfort letters had been signed for two proportionally consolidated companies in Germany amounting to € 61,749 K (31.12.2010: € 2,000 K). No guarantees were given (31.12.2010: € 800 K).

As at 31.12.2011 no guarantees and other commitments towards financing banks (31.12.2010: € 1,905 K) have been made for Eastern and South East Europe.

Contingent liabilities

The joint venture partner from "Project Maslov" has filed an arbitration action for € 48,097 K plus interest (announced as at 31.12.2010). The CA Immo Group considers the chances of this action succeeding as minimal. The expected payment in this respect has been recognised in the statement of financial position in a reasonable amount.

Furthermore, Caine B.V. made a guarantee in relation to take over liabilities for "Airport City Petersburg" in the amount of € 4,200 K (31.12.2010: € 0 K).

Other financial obligations
Furthermore, other financial obligations relate to building site liabilities for work carried out in the course of developing real estate in Austria of € 5,186 K (31.12.2010: € 10,818 K) Germany of € 78,172 K (31.12.2010: € 146,570 K), and in Eastern and South East Europe of € 16,630 K (31.12.2010: € 23,450 K). For at equity consolidated companies there are proportionate other financial obligations arising from building site liabilities for work carried out to develop real estate in Eastern and South East Europe amounting to € 0 K (31.12.2010: € 3,735 K).

As at 31.12.2011 the total obligations of the CA Immo Group in respect of equity calls for proportionally consolidated companies amounted to € 179 K (31.12.2010: € 179 K).

40. Leases

CA Immo Group as lessor
All lease contracts concluded by the CA Immo Group, where the company is acting as lessor, are recorded as operating leases in accordance with IFRS. As a rule, these encompass the following essential contractual elements:

– linkage to EUR or USD
– guaranteed value by linkage to international indices
– medium- to long-term maturities and/or termination waivers

Future minimum rental income from existing short-term lease contracts or contracts with termination waivers as at the day the consolidated financial statements were drawn up are as below:

€ 1,000	2011	2010
In the following year	231,731	152,657
Thereafter 4 years	664,981	520,416
More than 5 years	1,346,554	1,214,852
Total	**2,243,266**	**1,887,924**

All remaining tenancies may be terminated at short notice.

The minimum rental income includes net rentals to be collected until the contractually agreed expiration of the contract or the earliest possible termination option by the lessee (tenant).

CA Immo Group as lessee
All rental obligations undertaken by the CA Immo Group are classified as operating leases.

The lease contracts concluded by the CA Immo Deutschland Group acting as lessee primarily relate to rented properties in Cologne (until 2016), Munich (until 2017), Berlin (until 2018) and Frankfurt (until 2021).

The remaining operating lease agreements of the CA Immo Group relate to office furniture, equipment and other assets. No purchase options have been agreed. Leasing payments of € 3,024 K were recorded in the income statement as expenses during the business year (2010: € 2,732 K).

The following minimum lease payments will become due in the subsequent periods:

€ 1,000	2011	2010
In the following year	2,324	1,840
Thereafter 4 years	7,162	4,602
More than 5 years	5,818	4,021
Total	**15,304**	**10,463**

41. Business relationships with related companies and parties

The following companies and parties are deemed to be related parties to the CA Immo Group:

- joint ventures, in which the CA Immo Group holds an interest
- associated companies, in which the CA Immo Group holds an interest
- the executive bodies of CA Immobilien Anlagen Aktiengesellschaft
- UniCredit Bank Austria AG, Vienna, and the UniCredit Group affiliated to it

Business relationships with joint ventures

€ 1,000	31.12.2011	31.12.2010
Loans	9,758	11,142
Receivables	5,110	38,636
Trade creditors	2,279	1,671
€ 1,000	**2011**	**2010**
Other income	551	1,006
Other expenses	– 5	– 59
Interest income	1,434	1,981
Interest expenses	– 7	– 6

Outstanding loans to joint ventures and the majority of the receivables to joint ventures as at the balance sheet date serve to finance property companies. The interest rates are in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these loans. The cumulative value adjustment of loans to joint ventures is € 0 K (31.12.2010: € 18,581 K). Receivables from joint ventures comprise granted short-term loans in the amount of € 1,437 K (31.12.2010: € 22,849 K). All receivables and liabilites have interest rates in line with those prevailing in the market. The remaining receivables and liabilites are predominantly the result of services performed in Germany. No guarantees or other forms of security exist in connection with these receivables and liabilites.

There were no other value adjustments recognised in profit or loss.

Business relationships with associated companies

€ 1,000	31.12.2011	31.12.2010
Loans	20,480	14,551

€ 1,000	2011	2010
Income from associated enterprise	1,640	2,751
Expenditures from associated enterprises	– 3,336	– 3,080
Result from associated companies	**– 1,696**	**– 328**
Interest income from associated companies	2,872	2,087
Impairment of financial investments	– 5,288	– 5,277

Outstanding loans to associated companies as at the balance sheet date serve to finance project development companies. All loans have interest rates in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these loans. The cumulative value adjustment of loans to associated companies is € 1,925 K (2010: € 5,271 K); value adjustment expenses in the amount of € 1,925 K (2010: € 343 K) have been recognised in the business year 2010.

There were no other value adjustments recognised in profit or loss.

The executive bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna
Management Board
Bruno Ettenauer
Wolfhard Fromwald
Bernhard H. Hansen

The Management Board of CA Immobilien Anlagen Aktiengesellschaft is also the board of directors for CA Immo Deutschland GmbH, Frankfurt. Despite working for both companies, Bruno Ettenauer and Wolfhard Fromwald, members of the Management Board, only receive remuneration in respect of their contracts of employment with CA Immobilien Anlagen Aktiengesellschaft. The remuneration of Bernhard H. Hansen is settled in its entirety by CA Immo Deutschland GmbH, Frankfurt; no charge is made to CA Immobilien Anlagen Aktiengesellschaft. No loans or advances were paid.

Total costs for the Management Board consist of the following:

€ 1,000	2011	2010
Payments due at short notice (incl. staff incidentals)	1,051	962
Premium (provision, payment in following year)	834	852
Endowments to provisions for severance payments	50	110
Contributions to pensions funds	62	62
Pensions costs	27	27
Variable compensation (LTI) provision	425	172
Total costs	**2,449**	**2,185**

Supervisory Board
Wolfgang Ruttenstorfer, Chairman
Helmut Bernkopf, Deputy Chairman
Waldemar Jud
Barbara A. Knoflach
Reinhard Madlencnik
Franz Zwickl
Detlef Bierbaum (until 12.5.2011)
Regina Prehofer (until 12.5.2011)

In 2011 (for the 2010 business year), CA Immo Anlagen Aktiengesellschaft paid a total of € 165 K (2010 for the 2009 business year: € 71 K) in Supervisory Board compensation. No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were paid.

Helmut Bernkopf is head of the Private Banking division of the UniCredit Group (UniCredit SpA, Milan). Franz Zwickl is a supervisory Board member at the same organisation. Meanwhile, Reinhard Madlencnik heads the Real Estate division at UniCredit Bank Austria AG, Vienna.

UniCredit Bank Austria AG/UniCredit Group
UniCredit Bank Austria AG is the principal bank of the CA Immo Group and the largest single shareholder in the company with a stake of about 18% (as at: 31.12.2011). CA Immo Group processes most of its payment transactions and arranges much of its credit financing and financial investment through the bank. UniCredit Bank Austria AG also holds four registered shares, which entitle the bank to nominate one Supervisory Board member for each share.

The list of the relationships with UniCredit Bank Austria AG/UniCredit Group relates to the following positions:

– Consolidated statement of financial position:

€ 1,000	31.12.2011	31.12.2010
Share of financial liabilities recognised in consolidated statement of financial position	17.9%	25.3%
Outstanding receivables	146,252	159,723
Outstanding liabilities	– 582,867	– 538,021
Market value of interest rate swaps	– 128,053	– 95,395
Market value of interest rate caps	0	12

As regards the increase in outstanding liabilities, an amount of € 101,246 K can be attributed to the acquisition of the Europolis Group on 1.1.2011.

– Consolidated income statement:

€ 1,000	2011	2010
Financing costs	– 48,948	– 48,596
Result from interest derivative transactions	– 8,951	– 2,362
Result from financial investments	1,898	4,723
Expenses of monetary transactions	– 296	– 235

– Other comprehensive income (equity):

€ 1,000	2011	2010
Valuation result (hedging)	– 99,557	– 77,279

– Consolidated statement of cash flows:

€ 1,000	2011	2010
Raising of new bank loans	195,274	35,310
Repayment of bank loans	– 122,759	– 40,710
Realisation interest rate derivative transactions	109	0
Interest paid	– 49,197	– 48,590
Interest received from financial investments	1,590	4,726

Mortgages, share pledges and similar guarantees are used as collateral for bank liabilities. There were no impairments recognised in profit or loss for bank receivables. The terms and conditions governing the business relationship with UniCredit Bank Austria AG/UniCredit Group are in line with those prevailing in the market.

42. Key figures per share

Earnings per share

A convertible bond was issued in November 2009. This bond generally has an effect on the earnings per share. In this case, the diluted earnings per share are equal to the undiluted earnings per share since no dilution effect arises due to the ordinary shares.

		2011	2010
Weighted number of shares in circulation	pcs.	87,856,060	87,333,896
Consolidated net income	€ 1,000	62,629	45,415
Earnings per share (undiluted equals diluted)	**€**	**0.71**	**0.52**

Cash flow per share

		2011	2010
Weighted number of shares in circulation	pcs.	87,856,060	87,333,896
Operating cash flow	€ 1,000	191,861	121,422
Operating cash flow per share (undiluted equals diluted)	**€**	**2.18**	**1.39**
Cash flow from operating activities	€ 1,000	198,626	172,033
Cash flow from operating activities per share (undiluted equals diluted)	**€**	**2.26**	**1.97**

43. Payroll

In the 2011 business year, the CA Immo Group engaged an average of 368 employees (2010: 268) and 27 workers (2010: 27), thereof on average 172 (2010: 182) were engaged as employees in Germany and 149 (2010: 31) were engaged as employees and 26 (2010: 28) as workers at subsidiaries in Eastern and South East Europe. Additionally there were on average one employee (2010: 12) and no workers (2010: 17) in proportionally consolidated companies employed.

44. Costs for the auditor

€ 1,000	2011	2010
Auditing costs	501	256
Other review services	263	107
Other consultancy services	0	132
	763	**495**

The costs for the auditor don't contain non-deductible input tax in the amount of € 55 K (2010: € 4 K).

45. Events after the close of the business year

Middle of January 2012 the investment property under development "Tower 185" in Frankfurt has been finalised and will be shown totally as investment property in the consolidated statement of financial positions of the 1st quarter 2012.

In February 2012, further shares in Megapark o.o.d., Sofia, were acquired, increasing the Group's interest from 35.0 % to 43.5 %. In addition, the prepayments made on an investment property in Prague were assigned.

These consolidated financial statements have been prepared by the Management Board on the date below. The individual and consolidated financial statements for CA Immobilien Anlagen Aktiengesellschaft will be presented to the Supervisory Board on 14.3.2012 for their approval.

Vienna, 6 March 2012

The Managing Board

Bruno Ettenauer (Chairman)	Wolfhard Fromwald (Management Board Member)	Bernhard H. Hansen (Management Board Member)

ANNEX I TO THE CONSOLIDATED FINANCIAL STATEMENTS

SCOPE OF CONSOLIDATION

The following companies are included in the consolidated financial statements in addition to CA Immobilien Anlagen Aktiengesellschaft:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1)]	Foundation / First time consolidation in 2011 [2)]
CA Immo d.o.o.	Belgrade	390,500	EUR	100	FC	
TM Immo d.o.o.	Belgrade	13,750,000	EUR	100	FC	
BA Business Center a.s.	Bratislava	7,503,200	EUR	100	FC	
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	FC	
Canada Square Kft.	Budapest	12,500,000	HUF	100	FC	
Kapas Center Kft.	Budapest	772,560,000	HUF	100	FC	
Kilb Kft.	Budapest	30,000,000	HUF	100	FC	
R 70 Invest Budapest Kft.	Budapest	5,250,000	HUF	100	FC	
Skogs Buda Business Center II. Kft.	Budapest	327,000,000	HUF	100	FC	
Váci 76 Kft.	Budapest	3,100,000	HUF	100	FC	
CA Immobilien S.R.L.	Bucharest	947,100	RON	100	FC	
Opera Center One S.R.L.	Bucharest	27,326,150	RON	100	FC	
Opera Center Two S.R.L.	Bucharest	7,310,400	RON	100	FC	
S.C. BBP Leasing S.R.L.	Bucharest	14,637,711	RON	100	FC	
Blitz F07-neunhundert-sechzig-acht GmbH	Frankfurt	25,000	EUR	100	FC	
Blitz F07-neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Acht GmbH & Co. KG	Frankfurt	24,635	EUR	100	FC	
CA Immo AG	Frankfurt	50,000	EUR	100	FC	
CA Immo Deutschland GmbH	Frankfurt	5,000,000	EUR	100	FC	
CA Immo Drei GmbH & Co. KG	Frankfurt	23,937	EUR	100	FC	
CA Immo Eins GmbH & Co. KG	Frankfurt	22,927	EUR	100	FC	
CA Immo Elf GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünf GmbH & Co. KG	Frankfurt	24,684	EUR	100	FC	
CA Immo Fünfzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	G
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	95	FC	
CA Immo GB GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Neun GmbH & Co. KG	Frankfurt	23,514	EUR	100	FC	
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechs GmbH & Co. KG	Frankfurt	23,581	EUR	100	FC	
CA Immo Sechzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	G
CA Immo Sieben GmbH & Co. KG	Frankfurt	23,529	EUR	100	FC	
CA Immo Vier GmbH & Co. KG	Frankfurt	24,793	EUR	100	FC	
CA Immo Zehn GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Zwei GmbH & Co. KG	Frankfurt	21,795	EUR	100	FC	
CEREP Allermöhe GmbH	Frankfurt	25,000	EUR	100	FC	
CM Komplementär F07-888 GmbH & Co. KG	Frankfurt	25,000	EUR	95	FC	
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49[3)]	PC	G
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	FC	
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	FC	
CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR	Luxembourg	153,569,000	EUR	70	FC	

1) FC full consolidation, PC proportional consolidation, EQ at equity consolidation
2) F foundation, A acquisition
3) common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consoli-dation method [1]	Foundation / First time consolidation in 2011 [2]
CA Immo S.á.r.l.	Luxembourg	33,000	EUR	100	FC	
OOO Saimir (in Liquidation)	Moscow	10,000	RUB	100	FC	
2P s.r.o.	Pilsen	240,000	CZK	100	FC	
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	FC	
FCL Property a.s.	Prague	2,000,000	CZK	100	FC	
Megapark o.o.d.	Sofia	5,000	BGN	35[3]	PC	
Office Center Mladost 2 EOOD	Sofia	5,000	BGN	100	FC	
Office Center Mladost EOOD	Sofia	5,000	BGN	100	FC	
Doratus Sp.z.o.o.	Warsaw	2,000,000	PLN	100	FC	
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	PC	
Warsaw Financial Center Sp.z.o.o.	Warsaw	218,032,000	PLN	50	PC	
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,135,427	EUR	100	FC	
BIL-S Superädifikatsverwaltungs GmbH	Vienna	70,000	EUR	100	FC	
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	100	FC	
CA Immo CEE Beteiligungs GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Galleria Liegenschaftsverwaltung GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Germany Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo International Beteiligungsverwaltungs GmbH	Vienna	35,000	EUR	100	FC	
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Investment Management GmbH	Vienna	100,000	EUR	100	FC	
CA Immo LP GmbH	Vienna	146,000	EUR	100	FC	
CA Immo ProjektentwicklungsgmbH	Vienna	72,500	EUR	100	FC	
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	FC	
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG	Vienna	2,537,600	EUR	100	FC	
CA Immo-RI-Residential Property Holding GmbH	Vienna	35,000	EUR	100	FC	
CAII Projektbeteiligungs GmbH	Vienna	35,000	EUR	100	FC	
CAII Projektmanagement GmbH	Vienna	35,000	EUR	100	FC	
CEE Hotel Development GmbH	Vienna	70,000	EUR	50	PC	
CEE Hotel Management und Beteiligungs GmbH	Vienna	35,000	EUR	50	PC	
EUROPOLIS AG	Vienna	5,000,000	EUR	100	FC	A
I.N.A. Handels GmbH	Vienna	37,000	EUR	100	FC	
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	FC	
Parkring 10 Immobilien GmbH	Vienna	35,000	EUR	100	FC	
SQUARE S Holding GmbH	Vienna	35,000	EUR	100	FC	
UBM Realitätenentwicklung AG	Vienna	5,450,463	EUR	25	EQ	

[1] FC full consolidation, PC proportional consolidation, EQ at equity consolidation
[2] F foundation, A acquisition
[3] common control

As at 31.12.2011, CA Immobilien Anlagen Aktiengesellschaft held 100 % of shares in EUROPOLIS AG, Vienna. The following subsidiaries, shares in joint ventures and associated companies of EUROPOLIS AG, Vienna, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2011 [2]
Phönix Logistics d.o.o.	Belgrade	241,605,375	RSD	100	FC	A
Europolis D61 Logistics s.r.o.	Bratislava	1,325,000	EUR	100	FC	A
Europolis Harbour City s.r.o.	Bratislava	23,629,211	EUR	65	FC	A
CA Immo Real Estate Management Hungary K.f.t.	Budapest	3,100,000	HUF	100	FC	A
Casa Property Kft.	Budapest	51,310,000	HUF	100	FC	
COM PARK Ingatlanberuházási Kft	Budapest	3,000,000	HUF	65	FC	A
EUROPOLIS ABP Ingatlanberuházási Kft	Budapest	21,410,000	HUF	51	FC	A
EUROPOLIS City Gate Ingatlanberuházási Kft	Budapest	13,000,000	HUF	65	FC	A
Europolis Infopark Ingatlanüzemeltető Kft	Budapest	5,240,000	HUF	51	FC	A
EUROPOLIS IPW Ingatlanberuházási Kft	Budapest	50,200,000	HUF	65	FC	A
EUROPOLIS M1 Ingatlanberuházási Kft	Budapest	55,020,000	HUF	51	FC	A
Europolis Park Airport Kft.	Budapest	19,900,000	HUF	100	FC	A
Europolis Tárnok Ingatlanberuházási Kft	Budapest	5,400,000	HUF	65	FC	A
Terminál Közép-Európai Ingatlan-fejlesztő Kft	Budapest	3,400,000	HUF	75	FC	A
CA Immo Real Estate Management Romania S.R.L.	Bucharest	985,000	RON	100	FC	A
EUROPOLIS BV DEVELOPMENT S.R.L.	Bucharest	43,853,900	RON	65	FC	A
EUROPOLIS ORHIDEEA B.C. S.R.L.	Bucharest	91,389,960	RON	65	FC	A
EUROPOLIS PARK BUCHAREST ALPHA S.R.L.	Bucharest	54,064,790	RON	65	FC	A
EUROPOLIS PARK BUCHAREST BETA S.R.L.	Bucharest	6,481,000	RON	65	FC	A
EUROPOLIS PARK BUCHAREST DELTA S.R.L.	Bucharest	1,000	RON	65	FC	A
EUROPOLIS PARK BUCHAREST GAMMA S.R.L.	Bucharest	8,601,000	RON	65	FC	A
EUROPOLIS PARK BUCHAREST INFRASTRUCTURA S.R.L.	Bucharest	8,640,036	RON	65	FC	A
EUROPOLIS SEMA PARK S.R.L.	Bucharest	107,680,000	RON	65	FC	A
EUROPOLIS SP S.R.L.	Bucharest	169,840	RON	65	FC	A
INTERMED CONSULTING & MANAGEMENT S.R.L.	Bucharest	330	RON	65	FC	A
VICTORIA INTERNATIONAL PROPERTY S.R.L.	Bucharest	216	RON	65	FC	A
Private Enterprise "Margolia Ukraine"	Kiev	1,000	UAH	65	FC	A
TzoV "Europolis Logistics Park I"	Kiev	2,232,296	UAH	100	FC	A
TzoV "Europolis Logistics Park II"	Kiev	122,456,333	UAH	100	FC	A
TzoV "Europolis Logistics Park III"	Kiev	40,000	UAH	100	FC	A
TzoV "Europolis Property Holding"	Kiev	193,984,834	UAH	65	FC	A
TzoV "Europolis Real Estate AM"	Kiev	4,247,565	UAH	100	FC	A
TzoV "Logistyk-Tsentr "A"	Kiev	13,512,117	UAH	65	FC	A
TzoV"Corma Development II"	Kiev	1,000,000	UAH	65	FC	A
TzoV"Corma Development"	Kiev	928,688	UAH	65	FC	A
BEDELLAN PROPERTIES LIMITED	Limassol	11,491	EUR	65	FC	A
EPC KAPPA LIMITED	Limassol	11,185	EUR	100	FC	A
EPC LAMBDA LIMITED	Limassol	457,083	EUR	75	FC	A
EPC LEDUM LIMITED	Limassol	11,799	EUR	100	FC	A
EPC OMIKRON LIMITED	Limassol	55,575	EUR	65	FC	A

[1] VK Vollkonsolidierung; QK Quotenkonsolidierung; EQ At equity-Konsolidierung
[2] F foundation, A acquisition

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2011 [2]
EPC PI LIMITED	Limassol	1,910	EUR	65	FC	A
EPC PLATINUM LIMITED	Limassol	2,335	EUR	100	FC	A
EPC RHO LIMITED	Limassol	1,790	EUR	65	FC	A
EPC THREE LIMITED	Limassol	2,491,220	EUR	65	FC	A
EPC TWO LIMITED	Limassol	969,057	EUR	65	FC	A
EUROPOLIS REAL ESTATE ASSET MANAGEMENT LIMITED	Limassol	2,490	EUR	100	FC	A
MOCASANRA HOLDINGS LIMITED	Limassol	2,300	EUR	100	FC	A
OPRAH ENTERPRISES LIMITED	Limassol	2,700	EUR	100	FC	A
Europolis Real Estate Asset Management LLC	Moscow	26,350,886	RUB	100	FC	A
CORMA HOLDINGS LIMITED	Nicosia	6	EUR	65	FC	A
HARILDO LIMITED	Nicosia	1,400	EUR	100	FC	A
VESESTO LIMITED	Nicosia	1,400	EUR	100	FC	A
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	75	FC	A
CA Immo Real Estate Management Czech Republic s.r.o.	Prague	1,000,000	CZK	100	FC	A
EUROPOLIS 6 Holding s.r.o.	Prague	200,000	CZK	100	FC	A
EUROPOLIS Technopark s.r.o.	Prague	200,000	CZK	51	FC	A
RCP Alfa, s.r.o.	Prague	1,000,000	CZK	51	FC	A
RCP Amazon, s.r.o.	Prague	1,000,000	CZK	65	FC	A
RCP Beta, s.r.o.	Prague	73,804,000	CZK	65	FC	A
RCP Delta, s.r.o.	Prague	1,000,000	CZK	65	FC	A
RCP Epsilon, s.r.o. (in Liquidation)	Prague	200,000	CZK	65	FC	A
RCP Gama, s.r.o.	Prague	96,931,000	CZK	65	FC	A
RCP ISC, s.r.o.	Prague	1,000,000	CZK	65	FC	A
RCP Residence, s.r.o.	Prague	5,000,000	CZK	100	FC	A
TK Czech Development IX s.r.o.	Prague	100,000	CZK	100	FC	A
ALLIANCE MANAGEMENT COMPANY Sp.z o.o.	Warsaw	971,925	PLN	65	FC	A
CA Immo Real Estate Management Poland Sp. z o.o.	Warsaw	500,000	PLN	100	FC	A
CENTER PARK Sp.z o.o.	Warsaw	70,000	PLN	65	FC	A
EUROPOLIS BITWY WARSZAWSKIEJ Sp.z o.o.	Warsaw	50,000	PLN	51	FC	A
EUROPOLIS LIPOWY OFFICE PARK Sp.z o.o.	Warsaw	70,000	PLN	100	FC	A
EUROPOLIS PARK BŁONIE Sp.z o.o.	Warsaw	1,091,400	PLN	65	FC	A
EUROPOLIS SASKI CRESCENT Sp.z o.o.	Warsaw	50,000	PLN	51	FC	A
EUROPOLIS SASKI POINT Sp.z o.o.	Warsaw	50,000	PLN	51	FC	A
EUROPOLIS SIENNA CENTER Sp.z o.o.	Warsaw	4,580,000	PLN	51	FC	A
Mahler Property Services Sp.z.o.o.	Warsaw	50,000	PLN	100	FC	A
POLAND CENTRAL UNIT 1 Sp.z o.o.	Warsaw	11,800,000	PLN	75	FC	A
SOFTWARE PARK KRAKÓW Sp.z o.o.	Warsaw	50,000	PLN	50	PC	A
WARSAW TOWERS Sp.z o.o.	Warsaw	50,000	PLN	51	FC	A
EUROPOLIS CE Alpha Holding GmbH	Vienna	36,336	EUR	65	FC	A
EUROPOLIS CE Amber Holding GmbH	Vienna	35,000	EUR	100	FC	A

[1] FC full consolidation, PC proportional consolidation, EQ at equity consolidation
[2] F foundation, A acquisition

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2011 [2]
EUROPOLIS CE Gamma Holding GmbH	Vienna	35,000	EUR	65	FC	A
EUROPOLIS CE Istros Holding GmbH	Vienna	35,000	EUR	100	FC	A
EUROPOLIS CE Kappa Holding GmbH	Vienna	35,000	EUR	100	FC	A
EUROPOLIS CE Lambda Holding GmbH	Vienna	35,000	EUR	75	FC	A
EUROPOLIS CE Ledum Holding GmbH	Vienna	35,000	EUR	100	FC	A
EUROPOLIS CE My Holding GmbH	Vienna	35,000	EUR	75	FC	A
EUROPOLIS CE Omikron Holding GmbH	Vienna	35,000	EUR	65	FC	A
EUROPOLIS CE Pi Holding GmbH	Vienna	35,000	EUR	65	FC	A
EUROPOLIS CE Rho Holding GmbH	Vienna	35,000	EUR	65	FC	A
EUROPOLIS CE Sigma Holding GmbH	Vienna	35,000	EUR	65	FC	A
EUROPOLIS CE Tau Holding GmbH	Vienna	35,000	EUR	65	FC	A
EUROPOLIS CE Tilia Holding GmbH	Vienna	35,000	EUR	65	FC	A
EUROPOLIS Duat Holding GmbH & Co OG	Vienna	2,906,913	EUR	100	FC	A
Europolis Pheme Holding GmbH	Vienna	36,336	EUR	100	FC	A
Europolis Real Estate Asset Management GmbH	Vienna	35,000	EUR	100	FC	A
EUROPOLIS Sarisu Holding GmbH	Vienna	35,000	EUR	100	FC	A
Europolis Zagrebtower d.o.o.	Zagreb	15,347,000	HRK	65	FC	A

[1] FC full consolidation, PC proportional consolidation, EQ at equity consolidation
[2] F foundation, A acquisition

As at 31.12.2011, CA Immobilien Anlagen Aktiengesellschaft held 70 % of shares in CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg. The following subsidiaries, shares in joint ventures and associated companies of CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2011 [2]
CA Immo Sava City d.o.o.	Belgrade	33,620,000	EUR	100	FC	
TC Investments Arad S.R.L.	Bucharest	4,018,560	RON	95.9	FC	
Pannonia Shopping Center Kft.	Györ	380,000,000	HUF	100	FC	
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC	
Pulkovo B.V.	Hoofddorp	25,000	EUR	100	FC	
CAINE S.à.r.l.	Luxembourg	12,500	EUR	100	FC	
K&K Investments S.R.L.	Sibiu	21,609,000	RON	90	FC	
OAO Avielen AG	St. Petersburg	370,000,000	RUB	25	EQ	
Amsterdam Office Sp.z.o.o.	Warsaw	2,700,000	PLN	50	PC	F
Poleczki Business Park Sp.z.o.o.	Warsaw	7,936,000	PLN	50	PC	
Vienna Office Sp.z.o.o.	Warsaw	3,300,000	PLN	50	PC	F

[1] FC full consolidation, PC proportional consolidation, EQ at equity consolidation
[2] F foundation, A acquisition

As at 31.12.2011 the CA Immo Group held 99.7 % of shares in CA Immo Deutschland GmbH, Frankfurt am Main (or simply Frankfurt). The following subsidiaries, shares in joint ventures, and associated companies of CA Immo Deutschland GmbH, Frankfurt, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2011 [2]
Flottwellpromenade Projektentwicklungs GmbH & Co. KG	Berlin	100,000	EUR	50	PC	F
Flottwellpromenade Verwaltungs GmbH	Berlin	25,000	EUR	50	PC	A
CA Immo 13 GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo 14 GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo Berlin Europaplatz 01 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 01 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Hallesches Ufer GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 3 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 5 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 6 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 8 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 9 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lietzenburger Straße Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lietzenburger Straße GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin MBVD Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	F
CA Immo Berlin MBVD Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	A
CA Immo Berlin Schöneberger Ufer Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Stadthafenquartier Europacity GmbH & Co. KG	Frankfurt	5,000	EUR	50	PC	F
CA Immo Berlin Stadthafenquartier Europacity Verwaltungs GmbH	Frankfurt	25,000	EUR	50	PC	A
CA Immo Düsseldorf BelsenPark MK 2.1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	F
CA Immo Düsseldorf BelsenPark MK 3 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	F
CA Immo Düsseldorf BelsenPark Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo Frankfurt Bauphase I GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Bauphase I Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 1 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Nord 1 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower 185 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower 185 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Tower 185 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower– 2-Besitz GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Tower– 2-Betriebsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower– 2-Geschäftsführungs GmbH	Frankfurt	25,000	EUR	100	FC	

[1] FC full consolidation, PC proportional consolidation, EQ at equity consolidation
[2] F foundation, A acquisition

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2011 [2]
CA Immo Frankfurt Tower– 2-Verwaltungsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Köln K 1 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Köln K 2 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Köln K 3 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München MI 1 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München MK 6 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC	
omniCon Gesellschaft für innovatives Bauen mbH	Frankfurt	100,000	EUR	100	FC	
omniPro Gesellschaft für Projektmanagement mbH	Frankfurt	25,000	EUR	100	FC	
VIADOR GmbH	Frankfurt	100,000	EUR	70	FC	
CA Immo München Eggartensiedlung GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	F
CA Immo München Eggartensiedlung Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	F
CA Immo München Moosach Projekt GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	F
CA Immo München Moosach Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	F
CA Immo Projektentwicklung Bayern GmbH & Co. KG	Grünwald	255,646	EUR	100	FC	
CA Immo Projektentwicklung Bayern Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Stuttgart Heilbronner Straße GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	F
CONCEPT BAU - PREMIER CA Immo Isargärten GmbH & Co. KG	Grünwald	15,000	EUR	33.3[3]	PC	
CONCEPT BAU - PREMIER CA Isargärten Verwaltungs GmbH	Grünwald	25,000	EUR	33.3[3]	PC	
Isargärten Bauträger GmbH & Co. KG	Grünwald	15,000	EUR	33.3[3]	PC	
Isargärten Bauträger Verwaltungs GmbH	Grünwald	25,000	EUR	33.3[3]	PC	
Isargärten Thalkirchen Verwaltungs GmbH	Grünwald	30,000	EUR	33.3	EQ	
SKYGARDEN Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	100	FC	A
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC	
Congress Centrum Skyline Plaza Beteiligung GmbH	Hamburg	25,000	EUR	50	PC	F
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	PC	
CongressCentrum Skyline Plaza GmbH & Co. KG	Hamburg	25,000	EUR	50	PC	
REC Frankfurt Objekt GmbH & Co. KG	Hamburg	100,000	EUR	50	PC	
REC Frankfurt Objektverwaltungsgesellschaft mbH	Hamburg	25,000	EUR	50	PC	
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	PC	
Zollhafen Mainz GmbH & Co. KG	Mainz	1,200,000	EUR	50.1[3]	PC	
Kontorhaus Arnulfpark GmbH & Co. KG	Oberhaching	100,000	EUR	50	PC	
Kontorhaus Arnulfpark Verwaltungs GmbH	Oberhaching	25,000	EUR	50	PC	
Skyline Plaza Generalübernehmer GmbH & Co. KG	Oststeinbek	25,000	EUR	50	PC	F
Skyline Plaza Generalübernehmer Verwaltung GmbH	Oststeinbek	25,000	EUR	50	PC	F
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	50	PC	
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	PC	

[1] FC full consolidation, PC proportional consolidation, EQ at equity consolidation
[2] F foundation, A acquisition
[3] common control

DECLARATION OF THE MANAGEMENT BOARD DUE TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT

The management board confirms to the best of their knowledge that the consolidated financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the CA Immo Group and that the group management report gives a true and fair view of the development and performance of the business and position of the CA Immo Group, together with a description of the principal risks and uncertainties the CA Immo Group faces.

Vienna, 6 March 2012

The Management Board

Bruno Ettenauer	Wolfhard Fromwald	Bernhard H. Hansen
(Chairman)	(Member of the Management Board)	(Member of the Management Board)

AUDITOR'S REPORT

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

CA Immobilien Anlagen Aktiengesellschaft,
Vienna,

for the year from 1 January 2011 to 31 December 2011. These consolidated financial statements comprise the consolidated statement of financial position as of 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended 31 December 2011 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2011 and of its financial performance and its cash flows for the year from 1 January to 31 December 2011 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

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

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

Vienna, 6 March 2012

KPMG
Wirtschaftsprüfungs- und Steuerberatungs GmbH

Mag. Helmut Kerschbaumer Wirtschaftsprüfer	ppa Mag. Christoph Erik Balzar Wirtschaftsprüfer

(Austrian Chartered Accountants)

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

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

FINANCIAL STATEMENTS AND MANAGEMENT REPORT

CONTENT

BALANCE SHEET AS AT 31.12.2011

Assets

	31.12.2011	31.12.2010
	€	€ 1,000
A. Fixed assets		
I. Intangible fixed assets		
1. EDP software	41,336.14	71
2. Goodwill	0.00	214
	41,336.14	**285**
II. Tangible fixed assets		
1. Property and buildings	248,555,451.61	263,896
of which land value: € 51,058,279.43; 31.12.2010: € 52,092 K		
2. Other assets, office furniture and equipment	1,342,896.21	1,189
3. Prepayments made and construction in progress	12,281,422.15	617
	262,179,769.97	**265,702**
III. Financial assets		
1. Investments in affiliated companies	1,741,906,941.08	1,753,501
2. Loans to affiliated companies	217,874,578.91	194,630
3. Prepayments made on investments in affiliated companies	1,900,000.00	200
4. Investments in associated companies	57,533.69	125
5. Other loans	14,343,679.35	4,147
	1,976,082,733.03	**1,952,603**
	2,238,303,839.14	**2,218,590**
B. Current assets		
I. Receivables		
1. Trade debtors	455,288.03	330
2. Receivables from affiliated companies	66,323,956.48	28,630
3. Other receivables	5,270,368.59	3,074
	72,049,613.10	**32,034**
II. Other securities	**33,055,300.00**	**3,854**
III. Cash on hand, credit balances with banks	**44,934,505.56**	**43,554**
	150,039,418.66	**79,442**
C. Deferred expenses	**1,067,285.40**	**1,418**
	2,389,410,543.20	**2,299,450**

Liabilities and shareholders' equity

	31.12.2011	31.12.2010
	€	€ 1,000
A. Shareholders' equity		
I. Share capital	638,713,556.20	638,714
II. Tied capital reserves	820,184,324.63	820,184
III. Net profit	98,747,939.27	0
of which profit carried forward: € 0.00; 31.12.2010: € 5,897 K		
	1,557,645,820.10	**1,458,898**
B. Untaxed reserves		
Other untaxed reserves		
Special item for investment grants	**278.88**	**79**
C. Provisions		
1. Provision for severance payment	696,706.00	612
2. Tax provisions	216,150.00	378
3. Other provisions	62,915,513.80	74,655
	63,828,369.80	**75,645**
D. Liabilities		
1. Bonds	485,000,000.00	485,000
of which convertible: € 135,000,000.00; 31.12.2010: € 135,000 K		
2. Liabilities to banks	136,880,870.52	144,499
3. Trade creditors	607,023.03	297
4. Payables to affiliated companies	137,308,285.94	125,369
6. Other liabilities	6,993,783.80	8,454
of which from taxes: € 420,572.02; 31.12.2010: € 263 K		
of which in connection with social security: € 99,199.56; 31.12.2010: € 88 K		
	766,789,963.29	**763,619**
E. Deferred income	**1,146,111.13**	**1,209**
	2,389,410,543.20	**2,299,450**
Contingent liabilities	353,317,651.00	259,596

INCOME STATEMENT FOR FISCAL 2011

		2011		2010
	€	€	€ 1,000	€ 1,000
1. Gross Revenues		**20,998,339.50**		**23,933**
2. Other operating income				
a) Income from the sale of fixed assets except of financial assets	8,132,070.43		104	
b) Income from the reduction of provisions	244,986.40		286	
c) Other income	4,644,220.80	**13,021,277.63**	4,729	**5,119**
3. Staff expense				
a) Wages	– 13,560.65		– 14	
b) Salaries	– 6,975,583.51		– 6,270	
c) Expenses for severance payments and payments into staff welfare funds	– 175,283.75		– 222	
d) Expenses in connection with pensions	– 160,498.36		– 153	
e) Payments relating to statutory social security contributions as well as as payments dependent on remuneration and compulsory contributions	– 1,160,985.40		– 1,166	
f) Other social expenses	– 91,064.07	**– 8,576,975.74**	– 29	**– 7,854**
4. Depreciation on intangible fixed assets and tangible fixed assets		**– 7,846,332.00**		**– 18,223**
of which unscheduled depreciation in accordance with § 204 para. 2 Commercial Code: € 0.00; 2010: € 10.052 K				
5. Other operating expenses				
a) Taxes	– 344,391.93		– 588	
b) Other expenses	– 14,918,591.33	**– 15,262,983.26**	– 19,748	**– 20,336**
6. Subtotal from S 1 to 5 (operating result)		**2,333,326.13**		**– 17,361**
7. Income from investments		**163,526,306.21**		**1,970**
of which from affiliated companies: € 163,526,306.21; 2010: € 1,970 K				
8. Income from loans from financial assets		**10,476,573.08**		**10,458**
of which from affiliated companies: € 9,333,129.33; 2010: € 8,107 K				
9. Other interest and similar income		**33,611,309.50**		**9,194**
of which from affiliated companies: € 4,201,735.07; 2010: € 7,999 K				
10. Income from the disposal and appreciation of financial assets and short-term securities		**18,033,969.51**		**37,065**
11. Expenses for financial assets, thereof		**– 60,789,006.70**		**– 55,634**
a) Depreciation: € 58,267,065.15; 2010: € 54,769 K				
b) Expenses from affiliated companies: € 56,540,804.70; 2010: € 52,410 K				
12. Interest and similar expenses		**– 74,003,900.79**		**– 56,297**
of which relating to affiliated companies: € 19,021,199.05; 2010: € 4,061 K				
13. Subtotal from S 7 to 12 (financial result)		**90,855,250.81**		**– 53,244**
14. Result from usual business activity		**93,188,576.94**		**– 70,605**
15. Extraordinary income		0.00		5,465
16. Extraordinary expenses		0.00		– 5,813
17. Extraordinary result		**0.00**		**– 348**
18. Taxes on income		**5,481,013.90**		**5,731**
19. Annual income/loss		**98,669,590.84**		**– 65,222**
20. Dissolution of untaxed reserves				
Special item for investment grants		**78,348.43**		**2**
21. Dissolution of tied capital reserves		**0.00**		**53,046**
22. Dissolution of free reserves		**0.00**		**6,277**
23. Profit carried forward from the previous year		**0.00**		**5,897**
24. Net profit		**98,747,939.27**		**0**

NOTES ON THE FINANCIAL STATEMENTS FOR FISCAL 2011

ACCOUNTING AND VALUATION PRINCIPLES AND GENERAL INFORMATION

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

I. Fixed assets

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

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

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments have occurred. In fiscal 2011 no unscheduled depreciation on tangible assets are made (2010: € 10,052 K).

In fiscal 2011 the accounting option not to carry out potential appreciation on tangible assets in accordance with section 208, para. 2 of the Austrian Commercial Code (UGB) was not exercised for the first time, and appreciation on tangible assets in the amount of € 2,511K (2010: € 0 K) were made while appreciation in the amount of € 64 K (2010: € 3,905 K) was not carried out.

Financial assets
Investments in affiliated companies including prepayments and the investment in associated companies are stated at acquisition costs reduced by unscheduled depreciation.

The loans to affiliated companies and other loans are stated at acquisition costs reduced by repayments made and unscheduled depreciation.

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments have occurred. In fiscal 2011 unscheduled depreciation in the amount of € 58,267 K (2010: € 54,769 K) and appreciation in the amount of € 15,919 K (2010: € 34,011 K) were made on financial assets.

The income from investments is recognised on the basis of shareholder resolutions.

II. Current assets

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

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

III. Other untaxed reserves

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

IV. Provisions and liabilities

Provisions for severance payments amount to 103.41% (31.12.2010: 103.52%) of the imputed statutory severance payment obligations existing on the balance sheet date. The calculation is made using the PUC method, which is recognised in international accounting, based on an interest rate of 4.75% (31.12.2010: 4.5%) and future salary increases of 2% for employees plus an inflation payment of 2% and not taking into account a fluctuation discount. The interest rate was increased by 0.25% compared to the previous year, otherwise the same parameters were applied for calculation of the provisions as in the previous year.

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

Derivative financial instruments are recognised at the fair value. Where this is possible, the derivative financial instruments (interest rate swaps) held are designated as hedging instruments. In 2011 the AFRAC Comment Letter "Accounting for Derivatives and Hedging Instruments under Company Law" was applied for the first time. According to this Comment Letter, the derivatives designated as hedging instruments are deemed to form part of a hedging relationship from 2011 on and will not be recognised in the balance sheet as provisions for anticipated losses if the fair value is negative. Therefore, the provisions recognised as at 31 December 2010 to the value of € 24,935 K were reversed. Additionally, the receivables from affiliated companies from back-to-back derivative financial instruments to the value of € 15,191 K that were stated in the balance sheet in the previous year were adjusted or reversed. The reversal of the provisions for anticipated losses is shown under Other interest and similar income. The adjustment of receivables to the value of € 15,191 K is recognised under Interest and similar expenses towards affiliated companies. The prospective effectiveness of the hedging relationship is determined on the basis of the "critical term match", while the retrospective effectiveness is ascertained on the basis of the "hypothetical derivative method". Where no hedging relationship can be established, provisions for anticipated losses are continued to be set up in case of negative market values of the derivative financial instruments.

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

V. Note on currency conversion

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

EXPLANATORY NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

VI. Explanatory notes on the balance sheet

a) Fixed assets

The breakdown and development of the fixed assets can be seen from the assets analyses in appendix 1.

Intangible assets

The Goodwill is the result of the merger with CA Immo Beteiligungen und Leasing GmbH which took place in fiscal 2002 and is amortised over a period of ten years in accordance with the effective economic life. Since it was fully depreciated at 31.12.2011, the goodwill was recognised as a disposal in the assets analyses.

Tangible assets

The additions to Property and buildings and to Prepayments made and construction in progress relate for the most part to current investments, in particular amalgamation and division of leased premises and preconstruction works for the Erdberger Lände. The disposals relate to the sale of five items of real estate. As at the balance sheet date the tangible assets include 23 properties (31.12.2010: 28 properties).

Financial assets

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

The book value of the Investments in affiliated companies is € 1,741,907 K (31.12.2010: € 1,753,501 K). The current additions are mainly the result of diverse shareholder contributions in the amount of € 18,630 K to companies in Eastern Europe and the acquisition of the remaining 50% of a management company in Poland. The disposals are the result of the sale of two management companies in Eastern Europe to other companies of the Group. Depreciation of investments in affiliated companies to the value of € 53,017 K and appreciation to the value of € 14,219 K were carried out in 2011.

The Loans to affiliated companies are made up as follows:

€ 1,000	31.12.2011	31.12.2010
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna	86,767	117,416
CA Immo Holding B.V., Hoofddorp	29,190	0
Kapas Center Kft, Budapest	13,480	0
R70 Invest Budapest Kft, Budapest	12,704	18,004
BA Business Center a.s., Bratislava	11,000	11,000
CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna	7,900	0
S.C. BBP Leasing S.R.L., Bucharest	7,590	7,590
other under € 7,500K	49,244	40,620
	217,875	**194,630**

Loans to affiliated companies to the value of € 134,044 K (31.12.2010: € 194,630 K) have a remaining term of up to one year.

The prepayment made on investments in affiliated companies was added with a value of € 1,700 K (2010: € 0 K).

In the fiscal year, unscheduled depreciation to the value of € 15 K (2010: € 7 K) were made on Investments in associated companies.

The Other loans mainly relate to long-term loans to affiliated companies and joint venture partners.

b) Current assets

Trade debtors to the value of € 455 K (31.12.2010: € 330 K) include outstanding rent and operating cost payments.

Receivables from affiliated companies are made up as follows:

€ 1,000	31.12.2011	31.12.2010
Receivables from dividend payments	49,815	0
Receivables from interest	7,192	5,340
Receivables from tax compensation	5,399	6,210
Trade debtors (current transfer to affiliated companies)	1,068	1,889
Receivables from charging of derivative financial instruments	0	15,191
Other receivables	2,850	0
	66,324	**28,630**

In the Other receivables in the amount of € 5,270 K (31.12.2010: € 3,074 K) the main items are receivables from the sale of a property, short-term cash advances and receivables from the passing-on of costs. In 2011 the cost of value adjustment is € 190 K (2010: € 6 K).

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

The Other securities include own 2006-2016 bonds redeemed from the market with a book value of € 13,658 K and a nominal value of € 14,008 K as well as convertible bonds with a book value of € 19,397 K and a nominal value of € 20,500 K (31.12.2010: 433 shares in ABS Dynamic Cash € 3,854 K). The convertible bond is registered for trading on the unlisted securities market of the Vienna Stock Exchange. However, the trading volumes on the stock exchange are very low and transactions are made only sporadically. Due to the low trading volume, the prices that can be observed on the stock exchange do not reflect the market price of this paper so that the own convertible bond held by the company was valued on the basis of internal valuation models.

c) Deferred expenses

Deferred expenses in the amount of € 1,067 K (31.12.2010: € 1,418 K) essentially comprise deferred discounts to the value of € 1,059 K (31.12.2010: € 1,341 K) for the issuance of a bond in the amount of € 200,000 K in 2006 and a bond issued in fiscal 2009 to the value of € 150,000 K.

d) Shareholders' equity

The stated Share capital is the nominal capital in the amount of € 638,713,556.20 (31.12.2010: € 638,713,556.20), which is fully paid up. It is broken down into 87,856,056 (31.12.2010: 87,856,056) bearer shares and 4 nonpar registered shares. The registered shares are held by UniCredit Bank Austria AG, Vienna, and entitle it to nominate one Supervisory Board member for each share. This right has not been exercised. All Supervisory Board members have been elected by the Ordinary General Meeting.

In the 21st Ordinary Shareholders' Meeting of 13.5.2008 the Management Board was authorised with the approval of the Supervisory Board and up to 12.5.2013 to issue convertible bonds to a total nominal value of up to € 317,185K on a one-off basis or repeatedly, also under exclusion of the subscription rights of the shareholders, and to grant the bearers of convertible bonds conversion rights on up to 43,629,300 bearer shares of CA Immobilien Anlagen Aktiengesellschaft. In November 2009, on the basis of this authorisation, a five-year convertible bond worth € 135,000K was issued. The coupon of the convertible bond (payable semi-annually) was fixed at 4,125% and the conversion price at € 11,5802 (this corresponds to a premium of 27.5% over the reference price on the date of issuance). Thus, a maximum of 11,657,829 bearer shares can be issued if the conversion right is exercised. According to the terms and conditions of issuance of the convertible bond, the creditors are entitled to convert their bonds into shares of CA Immobilien Anlagen Aktiengesellschaft at the conversion price at any time (i.e. also before the end of the term of the bond in 2014). As at the balance sheet date of 31.12.2011 the stock exchange price of the CA Immo share was € 8.29 and thus below the conversion price. No bonds were submitted for conversion by the balance sheet date or the date when the balance sheet was drawn up.

As at 31.12.2011 there is authorised but unissued capital in the amount of € 312,841,476.80 which can only be made use of up until 8.8.2012 and unconditional capital in the amount of € 317,185,011.00.

The 2011 net retained earnings include appreciation on the fixed assets to the value of € 18,431 K. The net retained earnings are subject to a limitation on profit distribution in this amount in accordance with section 235 no. 1 of the Austrian Commercial Code (UGB).

e) Untaxed reserves

The Special item for investment grants relates to a construction cost subsidy of the Provincial Government of Vienna for the property at Zimmermannplatz 1, Vienna 9. The subsidy is written back in operating income in accordance with the remaining useful life of the investments thus financed.

f) Provisions

Under the Provision for severance payment there is a provision of € 697 K (31.12.2010: € 612 K) for the severance payment claims of employees of the company.

The Tax provisions in the amount of € 216 K (31.12.2010: € 378 K) relate for the most part to provisions for German corporation tax.

The Other provisions are made up as follows:

€ 1,000	31.12.2011	31.12.2010
Derivative transactions	37,812	54,012
Provision for contributions to group companies	17,114	15,452
Construction services	2,503	82
Premiums	2,370	1,743
Real property tax and land transfer tax	1,367	1,217
Staff (vacation and overtime)	591	332
Legal, auditing and consultancy fees	412	663
Publications and expert opinions	220	251
Other	527	903
	62,916	**74,655**

In fiscal 2010 the Management Board was, for the first time, offered the option to participate in an LTI (long term incentive) programme with a term of three years. Participation requires personal investment limited to 50% of the annual basic salary. Such investment was evaluated at the closing rate as at 31.12.2009, with the number of associated shares thereby determined. Performance will be measured according to the following indicators: NAV growth, ISCR (interest service coverage ratio) and TSR (total shareholder return). First-level managerial staff was also entitled to take part in the LTI programme. For these staff members, the personal investment is limited to 35% of the basic salary. The LTI programme was continued in fiscal 2011, and the Management Board and the first-level managerial staff were again given the opportunity to take part. As with the 2010 LTI programme, NAV growth, ISCR and TSR were used as performance indicators; however, their weighting was modified and the target values were increased.

With such cash-settled share-based payment, the accrued debt is recognised as a provision in the amount of the fair value. Until this debt has been settled, the fair value will be newly determined on each reporting date and on the date of settlement. All changes will be recognised in the operating income in each fiscal year.

g) Liabilities

31.12.2011 € 1,000	**Maturity up to 1 year**	**Maturity 1-5 years**	**Maturity more than 5 years**	**Total**
Bonds	0	485,000	0	485,000
Liabilities to banks	35,510	52,581	48,790	136,881
Trade creditors	430	177	0	607
Payables to affiliated companies	126,293	6,040	4,975	137,308
Other liabilities	6,994	0	0	6,994
Total	**169,227**	**543,798**	**53,765**	**766,790**

31.12.2010 € 1,000	**Maturity up to 1 year**	**Maturity 1-5 years**	**Maturity more than 5 years**	**Total**
Bonds	0	285,000	200,000	485,000
Liabilities to banks	33,699	51,900	58,900	144,499
Trade creditors	228	69	0	297
Payables to affiliated companies	112,627	6,040	6,702	125,369
Other liabilities	8,454	0	0	8,454
Total	**155,008**	**343,009**	**265,602**	**763,619**

The Bonds item comprises the following liabilities:

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

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

The Liabilities to banks item mainly comprises investment loans with a filed claim to entry in the land register to the value of € 136,881 K (31.12.2010: € 144,499 K).

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

The liabilities shown under the Payables to affiliated companies item mainly relate to group-internal cash advances.

The Other liabilities are essentially made up of accrued interest for bonds and convertible bonds (€ 5,503 K) which only become cash-effective in the spring or autumn of 2012, open purchase prices for investments in affiliated companies (€ 684 K) and Tax Office netting from the advance VAT return for November and December 2011.

h) Deferred income

€ 1,000	31.12.2011	31.12.2010
Comprised rent prepayments received for various properties	846	891
Investment grant from the municipality of Vienna	300	318
	1,146	**1,209**

i) Contingent liabilities

	Maximum amount as at 31.12.2011 Tsd.		Used as at reporting date 31.12.2011 € 1,000	Used as at reporting date 31.12.2010 € 1,000
Liability for a loan granted to CA Immo Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	25,000	€	25,000	19,065
Guarantee for loans granted to CA Immo BIP Liegenschaftsverwaltung GmbH, BIL-S Superädifikatsverwaltungs GmbH, CA Immo Galleria Liegenschaftsverwaltung GmbH, Betriebsobjekte Verwertung Gesellschaft mbH & Co. Leasing OG and CA Immo Deutschland GmbH	192,479	€	97,792	122,460
Guarantee for CA Immo CEE Beteiligungs GmbH, Vienna, for the acquisition of Europolis AG granted to the sellers	136,884	€	136,884	0
Irrevocable guarantee for a loan granted to Vaci 76 Kft., Budapest	45,600	€	35,445	36,000
Guarantee for loans granted to CA Immo Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	34,000	€	33,333	19,065
Irrevocable guarantee for a loan granted to S.C. BBP Leasing S.R.L., Bucharest	33,150	€	16,156	18,310
Irrevocable guarantee for a loan granted to Kilb Kft, Budapest	21,000	€	13,579	14,345
Irrevocable guarantee for a loan granted to CA Immo Rennweg 16 GmbH, Vienna	10,900	€	6,800	8,900
Irrevocable guarantee for a loan granted to Doratus Sp.z.o.o., Warsaw	8,500	€	7,157	7,549
Irrevocable guarantee for a loan granted to Canada Square Kft., Budapest	8,200	€	6,172	6,319
Irrevocable guarantee for a loan granted to CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna	0	€	0	4,016
Irrevocable guarantee for a loan granted to Starohorska Development s.r.o., Bratislava	0	€	0	1,905
Irrevocable guarantee for a loan granted to Kapas Kft., Budapest	0	€	0	888
Irrevocable guarantee for a loan granted to Officecenter Mladost EOOD, Sofia	0	€	0	444
Irrevocable guarantee for a loan granted to Opera Center Two S.R.L., Bucharest	0	USD	0	330
			378,318	**259,596**

CA Immobilien Anlagen Aktiengesellschaft and CA Immo CEE Beteiligungs GmbH, Vienna, acquired the shares in Europolis AG, Vienna, on 1.1.2011. CA Immobilien Anlagen Aktiengesellschaft is liable towards the seller for the purchase price of € 136 m, which was still outstanding on 31.12.2011. The outstanding purchase price is deferred until 31.12.2015.

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

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

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

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

The partner from a Russian project has filed an arbitration action in the amount of € 48,097K plus interest (announced as at 31.12.2012). However, the chance of success is assumed to be low. Appropriate provisions were set up in the balance sheet for the expected payment outflow.

j) Liabilities from utilisation of tangible assets

The lease-related liability from utilisation of tangible assets not reported in the balance sheet is € 746 K for the subsequent fiscal year and € 3,723 K for the subsequent five fiscal years.

Of this € 738 K is attributable to affiliated companies for the subsequent fiscal year and € 3,692 K for the subsequent five fiscal years.

k) Details of derivative financial instruments

€ 1,000 Start	End	Nominal value	fixed interest rate as at 31.12.2011	interest reference rate	Market value Derivatives 31.12.2011	Book value Derivatives 31.12.2011	Not considered Derivatives 31.12.2011	thereof charged derivatives to affiliated companies 31.12.2011
12/2007	12/2012	58,438	4.25%	3M-EURIBOR	– 1,865	– 1,865	0	0
12/2007	12/2017	116,875	4.41%	3M-EURIBOR	– 17,383	– 5,828	– 11,555	– 469
12/2007	12/2017	65,000	4.82%	3M-EURIBOR	– 11,648	– 11,648	0	0
12/2007	12/2022	58,438	4.55%	3M-EURIBOR	– 12,076	– 5	– 12,071	– 10,774
01/2008	12/2017	42,525	4.41%	3M-EURIBOR	– 6,288	– 6,288	0	0
01/2008	12/2022	59,063	4.55%	3M-EURIBOR	– 12,178	– 12,178	0	0
12/2008	12/2017	75,200	4.41%	3M-EURIBOR	– 11,167	0	– 11,167	– 11,167
		475,539			**– 72,605**	**– 37,812**	**– 34,793**	**– 22,410**

€ 1,000 Start	End	Nominal value	fixed interest rate as at 31.12.2010	interest reference rate	Market value Derivatives 31.12.2010	Book value Derivatives 31.12.2010	Not considered Derivatives 31.12.2010	thereof charged derivatives to affiliated companies 31.12.2010
09/2004	12/2011	14,741	2.99%	3M-EURIBOR	– 289	– 289	0	0
09/2004	12/2011	14,741	3.87%	3M-EURIBOR	– 408	– 408	0	0
06/2005	12/2011	7,371	2.90%	3M-EURIBOR	– 132	– 132	0	0
12/2007	12/2012	59,688	4.25%	3M-EURIBOR	– 3,369	– 3,369	0	0
12/2007	12/2017	119,375	4.41%	3M-EURIBOR	– 12,867	– 12,867	0	– 347
12/2007	12/2017	65,000	4.82%	3M-EURIBOR	– 9,044	– 9,044	0	0
12/2007	12/2022	59,688	4.55%	3M-EURIBOR	– 7,383	– 7,383	0	– 6,587
12/2008	12/2017	76,800	4.41%	3M-EURIBOR	– 8,257	– 8,257	0	– 8,257
01/2008	12/2017	43,200	4.41%	3M-EURIBOR	– 4,629	– 4,629	0	0
01/2008	12/2022	60,000	4.55%	3M-EURIBOR	– 7,332	– 7,332	0	0
10/2009	12/2015	43,200	2.73%	3M-EURIBOR	951	0	951	0
10/2009	12/2020	60,000	3.29%	3M-EURIBOR	1,224	0	1,224	0
12/2010	12/2013	65,000	1.53%	3M-EURIBOR	– 302	– 302	0	0
		688,804			**– 51,837**	**– 54,012**	**2,175**	**– 15,191**

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

The negative market values of those derivatives that were not recognised in the balance sheet amount to € 34,793 K (1.1.2011: € 24,935 K). Furthermore, receivables from affiliated companies to the value of € 22,410 K (1.1.2011: € 15,191 K) were not recognised due to a hedging relationship.

l) Hedging relationship

The fair value of the interest rate swaps designated as hedging instruments amounts to € – 34,982 K on the balance sheet date (1.1.2011: € – 25,061 K); € 189 K of this amount (1.1.2011: € 126 K) were recognised as a provision for being an ineffective part. The fair value of the receivables from affiliated companies designated as underlying transactions amounts to € 22,410 K (1.1.2011: € 15,191 K).

The hedging periods differ depending on the interest swap and relate to the periods from 12/2007 to 12/2022.

The losses from derivatives not recognised in the balance sheet that form a hedging relationship with future payment flows amount to € 34,793 K in the closed fiscal year (1.1.2011: € 24,935 K). The profits from receivables from affiliated companies not recognised in the balance sheet that form a hedging relationship with future payment flows amount to € 22,410 K in the closed fiscal year (1.1.2011: € 15,191 K).

VII. Explanatory notes on the income statement

Gross revenues

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

€ 1,000	2011	2010
Rental income for real estate	16,404	19,323
Operating costs passed on to tenants	4,594	4,610
	20,998	**23,933**

Other operating income

The other income item of the other operating income of € 4,644 K (2010: € 4,729 K) results from management fees paid to subsidiaries in the amount of € 4,131 K (2010: € 2,972 K, cost allocations and insurance revenues.

Staff expense

This item includes wages, salaries, statutory social welfare contributions and expenses for severance payments and pensions totalling € 8,577 K (2010: € 7,854 K) for the 60 staff (2010: 60) employed by the company on average.

The Expenses for severance payments as well as payments dependent on remuneration and compulsory contributions are made up as follows:

€ 1,000	2011	2010
Allocation to provision for severance payments to directors and executive employees	81	118
Allocation to provision for severance payments to other employees	4	5
Pension fund contributions for directors and executive employees	44	54
Pension fund contributions for other employees	46	46
	175	**223**

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

€ 1,000	2011	2010
Pension fund contributions for directors and executive employees	123	123
Pension fund contributions for other employees	37	30
	160	**153**

Depreciation

€ 1,000	2011	2010
Depreciation of intangible fixed assets	244	249
Scheduled depreciation of buildings	7,134	7,474
Unscheduled depreciation of real estate	0	10,052
Depreciation of other assets, office furniture and equipment	468	437
Low-value assets	0	11
	7,846	**18,223**

Other operating expenses

Where they do not come under taxes on income the taxes in the amount of € 344 K (2010: € 588 K) mainly comprise the non-deductible input VAT of the current year and real estate charges passed on to tenants in the amount of € 330 K (2010: € 331 K).

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

€ 1,000	2011	2010
Other expenses directly related to properties		
Operating costs passed on to tenants	4,247	4,262
Own operating costs (vacancy costs)	1,815	1,393
Maintenance costs	1,659	2,500
Administration and agency fees	227	436
Other	194	129
Subtotal	**8,142**	**8,720**
General administrative costs		
Legal and consulting fees	2,307	2,650
Advertising and representation expenses	862	904
Office rent including operating costs	820	732
Claims and reserves for bad debts of other receivables	348	4,372
Current expenses of bonds and convertible bond	297	281
Other fees and bank charges	128	147
Administrative and management costs	35	522
Other	1,980	1,420
Subtotal	**6,777**	**11,028**
Total other operating expenses	**14,919**	**19,748**

Income from interest

This item comprises dividends paid from affiliated companies from Austria in the amount of € 102,340 K (2010: € 120 K) and from Eastern Europe or intermediate holding companies for investments in Eastern Europe in the amount of € 61,187 K (2010: € 1,850 K).

Income from loans from financial investments

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

Other interest and similar income

The interest income originates from fixed term deposits, investments in securities and cash at bank as well as from loans and swap interest transfers to affiliated companies. In relation to the change in the accounting method used for derivative financial instruments qualified as parts of hedging relationships, provisions for anticipated losses to the total value of € 24,935 K (2010: € 0 K) were reversed on 1.1.2011.

Income from the sale of and addition to financial assets and short-term securities

Due to reversals of impairment losses appreciation of investment in affiliated companies to the value of € 14,219 K (2010: € 34,011 K) and in the previous year appreciation of short-term securities from current assets to the value of € 1,304 K were carried out. In addition income from the sale of short-term securities from current assets to the value of € 815 K (2010: € 1,722 K) was generated.

Expenses for financial assets

€ 1,000	2011	2010
Depreciation of financial assets	58,267	54,769
Provision for contributions to group companies	2,522	824
Loss from disposal of investments in affiliated companies	0	41
	60,789	**55,634**
of which due to dividends	21,695	603

Interest and similar expense

€ 1,000	2011	2010
Interest costs for bonds	25,006	25,006
Expenses for derivative transactions	26,090	24,115
Interest for loans taken up and bank liabilities for the financing of real estate assets	3,879	3,100
Interest costs in respect of affiliated companies	19,021	4,061
Other	8	15
	74,004	**56,297**

In relation to the change in the accounting method used for derivative financial instruments qualified as parts of hedging relationships, swap receivables from affiliated companies to the total value of € 15,191 K (2010: € 0 K) were adjusted as at 1.1.2011.

Taxes on income

This item essentially comprises the income from tax compensation of group members in the amount of € 5,409 K (2010: € 5,734 K).

As at 31.12.2011 CA Immobilien Anlagen Aktiengesellschaft has losses carried forward in the amount of € 283,810 K (31.12.2010: € 254,260 K) for which, pursuant to the provisions of the Austrian Commercial Code (UGB), no deferred taxes were shown in the financial statements. Furthermore, no deferred tax assets were recognised for depreciation on financial assets in the amount of € 30,569 K (31.12.2010: € 32,208 K) that have not yet been claimed for tax purposes.

OTHER INFORMATION

VIII. Affiliated companies

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

IX. Fiscal corporate group

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

To the extent negative income allocated to a group member has not yet been passed to account when the group is dissolved or the group member leaves the group, CA Immobilien Anlagen Aktiengesellschaft will be obliged as the head of the group to make a compensation payment to the amount of the cash value of the (fictitious) future tax relief which the group member would probably have obtained from the utilisation of the allocated negative income not yet passed to account if it had not joined the group. The amount of such compensation payment will be determined by obtaining an expert opinion from a jointly appointed auditor or auditing company at the time when the group member leaves the group or the group is dissolved.

In 2011 the following companies are group members:

- BIL-S Superädifikatsverwaltungs GmbH, Vienna
- CA Immo Beratungs- und Beteiligungs GmbH, Vienna
- CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna
- CA Immo CEE Beteiligungs GmbH, Vienna
- CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna
- CA Immo Germany Holding GmbH, Vienna
- CA Immo International Beteiligungsverwaltungs GmbH, Vienna
- CA Immo International Holding GmbH, Vienna
- CA Immo Investment Management GmbH, Vienna
- CA Immo LP GmbH, Vienna
- CA Immo Projektentwicklungsgmbh, Vienna
- CA Immo Rennweg 16 GmbH, Vienna
- CA Immo – RI – Residential Property Holding GmbH, Vienna
- Europolis AG, Vienna
- Europolis CE Alpha Holding GmbH, Vienna
- Europolis CE Amber Holding GmbH, Vienna
- Europolis CE Gamma Holding GmbH, Vienna
- Europolis CE Istros Holding GmbH, Vienna
- Europolis CE Kappa Holding GmbH, Vienna
- Europolis CE Lambda Holding GmbH, Vienna
- Europolis CE Ledum Holding GmbH, Vienna
- Europolis CE My Holding GmbH, Vienna
- Europolis CE Omikron Holding GmbH, Vienna
- Europolis CE Pi Holding GmbH, Vienna
- Europolis CE Rho Holding GmbH, Vienna
- Europolis CE Sigma Holding GmbH, Vienna
- Europolis CE Tau Holding GmbH, Vienna
- Europolis CE Tilia Holding GmbH, Vienna
- Europolis Pheme Holding GmbH, Vienna
- Europolis Real Estate Asset Management GmbH, Vienna
- Europolis Sarisu Holding GmbH, Vienna
- omniCon Baumanagement GmbH, Vienna
- Parkring 10 Immobilien GmbH, Vienna
- SQUARE S Holding GmbH, Vienna

X. Executive bodies and employees

Supervisory Board

Dr. Wolfgang Ruttenstorfer, Chairman
Mag. Helmut Bernkopf, Deputy Chairman
O.Univ.-Prof.DDr.Waldemar Jud
Barbara A. Knoflach
Mag. Reinhard Madlencnik
Mag. Franz Zwickl
Detlef Bierbaum (until 10.5.2011)
Mag. DDr. Regina Prehofer (until 10.5.2011)

As at 31.12.2011 all members of the Supervisory Board had been elected by the General Meeting.

Management Board

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

In fiscal 2011 remuneration to the total value of € 1,186 K (2010: € 667 K) was paid to the members of the Management Board. In 2011 the remuneration of the Management Board included variable salary components to the value of € 584 K (2010: € 0 K) for the previous year. Furthermore, provisions for variable remuneration/bonuses incl. incidental salary costs in the amount of € 622 K (2010: € 609 K) and for an LTI (long term incentive) programme in the amount of € 281 K (2010: € 105 K) were recognised as expenses in the fiscal year, which will only become cash-effective in the following years. No loans or advances were paid to Management Board members.

Subject to the adoption of a resolution by the Annual General Meeting the total remuneration of the Supervisory Board members for fiscal 2011 (payments will be made in 2012) was € 115 K (2010: € 113 K) for CA Immobilien Anlagen Aktiengesellschaft. No additional fees were paid to Supervisory Board members.

The average number of staff employed by the company during the fiscal year was 60 (2010: 60).

XI. Auditor's remuneration

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

It is proposed to use part of the net retained earnings of € 98,747,939.27 to pay a dividend of € 0.38 per share, i.e. a total of € 33,385,302.80, to the shareholders. The rest of the net retained earnings in the amount of € 65,362,636.47 is intended to be carried forward to new account.

Vienna, 6 March 2012

The Management Board

Bruno Ettenauer (Chairman)	Wolfhard Fromwald	Bernhard H. Hansen

ASSETS ANALYSES FOR THE BUSINESS YEAR 2011

	Acquisition and production costs as of 1.1.2011	Addition	Disposal	Reclassifications	Acquisition and production costs as of 31.12.2011	Depreciation and amortisation (accumulated)	Book value as of 31.12.2011	Depreciation and amortisation in 2011	Appreciation in 2011	Book value as of 31.12.2010
	€	€	€	€	€	€	€	€	€	€ 1,000
I. Intangible fixed assets										
1. Rights and EDP software	233,595.34	0.00	0.00	0.00	233,595.34	192,259.20	41,336.14	29,362.78	0.00	71
2. Goodwill	2,144,798.13	0.00	2,144,798.13	0.00	0.00	0.00	0.00	214,479.75	0.00	214
	2,378,393.47	**0.00**	**2,144,798.13**	**0.00**	**233,595.34**	**192,259.20**	**41,336.14**	**243,842.53**	**0.00**	**285**
II. Tangible fixed assets										
1. Property and buildings										
a) Land value	71,009,925.13	0.00	2,572,269.07	0.00	68,437,656.06	17,379,376.63	51,058,279.43	0.00	952,992.00	52,092
b) Building value	323,304,561.70	792,439.58	15,895,070.62	0.00	308,201,930.66	110,704,758.48	197,497,172.18	7,134,071.77	1,558,240.09	211,804
	394,314,486.83	**792,439.58**	**18,467,339.69**	**0.00**	**376,639,586.72**	**128,084,135.11**	**248,555,451.61**	**7,134,071.77**	**2,511,232.09**	**263,896**
2. Other assets, office furniture and equipment	3,526,595.37	646,005.29	110,888.43	0.00	4,061,712.23	2,718,816.02	1,342,896.21	467,978.45	0.00	1,189
3. Low-value assets	0.00	439.25	439.25	0.00	0.00	0.00	0.00	439.25	0.00	0
4. Prepayments made and construction in progress	716,650.66	11,664,771.49	0.00	0.00	12,381,422.15	100,000.00	12,281,422.15	0.00	0.00	617
	398,557,732.86	**13,103,655.61**	**18,578,667.37**	**0.00**	**393,082,721.10**	**130,902,951.13**	**262,179,769.97**	**7,602,489.47**	**2,511,232.09**	**265,702**
III. Financial assets										
1. Investments in affiliated companies	2,348,811,206.63	23,521,176.65	1,021,176.80	4,703,873.43	2,376,015,079.91	634,108,138.83	1,741,906,941.08	53,016,864.15	14,219,369.53	1,753,501
2. Loans to related companies	194,630,490.34	92,563,873.43	64,615,912.43	– 3,701,873.43	218,876,577.91	1,001,999.00	217,874,578.91	1,001,999.00	0.00	194,630
3. Prepayments made on investments in affiliated companies	5,413,882.39	0.00	0.00	0.00	5,413,882.39	3,513,882.39	1,900,000.00	0.00	1,700,000.00	200
4. Investments in associated companies	6,260,196.09	50,506.22	3,577,469.62	0.00	2,733,232.69	2,675,699.00	57,533.69	14,600.00	0.00	125
5. Loans to associated companies	2,079,373.07	0.00	2,079,373.07	0.00	0.00	0.00	0.00	0.00	0.00	0
6. Other loans	31,166,769.00	14,131,509.35	4,150,000.00	2,398,000.00	43,546,278.35	29,202,599.00	14,343,679.35	4,233,602.00	0.00	4,147
	2,588,361,917.52	**130,267,065.65**	**75,443,931.92**	**3,400,000.00**	**2,646,585,051.25**	**670,502,318.22**	**1,976,082,733.03**	**58,267,065.15**	**15,919,369.53**	**1,952,603**
	2,989,298,043.85	**143,370,721.26**	**96,167,397.42**	**3,400,000.00**	**3,039,901,367.69**	**801,597,528.55**	**2,238,303,839.14**	**66,113,397.15**	**18,430,601.62**	**2,218,590**

INFORMATION ABOUT GROUP COMPANIES

Direct investments[1)]

Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
CA Immo d.o.o.	Belgrad	390,500	EUR	100	– 3,135	TRSD	229	TRSD	– 2,385	TRSD	3,364	TRSD
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	17,023	THUF	854,163	THUF	122,300	THUF	2,979,449	THUF
Canada Square Kft.	Budapest	12,500,000	HUF	100	– 377,999	THUF	– 334,281	THUF	30,188	THUF	161,053	THUF
Casa Property Kft.	Budapest	51,310,000	HUF	100	– 17,048	THUF	63,767	THUF	72,744	THUF	186,515	THUF
Kilb Kft.	Budapest	30,000,000	HUF	100	– 651,934	THUF	– 18,506	THUF	341,857	THUF	761,694	THUF
R 70 Invest Budapest Kft.	Budapest	5,250,000	HUF	100	– 471,204	THUF	552,126	THUF	210,693	THUF	1,287,580	THUF
Skogs Buda Business Center II. Kft.	Budapest	327,000,000	HUF	100	– 249,949	THUF	417,261	THUF	– 72,294	THUF	667,210	THUF
Váci 76 Kft.	Budapest	3,100,000	HUF	100	– 1,431,650	THUF	3,028,085	THUF	– 799,302	THUF	4,459,735	THUF
CA Immobilien S.R.L.	Bukarest	947,100	RON	100	– 27	TRON	415	TRON	133	TRON	443	TRON
CA Immo AG	Frankfurt	50,000	EUR	100	2,052	TEUR	297,022	TEUR	– 9,112	TEUR	294,969	TEUR
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49[2)]	– 72	TEUR	428	TEUR			established	2011
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	4,235	TEUR	59,046	TEUR	– 13,882	TEUR	104,626	TEUR
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	– 2,251	TEUR	– 10,650	TEUR	– 4,529	TEUR	– 11,133	TEUR
CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR	Luxembourg	153,569,000	EUR	70	1,044	TEUR	67,767	TEUR	– 28,435	TEUR	52,824	TEUR
CA Immo S.á.r.l.	Luxembourg	33,000	EUR	100	– 14	TEUR	– 14	TEUR	– 5	TEUR	0	TEUR
2P s.r.o.	Pilsen	240,000	CZK	100	– 60,934	TCZK	30,565	TCZK	– 86,623	TCZK	85,097	TCZK
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	– 107,693	TCZK	– 31,793	TCZK	– 120,830	TCZK	47,902	TCZK
FCL Property a.s.	Prague	2,000,000	CZK	100	8,887	TCZK	19,169	TCZK	– 200	TCZK	7,683	TCZK
Office Center Mladost 2 EOOD	Sofia	5,000	BGN	100	117	TBGN	937	TBGN	916	TBGN	678	TBGN
Office Center Mladost EOOD	Sofia	5,000	BGN	100	– 301	TBGN	6,193	TBGN	586	TBGN	6,574	TBGN
Mahler Property Services Sp.z.o.o.	Warsaw	50,000	PLN	100	– 129	TPLN	– 78	TPLN	126	TPLN	635	TPLN
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	– 9	TPLN	10	TPLN	– 30	TPLN	20	TPLN
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,135,427	EUR	100	1,235	TEUR	5,370	TEUR	– 318	TEUR	4,347	TEUR
CA Immo CEE Beteiligungs GmbH	Vienna	35,000	EUR	100	15,130	TEUR	151,165	TEUR	3,072	TEUR	139,107	TEUR
CA Immo International Beteiligungsverwaltungs GmbH	Vienna	35,000	EUR	100	767	TEUR	20,439	TEUR	625	TEUR	20,333	TEUR
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	70,539	TEUR	1,332,718	TEUR	25,104	TEUR	1,340,574	TEUR
CA Immo Investment Management GmbH	Vienna	100,000	EUR	100	279	TEUR	388	TEUR	407	TEUR	660	TEUR
CA Immo ProjektentwicklungsgmbH	Vienna	72,500	EUR	100	– 1,346	TEUR	443	TEUR	– 1,887	TEUR	– 1,011	TEUR
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	487	TEUR	1,816	TEUR	– 2,299	TEUR	1,329	TEUR
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG	Vienna	2,537,600	EUR	100	– 95	TEUR	2,201	TEUR	– 32	TEUR	2,295	TEUR
CAII Projektmanagement GmbH	Vienna	35,000	EUR	100	– 1,579	TEUR	209	TEUR	– 8,297	TEUR	1,788	TEUR
CEE Hotel Development GmbH	Vienna	70,000	EUR	50	– 3	TEUR	68	TEUR	– 1	TEUR	94	TEUR
CEE Hotel Management und Beteiligungs GmbH	Vienna	35,000	EUR	50	– 3	TEUR	32	TEUR	– 10	TEUR	46	TEUR
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	– 2	TEUR	88	TEUR	– 16	TEUR	91	TEUR

[1)] information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards

[2)] common control

Indirect investments[1)]

Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
CA Immo Sava City d.o.o.	Belgrad	33,620,000	EUR	100	– 242,374	TRSD	– 121,441	TRSD	– 892,387	TRSD	– 869,267	TRSD
Phönix Logistics d.o.o.	Belgrad	241,605,375	RSD	100	– 3,855	TRSD	236,384	TRSD			acquired	2011
TM Immo d.o.o.	Belgrad	13,750,000	EUR	100	110,192	TRSD	672,940	TRSD	– 293,911	TRSD	– 305,764	TRSD
Flottwellpromenade Projektentwicklungs GmbH & Co. KG	Berlin	100,000	EUR	50	– 44	TEUR	356	TEUR			established	2011
Flottwellpromenade Verwaltungs GmbH	Berlin	25,000	EUR	50	0	TEUR	25	TEUR			acquired	2011
BA Business Center a.s.	Bratislava	7,503,200	EUR	100	– 29	TEUR	4,382	TEUR	– 2,629	TEUR	– 5,415	TEUR
Europolis D61 Logistics s.r.o.	Bratislava	1,325,000	EUR	100	– 32	TEUR	4,744	TEUR			acquired	2011
Europolis Harbour City s.r.o.	Bratislava	23,629,211	EUR	65	– 37	TEUR	8,386	TEUR			acquired	2011
CA Immo Real Estate Management Hungary K.f.t.	Budapest	3,100,000	HUF	100	– 21,644	THUF	– 10,831	THUF			acquired	2011
COM PARK Ingatlanberuházási Kft	Budapest	3,000,000	HUF	65	– 947,997	THUF	484,686	THUF			acquired	2011
EUROPOLIS ABP Ingatlanberuházási Kft	Budapest	21,410,000	HUF	51	– 71,098	THUF	8,268,506	THUF			acquired	2011
EUROPOLIS City Gate Ingatlanberuházási Kft	Budapest	13,000,000	HUF	65	21,530	THUF	3,758,468	THUF			acquired	2011
Europolis Infopark Ingatlanüzemeltető Kft	Budapest	5,240,000	HUF	51	– 77,803	THUF	3,852,187	THUF			acquired	2011
EUROPOLIS IPW Ingatlanberuházási Kft	Budapest	50,200,000	HUF	65	4,955	THUF	1,005,884	THUF			acquired	2011
EUROPOLIS M1 Ingatlanberuházási Kft	Budapest	55,020,000	HUF	51	– 345,592	THUF	4,010,367	THUF			acquired	2011
Europolis Park Airport Kft.	Budapest	19,900,000	HUF	100	– 50,736	THUF	426,805	THUF			acquired	2011
Europolis Tárnok Ingatlanberuházási Kft	Budapest	5,400,000	HUF	65	– 304,010	THUF	407,790	THUF			acquired	2011
Kapas Center Kft.	Budapest	772,560,000	HUF	100	– 484,041	THUF	824,732	THUF	144,257	THUF	1,601,862	THUF
Terminál Közép-Európai Ingatlan-fejlesztő Kft	Budapest	3,400,000	HUF	75	– 484,052	THUF	65,595	THUF			acquired	2011
CA Immo Real Estate Management Romania S.R.L.	Bukarest	985,000	RON	100	147	TRON	2,772	TRON			acquired	2011
EUROPOLIS BV DEVELOPMENT S.R.L.	Bukarest	43,853,900	RON	65	– 1,605	TRON	35,864	TRON			acquired	2011
EUROPOLIS ORHIDEEA B.C. S.R.L.	Bukarest	91,389,960	RON	65	– 10,452	TRON	36,066	TRON			acquired	2011
EUROPOLIS PARK BUCHAREST ALPHA S.R.L.	Bukarest	54,064,790	RON	65	– 173	TRON	75,178	TRON			acquired	2011
EUROPOLIS PARK BUCHAREST BETA S.R.L.	Bukarest	6,481,000	RON	65	– 682	TRON	8,933	TRON			acquired	2011
EUROPOLIS PARK BUCHAREST DELTA S.R.L.	Bukarest	1,000	RON	65	– 3,989	TRON	– 11,879	TRON			acquired	2011
EUROPOLIS PARK BUCHAREST GAMMA S.R.L.	Bukarest	8,601,000	RON	65	– 2,399	TRON	5,221	TRON			acquired	2011
EUROPOLIS PARK BUCHAREST INFRASTRUCTURA S.R.L.	Bukarest	8,640,036	RON	65	– 250	TRON	3,162	TRON			acquired	2011
EUROPOLIS SEMA PARK S.R.L.	Bukarest	107,680,000	RON	65	– 4,351	TRON	85,155	TRON			acquired	2011
EUROPOLIS SP S.R.L.	Bukarest	169,840	RON	65	– 24	TRON	11	TRON			acquired	2011
INTERMED CONSULTING & MANAGEMENT S.R.L.	Bukarest	330	RON	65	17,040	TRON	168,199	TRON			acquired	2011

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

Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
Opera Center One S.R.L.	Bukarest	27,326,150	RON	100	2,719	TRON	39,998	TRON	7,540	TRON	41,084	TRON
Opera Center Two S.R.L.	Bukarest	7,310,400	RON	100	1,338	TRON	9,300	TRON	820	TRON	8,212	TRON
S.C. BBP Leasing S.R.L.	Bukarest	14,637,711	RON	100	9,898	TRON	25,752	TRON	– 3,036	TRON	14,857	TRON
TC Investments Arad S.R.L.	Bukarest	4,018,560	RON	95.9	– 1,442	TRON	– 4,812	TRON	– 2,498	TRON	– 3,371	TRON
VICTORIA INTERNATIONAL PROPERTY S.R.L.	Bukarest	216	RON	65	6,024	TRON	123,350	TRON			acquired	2011
Blitz F07-neunhundert-sechzig-acht GmbH	Frankfurt	25,000	EUR	100	– 1	TEUR	27	TEUR	– 5	TEUR	27	TEUR
Blitz F07-neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	– 3	TEUR	50	TEUR	– 7	TEUR	53	TEUR
CA Immo 13 GmbH	Frankfurt	25,000	EUR	100	– 3	TEUR	22	TEUR			established	2011
CA Immo 14 GmbH	Frankfurt	25,000	EUR	100	– 2	TEUR	23	TEUR			established	2011
CA Immo Acht GmbH & Co. KG	Frankfurt	24,635	EUR	100	198	TEUR	5,524	TEUR	1,043	TEUR	3,792	TEUR
CA Immo Berlin Europaplatz 01 GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 2,053	TEUR	– 2,216	TEUR	– 87	TEUR	– 163	TEUR
CA Immo Berlin Europaplatz 01 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	– 1	TEUR	16	TEUR	– 4	TEUR	17	TEUR
CA Immo Berlin Hallesches Ufer GmbH	Frankfurt	25,000	EUR	100	306	TEUR	– 741	TEUR	393	TEUR	– 1,048	TEUR
CA Immo Berlin Lehrter Stadtquartier 3 GmbH & Co. KG	Frankfurt	5,000	EUR	100	39	TEUR	3,370	TEUR	196	TEUR	3,332	TEUR
CA Immo Berlin Lehrter Stadtquartier 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 2,275	TEUR	– 2,752	TEUR	– 238	TEUR	– 477	TEUR
CA Immo Berlin Lehrter Stadtquartier 5 GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 111	TEUR	– 70	TEUR	– 176	TEUR	41	TEUR
CA Immo Berlin Lehrter Stadtquartier 6 GmbH & Co. KG	Frankfurt	5,000	EUR	100	2,831	TEUR	1,292	TEUR	475	TEUR	– 1,539	TEUR
CA Immo Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 287	TEUR	– 1,123	TEUR	– 268	TEUR	– 836	TEUR
CA Immo Berlin Lehrter Stadtquartier 8 GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 127	TEUR	860	TEUR	– 176	TEUR	987	TEUR
CA Immo Berlin Lehrter Stadtquartier 9 GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 310	TEUR	– 3,426	TEUR	– 2,085	TEUR	– 3,116	TEUR
CA Immo Berlin Lehrter Stadtquartier Verwaltungs GmbH	Frankfurt	25,000	EUR	100	10	TEUR	64	TEUR	6	TEUR	55	TEUR
CA Immo Berlin Lietzenburger Straße Verwaltungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	20	TEUR	– 4	TEUR	21	TEUR
CA Immo Berlin Lietzenburger Straße GmbH & Co. KG	Frankfurt	5,000	EUR	100	16	TEUR	4	TEUR	– 17	TEUR	– 12	TEUR
CA Immo Berlin MBVD Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 231	TEUR	– 226	TEUR			established	2011
CA Immo Berlin MBVD Verwaltungs GmbH	Frankfurt	25,000	EUR	100	– 3	TEUR	22	TEUR			acquired	2011
CA Immo Berlin Schöneberger Ufer Beteiligungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	17,617	TEUR	0	TEUR	17,617	TEUR
CA Immo Berlin Schöneberger Ufer GmbH & Co. KG	Frankfurt	25,000	EUR	100	1,978	TEUR	6,715	TEUR	– 3,807	TEUR	4,736	TEUR
CA Immo Berlin Schöneberger Ufer Verwaltungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	16	TEUR	0	TEUR	16	TEUR
CA Immo Berlin Stadthafenquartier Europacity GmbH & Co. KG	Frankfurt	5,000	EUR	50	– 74	TEUR	17,931	TEUR			established	2011
CA Immo Berlin Stadthafenquartier Europacity Verwaltungs GmbH	Frankfurt	25,000	EUR	50	– 3	TEUR	22	TEUR			acquired	2011

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Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
CA Immo Deutschland GmbH	Frankfurt	5,000,000	EUR	99.7	73,800	TEUR	681,172	TEUR	53,640	TEUR	662,094	TEUR
CA Immo Drei GmbH & Co. KG	Frankfurt	23,937	EUR	100	– 309	TEUR	19,584	TEUR	– 540	TEUR	17,054	TEUR
CA Immo Düsseldorf BelsenPark MK 2.1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 10	TEUR	– 5	TEUR			established	2011
CA Immo Düsseldorf BelsenPark MK 3 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 7	TEUR	– 2	TEUR			established	2011
CA Immo Düsseldorf BelsenPark Verwaltungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	25	TEUR			established	2011
CA Immo Eins GmbH & Co. KG	Frankfurt	22,927	EUR	100	167	TEUR	41,845	TEUR	2,805	TEUR	43,905	TEUR
CA Immo Elf GmbH	Frankfurt	25,000	EUR	100	112	TEUR	2,928	TEUR	159	TEUR	2,817	TEUR
CA Immo Frankfurt Bauphase I GmbH & Co. KG	Frankfurt	5,000	EUR	100	3,250	TEUR	16,477	TEUR	– 325	TEUR	12,945	TEUR
CA Immo Frankfurt Bauphase I Verwaltungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	13	TEUR	0	TEUR	13	TEUR
CA Immo Frankfurt Nord 1 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	66	TEUR	3,504	TEUR	– 116	TEUR	3,438	TEUR
CA Immo Frankfurt Nord 1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	179	TEUR	1,272	TEUR	7,213	TEUR	1,102	TEUR
CA Immo Frankfurt Nord 1 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	– 1	TEUR	14	TEUR	– 3	TEUR	14	TEUR
CA Immo Frankfurt Nord 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	246	TEUR	– 193	TEUR	– 550	TEUR	– 439	TEUR
CA Immo Frankfurt Nord 4 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	– 1	TEUR	14	TEUR	– 6	TEUR	15	TEUR
CA Immo Frankfurt Tower 185 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	– 53	TEUR	3,275	TEUR	– 87	TEUR	3,328	TEUR
CA Immo Frankfurt Tower 185 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	4,971	TEUR	78,372	TEUR	8,112	TEUR	73,421	TEUR
CA Immo Frankfurt Tower 185 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	14	TEUR	– 3	TEUR	14	TEUR
CA Immo Frankfurt Tower– 2-Besitz GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 56	TEUR	– 136	TEUR	– 53	TEUR	– 80	TEUR
CA Immo Frankfurt Tower– 2-Betriebsgesellschaft mbH	Frankfurt	25,000	EUR	100	– 5	TEUR	13	TEUR	– 3	TEUR	18	TEUR
CA Immo Frankfurt Tower– 2-Geschäftsführungs GmbH	Frankfurt	25,000	EUR	100	– 5	TEUR	– 4	TEUR	– 3	TEUR	1	TEUR
CA Immo Frankfurt Tower– 2-Verwaltungsgesellschaft mbH	Frankfurt	25,000	EUR	100	– 5	TEUR	14	TEUR	– 1	TEUR	18	TEUR
CA Immo Fünf GmbH & Co. KG	Frankfurt	24,684	EUR	100	155	TEUR	5,166	TEUR	395	TEUR	5,711	TEUR
CA Immo Fünfzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	– 2	TEUR	23	TEUR			established	2011
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	– 7	TEUR	1,234	TEUR	– 14	TEUR	1,241	TEUR
CA Immo GB GmbH	Frankfurt	25,000	EUR	100	– 3	TEUR	3,853	TEUR	– 65	TEUR	3,856	TEUR
CA Immo Köln K 1 GmbH	Frankfurt	25,000	EUR	100	0	TEUR	– 703	TEUR	0	TEUR	– 703	TEUR
CA Immo Köln K 2 GmbH	Frankfurt	25,000	EUR	100	0	TEUR	4,252	TEUR	0	TEUR	4,252	TEUR
CA Immo Köln K 3 GmbH	Frankfurt	25,000	EUR	100	0	TEUR	1,097	TEUR	0	TEUR	1,097	TEUR
CA Immo München Ambigon Nymphenburg GmbH & Co. KG	Frankfurt	5,000	EUR	100	– 960	TEUR	– 1,483	TEUR	– 242	TEUR	– 523	TEUR
CA Immo München Ambigon Nymphenburg Verwaltungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	13	TEUR	0	TEUR	13	TEUR

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Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
CA Immo München MI 1 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	1,301	TEUR	– 638	TEUR	1,301	TEUR
CA Immo München MK 6 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	0	TEUR	9,006	TEUR	0	TEUR	9,006	TEUR
CA Immo Neun GmbH & Co. KG	Frankfurt	23,514	EUR	100	1,191	TEUR	30,382	TEUR	1,922	TEUR	21,392	TEUR
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	19	TEUR	69	TEUR	8	TEUR	51	TEUR
CA Immo Sechs GmbH & Co. KG	Frankfurt	23,581	EUR	100	1,031	TEUR	29,531	TEUR	1,399	TEUR	31,327	TEUR
CA Immo Sechzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	– 2	TEUR	23	TEUR			established	2011
CA Immo Sieben GmbH & Co. KG	Frankfurt	23,529	EUR	100	50	TEUR	35,495	TEUR	2,169	TEUR	37,896	TEUR
CA Immo Vier GmbH & Co. KG	Frankfurt	24,793	EUR	100	136	TEUR	3,238	TEUR	438	TEUR	847	TEUR
CA Immo Zehn GmbH	Frankfurt	25,000	EUR	100	280	TEUR	12,841	TEUR	– 534	TEUR	12,561	TEUR
CA Immo Zwei GmbH & Co. KG	Frankfurt	21,795	EUR	100	1,286	TEUR	57,786	TEUR	8,232	TEUR	59,277	TEUR
CEREP Allermöhe GmbH	Frankfurt	25,000	EUR	99.7	267	TEUR	23,240	TEUR	824	TEUR	22,973	TEUR
CM Komplementär F07-888 GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	– 3	TEUR	36,395	TEUR	64	TEUR	38,610	TEUR
omniCon Gesellschaft für innovatives Bauen mbH	Frankfurt	100,000	EUR	100	121	TEUR	579	TEUR	62	TEUR	396	TEUR
omniPro Gesellschaft für Projektmanagement mbH	Frankfurt	25,000	EUR	100	– 43	TEUR	65	TEUR	– 5	TEUR	104	TEUR
VIADOR GmbH	Frankfurt	100,000	EUR	70	117	TEUR	462	TEUR	– 13	TEUR	344	TEUR
CA Immo München Eggartensiedlung GmbH & Co. KG	Grünwald	5,000	EUR	100	– 5	TEUR	0	TEUR			established	2011
CA Immo München Eggartensiedlung Verwaltungs GmbH	Grünwald	25,000	EUR	100	– 1	TEUR	24	TEUR			established	2011
CA Immo München Moosach Projekt GmbH & Co. KG	Grünwald	5,000	EUR	100	– 30	TEUR	8,975	TEUR			established	2011
CA Immo München Moosach Verwaltungs GmbH	Grünwald	25,000	EUR	100	– 1	TEUR	24	TEUR			established	2011
CA Immo Projektentwicklung Bayern GmbH & Co. KG	Grünwald	255,646	EUR	100	– 269	TEUR	13,887	TEUR	– 18	TEUR	559	TEUR
CA Immo Projektentwicklung Bayern Verwaltungs GmbH	Grünwald	25,000	EUR	100	– 2	TEUR	26	TEUR	– 14	TEUR	29	TEUR
CA Immo Stuttgart Heilbronner Straße GmbH & Co. KG	Grünwald	5,000	EUR	100	– 878	TEUR	14,427	TEUR			established	2011
CONCEPT BAU - PREMIER CA Immo Isargärten GmbH & Co. KG	Grünwald	15,000	EUR	33.3[2)]	6,815	TEUR	3,319	TEUR	– 903	TEUR	– 965	TEUR
CONCEPT BAU - PREMIER CA Isargärten Verwaltungs GmbH	Grünwald	25,000	EUR	33.3[2)]	2	TEUR	29	TEUR	2	TEUR	27	TEUR
Isargärten Bauträger GmbH & Co. KG	Grünwald	15,000	EUR	33.3[2)]	4,592	TEUR	3,989	TEUR	– 384	TEUR	437	TEUR
Isargärten Bauträger Verwaltungs GmbH	Grünwald	25,000	EUR	33.3[2)]	– 17	TEUR	23	TEUR	1	TEUR	23	TEUR
Isargärten Thalkirchen Verwaltungs GmbH	Grünwald	30,000	EUR	33.3	2	TEUR	88	TEUR	5	TEUR	54	TEUR
SKYGARDEN Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	100	– 3,174	TEUR	190	TEUR	– 460	TEUR	3,364	TEUR
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	0	TEUR	15	TEUR	– 1	TEUR	14	TEUR
Pannonia Shopping Center Kft.	Györ	380,000,000	HUF	100	– 688,433	THUF	– 540,256	THUF	– 220,205	THUF	148,176	THUF

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[2)] common control

Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
Congress Centrum Skyline Plaza Beteiligung GmbH	Hamburg	25,000	EUR	50	– 1	TEUR	24	TEUR			established	2011
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	1	TEUR	25	TEUR	– 1	TEUR	24	TEUR
CongressCentrum Skyline Plaza GmbH & Co. KG	Hamburg	25,000	EUR	50	– 150	TEUR	– 142	TEUR	– 12	TEUR	1	TEUR
REC Frankfurt Objekt GmbH & Co. KG	Hamburg	100,000	EUR	50	– 4,846	TEUR	– 8,448	TEUR	– 1,597	TEUR	– 2,095	TEUR
REC Frankfurt Objektverwaltungsgesellschaft mbH	Hamburg	25,000	EUR	50	– 1	TEUR	12	TEUR	– 1	TEUR	13	TEUR
CAINE B.V.	Hoofddorp	18,151	EUR	100	– 540	TEUR	– 11,845	TEUR	– 28,727	TEUR	– 11,305	TEUR
Pulkovo B.V.	Hoofddorp	25,000	EUR	100	– 12	TEUR	– 10	TEUR	– 7	TEUR	2	TEUR
Private Enterprise "Margolia Ukraine"	Kiev	1,000	UAH	65	– 30	TUAH	– 40	TUAH			acquired	2011
TzoV "Europolis Logistics Park I"	Kiev	2,232,296	UAH	100	– 302	TUAH	271	TUAH			acquired	2011
TzoV "Europolis Logistics Park II"	Kiev	122,456,333	UAH	100	– 639	TUAH	41,953	TUAH			acquired	2011
TzoV "Europolis Logistics Park III"	Kiev	40,000	UAH	100	100	TUAH	0	TUAH			acquired	2011
TzoV "Europolis Property Holding"	Kiev	193,984,834	UAH	65.1	– 25,252	TUAH	– 39,477	TUAH			acquired	2011
TzoV "Europolis Real Estate AM"	Kiev	4,247,565	UAH	100	– 2,589	TUAH	621	TUAH			acquired	2011
TzoV "Logistyk-Tsentr "A"	Kiev	13,512,117	UAH	65.1	386	TUAH	– 13,041	TUAH			acquired	2011
TzoV"Corma Development II"	Kiev	1,000,000	UAH	65	– 375	TUAH	612	TUAH			acquired	2011
TzoV"Corma Development"	Kiev	928,688	UAH	65	– 100	TUAH	747	TUAH			acquired	2011
BEDELLAN PROPERTIES LIMITED	Limassol	11,491	EUR	65	– 35	TEUR	12,069	TEUR			acquired	2011
EPC KAPPA LIMITED	Limassol	11,185	EUR	100	– 24	TEUR	59,638	TEUR			acquired	2011
EPC LAMBDA LIMITED	Limassol	457,083	EUR	75	– 12,538	TEUR	– 831	TEUR			acquired	2011
EPC LEDUM LIMITED	Limassol	11,799	EUR	100	– 769	TEUR	44,448	TEUR			acquired	2011
EPC OMIKRON LIMITED	Limassol	55,575	EUR	65	– 12,446	TEUR	22,609	TEUR			acquired	2011
EPC PI LIMITED	Limassol	1,910	EUR	65	– 8,462	TEUR	1,499	TEUR			acquired	2011
EPC PLATINUM LIMITED	Limassol	2,335	EUR	100	– 3,644	TEUR	57,969	TEUR			acquired	2011
EPC RHO LIMITED	Limassol	1,790	EUR	65	– 2,694	TEUR	471	TEUR			acquired	2011
EPC THREE LIMITED	Limassol	2,491,220	EUR	65	– 10,879	TEUR	40,606	TEUR			acquired	2011
EPC TWO LIMITED	Limassol	969,057	EUR	65	– 8,409	TEUR	28,077	TEUR			acquired	2011
EUROPOLIS REAL ESTATE ASSET MANAGEMENT LIMITED	Limassol	2,490	EUR	100	18	TEUR	170	TEUR			acquired	2011
MOCASANRA HOLDINGS LIMITED	Limassol	2,300	EUR	100	– 12	TEUR	2	TEUR			acquired	2011
OPRAH ENTERPRISES LIMITED	Limassol	2,700	EUR	100	– 6	TEUR	21,275	TEUR			acquired	2011
CAINE S.à.r.l.	Luxembourg	12,500	EUR	100	– 23	TEUR	– 22	TEUR	– 37	TEUR	2	TEUR

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Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	3	TEUR	32	TEUR	4	TEUR	29	TEUR
Zollhafen Mainz GmbH & Co. KG	Mainz	1,200,000	EUR	50.1[2]	– 497	TEUR	– 1,016	TEUR	– 515	TEUR	– 519	TEUR
Europolis Real Estate Asset Management LLC	Moscow	26,350,886	RUB	100	– 736	TRUB	20,387	TRUB			acquired	2011
OOO Saimir (in liquidation)	Moscow	10,000	RUB	100	– 998	TRUB	1,018	TRUB	– 3,718	TRUB	– 189	TRUB
CORMA HOLDINGS LIMITED	Nicosia	6	EUR	65	– 64	TEUR	37	TEUR			acquired	2011
HARILDO LIMITED	Nicosia	1,400	EUR	100	– 102	TEUR	16	TEUR			acquired	2011
VESESTO LIMITED	Nicosia	1,400	EUR	100	– 21	TEUR	9	TEUR			acquired	2011
Kontorhaus Arnulfpark GmbH & Co. KG	Oberhaching	100,000	EUR	50	– 112	TEUR	14,061	TEUR	– 57	TEUR	11,868	TEUR
Kontorhaus Arnulfpark Verwaltungs GmbH	Oberhaching	25,000	EUR	50	– 2	TEUR	22	TEUR	– 3	TEUR	23	TEUR
Skyline Plaza Generalübernehmer GmbH & Co. KG	Oststeinbek	25,000	EUR	50	14	TEUR	33	TEUR			established	2011
Skyline Plaza Generalübernehmer Verwaltung GmbH	Oststeinbek	25,000	EUR	50	– 2	TEUR	23	TEUR			established	2011
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	75	52,714	TCZK	445,542	TCZK			acquired	2011
CA Immo Real Estate Management Czech Republic s.r.o.	Prague	1,000,000	CZK	100	568	TCZK	3,837	TCZK			acquired	2011
EUROPOLIS 6 Holding s.r.o.	Prague	200,000	CZK	100	– 81	TCZK	308	TCZK			acquired	2011
EUROPOLIS Technopark s.r.o.	Prague	200,000	CZK	51	– 963	TCZK	96,159	TCZK			acquired	2011
RCP Alfa, s.r.o.	Prague	1,000,000	CZK	51	10,712	TCZK	525,957	TCZK			acquired	2011
RCP Amazon, s.r.o.	Prague	1,000,000	CZK	65	– 113,870	TCZK	42,326	TCZK			acquired	2011
RCP Beta, s.r.o.	Prague	73,804,000	CZK	65	– 1,365	TCZK	31,240	TCZK			acquired	2011
RCP Delta, s.r.o.	Prague	1,000,000	CZK	65	52,998	TCZK	340,729	TCZK			acquired	2011
RCP Epsilon, s.r.o. (in liquidation)	Prague	200,000	CZK	65	– 230	TCZK	328	TCZK			acquired	2011
RCP Gama, s.r.o.	Prague	96,931,000	CZK	65	– 921	TCZK	58,066	TCZK			acquired	2011
RCP ISC, s.r.o.	Prague	1,000,000	CZK	65	2,927	TCZK	3,200	TCZK			acquired	2011
RCP Residence, s.r.o.	Prague	5,000,000	CZK	100	– 790	TCZK	78,161	TCZK			acquired	2011
TK Czech Development IX s.r.o.	Prague	100,000	CZK	100	2,037	TCZK	426,303	TCZK			acquired	2011
K&K Investments S.R.L.	Sibiu	21,609,000	RON	90	– 442	TRON	– 6,343	TRON	– 7,714	TRON	– 5,902	TRON
Megapark o.o.d.	Sofia	5,000	BGN	35[2]	– 8,655	TBGN	– 36,416	TBGN	– 10,058	TBGN	– 27,761	TBGN
OAO Avielen AG	St. Petersburg	370,000,000	RUB	25	– 214,139	TRUB	35,501	TRUB	– 98,707	TRUB	315,365	TRUB
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	50	370	TEUR	770	TEUR	3,890	TEUR	790	TEUR
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	0	TEUR	7	TEUR	– 3	TEUR	7	TEUR
ALLIANCE MANAGEMENT COMPANY Sp.z o.o.	Warsaw	971,925	PLN	64.97	– 3	TPLN	546	TPLN			acquired	2011

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Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
Amsterdam Office Sp.z.o.o.	Warsaw	2,700,000	PLN	50	– 10,180	TPLN	– 8,031	TPLN			established	2011
CA Immo Real Estate Management Poland Sp. z o.o.	Warsaw	500,000	PLN	100	322	TPLN	2,269	TPLN			acquired	2011
CENTER PARK Sp.z o.o.	Warsaw	70,000	PLN	65	– 1,722	TPLN	13,086	TPLN			acquired	2011
Doratus Sp.z.o.o.	Warsaw	2,000,000	PLN	100	– 2,914	TPLN	8,553	TPLN	3,638	TPLN	14,666	TPLN
EUROPOLIS BITWY WARSZAWSKIEJ Sp.z o.o.	Warsaw	50,000	PLN	51	– 9,578	TPLN	42,248	TPLN			acquired	2011
EUROPOLIS LIPOWY OFFICE PARK Sp.z o.o.	Warsaw	70,000	PLN	100	– 25,309	TPLN	56,704	TPLN			acquired	2011
EUROPOLIS PARK BŁONIE Sp.z o.o.	Warsaw	1,091,400	PLN	65	– 23,562	TPLN	32,060	TPLN			acquired	2011
EUROPOLIS SASKI CRESCENT Sp.z o.o.	Warsaw	50,000	PLN	51	– 13,240	TPLN	75,972	TPLN			acquired	2011
EUROPOLIS SASKI POINT Sp.z o.o.	Warsaw	50,000	PLN	51	– 6,091	TPLN	41,537	TPLN			acquired	2011
EUROPOLIS SIENNA CENTER Sp.z o.o.	Warsaw	4,580,000	PLN	51	– 15,289	TPLN	48,662	TPLN			acquired	2011
POLAND CENTRAL UNIT 1 Sp.z o.o.	Warsaw	11,800,000	PLN	75	– 17,508	TPLN	– 18,410	TPLN			acquired	2011
Poleczki Business Park Sp.z.o.o.	Warsaw	7,936,000	PLN	50	– 35,019	TPLN	– 27,208	TPLN	– 6,061	TPLN	– 2,980	TPLN
SOFTWARE PARK KRAKÓW Sp.z o.o.	Warsaw	50,000	PLN	50	– 4,898	TPLN	– 10,608	TPLN			acquired	2011
Vienna Office Sp.z.o.o.	Warsaw	3,300,000	PLN	50	– 7,173	TPLN	616	TPLN			established	2011
Warsaw Financial Center Sp.z.o.o.	Warsaw	218,032,000	PLN	50	– 93,276	TPLN	201,932	TPLN	12,487	TPLN	303,469	TPLN
WARSAW TOWERS Sp.z o.o.	Warsaw	50,000	PLN	51	– 8,327	TPLN	93,816	TPLN			acquired	2011
BIL-S Superädifikatsverwaltungs GmbH	Vienna	70,000	EUR	100	8,294	TEUR	592	TEUR	– 2,203	TEUR	– 7,702	TEUR
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	100	9,312	TEUR	41,487	TEUR	17,009	TEUR	86,175	TEUR
CA Immo Galleria Liegenschaftsverwaltung GmbH	Vienna	35,000	EUR	100	1,573	TEUR	26,179	TEUR	– 7,967	TEUR	24,607	TEUR
CA Immo Germany Holding GmbH	Vienna	35,000	EUR	100	61,590	TEUR	946,521	TEUR	32,746	TEUR	945,832	TEUR
CA Immo LP GmbH	Vienna	146,000	EUR	100	3,089	TEUR	34,519	TEUR	1,862	TEUR	45,931	TEUR
CA Immo-RI-Residential Property Holding GmbH	Vienna	35,000	EUR	100	6,901	TEUR	216,427	TEUR	– 6,366	TEUR	262,529	TEUR
CAII Projektbeteiligungs GmbH	Vienna	35,000	EUR	100	– 1,570	TEUR	207	TEUR	– 8,291	TEUR	1,777	TEUR
EUROPOLIS AG	Vienna	5,000,000	EUR	100	1,213	TEUR	248,906	TEUR			acquired	2011
EUROPOLIS CE Alpha Holding GmbH	Vienna	36,336	EUR	65	– 9,590	TEUR	– 8,731	TEUR			acquired	2011
EUROPOLIS CE Amber Holding GmbH	Vienna	35,000	EUR	100	24,843	TEUR	34,043	TEUR			acquired	2011
EUROPOLIS CE Gamma Holding GmbH	Vienna	35,000	EUR	65	– 829	TEUR	– 614	TEUR			acquired	2011
EUROPOLIS CE Istros Holding GmbH	Vienna	35,000	EUR	100	– 4,101	TEUR	– 31,838	TEUR			acquired	2011
EUROPOLIS CE Kappa Holding GmbH	Vienna	35,000	EUR	100	– 668	TEUR	5,485	TEUR			acquired	2011
EUROPOLIS CE Lambda Holding GmbH	Vienna	35,000	EUR	75	– 10,144	TEUR	533	TEUR			acquired	2011

[1] information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards

Company	Registered office	Nominal capital		Share of capital in %	Profit/loss for fiscal 2011		Shareholders' equity as of 31.12.2011		Profit/loss for fiscal 2010		Shareholders' equity as of 31.12.2010	
EUROPOLIS CE Ledum Holding GmbH	Vienna	35,000	EUR	100	185	TEUR	47,016	TEUR			acquired	2011
EUROPOLIS CE My Holding GmbH	Vienna	35,000	EUR	75	– 890	TEUR	– 595	TEUR			acquired	2011
EUROPOLIS CE Omikron Holding GmbH	Vienna	35,000	EUR	65	– 8,065	TEUR	25,343	TEUR			acquired	2011
EUROPOLIS CE Pi Holding GmbH	Vienna	35,000	EUR	65	– 3,055	TEUR	– 1,394	TEUR			acquired	2011
EUROPOLIS CE Rho Holding GmbH	Vienna	35,000	EUR	65	– 3,072	TEUR	– 1,604	TEUR			acquired	2011
EUROPOLIS CE Sigma Holding GmbH	Vienna	35,000	EUR	65	– 6,500	TEUR	– 7,041	TEUR			acquired	2011
EUROPOLIS CE Tau Holding GmbH	Vienna	35,000	EUR	65	– 5,117	TEUR	6,789	TEUR			acquired	2011
EUROPOLIS CE Tilia Holding GmbH	Vienna	35,000	EUR	65	– 7,142	TEUR	26,431	TEUR			acquired	2011
EUROPOLIS Duat Holding GmbH & Co OG	Vienna	2,906,913	EUR	100	– 7,843	TEUR	563	TEUR			acquired	2011
Europolis Pheme Holding GmbH	Vienna	36,336	EUR	100	– 4,848	TEUR	25,780	TEUR			acquired	2011
Europolis Real Estate Asset Management GmbH	Vienna	35,000	EUR	100	1,603	TEUR	7,035	TEUR			acquired	2011
EUROPOLIS Sarisu Holding GmbH	Vienna	35,000	EUR	100	333	TEUR	12,500	TEUR			acquired	2011
I.N.A. Handels GmbH	Vienna	37,000	EUR	100	– 1,420	TEUR	145	TEUR	– 137	TEUR	65	TEUR
Parkring 10 Immobilien GmbH	Vienna	35,000	EUR	100	1,629	TEUR	26,551	TEUR	– 3,137	TEUR	24,922	TEUR
SQUARE S Holding GmbH	Vienna	35,000	EUR	100	– 2	TEUR	30,901	TEUR	– 3	TEUR	30,903	TEUR
UBM Realitätenentwicklung AG[2]	Vienna	5,450,463	EUR	25	8,544	TEUR	139,063	TEUR	14,328	TEUR	133,567	TEUR
Europolis Zagrebtower d.o.o.	Zagreb	15,347,000	HRK	65	8,194	THRK	130,779	THRK			acquired	2011

[1] information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards

[2] based on IFRS

MANAGEMENT REPORT

MANAGEMENT REPORT OF CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2011

CA Immobilien Anlagen Aktiengesellschaft ("CA Immo") is the parent company of the CA Immo Group. Its head office is at Mechelgasse 1, 1030 Vienna. The CA Immo Group is an internationally active property group. It has subsidiaries in Bulgaria, Germany, Estonia, Croatia, Luxembourg, the Netherlands, Austria, Poland, Romania, Russia, Serbia, Slovakia, Slowenia, the Czech Republic, Ukraine, Hungary and Cyprus. As of 31 December 2011, the CA Immo Group owned real estate and properties in all of the aforementioned countries except Estonia, Luxembourg, the Netherlands and Cyprus. The company's main activity involves administering and financing the domestic and foreign subsidiaries. It also owns 23 properties in Austria (as of 31 December 2011).

ECONOMIC ENVIRONMENT

THE CYCLICAL TREND

Economic growth is the main factor that drives demand for office space in the real estate sector; similarly, liquidity and interest rates are the key criteria in operational business developments. The continuing debt crisis is therefore impacting on general economic stability and feeding insecurity on markets and amongst investors.

With average GDP growth of 1.6 % (compared to 1.7 % in 2010), the dynamism witnessed on most EU markets early in the year had tailed off dramatically by the end of 2011. The economies of Europe are continuing to drift apart. Against this background of tension, economic data shows that the core markets of CA Immo performed above the EU average in 2011. Compared to most eurozone nations, economic output on the majority of CA Immo 's core markets is more stable, with higher growth rates and far lower levels of debt. Poland and Germany were at the forefront of economic expansion with impressive GDP growth of 4 % and 3 % respectively, whilst the Hungarian economy (1.4 % GDP growth) was adversely affected by the uncertain political climate.

THE MONEY MARKET AND INTEREST RATE ENVIRONMENT [1]

The average inflation rate for 2011 in the eurozone was 2.7 %, well above the two percent target level specified by the European Central Bank (ECB). Once again, prices were driven by energy and other commodities. The ECB responded to the rising inflation in the first six months by raising the base rate from 1.0 % to 1.5 %. During the fourth quarter, the bank then cut back the base rate by 50 base points to its original level of 1.0 %.

Money market rates were significantly more volatile, especially in the final quarter of 2011, with major differences between the secured and unsecured markets. At the end of the year, the average monthly interest rate for term deposits in interbank transactions (3 month Euribor), which is used as the basis for variable financing, stood at 1.35 %; since then it has fallen closer to 1.0 %. Despite the low interest level, total financing costs are the same or higher than in previous years owing to higher bank margins. The main cause of this is restraint in interbank transactions and a greater capital requirement on the part of banks.

CURRENCIES [2]

The exchange rate for the euro remained volatile as the sovereign debt crisis in peripheral European nations unfolded. The value of the euro has been falling sharply against the currencies of the 20 main trading partners since the end of August. By the end of the year, the exchange rate against the US dollar had fallen by 1.9 % on the previous year's value to US$ 1.3920 on average. However, given that CA Immo 's lease contracts are all concluded in euros, this did not impact directly on rental revenue.

OUTLOOK

In 2012, economic development in Europe will be governed by the sovereign debt crisis on the continent, a weakening macro-economic environment and diminishing consumer confidence as a result. The economic stability of Europe will depend heavily on the savings and

[1] Sources: Eurostat 2012, European Central Bank, Monthly Bulletin January 2012
[2] Sources: European Central Bank, Monthly Bulletin January 2012, www.finanzen.net; closing rate on 30.12.2011

reform measures enacted by the debt-ridden member states of Greece, Italy, Spain and Portugal.

As the year progresses, the slowdown in the global economy will mean companies investing less and export ratios falling in most countries – a scenario that could seriously affect the commercial property market as demand for office premises is suppressed. Only core properties let for the long term are likely to benefit from the increasing reluctance of investors to take risks.

Stability in the banking sector will spur economic activity

The lowering of the credit quality threshold for certain asset-backed securities (ABS) confirmed by the ECB in December entails credit default risk; moreover, this will not solve the problem of declining interbank transactions owing to mistrust between banks. Radical reforms on the money and capital markets are thus inevitable.

The tightening of financing conditions in particular is sure hinder economic dynamism, at least temporarily. By the middle of the year, European banks will have to comply with the requirements of the European Banking Authority and raise their core capital stock by a minimum of 9 %. The stance taken by individual banks – and the effect this will have on bank lending to the real economy – remain unclear. Guaranteeing the medium-term resilience of banks within the eurozone on the one hand whilst sustaining economic development through lending to the real economy on the other will constitute a balancing act.

The limits of financing with outside capital

Since the availability of loan capital will also be limited in the real estate sector over the years ahead, the financing of development projects and other transactions will be a major challenge. In the medium term, identifying alternative forms of finance and financing partners (such as capital market financing in the form of bonds) will be critical. The extent to which insurance companies and pension funds play a greater role will surely also depend on the future patterns of savings by private households and financial asset acquisition by institutional investors.

REAL ESTATE MARKETS

The core markets of CA Immo held their ground in 2011, producing not only above average economic data but also stable or improving performance indicators on the property investment and rental markets. With steady growth and large, liquid real estate markets, Germany proved a particularly safe haven in 2011, developing more strongly than many other major international markets. Generally speaking, performance on the company's main markets in Eastern Europe was also stable to above average in 2011, although investment and lettings activity slowed somewhat in the second half of the year.

Once again, security and core were central factors in the purchase decisions of investors. As a result, the gap has widened between high quality real estate in capital cities and older properties in B-class locations that fall short of modern technical standards. This trend is expected to continue in 2012.

AUSTRIA [3]

The investment market

Around € 1.7 bn was invested in Austrian real estate in 2011, an increase of 7.0 % on the transaction volume for 2010. Investors were strongly attracted to high quality office properties (27 %) and hotels (24 %). In year-on-year comparison, peak yields fell by five base points to stand at 5.20 % at the turn of the year. Yields are expected to stagnate in 2012.

The office property market

During 2011, 260,000 sqm of office space was let in Vienna, around 5.4 % down on the previous year and the lowest figure since the crisis began in 2008. Market activity in Vienna will continue to be characterised by small-scale new lettings in 2012. Although demand stagnated in 2011, the production of (office) premises rose by 14 %. Another 178,000 sqm of office space is expected to be produced in 2012 as various projects are completed (not including general restorations). Moreover, owing to the fact that older properties are required to undergo full redevelopment prior to re-utilisation in order to attain certain rent levels, more and more fully restored properties are coming onto the market – a trend that is sure to intensify. During 2012, CA Immo will also market a resto

[3] Sources: CBRE, Vienna Office MarketView Q4 2011; EHL Market Research 2012

ration project comprising some 18,800 sqm of reconditioned office premises at the Lände 3 site. As a result, both competition for tenants and vacancy (especially in previously occupied properties not conforming to the latest standards) will increase this year.

Peak rent levels were hovering around € 23.75/sqm at the end of 2011. Rental rates are expected to rise marginally this year in prime locations; stagnation is likely in other locations owing to excess supply.

GERMANY [4]

The investment market

Economic stability, a polycentric structure and large, liquid real estate markets are making Germany a magnet for investors. Some € 23.5 bn was invested in real estate purchases in 2011, up nearly 20 % on the previous year's figure. Peak yield values were stable throughout the year in most locations. With real estate in Germany retaining its popularity despite the financial market crisis, the transaction volume for 2012 is likely to be similarly high. Demand also remained strong for high quality properties with good letting levels (core segment), especially in the usage categories of retail properties (46 % of the total investment volume) and office premises (30 %). At present, we expect this demand to be maintained in 2012, leading to further increases in value in this segment.

With a transaction volume of € 2.96 bn (up 58 %), Frankfurt once again led the German investment market in terms of sales; it was followed by Munich (€ 2.88 bn), which experienced a boom as the investment volume exceeded the previous year's value by 70 %. The transaction volume in Berlin fell 26 % to € 2.34 bn; the reason for this was not a lack of demand from investors, however, but a shortage of suitable supply.

The office property market

As regards the office rental market in Germany, office space totalling 1.75 million square metres was let on the core CA Immo markets of Munich, Berlin and Frankfurt in 2011 (compared to 1.52 million square metres in 2010). Strong demand for high quality premises coupled with falling construction levels will reduce vacancy further in the quality segment during 2012. At the same time, vacancy in class B real estate that does not conform to the latest standards will continue to rise.

EASTERN EUROPE [5]

The investment market

In 2011, investment activity in Eastern Europe was characterised by a search for secure asset classes (especially in capital cities). Taking account of the acquisition of the Europolis portfolio by CA Immo, the total office transaction volume exceeded € 4 bn (up 60 % on the prior year). The markets of Russia (42 %), Poland (29 %) and the Czech Republic (14 %) generated the highest shares of the total volume. By contrast, very little investment activity was reported in the smaller nations of South Eastern Europe in particular owing to worsening economic conditions and the lack of financing.

A strong phase of recovery was followed by a slump in the investment volume in the fourth quarter of 2011; this was mainly due to the limited availably of core properties, for which demand was high, and constraints on financing – issues likely to remain prominent in 2012. With little construction activity on most markets, investors are falling back on investment properties. Moreover, only a few banks are prepared to provide finance in Eastern Europe. Poland and the Czech Republic have emerged as the only relatively liquid markets (unlike Hungary, the Balkan states and the Ukraine, where investment activity is likely to remain at very low levels for some time to come).

Peak yields did not vary greatly in 2011, although there was a slight trend towards compression in the second half of the year. For class A office properties in Poland and the Czech Republic, peak yields were 6.25 % and 6.75 % respectively. Given the limited supply of high quality prime real estate on these markets, a further fall in yields is expected for this product class.

The office market in Eastern Europe [6]

Like the investment market, the office rental market also slowed down in the second six months. Compared to the first half of 2011, market absorption in Warsaw, Bucharest and Prague fell by 20-40 %. Despite this, overall lettings performance in Warsaw reached a record level. Minimal

[4] Sources: BNP Paribas Real Estate 2012; CBRE EMEA Rents and Yields Q4 2011; CBRE MarketView, Office Market Frankfurt/Munich Q4 2011

[5] Sources: CBRE Market View, CEE Offices February 2012; CBRE EMEA Rents and Yields Q4 2011

[6] Sources: CBRE Market View, CEE Offices February 2012; CBRE EMEA Rents and Yields Q4 2011

levels of building activity have reduced vacancy and the influx of new tenants has been generally low. There is a clear focus on extending and expanding existing lease contracts on portfolio buildings. For countries with strong links to Western Europe in particular, the development of the demand situation will depend largely on the economic trend in this region. However, the stable performance of the German economy gives rise to hopes of a further boost to the Czech and Slovakian markets especially.

With the exception of Warsaw, vacancy rates on most markets remain above 10 % (although the trend is downward). Owing to the limited availability of financing, high levels of pre-letting on new development projects are required, and this should continue to suppress vacancy. Some cities in the SEE region in particular (including Sofia and Belgrade) are still struggling with high (22 %) rates of vacancy, and this is turn is forcing down rental rates. By contrast, rent levels are stable or rising modestly on core CA Immo markets such as Warsaw.

Logistics [7]

The logistics segment – a sector that traditionally has shorter lease agreement terms, higher volumes of floor space and direct links to the business environment – generally responds more quickly to international trends than the office sector. Despite the volatile climate, development for the logistics area in Eastern Europe was largely stable in the first six months of the year. Poland, the Czech Republic and Russia achieved the strongest growth on the European logistics market in terms of both transaction volumes and lettings performance.

General conditions in the second half of 2011 mirrored those for the office markets: limited supply and minimal construction in the core segment coupled with an increasingly uncertain economic outlook suppressed activity on the investment as well as the lettings markets.

Thanks to the country's strong domestic market and stable economic growth, demand expanded steadily in the logistics segment in Poland. Floor space turnover in the commercial sector increased by over 30 % during 2011, driven mainly by the logistics area. The logistics vacancy rate fell marginally to around 9-15 % (depending on location), with rent levels stabilising in the range of € 2.8/sqm to € 5.0/sqm. Peak yields were also stable at 7.75 %. Rents and yields are not expected to change significantly in 2012.

PROPERTY ASSETS

The CA Immo Group divides its core activity into two business areas: letting investment properties and developing real estate. In both of these business areas, CA Immo specialises in commercial real estate with a clear focus on office properties in Central Europe. The objective is to build up a focused portfolio of high quality and sustainable investment properties within the core markets of Germany, Austria, the Czech Republic, Poland, Hungary, Romania and Slovakia. The company generates additional revenue through the utilisation of developed real estate reserves.

As a result of the integration of Europolis, the property assets of the CA Immo Group in the consolidated statement of financial position for 2011 rose from approximately € 3.6 bn (as at 31 December 2010) to € 5.2 bn as at 31 December 2011. Of this figure, investment properties[8] account for € 4.2 bn (82 % of the total portfolio) and property assets under development represent € 0.9 bn (18 % of the portfolio as a whole). The proportion of the Eastern and South Eastern European segment expanded from around 20 % to over 41 % of the company's overall property assets, bringing it onto a par with the German segment.

As at 31 December 2011 CA Immobilien Anlagen AG itself holds 23 properties in Austria with a recognised value of € 260,837 K (including property and buildings, prepayments made and construction in progress) compared to 28 properties with a recognized value € 264,513 K (31 December 2010).

During 2011 CA Immo sold five investment properties with a value of € 11,530 K. Market placement was particularly profitable for small to medium-sized apartment houses in Vienna and the regional capitals. Total income of € 5,608 K was generated from sales in 2011.

As at 31 December 2011, the company was realising one development project in Vienna: early in 2010, CA Immo launched a large-scale inner city development and restoration project known as Lände 3 on the Erdberger Lände

[7] Sources: Jones Lang LaSalle, European Industrial Bulletin, September 2011; CBRE Big Box Poland Industrial Market View, Q4 2011

[8] including properties used for own purposes and intended for trading or sale

site in the capital. The site, which currently offers some 80,000 sqm of rentable area, comprises a number of sections. Following a phase of restoration, the tenant Post AG started to occupy 31,000 sqm of office space in August 2011; by December, all of the organisation's office-based operations in Vienna had been amalgamated on the site. Sim & More GmbH also signed up as a tenant and operator of a self-service restaurant with usable space of 2,500 sqm.

Meanwhile, full-scale revitalisation work on the Silbermöwe office property began in March: by the autumn of 2012, modern and sustainable office space with rental effective area of approximately 18,800 sqm will be created within the nine-storey building, which is just under 40 metres high. An application will be made for DGNB sustainability certification for the building.

BUSINESS DEVELOPMENTS AT CA IMMOBILIEN ANLAGEN AG

Earnings

Owing to real estate sales transacted in business year 2010, rental income fell from € 19,323 K to € 16,404 K. The gross revenues shown in the annual financial statements of CA Immobilien Anlagen AG in 2011 declined by –12 % (from € 23,933 K to € 20,998 K) as this was generated solely from the letting of real estate in Austria.

Other operating income of € 4,644 K (compared to € 4,729 K in 2010) includes management fees to subsidiaries of € 4,131 K (€ 2,972 K in 2010) as well as cost allocations and insurance proceeds.

With the average staffing level unchanged, salary adjustments led to an increase of 9 % in personnel spending to € 8,577 K (€ 7,854 K in 2010).

Depreciation on intangible assets, fixed assets and tangible assets fell by – 57 % to € 7,846 K (€ 18,223 K in 2010) owing to unplanned depreciation in the previous year. Other operating expenditure also declined by – 25 %, from € 20,336 in 2010 to € 15,263 K in 2011; this was mainly due to cost savings of – 39 % within general administrative expenses (from € 11,028 K as at 31 December 2010 to € 6,777 K on 31 December 2011). The developments outlined above brought about an operating result of € 2,333 K as at 31 December 2011 (€ – 17,361 K in 2010).

Profit distributions of subsidiaries of € 61,187 K (€ 1,850 K in 2010) in Eastern Europe and € 102,340 K (€ 120 K in 2010) in Austria led to an increase from € 1,970 K (in 2010) in the item 'Income from shareholdings' to € 163,526 K (in 2011). This was counteracted by expenses from financial investments and securities held as current assets of € 60.789 K (€ 55.634 K in 2010) which resulted mainly from the dividend-related depreciation of shares in affiliated companies.

Income from loans was largely unchanged at € 10,477 K (€ 10,458 K in 2010). Interest income rose from € 9,194 K in 2010 to € 33,611 K in 2011; this was the result of fixed deposits, investments in securities and bank balances as well as cash advances and swap transfers to affiliated companies.

Income from the sale of and addition to financial assets and investments held as current assets stood at € 18,034 K, down – 51 % on the figure for 2010 (€ 37,065 K). This income derived mainly from reversals of depreciation within CA Immo AG of Frankfurt, Rennweg 16 GmbH of Vienna, CA Immo International Holding GmbH of Vienna and FCL Property a.s. of Prague as well as the sale of holdings in Eastern Europe. Appreciation of current investments of € 1,304 K were also carried out in the previous year. Revenue of € 815 K (€ 1,722 K in 2010) was generated from the sale of an ABS fund in 2011.

The change in the accounting method in 2011 from derivative financial instruments qualified as accounting units led to a reversal of provisions for contingent losses of € 9,744 K. Moreover, receivables from affiliated companies and provisions for contingent losses of € 15,191 K in each case were written off or reversed. The reversal of the provisions for contingent losses of € 24,935 K is stated under other interest and similar income; the depreciation of receivables in the amount of € 15,191 K as interest and similar expenses from affiliated companies led to a rise in interest and similar expenses from € 56,297 K in 2010 to € 74,004 K. Interest on loans obtained to finance property assets included in this item also increased marginally.

Overall, the factors above brought a significant rise in the financial result, from € – 53,244 K in 2010 to € 90,855 K in 2011. Profit on ordinary activities stood at € 93,189 K (against € – 70,605 K in 2010).

Taking account of tax revenue (essentially from group tax) of € 5,481 K (€ 5,731 K in 2010), there was an annual surplus of € 98,670 K as at 31 December 2011 (compared to € – 65,222 K on 31.12.2010); taking the reversal of untaxed reserves into consideration produces net retained earnings of € 98,748 K (€ 0 K in 2010).

Cash flow from operating activities (operating cash flow plus changes to net current assets) for business year 2011 stood at € 68,174 K (€ 38,641 K in 2010); cash flow from investment activities was € –59,176 K (€ –270,794 K in 2010). Cash flow from financing activities amounted to € –7,618 K (€ –8,045 K in 2010).

Balance sheet: assets

Compared to the previous year, the total assets of CA Immobilien Anlagen AG increased from € 2,299,450 K in 2010 to € 2,389,411 K in 2011. On the assets side, fixed assets rose from € 2,218,590 K (on 31.12.2010) to € 2,238,304 K as at 31 December 2011. The proportion of fixed assets in the total assets was around 94 % as at 31 December 2011 (against 96 % in 2010). On the balance sheet date, the company's property assets comprised 23 properties in Austria with a market value of € 260,837 K (31.12.2010: 28 properties with a market value of € 264,513 K). Owing mainly to the scheduled depreciation of goodwill, intangible assets fell from € 285 K on the last day of 2010 to € 41 K as at 31 December 2011; they now contain only EDP software. Tangible fixed assets fell from € 265,702 K on 31 December 2010 to € 262,180 K. This change was mainly due to the fall in the book value of land and buildings following real estate sales. Additions of € 11,664 K in the item 'Down payments made and construction in progress' mainly relate to current investment, especially on the Lände 3 project.

Financial assets increased from € 1,952,603 K to € 1,976,083 K as at 31 December 2011. Additions derived from the increased stake acquired by CA Immobilien Anlagen AG in the CA Immo New Europe Property Fund in the fourth quarter, and from a capital increase performed for the fund. CA Immobilien Anlagen AG now holds a 70 % stake in the fund.

Loans to affiliated companies include a loan of € 86,767 K to CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG (€ 117,416 K on 31.12.2010) to refinance various subsidiaries in Austria and Germany for property investment, and various loans to affiliated companies in Eastern Europe to a total amount of € 120,608 K (€ 77,215 K on 31.12.2010). Other loans (€ 14,344 K on 31.12.2011) mainly include loans related to the 'Airport City St. Petersburg' project which is held by the CA Immo New Europe project development fund.

Current assets expanded by € 70,597 K, from € 79,442 K as at 31 December 2010 to € 150,039 K on 31 December 2011. Additions included amounts due from the distribution of profits at CA Immo Holding B.V., Hoofddorp (NL) of € 49,815 K (€ 0 K in the previous year) and other receivables amounting to € 5,270 K at the end of 2011 (€ 3,074 K on 31.12.2010).

Between September 2011 and the end of the reporting year, convertible bonds with a nominal value of € 20,500 K were repurchased from the market at an average rate of 94.6 %; bonds from 2006 with a nominal value of € 14,008 K were bought back at a rate of 97.5 %.

The company has three outstanding bonds at present, registered for trading on the unlisted securities market of the Vienna Stock Exchange. The bonds provide unsecured financing at CA Immobilien Anlagen AG; they are on equal footing to one another and to all other unsecured financing of CA Immobilien Anlagen AG. The conditions of the bonds do not provide for any relevant financial covenants. Key features of convertible bonds are:

The conversion price of the convertible bond is € 11.58; the planned payment of a dividend will result in adjustment of the conversion price and thus the maximum number of bearer shares issued where the right of conversion is exercised. The conversion price will thereby be restricted to the level of the dividend yield at the time of the dividend payment. Early repayment of the convertible bonds by CA Immo is possible as from the end of the final quarter of 2012 provided the price of the CA Immo share (in certain periods) amounts to at least 130 % of the applicable conversion price at that time.

Balance sheet: liabilities

On the liabilities side, shareholders' equity rose by 7 % (from € 1,458,898 K as at 31 December 2010 to € 1,557,646 K as at 31 December 2011) owing to net retained earnings of € 98,748 K (€ 0 K on 31.12.2010). The equity ratio was around 65 % on the key date (compared to 63 % on 31.12.2010). Fixed assets were 70 % covered by equity (66 % on 31.12.2010). Compared to the previous year, provisions fell by – 16 % (from € 75,645 K as at 31 December 2010 to € 63,828 K); in particular, this reflects obligations linked to derivative transactions of € 37,812 K (€ 54,012 K on 31.12.2010) and provision for grants to subsidiaries of € 17,114 K (€ 15,452 K on 31.12.2010).

The increase in payables (from € 763,619 K at the end of 2010 to € 766,790 K at the end of 2011) was mainly due to additional payment obligations to affiliated companies.

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

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

The capital stock of CA Immo amounts to € 638,713,556.20. It is divided into four registered shares and 87,856,056 bearer shares traded on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352). The four registered shares are held by UniCredit Bank Austria AG and each equate to one position on the Supervisory Board, although this right has not been exercised. All members of the Supervisory Board are elected at the General Meeting. As at 31 December 2011, the company held none of its own shares; this position has not changed from the previous year.

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

On 29 January 2011, UniCredit Bank Austria AG announced a voluntary public takeover bid in accordance with article 4ff of the Austrian Takeover Act to the shareholders of CA Immo bilien Anlagen AG (' CA Immo ') with a view to acquiring their shares CA Immo. The offer price was € 12.35 per CA Immo share. The takeover bid was open to acceptance until 16 February 2011. At the time of declaring the takeover bid, the bidder held 10,438,224 shares in CA Immo, equivalent to a stake of 11.88 % in the capital stock of CA Immo. During the acceptance period, the bid was accepted in respect of 4,402,326 CA Immo shares, equivalent to a stake of approximately 5 % in the total capital stock of CA Immo. With the transfer of the new shares, and taking into account shares held prior to the takeover bid as well as further acquistions of CA Immo shares via the Stock Exchange the stake of UniCredit Bank Austira AG in CA Immo increased up to 18 %. Further information is provided on the companies' website www.caimmo.com.

With around 18 % of the capital stock and the four registered shares, UniCredit Bank Austria AG is the company's largest shareholder. The company is not aware of any other shareholders with a stake of more than 5 %. The remaining shares of CA Immo (approximately 82 % of the capital stock) are in free float. Except for UniCredit Bank Austria AG, no other shareholders had particular controlling rights.

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

As at 31 December 2011, there was a total of € 312,841,476.80 non-exhausted authorised capital (article 169 AktG), which can be utilised until 8 August 2012 at the latest.

At the Ordinary General Meeting on 13 May 2008, the Management Board was authorised to issue convertible bonds, even by excluding shareholder subscription rights, for a maximum nominal amount of up to € 317,185 K by 12 May 2013 with the approval of the Supervisory Board on single or multiple occasions, and to guarantee conversion rights on up to 43,629,300 bearer shares in the company for convertible bond holders. As a result of this authorisation, a five-year convertible bond was issued in November 2009 with a volume of € 135,000K. The half-yearly coupon payable on the convertible bond was set at 4.125 % and the conversion price was set at € 11.5802 (this represents a premium of 27.5 % above the reference price). As such, a maximum of 11,657,829 no-par value shares will be paid out for any conversion rights which may be exercised. In this regard, the same General Meeting approved contingent capital (article 159 AktG) amounting to € 317,185 K.

At the 23rd Ordinary General Meeting on 12 May 2010, the Management Board was authorised in accordance with art. 65 subsection 1 line 8 of the AktG to buy back and, where necessary, sequester or sell the maximum proportion of its own shares via alternative means than on the stock market, or even via public offering, as allowed by law (10 % of share capital) for a period of 30 months after the decision was taken. As at 31 December 2011, this right had not been exercised.

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

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

With regards the accounting process, the main features of the internal monitoring and risk management system are: Minimum standards for internal monitoring systems are determined in an internal group directive. In order to monitor whether these standards were being observed, a separate Internal Auditing unit under the control of the full Management Board was set up as part of a reorganisation process alongside the Risk Management department. The unit, which took up its assigned tasks in 2010, will oversee compliance with legal provisions, internal guidelines and rules of conduct on the basis of an auditing plan; it will also monitor the potential for risk in operational processes (upholding the dual verification principle in all organisational entities, continual reporting, and so on) while assessing the potential for efficiency improvements (regular auditing of individual group companies). Reports on the auditing plan and assessment results will be submitted to the Supervisory Board at least once every year. The internal monitoring system (IMS) has been expanded to assist in the early identification and monitoring of risks. An internal group directive also governs uniform regulations for the group for the production of annual financial statements and interim statements. The group has a comprehensive risk management system. The accounting process was analysed with regard to the important subprocesses. The efficiency of subprocess is audited on the basis of a rotating time plan and designed around best practices (e.g. derivatives, accounts receivable management). The risk management system is part of the auditor's regular program. The results of the audits are reported to the audit committee of the Supervisory Board.

Development of shareholders' equity is as depicted below.

€ 1,000	31.12.2010	Capital increase	Dividend payments	Annual result	Release of capital reserves	31.12.2011
Share capital	638,714	0	0	0	0	638,714
Tied capital reserves	820,184	0	0	0	0	820,184
Retained Earnings	0	0	0	0	0	0
Net profit	0	0	0	98,748	0	98,748
Total equity	**1,458,898**	**0**	**0**	**98,748**	**0**	**1,557,646**

COMMITTED TO OBSERVING THE AUSTRIAN CORPORATE GOVERNANCE CODE

Compliance with the appropriate legal provisions in Austria is very important to the Management Board and Supervisory Board of CA Immo. Needless to say, our subsidiaries in Germany and Eastern Europe comply with local legislation. CA Immo is committed to observing the Austrian Corporate Governance Code[9] and thus to transparency and principles of good corporate management. In business year 2011, CA Immo implemented almost in full the regulations and recommendations of the Code as

[9] The Austrian Corporate Governance Code may be viewed on the web site of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

amended in January 2010. Discrepancies were noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board) and 45 (executive positions with competitor companies). Compliance with the Code is evaluated annually (most recently by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH)[10].

RISK MANAGEMENT

The persistently tough economic climate is posing significant risks to CA Immo and its business activities. The main risks to the Group derive from the market-linked danger of rising vacancy rates, tenant insolvency, the difficult environment for real estate transactions created by the restrictive lending policy of banks, associated increase in yields and the decline in property values. The risk categories outlined below were re-evaluated following a risk assessment carried out in 2011; the major risks facing the Group have not changed significantly from the previous year.

General

Systematic risk management is a key element of the CA Immo Group's internal controlling process with a direct bearing on strategic and operational decision-making within the company. Therefore, the objective of risk management is to identify at an early stage and continually monitor potentially hazardous developments as well as opportunities so that suitable measures can be implemented as necessary. To be able to evaluate the company's risk position at all times, CA Immo is constantly evaluating the level of risk by means of quarterly reporting that takes account of the current situation of the company and the market. In these reports, risks are documented in relation to specific properties and projects but also to (sub-)portfolio level. Other aspects of risk reporting involve simulations and depictions of scenarios as regards the value trend for the portfolio as well as exit strategies and liquidity planning. In addition, specific risk types are assessed at regular intervals, with external advisors consulted. CA Immo assesses risk according to substance, effect and the likelihood of occurrence. On that basis, risk management is implemented at every level of the company and is therefore binding on all organisational divisions. From a strategic viewpoint, risk management includes the compilation of compulsory guidelines on investment policy.

[10] The results of the evaluation may be viewed on our web site (www.caimmoag.com).

Operational risk management is concerned with countering property-specific and general business risks. The company circumvents unexpected risk by means of early warning indicators such as rent forecasts and vacancy analyses as well as the continual monitoring of lease agreement periods and the possibility of terminations. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. Clear internal guidelines and strategies, business and investment plans and the continuous reporting systems have made it possible to monitor and control the economic risks associated with everyday business activity. Measures are applied to all Group subsidiaries. Investment plans are also subject to scrutiny by the Supervisory Board or its investment committee. The Controlling department supports the realisation of risk management by providing structured information and data; individual matters are also spot-checked by the Internal Auditing division.

THE INTERNAL MONITORING SYSTEM (IMS)

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

STRATEGIC RISKS

Capital market and financing risk

Refinancing on the financial market is one of the most important measures open to CA Immo. However, developments have shown that the erosion of trust in a functioning capital market can make the procurement of capital much more difficult. Due to the implementation of Basel III an increasing number of banks reconsider their mortgaging. Therefore, it is assumed that lending will be handled extremely restrictive in future. In addition, some banks currently make market stress test of scattered Eastern European countries or are preparing their exit from the region. Especially in Hungary and Romania refinancing could become more difficult in the upcoming months; however, in Poland and the Czech Republic willingness to finance is a little more stable. Above all, German banks have announced their plans to stop lending outside their home market temporarily, by implication, vice versa in the following years there will be sufficient liquidity in the German market. With the introduction of Solvency II it is assumed that insurance companies will occur increasingly in the financing business, which could provide a slight improvement on the financing sector. For this reason, it is essential that the company has the ability to plan and secure liquidity. As an alternative and supplement to established means of (equity) capital procurement, the company enters into equity partnerships (joint ventures) at project level. Given that the risk of (re)financing may remain a latent factor, detailed liquidity planning has been drawn up for the years ahead. This planning takes particular account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales). The expiry profile of financial liabilities for the CA Immo Group is reasonably stable until business year 2014; loans maturing by that date are linked solely to financing at property or project level. The refinancing of the 6.125 % CA Immo bond 09-14 (ISIN: AT0000A0EXE6) and the convertible bond are scheduled for 2014, provided conversion rights are not exerted.

Concentration (cluster) risk

A certain level of concentration (cluster) risk in the portfolio arises where a single investment exceeds a defined upper value in the total portfolio as regards location or investment volume. In such cases, the potential market risk is heightened significantly and the prospect of selling these properties can be diminished (especially where the market environment is constricted). On the other hand, exceptionally small properties raise the danger of excessive administration costs (in relation to rental revenue). For this reason, CA Immo seeks joint venture partners or an early (partial) exit for large-scale investment initiatives as this substantially lessens the burden of risk on the company. To bring about a suitable balance between expenditure and revenue, small properties (which are generally acquired through portfolio purchases) are regularly sold off and the composition of the portfolio is assessed on a quarterly basis. Concentration risk is also created where certain investments lead to over-representation of a particular region, country and specific usage type or tenant structure in the overall portfolio: this is because changes in the market can affect levels of demand which will impact negatively on the company’s profitability. Concentration risk as regards tenants generally arises where individual tenants are over-represented in terms of rental revenue and rentable space and thus have a significant bearing on the earnings of the CA Immo Group. As a countermeasure, especially on the target markets of Eastern and South Eastern Europe, CA Immo applies regional investment limits according to the size of the overall portfolio and, in the case of individual properties, the size of the respective market. Aside from regional distribution, efforts are made to ensure diversification in the tenant structure and usage types. In terms of tenants a concentration risk will only be accepted in case of long-term leases and an excellent credit rating.

If we define the limit value for concentration/cluster risk at 5 % of the total portfolio, only one investment (Tower 185) falls into this category. Given the current equity commitment of € 190 m on this project, an (partial) exit is planned following completion. Construction financing until is valid until the end of 2012. Due to the difficult market environment negotiation about the prolongation are already initiated. Although the package of investment properties acquired from the state of Hesse in 2006 makes up some 15 % of the overall portfolio, it comprises a total of 36 properties that the company could sell individually. In view of the long-term nature of existing lease contracts and the satisfactory creditworthiness of the tenant (the state of Hesse), this portfolio represents a calculated risk. Alongside Tower 185 and the Hesse portfolio, three more individual properties have an IFRS market value of over € 100 m. In terms of location, Prague (River City) and the logistics park in Bucharest have created concentration risk within the portfolio. As regards our land reserves and land development projects, risk arises from the high associated capital commitment; the prevailing market climate is also hampering development projects. For this reason, further property sales are in the pipeline for 2012, measures have been put in place to accelerate land development projects where possible and joint venture partners are being involved at an early stage with a view to cutting the capital commitment.

Country-specific risk and transfer risk

Country-specific and transfer risk incorporate the dangers of economic and political instability. Given the CA Immo Group's high level of investment activity abroad – and particularly in Eastern Europe – inflows of capital and liquidity to which the company is undoubtedly entitled can fail to materialise owing to a lack of foreign currency or transfer restrictions in other countries. There is no generally effective way to hedge against this kind of transfer risk. CA Immo counters country-specific risk by concentrating on a defined core region with local subsidiaries and on-site staff, and through appropriate regional allocation within that core market. The company ensures it is able to respond quickly to economic and political events through continual portfolio monitoring and specific portfolio management. CA Immo negates transfer risk by repatriating liquid assets from investment markets with a low credit standing.

PROPERTY-SPECIFIC RISKS

General

The real estate sector is closely intertwined with the macroeconomic developments on its markets. Any worsening of the debt and financial crisis in Europe poses the greatest risk to the real estate area as such a scenario has the potential to make financing conditions significantly harder for businesses. It seems ever more probable that the European economy will shrink even further during 2012; most indicators point to a slowdown in growth rates across the continent. This would have a particularly serious effect on the commercial property market, depressing the demand for office space whilst rendering access to finance more restrictive and costly. Only core properties let for the long term look like benefiting from the increasing reluctance of investors to take risks.

Market and liquidation risk

From a financing point of view, the risk to property investment markets remains considerable as more and more banks become ever more reluctant to finance large-scale investment in real estate. A deceleration in the transaction rate in 2012, which cannot therefore be ruled out, could impact negatively on CA Immo's sales targets for the year. There is also a danger that owing to rising yields, CA Immo will either be unable to sell properties, or only able to sell them at a discount. This could adversely affect the company's liquidity. To prevent such risks arising, CA Immo performs its own exhaustive market analyses prior to any investment decision and as a regular part of portfolio management; the company also maintains constant contact with leading experts in the sector. To minimise regional risks, the ideal resale times for the largest properties in the portfolio are considered as part of regular discussions concerning location quality, property quality, market changes and emerging trends. Through this approach, key early indicators of market risk are systematically applied to evaluations of investment and project plans, and thus to medium-term liquidity and corporate planning.

Letting risk, loss of rent risk

The opportunities and risks posed by trends on the rental markets are closely linked to economic development, one of the factors that drive demand for commercial real estate. Given the economic outlook for the eurozone and the CEE/SEE markets in the medium term, the high degree of uncertainty will persist throughout 2012. Rental markets will remain at risk of a downturn despite low levels of building activity.We expect rent prices to pick up slowly in the months ahead; in some subsegments rent prices will decline, as potential tenants will be reserved in making their decision about investments or locations. Significant reduction in vacancy rates – particularly in Eastern Europe – is therefore not expected in 2012.

Within the CA Immo portfolio, vacancy increased particularly sharply in (South) Eastern Europe following the takeover of Europolis; the negative trend has been especially acute in the area of logistics. Although vacancy was reduced moderately in the office area, lettings activity in Hungary was persistently problematic. In Austria too, CA Immo still has high vacancy relative to total available rental space despite the handover of rental premises at the Lände 3 site to Österreichische Post AG. Reducing the vacancy level is likely to remain a challenge in 2012: on the office rental market in Vienna, office space (and rent prices) outside the prime segment are still coming under pressure owing to the rising production of new premises and the high availability of modern, energy-efficient office units. The lettings situation thus continues to be characterised by protracted decision-making on the part of potential tenants. By comparison, vacancy rates in the German asset portfolio are low; here, the only vacancy risk is linked to recently completed development projects Tower 185, Ambigon (both being in the stabilisation phase) and Skygarden. Nonetheless, office tenants continue to favour prime real estate in top locations, and are especially keen to secure first occupancy of new buildings. The fact that the supply of such properties remains limited is helping CA Immo to market its modern office premises in Germany.

Aside from greater vacancy risk, it is also possible that existing tenants will be unable to meet their rent payments given the economic circumstances (loss of rent risk). This risk is generally countered by demanding securities (bank guarantees). To keep vacancy and rent losses to an absolute minimum, CA Immo screens the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored, and structured quality checks are carried out. Properties with heightened risk potential are managed by a specially formed restructuring unit with a view to securing their sale at the earliest opportunity after restructuring. The only rental payments outstanding are in the Eastern Europe segment, particularly in relation to hotels, three logistics parks and a shopping centre. The value of all outstanding receivables has been adjusted, taking account of the risk of lost rent to a sufficient degree in the valuation of properties. Reduced income following contract extensions remains a risk where rent levels have to be reduced or greater incentives are offered. Overall, however, the aforementioned problematic cases do not pose a noteworthy risk potential to the company.

Project development risks

The realisation of projects is associated with higher risk. Risks can arise from imponderables such as delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects, low demand for rental premises and similar factors. Nonetheless, given the high value that can be created through development projects, this business area also offers the chance of generating additional revenue. For projects to be realised, it is essential that equity or additional loan capital (project financing) is available. Delays in credit lending can lead to delays in construction work, which has a negative knock-on effect on project valuation; where pre-letting has been secured, this can result in the imposition of contractual penalties. Loss of rental revenue can in turn have serious implications for the company's cash flow. Moreover, financing conditions can be tightened where construction costs increase. With all of this in mind, CA Immo takes various steps to control the risks associated with project development (cost monitoring, variance analyses, long-term liquidity planning and observance of minimum pre-letting quotas, and so on). In general, CA Immo is countering project development risk by choosing partners and service providers with care whilst maintaining stringent controlling, both internally and externally. Controlling involves regular cost monitoring, variance analyses and appropriate reporting. The start-up losses that typically arise in connection with project development also have a detrimental effect on earnings with the accrual of non-capitalisable costs. Over the project lifecycle, these losses are offset against revenue from lettings and sales; accordingly, projects are only launched after comprehensive and long-term liquidity planning. CA Immo invariably seeks to secure pre-letting (50–60 % in Germany, for example) before actually commencing a project. In Eastern and South Eastern Europe in particular, however, this may not be achievable (or only possible to a limited degree) on account of the specific market situation. In this region, lease contracts tend to be signed as soon as there is a sufficient likelihood of project completion and projects are sometimes initiated even with low levels of pre-letting, but ever having a secured funding in place.

CA Immo also faces the risk of significant cost variation linked to price trends in the raw materials sector (steel, aluminium, copper, etc.). With this in mind, cost pools are formed for large-scale projects to pass on the risk of rising commodity prices or production costs to the contractor. All current projects are being implemented within their approved budgetary frameworks. Pressure on development earnings results primarily from the market-driven extension of the stabilisation phase (initial renting) and from the risk of rising yields due to restrictive lending.

Property valuation risk

Owing to changing framework conditions, property prices can fluctuate considerably. CA Immo subjects its properties to annual valuation by an outside party; value changes during the year are identified by internal specialists.

The rise in yields over recent years continues to be reflected in valuation reports owing to the discount and capitalisation rates assessed and directly influences consolidated net income through the changes in market value that must be recognised under IAS 40; shareholders' equity is also reduced. Developments in the second half of 2011 especially have shown that Eastern Europe, having been unable to evade the turbulence given the region's close economic ties with Western Europe (especially in the banking sector), is coming under renewed pressure. In core markets such as Poland and the Czech Republic, yields remained stable and sporadically even a decline in yields was observed. With banks significantly reducing their exposure in these markets, it is likely that the property investment market will bottom out partially in 2012, which could lead to a rise in yields. The demand for core properties in core markets, however, continues unabated. The diminishing prospect of rental growth also poses the danger that starting yields for commercial real estate will be adjusted upwards. Changes in value will continue to represent a significant risk in 2012 in view of the expected market trend. If yields fall by an average of 25 base points in the short term and rent levels remain the same, losses in the Eastern Europe portfolio alone could potentially amount to € 50-70 m (in the worst case scenario).

GENERAL BUSINESS RISKS

Legal risks

In addition to the usual legal disputes that arise in the sector (especially against tenants), CA Immo faces the risk of disputes with, for example, joint venture and project partners. There is also potential for disputes arising over past and future sales of real estate as well as annulment actions brought by shareholders in connection with resolutions of the Ordinary General Meeting or review of the exchange ratio applied in the 2010 merger of CA Immo International AG and CA Immo. Legal disputes are monitored and managed centrally by the legal department. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are imminent or pending. Almost all pending actions relate to conventional operational business activity. Sufficient provisions are formed as necessary; as at 31 December 2011, these amounted to approximately € 7,726 K (CA Immo Group). In addition, the joint venture partner of the 'Maslov' project has filed an arbitration claim for € 48,097 K (including interest). CA Immo considers the chances of this action succeeding as minimal. For the expected cash outflow an adequate provision has been made.

Environmental risk

The CA Immo Group can incur significant costs from its responsibility to prevent certain kinds of damage to the environment (from toxic substances and materials in built structures and contamination); there is also a risk that the legal changes may require previously acceptable materials and substances to be eliminated. It is not possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; changes could adversely affect real estate values and thus the company's assets, financial and revenue positions. To minimise the risk, CA Immo incorporates these considerations into its wide-ranging assessments prior to every purchase. Appropriate guarantees are also required from sellers. The CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies wherever possible. Environmental risks associated with investment properties are assessed by the CA Immo Sustainability Tool (CAST).

Taxation risk

National taxation systems are subject to ongoing amendment on the target markets of the CA Immo Group. The company monitors all relevant debates and decisions taken by national legislators. Despite this, tax rises linked to changing legal frameworks pose a constant risk to revenue. Sufficient financial provisions have been made for established risks.

FINANCIAL RISKS

Risks linked to liquidity, credit, interest rates and currencies make up the main financial risks.

Liquidity risk

Owing to a clear reluctance on the bank of banks to extend credit at present, short-term liquidity risks cannot be ruled out. Liquidity risk is potentially created where negative market trends prevent or lead to delays in planned sales activity. Other risks arise from unforeseen additional funding obligations in relation to project financing and breaches of covenant in the property financing area. CA Immo is highly skilled at planning and securing liquidity in order to counter these risks and ensure the Group can meet unexpected cash flow requirements as well as its financing commitments on projects and investments. To this end, various liquidity deployment measures have been identified; amongst other things, these provide for the early redemption of loans with very high margins. Loans are invariably agreed on a long-term basis in accordance with the investment horizon for real estate. Even with meticulous planning, however, liquidity risk cannot be eliminated, particularly where capital requests linked to joint venture partners and fund partners are not viable. Capital commitments are typical in the case of development projects; the Group company CA Immo Deutschland has a particularly high commitment in the case of the Tower 185 project. Financing has been secured for all projects under construction; additional financing is required for new project launches, however.

Given the refinancing scheduled for 2012/13, partner risks pose a particular threat; project-related and country-specific risks will also persist, especially with regard to further developments in Hungary. Additional reserves are needed to cover any breaches of covenant. The refinancing risk and the risk of a breach of contract terms are monitored continuously. The worst case resulting from the potential hazard is included in the current liquidity planning.

Interest rate risk

Interest rate risk stems from market-related fluctuations in the interest rate. This risk affects both the level of financing costs and the fair value of interest hedging transactions concluded, which influences the company's earnings and equity. Moreover, where new loans are agreed or loans are extended in particular, there is a danger that credit margins will rise substantially. The base rate was cut from 1.5 % to 1.25 % early in November 2011 and again to 1 % at the start of December in a bid to combat the worsening recession. According to the latest interest rate forecasts, the base rate is likely to remain at its present level of 1 % until the end of 2012. Swap rates (which have stayed highly volatile as the critical situation persists) are also unlikely to rise significantly.

CA Immo generally opts for a mix of long-term fixed-rate and floating-rate loans; in some cases, the latter are secured by means of derivative financial instruments (interest rate caps/swaps), which without exception are used to hedge against the risk of interest rate changes arising from underlying transactions. With the incorporation of Europolis, the risk of rate changes is 60 % hedged on all variable-rate loans of the CA Immo Group. Continuous monitoring of the interest rate risk is imperative. No risks constituting a serious and sustained threat to the company exist at the present time. Sufficient provisions have been formed for all risks identified.

Currency risk

Since CA Immo invests in various currency areas, the company is exposed to certain currency risks. CA Immo counters currency risk from the inflow of rental income and rents receivable in BGN, CZK, HUF, PLN, RON and RSD by pegging rents to a hard currency (EUR or USD). No significant currency risk exists at present. Since incoming payments are mainly received in local currency, however, free liquidity is converted into euros upon receipt. The pegging of rents to the EUR/USD affects the creditworthiness of tenants and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent. Loans are taken out in the currency underlying the relevant lease (this mainly applies to financing in CZK and USD). Currency risks are hedged in connection with construction projects if possible.

FINANCIAL INSTRUMENTS[11]

Given that the interest paid makes up the biggest expense item in the income statement for most real estate companies, interest rate rises can have a serious impact – especially since the income side (rent) is usually based on long-term agreements, which means increases in financing costs cannot be counterbalanced by higher revenue. For this reason, the CA Immo Group's financing policy

[11] For full details on the derivative financial instruments of CA Immobilien Anlagen AG, see the notes section.

partly involves hedging a substantial proportion of finance against fluctuation over the long term. Interest swaps (and, to a lesser extent, interest rate caps) are used as interest hedging tools.

BRANCH OFFICES

The CA Immo Group has its head office in Austria and also has a presence in Germany via the subsidiary CA Immo Deutschland GmbH in Frankfurt, Berlin, Munich and Cologne, as well as in Eastern Europe via subsidiaries in Budapest, Belgrade, Bucarest, Prague, Warsaw and Moscow.

INVESTMENTS AND FUNDS

The listed company CA Immobilien Anlagen Aktiengesellschaft, based in Vienna, is the parent company of the CA Immo Group. The Group's activities are focused on Austria, Germany and Eastern Europe. The Group has 263 subsidiaries, of which

- 42 are in Austria (including 8 joint ventures),
- 103 are in Germany (including 20 joint ventures) and
- 118 other companies (including 24 joint ventures) were created in connection with investment in Eastern Europe.

All tasks are performed through a network of branch offices in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia; there are also offices in Russia, Ukraine and Cyprus employing a total of 390 staff members. Every site functions as a profit centre. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by **omniCon**, the subsidiary of CA Immo Deutschland acquired in July 2008. omniCon also performs these services for third parties. In addition, DRG was founded in 2011 as a joint venture with the estate agent and property management firm ÖRAG. **DRG** undertakes tenant management, service charge accounting, rental revenue enhancement, cost reduction, maintenance tasks and letting for CA Immo's office investment properties in Germany. Throughout the group, external service providers are brought in to carry out certain other activities. This enables the cost structure to be adapted flexibly to varying workloads. All activity in Germany is processed via CA Immo Deutschland; business in Eastern Europe is bundled in CA Immo as well as in Europolis AG, which was acquired early in 2011. Since 2006, project development in Eastern Europe has been managed largely through the CA Immo New Europe (CAINE) special fund.

CA Immo Deutschland

CA Immo entered the German market in the autumn of 2006. Since 2008, **CA Immo Deutschland GmbH** (formerly Vivico Real Estate GmbH, a collecting society for railway properties owned by the German state) has provided the operational platform. CA Immo Deutschland has extensive expertise in developing inner city properties. Projects on these development sites are at various stages of preparation and will be rapidly progressed to construction readiness over the coming years. On completion, development projects are either sold, transferred to the company's asset portfolio or sold to property developers as construction-ready real estate. With branch offices in Frankfurt, Berlin and Munich, the organisation of CA Immo Deutschland meets the requirements of local presence. CA Immo Deutschland GmbH is fully consolidated in the consolidated financial statements of CA Immo. The company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale. As at key date 31 December 2011, the market value of this real estate portfolio was € 1,343 m (€ 1,157 m on 31.12.2010). Most of the investment properties in Germany, including the package of properties acquired from the state of Hesse in 2006, are maintained by Frankfurt-based **CA Immo AG**, in which CA Immobilien Anlagen Aktiengesellschaft of Vienna has direct and indirect holdings amounting to 100 %.
CA Immo AG of Frankfurt is also fully consolidated in the consolidated financial statements. The market value of the property assets was € 1,019 m as at 31 December 2011 (against € 1,006 m in the previous year).

Europolis AG

Europolis AG, which was acquired from the Volksbank Group at the start of January, is also a wholly owned subsidiary of CA Immo. The Europolis Group, which has been in existence since 1990, focuses on class A office, logistical and retail buildings in Eastern Europe. The Europolis AG portfolio also includes a small number of development projects and undeveloped plots in Poland, Hungary and the Ukraine. The overall portfolio is divided into six smaller portfolios in which reputable partners such as the EBRD, AXA and Union Invest hold shares of between 25 % and 49 %. The portfolios are managed by **Europolis Real Estate Asset Management GmbH** of Vi enna (EREAM), a wholly owned subsidiary of Europolis AG, alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as “CA Immo Real Estate Management”. As at 31 December 2011, the property assets of the Europolis Group had an approximate market value of € 1,408 m (€ 1,517 m in the previous year).

CA Immo New Europe property fund

The **CA Immo New Europe property fund** is a project development fund structured under Luxembourg law as a SICAR (societé d’investissement en capital à risque). The fund has drawn together CA Immo's development projects in Eastern Europe since early 2007. CA Immo raised its stake by a further 10 % in the fourth quarter and now holds 70 % of the shares in the fund. The remaining 30 % is held by three institutional investors. The planned lifespan of the fund, which is managed by a CA Immo subsidiary, is seven years in total (with the option to extend). The commitment period (in which new projects can be initiated) ended on 31 December 2009. In view of changed market conditions, investment activity fell far short of the levels originally intended; agreement was reached with the co-partners only to proceed with development projects that were already in progress. In future, new projects will be realised by CA Immo itself where the fund partner decides against individual involvement in the implementation. As at the balance sheet date, the fund portfolio had a book value of around € 142 m (compared to € 134 m in the previous year). Three projects are in progress at the present time; another three have been finalised since the fund was set up and will henceforth be held directly by the fund as investment properties.

Investment in UBM

CA Immo holds a stake of 25 % plus four shares (vetoing minority holding) in the listed Vienna-based real estate developer **UBM Realitätenentwicklung AG** through a subsidiary company.

The main shareholder in UBM is the PORR Group with a holding of approximately 41 %. With its track record of development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. Projects realised with UBM include the Poleczki Business Park in Warsaw and the Airport City St. Petersburg project.

PENDING LAWSUITS

The company is involved in several lawsuits arising from the ordinary course of business. Provisions were formed, depending on the likelihood of a claim being asserted.

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator in this context is the net income generated with the money shareholders have invested (return on equity, RoE). The aim is to produce a ratio higher than the imputed cost of equity (we assume a medium-term rate of around 7.0 %) and thereby generate shareholder value. The return on equity for 2011 was around 3.8 %, below the target value. Despite the significant increase compared to the previous year, the goal was not attained in particular because of the negative contribution from the valuation of interest rate hedges. Nevertheless, we remain confident that the measures defined under our strategy will enable us to return to an acceptable return on equity in the medium term.

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

VALUE INDICATORS FOR CA IMMO GROUP

		2011	2010	2009	2008	2007
NAV/share	€	19.20	18.70	17.90	18.90	22.00
Change in NAV/share	%	2.7	4.5	–5.3	–14.1	6.8
Operating Cash Flow/share	€	2.18	1.38	1.40	1.32	1.07
RoE[1)] in %	€	3.8	2.8	–4.8	–13.4	3.3
ROCE[2)] in %	%	5.5	4.8	0.1	Negative	5.2
EVA[3)]	€m	44.0	Negative	Negative	Negative	2.7

1) Return on Equity = Consolidated Net Income after minorities / Ø Equity (excl. minority interest)
2) Return on Capital Employed (ROCE) = Net Operating Profit After Tax (NOPAT) / Capital Employed
3) EVA (Economic Value Added) registered brand of Stern Stewart & Co; EVA = Capital Employed * (ROCE – WACC); WACC 2011 = 4.51

The key factors for CA Immo AG include the equity ratio, net debt (bonds and liabilities to bank less cash and cash equivalents) and equity-to-fixed-assets ratio. The equity ratio reflects the portion of the company's financing that is covered by its equity. It is an important indicator when assessing a company's creditworthiness. The equity-to-fixed-assets ratio indicates the extent to which, measured in percent, equity covers the fixed assets of CA Immo AG.

VALUE INDICATORS FOR CA IMMOBILIEN ANLAGEN AG

		2011	2010	2009	2008	2007
Equity ratio	%	65	63	66	60	69
Net debt	€m	544	586	406	368	440
Equity-to-fixed-assets ratio	%	70	66	75	61	85

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

Vacancy rate and average rent

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

Location quality

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

Local presence

Local knowledge and familiarity with markets are key to the effective cultivation of highly diverse regional markets. For this reason, CA Immo maintains branch offices in the company's main markets of Germany and Eastern Europe (the latter have been consolidated by the recent influx of Europolis staff members).

Expertise and synergy

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

STAFF

As at 31 December 2011, the CA Immo Group had a total of 390[12] employees at its headquarters in Vienna and its sites in Frankfurt, Berlin, Munich, Budapest, Warsaw, Prague, Belgrade and Bucharest; the comparable figure for 31 December 2010 was 318. CA Immobilien Anlagen AG itselv employed 63 people compared to 58 people (as at 31 December 2011).

Integration of Europolis completed

The Europolis team has relocated to CA Immo headquarters in Vienna and local branch offices have been amalgamated in Eastern Europe. As a result of this, the staffing level has changed: a total of 64[13] new employees joined the Group in 2011.

OUTLOOK 2012

The main event of 2011 was the integration of Europolis. Now the emphasis has switched to the careful implementation of our corporate strategy, stage by stage.

Our main expectations for 2012 are thus:

- Increase in rental income (and thus gross revenue) of around 10 %: additional rent from new lettings in particular will more than compensate for losses of rental income due to sales
- Sales of around € 15 m from the portfolio of CA Immobilien Anlagen AG
- Utilisation of released funds, primarily for the purposes of debt reduction; in particular, opportunistic repurchasing of outstanding bonds
- Investment of approximately € 33 m, especially in the current Lände 3 development project (section A)

In general, conditions on the rental and transaction markets are not expected to change significantly compared with last year. Given the reduction in the credit volume proposed by the banks, however, the financing market is likely to pose challenges in 2012.

The main threats to our forecasts for 2012

Our predictions for 2012 are subject to certain assumptions on general conditions as well as parameters specific to the real estate sector. The economic picture remains unpredictable, which means more uncertainty as to whether we will meet our targets for investment volumes, realisation timeframes and revenue.

We believe the main factors influencing our business plans will be:

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

RESEARCH & DEVELOPMENT

To facilitate the ongoing redevelopment and modernisation of the real estate portfolio, staff qualification is an investment priority for CA Immo; the support of external experts is selectively enlisted as required.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2012:

In Vienna, Update Training GmbH has rented the investment property on Klosterneuburger Strasse 23-27, occupying usable space of around 1,050 sqm.

[12] Of these, 7 % were part-time staff members
[13] excl. take up of Europolis staff

Vienna, 6 March 2012

The Management Board

Bruno Ettenauer
(Chairman)

Wolfhard Fromwald

Bernhard H. Hansen

AUDITOR'S REPORT

Report on the Financial Statements

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

CA Immobilien Anlagen Aktiengesellschaft,
Vienna,

for the fiscal year from **1 January 2011 to 31 December 2011**. These financial statements comprise the balance sheet as of **31 December 2011**, the income statement for the fiscal year ended **31 December 2011**, and the notes.

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

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

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

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

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2011 and of its financial performance for the year from 1 January 2011 to 31 December 2011 in accordance with Austrian Generally Accepted Accounting Principles.

Report on Other Legal Requirements (Management Report)

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

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

Vienna, 6 March 2012

KPMG
Wirtschaftsprüfungs- und Steuerberatungs GmbH

Mag. Helmut Kerschbaumer — Wirtschaftsprüfer

ppa Mag. Christoph Erik Balzar — Wirtschaftsprüfer

(Austrian Chartered Accountants)

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

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

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

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

Vienna, 6 March 2012

The Management Board

Bruno Ettenauer (Chairman)	Wolfhard Fromwald	Bernhard H. Hansen

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DISCLAIMER

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

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

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