

TODAY.

KEY FIGURES ¹⁾

INCOME STATEMENT

		2017	2016
Rental income	€ m	180.3	165.6
EBITDA	€ m	173.7	147.6
Operating result (EBIT)	€ m	340.5	293.8
Net result before taxes (EBT)	€ m	299.8	237.6
Consolidated net income	€ m	234.9	183.9
Operating cash flow	€ m	132.5	125.4
Capital expenditure	€ m	301.2	291.6
FFO I (excl. Trading and pre taxes)	€ m	106.8	91.7
FFO II (incl. Trading and after taxes)	€ m	169.7	113.7

BALANCE SHEET

		2017	2016
Total assets	€ m	4,768.7	4,309.1
Shareholders' equity	€ m	2,398.5	2,204.5
Long and short term interest-bearing liabilities	€ m	1,753.1	1,565.6
Net debt	€ m	1,368.6	1,167.7
Net asset value (EPRA NAV)	€ m	2,787.3	2,497.5
Triple Net asset value (EPRA NNAV)	€ m	2,528.8	2,294.4
Gearing	%	57.1	53.0
Equity ratio	%	50.3	51.2
RoE ²⁾ in %	%	10.2	8.5
Gross LTV	%	45.5	45.9
Net LTV	%	35.5	34.2

PROPERTY PORTFOLIO ³⁾

		2017	2016
Total usable space (excl. parking, excl. projects) ⁴⁾	sqm	1,530,828	1,609,242
Gross yield investment properties	%	6.2	6.1
Fair value of properties	€ m	4,268.3	3,819.9
Occupancy rate	%	95.2	92.4

¹⁾ Key figures include all fully consolidated properties, i.e. all properties wholly owned by CA Immo

²⁾ Return on Equity (profit-generating efficiency) = consolidated net income after minority interests / average equity (without minority interests)

³⁾ Includes fully consolidated real estate (wholly owned by CA Immo) and real estate in which CA Immo holds a proportionate share (at equity)

⁴⁾ Incl. land leases and rentable open landscapes

⁵⁾ Before deferred taxes

⁶⁾ Adjustment of the calculation method (based on number of shares outstanding)

SHARE KEY FIGURES

KEY FIGURES PER SHARE

		2017	2016
Rental income / share	€	1.93	1.74
Operating cash flow / share	€	1.42	1.32
Earnings per share	€	2.52	1.94
FFO I / share	€	1.14	0.97
FFO II / share	€	1.82	1.20
		2017	2016
NAV/share	€	25.73	23.60
EPRA NAV/share	€	29.90	26.74
EPRA NNNAV/share	€	27.13	24.56
Price (key date)/NNNAV per share -1 ⁵⁾	%	2	-29
Dividend paid in the business year / per share	€	0.65	0.50
Dividend yield	%	2.52	2.86

MULTIPLIERS

		2017	2016
P/E ratio (KGV)		10	9
Price/cash flow		18	13
Ø EV/EBITDA ⁶⁾		20	18

VALUATION

		2017	2016
Market capitalisation (key date) ⁶⁾	€ m	2,406	1,631
Market capitalisation (annual average) ⁶⁾	€ m	1,976	1,558
Stated value (equity) (incl. minority interests)	€ m	2,398.5	2,204.5
Ø Enterprise Value (EV) ⁶⁾	€ m	3,402.9	2,725.5

SHARES

		2017	2016
Number of shares	pcs.	98,808,336	98,808,336
Treasury shares	pcs.	5,582,054	5,403,319
number of shares outstanding	pcs.	93,226,282	93,405,017
Ø number of shares	pcs.	98,808,336	98,808,336
Ø Treasury shares	pcs.	5,479,394	3,813,021
Ø number of shares outstanding	pcs.	93,328,942	94,995,315
Ø price/share	€	21.80	16.40
Closing price	€	25.81	17.47
Highest price	€	26.00	19.50
Lowest price	€	17.30	14.35

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TODAY

CA IMMO SETS INTERNATIONAL BENCHMARKS AS AN OFFICE SPECIALIST IN CENTRAL EUROPEAN CAPITALS.

Over three decades of continual development, CA Immo has become distinctly competitive and secured an excellent market position in Central Europe. By letting, managing and developing high quality office buildings, the company has built up property assets worth € 4.3 bn in Central Europe, obtained attractive land reserves and established a first class capital and earnings basis for many more years of high value creation.

RETURN ON EQUITY (ROE)

10.2%

The record result has increased shareholder value, leading to a double-digit return on equity.

DIVIDEND PER SHARE

80 cents

Substantial dividend increase based on steadily rising earning power over the long term.

+23%

CONSOLIDATED NET INCOME

€ 235 m

The highest consolidated net income in the history of the company reflects strong operational development within a favourable market environment.

+28%



IN **2007**
CA IMMO ACQUIRED
SOME € 5.8 M SQM
OF LAND RESERVES
WITH LONG-TERM
DEVELOPMENT
PROSPECTS.

TOWER 185
Frankfurt

Indicators include property assets under development as well as development projects and land reserves intended for trading or sale, forming part of short-term property assets.

Indicators including fully consolidated properties (100% owned by CA Immo) and properties partially owned by CA Immo, consolidated at equity (pro-rata share).

PROJECTS UNDER DEVELOPMENT ^{*)}

€ **1.2** bn

Construction for the own investment portfolio ensures rising rental revenue while development for investors delivers a significant contribution to earnings.

^{*)} total investment volume (incl. plot)



TODAY

THESE LAND RESERVES
PROVIDE THE BASIS FOR
DYNAMIC VALUE CREATION
FOR MANY YEARS
TO COME.

Property development presents opportunities for particularly high value creation – all the more so given that CA Immo has years ago secured large tracts of land at favourable prices which have since become prime sites in Germany. Over the last 10 years, CA Immo has built properties worth some € 2 bn on its own land before either transferring these to the portfolio to increase cash flow or selling them at attractable conditions. Tower 185 in Frankfurt, for example, was planned, constructed and fully let by CA Immo before being sold at a considerable profit in 2017.

GERMANY

86 %

Project development activity is focused on Berlin, Munich and Frankfurt.

LAND RESERVES

€ 297 m

Value-enhancing acquisition of building rights and subsequent sale or development as a dynamic means of generating revenue.

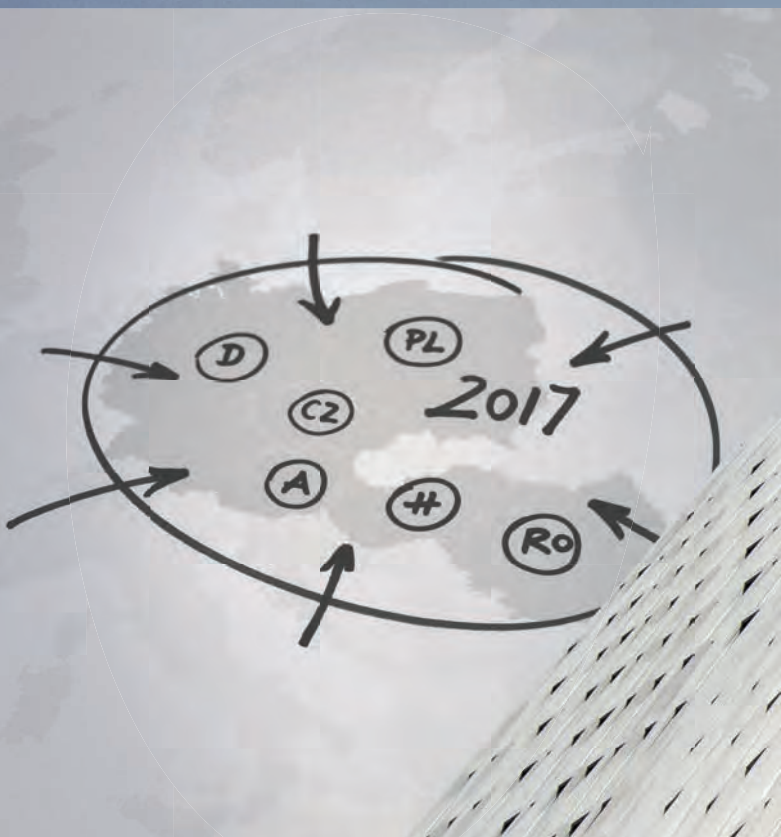
PROJECT COMPLETIONS

~ € 2 bn

Since 2008, CA Immo has developed properties worth some € 2 bn and largely transferred these to the own investment portfolio.

IN **2012**

CA IMMO DECIDED TO FOCUS
ITS PORTFOLIO ACCORDING TO
USAGE TYPE AND GEOGRAPHY.



TOUR TOTAL
Berlin

INVESTMENT PROPERTIES¹⁾

€ **3.2** bn

Contributing around 75 % of total
property assets, the investment
property area is CA Immo's main
source of income.

RENTAL INCOME

€ **180** m ^{+9%}

Rental income, the most
important long-term source
of revenue, rose 9 % on
the previous year's value.

¹⁾Indicators including fully consolidated
properties (100% owned by CA Immo)
and properties partially, owned
by CA Immo, consolidated at equity
(pro-rata share).



TODAY

CA IMMO HOLDS HIGH
QUALITY OFFICE PROPERTIES
IN PRIME CENTRAL
EUROPEAN LOCATIONS.

By consistently placing the strategic focus of the portfolio on high quality office properties in prime inner city locations, CA Immo laid the foundations for stable, long-term earnings. High-value, certified sustainable structures, innovative office concepts and far-sighted tenant support at a local level ensure efficient management for the long term. The strategy is confirmed by the occupancy rate and the profitability of the portfolio.

OCCUPANCY RATE¹⁾

95.2%

The high occupancy rate of the asset portfolio is the result of active portfolio management aimed at upholding stable and regular rental revenue.

OFFICE SHARE²⁾

88%

CA Immo has a focused asset portfolio of high quality office properties in prime Central European locations.

CERTIFICATION RATIO³⁾

74%

of CA Immo's office stock (by book value) is certified under LEED, DGNB or BREEAM standards.

TOMORROW

CA IMMO WILL BE IN A POSITION TO MAXIMISE ITS HIGH DEVELOPMENT POTENTIAL.

With undeveloped land reserves still unutilised in Germany, CA Immo is poised to realise properties with effective area of 745,000 sqm and a value of around € 4.1 bn by 2025. With German rental yields on production costs at 5.5% to 6% and development value after completion including profitability of 15–20%, the earnings prospects for the years ahead are outstanding.

ONE
Frankfurt

PROPERTY ASSETS

€ **4.3** bn

CA Immo's real estate portfolio largely comprises class A office properties in Central European cities.

DEVELOPMENT POTENTIAL

~ € **4** bn

The development of existing land reserves is equivalent to a project volume with an approximate value of € 4 bn (after completion).

PORTFOLIO EXPANSION

€ **2.1** bn

Of the total development volume of € 4.1 bn to 2025, roughly € 2 bn of completed office space is earmarked for the CA Immo portfolio.

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KEY FIGURES

KEY FIGURES OF SHARES

A glossary with explanations of the most important technical terms is available at www.caimmo.com/glossary

These sections include sustainability issues.

FOREWORD BY THE MANAGEMENT BOARD



From left: Andreas Quint (CEO), Dr. Hans Volckens (CFO)

DEAR SHAREHOLDERS,

CA Immo can look back on another extremely successful year that exceeded expectations in operational terms. Our main defined target for 2017 – namely raising recurring earning power (FFO I) – was surpassed and shareholder value (NAV) has been significantly increased. We have also prepared the ground for profitable expansion in the long term. Alongside acquisition of Warsaw Spire B, a prime office building in the Polish capital, implementation of the development pipeline has continued apace.

Results for 2017

FFO I, a key indicator of the Group's recurring profitability, reported before taxes and adjusted for the sales result and other non-permanent effects, rose 16.4% on the previous year's value of € 91.7 m to € 106.8 m. FFO I per share totalled € 1.14, an increase of 18.5% on the previous year's value and thus well above the annual target of > € 1.05 per share (8.6%). As in preceding quarters, this underlines operational development that was both highly robust and independent of the valuation result and which forms the basis for the long-term dividend policy of CA Immo.

FFO II, which includes the sales result and applicable taxes and indicates the Group's overall profitability, stood at € 169.7 m (€ 113.7 m in 2016). FFO II per share

stood at € 1.82 per share (€ 1.20 per share in 2016), an increase of 52.0% year-on-year. The FFO II result includes the highly profitable sales of Tower 185 in Frankfurt and AVA Hof in Salzburg, which was concluded in January 2018.

Net rental income for CA Immo increased by 8.5% in 2017 to € 163.4 m. The positive trend was essentially sustained through the acquisition of Millennium Towers in Budapest and the procurement of a minority holding from joint venture partner Union Investment, which in turn generated an increase in rent. Earnings before interest, taxes, depreciation and amortisation (EBITDA) of € 173.7 m were a significant 17.7% above the previous year's level of € 147.6 m. This positive development was made possible thanks to higher recurring earnings as well as a higher property sales result in yearly comparison.

The revaluation result was significantly positive at € 104.0 m on the key date 31 December 2017, but well below the 2016 figure of € 138.3 m. The result reflects the extremely positive market environment (especially on CA Immo's core market of Germany) as well as positive progress on development projects. Earnings of joint ventures stood at € 66.6 m (2016: € 11.4 m). Amongst other things, this result reflects a significantly positive revaluation effect of € 60.1 m linked to the sale of Tower 185 in Frankfurt, which was contractually agreed in November 2017.

The financial result for 2017 was €–40.7 m, compared to €–56.2 m in the previous year. Earnings before taxes (EBT) increased by 26.2% to € 299.8 m year on year (2016: € 237.6 m). The result for the period reached € 234.9 m (€ 2.52 per share), the highest level in the history of the company (against € 183.9 m or € 1.94 per share in 2016).

Substantial increase in shareholder value

Net asset value (shareholders' equity) per share rose by 9.0% to EUR 25.73 on the key date (31.12.2016: EUR 23.60 per share). The EPRA NAV was up 11.8% at EUR 29.90 per share on the key date (2016: EUR 26.74 per share). Adjusted to take account of the dividend payment of 65 cents per share in May 2017, the EPRA NAV rose by 14.3%. On the basis of the strong operating result, the Management Board intends to propose a rise in the dividend from 65 cents per share in 2016 to 80 cents per share – a significant increase of 23% per share – to the Ordinary General Meeting for 2017.

Far-reaching optimisation of the financing structure

In addition to a further reduction in average financing costs to below 1.9%, CA Immo significantly increased the interest rate hedging ratio and the average term for financial liabilities throughout 2017. Long-term financing has also been fixed in advance for all development projects intended for CA Immo's own balance sheet. We have thus taken maximum advantage of historically low interest rates while substantially increasing the robustness of long-term cash flow.

Changes to the Management Board

Frank Nickel decided to leave the Company for health reasons, in mutual agreement with the Company with effect as of 31 March 2018. His successor as CEO is Andreas Quint (57) who joined CA Immo at the beginning of the year 2018. Andreas Quint held various management positions, among others, at Jones Lang LaSalle (between 2008 and 2013 initially as CEO Germany, then as CEO Corporate Finance Europa), Catella (CEO Germany) and as a partner at Ernst & Young. Before he took office at CA Immo, he was Head of Corporate Finance & Portfolio Transactions at BNP Paribas Real Estate (BNPPRE).

IMMOFINANZ evaluates strategic options in connection with stake in CA Immo

At the end of February 2018, the Supervisory Board and Management Board of IMMOFINANZ AG decided to leave discussions regarding a potential merger of CA Immobilien Anlagen AG and IMMOFINANZ AG suspended. As a result, no amalgamation of the two companies will take place in 2018. IMMOFINANZ AG also announced it would look into other strategic options, including the sale of a 26% stake in CA Immo. In response, Moody's updated the outlook for CA Immo's investment grade rating (Baa2) from negative to stable in March 2018.

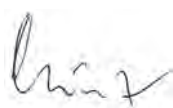
Outlook for 2018

The in-house development of high quality office properties on core markets and subsequent transfer to the asset portfolio will continuously be a significant driver of organic growth for the CA Immo Group, enabling long-term earning power and thus the dividend paid to shareholders to be steadily raised. Recurring earnings (FFO I) are expected to reach at least € 115 m in business year 2018, expanding to not less than € 125 m in 2019.

Vienna, March 2018
The Management
Board



Frank Nickel
(Member of the Management Board)



Andreas Quint
(Chairman)



Dr. Hans Volckens
(Member of the Management Board)

STRATEGY

Over three decades of continual development, CA Immo has become distinctly competitive and secured an excellent market position in Central Europe. By letting, managing and developing high quality office buildings, the company has built up property assets worth € 4.3 bn in Central Europe, obtained attractive land reserves and established a first class capital and earnings basis for many more years of high value creation.

Company profile and business model

Developing and managing modern and spacious office properties in Central and Eastern Europe is CA Immo's core field of expertise. The company's core region comprises Austria, Germany, Poland, Hungary, Czechia, Serbia and Romania. While business activity in Germany is concentrated on the cities of Munich, Frankfurt and Berlin, the strategic focus in the other countries is directed at capital cities (Vienna, Warsaw, Prague, Budapest, Belgrade and Bucharest). In Germany, expansion into additional metropolitan areas with attractive characteristics and more than 500,000 inhabitants is a strategic option.

From the design and development of entire urban districts to the active management of investment properties, value is generated for CA Immo shareholders through a comprehensive value chain. The CA Immo business model aims to ensure stable revenue from lettings to a first-class pool of tenants with high credit ratings while generating additional revenue from the development and sale of real estate.

High-quality Investment Portfolio

While the asset portfolio is clearly focused on office properties with an attractive yield in central and very well connected locations (the proportion of office properties was approximately 88% of the overall property portfolio on the key date), hotel properties are also held long-term as a supplementary usage type. Other usage types only serve to optimise actual strategic real estate and account for a very small proportion of the total portfolio.

The company aims to enhance the attractiveness of the portfolio over the long term through active portfolio management, i.e. by means of continual investment and the ongoing sale of properties with limited value creation potential. The company's core activities in several countries enable risk diversification. A strategic investment property should not only be attractive in terms of location and fittings, but also technically innovative and sustainable in every respect; each should retain a strong market position combined with a distinctive image as an urban benchmark.

Real estate development significant growth driver

In-house development and the incorporation of modern, energy efficient core properties on the main markets of CA Immo will continue to be the main drivers of organic growth. In Germany in particular, land reserves in the portfolio and the company's development expertise constitute a strategic competitive advantage in a very competitive market for high quality buildings in urban locations.

Aside from its far-reaching stock of land reserves in German prime locations, CA Immo also benefits from its internal development platform (including, among others, construction subsidiary omniCon) enabling utilisation of the entire value-chain depth. From land preparation to procurement of building rights to construction management, letting and transfer of completed buildings to its own portfolio or selling them to final investors, CA Immo covers the full range of project development services.

Many successfully completed projects in Germany – including large-scale, complex undertakings for such reputable tenants as PricewaterhouseCoopers, Bosch, Mercedes-Benz and Google – have highlighted the development expertise of the company and improved access to leading tenants as the basis for new development projects.

As in recent years, the company's development activity will focus on the German market. The CA Immo Group's strong positioning as an established, nationally successful real estate developer in Germany is critical to the future growth strategy of the company as this enables sustained access to high quality office properties and thus the organic expansion of rental cash flow. Returns attained on production costs are well above the current market level.

Regarding utilisation of its project completions, CA Immo pursues its strategy as office portfolio holder: Office and hotel properties are developed primarily for the company's own portfolio, whereas residential properties are earmarked for selling after completion (see section on 'Development Potential of Land Reserve').

Property acquisitions also driving growth

Aside from property development, the portfolio for the Group's core markets will be bolstered by selective acquisitions, which will also provide additional rental revenue. Value-enhancing growth opportunities to strengthen market position are most evident on the core markets of CA Immo in Eastern Europe. Combined with a robust balance sheet profile and the local market expertise of inter-

nal asset management teams on all core markets, the corporate platform optimised over recent years constitutes a sound basis for raising value through growth.

With the acquisition of the Warsaw Spire B prime office in the Polish capital, which spans roughly 21,000 sqm and generates annual rental income of around € 5.5 m, this objective was successfully met in 2017 as cash flow from the asset portfolio was increased.

Strategic agenda for 2015-2017

CA Immo successfully implemented the strategic agenda 2015-2017. In addition to the finalising of sales of non-strategic properties and further optimisation of the financing structure, the strategic agenda for 2015-2017 was clearly focused on value-enhancing growth within defined core markets. Continuing to strengthen long-term cash flow for CA Immo while generating an attractive return on equity will continue to be the priority when it comes to strategy implementation (see section on ‘Financial performance indicators’).

Attractive dividends

CA Immo has positioned itself as a dividend payer with the long-term objective of offering shareholders attractive

payouts on a regular basis. The long-term, stable profitability of lettings business is a critical indicator of the company’s capacity to pay a dividend, which should be gradually raised by means of the measures outlined above. This continual enhancement of long-term earning power as a core strategic objective is to be reflected in dividend growth, with an approximate payout ratio of 70% of FFO I.

Investment grade as a strategic component

In December 2015 Moody’s Investors Service, the international rating agency, classified CA Immobilien Anlagen AG with a Baa2 investment grade (long-term issuer) rating with a stable outlook following a comprehensive analysis of creditworthiness. The key indicators in retaining and upholding the corporate credit investment grade rating, which is of high strategic significance to CA Immo, are a strong balance sheet with low gearing, recurring earning power, an associated solid interest coverage ratio and a sufficiently large quota of unsecured properties (see ‘Financing’ section).

CA IMMO BUSINESS MODEL



DEVELOPMENT POTENTIAL OF LAND RESERVE

From a former freight station to a modern city quarter – the growth story of CA Immo

Since the acquisition of subsidiary Vivico Real Estate early in 2008, CA Immo has held large-volume land reserves in its property portfolio above all in Berlin, Munich and Frankfurt. At the time of acquisition, the plots formerly owned by Deutsche Bundesbahn – no longer required for its operations and located, in part, in the city centre and originally largely dedicated to railways purposes – comprised a total space of approx. 5.8 m sqm.

Since then, CA Immo has become a large-scale project developer in Germany and completed construction projects with a total investment volume of around € 2 bn over the past 10 years. Most of the project completions were integrated into the company's own asset portfolio, while the rest was sold. This long-term value-adding development activity in the form of continuous development and utilisation of the land reserves is CA Immo's most important lever to reach its growth targets.

Project pipeline worth € 4.1 bn by 2025

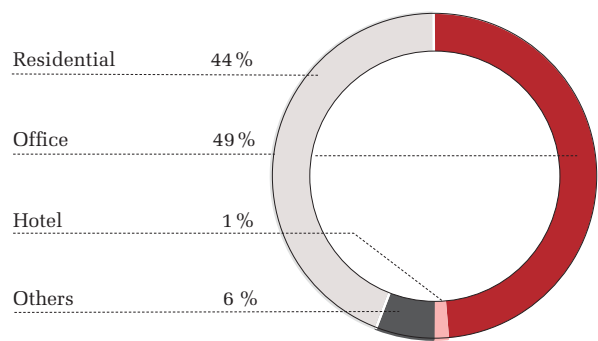
As at key date 31 December 2017, CA Immo holds German land reserves worth € 297 m in addition to its projects under construction (with a total investment volume of around € 1.2 bn). These land reserves can be used to build properties covering a usable area of about 745,000 sqm with a value of € 4.1 bn (after completion) in

the company's core cities of Berlin, Frankfurt, Munich as well as Düsseldorf, Mainz and Eastern Europe (mainly in Prague) by the year 2025. This development volume comprises the entire investment volume (including plots) and a developer profit of 15–20%.

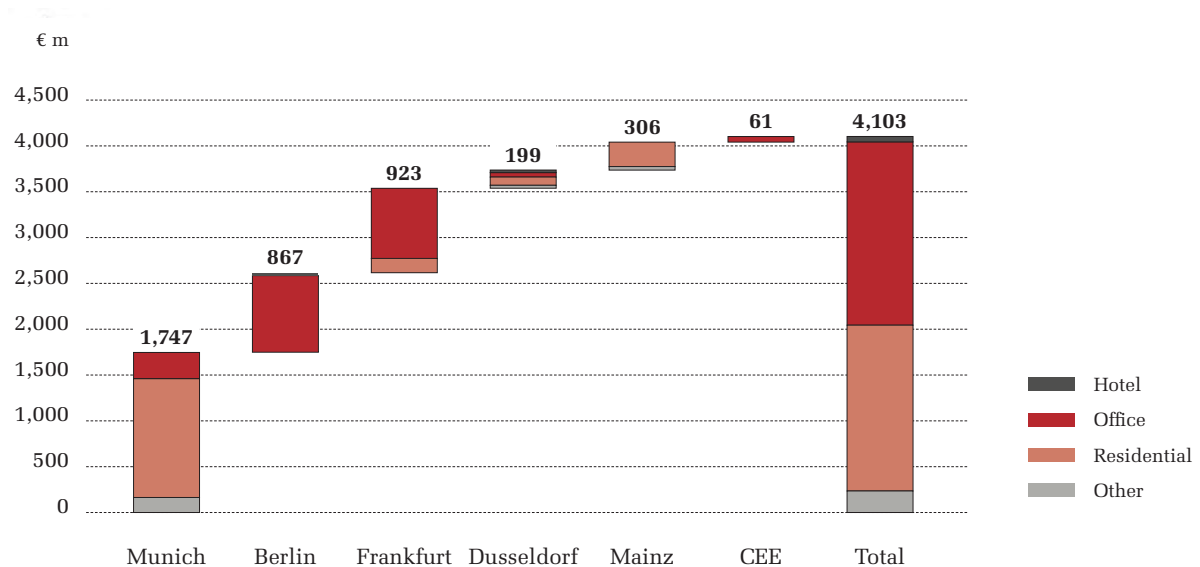
Residential properties account for around 44%, office buildings for 49% and hotel or other usages for the remaining 7% of the overall development volume.

DEVELOPMENT POTENTIAL BY USAGE

Basis: € 4.1 bn



DEVELOPMENT POTENTIAL BY CITIES AND USAGE



Optimal utilisation of land reserves along the entire value chain

Aside from its far-reaching stock of land reserves in German prime locations, CA Immo also benefits from its internal development platform (including, among others, construction subsidiary omniCon) enabling utilisation of the entire value-chain depth. From land preparation to procurement of building rights to construction management, letting and transfer of completed buildings to its own portfolio or selling them to final investors, CA Immo covers the full range of project development services.

Development strategy: Office completions worth € 2 bn for transfer to company's own portfolio by 2025

Regarding utilisation of its project completions, CA Immo pursues its strategy as office portfolio holder: Office and hotel properties are developed primarily for the company's own portfolio, whereas residential properties are earmarked for selling after completion. This applies to the core cities of CA Immo (in Germany: Berlin, Munich and Frankfurt). Of the total development volume of € 4.1 bn by the year 2025, approx. € 2.1 bn are earmarked for transfer to the company's own portfolio, with office properties accounting for € 2 bn (thereof 42% in Berlin, 38% in Frankfurt).

Implementation in three development phases

CA Immo divides its long-term development pipeline, based on current land reserves, into three phases: 2018–2021 (development volume of € 670 m), 2022–2025 (€ 3.4 bn) and 2026+. The current development volume amounting to € 4.1 bn includes only Phases 1 and 2; after 2025 an additional volume coming to at least € 300 m is expected from today's perspective. The **first development phase (2018-2021)** contains a share of approx. 36% for office developments in Berlin (€ 239 m) and 37% for residential developments in Munich (€ 250 m). The table below shows selected projects:

PROJECTS IN PREPARATION FOR CONSTRUCTION
2018–2021 (SELECTION)

in sqm	Project	Usage	GFA (estimate)
Berlin	Europacity, plot 4	Office	30,000
Berlin	Nordhafen project	Office	35,000
Mainz ¹⁾	Hafeninsel IV-V (JV)	Residential	7,600
Munich	Freimann, plot A	Office	13,500

¹⁾ Joint Venture, GFA shows CA Immo-share (50%)

CA IMMO LAND RESERVES IN MUNICH

CA Immo investment properties

- 1 Ambigon
- 2 Kontorhaus
- 3 Skygarden

CA Immo projects under construction

- 1 MY.O
- 2 NEO
- 3 Urban quarter
Baumkirchen Mitte
- 4 Innovationscampus
Freimann
- 5 Wohnquartier Ratoldstraße

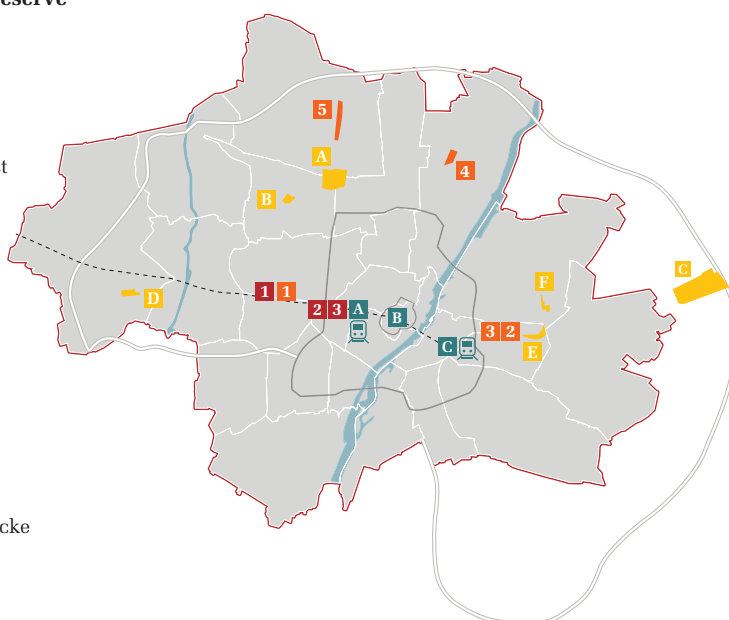
Landmarks

- A Central Station
- B Marienplatz
- C Train Station East

CA Immo land reserve

- A Eggartensiedlung
- B Moosach
- C Feldkirchen
- D Bodenseestraße
- E Rangierbahnhof Ost
- F Daglfing

- S-Bahn Stammstrecke
- = Äußerer Ring
- Mittlerer Ring
- Altstadt Ring



Residential construction to be continued without joint venture partner

To make the best possible use of the significant organic growth potential from these areas in terms of earnings, CA Immo will develop also plots dedicated to residential usage on its own and generate profits from selling fully for itself. Due to the large share of residential construction in the development pipeline (€ 1.8 bn), this will further strengthen the earnings power of CA Immo over the next years.

Competitive advantage in a competitive market environment

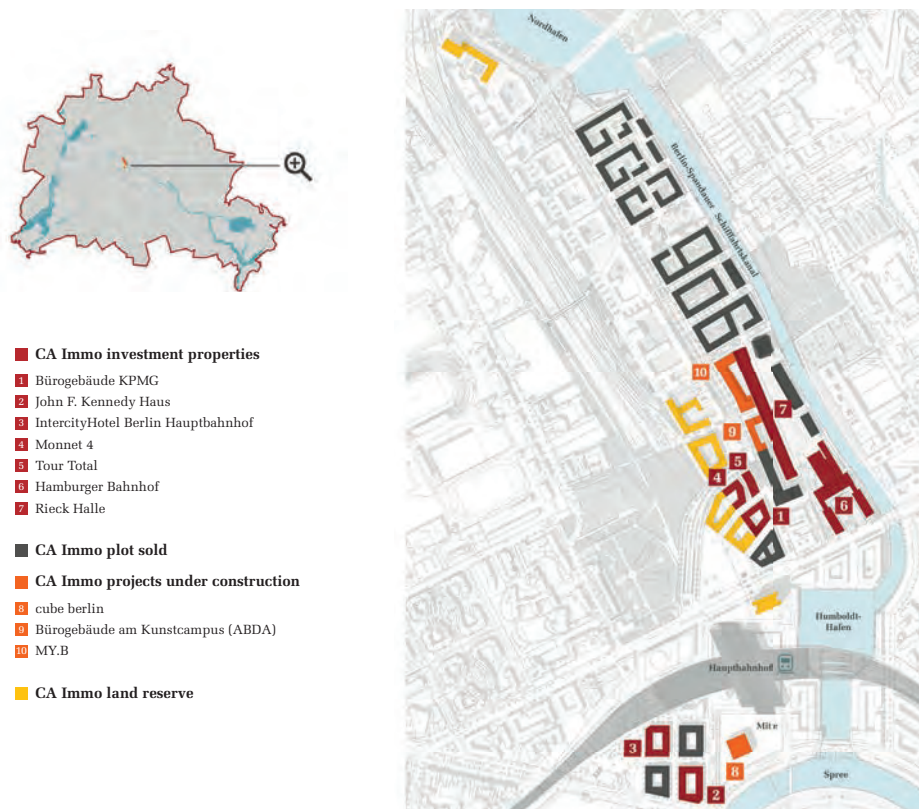
The German market for high-quality buildings in urban centres is extremely competitive and shows continuously rising price levels. Thanks to the land reserves acquired back in 2007, CA Immo is able to grow organically through its own project developments without having to purchase the plots needed for this purpose at a high price, and thus to generate very attractive margins in the high-priced German market: Rental yields on production

costs arrive at values from 5.5 to 6% in Germany, clearly above the current market level; the development value after completion includes a profitability of around 15–20% on overall investment costs (including plots).

Top location quality as long-term stable-value factor

Most of CA Immo's land reserve is located in cities (offices, hotels) or in well connected peripheral city locations (residential) in the most important German metropolitan areas (Munich, Frankfurt and Berlin). This quality of locations ensures a stable or even rising value development and good marketability of future properties. Impressive examples of top locations held in the portfolio of CA Immo are the office plots in the Europacity urban district around Berlin main railway station, near the Reichstag building and the chancellor's office as well as the building plots located at the periphery of the city of Munich, which are designated largely for residential usage and offer excellent public and private transport connections (see diagram on previous page).

CA IMMO LAND RESERVE IN BERLIN (URBAN DISTRICT EUROPACITY)



INVESTOR RELATIONS

POSITIVE TREND OF LAST YEAR CONTINUES

2017 was a good year for bondholders and shareholders alike. Investors benefited from the steady upward trend on the stock markets; market volatility may have been at record lows. This was mainly due to the positive global economic climate coupled with low inflationary pressure. For the first time since the start of the financial crisis, the three main economic regions of America, Europe and Asia were all expecting economic output to rise. The euro also benefited from the brighter economic trend. By the end of 2017, all the main share markets were up: the Dow Jones by around 25%, the FTSE 100 by approximately 8%, the Japanese Nikkei by roughly 19%, the DAX in Germany by around 13% and the ATX by 29%.

Outlook for the capital market in 2018

For investors, 2018 got off to a very satisfactory start. Stock markets took advantage of the strong economic trend and, supported by solid corporate profits and labour market data, began to gain ground. At the same time, it was evident from the start of the year that capital market rates in the USA were rising significantly – the interest on 10-year government bonds in the US to over 2.8% and on 30-year government bonds to over 3%. Interest markets in Europe have been impacted by the development: although inflation in the eurozone has remained at very low levels – a situation exacerbated by the strong euro – interest rates have also been rising here slowly but surely. Investor concerns that base rates in the US were rising faster than anticipated, which would signal the end of cheap money, prompted a temporary depression and sharp falls on Wall Street in February. The Dow Jones downturn adversely affected other relevant indices, especially in Europe and Asia. Volatility on stock markets distinctly increased, even though, as became clear in the last business year, the satisfactory economic data points to a healthy development of the financial markets in the new business year. Share and property

markets are heavily dependent on any future changes of interest rate policy in the USA and Europe.

RATE DEVELOPMENT, STOCK EXCHANGE SALES AND MARKET CAPITALISATION FOR THE CA IMMO SHARE

Increasing in value by almost 50% since the start of the year, the CA Immo share performed very strongly in the last business year. The share opened business year 2017 at € 17.51, quickly falling to a low for the year of € 17.30 before rising steadily to close 2017 at € 25.81, which puts the share price at the NAV level (intrinsic value). The high for the year was € 26.00, just above this closing rate. By comparison EPRA (excluding the UK), the European index for real estate, reported growth of just over 12%. The IATX in Austria increased by approximately 34%.

As at 31 December 2017, market capitalisation for CA Immo was approximately € 2.4 bn (€ 1.6 bn on 31.12.2016). The average trading volume has declined from 360,200 on 31. December 2016 to 272,600 shares as at 31. December 2017 (–24%). The average liquidity of the share was € 5,823.1 K (31.12.2016: € 5,885.5 K).

ONE YEAR PERFORMANCE (30.12.2016 TO 29.12.2017)

CA Immo share	47.42%
ATX	29.07%
IATX	33.70%
EPRA Developed Europe	10.58%
EPRA Developed Europe ex UK	12.53%

Source: Bloomberg

SHARE PRICE DEVELOPMENT IN RELATION TO ATX, IATX, EPRA (1.1.2014 to 2.3.2018)

CA Immo ATX IATX EPRA



ANALYST COVERAGE

CA Immo was assessed by eight investment companies in 2017. In the fourth quarter, Baader-Helvia confirmed its recommendation to buy and the target price of € 28.00, which it raised in the third quarter. Erste Group also reaffirmed its buy recommendation while raising the target price for CA Immo from € 24.00 to € 30.00 (+25%). In the opening quarter of 2018, Goldman Sachs, HSBC, Kepler Cheuvreux and RCB confirmed their recommendations and raised their target prices by 10% on average. Analysts from SRC Research and Wood & Company changed their buy recommendation to “accumulate” or “hold” and increased their 12-month target prices as well by approximately 10%. Currently, the most recent 12-month target rates were in the range of € 23.50 to € 30.00, with the valuation median at € 28.00. The closing rate for 31 December 2017 implies price potential of approximately 9%.

ANALYST RECOMMENDATIONS

Baader-Helvia Bank	23.11.2017	28.00 €	Buy
Erste Group	29.11.2017	30.00 €	Buy
Goldman Sachs	1.2.2018	23.50 €	Neutral
HSBC	5.3.2018	30.00 €	Buy
Kepler Cheuvreux	3.1.2018	28.00 €	Buy
Raiffeisen Centrobank	8.1.2018	27.40 €	Hold
SRC Research	24.8.2017	25.00 €	Buy
Wood & Company	26.7.2017	26.60 €	Buy
Average		27.93 €	
Median		28.00 €	

CAPITAL STOCK AND SHAREHOLDER STRUCTURE

The company's capital stock amounted to € 718,336,602.72 on the balance sheet date. This was divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of the capital stock of € 7.27. The bearer shares trade on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352).

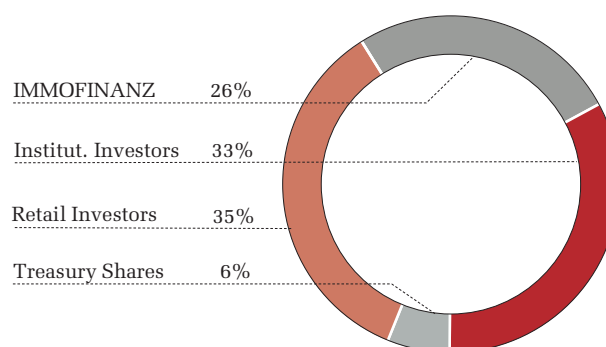
With a shareholding of 26% and four registered shares, the IMMOFINANZ Group (through GENA ELF Immobilienholding GmbH, a wholly owned subsidiary of IMMOFINANZ AG) is the largest shareholder of CA Immo. There is a reciprocal shareholding between the IMMOFINANZ Group and the CA Immo Group. The CA Immo Group holds 54,805,566 bearer shares in IMMOFINANZ AG, equivalent to an approximately 5% of the capital stock of IMMOFINANZ AG. The company held 5,582,054 treasury shares on the balance sheet date. The remaining shares of CA Immo are in free float with both institutional and private investors. In the final quarter of 2017, S IMMO AG announced that it had increased its holding in CA Immo (held through its subsidiary CEE Immobilien GmbH) to just over 5%. In addition, AXA S.A. and BlackRock, Inc. hold around 4% of the company's capital stock through various mutual funds. No other shareholders with a holding of over 4% are known. For more information on the organisation of shares and the rights of shareholders, please refer to the corporate governance report.

Potential merger of CA Immo and IMMOFINANZ

Last year, CA Immo and IMMOFINANZ agreed to enter into constructive dialogue concerning a potential amalgamation of the two companies. The precondition stipulated by IMMOFINANZ AG of the sale of the Russian portfolio was met in December 2017. IMMOFINANZ AG had asked for the timetable of the potential merger talks to be adjusted thereafter. On 28 February 2018 IMMOFINANZ announced to further suspend detailed discussions over a possible merger between both companies for the time being and to evaluate other strategic options, among others, the possible sale of its CA Immo investment.

In line with the Austrian Stock Corporation Act, such a merger must be approved by the Ordinary General Meetings of both organisations with a 75% majority. A fair and transparent process allied with corporate governance that conforms to international conventions are key elements in guaranteeing a sound basis on which shareholders can make decisions on the transaction.

SHAREHOLDER STRUCTURE



SHARE BUYBACKS IN 2017

Last business year, the share buyback programme initiated in November 2016 on the basis of an enabling resolution passed by the 29th Ordinary General Meeting of 3 May 2016 continued. The programme allows for a volume of up to 1,000,000 shares (approximately 1% of the company's capital stock). The original upper limit of € 17.50 per share was raised to € 24.20 per share at the end of August 2017. The equivalent value to be attained must be within the range stipulated in the enabling resolution passed by the Ordinary General Meeting and may be no more than 30% below and 10% above the average non-weighted stock exchange closing price on the ten trading days preceding the repurchase. As in previous instances, the repurchase will be undertaken to support the purposes permitted by resolution of the Ordinary General Meeting and will end on 2 November 2018 at the latest. Last business year, 178,735 shares in total were acquired through the programme at a weighted equivalent value per share of approximately € 22.52. As at 31 December 2017, CA Immobilien Anlagen AG held 5,582,054 treasury shares (around 6% of the company's capital stock).

At the time of publication of this report in March 2018, further repurchases had increased the number of own shares to 5,780,037; given the total number of voting shares issued (98,808,336), this is equivalent to around

6% of the voting shares. Details of transactions completed as part of the buyback programme are published at <http://www.caimmo.com/de/investor-relations/aktienrueckkauf/>.

OVERVIEW ON BUYBACKS

	Number of repurchased shares 31.12.2017	Portion of share capital	Weighted average price per share	Highest price paid per share	Lowest price paid per share	Total value of repurchased shares
Programme 2015	2,000,000	2.02%	€ 16.14	€ 17.00	€ 14.93	€ 32.3 m
Programme 2016 – Tranche I	1,000,000	1.01%	€ 15.39	€ 16.38	€ 14.39	€ 15.4 m
Programme 2016 – Tranche II	2,000,000	2.02%	€ 16.17	€ 17.50	€ 14.66	€ 32.3 m
Programme 2016 – Tranche III	582,054	0.59%	€ 18.87	€ 24.20	€ 16.85	€ 11.0 m
Total	5,582,054	5.65%	€ 16.30	€ 24.20	€ 14.39	€ 91.0 m

DIVIDEND POLICY

CA Immo will continue with its profit-oriented dividend policy in future. The level of the dividend is determined by profitability, growth prospects and the capital requirements of the CA Immo Group. At the same time, a steady dividend payout ratio of around 70% of long-term revenue (FFO I) should ensure the continuity of the dividend trend. The actual proposed dividend will generally be announced in tandem with the publication of annual results. For business year 2016, the figure stood at € 0.65 per share with dividend entitlement. (an increase of 30% year-on-year). Based on the closing rate for 2016 (€ 17.47), the dividend yield was approximately 4%. Under Austrian taxation law, the distribution partially (in the amount of € 0.22 per share) qualifies as a capital repayment according to article 4 subsection 12 of the Income Tax Act (EStG). The dividend was paid on 17 May 2017 and the ex-dividend date was 15 May 2017. Eligible stock in connection with the payment (record date) was determined on 16 May 2017.

Proposed dividend for business year 2017

For business year 2017, the Management Board will propose a dividend of € 0.80 per share with dividend entitlement. Compared to last year, this represents a further rise of approximately 23%. In relation to the closing rate as at 31 December 2017 (€ 25.81), the dividend yield was approximately 3%. The dividend will be paid on 16 May 2018 (the ex-dividend day and verification date are 14/15 May 2018 respectively).

ANNUAL GENERAL MEETING FOR 2017

The 30th Ordinary General Meeting of CA Immo was held on 11 May 2017. In terms of the company's capital stock, attendance was around 52% (roughly 530 shareholders and shareholder representatives). Taking account of the 5,438,046 own shares held by the company, which do not confer voting rights, attendance was approximately 55%.

Changes to the Supervisory Board

Alongside the usual agenda items (distribution of profit, approval of the actions of Management and Supervisory Board members, the definition of Supervisory Board remuneration and confirmation of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as the (Group) auditor for business year 2017), the agenda included changes to the Supervisory Board. At the request of the Supervisory Board, Professor Sven Bienert and Professor Klaus Hirschler, the two Supervisory Board members formerly appointed by means of registered shares, were elected as new members of the Supervisory Board along with Gabriele Düker. Their mandates will extend to the Ordinary General Meeting that rules on the approval of actions in business year 2021. The number of Supervisory Board members appointed by the Ordinary General Meeting will be reduced from nine to eight. At present, the Supervisory Board of CA Immo comprises eight members elected by the Ordinary General Meeting, two members appointed by the IMMOFINANZ Group by means of registered shares and four employee representatives. All

information and documents relating to Ordinary General Meetings may be viewed at <http://www.caimmo.com/de/investor-relations/hauptversammlung/>.

CA IMMO BONDS

As at 31 December 2017, four CA Immo corporate bonds were trading on the unlisted securities market of the Vienna Stock Exchange and the regulated market of the Luxembourg Stock Exchange (Bourse de Luxembourg; see table below). The convertible bonds were registered for trading in the unregulated Third Market (multilateral trade system) of the Vienna Stock Exchange.

In February 2017 the company issued a new seven-year corporate bond with a volume of €175 m and a coupon of 1.875%. The bond was given an investment grade rating of Baa2 by Moody's Investors Service Ltd ('Moody's'), the international rating agency.

Successful placement of convertible bonds

In the third quarter, CA Immo successfully placed its second convertible bond in almost eight years. This was a non-subordinate, unsecured convertible bond in a total nominal amount of € 200 m and with a term to April 2025. The coupon (payable semi-annually) is 0.75% p.a. while the initial conversion price was fixed at € 30.5684, equivalent to a conversion premium of 27.50% above the volume-weighted average price (VWAP) for the CA Immo shares of € 23.9752 on the day of issue. The convertible bonds were issued at 100% of their nominal amount of € 100,000 per bond, excluding the subscription rights of shareholders; in the absence of premature conversion or repayment, they will be redeemed at 100% of the nominal amount at the end of the term. The company may choose to effect repayment through the provision of shares, payment or a combination of the two. The net proceeds were used to improve the financing structure of CA Immo. Settlement for the transaction took place on 4 October 2017.

OVERVIEW OF CA IMMO'S BONDS

ISIN	Type	Outstanding volume	Denomination in €	Kupon p. a.	Term	Redemption / Maturity date
AT0000A1CB33	Corporate bond	€ 175 m	500	2.750%	2015-2022	17.2.2022
AT0000A1LJH1	Corporate bond	€ 140 m	1,000	1.875%	2016-2021	12.7.2021
AT0000A1JVU3	Corporate bond	€ 150 m	1,000	2.750%	2016-2023	17.2.2023
AT0000A1TBC2	Corporate bond	€ 175 m	1,000	1.875%	2017-2024	22.2.2024
AT0000A1YDF1	Convertible	€ 200 m	100,000	0.75%	2017-2025	4.4.2025

INVESTOR RELATIONS ACTIVITIES

For CA Immo, dialogue with stakeholders, transparency and active communication are the top priorities in information policy. In addition to the legal obligation to inform (through the publication of insider information, quarterly financial reporting, etc.), dialogue with analysts, institutional investors and private shareholders takes place through personal meetings at roadshows and conferences and through participation in events and trade fairs specifically aimed at private shareholders. Private shareholders regularly use the Ordinary General Meeting, investor fairs and the shareholders' phone line to make contact with the Investor Relations team. Conference calls for analysts also take place at least quarterly. In

addition to numerous conferences and roadshows in London, New York, Boston, Chicago, Cape Town, Geneva, Zurich, Lucerne, Paris, Amsterdam, Brussels, Warsaw, Vienna, Frankfurt and Munich, the company arranged more than 250 conference calls and around 200 investor meetings in the last business year. The target audience was national and international investors. Detailed information on key performance indicators, the CA Immo share, annual and quarterly results, financial news items, presentations, IR events and much more is available on the website www.caimmo.com. Interested parties can also subscribe to our IR newsletter, which contains full details of recent developments.

SHARE RELATED KEY FIGURES

		31.12.2017	31.12.2016
EPRA NNAV/share	€	27.13	24.56
NAV/share	€	25.73	23.60
Price (key date)/NAV per share – ¹⁾	%	0.30	–26.00
Price (key date)/NNNAV per share – ¹⁾	%	–4.87	–28.90
Number of shares	pcs.	98,808,336	98,808,336
Treasury shares	pcs.	5,582,054	5,403,319
number of shares outstanding	pcs.	93,226,282	93,405,017
Ø number of shares	pcs.	98,808,336	98,808,336
Ø Treasury shares	pcs.	5,479,394	3,813,021
Ø number of shares outstanding	pcs.	93,328,942	94,995,315
Ø price/share	€	21.80	16.40
Market capitalisation (key date) ²⁾	€ m	2,405.70	1,631.32
Highest price	€	26.00	19.50
Lowest price	€	17.30	14.35
Closing price	€	25.81	17.47
Dividend paid in the business year / per share	€	0.65	0.50
Dividend yield	%	2.52	2.86

¹⁾ before deferred taxes

²⁾ Adjustment of the calculation method (based on number of shares outstanding)

BASIC INFORMATION ON THE CA IMMO SHARE

Type of shares	No-par value shares
Stock market listing:	Vienna Stock Exchange, prime market
Indices:	ATX, ATX-Prime, IATX, FTSE EPRA/NAREIT Europe, WBI
Specialist:	Raiffeisen Centrobank AG
Market maker:	Baader Bank AG, Erste Group Bank AG, Hudson River Trading Europe Ltd., Société Générale S.A., Tower Research Capital Europe Limited,
Stock exchange symbol/ISIN:	CAI/AT0000641352
Reuters:	CAIV.VI
Bloomberg:	CAI:AV
Email:	ir@caimmo.com
Web site:	www.caimmo.com

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FINANCIAL CALENDAR 2018

26 MARCH / 27 MARCHPUBLICATION OF ANNUAL RESULTS FOR 2017 /
PRESS CONFERENCE ON FINANCIAL STATEMENTS**24 MAY**

INTERIM REPORT FOR THE FIRST QUARTER 2018

29 APRILVERIFICATION DATE FOR THE 31ST ORDINARY GEN-
ERAL MEETING**22 AUGUST / 23 AUGUST**SEMI-ANNUAL REPORT 2018 /
PRESS CONFERENCE ON SEMI-ANNUAL RESULT**9 MAY**

31ST ORDINARY GENERAL MEETING

21 NOVEMBER

INTERIM REPORT FOR THE THIRD QUARTER 2018

14 MAY / 15 MAY / 16 MAYEX-DIVIDEND DATE / RECORD DATE (DIVIDEND) / DIV-
IDEND PAYMENT DAY**27 MARCH / 28 MARCH 2019**PUBLICATION OF ANNUAL RESULTS FOR 2018 /
PRESS CONFERENCE ON FINANCIAL STATEMENTS

SUPERVISORY BOARD REPORT



Torsten Hollstein, Chairman of the Supervisory Board

DEAR SHAREHOLDERS,

In business year 2017, the Supervisory Board of CA Immo undertook its tasks in accordance with legislation and the articles of association at a total of nine plenary sessions. The Supervisory Board was closely involved with budgeting and profitability issues, the company's financing strategy, the sale of the Tower 185 office tower in Frankfurt and the acquisition of the Frontex Spire building in Warsaw as well as projects in Berlin, Frankfurt and Prague. Other core themes included broadening the value chain through involvement in indirect property funds and associated strategic expansion of the development area to include the in-house development of land earmarked for residential construction.

Central themes in regular reporting included financing and liquidity issues, current legal proceedings and risks, developments on financial and real estate markets, resultant opportunities and threats and property valuations. Evaluating the organisation and working methods of the Supervisory Board and its committees was central to an annual self-assessment exercise. The results of this evaluation and the annual activity report on compliance management were discussed and corporate governance was reviewed. Reports on risk management and the observations of Internal Auditing were discussed at regular intervals by the Audit Committee, which reported its findings

to the Supervisory Board. The Management Board explained any deviation from planned values and targets in full. Decisions and measures taken by the Management Board were transparent and raised no objections. Cooperation between the Supervisory Board and the Management Board was characterised by open discussion. Contact between the Supervisory Board chairman and the Management Board underlined the openness of exchanges on matters of relevance to decision-making. All developments in the company were reported to the Supervisory Board promptly and in full.

Changes to the Supervisory Board

The following changes to the Supervisory Board were agreed at the Ordinary General Meeting for 2017: At the request of the Supervisory Board, Professor Sven Bienert and Professor Klaus Hirschler, the two Supervisory Board members formerly appointed by means of registered shares, were elected as new members of the Supervisory Board along with Gabriele Düker. Their mandates will extend to the Ordinary General Meeting that rules on the approval of actions in business year 2021. The number of Supervisory Board members appointed by the Ordinary General Meeting will be reduced from nine to eight. Professor Klaus Hirschler became chairman of the audit committee in May. The current members of the Supervisory Board and the composition of the committees are listed at www.caimmo.com and in the corporate governance report.

Changes to the Management Board

Early in December 2017, Frank Nickel resigned his post as Chief Executive Officer with effect from 31 December 2017. At his own request, he will step down from the Management Board of CA Immo entirely on 31 March 2018 for health reasons with the full agreement of the company. The Supervisory Board would like to extend Frank Nickel its special thanks in recognition of his outstanding performance and his contribution to the success of the company over the past two years. Frank Nickel will continue to assist the company as an external consultant, offering his decades of experience and many contacts to ensure the successful business development of CA Immo. Andreas Quint succeeded Mr. Nickel as CEO on 1 January 2018.

Committee activity in 2017

The **investment committee** convened five times in 2017 to scrutinise potential real estate acquisitions and sales as

well as the implementation of projects. All measures proposed by the Management Board were approved by the investment committee, which advised the Supervisory Board as appropriate on recommended decisions.

At its only meeting in March, the **remuneration and nomination committee** focused on determining the extent to which targets were met in 2016 and redefining targets for 2017 (performance-related pay). Away from meetings, the shareholder representatives on this committee were closely involved with succession planning for the Management Board and advised the Supervisory Board appropriately on filling the vacant position of CEO. In July, the committee agreed ahead of time to extend the contract of CFO Dr. Hans Volckens by another year to 31 December 2019.

The **audit committee** held five meetings in the last business year. The annual and consolidated financial statements for 2016 (including the management reports), the corporate governance report, the internal monitoring system and the effectiveness of risk management at CA Immo were discussed and examined with the auditor and the Management Board in March 2017. In accordance with article 270 subsection 1a of the Austrian Commercial Code, the statement was obtained from the proposed auditor, whose legal relationship with CA Immo and its senior executives was scrutinised; the fee for carrying out the audit was negotiated and a recommendation on the selection of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as the new (Group) auditor was submitted. The financial result and progress on current business activity, including the risk report, were discussed quarterly; no objections were raised. Moreover, the legally required advance approval for non-audit-related services of the auditor was granted in November 2017. The web site www.caimmo.com and the corporate governance report contain more information on the responsibilities of the Supervisory Board and its committees.

Consolidated and annual financial statements for 2017

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. has audited the annual and consolidated financial statements for 2017 (including the management reports) and

expressed its unqualified auditor's opinion. The auditor also determined that the Management Board has established a risk management system with a concept that allows it to operate in such a way as to identify developments hazardous to the company's survival at an early stage. Moreover, an evaluation of compliance with rules 1 to 76 of the Austrian Corporate Governance Code for business year 2017 found that declarations of conformity submitted by CA Immo with regard to compliance with the C and R Rules of the Code were correct.

All documents making up the financial statements, the proposal on the distribution of profit, the auditor's reports and the corporate governance report were discussed in detail by the Audit Committee in the presence of the auditor and the Management Board members and examined. After concluding the examination, no significant objections were raised. The Supervisory Board endorsed the annual financial statements, which were thus adopted in accordance with article 96 subsection 4 of the Austrian Stock Corporation Act. Taking into consideration the company's earnings performance and financial situation, the Supervisory Board indicated its consent to the Management Board's proposal on the distribution of profit.

The Supervisory Board would like to extend particular thanks to all employees for their hard work and unwavering commitment, which ensured an extremely successful business year 2017.



On behalf of the Supervisory Board
Torsten Hollstein, Chairman
Vienna, 26 March 2018

MANAGEMENT BOARD*)

ANDREAS QUINT
 CHIEF EXECUTIVE OFFICER, CEO (BORN 1960)

Andreas Quint was appointed CEO of CA Immobilien Anlagen AG as of 1 January 2018 and is thus responsible for corporate strategy, operational Real Estate Divisions (Asset- and Investment Management, Development and Engineering) as well as the Human Resources, IT, Corporate Communication and Organisation departments.

He had been Head of Corporate Finance & Portfolio Transactions of BNP Paribas Real Estate (BNPPRE) before joining the CA Immo Group. Prior to that Mr. Quint held various management positions, among others, at Jones Lang LaSalle (between 2008 and 2013 initially as CEO Germany, then as CEO Corporate Finance Europe), Catella (CEO Germany) and as a partner at Ernst & Young.

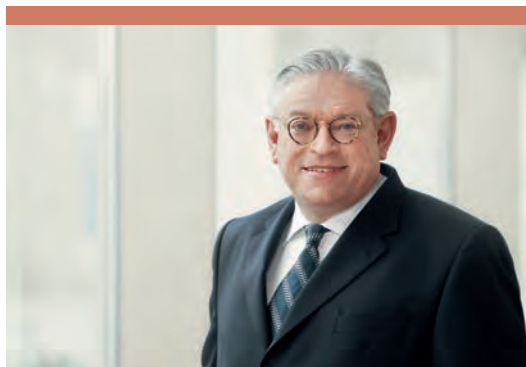
Initial appointment: 1.1.2018
 Term of office ends: 31.12.2020

DR. HANS VOLCKENS
 MANAGEMENT BOARD MEMBER, CFO (BORN 1970)

Dr. Hans Volckens took over management of the finance division (accounting, controlling, debt funding, capital markets and investor relations and legal department) as of September 27, 2016. With a doctorate in Law, he initially has been in investment banking and worked then as a lawyer, tax consultant and specialist lawyer for tax law. From 2008 to 2011, Dr. Volckens was a member of the management board of Hannover Leasing GmbH & Co. KG; from there, he transferred to IC Immobilien Holding AG and managed its refinancing. From October 2011 to April 2014, Dr. Volckens was Chief Financial Officer of IVG Immobilien AG. Dr. Volckens is i.a. Chairman of the tax committee of the German Property Federation (ZIA e.V.); Head of the Working Group Restructuring of the Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V. and lecturer for real estate tax law at the University of Regensburg.

Initial appointment: 27.9.2016
 Term of office ends: 31.12.2019

ANDREAS QUINT
 CEO

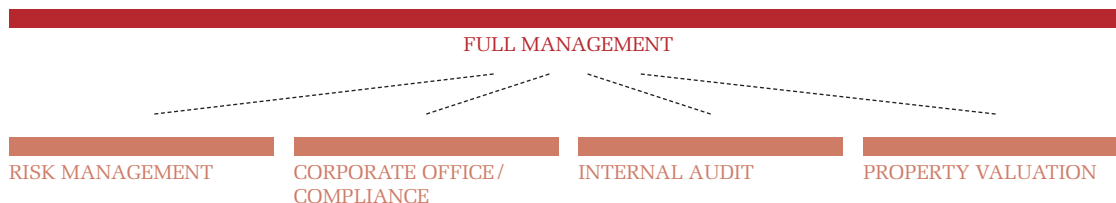


Corporate Strategy
 Corporate Communications
 Investment- & Asset-Management
 Development
 Engineering
 Human Resources
 IT and Organisation

DR. HANS VOLCKENS
 CFO



Accounting
 Controlling
 Finance
 Capital Markets /
 Investor Relations
 Legal



*) At the time of publication of this report, the Management Board of CA Immo comprised three members. At the start of December 2017, Frank Nickel resigned his post as Chief Executive Officer with effect from 31 December 2017. He will step down entirely from the Management Board of CA Immo as of 31 March 2018. Andreas Quint replaced him as CEO on 1 January 2018.

SUPERVISORY BOARD

ELECTED BY THE SHAREHOLDERS' MEETING

TORSTEN HOLLSTEIN (born 1965)*)

Chairman of the Supervisory Board
Initial appointment: 3.5.2016
Term of office ends: 2020 (33rd AGM)
Independent according to C Rule 53 and 54

Torsten Hollstein is a Managing Director and founding partner of CR Investment Management. He holds two state qualifications in law and was a lawyer with Lehman Brothers and German mid-market private equity company Hannover Finanz. Mr. Hollstein was Managing Director of Catella Property Germany prior to the spin-off of Catella Corporate Finance Germany and amalgamation with Deutsche River to create 'CR'.

DR. FLORIAN KOSCHAT (born 1974)*)

Deputy Chairman of the Supervisory Board
Initial appointment: 3.5.2016
Term of office ends: 2020 (33rd AGM)
Independent according to C Rule 53 and 54

Dr. Florian Koschat is the CEO and founding partner of Pallas Capital Advisory AG, a corporate finance and M&A consulting firm. Mr. Koschat has more than 15 years' experience in investment banking. He has been involved in several large-scale transactions and specialises in the emerging markets of Central and Eastern Europe and the CIS.

RICHARD GREGSON (born 1966)*)

Initial appointment: 28.4.2015
Term of office ends: 2020 (33rd AGM)
Independent according to C Rule 53 and 54

Richard Gregson is an Associate of the Institute of Chartered Accountants and a Registered Company Auditor in Australia. He has over 30 years' professional experience, much of which was spent with PricewaterhouseCoopers as a partner in the financial services field, including many years leading the firm's real estate practice in Russia. Mr. Gregson currently

holds several posts in the areas of accounting, audit and advisory. He has been an independent, non-executive director of O1 Properties Ltd. since June 2012, where he chairs the audit and risk committee.

JOHN NACOS (born 1967)*)

Initial appointment: 28.4.2015
Term of office ends: 2020 (33rd AGM)
Independent according to C Rule 53 and 54

John Nacos worked for Merrill Lynch for 11 years, where he set up and oversaw mortgage financing as well as opportunistic real estate and MBS/ABS trading activities in Europe. Between 2001 and 2011 he held various positions in the field of commercial real estate at Deutsche Bank before being appointed to the Board of Directors of O1 Properties in September 2011. Among other things, John Nacos is a member of the board of directors of EG Real Estate Advisors and board member of CR Holding GmbH and Laurus Property Partners Ltd.

MICHAEL STANTON (born 1960)*)

Initial appointment: 19.12.2014
Term of office ends: 2020 (33rd AGM)
Independent according to C Rule 53 and 54

Having held various positions with GLS Capital, Oppenheimer & Company and Westpac Banking Corporation in New York, USA, Michael Stanton can call on more than 20 years' experience in the areas of finance, investments and emerging markets. From 2006 to 2010 he was employed by the private equity group of Otkritie Financial Corporation. In 2010 he switched to O1 Group, where he holds various positions in subsidiaries. Currently Michael Stanton is member of the board of directors of CR Investment Management.

DIPL.-BW GABRIELE DÜKER (born 1961)*)

Initial appointment: 11.5.2017
Term of office ends: 2022 (35th AGM)
Independent according to C Rule 53 and 54

For many years, Ms. Düker was a manager with extensive operational experience in the interational credit insurance industry. Between 2007 and 2016, the expert in risk underwriting and portfolio valuation was a member of the Management Board of Coface SA Branch Austria (formerly Coface Austria Kreditversicherungs AG); during the same period she was a member of the Supervisory Board of Coface Polen Factoring Sp. z o.o. From 2009 to 2012 she served on the Supervisory Board of Coface Austria Bank AG. Ms. Düker is a driving force for change and transformation in a multicultural environment.

UNIV.-PROF. DR. SVEN BIENERT (born 1973)*)

Initial appointment: 11.5.2017**)
Term of office ends: 2022 (35th AGM)
Independent according to C Rule 53 and 54

Amongst other things, Professor Bienert spent many years in managerial positions with international consulting firms and other businesses in the financial and real estate sectors. Since April 2010 he has headed the Centre of Excellence for Sustainability in the Real Estate Sector at the IRE | BS Institute of the University of Regensburg. Between 2011 and 2013, Professor Bienert was simultaneously Chief Executive Officer of Probus Real Estate GmbH. Aside from his role as an expert and advisor, Professor Bienert is a publisher and author of various textbooks on real estate and the recipient of numerous research prizes. Professor Bienert is active in several industry associations; he sits on the real estate advisory board of the German Sustainable Building Council and the Managing Board of the Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V. (ICG).

*) No other supervisory board mandates or similar functions in Austrian or foreign listed companies.

***) Delegated through registered share from 1 December 2016 until 11 May 2017.

**UNIV.-PROF. DR. MMAG. KLAUS
HIRSCHLER (born 1966)*)**

Initial appointment: 11.5.2017**)

Term of office ends: 2022 (35th AGM)

Independent according to C Rule 53 and 54

Dr. Klaus Hirschler is a university professor at the Institute for Accounting and

Auditing at Vienna University of Economics and Business. He is mainly active in the fields of accounting, reorganisations and analysing annual financial statements; he is also Deputy Chairman of the expert committee on fiscal law at the Austrian Chamber of Public Accountants. Dr. Hirschler is a member of AFRAC (the

Austrian Financial Reporting and Auditing Committee), member of the Supervisory Board of the Austrian Academy of Certified Public Accountants as well as a lecturer and the author of many specialist publications.

DELEGATED BY REGISTERED SHARES**DR. OLIVER SCHUMY (born 1971)**Delegated through registered shares:
2.8.2016

Term of office ends: until further notice

Independent according to C Rules 53

Dr. Oliver Schumy has been the Chief Executive Officer (CEO) of IMMOFINANZ since May 2015. Along with a doctorate in economics, Dr. Schumy has extensive experience at managerial and board level. He has also gained a wealth of operational knowledge, especially in Russia and Eastern Europe. Between June 2008 and his move to IMMOFINANZ, he was CFO of the Mayr-Melnhof Group; prior to this

appointment he was Group Finance Director and performed other managerial roles for Mayr-Melnhof in the areas of finance, taxation, Group accounting and M&A.

since 2016. Prior to this he performed managerial functions for IMMOFINANZ from December 2008 onwards, most recently acting as Head of Capital Markets and Corporate Strategy. His fields of responsibility over recent years have included overseeing major Group projects (including the BUWOG spin-off and the sale of a logistical portfolio), capital market financing and Investor Relations. Earlier in his career, the holder of a degree in business economics and specialist in business informatics worked for Invesco Asset Management Austria.

**MAG. STEFAN SCHÖNAUER, BAKK
(born 1979)**Delegated through registered shares:
2.8.2016

Term of office ends: until further notice

Independent according to C Rules 53

Stefan Schönauer has been the Chief Financial Officer (CFO) of IMMOFINANZ

EMPLOYEE REPRESENTATIVES**MAG. (FH) SEBASTIAN OBERMAIR
(born 1980)*)**

Employee representative

Delegated since: 22.3.2016

Term of office: open-ended

Sebastian Obermair completed a degree in business consultancy at the University of Applied Sciences Wiener Neustadt. In 2013, he was appointed head of the Group Accounting division of CA Immo. Prior to this, he had spent around six years working for the consolidation area of IMMOFINANZ AG.

Term of office: open-ended

Georg Edinger studied European business and corporate management in Vienna followed by real estate asset management at IRE|BS in Germany. In 1992, he began his career in sales for Austrian trading companies. He joined the Organisation division of CA Immo in 2012.

she is currently deputy head of the Tax and Accounting division. Amongst other things, she is responsible for compiling consolidated financial statements for Austria and Germany in particular.

**GEORG EDINGER, BA, REAM (IRE|BS)
(born 1976)*)**

Employee representative

Delegated since: 3.5.2016

Nicole Kubista started her career with BDO in Vienna in 1999, successfully qualifying as a tax consultant in 2003. In 2007, she joined CA Immo, where

**MAG. (FH) FRANZ REITERMAYER
(born 1979)*)**

Employee representative

Delegated since: 3.5.2016

Term of office: open-ended

Franz Reitermayer studied at the University of Applied Sciences Wiener Neustadt. He joined CA Immo immediately after graduating, and has worked for the company's Asset Management CEE/SEE/CIS division since 2004.

*) No other supervisory board mandates or similar functions in Austrian or foreign listed companies.

**) Delegated through registered share from 1 December 2016 until 11 May 2017.

CORPORATE RESPONSIBILITY

The CA Immo business model is based on sustainable value creation for the long term, taking account of environmental, economic and social considerations at Group and product level. Corporate governance is an overarching term spanning all CSR topics.

Integrated Sustainability Reporting

Information relating to sustainability is included in the individual sections of this report. Reporting is undertaken in keeping with international sustainability guidelines issued by EPRA (European Public Real Estate Association). An overview and contents list for all sustainability issues integrated in the Annual Report may be found in the Sustainability Index on the end of the report.

To meet the needs of all stakeholders as effectively as possible while ensuring the competitiveness of its real estate over the long term, CA Immo has adopted a **comprehensive sustainability policy**:

Products and services (real estate level)

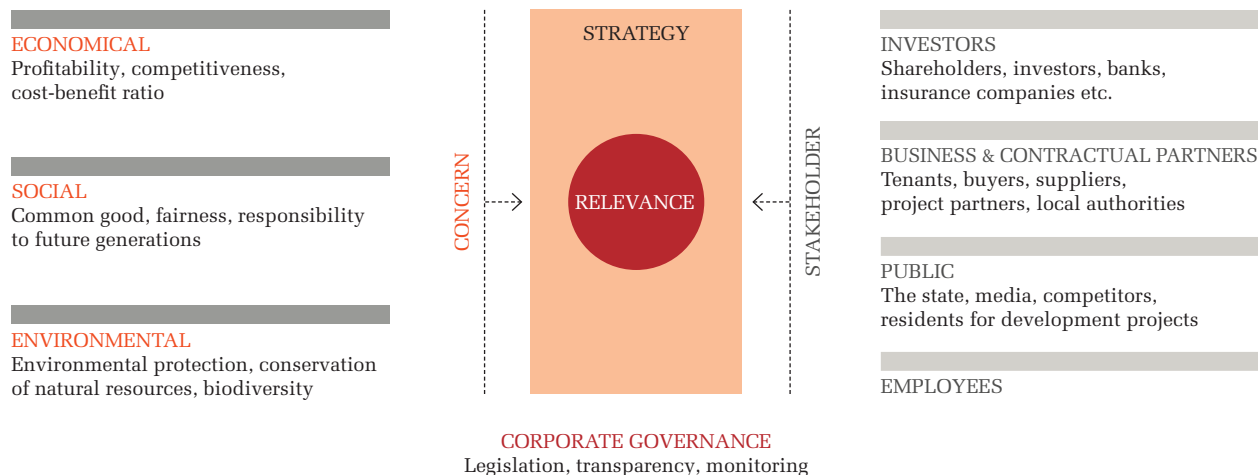
–Long-term maintenance of marketability and utilisation quality by investments in modern and resource-saving properties, which are located central

- Current development activity aimed at regenerating the portfolio and assuring quality
- Sustainability certification (at least DGNB or LEED gold) or certifiable implementation of all development projects in the office and hotel asset classes. As at reporting date, 74% of the CA Immo office properties¹⁾ are certified
- Active, locally organised tenant support and retention through company branch offices

Corporate governance (Group level)

- Compliance management: Compliance with laws, guidelines and codes; measures to prevent corruption
- Full stakeholder communication: transparency of publications and documentation and continual dialogue with relevant target groups to ensure competitiveness
- Upholding a corporate culture that is respectful and fair to all stakeholders

CA IMMO SUSTAINABILITY MODEL



¹⁾ Based on the portfolio value; incl. office properties with a portfolio value > € 10 m; excl. Tower 185, the sale of which was closed in January 2018

INITIATIVES AIMED AT RAISING THE ENERGY EFFICIENCY OF THE ASSET PORTFOLIO

CA Immo holds international investment properties of many different kinds at many stages of the property life-cycle. In order to ensure the longest possible value retention and marketability of all properties, CA Immo Asset Management applies diversified quality management. To establish the best possible conditions for long-term rentals, various highly specific measures aimed at properties and their tenants are adopted.

The most important levers in integrated quality assurance are:

- Standardised recording of structural properties (incl. energy consumption and emission values) as the decision-making basis in active asset management
- Needs-based investment to ensure portfolio quality and user comfort
- Sustainability certification for strategic core properties as objectified evidence of the building quality
- Raising awareness among current tenants to improve resource conservation by users

Energy consumption and the carbon footprint

Globally, buildings are responsible for 30% of carbon emissions while consuming 40% of raw materials and energy.¹⁾ Conservation of resources is a major theme affecting the future of the real estate sector. CA Immo continually collates and analyses international data on consumption as well as carbon emissions produced by the heat and energy consumption of its office properties. The data is applied to ongoing portfolio monitoring, on the basis of which decisions on maintenance measures are made. Annual energy audits are also carried out in owner-occupied CA Immo office premises in Germany and Austria with the specific aim of progressively optimising energy values.²⁾

Management and user conduct as key levers

In order to optimise the energy balance of their portfolio buildings, CA Immo also maintains a dialogue with users. A Group-wide information campaign concerning the resource-efficient usage of office buildings by CA Immo office tenants was launched in business year 2013 under the slogan ‘Think more, waste less’.

CARBON FOOTPRINT, ENERGY AND WATER CONSUMPTION IN THE OFFICE PORTFOLIO 2016³⁾

/sqm rental space	Power consumption ⁴⁾ in kWh		Heating energy consumption in kWh		Total Carbon-Emission ⁵⁾ in kgCO ₂ /a		Water consumption in m ³		Rental office space ⁶⁾	
	2016	Change Like-for- like ⁷⁾	2016	Change Like- for-like ⁷⁾	2016	Change Like- for-like ⁷⁾	2016	Change Like- for-like ⁷⁾	31.12.2016	Change Like-for- like ⁷⁾
Eastern Europe	212.98	-6.7%	135.40	-16.7%	122.61	-11.2%	0,66	-13.3%	617,644	4.7%
Germany	106.42	15.9%	74.62	13.1%	77.11	14.2%	0,31	0.5%	293,444	0.7%
Austria	82.19	-24.1%	90.80	0.8%	21.94	-14.3%	0,49	2.8%	146,895	-4.6%
Total	165.26	-3.8%	112.35	-9.3%	96.01	-5.0%	0,54	-8.5%	1,057,982	2.1%

³⁾ Basis: Properties with main usage office. The calculation of carbon emissions from power consumption and heat requirement (not adjusted for the weather) is based on 57 properties (of 59 in total) or 97 % of the rentable area of the office portfolio (as at 31 December 2016).

⁴⁾ Energy consumption, including tenants' energy supply. A specific value of 50 kWh/m²a is assumed in consumption data not including tenants' energy supply

⁵⁾ The calculation of carbon emissions caused by power and heating energy consumption take account of the so-called carbon dioxide equivalent, which differs between countries and sometimes regions. The higher the proportion of renewable energy in the production of electric power and heating, the lower the carbon dioxide equivalent.

⁶⁾ Rentable office space with consumption costs; ⁷⁾ Change between 2015 and 2016 (only properties in the portfolio in both years)

¹⁾ Kahn, Kok and Quigley, 2014; Glaeser and Kahn, 2010

²⁾ The results of the energy audits for owner-occupied properties are published at www.caimmo.com/footprint

Sustainability certification for investment properties

To facilitate transparent comparison of the quality of portfolio buildings across international boundaries, CA Immo has certified more and more portfolio buildings since 2015. In 2017, the certification process was completed for two office properties. As at 31 December 2017, 35 office properties (74%¹⁾ of the total CA Immo office portfolio) have been certified according to DGNB, LEED or BREEAM standards. Further standing office buildings are undergoing the certification process.

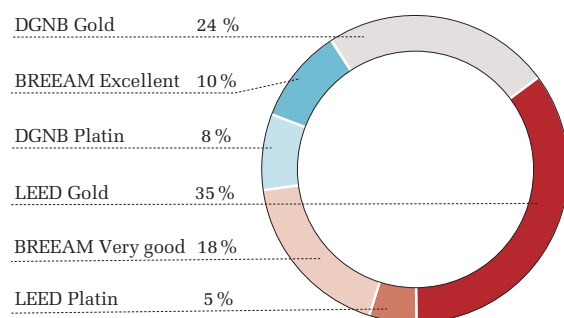
CERTIFIED OFFICE PROPERTIES BY REGION¹⁾

in €m	Total office portfolio	Certified office portfolio	Share of certified office properties in %
Germany	957.5	751.4	78%
Austria	260.1	60.5	23%
Eastern Europe	1,596.0	1,267.8	79%
Summe	2,813.6	2,079.7	74%

¹⁾ By book value. Basis: Office properties with portfolio values >€10 m, excluding Tower 185, the sale of which was closed in January 2018. A breakdown of the certified stock of office space by rentable effective area is published at www.caimmo.com/footprint

CERTIFICATES OF THE CA IMMO OFFICE PORTFOLIO

Basis: € 2,079.7 m book value



SUSTAINABLE PROJECT DEVELOPMENT

Through its real estate and urban district development activities, CA Immo is helping to shape the skylines of major cities like Vienna, Berlin, Frankfurt and Munich – from involvement in the master plan to the establishment of surrounding infrastructure and the construction and running of new buildings.

Projects with sustainability certificates

To comply with the multifarious requirements arising at all levels, CA Immo only constructs offices (since 2011; minimum standard: DGNB silver) and hotels (since 2013) certified to LEED, DGNB or ÖGNI standards on a Group-wide basis. By meeting various certification requirements, the company makes allowance for the conservation of resources such as energy and water as well as emissions, wastewater and refuse and the transporting thereof; effects on safety and health are considered throughout the lifecycle.

OVERVIEW SUSTAINABILITY CERTIFICATION OF PROJECTS UNDER CONSTRUCTION

City	Project	System	Category
Berlin	Bürogebäude am Kunstcampus	DGNB	Gold
Berlin	KPMG Gebäude	DGNB	Gold
Berlin	MY.B	DGNB	Gold
Berlin	cube berlin	DGNB	Gold
Munich	My.O	DGNB	Gold
Munich	NEO	DGNB	Gold
Frankfurt	Steigenberger Hotel	DGNB	Gold
Frankfurt	ONE	DGNB	Gold
Mainz	Hafenspitze	DGNB	Gold
Vienna	ViE	DGNB	Gold
Bucharest	Orhideea Towers	LEED	Gold

Dialogue with residents and stakeholders

Within the context of its development projects, CA Immo observes legal requirements on potentially negative influences on stakeholders (such as construction noise and increased particulate matter pollution) and engages in proactive dialogue with relevant stakeholders from the outset. Examples of this have included the site conferences for the new Europacity in Berlin.

¹⁾ Basis: Book value, includes office properties with a portfolio value > € 10 m, excl. Tower 185, the sale of which was closed in January 2018

Observance of social and environmental standards

Where construction services are provided, CA Immo requires contractors to comply with the legal regulations on occupational health and safety, workplace regulations, working time regulations and wage agreements; the company also verifies compliance. Alongside the economic evaluation of tenders, the company asks potential contractors to comply with social and environmental standards and monitors observance during the tendering process.

Sensitive site development

Maximum attention is paid to issues such as biodiversity, species protection and (where relevant) habitat change during site development, especially in and around nature reserves. All properties are evaluated accordingly with restoration work and mitigating measures introduced as appropriate; these may include the creation of green access pathways or the planting of tree and bushes.

Example of land remediation and species protection: Feldkirchen in Munich

There are plans to establish a new quarter comprising residential and commercial premises and green public recreation spaces on the 28-hectare site of a former gravel pit in the Feldkirchen district to the east of Munich. To achieve this, some two million cubic metres of uncontaminated excavation material will need to put in place, creating a viable substrate on which development will be possible within a few years.

A nature conservation plan was devised to preserve as much as possible of the habitat of the strictly protected

green toad, which lives on the site. Three temporary shallow water biotopes spanning around 2,000 sqm in total have been established; in 2018 three permanent shallow water zones spanning 600 sqm in total will be created. An area of approximately 25,000 sqm has been earmarked as an open terrestrial habitat to be kept free from vegetation. These measures, which have been agreed with the relevant authorities, are designed to shield the green toad from future development activity over the next four years and to maintain a stable population in suitably marginal areas.



The planned mixed-use quarter in Feldkirchen: infilling and species protection measures by CA Immo subsidiary omniCon

EXAMPLE OF SUSTAINABLE PROJECT DEVELOPMENT: CUBE BERLIN



KEY FACTS

- Construction of a free-standing office building with approximately 17,000 sqm of rental space near the main station (Washingtonplatz)
- Landmark, sculpture-like architectural design achieved by wrapping the structural shell with a second facade
- Application made for gold DGNB certification
- Smart building: tracking, access control, lift call, climate control (lighting/sun screens/temperature), workstation/room booking, energy saving option

SUSTAINABILITY ASPECTS

- Windows that open and mechanical ventilation
- Full glass facade (double facade), external sun protection coating
- 5 spaces for electric cars, parking for electric bicycles, bicycle safes
- Shower/changing/drying room for all basement level users
- Innovative refrigeration concept with DEC technology: evaporative cooling for refrigeration through recycled waste heat
- Solar thermal energy, remaining heat requirement met through district heating

CORPORATE GOVERNANCE REPORT

COMMITMENT TO COMPLIANCE WITH CORPORATE GOVERNANCE STANDARDS

Compliance with legal provisions applicable in the CA Immo Group's target markets is a high priority for the company. The Management Board and Supervisory Board are committed to observing the Austrian Corporate Governance Code¹⁾ and thus to transparency and principles of good corporate management.

External evaluation

The evaluation carried out by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. concerning compliance with rules 1 to 76 of the Austrian Corporate Governance Code for business year 2017 found that declarations of conformity submitted by CA Immo with regard to compliance with the C and R Rules of the Code were correct.

COMPLY OR EXPLAIN

The rules and recommendations of the version of the Corporate Governance Code applicable in business year 2017 (January 2015 amendment) are implemented almost in full. Discrepancies are noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board) and no. 45 (executive positions with competitor companies).

C Rule no. 2: Formulation of shares in accordance with the 'one share – one vote' principle.

Explanation/reason: The ordinary shares of the company (98,808,332 bearer shares and four registered shares) were issued in accordance with the 'one share – one vote' principle. At present, around 74% of the voting rights are in free float, with 26% (including the four registered shares) held by the IMMOFINANZ Group (via GENA ELF Immobilienholding GmbH, a wholly owned subsidiary of IMMOFINANZ AG) since 2 August 2016.

The registered shares in existence since the founding of the company confer the right of nominating up to four Supervisory Board members. Partial use was made of this right of appointment: the Supervisory Board currently comprises eight shareholder representatives elected by the Ordinary General Meeting, two shareholder representatives appointed by registered shares and four employee representatives. Transfer of registered shares requires the approval of the company. In the view of the

company, the right of all shareholders to participate in the composition of the Supervisory Board is upheld in spite of the registered shares. The Austrian Stock Corporation Act provides for the delegation of members to the Supervisory Board, whereby the total number of appointed members may not exceed one third of all Supervisory Board members. Moreover, appointed members of the Supervisory Board may also be removed from office at the request of a minority (10% of the capital stock) where there is good cause relating to an individual member personally; however, this depends on a majority required for resolutions of 75% of the capital stock represented (article 21 of the Articles of Association of CA Immo). There are no preference shares or restrictions on issued ordinary shares of the company. The Austrian Takeover Act also ensures that all shareholders would receive the same price for their CA Immo shares in the event of a takeover bid (mandatory offer). The shareholders alone would decide whether to accept or reject any such bid.

C Rule no. 45: Supervisory Board members may not take up executive positions with companies that are competitors of CA Immo.

Explanation/reason: According to L Rule no. 52, the Ordinary General Meeting considers the professional and personal qualifications of candidates and aims to maintain a balance of expertise across the Supervisory Board in the selection of Supervisory Board members. Aspects of diversity are considered in terms of the representation of both genders, the age profile and the international make-up of the members of the Supervisory Board. The act governing the gender balance of women and men on Supervisory Boards, which has been in force since 1 January 2018, will ensure the proportion of women on the Supervisory Boards of listed stock corporations (with six or more Supervisory Board members and at least 20% proportion of women in the overall workforce) and companies with over a thousand employees is at least 30%. Failure to meet this quota will render Supervisory Board elections void. The law applies to Supervisory Board elections from 2018 onwards; current Supervisory Board mandates are unaffected.

To meet these criteria and uphold an in-depth knowledge of the real estate sector, there will clearly be a preference for persons with a background in a similar industry environment. For this reason, the possibility that Supervisory Board members will hold positions with

¹⁾ 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.

broadly similar companies cannot be ruled out. However, persons proposed for election to the Supervisory Board must present to the Ordinary General Meeting their professional qualifications, state their vocational or similar functions and disclose all circumstances that could give rise to concern over partiality.

Moreover, members of the Management Board are not permitted to run a company, own another business enterprise as a personally liable partner or accept Supervisory Board mandates in companies outside the Group without the consent of the Supervisory Board. Senior executives may only enter into secondary activities (and in particular accept executive positions with non-Group companies) with the approval of the Management Board.

Neither Management Board nor Supervisory Board members are permitted to make decisions in their own interests or those of persons or organisations with whom they are closely acquainted where such interests are counter to the (business) interests of the CA Immo Group. All conflicts of interests must be declared immediately. In the event of a contradiction of interests arising, the member in question shall be required to abstain from taking part in voting procedures or leave the meeting while the relevant agenda item is being discussed.

The following Supervisory Board members hold executive positions with similar companies:

Following the acquisition of a 26% stake and the four registered shares of CA Immo by the IMMOFINANZ Group in August 2016, Dr. Oliver Schumy and Stefan Schönauer, the two Management Board members of IMMOFINANZ, also joined the CA Immo Supervisory Board. IMMOFINANZ is one of the biggest competitors of CA Immo. There is a reciprocal shareholding between IMMOFINANZ and CA Immo. The CA Immo Group holds 54,805,566 bearer shares in IMMOFINANZ, equivalent to an approximately 5% of the capital stock of IMMOFINANZ AG. Last year, the two companies have also agreed to engage in constructive dialogue regarding a possible amalgamation. On 28 February 2018 IMMOFINANZ announced to further suspend detailed discussions over a possible merger between both companies for the time being and to evaluate other strategic options, among others, the possible sale of its CA Immo investment.

Other members of the Supervisory Board hold executive positions with companies in related sectors; there is no direct competition with these companies at present. A full list of executive functions performed by Management

and Supervisory Board members is published at www.caimmo.com.

All business transactions conducted between the company and members of the Management Board as well as persons or organisations with whom they are closely acquainted must conform to industry standards and have the approval of the Supervisory Board. The same goes for contracts between the company and members of the Supervisory Board which oblige those members to perform services outside of their Supervisory Board activities for the CA Immo Group in return for remuneration of a not inconsiderable value (L Rule no. 48) and for contracts with companies in which a Supervisory Board member has a significant business interest. This applies to a deed of donation concluded between CA Immo and the IRE | BS Universitätsstiftung für Immobilienwirtschaft on 16 September 2014 and extended early in 2018, whereby the foundation receives an annual ringfenced amount of € 25 K from CA Immo, 50% of which is made freely available to Professor Sven Bienert for teaching and research activity at the IRE | BS International Real Estate Business School. The company is not permitted to grant loans to members of the Supervisory Board outside the scope of its ordinary business activity.

THE EXECUTIVE BODIES OF CA IMMO

Management and supervisory structure

Unless legally regulated, the responsibilities of Management and Supervisory Boards and cooperation between Board members are defined by the Articles of Association and rules of procedure passed by the Supervisory Board (including the schedule of responsibilities for the Management Board). The obligations therein defined as regards business matters requiring approval and information provision and reporting by the Management Board apply to all subsidiaries of CA Immo. The rules of procedure for the Supervisory Board may be inspected online at www.caimmo.com. The full Supervisory Board rules on matters of critical importance as well as general strategy. The Supervisory Board also executes its duties through three competent committees. A presiding committee was established to rule on urgent matters.

Collaboration within the Management Board

The Management Board of CA Immo currently has three members. Early in December 2017, Frank Nickel resigned his post as Chief Executive Officer with effect from 31 December 2017. At his own request, and with the full agreement of the company, he will step down from the Management Board of CA Immo entirely on 31 March 2018 for health reasons. He will continue to assist the company as an external advisor, particularly in connection with the Zollhafen Mainz project. Andreas Quint succeeded Mr. Nickel as **Chief Executive Officer** (CEO) on 1 January 2018. He is responsible for overall organisation and management, the strategic direction and future development of the company and for representing the company to its Supervisory Board members and owners. As the Management Board spokesperson, he also issues statements to the general public and the media. Dr. Hans Volckens will retain responsibility for heading the finance division in his capacity as **Chief Financial Officer** (CFO).

Regardless of individual departmental and Board responsibilities, all agendas are discussed openly by the Board members at regular Management Board meetings, with departmental representatives included in the discussions. The implementation of resolutions passed is constantly monitored. The Supervisory Board is informed immediately of any significant discrepancies from planned values. Irrespective of the division of authority, each member of the Management Board shares responsibility for the overall running of the company's business affairs. The **entire Management Board** is responsible for realising the objectives of company policy and to this end bears general managerial responsibility at both company and Group level. These objectives are based on a wide-ranging corporate social responsibility (CSR) strategy that takes account of economic, environmental and social aspects and defines exemplary corporate governance and compliance.

The Supervisory Board and its committees

As at the balance sheet date, the Supervisory Board of CA Immo comprised eight shareholder representatives elected by the Ordinary General Meeting, two shareholder representatives appointed by registered shares and

four employee representatives, all of whom possess personal integrity, market knowledge and experience. In accordance with the independence criteria laid down by the Supervisory Board (C Rule no. 53), a Supervisory Board member is deemed to be independent where he or she has no business or personal relationship with the company or its Management Board which could give rise to a material conflict of interests and thus influence the conduct of that member. All members of the Supervisory Board have declared their independence according to C Rule no. 53. With the exception of the members appointed by registered shares (Dr. Oliver Schumy and Stefan Schönauer), all members of the Supervisory Board meet the criteria under C Rule no. 54 in that they do not represent the interests of any shareholder with a stake of more than 10% (IMMOFINANZ Group). However, some members of the Supervisory Board perform functions in related companies or similar organisations that have the potential to create a conflict of interests. Full details are found under 'Comply or explain' (explanation/reason for C Rule no. 45) and in the 'Related party disclosures' in the notes. The independence criteria defined by the Supervisory Board are published on the Group's web site along with a list of all mandates held by Board members outside the CA Immo Group.

The **audit committee** is responsible for overseeing the entire process of financial reporting, the (Group) auditing process, the effectiveness of the internal monitoring system, the internal auditing system and risk management. Auditing the annual and consolidated financial statements (including the management reports) and examining the corporate governance report and proposals on the distribution of profit are also tasks of the audit committee. The committee also checks the independence of the (Group) auditor – especially with regard to additional services performed on behalf of the company (non-audit services) – and puts forward proposals for the choice of (Group) auditor to the Supervisory Board. All members of the audit committee (and especially Professor Klaus Hirschler and Richard Gregson) are acknowledged as financial experts on the basis of their experience and professional track records.

CURRENT COMPOSITION OF THE COMMITTEES

The audit committee	The investment committee	The remuneration and nomination committee	The presiding committee
Professor Klaus Hirschler ¹⁾	Torsten Hollstein ¹⁾	Torsten Hollstein ¹⁾	Torsten Hollstein ¹⁾
Richard Gregson ²⁾	John Nacos	John Nacos	Dr. Florian Koschat
Michael Stanton	Michael Stanton	Michael Stanton	John Nacos
Nicole Kubista ³⁾	Georg Edinger ³⁾	Georg Edinger ³⁾	
Sebastian Obermair ³⁾	Franz Reitermayer ³⁾	Sebastian Obermair ³⁾	

¹⁾ Chairperson

²⁾ Deputy Chairperson

³⁾ Employee representative

The **investment committee**, in cooperation with the Management Board, prepares the ground for all investment decisions that must be taken by the full Supervisory Board. The investment committee may also approve investments in and sales of real estate and companies and the implementation of development projects and similar measures with total investment volumes of up to € 50 m; beyond this limit, the approval of the full Supervisory Board is required.

The **remuneration and nomination committee** is responsible for succession planning for the Management Board and the Supervisory Board. Candidates for vacant Supervisory Board mandates put forward to the Ordinary General Meeting are considered on the basis of their professional and personal qualifications, with particular efforts made to maintain diversity and a balance of expertise across the Supervisory Board. Management Board members are invariably selected according to a defined appointment procedure, taking corporate strategy and the current position of the company into consideration. The remuneration and nomination committee also scrutinises the remuneration system for the Management Board. On account of their lengthy professional track records, all members of the remuneration and nomination committee possess sufficient knowledge and experience of remuneration policy.

The **presiding committee** rules on urgent matters and measures where no delay is possible and the approval of the Supervisory Board cannot be obtained in good time. Its decisions are presented to the Supervisory Board for authorisation as soon as possible.

Details of committee activity in business year 2017 are provided in the Supervisory Board report.

Co-determination by employees on the Supervisory Board

Four employee representatives from the works council were appointed to the Supervisory Board. Although works council members are always numerically inferior owing to the one-third parity rule, their Supervisory Board activity affords them faster and fuller access to important information on happenings within the company and a right to be consulted on far-reaching corporate decisions such as restructuring, demergers and mergers.

Co-determination of shareholders

As the main shareholder of CA Immobilien Anlagen AG and owner of the four registered shares, the IMMOFINANZ Group partly utilised its right of appointment: with Dr. Oliver Schumy and Stefan Schönauer (CEO and CFO of IMMOFINANZ respectively), two of the 10 shareholder representatives directly or indirectly represent a stakeholder with a holding in excess of 10% (C Rule no. 54).

The rights and obligations of the shareholders derive from the Stock Corporation Act and the Articles of Association of CA Immo. The most important shareholder rights are the right of profit-sharing, the right to attend Ordinary General Meetings (with associated voting rights) and the right to demand additions to an agenda and submit motions to an Ordinary General Meeting. Given their voting rights, shareholders are entitled to vote not only on the appropriation of corporate profit, but also on the future direction of the company (for example by approving takeovers, capital measures or the actions of Management and Supervisory Board members). Another right of shareholders is the right to information: shareholders have the right to be informed on all key

matters affecting the joint stock company. Further information on the rights of shareholders as regards Ordinary General Meetings is published at www.caimmo.com.

At the 30th Ordinary General Meeting, shareholders did not call for additions to the agenda nor approve resolutions deviating from those of the Management Board. All resolutions proposed by the Management Board were adopted with the legally required majority.

ADVANCEMENT OF WOMEN AT CA IMMO

CA Immo ensures equality and balance in the composition of its employee structure, both across the workforce as a whole and at all managerial and executive levels, and especially in male-dominated areas such as construction. Aside from professional qualifications, the recruitment process adheres to a strict policy of non-discrimination between women and men. The proportion of women working for the Group stood at 54% in reporting year 2017 (55% in 2016). There are still no women on the Management Board of CA Immo.

With the election of Gabriele Düker, the Supervisory Board of CA Immo now has two female representatives. In the wake of the aforementioned equality law, the proportion of women will steadily rise to 30%.

On the key date, the proportion of female managers stood at 23% (30% last year). In filling managerial vacancies, the focus is on internal succession planning and raising the proportion of women by deliberately targeting women in the recruitment process. Where qualification backgrounds are equivalent, preference is given to female applicants. Part-time employment does not preclude a managerial position. With the introduction of flexible part-time working models, the total proportion of female managers employed part-time is now 2%. As at 31 December 2017, no female managers were working according to this model (previous year: 9%).

To raise the proportion of women in managerial roles still further, CA Immo launched 'shared leadership' in 2017: in a pilot project, one department was led by a management team comprising one woman and one man. Graduate and talent management programmes will also aim to raise the proportion of women steadily. In business year 2016, women made up 43% of attendees on management training courses.

CA Immo is a main sponsor of the German Property Federation (ZIA) and supports the federation's commitment to diversity management. Since October 2017, the

ZIA has been working with the Fraunhofer institute on a study examining diversity in connection with the prospects for the real estate sector. Together, the organisations looked at the role played by diversity (i.e. respect for the multiplicity of employees) in the real estate sector and in the success of real estate businesses.

CA Immo makes it possible to reconcile professional and family life by offering flexible working hours, part-time options, working from home, paternity leave and 'fathers' month'. Employees on a leave of absence remain linked to the internal information network and are invited to participate in annual team meetings and company events. CA Immo also takes part in the 'berufund-familie' initiative; the company is particularly keen to learn from other organisations and implement new ideas wherever possible. In the area of occupational health, CA Immo offers employees everything from first aid and medical check-ups to advice on crisis and conflict situations, therapy and leisure and relaxation activities.

RESPONSIBLE CORPORATE MANAGEMENT

For CA Immo, corporate governance is an all-embracing concept of responsible, transparent and value-based corporate leadership. The Management Board, Supervisory Board and managerial team ensure corporate governance is actively applied and continually developed across all departments. Alongside the Austrian Corporate Governance Code and the specifications of the Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V. (ICG), good company management incorporates the standards of the internal monitoring system (IMS), risk management, compliance and, particularly, internal regulations on organisational and supervisory duties (allocation of responsibilities).

COMPLIANCE

Compliance is a central component of good corporate management and the precondition for long-term success in business. For CA Immo, compliance is a risk management tool that establishes the framework for business activity. CA Immo's compliance management system is based on the pillars of prevention, identification, communication and intervention. Our compliance strategy aims to establish integrity as a firm part of corporate culture. That involves observing legislation and internal regulations while respecting fundamental ethical values and doing business in a sustainable manner. For CA Immo, integrity and fair dealings with partners are the basis of good business. The code of conduct of CA Immo is published at www.caimmo.com; it is binding on all executive bodies, employees and contractual partners, including architects, construction firms, estate agents, other service providers involved in lettings and joint venture partners. In particular, the code sets out regulations on conformity with the law, dealings with business partners and third parties, handling company equipment and confidential information, avoiding conflicts of interest and so on. It also contains information on dealing with complaints, violations of the code of conduct and other provisions binding on CA Immo.

Our values are shared and consistently practised by all employees. To this end, we continually seek to upgrade our training concepts, incorporate compliance into our business processes and tailor communication to target groups. However, compliance also means promoting entrepreneurial risk-taking by creating a clear framework for calculable business risks and establishing a culture of dealing with mistakes. Breaches of legal provisions and internal regulations are nonetheless incompatible with the law and our understanding of compliance, and appropriate sanctions will be taken in such cases.

Compliance organisation

All Group compliance and governance issues are handled by the Compliance division, which has been known as the Corporate Office since 2017. The Corporate Office works closely with the Risk Management and Internal Auditing departments to perform an advisory, coordinating and consolidating role; it reports directly to the full Management Board and the Supervisory Board. Responsibility for the content of compliance rests with the various Group divisional heads. The Corporate Office coordinates the compliance management system, develops the compliance programme, compiles and advises on guidelines,

accepts comments and complaints (anonymously or otherwise) and oversees the resolution of compliance issues with Internal Auditing. Moreover, employees regularly undergo training on preventing corruption, capital market compliance and other subjects.

A compliance steering committee was also set up, comprising the Chief Financial Officer and the heads of the Group's Corporate Office, Internal Auditing and Risk Management divisions as well as the operational areas. In particular, the committee is responsible for identifying typical compliance risks within the sector and assessing the effectiveness of agreed compliance measures.

Key compliance issues

In business year 2017, compliance activity focused on verifying the conformity of the existing whistleblower system (ombudsman system) and evaluating internet-based solutions alongside the continual monitoring of compliance with guidelines. As a result of this process, we opted to install a web-based whistleblower system; implementation is planned for 2018. Aside from fully revising the content of staff training options, the many consultations concerning issues of compliance and governance, internal processes and guidelines etc. formed the main focus of activity. Managerial staff and employees in sensitive areas are obliged to undergo web-based training at least bi-annually with a view to facilitating the resolution of conflict situations in the workplace according to the values of CA Immo through the application of practical examples from the real estate area (dealing with authorities, construction companies, tenants, etc.).

In the area of capital market compliance, CA Immo's compliance guidelines were again thoroughly revised in response to changing administrative practices of the Financial Market Authority (FMA) and changes to the Stock Exchange Act. Current information and training courses on the subject of market abuse will continue to be provided in business year 2018. The on-site inspection undertaken in quarter four of 2017 as part of the FMA inspection plan produced no findings.

Preventing corruption

CA Immo rejects every kind of corruption and to this end has defined compulsory principles (zero tolerance). Counter-corruption measures are reported to the Supervisory Board at least once a year. Instances of potential corruption are investigated by the Internal Auditing division according to the auditing plan approved by the audit committee or based on special audit mandates issued by the Management Board in close cooperation with the Corporate Office. All operational Group companies are investigated for corruption risks at regular intervals.

AUDITING COMPANY SERVICES AND FEES

By resolution of the Ordinary General Meeting, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (EY) was appointed to audit the annual and consolidated financial statements for business year 2017 (KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in the previous year). In the case of foreign subsidiaries, local law firms of the EY network are generally charged with reviewing and auditing the semi-annual and annual

financial statements and with overseeing the conversion to IFRS. Auditing charges paid to the Group auditor totalled € 343 K in the last business year (against € 384 K in 2016). Expenditure on project-related and other advisory and assurance services (non-audit services) was € 142 K in the reporting period (€ 187 K in 2016). In 2016, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was paid € 203 K for other review services in connection with the issuance of two corporate bonds. The consolidated income statement shows expenses of € 1,331 K (€ 1,182 K in 2016) for auditing services, including the review. Of this, EY companies accounted for € 1,171 K (KPMG companies accounted for € 1,142 K in 2016). No consulting services which could compromise independence were rendered by the Group auditor.

REMUNERATION REPORT

The remuneration report details the remuneration system for the Management Board and the Supervisory Board as well as the amounts and structure of remuneration. It also contains details of share ownership by members of the Management and Supervisory Boards.

GENERAL PRINCIPLES OF THE REMUNERATION SYSTEM FOR THE MANAGEMENT BOARD

On the basis of preparatory work undertaken by the remuneration and nomination committee, the Supervisory Board is responsible for determining remuneration for individual Management Board members. Management Board remuneration comprises a fixed, non-performance-related annual salary, performance-related (variable) components, fringe benefits and a pension fund. The criteria for the appropriateness of Management Board remuneration are the field of activity and responsibility, personal performance, the economic situation, the company's success/future prospects and the national and international standards for the property sector. The variable salary components are linked to a long-term increase in the value of the company and continually adjusted in line with strategic targets defined jointly by the Management Board and Supervisory Board. There are no stock option plans.

Fixed salaries and fringe benefits

The level of fixed salaries depends on spheres of competence as determined in the schedule of responsibilities. To avoid conflicts of interest, secondary employment for Management Board members requires the approval of the Supervisory Board. No separate payment is made for accepting mandates in Group companies. The basic salary is paid in advance in 14 monthly payments as a non-performance-related component. Management Board members also receive fringe benefits in the form of remuneration in kind (company car, telephone, travel expenses) on the basis of individual regulations in employment contracts. Since they qualify as remuneration components, Management Board members must pay tax on these benefits.

FIXED SALARY

€ 1,000	Annual Fixed Salary
Andreas Quint (since 1.1.2018)	560
Frank Nickel (until 31.3.2018)	400
Dr. Hans Volckens	350

Variable remuneration components

Performance-related pay is divided into three components and comprises an annual bonus (short term incentive) and a medium-term (mid term incentive) along with long-term variable remuneration (long term incentive); it is limited to 200% of the annual salary. The bonus payment is linked to long-term operational and quality-based targets and also takes account of non-financial performance criteria. Of the variable remuneration, 50% is linked to the attainment of short-term targets defined annually (annual bonus); the other half of the performance-related components depends on the exceeding of indicators defined annually by the remuneration committee such as return on equity (ROE), funds from operations (FFO) and NAV growth. The level of the bonus actually paid depends on the degree of target attainment: the values agreed and actually achieved at the end of each business year are compared and confirmed by the remuneration committee after verification by the auditor. Half of performance-related remuneration takes the form of immediate payments (**short term incentive**); the remaining 50% is converted into phantom shares on the basis of the average rate for the last quarter of the business year relevant to target attainment. The payment of phantom shares is made in cash in three equal parts after 12 months, 24 months (**mid term incentive**) and 36 months (**long term incentive**) at the average rate for the last quarter of the payment year.

VARIABLE PAYMENTS

€ 1,000	Year of occurrence	Frank Nickel		Dr. Hans Volckens		Total	
		2017	2016	2017	2016	2017	2016
Short-term incentive – payment 2017 ¹⁾	2016	400	0	76	0	476	0
Mid-/Long-term incentive – payment 2018-2020	2016	593	0	97	0	691	0
Short-term incentive – payment 2018	2017	800	0	350	0	1,150	0
Mid-/Long-term incentive – payment 2019-2021	2017	0	0	350	0	350	0
Total incentives		1,793	0	873	0	2,667	0

¹⁾ See also table Payments to the Management Board (Short Term Incentive 2017)

Pension regulations

Members of the Management Board have pension fund agreements into which the company pays annually agreed contributions (approximately 10% of the fixed salary). The company has no further obligations. During business year 2017, contributions to pension funds for Management Board members (defined contribution plan) totalled € 41 K (€ 124 K in 2016).

Regulations governing the premature termination of employment contracts

All Management Board contracts contain a change of control clause assuring payments in the event of premature termination of Management Board duties following a change of control. A change of control occurs either where a shareholder or group of shareholders attains 25% of voting rights in the Ordinary General Meeting, or they are obliged to make a mandatory takeover bid where the investment threshold of 30% is exceeded. Corporate mergers always constitute a change of control. The contractual regulations provide for extraordinary termination rights as well as continued remuneration (including variable remuneration) for the remaining term of the employment contract.

Claims where an employment contact is terminated

Where a Management Board member steps down, the amount of the severance payment shall be determined by

the legal provisions (criteria being the total salary level and length of service) with the maximum payout equating to one full year's salary. Payment is forfeited in the event of the Management Board member serving notice of termination. All contracts with Management Board members continue to include adjustment payments to cover dismissal for good cause; depending on the remaining term of the Management Board mandate, this is limited to a maximum of two annual salaries (including fringe benefits). As at the balance sheet date 31 December 2017, severance payment provisions (defined benefit plan) for Management Board members totalled € 138 K (€ 84 K on 31.12.2016).

Payments have been made to former members of the Management Board as follows: Following early termination of his Management Board contract, Florian Nowotny received a severance payment of € 2,441 K in business year 2016. An additional € 150 K was due on 31 March 2017, with the amount reflected in the consolidated financial statements for 31 December 2016. The salary-based deductions for this severance payment amounted to € 169 K in 2016; no salary-based deductions accrued in 2017. There were no other payment obligations to former Management Board members. By contrast, € 193 K from maturity of the LTI tranche for 2013-2015 was paid to former Management Board members in 2016.

PAYMENTS TO THE MANAGEMENT BOARD IN 2017

Total salary payments to Frank Nickel and Dr. Hans Volckens, the Management Board members active in business year 2017 amounted to € 1,526 K (€ 1,346 K in 2016). Total expenditure on fixed salary components was € 1,050 K (€ 1,037 K in 2016). Fixed salaries amounted to € 750 K (€ 718 K in 2016). The proportion of fixed remuneration components in overall remuneration stood at 69%, taking account of variable salary components paid in 2017. Salary-based deductions accounted for € 136 K (€ 126 K in 2016).

Target attainment was 100% in business year 2016. This resulted in bonus entitlement of € 931 K (previous year: € 0 K), of which € 466 K was payable on confirmation of target attainment (short term incentive). Dr. Volckens also received a special bonus of € 10 K (previous year: € 0 K), which was also paid without delay. In addition, € 106 K was paid to Florian Nowotny in 2016 in connection with

the LTI tranche for 2013-2015. The remaining 50% of the bonus entitlement for business year 2016 (€ 466 K; € 0 K in the previous year) was based on the average rate for the final quarter of 2016 (€ 16.76 per share) with a total of 27,782 phantom shares. Of this total, Frank Nickel had 23,866 shares and Dr. Hans Volckens had 3,916 shares. Payment of the first tranche from these phantom shares in 2018 will be based on the average rate for the final quarter of 2017 (€ 24.82 per share). Owing to his early resignation, Frank Nickel will receive all bonuses for business years 2016 and 2017 by the end of May 2018 at the latest. As at 31 December 2017, provisions totalling € 2,191 K (including incidental charges; € 932 K on 31.12.2016) had been formed in connection with the variable remuneration system for the tranches beginning in 2016 and 2017. As at 31 December 2017, a sign-on bonus of € 300 K for Andreas Quint (to compensate for unpaid bonus payments from his former employer owing to early resignation) was also taken into consideration.

PAYMENTS TO THE MANAGEMENT BOARD¹⁾

	Frank Nickel ²⁾		Dr. Hans Volckens ³⁾		Florian Nowotny ⁴⁾		Total ⁵⁾	
	2017	2016	2017	2016	2017	2016	2017	2016
€ 1,000								
Fixed salary	400	400	350	88	0	230	750	718
Salary-based deductions	81	56	56	13	0	57	136	126
Remuneration in kind, company car, etc	80	45	34	1	0	4	114	51
Expense allowances	2	13	6	4	0	2	8	18
Contributions to pension funds (non-cash)	41	41	0	0	0	83	41	124
Total fixed salary components	604	555	446	106	0	377	1,050	1,037
<i>Total fixed salaries as %</i>	<i>60%</i>	<i>100%</i>	<i>85%</i>	<i>100%</i>	<i>0%</i>	<i>55%</i>	<i>69%</i>	<i>77%</i>
Short-term incentive	400	0	76	0	0	203	476	203
LTI programme (until 2015)	0	0	0	0	0	106	0	106
Total variable payments	400	0	76	0	0	309	476	309
<i>Total variable payments as %</i>	<i>40%</i>	<i>0%</i>	<i>15%</i>	<i>0%</i>	<i>0%</i>	<i>45%</i>	<i>31%</i>	<i>23%</i>
Total salary payments	1,004	555	522	106	0	686	1,526	1,346

¹⁾ Includes salary components paid in 2016 and 2017 only. As at 31.12.2017, provision totalling € 2,191 K was made for other bonus claims for business years 2016 and 2017 (previous year: € 932 K for bonus claims from business year 2016).

²⁾ Chief Executive Officer to 31.12.2017, Management Board member to 31.3.2018

³⁾ Management Board member (CFO) since 27.9.2016

⁴⁾ Management Board member (CFO) to 30.9.2016

⁵⁾ Excludes severance payment of € 2,591 K (exclusive of salary-based deductions) linked to early termination of the Management Board contract of Florian Nowotny by mutual agreement.

PROFIT SHARING SCHEME FOR EMPLOYEES

To promote strong identification with its objectives and ensure employees have a stake in the success of CA Immo, variable remuneration is paid to all staff alongside fixed salaries. In line with the Management Board remuneration system, the precondition is the attainment of budgeted quantitative and qualitative annual targets and positive consolidated net income. Executive bonuses are also linked to the attainment of specific operational annual targets. Managerial staff have the additional option of participating in a remuneration scheme based on share prices.

Long term incentive programme ('LTI') for executives

The LTI programme takes account of value creation of CA Immo over the medium to long term. The critical factor is the value generated within the Group in terms of NAV growth, TSR (total shareholder return) and growth of FFO (funds from operations). The weighting for NAV and FFO growth is 30%, and 40% for the TSR. Unlike the phantom shares model for the Management Board, participation in the LTI programme is voluntary. At present, 18 executives are entitled to join the LTI programme. The revolving programme has a term (retention period) of three years per tranche; it presupposes a personal investment (maximum of 35% of the fixed annual salary). The personal investment is evaluated according to the closing rate as at 31 December of the preceding year, and the number of associated shares is determined on the basis of that evaluation. At the end of each three-year performance period, a target/actual comparison is applied to define target attainment. Payments are made in cash.

At the end of 2016, the degree of target attainment for the fourth LTI tranche for 2014-2016 was 100%, equivalent to a monetary value of € 16.76 per share in the LTI programme. On the basis of these calculations, a total amount of € 948 K was paid out in 2017 for 56,562 participating shares. As at 31 December 2017, provisions totalling € 1,714 K (including incidental charges; € 1,235 K on 31.12.2016) had been formed in connection with the LTI

programme for the tranches beginning in 2015, 2016 and 2017; of this, former Management Board members accounted for € 47 K (€ 143 K in 2016).

On 31 December 2017, employees and former Management Board members of CA Immo held the following shares as part of the LTI programme:

OVERVIEW SHARE PORTFOLIO UNDER LTI-TRANCHES

	Participating shares	Provisions (incl. incidental charges) € 1,000
2016-2018	32,773 pcs.	583.0
2015-2017	40,662 pcs.	872.8
2017-2019	28,761 pcs.	258.6
		1,714.4

SHARE OWNERSHIP OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS

As in the previous year, 1,000 CA Immo shares were privately held by Management Board member Frank Nickel as at 31 December 2017.

D&O INSURANCE

At CA Immo Group level, D&O manager liability insurance with coverage of € 50 m was taken out for the executive bodies (Management Board members, administrative authorities, supervisory bodies and senior executives) of the parent company and all subsidiary companies. On account of the general premium payment for all insured persons, there is no specific assignment of premium payments to Management Board members. The insurance does not provide for any excess.

REMUNERATION OF THE SUPERVISORY BOARD

In line with the Articles of Association of CA Immo, remuneration for the Supervisory Board for the past business year is determined annually by the Ordinary General Meeting.

Total remuneration of € 397 K was approved for business year 2016. In addition to the reimbursement of cash expenses, every member of the Supervisory Board therefore receives a fixed annual payment of € 25 K. The chairman receives double that amount, with the deputy chairman paid one and a half times the fixed fee. In addition, committee and Supervisory Board members received an attendance fee of € 1,000 per meeting day. Where a Supervisory Board member steps down during the year, remuneration is paid pro rata in line with the articles of association.

Since Dr. Oliver Schumy and Stefan Schönauer, the Supervisory Board members appointed by registered shares, waived their Supervisory Board remuneration, only € 368 K (previous year: € 306 K) was actually paid out in fixed salaries (including total attendance fees of € 93 K against € 85 K

last year) in business year 2017 (for 2016). Moreover, expenditure of € 660 K (2016: € 242 K) was reported in connection with the Supervisory Board in business year 2017. Of this amount, cash outlays for travel expenses accounted for approximately € 35 K (2016: € 47 K), legal and other consultancy services for the Supervisory Board accounted for € 620 K (2016: € 194 K) (including € 595 K for the CEO succession process) and other expenditure (including training costs) accounted for € 5 K (2016: € 1 K). No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members.

Total Supervisory Board remuneration of € 375 K for business year 2017 will be proposed to the Ordinary General Meeting on the basis of the same criteria (fixed annual payment of € 25 K per Supervisory Board member plus attendance fee of € 1,000 per meeting day). A provision of the same amount was formed as at 31 December 2017.

No loans or advances were paid to either Management Board or Supervisory Board members. No company pension plans are provided for Supervisory Board members at CA Immo.

REMUNERATION OF THE SUPERVISORY BOARD¹⁾

€ 1,000	2017	2016
Torsten Hollstein, Chairman (since 3.5.2016)	41	-
Dr. Florian Koschat, Deputy Chairman (since 3.5.2016)	33	-
Dmitry Mints, Deputy Chairman (until 21.12.2016)	38	46
Prof. Dr. Sven Bienert (since 1.12.2016)	2	-
Dr. Maria Doralt (until 10.11.2016)	31	38
Timothy Fenwick (from 3.5.2016 to 30.11.2016)	20	-
Richard Gregson	38	24
Univ.-Prof. Dr. Klaus Hirschler (since 1.12.2016)	2	-
Barbara A. Knoflach (since 10.11.2016)	28	34
John Nacos	39	25
Dr. Wolfgang Renner (from 3.5.2016 to 2.8.2016)	8	-
Marina Rudneva (from 3.5.2016 to 2.8.2016)	6	-
Dr. Wolfgang Ruttenstorfer (until 10.11.2016)	40	64
Stefan Schönauer (since 2.8.2016) ²⁾	-	-
Dr. Oliver Schumy (since 2.8.2016) ²⁾	-	-
Michael Stanton	39	38
Franz Zwickl (until 17.2.2016)	3	38
Total	368	306

¹⁾ Paid for Supervisory Board activity in business years 2016 and 2015.

²⁾ Dr. Oliver Schumy and Stefan Schönauer, the Supervisory Board members appointed by registered shares, waived their Supervisory Board remuneration.

GROUP MANAGEMENT REPORT 2017

SILBERMÖWE
Vienna



GROUP STRUCTURE

The CA Immo Group is an internationally active real estate concern. The parent company of the Group is **CA Immobilien Anlagen Aktiengesellschaft**, a listed company based in Vienna whose main activity is the strategic and operational management of subsidiary companies at home and abroad. The company has branch offices in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia; the Group also has an office in Ukraine. The Cyprus office was closed on 31 December 2017. The various branch offices act as largely autonomous profit centres. Other subsidiaries (without separate local teams) are present in Bulgaria, Croatia, the Netherlands, Slovakia and Slovenia. As at key date 31 December 2017, the Group comprised 200 companies (31.12.2016: 206) with approximately 378 employees (363 on 31.12.2016) in 16 countries¹⁾.

The CA Immo Group's core field of expertise involves developing and managing modern and spacious office properties in Central and Eastern Europe. In regional terms, the company focuses on Austria, Germany, Poland, Hungary, the Czech Republic, Serbia, Slovakia and Romania. Business activity in Germany is focused on Munich, Frankfurt and Berlin; in other countries, the strategic emphasis is on the capital cities. Aside from office properties, the asset portfolio of the Group includes hotels, speciality retail outlets, shopping malls and a small proportion of residential and logistical properties. From the design and development of entire urban districts to the active management of investment properties, value is generated through a comprehensive value chain.

Austria

The company's domestic properties are overseen in subsidiary companies of CA Immobilien Anlagen AG. As at 31 December 2017, the parent company also directly held property assets of approximately € 257.8 m (€ 255.8 m on 31.12.2016). The total Austrian portfolio comprised investment properties with a market value of € 494.2 m as at 31 December 2017 (€ 547.0 m on 31.12.2016) along with three development projects in Vienna.

COMPANIES BY REGION

Number of companies ¹⁾	31.12.2017	31.12.2016
Austria	20	21
- of which joint ventures	3	3
Germany	101	102
- of which joint ventures	28	31
Eastern Europe ²⁾	79	83
- of which joint ventures	8	12
Group-wide	200	206
- of which joint ventures	39	46

¹⁾ Joint ventures involving consolidated companies

²⁾ Includes holding companies in Cyprus and the Netherlands established in connection with Eastern European investments

Germany

The operational platform for all Group activities in Germany is **CA Immo Deutschland GmbH**. As a former collecting society for state-owned railway properties in Germany, the company has a wealth of expertise in developing inner city real estate. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local profile is assured. Aside from investment properties, the company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale. Investment properties are largely held in direct holdings and let and managed by **DRG Deutsche Realitäten GmbH**, a joint venture set up with the Austrian estate agent and property management firm ÖRAG. A number of development projects (in Munich and Mainz, for example), are being realised in the framework of joint ventures. Construction management – which encompasses construction management, project management and construction supervision – is carried out by CA Immo's German subsidiary **omniCon**, which also performs these services for third parties.

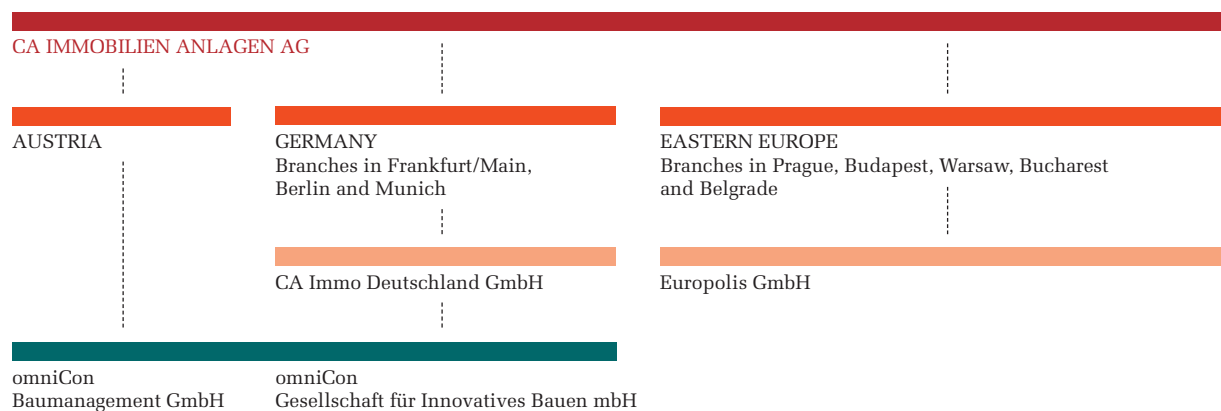
¹⁾ Includes holding companies in Cyprus and the Netherlands and another company in Switzerland.

Eastern Europe

In Eastern Europe, the focus is also on commercial class A buildings in regional capitals. The Group's portfolio of investment properties in Eastern Europe, along with a small proportion of development projects and undeveloped plots, is directly held via CA Immo participating interests and via **Europolis GmbH**, another wholly owned

subsidiary of CA Immo acquired from the Volksbank Group early in 2011. All properties in Eastern Europe are managed by regional companies in Belgrade, Budapest, Bucharest, Prague and Warsaw under the name **CA Immo Real Estate Management**.

GROUP STRUCTURE



ECONOMIC ENVIRONMENT

THE ECONOMIC TREND¹⁾

In its World Economic Outlook published in January 2018, the International Monetary Fund (IMF) painted an exceptionally positive picture of the global economy. The estimated economic growth of 3.7% in 2017 was followed by an upward revision of the forecast by 0.2 percentage points to 3.9% in 2018 and 2019, based both on stronger growth momentum and the tax reform initiated in the United States as driving force.

Most recent economic data and survey outcomes underline the recovery seen in the European Union, which has also gained momentum recently. The increase of 2.3% of the eurozone over the year 2017 represented the highest growth rate since 2007. Prospects for growth have been revised upward despite persistent geopolitical and economic uncertainties at the global level. The unemployment rate in the EU-28 has reached its lowest level since 2008.

REVIEW OF THE CA IMMO CORE MARKETS IN 2017²⁾

Growth in the eurozone in 2017 came to 2.3%, and across the entire EU to 2.4%, compared to 1.8% and 2.0%, respectively, in the previous year. The (seasonally adjusted) unemployment rate was 8.6% (down from 9.6% in January 2017) in the eurozone and 7.3% (down from 8.1% in January 2017) for the EU as a whole in January 2018, which is the lowest rate since October 2008. The government debt stood at 88.1% in the eurozone at the end of the third quarter of 2017 (82.5% in the EU-28).

Annual inflation in the eurozone arrived at 1.3% in January 2018, clearly less than the rate targeted by the ECB of below, but close to 2.0% (January 2017: 1.8%), whereas the euro area reported 1.6% (January 2017: 1.7%). The inflation rate continued to arrive below the ECB target recently, but is expected to grow, given the monetary measures taken, sustained economic upswing and associated higher wage increases.

The economy of **Austria** grew strongly with real GDP rising by 2.9% in 2017. The inflation rate in Austria stood at 1.9% in January 2018. The current unemployment rate is 5.5%.

Employment has reached a new record level in **Germany**, underlining the extremely robust situation of the German economy, which has a positive effect also on other European countries, such as the Czechia. In EU comparison, Germany and Czechia reported the lowest unemployment rates at only 3.6% and 2.4%, respectively, according to the most recent publication of Eurostat.

The booming German economy recorded a GDP growth of 2.2% in 2017, representing a sound increase from last year's 1.9%. Strong export figures based on global economic recovery, rising tax revenues and a combination of real wage growth and a historically low interest rate level have also stimulated consumer spending in Europe's largest economy. The inflation rate for Germany was reported at 1.4% in January 2018.

As observed in preceding years, the positive economic trend in the core CA Immo markets in the CEE region gained further momentum throughout 2017. Supported by the tailwind of the positive development of the German economy, Eastern Europe posted its steepest growth in 9 years. Strong increases in employment combined with real wage growth stimulate private consumption. Additionally, there is a massive effect from large inflows of EU funds, representing an essential lever for the Eastern European economies.

Within the CEE core markets, Romania reported the highest GDP growth of 7.0% (preliminary) in 2017, clearly exceeding expectations. The economy of **Poland** developed extremely well, as the GDP rose by 4.6%. The gross domestic product in **Czechia** grew by 4.3% in 2017, and in **Hungary** by 4.0% in the same period. The unemployment rate in the CEE countries is significantly lower than in the EU-28 and the euro area average; it stands at 2.4% in Czechia, 3.8% in Hungary, 4.5% in Poland and 4.6% in Romania.

Compared to the previous year, the inflation rate in 2017 displayed a rising trend and arrived above the eurozone average in all CEE core countries at the beginning of 2018. Czechia reported an inflation rate of 2.1% for January 2018, whereas the annual rate in Romania stood at 3.4%. The annual inflation rate in Poland was recorded at 1.6%, in Hungary at 2.1%.

¹⁾ International Monetary Fund, European Commission, Bloomberg, Financial Times, The Economist

²⁾ Eurostat, European Commission, Bloomberg, Financial Times, The Economist

ECONOMIC DATA FOR CA IMMO CORE MARKETS

	Growth rate of real GDP ¹⁾		Annual inflation rates ²⁾	Unemployment rate ³⁾	Public budget balance	Gross public debt	Growth rate of employment
	2017	2016	in %	in %	as % of GDP 3Q 2017	as % of GDP 3Q 2017	in % 4Q 2017
EU –28	2.4	2.0	1.6	7.3	-0.6	82.5	1.5
Eurozone –19	2.3	1.8	1.3	8.6	-0.3	88.1	1.6
Austria	2.9	1.5	1.9	5.5	-0.5	80.4	1.8
Germany	2.2	1.9	1.4	3.6	2.5	65.1	1.5
Poland	4.6	2.9	1.6	4.5	-0.7	52.0	0.5
Czechia	4.3	2.6	2.1	2.4	1.6	35.1	1.5
Hungary	4.0	2.2	2.1	3.8	-3.9	72.4	1.9
Romania	7.0	4.8	3.4	4.6	-2.5	35.7	1.8

Sources: European Commission, Eurostat, Bloomberg

¹⁾ Forecast, change versus prior year (in %); ²⁾ Change versus prior year, by December 2017; ³⁾ by January 2018 except for Hungary (December 2017) (seasonally adjusted)

THE MONEY MARKET AND INTEREST ENVIRONMENT ¹⁾

At its latest meeting held on 8 March 2018, the Governing Council of the ECB decided that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.00%, 0.25% and -0.40%, respectively. In a press release, the Governing Council expected "the key ECB interest rates to remain at their present levels for an extended period of time, and well past the horizon of the net asset purchases".

The expansive monetary market policy of the European Central Bank (ECB) was continued in 2017. The purchase programme for government bonds and other securities as a special monetary policy measure of currently € 30 bn per month remains in effect until the end of September 2018 and beyond, if required. According to the official publication of the European Central Bank, "until the Governing Council sees a sustained adjustment in the path of inflation consistent with its inflation aim". As no mention was made that the multi-billion bond purchases could be extended if overall conditions deteriorate, this may be an indication that the extreme quantitative easing policy could come to an end. However, no specific final date was mentioned.

The 3-month Euribor remained in negative territory, fluctuating between -0.32% and -0.33% in the period under review. Due to the currently strong growth momentum, pressure to increase interest rates in Eastern European countries should be mounting. In 2017, the Czech central bank increased the interest rate twice. Romania surprised the market in January 2018, as the interest rate was raised for the first time since 2008 (increasing the key interest rate by 25 base points to 2.0%). Also in Poland, analysts expect the central bank to pursue a more restrictive course in the first half of 2018.

The yield on 10-year US Treasury bonds recently reached its 4-year high of 2.9%, in anticipation of a possibly faster interest rate increase by the Federal Reserve Bank. This market expectation based on the minutes of the FED meetings showing its readiness to increase interest rates at short notice has driven up volatility in the international financial markets massively.

OUTLOOK ²⁾

The European Central Bank (ECB) slightly raised its growth forecast of 2.4% for the eurozone in March 2018. The projection for the year 2019 of 1.9% remained unchanged from the last forecast of December 2017. The expected inflation rate was reduced by 0.1%, to 1.4% for 2018.

¹⁾ Sources: European Central Bank, Eurostat, Central Statistical Offices, Bloomberg

²⁾ Sources: European Central Bank, Bloomberg, Financial Times, The Economist

PROPERTY MARKETS

THE REAL ESTATE MARKET IN AUSTRIA¹⁾

The investment market

In 2017 the total volume invested in commercial real estate in Austria was approximately € 4.9 bn, with Vienna being the focus, attracting around 80% of the total. Although this value was clearly above the former record volume of 2015 at around € 3.9 bn, it exceeded the five-year average figure by roughly 16%.

Stable economic framework conditions as well as increasing shortage of core properties in the German metropolitan cities increasingly moved Austria into the focus of international investors accounting for more than 80% of the overall transaction volume in 2017.

Like last year, the prime yield on office properties dropped significantly and currently stands at a historically low level of just 3.90 % for offices in Vienna's CBD. Yields in good and average locations fell more sharply in the second half of 2017, to 4.45% and 4.95%, respectively. CBRE Research expects demand for commercial properties in Austria to remain high in 2018 and, as a result – given limited product availability – further declining yields, especially in the office sector.

The office property market

The stock of floor space in the Viennese office property market amounted to around 11.0 m sqm at year end. The completion volume of office space totalled approximately 154,000 sqm in 2017, increasing by more than 130% compared to the previous year. For 2018, the completion volume is expected to be higher, while roughly half of the space being brought to the market has already been pre-let or used by owners themselves. CA Immo will complete its core office project "ViE" in the second half of 2018.

Year on year, however, lettings performance declined, standing at around 192,000 sqm (2016: 329,000 sqm). Over the course of 2017, the vacancy rate – despite higher completion volumes – went down to 4.9%, by approximately 40 base points.

The peak monthly rent in Vienna remained stable at around € 26.0/sqm. Monthly rents rose by around 1.5% to € 17.00/sqm in good office locations, while monthly rents in average locations stood at about € 14.55/sqm.

OFFICE MARKET DEVELOPMENT IN VIENNA

	2017	2016	Change in %
Take up in sqm	192,000	329,000	-41.6
Vacancy rate in %	4.9	5.3	-7.5
Peak rent in €/sqm net exclusive	26.00	26.00	0.0
Prime yield in %	3.90	4.00	-2.5

Sources: CBRE: Vienna Office MarketView H2 2017, Austria Investment MarketView H2 2017

Note: Floor space take-up includes owner-occupied transactions

THE REAL ESTATE MARKET IN GERMANY²⁾

The investment market

The transaction volume for commercial real estate in Germany totalled € 57.4 bn, 9% above the previous year's result, generating the second best result following the 2007 boom year. In spite of sharply falling yields, the German investment market continued to stand out as a stable and safe investment market that displayed extremely robust demand levels supported both by German and, increasingly, international investors. Office properties remain the investment focus of investors, attracting almost half of the total volume (a new record level since official figures were first taken, according to CBRE Research). The top locations accounted for around 79% of investment. Prime yields were subject to compression once again in 2017, albeit to a more moderate extent than in the previous years. The CBD net initial yield for the top 7 markets is reported at 3.28%.

The Berlin market posted undiminished strong demand, generating € 7.1 bn – the second best year in its history (49% above last year's level). Over the course of the year, the prime yield dropped to 3.10% (2016: 3.40%). The office market in Frankfurt recorded investment volumes of € 6.0 bn, including the sale of the Tower 185 of CA Immo together with both joint venture partners to Deka Immobilien, covering a volume worth € 775 m. Prime yields shrank to a record low, arriving at 3.20% at year end, down 20% from the end of the previous year (2016: 4.00%). The office investment market in Munich was characterised by numerous large-volume transactions and

¹⁾ Sources: CBRE: Austria Investment MarketView H2 2017; Vienna Office MarketView H2 2017; Austria Real Estate Market Outlook 2018

²⁾ Sources: CBRE: Germany Office Investment MarketView Q4 2017; Berlin, Munich, Frankfurt Investment MarketView Q4 2017

recorded its third strongest year after 2007 and 2016, generating the same volume of € 6 bn. Year on year, the prime yield fell to 3.00%, 20 base points down since the end of 2016.

The office property market³⁾

The continued positive development of the German economy was reflected in GDP growth of 2.2% in 2017, a higher growth rate than in the previous years (2016: 1.9%, 2015: 1.7%). In 2017 the number of gainfully employed persons reached its peak since the German reunification. These highly positive framework conditions continue to drive up demand for office space, which, given the shortage of floor space in inner city areas, sustains the positive rental rate momentum.

The lettings market in **Munich** performed once again very strongly in 2017. Floor space take-up in 2017 totalled 982,600 sqm, approximately 24% above the previous year's value. Extremely tight supply coupled with continuing high demand brought about a rise in the peak monthly rent of more than 4% to € 36.50/sqm, while the weighted monthly average rent of € 17.30 was roughly 9% above last year's reading. The office vacancy rate of 3.1% (2016: 4.1%) reached a new historic low for the overall market at year end. At a vacancy rate of 1.9% Munich's city area was factually fully let. The completion volume of around 238,000 sqm in 2017 (new builds and core refurbishments) exceeded last year's level by 53%, just above the ten-year average figure. The stock of office floor space totalled approximately 21.4 m sqm at year end.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2017	2016	Change
Berlin			
Take up in sqm	925,500	888,300	4.2
Vacancy rate in %	3.1	4.9	-36.7
Peak rent in €/sqm net exclusive	30.0	27.5	9.1
Prime yield in %	3.10	3.40	-8.8
Frankfurt am Main			
Take up in sqm	716,600	546,400	31.1
Vacancy rate in %	9.5	11.1	-14.4
Peak rent in €/sqm net exclusive	40.0	39.5	1.3
Prime yield in %	3.20	4.00	-20.0
Munich			
Take up in sqm	982,600	789,400	24.5
Vacancy rate in %	3.1	4.1	-24.4
Peak rent in €/sqm net exclusive	36.5	35.0	4.3
Prime yield in %	3.00	3.20	-6.3

Sources: CBRE: Munich, Frankfurt, Berlin Office MarketView Q4 2017

Note: Floor space take-up includes owner-occupied transactions

³⁾ Sources: CBRE: Munich, Frankfurt, Berlin Office MarketView Q4 2017; Destatis

Office space take-up in **Frankfurt** stood at 716,600 sqm in 2017, a significant rise of more than 30% on the previous year and the highest value since 2000. Increasing demand reduced the vacancy rate to 9.5%, the first single-digit figure since the year 2003. Aside from rising demand for office space, demolition and conversion of older office premises to other uses underpinned this positive trend. Compared to last year, the peak monthly rent rose slightly to € 40.00/sqm. The weighted monthly average rent in the market is reported at € 20.70/sqm per month. The completion volume (new builds and core refurbishments) arrived at around 101,000 sqm, clearly below the 10-year average of 181,000 sqm, and is expected to remain below that level also in 2018. While an addition of about 193,000 sqm is expected for the year 2019, CBRE projects a volume of 172,000 sqm for 2020 (of which 50,000 sqm were reported to be already let at the end of 2017). Completion of "ONE", CA Immo's currently largest development project in Frankfurt, is scheduled for the year 2020. At the end of the year, the reported stock of office space was around 11.4 m sqm.

Office space take-up of 925,500 sqm registered for **Berlin** in 2017 was up by 4% on the previous year and a new record value exceeding the 10-year-average by 57%. The German capital therefore headed the field for another year in terms of letting activity in the office sector. In yearly comparison, the vacancy rate fell again substantially to its current level of 3.1% (2016: 4.9%). This shortage of floor space led to a 9% increase in the peak monthly rent of € 30.00/sqm. The weighted average rent also went up further to € 19.31/sqm per month, the strongest growth among the top locations in Germany. Over the course of 2017, about 182,000 sqm of new space were completed. Although an increase to more than 400,000 sqm is expected for 2018, the current development pipeline is struggling to keep pace with high demand. At the end of the year, the stock of office space totalled around 18.1 m sqm.

THE REAL ESTATE MARKET IN EASTERN EUROPE ¹⁾

The investment market

Also in Eastern Europe the positive momentum in the properties markets was sustained. The registered transaction volume of commercial properties of € 13.0 bn was 3.3% above the previous record value posted last year. In regional terms, Poland accounted for the largest volume (39%), followed by the Czechia (27%), Hungary (14%) and Romania (8%).

The volume of office transactions was approximately € 1.6 bn in Poland, while regional locations accounting for € 970 m generated clearly larger volumes than Warsaw. The registered prime yield in the Polish capital fluctuated between 5.00% and 5.25%. For 2018 JLL expects the investment volume to expand in the wake of large-scale deals. With its acquisition of the Warsaw Spire B prime office property CA Immo was also active in the market. Based on strong fundamental data, Prague further strengthened its position in the letting markets as an internationally sought-after investment market, with the prime yield standing at 4.85%.

Market liquidity rose sharply due to significantly improved investor sentiment regarding Hungary. Budapest recorded considerable yield compression of 6.00% for prime office projects (2016: 6.75%). Office properties accounted for roughly 43% of the overall investment volume of € 1.9 bn. Romania registered an investment volume of more than € 960 m in 2017, of which the office sector accounted for around 22%. The prime yield is reported at 7.5%.

The office property markets²⁾

Lettings continued to develop positively in all core cities of CA Immo (Warsaw, Prague, Budapest, Bucharest and Belgrade) in 2017, bringing about a decrease in vacancy rates over the course of the year.

By the end of 2017, total office space in **Warsaw** stood at around 5.3 m sqm, as approximately 275,000 sqm had been completed during the year. Currently, 860,000 sqm are under construction. By 2021, floor space is expected to expand to more than 6 m sqm. The office pipeline is heavily concentrated on the CBD of the Polish capital.

¹⁾ Sources: JLL: CEE Investment Market H2 2017; Budapest, Bucharest City Report Q4 2017

²⁾ Sources: CBRE: Prague, Warsaw, Bucharest Office MarketView Q4 2017, JLL: Budapest City Report Q4 2017

Office floor space take-up arrived at 820,500 sqm in 2017, equalling the record level seen in the year 2015. At the end of the year, the vacancy rate stood at 11.7%, down 2.6% from last year's value. Peak rents have fallen steadily in the past quarters, ranging from € 20.0 to € 23.0/sqm per month in central locations.

By the end of 2017 some 350,000 sqm of office space had been let in **Bucharest**, a decrease of 15% on the previous year. The stock of office space totalled 2.76 m sqm, following a completion volume of 120,000 sqm at the end of the year, and is set to rise by another 200,000 sqm in 2018. By completing the Orhideea Towers, CA Immo will play a major role in the process. In annual comparison, the vacancy rate fell sharply by the end of the year to 9.0%. The peak monthly rent in Bucharest was stable at € 18.50/sqm.

Annual take-up in **Budapest** amounted to 467,100 sqm in 2016, a high level above the 10-year average. For 2017, a similar strong result is expected. Total floor space came to approximately 3.4 m sqm at the end of the year. The vacancy rate continued its declining trend since 2012 and stood at 7.5% at the end of the year (2016: 9.5%). The current peak monthly rent is reported at € 22.50/sqm.

The office property market in **Prague** posted a record year in 2017. The stock of office space of around 3.34 m sqm was expanded by roughly 136,000 sqm in 2017. In 2017, lettings performance of 540,000 sqm reached a historic record level. The vacancy rate fell substantially and arrived at 7.5% at the end of the year. Monthly peak rents in central locations stood at € 20.50/sqm.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN EASTERN EUROPE

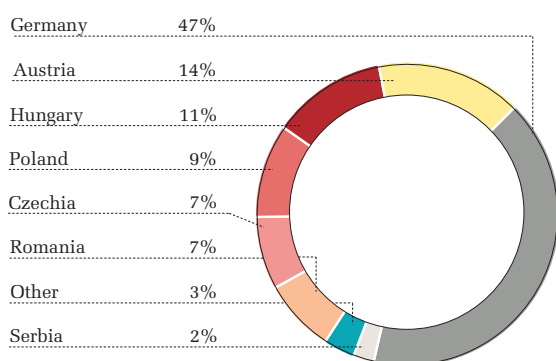
	2017	2016	Change in %
Budapest			
Take up in sqm	n.a.	467,100	n.a.
Vacancy rate in %	7.5	9.5	-21.1
Peak rent in €/sqm net exclusive	22.5	22.5	0.0
Prime yield in %	6.00	6.75	-11.1
Bucharest			
Take up in sqm	350,000	412,000	-15.0
Vacancy rate in %	9.0	11.7	-23.1
Peak rent in €/sqm net exclusive	18.5	18.5	0.0
Prime yield in %	7.50	7.50	0.0
Prague			
Take up in sqm	540,000	414,400	30.3
Vacancy rate in %	7.5	10.6	-29.2
Peak rent in €/sqm net exclusive	20.5	19.5	5.1
Prime yield in %	4.85	5.00	-3.0
Warsaw			
Take up in sqm	820,500	757,700	8.3
Vacancy rate in %	11.7	14.2	-17.6
Peak rent in €/sqm net exclusive	23.0	23.0	0.0
Prime yield in %	5.00	5.25	-6.5

Sources: CBRE: Prague, Warsaw, Bucharest Office MarketView Q4 2017; JLL: Budapest City Report Q4 2017, CEE Investment Market H2 2017, CEE Investment Market Pulse H2 2016; Note: Floor space take up includes owner-occupied transactions.

PROPERTY ASSETS

The CA Immo Group divides its core activity into the business areas of 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 capital cities in the centre of Europe. The objective is to expand the focused portfolio of high quality and profitable investment properties within the core markets of Germany, Austria, Czechia, Poland, Hungary and Romania. Additional earnings will be generated through the preparation, development and utilisation of land reserves in the development area.

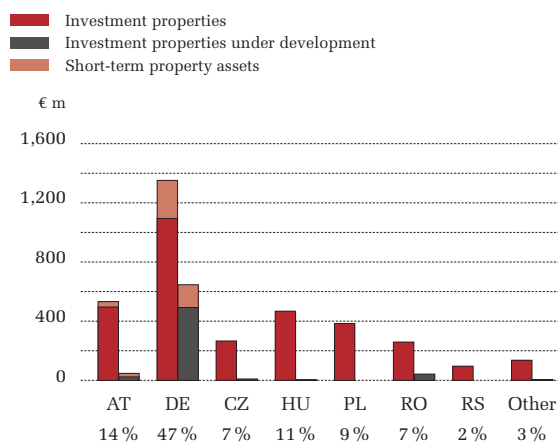
DISTRIBUTION OF BOOK VALUE PROPERTY ASSETS BY COUNTRY (Basis: € 4.3 bn)



€ 4.3 bn property assets

As at key date, the property assets of CA Immo were approximately € 4.3 bn (2016: € 3.8 bn)¹⁾. Of this figure, investment properties account for € 3.2 bn (75% of the total portfolio), property assets under development represent € 0.6 bn (14%) and short-term properties²⁾ € 0.5 bn (11%). With a proportion of 47% of total property assets, Germany is the biggest regional segment.

DISTRIBUTION OF PROPERTY ASSETS BY COUNTRY AND TYPE (incl. short-term properties)



Includes fully consolidated (wholly owned by CA Immo) and properties partially owned by CA Immo, consolidated at equity (pro-rata share)

PROPERTY ASSETS OF THE CA IMMO GROUP AS AT 31.12.2017 (PORTFOLIO VALUES)

in € m	Investment properties ³⁾			Investment properties under development			Short-term property assets ⁴⁾			Property assets			Property assets in %		
	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ
Austria	498	0	498	23	0	23	37	23	60	558	23	581	14	6	14
Germany	1,101	0	1,101	496	0	496	79	334	414	1,677	334	2,011	43	81	47
Czechia	267	0	267	11	0	11	0	0	0	277	0	277	7	0	7
Hungary	470	0	470	2	0	2	0	0	0	472	0	472	12	0	11
Poland	371	16	387	0	0	0	0	0	0	371	16	387	10	4	9
Romania	260	0	260	43	0	43	0	0	0	302	0	302	8	0	7
Serbia	96	0	96	0	0	0	0	0	0	96	0	96	3	0	2
Others	98	38	136	5	0	5	0	0	0	103	38	141	3	9	3
Total	3,161	54	3,216	579	0	579	116	357	473	3,857	412	4,268	100	100	100
Share of total portfolio			75%			14%			11%			100%			

Full: Fully consolidated properties wholly owned by CA Immo

At equity: Properties partially owned by CA Immo, consolidated at equity (pro-rata share)

³⁾ Includes properties used for own purposes

⁴⁾ Short-term property assets include properties intended for trading or sale

¹⁾ Incl. properties fully consolidated and partially owned by CA Immo, consolidated at equity (pro-rata share)

²⁾ Incl. properties intended for trading or sale

Acquisitions

In January CA Immo acquired 49% shares in both the **Danube House office building in Prague** and the **Infopark office building in Budapest** from JV partner Union Investment, thereby raising its stake in these properties to 100%.

In September CA Immo agreed the acquisition of the 21,600 sqm **class A office building Warsaw Spire B**. Closing for the transaction took place as the contract was concluded. The transaction volume for the fully let property, which generates gross rental income of around € 5,5 m annually, was approximately €100 m. With this acquisition, CA Immo raised its profile on its core market of Warsaw while consolidating its highly growth-centred development activity in Germany.

Sales

In business year 2017, the strategic policy of focusing on large-scale, modern office properties in core cities was upheld across the Group. Accordingly, the majority of sales involved properties not classified as part of the core business of CA Immo in terms of regional, sectoral or other characteristics. Property assets sold¹⁾ in 2017 generated total **trading income** of € 177.1 m and contributed € 46.7 m to the result (compared to € 37.6 m in 2016).

In addition to this contribution to earnings, **revaluation results** totalling €80.0 m²⁾ were confirmed for the properties sold¹⁾ in 2017 in the reporting period. A large part of this came from the **sale of the Tower 185 office high-rise in Frankfurt** for a total purchase price of €775 m. The transaction was closed in January 2018; the CA Immo share of the property was roughly one third. Significant valuation gains were also secured in the run-up to the sale of the 3,250 sqm office and commercial building on Berlin's Lietzenburger Strasse.

At the end of November, CA Immo sold the 13,700 sqm **Infopark office building in Budapest**. Closing for the transaction took place at the end of 2017.

In **Austria**, a number of smaller properties with various types of use as well as superaedificates were sold with a total transaction volume of about € 53.3 m. The profit of these transactions was around € 12.1 m. As a result, the process of focussing the Austrian portfolio on office properties in Vienna is largely complete.

Investments

In 2017, CA Immo invested a total of € 257.4 m (2016: € 168.4 m) in their property portfolio (investments and maintenance). Of this figure, € 45.8 m was earmarked for modernisation and optimisation measures and € 211.6 m was devoted to the furtherance of development projects.

PROPERTY ASSETS BRIDGE 2016 TO 2017 AND KEY FIGURES 2017³⁾

		Austria	Germany	Eastern Europe	Total
Property assets 31.12.2016	€ m	583.8	1,676.8	1,559.3	3,819.9
Acquisition of new properties	€ m	0.0	21.9	142.8	164.7
Capital expenditure	€ m	30.8	176.5	44.0	251.3
Change from revaluation/impairment/depreciation	€ m	-5.2	199.2	-16.8	177.2
Changes Leaseincentive	€ m	-0.2	-1.6	1.0	-0.7
Disposals	€ m	-27.9	-61.9	-54.8	-144.6
other Changes	€ m	0.0	0.4	0.2	0.6
Property assets 31.12.2017	€ m	581.3	2,011.2	1,675.8	4,268.3
Annual rental income ⁴⁾	€ m	30.8	62.2	101.0	193.9
Annualised rental income	€ m	30.8	62.2	116.4	209.5
Economic vacancy rate for investment properties	%	3.8	1.8	6.3	4.8
Gross yield (investment properties)	%	6.0	4.7	7.2	6.2

³⁾ Incl. fully consolidated properties wholly owned by CA Immo and at properties partially owned by CA Immo, consolidated at equity (pro-rata share)

⁴⁾ Includes annual rental income from properties sold in 2017 (€ 3.2 m)

¹⁾ Incl. properties partially owned by CA Immo, consolidated at equity (pro-rata share)

²⁾ Includes valuation result of sales and IFRS 5 in 2017 as well as revaluation result shown in the result from joint ventures

INVESTMENT PROPERTIES

Contributing around 75% of total property assets, the investment property area is CA Immo's main source of income. The principle objective of the company is the continual optimisation of its portfolio and the retention and acquisition of tenants with a view to securing stable and regular rental revenue. In total, 74% of the office portfolio¹⁾ of CA Immo is certified in line with LEED, DGNB or BREEAM standards (see also the Sustainability chapter).

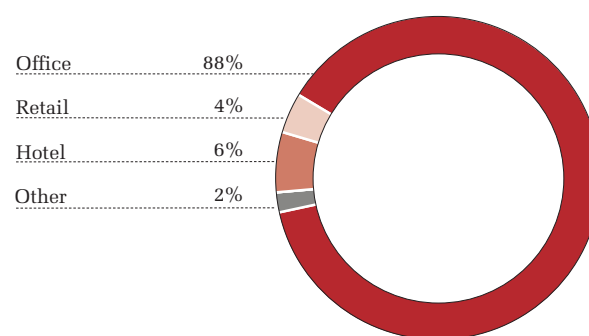
€3.2 bn investment portfolio

As at key date 31 December 2017, the Group's investment portfolio²⁾ incorporated a total rentable effective area of 1.3 m sqm with an approximate book value of €3.2 bn (2016: €3.2 bn). Accounting for 50% of book value, the Eastern Europe segment accounts for the largest proportion of the investment portfolio. In 2017, CA Immo generated total rental income of €193.9 m (€183.0 m in 2016); the Eastern Europe segment accounted for roughly 52% of total rental revenue. On the basis of annualised rental revenue, the asset portfolio produced a yield of 6.2% (6.1% in 2016). In line with the strategic portfolio focus 2012-2016, the office share of the total portfolio has steadily increased and stands unchanged at the previous year's level of 88%.

Occupancy rate rises to 95.2%

The occupancy rate for the investment portfolio rose from 92.4% (31.12.2016) to 95.2% on 31 December 2017. In like-for-like comparisons of properties forming part of the portfolio as at 31 December 2016, the economic occupancy rate increased from 92.5% on that date to 95% on the balance sheet date for 2017.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES BY MAIN USAGE (Basis: €3.2 bn)



INVESTMENT PROPERTIES: KEY FIGURES BY COUNTRY ³⁾

	Fair value property assets € m			Rentable area ⁴⁾ in sqm			Occupancy rate as %			Annualised rental income € m			Yield as %		
	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ
Austria	494.2	0.0	494.2	320.157	0	320.157	96.2	0.0	96.2	29.6	0.0	29.6	6.0	0.0	6.0
Germany	1,099.7	0.0	1,099.7	294.087	0	294.087	98.2	0.0	98.2	51.9	0.0	51.9	4.7	0.0	4.7
Czechia	266.7	0.0	266.7	105.881	0	105.881	98.6	0.0	98.6	18.3	0.0	18.3	6.9	0.0	6.9
Hungary	470.2	0.0	470.2	234.684	0	234.684	89.6	0.0	89.6	32.8	0.0	32.8	7.0	0.0	7.0
Poland	370.9	15.9	386.9	115.131	7.048	122.178	96.0	98.2	96.1	25.6	1.2	26.8	6.9	7.5	6.9
Romania	259.9	0.0	259.9	105.781	0	105.781	95.4	0.0	95.4	20.4	0.0	20.4	7.8	0.0	7.8
Serbia	96.4	0.0	96.4	46.129	0	46.129	93.4	0.0	93.4	7.8	0.0	7.8	8.0	0.0	8.0
Others	97.8	38.4	136.2	69.305	23.591	92.896	88.0	94.9	90.1	7.1	3.3	10.4	7.3	8.6	7.6
Total	3,155.7	54.4	3,210.0	1,291,155	30.639	1,321,794	95.2	95.8	95.2	193.4	4.5	197.8	6.1	8.2	6.2

Full: Fully consolidated properties wholly owned by CA Immo

At equity: Properties partially owned by CA Immo, consolidated at equity (pro-rata share)

³⁾ Excludes properties used for own purposes and short-term assets;

⁴⁾ Includes land leases in Austria (around 106,000 sqm)

¹⁾ Basis: Book value, office properties with book value > €10 m

²⁾ Excl. properties used for own purposes and short-term property assets

LIKE-FOR-LIKE COMPARISON OF PROPERTIES IN THE PORTFOLIO AS AT 31.12.2016

€ m	Book values		Annualised rental income ¹⁾		Gross yield in %		Occupancy rate	
	2017	2016	2017	2016	2017	2016	2017	2016
Austria	494.2	506.6	29.6	28.8	6.0	5.7	96.2	94.8
Germany	1,099.7	970.2	51.9	47.3	4.7	4.9	98.2	94.9
Eastern Europe	1,485.3	1,481.2	109.1	105.7	7.3	7.1	93.3	90.9
Total	3,079.2	2,958.0	190.5	181.8	6.2	6.1	95.0	92.5

¹⁾ Monthly contractual rent as at key date multiplied by 12

Lettings performance in 2017: 17% of usable space newly let or extended

Across the Group, CA Immo let 257,880 sqm of floor space in 2017, of which pre-lettings on development projects accounted for 14% (around 35,240 sqm). Excluding these pre-lettings, this equates to lettings performance of 17% for the Group's total investment portfolio, which amounts to 1.3 m sqm. New lettings and contract extensions by existing tenants accounted for around 46%; renewals by existing tenants represent 54%. Office space accounted for 95% of total lettings performance.

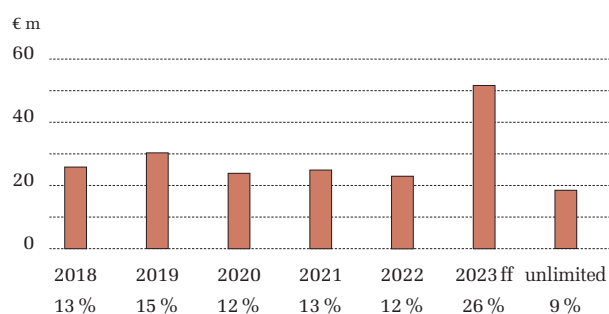
The market with the highest lettings performance in terms of regional rentable space in 2017 was Hungary with about 30% (70,880 sqm) of new lettings or contract extensions; this was followed by Romania with 20% (30,620 sqm) lettings performance. The biggest single new lease was agreed in Berlin: the Institute for Federal Real Estate (BImA) is renting 15,000 sqm of floor space at Schöneberger Ufer 1-3 for a term of at least 10 years. 35% of lease contracts (in terms of letting volume) are concluded for terms of more than five years, or for unlimited terms.

LETTINGS PERFORMANCE BY SEGMENT ¹⁾

in sqm	Pre-lease development projects	New lease investment properties	Lease extensions	Total
Germany	25,975	26,953	2,386	55,314
Austria	0	12,123	8,446	20,569
Eastern Europe	9,267	64,316	108,419	182,001
Total	35,242	103,392	119,251	257,884

²⁾ Excl. properties sold or held for sale in 2017

EXPIRY PROFILE OF LEASE AGREEMENTS BASED ON EFFECTIVE RENTAL INCOME



BIGGEST TENANTS (TOP 10)

	Sector	Region	Share in % of total rent ¹⁾
PwC	Auditor	Germany	6.1
Verkehrsbüro Hotellerie	Hotel sector	Austria/Eastern Europe	2.1
Morgan Stanley	Banks	Eastern Europe	2.0
Google	IT	Germany	2.0
TOTAL Deutschland	Energy supply	Germany	1.9
Land Berlin c/o Berliner Immobilienmanagement	Property administration	Germany	1.8
Frontex	Public administration	Eastern Europe	1.8
Robert Bosch	Industrial	Austria	1.6
Österreichische Post	Post	Austria	1.5
Bundesanstalt für Immobilienaufgaben	Public administration	Germany	1.4

¹⁾ Based on annualised rental revenue

THE AUSTRIA SEGMENT

The asset portfolio in Austria comprises rentable effective area of 320,157 sqm with a market value of around € 494.2 m (2016: € 547.0 m) according to current valuations. In 2017, this portfolio generated rental income of € 30.8 m (€ 32.2 m in 2016), equivalent to an average yield of 6.0% (5.6% in 2016).

23% of the Austrian office portfolio¹⁾ is certified according to DGNB standards. In 2017 CA Immo invested around € 7.1 m in its Austrian investment portfolio (investments and maintenance costs), compared to € 6.0 m in 2016.

Lettings

In Austria, around 12,100 sqm of office space was newly let and contracts for approximately 8,400 were sqm extended in 2017. The economic occupancy rate in the asset portfolio was 96.2% as at the key date (94.8% in 2016).

INVESTMENT PROPERTIES AUSTRIA: KEY FIGURES ²⁾

€ m	31.12.2017	31.12.2016	Change
Book value	494.2	547.0	-9.7%
Annualised rental income ³⁾	29.6	30.7	-3.8%
Gross yield in %	6.0	5.6	0.4 pp
Economic vacancy rate in %	3.8	5.2	-1.4 pp

²⁾ Excludes properties used for own purposes

³⁾ Monthly contractual rent as at key date multiplied by 12

THE GERMANY SEGMENT

As at the key date, CA Immo held investment properties in Germany with an approximate market value of € 1,099.7 m (€ 1,173.2 m in 2016) and rentable effective area of 294,087 sqm. By portfolio value, 47% of the total stock is in Germany. The German investment portfolio mainly comprises modern office buildings developed by CA Immo in central locations of Berlin, Munich and Frankfurt; 79% of rentable office space²⁾ is certified according to DGNB or LEED standards.

Rental income of €62.2 m was generated in 2017, compared to €58.1 m in 2016. The yield on the portfolio was 4.7% as at 31 December 2017 (31 December 2016: 4.9%). CA Immo spent approximately €12.7 m on maintaining its German investment properties in 2017 (investments and maintenance costs).

Occupancy rate up from 94% to 98%

The occupancy rate for the asset portfolio in Germany increased from 93.9% on 31 December 2016 to 98.2% on 31 December 2017. In Germany, approximately 29,300 sqm of floor space (of which 24,200 sqm is office space) was newly let or extended during 2017. In addition, pre-letting of development projects accounted for nearly 26,000 sqm. In mid-July CA Immo finalised a large-scale let in Berlin: in August, the Institute for Federal Real Estate (BImA) began renting 15,000 sqm of floor space at Schöneberger Ufer 1-3 for a term of at least 10 years.

INVESTMENT PROPERTIES GERMANY: KEY FIGURES ⁴⁾

€ m	31.12.2017	31.12.2016	Change
Book value	1,099.7	1,173.2	-6.3%
Annualised rental income ⁵⁾	51.9	57.9	-10.5%
Gross yield in %	4.7	4.9	-0.2 pp
Economic vacancy rate in %	1.8	6.1	-4.3 pp

⁴⁾ Excludes properties used for own purposes and short-term assets

⁵⁾ Monthly contractual rent as at key date multiplied by 12

¹⁾ Basis: Book value; office properties with a portfolio value > €10 m

²⁾ Basis: Book value; office properties with a portfolio value > €10 m; excludes properties held for sale (Tower 185)

THE EASTERN EUROPE SEGMENT

CA Immo has been investing in Eastern Europe since 1999. The company now maintains investment properties in nine countries of Central and Eastern Europe and South Eastern Europe.

With the acquisition in January 2017 of 49% shares in both the **Danube House office building in Prague** and the **Infopark office building in Budapest** (the sale of which took place in the final quarter of 2017) from JV partner Union Investment Real Estate GmbH, CA Immo increased its stake in these properties from 51% to 100%. Taking account of the acquisition of the **class A landmark office building Warsaw Spire Building B** in Warsaw as agreed in September 2017, these transactions will serve to boost all indicators relating to CA Immo's Eastern European asset portfolio in comparison with last year's figures (for details, see also the section on 'Property assets').

The value of the investment properties in Eastern Europe increased from € 1,492.4 m on 31 December 2016 to € 1,616.1 m as at key date 31 December 2017, equivalent to a share (by portfolio value) of around 50% of the total investment portfolio. In this region, CA Immo concentrates on high quality, centrally located office properties in capital cities of Eastern and South Eastern Europe,

which make up 95% of the overall Eastern European portfolio. Approximately 79% of the office portfolio¹⁾ is certified in accordance with LEED, BREEAM or DGNB standards (see also the Sustainability chapter). The portfolio is maintained and let by the company's local teams on site.

52% of rental revenue from Eastern Europe

The company's asset portfolio comprises 707,549 sqm of rentable effective area which generated rental income of € 101.0 m in 2017 (compared to € 92.7 m in 2016). This represents 52% of CA Immo's total rental revenue. As in 2016, the portfolio produced a gross yield of 7.2%. In 2017, CA Immo invested € 26.0 m in its Eastern Europe investment portfolio (investments and maintenance costs).

Occupancy rate rises from 91% to 94%

The economic occupancy rate (measured on the basis of expected annual rental income) was 93.7% as at 31 December 2017 (31.12.2016: 91.0%). Total lettings performance for the Eastern Europe segment amounted to roughly 179,000 sqm of rentable office space in 2017; this corresponds to lettings performance of 24% based on total stock for the region.

Information on sustainability aspects of the business area of portfolio properties can be found in the Sustainability chapter.

INVESTMENT PROPERTIES IN EASTERN EUROPE: KEY FIGURES ¹⁾

	Fair value property assets			Annualised rental income ²⁾			Occupancy rate			Yield		
	full	at equity	€ m Total	full	at equity	€ m Total	full	at equity	in % Total	full	at equity	in % Total
Poland	370.9	15.9	386.9	25.6	1.2	26.8	96.0	98.2	96.1	6.9	7.5	6.9
Hungary	470.2	0.0	470.2	32.8	0.0	32.8	89.6	0.0	89.6	7.0	0.0	7.0
Romania	259.9	0.0	259.9	20.4	0.0	20.4	95.4	0.0	95.4	7.8	0.0	7.8
Czechia	266.7	0.0	266.7	18.3	0.0	18.3	98.6	0.0	98.6	6.9	0.0	6.9
Serbia	96.4	0.0	96.4	7.8	0.0	7.8	93.4	0.0	93.4	8.0	0.0	8.0
Others	97.8	38.4	136.2	7.1	3.3	10.4	88.0	94.9	90.1	7.3	8.6	7.6
Total	1,561.8	54.4	1,616.1	111.9	4.5	116.4	93.6	95.8	93.7	7.2	8.2	7.2

Full: Fully consolidated properties wholly owned by CA Immo

At equity: Properties partially owned by CA Immo, consolidated at equity (pro-rata share)

¹⁾ Excludes short-term property assets

²⁾ Monthly contractual rent as at key date multiplied by 12

¹⁾ Basis: Book value; office properties with a portfolio value > €10 m

INVESTMENT PROPERTIES UNDER DEVELOPMENT

Project development as a driver of organic growth

CA Immo enhances the quality and ensures the organic growth of its portfolio by developing properties and transferring them subsequently to its portfolio. CA Immo benefits in this from its extensive stock of land reserves in Germany (mostly in central locations of Munich, Frankfurt and Berlin) as well as an internal development platform that enables the company to exploit the full depth of added value. From site development and the acquisition of building rights to construction management, letting and the transfer of completed properties to its own portfolio or sales to investors, CA Immo performs the full range of project development services.

Information on CA Immo's land reserves and their development potential is found in the chapter of the same name; information on sustainability aspects of the business area of investment properties under development can be found in the Sustainability chapter.

86% of development activity in Germany

As at 31 December 2017, the development division¹⁾ represented around 18% (equivalent to approximately € 757.3 m) of CA Immo's total property assets. Accounting for a share of 86%, the focus of project development activity is still firmly on Germany. Developments and

land reserves in Eastern Europe (8%) and in Austria (6%) account for the remainder of property assets under development. Investment properties under development in Germany with a total book value of € 651.5 m are divided into projects under construction accounting for around € 372.4 m and plots subject to property use approval and long-term land reserves (€ 279.1 m).

THE AUSTRIA SEGMENT

In the **Vienna district of Lände 3**, CA Immo has made rapid progress on utilisation of the last three construction sites on Erdberger Lände itself, a process that began in 2015.

In 2016 CA Immo embarked on large-scale residential construction on the Lände 3 site, partly through a joint venture with JP Immobilien. The Laendyard Living project, which comprises roughly 500 apartments on two construction sites, will provide high quality units for buying, renting and investment. In October, CA Immo celebrated completion of the structural shell for the 14,700 sqm office building ViE. Completion of the apartments and office building for the Lände 3 district is scheduled for 2018.

INVESTMENT PROPERTIES UNDER DEVELOPMENT BY COUNTRY ¹⁾

in € m	Landbank		Projects under construction		Total Investment properties under development	
	Book value	Book value in %	Book value	Book value in %	Book value	Book value in %
Austria	0.0	0.0	46.2	10.0	46.2	6.1
Frankfurt	118.0	39.8	140.9	30.6	259.0	34.2
Berlin	73.3	24.7	140.2	30.4	213.5	28.2
Munich	87.7	29.6	91.3	19.8	179.0	23.6
Germany	279.1	94.1	372.4	80.8	651.5	86.0
Czechia	10.6	3.6	0.0	0.0	10.6	1.5
Hungary	1.6	0.5	0.0	0.0	1.6	0.2
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Romania	0.4	0.1	42.2	9.2	42.6	5.6
Others	4.9	1.7	0.0	0.0	4.9	0.6
Eastern Europe	17.4	5.9	42.2	9.2	59.6	7.9
Total	296.5	100.0	460.8	100.0	757.3	100.0

¹⁾ Incl. projects under construction and plots held for trading or sale, which are categorised as short-term property assets

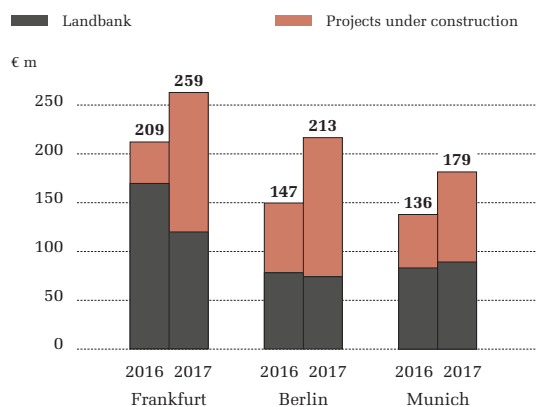
THE GERMANY SEGMENT

CA Immo's development activity in Germany focuses mainly on large scale, mixed-use urban projects in Berlin, Munich and Frankfurt. As at 31 December 2017, CA Immo held rentable effective area under construction amounting to 214,734 sqm in Germany with a total investment volume (including plots) of around €992.4 m.

In addition to the current project volume, CA Immo holds German land reserves with a value of € 279.1 m (incl. properties held for trading or sale). These existing reserves will form the basis of further value-creating development activity by CA Immo over the years ahead. Details on this issue can be found in the 'Development potential' chapter.

GERMANY:

ASSETS UNDER DEVELOPMENT



Includes plots and development projects intended for trading or sale (short-term property assets)

PROJECTS UNDER CONSTRUCTION

in € m	Total investment volume ¹⁾	Outstanding construction costs	Planned rentable effective area in sqm	Gross yield on cost in %	City	Main usage	Share in % ²⁾	Preletting rate in %	Start of construction	Scheduled completion
Projects (own stock)										
Erdberger Lände, ViE	37.8	18.7	14,727	6.3	Vienna	Residential	100	6	Q3 2016	Q3 2018
MY.O	96.0	73.1	26,183	6.1	Munich	Office	100	20	Q2 2017	Q4 2019
Europacity, KPMG-Gebäude	56.7	10.8	12,827	6.1	Berlin	Office	100	90	Q4 2015	Q2 2018
Europacity, Bürogebäude am Kunstcampus (BT2)	12.6	9.2	2,710	5.2	Berlin	Office	100	0	Q4 2016	Q2 2019
Europacity, MY.B	67.3	48.9	14,348	5.4	Berlin	Office	100	0	Q3 2017	Q2 2019
Zollhafen Mainz, ZigZag	17.8	14.3	4,389	4.1	Mainz	Office	100	0	Q1 2018	Q3 2019
Steigenberger ³⁾	58.1	26.2	17,347	6.2	Frankfurt	Hotel	100	99	Q3 2016	Q1 2019
Baumkirchen, NEO	64.3	44.5	13,457	4.9	München	Office	100	27	Q1 2017	Q2 2020
Europaviertel, ONE	332.3	287.9	63,386	5.4	Frankfurt	Office	100	28	Q3 2017	Q4 2020
Orhideea Towers	73.4	44.1	36,918	8.6	Bucharest	Office	100	50	Q4 2015	Q3 2018
Subtotal	816.5	577.7	206,292	5.8						
Projects (for sale)										
Europacity, cube berlin	99.9	60.4	16,990	n.m.	Berlin	Office	100	100	Q4 2016	Q4 2019
Europacity, Bürogebäude am Kunstcampus (BT1)	30.8	21.8	5,215	n.m.	Berlin	Office	100	100	Q4 2016	Q2 2019
Rheinallee III	59.9	26.4	19,668	n.m.	Mainz	Residential	100	100	Q3 2016	Q4 2018
JV Baumkirchen WA 2	33.8	1.6	5,616	n.m.	Munich	Residential	50	99	Q2 2015	Q1 2018
JV Baumkirchen WA 3	35.1	14.7	6,831	n.m.	Munich	Residential	50	82	Q3 2016	Q4 2018
Baumkirchen Mitte MK	27.6	19.1	5,767	n.m.	Munich	Residential	100	0	Q1 2017	Q2 2020
Laendyard Living	29.1	7.5	9,417	n.m.	Vienna	Residential	50	100	Q3 2016	Q3 2018
Wohnbau Süd	31.2	1.4	14,023	n.m.	Vienna	Residential	100	100	Q2 2016	Q1 2018
Subtotal	347.5	152.9	83,527							
Total	1,164.0	730.6	289,819							

¹⁾ Including plot ²⁾ All figures refer to the project share held by CA Immo ³⁾ The Mannheimer Strasse bus station next to the hotel (now completed with a value of € 4.5 m) is still assigned to property assets under development as temporary usage and is not included in the table.

DEVELOPMENT OF URBAN DISTRICT EUROPACITY IN BERLIN



CA Immo investment properties



CA Immo plot sold



CA Immo projects under construction



CA Immo land reserve

JOHN F. KENNEDY HAUS

rentable area in sqm	18,000
main usage	office
completion	2015
status	rented

INTERCITYHOTEL BERLIN

rentable area in sqm	20,600
main usage	hotel
opened	2013
status	rented

CUBE BERLIN

rentable area in sqm	17,000
main usage	office
planned completion	2019
status	under construction

MONNET 4

rentable area in sqm	8,000
main usage	office
completion	2015
status	rented

MY.B

rentable area in sqm	14,300
main usage	office
planned completion	2019
status	under construction

TOUR TOTAL

rentable area in sqm	14,200
main usage	office
completion	2012
status	rented

BÜROGEBÄUDE AM KUNSTCAMPUS

rentable area in sqm	7,900
main usage	office
planned completion	2019
status	under construction

BÜROGEBÄUDE KPMG

rentable area in sqm	12,800
main usage	office
completion	2018
status	rented

Main focus of current development activity in Germany

Berlin

The **Europacity district** is taking shape around Berlin's main rail station, drawing together office, residential, hotel and cultural uses across some 60 hectares. Reputable companies such as KPMG, the mineral oil group TOTAL and Steigenberger have already signed up as tenants. CA Immo was developing three office projects in this district as at the key date.

Even before it is completed, the **office building on the Kunstcampus** with gross floor space of approximately 9,500 sqm has been 70% let to the Federal Union of German Associations of Pharmacists (ABDA). ABDA will initially rent the building section specifically developed to meet its needs for two years before taking over ownership. The remaining floor space of the building (section 2) will continue to be held by CA Immo.

Next to this, CA Immo is also constructing the **MY.B office building** and another office structure with gross floor space of around 15,000 sqm for its own portfolio; the latter was fully let to the auditing firm **KPMG AG** before construction began.

CA Immo is building the 18,500 sqm standalone structure **cube berlin** on the central location of Washingtonplatz, close to Berlin's main station. Prominently located by the bend in the River Spree, opposite the Federal Chancellery, the building was sold to a major institutional fund manager under the terms of a forward sale at the end of 2016. CA Immo will build and let the property on behalf of the investor.

Munich

A total of 560 high-quality housing units and attractive office spaces are expected to be completed by the end of 2018 on the **Baumkirchen Mitte development project site** in the Munich district of Berg am Laim, which spans approximately 130,000 sqm. All privately financed apartments in the first three residential sections have been sold. The remaining 50 subsidised apartments in the third building section are expected to be sold in the first half of 2018. Preparation for apartment sales on the NEO site are also under way.

In March, CA Immo started construction of the **NEO office, hotel and residential complex**, which has rentable area of around 19,200 sqm. At the same time, CA Immo

acquired a 50% stake in the development project previously held by joint venture partner PATRIZIA and is now the sole owner. The tristar GmbH hotel group has signed up as a long-term tenant for the hotel, which occupies the first six floors. At the NEO building the group will operate a Hampton by Hilton hotel with 143 rooms.

In June, CA Immo signed a lease for approximately 5,000 sqm in the **MY.O office building in Munich's** Nymphenburg district; construction of the office building spanning some 25,000 sqm started in summer 2017. The seven-storey complex is being built in a central location close to the S-Bahn station.

Frankfurt

Directly adjacent to the southern exit of the Frankfurt mainline station, CA Immo is developing an eight-storey hotel with some 400 rooms along with 82 underground parking spaces for the **Steigenberger Hotel Group**. The hotel's opening is planned for the end of 2018.

In May, CA Immo decided to start construction of the **office and hotel high-rise structure ONE** in Frankfurt. The 190-metre building will be situated in the Europa-viertel, centrally located between the banking district and the exhibition grounds. The driving force behind the decision was the signing of a long-term lease agreement with the international NH Hotel Group, which will open a nhow lifestyle hotel with 375 rooms in the ONE building in early 2021.

Mainz

In the Zollhafen Mainz district jointly developed by CA Immo and Stadtwerke, construction of the residential and retail building Rheinallee III, which has total rentable space of some 20,000 sqm, began in summer 2016. CA Immo is realising the building for an investor on a ready-to-occupy basis. Development of the ZigZag office building and other residential buildings is under preparation on the same site.

THE EASTERN EUROPE SEGMENT

The Eastern Europe segment accounts for property assets under development (including land reserves) with an approximate market value of € 59.6 m. As at 31 December 2017, CA Immo had one development project under construction in Eastern Europe: the **Orhideea Towers office project** in Bucharest spans some 37,000 sqm.

PROPERTY VALUATION

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

External valuation reports to international standards

The value of real estate is generally determined by independent expert appraisers outside the company 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 an asset or liability can be sold to a willing buyer by a willing seller on the valuation date in the framework of a transaction in the usual course of business after a reasonable marketing period, whereby the parties each act 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 attainable market rent and the equivalent yield for a property.

The **residual value** procedure is applied to **sites at the development and construction phase**. In this case, fair values are determined following completion, taking account of outstanding expenses and imputing an appropriate developer profit. Other possible risks are considered, amongst other things, in future attainable rents, starting yields and financing rates. Interest rates are influenced in particular by general market behaviour as well as locations and usage types. The closer a project comes to the point of completion, the larger the proportion of parameters derived from actual and contractually stipulated figures. Sites are valued according to the investment method shortly before and after completion.

In the case of **land reserves** where no active development is planned for the near future, the **comparable value method** (or the **liquidation, costing or residual value method**) is used, depending on the property and the status of development.

For over 99% of the total property assets, external evaluations were carried out on the key date 31.12.2017 or values were based on binding purchase agreements. The remaining property assets were valued or updated internally.

The valuations as at 31 December 2017 were compiled by the following companies:

- CB Richard Ellis (Austria, Germany, Eastern Europe)
- Cushman & Wakefield (Eastern Europe)
- MRG Metzger Realitäten Beratungs- und Bewertungsgesellschaft (Austria)
- Knight Frank (Eastern Europe)
- Ö.b.u.v.SV Dipl.-Ing. Eberhard Stoehr (Germany, Eastern Europe)
- BNP Paribas Real Estate (Germany)

Market environment in 2017

As in the previous year, the environment on the core markets of Germany, Austria and the CEE nations was highly positive in 2017 (see also the 'Property markets' section). The strong investment activity continued on the German real estate market, leading to a record transaction volume in the office property segment and ongoing suppression of yields. Key indicators for the lettings market – including lettings performance, occupancy rates and the average rent level in the main office centres of Germany – were also largely positive. Thanks to its strong position in Munich, Frankfurt and Berlin, the CA Immo Group took significant advantage of these encouraging market trends. The office property market in Vienna also benefited from rising interest on the part of investors in a stable operating environment. The Eastern European core markets of Prague, Budapest and Bucharest were similarly characterised by encouraging operational development in 2017. The office property market in Warsaw remains defined by intensive construction activity in the office sector, although the lettings volume has been high with strong interest from international investors; this has clearly resulted in yield suppression on core properties. Transaction activity on investment markets in the CEE region was again very positive in 2017 as a record volume was achieved. For 2017 as a whole, the CA Immo Group posted a highly positive revaluation result of € 104.0 m (2016: € 138.3 m).

AUSTRIA

Compared to the previous year, the amount of office space completed on the Viennese office market more than

doubled; owing to the high level of pre-letting, however, lettings performance was well below that of 2016. The market was thus largely stable, with vacancy staying below 5% according to CBRE. The highly positive value development included the extremely profitable sale of a non-strategic property in Salzburg, closing for which took place in January 2018. This was counterbalanced by the depreciation in value of an office property in Vienna, caused by a reduction in floor space linked to the new letting. The revaluation result as at the key date amounted to € -5.3 m (2016: € 2.4 m). In annual comparison, the average gross yield for investment properties rose from 5.6% to 6.0% (fully consolidated real estate), thanks largely to the sales of non-strategic properties.

GERMANY

As in previous years, the strong development of the German office property market generated a highly positive value trend for the Group's German segment. This was mainly due to the successful implementation of development projects, highly profitable sales of non-strategic properties and successful new lettings or re-lettings as well as the general market trend. As at 31 December 2017, the valuation result for the Group was € 128.7 m (2016: € 144.0 m). The largest contributions to the revaluation gain in terms of amount came from the Königliche Direktion, InterCity Hotel and KPMG (under development) properties in Berlin as well as the Skygarden, Kontorhaus, Ambigon and MY.O. (under development) properties in Munich. Year on year, the gross yield fell from 4.9% to 4.7% (fully consolidated real estate).

VALUATION RESULT FOR AUSTRIA ¹⁾

	Book value	Revaluation/ impairment	Gross yield	
	(in € m)		(in %)	
	31.12.2017	€ m	31.12.2016	31.12.2017
Income producing investment properties ²⁾	494.2	-17.0	5.6	6.0
Investment properties under development	23.2	2.8		
Assets held for sale	36.9	8.8		
Total	554.3	-5.3		

¹⁾ Based on fully consolidated real estate

²⁾ Excludes properties used for own purposes

VALUATION RESULT FOR GERMANY ¹⁾

	Book value	Revaluation/ Impairment	Gross yield	
	(in € m)		(in %)	
	31.12.2017	in € m	31.12.2016	31.12.2017
Income producing investment properties ²⁾	1,099.7	119.6	4.9	4.7
Investment properties under development	496.4	10.3		
Assets held for sale	0.0	0.0		
Properties held for trading	79.3	-1.2		
Total	1,675.5	128.7		

¹⁾ Based on fully consolidated real estate

²⁾ Excludes properties used for own purposes

EASTERN EUROPE

The revaluation result for the Eastern Europe segment as at the key date amounted to € -20.5 m (2016: € -8.2 m). The market environment brightened across large swathes of CA Immo's core region in 2017. One exception to this was Warsaw, where the supply of modern office space continues to outpace demand in the short term owing to

vigorous building activity, impacting negatively on property valuations. The recovery of the CEE markets is also apparent from rising investment levels, which increased marginally on the prior year in 2017 to hit a new record high. Year on year, the gross yield for the CA Immo portfolio rose from 7.1% to 7.2% (fully consolidated real estate).

VALUATION RESULT FOR EASTERN EUROPE ¹⁾

	Book value	Revaluation/ impairment	Gross yield	
	(in € m)		(in %)	
	31.12.2017	€ m	31.12.2016	31.12.2017
Investment properties	1,561.8	-20.5	7.1	7.2
Investment properties under development	59.6	-0.1		
Assets held for sale	0.0	0.0		
Total	1,621.4	-20.5		

¹⁾ Based on fully consolidated real estate

FINANCING

As a real estate company, CA Immo operates in a capital-intensive sector where success is heavily dependent on access to debt. It is critical to establish the most effective possible structuring and optimisation of financing with outside capital; alongside successful management of the real estate portfolio, this is one of the key factors in the overall result of CA Immo.

Balance sheet profile remains strong

As at 31 December 2017, the total financial liabilities of the CA Immo Group stood at € 1,753,089 K, above the previous year's value of € 1,565,639 K. Net debt after deduction of the Group's cash and cash equivalents amounted to € 1,368,604 K at year end (2016: € 1,167,656 K). The company thus has an extremely robust balance sheet with a consistently strong equity ratio of 50.3% (51.2% in 2016), which in conservative debt figures equates to gearing of 57.1% (2016: 53.0%) and a loan-to-value (LTV) ratio of 35.5% (2016: 34.2%).

In addition to financing already secured and reflected on the balance sheet, the CA Immo Group has non-utilised credit lines that will be used to finance development projects under construction in Germany; payment dates will be set by the banks as construction work progresses. This financing framework amounted to € 218,630 K as at the key date, whereby joint ventures are recognised according to the amount of the holding. Through continual optimisation of the financing structure, financing costs – a key element in long-term earnings – remained stable at € –41,029 K (2016: € –41,622 K) despite the higher financing volume.

Confirmation of investment grade rating

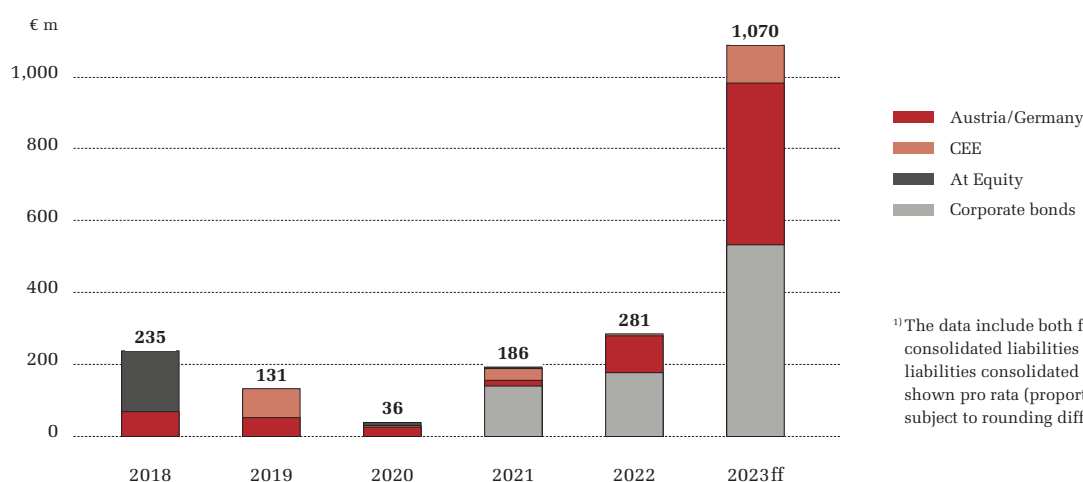
In December 2015 Moody's Investors Service, the international rating agency, classified CA Immobilien Anlagen AG with a Baa2 investment grade (long-term issuer) rating with stable prospects. The credit report published by Moody's emphasised the high quality and regionally diversified portfolio of office properties, the low tenant concentration risk, the low level of gearing and the conservative financing policy as particularly positive factors. Following acquisition of a 26% share by Immofinanz and the associated merger plans announced in April 2016, Moody's outlook was lowered from neutral to negative. In reaction to the publication in March 2018 of Immofinanz AG, announcing the merger talks to remain suspended and other strategic options including a sale of the 26% stake to be under evaluation, Moody's confirmed the rating and changed the outlook from negative to stable.

The investment grade rating of CA Immo facilitates greater flexibility and further optimisation of the financing structure through improved access to the institutional debt capital market; this means the range of usable financing possibilities can be expanded. The key indicators in retaining and upholding the corporate credit investment grade rating are a strong balance sheet with low gearing, consistent earning power, an associated solid interest coverage ratio and a sufficiently large quota of unsecured properties.

Expiry profile

The diagram below shows the maturity profile for the financial liabilities of the CA Immo Group as at 31 December 2017 (assuming options to extend are exercised). The

EXPIRATION PROFILE FINANCIAL LIABILITIES¹⁾ (as at 31.12.2017, basis: 1.9 € bn)



¹⁾The data include both fully consolidated liabilities and liabilities consolidated at equity shown pro rata (proportionately); subject to rounding difference

due amounts shown for 2018, including fully secured mortgage loans, totalled approximately € 235 m as at the key date. Of this, proportionate financing in joint ventures accounted for approximately € 166 m on 31 December 2017. Secured loans due in Germany account for some € 64 m of the liabilities of approximately € 69 m fully consolidated by due amounts. The at equity volume in 2018 includes the loan of around € 97 m attributable to Tower 185 in Frankfurt. This liability was repaid with the closing of the sales transaction in January 2018.

Falling financing costs

As the table shows, average financing costs for the CA Immo Group based on total financial liabilities (i.e. including proportionate joint venture financing) stood at 1.9% as at key date 31 December 2017. This figure contains derivatives used for interest rate hedging in the form of interest rate swaps. Where the latter are disregarded, the average interest rate is lower at 1.75%.

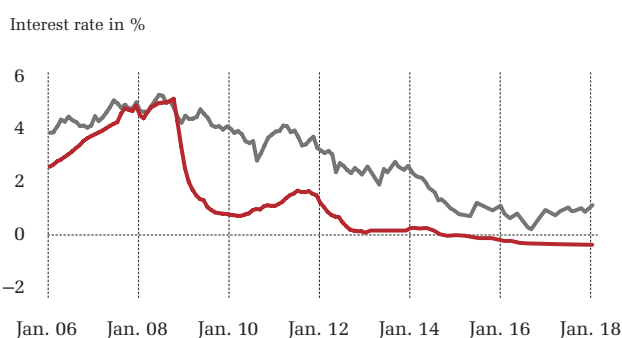
As a result, average financing costs fell significantly during 2017, as in previous years (the figure on key date 31.12.2016 was 2.3%). Using part of the issue proceeds from the issue of the corporate bond in February 2017

and the convertible bond in October 2017 for the repayment of costly loans, and using derivatives for interest rate hedging, were key instruments in the continued optimisation of the financing structure. In view of base rates (Euribor) remaining historically low and even negative in some instances and the persistently competitive bank financing environment, especially in Germany (which entails lower financing margins), the trend in 2017 on all core markets of CA Immo was once again for decreasing financing costs.

INTEREST RATE DEVELOPMENT

■ 3M-EURIBOR ■ 10-year-Pfandbrief-curve

Source: Deutsche Bundesbank



FINANCING COSTS ¹⁾

€ m	Outstanding nominal value	Nominal value swaps	Ø Cost of debt excluding derivatives	Ø Cost of debt including derivatives	Ø Debt maturity	Ø Swap maturity
Income producing investment properties						
Austria	143.0	53.4	2.0	2.3	8.8	9.0
Germany	617.7	178.9	1.4	1.6	9.5	9.5
Czechia	29.2	29.2	1.5	1.8	4.0	4.0
Hungary	93.6	86.3	2.4	2.6	6.5	6.0
Poland	105.6	85.5	1.7	1.7	2.5	2.5
Romania	0.0	0.0	0.0	0.0	0.0	0.0
Serbia	0.0	0.0	0.0	0.0	0.0	0.0
Others	35.1	0.0	3.5	3.5	0.1	0.0
Total	1,024.3	433.2	1.7	1.9	6.1	7.0
Development projects						
Development projects	146.1	30.2	1.2	1.5	9.8	12.0
Short-term property assets	17.6	0.0	1.7	1.7	1.0	0.0
Financing on parent company level						
Financing on parent company level	840.3	0.0	1.9	1.9	5.4	0.0
Total	2,028.3	463.4	1.7	1.9	6.0	7.3

¹⁾ The data includes both fully consolidated financing and financing consolidated at equity and represented pro rata (proportionately); incl. available credit line

BASIC PARAMETERS OF THE FINANCING STRATEGY**Financing structure**

The focus of the current financing structure is on mortgage credit secured with property; credit is taken up in the (subsidiary) companies in which the respective real estate is held. Since financing is provided at subsidiary level, there is no recourse to the parent company or other parts of the Group. Covenants linked to such project financing relate only to the property in question and not to key figures for the Group as a whole.

Higher proportion of unsecured financing

The ratio of unsecured financing at Group parent company level has risen steadily since the investment grade rating was granted. As at the key date, there were four corporate bonds placed on the capital market with a total volume of approximately € 640 m and one convertible bond with a volume of € 200 m. The book value of unmortgaged properties – a key criterion in the Group's investment grade rating – was approximately € 1.7 bn on 31 December 2017, a substantial increase on the reference value for the same period last year (31.12.2016: € 1.0 bn).

Long-term financial indicators

Retention of the investment grade rating on the basis of a sound balance sheet structure with a strong equity basis is strategically important to the CA Immo Group. As regards financial indicators, long-term objectives fluctuate between 45-50% for the Group's equity ratio and around 40-45% for the loan-to-value ratio (net financial liabilities to property assets). In the mid-term, the interest rate hedging ratio (around 92% as at the key date) is to be maintained at that level.

Long-term interest rate hedging

Since interest paid makes up the biggest expense item in the income statement for most real estate companies, interest rate rises can have a major impact on earnings – especially since rental revenue 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 partly involves hedging a substantial proportion of interest expenditure against fluctuation over the long term. Interest swaps are currently used as interest hedging tools. The ratio of fixed-interest bonds, which has been rising over recent quarters, also makes up a major part of the interest rate hedging ratio.

Of the derivatives deployed, interest swap agreements account for a nominal value of € 455,987 K. The weighted average term remaining on derivatives used for interest rate hedging is around 7.3 years, compared to a weighted remaining term of 6.0 years on financial liabilities.

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 fair value on the relevant key date is directly recognised in equity; for fair value derivatives, by contrast, the change is recognised as expenditure in the income statement under 'Result from derivatives'. As at key date 31 December 2017, contracts with a nominal value of € 455,987 K and a fair value of € -2,795 K were classified as fair value derivatives. As at 31 December 2017, the company had no contracts classified as cash flow hedges.

Bonds

As at key date 31 December 2017, CA Immo had the following outstanding bonds registered for trading on the unlisted securities market of the Vienna Stock Exchange (with the exception of the convertible bond, which is listed on the Third Market):

ISIN	Type	Out-standing volume	Maturity	Coupon
AT0000A1CB33	Corporate bond	€175 m	2015-2022	2.750%
AT0000A1JVU3	Corporate bond	€150 m	2016-2023	2.750%
AT0000A1LJH1	Corporate bond	€140 m	2016-2021	1.875%
AT0000A1TBC2	Corporate bond	€175 m	2017-2024	1.875%
AT0000A1YDF1	Convertible bond	€200 m	2017-2025	0.75%

The bonds provide unsecured financing at Group parent company level; they are on equal footing to one another and to all other unsecured financing of CA Immobilien Anlagen AG. Except for the 2015-2022 corporate bond and the convertible bond, bond conditions contain a loan-to-value (LTV) covenant.

Bond issues in 2017

In February 2017 the company issued the corporate bond 2017-2024 with a volume of € 175 m and an interest rate of 1.875%. The bond is listed on both the unlisted securities market of the Vienna Stock Exchange and the regulated market of the Luxembourg Stock Exchange

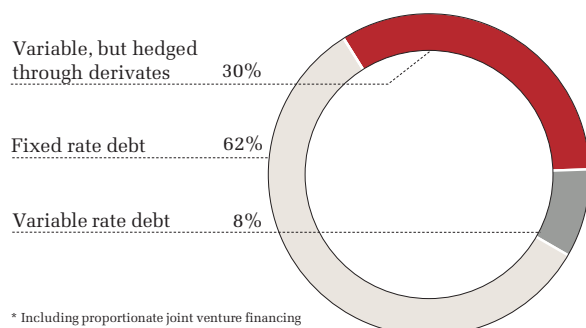
(ISIN AT0000A1TBC2) and was also rated Baa2 by Moody's. More than two thirds of the issue, which was oversubscribed almost twice over, was placed with private and institutional investors in Austria. The issue proceeds were targeted at rescheduling secured financing with mainly variable interest rates, and at substituting planned bank financing arrangements.

Convertible bonds with a volume of € 200 m and a term of 7.5 years were also successfully issued in October 2017. The coupon (payable semi-annually) is 0.75% while the initial conversion price was fixed with a conversion premium of 27.50% above the volume-weighted average price (VWAP) for the CA Immo shares on the day of issue. The convertible bonds will be redeemed at 100% of the nominal amount at the end of the term in the absence of premature conversion or repayment. For conversion, the company may choose to effect repayment through the provision of shares in the company, payment or a combination of the two. At the end of the term, the company has the right to redeem the convertible bonds through the provision of shares in the company, payment or a combination of the two.

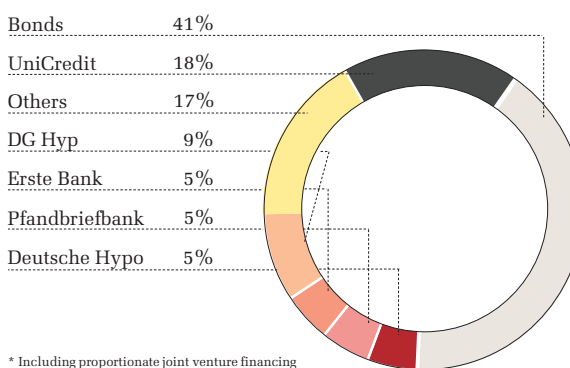
Sources of financing

CA Immo has business relations with a large number of financing partners. With around 17% of total outstanding financial liabilities, the main financing bank in terms of the credit volume is the UniCredit Group. As the diagram shows, DG Hyp, Pfandbriefbank, Deutsche Hypo and Erste Group also accounted for significant shares as at the key date.

FINANCIAL DEBT AS OF 31.12.2017*
(Basis: € 1.9 bn)



FINANCING SPLIT BY BANKS*
(Basis: € 1.9 bn)



RESULTS

KEY FIGURES FROM THE INCOME STATEMENT

Sustained earnings

Rental income for CA Immo increased by 8.9% to € 180,281 K in 2017. This positive trend was essentially made possible by the acquisition of the Millennium Towers in Budapest as well as the minority share of Joint Venture partner Union Investment and the increase in rent this entailed.

As the following table shows, the company was able to more than compensate for the drop in rent of € 7,484 K resulting from property sales thanks to inflows from this acquisitions.

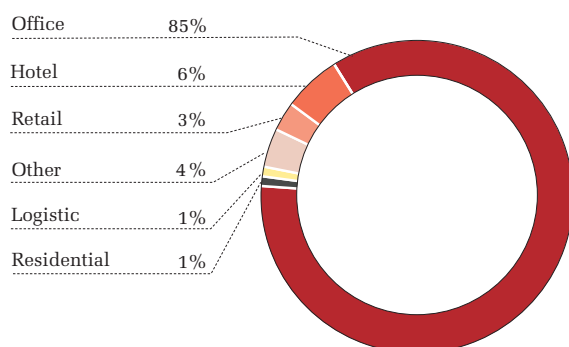
Incentive arrangements from various lease agreements (in particular rent-free periods) are linearised for the total term of the lease contract. Rental income therefore shows the effective economic rent and not the actual cash-relevant rent during the period. Of the rental income for business year 2017, linearisation of this kind accounted for € 678 K (€-278 K in 2016).

In year-on-year comparison, property expenses directly attributable to the asset portfolio, including own operating expenses, declined by -8.3% from €-18,453 K to €-16,923 K. The main expenditure items are vacancy costs and operating expenses that cannot be passed on (€-4,433 K), agency fees (€-3,577 K), maintenance (€-5,884 K), allowances for bad debt (€-54 K) and other directly attributable expenses (€-2,974 K). While bad debt losses, agency fees, individual value adjustments and other expenses fell, maintenance rose compared to the previous year.

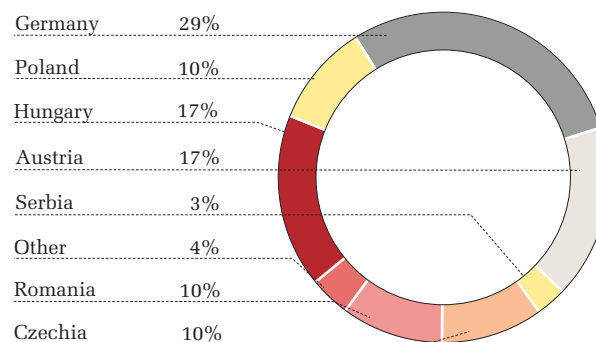
The net result from renting attributable to letting activities rose by 11.0% (from € 147,150 K to € 163,358 K) after the deduction of direct management costs. The operating margin on letting activities (net rental income in relation to rental income), an indicator of the efficiency of rental business, increased from 88.9% to 90.6%.

Other expenditure directly attributable to project development stood at €-2,844 K at year end (€-2,333 K in 2016).

RENTAL INCOME BY MAIN USAGE (Basis: € 180.3 m)



RENTAL INCOME BY COUNTRY (Basis: € 180.3 m)



CHANGE IN RENTAL INCOME FROM 2016 TO 2017

€ m	Austria	Germany	Eastern Europe	Total
2016	32.2	48.6	84.8	165.6
Change				
Resulting from indexation	0.7	0.8	1.7	3.2
Resulting from change in vacancy rate or reduced rentals ¹⁾	1.2	4.2	-2.0	3.4
Resulting from new acquisitions	0.0	0.0	6.9	6.9
Resulting from whole-year rental for the first time	0.0	0.0	8.7	8.7
Resulting from completed projects	0.0	0.0	0.0	0.0
Resulting from sale of properties	-3.4	-0.8	-3.3	-7.5
Total change in rental income	-1.4	4.2	11.9	14.7
2017	30.8	52.8	96.7	180.3

INDIRECT EXPENSES

€ 1,000	2017	2016
Personnel expenses	-37,093	-33,318
Legal, auditing and consulting fees	-7,412	-8,611
Third party acquired development services	-3,250	-2,975
Office rent	-1,694	-1,514
Travel expenses and transportation costs	-1,242	-1,194
Other expenses internal management	-2,636	-2,682
Other indirect expenses	-4,030	-3,696
Subtotal	-57,357	-53,989
Own work capitalised in investment property	10,138	8,136
Change in properties held for trading	2,601	1,713
Indirect expenses	-44,618	-44,140

Property sales result

Trading income of € 29,216 K (previous year: € 28,099 K) was earned in 2017 in connection with the scheduled sale of properties held in current assets and construction services. This income was counteracted by book value deductions and other directly attributable expenditure of € -15,664 K. The trading portfolio thus contributed a total of € 13,552 K to the result, compared to € 9,430 K in 2016. As at year end, the remaining volume of properties intended for trading stood at € 79,317 K.

Profit from the sale of investment properties of € 32,132 K was below the previous year's value of € 23,340 K. Germany delivered the largest contribution to earnings from property sales in the amount of € 23,551 K. The biggest contribution came from a non-strategic property sale in Berlin.

Income from services

Gross revenue from services declined by -16.3% in yearly comparison to stand at € 11,109 K (€ 13,265 K in 2016). Alongside development revenue for third parties via the subsidiary omniCon, this item contains revenue from asset management and other services to joint venture partners.

Indirect expenditures

In 2017 indirect expenditures rose 1.1% from the previous year's figure of € -44,140 K to € -44,618 K. Unlike in previous periods, this item also contains expenditure counterbalancing the aforementioned gross revenue from services. As the above table shows, total indirect expenditure includes the item 'Internal expenditure capitalised', which was 24.6% up on the 2016 figure at € 10,138 K. This item may be regarded as an offsetting item to the indirect expenditures which counterbalance that portion of internal project development expenditure, provided it is directly attributable to individual development projects and thus qualifies for capitalisation.

Other operating income

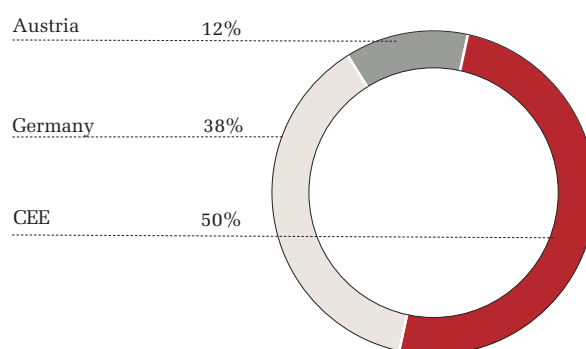
Other operating income stood at € 1,051 K compared to the 2016 reference value of € 873 K.

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

Earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at € 173,740 K, up 17.7% on the previous year's level of € 147,585 K. This positive development was made possible thanks to higher rental revenue as well as a higher property sales result in yearly comparison.

The contribution of the various regional segments to overall earnings is as follows: with an EBITDA of € 86,798 K, the CEE segment generated a share of approximately 50%. Germany accounted for € 65,517 K (38%) and the Austria segment contributed € 21,425 K (12%).

EBITDA (Basis: € 173,7 m)



Revaluation result

The total revaluation gain of € 182,045 K in 2017 was counterbalanced by a revaluation loss of € -78,021 K. The cumulative revaluation result of € 104,023 K was therefore highly positive (€ 138,260 K in 2016).

This results reflects the extremely positive market environment specifically in Germany, the most important core market of CA Immo. In the German real estate market, as in the previous year, the booming investment activity and further yield compression continued in 2017 – in combination with strong fundamental data of the letting markets. This was reflected accordingly in CA Immo's valuation result and the figures for business year 2017.

The biggest contribution to the revaluation gain was delivered by the investment properties Königliche Direktion, Intercity Hotel and KPMG office building in Berlin as well as Skygarden, Kontorhaus, Ambigon and the development project MY.O in Munich.

In Austria, a major contribution was delivered by the sale of a non-strategic property in Salzburg (closing in January 2018). Negative effects from revaluations largely stemmed from the Group's Eastern Europe segment as well as two individual properties in Austria and Germany; the current market situation on the office property market in Warsaw in particular has led to devaluations.

In regional terms, the revaluation result for Germany totalled € 129,903 K. Austria reported negative results with € -5,339 K, as well as Eastern Europe with a loss of € -20,451 K.

Result from joint ventures

Current results of joint ventures consolidated at equity are reported under 'Result from joint ventures' in the consolidated income statement. In 2017 this contribution totalled € 66,585 K (2016: 11,420 K). Amongst other things, this result reflects a significantly positive revaluation effect of € 60,099 K linked to the sale of Tower 185 in Frankfurt, which was contractually agreed in November 2017 (the transaction was closed in January 2018).

Earnings before interest and taxes (EBIT)

Earnings before interest and taxes (EBIT) stood at € 340,502 K on key date 31 December 2017, 15.9% up from the corresponding figure for last year of € 293,833 K – in spite of a lower revaluation result.

In regional terms, the Germany segment contributed the biggest share to Group EBIT with € 255,294 K, or 75%. On an EBIT basis, Austria generated € 13,780 K in 2017 (4%), with Eastern Europe contributing € 71,429 K (21%).

Financial result

The financial result for 2017 was € -40,684 K, compared to € -56,228 K last year. In detail, the elements of the financial result developed as follows:

The Group's financing costs, a key element in long-term earnings, remained basically stable at € -41,029 K despite a higher financing volume (2016: € -41,622 K). Loan repayments linked to sales and continual optimisation of the financing structure had positive effects. Lower costs of floating-rate financing also had a positive impact.

In addition to interest paid as shown in the income statement, financing costs of € 5,514 K (€ 3,832 K in 2016) with a weighted average interest rate of 2.38% (2016: 3.29%) were capitalised at production cost in business year 2017 in connection with the construction of real estate.

The result from derivatives delivered a negative contribution of € -8,068 K (against € -1,662 K in 2016). The result for 2017 includes a derivative valuation for the convertible bond in the amount of € -5,308 K issued in October 2017. The result from financial investments of € 7,456 K was above the reference period's level

(€ 7,229 K in 2016). This result includes income from dividends in the amount of € 4,947 K.

Other items in the financial result (other financial income/expense, result from other financial assets and result from associated companies and exchange rate differences) totalled € 957 K (€ -20,174 K in 2016). The result from other financial assets includes depreciation linked to the subsequent valuation of securities available for sale of € -3,398 K (€ -15,768 K in 2016), which was booked in the first quarter.

Earnings before taxes (EBT)

On the basis of the earnings performance outlined above, earnings before taxes (EBT) of € 299,819 K increased by 26.2% year-on-year (2016: € 237,605 K).

Taxes on income

Taxes on earnings amounted to € -64,960 K in 2017 (compared to € -53,688 K in 2016).

Result for the period

The result for the period reached € 234,854 K, 27.7% above the previous year's value of € 183,910 K and the highest level in the history of the company. Earnings per share amounted to € 2.52 on 31 December 2017 (€ 1.94 per share in 2016).

Cash flow

Gross cash flow stood at € 133,388 K in 2017, compared to 130,052 K in 2016. Cash flow from operating activities takes account of changes in current assets linked to the sale of properties intended for trading and totalled € 132,460 K as at key date 31 December 2017 (€ 125,368 K in 2016).

Cash flow from investment activities, which comprises the net balance between investments and real estate sales, stood at € -193,756 K in 2017 compared to the previous year's value of € 39,474 K. Amongst other things, this item includes the acquisition of the office complex Warsaw Spire Building B in Warsaw.

Cash flow from financing activities of € 49,968 K (€ 23,455 K in 2016) includes the corporate bond issuances in February 2017 (€ 175 m) and the convertible bond in October 2017 (€ 200 m).

CASH FLOW STATEMENT: SHORT VERSION

€ m	2017	2016	Change in %
Cash flow from			
- business activities	132.5	125.4	6
- Investment activities	-193.8	39.5	n.m.
- financing activities	50.0	23.5	>100
Changes in cash and cash equivalents	-11.3	188.3	n.m.
Cash and cash equivalents			
- beginning of the business year	395.1	207.1	91
- changes in the value of foreign currency	0.7	-0.3	n.m.
- Changes due to classification of disposal group acc.	-0.9	0.0	n.m.
- the end of the business year	383.5	395.1	-3

Funds from operations (FFO)

An FFO I of € 106,769 K was generated in 2017, 16.4% above the previous year's value of € 91,712 K. FFO I per share stood at € 1.14 at the reporting date, an increase of 18.5% in year-on-year comparison (2016: € 0.97 per share). The FY 2017 guidance of > € 100 m and > 1.05 € per share respectively was therefore solidly exceeded by 6.7% and 8.6% respectively. FFO I, a key indicator of the Group's long-term earnings power, is reported before taxes and adjusted for the sales result and other non-permanent effects.

FFO II, which includes the sales result and applicable taxes and indicates the Group's overall profitability totalled € 169,711 K (€ 113,671 K in 2016). FFO II per share amounted to € 1.82 at the reporting date (2016: € 1.20 per share).

FUNDS FROM OPERATIONS (FFO)

€ m	2017	2016
Net rental income (NRI)	163.4	147.1
Result from hotel operations	0.0	0.0
Income from services rendered	11.1	13.3
Other expenses directly related to properties under development	-2.8	-2.3
Other operating income	1.1	0.9
Other operating income/expenses	9.3	11.8
Indirect expenses	-44.6	-44.1
Result from investments in joint ventures ¹⁾	8.0	7.9
Finance costs	-41.0	-41.6
Result from financial investments	7.5	7.2
Other adjustment ²⁾	4.3	3.4
FFO I (excl. Trading and pre taxes)	106.8	91.7
Trading result	13.6	9.4
Result from the sale of investment properties	32.1	23.3
Result from sale of joint ventures	0.9	0.9
At-Equity result property sales	0.1	3.9
Result from property sales	46.7	37.6
Other financial results	0.0	0.0
Current income tax	-16.3	-10.1
current income tax of joint ventures	-1.7	-1.6
Other adjustments	-14.3	-3.9
Other adjustments FFO II ³⁾	48.6	0.0
FFO II	169.7	113.7

¹⁾ Adjustment for real estate sales and non-sustainable results

²⁾ Adjustment for other non-sustainable results

³⁾ Includes the sale of Tower 185 in Frankfurt and AVA-Hof in Salzburg (closed in January 2018)

BALANCE SHEET ANALYSIS

Assets

As at the balance sheet date, long-term assets amounted to € 4,047,393 K (84.9% of total assets). The growth of investment property assets on balance sheet to € 3,155,677 K (€ 2,923,676 K in 2016) was among other factors driven by the acquisition of the Warsaw Spire B office complex in Warsaw.

The balance sheet item 'Property assets under development' increased by 33.8% to € 579,274 K compared to 31 December 2016, mainly due to construction progress on active development projects. Total property assets (investment properties, hotels and other properties used for own purposes, property assets under development and property assets held as current assets) amounted to € 3,859,875 K on the key date, hence up on the level for the end of 2016 (€ 3,424,269 K).

The net assets of joint ventures are shown in the balance sheet item 'Investments in joint ventures', which stood at € 207,182 K on the key date (€ 191,369 K in 2016).

Cash and cash equivalents stood at € 383,512 K on the balance sheet date, mostly at the level for 31 December 2016 (€ 395,088 K).

Liabilities**Equity**

At year end, the Group's equity stood at € 2,398,510 K, 8.8% up compared to € 2,204,541 K on 31.12.2016. Aside from the result for the period of € 234,854 K, this also reflects the payment of a dividend (€ -60,691 K) and the acquisition of own shares (€ -4,034 K). As at 31 December 2017, the negative valuation result of these cash flow hedges recognised in equity stood at € -842 K.

Since the start of the year, the Group's total assets have increased by around 10.7% to € 4,768,653 K (31 December 2016: € 4,309,138 K). Despite the increase in assets, the equity ratio of 50.3% as at the key date remained stable and within the strategic target range (31.12.2016: 51.2%).

Interest-bearing liabilities

As at the key date, interest-bearing liabilities amounted to € 1,753,089 K, 12.0% above the previous year's value of € 1,565,639 K. Net debt (interest-bearing liabilities less cash and cash equivalents) increased from € 1,167,656 K in the previous year to € 1,368,604 K. Gearing (ratio of net debt to shareholders' equity) was 57.1% at year end (31.12.2016: 53.0%). Year on year, the loan-to-value ratio (financial liabilities less cash and cash equivalents to property assets) stood at 35.5% after 34.2% in 2016.

100% of interest-bearing financial liabilities are in euros. CA Immo has a comprehensive interest rate hedging strategy to hedge against interest rate risk; for more details, see the section on 'Financing'.

KEY FINANCING FIGURES

€ m	2017	2016
Shareholders' equity	2,398.5	2,204.5
Long-term interest-bearing liabilities	1,684.2	1,412.6
Short-term interest-bearing liabilities	68.9	153.0
Cash and cash equivalents	-383.5	-395.1
Restricted cash	-1.0	-2.9
Net debt	1,368.6	1,167.7
Equity ratio	50.3	51.2
Gearing	57.1	53.0
Loan to Value (Net)	35.5	34.2
EBITDA/Net interest expenses ¹⁾ (factor)	5.2	4.3

¹⁾ Net interest expenses: Finance costs minus Result from financial investments

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: SHORT VERSION

	€ m	2017 in %	€ m	2016 in %	Change in %
Properties	3,740.5	79	3,363.4	78	11
Investments in joint ventures	207.2	4	191.4	5	8
Intangible assets	6.7	0	8.2	0	-18
Financial and other assets	91.0	2	95.3	2	-4
Deferred tax assets	2.0	0	1.6	0	30
Long-term assets	4,047.4	85	3,659.8	85	11
Assets held for sale and relating to disposal groups	40.1	1	26.8	1	50
Properties held for trading	79.3	2	34.1	1	>100
Receivables and other assets	100.7	2	91.8	2	10
Securities	117.7	2	101.6	2	16
Cash and cash equivalents	383.5	8	395.1	9	-3
Short-term assets	721.3	15	649.3	15	11
Total assets	4,768.7	100	4,309.1	100	11
<i>Shareholders' equity</i>	<i>2,398.5</i>	<i>50</i>	<i>2,204.5</i>	<i>51</i>	<i>9</i>
Shareholders' equity as a % of total assets	50.3%		51.2%		
Long-term interest-bearing liabilities	1,684.2	35	1,412.6	33	19
Short-term interest-bearing liabilities	68.9	2	153.0	3	-55
Other liabilities	325.7	7	299.0	7	9
Deferred tax assets	291.3	6	240.0	6	21
Total liabilities and shareholders' equity	4,768.7	100	4,309.1	100	11

Net asset value

NAV (shareholders' equity) stood at € 2,398,510 K on 31 December 2017 (€ 25.73 per share) against € 2,204,541 K at the end of 2016 (€ 23.60 per share); this represents an increase per share of 9.0%. Aside from the annual result, the change reflects the other changes to equity outlined above. Adjusted to account for the dividend payment of € 60,691 K and 0.65 € per share, the growth in EPRA NAV per share for business year 2017 was 11.8%.

The table below shows the conversion of NAV to NNNNAV in compliance with the best practice policy recommendations of the European Public Real Estate Association (EPRA). The EPRA NAV was € 29.90 per share as at the key date (2016: € 26.74 per share). The EPRA NNNNAV per share after adjustments for financial instruments, liabilities and deferred taxes, stood at € 27.13 per share as at 31 December 2017 (€ 24.56 per share in 2016). The share buyback programme has slightly reduced the number of shares outstanding to 93,226,282 on the key date (93,405,017 on 31.12.2016).

NET ASSET VALUE (NAV AND NNNNAV AS DEFINED BY EPRA)

€ m	31.12.2017	31.12.2016
Equity (NAV)	2,398.5	2,204.5
Exercise of options	0.0	0.0
NAV after exercise of options	2,398.5	2,204.5
NAV/share in €	25.73	23.60
Value adjustment for ¹⁾		
- Own used properties	6.3	6.0
- Short-term property assets	89.0	39.9
- Financial instruments	0.8	3.2
Deferred taxes	292.7	243.9
EPRA NAV after adjustments	2,787.3	2,497.5
EPRA NAV per share in €	29.90	26.74
Value adj. for financial instruments	-0.8	-3.2
Value adjustment for liabilities	-41.8	-24.2
Deferred taxes	-215.9	-175.7
EPRA NNNNAV	2,528.8	2,294.4
EPRA NNNNAV per share in €	27.13	24.56
Change of NNNNAV against previous year	10.4%	8.3%
Price (31.12.) / NNNNAV per share -1	-4.9	-28.9
Number of shares excl. treasury shares	93,226,282	93,405,017

¹⁾ Includes proportionate values from joint ventures

OUTLOOK

LIKELY DEVELOPMENTS AND THE MAIN OPPORTUNITIES AND RISKS

Many forecasts point to positive economic development in Europe in the years 2018 and 2019, which has picked up pace in recent quarters. We believe the general conditions on the relevant CA Immo's core markets should remain conducive to business. With the environment in Germany remaining fundamentally strong, core markets in Eastern Europe are also reporting clear growth trends. The financing and interest environment will continue to define the real estate sector in 2018.

Strategy

Following successful implementation of the strategic programme for 2012-2015, the subsequent strategic agenda for 2015-2017 was also implemented successfully. In 2017 CA Immo largely concluded the sales of non-strategic properties as well as its wide-ranging optimisation of the financing structure; together with a further reduction in average financing costs, this has significantly enhanced the robustness of the financing profile. The pool of unmortgaged properties has been significantly expanded while the average term of financial liabilities and the interest rate hedging ratio have both risen substantially.

Critical growth momentum was also secured through dynamic realisation of the development pipeline and acquisition of the prime Warsaw Spire B office building in the Polish capital. As in the previous year, the strategic focus for 2018 will again be firmly on raising value through expansion of the CA Immo portfolio within defined core markets. The main aim will be to continuously raise the profitability of the CA Immo Group over the long term. For more information and details, please refer to the „Strategy“ section.

Development

The development of high quality core office properties on the core markets of CA Immo as a driver of organic growth, especially in Germany, will remain critically important in the business years ahead in terms of the company's growth strategy. In 2018 the office development projects KPMG (Berlin), ViE (Vienna) and Orhideea Towers (Bucharest) are scheduled for completion and will be incorporated in the investment portfolio. Rheinallee III (Mainz), Baumkirchen WA3 (Munich) and Laendyard Living (Vienna), projects earmarked for sale, will also be completed and handed over to the buyers. Further rapid

progress will also be made on development projects under construction.

Moreover, dates for the commencement of construction work will quickly be assigned to development projects at the preparation stage. At present, this applies, amongst others, to several residential projects, which are achievable on existing land reserves earmarked for residential units. For more information and details, please refer to the “Strategy”, ‘Project development’ and “Development potential” section.

Rental business

In like-for-like comparison, rental levels are expected to be generally stable across the portfolio. The increase in rent from the Warsaw Spire B office complex acquisition in Warsaw should more than make up for losses of rent linked to finalised sales of fully consolidated non-strategic properties as part of portfolio optimisation. The level of portfolio utilisation, which has risen steadily over recent years, is expected to be stable.

Financing

The environment for refinancing from expiring project financing of the CA Immo Group is still assessed as positive. In the property development area, we also expect the availability of bank financing under competitive conditions to remain healthy on our core market of Germany. Thanks to a significant rise in the interest rate hedging ratio in 2017 to over 90% on the key date, the robustness of the Group's cash flow is assured, even in the event of rising interest rates. For more information and details, please refer to the ‘Financing’ section.

Key factors that may influence our business plans for 2018 include:

- Economic developments in the regions in which we operate and their impact on demand for rental premises and rental prices (key indicators comprise GDP growth, unemployment and inflation).
- The general progression of interest rates.
- The financing environment as regards availability and the cost of long-term financing with outside capital and, accordingly, the development of the market for real estate investment, price trends and their impact on the valuation of our portfolio. The speed at which planned development projects are realised will also depend largely 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.

FINANCIAL PERFORMANCE INDICATORS

The strategic focus of business activity at CA Immo is the long-term increase in the value of the company. This is supported by key financial performance indicators which are important tools to identify the factors that contribute to the sustained increase in enterprise value and quantifying those factors for the purposes of value management.

The primary financial performance indicator is the net income generated with the money shareholders have invested (**return on equity** or RoE). The aim is to produce a figure higher than the calculatory cost of capital (assuming a medium-term rate of around 7.0%), thus generating shareholder value. At 10.2% in 2017 (2016: 8.5%), this figure was above the target value. Mit der Umsetzung of the Strategy programme 2015-2017, the ground was prepared for generating a return on equity over the long term, and one that exceeds the cost of equity (see the "Strategy" section).

The other quantitative factors used to measure and manage our shareholders' long-term return include the change in NAV per share, operating cash flow per share, and Funds from Operations (FFO I and FFO II) per share (please refer to the table "Balance Sheet" and "Key Figures per Share" in the flap of the annual report).

FFO I, a key indicator of the Group's long-term earning power, is reported before taxes and adjusted for the sales result and other non-permanent effects. For business year

2017 the FFO I target was defined as >€100 m (>€1.05 per share); this was achieved with actual values of €106.8 m or €1.14 per share. FFO II, which includes the sales result and applicable taxes, is an indicator of the overall profitability of the Group.

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

The **key performance indicators of operational property business** are as follows:

- The **vacancy rate** indicates the quality of the portfolio and the success in managing it. With an occupancy rate of 95.2%, CA Immo is above market average.
- The **quality of a location** and its infrastructure are critical to the marketability of properties. The majority of CA Immo office properties are situated in CBD- or central business locations of Central European cities.
- Sustainability Certificate**: As at reporting date, 74%¹⁾ of the CA Immo office portfolio is certified according to LEED, DGNB or BREEAM standard (please refer to section Sustainability).
- Local presence** and market knowledge: CA Immo has branch offices on its core markets to ensure efficient management and tenant retention

¹⁾ Basis: Book value, office properties with a portfolio value > € 10 m

EMPLOYEES

Stable employee structure

As at 31 December 2017 the number of international employees totaled 378¹⁾ employees across the Group (31.12.2016: 363²⁾). Germany is CA Immo's core market for staff with around 47% working here, followed by Eastern Europe (27%) and Austria (21%). 85 employees worked for the wholly owned specialist construction subsidiary omniCon, including 19 staff members of the omniCon branch in Basel, which was founded in 2014.

Branch offices on core markets

CA Immo has head offices in Vienna, from where the company also oversees local branch offices in Frankfurt, Berlin and Munich as well as Budapest, Warsaw, Prague, Bucharest and Belgrade. The branch offices employ regional staff at both employee and managerial level; new appointments are made by agreement with local branch managers and the Group's Human Resources department.

Employee profit sharing scheme

CA Immo envisages variable profit sharing for all employees linked to the attainment of budgeted annual targets and positive consolidated net income. Managerial staff have the additional option of participating in a long term incentive programme. This employee participation model takes account of mid- to long-term value creation at CA Immo, which is measured in terms of growth in NAV (net asset value), TSR (total shareholder return) and growth in FFO (funds from operations). For full details, refer to the remuneration report.

KEY ASPECTS IN HUMAN RESOURCES MANAGEMENT

Promoting personal career paths, establishing and enhancing professional expertise and management skills, team building measures, organisational development and company health promotion are the cornerstones of human resource management at CA Immo.

Training and supporting young talents

The CA Immo Academy offers training and modular courses in the three core areas of professional expertise, social skills and health. Since 2016, CA Immo closely cooperates with the International Real Estate Business School (IREBS) at Regensburg university; where CA Immo staff members continuously participate in courses. Moreover, CA Immo provides specific support for international best practice exchange among employees. Under the project FIRE (Focus International Relation Experience) working groups were held also in 2017, aiming at exchanging innovations, international networking and internal promotion of young talents ("Fit for Future").

Fit2Work: Health and Efficiency in everyday office life

The fit2work project ensures promoting and maintaining employees' capacity to work and performance levels. Appropriate Trainings and tutorials are offered to staff members in order to minimise health risks.

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP ³⁾

	31.12.2017		31.12.2016		Change		Joining / Leaving	Fluctuation rate ⁴⁾ in %
	Total employees (Headcounts)	Thereof women in %	Total employees (Headcounts)	absolute	in %			
Austria	81	56	77	4	5	15/7	19,7	
Germany/Switzerland ⁵⁾	195	41	180	15	8	33/15	17,4	
Eastern Europe	102	78	106	-4	-4	5/8	4,8	
Total	378	54	363	15	4	53/30	14,3	

³⁾ Includes employees on a leave of absence; excludes 12 headcounts of joint venture companies ⁴⁾ Fluctuation rate: workforce attrition x 100 / average number of employees ⁵⁾ At the end of 2017, 19 local employees were employed at the branch of wholly owned CA Immo construction subsidiary omniCon in Basel, which was founded in 2014

¹⁾ Of which around 9% are part-time staff; including 18 employees on unpaid leave across the Group.

²⁾ Of which around 10% are part-time staff; including 18 employees on unpaid leave.

AVERAGE ABSENCES FROM WORK BY REGIONS

in days		Vacation	Illness ¹⁾	Qualification
Austria	Women	19	5	3
	Men	20	3	3
Germany	Women	27	11	3
	Men	29	6	3
Eastern Europe	Women	20	7	2
	Men	20	3	3

¹⁾ Excludes one long-term sick leave case in Austria. Including this long-term sick leave, the average of sick leaves of women in Austria would be 11 days.

Safety at work

CA Immo employees on construction sites received regular safety guidance along with health and safety plans. The safety of subcontractor staff has to be ensured by the subcontractor companies. A total of three accidents on the way to or from work were reported in Germany during reporting year 2017, resulting in absences of not longer than one month in each case. No other serious occupational injuries¹⁾, illnesses or absences by CA Immo employees were reported in 2017.

The corporate governance report contains details on measures aimed at **advancement of women** and **reconciling professional and family life**.

PERSONNEL DISTRIBUTION BY AGE AND CATEGORIES (Total: 378 employees)¹⁾Employees ²⁾

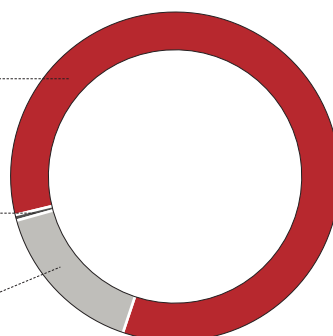
312 employees	<28	29–48	49<
F	7 %	43 %	11 %
M	3 %	24 %	12 %

Management Board

2 employees	<28	29–48	49<
F	0 %	0 %	0 %
M	0 %	50 %	50 %

Executives ³⁾

64 employees	<28	29–48	49<
F	0 %	22 %	1 %
M	2 %	44 %	31 %



¹⁾ Excludes 12 employees (as at 31 December 2017) of the Joint Venture companies.

²⁾ thereof 1 % with handicap.

³⁾ Executives include Group Managers, Managing Directors of the regional offices, heads of departments, divisional heads, team leaders.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2018:

On 28 February 2018 IMMOFINANZ AG, which is a 26% shareholder in CA Immo, announced to further suspend detailed discussions over a possible merger between both companies for the time being and to evaluate other strategic options, among others, the possible sale of its CA Immo investment. For details, please see the Investor Relations chapter.

On 22.3.2018 SOF-11 Starlight 10 EUR S.à r.l., Luxembourg, an affiliate of Starwood Capital Group ("Starwood"), made an announcement pursuant to Sec 5 para 3 Austrian Takeover Act ("ATA"), that it decided to launch a **voluntary public takeover offer** pursuant to article 4 et seq ATA to the shareholders of CA Immobilien Anlagen AG. The takeover offer to the shareholders of CA Immo is aimed at acquiring up to 25,690,167 bearer shares of CA Immo (ISIN AT0000641352) representing up to 26.00% of the overall issued bearer shares of CA Immo. The shareholders of CA Immo are offered an offer price of € 27.50 per CA Immo share on a cum dividend basis. The completion of the takeover offer for CA Immo will be

¹⁾ Serious injuries are defined as those requiring the employee to consult a doctor

subject to the following offer conditions: (i) merger control clearance; (ii) no material adverse change at CA Immo including but not limited to merger, spin-off or split; and (iii) no consent by CA Immo management to transfer the four registered shares.

Share buyback

By the publication date in March 2018, further 197,983 shares had been acquired in course of the share buy-back programme.

Sales

In January 2018 the closing of the sale of the office high-rise Tower 185, which was held by a joint venture, as well as the closing of the sale of a subsidiary with a property in Salzburg (AVA-Hof) took place.

Project development

In January, CA Immo completed the first construction phase of the residential project Laendyard (Wohnbau Süd) in Vienna and handed over 220 rental apartments to the investor ESTRELLA Immobilien Invest AG.

RESEARCH AND DEVELOPMENT

Technological and social change continues to transform the office environment and the knowledge-based economy. To develop office properties today in such a way that they can be efficiently and profitably managed in future, CA Immo monitors changes to working processes and corporate requirements in terms of premises; at the same time, it trials new technical solutions along with space and building concepts on selected development projects. Current examples of this approach include **cube berlin** – a fully digitised structure with artificial intelligence ('brain').

In the course of theoretical and practical research activity, CA Immo maintains partnerships with other companies and research institutions. For example, CA Immo is a **partner to the Office 21 joint research project of the Fraunhofer IAO Institute** (www.office21.de). The current research phase extending from 2016 to 2018 is focused on the success factors in creating a working environment that promotes innovation while linking analyses of best practice to pertinent research findings.

CA Immo continues to collaborate with **RWTH Aachen, Germany's largest technical university**, for the cube berlin testing laboratory. Here the latest technologies for

cube, the smart building project in Berlin, are tested and developed.

CA Immo actively participates in the main platforms for the real estate sector through cooperation agreements and memberships of such bodies as the **Urban Land Institute (ULI)**, the **German Property Federation (ZIA)**, the **German Sustainable Building Council** and its Austrian equivalent the **Austrian Society for Sustainable Real Estate (ÖGNI)**. In this way we can influence the development of the sector while contributing to research into sustainable urban and structural development.

The aim of these pilot projects and research activity is to influence the market by presenting innovative offers. We ensure the long-term competitiveness of the company by developing innovative new office properties, drawing on our own findings and applying external best practice in the process.

EPRA REPORTING

To enhance transparency and facilitate comparisons with other listed property companies, CA Immo publishes a range of key performance measures pursuant to EPRA ("European Public Real Estate Association"), the leading interest body for listed property companies, standards. These figures may differ from the values reported under IFRS guidelines. CA Immo applies the latest version of EPRA's "Best Practices Recommendations" for the figures stated. These recommendations are available on the EPRA website (<http://www.epra.com/regulation-and-reporting/bpr/>).

EPRA KEY PERFORMANCE MEASURES ¹⁾

		31.12.2017
EPRA NAV	€ m	2,787.3
EPRA NAV per share	€	29.90
EPRA NNNAV	€ m	2,528.8
EPRA NNNAV per share	€	27.13
EPRA Net Initial Yield	%	5.2
EPRA "topped-up" Net Initial Yield	%	5.2

¹⁾ Key figures include fully consolidated real estate (wholly owned by CA Immo) and real estate in which CA Immo holds a proportionate share (at equity)

RISK REPORT



RISK MANAGEMENT AT CA IMMO

To ensure the success of CA Immo as a business over the long term and enable the company to meet its strategic objectives, effective management of new and existing risks is essential. A commensurate measure of risk must be accepted if we are to utilise market opportunities and exploit the potential for success they hold. For this reason, risk management and the internal monitoring system (IMS) deliver an important contribution to the Group's corporate governance (defined as the principle of responsible management).

Strategic alignment and tolerance of risk

The Management Board, with the approval of the Supervisory Board, defines the strategic direction of the CA Immo Group as well as the nature and extent of risks the Group is prepared to accept in pursuit of its strategic objectives. The Risk Management division supports the Management Board in assessing the risk environment and the development of potential strategies to raise long-term shareholder value. An internal risk committee comprising representatives of all departments and the Management Board was also set up in 2017; the committee meets

quarterly. The purpose of the committee is to further secure the assessment of the Group's risk situation across departmental boundaries regularly as well as the introduction of measures as necessary. The aim of this is to ensure the company adopts the best possible direction from the alternatives available. CA Immo evaluates the opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company incorporates early warning indicators such as rent forecasts, vacancy analyses, continual monitoring of lease agreement periods and the possibility of terminations; construction costs are also tracked during project implementation. Scenarios are envisaged regarding the value trend for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions. The company also evaluates specific risks at regular intervals (most recently in 2017), focusing on content, effect and likelihood of occurrence. The Management Board uses this data as the basis for determining the severity and type of risks that it regards as acceptable in pursuing its strategic objectives. Strategies adopted by the Management Board are incorporated into the Group's three-year planning; this assists the Group in communicating its willingness to take risks and its expectations both internally and externally.

The risk policy of CA Immo is defined by a range of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is obligatory at all levels of the company. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all levels, decisions are subject to the dual verification principle. Internal Auditing, an independent division, checks operational and business processes, appointing experts from outside as necessary; it acts independently in reporting and evaluating the audit results.

KEY FEATURES OF THE INTERNAL MONITORING SYSTEM (IMS)

CA Immo's internal monitoring system covers all principles, procedures and measures designed to ensure the effectiveness, cost-effectiveness and correctness of accounting as well as compliance with relevant legal regulations and company guidelines. The IMS is integrated into individual business processes, taking account of management processes. The objectives of the IMS are to preclude and expose errors in accounting and financial reporting, thus enabling amendments to be introduced in good time. Transparent documentation makes it possible to depict processes of accounting, financial reporting and audit activity. All operational areas are incorporated into the financial reporting process. Competent local management teams are responsible for implementing and monitoring the IMS; the managing directors of the subsidiaries are required to perform self-checks in order to assess and document compliance with monitoring measures. The effectiveness of the IMS is regularly assessed by the Group Auditing department and the cost-effectiveness of business processes is continually evaluated. The results of these assessments are reported to the responsible executive boards, the full CA Immo Management Board and (at least once a year) the audit committee. The proper functioning of the risk management system is evaluated annually by the Group auditor in line with the requirements of C Rule no. 83 of the Austrian Corporate Governance Code. The results are reported to the Management Board and the audit committee.

STRATEGIC RISKS

CA Immo defines strategic risk as the danger of unexpected losses that can result from management policy decisions on the direction taken by the company. These risks generally arise from unexpected changes in the macroeconomic market environment.

The Federation of German Industries (BDI), for example, is warning that businesses will be exposed to increasing global risks in 2018 that could curtail economic progress despite faster growth rates. The biggest threats emanate from China, the USA and the United Kingdom, the three main trading partners. At its annual conference on national and sector-specific risks, credit insurer Coface¹ identified overheating in developed nations, the Chinese banking sector and social instability in emerging markets as the three greatest threats in 2018.

The global **financial market and economic crisis** and the sovereign debt crisis (especially in the eurozone) have in the past had a significant negative impact on the asset, financial and revenue positions of CA Immo. Another future crisis could have highly adverse consequences for CA Immo. Although capital market experts at Deutsche Bank are predicting in their Capital Markets Outlook 2018 that the global economy will continue to expand solidly this year as US monetary policy gradually returns to normal, they also point to potential economic dangers. In particular, spiralling inflation could force central banks to abandon their zero interest rate policy faster than planned, with correspondingly adverse effects on economic development around the world. In their view, 2018 will be defined by two market-influencing factors: the strong global economy on the one side and the central banks on the other, who will need to ensure a smooth transition to a less expansive monetary policy.

Although the economic environment remains characterised by low interest rates and relatively high property portfolio valuations, the possibility of an **interest rate rise** negatively affecting the real estate market – and thus property valuations and the disinvestment plans of CA Immo – cannot be discounted. Acquiring equity and loan capital could become significantly more difficult, making expansion plans impossible or only partially feasible.

Moreover, the effects of the relaxed **monetary policy** pursued by central banks over recent years cannot be foreseen at present. A further extension to expansive monetary policy could give rise to financial instability, resulting in asset and financial bubbles that would adversely impact economic growth.

The possible reintroduction of national **currencies** by individual eurozone members would also have grave consequences for the economies and financial markets of Europe. Finally, the departure of other nations from European currency union could lead to a complete collapse of the monetary system.

Geopolitical risks and unexpectedly strong inflationary developments could also slow the upturn in 2018, with potentially negative effects for the capital market. Where properties are concentrated too strongly in a single region, these factors can also have a considerable influence on the profitability of the CA Immo Group. Although the positive political and economic developments of last year have tempered the risk in certain regions, fresh geopolitical friction must be borne in mind. The boom of 2017 continues unabated thanks to the robust development of the global economy and anticipated tax reforms in the USA. In Japan, the triumph of the LPD party in parliamentary elections delivered a boost to Abenomics while in China, President Xi Jinping consolidated his reform project by defining its direction in more detail. At the same time, however, new geopolitical frictions have surfaced. Problem areas include further destabilisation in the Middle East. Any escalation of tension would have an effect on oil prices, while political factors could also heighten investment risk. North Korea may continue to be a source of problems: while it is clear that China and the USA are seeking a joint solution, the foreign policy direction of North Korea is unforeseeable. Within the eurozone, Brexit and the U.S. trade war could have an underappreciated effect on financial markets. There will also be a focus on Germany, where the difficult process of setting up a governing coalition have brought political life to a standstill.

Many of these risks are not actively manageable. CA Immo has a range of precautions in place to minimise the risk.

¹⁾ Coface handbook: Country & Sector Risks 2018.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment and composition of the portfolio

The real estate market is determined by macroeconomic development and demand for properties. Economic instability and restricted access to loan capital and equity-based financing can lead to business partners opting out. Where the liquidity of the real estate investment market is insufficient, there is a risk that sales of individual properties with a view to strategically adjusting the real estate portfolio may prove impossible or only possible under unacceptable conditions. The general market environment continues to pose the danger of starting yields for commercial real estate being adjusted upwards. Many factors that can lead to unfavourable developments are outside of CA Immo's control. These include changes to available income, economic output, interest rates and tax policy. Economic growth, unemployment rates and consumer confidence also influence supply and demand levels for real estate at a local level. This can affect market prices, rents and occupancy rates while adversely affecting the value of properties and associated income. For this reason, highly negative effects on earning power and property valuations cannot be ruled out. Given the continuing urbanisation trend world-wide, residential property markets in conurbations remain attractive. This applies to Germany, CA Immo's largest core market, where supply cannot keep pace with rising demand in many major cities. In the commercial property sector, according to experts, office premises in global metropolitan regions could benefit from the increasing importance of the service sector. However, property values depend not just on the development of rental rates, but also real estate starting yields. The historically high price of property investment is combining with low real estate yields to create risks to the value of properties in the CA Immo portfolio. The possibility of an increase in general interest rates forcing property yields up and values down cannot be ruled out.

CA Immo counters **market risk** by spreading its portfolio across various countries. CA Immo counters **country-specific risk** by concentrating on defined core regions through local subsidiaries with their own on-site staff, and through appropriate regional allocation within those core markets. Market knowledge, continual evaluation of strategy and monitoring of the portfolio and purposeful portfolio management in the context of strategic decision-making (e.g. defining exit strategies, medium-term planning of sales) enable the company to respond quickly to

economic and political events. CA Immo negates **transfer risk** by repatriating liquid assets from investment markets with a low credit standing.

Active portfolio management is aimed at minimising **concentration risk**. In the wake of numerous sales over the past few years (sale of the Hesse portfolio and non-core properties, and especially the logistics portfolio, and more recently shares in Tower 185 in Frankfurt), regional distribution in the portfolio is approaching the desired levels of up to 20% for Austria and apart from that an equal proportion of Germany and Eastern Europe. Germany remains the biggest single market of CA Immo, accounting for a share of 47%. The aim here is to maintain property assets of €250-300 m per core city to uphold consistent market relevance. For **single investments**, CA Immo defines concentration risk as a limit value of 5% of the total portfolio. The only properties in this category at present are Tower 185 (closing of the sale in January 2018) and the Skygarden office building in Munich. The concentration risk in respect of **single tenants** is manageable. As at 31 December 2017 present, the top 10 tenants were generating some 22% of rental revenue. With an approximate share of 6% of total rental income, PricewaterhouseCoopers was the biggest individual tenant in the portfolio on the balance sheet date; the sale of Tower 185 will reduce this share to around 3%. **Land reserves** and **land development projects** also present specific risks owing to the high capital commitment and absence of steady cash inflows; however, they also offer considerable potential for value increases through the securing or enhancement of building rights. Risks are regularly reduced via the sale of non-strategic land reserves. The acquisition of building rights on remaining land will be accelerated through the company's own capacity. The development volume is indicated at approximately 15% of the equity of the CA Immo Group.

Political and economic trends in the countries in which CA Immo is active also have a significant impact on **occupancy rates** and rent losses. The earning power and market value of a property is adversely affected where the Group is unable to extend a rental agreement due to expire under favourable conditions or find (and retain for the long term) suitably solvent tenants. The creditworthiness of a tenant, especially during an economic downturn, may diminish over the short or medium term, which can affect rental revenue in turn. In critical situations, the Group can opt to cut rents in order to maintain an acceptable occupancy rate. Through careful monitor-

ing and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the Group's **loss of rent risk** has settled at the low level of under 1% of rental income. At present, most outstanding rental payments relate to Eastern Europe. All outstanding receivables are evaluated quarterly and adjusted according to the associated level of risk; around 20% of outstanding receivables are adjusted on average. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Many of the Group's lease agreements contain stable value clauses, usually taking account of consumer price indices for particular countries. The level of revenue from such rental contracts and new lettings depends heavily on the inflation trend (**sustainable value risk**).

Competition for reputable tenants is intense on the lettings market; rent levels are coming under pressure on many markets. To remain attractive to tenants, CA Immo could be forced to accept lower rental rates. Moreover, incorrect assessments of the attractiveness of **locations** or potential **usages** can make lettings more difficult or significantly impair desired lease conditions.

The Group's portfolio also includes **special asset classes** such as shopping malls, specialist retail centres and hotels whose operation involves certain risks. Poor running of the centre, inadequate corporate management of tenants, declining footfall and increasing competition can force rental rates down and lead to the loss of key tenants, which leads to rent losses and problems with new lettings. For this reason, the Group's earnings situation also depends on the quality of hotel management and the development of hotel markets.

Risks associated with the project development area

Costs are generally sustained at the early stages of real estate development projects; revenue is not generated until the later phases of a project. Many development projects may be associated with **cost overruns** and **delays** in completion that are frequently caused by factors beyond the control of CA Immo. This can adversely affect the economic viability of individual projects and lead to **contractual penalties** and **compensation claims**. If no suitable tenants are found, this can produce vacancy after completion. CA Immo takes various steps to keep such risks largely under control (cost monitoring, variance

analyses, long-term liquidity planning and so on). With few exceptions, projects are only launched subject to appropriate pre-letting.

Saturation of the construction industry, especially in Germany – the core market for CA Immo's development projects – presents risk to the company as regards the (on time) availability of construction services and the level of building costs. Last year saw a massive rise in **construction costs** driven by high demand. Rates for constructing a conventional residential building in Germany, for example, rose by 3.4% between November 2016 and November 2017. According to the Federal Statistical Office (Destatis), this was the steepest rise in construction prices for 10 years (November 2007: +5.8%). Between August 2017 and November 2017, construction prices expanded by 0.7%. With the construction volume in Germany likely to remain high, further rises in building costs cannot be ruled out; this in turn would create risks to budget compliance and overall project success. Projects currently in progress are generally on time and within the approved budget; they are continually evaluated as regards current cost risks.

Risks from sales transactions

Sales transactions can give rise to risks linked to contractual agreements and assurances. These might relate to **guaranteed** income from rental payments, and can subsequently reduce purchase sums agreed or received. Sufficient financial provisions have been made in response to recognised risks to revenue from transacted sales, and liquidity risk is considered in liquidity planning. Contractual obligations in the form of follow-on costs (e.g. residual construction work) form part of relevant project cost estimates.

Environmental risks

Environmental and safety regulations serve to standardise active and latent obligations to remediate contaminated sites, and complying with these provisions can entail considerable investment expenses and other costs. These obligations may apply to real estate currently or formerly owned by CA Immo, or currently or formerly managed or developed by the company. In particular, the provisions cover **contamination** with undiscovered harmful materials or noxious substances, munitions and other environmental risks such as soil pollution, etc. Several regulations impose sanctions on the discharge of emissions into air, soil and water: this can make CA Immo **liable** to third parties, significantly impact the sale and letting of affected properties and adversely affect the generation of rental revenue from such properties.

Natural disasters and extreme weather conditions can also cause considerable damage to real estate. Unless sufficient **insurance** is in place to cover such damage, this can have an adverse impact. To minimise the risk, CA Immo incorporates these considerations into its assessments prior to every purchase and appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification: in this way, stringent specifications regarding green buildings and sustainability are satisfied while the usage of environmentally unsound products is also ruled out.

GENERAL BUSINESS RISKS

Operational and organisational risks

Weaknesses in the CA Immo Group's **structural and process organisation** can lead to unexpected losses or additional expenditure. This risk can arise from shortcomings in **EDP** and other **information systems** as well as human error and inadequate internal inspection procedures. Flawed program sequences as well as automated EDP and information systems pose a significant operational risk where their type and scope fail to take account of business volumes or they are vulnerable to cybercrime. Human risk factors include an insufficient understanding of corporate strategy, inadequate internal risk monitoring (and especially business process controls) and excessive decision-making authority at an individual level, which can also lead to unconsidered actions or a proliferation of decision-making bodies that hinder flexible responses to

changes in the market. Moreover, some real estate management tasks and other administrative duties are outsourced to third parties outside the company. In the process of transferring administrative tasks, it is possible that knowledge of managed properties and administrative processes can be lost, and that CA Immo could prove incapable of identifying and contractually committing suitable service providers within the necessary timeframe. The **expertise** possessed by a company and its workforce constitutes a significant competitive factor and a unique point of distinction over competitors.

CA Immo takes various measures to counter these risk factors. In the case of corporate mergers (e.g. the former Vivico and Europolis), CA Immo observes structured processes of organisational integration. Process organisation (i.e. system/process integration) is firmly established; activities to ensure the long-term implementation of operational processes are ongoing. The Group structure is regularly scrutinised and examined to ensure predefined structures take account of the size of the company. CA Immo counters risks linked to individual expertise (which can arise with the resignation of key knowledge holders) through regular transfers of knowledge (in training courses) and by documenting know-how (in manuals, etc.) as well as far-sighted staff planning.

Legal risks

In the course of normal business activity the companies of the Group become involved in **legal disputes**, both as plaintiffs and as defendants. Such cases are heard in various jurisdictions. In each case, different procedural law means that competent courts are not always equally efficient; moreover, in certain cases the complexity of issues in dispute can make for protracted proceedings or lead to other delays. CA Immo believes it has made sufficient financial provisions for legal disputes. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are imminent or pending. As publicly announced, CA Immo has become a private party to the BUWOG criminal proceedings (privatisation of state residential construction companies in 2004) with preliminary damages of €200 m. However, the existence of any claims largely depends on the factual circumstances and the outcome of proceedings.

It is not possible to predict changes to **legal provisions**, case law and administrative practice or their impact on business results; such changes may adversely affect real estate values or the cost structure of the CA Immo Group.

Organised crime, and particularly fraud and extortion, is a general risk to commercial activity. Many countries continue to perform very poorly in combating **corruption**. Such illegal activity can lead to considerable financial repercussions and negative publicity.

Taxation risk

For all companies, rental revenue, capital gains and other income is subject to income tax in the respective country. Important discretionary decisions must be taken regarding the level of tax provisions that need to be formed. The extent to which active deferred taxes are recognised must also be determined.

Subject to compliance with certain requirements, revenue from the sale of participating interests is fully or partially exempted from income tax. Even where a company's intention is to meet the requirements, passive deferred taxes are fully applied to property assets according to IAS 12.

Key assumptions must also be made regarding the extent to which deductible temporary differences and loss carry forwards are set off against future taxable profits, and thus the extent to which active deferred taxes can be recognised. Uncertainty arises regarding the amount and timing of future income and the interpretation of complex tax regulations. Where there is uncertainty over the application of income tax to business transactions, an assessment will be required as to whether or not the responsible tax authority is likely to accept the interpretation of the tax treatment of such transactions. On the basis of that assessment, the CA Immo Group enters the tax obligation as the most likely amount in case of doubt. Such doubt and complexity can mean that future tax payments are significantly higher or lower than the obligations currently assessed as probable and recognised in the balance sheet.

The CA Immo Group holds a large part of its real estate portfolio in Germany, where many complex tax regulations must be observed. In particular, these include (i) provisions on the transfer of hidden reserves to other assets, (ii) legal regulations on real estate transfer tax charges and the possible accrual of real estate transfer tax in connection with direct or indirect changes of control in German partnerships and corporations and (iii) the deduction of input taxes on construction costs in the case of development projects. The CA Immo Group makes every effort to ensure full compliance with all tax regulations. Nonetheless, there are circumstances (some of which are outside the CA Immo Group's control) such as changes to the shareholding structure, changes in legislation or changes in interpretation on the part of tax authorities and courts which could lead to the aforementioned taxation cases being treated differently, which in turn would influence the assessment of tax in the consolidated financial statements.

Partner risks

Since CA Immo undertakes a number of development projects as **joint ventures**, the company depends on the solvency and performance capability of partners to an extent; moreover, the Group is exposed to **credit risk** in respect of its counterparties. Depending on the agreement in question, CA Immo could also bear joint liability for costs, taxes and other third-party claims with its co-investors and, where a co-investor **opts out**, be forced to accept liability for their credit risk or share of costs, taxes or other liabilities.

FINANCIAL RISKS

Liquidity, investment and refinancing risk

(Re)financing on the financial and capital markets is one of the most important considerations for real estate companies. CA Immo requires loan capital to refinance existing loans and to finance development projects and acquisitions in particular. In effect, therefore, the company is dependent on the readiness of banks to provide additional loan capital and extend existing financing

agreements under acceptable terms. Market conditions for real estate financing are constantly changing. The attractiveness of financing alternatives depends on a range of factors, not all of which can be influenced by the Group (market interest rates, level of necessary financing, taxation aspects, required securities and so on). This can significantly impair the ability of the Group to raise the completion level of its development portfolio, invest in suitable acquisition projects or meet its obligations arising from financing agreements. Although the CA Immo Group has a sufficient level of liquidity as things stand, we must take account of restrictions at individual subsidiary level; access to cash and cash equivalents is limited owing to obligations to current projects and a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices lower than expected.

Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area. Where these requirements are violated or default occurs, the relevant contractual partners are entitled to accelerate financing and demand immediate repayment. This could impel the Group to sell real estate or arrange refinancing under unfavourable terms.

CA Immo has fluctuating stocks of cash and cash equivalents which the company invests according to its particular operational and strategic needs and objectives. In some cases, an **investment** may take the form of listed securities or funds, which are subject to a higher risk of loss. Sufficient equity capitalisation will be required for the company to retain its Baa2 investment grade (long-term issuer) **rating** (granted by Moody's in December 2015). The planned repayment of financial liabilities in Eastern Europe will expand the pool of unencumbered assets – a key criterion in the company's investment grade rating.

CA Immo counters risk of this kind by continually monitoring covenant agreements and effectively planning and securing liquidity. The financial consequences of strategic aims are also taken into account. To control liquidity peaks, the Group has secured a revolving overdraft facility at parent company level. This also ensures the Group

can meet unexpected cash flow requirements. To this end, various liquidity deployment measures have been identified and successfully implemented in some instances. The use of trading income to repay liabilities falling due in the next two years has had a highly positive effect on the **maturity profile**, which is now largely stable for the years ahead. In line with the investment horizon for real estate, loans are invariably agreed on a long-term basis. As an alternative and supplement to established means of (equity) capital procurement, the company enters into equity partnerships (joint ventures) at project level. Even with meticulous planning, however, liquidity risk cannot be eliminated, particularly where capital requests linked to joint venture partners are not viable. CA Immo Deutschland has a high capital commitment, which is typical in the case of development projects. Financing has been secured for all projects under construction; additional financing is required for new project launches.

Interest rate risk

Market-led fluctuations in the interest rate affect both the level of financing costs and the fair value of interest hedging transactions concluded. For financing purposes, CA Immo uses banks at home and abroad and issues corporate bonds, thereby opting for a mix of long-term fixed-rate and floating-rate loans. To hedge against impending **interest rate changes** and associated fluctuations in financing costs, greater use is made of derivative financial instruments (interest rate caps and swaps) in the case of floating-rate loans. Swaptions are also used to manage interest rate risk. However, hedging transactions of this kind may prove to be inefficient or unsuitable for achieving targets; they may also result in losses that affect earnings. Moreover, the **valuation of derivatives** can impact negatively on profits and shareholders' equity. The extent to which the Group utilises derivative instruments is guided by assumptions and market expectations in respect of the future interest level, and especially the 3 month Euribor rate. Should these assumptions prove incorrect, the result can be a significant rise in interest expenditure. Continual monitoring of the interest rate risk is therefore essential. No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all risks identified. Moreover, CA Immo is increasingly obtaining

finance from the capital market. Unsecured financing currently accounts for less than 10% of the total financing volume, including in the form of corporate bonds. Continually optimising the financing structure has served to improve the maturity profile and raise the quota of hedged financial liabilities while reducing average borrowing costs. The pool of unencumbered assets – a key factor in the company's investment grade rating – was also raised and the rating of CA Immo was consolidated. The financing profile has thus become more robust.

Currency risk

Since CA Immo is active on a number of markets outside the eurozone, the company is subject to various currency risks. Where rents are payable in currencies other than the euro on these markets and cannot be fully adjusted to current exchange rates in time, **incoming payments may be reduced** by exchange rate changes. Where expenses and investments are not transacted in euros, exchange rate fluctuations can impair the **payment capacity** of Group companies and adversely affect the Group's profits and earnings situation.

CA Immo generally counters such risk in that foreign currency inflows are secured by pegging rents to the euro; no significant and direct currency risk exists at present.

The pegging of rents affects the **creditworthiness of tenants** and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. This process is continually overseen by the responsible country coordinators. There is no currency risk on the liabilities side. Currency risks linked to construction projects are hedged according to need on a case-by-case basis, taking account of the currency underlying the order and lease agreement, likely exchange rate development and the calculation rate. Currency movements can also lead to fluctuating property values where funds are converted into currencies other than the euro for investors (exit risk).

FINANCIAL RISK MANAGEMENT

RISK	EFFECT	COUNTERMEASURE
<p>UNFORESEEABLE LIQUIDITY REQUIREMENT</p> <ul style="list-style-type: none"> - Lack of liquidity - Capital requests linked to joint venture partners not viable 	<ul style="list-style-type: none"> - Non-utilisation of opportunities - Distress sales - Insolvency 	<ul style="list-style-type: none"> - Continual analysis, planning and monitoring of liquidity - Optimisation of investment - Cash pooling
<p>FINANCING</p> <ul style="list-style-type: none"> - Breach of covenants - Non-extension of expiring credit - Follow-up financing not secured after project phase 	<ul style="list-style-type: none"> - Cost disadvantages during credit term - Additional requirement for equity or liquidity 	<ul style="list-style-type: none"> - 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
<p>DEVELOPMENT OF EXCHANGE RATES</p> <ul style="list-style-type: none"> - Evaluation of EUR/foreign currency relations 	<ul style="list-style-type: none"> - Significant fluctuation in earnings owing to exchange rate gains/losses 	<ul style="list-style-type: none"> - 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
<p>INTEREST RATE CHANGES/EVALUATION OF INTEREST RATE HEDGING</p> <ul style="list-style-type: none"> - Evaluation of interest rate developments 	<ul style="list-style-type: none"> - Significant fluctuation in earnings and change in equity ratio due to changing interest level (financing costs, evaluation of interest-rate hedges) 	<ul style="list-style-type: none"> - Mix of long-term fixed-rate and floating-rate loans - On-schedule use of derivatives (swaps/swaptions) - Continuous monitoring of interest rate forecasts

CONSOLIDATED FINANCIAL STATEMENTS 2017

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A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2017

€ 1,000	Note	2017	2016
Rental income	2	180,281	165,603
Operating costs charged to tenants	3	51,263	46,906
Operating expenses	3	-55,696	-52,726
Other expenses directly related to properties rented	3	-12,489	-12,633
Net rental income		163,358	147,150
Other expenses directly related to properties under development	4	-2,844	-2,333
Income from the sale of properties and construction works		29,216	28,099
Book value of properties sold incl. ancillary and construction costs		-15,664	-18,669
Result from trading and construction works	5	13,552	9,430
Result from the sale of investment properties	6	32,132	23,340
Income from services rendered	7	11,109	13,265
Indirect expenses	8	-44,618	-44,140
Other operating income	9	1,051	873
EBITDA		173,740	147,585
Depreciation and impairment of long-term assets		-2,658	-3,460
Changes in value of properties held for trading		-1,188	29
Depreciation and impairment/reversal	10	-3,846	-3,432
Revaluation gain		182,045	179,094
Revaluation loss		-78,021	-40,834
Result from revaluation		104,023	138,260
Result from joint ventures	11	66,585	11,420
Result of operations (EBIT)		340,502	293,833
Finance costs	12	-41,029	-41,622
Foreign currency gains/losses	17	-617	-328
Result from derivatives	13	-8,068	-1,662
Result from financial investments	14	7,456	7,229
Result from other financial assets	15	-3,459	-15,768
Result from associated companies	16	5,034	-4,077
Financial result	17	-40,684	-56,228
Net result before taxes (EBT)		299,819	237,605
Current income tax		-16,319	-10,136
Deferred taxes		-48,641	-43,552
Income tax expense	18	-64,960	-53,688
Consolidated net income		234,859	183,916
thereof attributable to non-controlling interests		5	6
thereof attributable to the owners of the parent		234,854	183,910
Earnings per share in € (basic)	44	€2.52	€1.94
Earnings per share in € (diluted)	44	€2.48	€1.94

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2017

€ 1,000	Note	2017	2016
Consolidated net income		234,859	183,916
Other comprehensive income			
Cash flow hedges - changes in fair value		1,314	2,433
Reclassification cash flow hedges		1,980	177
Foreign currency gains/losses		1,106	359
Assets available for sale - changes in fair value		21,802	1,128
Income tax related to other comprehensive income		-3,100	-980
Other comprehensive income for the period (realised through profit or loss)	19	23,102	3,116
Revaluation IAS 16		816	0
Revaluation IAS 19		263	-413
Income tax related to other comprehensive income		-347	149
Other comprehensive income for the period (not realised through profit or loss)	19	732	-264
Other comprehensive income for the period	19	23,834	2,852
Comprehensive income for the period		258,693	186,769
thereof attributable to non-controlling interests		5	6
thereof attributable to the owners of the parent		258,688	186,763

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2017

€ 1,000	Note	31.12.2017	31.12.2016
ASSETS			
Investment properties	20	3,155,677	2,923,676
Investment properties under development	20	579,274	433,049
Own used properties	20	5,500	6,643
Office furniture and equipment	21	5,462	5,599
Intangible assets	21	6,703	8,195
Investments in joint ventures	22	207,182	191,369
Financial assets	24	85,570	89,713
Deferred tax assets	25	2,025	1,563
Long-term assets		4,047,393	3,659,806
Long-term assets as a % of total assets		84.9%	84.9%
Assets held for sale and relating to disposal groups	26	40,106	26,754
Properties held for trading	27	79,317	34,147
Receivables and other assets	28	81,314	76,235
Current income tax receivables	29	19,343	15,552
Securities	30	117,668	101,555
Cash and cash equivalents	31	383,512	395,088
Short-term assets		721,259	649,332
Total assets		4,768,653	4,309,138
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital		718,337	718,337
Capital reserves		794,493	819,068
Other reserves		22,940	-894
Retained earnings		862,689	667,984
Attributable to the owners of the parent		2,398,459	2,204,495
Non-controlling interests		51	46
Shareholders' equity	32	2,398,510	2,204,541
Shareholders' equity as a % of total assets		50.3%	51.2%
Provisions	33	5,646	13,242
Interest-bearing liabilities	34	1,684,170	1,412,635
Other liabilities	35	86,434	87,180
Deferred tax liabilities	25	291,305	239,969
Long-term liabilities		2,067,555	1,753,026
Current income tax liabilities	36	17,638	16,736
Provisions	33	100,658	84,766
Interest-bearing liabilities	34	68,920	153,004
Other liabilities	35	115,303	97,064
Liabilities relating to disposal groups	26	71	0
Short-term liabilities		302,588	351,571
Total liabilities and shareholders' equity		4,768,653	4,309,138

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2017

€ 1,000	2017	2016
Operating activities		
Net result before taxes	299,819	237,605
Revaluation result incl. change in accrual and deferral of rental income	-104,702	-137,982
Depreciation and impairment/reversal	3,846	3,432
Result from the sale of long-term properties and office furniture and other equipment	-32,171	-23,399
Taxes paid/refunded excl. taxes for the sale of long-term properties and investments	-7,502	5,588
Finance costs, result from financial investments and other financial result	33,573	34,393
Foreign currency gains/losses	617	328
Result from derivatives	8,068	1,662
Result from other financial assets and non-cash income from investments in at equity consolidated entities	-68,160	8,426
Cash flow from operations	133,388	130,052
Properties held for trading	-29,230	-12,050
Receivables and other assets	789	-11,355
Provisions	2,558	5,193
Other liabilities	24,955	13,527
Cash flow from change in net current assets	-928	-4,684
Cash flow from operating activities	132,460	125,368
Investing activities		
Acquisition of and investment in long-term properties incl. prepayments	-144,829	-92,915
Acquisition of property companies, less cash and cash equivalents of € 2,454 K (2016: € 1,602 K)	-128,901	-160,128
Acquisition of office equipment and intangible assets	-939	-1,191
Acquisition/repayment of financial assets	-210	36,300
Acquisition of assets available for sale	0	-12,073
Investments in joint ventures	-3,463	-2,354
Disposal of investment properties and other assets	58,176	145,437
Disposal of investment property companies, less cash and cash equivalents of € 1 K (2016: € 1,746 K)	10,644	45,528
Disposal of joint ventures	12,158	34,616
Loans made to joint ventures	-1,169	-616
Loan repayments made by joint ventures	1,999	1,278
Taxes paid/refunded relating to the sale of long-term properties and investments	-11,365	3,938
Dividend distribution/capital repayment from at equity consolidated entities and assets available for sale	17,942	40,192
Interest paid for capital expenditure in investment properties	-4,889	-3,462
Interest received from financial investments	1,090	4,924
Cash flow from investing activities	-193,756	39,474
Financing activities		
Cash inflow from loans received	106,974	300,560
Cash inflow from the issuance of bonds	173,389	288,131
Cash inflow from the issuance of convertible bonds	197,894	0
Cash inflow of loans received from joint ventures	600	0
Acquisition of treasury shares	-4,922	-53,885
Dividend payments to shareholders	-60,691	-47,904
Repayment/payment related to the acquisition of shares from non-controlling interests and dividends to minority interests	1,410	-1,675
Repayment of loans incl. interest rate derivatives	-331,764	-238,502
Repayment of bonds	0	-185,992
Other interest paid	-32,921	-37,277
Cash flow from financing activities	49,968	23,455
Net change in cash and cash equivalents	-11,328	188,297
Cash and cash equivalents as at 1.1.	395,088	207,112
Changes in the value of foreign currency	682	-320
Changes due to classification of disposal group acc.	-930	0
Cash and cash equivalents as at 31.12.	383,512	395,088

The interests paid in 2017 totalled € -37,810 K (2016: € -40,739 K). The income taxes paid respectively refunded in 2017 added up to € -18,868 K (2016: € 9,526 K).

Additional information for the cashflow statement is provided in note 37.

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2017

€ 1,000	Note	Share capital	Capital reserves - Others	Capital reserves - Treasury share reserve
As at 1.1.2016		718,337	954,052	-32,306
Valuation / reclassification cash flow hedges	19	0	0	0
Foreign currency gains/losses	19	0	0	0
Revaluation of assets available for sale	19	0	0	0
Revaluation IAS 19	19	0	0	0
Consolidated net income		0	0	0
Comprehensive income for 2016		0	0	0
Dividend payments to shareholders	32	0	-47,904	0
Acquisition of treasury shares	32	0	0	-54,773
As at 31.12.2016	32	718,337	906,148	-87,080
As at 1.1.2017		718,337	906,148	-87,080
Valuation / reclassification cash flow hedges	19	0	0	0
Foreign currency gains/losses	19	0	0	0
Change of reserve according to IAS 16	19	0	0	0
Revaluation of assets available for sale	19	0	0	0
Revaluation IAS 19	19	0	0	0
Consolidated net income		0	0	0
Comprehensive income for 2017		0	0	0
Dividend payments to shareholders	32	0	-20,541	0
Acquisition of treasury shares	32	0	0	-4,034
As at 31.12.2017	32	718,337	885,607	-91,113

Retained earnings	Valuation result (hedging - reserve)	Other reserves	Attributable to shareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
484,074	-5,131	1,385	2,120,410	40	2,120,450
0	1,930	0	1,930	0	1,930
0	0	359	359	0	359
0	0	827	827	0	827
0	0	-264	-264	0	-264
183,910	0	0	183,910	6	183,916
183,910	1,930	922	186,763	6	186,769
0	0	0	-47,904	0	-47,904
0	0	0	-54,773	0	-54,773
667,984	-3,201	2,307	2,204,495	46	2,204,541
667,984	-3,201	2,307	2,204,495	46	2,204,541
0	2,359	0	2,359	0	2,359
0	0	1,106	1,106	0	1,106
0	0	556	556	0	556
0	0	19,637	19,637	0	19,637
0	0	176	176	0	176
234,854	0	0	234,854	5	234,859
234,854	2,359	21,475	258,688	5	258,693
-40,149	0	0	-60,691	0	-60,691
0	0	0	-4,034	0	-4,034
862,689	-842	23,782	2,398,459	51	2,398,510

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2017

GENERAL NOTES

1. Information concerning the Company

CA Immobilien Anlagen Aktiengesellschaft and its subsidiaries constitute an international real estate group (the "CA Immo Group"). The parent company is CA Immobilien Anlagen Aktiengesellschaft ("CA Immo AG"), which has its head office at 1030 Vienna, Mechelgasse 1. CA Immo Group owns, develops and manages office, commercial, logistics and residential properties in Austria and Germany as well as in Eastern Europe. CA Immo AG is listed on the prime market segment of the Vienna Stock Exchange and is included in 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 International Financial Reporting Standards (IFRS) as adopted by the European Union and thereby fulfil the additional requirements of § 245a par. 1 of the Austrian Commercial Code (UGB). The consolidated financial statements are based on the acquisition cost method, with the exception of investment properties (including standing investments and properties under development), properties held for sale, available-for-sale financial assets, derivative financial instruments and provisions for cash-settled share-based payment plans, which are measured at fair value. The net item from pension obligations is presented as a provision, comprising the present value of the obligations less the fair value of the plan asset.

The consolidated financial statements are presented in thousand of 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. Significant aspects of presentation and accounting principles

a) Presentation and structuring of group notes

The preparation and presentation of the financial statements requires management to make relevant decisions regarding the choice of the accounting methods as well as the sequence and the relevance of the disclosures, taking into account the requirements of the users of the financial statements. CA Immo Group presents at the beginning of the group notes main decisions, assumptions and estimations and subsequently the accounting policies used. The explanatory notes to the items in the consolidated income statement and in the consolidated statement of financial position are listed in accordance with order of the main statements. This structure allows the users of the financial statements to easily find the relevant information for individual items.

The financial statements contain financial information prepared by taking into account materiality considerations. The materiality of the CA Immo Group is determined by quantitative and qualitative aspects. The quantitative aspects are evaluated by means of ratios to balance sheet total, performance indicators and/or main items of cash flow. The disclosures in the notes of the CA Immo Group are assessed at every financial statement period end, weighing the efficient preparation of the financial statements and the transparent presentation of the relevant information.

b) Significant judgments, assumptions and estimates

When preparing the consolidated financial statements, senior management is required to make judgments, assumptions and estimates that affect both the recognition and measurement of assets, liabilities, income and expenses and the information contained in the notes. Actually, future amounts can differ from the initial assumptions and estimates.

Property valuation

The global financial systems are subject to considerable fluctuations. Especially in commercial real estate markets, these fluctuations may have significant effects on prices and values. In particular, restricted liquidity in the capital markets can make it more difficult to successfully sell the properties in the short term.

All valuations represent an estimate of the price that could be obtained in a transaction taking place at the valuation date. Valuations are based on assumptions, such as the existence of an active market in the region concerned. Unfore-

seen macroeconomic or political crises could have a significant influence on the market. Such events can trigger panic buying or selling, or a general reluctance to conclude business transactions. If a valuation date falls within a period immediately following an event of this kind, the data underlying the valuation may be questionable, incomplete or inconsistent, which inevitably affects the reliability of the estimate.

For properties that currently have a high vacancy rate or short-term leases, the influence of the appraiser's assumptions on the property value is higher than it is in case of properties with cash flows that are secured by long-term contracts.

The property values established by external appraisers depend on several parameters, some influence each other in a complex way. For the purposes of a sensitivity analysis for sub-portfolios in respect of changes in value caused by the change in one parameter, individual input factors vary (while other factors stay unchanged) in order to present possible changes.

The below tables illustrate the sensitivity of the fair values to a change in expected rental income (for the purposes of this model, defined as market rent) and in the yields (term yield – capitalization interest rate for the average remaining term of the current rental contracts and reversionary yield – capitalization interest rate for expected rental income after expiration of the current rental contracts) for all investment properties, other than non-current assets held for sale.

2017					
Office Austria					
Change in Yield (in % of initial yield)	Change in market rent of				
	-10%	-5%	0%	5%	10%
-10%	1.55%	6.40%	11.24%	16.09%	20.94%
-5%	-3.75%	0.79%	5.33%	9.86%	14.40%
0%	-8.52%	-4.26%	0.00%	4.26%	8.52%
+5%	-12.85%	-8.83%	-4.82%	-0.81%	3.21%
+10%	-16.78%	-12.99%	-9.20%	-5.41%	-1.63%

2016					
Office Austria					
Change in Yield (in % of initial yield)	Change in market rent of				
	-10%	-5%	0%	5%	10%
-10%	2.51%	6.87%	11.23%	15.59%	19.95%
-5%	-2.81%	1.25%	5.32%	9.38%	13.45%
0%	-7.60%	-3.80%	0.00%	3.80%	7.60%
+5%	-11.94%	-8.37%	-4.81%	-1.25%	2.31%
+10%	-15.88%	-12.53%	-9.19%	-5.84%	-2.50%

2017					
Office Germany					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	2.03%	6.65%	11.27%	15.89%	20.52%
-5%	-3.30%	1.02%	5.34%	9.66%	13.98%
0%	-8.10%	-4.05%	0.00%	4.05%	8.10%
+5%	-12.45%	-8.64%	-4.83%	-1.02%	2.79%
+10%	-16.39%	-12.81%	-9.22%	-5.63%	-2.04%

2016					
Office Germany					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	2.21%	6.85%	11.50%	16.14%	20.78%
-5%	-3.23%	1.11%	5.44%	9.78%	14.12%
0%	-8.13%	-4.06%	0.00%	4.06%	8.13%
+5%	-12.56%	-8.74%	-4.93%	-1.11%	2.71%
+10%	-16.59%	-13.00%	-9.40%	-5.81%	-2.22%

2017					
Office Eastern Europe					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	2.05%	6.88%	11.72%	16.55%	21.38%
-5%	-3.51%	1.02%	5.55%	10.08%	14.61%
0%	-8.52%	-4.26%	0.00%	4.26%	8.52%
+5%	-13.05%	-9.04%	-5.02%	-1.00%	3.01%
+10%	-17.17%	-13.38%	-9.58%	-5.79%	-1.99%

2016					
Office Eastern Europe					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	1.90%	6.73%	11.57%	16.41%	21.25%
-5%	-3.60%	0.94%	5.48%	10.02%	14.56%
0%	-8.54%	-4.27%	0.00%	4.27%	8.54%
+5%	-13.02%	-8.99%	-4.96%	-0.93%	3.10%
+10%	-17.09%	-13.28%	-9.47%	-5.66%	-1.85%

2017						
Retail Austria						Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	10%	rent of
-10%	0.33%	5.80%	11.27%	16.73%	22.20%	
-5%	-4.97%	0.18%	5.34%	10.49%	15.64%	
0%	-9.74%	-4.87%	0.00%	4.87%	9.74%	
+5%	-14.06%	-9.45%	-4.83%	-0.21%	4.41%	
+10%	-17.99%	-13.60%	-9.22%	-4.83%	-0.45%	

2016						
Retail Austria						Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	10%	rent of
-10%	0.31%	5.82%	11.32%	16.82%	22.33%	
-5%	-5.02%	0.17%	5.36%	10.55%	15.74%	
0%	-9.81%	-4.91%	0.00%	4.91%	9.81%	
+5%	-14.15%	-9.50%	-4.85%	-0.20%	4.45%	
+10%	-18.10%	-13.68%	-9.26%	-4.84%	-0.42%	

2017						
Retail Eastern Europe						Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	10%	rent of
-10%	3.34%	8.00%	12.66%	17.31%	21.97%	
-5%	-2.68%	1.66%	5.99%	10.33%	14.66%	
0%	-8.09%	-4.05%	0.00%	4.05%	8.09%	
+5%	-12.99%	-9.20%	-5.41%	-1.63%	2.16%	
+10%	-17.44%	-13.88%	-10.33%	-6.77%	-3.22%	

2016						
Retail Eastern Europe						Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	10%	rent of
-10%	3.18%	7.73%	12.28%	16.82%	21.37%	
-5%	-2.66%	1.58%	5.81%	10.05%	14.28%	
0%	-7.92%	-3.96%	0.00%	3.96%	7.92%	
+5%	-12.67%	-8.96%	-5.25%	-1.55%	2.16%	
+10%	-16.99%	-13.51%	-10.03%	-6.55%	-3.07%	

2017					
Hotel Austria					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	3.36%	7.30%	11.24%	15.18%	19.12%
-5%	-1.97%	1.68%	5.32%	8.97%	12.62%
0%	-6.77%	-3.39%	0.00%	3.39%	6.77%
+5%	-11.12%	-7.97%	-4.82%	-1.67%	1.49%
+10%	-15.07%	-12.13%	-9.19%	-6.25%	-3.31%

2016					
Hotel Austria					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	3.84%	7.55%	11.26%	14.97%	18.68%
-5%	-1.52%	1.91%	5.33%	8.76%	12.18%
0%	-6.34%	-3.17%	0.00%	3.17%	6.34%
+5%	-10.70%	-7.76%	-4.82%	-1.88%	1.06%
+10%	-14.67%	-11.94%	-9.21%	-6.47%	-3.74%

2017					
Hotel Germany					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	4.89%	7.87%	10.85%	13.82%	16.80%
-5%	-0.31%	2.41%	5.14%	7.86%	10.58%
0%	-5.00%	-2.50%	0.00%	2.50%	5.00%
+5%	-9.24%	-6.94%	-4.65%	-2.35%	-0.05%
+10%	-13.10%	-10.99%	-8.87%	-6.75%	-4.63%

2016					
Hotel Germany					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	5.60%	8.37%	11.15%	13.93%	16.71%
-5%	0.22%	2.75%	5.28%	7.81%	10.34%
0%	-4.62%	-2.31%	0.00%	2.31%	4.62%
+5%	-9.01%	-6.90%	-4.78%	-2.66%	-0.54%
+10%	-13.01%	-11.07%	-9.12%	-7.18%	-5.24%

2017					
Hotel Eastern Europe					
Change in Yield (in % of initial yield)	Change in market rent of				
	-10%	-5%	0%	5%	10%
-10%	3.29%	7.19%	11.09%	14.99%	18.90%
-5%	-1.98%	1.64%	5.25%	8.87%	12.49%
0%	-6.73%	-3.36%	0.00%	3.36%	6.73%
+5%	-11.02%	-7.89%	-4.75%	-1.62%	1.52%
+10%	-14.93%	-12.00%	-9.07%	-6.14%	-3.21%

2016					
Hotel Eastern Europe					
Change in Yield (in % of initial yield)	Change in market rent of				
	-10%	-5%	0%	5%	10%
-10%	4.13%	7.59%	11.06%	14.53%	17.99%
-5%	-1.15%	2.04%	5.24%	8.43%	11.63%
0%	-5.90%	-2.95%	0.00%	2.95%	5.90%
+5%	-10.21%	-7.47%	-4.74%	-2.00%	0.73%
+10%	-14.12%	-11.58%	-9.04%	-6.50%	-3.96%

2017					
Other Austria					
Change in Yield (in % of initial yield)	Change in market rent of				
	-10%	-5%	0%	5%	10%
-10%	1.00%	6.99%	12.97%	18.96%	24.94%
-5%	-5.13%	0.51%	6.14%	11.78%	17.42%
0%	-10.64%	-5.32%	0.00%	5.32%	10.64%
+5%	-15.63%	-10.60%	-5.56%	-0.52%	4.51%
+10%	-20.17%	-15.39%	-10.61%	-5.83%	-1.06%

2016					
Other Austria					
Change in Yield (in % of initial yield)	Change in market rent of				
	-10%	-5%	0%	5%	10%
-10%	1.61%	7.61%	13.60%	19.59%	25.58%
-5%	-4.81%	0.81%	6.44%	12.07%	17.70%
0%	-10.60%	-5.30%	0.00%	5.30%	10.60%
+5%	-15.83%	-10.83%	-5.83%	-0.82%	4.18%
+10%	-20.59%	-15.86%	-11.12%	-6.39%	-1.66%

2017					
Other Germany					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	0.48%	5.92%	11.35%	16.78%	22.21%
-5%	-4.85%	0.26%	5.38%	10.49%	15.61%
0%	-9.66%	-4.83%	0.00%	4.83%	9.66%
+5%	-14.00%	-9.43%	-4.86%	-0.29%	4.28%
+10%	-17.96%	-13.62%	-9.28%	-4.95%	-0.61%

2016					
Other Germany					Change in market
Change in Yield (in % of initial yield)	-10%	-5%	0%	5%	rent of 10%
-10%	0.64%	6.00%	11.37%	16.73%	22.09%
-5%	-4.70%	0.34%	5.38%	10.43%	15.47%
0%	-9.52%	-4.76%	0.00%	4.76%	9.52%
+5%	-13.87%	-9.37%	-4.87%	-0.37%	4.13%
+10%	-17.83%	-13.57%	-9.30%	-5.03%	-0.77%

For the development projects, the table below illustrates the sensitivity of the fair value to an increase or decrease in the calculated outstanding development and construction costs. Existing development projects under construction were used as basis.

2017					
in € m	-10%	-5%	Initial value	Still outstanding capital expenditures	
				+5%	+10%
Still outstanding capital expenditures	572.9	604.7	636.5	668.3	700.2
Fair value	428.6	396.8	364.9	333.1	301.3
Changes to initial value	17.4%	8.7%	0.0%	-8.7%	-17.4%

2016					
in € m	-10%	-5%	Initial value	Still outstanding capital expenditures	
				+5%	+10%
Still outstanding capital expenditures	608.1	641.8	675.6	709.4	743.2
Fair value	267.8	234.0	200.2	166.4	132.7
Changes to initial value	33.7%	16.9%	0.0%	-16.9%	-33.7%

The sensitivity analysis of the projects under development are based on an average percentage of completion of approximately 33% (2016: 15%) as at balance sheet date, related to total construction costs. The sensitivity only relates to the outstanding costs of the building constructions works. The outstanding capital expenditures will reduce with the increase of the percentage of completion. Based on the residual value method this leads to an increase of the fair value of the projects under development. An increase or decrease of the still outstanding capital expenditures leads to an inversely development of the fair value of the projects under development, within the residual value method.

Taxes

All companies are subject to local income tax on current results and capital gains in their respective countries. Significant estimates are required in respect of the amount of income tax provisions to be recognised. Moreover, it needs to be determined to which extent the deferred tax assets should be recognised in the group consolidated financial statements.

Income from the disposal of investments in real estate companies in Germany and Eastern Europe is wholly or partially exempt from income tax in Austria, when certain conditions are met. Even if the group intends to meet these conditions, the full amount of deferred taxes according to IAS 12 is recognized for investment properties.

Material assumptions also need to be assessed if temporary differences and losses carried forward can be offset against taxable profits in the future and if the deferred tax assets can be capitalised. Uncertainties exist concerning the amount and effective date of future taxable income and the interpretation of complex tax regulations. Where there is uncertainty over income tax treatments of transactions and assessment is required in order to evaluate whether it is probable or not that the tax authority will accept the tax treatment. Based on this judgement CA Immo Group recognizes the tax obligations with their most likely classified amount. These uncertainties and complexities can result in the fact that future tax payments which are much higher or lower than those currently estimated and recognised in the balance sheet as liabilities or assets.

CA Immo Group holds a significant part of its real estate portfolio in Germany, being subject to numerous complex tax regulations. In particular, CA Immo Group has to constantly deal with (i) roll-over schemes in order to transfer undisclosed, hidden reserves to other investments, (ii) legal provisions relevant to the real estate transfer tax liability/possible incurrence of real estate transfer tax in the event of direct or indirect shareholder changes in German partnerships and corporations, as well as (iii) the deduction of input VAT on construction costs, as an ongoing issue in the development phase of projects. CA Immo Group takes all necessary steps in order to comply with the relevant tax rules. However, because of circumstances that are out of CA Immo Groups control, such as changes in ownership structure, tax laws as well as alterations of interpretation by the tax administration and courts, the aforementioned tax issues might be treated differently and, therefore, could have an impact on the tax position in the consolidated financial statements.

Uncertainties also relate to the retrospective application of subsequent tax changes concerning completed and law-aligned restructurings in Eastern Europe. CA Immo Group estimates the possibility of incurring actual expenses due to the subsequent change of tax law and their implications for past restructurings, as low.

Currently existing uncertainties are continually evaluated and may lead to adjustments of estimates.

Measurement of interest rate derivatives

CA Immo Group uses interest rate swaps, caps and swaptions in order to mitigate the risk of interest rate fluctuations. These interest rate derivatives are recognised at fair value. The fair values are calculated by discounting the future cash flows from variable payments on the basis of generally recognised finance-mathematical methods. The interest rates for discounting the future cash flows are estimated by reference to an observable market yield curve. The calculation is based on inter-bank middle rates. The fair value of interest rate derivatives corresponds therefore to level 2 of the measurement hierarchy according to IFRS 13.

A correction of the measurement of the interest rate derivatives due to CVA (Credit Value Adjustment) and DVA (Debt Value Adjustment) is only conducted when the adjustment reaches a significant extent.

The application of cash flow hedge accounting (hedging of future cash flows) for interest rate swaps requires an assessment of the probability of occurrence of the future hedged cash flows from variable interest payments for financial liabilities. The probability depends on the existence of the financial liability. As soon as it is no longer highly probable that the hedged cash flows will occur, hedge accounting is no longer used.

Valuation of the derivative convertible bond

A convertible bond requires in principle a split out of the financial instrument between an equity component, a debt component and if applicable, embedded derivatives. The convertible bond issued in 2017 has no equity component. It consists of a debt component and, due to the repayment option in shares of CA Immo AG, an embedded derivative subject to separation. The fair value of the separate embedded derivative corresponds at issuance date to the residual amount between the fair value of the convertible bond and the fair value of the debt component. The fair values are determined based on generally accepted financial mathematics models and parameters observable on the market. Thus, the fair value of the derivative of the convertible bond corresponds to level 2 of the measurement hierarchy, in accordance to IFRS 13.

Business Combinations

CA Immo Group determines at the time of acquisition of companies (legal entities) whether the acquisition is a business or a group of assets and liabilities. The following indicators are used for the assessment of business units:

- the acquired entity comprises a number of properties
- the acquired entity conducts major processes, apart from owning and letting properties
- the entity employs personnel carrying out major processes

Consolidation

The concept of control under IFRS 10 leads to the existence of joint ventures in the the CA Immo Group, which, due to contractual arrangements, despite a shareholding percentage higher than 50% are included in the consolidated financial statements using the at-equity method in line with IFRS 11.

Effective date of initial or deconsolidation

The consolidation of a subsidiary begins on the day on which the group acquires control over the subsidiary. It ends when the group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary are recognized in the financial statements as of the date on which the group acquires control of the subsidiary until the date the control ceases. For efficiency and materiality considerations, CA Immo Group determines the date of the initial consolidation and the deconsolidation respectively with an available reporting date.

Determination of the functional currency

In determining the functional currency CA Immo Group differentiates basically between property entities and management entities.

Functional currency: property entities

In the real estate transaction market in the countries where CA Immo Group owns investment properties, the properties and property entities are usually purchased and sold in Euro due to the active international investors in those markets. In addition, CA Immo Group predominantly concludes lease contracts in Euro, or, in case these contracts are not concluded in Euro, they are indexed to the Euro exchange rate.

Hence, the Euro has the most influence on the sales price of goods (real estate sales) and services (rental services) offered by CA Immo. This fact is also stated in external valuation reports, as values are stated in EUR.

Moreover, CA Immo mainly finances its property in Euro. The price of the most essential cost factor of a real estate company is therefore also determined in Euro.

In consideration of the above mentioned factors, the Euro is determined as the functional currency of CA Immo's property companies, which are included in the consolidated financial statements and located outside the territory of the European Monetary Union.

Functional currency: management entities

The invoicing of services (management services provided to the property companies by management companies) in Eastern Europe is carried out in the respective local currency. The prices are set in the respective local currency, which therefore have the most significant influence on the sales prices of the provided services. Furthermore, these companies also employ staff who are paid in the respective local currency. The prices for the key cost factors are therefore determined based on the respective local currency. Cash flow is generated mostly independently from the parent company.

In consideration of the above mentioned factors, the respective local currency is the functional currency of CA Immo's management companies, which are included in the consolidated financial statements and located outside the territory of the European Monetary Union.

Classification of real estate assets with mixed utilisation

Some properties are of mixed use – they are used both to generate rental income and appreciation in value as well as partially for management functions. If these respective portions can be sold individually, CA Immo Group recognises them separately. If the portions cannot be separated, the entire property is only classified as an investment property if the own used part occupies less than 5.0% of the total useful area. Otherwise, the entire property is classified as own used.

Classification of real estate assets with change in use

Changes in classification for real estate assets (standing investments, investments under development, own used, available for sale) are to be considered when a change in the use is made. Transfers in or out from investment property are made, for example when:

- beginning or ending of owner occupied property (transfer in or from own used properties),
- beginning of the actual development with the purpose of sale (transfer from investment property to assets held for sale).

Classification of leases as operating lease

CA Immo Group classifies leases as operating lease when the underlying contract does not represent a finance lease. A finance lease exists when:

- at the end of the lease term the ownership of the asset will be transferred to the lessee;
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable that at the inception of the lease it is reasonably certain that the option will be exercised;
- the lease term is for the major part of the economic life of the asset, even if title is not transferred;
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset; and
- the leased assets are of a specialized nature such that only the lessee can use them without major modifications being made.

4. Scope of consolidation

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

Changes in scope

	Full consolidation	Joint ventures at equity	Associated companies at equity
As at 1.1.2017	160	45	1
Acquisition of shares in companies	1	0	0
New establishment of companies	1	1	0
Disposal of companies due to liquidation or restructuring	-4	0	0
Transition consolidation	4	-4	0
Sales of entities	-1	-4	0
As at 31.12.2017	161	38	1
thereof foreign companies	143	35	1

a) Acquisitions of companies/ company shares

CA Immo Group acquired following entities in 2017:

Company name/domicile	Interest held in %	Purpose	Purchase price in € 1,000	Initial consolidation date
CA Immo Real Estate Management Poland Sp.z o. o. PI. Europejski 6 Spółka Komandytowo-Akcyjna	100%	Property company	8,782	30.9.2017
Total investments - Initial consolidation			8,782	
RCP Alfa, s.r.o. (previously 51%)	49%	Property company	16,325	1.1.2017
Europolis Infopark Ingatlanüzemelteto kft. (previously 51%)	49%	Property company	8,098	1.1.2017
Baumkirchen Mitte MK Projektgesellschaft (previously 50%)	50%	Project company	6,560	31.3.2017
Baumkirchen MK Verwaltungs GmbH (previously 50%)	50%	Project company	0	31.3.2017
Total investments - Transition consolidation			30,983	
Total			39,765	

Initial consolidation

In September 2017 CA Immo Group acquired shares in a property company (fair value of Part B of Warsaw Spire Complex in Warsaw of € 101,694 K at initial consolidation date) amounting to € 8,782 K. This transaction is an acquisition of assets and not a business combination in accordance with IFRS 3.

Net assets acquired are presented below:

€ 1,000	Total
Properties	101,694
Other assets	821
Cash and cash equivalents	67
Provisions	-332
Other liabilities	-237
Receivables from/payables to affiliated companies	-93,231
Net assets acquired	8,782

As at 31.12.2017 the open purchase price amounts to € 2,214 K.

Transitional consolidation

Following the acquisition of remaining stakes from former joint ventures partners, the CA Immo Group increased its shareholding from 51% and respectively 50%, to 100%. The investments were accounted for as shares in joint ventures under the equity method until the acquisition date, due to the lack of control. Since the acquisition, the four companies are fully consolidated. This transaction is an acquisition of assets and not a business combination in accordance with IFRS 3.

The acquisition price for the purchased shares amounts to € 30,983 K and was fully paid.

The acquisition of the four companies led to a revaluation of the before held investment of € 2,441 K which is included in the result from joint ventures in the consolidated income statement.

Net assets acquired are presented below (purchase price for 49%/50% amounting to € 30,983 K, as well as the investment in joint ventures held until now 51%/50% amounting to € 30,727 K, totaling € 61,709 K):

€ 1,000	Total
Properties	93,168
Other assets	8,501
Cash and cash equivalents	2,387
Deferred taxes	385
Financial liabilities	-18,739
Provisions	-2,074
Other liabilities	-27,425
Receivables from/payables to affiliated companies	5,506
Net assets acquired	61,709
thereof decrease investments in joint ventures	-30,727

The revaluation carried out immediately after the acquisition of the investment properties resulted in a gain of € 2,282 K, resulting from the difference between the acquisition costs and the fair value of the investment properties.

Newly established companies

For all newly founded companies, equity amounting to € 25 K was paid.

b) Disposals of companies/ company shares

CA Immo Group disposed the following interests in entities in the business year 2017:

Company name/domicile	Interest held in %	Consolidation method before change in participation	Sales price € 1,000	Deconsolidation date
RCP Residence, s.r.o.	100	Full consolidation	4,350	16.10.2017
Total affiliated entities			4,350	
Joint ventures				
EUROPOLIS ABP Ingatlanberuházási Kft	51	At-equity Joint Ventures	12,848	31.3.2017
K&K Investments S.R.L.	90	At-equity Joint Ventures	0	29.12.2017
Isargärten Bauträger GmbH & Co. KG	33	At-equity Joint Ventures	100	31.12.2017
Isargärten Bauträger Verwaltungs GmbH	33	At-equity Joint Ventures	0	31.12.2017
Total joint ventures			12,948	
Total			17,298	

The sales prices were fully cashed in. The fully consolidated entities comprised the following net assets as of the date of the sale:

€ 1,000	Total
Properties	-5,122
Other assets	-3
Cash and cash equivalents	-1
Deferred taxes	827
Net change	-4,300
thereof proportional net assets sold	-4,300

Investments in unconsolidated structured entities

As at 31.12.2017, as in the previous year, there are no investments in unconsolidated structured entities.

5. Summarized presentation of accounting methods

a) Changes in the accounting methods

With the exception of the following changes concerning disclosures, the presentation applied and accounting methods remain unchanged compared with the previous year.

CA Immo Group has changed the presentation of the segment reporting. Following the decision of the Management Board, the main decision maker, the internal reporting was changed so that Serbia will now be part of the Eastern Europe core region segment, while Slovakia will be part of the Eastern Europe other region segment. Consequently, a transfer between the two reported regions is recognized: Serbia will be included in Eastern Europe core region segment (until now Eastern Europe other region segment) and Slovakia will be included in Eastern Europe other region segment (until now in Eastern Europe core region segment).

Reporting segment Eastern Europe core region will now comprise Czech Republic, Hungary, Poland, Romania and Serbia, while the reporting segment Eastern Europe other region will include Bulgaria, Croatia, Slovenia, Russia, Ukraine and Slovakia. The 2016 comparative amounts were correspondingly restated.

2016			Eastern Europe core regions Total			Eastern Europe other regions Total	
€ 1,000	Income producing (as reported)	Development (as reported)	(as reported)	Income producing (as reported)	Development (as reported)	(as reported)	Income producing adjustment
Rental income	82,474	1,681	84,155	16,421	0	16,421	3,345
Rental income with other operating segments	0	0	0	0	0	0	0
Operating costs charged to tenants	29,543	728	30,271	5,540	0	5,540	1,505
Operating expenses	-32,090	-657	-32,747	-6,011	0	-6,011	-1,269
Other expenses directly related to properties rented	-7,178	-162	-7,341	-552	0	-552	84
Net rental income	72,750	1,589	74,339	15,398	0	15,398	3,665
Other expenses directly related to properties under development	0	-131	-131	0	-51	-51	0
Result from trading and construction works	0	0	0	0	0	0	0
Result from the sale of investment properties	675	425	1,100	-1,149	0	-1,149	0
Income from services rendered	1,300	0	1,300	0	0	0	0
Indirect expenses	-11,445	-807	-12,252	-1,428	-102	-1,530	-388
Other operating income	65	11	77	10	0	10	10
EBITDA	63,345	1,087	64,432	12,831	-153	12,678	3,287
Depreciation and impairment/reversal	-717	-55	-772	-1	0	-1	-1
Result from revaluation	-21,357	-101	-21,458	2,173	-1,480	693	4,741
Result from joint ventures	0	0	0	0	0	0	0
Result of operations (EBIT)	41,270	932	42,202	15,002	-1,633	13,369	8,026

31.12.2016

Properties	1,358,965	79,739	1,438,704	229,200	1,920	231,120	54,340
Other assets	255,894	11,859	267,753	7,624	8,820	16,444	-43,521
Deferred tax assets	936	88	1,024	0	0	0	-276
Segment assets	1,615,795	91,686	1,707,481	236,824	10,740	247,564	10,543
Interest-bearing liabilities	780,914	62,861	843,775	136,578	14,796	151,374	-35,296
Other liabilities	41,740	6,435	48,175	5,135	8	5,143	1,451
Deferred tax liabilities incl. current income tax liabilities	34,806	2,789	37,594	7,621	0	7,621	4,885
Liabilities	857,460	72,085	929,545	149,334	14,804	164,138	-28,960
Shareholders' equity	758,335	19,601	777,936	87,490	-4,064	83,426	39,502
Capital expenditure	184,696	12,481	197,177	7,115	0	7,115	5,257

	Eastern Europe core regions Total	Income producing adjustment	Development adjustment	Eastern Europe other regions Total	Income producing restated	Development restated	Eastern Europe core regions Total	Income producing restated	Development restated	Eastern Europe other regions Total	
	-9	3,336	-3,345	9	-3,336	85,819	1,672	87,491	13,076	9	13,085
	0	0	0	0	0	0	0	0	0	0	0
	0	1,505	-1,505	0	-1,505	31,048	728	31,776	4,035	0	4,035
	0	-1,270	1,269	0	1,269	-33,359	-657	-34,017	-4,742	0	-4,742
	8	93	-84	-9	-93	-7,094	-154	-7,247	-636	-9	-645
	-1	3,664	-3,665	0	-3,664	76,414	1,589	78,003	11,733	0	11,734
	11	11	0	-11	-11	0	-120	-120	0	-62	-62
	0	0	0	0	0	0	0	0	0	0	0
	-425	-425	0	426	425	675	0	675	-1,149	426	-724
	0	0	0	0	0	1,300	0	1,300	0	0	0
	24	-365	388	-24	364	-11,833	-783	-12,617	-1,040	-126	-1,166
	0	10	-10	0	-10	75	11	86	0	0	0
	-391	2,895	-3,286	391	-2,895	66,631	697	67,327	9,545	238	9,783
	0	-1	1	0	1	-718	-55	-773	0	0	0
	650	5,391	-4,742	-650	-5,392	-16,616	549	-16,067	-2,569	-2,130	-4,699
	0	0	0	0	0	0	0	0	0	0	0
	259	8,286	-8,027	-259	-8,286	49,296	1,191	50,488	6,976	-1,892	5,084
	-3,910	50,430	-54,340	3,910	-50,430	1,413,305	75,829	1,489,134	174,860	5,830	180,690
	-50	-43,570	83	50	133	212,373	11,809	224,183	7,707	8,870	16,577
	0	-277	277	0	277	660	88	747	277	0	277
	-3,960	6,583	-53,980	3,960	-50,021	1,626,338	87,726	1,714,064	182,844	14,700	197,543
	0	-35,295	-8,142	0	-8,142	745,618	62,861	808,480	128,436	14,796	143,232
	-7	1,444	-1,450	7	-1,444	43,191	6,428	49,619	3,685	15	3,699
	-562	4,324	-4,886	561	-4,325	39,691	2,227	41,919	2,735	561	3,296
	-568	-29,527	-14,478	568	-13,910	828,500	71,517	900,018	134,856	15,372	150,228
	-3,392	36,111	-39,502	3,392	-36,110	797,837	16,209	814,047	47,988	-672	47,316
	-52	5,205	-5,256	52	-5,204	189,953	12,429	202,382	1,859	52	1,911

CONSOLIDATED FINANCIAL STATEMENTS

b) Consolidation methods

All companies under the control of the parent company are fully consolidated in the consolidated financial statements. A company is initially consolidated as of the time control is transferred to the parent. Companies are deconsolidated when control ceases. All intra-group transactions between companies included in the scope of full consolidation, the related revenues and expenses, receivables and payables, as well as unrealised intra-group profits, are fully eliminated. Profit and loss amounts resulting from “upstream” and “downstream” transactions with joint ventures or associated companies are eliminated in accordance with the share of CA Immo Group in these companies (except for real estate properties measured at fair value). If the company (legal entity) acquired is not a business, the acquisition is not a business combination according to IFRS 3. Correspondingly, the acquisition is only an acquisition of assets and liabilities, which are recognised with their proportional acquisition cost. The acquisition cost is allocated to the acquired assets (especially properties) and liabilities as well as the non-controlling interests, based on their relative fair value at the date of acquisition of the subsidiary.

If a business is acquired, the acquisition is classified as a business combination according to IFRS 3. The subsidiary is consolidated for the first time using the acquisition method, by recognising its identifiable assets and liabilities at fair value as well as goodwill and non-controlling interests, if applicable. The goodwill represents any amount by which the fair value of the transferred amount (usually the purchase price for the acquired business) and (if applicable) for the non-controlling interest, exceeds the fair value of the identifiable assets and liabilities, including any deferred taxes.

Non-controlling interests are initially recognized proportionally at the fair value of the identifiable net assets of the entity acquired and subsequently measured according to the changes in shareholders' equity attributable to the non-controlling interests. Total comprehensive income is attributed to the non-controlling interests even if this results in a negative balance of non-controlling interests. According to the classification of capital interest as shareholders' equity or liabilities, the non-controlling interests are recognized within shareholders' equity respectively as other liabilities.

Acquisitions or sales of shares in a subsidiary that do not result in an establishment or 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 respective 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 shareholders of the parent company.

In case a partial sale of shares in a subsidiary, previously fully consolidated, all assets and liabilities of the former subsidiary are excluded from the consolidated balance sheet, at the moment control is lost. As a result, the remaining shares are recognised as joint ventures, associated entities or financial instrument according to IAS 39, with applicable fair value at the transition consolidation date through profit and loss.

If an acquisition of shares in an entity, previously accounted for as joint venture, associate or financial instrument according to IAS 39, leads to control over that entity, then its assets and liabilities are recognized in the consolidated statement of financial position following the transitional consolidation and previously held investment is derecognized at their fair value with impact in the consolidated income statement.

Joint ventures

CA Immo Group enters into joint ventures with one or more partner companies in the course of establishing property rental or project development partnerships, whereby joint management of these ventures is established by contract. Interests in jointly managed companies are accounted for according to the equity method in the consolidated financial statements of CA Immo Group (AEJV – at equity joint ventures).

Associated companies

An associated company is an entity under significant influence of the Group that is neither a subsidiary nor an interest in a joint venture. The results, assets and liabilities of associated companies are included in the financial statements using the equity method of accounting (AEA – at equity associates).

Equity method

According to the equity method, investments in joint ventures and associates are initially recognised at the date of acquisition in the consolidated statement of financial position at cost, including directly attributable ancillary costs. The subsequent measurement is affected by any increase/decrease of this value, based on the group's share in the period profit or loss and the other comprehensive income (corrected by interim gains and losses resulting from transactions with the group), dividends, contributions and other changes in the equity of the associated company, as well as by impairment.

Once the book value of the interests in an associated company has decreased to zero and possible long-term loans to the associated companies are impaired to zero as well, additional losses are recognised as a liability only to the extent that CA Immo Group has incurred a legal or effective obligation to make further payments to the associated company.

c) Foreign currency translation

Transactions in foreign currencies

The individual group companies record foreign currency transactions at the exchange rate prevailing at the date of the relevant transaction. Monetary assets and liabilities in foreign currency existing at the reporting date are translated into the particular functional currency at the exchange rate prevailing at that date. Any resulting foreign currency gains or losses are recognised in the income statement of the relevant business year.

The currency translation of assets and liabilities is based on the following exchange rates:

		Bid	Ask	Bid	Ask
		31.12.2017	31.12.2017	31.12.2016	31.12.2016
Switzerland	CHF	1.1623	1.1751	1.0694	1.0822
USA	USD	1.1926	1.2026	1.0513	1.0613

In the CA Immo Group there are four subsidiaries in Hungary whose financial statements are already set up in Euro. The monetary assets and liabilities in foreign currency are converted at the exchange rate of the reporting date. The resulting foreign currency gains and losses are recorded in the respective financial year.

Translation of companies' individual financial statements denominated in foreign currencies

The group reporting currency is the Euro (EUR). Since the Euro is generally also the functional currency of those companies included in the consolidated financial statements that are domiciled outside the European Monetary Union in Eastern Europe, the financial statements prepared in a foreign currency are translated in accordance with the temporal method. Under this method, investment properties (including properties under development) as well as monetary assets and liabilities are translated at closing rates, whereas own used properties as well as 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. Gains or losses resulting from the currency translation are recognised in the income statement.

The functional currency of the companies in Ukraine and Russia as well as of management companies in Eastern Europe is the respective local currency in each case. The amounts in the statements of financial position are translated at the exchange rate at the reporting date. Only 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 the application of the closing rate method are recognised in other comprehensive income.

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

		Closing rate 31.12.2017	Closing rate 31.12.2016	Average exchange rate 2017	Average exchange rate 2016
Bulgaria	BGN	1.9558	1.9558	1.9558	1.9558
Croatia	HRK	7.5136	7.5578	7.4603	7.5265
Poland	PLN	4.1709	4.4240	4.2467	4.3783
Romania	RON	4.6597	4.5411	4.5690	4.4919
Russia	RUB	69.3920	64.3000	66.1795	73.0584
Serbia	RSD	118.4727	123.4723	121.2221	123.1961
Czechia	CZK	25.5400	27.0200	26.3310	27.0396
Ukraine	UAH	33.4954	28.4226	30.2723	28.2202
Hungary	HUF	310.1400	311.0200	309.3367	311.8425

d) Properties

Classification

The item "investment properties" 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 to appreciate in value.

Properties under development are reclassified to investment properties upon completion of the main construction services.

Properties are recognised as held for trading if the relevant property is intended for sale in the ordinary course of business or its specific development has started with the intention of a subsequent sale in the ordinary course of business. This includes as well properties sold via a forward-sale agreement where CA Immo Group hands over the finished property at a later point in time.

Properties used for administration purposes are presented under the line "own used properties".

Valuation

Investment properties are measured according to the fair value model. Changes in the current book value before revaluation (fair value of previous year plus subsequent/ additional acquisition or production cost less subsequent acquisition cost reductions as well as the impact from the deferral of rent incentives) are recognised in the income statement under "result from revaluation".

Properties held for trading are measured at the lower of acquisition or production cost and net realisable value as of the relevant reporting date.

Own used properties and office furniture, equipment and other assets are measured in accordance with the cost method, i.e. acquisition or production cost or fair value at the date of reclassification less regular depreciation and impairment losses.

Investment grants are accounted for as deduction of production costs.

Office furniture, equipment and other assets are depreciated on a straight-line basis over their estimated useful life, which generally ranges from 2 to 15 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 structural work, 15 to 70 years for the facade, 20 years for the building equipment and appliances, 15 to 20 years for the roof, and 10 to 20 years for the tenant's finishing works.

Borrowing costs arising during property construction are allocated to the production costs if they are directly attributable to a qualifying asset. A qualifying asset is an asset that takes a substantial period of time to be ready for its intended use or sale. In cases in which debt is not directly attributable to an individual qualifying asset, the proportional amount of the total finance costs is allocated to the qualifying asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Assessment of fair value

Around 94.0% (31.12.2016: 97.5%) of the properties in Austria, about 74.9% (31.12.2016: 94.2%) of the properties in Germany, and about 99.9% (31.12.2016: 98.0%) of the properties in Eastern Europe, according to segment reporting, were subject to an external valuation as of the reporting date 31.12.2017. The values of other properties were determined internally on the basis of the previous year's valuations or binding purchase agreements.

The external valuations are made in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS). The RICS defines the market value as the estimated amount for which an asset or liability could be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The valuation method applied by the expert for each property particularly depends on the property's stage of development and its type of use.

Rented commercial properties, which constitute the largest portion of CA Immo Group's portfolio, are mainly valued by the investment method. The fair value represents the present value of the future expected rental income. These are calculated based on two time units: firstly "term", with mainly contractual secured rents over the average remaining lease term and secondly "reversion", for which the experts include further parameters, in particular the market rent achievable for the object. Both periods are capitalized with an adequate interest rate (term yield/ reversionary yield).

For properties under development and construction, the residual method is applied. Under this method, the market value is based on the estimated market value upon completion, less expected outstanding expenses and after applying a reasonable developer profit in the range of 7.0% to 25.0% of the market value upon completion (31.12.2016: 7.5% to 15.7%). Developer profit for properties under development, which are nearly completed, ranges at the bottom of the margin according to their reduced risk. Risks of investment properties (after completion) considered are, the estimated future rents and initial yields in the range from 3.5% to 7.5% (31.12.2016: 3.5% to 7.9%) and financing interest rates in the range from 2.0% to 4.0% (31.12.2016: 2.3% to 4.0%). The rates vary in particular depending on 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 amounts. After completion or immediately before completion, the properties are valued by applying the investment method (see above), adjusted for outstanding work.

The following table shows the essential input factors for the valuation of investment property (the fair value of the classes Office Austria and Office Germany also includes the fair value of the own used properties) and property under development:

Classification investment properties incl. own used properties Valuation technique investment method	Fair value	Fair value	Inputs	Range 2017	Range 2016
	31.12.2017	31.12.2016			
	€ 1,000	€ 1,000			
Office Austria	272,200	314,610	Actual-rent €/m ² p. m.	6.56 – 27.30	7.44 – 25.37
			Market-rent €/m ² p. m.	7.09 – 24.12	7.12 – 23.63
			average remaining lease term in years	5.19	7.42
			average vacancy %	11.47	7.29
			Yield Term min/max/weighted average %	3.75 / 6.50 / 5.23	3.85 / 6.50 / 5.34
			Yield Reversion min/max/weighted average %	3.65 / 6.50 / 5.43	3.65 / 6.75 / 5.45
Office Germany	957,619	851,750	Actual-rent €/m ² p. m.	9.84 – 21.63	9.47 – 21.56
			Market-rent €/m ² p. m.	10.34 – 21.53	9.49 – 21.53
			average remaining lease term in years	6.53	6.65
			average vacancy %	2.19	2.91
			Yield Term min/max/weighted average %	3.25 / 5.25 / 3.88	4.10 / 5.65 / 4.53
			Yield Reversion min/max/weighted average %	3.75 / 5.50 / 4.32	4.10 / 5.65 / 4.54
Office Eastern Europe	1,541,628	1,378,595	Actual-rent €/m ² p. m.	8.30 – 20.75	7.59 – 21.75
			Market-rent €/m ² p. m.	7.91 – 20.48	7.91 – 20.06
			average remaining lease term in years	3.33	3.04
			average vacancy %	6.17	10.17
			Yield Term min/max/weighted average %	4.00 / 8.25 / 6.78	5.95 / 8.50 / 7.34
			Yield Reversion min/max/weighted average %	5.70 / 8.50 / 7.09	5.95 / 8.50 / 7.36
Office total	2,771,447	2,544,955			
Retail Austria	97,200	97,200	Actual-rent €/m ² p. m.	13.62 – 13.62	13.36 – 13.36
			Market-rent €/m ² p. m.	13.77 – 13.77	13.90 – 13.90
			average remaining lease term in years	2.31	2.21
			average vacancy %	6.09	5.92
			Yield Term min/max/weighted average %	4.45 / 4.45 / 4.45	4.55 / 4.55 / 4.55
			Yield Reversion min/max/weighted average %	4.55 / 4.55 / 4.55	4.65 / 4.65 / 4.65
Retail Eastern Europe	8,750	8,800	Actual-rent €/m ² p. m.	3.94 – 3.94	4.36 – 4.36
			Market-rent €/m ² p. m.	5.10 – 5.10	5.10 – 5.10
			average remaining lease term in years	4.12	3.90
			average vacancy %	15.99	17.86
			Yield Term min/max/weighted average %	8.50 / 8.50 / 8.50	9.00 / 9.00 / 9.00
			Yield Reversion min/max/weighted average %	8.75 / 8.75 / 8.75	9.00 / 9.00 / 9.00
Retail total	105,950	106,000			

Classification investment properties incl. own used properties Valuation technique investment method	Fair value 31.12.2017 € 1,000	Fair value 31.12.2016 € 1,000	Inputs	Range 2017	Range 2016
Hotel Austria	84,100	84,600	Actual-rent €/m ² p. m.	8.66 – 10.40	9.39 – 10.40
			Market-rent €/m ² p. m.	9.29 – 10.50	9.35 – 10.50
			average remaining lease term in years	9.28	10.79
			average vacancy %	0.42	2.41
			Yield Term min/max/weighted average %	4.75 / 5.75 / 5.08	4.75 / 5.50 / 5.05
			Yield Reversion min/max/weighted average %	5.00 / 6.00 / 5.15	5.00 / 5.75 / 5.12
Hotel Germany	94,000	83,400	Actual-rent €/m ² p. m.	13.96 – 16.97	13.65 – 15.86
			Market-rent €/m ² p. m.	14.06 – 16.97	13.79 – 15.86
			average remaining lease term in years	14.94	16.12
			average vacancy %	0.80	1.61
			Yield Term min/max/weighted average %	4.20 / 4.60 / 4.27	5.10 / 5.25 / 5.13
			Yield Reversion min/max/weighted average %	4.70 / 5.10 / 4.77	5.10 / 5.25 / 5.13
Hotel Eastern Europe	11,400	11,400	Actual-rent €/m ² p. m.	4.64 - 4.64	4.64 - 4.64
			Market-rent €/m ² p. m.	4.58 - 4.58	4.58 - 4.58
			average remaining lease term in years	5.93	7.67
			average vacancy %	6.16	6.16
			Yield Term min/max/weighted average %	7.50 / 7.50 / 7.50	7.50 / 7.50 / 7.50
			Yield Reversion min/max/weighted average %	8.00 / 8.00 / 8.00	8.00 / 8.00 / 8.00
Hotel total	189,500	179,400			
Other Austria	49,130	59,040	Actual-rent €/m ² p. m.	1.28 – 1.28	4.86 – 12.00
			Market-rent €/m ² p. m.	0.98 – 0.98	12.55 – 12.55
			average remaining lease term in years	2.03	3.91
			average vacancy %	0.00	15.28
			Yield Term min/max/weighted average %	6.35 / 6.35 / 6.35	4.00 / 6.35 / 5.85
			Yield Reversion min/max/weighted average %	6.25 / 6.25 / 6.25	4.00 / 6.25 / 5.77
Other Germany	51,480	46,970	Actual-rent €/m ² p. m.	3.32 - 3.51	3.24 - 3.51
			Market-rent €/m ² p. m.	3.05 - 3.44	3.05 - 3.44
			average remaining lease term in years	2.26	2.45
			average vacancy %	16.18	19.02
			Yield Term min/max/weighted average %	4.50 / 8.00 / 5.71	6.00 / 9.00 / 6.96
			Yield Reversion min/max/weighted average %	5.00 / 9.00 / 6.44	6.00 / 9.00 / 6.99
Other total	100,610	106,010			

Classification investment properties under development	Fair value 31.12.2017 € 1,000	Fair value 31.12.2016 € 1,000	Inputs	Range 2017	Range 2016
Valuation technique residual value					
Office Austria	23,200	5,480	Expected-rent €/m ² p. m.	14.50	14.25
			Construction cost €/m ²	1,560	1,600
			Related cost in % of Constr. cost	15.00	15.00
Office Germany	260,480	150,900	Expected-rent €/m ² p. m.	13.00 – 29.00	13.00 – 26.00
			Construction cost €/m ²	1,910 – 2,739	1,520 – 2,200
			Related cost in % of Constr. cost	20.00 – 28.00	19.00 – 27.40
Office Eastern Europe	42,200	22,700	Expected-rent €/m ² p. m.	15.00	15.00
			Construction cost €/m ²	1,316	1,486
			Related cost in % of Constr. cost	9.70	20.00
Hotel Germany	34,700	17,100	Expected-rent €/m ² p. m.	13.00 – 29.00	13.00 – 26.00
			Construction cost €/m ²	1,910 – 2,739	1,520 – 2,200
			Related cost in % of Constr. cost	20.00 – 28.00	19.00 – 27.40
Other Germany	4,540	4,040	Expected-rent €/m ² p. m.	13.00 – 29.00	13.00 – 26.00
			Construction cost €/m ²	1,910 – 2,739	1,520 – 2,200
			Related cost in % of Constr. cost	20.00 – 28.00	19.00 – 27.40
Development total	365,120	200,220			

Land banks which are not currently under development or which are not expected to be developed in the near future are valued depending on the property and the stage of development through comparable transactions or by the liquidation or residual value method.

Classification investment properties under development	Fair value 31.12.2017	Fair value 31.12.2016	Inputs	Range 2017	Range 2016
Comparative, liquidation or residual method					
Landbank Germany	196,715	211,510	Valuation approach / m ² plot area	2.31 – 16,152.90	2.00 – 15,682.00
			Landbank Eastern Europe	17,439	21,319
Landbank total	214,154	232,829			

The fair value for rented properties, properties under development as well as land banks corresponds to level 3 of the fair value hierarchy according to IFRS 13.

Interdependencies between the input factors

The essential input factors that determine the fair values for investment property are the actual rents and market rents as well as the interest rates (yields). Increasing rents (e.g. a short supply and increased demand) would cause increasing fair values. Vice versa, the fair value decreases when the rents are decreasing.

Increasing yields (e.g. the market expects increasing interest rates due to increasing risks – excessive supply, etc.) would cause decreasing fair values. Vice versa, the fair value would increase if the yield decreases (e.g. higher demand for this type of investment property).

Both input factors act reinforcing – as well in a positive or negative way – when they appear jointly. This means that a strengthened demand for rental space as well as a simultaneously strengthened demand for such investment property would cause an even greater increase of the fair value. Vice versa, a decrease in the demand for rental space as well as a decreased market demand for investment property would cause an even heavier decrease of the fair value.

For properties under development, construction costs are another essential input factor. The market value of properties is mainly determined by the expected rental income and the yield. It is in this area of conflict that new development projects are planned and calculated. Given that the calculated construction costs, which are a major influencing factor in development, could change during the development phase because of both market related factors (e.g. shortage of resources on the markets or oversupply) and planning-related factors (e.g. necessary additional changes, unforeseeable problems, subsequent savings, etc.), they have a significant influence on profitability. These additional opportunities/ risks are given appropriate consideration in a developer's profit (risk/profit) based on the total construction costs.

Valuation Process

For the major part of the real estate portfolio, CA Immo Group commissions independent, external real estate experts to issue a market valuation and provided the appraisers with all the necessary documents once in 2017 (2016: twice). After clarification of any queries the experts create drafts valuation. These drafts are checked for credibility and integrity and finally approved for issuance.

The selection of the independent, external real estate experts for CA Immo Group is based, on the one hand on professional qualification, which is measured by national and international standards, such as HypZert or RICS, and on the other hand by giving consideration to local market presence and penetration. If market conditions allow, the selected real estate experts are ones that do not act as an agent for CA Immo Group in any leasing or investment business.

e) Intangible assets

The goodwill represents the amount by which the fair value of the amount transferred (usually the purchase price for the acquired business) and (if applicable) for the non-controlling interest, exceeds the fair value of the identifiable assets and liabilities, including any deferred taxes. Mainly, it represents the benefit resulting from the fact that the deferred tax liabilities acquired will become due only in a future period. Goodwill is not amortised, but is tested for impairment at each period end.

A possible impairment is directly connected to the reduction of the fair value of the property or to taxation changes in the country of the cash generating unit. Essentially, parameters determined by the appraisers within the scope of the external property valuation are used for the impairment test.

Other intangible assets mainly comprise software and are recognised at acquisition cost less straight-line amortisation and impairment losses. Software is amortised over a useful life of 3 to 5 years.

f) Impairment losses

If an indication exists that a long term non-financial asset (own used properties, office furniture, equipment and other assets as well as intangible assets) might be impaired, CA Immo Group performs an impairment test. CA Immo calculates the recoverable amount for the asset or smallest identifiable group of assets.

The recoverable amount is the higher of the fair value less the cost to sell (net realisable value) and the value in use of the corresponding asset (or group of assets). 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 (or group of assets) and its retirement at the end of its useful life.

If this recoverable amount is lower than the carrying value of the asset (or group of assets), the asset is written down to the lower value. These write-offs are reported in the consolidated income statement under “depreciation and impairment/reversal”.

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

Goodwill is tested for impairment at each balance sheet date, with individual properties representing the cash generating units. Due to the specific nature of the recognised goodwill, the recoverable amount for the cash generating unit cannot be determined without taking into account the expected tax charge. Hence, the book value of the cash generating unit includes, in addition to the allocated goodwill, the directly attributable deferred taxes of the single properties. The recoverable amount is determined on the basis of fair value. The fair value of a property is mainly determined on the basis of external valuation reports. The present value of the income tax payments is determined considering after-tax yield (which represents the yield of the property after tax effects of the relevant country) on the expected income tax payments.

The impairment test assumes, based on experience, an average retention period for properties held by CA Immo Group of 1.5 to 15 years for investment properties. Due to the assumption of the retention period decreasing each year and thus of a reduced discounting period each year, further impairment losses of the goodwill corresponding to the reduction in the present value benefit are expected in future periods.

The following sensitivity analysis shows the impact in goodwill impairment of changes in significant parameters for the impairment test.

2017				
Goodwill impairment in € K				
Change in yield (in % of initial yield)	+5%	+5%	+10%	+10%
Change in market rent	-5%	-10%	-5%	-10%
Impact on the profit and loss statement	-438.0	-702.8	-691.1	-956.9

2016				
Goodwill impairment in € K				
Change in yield (in % of initial yield)	+5%	+5%	+10%	+10%
Change in market rent	-5%	-10%	-5%	-10%
Impact on the profit and loss statement	-435.0	-714.3	-720.0	-984.2

g) Financial assets and liabilities (FI - financial instruments)

Interests in companies (Available for sale investments) and securities

Interests in companies which are not consolidated due to lack of control, and which are neither significantly influenced by the Group are assigned to the category “available for sale” (AFS – available for sale). The valuation of the stake purchased is made at fair value. Subsequent changes in value – as long as there are no impairments – are presented in other comprehensive income and reclassified in profit and loss upon the sale of the investment. If a listed price on an active market is not available, the fair value will be updated based on internal valuation, which is mostly based on external professional opinion regarding investment property.

Securities are primary financial instruments that are quoted on an active market and are available for sale. They are classified as “available for sale” (AFS-available for sale). The initial recognition is at fair value including any transaction costs and the subsequent valuation is at fair value (stock market quotation).

In case of impairments of available-for-sale financial assets, the difference between acquisition costs and the lower fair value is recognized in profit or loss. Changes in value previously recognized in equity, are transferred from equity to profit or loss. A subsequent appreciation in value is shown in other comprehensive income. This can also lead to the fact that an impairment is booked in profit and loss during the year and in the subsequent quarters the value change is recorded in the other comprehensive income. CA Immo Group recognizes securities at the conclusion of the transaction agreement.

Loans

Loans granted by the company 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 and taking into account any impairment. CA Immo Group generally evaluates loans granted to joint ventures and associated companies together with the equity held in these entities because the loans are considered part of the net investment. If the equity of the entities, reported under the equity method becomes negative, the loans considered part of the net investment are written down to the level of the loss not yet recognized.

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 initially measured at fair value, and thereafter at amortised cost, applying the effective interest-rate method and less impairment losses.

An impairment loss on receivables is calculated based on the status of the dunning procedure, the past due date, and the individual credit rating of the relevant debtor, taking into account any security received and is recognised when there is objective indication that the receivables cannot be fully collected. Uncollectible receivables are derecognised. Subsequent payments in respect of receivables for which impairment losses have been incurred, are recognised in the consolidated income statement.

Receivables from the sale of properties having a maturity of more than one year are recognised as non-current receivables, at their present values as of the respective reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash, deposits in banks, as well as fixed-term deposits with an original term of up to three months. This item also includes cash in banks subject to drawing restrictions for a period of less than 3 months which is used for securing outstanding loans (principal and interests) as well as current investments in development projects. Cash in banks subject to drawing restrictions up to 12 months is presented in caption "receivables and other assets". Restricted cash with a longer lock-up period (over 12 months), is presented under financial 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 is recognised in financing costs or, if the conditions set forth in IAS 23 are met, capitalised as part of the construction cost.

A convertible bond requires in principle a split out of the financial instrument between an equity component, a debt component and if applicable, embedded derivatives. Embedded derivatives are generally separately recognized, if their economic characteristics and risks are not closely related to those of the host contract, if they independently fulfill the definition of derivatives and if the entire instrument is not measured at fair value through profit or loss. Initial recognition of the debt component is the fair value of a similar liability that does not include an option to convert to equity instruments. Directly attributable transaction costs are allocated to the debt component. Liabilities from convertible bonds are assigned to the category "financial liabilities at amortized cost" (FLAC) and are measured using the effective interest-rate method. In case of a change in the contractual terms recognized as a redemption (i.e. the obligations specified in the contract are cancelled or the 10% threshold of the present value test is not met), then all incurred expenses and fees are deemed to be part of the gain or loss from the redemption. If this change or amendment is not recognized as a redemption, then the expenses and fees incurred lead to an adjustment to the carrying amount of the liability and are amortized at a new effective interest rate over the remaining term of the modified liability.

Other liabilities

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

For other current liabilities, the fair value generally corresponds to the estimated sum of all future payments.

Other non-current liabilities are measured at fair value on initial recognition and are compounded with a timely and risk adequate market rate.

Derivative financial instruments

CA Immo Group recognizes derivative financial instruments upon the conclusion of the transaction agreement.

CA Immo Group uses derivative financial instruments, such as interest rate caps, swaps, swaptions 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 value is positive and as financial liabilities if their fair value is negative.

Derivative financial instruments are presented in non-current financial assets or liabilities if their remaining term exceeds twelve months and realisation within twelve months is not expected. All other derivative financial instruments, whose remaining term is below twelve months, are presented in current assets or liabilities.

The method applied by 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. CA Immo Group exclusively pursues a micro-hedging strategy, whereby the hedging instrument is directly assigned to an individual underlying transaction (loan agreement).

In case the derivative financial instruments fulfil the criteria for cash flow hedge accounting (CFH – cash flow hedge), the effective portion of the change in fair value is recognised in other comprehensive income. The ineffective portion is immediately recognized (reclassified) as an expense in the item “Result from derivatives”. The gains or losses from the measurement of the cash flow hedges recognised in other comprehensive income are reclassified into profit or loss in the period in which the underlying transaction becomes effective, or the expected cash flows are no longer expected to occur. The effectiveness of the hedging relationship between the hedging instrument and the underlying transaction is assessed and documented at the inception of the hedge and subsequently reassessed on an ongoing basis.

Derivative financial instruments no longer qualifying for cash flow hedge accounting without a concurrent loan agreement, are referred to as “fair value derivatives”, to clearly distinguish these instruments from cash flow hedges. These are, for example, interest rate swaps, without a concurrent credit loan agreement as well as swaptions and interest caps. Pursuant to IAS 39, derivatives not qualifying for hedge accounting are assigned to the category “held for trading” (HFT). Changes in the fair value are therefore recognized entirely in profit or loss in the item “Result from derivatives”.

The fair values of interest rate swaps, swaptions and caps are calculated by discounting the future cash flows from variable payments on the basis of generally accepted financial models. The interest rates for the discount of the future cash flows are estimated on basis of an interest rate curve, which is observable on the market. For the calculation inter-bank middle rates are used.

A convertible bond requires in principle a split out of the financial instrument between an equity component, a debt component and if applicable, embedded derivatives. Embedded derivatives are generally separately recognized if their economic characteristics and risks are not closely related to those of the host contract, if they also independently fulfill the definition of derivatives and if the entire instrument is not measured at fair value through profit or loss. The fair value of the embedded derivatives corresponds at issuance date to the residual value between the fair value of the convertible bonds and the fair value of the debt component. The embedded derivatives are classified as “held for trading” (HFT) and are measured at fair value through profit or loss at each balance sheet date.

h) Other non-financial instruments (Non-FI – non financial instrument)

Other non-financial assets mainly consist of prepayments made on investment properties, accrued services in progress receivables from fiscal authorities and prepaid expenses. They are measured at cost less any impairment losses.

Other non-financial liabilities refer to liabilities to fiscal authorities (including social insurance related liabilities), short-term rent prepayments and advance payments. They are recognized at the date of acquisition at the amount corresponding to the expected outflow of resources and the cost of acquisition. Changes in value (including interest) arising from updated information are recognised in profit or loss.

i) 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 is the case when the relevant non-current assets and disposal groups are available for immediate sale in their current condition and a disposal is highly probable. Furthermore, the sale must be expected to be completed 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 to be transferred in the course of this transaction.

Non-current assets and disposal groups that are classified as held for sale are generally recognised at the lower of book and fair value less costs to sell. Investment properties, which are still measured according to the fair value model, are exempt from this rule and interest bearing liabilities that are still measured at amortised cost as well as deferred taxes valued according to IAS 12.

j) Payment obligations to employees

Variable remuneration

In order to promote a high level of identification with the corporate goals, all employees are provided with variable remuneration in addition to their fixed salary and thus participation in the company's success. Based on the remuneration system of the Management Board, the attainment of the budgeted quantitative and qualitative annual targets as well as a positive consolidated result are required. For the management level, bonus payments are additionally linked to the achievement of individual annual operating targets. Furthermore, managerial staff have the opportunity to participate in a stock price-based compensation program. Diverging from the model for the Management Board (phantom shares), participation in the LTI program is voluntary. LTI is a revolving programme with a term (holding period) of three years per tranche; it presupposed a personal investment limited to 35% of the fixed annual salary. The investment is evaluated at the closing rate on 31 December, with the number of associated shares determined on the basis of this evaluation. At the end of each three-year performance period, a target/actual comparison is applied to define target attainment. The critical factor is the value generated within the Group in terms of NAV growth, TSR (total shareholder return) and growth of FFO (funds from operations); weighting and respective target figures are set each year. Payments are made in cash. Within the remuneration system for the Management Board, the LTI programme was dissolved in 2015 and replaced by bonus payments based on phantom shares.

The performance-related remuneration for the Management Board is structured into three components and consists of an annual bonus (short-term incentive), a multi-year bonus (mid-term incentive) and a long-term variable compensation (long-term incentive). The performance-related remuneration is restricted to 200% of the gross annual salary. The bonus payment is linked to long-term operational and quality-based targets and also takes account of non-financial performance criteria. Of the variable remuneration, 50% is linked to the attainment of short-term targets defined annually (annual bonus); the other half of the performance-related components depends on the exceeding of annually defined indicators such as return on equity (ROE), funds from operations (FFO) and NAV growth. The level of the bonus actually paid depends on the degree of target attainment: the values agreed and actually achieved at the end of each business year are determined by the Remuneration Committee after being checked by the auditor. Half of performance-related remuneration takes the form of immediate payments (short term incentive); the remaining 50% is converted into phantom shares on the basis of the average rate for the last quarter of the business year relevant to target attainment. The payment of phantom shares is made in cash in three equal parts after 12 months, 24 months (mid term incentive) and 36 months (long term incentive) at the average rate for the last quarter of the year preceding the payment year.

For this kind of share-based remuneration, which is settled in cash, the liability incurred is recognised as a provision in the amount of the attributable fair value. Until the debt is settled, the attributable fair value is determined afresh on every closing date and settlement date. All changes are recognised in the income statement in the relevant business year.

Defined benefit plans upon termination of employment

Obligations arising from defined benefit pension plans exist for four persons in the CA Immo Germany Group. The commitments relate to two pension benefits for already retired managing directors, as well as two ongoing pension benefits. In accordance with IAS 19.63, reinsurance contracts in respect of defined benefit pension obligations are presented as a net debt (asset).

Each year, external actuarial calculations are obtained for the defined benefit pension obligations. The defined benefit obligation or liability is calculated according to IAS 19 using the projected unit credit method and based on the following parameters:

	31.12.2017	31.12.2016
Interest rate	1.63%	1.65%
Salary increases expected in the future	2.00%	2.00%
Accumulation period	25 years	25 years
Expected income from plan asset	1.63%	1.65%

The actual return on plan assets for 2017 is 1.63% (2016: 2.00%).

Service cost and interest expense related to the obligation as well as the interest income related to the plan assets are recognised in the year in which they arise. Actuarial gains and losses less deferred taxes related to the obligation and the plan assets are recognised in the other comprehensive income.

CA Immo Group has a legal obligation to make a one-time 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. In CA Immo Group, contract stipulated severance exists for several employees. According to IAS 19, a provision is recognised for this defined benefit obligation. The interest rate used for the computation of this provision amounts to 0.00% (2016: 0.00%).

Defined contribution plans

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 further obligations exist. The payments are considered as staff expenses and included in indirect expenses.

Based on agreements with three 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, irrespective of age; Germany: immediately upon reaching the age of 27). The contribution is calculated as a percentage of the relevant monthly gross salary, namely 2.5% or 2.7% in Austria, and 2.0% in Germany. The contributions paid vest after a certain period (Austria: 3 or 4 years; Germany: 3 years) and are paid out as monthly pension upon retirement.

k) Provisions and contingent liabilities

Provisions are recognised if CA Immo Group has a legal or constructive obligation towards a third party as a result of a past event and the obligation is likely to lead to an outflow of funds. Such provisions are recognised in the amount representing the best possible estimate at the time the consolidated financial statements are prepared. If the present value of the provision determined on the basis of prevailing market interest rates differs substantially from the nominal value, the present value of the obligation is recognised.

If the amount of an obligation cannot be estimated reliably, the outflow of funds from the obligation is not likely, or the occurrence of the obligation depends on future events, it represents a contingent liability. In such cases, a provision is not recognised and an explanation of material facts is disclosed in the notes.

l) Taxes

The income tax expense reported for the business year contains the income tax on the taxable income (current and for other periods) of the individual subsidiaries calculated at 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 amounts recognised in equity not giving rise to temporary differences and recognised in equity (e.g. the tax related to ancillary expenses for capital increases as well as the valuation of derivative transactions and available for sale securities to some extent). Changes in deferred taxes resulting from foreign currency translation are included in deferred income tax expense.

In line with IAS 12, the calculation of deferred taxes is based on all temporary differences between the tax base of assets or liabilities and their book values in the consolidated statement of financial position. Deferred tax assets on tax losses carried forward are recognised taking into account the fact whether they can be carried forward indefinitely or only up to a certain time as well as the extent of their expected use in the future. The amount of the deferred tax asset recognised is determined based on projections for the next 3 to 5 years which show the expected use of the tax losses carried forward in the near future and on the existence of sufficient taxable temporary differences, mainly resulting from investment property.

The deferred taxes are calculated based on the following tax rates:

Country	Tax rate		Country	Tax rate	
	2017	2016		2017	2016
Bulgaria	10.0%	10.0%	Serbia	15.0%	15.0%
Germany	15.8% to 33.0%	15.8% to 31.9%	Slovakia	21.0%	21.0%
Croatia	18.0%	18.0%	Slovenia	19.0%	19.0%
Netherlands	20.0% / 25.0%	20.0% / 25.0%	Czechia	19.0%	19.0%
Austria	25.0%	25.0%	Ukraine	18.0%	18.0%
Poland	19.0%	19.0%	Hungary	9.0%	9.0%
Romania	16.0%	16.0%	Cyprus	12.5%	12.5%
Russia	20.0%	20.0%			

A group and tax compensation agreement was concluded in Austria for the formation of a tax group as defined by Section 9 of the Austrian Personal Income Tax and Corporate Income Tax Act (KStG) for almost all companies of CA Immo Group. The head of the group is CA Immobilien Anlagen Aktiengesellschaft, Vienna.

For certain entities within the CA Immo Germany Group a tax group has been established in accordance with German income tax legislation. The head of the tax group is CA Immo Deutschland GmbH, Frankfurt. Based on profit and loss transfer agreements the members of the tax group are required to transfer their entire profit to the head of the group (being the annual surplus before the profit transfer, less any loss carried forward from the previous year and after recognition or release of reserves). The head of the group has an obligation to balance any annual deficit arising in a group entity during the term of the agreement to the extent that such deficits exceed the amounts which can be released from other reserves that have been allocated out of profits earned during the term of the agreement.

m) Leases

CA Immo Group determines whether an arrangement contains a lease based on the economic substance of the arrangement and evaluates whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement contains a right to use the asset, even if such right is not explicitly stated in the agreement.

According to IAS 17, the allocation of a leased asset to the lessor or lessee is based on the criterion of accountability of all significant risks and rewards associated with ownership of the leased asset. The characteristics of the CA Immo Group as lessor of investment properties corresponds to an operating lease because the economic ownership remains with CA Immo Group for the rented properties and thus the significant risks and rewards are not transferred.

n) Operating segments

The segments were identified on the basis of the information regularly used by the company's principal decision makers when deciding on the allocation of resources and assessing profitability. The principal decision-making body of CA Immo Group is the Management Board. It controls the individual properties (basic reporting segments) that are aggregated into reportable business segments by regions (based on the geographic region), and within the regions by income producing property and property under development based on the stage of development of the properties. The aggregation of the regions mainly takes place based on evaluation of the market dynamics and the risk profiles which mainly impact economic characteristics. According to the assessment of CA Immo Group, the properties in the portfolio need to be separated into investment properties and investment properties under development, based on the criteria "nature of products and services" and "nature of production processes" according to IFRS 8.

The properties are allocated to the reporting segments according to location/region, their 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 column "Holding". The presentation corresponds to CA Immo Group's internal reporting system. The following segments have been identified:

- Income producing properties: Investment properties rented, 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 or beginning of the sales process), development services for third parties, properties under development pursuant to IFRS 5, and properties held for trading
- Holding: general management and financing activities of CA Immo Group.

The reporting Eastern Europe core regions segment comprises the Czech Republic, Hungary, Poland, Romania and Serbia. The reporting Eastern Europe other regions segment consists of Bulgaria, Croatia, Slovenia, Russia, Ukraine as well as Slovakia. Joint ventures are included with 100% of the assets and liabilities as well as revenues and expenses of the entities in the segment, irrespective of the method of consolidation into the financial statements. Adjustments in accordance with the consolidation method in CA Immo Group are shown in the column Consolidation.

o) Revenue recognition

Rental revenues

Rental revenues are recognised on a straight-line basis over the term of the lease. Lease incentive agreements, such as rent-free periods, reduced rents for a certain period or one-off payments to the tenants, which can be freely used in the course of their businesses, are included in rental income. Therefore, the lease incentives are allocated on a straight-line basis over the entire expected contractual lease term accordingly. In the case of leases with constant 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 spread over the underlying term of the lease. The term of a lease over which rental income is allocated on a straight-line basis comprises the non-terminable period as

well as any further periods for which the tenant can exercise an option, with or without making additional payments, provided that the exercise of the option is estimated as being probable at the inception of the lease.

Conditional rental income, such as any amounts that are conditional on the revenues generated in the business premises, are recognised in profit or loss in the period in which they are assessed.

Rental income is measured at the fair value of the consideration received or outstanding, less any directly related reductions.

Payments received from tenants for the early termination of a lease and payments for damage of rented premises are recognised as rental income in the period in which they are incurred.

Service charge income

Operating costs incurred by CA Immo Group for properties rented to third parties, which are charged to tenants, are presented in the consolidated income statement in "Operating costs charged to tenants".

Revenues from the sale of investment properties

Income from the sale of properties is recognised when:

- all material economic risks and rewards associated with ownership have passed to the buyer,
- 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 expenses incurred or to be incurred in connection with the sale can be reliably determined, and
- it is sufficiently probable that the economic benefit from the sale will flow to CA Immo Group.

Non-current earnings received in advance are measured at par value and subsequently with a reasonable market interest rate reflecting maturity and risk. The accrued interest is recognised in the consolidated income statement in the financial result.

Income from the sale of properties under construction is assessed according to IFRIC 15 in order to establish whether IAS 11 (construction contracts) or IAS 18 (revenue recognition) applies and thus to determine when income from the sale during the construction period is to be recognised. Requirement for the recognition of a disposal is that CA Immo Group has no more effective power to dispose in respect of the constructed property.

Income from the sale of properties and construction works

The item "Income from the sale of properties and construction works" includes income from the sale of properties intended for trading as well as income from construction works (construction of a building on the land of a customer, whereby CA Immo Group as a builder carries out a construction contract with or without a general contractor).

Construction contracts and revenues from construction works

In case of construction contracts for development works, respectively construction works, the customer can exercise a significant influence on the construction of the property. In compliance with IAS 11, income in the amount of services rendered up to the balance sheet date is recognized in accordance with the respective stage of completion ("percentage of completion method"). The stage of completion representing the ratio between the contract costs or construction costs incurred as of the reporting date and the estimated total contract costs or total construction costs (cost-to-cost method) is determined and reported as Receivable and Sales income. An expected loss from the construction contract for development works, respectively construction works is immediately recognized as an expense.

If there is no customized project planning, i.e. the purchaser has only limited options to influence the specification of the property, it is an agreement for sale of goods and the revenue is recognized according to the above-mentioned criteria for the sale of investment properties. In accordance with IAS 18, there is an obligation to separate the contracts into

their individual components if substantially different services have been agreed into a single arrangement. Such a multi-component transaction is assumed to exist when a contract contains several complementary but different components, e.g. a service is provided in addition to the sale of the property. These different components lead to a separate realization of income: the acquisition price for the property is recorded according to the criteria for recognition of revenues from sales. The revenues for the service are realized depending on the stage of completion. The following have been identified as material components of properties under development: procurement of the construction rights, the site development, the building construction and the interior works. The apportionment of the total remuneration to the individual components is based on the residual value method. By deducting the fair value of the components not yet delivered it is determined the value of the components already delivered.

Income from services rendered

For the CA Immo Group the item “Income from services rendered” includes income from services recognized in accordance to IAS 18 and income from construction contracts recognized in accordance with IAS 11.

A rendered service is a service for a customer, which can be satisfied in time-based units (for example time based advice for building conversion, planning services or project assistance). Income from service contracts is recognized to the extent of the services rendered up to the reporting date (accounting by time unit).

CA Immo Group also offers services in the form of construction supervision for customers, which are handled as construction contracts. The income from construction contracts (e.g. project management, construction supervision and acceptance of, for example building construction, interior works or development of land) is recorded in accordance with the provision of services (“percentage of completion method”, see above).

p) Result from the sale of investment properties

In accordance with IAS 40, investment properties are measured as of each quarterly reporting date and, as a general rule, changes in fair values are recognised in profit and loss, as result from revaluation (revaluation gain/loss). When property assets are sold, the valuation result realised during the current business year to date is reclassified to the result from the sale of investment properties together with the other gain/loss on disposal. The book value of goodwill that has been allocated to a property sold is recognised as part of the disposal within the result from the sale of investment properties.

q) Indirect expenses

CA Immo Group capitalizes indirect expenses (mainly personnel expenses) to the extent that they can be attributed to the construction cost of properties under development and properties held for trading. These internally-produced capitalised expenses and capitalised changes in work-in-progress respectively are reported as correction of the indirect expenses.

r) Financial result

Finance costs comprise interest payable for external financing, interest recognised by the effective interest-rate method (if not required to be capitalised according to IAS 23), interest for committed external funds not yet received, current interest on derivative transactions, the interest costs arising from the calculation of retirement benefits, the net result attributable to non-controlling interests in limited partnerships and expenses similar to interest. Interest is deferred over time by the effective interest-rate method. The net result of non-controlling interests in limited partnerships contains the pro rata net income of non-controlling partners of limited partnerships in Germany, whose capital contribution, updated with the profit share, is recognised as debt in the statement of financial position under “other liabilities”.

Foreign currency gains and losses mainly relate to the result of exchange rate differences in connection with financing and investment transactions, as well as the changes in value and the result from the realisation of forward exchange transactions.

The result from derivatives consists of gains and losses from the sale or measurement of interest rate swaps, caps and the swaption unless they are recognised in other comprehensive income as cash flow hedges, as well as valuation of derivative convertible bond. The ineffective portion of the cash flow hedge relationships is also recognised in the result from derivatives.

The result from financial investments includes interest and negative interest on deposits, dividends and other income from the investment of funds and investments in financial assets and the expected return on plan assets.

The result from other financial investments mainly relates to the valuation of loans as well as impairments of securities available for sale.

s) Fair value measurement

IFRS 13 defines the fair value as the price that would be received following the sale of an asset or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. The price could be directly observable or estimated using valuation techniques. Corresponding to the inputs used to determine of the fair values, the measurement hierarchy distinguishes between the following levels:

- a) Level 1: quoted prices in active markets for identical assets or liabilities
- b) Level 2: inputs that are observable for the measurement of assets or liabilities, either directly or indirectly
- c) Level 3: inputs are unobservable for the measurement of assets or liabilities.

Hierarchy of the fair values

31.12.2017		Measurement hierarchy according to IFRS 13		
€ 1,000	Level 1	Level 2	Level 3	Total
Investment properties	0	0	3,155,677	3,155,677
investment properties under development	0	0	579,274	579,274
Investment property	0	0	3,734,951	3,734,951
Financial assets HFT	0	293	0	293
Financial assets available for sale	0	0	56,875	56,875
Financial instruments by category (assets)	0	293	56,875	57,167
Securities AFS	117,668	0	0	117,668
Securities AFS	117,668	0	0	117,668
Assets held for sale	0	0	40,106	40,106
Assets held for sale	0	0	40,106	40,106
Financial liabilities HFT	0	-23,021	0	-23,021
Financial instruments by category (liabilities)	0	-23,021	0	-23,021
Total	117,668	-22,729	3,831,932	3,926,870

31.12.2016		Measurement hierarchy according to IFRS 13		
€ 1,000	Level 1	Level 2	Level 3	Total
Investment properties	0	0	2,923,676	2,923,676
investment properties under development	0	0	433,049	433,049
Investment property	0	0	3,356,725	3,356,725
Financial assets HFT	0	29	0	29
Financial assets available for sale	0	0	57,774	57,774
Financial instruments by category (assets)	0	29	57,774	57,803
Securities AFS	101,555	0	0	101,555
Securities AFS	101,555	0	0	101,555
Assets held for sale	0	0	26,754	26,754
Assets held for sale	0	0	26,754	26,754
Financial liabilities HFT	0	-7,432	0	-7,432
Financial liabilities CFH	0	-4,151	0	-4,151
Financial instruments by category (liabilities)	0	-11,583	0	-11,583
Total	101,555	-11,554	3,441,253	3,531,253

Reclassifications between levels did not occur in 2017 and 2016.

Hierarchy classification

The following tables show the development of separate classes that are assigned according to IFRS 13 to level 3 of the fair value hierarchy:

2017 € 1,000	Office Austria*	Office Germany*	Office Eastern Europe	Retail Austria	Retail Eastern Europe	Hotel Austria
As at 1.1.	314,610	851,750	1,378,595	97,200	8,800	84,600
Additions	1,796	8,434	23,595	899	54	360
Disposals	-4,433	-16,120	-24,743	-1	0	0
Purchase of real estate companies	0	0	180,602	0	0	0
Valuation	-2,753	114,011	-17,759	-874	-102	-827
Reclassification IFRS 5	-36,900	0	0	0	0	0
Reclassification IAS 2	0	0	0	0	0	0
Reclassification between classes	0	0	0	0	0	0
Change in lease incentives	-120	-456	1,339	-23	-2	-32
Currency translation adjustments	0	0	0	0	0	0
As at 31.12.	272,200	957,619	1,541,628	97,200	8,750	84,100

* The fair value of the classes Office Austria and Office Germany also includes the fair value of the own used properties.

2016 € 1,000	Office Austria*	Office Germany*	Office Eastern Europe	Retail Austria	Retail Eastern Europe	Hotel Austria
As at 1.1.	319,030	753,544	1,201,280	107,300	37,700	85,200
Additions	1,305	16,171	25,633	442	-168	92
Disposals	-10,991	0	-4,000	-13,040	-26,784	-41
Purchase of real estate companies	0	0	165,205	0	0	0
Valuation	5,163	81,517	-8,225	2,512	-1,825	-663
Reclassification IFRS 5	0	0	0	0	0	0
Reclassification between classes	0	0	0	0	0	0
Change in lease incentives	103	518	-1,298	-15	-123	12
Currency translation adjustments	0	0	0	0	0	0
As at 31.12.	314,610	851,750	1,378,595	97,200	8,800	84,600

* The fair value of the classes Office Austria and Office Germany also includes the fair value of the own used properties.

2017 € 1,000	Hotel Germany	Hotel Eastern Europe	Others Austria	Others Germany	IFRS 5 all
As at 1.1.	83,400	11,400	59,040	46,970	15,064
Additions	337	21	1,792	107	0
Disposals	0	0	-8,400	0	-15,064
Purchase of real estate companies	0	0	0	0	0
Valuation	10,287	-21	-3,302	4,403	0
Reclassification IFRS 5	0	0	0	0	36,900
Reclassification IAS 2	0	0	0	0	0
Reclassification between classes	0	0	0	0	0
Change in lease incentives	-24	0	0	0	0
Currency translation adjustments	0	0	0	0	0
As at 31.12.	94,000	11,400	49,130	51,480	36,900

2016 € 1,000	Hotel Germany	Hotel Eastern Europe	Others Austria	Others Germany	IFRS 5 all
As at 1.1.	73,800	11,300	84,630	52,540	51,065
Additions	22	20	1,268	398	0
Disposals	0	0	-10,371	-35,465	-52,185
Purchase of real estate companies	0	0	0	0	0
Valuation	9,602	80	-1,423	17,298	1,120
Reclassification IFRS 5	0	0	-15,064	0	15,064
Reclassification between classes	0	0	0	11,640	0
Change in lease incentives	-24	0	0	559	0
Currency translation adjustments	0	0	0	0	0
As at 31.12.	83,400	11,400	59,040	46,970	15,064

2017 € 1,000	Development Austria	Development Germany	Development Eastern Europe	Land banks Germany	Land banks Eastern Europe
As at 1.1.	5,480	172,040	22,700	211,510	21,319
Additions	14,884	90,295	19,317	6,041	671
Disposals	0	0	0	-1	-5,642
Purchase of real estate companies	0	14,260	0	0	0
Valuation	2,836	13,855	183	-3,433	1,091
Reclassification IFRS 5	0	0	0	0	0
Reclassification IAS 2	0	0	0	-8,130	0
Reclassification between classes	0	9,270	0	-9,270	0
Change in lease incentives	0	0	0	-3	0
Currency translation adjustments	0	0	0	0	0
As at 31.12.	23,200	299,720	42,200	196,715	17,439

2016 € 1,000	Development Austria	Development Germany	Development Eastern Europe	Land banks Germany	Land banks Eastern Europe
As at 1.1.	16,200	28,290	11,600	326,770	26,119
Additions	1,264	44,133	9,461	9,978	248
Disposals	-12,397	-2,498	0	-65,694	-3,390
Purchase of real estate companies	0	0	0	0	0
Valuation	412	21,655	1,639	32,568	-1,658
Reclassification IFRS 5	0	0	0	0	0
Reclassification between classes	0	80,460	0	-92,100	0
Change in lease incentives	0	0	0	-11	0
Currency translation adjustments	0	0	0	0	0
As at 31.12.	5,480	172,040	22,700	211,510	21,319

	Financial assets available for sale
€ 1,000	2017
As at 1.1.	57,774
Valuation (OCI)	2,291
Distributions/capital reduction	-3,190
As at 31.12.	56,875

€ 1,000	Financial assets available for sale 2016
As at 1.1.	58,660
Valuation (OCI)	1,130
Distributions	-2,016
As at 31.12.	57,774

t) 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 adopted by the EU, were applicable for the first time in the business year 2017:

Standard / Interpretation	Content	entry into force ¹⁾
Amendments to IAS 7	Disclosure initiative	1.1.2017
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses	1.1.2017
Annual Improvements to IFRS Standards 2014-2016 Cycle	IFRS 12	1.1.2017

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

Standard / Interpretation	Content	entry into force ¹⁾
IFRS 15	Revenue from Contracts with Customers	1.1.2018
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers	1.1.2018
IFRS 9	Financial instruments	1.1.2018
Amendments to IFRS 4	Applying IFRS 9 with IFRS 4 Insurance Contracts	1.1.2018
Annual Improvements to IFRS Standards 2014-2016 Cycle	Miscellaneous	1.1.2018
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions	1.1.2018
Amendments to IAS 40	Transfers of Investment Property	1.1.2018
IFRS 16	Leasing	1.1.2019
IFRIC 22	Foreign Currency Transactions and Advance Considerations	1.1.2018 ²⁾
IFRIC 23	Uncertainty over Income Tax Treatments	1.1.2019 ²⁾
Amendments to IFRS 9	Prepayment Features with Negative Compensation	1.1.2019 ²⁾
Amendments to IAS 28	Investments in associated companies and joint ventures	1.1.2019 ²⁾
Annual Improvements (2015-2017)	Miscellaneous	1.1.2019 ²⁾
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	1.1.2019 ²⁾
IFRS 17	Insurance Contracts	1.1.2021 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 above listed revisions and interpretations are not being early adopted by CA Immo Group.

Expected impact of IFRS 9 and IFRS 15 on the consolidated financial statements

IFRS 9: Financial instruments

“IFRS 9 Financial Instruments” replaces “IAS 39 Financial Instruments: Recognition and Measurement”.

CA Immo Group does not plan to retrospectively apply IFRS 9 and all the necessary changes will be reflected in the balance sheet as at 31.12.2017.

The subsequent measurement of financial assets/ liabilities will be based on three categories with different valuations and a different recognition of changes in value. The categorization results both from the dependence of the contractual cash flows of the instrument and from the business model according to which the instrument is held/managed. As financial instruments measured at “amortized cost” qualify only those, whose business model gives rise to cash flows that are solely payments of principal and interests (SPPI – “solely payments of principal and interest”). All other financial assets are measured at fair value through profit and loss. For equity instruments that are not held/managed for trading purposes, i.e. for which the primary objective is not the short-term value appreciation/realization, an option for recognition in the other comprehensive income continues to exist. CA Immo group plans to make use of this option for the securities which were classified as available for sale (AFS – available for sale).

IFRS 9 provides a three-step model for the recognition of losses. Accordingly, in the first step an expected 12-month loss must be recognized at the recognition date. In the second step, a significant increase in the risk of default should lead to an increase in the risk provision for the expected loss of the entire residual term. In the third step, upon occurrence of an objective indication of impairment, the interest has to be recognized based on the net book value (book value less risk provision). For leasing receivables according to IAS 17 there is an option to recognize the risk provision in the amount of the expected loss over the entire residual term at the recognition date. CA Immo Group plans to exercise this option: as at 31.12.2017 the additional recognition of the allowance for leasing receivables is estimated at € 56 K. The expected allowances for cash at banks is estimated at € 223 K and the expected allowances for other financial assets is estimated at € 71 K.

Consequences will result in the recognition in the profit and loss for the changes in value of German partnerships participations classified as „available for sale“, since these changes in value have previously been recorded without affecting profit and loss. In the future, these changes will be recorded through profit and loss. As at 31.12.2017 the change results only from a reclassification in shareholders' equity.

The application of IFRS 9 will lead to changes in the financial statements of CA Immo Group in connection with the modification of debt instruments, since previous accounting method applied by the CA Immo Group under IAS 39 measured the liability at amortized cost (effective interest method). In the future, changes in present value due to loan modifications are to be recognized immediately in the profit and loss and distributed over the residual term by means of the effective interest method. This change increases the shareholders' equity as at 31.12.2017 with € 3,291 K.

CA Immo Group has granted to joint ventures and associated entities, which are valued according to IAS 28 using at-equity method, loans which are part of the net investment in these entities, according to above - mentioned standard. Starting 1.1.2019, once the changes in IAS 28 are in place, the valuation of the loans granted to joint ventures and associated entities will fall under the requirements of IFRS 9. This will lead to the fact that the loans granted to joint ventures and associated entities by CA Immo Group, as long as they do not meet SPPI criterium, will be valued at fair value. The effects from this change are still analysed, but no material effect is expected.

IFRS 15: Revenue from contracts with customers

IFRS 15 supersedes IAS 11, IAS 18 and the related interpretations and stipulates when and in which amount revenue has to be recognized. Income from leases (rental income) are excluded from the new IFRS 15 standard, as they fall under IAS 17 or starting 2019, under IFRS 16. The new standard provides a single, principle-based five-step model, which, apart from certain exceptions, has to be applied to all contracts with customers.

1. Identification of the contract with the customer
2. Identification of the performance obligations in the contract
3. Determination of the transaction price
4. Allocation of the transaction price to the performance obligations based on stand-alone selling prices of the individual performance obligations
5. Recognition of revenue over a period of time or at a specific point in time when performance obligation is fulfilled

CA Immo Group plans to retrospectively apply IFRS 15 and plans to use practical easements for application.

After analysis of the contractual requirements of the five-step model in IFRS 15, many contracts, such as residential projects, which used to be realized at a specific point in time in the past, meet the criteria for a revenue recognition over a period of time. In the future, depending on the contract, the revenues will be recognized over a period of time according to stage of completion and correspondingly, contractual assets and liabilities will be recorded. The contract related expenses, which result from the conclusion of the contract, will be in future activated and over the revenue recognition period of time recorded in expenses. This will also influence the result from joint ventures, since some of the residential projects are in joint ventures entities.

Furthermore, IFRS 15 leads to a new assessment in respect of separate performance obligation. As at 31.12.2017 this mainly leads to an adjustment of properties held for trading in amount of approximately € 7,899 K, other liabilities in amount of € -71,354 K as well as provisions in amount of € 66,972 K.

The initial application of IFRS 9 (not retrospectively) and IFRS 15 (retrospectively) as at 1.1.2018 will have the following estimated effects on consolidated profit and loss and consolidated balance sheet:

Expected impact on the consolidated statement of financial position as at 31.12.2016

€ 1,000	31.12.2016 as reported	Change due to IFRS 15	31.12.2016 according to IFRS 15
ASSETS			
Investments in joint ventures	191,369	2,943	194,312
Financial assets	89,713	487	90,199
Long-term assets	3,659,806	3,430	3,663,236
Properties held for trading	34,147	-13,838	20,310
Receivables and other assets	76,235	4,802	81,037
Short-term assets	649,332	-9,036	640,297
Total assets	4,309,138	-5,606	4,303,532
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	2,204,541	14,879	2,219,421
Provisions	13,242	54,358	67,600
Other liabilities	87,180	-53,525	33,655
Deferred tax liabilities	239,969	5,896	245,865
Long-term liabilities	1,753,026	6,730	1,759,756
Provisions	84,766	22,871	107,637
Other liabilities	97,064	-50,086	46,978
Short-term liabilities	351,571	-27,215	324,355
Total liabilities and shareholders' equity	4,309,138	-5,606	4,303,532

Expected impact on the consolidated income statement for 2017

€ 1,000	2017 as reported	Change due to IFRS 15	2017 according to IFRS 15
Net rental income	163,358	0	163,358
Result from trading and construction works	13,552	2,472	16,024
Result from the sale of investment properties	32,132	-3,279	28,853
EBITDA	173,740	-807	172,933
Result from joint ventures	66,585	6,383	72,969
Result of operations (EBIT)	340,502	5,576	346,079
Result from financial investments	7,456	209	7,665
Financial result	-40,684	209	-40,475
Net result before taxes (EBT)	299,819	5,785	305,604
Deferred taxes	-48,641	-287	-48,928
Income tax expense	-64,960	-287	-65,247
Consolidated net income	234,859	5,498	240,357
thereof attributable to the owners of the parent	234,854	5,498	240,352
Earnings per share in € (basic)	€2.52	€0.06	€2.58
Earnings per share in € (diluted)	€2.48	€0.06	€2.54

Expected impact on the consolidated statement of financial position as at 31.12.2017

€ 1,000	31.12.2017 as reported	Changes due to IFRS 9	Change due to IFRS 15	31.12.2017 according to IFRS 9 and IFRS 15
ASSETS				
Investments in joint ventures	207,182	0	8,933	216,115
Financial assets	85,570	-35	931	86,466
Long-term assets	4,047,393	-35	9,865	4,057,223
Properties held for trading	79,317	0	-35,184	44,133
Receivables and other assets	81,314	-92	8,122	89,344
Cash and cash equivalents	383,512	-223	0	383,288
Short-term assets	721,259	-316	-27,061	693,882
Total assets	4,768,653	-351	-17,197	4,751,105
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity	2,398,510	2,940	20,378	2,421,828
Provisions	5,646	0	41,403	47,049
Interest-bearing liabilities	1,684,170	-3,760	0	1,680,410
Other liabilities	86,434	0	-35,842	50,593
Deferred tax liabilities	291,305	468	6,183	297,956
Long-term liabilities	2,067,555	-3,291	11,745	2,076,008
Provisions	100,658	0	25,569	126,227
Other liabilities	115,303	0	-74,888	40,415
Short-term liabilities	302,588	0	-49,319	253,269
Total liabilities and shareholders' equity	4,768,653	-351	-17,197	4,751,105

IFRS 16: Leases

The new standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To be classified as lease, the contract needs to fulfill the following criteria:

- The fulfillment of the contract depends on the use of an identified asset.
- The contract must convey the right to control the use of an identified asset.

Under IFRS 16, lessors classify all leases in the same manner as under IAS 17, distinguishing between two types of leases, i.e. finance and operating. Lessees, however, do not need to separate between the types of leases but need to recognize an asset as a "right of use" for all lease contracts upon lease commencement and need to book a corresponding leasing liability. Leases of low-value assets and short-term leases are excluded.

The changes of IFRS 16 on the operating leases of CA Immo Group will have no material impact on the financial statements of CA Immo Group, since these mainly concern leases for furniture and office equipment and immaterial rental agreements in Germany.

The application of IFRS 16 may lead to the recognition of a right of use and a liability in those cases where CA Immo Group is lessee and not owner of a land plot. The exact impact of IFRS 16 on CA Immo Group is still being analyzed in a project, in order to determine the necessary adjustments in the financial statements as well as processes and systems. From the current perspective, the effect on the financial statements of the CA Immo Group is not material.

Other changes

The effects of the first time application of IFRIC 23 (Uncertainty over income tax treatments) have not been conclusively analysed. The first time adoption of all other new standards interpretations is not likely to have any material impact on consolidated financial statements.

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

1. Segment reporting

The operating segments generate gross revenues and other income from rental activities, the sale of properties held for trading, the sale of properties as well as from development services. Gross revenues and other income are allocated to the country and segment the properties or services are located/provided in.

Business relationships within an operating segment are consolidated within the segment. Business relationships with other operating segments are disclosed separately and reconciliations to the consolidated income statement and consolidated statement of financial position are presented in the “Consolidation” column.

The accounting principles of the reportable segments correspond to those described under “Summarized presentation of accounting methods”.

Transactions between operating segments are allocated as follows:

- Management fees for services performed by the holding segment (e.g. property management, financial negotiation, purchase and sale of properties, accounting, controlling) are charged on the basis of actual fees and allocated to the individual segments on the basis of the invoiced services. They are recognised in the column “Holding” as income from services rendered.
- Management companies are assigned to the segments according to their main activities. Management fees charged by these companies are allocated based on the invoiced services to the individual operating segment of the respective region and are recognised in the segment, which the management company has been assigned to, as income from services rendered.
- Eastern Europe core region segment consists of Hungary, Poland, Romania, the Czech Republic as well as Serbia.
- Eastern Europe other region segment consists of Bulgaria, Croatia, Slovenia, Russia, Ukraine and Slovakia.

2017		Austria			Germany		
€ 1,000	Income producing	Development	Total	Income producing	Development	Total	Income producing
Rental income	30,771	0	30,771	75,601	4,273	79,874	92,615
Rental income with other operating segments	523	0	523	898	10	908	0
Operating costs charged to tenants	7,273	0	7,273	17,358	352	17,710	32,763
Operating expenses	-8,079	0	-8,079	-17,751	-437	-18,187	-35,185
Other expenses directly related to properties rented	-2,515	0	-2,515	-7,572	374	-7,198	-6,337
Net rental income	27,972	0	27,972	68,534	4,572	73,106	83,857
Other expenses directly related to properties under development	0	-418	-418	0	-4,184	-4,184	0
Result from trading and construction works	0	8,419	8,419	0	11,011	11,011	0
Result from the sale of investment properties	3,101	19	3,120	12,761	7,067	19,828	5,378
Income from services rendered	0	0	0	378	10,299	10,677	651
Indirect expenses	-1,486	-92	-1,577	-7,428	-15,552	-22,980	-12,551
Other operating income	73	7	80	1,324	198	1,521	238
EBITDA	29,660	7,935	37,596	75,569	13,410	88,979	77,573
Depreciation and impairment/reversal	-957	0	-957	-121	-2,562	-2,683	-435
Result from revaluation	-8,175	2,836	-5,339	299,930	14,015	313,944	-15,904
Result from joint ventures	0	0	0	0	0	0	0
Result of operations (EBIT)	20,529	10,771	31,300	375,377	24,864	400,241	61,233

31.12.2017

Property assets ¹⁾	535,088	69,200	604,288	1,872,411	730,389	2,602,800	1,495,908
Other assets	47,445	22,492	69,937	164,671	377,224	541,895	136,925
Deferred tax assets	0	0	0	587	2,385	2,973	859
Segment assets	582,533	91,692	674,225	2,037,670	1,109,998	3,147,668	1,633,692
Interest-bearing liabilities	227,385	45,450	272,834	920,229	150,852	1,071,081	691,516
Other liabilities	9,616	26,680	36,296	35,514	266,972	302,486	46,832
Deferred tax liabilities incl. current income tax liabilities	42,891	4,882	47,773	232,363	60,503	292,866	35,696
Liabilities	279,892	77,011	356,903	1,188,105	478,328	1,666,433	774,044
Shareholders' equity	302,641	14,681	317,322	849,564	631,670	1,481,235	859,648
Capital expenditures ²⁾	4,872	36,981	41,854	16,059	195,653	211,712	155,601

¹⁾ Property assets include rental investment properties, investment properties under development, own used properties, properties held for trading and properties available for sale.

²⁾ Capital expenditures include all acquisitions of properties (long-term and short-term) including additions from initial consolidation, office furniture and other equipment and intangible assets; thereof € 29,970 K (31.12.2016: € 14,906 K) in properties held for trading.

Development	Eastern Europe core regions	Income producing	Development	Eastern Europe other regions	Total segments	Transition		Total
	Total			Total		Holding	Consolidation	
0	92,615	12,766	0	12,766	216,026	0	-35,745	180,281
0	0	0	0	0	1,431	0	-1,431	0
0	32,763	4,332	0	4,332	62,078	0	-10,815	51,263
0	-35,185	-4,738	0	-4,738	-66,189	0	10,493	-55,696
0	-6,337	-552	0	-552	-16,602	0	4,113	-12,489
0	83,857	11,808	0	11,808	196,743	0	-33,385	163,358
-136	-136	0	-47	-47	-4,786	0	1,942	-2,844
0	0	0	0	0	19,431	0	-5,879	13,552
-686	4,692	0	52	52	27,691	0	4,441	32,132
0	651	0	0	0	11,328	12,111	-12,331	11,109
-479	-13,030	-837	-127	-964	-38,551	-19,391	13,324	-44,618
11	248	12	0	12	1,861	233	-1,043	1,051
-1,291	76,282	10,983	-122	10,861	213,718	-7,047	-32,931	173,740
-3	-437	0	0	0	-4,077	-484	715	-3,846
399	-15,505	-1,368	-450	-1,818	291,282	0	-187,259	104,023
0	0	0	0	0	0	0	66,585	66,585
-894	60,339	9,615	-572	9,043	500,923	-7,531	-152,889	340,502
54,779	1,550,687	175,770	4,860	180,630	4,938,405	0	-1,081,736	3,856,669
10,628	147,553	6,768	15,859	22,627	782,012	929,962	-802,015	909,959
205	1,064	164	0	164	4,200	37,030	-39,205	2,025
65,612	1,699,304	182,702	20,719	203,421	5,724,617	966,992	-1,922,956	4,768,653
36,299	727,815	123,363	13,228	136,592	2,208,322	911,596	-1,366,829	1,753,089
13,163	59,995	3,437	45	3,482	402,259	33,564	-127,712	308,111
118	35,814	2,781	560	3,341	379,794	2,370	-73,222	308,942
49,580	823,624	129,581	13,833	143,415	2,990,375	947,530	-1,567,763	2,370,143
16,032	875,680	53,120	6,885	60,006	2,734,242	19,462	-355,194	2,398,510
19,988	175,590	2,260	0	2,260	431,416	206	-130,441	301,181

2016		Austria			Germany			
€ 1,000	Income producing	Development	Total	Income producing	Development	Total	Income producing restated	
Rental income	32,205	0	32,205	59,563	16,954	76,516	85,819	
Rental income with other operating segments	520	0	520	732	0	732	0	
Operating costs charged to tenants	7,518	0	7,518	14,089	2,620	16,709	31,048	
Operating expenses	-8,553	0	-8,553	-15,274	-3,503	-18,777	-33,359	
Other expenses directly related to properties rented	-3,465	0	-3,465	-4,005	-852	-4,857	-7,094	
Net rental income	28,225	0	28,225	55,104	15,218	70,322	76,414	
Other expenses directly related to properties under development	0	-309	-309	0	-2,813	-2,813	0	
Result from trading and construction works	0	2,339	2,339	0	16,181	16,181	0	
Result from the sale of investment properties	2,114	-167	1,948	15,052	5,152	20,204	675	
Income from services rendered	0	0	0	291	10,966	11,257	1,300	
Indirect expenses	-1,851	-65	-1,917	-6,346	-14,265	-20,611	-11,833	
Other operating income	55	0	55	228	713	941	75	
EBITDA	28,543	1,798	30,341	64,329	31,152	95,481	66,631	
Depreciation and impairment/reversal	-1,425	0	-1,425	-125	-572	-696	-718	
Result from revaluation	2,028	387	2,415	79,847	96,890	176,738	-16,616	
Result from joint ventures	0	0	0	0	0	0	0	
Result of operations (EBIT)	29,145	2,185	31,331	144,052	127,471	271,522	49,296	
31.12.2016								
Property assets ¹⁾	566,323	29,382	595,705	1,205,942	946,504	2,152,446	1,413,305	
Other assets	23,287	15,928	39,215	259,594	463,588	723,181	212,373	
Deferred tax assets	0	0	0	499	692	1,191	660	
Segment assets	589,610	45,311	634,920	1,466,034	1,410,784	2,876,819	1,626,338	
Interest-bearing liabilities	230,104	34,051	264,154	676,212	336,364	1,012,576	745,618	
Other liabilities	14,402	4,669	19,071	33,129	277,335	310,464	43,191	
Deferred tax liabilities incl. current income tax liabilities	48,025	1,690	49,715	129,673	106,471	236,144	39,691	
Liabilities	292,531	40,409	332,941	839,014	720,170	1,559,184	828,500	
Shareholders' equity	297,078	4,902	301,980	627,021	690,614	1,317,634	797,837	
Capital expenditures ²⁾	3,081	12,095	15,176	10,918	133,609	144,528	189,953	

Development	Eastern Europe	Income	Development	Eastern Europe	Total	Transition		Total
	core regions			other regions		Holding	Consolidation	
restated	Total	producing	restated	Total	restated		restated	
1,672	restated	restated	9	restated	restated	0	restated	165,603
0	87,491	13,076	0	13,085	209,298	0	-43,695	0
728	0	0	0	0	1,252	0	-1,252	46,906
-657	31,776	4,035	0	4,035	60,038	0	-13,131	-52,726
-154	-34,017	-4,742	0	-4,742	-66,088	0	13,362	-12,632
1,589	78,003	11,733	0	11,734	188,284	57	-41,191	147,150
-120	-120	0	-62	-62	-3,304	0	971	-2,333
0	0	0	0	0	18,520	0	-9,090	9,430
0	675	-1,149	426	-724	22,103	-68	1,306	23,340
0	1,300	0	0	0	12,557	10,893	-10,185	13,265
-783	-12,617	-1,040	-126	-1,166	-36,311	-21,335	13,505	-44,140
11	86	0	0	0	1,082	293	-502	873
697	67,327	9,545	238	9,783	202,932	-10,161	-45,186	147,585
-55	-773	0	0	0	-2,895	-534	-3	-3,432
549	-16,067	-2,569	-2,130	-4,699	158,387	0	-20,127	138,260
0	0	0	0	0	0	0	11,419	11,420
1,191	50,488	6,976	-1,892	5,084	358,425	-10,695	-53,897	293,834
75,829	1,489,134	174,860	5,830	180,690	4,417,975	0	-1,005,397	3,412,579
11,809	224,183	7,707	8,870	16,577	1,003,156	655,295	-763,455	894,997
88	747	277	0	277	2,215	40,182	-40,834	1,563
87,726	1,714,064	182,844	14,700	197,543	5,423,347	695,477	-1,809,686	4,309,138
62,861	808,480	128,436	14,796	143,232	2,228,443	653,677	-1,316,480	1,565,639
6,428	49,619	3,685	15	3,699	382,854	12,177	-112,778	282,253
2,227	41,919	2,735	561	3,296	331,074	1,401	-75,770	256,705
71,517	900,018	134,856	15,372	150,228	2,942,370	667,255	-1,505,028	2,104,597
16,209	814,047	47,988	-672	47,316	2,480,976	28,223	-304,658	2,204,541
12,429	202,382	1,859	52	1,911	363,995	472	-72,824	291,644

A significant percentage of total rental income is generated by CA Immo Group in the core regions of the Eastern Europe segment. In these countries a material proportion of the investment properties of CA Immo Group is located:

Segment Eastern Europe core regions before consolidation	€ 1,000	2017 Share in %	€ 1,000	2016 restated Share in %
Rental income				
Poland	19,681	21.3	18,796	21.5
Romania	17,649	19.1	18,258	20.9
Serbia	6,497	7.0	5,896	6.7
Czechia	17,765	19.2	18,148	20.7
Hungary	31,024	33.5	26,393	30.2
Total rental income	92,615	100	87,491	100
Fair value of investment properties IAS 40				
Poland	402,800	26.0	319,900	22.0
Romania	302,458	19.5	288,155	19.8
Serbia	96,400	6.2	96,100	6.6
Czechia	277,319	17.9	278,359	19.1
Hungary	471,710	30.4	472,450	32.5
Total fair value investment property according to IAS 40	1,550,687	100	1,454,964	100

2. Rental income

€ 1,000	2017	2016
Basic rental income	177,532	163,852
Conditional rental income	1,497	1,344
Change in accrued rental income related to lease incentive agreements	678	-278
Settlement from cancellation of rent agreements	573	686
Rental income	180,281	165,603

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

2017	Austria		Germany		Eastern Europe core regions		Eastern Europe other regions		Total	
	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %
Offices	17,629	57.3%	41,394	78.3%	89,013	99.2%	5,943	85.0%	153,979	85.4%
Hotels	5,494	17.9%	4,927	9.3%	0	0.0%	1,047	15.0%	11,468	6.4%
Retail	5,118	16.6%	263	0.5%	673	0.8%	0	0.0%	6,053	3.4%
Other properties	2,530	8.2%	6,249	11.8%	1	0.0%	0	0.0%	8,780	4.9%
Rental income	30,771	100%	52,832	100%	89,688	100%	6,990	100%	180,281	100%

2016 restated	Austria		Germany		Eastern Europe core regions		Eastern Europe other regions		Total	
	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %
Offices	17,452	54.2%	37,762	77.7%	73,819	95.9%	6,915	88.1%	135,948	82.1%
Hotels	5,335	16.6%	4,687	9.6%	0	0.0%	933	11.9%	10,954	6.6%
Retail	5,680	17.6%	278	0.6%	3,141	4.1%	0	0.0%	9,099	5.5%
Other properties	3,739	11.6%	5,863	12.1%	0	0.0%	0	0.0%	9,602	5.8%
Rental income	32,205	100%	48,590	100%	76,960	100%	7,847	100%	165,603	100%

CA Immo Group generates rental income from a multitude of tenants. No single tenant generates more than 10% of total rental income of CA Immo Group.

3. Result from operating costs and other expenses directly related to properties rented

€ 1,000	2017	2016
Operating costs charged to tenants	51,263	46,906
Operating expenses	-55,696	-52,726
Own operating costs	-4,433	-5,820
Maintenance costs	-5,884	-6,907
Agency fees	-3,577	-2,373
Bad debt losses and reserves for bad debts	-54	-309
Other directly related expenses	-2,974	-3,044
Other expenses directly related to properties rented	-12,489	-12,633
Total	-16,923	-18,453

4. Other expenses directly related to properties under development

€ 1,000	2017	2016
Operating expenses related to investment properties under development	-752	-902
Property advertising costs	-115	-196
Project development and project execution	-1,865	-1,052
Operating expenses related to investment properties under development long-term assets	-2,732	-2,150
Operating expenses related to investment properties under development	-55	0
Property advertising costs	-49	0
Project development and project execution	-7	-182
Operating expenses related to investment properties under development short-term assets	-112	-183
Other expenses directly related to properties under development	-2,844	-2,333

5. Result from trading and construction works		
€ 1,000	2017	2016
Income from trading	6,821	13,391
Income from construction works	22,395	14,709
Income from the sale of properties and construction works	29,216	28,099
Book value of properties sold incl. ancillary costs	-2,627	-6,998
Construction costs	-13,037	-11,672
Book value of properties sold incl. ancillary and construction costs	-15,664	-18,669
Result from trading and construction works	13,552	9,430
Result from trading and construction works in % from revenues	46.4%	33.6%

Costs incurred for construction work projects in accordance with IAS 11 at the reporting date total € 25,656 K (2016: € 12,619 K) so far, the related accumulated revenues amount to € 38,295 K (2016: € 15,899 K). On 31.12.2017 received prepayments amount to € 30,424 K (31.12.2016: € 5,565 K).

6. Result from sale of investment properties

€ 1,000	Austria	Germany	Eastern Europe other regions	Eastern Europe other regions	2017	Austria	Germany	Eastern Europe other regions restated	Eastern Europe other regions restated	2016
Sales prices for interests in property companies	0	0	4,350	0	4,350	0	87,163	8,462	4,660	100,285
Book value of net assets sold excl. goodwill	0	0	-4,300	0	-4,300	0	-83,964	-9,341	-2,979	-96,285
Goodwill of sold properties	0	0	-84	0	-84	0	-605	0	0	-605
Revaluation result for the year	0	0	1,325	0	1,325	0	4,238	-1,519	0	2,718
Subsequent costs and ancillary costs	-45	7,174	-36	0	7,092	0	-3,012	50	-95	-3,058
Results from the sale of investment property (share deals)	-45	7,174	1,254	0	8,383	0	3,820	-2,348	1,586	3,056
Income from the sale of investment properties	30,939	32,289	26,850	600	90,678	47,777	104,987	141	0	152,905
Book value of properties sold	-27,874	-16,121	-24,743	-520	-69,257	-47,696	-91,897	0	0	-139,593
Goodwill of sold properties	-116	0	0	0	-116	-999	-13	0	0	-1,012
Revaluation result for the year	418	8,470	2,608	0	11,496	3,677	14,444	0	0	18,122
Subsequent costs and ancillary costs	-109	-8,707	-208	-28	-9,053	-763	-9,381	5	0	-10,138
Results from the sale of investment property (asset deals)	3,258	15,932	4,507	52	23,749	1,996	18,141	147	0	20,284
Result from the sale of investment properties	3,213	23,106	5,762	52	32,132	1,996	21,961	-2,201	1,586	23,340

The book value of net assets sold (= equity) includes investment property in the amount of € 4,350 K (2016: € 97,226 K), for which selling prices totaling to € 4,350 K (2016: € 97,850 K) were agreed.

In 2016 the sales prices for interests in property companies in Germany also included the revaluation to fair value of the remaining at-equity investment, given the change from full to at-equity consolidation.

7. Income from services rendered

€ 1,000	2017	2016
Revenues from construction contracts according to IAS 11	1,892	2,044
Revenues from service contracts	6,870	8,944
Income from management	2,324	1,990
Property management revenues and other fees	22	287
Income from services rendered	11,109	13,265

Costs incurred for construction contracts in accordance with IAS 11 for development works in progress at the reporting date total € 5,074 K (2016: € 5,667 K) so far and the related accumulated revenues amount to € 6,625 K (2016: € 7,706 K). In 2017, losses recognised by reference to the stage of completion of the contract amount to € 0 K (2016: € 39 K loss). Prepayments amount to € 5,944 K as at 31.12.2017 (31.12.2016: € 6,983 K).

8. Indirect expenses

€ 1,000	2017	2016
Personnel expenses	-37,093	-33,318
Legal, auditing and consulting fees	-7,412	-8,611
Third party acquired development services	-3,250	-2,975
Office rent	-1,694	-1,514
Travel expenses and transportation costs	-1,242	-1,194
Other expenses internal management	-2,636	-2,682
Other indirect expenses	-4,030	-3,696
Subtotal	-57,357	-53,989
Own work capitalised in investment property	10,138	8,136
Change in properties held for trading	2,601	1,713
Indirect expenses	-44,618	-44,140

Personnel expenses include contributions to staff welfare funds in the amount of € 125 K (2016: € 114 K) and to pension and relief funds in the amount of € 305 K (2016: € 386 K).

9. Other operating income

€ 1,000	2017	2016
Discharge of lapsed liabilities	117	203
Other income	934	670
Other operating income	1,051	873

10. Depreciation and impairment losses/reversal

€ 1,000	2017	2016
Regular depreciation	-1,762	-1,831
Goodwill impairment	-896	-1,629
Impairment loss on properties held for trading	-1,188	0
Reversal of impairment loss previously recognised on properties held for trading	0	29
Depreciation and impairment/reversal	-3,846	-3,432

11. Joint ventures result

€ 1,000	2017	2016
At equity consolidation of investments in joint ventures	65,701	10,505
Result from sale of joint ventures	884	914
Result from joint ventures	66,585	11,420

In 2017, the result of at equity consolidation of joint ventures mainly contains the increase of the fair value of an investment property in Germany.

12. Finance costs

€ 1,000	2017	2016
Interest expense banks	-23,814	-24,900
Interest expense convertible bond	-1,126	0
Interest expense bonds	-14,963	-17,358
Other interest and finance costs	-6,640	-3,196
Capitalised interest	5,514	3,832
Finance costs	-41,029	-41,622

13. Result from derivatives

€ 1,000	2017	2016
Valuation interest rate derivative transactions	-800	-1,498
Change of ineffectiveness of cash flow hedges	20	13
Reclassification of valuation results recognised in equity	-1,980	-177
Valuation derivative convertible bond	-5,308	0
Result from derivatives	-8,068	-1,662

The result from interest rate derivative transactions is based on the development of the market value of those interest rate swaps, which do not have any cash flow Hedge relation or which no longer have one, due to reclassification. The reclassifications result from early repayment of the borrowings.

The item "Valuation interest rate derivative transactions" includes the following items:

€ 1,000	2017	2016
Valuation of interest rate swaps without cash flow hedge relation	-771	-1,293
Valuation Swaption	-17	-169
Valuation of interest rate caps	-12	-36
Valuation interest rate derivative transactions	-800	-1,498

14. Result from financial investments

€ 1,000	2017	2016
Interest income from loans to associated companies and joint ventures	1,642	638
Interest income on bank deposits	39	492
Revenues from dividends	4,947	4,507
Negative interests on deposits	-715	0
Other interest income	1,543	1,592
Result from financial investments	7,456	7,229

15. Result from other financial assets

The result from other financial assets for the year 2017 amounts to € -3,459 K (2016: € -15,768 K) and refers mainly to impairments of available for sale securities in the first quarter of 2017. The increases in value of available for sale securities amounting to € 19,511 K are included in other comprehensive income.

16. Result from associated companies

€ 1,000	2017	2016
ZAO „Avielen A.G.“, St. Petersburg	5,034	-4,077
	5,034	-4,077

17. Financial result

€ 1,000		Category ¹⁾	2017	2016
Interest expense	Interest	FLAC	-41,029	-41,622
Foreign currency gains/losses	Valuation		-1,091	-1,183
	Realisation		474	854
Interest rate swaps	Valuation	HFT	-771	-1,293
	Ineffectiveness	CFH	20	13
	Reclassification	CFH	-1,980	-177
Swaption	Valuation	HFT	-17	-169
Interest rate caps	Valuation	HFT	-12	-36
Derivative convertible bond	Valuation	HFT	-5,308	0
Interest income	Interest	L&R	3,224	2,722
Negative interests on deposits	Interest	L&R	-715	0
Financial investments	Dividends	AFS	4,947	4,507
Other financial assets	Valuation	AFS	-3,459	-15,768
Net result of financial instruments			-45,717	-52,151
Result from associated companies	Valuation	AEA	5,034	-4,077
Result from associated companies			5,034	-4,077
Financial result			-40,683	-56,228

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 - available for sale, AEA – at equity

The impairment for associated companies amounting to € 0 K (2016: € -4,077 K) corresponds to the segment Eastern Europe other regions Development and an impairment for available-for-sale securities amounting to € -3,398 K (2016: € -15,768 K) corresponds to the segment Holding.

18. Income tax

€ 1,000	2017	2016
Current income tax (current year)	-14,757	-17,304
Current income tax (previous years)	-1,562	7,168
Current income tax	-16,319	-10,136
Change in deferred taxes	-49,783	-43,524
Tax benefit on valuation of assets available for sale in equity	1,142	-29
Income tax expense	-64,960	-53,688
Effective tax rate (total)	21.7%	22.6%

In both 2017 and 2016, the current income tax (current year) mostly results from Germany.

The current income tax (previous years) mainly results from Germany and Austria. The change in current income tax (previous years) in Germany mainly results from the assessment made in the tax return for the utilization of the tax benefits for previous years, which in turn leads to a reduction in deferred tax liabilities of € 6,011 K. In 2016, current income tax (previous year) mainly includes corresponding offsetting effects from appeals and rulings related to tax audits and follow-up effects. CA Immo Group has appealed for the findings of the tax audit and has pursued further legal steps in this respect.

The reasons for the difference between expected income tax expense and effective income tax expense are outlined in the following table:

€ 1,000	2017	2016
Net result before taxes	299,819	237,605
Expected tax expenses (tax rate Austria 25.0% / prior year 25.0%)	-74,955	-59,401
Tax-effective impairment and reversal of impairment losses of investments in affiliated entities	846	8,454
Non-usable tax losses carried forward	-738	-193
Non tax-deductible expense and permanent differences	-3,451	-2,921
Differing tax rates abroad	5,210	-3,488
Capitalisation of prior years non-capitalised tax losses	2,842	810
Tax-exempt income	659	2,308
Adjustment of prior periods	2,246	3,578
Utilization of prior years non-capitalised tax losses	705	1,467
Trade tax effects	862	-2,147
Amortisation/Reversal of amortisation of deferred tax assets	-3,571	-6,619
At equity consolidation of investments in joint ventures	1,865	-1,733
Exchange rate differences not affecting tax	2,083	-764
Change in tax rate	0	7,776
Others	437	-815
Effective tax expense	-64,960	-53,688

19. Other comprehensive income

2017	Valuation result/ Reclassification (Hedging)	Currency translation reserve	Reserves for available for sale valuation	Reserve according to IAS 16	Reserve according to IAS 19	Total
€ 1,000						
Other comprehensive income before taxes	3,294	1,106	21,802	816	263	27,280
Income tax related to other comprehensive income	-935	0	-2,165	-261	-87	-3,447
Other comprehensive income for the period	2,359	1,106	19,637	556	176	23,834
thereof: attributable to the owners of the parent	2,359	1,106	19,637	556	176	23,834

2016 € 1,000	Valuation result/ Reclassification (Hedging)	Currency translation reserve	Reserves for available for sale valuation	Reserve according to IAS 16	Reserve according to IAS 19	Total
Other comprehensive income before taxes	2,610	359	1,128	0	-413	3,683
Income tax related to other comprehensive income	-680	0	-301	0	149	-831
Other comprehensive income for the period	1,930	359	827	0	-264	2,852
thereof: attributable to the owners of the parent	1,930	359	827	0	-264	2,852

Reserves according to IAS 19 include actuarial gains and losses from post-employment defined benefit plans as well as actuarial gains and losses from the plan assets.

The reserve according to IAS 16 resulted from the market value valuation as a direct consequence of the reclassification of an own used part of property from IAS 16 to IAS 40.

20. Long-term assets				
€ 1,000	Income producing investment properties	Investment properties under development	Own used properties	Total
Book values				
1.1.2016	2,714,305	408,979	7,016	3,130,301
Purchase of real estate companies	165,205	0	0	165,205
Current investment/construction	39,470	65,488	0	104,958
Disposals	-100,666	-83,979	0	-184,645
Depreciation and amortisation	0	0	-373	-373
Reclassification to assets held for sale	-15,064	0	0	-15,064
Transfers	11,640	-11,640	0	0
Revaluation	103,768	54,212	0	157,980
Change in lease incentives	5,017	-11	0	5,006
As at 31.12.2016 = 1.1.2017	2,923,676	433,049	6,643	3,363,367
Purchase of real estate companies	180,611	14,260	0	194,872
Current investment/construction	36,700	130,991	0	167,690
Disposals	-53,681	-5,643	0	-59,324
Depreciation and amortisation	0	0	-350	-350
Reclassification to assets held for sale	-36,900	0	0	-36,900
Reclassification from IAS 40 to IAS 2	0	-8,130	0	-8,130
Transfers	793	0	-793	0
Revaluation	103,203	14,457	0	117,660
Change in lease incentives	1,276	290	0	1,566
As at 31.12.2017	3,155,677	579,274	5,500	3,740,452

The following table provides an overview of the book values as at the respective reporting dates:

€ 1,000	Income producing investment properties	Investment properties under development	Own used properties	Total
1.1.2016				
Acquisition costs				
Fair value of properties	2,706,511	408,965	11,880	3,127,356
Accumulated depreciation	0	0	-4,864	-4,864
Net book value	2,706,511	408,965	7,016	3,122,491
Incentives agreements	7,793	13	0	7,806
Fair value/book value	2,714,305	408,979	7,016	3,130,300
As at 31.12.2016 = 1.1.2017				
Acquisition costs				
Fair value of properties	2,910,864	433,046	11,880	3,355,790
Accumulated depreciation	0	0	-5,237	-5,237
Net book value	2,910,864	433,046	6,643	3,350,553
Lease incentive agreements	12,811	3	0	12,815
Fair value/book value	2,923,676	433,049	6,643	3,363,367
As at 31.12.2017				
Acquisition costs				
Fair value of properties	3,141,621	578,981	10,683	3,731,285
Accumulated depreciation	0	0	-5,182	-5,182
Net book value	3,141,621	578,981	5,500	3,726,102
Lease incentive agreements	14,057	293	0	14,350
Fair value/book value	3,155,677	579,274	5,500	3,740,452

The current capital expenditures (construction costs) for investment properties under development mainly relate to Frankfurt Karlsruher Straße (€ 19,441 K), Europaplatz Berlin (€ 18,662 K) and the project CUBE (€ 18,276 K) in Germany, Orhideea Towers in Bucharest (€ 19,317 K) as well as several projects in Austria and Germany. The capital expenditures in income producing investment properties relate mainly to a parking house and an office property (€ 3,486 K) in Austria, Kontorhaus Arnulfpark (€ 2,639 K) in Germany and City Gate (€ 8,190 K) in Hungary.

The acquisitions of real estate companies refer to the Warsaw Spire complex in Poland and the purchase of the remaining shares of four former joint ventures in Czech Republic, Hungary and Germany.

The disposals for the current year relate mainly to the sale of an undeveloped plot in Prague and Ukraine, several sales in Austria, the office property Lietzenburger Straße in Germany and Infopark in Hungary. Previous year disposals of income producing investment properties mainly relate to a property for the purpose of residential construction in Vienna, Bahndirektion in Stuttgart and various other disposals in Germany and Austria as well as the sale of Sestka shopping center in Prague.

The fair value of the properties assigned as collateral for external financings totals € 2,191,735 K (31.12.2016: € 2,498,010 K).

In 2017, borrowing costs relating to the construction of properties totaling € 4,758 K (2016: € 3,462 K) were capitalised at a weighted average interest rate of 2.38% (2016: 3.30%).

In 2017, government grants amounted to € 0 K (2016: € 2,266 K).

21. Intangible assets and office furniture and equipment

€ 1,000	Goodwill	Software	Total	Office furniture and equipment
Book values				
1.1.2016	10,399	1,168	11,567	5,710
Currency translation adjustments	0	0	0	-1
Current additions	0	618	618	646
Disposals	-1,617	-36	-1,653	-6
Depreciation and amortisation	0	-708	-708	-750
Impairment	-1,629	0	-1,629	0
As at 31.12.2016 = 1.1.2017	7,153	1,042	8,195	5,599
Currency translation adjustments	0	0	0	4
Current additions	0	283	283	631
Disposals	-200	-23	-222	-17
Depreciation and amortisation	0	-657	-657	-755
Impairment	-896	0	-896	0
As at 31.12.2017	6,057	645	6,703	5,462

The following table shows the composition of the book values at each of the reporting dates:

€ 1,000	Goodwill	Software	Total	Office furniture and equipment
1.1.2016				
Acquisition costs	28,153	3,118	31,271	9,770
Accumulated impairment/amortisation	-17,754	-1,950	-19,704	-4,060
Book values	10,399	1,168	11,567	5,710
As at 31.12.2016 = 1.1.2017				
Acquisition costs	24,213	3,688	27,901	10,191
Accumulated impairment/amortisation	-17,060	-2,646	-19,706	-4,592
Book values	7,153	1,042	8,195	5,599
As at 31.12.2017				
Acquisition costs	21,831	3,905	25,737	10,523
Accumulated impairment/amortisation	-15,774	-3,260	-19,034	-5,061
Book values	6,057	645	6,703	5,462

22. Investments in joint ventures

CA Immo Group is engaged in the following material joint ventures:

Name	Project Partner	Share of CA Immo Group (Prior Year)	Registered office	Region/Country Investment	Type of investment	Aggregation	Number entities (Prior Year)
Tower 185	PPG Partnerpensions gesellschaft, WPI Fonds	approx. 33.33% (33.33%)	Frankfurt	Germany	Income producing	Sum of entities	3 (3)
Eggarten	Büschl Group represented by Park Immobilien Projekt Eggarten Holding GmbH & Co. KG	50% (50%)	Munich	Germany	Income producing	Sum of entities	2 (2)

The joint venture “Tower 185“ holds the Tower 185 in Frankfurt. The joint venture “Eggarten” plans the development and sale of properties in Munich.

None of the joint ventures are listed and all have 31.12. as the key date. In all cases, except the Baumkirchen joint venture, the profit share is in accordance with the ownership share. The financial statements of the joint ventures are prepared in compliance with the accounting policy of CA Immo Group and included in the consolidated financial statements in accordance with the equity method.

Joint ventures are set up by CA Immo Group for strategic reasons and structured as independent investment companies. They consist of common agreements, groups of independent investment companies (sum), or separate investment companies (subsidiaries). The structure depends on the strategic background e.g. development of properties, financing or investment volume.

As at 31.12.2017, there are unrecognized losses from joint ventures amounted to € 425 K (31.12.2016: € 2,200 K). There are no unrecognized contractual obligations for the CA Immo Group concerning the acquisition or disposal of shares in joint ventures or for assets that are not accounted for.

The presented information of joint ventures does not include any consolidation within the CA Immo Group.

The following table shows material interests in joint ventures:

€ 1,000	2017		2016	
	Eggarten	Tower 185	Eggarten	Tower 185
Rental income	91	26,055	0	27,709
Depreciation and impairment/reversal	0	-6	0	-5
Finance costs	-9	-36,429	0	-17,457
Income tax expense	21	-3,891	0	-6,581
Consolidated net income	-216	159,073	0	33,015
Total comprehensive income	0	0	0	0
Comprehensive income for the period	-216	159,073	0	33,015
Long-term assets	46	29	0	596,049
Other short-term assets	85,243	783,534	84,022	13,857
Cash and cash equivalents	167	4,252	53	10,736
Total assets	85,456	787,814	84,075	620,643
Other long-term liabilities	0	25,616	0	22,111
Interest-bearing liabilities	1,559	0	0	290,434
Long-term liabilities	1,559	25,616	0	312,536
Other short-term liabilities	126	17,367	113	4,375
Interest-bearing liabilities	0	312,753	0	4,414
Short-term liabilities	126	330,120	113	8,789
Shareholders' equity	83,749	432,078	83,963	299,300
Proportional equity as at 1.1.	41,981	99,724	0	93,367
Proportional profit of the period	-109	53,002	0	11,202
Capital decrease	0	-6,151	0	-4,636
Dividends received	0	-2,614	0	0
Transition consolidation	0	0	41,981	-208
Proportional equity as at 31.12.	41,872	143,962	41,981	99,724
Intercompany profit elimination and other consolidation effects	0	-905	0	-2,982
Reclassification IFRS 5	0	-2,276	0	0
Book value investments into joint ventures 31.12	41,872	140,781	41,981	96,742

The following table summarizes immaterial interests in joint ventures:

€ 1,000	2017	2016
Proportional equity as at 1.1.	54,402	62,130
Proportional profit of the period	8,498	456
Capital increases	1,919	13,863
Capital decrease	-2,811	-15,803
Dividends received	-7,384	-1,564
Proportional equity as at 31.12.	54,623	59,081
Goodwill	0	895
Intercompany profit elimination and other consolidation effects	-347	-88
Disposals	-31,771	-4,692
Reclassification IFRS 5	0	-11,689
Allowance of loans and receivables	1,598	6,940
Not recognised losses	425	2,200
Book value investments into joint ventures 31.12	24,529	52,646

23. Investments in associated companies

As at 31.12.2017 there are no unrecognised losses from associated companies (31.12.2016: € 0 K).

The following table shows the interests in associated companies:

€ 1,000	2017	2016
Proportional equity as at 1.1.	-18,808	-20,989
Proportional profit of the period	-2,640	2,181
Impairment	0	-7,663
Allowance of loans and interests	21,448	26,471
Book value 31.12.	0	0

24. Financial assets

€ 1,000	31.12.2017	31.12.2016
Other financial assets	74,609	70,144
Long-term receivables and other assets	10,961	19,569
	85,570	89,713

€ 1,000	Acquisition costs incl. recognized interests as at 31.12.2017	Changes in value recognized in profit or loss 2017	Changes in the value through OCI 2017	Changes in value accumulated until 31.12.2017	Book values as at 31.12.2017
Loans to joint ventures	3,174	-276	0	-1,045	2,129
Loans to associated companies	22,402	6,426	0	-7,226	15,176
Other loans	23,062	-56	0	-22,926	136
Loans and receivables	48,638	6,094	0	-31,196	17,442
Investments available for sale	50,887	0	2,291	5,987	56,875
Financial assets available for sale	50,887	0	2,291	5,987	56,875
Interest rate swaps	0	293	0	293	293
Interest rate caps	0	-12	0	0	0
Derivative financial instruments	0	280	0	293	293
Total other financial assets	99,526	6,375	2,291	-24,916	74,609

The interest rate caps were released during 2017.

€ 1,000	Acquisition costs incl. recognized interest as at 31.12.2016	Changes in value recognised in profit or loss 2016	Changes in the value through OCI 2016	Changes in value accumulated until 31.12.2016	Book values as at 31.12.2016
Loans to joint ventures	8,926	-1,610	0	-5,318	3,608
Loans to associated companies	22,402	-4,077	0	-13,652	8,750
Other loans	27,249	0	0	-27,249	0
Loans and receivables	58,577	-5,687	0	-46,219	12,358
Investments available for sale	54,077	0	1,130	3,696	57,774
Financial assets available for sale	54,077	0	1,130	3,696	57,774
Interest rate caps	106	-36	0	-94	12
Swaption	0	-169	0	0	0
Derivative financial instruments	106	-206	0	-94	12
Total other financial assets	112,761	-5,893	1,130	-42,617	70,144

Investments available for sale contain minority interests in Germany.

Long-term receivables and other assets

€ 1,000	31.12.2017	31.12.2016
Cash and cash equivalents with drawing restrictions	10,066	8,288
Receivables from property sales	820	11,250
Other receivables and assets	74	31
Long-term receivables and other assets	10,961	19,569

25. Deferred taxes

€ 1,000	2017	2016
Deferred taxes as at 1.1. (net)	-238,406	-194,989
Changes from sale of companies	827	178
Changes from first consolidation	385	790
Changes due to exchange rate fluctuations	3	-1
Changes recognised in equity	-2,305	-861
Changes recognised in profit or loss	-49,783	-43,524
Deferred taxes as at 31.12. (net)	-289,280	-238,406

€ 1,000			31.12.2016				31.12.2017		
Type	deferred tax asset	Deferred tax liabilities	Net amount	Consolidated Income Statement	Other income	Addition / Disposal / IFRS 5 / exchange rate fluctuations	Net amount	deferred tax asset	Deferred tax liabilities
Book value differences IFRS/tax of investment properties	0	-284,857	-284,857	-30,117	0	827	-314,148	584	-314,732
Difference in depreciation of own used properties	760	0	760	209	-261	0	708	708	0
Difference in acquisition costs for assets held for trading	0	-1,192	-1,192	-346	0	0	-1,538	0	-1,538
Difference in useful life for equipment	186	-1	185	-16	0	0	169	175	-6
Investments in joint ventures	540	-11,225	-10,685	-8,230	0	0	-18,915	1,343	-20,258
Loans and assets available for sale	0	-6,603	-6,603	115	-1,020	0	-7,508	0	-7,508
Assets held for sale	0	-3,716	-3,716	-515	0	0	-4,231	0	-4,231
Revaluation of receivables and other assets	366	-1,957	-1,592	-1,859	0	0	-3,451	522	-3,972
Revaluation of derivatives assets	0	0	0	-27	0	0	-27	0	-27
Revaluation of cash and cash equivalents	0	-19	-19	51	0	0	32	32	0
Revaluation of derivatives liabilities	1,304	0	1,304	5,101	-932	0	5,473	5,473	0
Liabilities	7,578	-615	6,964	-2,612	0	3	4,354	5,371	-1,017
Convertible bond	0	0	0	-3,498	0	0	-3,498	0	-3,498
Provisions	7,377	0	7,377	-3,515	-91	0	3,771	3,771	0
Tax losses	53,666	0	53,666	-4,524	0	385	49,527	49,527	0
Deferred tax assets/liabilities before offset	71,778	-310,184	-238,406	-49,783	-2,305	1,214	-289,280	67,506	-356,786
Computation of taxes	-70,215	70,215	0				0	-65,481	65,481
Deferred tax assets/liabilities net	1,563	-239,969	-238,406				-289,280	2,025	-291,305

The recorded tax losses include deferred tax assets related to impairment losses on investments in subsidiaries in Austria amounting to € 3,322 K (31.12.2016: € 6,264 K), which have to be deferred over the next years for income tax purposes.

Tax loss carryforwards and impairment losses on investments in subsidiaries for which deferred taxes were not recognised expire as follows:

€ 1,000	2017	2016
In the following year	15,240	12,767
Thereafter 4 years	21,888	39,502
More than 5 years	13,769	21,340
Without limitation in time	293,563	321,748
Total unrecorded tax losses carried forward	344,461	395,356
thereupon non-capitalised deferred tax assets	72,898	81,755

The total taxable temporary differences related to investments in Austrian affiliated companies and joint ventures for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 153,255 K (31.12.2016: € 280,344 K). Tax loss carryforwards and impairment losses on investments in subsidiaries of the Austrian companies that were not recognised amount to € 187,360 K (31.12.2016: € 201,490 K). Thereof the unrecognized deferred tax asset related to impairment losses on investments which have to be deferred over the next years for income tax purposes amounts to € 7,104 K (31.12.2016: € 5,212 K).

The total taxable temporary differences related to investments in foreign affiliated companies, joint ventures and associated companies for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 75,409 K (31.12.2016: € 48,687 K). Tax loss carry forwards not recognised of foreign entities amount to € 157,100 K (31.12.2016: € 193,866 K). Subject to specific requirements, gains from the disposal of investments in foreign entities are partially or completely exempt from income tax.

26. Assets and liabilities held for sale

As at 31.12.2017 the share in a joint venture in Germany as well an disposal group with a property in Austria with a fair value of € 39,176 K (31.12.2016: € 26,754 K) was classified as held for sale. For these assets and disposal group, disposals were agreed by the appropriate level of management of CA Immo Group and a contract of sale was concluded or assigned by the time the consolidated financial statements were prepared.

Properties held for sale € 1,000	31.12.2017	31.12.2016
Austria - investment properties	36,900	15,064
Assets held for sale	36,900	15,064
Germany - participation in joint ventures	2,276	0
Eastern Europe core regions - participation in joint ventures	0	11,690
Financial assets held for sale	2,276	11,690
Assets held for sale and relating to disposal groups	39,176	26,754

The result from revaluation includes an amount of € 0 K (2016: € 1,120 K) related to investment properties after their reclassification as properties held for sale.

Assets and liabilities held for sale	31.12.2017	31.12.2016
€ 1,000		
Assets held for sale	39,176	26,754
Cash and cash equivalents	930	0
Assets in disposal groups held for sale	40,106	26,754
Provisions	29	0
Other liabilities	42	0
Liabilities relating to disposal groups	71	0
Net-assets/liabilities included in disposal groups	40,035	26,754

Of the investment properties classified as per IFRS 5, an amount of € 0 K (31.12.2016: € 0 K) is encumbered by mortgage charges representing security for loan liabilities.

27. Properties held for trading

€ 1,000	Acquisition / production costs	Accumulated impairment	31.12.2017 Book values	Acquisition / production costs	Accumulated impairment	31.12.2016 Book values
At acquisition/production costs	77,072	0	77,072	33,053	0	33,053
At net realisable value	6,059	-3,813	2,246	3,745	-2,650	1,095
Total properties held for trading	83,131	-3,813	79,317	36,798	-2,650	34,147

The fair value of the properties held for trading which are recognised at acquisition/production costs amounts to € 139,234 K (31.12.2016: € 58,955 K), and correspond to level 3 of the fair value hierarchy.

Properties held for trading amounting to € 45,735 K (31.12.2016: € 32,680 K) are expected to be realised within a period of more than 12 months. This applies to 17 properties (31.12.2016: 12 properties) in Germany.

In 2017, borrowing costs amounting to € 755 K (31.12.2016: € 370 K) were capitalised at a weighted average interest rate of 2.44% (2016: 3.24%) on properties held for trading. Interest bearing liabilities in connection with properties held for trading total € 0 K (31.12.2016: € 0 K).

28. Receivables and other assets

€ 1,000	Book values as at 31.12.2017	Book values as at 31.12.2016
Receivables from joint ventures	8,699	6,922
Receivables from property sales	25,405	19,188
Rental and trade debtors	15,443	13,324
Cash and cash equivalents with drawing restrictions	3,679	7,800
Other accounts receivable	9,092	4,614
Receivables and other financial assets	62,318	51,848
Other receivables from fiscal authorities	9,139	9,496
Receivables IAS 11	8,552	11,045
Other non financial receivables	1,304	3,847
Other non financial assets	18,995	24,387
Receivables and other assets	81,314	76,235

Receivables in accordance with IAS 11 include a receivable from joint ventures amounting to € 0 K (31.12.2016: € 48 K).

The carrying amounts of receivables and other assets are based on nominal value and bad debt allowance, as follows:

€ 1,000	Nominal value 31.12.2017	Bad debt allowance 31.12.2017	Book value 31.12.2017	Nominal value 31.12.2016	Bad debt allowance 31.12.2016	Book value 31.12.2016
Receivables and other financial assets without bad debt allowance	61,371	0	61,371	50,675	0	50,675
Receivables and other financial assets with bad debt allowance	5,101	-4,154	947	6,037	-4,864	1,173
Receivables and other financial assets	66,472	-4,154	62,318	56,712	-4,864	51,848
Other non financial assets	19,009	-13	18,995	24,402	-14	24,387
	85,481	-4,167	81,314	81,113	-4,878	76,235

Movements in allowances for receivables and other assets are presented below:

€ 1,000	2017	2016
As at 1.1.	4,878	5,056
Additions (value adjustment expenses)	998	1,353
Use	-417	-540
Reversal	-1,342	-658
Disposal deconsolidation	-8	-311
Currency translation adjustments	58	-21
As at 31.12.	4,167	4,878

The aging of receivables and other financial assets, for which no allowance has been recognised is as follows:

	not due	< 30 days	31 - 180 days	181 - 360 days	overdue > 1 year	Total
31.12.2017	50,867	4,816	1,803	3,490	395	61,371
31.12.2016	44,065	3,943	1,768	243	655	50,675

For overdue not impaired receivables exist corresponding securities like deposits, bank guarantees or similar securities.

29. Current income tax receivables

This item amounting to € 12,791 K (31.12.2016: € 10,088 K) related to the CA Immo Germany Group and comprises corporate income tax and trade tax from the fiscal years 2013, 2015 and 2017 not yet assessed by the tax authorities as well as results of partly finalized tax authorities' audits.

30. Securities

The securities disclosed in the balance sheet relate to transferable shares in IMOFINANZ AG, Vienna, which were classified as available for sale (AFS). The CA Immo Group holds as at reporting date 54,805,566 shares (31.12.2016: 54,805,566 shares), which have been valued at a share price of € 2.147 (31.12.2016: € 1.853).

An impairment of securities amounting to € -3,398 K (2016: € -15,768 K) and a dividend income amounting to € 3,288 K (2016: € 3,288 K) was recorded in the income statement. In the other comprehensive income it was recorded a change in value not affecting the profit and loss in line with IAS 39 and amounting to € 19,511 K (2016: € 0 K).

31. Cash and cash equivalents

€ 1,000	31.12.2017	31.12.2016
Cash in banks	367,347	374,805
Restricted cash	16,140	20,260
Cash on hand	25	23
	383,512	395,088

32. Shareholders' equity

The share capital equals the fully paid in nominal capital of CA Immobilien Anlagen Aktiengesellschaft of € 718,336,602.72 (31.12.2016: € 718,336,602.72). It is divided into 98,808,332 (31.12.2016: 98,808,332) bearer shares and 4 registered shares of no par value. The registered shares are held by IMMOFINANZ Group, Vienna, each granting the right to nominate one member of the Supervisory Board. The Supervisory Board currently consists of eight members elected by the Ordinary General Meeting and two members elected by the registered shares.

At the end of November 2016, the company started a share buyback program for up to 1,000,000 shares (around 1% of the current share capital of the company). The origin maximum limit of € 17.50 per share has been raised to € 24.20 per share as per end of August 2017. The repurchase value to be paid must be within the scope of the authorization resolution of the Annual General Meeting and may not be lower than a maximum of 30% below and not higher than 10% above the average unweighted closing price of the ten trading days on the Stock Exchange preceding the repurchase. As before, the repurchase will take place for each purpose permitted by the resolution of the Annual General Meeting and will end no later than 2 November 2018. In total, 178,735 shares (ISIN AT0000641352) were acquired under this program at a weighted average value including bank charges of around € 22.57 per share in 2017.

As at 31.12.2017, CA Immobilien Anlagen AG held 5,582,054 treasury shares in total. Given the total number of voting shares issued (98,808,336), this is equivalent to around 5.6% of the voting shares.

The appropriated capital reserve as reported in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft totals € 854,842 K (31.12.2016: € 854,842 K). 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 Commercial Code (UGB), subject to the existence of any legal dividend payment constraints. In 2017, a dividend amount of € 0.65 (2016: € 0.50) for each share entitled to dividend, totalling € 60,691 K (31.12.2016: € 47,904 K), was distributed to the shareholders. The total net profit of CA Immobilien Anlagen Aktiengesellschaft as at 31.12.2017 amounting to € 840,429 K (31.12.2016: € 618,112 K), is not subject to dividend payment constraints (31.12.2016: no dividend payment constraints). The Management Board of CA Immo AG proposes to use part of the retained earnings as at 31.12.2017, amounting to € 840,429 K, in 2017 to distribute a dividend of € 0.80 per share, so that a total of € 74,581 K is to be distributed to shareholders. The remaining retained earnings of € 765,848 K are to be carried forward.

As at 31.12.2017 authority exists for the issue of additional capital in the amount of € 215,500,975 in the period until 31.8.2018 and for the issue of capital in the amount of € 100,006,120 earmarked for the specified purpose of servicing convertible bonds.

In the third quarter 2017, CA Immo AG issued a non-subordinated unsecured convertible bond in amount of € 200 m and a term until April 2025 excluding subscription rights of the shareholders. The coupon payable semi-annually amounts to 0.75% p.a. and the initial conversion price has been set at € 30.5684 per share. This equals a conversion premium of 27.50% above the volume weighted average price (VWAP) of the CA Immo shares amounting to € 23.9752 on the launch date. The convertible bond was issued at 100% of its nominal value of € 100 K per bond and will be redeemed at 100% of the nominal value, if not previously repaid or converted. At company's choice, the redemption may be effected by provision of shares, cash or a combination of the latter two variants. The settlement of the transaction took place on 4.10.2017.

33. Provisions

€ 1,000	Staff	Construction services	Subsequent costs of sold properties	Others	Total
As at 1.1.2017	9,732	28,659	27,971	31,647	98,009
Use	-5,840	-25,332	-6,047	-12,073	-49,293
Reversal	-958	-238	-15,550	-2,757	-19,503
Addition	10,054	42,330	2,071	20,504	74,959
Addition from initial consolidation	0	0	0	332	332
Addition from transition consolidation	0	1,842	0	157	1,999
Transfer to IFRS 5	0	-2	0	-27	-29
Accumulated interest	43	0	19	0	61
Currency translation adjustments	9	-108	1	-135	-233
As at 31.12.2017	13,039	47,151	8,465	37,649	106,303
thereof: short-term	9,636	47,151	6,222	37,649	100,658
thereof: long-term	3,403	0	2,242	0	5,646

The other provisions mainly contain provisions for services (audit services, tax and legal advice), property taxes, real estate transfer taxes, service expenses for properties and interests connected to tax audits.

Provision for employees

The provision for employees primarily comprises the present value of the long-term severance obligation of € 359 K (31.12.2016: € 352 K), bonuses of € 8,348 K (31.12.2016: € 6,248 K), a long-term provision for bonuses for members of the board of € 454 K (31.12.2016: € 466 K), and unused holiday entitlements of € 1,051 K (31.12.2016: € 799 K).

The provision for bonuses comprises a long-term provision for the LTI-(long-term incentive) programme amounting to € 842 K (31.12.2016: € 308 K) as well as a short-term provision of € 873 K (31.12.2016: € 927 K).

The following table presents the changes in the present value of the severance payment obligation:

€ 1,000	2017	2016
Present value of severance obligations as at 1.1	352	639
Use	-72	-554
Current service costs	87	209
Interest cost	0	4
Revaluation	-8	55
Present value of severance obligations as at 31.12	359	352

The empirical adjustments of the present value of the obligation in respect of changes in projected employee turnover, early retirement or mortality rates are negligible.

Net plan assets from pension obligations

CA Immo Group has a reinsurance policy for defined benefit obligations in Germany, which fulfils the criteria for disclosure as plan assets. As the capital value of these defined benefit obligations exceeds the plan assets at the closing date, the net position is presented under the provisions.

€ 1,000	31.12.2017	31.12.2016
Present value of obligation	-8,794	-8,945
Fair value of plan asset	7,046	6,968
Net position recorded in consolidated statement of financial position	-1,749	-1,977
Financial adjustments of present value of the obligation	-31	-558
Experience adjustments of present value of the obligation	182	52

The development of the defined benefit obligation and of the plan asset is shown in the following table:

€ 1,000	2017	2016
Present value of obligation as at 1.1.	-8,945	-8,356
Current Payment	146	84
Interest cost	-146	-167
Revaluation	151	-506
Present value of obligation 31.12	-8,794	-8,945
Plan asset as at 1.1.	6,968	6,878
Expected income from plan asset	114	137
Revaluation	120	37
Current Payment	-156	-84
Plan asset as at 31.12	7,046	6,968

The following income/expense was recognized in the income statement:

€ 1,000	2017	2016
Interest cost	-146	-167
Expected income from plan asset	114	137
Pensions costs	-33	-30

The following result before taxes was recognised in the other comprehensive income:

€ 1,000	2017	2016
Revaluation of pension obligation	151	-506
Revaluation of plan assets	120	37
IAS 19 reserve	271	-469

Sensitivity analysis regarding the financial mathematical assumptions is shown in the following table:

2017 € 1,000	-0.25%	+0.25%
change interest rate of 0.25 percent points	-399	375
change pension trend of 0.25 percentage points	310	-326

2016 € 1,000	-0.25%	+0.25%
change interest rate of 0.25 percent points	-418	393
change pension trend of 0.25 percentage points	320	-336

34. Interest bearing liabilities

€ 1,000			31.12.2017				31.12.2016	
	Short-term	Long-term	Total		Short-term	Long-term	Total	
Convertible bond	362	183,973	184,334		0	0	0	
Bonds	11,752	636,695	648,447		8,961	462,697	471,658	
Bonds	12,114	820,668	832,781		8,961	462,697	471,658	
Investment loans	56,506	862,902	919,408		143,743	949,937	1,093,681	
Loans due to joint venture partners	300	0	300		300	0	300	
Liabilities to joint ventures	0	600	600		0	0	0	
Other interest-bearing liabilities	56,806	863,502	920,308		144,043	949,937	1,093,981	
	68,920	1,684,170	1,753,089		153,004	1,412,635	1,565,639	

The euro is the contract currency of 100% of the interest bearing liabilities (31.12.2016: 100% in EUR).

Bonds

31.12.2017	Nominal value	Book value	Deferred interest	Nominal interest rate	Effective interest rate	Issue	Repayment
	in € 1,000	excl. interests € 1,000	in € 1,000				
Convertible bond	200,000	183,973	362	0.75%	2.56%	4.10.2017	4.4.2025
Bond 2015-2022	175,000	174,492	4,159	2.75%	2.83%	17.2.2015	17.2.2022
Bond 2016-2023	150,000	149,350	3,576	2.75%	2.84%	17.2.2016	17.2.2023
Bond 2016-2021	140,000	139,280	1,227	1.88%	2.03%	12.7.2016	12.7.2021
Bond 2017-2024	175,000	173,573	2,791	1.88%	2.02%	22.2.2017	22.2.2024
Total	840,000	820,668	12,114				

The convertible bond issued in 2017 has no equity component. The bond consists of a debt component and, due to the repayment option in shares of CA Immo AG, an embedded derivative subject to separation. The book value of the convertible bond corresponds to the amortized cost of the debt component of the financial instrument. The embedded derivative of the convertible bond to be reported separately is presented under the derivative financial instruments.

31.12.2016	Nominal value in € 1,000	Book value excl. interests € 1,000	Deferred interest in € 1,000	Nominal interest rate	Effective interest rate	Issue	Repayment
Bond 2015-2022	175,000	174,378	4,159	2.75%	2.83%	17.2.2015	17.2.2022
Bond 2016-2023	150,000	149,234	3,576	2.75%	2.84%	17.2.2016	17.2.2023
Bond 2016-2021	140,000	139,085	1,227	1.88%	2.03%	12.7.2016	12.7.2021
Total	465,000	462,697	8,961				

The corporate bonds and the convertible bond are subject to financial covenants. These are mainly related to change of control (i.e. the acquisition of at least 30% of shares in CA Immo Group, with reference to the Austrian Takeover Act), cross default (i.e. violation of terms of other loan contracts directly resulting in breaches of bond terms) or LTV (loan to value, i.e. the ratio between loan amount and fair value of assets).

As at 31.12.2017 no bonds were in breach of covenants (31.12.2016: no breaches).

Other interest-bearing liabilities

As at 31.12.2017 and 31.12.2016, the terms of other interest-bearing liabilities are as follows:

Type of financing and currency	Effective interest rate as at 31.12.2017 in %	Interest variable / fixed / hedged	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value of liability in € 1,000
Investment loans	0.70%–2.75%	variable	9/2018 - 3/2032	189,819	189,114	189,114
Investment loans	1.33%–4.75%	hedged	6/2019 - 3/2032	455,937	454,279	454,279
Investment loans	0.62%–3.95%	fix	12/2018 - 12/2024	276,177	276,014	277,359
Investment loans (total)				921,933	919,408	920,752
Loans due to joint venture partners	3.40%	fix	12/2018	300	300	304
Liabilities to joint ventures	1.18%	fix	6/2019	600	600	600
				922,833	920,308	921,656

Type of financing and currency	Effective interest rate as at 31.12.2016 in %	Interest variable / fixed / hedged	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value of liability in € 1,000
Investment loans	0.70%–3.75%	variable	3/2017 - 12/2029	358,480	357,402	357,402
Investment loans	1.15%–5.08%	hedged	12/2017 - 12/2024	442,272	441,462	441,462
Investment loans	0.70%–3.95%	fix	9/2018 - 12/2024	294,499	294,817	293,099
Investment loans (total)				1,095,251	1,093,681	1,091,962
Loans due to joint venture partners	3.40%	fix	12/2017	300	300	304
				1,095,551	1,093,981	1,092,266

More than 90% of the bank financing of CA Immo Group is subject to financial covenants. These are generally for investment properties LTV (loan to value, i.e. ratio between loan amount and the fair value of the object), ISCR (interest service coverage ratio, i.e. the ratio between planned EBIT and financial expenditure) and DSCR (debt service coverage ratio, i.e. the ratio between EBIT and debt service of one period) and ratios for investment properties under development LTC (loan to cost, i.e. ratio between debt amount and total project costs) and ISCR (interest service coverage ratio, i.e. the ratio between planned EBIT and financial expenditure) ratios for development projects.

Other interest-bearing liabilities, for which the relevant financial covenants were not met as at 31.12.2017, are presented in short-term interest-bearing liabilities regardless of their maturity, because breaches of the financial covenants generally entitle the lender to early termination of the loan agreement. This applies irrespective of the state of negotiations with the banks regarding a continuation or amendment of the loan agreements. As at 31.12.2017 no loans were in breach of covenants (31.12.2016: no breaches).

Taking into account all interest hedging agreements, the average weighted interest rate for all other interest bearing liabilities denominated in EUR is 1.62% (31.12.2016: 2.25%).

35. Other liabilities

€ 1,000

	Short-term	Long-term	31.12.2017 Total	Short-term	Long-term	31.12.2016 Total
Fair value derivative transactions	0	23,021	23,021	1,515	10,068	11,583
Trade payables	16,429	2,972	19,401	13,801	1,779	15,581
Liabilities to joint ventures	3,176	0	3,176	14,756	0	14,756
Rent deposits	1,411	12,031	13,442	1,588	9,610	11,198
Open purchase prices	2,340	0	2,340	751	0	751
settlement of operating costs	2,605	0	2,605	2,606	0	2,606
Other	2,189	11,946	14,135	3,890	11,430	15,321
Financial liabilities	28,150	26,949	55,098	37,393	22,819	60,213
Operating taxes	4,842	0	4,842	3,463	0	3,463
Prepayments received	79,699	35,842	115,540	50,816	53,525	104,340
Prepaid rent and other non financial liabilities	2,613	622	3,235	3,877	768	4,645
Non-financial liabilities	87,153	36,464	123,617	58,156	54,293	112,448
	115,303	86,434	201,737	97,064	87,180	184,244

36. Income tax liabilities

This caption includes an amount of € 13,646 K (31.12.2016: € 15,984 K) related to CA Immo Germany Group and comprises corporate income tax and trade tax for the years 2011, 2014, 2016 and 2017, which have not been finally assessed by tax authorities as well as results of partly finalized tax authorities' audits.

37. Information for cash flow statement

€ 1,000	Note	Liabilities		
		Other interest-bearing liabilities	Convertible bond	Bonds
As at 1.1.2017		1,093,981	0	471,658
Changes in cash flow from financing activities				
Cash inflow from loans received	34	106,974	0	0
Cash inflow from the issuance of bonds	34	0	0	173,389
Cash inflow from the issuance of convertible bonds	34	0	197,894	0
Cash inflow of loans received from joint ventures	34	600	0	0
Acquisition of treasury shares	32	0	0	0
Dividend payments to shareholders	32	0	0	0
Repayment/payment related to the acquisition of shares from non-controlling interests and dividends to minority interests	32	0	0	0
Repayment of loans incl. interest rate derivatives	34	-324,963	0	0
Other interest paid	34	-20,050	0	-7,360
Total change in cash flow from financing activities		-237,439	197,894	166,029
Total change from the purchase of subsidiaries or other business operations	F4	44,635	0	0
Effects of changes in exchange rates	34	0	0	0
Change in fair value	38	0	0	0
Total Other changes related to liabilities		19,131	-13,559	10,760
Total Other changes related to equity		0	0	0
As at 31.12.2017		920,307	184,334	648,447

Liabilities	Derivatives		Shareholders' equity	Total
	Other effects in cash flow from financing activities	Derivatives assets		
0	-29	11,583	2,204,541	3,781,735
0	0	0	0	106,974
0	0	0	0	173,389
0	0	0	0	197,894
0	0	0	0	600
0	0	0	-4,922	-4,922
0	0	0	-60,691	-60,691
0	0	0	1,410	1,410
1,421	0	-8,221	0	-331,764
-1,278	0	-4,232	0	-32,921
142	0	-12,454	-64,203	49,968
0	0	0	0	44,635
0	0	13	0	13
0	-263	5,038	0	4,775
-142	0	18,841	888	35,920
0	0	0	257,283	257,283
0	-293	23,021	2,398,510	4,174,327

38. Financial instruments
Financial assets by categories

Category	IAS 39 category ¹⁾			No financial instruments	Book value 31.12.2017	Fair value 31.12.2017
	HFT	AFS	L&R			
€ 1,000						
Cash and cash equivalents with drawing restrictions	0	0	10,066	0	10,066	10,066
Derivative financial instruments	293	0	0	0	293	293
Primary financial instruments	0	0	18,336	0	18,336	
Investments available for sale	0	56,875	0	0	56,875	56,875
Financial assets	293	56,875	28,403	0	85,570	
Cash and cash equivalents with drawing restrictions	0	0	3,679	0	3,679	3,679
Other receivables and assets	0	0	58,639	18,995	77,634	
Receivables and other assets	0	0	62,318	18,995	81,314	
Securities	0	117,668	0	0	117,668	117,668
Cash and cash equivalents	0	0	383,512	0	383,512	
	293	174,542	474,233	18,995	668,063	

Category	IAS 39 category ¹⁾			No financial instruments	Book value 31.12.2016	Fair value 31.12.2016
	HFT	AFS	L&R			
€ 1,000						
Cash and cash equivalents with drawing restrictions	0	0	8,288	0	8,288	8,288
Derivative financial instruments	12	0	0	0	12	12
Primary financial instruments	0	0	23,639	0	23,639	
Investments available for sale	0	57,774	0	0	57,774	57,774
Financial assets	12	57,774	31,927	0	89,713	
Cash and cash equivalents with drawing restrictions	0	0	7,800	0	7,800	7,800
Derivative financial instruments	17	0	0	0	17	17
Other receivables and assets	0	0	44,031	24,387	68,418	
Receivables and other assets	17	0	51,831	24,387	76,235	
Securities	0	101,555	0	0	101,555	101,555
Cash and cash equivalents	0	0	395,088	0	395,088	
	29	159,328	478,846	24,387	662,591	

¹⁾ HFT – held for trading, AFS – available-for-sale, AFS/AC – available for sale/at cost, L&R – loans and receivables

The fair value of the receivables and other assets in the category of loans and receivables essentially equals the book value due to daily and/or short-term maturities. The primary financial instruments mainly consist of loans granted to joint ventures and associated companies, which are considered and valued as part of the net investment in the entities. Securities in the category AFS are recognized with their market value and are therefore classified as level 1 of the fair value hierarchy. Valuation of investments of AFS category corresponds to level 3 of the fair value hierarchy.

Financial assets are partially given as securities for financial liabilities.

Financial liabilities by categories

Category	IAS 39 category ¹⁾			No financial instruments	Book value	Fair value
	HFT	CFH	FLAC		31.12.2017	31.12.2017
€ 1,000						
Convertible bond	0	0	184,334	0	184,334	186,330
Bonds	0	0	648,447	0	648,447	687,811
Other interest-bearing liabilities	0	0	920,308	0	920,308	921,656
Interest-bearing liabilities	0	0	1,753,089	0	1,753,089	
Derivative financial instruments	23,021	0	0	0	23,021	23,021
Other primary liabilities	0	0	55,098	123,617	178,716	
Other liabilities	23,021	0	55,098	123,617	201,737	
	23,021	0	1,808,188	123,617	1,954,826	

¹⁾ HFT – held for trading, CFH – cash flow Hedge, FLAC – financial liabilities at amortised cost

The stock exchange price of the convertible bond amounts to € 206,264 K. The fair value of the embedded derivative of the convertible bond amounts to € 19,934 K. The debt component of the convertible bond and the embedded derivative of the convertible bond are separately reported.

Category	IAS 39 category ¹⁾			No financial instruments	Book value	Fair value
	HFT	CFH	FLAC		31.12.2016	31.12.2016
€ 1,000						
Bonds	0	0	471,658	0	471,658	498,201
Other interest-bearing liabilities	0	0	1,093,981	0	1,093,981	1,092,266
Interest-bearing liabilities	0	0	1,565,639	0	1,565,639	
Derivative financial instruments	7,432	4,151	0	0	11,583	11,583
Other primary liabilities	0	0	60,213	112,448	172,661	
Other liabilities	7,432	4,151	60,213	112,448	184,244	
	7,432	4,151	1,625,852	112,448	1,749,883	

¹⁾ HFT – held for trading, CFH – cash flow Hedge, FLAC – financial liabilities at amortised cost

The fair value recognized of the other non-derivative liabilities basically equals, based on the daily and short term due date, the book value.

39. Derivative financial instruments and hedging transactions

€ 1,000	Nominal value	Fair value	31.12.2017 Book value	Nominal value	Fair value	31.12.2016 Book value
Interest rate swaps - assets	92,343	293	293	0	0	0
Interest rate swaps - liabilities	363,645	-3,088	-3,088	397,766	-11,583	-11,583
Total interest rate swaps	455,987	-2,795	-2,795	397,766	-11,583	-11,583
Swaption	0	0	0	20,000	17	17
Interest rate caps	0	0	0	44,196	12	12
Derivative convertible bond	0	-19,934	-19,934	0	0	0
Total derivatives	455,987	-22,729	-22,729	461,962	-11,554	-11,554
- thereof hedging (cash flow hedges)	0	0	0	92,360	-4,151	-4,151
- thereof stand alone (fair value derivatives) - assets	92,343	293	293	64,196	29	29
- thereof stand alone (fair value derivatives) - liabilities	363,645	-23,021	-23,021	305,406	-7,432	-7,432

The derivative of the convertible bond results from the repayment option of the convertible bond into shares of CA Immo AG and is reported at fair value.

As at the balance sheet date 46.1% (31.12.2016: 28.2%) of the nominal value of all investment loans have been turned into fixed interest rates (or into ranges of interest rates with a cap) by means of interest rate swaps.

€ 1,000	Nominal value	Fair value	31.12.2017 Book value	Nominal value	Fair value	31.12.2016 Book value
- Cash flow hedges (effective)	0	0	0	90,626	-4,069	-4,069
- Cash flow hedges (ineffective)	0	0	0	1,734	-82	-82
- fair value derivatives (HFT) - assets	92,343	293	293	0	0	0
- fair value derivatives (HFT) - liabilities	363,645	-3,088	-3,088	305,406	-7,432	-7,432
Interest rate swaps	455,987	-2,795	-2,795	397,766	-11,583	-11,583

Interest rate swaps	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2017	Reference interest rate	Fair value in € 1,000 31.12.2017
EUR - stand alone - assets	92,343	12/2016	6/2027	0.29%-0.66%	3M-Euribor	293
EUR - stand alone - liabilities	363,645	7/2016	12/2027	-0.18%-0.94%	3M-Euribor	-3,088
Total interest swaps = variable in fixed	455,987					-2,795

Interest rate swaps	Nominal value in € 1,000	Start	End	Fixed	Reference	Fair value
				interest rate as at 31.12.2016	interest rate	in € 1,000 31.12.2016
EUR - CFH	92,360	11/2007	9/2018	2.25%–4.50%	3M-Euribor	–4,151
EUR - stand alone - liabilities	305,406	9/2013	12/2024	–0.18%–2.28%	3M-Euribor	–7,432
Total interest swaps = variable in fixed	397,766					–11,583
Swaption	20,000	11/2015	11/2017	1.25%	6M-Euribor	17
Interest rate caps	44,196	3/2014	9/2019	1.50%–2.00%	3M-Euribor	12
Total	461,962					–11,554

Gains and losses in other comprehensive income

€ 1,000	2017	2016
As at 1.1.	–3,201	–5,131
Change in valuation of cash flow hedges	1,334	2,446
Change of ineffectiveness cash flow hedges	–20	–13
Reclassification cash flow hedges	1,980	177
Income tax cash flow hedges	–935	–680
As at 31.12.2017	–842	–3,201
thereof: attributable to the owners of the parent	–842	–3,201

40. Risks from financial instruments

Interest rate risk

Risks arising from changes in interest rates basically result from long-term loans and interest rate derivatives and relate to the amount of future interest payments (for variable interest instruments) and to the fair value of the financial instrument (for fixed rate instruments). A mix of long-term fixed-rate and floating-rate loans is used to reduce the interest rate risk. In case of floating-rate loans, derivative financial instruments (interest rate caps and interest rate swaps) are also used to hedge the cash flow risk of interest rate changes arising from hedged items. Additionally, swaptions can be used to manage the interest rate risk. In addition to the general interest rate risk (interest level) there are also risks arising from a possible change in the credit rating, which would lead to an increase or a decrease of the interest margin in course of a follow-up financing.

The following sensitivity analysis outlines the impact of variable interest rates on interest expense. It shows the effect on the result of the financial year 2017 of a change in interest rate by 50 and 100 basis points on the interest expenses. The analysis assumes that all other variables, particularly foreign exchange rates, remain constant. Due to the very low interest rate levels the analysis only shows the effect of increasing interest rates.

€ 1,000	recognised in Profit/Loss Statement		recognised in other comprehensive income	
	at 50 bps Increase	at 100 bps Increase	at 50 bps Increase	at 100 bps Increase
31.12.2017				
Interest on variable rate instruments	-1,044	-2,089	0	0
Valuation result from fixed rate instruments (Swaps)	14,850	29,031	0	0
Valuation result from derivative financial instruments	0	0	0	0
	13,806	26,942	0	0
31.12.2016				
Interest on variable rate instruments	-2,026	-4,052	0	0
Valuation result from fixed rate instruments (Swaps)	7,002	13,783	0	0
Valuation result from derivative financial instruments	55	256	587	1,168
	5,032	9,986	587	1,168

Variable rate instruments contain variable rate financial liabilities not taking into account derivatives. In the case of derivative financial instruments, an interest rate change gives rise to a component recognized in profit or 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 recognized in equity.

Risks of the embedded derivative of the convertible bond

In respect of the derivative of the convertible bond, the risks are mainly a change in the share price of CA Immo AG as well as a change in the credit spread between the CA Immo corporate bonds and the benchmark reference rates for Eurozone government bonds with matching maturities. The following sensitivity analysis shows the change in the fair value of the derivative of the convertible bond at an increase and a decrease, respectively in the share price of CA Immo AG as well as an increase and a decrease, respectively in the credit spread. The analysis assumes that all other variables remain unchanged.

€ 1,000	recognised in Profit/Loss Statement		recognised in Profit/Loss Statement	
	at 2.5% Share Price Increase	at 2.5% Share Price Decrease	at 50 bps Credit Spread Increase	at 50 bps Credit Spread Decrease
31.12.2017				
Derivative convertible bond	-1,820	1,736	-1,862	1,788
	-1,820	1,736	-1,862	1,788

Currency risk

Currency risks result from rental revenues and receivables denominated in BGN, CZK, HRK, HUF, PLN, RON, CHF and RSD. This foreign currency rental income is secured by linking the rental payments to EUR and USD, so that no major risk remains.

Credit risk

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

Tenants provided deposits amounting to € 13,442 K (31.12.2016: € 11,198 K) as well as bank guarantees of € 42,494 K (31.12.2016: € 39,742 K) and group guarantees in the amount of € 45,249 K (31.12.2016 € 46,580 K).

The credit risk for liquid funds with banks is monitored according to internal guidelines.

Liquidity risk

Liquidity risk is the risk that CA Immo Group will not be able to meet its financial obligations as they fall due. CA Immo Group's approach to managing liquidity is to ensure that CA Immo Group will always have sufficient liquidity to meet liabilities when due, whilst avoiding unnecessary potential losses and risks. Loans are usually agreed on a long-term basis in accordance with the long-term nature of real estate.

The CA Immo Group manages liquidity risk in several different ways: firstly, by means of distinct liquidity planning and securing to avoid possible liquidity shortages. Secondly, CA Immo Group takes safeguarding measures to control liquidity peaks via a revolving credit line at the level of CA Immo AG. External capital is raised by CA Immo Group from a wide variety of domestic and foreign banks. The contractually agreed (undiscounted) interest payments and repayments for primary financial liabilities and derivative financial instruments are presented in the table below.

31.12.2017 € 1,000	Book value 2017	Contractually agreed cash flows	Cash flow 2018	Cash flow 2019-2022	Cash flow 2023 ff
Convertible bond	184,334	-212,000	-1,500	-6,000	-204,500
Bonds	648,447	-722,281	-14,844	-371,750	-335,688
Other interest-bearing liabilities	920,308	-1,058,916	-69,946	-372,766	-616,204
Trade payables	19,401	-19,401	-16,429	-2,972	0
Non-controlling interests held by limited partners	2,934	-2,934	0	0	-2,934
Liabilities to joint ventures	3,176	-3,176	-3,176	0	0
Other liabilities	29,588	-29,588	-8,545	-20,058	-985
Primary financial liabilities	1,808,188	-2,048,295	-114,439	-773,545	-1,160,311
Interest rate derivatives not connected with hedges	3,088	-2,698	-3,308	-4,614	5,225
Derivative convertible bond	19,934	0	0	0	0
Derivative financial liabilities	23,021	-2,698	-3,308	-4,614	5,225
	1,831,209	-2,050,993	-117,747	-778,159	-1,155,086

The convertible bond requires a separation of the financial instrument into a debt component and a separate embedded derivative. The derivative of the convertible bond has no cash flows.

31.12.2016 € 1,000	Book value 2016	Contractually agreed cash flows	Cash flow 2017	Cash flow 2018-2021	Cash flow 2022 ff
Bonds	471,658	-535,875	-11,563	-186,250	-338,063
Other interest-bearing liabilities	1,093,981	-1,185,467	-161,358	-571,809	-452,300
Trade payables	15,581	-15,581	-13,801	-1,779	0
Non-controlling interests held by limited partners	2,432	-2,432	0	0	-2,432
Liabilities to joint ventures	14,756	-14,756	-14,756	0	0
Other liabilities	27,444	-27,444	-8,836	-17,502	-1,106
Primary financial liabilities	1,625,852	-1,781,554	-210,314	-777,340	-793,900
Interest rate derivatives in connection with cash flow hedges	4,151	-4,223	-3,086	-1,137	0
Interest rate derivatives not connected with hedges	7,432	-7,414	-1,300	-4,336	-1,777
Derivative financial liabilities	11,583	-11,637	-4,386	-5,474	-1,777
	1,637,435	-1,793,191	-214,700	-782,814	-795,677

The cash flows for interest rate derivatives are based on assumed values for the underlying forward rates as at the respective balance sheet date.

The cash flows from derivatives in cash flow hedge relationships are expected to have an effect on profit and loss in the period of occurrence of the underlying transaction, i.e. allocated over the term of the financing or when redeemed prematurely at the time of redemption.

Price risk

The CA Immo Group holds available-for-sale securities in its portfolio. This financial instrument is quoted in an active market (level 1 of the fair value hierarchy), thus it can constantly be influenced by the price (price risk). If a supposed change, i.e. an increase/decrease of 10% in the price of securities above the actual level occurs, this change will impact current comprehensive income of CA Immo Group by +/- € 11,767 K (2016: +/- € 10,155 K).

Capital management

The objective of CA Immo Group's capital management is to ensure that the Group achieves its goals and strategies, while optimising the costs of capital effectively and in the interests of shareholders, employees and other stakeholders. In particular, it focuses on achieving of minimum return on invested capital required by the capital market and increasing the return on equity. Furthermore, the external rating should be supported by adequate capitalisation and by raising equity for the growth targets in the upcoming fiscal years.

The key parameters in determining the capital structure of the CA Immo Group are:

1. the general ratio of equity to debt and
2. within outside capital, the optimal ratio between the debt secured with real estate, which is recorded at the level of individual property companies, and the unsecured debt at the level of the parent company.

Regarding the first parameter, the CA Immo Group aims to maintain an equity ratio of 45% - 50%. As at 31.12.2017 the ratio was 50.3% (31.12.2016: 51.2%). With respect to the second parameter, the focus of debt financing in the Group is on secured property loans, which are usually taken directly by the project company in which the property is held. The advantage of secured financing is that it usually offers more favourable conditions than unsecured loans, since

these are structurally subordinated compared to secured financing. Unsecured financing exists basically only in the form of corporate bonds placed on the capital markets. CA Immo Group issued in 2017 another corporate bond as well as a convertible bond and thus raises finance increasingly via the capital market. Currently around 48% of the entire financing volume is attributed to unsecured financing in the form of corporate bonds (31.12.2016: 30%). The related ratio of unsecured properties is one of the important criteria for the investment grade rating of CA Immo Group.

Net debt and the gearing ratio are other key figures relevant to the presentation of the capital structure of CA Immo Group:

€ 1,000	31.12.2017	31.12.2016
Interest-bearing liabilities		
Long-term interest-bearing liabilities	1,684,170	1,412,635
Short-term interest-bearing liabilities	68,920	153,004
Interest-bearing assets		
Cash and cash equivalents	-383,512	-395,088
Cash at banks with drawing restrictions	-974	-2,894
Net debt	1,368,604	1,167,656
Shareholders' equity	2,398,510	2,204,541
Gearing ratio (Net debt/equity)	57.1%	53.0%

Restricted cash was included in the calculation of net debt, if it is used to secure the repayments of interest bearing liabilities.

41. Other obligations and contingent liabilities

Guarantees and other commitments

As at 31.12.2017 CA Immo Germany Group is subject to guarantees and other commitments resulting from purchase agreements for decontamination costs and war damage costs amounting to € 608 K (31.12.2016: € 566 K). Furthermore, comfort letters and securities have been issued for one joint venture in Germany amounting to € 2,000 K (31.12.2016: € 2,000 K). As a security for the liabilities of two (31.12.2016: four) joint ventures in Germany loan guarantees, letters of comfort and declarations were issued totalling € 2,500 K (31.12.2016: € 10,650 K). Furthermore, as security for warranty risks in Germany a guarantee was issued in an amount of € 11,066 K (31.12.2016: € 11,066 K).

CA Immo Group has agreed to adopt a guarantee in connection with the project "Airport City St. Petersburg" in the extent of € 8,469 K (31.12.2016: € 11,299 K).

In connection with disposals, marketable guarantees exist between CA Immo Group and the buyer for coverage of possible warranty- and liability claims for which in the expected extent financial dispositions were made. The actual claims may exceed the expected extent.

For the purpose of recognising tax provisions, estimates have to be made. Uncertainties exist concerning the interpretation of complex tax regulations as well as calculation methods in practice and as the amount and timing of taxable income. Due to these uncertainties and the grade of complexity estimates may vary from the real tax expense also in a material amount. This may include amended interpretations of tax authorities for previous periods. CA Immo Group recognises appropriate provisions for known and probable charges arising from ongoing tax audits.

Mortgages, pledges of rental receivables, bank accounts and share pledges as well as similar guarantees are used as market collateral for bank liabilities.

Other financial obligations

In addition, there are other financial obligations of order commitments related to building site liabilities for work carried out in the course of developing real estate in Austria, in the amount of € 8,789 K (31.12.2016: € 13,300 K), in Germany, in the amount of € 153,549 K (31.12.2016: € 50,400 K) and in Eastern Europe in the amount of € 22,533 K (31.12.2016: € 31,716 K). In addition as at 31.12.2017 CA Immo Group is subject to other financial commitments resulting from construction costs from urban development contracts which can be capitalised in the future in an amount of € 24,297 K (31.12.2016: € 44,136 K).

The total obligations of the payments of equity in Joint Ventures for which no adequate provisions have been recognised amount in Austria to € 6,035 K (31.12.2016: € 6,035 K), in Germany to € 1,990 K (31.12.2016: € 6,471 K) and in Eastern Europe to € 0 K (31.12.2016: € 191 K) as per 31.12.2017. Besides the mentioned obligations of equity-payments, no further obligations to joint ventures exist.

Borrowings, for which the financial covenants have not been met as at reporting date, thus enabling the lender in principle to prematurely terminate the loan agreement, have to be recognised in short-term financial liabilities irrespective of the remaining term under the contract. This classification applies notwithstanding the status of negotiations with the banks concerning the continuation or amendment of the loan agreements. As at 31.12.2017, this applied to no loan (31.12.2016: no loan).

42. Leases

CA Immo Group as lessor

All lease contracts concluded by CA Immo Group, under which CA Immo Group is the lessor, are recorded as operating leases in accordance with IFRS. These generally have the following essential contractual terms:

- 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 term lease contracts or contracts with termination waivers as at the reporting date are as follows:

€ 1,000	2017	2016
In the following year	178,662	165,746
Thereafter 4 years	435,378	381,135
More than 5 years	200,510	205,385
Total	814,550	752,266

All remaining rental agreements may be terminated at short notice and not included in the above table.

The minimum rental income includes net rent amounts 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 agreements signed by CA Immo Group are classified as operating leases.

The lease contracts concluded by CA Immo Germany Group acting as lessee primarily relate to rented properties in Berlin (until 2018), Frankfurt (until 2021) and Munich (until 2022).

The remaining operating lease agreements of CA Immo Group relate to office furniture, equipment and other assets. No purchase options have been agreed. Leasing payments of € 2,738 K were recognised as expenses in 2017 (2016: € 2,397 K).

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

€ 1,000	2017	2016
In the following year	2,162	1,836
Thereafter 4 years	3,590	3,383
More than 5 years	583	529
Total	6,336	5,748

43. Transactions with related parties

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

- joint ventures, in which CA Immo Group holds an interest
- associated companies, in which CA Immo Group holds an interest
- the corporate bodies of CA Immobilien Anlagen Aktiengesellschaft
- O1 Group Limited, Cyprus, and its affiliated O1 Group until 1.8.2016
- IMMOFINANZ AG, Vienna, and its affiliated entities since 2.8.2016

Transactions with joint ventures

Joint ventures	31.12.2017	31.12.2016
€ 1,000		
Investments in joint ventures	207,182	191,369
Investments in joint ventures held for sale	2,276	11,690
Loans	2,129	3,608
Receivables	8,699	6,970
Liabilities	21,196	35,145
Provisions	1,530	18,406
	2017	2016
Joint ventures result	65,701	10,505
Result from sale of joint ventures	884	914
Result from joint ventures	66,585	11,420
Other income	3,195	3,030
Other expenses	-1,273	-1,480
Interest income	229	468

Apart from above mentioned transactions, in 2017, investment properties amounting to € 0 K (2016: € 2,171 K) were acquired from joint ventures.

Outstanding loans to joint ventures and the majority of the receivables from joint ventures as at the reporting date serve to finance the properties. No guarantees or other forms of security exist in connection with these loans. The cumulative impairment loss on loans to joint ventures amounts to € 1,045 K (31.12.2016: € 5,318 K). Receivables from joint ventures comprise short-term loans in the amount of € 769 K (31.12.2016: € 1,636 K). Liabilities against joint ven-

tures include long-term loans amounted to € 600 K (31.12.2016: € 0 K). All receivables and liabilities have interest rates in line with those prevailing on the market. The remaining receivables and liabilities are predominantly the result of services performed in Germany. No guarantees or other forms of security exist in connection with these receivables and liabilities.

No additional impairments or other adjustments to the book values were recognised in profit or loss.

Transactions with associated companies

€ 1,000	31.12.2017	31.12.2016
Loans	15,176	8,750
	2017	2016
Income from associated companies	5,034	0
Expenses due to associated companies	0	-4,077
Result from associated companies	5,034	-4,077
Interest income from associated companies	1,403	0

Loans to associated companies outstanding as at the reporting date relate to a project in Russia. 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 impairment loss recognised on loans to associated companies amounts to € 7,226 K (31.12.2016: € 13,652 K).

The executive bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna

Management Board

Andreas Quint (since 1.1.2018)

Frank Nickel (until 31.3.2018)

Dr. Hans Volckens

Total salary payments to Frank Nickel and Dr. Hans Volckens, the Management Board members active in business year 2017 amounted to € 1,526 K (€ 1,346 K in 2016). Total expenditure on fixed salary components was € 1,050 K (€ 1,037 K in 2016). Fixed salaries amounted to € 750 K (€ 718 K in 2016). The proportion of fixed remuneration components in overall remuneration stood at 69%, taking account of variable salary components paid in 2017. Salary-based deductions accounted for € 136 K (€ 126 K in 2016).

Target attainment was 100% in business year 2016. This resulted in bonus entitlement of € 931 K (previous year: € 0 K), of which € 466 K was payable on confirmation of target attainment (short term incentive). Dr. Hans Volckens also received a special bonus of € 10 K (previous year: € 0 K), which was also paid without delay. In addition, € 106 K was paid to Florian Nowotny in 2016 in connection with the LTI tranche for 2013-2015. The remaining 50% of the bonus entitlement for business year 2016 (€ 466 K; € 0 K in the previous year) was based on the average rate for the final quarter of 2016 (€ 16.76 per share) with a total of 27,782 phantom shares. Of this total, Frank Nickel had 23,866 shares and Dr. Hans Volckens had 3,916 shares. Payment of the first tranche from these phantom shares in 2018 will be based on the average rate for the final quarter of 2017 (€ 24.82 per share). Owing to his early resignation, Frank Nickel will receive all bonuses for business years 2016 and 2017 by the end of May 2018 at the latest. As at 31 December 2017, provisions totalling € 2,191 K (including incidental charges; € 932 K on 31.12.2016) had been formed in connection with the variable remuneration system for the tranches beginning in 2016 and 2017. As at 31 December 2017, a sign-on bonus of € 300 K for Andreas Quint (to compensate for unpaid bonus payments from his former employer owing to early resignation) was also taken into consideration.

During business year 2017, contributions to pension funds for Management Board members (defined contribution plan) totalled € 41 K (€ 124 K in 2016). As at the balance sheet date 31.12.2017, severance payment provisions (defined benefit plan) for Management Board members totalled € 138 K (€ 84 K on 31.12.2016). Payments have been made to former members of the Management Board as follows: Following early termination of his Management Board contact, Florian Nowotny received a severance payment of € 2,441 K in business year 2016. An additional € 150 K was due on 31.3.2017, with the amount reflected in the consolidated financial statements for 31.12.2016. The salary-based deductions for this severance payment amounted to € 169 K in 2016; no salary-based deductions accrued in 2017. There were no other payment obligations to former Management Board members. By contrast, € 193 K from maturity of the LTI tranche for 2013-2015 was paid to former Management Board members in 2016. No loans or advances were granted to Management Board members.

As at 31 December 2017, provisions totalling € 1,714 K (including incidental charges; € 1,235 K on 31.12.2016) had been formed in connection with the LTI programme for the tranches beginning in 2015, 2016 and 2017; of this, former Management Board members accounted for € 47 K (€ 143 K in 2016).

PAYMENTS TO THE MANAGEMENT BOARD¹⁾

	Frank Nickel ²⁾		Dr. Hans Volckens ³⁾		Florian Nowotny ⁴⁾		Total ⁵⁾	
	2017	2016	2017	2016	2017	2016	2017	2016
€ 1,000								
Fixed salary	400	400	350	88	0	230	750	718
Salary-based deductions	81	56	56	13	0	57	136	126
Remuneration in kind, company car, etc	80	45	34	1	0	4	114	51
Expense allowances	2	13	6	4	0	2	8	18
Contributions to pension funds (non-cash)	41	41	0	0	0	83	41	124
Total fixed salary components	604	555	446	106	0	377	1,050	1,037
<i>Total fixed salaries as %</i>	<i>60%</i>	<i>100%</i>	<i>85%</i>	<i>100%</i>	<i>0%</i>	<i>55%</i>	<i>69%</i>	<i>77%</i>
Short-term incentive	400	0	76	0	0	203	476	203
LTI programme (until 2015)	0	0	0	0	0	106	0	106
Total variable payments	400	0	76	0	0	309	476	309
<i>Total variable payments as %</i>	<i>40%</i>	<i>0%</i>	<i>15%</i>	<i>0%</i>	<i>0%</i>	<i>45%</i>	<i>31%</i>	<i>23%</i>
Total salary payments	1,004	555	522	106	0	686	1,526	1,346

1) Includes salary components paid in 2016 and 2017 only. As at 31.12.2017, provision totalling € 2,191 K was made for other bonus claims for business years 2016 and 2017 (previous year: € 932 K for bonus claims from business year 2016).

2) Chief Executive Officer to 31.12.2017, Management Board member to 31.3.2018

3) Management Board member (CFO) since 27.9.2016

4) Management Board member (CFO) to 30.9.2016

5) Excludes severance payment of € 2,591 K (exclusive of salary-based deductions) linked to early termination of the Management Board contract of Florian Nowotny by mutual agreement.

Supervisory Board

Elected by the General Meeting:

Torsten Hollstein, Chairman

Dr. Florian Koschat, Deputy Chairman

Prof. Dr. Sven Bienert (since 11.5.2017; initially delegated via registered share (since 1.12.2016))

Dipl.-BW Gabriele Düker (since 11.5.2017)

Richard Gregson

Univ.-Prof. MMag. Dr. Klaus Hirschler (since 11.5.2017; initially delegated via registered share (since 1.12.2016))

John Nacos

Michael Stanton

Delegated by registered share:

Dr. Oliver Schumy

Stefan Schönauer

Delegated by works council:

Mag. (FH) Sebastian Obermair

Georg Edinger, BA, REAM (IREBS)

Mag. Nicole Kubista

Mag. (FH) Franz Reitermayer

In business year 2017, fixed salaries for business year 2016 of approximately € 368 K (previous year: € 306 K; figure includes total attendance fees of € 93 K against € 85 K in the previous year) were paid to members of the Supervisory Board.

Moreover, expenditure of € 660K (2016: € 242 K) was reported in connection with the Supervisory Board in business year 2017. Of this amount, cash outlays for travel expenses accounted for approximately € 35K (2016: € 47K), legal and other consultancy services for the Supervisory Board accounted for € 620K (2016: € 194K) (including € 595 K for the CEO succession process) and other expenditure (including training costs) accounted for € 5 K (2016: € 1K). No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members.

Total Supervisory Board remuneration of € 375 K for business year 2017 will be proposed to the Ordinary General Meeting on the basis of the same criteria (fixed annual payment of € 25 K per Supervisory Board member plus attendance fee of € 1,000 per meeting day). A provision of the same amount was formed as at 31 December 2017.

All business transactions conducted between the company and members of the Supervisory Board which oblige such members to perform services for the CA Immo Group outside of their Supervisory Board activities in return for remuneration of a not inconsiderable value (Article 228 section 3 of the Austrian Commercial Code) must conform to industry standards and be approved by the Supervisory Board. The same applies to contracts with companies in which a Supervisory Board member has a significant business interest. This applies to a deed of donation concluded between CA Immo and the IRE|BS Universitätsstiftung für Immobilienwirtschaft on 16.9.2014 and extended early in 2018, whereby the foundation receives an annual ringfenced amount of € 25 K from CA Immo, 50% of which is made freely available to Professor Sven Bienert for teaching and research activity at the IRE|BS International Real Estate Business School. No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were granted.

O1 Group Limited/O1 Group; Cyprus

From 20.2.2015 until its disposal to IMMOFINANZ AG on 2.8.2016 (closing date), O1 Group Limited directly or indirectly held 25,690,163 bearer shares and four registered shares of CA Immo AG.

IMMOFINANZ Group, Vienna

Since 2.8.2016, IMMOFINANZ Group holds 25,690,163 bearer shares as well as four registered shares of CA Immo AG representing with approximately 26% of the capital stock the largest single shareholder. As at 19.5.2017, IMMOFINANZ AG transferred its 25,690,163 bearer shares as well as its four registered shares in CA Immobilien Anlagen AG to its 100% owned subsidiary GENA ELF Immobilienholding GmbH.

Between IMMOFINANZ Group and CA Immo Group there is a reciprocal shareholding. The CA Immo Group holds 54,805,566 bearer shares of IMMOFINANZ AG (equivalent to approximately 4.9% of the capital stock of IMMOFINANZ AG).

Last year, CA Immo AG and IMMOFINANZ AG agreed to enter into constructive dialogue concerning a potential amalgamation of the two companies. The precondition stipulated by IMMOFINANZ AG of the sale of the Russian portfolio was met in December 2017. IMMOFINANZ AG had asked for the timetable of the potential merger talks to be adjusted thereafter. Afterwards IMMOFINANZ AG announced to further suspend detailed discussions over a possible merger between both companies for the time being and to evaluate other strategic options, among others, the possible sale of its CA Immo AG investment.

44. Key figures per share

Earnings per share

		2017	2016
Weighted average number of shares outstanding	pcs.	93,328,942	94,995,315
Consolidated net income	€ 1,000	234,854	183,910
basic earnings per share	€	2.52	1.94

		2017	2016
Weighted average number of shares outstanding	pcs.	93,328,942	94,995,315
Dilution effect:			
Convertible bond	pcs.	1,595,344	0
Weighted average number of shares	pcs.	94,924,286	94,995,315
Consolidated net income attributable to the owners of the parent	€ 1,000	234,854	183,910
Dilution effect:			
Effective interest on convertible bond	€ 1,000	1,126	0
less taxes	€ 1,000	-281	0
Consolidated net income attributable to the owners of the parent adjusted by dilution effect	€ 1,000	235,698	183,910
Diluted earnings per share	€	2.48	1.94

45. Employees

In 2017 CA Immo Group had an average of 337 white-collar workers (2016: 318) of whom on average 67 (2016: 65) were employed in Austria, 179 (2016: 165) in Germany, and 91 (2016: 88) in subsidiaries in Eastern Europe.

46. Costs for the auditors

The expenses presented in the table below refer to fees from Ernst & Young Wirtschaftsprüfungsgesellschaft.m.b.H. (in 2016 KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft).

€ 1,000	2017	2016
Auditing costs	343	384
Other review services	142	154
Other consultancy services	0	33
Total	485	570

In the consolidated income statement, the audit expenses, including review amount to € 1,331 K (2016: € 1,182 K). Out of this, the amount for Ernst & Young entities amounts to € 1,171 K (2016: € 1,142 K for KPMG entities).

In the course of the issue of the two corporate bonds in 2016, further € 203 K were paid for other review services to KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

47. Events after the close of the business year

In January 2018 the closing of the sale of the skyscraper Tower 185, which was held by a joint venture, as well as the closing of the sale of a subsidiary with a property in Austria took place.

On 28.2.2018 IMMOFINANZ AG, which is a 26% shareholder in CA Immo, announced to further suspend detailed discussions over a possible merger between both companies for the time being and to evaluate other strategic options, among others, the possible sale of its CA Immo investment.

By the publication date in March 2018, further 197,983 shares had been acquired in course of the share buy-back programme.

On 22.3.2018 SOF-11 Starlight 10 EUR S.à r.l., Luxembourg, an affiliate of Starwood Capital Group ("Starwood"), made an announcement pursuant to Sec 5 para 3 Austrian Takeover Act ("ATA"), that it decided to launch a voluntary public takeover offer pursuant to article 4 et seq ATA to the shareholders of CA Immobilien Anlagen AG. The takeover offer to the shareholders of CA Immo is aimed at acquiring up to 25,690,167 bearer shares of CA Immo (ISIN AT0000641352) representing up to 26.00% of the overall issued bearer shares of CA Immo. The shareholders of CA Immo are offered an offer price of EUR 27.50 per CA Immo share on a cum dividend basis. The completion of the takeover offer for CA Immo will be subject to the following offer conditions: (i) merger control clearance; (ii) no material adverse change at CA Immo including but not limited to merger, spin-off or split; and (iii) no consent by CA Immo management to transfer the four registered shares.

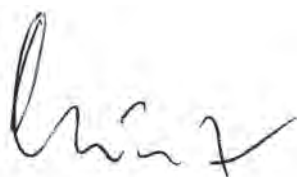
These consolidated financial statements were prepared by the Management Board on the date below. The individual and consolidated financial statements for CA Immobilien Anlagen Aktiengesellschaft will be presented to the Supervisory Board on 26.3.2018 for approval.

Vienna, 26 March 2018

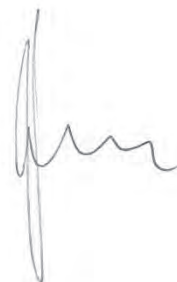
The Management Board



Frank Nickel
(Member of the Management Board)



Andreas Quint
(Chairman)



Dr. Hans Volckens
(Member of the Management Board)



ANNEX I TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2017 ²⁾
CA Immo Holding B.V.	Amsterdam	51,200,000	EUR	100	FC	
Europolis Holding B.V.	Amsterdam	2	EUR	100	FC	
CA Immo d.o.o.	Belgrade	32,523,047	RSD	100	FC	
CA Immo Sava City d.o.o.	Belgrade	4,298,470,439	RSD	100	FC	
TM Immo d.o.o.	Belgrade	1,307,825,923	RSD	100	FC	
BA Business Center a.s.	Bratislava	7,503,200	EUR	100	FC	
Europolis D61 Logistics s.r.o.	Bratislava	1,375,000	EUR	100	FC	
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	FC	
CA Immo Real Estate Management Hungary K.ft.	Budapest	54,510,000	HUF	100	FC	
Canada Square Kft.	Budapest	12,510,000	HUF	100	FC	
COM PARK Ingatlanberuházási Kft	Budapest	3,040,000	HUF	100	FC	
Duna Business Hotel Ingatlanfejlesztő Kft.	Budapest	1,370,097	EUR	100	FC	
Duna Irodaház Kft.	Budapest	838,082	EUR	100	FC	
Duna Termál Hotel Kft.	Budapest	1,182,702	EUR	100	FC	
EUROPOLIS City Gate Ingatlanberuházási Kft	Budapest	13,010,000	HUF	100	FC	
Europolis Infopark Ingatlanüzemeltető Kft	Budapest	4,140,000	HUF	100	FC	TC
EUROPOLIS IPW Ingatlanberuházási Kft	Budapest	54,380,000	HUF	100	FC	
Europolis Park Airport Kft.	Budapest	19,900,000	HUF	100	FC	
Europolis Tárnok Ingatlanberuházási Kft	Budapest	5,400,000	HUF	100	FC	
Kapas Center Kft.	Budapest	772,560,000	HUF	100	FC	
Kilb Kft.	Budapest	30,000,000	HUF	100	FC	
Millennium Irodaház Kft.	Budapest	3,017,097	EUR	100	FC	
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	FC	
Váci 76 Kft.	Budapest	3,100,000	HUF	100	FC	
CA Immo Real Estate Management Romania S.R.L.	Bucharest	989,570	RON	100	FC	
EUROPOLIS ORHIDEEA B.C. S.R.L.	Bucharest	91,394,530	RON	100	FC	
EUROPOLIS SEMA PARK S.R.L.	Bucharest	139,180,000	RON	100	FC	
INTERMED CONSULTING & MANAGEMENT S.R.L.	Bucharest	31,500,330	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	
TC Investments Arad S.R.L.	Bucharest	18,421,830	RON	100	FC	
VICTORIA INTERNATIONAL PROPERTY S.R.L.	Bucharest	216	RON	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition, TC transition consolidation

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2017 ²⁾
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 Deutschland GmbH	Frankfurt	5,000,000	EUR	99.7	FC	
CA Immo Elf GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünfzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünfzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
CA Immo GB Eins Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Invest GmbH	Frankfurt	50,000	EUR	100	FC	
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo Spreebogen Betriebs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Zehn GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Zwölf Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CM Komplementär F07-888 GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49 ³⁾	AEJV	
Pannonia Shopping Center Kft.	Győr	3,040,000	HUF	100	FC	
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC	
TzoV "Europolis Logistics Park II"	Kiev	125,292,338	UAH	100	FC	
TzoV "Europolis Property Holding"	Kiev	208,035,484	UAH	100	FC	
TzoV "Corma Development"	Kiev	211,168,792	UAH	100	FC	
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	FC	
ALBERIQUE LIMITED	Limassol	1,100	EUR	100	FC	
BEDELLAN PROPERTIES LIMITED i.L.	Limassol	12,705	EUR	100	FC	
EPC KAPPA LIMITED i.L.	Limassol	12,439	EUR	100	FC	
EPC LAMBDA LIMITED i.L.	Limassol	458,451	EUR	100	FC	
EPC LEDUM LIMITED i.L.	Limassol	14,053	EUR	100	FC	
EPC OMIKRON LIMITED i.L.	Limassol	57,114	EUR	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associates companies

²⁾ F foundation, A acquisition, TC transition consolidation

³⁾ Common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2017 ²⁾
EPC PI LIMITED i.L.	Limassol	2,310	EUR	100	FC	
EPC PLATINUM LIMITED i.L.	Limassol	2,864	EUR	100	FC	
EPC RHO LIMITED i.L.	Limassol	2,390	EUR	100	FC	
EPC THREE LIMITED i.L.	Limassol	2,491,634	EUR	100	FC	
EPC TWO LIMITED i.L.	Limassol	970,092	EUR	100	FC	
EUROPOLIS REAL ESTATE ASSET MANAGEMENT LIMITED	Limassol	2,500	EUR	100	FC	
OPRAH ENTERPRISES LIMITED i.L.	Limassol	3,411	EUR	100	FC	
HARILDO LIMITED	Nicosia	1,500	EUR	50	AEJV	
VESESTO LIMITED	Nicosia	1,700	EUR	50	AEJV	
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	100	FC	
CA Immo Real Estate Management Czech Republic s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Alfa, s.r.o.	Prague	1,000,000	CZK	100	FC	TC
RCP Amazon, s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Beta, s.r.o.	Prague	73,804,000	CZK	100	FC	
RCP Delta, s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Gama, s.r.o.	Prague	96,931,000	CZK	100	FC	
RCP ISC, s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Zeta s.r.o.	Prague	200,000	CZK	100	FC	
Megapark o.o.d.	Sofia	50,936,362	BGN	49.2 ³⁾	AEJV	
ZAO "Avielen A.G."	St. Petersburg	370,001,000	RUB	35	AEA	
CA Immo Bitwy Warszawskiej Sp. z o.o.	Warsaw	47,016,000	PLN	100	FC	
CA Immo Saski Crescent Sp. z o.o.	Warsaw	140,921,250	PLN	100	FC	
CA Immo Saski Point Sp. z o.o.	Warsaw	55,093,000	PLN	100	FC	
CA Immo Sienna Center Sp. z o.o.	Warsaw	116,912,640	PLN	100	FC	
CA Immo Real Estate Management Poland Sp. z o.o.	Warsaw	565,000	PLN	100	FC	
CA Immo Real Estate Management Poland Sp.z o. o. PI. Europejski 6 Spółka Komandytowo-Akcyjna	Warsaw	5,050,000	PLN	100	FC	A
CA Immo Warsaw Towers Sp. z o.o.	Warsaw	155,490,900	PLN	100	FC	
CA Immo Wspólna Sp. z o.o.	Warsaw	46,497,000	PLN	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition, TC transistion consolidation

³⁾ common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2017 ²⁾
Camari Investments Sp.z o.o.	Warsaw	10,000	PLN	50	AEJV	
Camari Investments Sp.z.o.o. WFC S.K.A.	Warsaw	51,000	PLN	50	AEJV	
EUROPOLIS PARK BŁONIE Sp.z o.o.	Warsaw	1,104,334	PLN	100	FC	
Poleczki Business Park Sp.z.o.o. in Liqu.	Warsaw	5,000	PLN	50	AEJV	
SOFTWARE PARK KRAKÓW Sp.z o.o.	Warsaw	50,000	PLN	50	AEJV	
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	FC	
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 Galleria Liegenschaftsverwaltung GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Germany Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo LP GmbH	Vienna	146,000	EUR	100	FC	
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	FC	
CA Immo-RI-Residential Property Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs KG	Vienna	154,818	EUR	100	FC	
EBL Nord 2 Immobilien GmbH	Vienna	35,000	EUR	50	AEJV	
EBL Nord 2 Immobilien Eins GmbH & Co KG	Vienna	10,000	EUR	50	AEJV	
EBL Nord 2 Immobilien Zwei GmbH & Co KG	Vienna	10,000	EUR	50	AEJV	
Erdberger Lände 26 Projekt GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Alpha Holding GmbH	Vienna	36,336	EUR	100	FC	
EUROPOLIS CE Rho Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS GmbH	Vienna	5,000,000	EUR	100	FC	
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	FC	
PHI Finanzbeteiligungs und Investment GmbH	Vienna	35,000	EUR	100	FC	
Europolis Zagrebtower d.o.o.	Zagreb	15,347,000	HRK	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition, TC transition consolidation

As at 31.12.2017, 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 therefor also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2017 ²⁾
CA Immo 13 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo 14 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Bärenquellbrauerei GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Bärenquellbrauerei Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin DGSB Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin DGSB Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
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 Europaplatz 03 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 03 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 4 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	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 9 Verwaltungs GmbH	Frankfurt	25,000	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 Mitte 01 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Mitte 01 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Mitte 02 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Mitte 02 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
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 Berlin GmbH & Co. KG	Frankfurt	5,000	EUR	50	AEJV	
CA Immo Berlin Stadthafenquartier Europacity Berlin Verwaltungs GmbH	Frankfurt	25,000	EUR	50	AEJV	
CA Immo Düsseldorf BelsenPark MK 2.1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark MK 3 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition, TC transition consolidation

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2017 ²⁾
CA Immo Frankfurt Alpha Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Bauphase I Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Karlsruher Straße GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Karlsruher Straße 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 ONE Betriebs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt ONE GmbH	Frankfurt	5,000	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	
Baumkirchen Mitte MK GmbH & Co. KG	Grünwald	10,000	EUR	100	FC	TC
Baumkirchen Mitte WA 1 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen Mitte WA 2 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen Mitte WA 3 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen MK Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	TC
Baumkirchen WA 1 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 2 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 3 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
CA Immo Bayern Betriebs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo München Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Nymphenburg Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Projektentwicklung Bayern Verwaltungs GmbH	Grünwald	25,565	EUR	100	FC	
CA Immo Projektentwicklung Bayern GmbH & Co. KG	Grünwald	255,646	EUR	100	FC	
CAMG Zollhafen HI IV V GmbH & Co. KG	Grünwald	105,000	EUR	50 ³⁾	AEJV	
CAMG Zollhafen HI IV V Verwaltungs GmbH	Grünwald	25,000	EUR	50 ³⁾	AEJV	
CPW Immobilien GmbH & Co. KG	Grünwald	5,000	EUR	33.3 ³⁾	AEJV	
CPW Immobilien Verwaltungs GmbH	Grünwald	25,000	EUR	33.3 ³⁾	AEJV	
Eggarten Projektentwicklung GmbH & Co. KG	Grünwald	16,000	EUR	50	AEJV	
Eggarten Projektentwicklung Verwaltung GmbH	Grünwald	25,000	EUR	50	AEJV	
Kontorhaus Arnulfpark Betriebs GmbH	Grünwald	25,000	EUR	100	FC	F
Kontorhaus Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	99.9	FC	
Kontorhaus Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
SKYGARDEN Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	100	FC	
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition, TC transition consolidation

³⁾ common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation/ First time consolidation in 2017 ²⁾
Tower 185 Betriebs GmbH	Grünwald	25,000	EUR	33.3 ³⁾	AEJV	
Congress Centrum Skyline Plaza Beteiligung GmbH	Hamburg	33,000	EUR	50	AEJV	
Congress Centrum Skyline Plaza GmbH & Co. KG	Hamburg	25,000	EUR	50	AEJV	
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	AEJV	
REC Frankfurt Objektverwaltungsgesel. mbH i.L.	Hamburg	25,000	EUR	50	AEJV	
CA Immo Mainz Hafenspitze GmbH	Mainz	25,000	EUR	100	FC	
CA Immo Mainz Reihnallee III GmbH&Co KG	Mainz	5,000	EUR	100	FC	
CA Immo Mainz Reihnallee III Verwaltungs GmbH	Mainz	25,000	EUR	100	FC	
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	AEJV	
Marina Zollhafen GmbH	Mainz	25,000	EUR	37.5 ³⁾	AEJV	F
Zollhafen Mainz GmbH & Co. KG	Mainz	1,200,000	EUR	50.1 ³⁾	AEJV	
SEG Kontorhaus Arnulfpark Beteiligungsgesellschaft mbH	Munich	25,000	EUR	99	FC	
Skyline Plaza Generalübernehmer GmbH & Co. KG	Oststeinbek	25,000	EUR	50	AEJV	
Skyline Plaza Generalübernehmer Verwaltung GmbH	Oststeinbek	25,000	EUR	50	AEJV	
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	AEJV	
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	50	AEJV	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition, TC transition consolidation

³⁾ common control

DECLARATION OF THE MANAGEMENT BOARD PURSUANT TO SECTION 124 OF THE AUSTRIAN STOCK EXCHANGE ACT

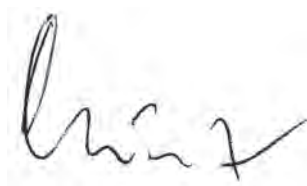
The management board confirms to the best of their knowledge that the consolidated financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, give a true and fair view of the consolidated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

Vienna, 26 March 2018

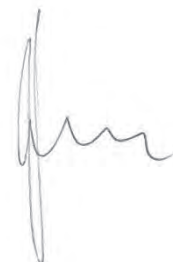
The Management Board



Frank Nickel
(Member of the Management Board)



Andreas Quint
(Chairman)



Hans Volckens
(Member of the Management Board)

AUDITOR'S REPORT

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

CA Immobilien Anlagen Aktiengesellschaft, Vienna,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2017 and its financial performance for the year then ended in accordance with the International Financial Reportings Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The consolidated financial statements of CA Immobilien Anlagen Aktiengesellschaft as of December 31, 2016 were audited by another auditor, who expressed an unmodified opinion on those statements on March 20, 2017.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters that we identified:

Titel

Valuation of Investment Property

Risk

CA Immobilien Anlagen Aktiengesellschaft reports investment properties in the amount of TEUR 3.155.677 and investment properties under development in the amount of TEUR 579.274 in its consolidated financial statements as of December 31, 2017. The consolidated financial statements as of December 31, 2017 also include a result from revaluation amounting to TEUR 104.023.

Investment properties are measured at fair value based on valuation reports from external, independent valuation experts.

The valuation of investment properties is subject to material assumptions and estimates. The material risk for every individual property exists when determining assumptions and estimates such as the discount-/capitalization rate and rental income and for investment properties under development the construction and development costs to completion and the developer's profit. A minor change in these assumptions and estimates can have a material impact on the valuation of investment properties.

The respective disclosures relating to significant judgements, assumptions and estimates are shown in Section "3 b) – Property valuation" in the consolidated financial statements.

Consideration in the audit

To address this risk, we have critically assessed the assumptions and estimates made by management and the external, independent valuation experts and performed, among others, the following audit procedures with involvement of our internal property valuation experts:

- Assessment of concept and design of the underlying property valuation process
- Assessment of the competence and independence of the external valuation experts engaged by management
- Assessment of the applied methods and the mathematical accuracy of selected valuation reports as well as assessment of the plausibility of the underlying assumptions (eg. Rental income, discount-/capitalization rate, usable space, vacancy rate) by means of comparison with market data if available
- Check of certain input-data as included in the valuation reports with data in the accounting system or underlying agreements
- Inquiry of project-management for selected properties under development regarding reasons for deviations between plan and actual costs and current estimation of cost to completion; check of actual costs for those projects through review of project-documentation and vouching on a sample basis as well as evaluation of the derived percentage of completion

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in

a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, 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 management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the management report for the Group and the auditor's report thereon. The annual report is estimated to be provided to us after the date of the auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether - based on our knowledge obtained in the audit -

the other information is materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at May 11, 2017. We were appointed by the Supervisory Board on November 2, 2017. We are auditors since the financial year 2017.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Alexander Wlasto, Certified Public Accountant.

Vienna, March 26, 2018

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Alexander Wlasto mp

Wirtschaftsprüfer / Certified Public Accountant

Mag. (FH) Isabelle Vollmer mp

Wirtschaftsprüferin / Certified Public Accountant

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

Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.



FINANCIAL STATEMENTS OF CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT

BALANCE SHEET AS AT 31.12.2017

Assets	31.12.2017	31.12.2016
	€	€ 1,000
A. Fixed assets		
I. Intangible fixed assets		
EDV software	292,350.60	591
	292,350.60	591
II. Tangible fixed assets		
1. Land and buildings	208,460,218.89	215,735
of which land value: € 40,645,606.28; 31.12.2016: € 38,467 K		
2. Other assets, office furniture and equipment	687,711.66	721
3. Prepayments made and construction in progress	16,614,983.77	1,941
	225,762,914.32	218,397
III. Financial assets		
1. Investments in affiliated companies	2,534,274,870.79	2,264,459
2. Loans to affiliated companies	494,344,702.39	262,048
3. Investments in associated companies	280,685.19	281
4. Loans to associated companies	850,000.00	850
5. Derivative financial instruments	0.00	17
6. Other loans	4,920,383.64	3,248
	3,034,670,642.01	2,530,903
	3,260,725,906.93	2,749,891
B. Current assets		
I. Receivables		
1. Trade receivables	52,797.13	18
2. Receivables from affiliated companies	40,306,515.32	26,637
3. Receivables from associated companies	103,689.24	64
4. Other receivables	10,400,515.17	127
	50,863,516.86	26,846
II. Cash and cash equivalents	145,797,555.21	85,901
	196,661,072.07	112,747
C. Deferred charges	2,638,787.97	1,602
	3,460,025,766.97	2,864,240

Liabilities and shareholders' equity

	31.12.2017	31.12.2016
	€	€ 1,000
A. Shareholders' equity		
I. Share capital		
Share capital drawn	718,336,602.72	718,337
Treasury shares	-40,581,532.58	-39,282
	677,755,070.14	679,055
II. Tied capital reserves	854,841,594.68	854,842
III. Tied reserves for treasury shares	40,581,532.58	39,282
IV. Net profit	840,429,411.66	618,112
of which profit carried forward: € 557,421,658.27; 31.12.2016: € 400,163 K		
	2,413,607,609.06	2,191,291
B. Grants from public funds	316,519.33	326
C. Provisions		
1. Provision for severance payment	240,345.00	179
2. Tax provisions	1,956,000.00	111
3. Provision for deferred taxes	475,256.18	915
4. Other provisions	15,929,153.35	10,837
	18,600,754.53	12,042
D. Liabilities		
1. Bonds	840,000,000.00	465,000
of which convertible: € 200,000,000.00; 31.12.2016: € 0 K		
thereof with a residual term of more than one year: € 840,000,000.00; 31.12.2016: € 465,000 K		
2. Liabilities to banks	98,822,212.85	90,151
thereof with a residual term of up to one year: € 1,847,540.59; 31.12.2016: € 44,120 K		
thereof with a residual term of more than one year: € 96,974,672.26; 31.12.2016: € 46,031 K		
3. Trade payables	1,876,129.25	1,228
thereof with a residual term of up to one year: € 1,710,947.25; 31.12.2015: € 1,092 K		
thereof with a residual term of more than one year: € 165,182.00; 31.12.2016: € 136 K		
4. Payables to affiliated companies	71,714,976.70	91,144
thereof with a residual term of up to one year: € 71,714,976.70; 31.12.2016: € 91,144 K		
5. Other liabilities	12,619,533.85	10,434
of which from taxes: € 0.00; 31.12.2016: € 204 K		
of which social security related : € 127,319.64; 31.12.2016: € 119 K		
thereof with a residual term of up to one year: € 12,619,533.85; 31.12.2016: € 10,434 K		
	1,025,032,852.65	657,957
thereof with a residual term of up to one year: € 87,892,998.39; 31.12.2016: € 146,790 K		
thereof with a residual term of more than one year: € 937,139,854.26; 31.12.2016: € 511,167 K		
E. Deferred income	2,468,031.40	2,624
	3,460,025,766.97	2,864,240

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2017

	€	2017 €	€ 1,000	2016 € 1,000
1. Gross revenues		32,170,793.71		31,088
2. Other operating income				
a) Income from the sale and reversal of impairment losses of fixed assets except of financial assets	13,501,758.09		31,482	
b) Income from the reversal of provisions	456,967.43		151	
c) Other income	336,861.82	14,295,587.34	2,993	34,626
3. Staff expense				
a) Salaries	-9,658,291.60		-7,823	
b) Social expenses	-2,166,480.51	-11,824,772.11	-4,454	-12,277
thereof expenses in connection with pensions: € 168,546.80; 31.12.2016: € 267 K				
thereof expenses for severance payments and payments into staff welfare funds: € 185,598.45; 2016: € 2,455 K				
thereof payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions: € 1,677,370.65; 2016: € 1,634 K				
4. Depreciation on intangible fixed assets and tangible fixed assets		-13,890,035.75		-7,072
of which unscheduled depreciation in accordance with § 204 para. 2 Commercial Code: € 7,193,866.22; 2016: € 0 K				
5. Other operating expenses				
a) Taxes	-464,067.31		-411	
b) Other expenses	-18,430,405.38	-18,894,472.69	-20,553	-20,964
6. Subtotal from lines 1 to 5 (operating result)		1,857,100.50		25,401
7. Income from investments		75,963,852.76		87,773
of which from affiliated companies: € 75,902,628.41; 2016: € 87,637 K				
8. Income from loans from financial assets		13,543,655.31		14,548
of which from affiliated companies: € 12,937,769.95; 2016: € 13,765 K				
9. Other interest and similar income		139,198.30		598
10. Income from the disposal and revaluation of financial assets and securities of current assets		216,402,063.78		166,975
11. Expenses for financial assets and interest receivables in current assets, thereof		-4,236,146.65		-6,595
a) Impairment: € 2,911,004.91; 2016: € 3,898 K				
b) Bad debt allowance of interest receivables € 1,321,555.06; 2016: € 2,682 K				
c) Expenses from affiliated companies: € 2,796,512.20; 2016: € 2,341 K				
12. Interest and similar expenses		-20,776,179.94		-20,551
of which relating to affiliated companies: € 1,694,936.85; 2016: € 522 K				
13. Subtotal from lines 7 to 12 (financial result)		281,036,443.56		242,748
14. Result before taxes		282,893,544.06		268,149
15. Taxes on income		4,139,538.39		5,379
thereof deferred taxes: income € 439,185.16; expense 2016: € 36 K				
16. Net profit for the year		287,033,082.45		273,528
17. Allocation to treasury share reserve		-4,025,329.06		-55,579
18. Profit carried forward from the previous year		557,421,658.27		400,163
19. Net profit		840,429,411.66		618,112

OTHER INFORMATION

The annual financial statements of CA Immobilien Anlagen Aktiengesellschaft for the 2017 business year, according to the Austrian accounting principles for which an unqualified auditor's opinion was expressed by Ernst & Young Wirtschaftsprüfungsgesellschaft.m.b.H, will be submitted together with the relevant documents to the Austrian Register of Companies of the Commercial Court of Vienna, no. 75895k. These financial statements can be ordered free of charge from CA Immobilien Anlagen Aktiengesellschaft, 1030 Vienna.

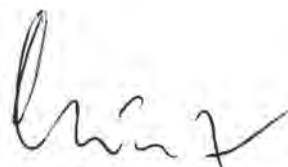
It is proposed to use part of the net retained earnings of € 840,429,411.66 to pay a dividend of € 0.80 per share, i.e. a total of € 74,581,025.60, to the shareholders. The remainder of the net retained earnings in the amount of € 765,848,386.06 is intended to be carried forward to new account.

Vienna, 26 March 2018


The Management Board



Frank Nickel
(Member of the Management Board)



Andreas Quint
(Chairman)



Dr. Hans Volkert Volckens
(Member of the Management Board)

TABLES AND ANALYSES

I. CA IMMO SHARE

1. REVIEW OF SHARE RATIO ¹⁾

		2017	2016	2015	2014	2013 restated
Key figures per share in €						
Rental income / share		1.93	1.74	1.58	1.56	2.22
EBITDA/share		1.86	1.55	1.52	1.60	2.46
Operating cash flow / share		1.42	1.32	1.16	1.07	1.60
Earnings per share		2.52	1.94	2.25	0.76	0.86
EV/Share (31.12.) ²⁾		40.49	29.97	29.14	26.24	25.17
EPRA NNNNAV/share		27.13	24.56	22.69	20.36	21.24
Price (31.12.) / NNNNAV per share – 1	%	1.81	– 28.90	– 25.82	– 23.86	– 39.37
Multiples						
P/E ratio (KGV)		10.3	9.0	7.5	20.3	14.9
Ø EV/EBITDA ²⁾		19.6	18.5	19.1	15.9	9.3
Valuation in €m						
market capitalisation (As of key date 31.12.) ²⁾		2,405.7	1,631.3	1,629.3	1,531.5	1,131.6
market capitalisation (annual average) ²⁾		2,034.3	1,557.8	1,645.4	1,338.4	933.9
Equity (inc. minorities)		2,398.5	2,204.5	2,120.5	1,951.7	1,794.3
Ø Enterprise Value (EV) ²⁾		3,402.9	2,725.5	2,836.9	2,399.7	2,013.7
Net asset value (NNNAV)		2,528.8	2,294.4	2,196.3	2,011.6	1,866.5
shares						
Number of shares (key date)	pcs.	98,808,336	98,808,336	98,808,336	98,808,336	87,856,060
average number of shares	pcs.	98,808,336	98,808,336	98,808,336	92,907,093	87,856,060
average price/share	€	21.80	16.40	16.80	14.41	10.63
Highest price	€	26.00	19.50	18.59	16.40	12.95
Lowest price	€	17.30	14.35	14.82	11.80	8.63
Dividend paid in the business year / per share	€	0.65	0.50	0.45	0.40	0.38
Dividend yield	%	2.52	2.86	2.67	2.58	2.95

¹⁾ Key figures include all fully consolidated properties, i.e. all properties wholly owned by CA Immo. The figures for the period 2013 have been adapted.

²⁾ Adjustment of the calculation method (number of shares outstanding)

2. DEVELOPMENT OF SHARE CAPITAL

year		capital increase		pcs.	Price	as at
		nominal				Share capital
1987	ATS	200,000,000			100%	200,000,000
1988	ATS	100,000,000			110%	300,000,000
1989	ATS	100,000,000			113%	400,000,000
	ATS	100,000,000			125%	500,000,000
	ATS	100,000,000			129%	600,000,000
	ATS	200,000,000			135%	800,000,000
1990	ATS	200,000,000			138%	1,000,000,000
1991	ATS	250,000,000			140%	1,250,000,000
1996		100,000,000			165%	1,350,000,000
			13,500,000			98,145,000
1999	€	10,905,000	1,500,000		14.40 €/share	109,050,000
2001	€	10,905,000	1,500,000		16.20 €/share	119,955,000
	€	11,995,500	1,650,000		16.60 €/share	131,950,500
2002	€	13,195,050	1,815,000		17.10 €/share	145,145,550
	€	14,514,555	1,996,500		17.30 €/share	159,660,105
2003	€	14,514,555	1,996,500		18.20 €/share	174,174,660
	€	18,058,680	2,484,000		18.80 €/share	192,233,340
	€	21,359,260	2,938,000		18.70 €/share	213,592,600
2004	€	21,359,260	2,938,000		19.45 €/share	234,951,860
	€	23,495,186	3,231,800		19.70 €/share	258,447,046
2005	€	23,495,186	3,231,800		20.20 €/share	281,942,232
	€	35,242,779	4,847,700		20.85 €/share	317,185,011
2006	€	105,728,337	14,543,100		21.15 €/share	422,913,348
2007	€	211,456,674	29,086,200		23.25 €/share	634,370,022
2008	€	0	0		0	634,370,022
2009	€	0	0		0	634,370,022
2010	€	4,343,534	597,460		7.27 €/share ¹⁾	638,713,556
2011	€	0	0		0	638,713,556
2012	€	0	0		0	638,713,556
2013	€	0	0		0	638,713,556
2014	€	477,297	65,653		10.66 €/share	639,190,853
2014	€	79,145,749	10,886,623		10.35 €/share	718,336,603
2015	€	0	0		0	718,336,603
2016	€	0	0		0	718,336,603
2017	€	0	0		0	718,336,603
			98,808,336			

¹⁾ Merger with CA Immo International

II. BALANCE SHEET AND INCOME ANALYSIS (5-YEAR COMPARISON)

1. CORPORATE DATA / KEY FIGURES ¹⁾

		2017	2016	2015	2014	2013 restated
income statement						
Rental income	€ m	180.3	165.6	154.8	145.2	194.9
EBITDA	€ m	173.7	147.6	148.6	149.1	216.0
Operating result (EBIT)	€ m	340.5	293.8	402.7	142.9	243.6
Net result before taxes (EBT)	€ m	299.8	237.6	316.0	84.6	103.7
Consolidated net income	€ m	234.9	183.9	220.8	70.8	75.8
attributable to the owners of the parent	€ m	234.9	183.9	220.8	70.8	75.7
Operating cash flow	€ m	132.5	125.4	113.2	99.6	140.7
Capital expenditure	€ m	301.2	291.6	92.5	184.0	368.7
Balance sheet						
Book value of properties	€ m	3,856.7	3,412.6	3,203.4	2,693.7	2,707.5
Total assets	€ m	4,768.7	4,309.1	3,984.0	3,670.9	4,040.6
Shareholders' equity	€ m	2,398.5	2,204.5	2,120.5	1,951.7	1,794.3
Long and short term interest-bearing liabilities	€ m	1,753.1	1,565.6	1,404.0	1,229.2	1,710.9
Net debt	€ m	1,368.6	1,167.7	1,191.4	1,061.3	1,079.8
PROPERTY PORTFOLIO ²⁾						
Total usable space (excl. parking, excl. projects) ³⁾	sqm	1,530,828	1,609,242	1,655,187	2,233,988	2,379,251
Gross yield of investment properties (in relation to book values) ⁴⁾	%	6.2	6.1	6.3	6.6	6.6
Wirtschaftliche Leerstandsquote	%	4.8	7.6	9.6	9.3	11.9
Other key data						
staff 31.12.		378	363	357	355	355
Gearing	%	57	53	56	54	60
Equity ratio	%	50	51	53	53	44
Ø Enterprise Value (EV) ⁴⁾	€ m	3,402.9	2,725.5	2,836.9	2,399.7	2,013.7
Ø EV/EBITDA ⁴⁾		20	18	19	16	9
Net asset value (NNNAV)	€ m	2,528.8	2,294.4	2,196.3	2,011.6	1,866.5
ROE	%	10.2	8.5	10.8	3.8	4.3
Gross LTV	%	45.5	45.9	43.8	45.6	63.2
Net LTV	%	35.5	34.2	37.2	39.4	39.9

¹⁾ Key figures include all fully consolidated properties, i.e. all properties wholly owned by CA Immo. The comparative figures for the year 2013 have been adapted.

²⁾ Includes fully consolidated real estate (wholly owned by CA Immo) and real estate in which CA Immo holds a proportionate share (at equity).

³⁾ from 2013 incl. Superaedificates and rentable open landscapes

⁴⁾ Adjustment of the calculation method (number of shares outstanding)

2. CONSOLIDATED BALANCE SHEET ¹⁾

	2017		2016		2015		2014		2013 restated	
	€ m	%	€ m	%	€ m	%	€ m	%	€ m	%
Properties	3,740.5	78	3,363.4	78	3,130.3	79	2,596.7	71	2,572.5	64
Long-term assets	4,047.4	85	3,659.8	85	3,457.1	87	3,209.8	87	3,156.1	78
Short-term assets	721.3	15	649.3	15	526.9	13	461.1	13	884.5	22
Total assets	4,768.7	100	4,309.1	100	3,984.0	100	3,670.9	100	4,040.6	100
Shareholders' equity	2,398.5	50	2,204.5	51	2,120.5	53	1,951.7	53	1,794.3	44
Long-term interest-bearing liabilities	1,684.2	35	1,412.6	33	858.8	21	1,026.6	28	1,102.1	27
Short-term interest-bearing liabilities	68.9	2	153.0	3	545.2	14	202.5	6	608.8	15
Other liabilities	617.1	13	539.0	13	459.5	12	490.1	13	535.4	13
Total liabilities and shareholders' equity	4,768.7	100	4,309.1	100	3,984.0	100	3,670.9	100	4,040.6	100

3. CONSOLIDATED INCOME STATEMENT ¹⁾

€ m	2017	2016	2015	2014	2013 restated
Rental Income/Net sales	180.3	165.6	154.8	145.2	194.9
- Austria	30.8	32.2	35.5	41.8	40.4
- Germany	52.8	48.6	48.9	43.7	107.8
- Eastern Europe	96.7	84.8	70.4	59.7	46.7
result from property sales	32.1	23.3	36.5	29.8	58.6
EBITDA	173.7	147.6	148.6	149.1	216.0
Operating result (EBIT)	340.5	293.8	402.7	142.9	243.6
Result from revaluation	104.0	138.3	213.8	- 4.2	6.8
Net income before taxes/EBT	299.8	237.6	316.0	84.6	103.7
- actual tax	- 16.3	- 10.1	- 36.6	- 7.5	- 22.8
- deferred taxes	- 48.6	- 43.6	- 58.5	- 6.3	- 5.1
Taxes on income	- 65.0	- 53.7	- 95.2	- 13.8	- 27.9
Consolidated net income	234.9	183.9	220.8	70.8	75.8

¹⁾ The comparative figures for the year 2013 have been adapted.

4. CASH FLOW STATEMENT ¹⁾

€ m	2017	2016	2015	2014	2013 restated
Cash flow from					
- business activities	132.5	125.4	113.2	99.5	140.7
- Investment activities	- 193.8	39.5	101.5	- 184.2	479.5
- financing activities	50.0	23.5	- 171.4	- 363.0	- 198.7
Changes in cash and cash equivalents	- 11.3	188.3	43.3	- 447.7	421.5
Cash and cash equivalents					
- beginning of the business year	395.1	207.1	163.6	613.4	193.2
- changes in the value of foreign currency	0.7	- 0.3	0.1	- 1.2	- 1.3
- Changes due to classification of disposal group acc.	- 0.9	0.0	0.0	- 0.9	0.0
- the end of the business year	383.5	395.1	207.1	163.6	613.4

¹⁾ The comparative figures for the year 2013 have been adapted.

5. EPRA NET YIELD ¹⁾

€ 1,000	Austria	Germany	Eastern Europe	Total
Income producing investment properties	494,200	1,099,699	1,616,135	3,210,034
Annualised cash rental income (gross)	29,168	50,060	103,382	182,610
property operating expenses	- 3,235	- 3,874	- 9,382	- 16,492
Annualised cash rental income (net)	25,933	46,186	94,000	166,119
EPRA Net Initial Yield	5.2%	4.2%	5.8%	5.2%
Lease incentives	- 132	- 483	1,199	584
EPRA "topped-up" Net Initial Yield	5.2%	4.2%	5.9%	5.2%

¹⁾ Key figures include fully consolidated real estate (wholly owned by CA Immo) and real estate in which CA Immo holds a proportionate share (at equity)

III. GENERAL OVERVIEW OF PROPERTIES

Country	City	Property	Share per key date ¹⁾	Additions (month/year)	Plot	Office-space	Retail-space	Hotel-space	Industrial space
Income producing investment properties ²⁾					596.9	942.2	69.3	79.5	18.3
Investment properties Austria									
1020	Vienna	Handelskai 388 /DBC	100%	09/00	9.4	20.6	0.9	0.0	0.6
1020	Vienna	Rembrandtstraße 21	100%	07/07	0.7	0.0	0.0	5.0	0.0
1030	Vienna	Erdberger Lände, Bauteil C, F	100%	09/04	16.6	30.3	2.5	0.0	0.0
1030	Vienna	Erdberger Lände, Silbermöwe	100%	09/04	4.2	17.5	0.0	0.0	0.0
1030	Vienna	Erdberger Lände, Bauteil D + Tankstelle	100%	09/04	9.2	0.0	2.3	0.0	0.0
1030	Vienna	Erdberger Lände, Bauteil E	100%	09/04	5.9	11.9	0.3	0.0	0.0
1030	Vienna	Galleria	100%	07/07	0.0	11.3	13.8	0.0	0.2
1030	Vienna	Rennweg 16 ⁴⁾	100%	10/02	5.5	6.5	0.0	30.8	0.0
1060	Vienna	Mariahilferstraße 17	100%	07/07	0.7	2.6	0.5	0.0	0.0
1120	Vienna	Wolfganggasse 58-60	100%	11/00	7.3	18.3	0.0	0.0	0.4
1150	Vienna	Linke Wienzeile 234/Storchengasse 1	100%	03/95	4.0	14.5	0.8	0.0	0.0
5020	Salzburg	Fürbergstraße 18-20	100%	12/05	0.0	0.5	2.6	3.6	0.0
Realties with properties built on third land					106.9	0.0	0.0	0.0	0.0
Investment properties Austria total					170.4	134.0	23.6	39.5	1.2
Investment properties Germany									
10557	Berlin	Europacity, Tour Total	100%	01/08	1.7	14.1	0.0	0.0	0.0
10557	Berlin	Europacity, Monnet 4	100%	01/08	2.5	8.0	0.0	0.0	0.0
10557	Berlin	Europacity, InterCity Hotel	100%	01/08	3.2	0.2	0.2	20.2	0.0
10557	Berlin	Europacity, John F. Kennedy Haus	100%	01/08	3.6	16.4	1.4	0.0	0.0
10557	Berlin	Spreebogen	100%	10/07	6.5	29.1	0.0	0.0	0.0
10719	Berlin	Joachimstaler Strasse 20 ⁴⁾	100%	03/07	1.4	5.0	0.4	0.0	0.0
10963	Berlin	Hallesches Ufer	100%	01/08	13.9	11.3	0.0	0.0	0.0
10963	Berlin	Königliche Direktion (Schöneberger Ufer)	100%	01/08	13.1	23.4	0.0	0.0	0.0
40545	Düsseldorf	BelsenPark, Belmundo	100%	01/08	2.7	7.8	1.9	0.0	0.0
40545	Düsseldorf	BelsenPark, Lavista	100%	01/08	1.2	3.3	0.6	0.0	0.0
50668	Cologne	Parkhaus RheinTriadem ⁵⁾	100%	01/08	3.2	0.0	0.0	0.0	0.0
50668	Cologne	Johannisstraße	100%	01/08	2.2	4.7	0.0	0.0	0.6
60327	Frankfurt	Europaviertel, Meiniger Hotel	100%	01/08	0.9	0.0	0.0	4.5	0.0
80636	Munich	Arnulfpark, Skygarden	100%	01/08	12.2	28.3	0.0	0.0	0.0
80636	Munich	Arnulfpark, Kontorhaus	100%	01/08	7.9	25.6	0.0	0.0	0.0
80639	Munich	Nymphenburg, Ambigon	100%	01/08	6.2	10.8	3.4	0.0	0.4
81241	Munich	Gleisdreieck Pasing	100%	01/08	27.6	0.0	0.0	0.0	5.0
Properties with a fair value < 10 € m					81.4	1.8	0.0	0.0	0.3
Investment properties Germany total					191.4	189.7	8.0	24.7	6.4

¹⁾ All data refer to the proportion of CA Immo; Plot size in 1,000 sqm; Values in € 1,000

²⁾ incl. own used shares

³⁾ Calculation Yield (gross yield): Rental income annualised / fair value

Logistics-space	Others	Total space	Fair value as at 31.12.2017	Fair value as at 31.12.2016	Rental income annualised	Level of commercial rental in % 2017	Yield in % 2017 ³⁾
25.0	190.6	1,324.9	3,215,535	2,965,023	197,835	95%	6.2%
0.0	1.0	23.1	39,800	39,900	2,432	100%	6.1%
0.0	0.0	5.0	11,400	11,400	630	100%	5.5%
0.0	6.2	39.1	40,700	52,200	3,536	94%	8.7%
0.0	0.0	17.5	60,500	59,900	3,107	100%	5.1%
0.0	0.2	2.5	15,800	13,700	902	65%	5.7%
0.0	0.7	12.8	17,300	17,200	1,290	88%	7.5%
0.0	4.0	29.4	97,200	97,200	4,874	96%	5.0%
0.0	0.8	38.2	85,158	85,609	4,587	100%	5.4%
0.0	0.4	3.5	25,500	24,600	1,139	100%	4.5%
0.0	1.8	20.5	27,400	27,400	2,164	100%	7.9%
0.0	1.6	16.8	33,100	32,500	1,915	99%	5.8%
0.0	0.3	7.0	11,000	11,800	746	99%	6.8%
0.0	106.9	106.9	33,330	37,460	2,229	100%	6.7%
0.0	124.0	322.3	498,188	510,869	29,551	96%	5.9%
0.0	0.1	14.2	80,900	78,500	3,927	100%	4.9%
0.0	0.0	8.0	40,100	35,700	1,879	100%	4.7%
0.0	0.0	20.6	77,800	69,000	2,897	99%	3.7%
0.0	0.2	18.0	100,900	98,000	4,466	93%	4.4%
0.0	0.6	29.8	56,900	59,201	3,865	100%	6.8%
0.0	0.2	5.6	18,612	14,844	830	95%	4.5%
0.0	0.3	11.5	25,500	22,500	1,418	100%	5.6%
0.0	1.5	24.9	84,100	49,600	4,205	99%	5.0%
0.0	0.5	10.3	44,400	41,200	2,441	94%	5.5%
0.0	0.1	4.1	19,800	18,600	1,140	100%	5.8%
0.0	0.0	0.0	20,100	16,977	1,498	100%	7.5%
0.0	0.1	5.4	19,219	19,100	954	100%	5.0%
0.0	0.0	4.5	16,200	14,400	916	100%	5.7%
0.0	4.4	32.7	216,500	190,000	8,661	99%	4.0%
0.0	4.5	30.2	173,600	150,100	7,034	97%	4.1%
0.0	0.9	15.5	75,200	64,900	3,424	99%	4.6%
0.0	18.5	23.5	13,100	12,300	881	100%	6.7%
25.0	9.1	36.2	18,280	18,070	1,420	98%	7.8%
25.0	41.2	295.0	1,101,211	972,992	51,856	98%	4.7%

⁴⁾ The property includes own used area

⁵⁾ In parking garages the area is not relevant variable, which is why a statement is not the same sense

Country	City	Property	Share per key date ¹⁾	Additions (month/year)	Plot	Office-space	Retail-space	Hotel-space	Industrial space
Investment properties Eastern Europe									
BG	Sofia	Megapark	49%	09/10	7.3	22.4	0.8	0.0	0.0
CZ	Prague	Danube House	100%	01/11	11.7	19.9	0.3	0.0	1.0
CZ	Prague	River City Nile House	100%	01/11	6.7	17.0	0.9	0.0	0.6
CZ	Prague	River City Amazon Court	100%	01/11	9.4	20.2	1.5	0.0	0.2
CZ	Prague	Kavci Hory	100%	01/11	21.7	36.2	0.4	0.0	1.3
HU	Budapest	Millennium Tower I	100%	09/16	3.5	17.8	0.0	0.0	0.3
HU	Budapest	Millennium Tower II	100%	09/16	5.7	18.0	0.4	0.0	0.0
HU	Budapest	Millennium Tower III	100%	09/16	5.8	18.2	1.5	0.0	0.8
HU	Budapest	Millennium H	100%	09/16	4.2	10.6	1.0	0.0	0.0
HU	Budapest	Víziváros Office Center	100%	09/05	4.0	12.9	0.1	0.0	0.7
HU	Budapest	R70 Office Complex	100%	06/03	3.9	17.3	0.6	0.0	0.6
HU	Budapest	Canada Square	100%	07/05	1.4	4.8	0.0	0.0	0.0
HU	Budapest	Bártok Ház	100%	08/05	3.7	14.7	2.2	0.0	0.2
HU	Budapest	Capital Square	100%	01/07	8.5	30.3	1.5	0.0	0.7
HU	Győr	Dunacenter	100%	09/08	18.2	0.0	16.4	0.0	0.0
HU	Budapest	City Gate	100%	01/11	8.7	23.7	0.0	0.0	0.9
HU	Budapest	Infopark West	100%	01/11	8.2	29.5	0.0	0.0	0.6
HR	Zagreb	Zagrebtower	100%	01/11	7.1	24.2	0.8	0.0	0.3
PL	Kraków	Avia	50%	01/11	2.5	6.8	0.0	0.0	0.2
PL	Warsaw	Warsaw Spire Building B	100%	03/17	0.0	20.4	0.5	0.0	0.0
PL	Warsaw	Warsaw Towers	100%	01/11	3.1	20.3	1.2	0.0	0.1
PL	Warsaw	Saski Point	100%	01/11	3.4	7.4	0.6	0.0	0.1
PL	Warsaw	Sienna Center	100%	01/11	4.1	19.7	0.0	0.0	0.0
PL	Warsaw	Saski Crescent	100%	01/11	4.2	14.8	0.4	0.0	0.2
PL	Warsaw	Business Centre Bitwy Warszawskiej	100%	01/11	7.0	19.3	0.0	0.0	0.0
PL	Warsaw	Wspólna 47/49	100%	11/01	0.0	6.9	0.6	0.0	0.0
RO	Bucharest	Opera Center 1	100%	09/03	2.6	10.8	0.7	0.0	0.1
RO	Bucharest	Opera Center 2	100%	03/04	0.8	3.4	0.0	0.0	0.0
RO	Bucharest	Bukarest Business Park	100%	10/05	15.7	25.0	0.1	0.0	0.5
RO	Bucharest	River Place	100%	01/11	14.9	45.9	0.2	0.0	0.1
RO	Bucharest	Europe House	100%	01/11	2.6	15.1	0.4	0.0	0.2
RS	Belgrade	Sava Business Center	100%	02/07	10.6	17.7	0.4	0.0	0.5
RS	Belgrade	Belgrad Office Park	100%	12/07	14.8	24.6	0.0	0.0	0.4
SI	Ljubljana	Austria Trend Hotel Ljubljana	100%	04/05	2.9	0.1	2.3	15.4	0.2
SK	Bratislava	Bratislava Business Center	100%	01/00	6.2	22.4	2.0	0.0	0.0
Investment properties Eastern Europe total					235.0	618.4	37.7	15.4	10.7
Investment properties under development					1,546.5	170.1	2.8	43.1	1.7
Actual projects Austria									
1030	Vienna	Erdberger Lände, ViE	100%	09/04	3.9	12.8	0.8	0.0	0.1
Actual projects Austria total					3.9	12.8	0.8	0.0	0.1

¹⁾ All data refer to the proportion of CA Immo; Plot size in 1,000 sqm; Values in € 1,000

²⁾ Calculation Yield (gross yield): Rental income annualised / fair value

Logistics-space	Others	Total space	Fair value as at 31.12.2017	Fair value as at 31.12.2016	Rental income annulised	Level of commercial rental in % 2017	Yield in % 2017 ²⁾
0.0	0.3	23.6	38,407	36,733	3,291	95%	8.6%
0.0	0.3	21.4	59,300	29,835	3,893	100%	6.6%
0.0	0.4	19.0	54,000	54,100	3,804	100%	7.0%
0.0	1.4	23.3	64,400	63,000	4,011	98%	6.2%
0.0	4.5	42.3	89,000	89,000	6,619	97%	7.4%
0.0	0.7	18.8	47,300	45,100	3,095	100%	6.5%
0.0	0.2	18.6	47,200	46,600	3,311	99%	7.0%
0.0	0.5	21.0	51,900	49,500	3,597	99%	6.9%
0.0	0.8	12.3	31,800	31,300	2,248	98%	7.1%
0.0	0.6	14.3	28,800	28,200	1,992	85%	6.9%
0.0	0.8	19.2	28,100	25,000	2,176	85%	7.7%
0.0	0.2	5.0	11,900	11,500	881	98%	7.4%
0.0	0.4	17.6	35,900	36,300	2,867	95%	8.0%
0.0	1.5	34.0	76,300	72,300	5,225	91%	6.8%
0.0	0.0	16.4	8,750	8,800	662	87%	7.6%
0.0	0.9	25.5	44,500	38,200	2,217	54%	5.0%
0.0	1.7	31.9	57,700	56,300	4,493	93%	7.8%
0.0	0.5	25.9	43,200	47,100	3,313	91%	7.7%
0.0	0.0	7.0	15,950	15,800	1,194	98%	7.5%
0.0	0.5	21.4	101,800	0	5,454	100%	5.4%
0.0	0.4	22.0	67,500	72,600	4,691	90%	6.9%
0.0	0.2	8.3	29,400	30,900	1,990	97%	6.8%
0.0	0.3	20.1	53,800	57,500	4,540	99%	8.4%
0.0	0.1	15.5	54,900	59,800	4,133	98%	7.5%
0.0	0.8	20.1	41,000	43,900	3,106	89%	7.6%
0.0	0.2	7.7	22,500	23,600	1,681	99%	7.5%
0.0	0.3	11.9	30,238	30,175	2,473	95%	8.2%
0.0	0.1	3.5	8,620	8,460	561	75%	6.5%
0.0	1.4	27.0	66,000	64,100	4,810	89%	7.3%
0.0	0.8	47.0	108,300	109,200	9,051	100%	8.4%
0.0	0.8	16.4	46,700	47,000	3,488	99%	7.5%
0.0	0.9	19.5	45,200	45,900	3,554	95%	7.9%
0.0	1.6	26.6	51,200	50,200	4,199	92%	8.2%
0.0	0.0	17.9	11,400	11,400	945	96%	8.3%
0.0	1.1	25.5	43,170	41,760	2,862	82%	6.6%
0.0	25.4	707.5	1,616,135	1,481,163	116,428	94%	7.2%
0.0	14.7	232.1	579,274	429,248			
0.0	1.1	14.7	23,200	5,480			
0.0	1.1	14.7	23,200	5,480			

Country	City	Property	Share per key date ¹⁾	Additions (month/year)	Plot	Office-space	Retail-space	Hotel-space	Industrial space
Landbank Germany									
10557	Berlin	Europacity, Europaplatz, Baufeld Rest	100%	01/08	12.4	0.0	0.0	0.0	0.0
10557	Berlin	Tiergarten, Heidestraße	100%	01/08	81.9	0.0	0.0	0.0	0.0
10557	Berlin	Europacity LSQ 8	100%	01/08	1.6	0.0	0.0	0.0	0.0
10557	Berlin	Hamburger Bahnhof	100%	01/08	19.3	0.0	0.0	0.0	0.0
60327	Frankfurt	Europaviertel, Millenium Tower	100%	01/08	8.7	0.0	0.0	0.0	0.0
60327	Frankfurt	Parkhaus Hauptbahnhof	100%	01/08	3.0	0.0	0.0	0.0	0.0
80939	Munich	AW Freimann	100%	01/08	49.0	0.0	0.0	0.0	0.0
80939	Munich	Bf Freimann I	100%	01/08	27.9	0.0	0.0	0.0	0.0
40545	Düsseldorf	BelsenPark Oberkassel	100%	01/08	22.2	0.0	0.0	0.0	0.0
Properties with a fair value < 5 € m					393.3	0.0	0.0	0.0	0.0
Landbank Germany total					619.3	0.0	0.0	0.0	0.0
Actual projects Germany									
10557	Berlin	Europacity, KPMG-Gebäude	100%	01/08	3.2	12.0	0.0	0.0	0.0
10557	Berlin	Europacity, cube berlin	100%	01/08	1.8	14.0	1.0	0.0	0.0
10557	Berlin	Europacity, Bürogebäude am Kunstcampus (BT2)	100%	01/08	0.9	2.4	0.3	0.0	0.0
10557	Berlin	Europacity, MY.B	100%	01/08	4.6	14.3	0.0	0.0	0.0
55120	Mainz	Zollhafen Mainz, ZigZag	100%	01/08	3.2	4.2	0.0	0.0	0.4
60327	Frankfurt	Europaviertel, ONE	100%	01/08	4.8	42.0	0.0	21.0	0.0
60327	Frankfurt	Busbahnhof	100%	01/08	2.3	0.0	0.0	0.0	0.0
60327	Frankfurt	Steigenberger	100%	01/08	3.0	0.0	0.0	17.1	0.0
81673	Munich	Baumkirchen, NEO	100%	06/12	2.4	8.8	0.4	5.0	0.0
80639	Munich	MY.O	100%	09/15	8.8	25.6	0.0	0.0	0.0
Actual projects Germany total					35.0	123.4	1.7	43.1	0.4
Landbank Eastern Europe									
CZ	Prague	RCP Beta	100%	01/11	6.3				
Properties with a fair value < 5 € m					874.8				
Landbank Eastern Europe total					881.1				
Actual projects Eastern Europe									
RO	Bucharest	Orhideea Towers	100%	01/11	7.2	34.0	0.3	0.0	1.1
Actual projects Eastern Europe					7.2	34.0	0.3	0.0	1.1
Properties held for trading					1,253.5	1.3	0.6	0.0	0.7
Properties held for trading Austria									
1030	Vienna	Erdberger Lände, Laendyard Living 1	50%	09/04	3.0	0.0	0.0	0.0	0.0
1030	Vienna	Erdberger Lände, Laendyard Living 2	50%	09/04	0.8	0.0	0.0	0.0	0.0
Properties held for trading Austria total					3.8	0.0	0.0	0.0	0.0

¹⁾ All data refer to the proportion of CA Immo; Plot size in 1,000 sqm; Values in € 1,000

²⁾ Calculation Yield (gross yield): Rental income annualised / fair value

Logistics-space	Others	Total space	Fair value as at 31.12.2017	Fair value as at 31.12.2016	Rental income annulised	Level of commercial rental in % 2017	Yield in % 2017 ²⁾
0.0	0.0	0.0	19,270	16,390			
0.0	0.0	0.0	20,200	27,370			
0.0	0.0	0.0	26,200	25,400			
0.0	0.0	0.0	7,640	7,640			
0.0	0.0	0.0	69,900	69,900			
0.0	0.0	0.0	20,400	19,700			
0.0	0.0	0.0	6,180	13,600			
0.0	0.0	0.0	7,590	6,090			
0.0	0.0	0.0	7,590	6,680			
0.0	0.0	0.0	11,745	10,610			
0.0	0.0	0.0	196,715	203,380			
0.0	0.8	12.8	61,400	35,200			
0.0	2.0	17.0	48,900	27,400			
0.0	0.0	2.7	4,550	3,290			
0.0	0.0	14.3	14,900	0			
0.0	0.1	4.4	1,930	5,810			
0.0	0.4	63.4	66,200	53,100			
0.0	2.3	2.3	4,540	4,040			
0.0	0.3	17.3	34,700	17,100			
0.0	4.9	19.2	20,200	8,649			
0.0	1.3	26.9	42,400	26,100			
0.0	12.2	180.5	299,720	180,689			
0.0	0.0	0.0	6,830	6,060			
0.0	0.0	0.0	10,609	10,939			
0.0	0.0	0.0	17,439	16,999			
0.0	1.4	36.9	42,200	22,700			
0.0	1.4	36.9	42,200	22,700			
0.0	162.6	165.2	179,618	128,651	273		
0.0	0.0	0.0	18,900	9,843			
0.0	0.0	0.0	4,100	2,108			
0.0	0.0	0.0	23,000	11,951			

Country	City	Property	Share per key date ¹⁾	Additions (month/year)	Plot	Office-space	Retail-space	Hotel-space	Industrial space
Properties held for trading Germany									
55118	Mainz	Zollhafen Mainz	50%	09/10	121.1	0.0	0.0	0.0	0.0
55120	Mainz	Zollhafen Mainz, Rheinallee III	100%	01/08	8.5	0.0	0.0	0.0	0.0
81673	Munich	Baumkirchen Mitte MK (Wohnen)	100%	06/12	2.8	0.0	0.0	0.0	0.0
81673	Munich	JV Baumkirchen WA 3	50%	06/12	4.7	0.0	0.0	0.0	0.0
80993	Munich	JV Eggarten	50%	01/08	89.7	0.0	0.0	0.0	0.0
80995	Munich	Ratoldstraße (Bf Feldmoching)	100%	12/12	88.5	0.0	0.0	0.0	0.0
82031	Feldkirchen	Feldkirchen, ehem. Kiesgrube	100%	01/08	268.5	0.0	0.0	0.0	0.0
10557	Berlin	Europacity, Bürogebäude am Kunstcampus (BT1)	100%	01/08	2.0	0.0	0.0	0.0	0.0
Properties with a fair value < 5 € m					663.9	1.3	0.6	0.0	0.7
Properties intended for trading Germany					1,249.7	1.3	0.6	0.0	0.7
Assets held for sale					9.6	36.0	2.8	0.0	0.4
Assets held for sale Austria									
5020	Salzburg	AVA Hof - Ferdinand Hanusch Platz 1	100%	01/02	3.6	3.6	2.8	0.0	0.0
Assets held for sale Austria total					3.6	3.6	2.8	0.0	0.0
Assets held for sale Germany									
60327	Frankfurt	Europaviertel, Tower 185	33%	01/08	5.9	32.3	0.0	0.0	0.3
Assets held for sale Germany total					5.9	32.3	0.0	0.0	0.3
Properties sold 2017					580.2	27.0	2.4	0.0	0.3
Properties sold 2017 Austria									
1110	Vienna	Simmeringer Hauptstraße 99	100%	12/05	7.5	0.2	1.2	0.0	0.0
1190	Vienna	Döblinger Hauptstraße 66	100%	05/89	4.2	0.7	0.1	0.0	0.0
Properties with a fair value 2016 < 5 € m					63.5	2.1	0.7	0.0	0.0
Total Properties sold 2017 Austria					75.2	3.0	2.0	0.0	0.0
Properties sold 2017 Germany									
10719	Berlin	Lietzenburger Strasse 75	100%	06/10	1.1	2.5	0.4	0.0	0.0
Total Properties sold 2017 Germany					1.1	2.5	0.4	0.0	0.0
Properties sold 2017 Eastern Europe									
HU	Budapest	Europolis Infopark	100%	01/11	6.2	13.3	0.0	0.0	0.3
HU	Vecsés	Europolis Park Budapest Aerozone	51%	01/11	61.6	8.2	0.0	0.0	0.0
Properties with a fair value 2016 < 10 € m					436.2	0.0	0.0	0.0	0.0
Total Properties sold 2017 Eastern Europe					504.0	21.5	0.0	0.0	0.3

¹⁾ All data refer to the proportion of CA Immo; Plot size in 1,000 sqm; Values in € 1,000

²⁾ Calculation Yield (gross yield): Rental income annualised / fair value

Logistics-space	Others	Total space	Fair value as at 31.12.2017	Fair value as at 31.12.2016	Rental income annulised	Level of commercial rental in % 2017	Yield in % 2017 ²⁾
0.0	0.0	0.0	16,043	15,423	0		
0.0	0.0	0.0	33,580	14,555	0		
0.0	0.0	0.0	11,689	0	0		
0.0	0.0	0.0	16,438	8,805	0		
0.0	0.0	0.0	42,608	31,526	0		
0.0	34.6	34.6	11,116	10,460	51		
0.0	0.0	0.0	7,039	6,210	0		
0.0	0.0	0.0	10,435	4,043	0		
0.0	128.0	130.6	7,670	25,677	222		
0.0	162.6	165.2	156,618	116,700	273		
0.0	1.6	40.8	293,861	223,476	11,345		
0.0	0.2	6.6	36,900	28,100	1,256		
0.0	0.2	6.6	36,900	28,100	1,256		
0.0	1.5	34.1	256,961	195,376	10,089		
0.0	1.5	34.1	256,961	195,376	10,089		
24.7	32.2	86.7	0	73,458			
0.0	2.1	3.5	0	8,079			
0.0	1.5	2.3	0	7,480			
0.0	28.3	31.1	0	11,795			
0.0	31.9	36.9	0	27,354			
0.0	0.3	3.2	0	7,650			
0.0	0.3	3.2	0	7,650			
0.0	0.0	13.7	0	11,271			
24.7	0.0	32.9	0	17,427			
0.0	0.0	0.0	0	9,756			
24.7	0.0	46.6	0	38,454			

Country	City	Property	Share per key date ¹⁾	Additions (month/year)	Plot	Office-space	Retail-space	Hotel-space	Industrial space
Investment properties					596.9	942.2	69.3	79.5	18.3
		Investment properties Austria			170.4	134.0	23.6	39.5	1.2
		Investment properties Germany			191.4	189.7	8.0	24.7	6.4
		Investment properties Eastern Europe			235.0	618.4	37.7	15.4	10.7
Investment properties under development					1,546.5	170.1	2.8	43.1	1.7
		Actual projects Austria			3.9	12.8	0.8	0.0	0.1
		Landbank Germany			619.3	0.0	0.0	0.0	0.0
		Actual projects Germany			35.0	123.4	1.7	43.1	0.4
		Landbank Eastern Europe			881.1	0.0	0.0	0.0	0.0
		Actual projects Eastern Europe			7.2	34.0	0.3	0.0	1.1
Properties held for trading					1,253.5	1.3	0.6	0.0	0.7
		Properties held for trading Austria			3.8	0.0	0.0	0.0	0.0
		Properties held for trading Germany			1,249.7	1.3	0.6	0.0	0.7
Assets held for sale					9.6	36.0	2.8	0.0	0.4
		Assets held for sale Austria			3.6	3.6	2.8	0.0	0.0
		Assets held for sale Germany			5.9	32.3	0.0	0.0	0.3
		Assets held for sale Eastern and South East Europe			0.0	0.0	0.0	0.0	0.0
Total properties sold 2017					580.2	27.0	2.4	0.0	0.3
Total					3,406.4	1,149.5	75.5	122.7	21.0
Total (incl. Sold properties)					3,986.6	1,176.6	77.9	122.7	21.3

¹⁾ All data refer to the proportion of CA Immo; Plot size in 1,000 sqm; Values in € 1,000

²⁾ Calculation Yield (gross yield): Rental income annualised / fair value

Logistics-space	Others	Total space	Fair value as at 31.12.2017	Fair value as at 31.12.2016	Rental income annualised	Level of commercial rental in % 2017	Yield in % 2017 ²⁾
25.0	190.6	1,324.9	3,215,535	2,965,023	197,835	95%	6.2%
0.0	124.0	322.3	498,188	510,869	29,551	96%	5.9%
25.0	41.2	295.0	1,101,211	972,992	51,856	98%	4.7%
0.0	25.4	707.5	1,616,135	1,481,163	116,428	94%	7.2%
0.0	14.7	232.1	579,274	429,248			
0.0	1.1	14.7	23,200	5,480			
0.0	0.0	0.0	196,715	203,380			
0.0	12.2	180.5	299,720	180,689			
0.0	0.0	0.0	17,439	16,999			
0.0	1.4	36.9	42,200	22,700			
0.0	162.6	165.2	179,618	128,651	273		
0.0	0.0	0.0	23,000	11,951	0		
0.0	162.6	165.2	156,618	116,700	273		
0.0	1.6	40.8	293,861	223,476	11,345		
0.0	0.2	6.6	36,900	28,100	1,256		
0.0	1.5	34.1	256,961	195,376	10,089		
0.0	0.0	0.0	0	0	0		
24.7	32.2	86.7	0	73,458			
25.0	369.6	1,763.0	4,268,288	3,746,398	209,453		
49.7	401.8	1,849.6	4,268,288	3,819,855			

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