CA IMMO

ANNUAL FINANCIAL REPORT 2012
IN ACCORDANCE WITH THE § 82 (4) OF THE
AUSTRIAN STOCK EXCHANGE ACT

12

CONTENT

GROUP MANAGEMENT REPORT

INVESTMENTS AND FUNDS

Although originally active on the Austrian market only, CA Immo began investing in Eastern Europe in 1999. Two years later, the company embarked on project development in the region. Having since acquired the Europolis Group in 2011, CA Immo now ranks as one of the biggest investors. As it expanded in Eastern Europe, the company built its portfolio of real estate in Austria and Germany, obtaining a package of properties from the German federal state of Hesse in 2006 and finalising the acquisition of Vivico Real Estate GmbH (now CA Immo Deutschland GmbH) early in 2008. Today, the CA Immo Group is established in Central Europe as an active holder of commercial real estate with strong development expertise. The parent company of the CA Immo Group is **CA Immobilien Anlagen Aktiengesellschaft**, a Vienna-based firm listed on the Vienna Stock Exchange since 1988. The company has subsidiaries in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia as well as offices in Russia, the Ukraine and Cyprus. Each site acts as a largely autonomous profit centre. As at key date 31 December 2012, the Group had 272 subsidiaries (compared to 263 as at 31.12.2011) in 17 countries[1].

COMPANIES BY REGION

	31.12.2012	**31.12.2011**
Austria	40	42
- *thereof Joint-Ventures*	*8*	*8*
Germany	110	103
- *thereof Joint-Ventures*	*22*	*20*
Eastern Europe	122	118
- *thereof Joint-Ventures*	*23*	*24*
Across the Group	**272**	**263**
- *thereof Joint-Ventures*	*53*	*52*

1 Excluding CA Immobilien Anlagen AG
2 Including all subsidiaries in the scope of our Eastern European investments

CA IMMO IN GERMANY

CA Immo Deutschland GmbH has functioned as the operational platform for all Group activity in Germany since 2008. 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. Projects on these sites are at various stages of preparation and will be rapidly progressed to construction readiness over the coming years. On completion, development projects are either sold, transferred to the company's asset portfolio or sold to property developers as construction-ready real estate. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local profile is assured. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by **omniCon**, the CA Immo subsidiary acquired in 2008. omniCon also performs these services for third parties. CA Immo Deutschland GmbH is fully consolidated in the consolidated financial statements of CA Immo. The company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale.

Most of the investment properties in Germany, including the package of properties acquired from the state of Hesse, are maintained by Frankfurt-based **CA Immo AG** (in the future CA Immo Invest GmbH), in which CA Immobilien Anlagen Aktiengesellschaft of Vienna has direct and indirect holdings amounting to 100%. The company is also fully consolidated in the consolidated financial statements.

DRG Deutsche Realitäten GmbH was also founded as a joint venture with the estate agent and property management firm ÖRAG in 2011. DRG undertakes tenant management, service charge accounting, rental revenue enhancement, cost reduction, maintenance tasks and letting for CA Immo's office investment properties in Germany. To ensure the cost structure can be adapted flexibly, external service providers are brought in to carry out certain other activities.

POOLING OF EASTERN EUROPEAN ACTIVITY IN CA IMMO AND EUROPOLIS

The Group's portfolio in Eastern Europe is directly held via CA Immo participating interests and via **Europolis AG**, another wholly owned subsidiary of CA Immo acquired from the Volksbank Group early in 2011. The Europolis Group, which has been in existence since 1990, focuses on class A office, logistical and retail buildings in Eastern Europe. The Europolis AG portfolio also includes a small number of development projects and undeveloped plots in Poland, Hungary and the Ukraine. The overall portfolio is divided into six smaller portfolios in which reputable partners such as the EBRD, AXA and Union Invest hold shares of between 25% and 49%. The

[1] Includes holding companies in Cyprus, Luxembourg and the Netherlands

portfolios are managed by **Europolis Real Estate Asset Management GmbH** of Vienna (EREAM), a wholly owned subsidiary of Europolis AG, alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as CA Immo Real Estate Management.

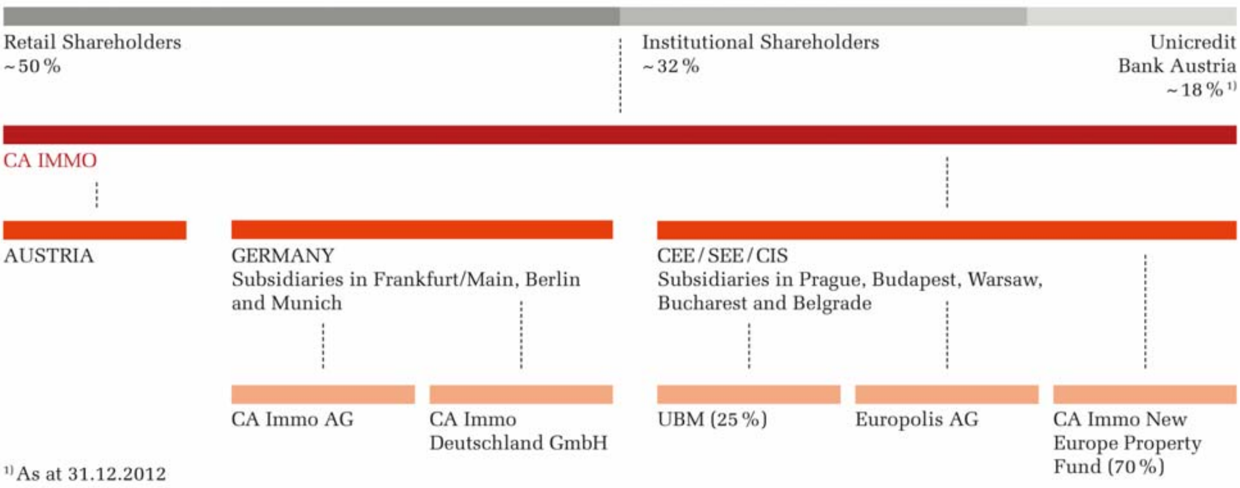
SPECIAL FUND FOR DEVELOPMENT PROJECTS IN EASTERN EUROPE

Since 2007, CA Immo has largely managed development projects in Eastern Europe through the **CA Immo New Europe Property Fund** (CAINE), a project development fund structured under Luxembourg law as a SICAR (Societé d'Investissement en Capital à Risque). CA Immo holds 70% of the shares in the fund; the remaining 30% is held by three institutional investors. The planned lifespan of the fund, which is managed by a CA Immo subsidiary, is seven years in total (with the option to extend). The commitment period (in which new projects can be initiated) came to a close at the end of 2009. Investment activity has fallen far short of the levels originally intended owing to changed market conditions; agreement was reached with co-partners only to proceed with development projects that were already in progress. In future, new projects will be launched directly by CA Immo unless the fund partner decides in favour of individual involvement in the implementation. As at the balance sheet date, the CA Immo New Europe Property Fund had a book value of around € 147 m (compared to € 142 m in the previous year). Three projects are in progress at present; three more completed since the fund was set up are currently held by the fund as investment properties.

INVESTMENT IN UBM

CA Immo holds a stake of 25% plus four shares (vetoing minority holding) in the listed Vienna-based real estate developer **UBM Realitätenentwicklung AG** through a subsidiary company. The main shareholder in UBM is the PORR Group with a holding of approximately 41%. With development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. Projects realised with UBM include the Poleczki Business Park in Warsaw and the Airport City project in St. Petersburg. The investment in UBM contributed a total of € 2,711 K to the earnings of CA Immo in 2012 (€ 1,640 K in 2011). CA Immo thus received a dividend for business year 2011 of € 825 K (€ 825 K in the previous year), corresponding to a return on invested capital of approximately 8% or a dividend yield of around 4%.

GROUP STRUCTURE OF CA IMMO GROUP



ECONOMIC ENVIRONMENT

THE CYCLICAL TREND

The main factors influencing the operational business development of CA Immo are economic growth, which drives the demand for office space, as well as liquidity and interest rates. The continuing debt crisis is impacting on general economic stability and feeding insecurity on markets and amongst investors accordingly.

The pace of economic expansion across the EU slowed in 2012 with average GDP growth of 0.3%, compared to 1.6% in 2011. Against this background of tension as individual economies drifted even further apart within the eurozone, CA Immo's core markets returned above average growth figures. Compared to most eurozone nations, economic output on most of CA Immo's core markets in Eastern Europe proved more stable, with higher growth rates and far lower levels of debt. With GDP expansion of 2.4%, Poland took centre stage in impressive fashion. Over the same period, CA Immo's other core markets achieved economic output above the EU average with GDP increases of around 1.0%. According to Eurostat forecasts, Poland and Romania will have the highest growth rates in 2013.

THE MONEY MARKET AND INTEREST RATE ENVIRONMENT [1]

The average inflation rate in the eurozone for 2012 was 2.2%, 0.5% below the previous year's value but above the indicator of price stability of below two percent as specified by the European Central Bank (ECB). Once again, prices were driven by energy and other commodities. Despite the marginal decline in the inflation rate, the ECB upheld its low interest rate policy, introducing a further cut to the base rate (from 1.0% to 0.75%) in July.

Interest rates on the unsecured money market underwent a downward slide in 2012, levelling off at a record low level in the final quarter. The 3 month Euribor, the reference rate for floating rate loans, stood at 1.2% at the start of the year and had fallen to 0.19% by December. Despite the low interest level, total financing costs remained the same or higher than in previous years owing to higher bank margins. This was partly due to high risk premiums for financing as well as higher capital requirements on the part of financing banks (see also 'Outlook' on the next page).

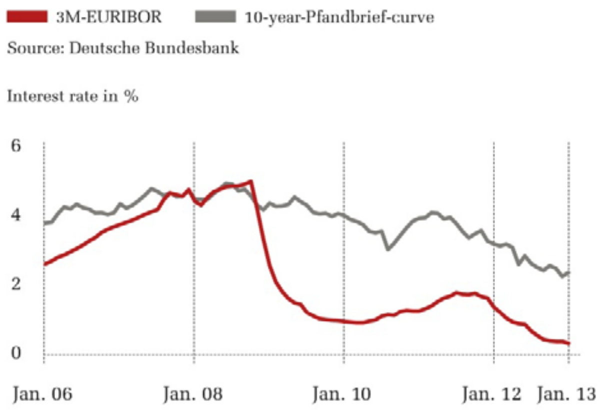
[1] Sources: Eurostat 2012, European Central Bank, Monthly Bulletin January 2012

ECONOMIC DATA OF CA IMMO CORE MARKETS

	Growth rate of the real GDP [1]		Annual inflation rates [2]	Rate of unemployment [3]	Gross public debt [4]	Public deficit/ -surplus	Balance of trade [5]
	2012	2013	in %	in %	in %	in % of the GDP 2011	in bn €
EU (27)	0.3	0.4	2.3	10.7	80.1	–4.4	–9.8
Euro zone (17)	0.4	0.1	2.2	11.8	85.3	–4.1	9.3
AT	0.8	0.9	2.9	4.5	73.7	–2.5	7.2
D	0.7	0.8	2.0	5.4	81.7	–0.8	157.7
PL	2.4	1.8	2.2	10.6	55.9	–5	–7.5
CZ	1.3	0.8	2.4	7.4	44.9	–3.3	10.8
HU	1.2	0.3	5.1	10.9	78.6	4.3	6
RO	0.8	2.2	4.6	6.7	35.2	–5.5	–8.3

Source: Euostat
[1] Prognosis, change from previous year (in %)
[2] as of January 2013
[3] as of November 2012 (saisonally adjusted)
[4] as of third quarter of 2012 (saisonally adjusted)
[5] January to October 2012 (not saisonally adjusted

INTEREST RATE DEVELOPMENT



CURRENCIES [1]

The development of the euro remained volatile as the sovereign debt crisis in various European nations persisted. The nominal effective exchange rate of the euro has been falling sharply against the currencies of the 20 main trading partners since the end of August. Against the US dollar, the euro fell by -0.5% on average to stand at US$ 1.2848 at year end. Given that nearly all of CA Immo's lease contracts are concluded in euros, this did not impact directly on rental revenue.

OUTLOOK

The economy of Europe is set to expand in 2013, albeit at a moderate pace, and growth indicators are pointing to the stabilisation of economic activity. Economic data also suggests healthy stability for the core markets of CA Immo. Interrelations between these markets are strong, and trading activity – the main factor driving the European economy – will remain buoyant. Highly stable market conditions would therefore seem to be guaranteed for CA Immo.

Despite the positive signals, though, there is little sign that economic growth will pick up in the crisis-afflicted nations of Europe (such as Greece and Spain) during 2013. Although structural obstacles on labour and goods markets are still impeding the pace of expansion as regards investment, employment and consumption, the mood among business players is more optimistic than before.

During January 2013, tension on the money market eased tangibly; interbank transactions revived as many banks on core markets regained access to liquidity via the free markets. Accordingly, these institutions are generally repaying funds borrowed from the ECB early. At present, it is not possible to foresee the extent to which the ECB will tie its base rate to the pattern of interbank transactions or continue to support countries still in crisis via low base rates, which mean cheap money.

We must also wait and see whether, when and to what extent the positive banking sector developments noted early in the year will influence actual lending. Financing in the real estate environment is likely to remain costly and bound by strict requirements. In particular, long-term loans and loans for non-core products will become more expensive due to high risk premiums.

As regards the yield prospects for AAA-rated government bonds, which are presently low, higher-yield investments such as real estate and shares are likely to attract more capital in 2013. Demand for real estate investment (especially in the core category) is thus expected to rise, leading to price increases in at least some areas.

[1] Sources: European Central Bank, Monthly Bulletin January 2013, www.finanzen.net; closing rate on 30.12.2012

PROPERTY MARKETS

The core markets of CA Immo revealed sound economic foundations in 2012, with performance indicators proving highly stable on the property investment and rental markets. The investment and office markets in Austria were vibrant, offering a healthy basis for business. Germany continues to act as the stabilising influence of the eurozone, a fact reflected on real estate markets in the consistent levels of investment turnover and continuously high demand. CA Immo's core markets in Eastern Europe are still defined by widely varying conditions; overall, there is a clear north-south divide on the lettings and investment markets of Europe.

Once again, certainty was the main factor for investors making purchase decisions in 2012. As a result, the gap has widened between high quality real estate in European capital cities and older properties in B-class areas and locations that fall short of modern technical standards. This trend is expected to continue in 2013.

THE REAL ESTATE MARKET IN AUSTRIA [1]

The investment market

Around € 1.8 bn was invested in Austrian real estate in 2012, an increase of 7% on the transaction volume for 2011. The majority of transactions (70%) took place in the second half of the year. Investors were strongly attracted to high quality retail properties (41%) and offices (33%). In year-on-year comparison, peak yields fell by 20 base points to stand at 5.0% at the turn of the year. Another marginal yield compression is expected in 2013.

The office property market

In Vienna, 345,000 sqm of office space was let in 2012, equivalent to a 34% rise in lettings performance compared to the previous year. CA Immo delivered a major contribution to this increase with, amongst other things, the letting of the Silbermöwe building (21,500 sqm) in the Lände 3 district. Despite this large-scale let, most floor space turnover was generated through small-scale lettings of less than 5,000 sqm. Lettings performance is likely to fall in 2013, levelling off around the level of 2011.

Compared to 2011, the production of office space (including general redevelopment) has increased by 92%. Another 176,000 sqm of office space is expected to be produced in 2013 as various projects are completed.

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

Given the expected drop in demand, vacancy levels (especially in previously occupied properties not conforming to the latest standards) could well increase. Peak rent levels were hovering around € 24.75/sqm at the end of 2012. Another slight rise in rental rates in prime locations is likely during 2013.

OFFICE MARKET DEVELOPMENT IN VIENNA

	2012	2011	Change in %
Take up in sqm	345,000	260,000	24.6
Vacancy rate in %	6.6	6.1	7.6
Peak rent in €/sqm net exclusive	24.75	23.8	4.0
Prime yield in %	5	5.2	–4.0

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

THE REAL ESTATE MARKET IN GERMANY [2]

The investment market

Once again economic stability, a polycentric structure and large, liquid real estate markets made Germany a magnet for investors in 2012. Nationally, around € 25.6 bn (a rise of 9% on the previous year) was invested in the commercial purchase of real estate. Demand also remained strong for high quality properties with good letting levels (core segment), especially in the usage categories of offices (42% of the total investment volume) and retail (30.5%). The value of peak yields has fallen in most locations.

Berlin now leads the German investment market in terms of sales, with the transaction volume on the commercial investment market rising by 65% to € 3.85 bn; it was followed by Munich with turnover of € 3.62 bn (up 26%) and Frankfurt with € 3.23 bn (up 9%). The reason for this was not a lack of demand from investors, however, but a shortage of suitable core status assets. Looking ahead, a similar transaction volume should be attainable in 2013.

The office property market

As regards the office rental market in Germany, office space totalling 1.84 m square metres was let on the core CA Immo markets of Berlin, Frankfurt and Munich in

[2] Sources: BNP Paribas Real Estate 2013; CBRE EMEA Rents and Yields Q4 2012; CBRE MarketView, Office Market Frankfurt/Munich Q4 2012

2012 (compared to 1.75 m square metres in 2011). Strong demand for high quality premises coupled with falling (speculative) construction levels will reduce vacancy further in the quality segment during 2013. Structural vacancy will rise at the same time, with the trend towards redesignation of vacant office properties no longer marketable to alternative (e.g. residential) usages accelerating rapidly in some prime office locations.

The supply of new premises in **Berlin** is moderate owing to the fact that construction has only been carried out as required in recent years (and subject to appropriate levels of pre-letting). Demand for modern properties in central locations is rising continually, driving a steady increase in peak rents. This positive market trend, which is reflected on the investment market, is expected to continue in 2013.

During 2012, **Frankfurt** achieved good results on the investment market (up 9%) and especially the office rental market (up 20%). The supply of modern premises available at short notice is limited while structural vacancy is rising markedly outside of the prime segment, producing strong competition for older premises and forcing down average rents outside the core segment. The trend for refurbishing or redesignating older, vacant office space to alternative usage types (residential in particular) is set to continue in 2013.

Despite strong demand in central city locations, floor space turnover in **Munich** fell 19% to 611,450 sqm in year-on-year terms. Rental rates rose sharply in central areas, with the peak rent level overtaking Frankfurt for the first time. Vacancy decreased by around 14% compared to 2011 owing to the declining completion volume. Demand for modern office premises in central locations is likely to be sustained in 2013.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2012	**2011**	**Change in %**
Berlin			
Take up in sqm [1]	633,000	568,000	11.4
Vacancy rate in %	7.2	7.7	–6.5
Peak rent in €/sqm net exclusive	22	21.6	1.9
Prime yield in %	5	5.10	–2.0
Frankfurt			
Take up in sqm [1]	509,800	423,500	20.4
Vacancy rate in %	13.3	13.8	–3.6
Peak rent in €/sqm net exclusive	35	32.3	8.4
Prime yield in %	4.9	5	–2.0
Munich			
Take up in sqm [1]	611,450	755,000	–19.0
Vacancy rate in %	6.3	7.3	–13.7
Peak rent in €/sqm net exclusive	38.4	34.8	10.3
Prime yield in %	4.75	4.8	–1.0

[1] incl. surrounding area and owner-occupier transactions

Sources: BNP Paribas Real Estate 2013; CBRE 2012; EMEA Rents and Yields Q4 2012; gif e.V. (German Society of Property Researchers), Annual Survey of Office Markets 2011 and 2012 of the "research working group", as of January 2013. All floor space data is rentable space (gif e.V.), conversion factor = gross floor space x 0.85

THE REAL ESTATE MARKET IN EASTERN EUROPE [1]

The investment market

During 2012, commercial investment activity in the CEE region was characterised by a fall in transactions; the total investment volume was around € 7.4 bn (down 35% on the previous year). Investors looking for core properties in capital cities were particularly attracted to Poland (€ 1.54 bn) and Russia (€ 1.19 bn). Only a handful of banks are prepared to finance real estate purchases in Eastern Europe. Poland and the Czech Republic alone emerged as relatively liquid markets. In Poland, the fourth quarter of 2012 saw the highest quarterly volume of transactions since 2006. Investors deserted the smaller nations of South Eastern Europe in droves owing to deteriorating economic conditions, restrictive financing options and a short supply of core assets as the investment market in the region virtually ground to a halt. Peak yields on class A office properties were largely stable in 2012; they were unchanged at 6.25% in Poland and 6.50% in the Czech Republic.

[1] Sources: CBRE Market View, CEE Offices February 2013; CBRE EMEA Rents and Yields Q4 2012

The office property markets [2]

In spite of the tough economic conditions in Europe, the office market in the CEE region was again stable if patchy. Demand in **Poland** remained constant, with stable floor space turnover and good absorption levels for newly built premises. The vacancy rate is likely to rise over the years ahead, however, as more new projects and fully renovated office properties come onto the market. Lettings were also stable on the **office property market in the Czech Republic** in 2012. Although lettings performance declined by around 16%, vacancy levels and rents remained around the same levels. Completions of new office premises are likely to increase on the office markets of Poland and the Czech Republic in 2013. The absorption of these premises is expected to be generated largely through relocations from old offices. Vacancy is poised to increase, especially in outdated buildings.

[2] Sources: CBRE Market View, CEE Offices February 2013; CBRE EMEA Rents and Yields Q4 2012

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN EASTERN EUROPE

	2012	2011	Change in %
Budapest			
Take up in sqm [1]	244,700	394,655	–38.0
Vacancy rate in %	21.5	19.2	12.0
Peak rent in €/sqm net exclusive	20.0	20.0	0
Prime yield in %	7.5	7.3	3.4
Bucharest			
Take up in sqm [1]	160,000	262,000	–38.9
Vacancy rate in %	15.1	14.1	7.2
Peak rent in €/sqm net exclusive	18.5	19.5	–5.1
Prime yield in %	8.25	8.3	0
Prague			
Take up in sqm [1]	272,100	325,564	–16.4
Vacancy rate in %	11.9	12.0	–0.9
Peak rent in €/sqm net exclusive	21.0	21.0	0
Prime yield in %	6.5	6.5	0
Warsaw			
Take up in sqm [1]	608,000	573,000	6.1
Vacancy rate in %	8.8	6.7	31.3
Peak rent in €/sqm net exclusive	27.0	27.0	0
Prime yield in %	6.25	6.3	0

Sources: CBRE 2012/2013; Jones Lang LaSalle 2012/2013; Budapest: Data as of November 2012; Bucharest: Data as of Q3 2012.
Note: Floor space turnover includes owner-occupier transactions

Lettings activity in **Hungary and Romania** in 2012 was characterised by contract extensions and expansions of premises by existing tenants, resulting in low net absorption and a concurrent rise in the vacancy rate. An upturn on these office markets is not anticipated in the year ahead.

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

Logistics [1]

The logistics segment – which traditionally has shorter lease agreement terms, higher volumes of floor space and direct links to the business environment – generally responds more quickly to international trends than the office property sector. Accordingly, transaction volume and lettings performance in the logistics area during 2012 showed moderate to good results on the more economically stable CEE markets such as Poland, the Czech Republic and Russia. This positive demand was seen alongside a large supply and thus strong competition of logistic space in these regions. Other markets in Eastern and South Eastern Europe saw investors withdraw as floor space turnover fell sharply.

Thanks to the country's strong domestic market, stable economic growth and close trading links with Western Europe, domestic and foreign demand in Poland has expanded steadily, encountering a high supply of logistic space available. Until October 2012, floor space turnover in the commercial sector broadly matched the level of the previous year. At the end of Q3 2012, the logistics vacancy rate averaged 12%, varying from 5% to 30% according to location. Rent levels remained stable at € 2.8/sqm to € 5.0/sqm. Peak yields fell marginally (down 25 base points) to the current level of 7.50%. Rents and yields are not expected to change significantly in 2013.

[1] Sources: Jones Lang LaSalle, European Industrial Bulletin, September 2012; CBRE Big Box Poland Industrial Market View, Q4 2012

Logistics center in Romania: Europolis Park Bucharest

PROPERTY ASSETS

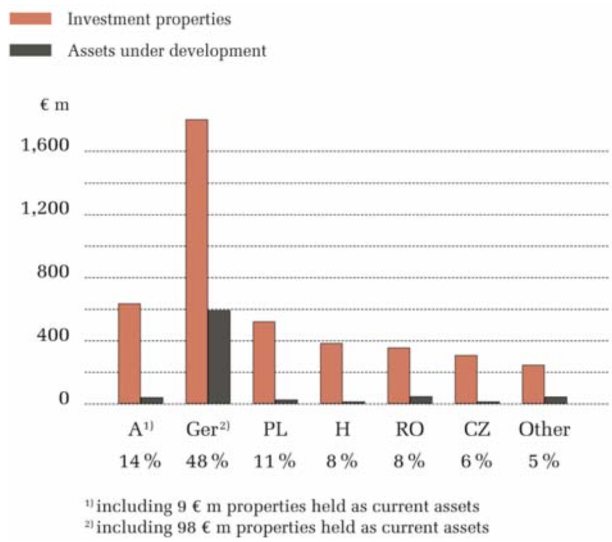
The CA Immo Group divides its core activity into the business areas of letting investment properties and developing real estate. In both of these business areas, CA Immo specialises in commercial real estate with a clear focus on office properties in the center of Europe. The objective is to build up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

Property assets of € 5.3 bn

As at key date 31 December 2012, the property assets of CA Immo were approximately € 5.3 bn (€ 5.2 bn as at 31.12.2011). Of this figure, investment properties[1] account for € 4.5 bn (86% of the total portfolio) and property assets under development represent € 0.7 bn (14% of the portfolio as a whole). The proportion of the Eastern European segment fell from around 41 % of total property assets as at 31 December 2011 to 38% as at 31 December 2012; the Germany segment rose to 48% of total property assets (45% as at 31.12.2011).

[1] Including properties used for own purposes and intended for trading or sale

DISTRIBUTION OF PROPERTY ASSETS BY COUNTRY AND TYPE

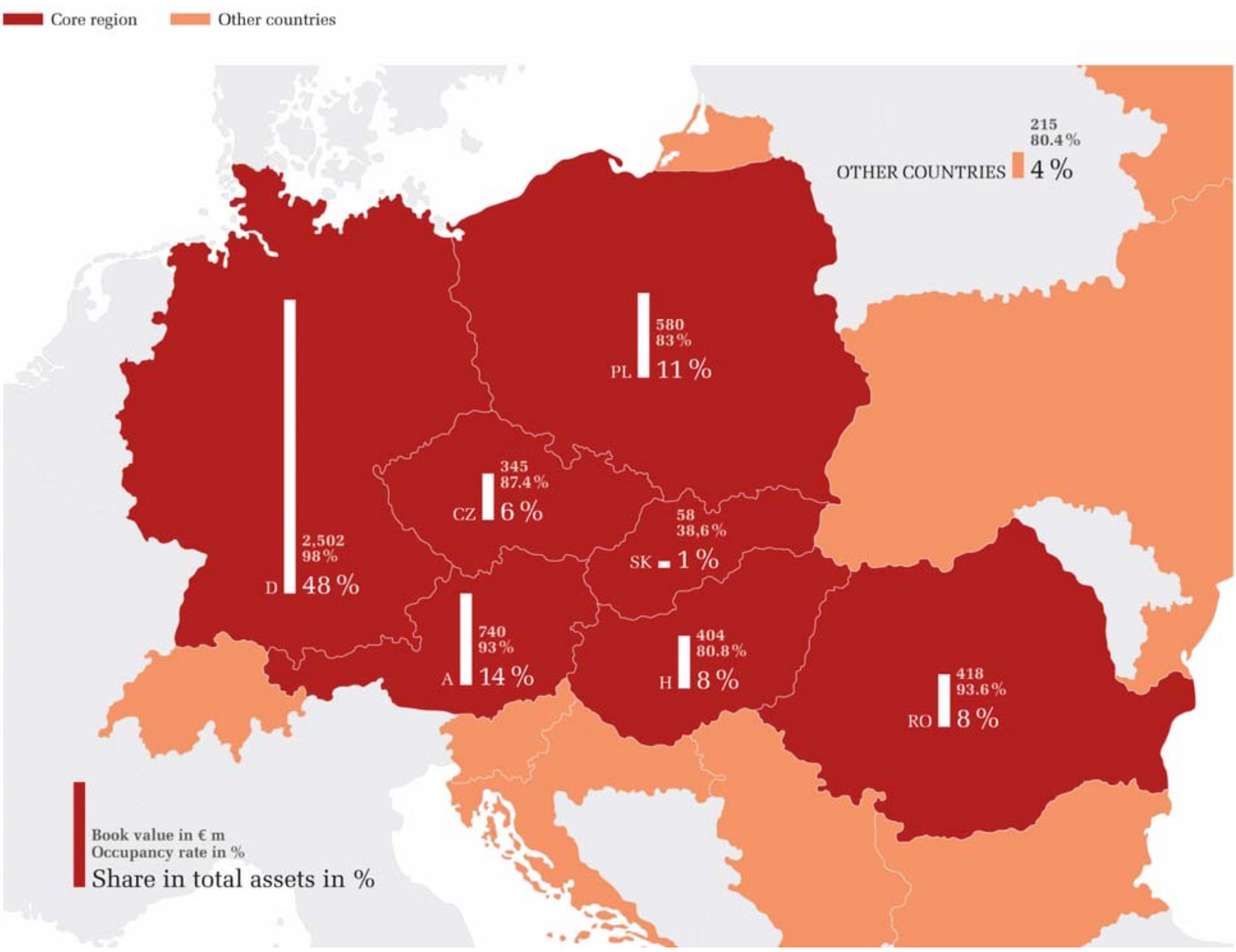


PROPERTY ASSETS OF CA IMMO GROUP AS OF 31.12.2012 (BOOK VALUES)

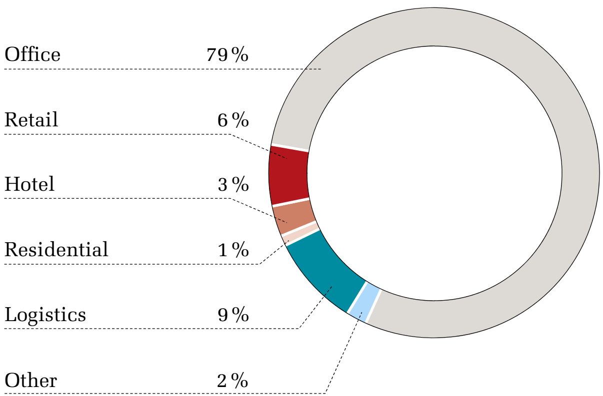
in € m	Investment properties [1]	Investment properties under development	Properties held as current assets [2]	Property assets	Property assets in %
Austria	671	60	9	740	14%
Germany	1,839	565	98	2,502	48%
Czech Republic	337	8	0	345	6%
Hungary	395	9	0	404	8%
Poland	560	20	0	580	11%
Romania	376	42	0	418	8%
Others	250	23	0	273	5%
CA IMMO	**4,428**	**727**	**106**	**5,261**	**100.0%**
share on total portfolio	**84%**	**14%**	**2%**	**100%**	

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

CA IMMO PROPERTY ASSETS



DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES BY MAIN USAGE (Basis: € 4.4 bn)



Sales

Real estate with a value of € 235.8 m was sold in 2012. Total income of € 37.5 m was generated from sales (compared to € 52,8 m in 2011). **Building plots** connected with urban district development activity (mainly in inner city areas in Germany) accounted for 43% of sales; suitably value-enhancing property use approvals had previously been obtained. Since this real estate had not been generating any rental income, the sales will not lead to falls in cash flow over the long term.

CA Immo and Pramerica Real Estate Investors signed an agreement on the sale of the **Warsaw Financial Center** (WFC), in which each company held a 50% stake, early in August; the transaction was subsequently closed in mid-November. The sale price for the whole stake was approximately € 210 m. A consortium comprising Allianz (87.5%) and Curzon Capital Partners III, a fund managed by Tristan Capital Partners (12.5%), will assume ownership of the modern office high-rise in Warsaw's central business district, which offers rentable effective area of around 50,000 sqm.

Market placement was particularly profitable for small to medium-sized apartment houses in Vienna and the regional capitals of Austria.

Investments

In total, CA Immo invested € 230.1 m in its real estate portfolio in 2012, compared to € 241.6 m in 2011. Of this figure, € 26.8 m was earmarked for modernisation and optimisation measures in the asset portfolio and € 214.6 m was devoted to the furtherance of development projects.

Sold in 2012: the 50% stake in the Warsaw Financial Centre

PROPERTY ASSETS BRIDGE 2011 TO 2012

		Austria	Germany	Eastern Europe	Total
Property assets 31.12.2011	**€ m**	**724.8**	**2,364.9**	**2,132.4**	**5,222.2**
Acquisition of new properties	€ m	0.0	2.6	7.8	10.4
Investments	€ m	29.7	162.6	37.8	230.1
Change from revaluation/impairment/depreciation	€ m	4.6	41.8	–56.3	–9.8
Capitalised rent incentive	€ m	0.3	–0.6	1.7	1.3
Disposals	€ m	–19.4	–69.6	–104.1	–193.1
Property assets 31.12.2012	**€ m**	**740.0**	**2,501.6**	**2,019.5**	**5,261.1**
Annual rental income[1)]	€ m	39.6	100.5	140.8	280.9
Annualised rental income	€ m	39.6	108.8	142.2	290.5
Economic vacancy rate for investment properties	%	7.0	12.0	15.7	13.3
Yield (investment properties)	%	5.9	5.6	7.5	6.5

[1] Incl. annual rental income of sold properties in 2012 (€ 7.4 m)

INVESTMENT PROPERTIES

Contributing around 84% 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.

Assets rise to € 4.4 bn

As at key date 31 December 2012, the Group's asset portfolio incorporated a total rentable effective area of 2.6 m sqm with an approximate book value of € 4.4 bn (compared to € 4.2 bn in 2011). The Eastern Europe segment, which accounts for the largest proportion of the asset portfolio with 43% of market value, generated roughly 50% of rental revenue in 2012. CA Immo generated total rental income of € 280.9 m in 2012 (€ 265.6 m in 2011). On the basis of annualised rental revenue, the asset portfolio produced a yield of 6.5% (2011: 6.3%).

Stable utilisation rate in core office segment

The occupancy rate for the asset portfolio as at 31 December 2012 was 86.7% (against 87.4% on 31.12.2011). The main reason for the marginal fall in capacity utilisation was the takeover of the high-building of the Tower 185, which was completed at the turn of 2011/2012 and has an effective area of around 40,000 sqm. Including the Skygarden office building in Munich, two major completed projects have now been incorporated into the portfolio; both are currently in a stabilisation phase. In particular, new lease contracts were concluded for the Skygarden building in 2012 and early in 2013; these will have a tangible impact on the economic occupancy rate in 2013. In like-for-like comparisons of real estate forming part of the portfolio as at 31 December 2011, the economic occupancy rate increased from 86.8% on that date to 88.5% on the balance sheet date for 2012.

INVESTMENT PROPERTIES: KEY FIGURES BY COUNTRY [1]

		Book value	Rentable area	Rented area	Occupancy rate	Rental income	Yield
	in € m	in %	in sqm	in sqm	in %	in € m	in %
Austria	665.5	15.2%	321,411	297,710	93.0%	38.9	5.9%
Germany	1,835.7	41.8%	861,706	811,303	88.0%	93.7	5.6%
Czech Republic	309.2	7.0%	149,788	128,032	87.4%	24.4	7.7%
Hungary	395.1	9.0%	305,002	243,082	80.8%	28.7	7.6%
Poland	560.3	12.8%	414,897	303,806	83.0%	35.1	7.0%
Romania	376.0	8.5%	327,929	292,311	93.6%	30.6	8.8%
Others	249.5	5.7%	140,555	104,560	74.2%	16.0	6.6%
Total	**4,391.4**	**100.0%**	**2,521,288**	**2,180,804**	**86.7%**	**267.4**	**6.5%**

[1] Excl. own use properties

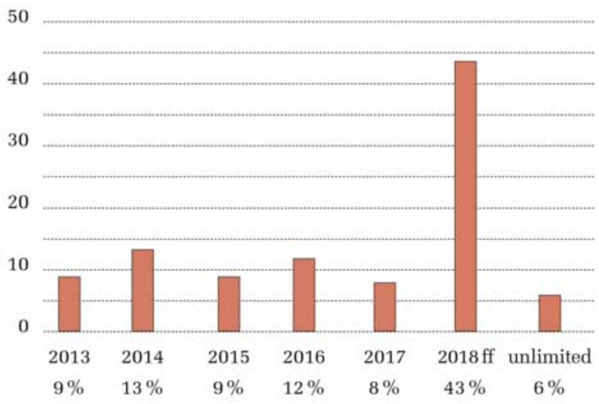
LIKE-FOR-LIKE-ANALYSIS OF PROPERTIES THAT WERE ALREADY CORE AS OF 31 DECEMBER 2011

In € m	Book values		Annualised rental income		Gross yield in %		Occupancy rate in %	
In € m	2012	2011	2012	2011	2012	2011	2012	2011
Austria	665.5	665.0	39.0	37.1	5.9%	5.6%	93%	91%
Germany	1,321.3	1,333.6	78.9	71.0	6.0%	5.3%	95%	91%
Eastern Europe	1,890.1	1,902.5	142.2	142.0	7.5%	7.5%	84%	84%
Total	**3,877.0**	**3,901.1**	**260.1**	**250.1**	**6.7%**	**6.4%**	**88%**	**87%**

Lettings performance of around 462,000 sqm

Across the Group, CA Immo let approximately 461,900 sqm of usable space in 2012. This equates to lettings performance of around 18% of the Group's asset portfolio, which amounts to 2.6 m sqm. Of this total figure, new lettings were responsible for around 46% and existing tenants extending contracts accounted for 54%. The main impetus came from large-scale lettings in Eastern European investment properties together with various new contracts linked to recently completed development projects in Germany. Of the lease contracts, 49% were unlimited or had terms in excess of five years.

EXPIRY PROFILE OF LEASE AGREEMENTS BASED ON EFFECTIVE RENTAL INCOME (€ 290.5 M)



Office building Skygarden in Munich: 96% let

MAJOR TENANTS

	Sector	Region	Share in %[1]
Hesse (state of Germany)	Public administration	Germany	16%
PWC	Auditor	Germany	8%
Pekao S.A	Banks	Eastern Europe	2%
Hennes & Mauritz GmbH	Fashion retail	Germany	2%
Land Berlin c/o Berliner Immobilienmanagement GmbH	Property administration	Germany	2%
Verkehrsbüro Hotellerie GmbH	Hotel sector	Austria/Eastern Europe	2%
IBM	IT	Eastern Europe	1%
Österreichische Post AG	Delivery Services	Austria	1%
Orange Romania SA	Mobile Communications	Eastern Europe	1%
Deloitte	Auditor	Eastern Europe	1%

[1] by annualised rental income

THE AUSTRIA SEGMENT

The asset portfolio in Austria comprises rentable effective area of some 321,411 sqm with a market value of around € 666 m according to current valuations. Taking account of properties sold in 2012, this portfolio generated rental income of € 39 m in the last business year (€ 37.0 m in 2011). This corresponds to an average yield of 5.9% (5.6% in 2011).

Lettings

Approximately 46,000 sqm of usable space was newly let or extended in Austria during 2012. This figure includes the letting of 21,500 sqm of the Silbermöwe office building to Robert Bosch AG for a term of 10 years. The large-scale let was by far CA Immo's largest new letting of 2012 on the Vienna office market. The economic occupancy rate in the asset portfolio totalled 93.0% on 31 December 2012 (90.7% in 2011).

CA Immo invested approximately € 5.0 m in its Austrian asset portfolio in 2012 (compared to € 14.1 m in 2011). In addition, refurbishment of the portfolio building at the Lände 3 site accounted for € 23.1 m. Yet another € 2.5 m or so (€ 2.0 m in 2011) was devoted to maintenance costs with a view to upholding the fabric of buildings and the quality of rental units.

INVESTMENT PROPERTIES AUSTRIA: KEY FIGURES[1]

in € m	31.12.2012	31.12.2011	Change
Book value	665.5	682.2	–2.4%
Annualised rental income	39.0	38.3	+1.8%
Gross initial yield	5.9%	5.6%	+0.2 pp
Economic vacancy rate	7.0%	9.3%	–2.3 pp

[1] Excl. own use properties

THE GERMANY SEGMENT

The asset portfolio in Germany comprises rentable effective area of some 861.706 sqm with a market value of around € 1,836 m according to current valuations (2011: € 1,499 m). Alongside landmark buildings such as the Königliche Direktion in Berlin, the company's investment property assets in Germany include a package of properties in Hesse with a value of € 800.6 m. These properties are leased to the state of Hesse on a long-term basis, with average remaining terms of around 20 years still to run on contracts.

Two completed projects transferred to the portfolio

Rental income of € 93.7 m was generated in 2012, compared to € 82.9 m in 2011. The yield on the portfolio was 5.6% as at 31 December 2012 (5.2% in 2011). CA Immo spent approximately € 4.0 m in maintaining its German investment properties in 2012. The high-building of the Tower 185, completed at the turn of the year 2011/2012, was incorporated in the portfolio (and reflected on the balance sheet) in the first quarter of 2012; Tour TOTAL in Berlin, which was developed by CA Immo and offers around 14,000 sqm of rentable effective area, was completed in September and also transferred to the asset portfolio.

Lettings

The occupancy rate for the asset portfolio in Germany fell from 91.6% on 31 December 2011 to 88.0% on 31 December 2012. The main factor behind the drop in capacity utilisation was the transfer to the portfolio of the office high-building of Tower 185, which was completed at the turn of the year 2011/2012. Significant new lettings were mainly concluded in relation to recently completed development projects in Germany. Lease contracts relating to floor space of around 8,250 sqm were only concluded for the Skygarden office building in Munich in 2012. An approximate total of 15,700 sqm of floor space was newly let or extended in 2012.

INVESTMENT PROPERTIES GERMANY: KEY FIGURES[1]

in € m	31.12.2012	31.12.2011	Change
Book value	1,835.7	1,499.4	+22.4%
Annualised rental income	102.2	77.9	+31.2%
Gross initial yield	5.6%	5.2%	+0.4 pp
Economic vacancy rate	12.0%	8.4%	+3.6 pp

[1] Excl. own use properties

THE EASTERN EUROPE SEGMENT

CA Immo has been investing in Eastern Europe since 1999. The company now maintains investment properties in nine countries of Central and Eastern Europe (CEE, 69%) and South Eastern Europe (SEE, 31%). The share of Eastern Europe in the asset portfolio as a whole stood at approximately 43% on the key date. In this region, CA Immo concentrates on high quality office properties in capital cities of Eastern and South Eastern Europe, which make up 81% of the overall Eastern European portfolio; logistical real estate accounts for 15% of the portfolio, with retail properties making up 3% and hotels accounting for 1%. Investment properties are maintained and let by the company's local teams on site.

50% of rental revenue from Eastern Europe

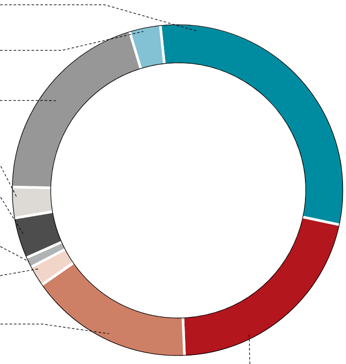
As at key date 31 December 2012, investment properties in Eastern Europe had an approximate market value of € 1,890.1 m (€ 2,001.7 m on 31.12.2011). The company's asset portfolio comprises 1,338,171 sqm of rentable effective area which generated rental income of € 134.7 m in 2012 (compared to € 134.0 m in 2011). This represents 50% of CA Immo's total rental revenue.

Stable utilisation rate in core office segment

Thanks to its strong local profile and the high quality of its real estate, CA Immo was able to stabilise the utilisation rate of its portfolio even in the tough climate of recent years. As at 31 December 2012, the economic occupancy rate for the asset portfolio (measured on the basis of expected annual rental income) was 84% (against 85% in 2011). In the core office segment, capacity utilisation was unchanged on the previous year at 86%. The overall portfolio produced a gross yield of 7.5% (7.4% in 2011), with the yield for properties in the SEE region standing at 8.3% (2011: 8.2%) and that for properties in the CEE region at 7.2% (2011: 7.1%). The real estate list contains details on the various properties in the Eastern European asset portfolio.

Total lettings performance for the Eastern Europe segment in 2012 was around 400,200 sqm of rentable effective area. Of this figure, 165,300 sqm was newly let, while existing tenants extending contracts accounted for around 234,900 sqm (156,500 sqm of which was in the logistics segment).

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES EASTERN EUROPE BY COUNTRIES (Basis: € 1.9 bn)



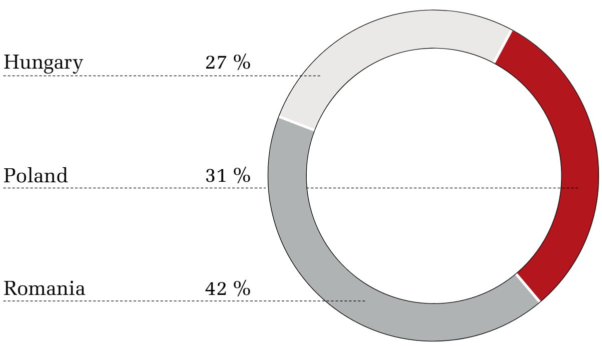
ASSET PROPERTIES EASTERN EUROPE: KEY FIGURES [1]

in € m	Book value	Annualised rents	Occupancy rate	Gross yield in %	Equivalent Yield in %
Poland	560.3	38.9	83%	7.0%	8.0%
Hungary	395.1	29.8	81%	7.6%	8.9%
Romania	376.0	33.0	94%	8.8%	9.3%
Czech Republic	309.2	23.8	87%	7.7%	7.7%
Serbia	84.5	6.6	88%	7.8%	9.2%
Croatia	56.2	3.4	69%	6.1%	9.2%
Bulgaria	50.9	4.0	79%	7.9%	10.9%
Slovenia	14.8	1.2	87%	8.1%	9.6%
Slovakia	43.1	1.3	39%	2.9%	8.0%
Total	**1,890.1**	**142.2**	**84%**	**7.5%**	**8.6%**

[1] Excl. self-managed properties

Logistics
Logistics made up 15% of the portfolio as at 31 December 2012. In terms of lettings activity, this asset class is relatively volatile. Owing to lease contract terms that are shorter on average, it is particularly exposed to fluctuations in the global economic pattern, which are currently having a negative effect on the lettings situation for the logistics portfolio. In the medium term, the objective will be to reduce the proportion of logistics as soon as the market allows.

DISTRIBUTION OF BOOK VALUE LOGISTICS PROPERTIES EASTERN EUROPE BY COUNTRIES (Basis: € 281,4 m)



INITIATIVES AIMED AT RAISING THE ENERGY EFFICIENCY OF THE ASSET PORTFOLIO

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

CAST: quality assurance for portfolio buildings
CAST not only records economic and social criteria, but also (and especially) the technical quality of installations and facilities across the Group; build quality is also recorded. This process creates transparency within the asset portfolio – a sound basis for the portfolio strategy as well as purchase and sale decisions. In line with corporate strategy, data on 85% of office investment properties was recorded in CAST in 2011. With the remaining properties following in 2012, the office asset portfolio was fully mapped in CAST on the key date. According to a Supervisory Board resolution, office properties acquired in future will require a minimum points score in the CAST system.

Optimising the energy consumption of portfolio buildings and inspecting the compliance of safety standards on a regular basis as part of facility management services has been a component of the standard FM contracts of CA Immo Deutschland GmbH since 2008. Particular importance is attached to the carbon footprint of properties.

Energy optimisation: carbon footprint and carbon due diligence
CA Immo recorded the energy consumption values of 89% of its office investment properties for the first time in business year 2012. The company thereby determined the current carbon footprint of its properties, which was found to be 105,763 tons of CO_2 e/a (absolute carbon emissions). The figure included carbon emission from heat and power consumption in buildings, which was equivalent to 65.6 kg of carbon dioxide per year and square metre. Extrapolated to the entire office portfolio, absolute carbon emissions stood at 122,964 tons CO_2 e/a.[1]

At the same time, a pilot phase of energy optimisation in selected investment properties (carbon due diligence) was initiated with the aim of detecting and eliminating energy-related cost drivers in structural design and technical systems. Documentation on specific energy efficiency measures and the potential for reducing carbon emissions includes estimates of investment costs and returns on investment for each measure. Carbon due diligence has already been completed for the first pilot property.

[1] Only floor space utilised for offices was recorded (e.g. no computer centres in office buildings). The conversion factors of the GHG protocol were used to calculate electricity and gas; to calculate district heating, information provided by the supplier and a standard factor of 0.269 kg/kWh were applied.

INVESTMENT PROPERTIES UNDER DEVELOPMENT

Project development sustains portfolio quality

CA Immo also acts as a project developer on its markets. One objective of development activity is to raise the quality of the company's portfolio by absorbing projects as they are completed. On the other hand, the company increases the value of land reserves by acquiring building rights and utilises them by means of sales or joint venture developments. CA Immo either transfers completed projects to its portfolio or sells them (through forward sales or to investors upon completion). In the course of its development activity, CA Immo covers the entire value chain from site development and property use approval to project management, construction management and the letting or sale of completed properties.

78% of development activity in Germany

As at 31 December 2012, the development division represented around 14% (equivalent to approximately € 727 m) of CA Immo's total property assets. Germany is clearly the focus of project development activity, accounting for 77.7%; the remaining property assets under development are distributed between developments and land reserves in Austria and Eastern Europe (8.3% and 14.0% respectively). Of the development projects in Germany with a total market value of € 565.1 m, projects under construction account for around € 208.2 m, with plots subject to property use approval and long-term real estate reserves making up € 356.9 m.

INVESTMENT PROPERTIES UNDER DEVELOPMENT BY COUNTRY

		In Zoning		Landbank		Projects under construction		Total
in € m	Book value	Book value in %	Book value	Book value in %	Book value	Book value in %	Book value	Book value in %
Austria	**0.0**	**0.0%**	**14.0**	**4.9%**	**46.2**	**18.2%**	**60.2**	**8.3%**
Frankfurt	25.0	13.4%	123.7	43.2%	94.0	36.9%	242.7	33.4%
Berlin	57.2	30.7%	49.8	17.4%	100.3	39.4%	207.3	28.5%
Munich	83.6	44.9%	6.2	2.2%	0.0	0.0%	89.7	12.3%
Rest of Germany	11.5	6.2%	0.0	0.0%	14.0	5.5%	25.5	3.5%
Germany	**177.2**	**95.2%**	**179.7**	**62.7%**	**208.2**	**81.8%**	**565.1**	**77.7%**
Czech Republic	0.0	0.0%	8.3	2.9%	0.0	0.0%	8.3	1.1%
Hungary	0.0	0.0%	8.6	3.0%	0.0	0.0%	8.6	1.2%
Poland	0.0	0.0%	19.6	6.8%	0.0	0.0%	19.6	2.7%
Romania	0.0	0.0%	41.6	14.5%	0.0	0.0%	41.6	5.7%
Serbia	0.0	0.0%	1.4	0.5%	0.0	0.0%	1.4	0.2%
Ukraine	0.0	0.0%	7.5	2.6%	0.0	0.0%	7.5	1.0%
Slovakia	8.9	4.8%	5.7	2.0%	0.0	0.0%	14.6	2.0%
Eastern Europe	**8.9**	**4.8%**	**92.8**	**32.4%**	**0.0**	**0.0%**	**101.7**	**14.0%**
Total	**186.1**	**100.0%**	**286.4**	**100.0%**	**254.4**	**100.0%**	**727.0**	**100.0%**

PROJECTS UNDER CONSTRUCTION

in € m	Book value	Book value in %	Outstanding construction costs	Planned rentable effective area in sqm	Expected value [1]	Yield in %	City	Main usage	Share in %	Pre-letting rate	Scheduled completion
Silbermöwe	46.2	18%	4.5	21,500	55.9	5.3%	Vienna	Office	100%	100%	12/2012
Mercedes Benz VD	42.4	17%	36.0	26,216	78.0	5.2%	Berlin	Office	100%	100%	5/2013
InterCity Hotel	36.5	14%	20.6	20,445	62.6	5.8%	Berlin	Office	100%	98%	9/2013
MK 7	21.4	8%	51.7	17,789	82.3	5.5%	Berlin	Office	100%	40%	6/2015
Belmundo	10.0	4%	23.3	10,169	39.7	5.5%	Düsseldorf	Office	100%	74%	5/2014
Lavista	4.0	2%	10.8	4,105	17.3	5.5%	Düsseldorf	Office	100%	9%	5/2014
Skyline Plaza [2]	94.0	37%	83.3	36,615	182.4	5.3%	Frankfurt	Retail, div.	50%	85%	8/2013
CA Immo	**254.4**	**100%**	**230.2**	**136,839**	**518.2**	**5.4%**					

[1] Upon completion
[2] All statements refer to the 50% share; incl. Congress Center

THE AUSTRIA SEGMENT

CA Immo's development activities in Austria are centred on Vienna and span property assets under development with a total value of around € 60.2 m. As at 31 December 2012, the company was realising one development project in Vienna.

Early in 2010, CA Immo launched a large-scale inner city development and restoration project known as **Lände 3** at Erdberger Lände in the capital. The site, which currently offers some 80,000 sqm of existing office space, comprises a number of sections. Following an initial phase of restoration, Post AG signed up as an anchor tenant for approximately 31,000 sqm of office space in 2011.

A redevelopment project was launched on the Lände 3 site in connection with the urban development scheme in March 2011: the Silbermöwe office building has now been thoroughly refurbished, thereby observing stringent sustainability criteria. Completion of the structural shell of the building, which has 10 floors and stands at just under 40 m, was celebrated in May 2012; an application for ÖGNI certification has been made. In November, Robert BOSCH AG agreed to rent the entire gross floor space of the building (21,500 sqm) for at least 10 years; the company will take up residence during quarters two and three of 2013. This agreement was by far CA Immo's largest new letting of 2012 on the Vienna office market.

Office building Silbermöwe, Lände 3

Urban development project Lände 3, Erdberger Lände

THE GERMANY SEGMENT

CA Immo focuses its development activity on the cities of Berlin, Frankfurt and Munich, aiming in particular to realise and establish mixed use urban development projects as rapidly as possible.

As at 31 December 2012, CA Immo held rentable effective area under construction amounting to 115,339 sqm in Germany with an expected market value (after completion) of around € 462.3 m. Around 44% of the investment costs have been recovered; outstanding construction costs of around € 225.6 m, split between 2013 (€ 130.3 m) and 2014 (€ 95.3 m), are fully covered by loan commitments and capital resources. This extensive project pipeline together with additional land reserves and land development projects with an approximate value of € 356.9 m confirm CA Immo as the second largest project developer in Germany[1].

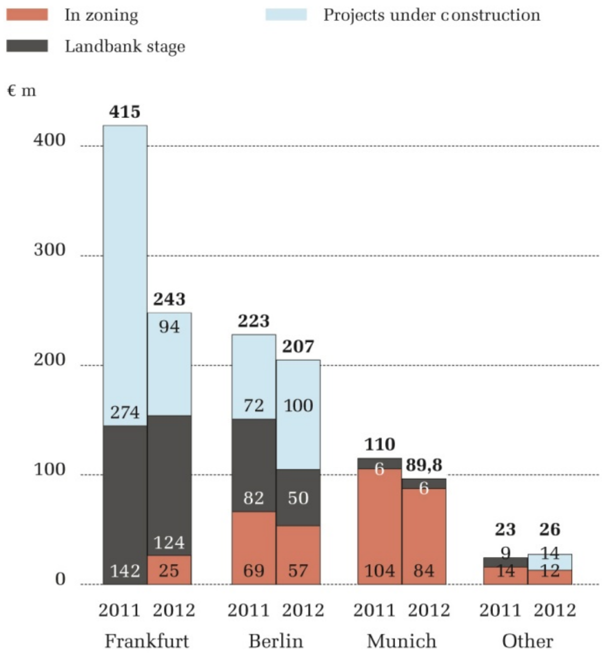
Project completions

Early in the year under review, CA Immo finalised its biggest single project to date in the Frankfurt Europaviertel: **Tower 185** was completed on time and within budget following a construction period of just 33 months. The 200 m building has rentable effective area of around 100,000 sqm along with gold LEED certification. The main tenant is PricewaterhouseCoopers, Germany's leading auditing and consulting firm. The occupancy rate on the key date was around 80%.

TOUR TOTAL, another development project, was completed in September of the reporting year and handed over to the tenant. The 17-storey office high-rise in Berlin's Europacity district has housed the German headquarters of TOTAL since October; the oil company is renting the entire green building, which offers rentable effective area of approximately 14,000 sqm.

[1] Source: BulwienGesa AG analysis institute

GERMANY: BREAKDOWN OF ASSETS UNDER DEVELOMENT



Key development activities in Germany

Berlin

The **Europacity district around Berlin's main rail station** comprises some 40 ha, roughly half of which is owned by CA Immo. As at the key date, CA Immo was realising one project as part of this urban development scheme: the biggest **InterCity Hotel** of the Steigenberger group is located adjacent to the railway station. With eight floors and 410 rooms, the upper-mid-range hotel will have gross floor space of 19,800 sqm. The investment volume stands at approximately € 53 m. The lease agreement with Steigenberger Hotels AG has a fixed term of 20 years; completion of the structural shell was marked at the end of October.

In June 2012, a planning competition was held to determine the urban structure to be developed as a mixed residential area around **Berlin's new city harbour** in the Europacity district. CA Immo and Hamburg Team, a company specialising in residential construction, established a joint venture in 2011 with a view to developing the site of roughly 32,000 sqm between Heidestrasse and the Ship Canal. Around 500 apartments will be built on the site. The land development process is currently under way.

In December of the year under review, CA Immo concluded three lease agreements relating to roughly 8,300 sqm as it develops the MK7 construction site in Europacity. The pre-letting quota for the planned office building on the site, which has gross floor space above ground of approximately 21,860 sqm, thus stands at around 40%. The planning application for the green building has been submitted and construction is due to begin in the second quarter of 2013.

The structural shell of the future headquarters of **Mercedes-Benz Vertrieb Deutschland (MBVD)** in the Berlin district of Friedrichshain was completed in September. From the middle of 2013, sales and service in Germany for vehicles with the Mercedes-Benz, smart, Maybach and Fuso brands will be overseen from the new green building with gross floor space of 33,000 sqm. The investment volume is approximately € 70 m.

Munich

In April, CA Immo and PATRIZIA Immobilien AG formed a joint venture to create apartments and an office building for **Baumkirchen Mitte** in Munich. The urban district development project covers a site of around 124,000 sqm; at present, residential units are expected to provide 50,500 sqm and around 21,000 sqm of floor space will be devoted to offices and retail outlets. The necessary deconstruction measures have been completed, the land use plan is being drawn up and the blueprint is expected to be approved by mid-2013.

At the end of October, the city council of **Regensburg** passed a resolution on public disclosure of the draft land use plan for the **Marina Quartier**, which is being developed by CA Immo. The draft envisages the development of a new, mixed use quarter spanning roughly seven ha with some 450 townhouses and flats providing gross floor space of around 50,000 sqm and commercial usages (offices, hotels, etc.) delivering a further 21,500 sqm.

Europaviertel, Frankfurt

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

CA Immo started constructing the **SKYLINE PLAZA** shopping centre in a joint venture with ECE Projektentwicklung in June 2011. The shopping mall with 38,000 sqm of retail space is scheduled to open in the **Europaviertel district of Frankfurt** at the end of August 2013; the topping out ceremony was held in mid-November. Skyline Plaza will offer around 180 shops and the largest food court in Frankfurt as well as a health and spa zone spanning some 9,200 sqm and approximately 2,400 parking spaces. The shopping centre is 96% let and the total investment volume is approximately € 360 m; following completion, Allianz will have an 80% share in Skyline Plaza. The sellers are CA Immo Deutschland GmbH and ECE, both of whom will hold a 10% stake in the property.

Düsseldorf

In October, CA Immo started construction work on the first office building for the **Düsseldorf district of Belsenpark**. The Belmundo building, which was 70% pre-let even before building work began, will be realised as a green structure. Belmundo will offer gross floor space of some 10,500 sqm across five full storeys; the investment volume is just over € 30 m.

Office building Belmundo and Lavista in Düsseldorf: Start of construction in 2012

DEVELOPMENT OF URBAN DISTRICT EUROPAVIERTEL IN FRANKFURT

1

MÖVENPICK HOTEL FRANKFURT

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

2

EUROVENIA

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

3

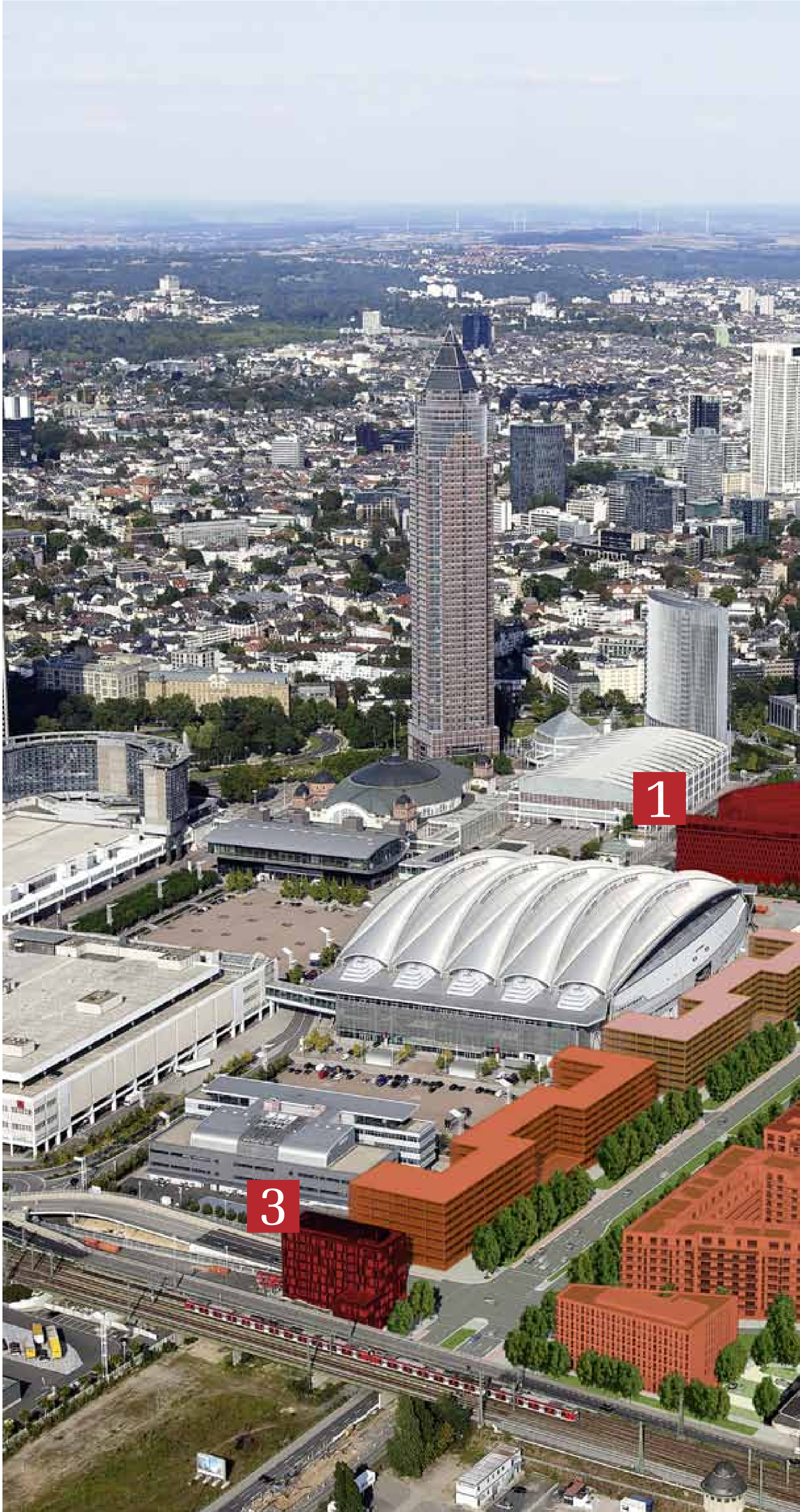
MEININGER HOTEL FRANKFURT

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

4

CITY COLOURS

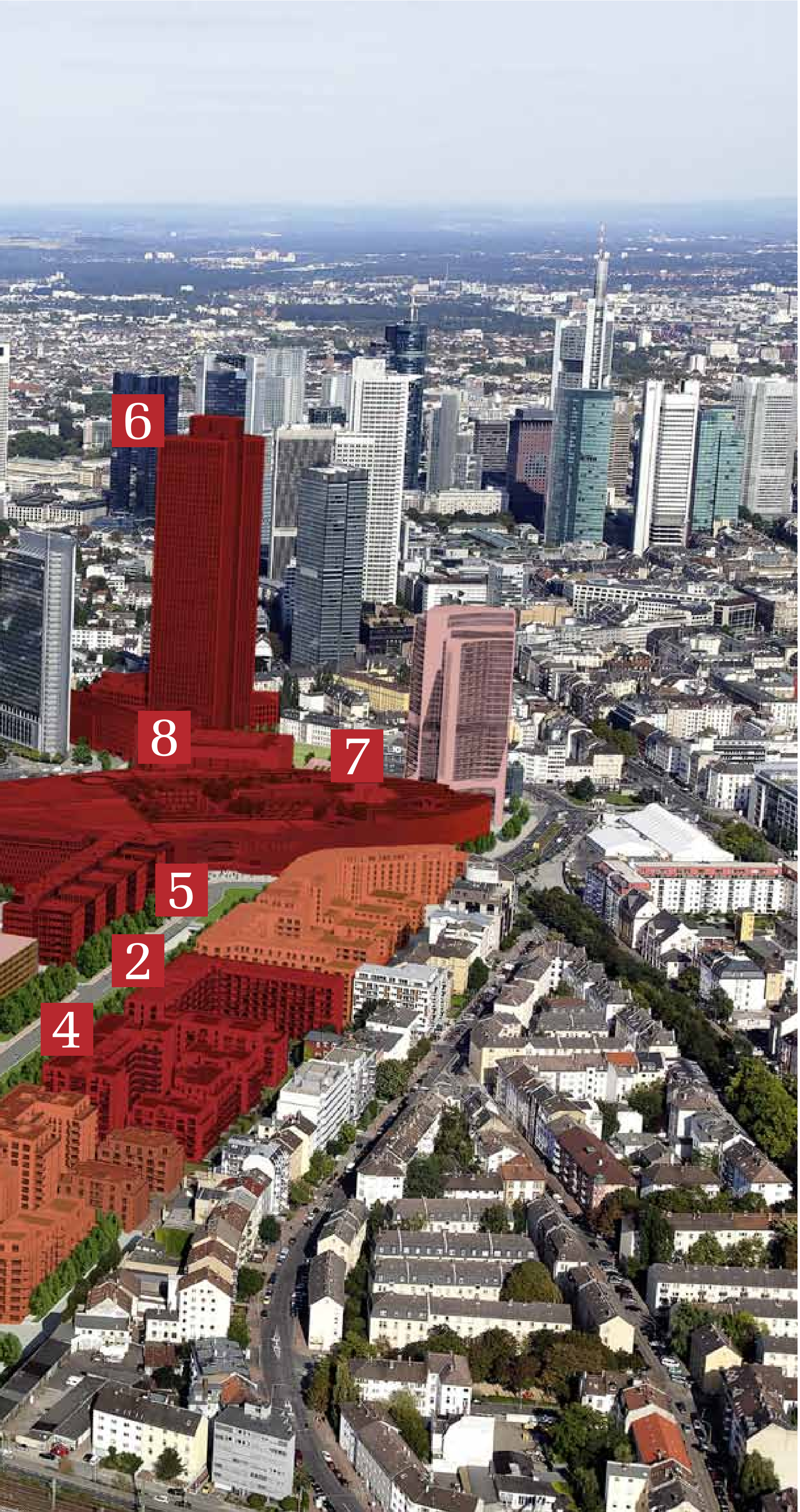
- Ground floor area: 17,200 sqm
- Main usage: Residential
- Opened: 2010
- Status: sold
- Joint Venture with Realgrund



Developed by CA Immo

Property sold, developed by partners

Property owned by CA Immo



5

EUROPA ALLEE 12–22

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

6

TOWER 185

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

7

SKYLINE PLAZA

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

8

CONGRESS CENTER

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

DEVELOPMENT OF URBAN DISTRICT EUROPACITY IN BERLIN

1

TOUR TOTAL

- Ground floor area: 18,000 sqm
- Main usage: Office
- Opened: 2012
- Status: rented

4

MEININGER HOTEL

- Ground floor area: 7,000 sqm
- Main usage: Hotel
- Opened: 2009
- Status: plot sold

2

INTERCITY HOTEL

- Ground floor area: 20,000 sqm
- Main usage: Hotel
- Planned completion: 2. HJ 2013
- Status: under construction

3

BAUFELD MK7

- Ground floor area: 22,000 sqm
- Main usage: Hotel
- completion: 1. HJ 2015
- Status: under construction

Developed by CA Immo

Property sold

5

STEIGENBERGER HOTEL AM KANZLERAMT

- Ground floor area: 23,500 sqm
- Main usage: Hotel
- Completion: 1. HJ 2014
- Status: plot sold, under construction

6

ERNST BASLER + PARTNER

- Ground floor area: 5,500 sqm
- Main usage: Office
- Planned completion: unknown
- Status: plot sold

THE EASTERN EUROPE SEGMENT

The debt crisis in Europe is having a major bearing on project development activity across Eastern Europe. In particular, restrictions on financing and protracted contract negotiations with international tenants are leading to delays and even cancellations of building projects. Against this background, CA Immo completed development projects in the region selectively in 2012; the company had no own projects under construction in Eastern Europe by year end. In total, the Eastern Europe segment accounts for property assets under development (landbank and plots in zoning) with an approximate market value of € 101.7 m.

Project completions

Construction work on the **Bratislava Business Center 1 Plus** (BBC 1 Plus) office building was completed in October 2012. The structure was designed as an extension to the present Bratislava Business Center 1, and a direct link to the original building has been established. The new building, which comprises 13 floors with an approximate rentable effective area of 15,900 sqm and a car park with 313 spaces, is situated in Bratislava's business district with excellent infrastructure links. BBC 1 Plus was constructed as a sustainable building with the environmental standards that implies; it is the first building in the Slovakian capital for which an application has been made for LEED certification. The occupancy rate for the building (including Letters of Intent) is currently around 50%.

The **Poleczki Business Park** in Warsaw is being realised under the terms of a 50:50 joint venture between the CA Immo New Europe project development fund and UBM Realitätenentwicklung AG. The state-of-the-art office district is emerging on a site spanning some 140,000 sqm close to Warsaw Airport. The project – the largest of its kind in Poland – provides for the construction of 16 buildings in several construction phases. Construction phase one was completed in 2010 and the second building section was finalised in 2012; the latter comprises two four-storey buildings (B1 and C1) with rentable effective area of around 21,000 sqm. The floor space of section B1, which totals 9,500 sqm, was handed over to the anchor tenants Tetra Pak and Astellas Pharma in quarter three. An operating permit has been obtained for section C1, which comprises 11,500 sqm; the interior fittings were completed by year end. Gold LEED Core and Shell certification was conferred on the two buildings in the first quarter of 2013. The occupancy rate for construction phase two is currently 60%.

Russia

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

Run by the InterContinental Group, the four-star Crowne Plaza opened late in 2011. Three modern office blocks with total rentable floor space of 31,000 sqm have also been built at Airport City. Construction phase one involved the opening of the Jupiter 1 and Jupiter 2 buildings, which offer floor space of 16,000 sqm; these structures are 80% let to Gazprom Invest Zapad on the basis of a lease contract signed in 2012. Gazprom has also signed a preliminary agreement for another 5,500 sqm to be finalised in 2013. In construction phase two, the structural shell of the third block (Zeppelin, 15,000 sqm) was completed; further extensions to the building will depend on tenant demand.

In addition to the projects described above, CA Immo holds **land reserves** and plots in zoning with an approximate value of € 101.7 m in Eastern Europe. No specific construction projects are planned for these sites at present.

LAND BANK IN EASTERN EUROPE BY ZONING CLASSIFICATION

in € m	Office	Logistics	Others	Total
Czech Republic	0.0	0.0	8.3	8.3
Hungary	0.0	8.6	0.0	8.6
Poland	7.8	11.8	0.0	19.6
Romania	18.3	11.1	12.3	41.6
Ukraine	0.0	7.5	0.0	7.5
Slovakia	14.6	0.0	0.0	14.6
Others	0.0	1.4	0.0	1.4
Total	40.6	40.4	20.6	101.7

SUSTAINABLE PROJECT DEVELOPMENT: RESPONSIBILITY AND COMPETITIVENESS

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 – by collaborating on master plans and creating associated infrastructure such as public roads, cycle paths, parks and social facilities.

Projects with sustainability certificates

To comply with multifarious requirements at all levels, CA Immo resolved at the end of 2011 only to construct offices and hotels certified to LEED, DGNB or ÖGNI standards on a Group-wide basis. Commercial real estate developed by CA Immo in Germany (with the exception of hotels) has qualified for certification for more than four years; the Intercity hotel adjacent to Berlin's main station will be the first hotel developed with certification. 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 in the planning and building phases to the advantage of current and future tenants.

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 emissions) 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. CA Immo also offers contact options via project-specific web sites (such as www.tower185.de), special forums (such as www.caimmo-dialog.de for the MBVD project) and informative signs displayed at all building sites.

SUSTAINABILITY CERTIFICATIONS OF CURRENT DEVELOPMENT PROJECTS UNDER CONSTRUCTION

City	Project under construction	Certification
Frankfurt	Skyline Plaza	Precertificate DGNB Gold
Berlin	Intercity Hotel	DGNB silver aspired
Berlin	MBVD Headquarter	DGNB silver aspired
Berlin	MK 7	DGNB silver aspired
Vienna	Silbermöwe	ÖGNI silver aspired
Düsseldorf	Belmundo	DGNB silver aspired

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 sites are evaluated accordingly, with mitigating measures introduced as appropriate; these may include the creation of green access pathways or the planting of tree and bushes. In the year under review, for example, projects aimed at establishing and sustaining a safe haven for critically endangered wall lizards and band-winged grasshoppers continued in Germany.

EXAMPLE OF SUSTAINABLE PROJECT DEVELOPMENT: TOUR TOTAL

CONSTRUCTION

- Waste recycling: application made for highest DGNB level for low-waste building sites
- Land recycling: utilisation of urban brownfield site
- Resources: at least 80 % of all wood sourced from sustainable forestry

BUILDING

- Approximate 25 % saving on primary energy consumption (equivalent to heating 35 detached houses for a year)
- In energy terms, façade 50 % better than stipulated in the 2009 EnEV energy saving ordinance
- High amount of daylight reaches workstations
- Presence/light sensors and energy-efficient lighting
- Water-saving fittings and flushing system
- Parking space for 90 bicycles

PROPERTY VALUATION

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

The fair value of real estate that is used for accounting purposes is generally determined by independent third party expert appraisers using recognised valuation methods. External valuations are carried out in line with standards defined by the Royal Institution of Chartered Surveyors (RICS). RICS defines fair value as the estimated value at which a property should be sold on the valuation date, after a reasonable marketing period, between a willing seller and a willing buyer in the usual course of business, whereby the parties each acted knowledgeably, prudently and without compulsion.

The valuation method applied by the expert appraiser in a particular case is mainly determined by the stage of development and usage type of a property.

Rented commercial real estate (which makes up the bulk of the CA Immo Group's portfolio) is generally valued according to the investment method; fair values are based on capitalised rental revenue or the discounted cash flow expected in future. In addition to current contractual rents and lease expiry profiles, the qualified assessment of the expert appraiser determines and takes account of other parameters such as, in particular, the long-term rental price achievable for a property (ERV, expected rental value) and the equivalent yield for a property.

The residual value method is applied to properties at the development and construction phase. In this case, fair values are determined following completion, taking account of outstanding expenses and imputing an appropriate developer profit of 5.0% to 20.0%. Possible risks are considered, amongst other things, in future attainable rents and the capitalisation and discounting rates. Cap rates were unchanged on the previous year in the range of 5.0–8.5%; they are influenced in particular by general market behaviour as well as locations and usage types. The closer a project comes to the point of completion, the larger the proportion of parameters derived from actual and contractually stipulated figures. Shortly before completion and after completion, properties are valued according to the investment method (see above), taking outstanding residual work into consideration.

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

In Austria, external valuations had been carried out on the key date 31.12.2012 for 99.5% of the property assets (compared to 99.4% on 31.12.2011); in Germany the figure was approximately 96.5% (around 96.0% on 31.12.2011) and in (South) Eastern Europe it was 99.9% (99.0% on 31.12.2011). The values for the remaining property assets were updated internally on the basis of previous year valuations and binding sale agreements.

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

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

Stable environment in 2011

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

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

AUSTRIA

Only minor changes in value were reported for most of the portfolio in Austria. The biggest influence on the revaluation result came from the Lände 3 property at the Erdberger Lände site: an overall devaluation of € -3,636 K was the product of investments during the year that were not fully reflected in a higher valuation.

The indicated rise in the gross initial yield from 5.1% to 5.6% was primarily linked to annualised rent, which was sharply up on the figure for the previous year with a new principal tenant taking up residence at the Lände 3 property.

VALUATION RESULT AUSTRIA [1]

In € m	Acquisition costs 31.12.2012	Book value 31.12.2012	Revaluation/Impairment in € m	Gross initial yield in % 31.12.2011	31.12.2012
Rental investment properties	709.4	665.5	1.4	5.6%	5.9%
investment properties under development	87.6	60.2	2.9		
Assets held for sale	9.1	8.5	0.5		
Total	**806.2**	**734.3**	**4.8**		

[1] excluding own use properties

GERMANY

The revaluation result for 2011 was highly positive in Germany, mainly on account of revaluations linked to completed projects. In terms of amount, the biggest upward valuation (€ 10.8 m) was for the Skygarden property in Munich, which was completed in 2011. The valuation for Tower 185 in Frankfurt – currently the company's biggest development project – also increased by € 7.0 m in response to construction progress.

Regarding the indicated gross initial yield of around 5.2%, it should be noted that the properties completed in 2010 and 2011 (the first sections of Tower 185, Skygarden and Ambigon) have either not yet reached their full occupancy levels, or on the key date the annualised rent was below the long term rental value owing to a step up rent. If these properties are disregarded, the gross initial yield would be approximately 5.7%.

VALUATION RESULT GERMANY [1]

In € m	Acquisition costs 31.12.2012	Book value 31.12.2012	Revaluation/Impairment in € m	Gross initial yield in 31.12.2011	31.12.2012
Rental investment properties	1,788.2	1,835.7	23.9	5.2%	5.6%
investment properties under development	553.7	565.1	15.7		
Assets held for sale	33.5	45.3	3.7		
Properties held for trading	54.0	52.7	– 1.4		
Total	**2,429.5**	**2,498.8**	**41.8**		

[1] excluding own use properties

EASTERN EUROPE

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

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

VALUATION RESULT EASTERN EUROPE

In € m	Acquisition costs 31.12.2012	Book value 31.12.2012	Revaluation/Impairment in € m
Rental investment properties	2.077,9	1.890,1	-53,5
investment properties under development	146,0	101,7	-2,9
Total	**2.223,8**	**1.991,8**	**-56,4**

FINANCING

As a real estate company, CA Immo operates in a capital-intensive sector that relies to a large extent on the availability of loan capital. It is critical to establish the most effective possible structuring 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 the CA Immo Group. As at 31 December 2012, the financial liabilities of the CA Immo Group totalled € 3,379,532 K (compared to € 3,400,898 K on 31.12.2011); financing costs for 2012 stood at € – 168,844 K (€ – 162,479 K in 2011). In addition to financing already secured which is thus reflected on the balance sheet, the CA Immo Group has non-utilised credit lines totalling € 63 m that will be used to finance development projects under construction.

Expiry profile

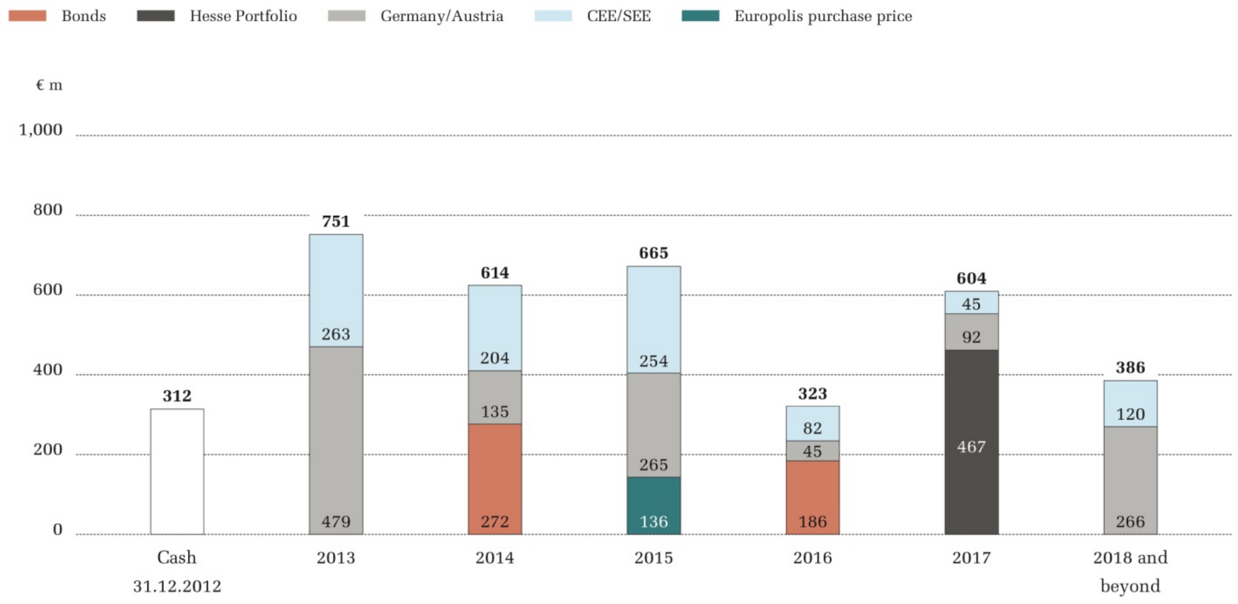
The diagram below shows the maturity profile of the financial liabilities of the CA Immo Group as at 31 December 2012 (assuming options to extend are exercised). The due amounts shown for 2013 total € 751 m.

This volume includes the following large-scale due amounts in particular:

– Financing of € 270 m for Tower 185: the loan provided by a consortium of four banks for Tower 185 matures in the fourth quarter of 2013. The structure and amount of future financing for this property mainly depends on the outcome of the ongoing sales process. Regardless of a sale, however, non-binding term sheets for long-term financing are already available.
– Construction financing of € 96 m for Skyline Plaza, Frankfurt: this financing is provided through contractually committed investors. Completion and handover of the property (and thus the financing) are scheduled for the third quarter of 2013.
– Financing of € 61 m for Kavci Hory, Prague: this property financing provided by a reputable German bank expires in the final quarter of 2013. Based on initial dialogue, an extension is probable.

All other due amounts relate to specific secured financing with a volume of less than € 40 m. Given that these extensions are generally routine transactions, CA Immo is confident that discussions with banks will produce positive outcomes in good time.

DEBT EXPITY PROFILE CA IMMO GROUP



FINANCING COSTS

in € m	book value	Book value in %	occupancy rate	annualised rents	Gross-yield in %	Outstanding financial liabilities	Finance costs in %	LTV in %
Austria	671.2	12.8%	93.0%	39.0	5.8%	277.6	5.1%	41%
Germany	1,838,6	34.9%	88.0%	102.2	5.6%	1,051.6	3.9%	57%
Czech Republic	336.9	6.4%	87.4%	23.8	7.1%	239.2	3.3%	71%
Hungary	395.1	7.5%	80.8%	29.8	7.6%	158.7	3.3%	40%
Poland	560.3	10.7%	83.0%	38.9	7.0%	356.0	2.4%	64%
Romania	376.0	7.1%	93.6%	33.0	8.8%	214.9	3.6%	57%
Others	249.5	4.7%	74.2%	16.5	6.6%	119.8	4.3%	48%
Total	4,427,6	84.2%	86.7%	283.3	6.4%	2,417.7	3.7%	55%
Development projects	727.0	13.8%		5.2		241.7	3.1%	33%
Properties held as current assets	106.5	2.0%		2.0		0.8	3.3%	1%
Financing on parent company level	0.0	0.0%		0.0		719.3	3.8%	n.a.
Total	**5,261.1**	**100.0%**		**290.5**		**3,379.5**	**3.7%**	

[1] Incl. own used properties

As the table above shows, average financing costs for the CA Immo Group stand at 3.7%. This figure includes interest rate hedging directly attributable to a loan. The varying degree of interest rate hedging is also the main factor behind the wide variation in financing costs in different countries. Since the financing acquired with Europolis is generally unsecured (or only secured with caps), overall financing costs for Eastern European countries are lower than those in Austria and Germany despite higher margins in some instances. Interest rate risk is covered via long-term swap contracts for most loans in Austria and Germany; as a result, the fall in base rates (Euribor) has not affected the level of financing costs.

Where interest rate derivatives not directly attributable to financing are taken into account alongside interest rate hedges directly assigned to specific loans (see section on 'Long-term interest rate hedging'), financing costs rise to 4.1%.

BASIC PARAMETERS OF THE FINANCING STRATEGY

Emphasis on secured financing

As far as the borrowing of loan capital is concerned, the focus is on mortgage credit secured with property; credit is taken up in the (subsidiary) companies in which the respective real estate is held. Unsecured financing at Group parent company level is limited to the three bonds placed on the capital market. This structure offers the following key advantages:

- Loans secured by a mortgage on a property generally offer more favourable conditions than unsecured financing and longer terms are possible.
- Since financing is provided at subsidiary level, there is no recourse to the parent company or other parts of the Group.
- Covenants relate only to the property in question and not to key figures for the Group as a whole. This expands strategic scope considerably; moreover, any breaches of covenant at property level can be remedied much easier than would be the case at overall Group level.

As a result of the emphasis on secured financing, a large proportion of the property assets of the CA Immo Group is pledged as security. The book value of CA Immo's unmortgaged properties as at 31 December 2012 was around € 0.9 bn, with undeveloped sites making up the majority of this. The volume of unsecured bond financing was € 0.4 bn.

Long-term interest rate hedging

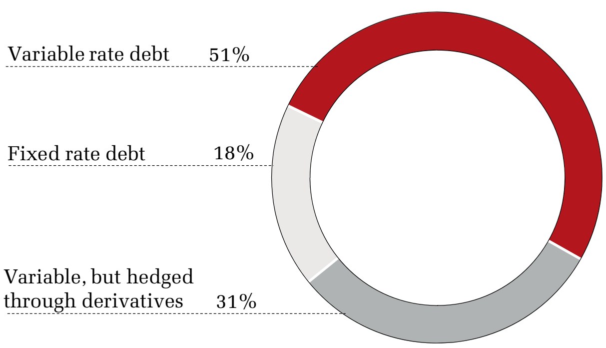
Given that the interest paid makes up the biggest expense item in the income statement for most real estate companies, interest rate rises can have a serious impact – especially since the income side (rent) is usually based on long-term agreements, which means increases in financing costs cannot be counterbalanced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

Of the derivatives deployed, interest swap agreements account for a nominal value of € 1,415,559 K. The weighted average interest rate fixed via swap contracts is 4.0%. The weighted average term remaining on derivatives used for interest rate hedging is around 4.3 years, compared to a weighted remaining term of 3.3 years on variable interest-bearing liabilities. Interest rate caps represent a nominal value of € 200,269 K.

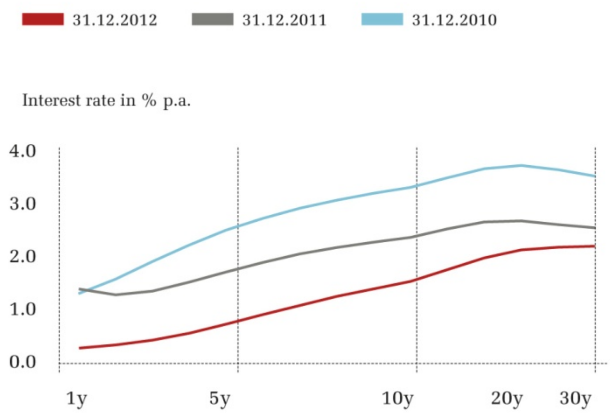
The fair value of swap contracts is strongly negative on account of the sharp drop in the general interest level in recent years. The total fair value as at 31 December 2012 was € – 214,309 K (for the entire nominal amount of € 1,415,559 K). In terms of the balance sheet, a distinction is drawn between those contracts directly attributable to a loan (thus meeting the criteria for hedge accounting as cash flow hedges) and those for which these preconditions are not met (fair value derivatives). For cash flow hedges, the change in the fair value on the relevant key date is recognised directly in equity; for fair value derivatives, by contrast, the change is recognised as expenditure in the income statement under 'Income from derivative transactions'. As at key date 31 December 2012, contracts with a nominal value of € 1,011,288 K and a fair value of € – 138,008 K were classified as cash flow hedges. The nominal value of swaps classified as fair value derivatives was € 404,271 K; the negative fair value was € – 76,301 K as at 31 December 2012.

The diagram below shows the fall over recent years in the swap interest rate, which is critical to the evaluation of swap contracts:

FINANCIAL DEBT AS OF 31.12.2012



SWAP CURVE 2010–2012



Bonds and other key sources of financing
CA Immo has three outstanding bonds at present, registered for trading on the unlisted securities market of the Vienna Stock Exchange:

ISIN	Typus	Outstanding Volume	Maturity	Cupon
AT0000A0EXE6	Corporate Bond	€ 150 m	2009-2014	6.125%
AT0000A026P5	Corporate Bond	€ 186 m	2006-2016	5.125%
AT0000A0FS99	Convertible Bond	€ 115 m	2009-2014	4.125%

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. The conditions of the bonds do not provide for any relevant financial covenants.

During 2011, convertible bonds with a nominal value of € 20.5 m were repurchased by the market at an average rate of 94.6%; bonds from 2006 with a nominal value of € 14.0 m were bought back at a rate of 97.5%. No purchases were made in the current reporting year.

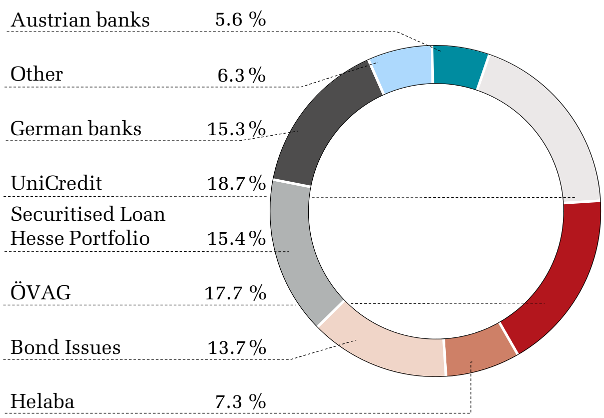
Key features of convertible bonds
The conversion price of the convertible bond is currently € 11.0575; the planned payment of a dividend will result in adjustment of the conversion price and thus the maximum number of bearer shares issued where the right of conversion is exercised. The conversion price will thereby be restricted to the level of the dividend yield at the time of the dividend payment. Early repayment of the convertible bonds by CA Immo is possible provided the price of the CA Immo share (in certain periods) amounts to at least 130% of the applicable conversion price at that time.

In terms of amount, the largest coherent source of financing aside from the bonds is the loan for the **Hesse portfolio** (real estate value of € 793.4 m as at 31.12.2012), which had an outstanding volume of € 504.0 m as at 31 December 2012. The original loan was securitised by the arranging bank and placed on the capital market ('Opera Germany 3' transaction, ISIN XS0293598495 (tranche A) and XS0293599113 (tranche B)). The financing concluded at the end of 2006 runs until the first quarter of 2017. The margin on the loan is 0.5% above the 3 month Euribor rate; the Euribor was secured through a period-based swap with a rate of 3.94%, resulting in effective interest costs of 4.44%. The main covenants for this financing are as follows:

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

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

FINANCING VOLUME BY BANKS



RESULTS

INCOME STATEMENT – KEY FIGURES

Gross revenues and net operating income

Measured against 2011, rental income increased by 5.8% to € 280,886 K. As illustrated by the table below, the growth in rents is chiefly attributable to the completion of development projects in Germany. In the other segments as well, new leases and index adjustments for existing tenants more than made good the decline in rents arising from the sale of properties, so that rental income advanced year-on-year.

Incentives provided by various leases, in particular rent-free periods, are linearised over the full term of the lease, so that the rental income reflects not the actual cash rent received in the period, but the economically effective rent. This linearisation gave rise to € 9,841 K of the rental income in business year 2012 (2011: € 7,296 K).

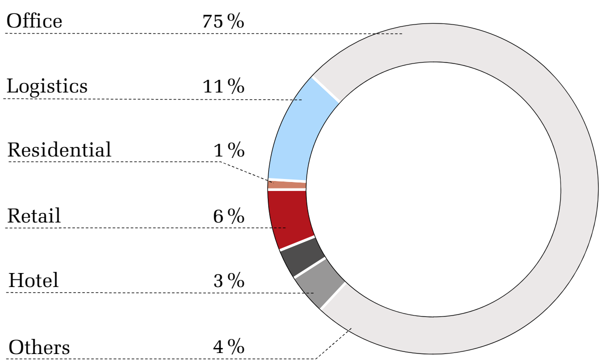
Measured against the previous year, own operating costs decreased by – 6.7%, from € – 38,490 K to € – 35,925 K. The principal costs are vacancy costs and operating costs that cannot be passed on to tenants (€ – 11,655 K), maintenance costs (€ – 7,905 K) and allowances for uncollectible accounts (€ – 2,492 K).

Net operating income attributable to letting activities after the deduction of direct management costs increased by 8.7%, from € 227,086 K to € 244,961 K. The margin (net operating income relative to rental income) also edged up, from 85.5% to 87.2%.

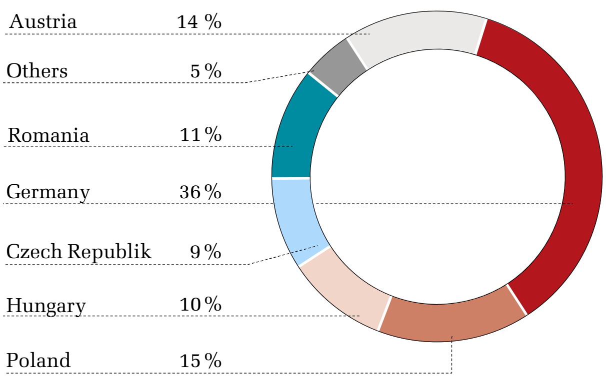
Following the insolvency of ECM, the tenant that originally connected CA Immo to the hotel operator, CA Immo took over two hotel businesses in Prague and Plzeň in July 2012. Proceeds from hotel operations, recognised for the first time in business year 2012, came to € 3,252 K. These revenues stand alongside expenses (excluding write-offs) in the amount of € – 2,774 K, so that hotel operations ultimately contributed € 478 K to earnings. (See also "Hotel and other owner-occupied properties" in the statement of financial position.)

In connection with the scheduled sale of properties forming part of current assets (exclusively in the Germany segment), trading income totalled € 8,426 K in 2012 (previous year: € 28,049 K). These revenues were diminished by book value disposals and other directly related expenses in the amount of € – 3,231 K. The earnings contribution of the trading portfolio therefore came to € 5,195 K (2011: € 7,790 K). The continuous decrease in this item in recent years is largely attributable to the sharp decline in the total volume of the trading portfolio. At the year-end, the remaining volume of properties intended for trading stood at € 52,693 K.

RENTAL INCOME
BY MAIN USAGE



RENTAL INCOME
BY COUNTRY



CHANGE IN RENTAL INCOME FROM 2011 TO 2012

€ m	Austria	Germany	Eastern Europe	Total
2011	**37.1**	**90.2**	**138.3**	**265.6**
Change				
Resulting from indexation	1.0	3.2	3.6	7.8
Resulting from change in vacancy rate or reduced rentals	2.6	–1.6	2.4	3.4
Resulting from whole-year rental for the first time	0.5	4.2	0.0	4.7
Resulting from completed projects	0.0	10.1	0.9	11.0
Resulting from one-off effect (previous year)	0.0	–5.1	0.0	–5.1
Resulting from sale of properties	–1.6	–0.4	–4.4	–6.3
Total change in rental income	**2.5**	**10.4**	**2.5**	**15.3**
2012	**39.6**	**100.5**	**140.8**	**280.9**

Following the expansion of Group subsidiary omniCon's service activities, gross revenue from development services for third parties advanced by 69.8% to € 3,940 K (previous year: € 2,320 K). Income from development ser-vices for third parties totalled € 1,675 K (2011: € 578 K).

Other expenses directly related to property assets under development fell from € – 7,315 K to € – 4,407 K.

As a consequence of these developments, net operating income (NOI) improved year-on-year by 8.7%, from € 228,139 K to € 247,902 K.

Result from the sale of long-term properties

In 2012, proceeds from the sale of properties classified as fixed assets totalled € 227,338 K, and the earnings contribution came to € 32,274 K (2011: € 44,961 K). The sale of properties in Germany contributed € 25,115 K to the total; the largest portion of this amount was attributable to undeveloped properties. Following the disposal of the Warsaw Financial Center in Poland, the Eastern Europe segment made an earnings contribution from the sale of investment properties in the amount of € 3,857 K. This disposal also gave rise to income from the reversal of deferred taxes, however, in the amount of a further € 11,510 K, which is contained in the tax result. This is a one-off effect resulting from the tax-efficient structuring of the transaction. Sales in Austria generated a profit of € 3,302 K.

Indirect expenditures

Indirect expenditures increased by 4.2%, from € – 44,045 K to € – 45,897 K. The principal items remained largely unchanged year-on-year (details are contained in the table of principal items below). The staff expenses for 2012 contain an allocation to restructuring provisions in the amount of € 2,536 K, in connection with the envisaged manpower reduction. The overall rise in indirect expenditures originates from the year-on-year decrease of € 9,844 K in the "capitalised services" item. This item is to be regarded as a contra item to indirect expenditures which counterbalances the portion of the internal project development expenses that are directly attributable to individual development projects and thus qualify for capitalisation.

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

At € 245,342 K, EBITDA remained more or less on a par (– 0.4%) with the previous year's earnings. The contributions to total comprehensive income made by the individual regional segments are examined below.

The Eastern and South Eastern Europe segment made the largest contribution to consolidated EBITDA, namely 48% or € 116,765 K (2011: € 111,229 K). The share of the Germany segment was € 100,613 K, and that of Austria € 37,048 K.

INDIRECT EXPENDITURES

€ 1,000	2012	2011
Personnel expenses	– 32,558	– 32,220
Legal, auditing and consulting fees	– 10,620	– 11,343
Office rent	– 1,902	– 2,430
Travel expenses and transportation costs	– 1,370	– 1,347
Other expenses internal management	– 4,760	– 4,602
Other indirect expenses	– 5,161	– 4,907
Subtotal	**– 56,371**	**– 56,849**
Own work capitalised in investment property	9,844	12,108
Change in properties held for trading	630	696
Indirect expenses	**– 45,897**	**– 44,045**

Revaluation result

The revaluation result for 2012 was negative overall, closing at € – 8,449 K (2011: € 49,143 K). From a regional perspective, the revaluation result arises from appreciation of € 43,179 K and € 4,765 K in Germany and Austria, and negative market value changes in the investment property portfolio (€ – 56,393 K) in the Eastern Europe segment.

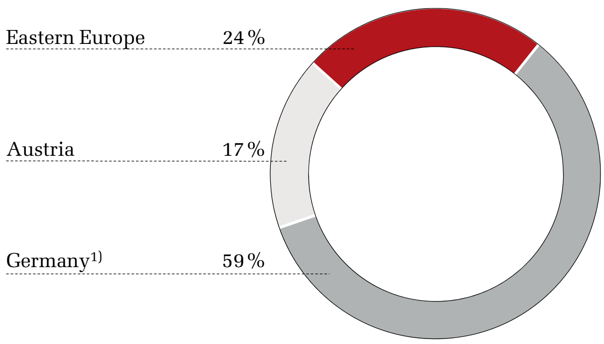
The positive figures for Germany and Austria are chiefly attributable to the completion of the Tower 185 project, on the one hand, and to progress made with the Silbermöwe development project in Vienna, on the other. The negative contribution posted in Eastern Europe largely stemmed from logistics property devaluations in Poland and Ukraine in connection with the project finance restructuring described in the remarks concerning the financial result. A detailed explanation of the factors governing the valuation of properties is contained in the "Property valuation" section.

Operating result (EBIT)

As of the reporting date, 31 December 2012, the operating result (EBIT) stood at € 230,365 K, which was – 19.2% lower than the figure posted at the end of 2011 (€ 285,045 K). The valuation-related decrease in EBIT in the Eastern Europe segment, from € 93,532 K to € 58,513 K (– 37.4%), played a significant part in this decline. EBIT deteriorated in Germany as well, where it fell by – 18.8% to € 140,904 K (2011: € 173,506 K). Austria was the only segment to post an increase, to € 40,372 K (2011: € 25,042 K).

During the year, Q1 contributed € 39,901 K to EBIT, Q2 € 75,173 K, Q3 € 61,773 K, and Q4 2012 € 53,518 K. The variances between the quarters is primarily explained by the unequal distribution of the capital gains and revaluation result.

EBIT



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

Financial result

The financial result for 2012 totalled € – 157,834 K (2011: € – 177.945 K). The changes in the constituents of the financial result are described in detail below.

Giving due consideration to interest on completed projects reclassified to the investment portfolio (Tower 185, Skygarden and Ambigon), financing costs edged up (3.9%) to € – 168,844 K. Alongside the interest expenses recognised in the income statement, interest on development projects under construction, in the amount of € 5,361 K, was capitalised as well.

In the first quarter of 2012, the financing for two logistics properties in Poland and Ukraine was restructured. As a consequence, CA Immobilien Anlagen AG acquired the project companies' outstanding loans from the lending bank for less than the nominal amount. The associated accounting effect of € 20,764 K must be seen in the context of the forenamed valuation loss on the properties concerned.

The financial result for 2012 also contains a valuation loss from interest-rate hedges in the amount of € – 12,305 K (2011: € – 22,456 K). A large portion of this loss is a non-cash valuation result. For further details, see also the "Financing" section.

At € 9,003 K, the result from financial investments was lower than the figure posted for the previous year (€ 11,557 K). This decrease stems chiefly from the year-on-year decline in interest rates on investments (interest income from bank deposits).

The result from other financial assets, in the amount of € – 7,000 K (2011: € – 4,675 K), encompasses the impairment of a loan existing in connection with the project at Pulkovo Airport in St. Petersburg, and of another loan granted to a business partner in connection with the Erlenmatt project (Basle).

Income from associated companies (2012: € 2,694 K; 2011: € – 1,696 K) contains the positive contribution from the investment in UBM, in the amount of € 2,712 K (the cash dividend was € 825 K).

Taxes on income and earnings

Net income before taxes (EBT) fell overall, closing the year at € 72,531 K (2011: € 107,100 K). The taxes on income and earnings in the amount of € – 23,970 K (2011: € – 39,429 K) represent the balance of current tax income of € 4,977 K (2011: current tax expense of € – 27,261 K), primarily in connection with the deferral in Germany to future periods of taxes on realised undisclosed reserves arising from disposals, and an expense from the change in deferred taxes. The sale of the Warsaw Financial Center, realised in Q4, gave rise to a positive tax effect in the amount of € 11,510 K through a reversal of deferred taxes.

Result for the period

At € 48,561 K, the result for the period fell year-on-year (2011: € 67,671 K). The non-controlling interests stood at € – 5,878 K, compared with € 5,042 K in 2011. This item largely consisted of the result attributable to the partners in the sub-portfolios of Europolis, which was negative as a consequence of devaluations. The share of the result attributable to owners of the parent closed 2012 at € 54,439 K. The figure for 2011 was € 62,629 K.

Cash flow

The cash flow from earnings for 2012 totalled € 193,216 K (2011: € 191,861 K). The decrease in cash flow from business activities, from € 198,626 K to € 192,838 K, reflects changes in current assets arising from the disposal of properties intended for trading.

Cash flow from investment activities, which is the net amount of investments and property sales, came to € – 62,981 K in 2012, which was much the same as the figure posted in 2011 (€ – 62,623 K).

The cash flow from financing activities in 2012 totalled € – 228,308 K (2011: € – 134,643 K). The change primarily originates from the dividend payment made in 2012 to the shareholders of CA Immo, a reduction in new loans (2012: € – 214,943 K, 2011: € – 232.786 K), and a significant increase in the redemption of borrowings.

CASH FLOW STATEMENT – SHORT VERSION

€ m	2012	2011	Change
Cash flow from			
- business activities	192.8	198.6	– 3%
- Investment activities	– 63.0	– 62.6	1%
- financing activities	– 228.3	– 134.6	70%
Changes in cash and cash equivalents	**– 98.5**	**1.4**	**>100%**
Cash and cash equivalents			
- beginning of the business year	353.8	354.8	0%
- changes in the value of foreign currency	2.4	– 2.3	>100%
- the end of the business year	257.7	353.8	– 27%

FFO – funds from operations

Funds from operations before taxes (FFO) in 2012 came to € 107,1 K (2011: € 98,1 K).

€ m	2012	2011
Net income before taxes before minorities	72.5	107.1
Depreciation and amortisation	6.5	10.5
Revaluation results	8.4	–49.1
Foreign currency gains/losses	2.1	–0.3
Corr. At-Equity result	–1.8	2.6
Valuation of financial instruments	19.3	27.3
Funds from Operations before taxes	**107.1**	**98.1**
Current income tax	5.0	–27.3
Funds from Operations	**112.1**	**70.8**

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Assets

Measured against 31 December 2011, the assets position changed only marginally in 2012. The biggest impact was exerted by the reclassification of the office tower of Tower 185 project (finalised in 2011/2012) from property assets under development to investment properties, which increased from € 4,183,202 K to € 4,391,378 K.

The takeover of the hotel operations in the Czech Republic substantially raised the amount of the item "Hotel and other owner-occupied properties", from € 12,760 K to € 36,253 K.

Total property assets – that is investment properties, properties under development, hotel and other owner-occupied properties, and properties forming part of current assets – closed the period at € 5,261,106 K, which corresponds to a moderate increase of around 0.7%. In 2012, an amount of € 230.065 K was invested in property assets under development.

The cash and cash equivalents as of 31 December 2012 stood at € 257,744 K, which was – 27.1% lower than the figure posted at the start of the year. Total assets dropped by – 0.5% to € 5,888,442 K.

Liabilities

Shareholders' equity

The company's share capital stands at € 638,714 K, and the number of ordinary shares outstanding remains unchanged at 87,856,060. As of the reporting date, 31 December 2012, according to the company, around 82% of the shares were in free float, and the remaining 18%, as well as the four registered shares that entitle each of the holders to nominate one member of the Supervisory Board, were held by UniCredit Bank Austria AG. Further details on the shareholder structure and features of the shares are contained in the "Investor relations" section and the corporate governance report.

As of the reporting date, 31 December 2012, capital authorised but not issued (pursuant to Section 169 AktG (Austrian Stock Corporation Act)) existed in the amount of € 319.4 m (up to 43,928,030 no-par shares); the closing date for the issue of the capital against cash contribution is 11 September 2015. Authority for a contingent capital increase (pursuant to Section 159 AktG) in the amount of € 317.2 m (up to 43,629,300 no-par shares) also existed. Furthermore, the 25th Ordinary General Meeting authorised the Management Board for a period of 30 months to acquire treasury shares (Section 65 (1) No. 8 AktG) to the maximum extent permitted by law, namely 10% of the share capital, and if applicable also to redeem or sell treasury shares – including other than on the stock exchange or by way of a public offering. In the period until 31 December 2012, this authority was not exercised. As in the previous year, the company did not hold any treasury shares as of 31 December 2012.

Shareholders' equity (including non-controlling interests) increased by 0.3% in 2012, from € 1,809,455 K to € 1,815,742 K. Alongside the result for the period and the dividend payout in the amount of € 33,385 K, the change was driven in particular by a negative influence from the valuation of interest-rate hedges recognised as cash flow hedges. As of 31 December 2012, the negative valuation result of these cash flow hedges recognised in equity stood at € – 107,581 K (amount attributable to owners of the parent), which represented a further year-on-year deterioration of – 15.7%.

Interest-bearing liabilities

Interest-bearing liabilities fell by – 0.6% to € 3,379,532 K. Net debt (financial liabilities less cash and cash equivalents) increased year-on-year from € 2,991,055 K to € 3,067,180 K; gearing (ratio of net debt to shareholders' equity) rose from 165% as of 31 December 2011 to 169% as of 31 December 2012.

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

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

KEY FINANCING FIGURES

€ m	2012	2011
Shareholders' equity	**1,815.7**	**1,809.5**
Short-term interest-bearing liabilities	924.7	778.0
Long-term interest-bearing liabilities	2,454.8	2,622.9
Cash equivalents (including short-term securities)	–257.7	–353.8
Restricted cash	–54.6	–56.0
Net debt	**3,067.2**	**2,991.1**
Gearing	**169%**	**165%**
EBITDA / net interest (factor)	**1.5**	**1.6**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SHORT VERSION

		2012		2011	Change
	€ m	in %	€ m	in %	in %
Properties	5,154.6	88	5,130.4	80	0
Prepayments made on investments in properties	0.0	0	2.2	3	–100
Intangible assets	37.1	1	39.1	1	–5
Financial and other assets	139.8	2	119.6	2	17
Deferred tax assets	9.8	0	11.7	0	–16
Long-term assets	**5,341.3**	**91**	**5,303.0**	**86**	**1**
Receivables	182.9	3	168.1	3	9
Assets held for sale	53.8	1	57.8	1	–7
Properties held for trading	52.7	1	33.9	1	55
Cash equivalents and securities	257.7	4	353.8	8	–27
Short-term assets	**547.1**	**9**	**613.6**	**14**	**–11**
Total assets	**5,888.4**	**100**	**5,916.6**	**100**	**0**
Shareholders' equity	1,815.7	31	1,809.5	31	0
Shareholders' equity as a % of total assets	*30.8%*		*30.6%*		
Liabilities from bonds	447.5	8	444.8	8	1
Long-term interest-bearing liabilities	2,007.4	34	2,179.0	37	–8
Short-term interest-bearing liabilities	924.7	16	777.9	13	19
Other liabilities	477.2	8	514.4	9	–7
Deferred tax assets	215.9	3	191.8	3	13
Total liabilities and shareholders' equity	**5,888.4**	**100**	**5,917.4**	**100**	**0**

Net asset value

NAV (shareholders' equity excluding non-controlling interests according to IFRS) closed 31 December 2012 at € 1,692.9 m (€ 19.3 per share), representing a rise of 0.5%. This change reflects both the annual result and the forenamed other changes in shareholders' equity. The table below shows how the NNNAV is calculated from the NAV in compliance with the best practice policy recommendations of the European Public Real Estate Association (EPRA).

Given that the CA Immo share price on the reporting date was lower than the conversion price of the convertible bond, the EPRA NAV was calculated without giving consideration to a dilutive effect arising from a hypothetical exercise of the conversion option. As of 31 December 2012, the (diluted = undiluted) NNNAV per share stood at € 19.9 per share, representing a year-on-year increase of 0.2%. The number of shares outstanding as of 31 December 2012 remained unchanged at 87,856,060.

ASSET VALUE (NAV AND NNNAV AS DEFINED BY EPRA)

€ m	31.12.2012 basic	31.12.2011 basic
Equity (NAV)	1,692.9	1,684.6
NAV/share in €	19.27	19.17
Computation of NNNAV		
Exercise of options	0.0	0.0
NAV after exercise of options	**1,692.9**	**1,684.6**
Value adjustment for		
- own use properties	3.7	3.5
- properties held as current assets	7.4	7.6
- Financial instruments	107.6	93.0
Deferred taxes	168.9	141.0
EPRA NAV after adjustments	**1,980.4**	**1,929.7**
Value adj. for financial instruments	–107.6	–93.0
Value adjustment for liabilities	–15.6	–2.9
Deferred taxes	–110.8	–91.4
EPRA NNNAV	**1,746.4**	**1,742.3**
EPRA NNNAV per share in €	**19.9**	**19.8**
Change of NNNAV against previous year	0.2%	4.6%
Price (31.12.) / NNNAV per share – 1	–47.3	–58.2
Number of shares	87,856,060	87,856,060

OUTLOOK

EXPECTED DEVELOPMENT, INCLUDING MATERIAL OPPORTUNITIES AND RISKS

Despite some positive indications, growth in the European economy still shows little sign of accelerating in 2013. We nonetheless expect the key core markets of CA Immo to make steady progress. The lending climate will remain the determining factor for the property segment in 2013.

Financing trends

The availability and rising cost of loan capital has been exerting a restrictive influence in the property investment market for some time. Tight lending policies are affecting the whole of Europe, but Eastern Europe in particular. Banks are still prepared to finance premium properties with a proven track record, good long-term occupancy rates and stable rental income, but only on expensive terms. It is becoming increasingly difficult, however, to obtain suitable financing for commercial properties with high vacancy rates. Provided that key parameters (preletting ratio, own capital contribution of at least 40%) were satisfied, project financing was never a problem for CA Immo thus far. While banks are making funds readily available in Germany in particular, finance is a rather scarce commodity in some Eastern European markets, for example.

Yield optimisation and cash flow growth provide operating and strategic opportunities

From a strategic perspective, we intend determinedly to pursue our Group-wide resizing programme with a view to substantially enhancing efficiency throughout the value chain. The goal is to safeguard additional stability and profitability for the company, and to align it as closely as possible with both the current and the prospective economic landscape. Further information and particulars on this subject are contained in the section entitled "Strategy".

Even though the economic climate remains difficult and beset by significant uncertainties, we anticipate the following developments in business year 2013:

- Largely stable rents on a like-for-like basis. Additional rental income from project completions will make good the revenue decrease triggered by property sales.
- Disposals of around € 300 m, chiefly consisting of non-core properties in Eastern Europe and land banks in Germany. We also expect to sell part of the Tower 185 building (75%); initial indicative offers are expected in the course of the first half of 2013.
- Released funds will be used primarily to amortise debt (bond liabilities).
- A half-size portion of the benefits from tightening overheads and reducing material costs is to be delivered in 2013.
- Investments of around € 200 m are to be made in current development projects in particular.

Our expectations are based on certain assumptions concerning both general and specific outline conditions. The following key parameters could affect the pattern of business anticipated for business year 2013:

- Economic developments in the regions in which we operate, and the impact of such trends on both rental demand and rents.
- The development of the general interest rate level.
- The lending climate, especially the availability and cost of long-term loans, and therefore the development of the property investment market and price trends, as well as the effect of these factors on the valuation of our portfolio. The speed at which the planned development projects are realised also depends in particular on the availability of the requisite outside borrowed and equity capital.
- Political, fiscal, legal and economic risks, and the transparency and extent of development of the individual property markets.

RESEARCH AND DEVELOPMENT

CA Immo has no expenditures in the research and development area.

SUPPLEMENTARY REPORT

There are no significant activities reported for the opening months of business year 2013.

PERSONNEL

As at 31 December 2012, CA Immo had 375[1]) employees (compared to 390 on 31 December 2011). A total of 38 new staff members[2] joined the Group in 2012. With the sale of the Warsaw Financial Center, 15 employees at the site transferred to the new owner; this was one factor in a 16% reduction in the staffing level in Eastern Europe (see table). CA Immo has head offices in Vienna, from where the company oversees local branch offices in Frankfurt, Berlin and Munich as well as Budapest, Warsaw, Prague, Belgrade and Bucharest. Local staff are appointed by the particular head of the local office, by agreement with the Group head of Human Resources. All functions on employee- as well as on management-level are occupied by regional staff.

Consolidation following period of rapid growth

Largely as a consequence of the big corporate acquisitions of recent years, the number of CA Immo staff almost doubled from 203 as at 31 December 2007 to 390 as at 31 December 2011. Alongside the intended redimensioning of the real estate portfolio, the company now plans to boost efficiency across the value chain with a view to cutting Group staff costs by some 20% over the years ahead, amongst other things. The process was supported by an external consultancy firm which analysed working practices within the company and pinpointed areas that could be improved. Suitable measures were then introduced and implemented at the end of 2012. These included closure of the subsidiary in Cologne, the amalgamation of back office units and the resolution of international dual appointments.

[1] Around 7% of those are part-time staff; 30 Group employees on unpaid leave and 108 employees gained through the acquisition of two hotel businesses in the Czech Republic in the third quarter of 2012 were not counted.

[2] Excludes 108 employees gained through the acquisition of two hotel businesses in the Czech Republic in the third quarter of 2012.

Promoting a unifying corporate culture

In another response to the rapid expansion of recent years, the Management Board launched a project aimed at establishing a shared corporate culture in the autumn of 2011. The objectives were as follows:

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

The first step was to conduct a Group-wide staff survey in partnership with Great Place To Work late in 2011. In 2012, the results were discussed in detail by Management Board members and senior managers, and spheres of activity were determined. Managers then developed specific change proposals over the course of a two-day international workshop, as a result of which a package of measures was drawn up. This contained ideas for improving internal communications and information flows as well as staff development for the long term.

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP

	31.12.2012		31.12.2011	Change		Fluctuation rate [1]
	Total employees (Headcounts)	Thereof women in %	Total employees (Headcounts)	Absolute	in %	in %
Austria	85	58	86	-1	-1	11
Germany	183	43	176	7	4	12
Eastern Europe	107	73	128	-21	-16	7
Total	**375**	**55**	**390**	**-15**	**-4**	**10**

[1] Fluctuation rate: new personnel x 100 / average number of employees. Group employees on unpaid leave and employees (108 as of 31 December 2012) gained through the acquisition of two hotel businesses in the Czech Republic in the third quarter of 2012 were not counted

International Employee Convention encourages staff integration

In order to commit all staff to a process of strengthening their shared identity as fully as possible, CA Immo invited its entire workforce to a two-day Employee Convention in Vienna in September 2012. The agenda offered insights into the company's international activities and highlighted its past, present and future. CA Immo also celebrated its first quarter century with a 25 Years Corporate Gala.

Visual symbol of the Employee Convention: Our Tower of values

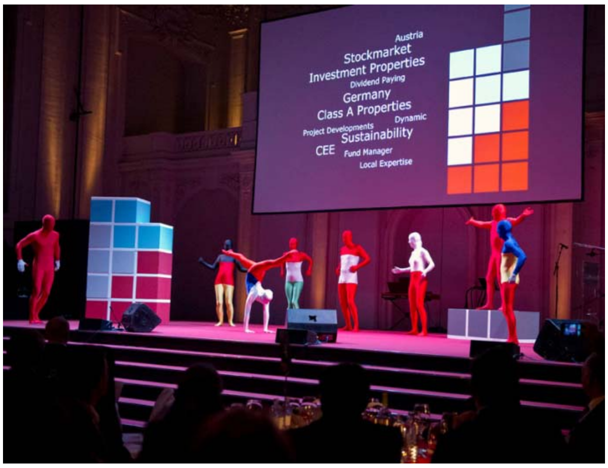
New Human Resources division in October 2012

The first concrete measure was to set up and staff a separate Human Resources division that reports directly to the CEO. Since early October 2012, this division has served as a focal point for Group personnel matters while taking responsibility for issues such as international development and training opportunities, staff planning and the proactive internal communication of HR-related information. The division also supports and advises employees of all levels on issues such as team building and corporate culture.

Uniform human resources management

At Group level, one core task of the new Human Resources division will be progressively to align non-uniform personnel structures, principles and processes adopted through corporate acquisitions. The aim is to guarantee equal treatment for all employees as regards opportunities for promotion and training, remuneration and other conditions; the main emphasis will be on transparency also for employees. From 2013 onwards, synergy between countries will be strengthened and processes simplified in the following areas:

- Learning and development: specialist knowledge, promotion of personal skills and strengths
- Employee assessment: agreement on qualitative and quantitative targets
- Reporting: regular internal reporting (e.g. staffing level reports, cost reporting)
- Personnel lifecycle: intake, contract drafting, job descriptions, management of resignations
- Remuneration system: payroll processes, social benefits, salary increases
- Internal communication: faster communications to staff, introduction of transparent information processes



Impressions of the CA Immo 25 years Corporate Gala

At the Employee Convention 2012

Social benefits and safety at work

Depending on taxation and national insurance provisions, CA Immo employees receive social benefits in the form of meal and kindergarten allowances, support for training, group health insurance, group accident insurance, contributions to an external company pension fund[1] and other benefits.

During reporting year 2012, no serious occupational injuries[2], illnesses or periods of absence on the part of CA Immo employees were reported.[3] CA Immo staff on construction sites received regular safety guidance along with health and safety plans. Commissioned companies are responsible for the safety of subcontractor staff.

[1] Solely for employees in Germany and Austria
[2] Serious injuries are defined as those requiring the employee to consult a doctor
[3] A female Group employee on the way home had an accident that resulted in 23 days off work.

AVERAGE ABSENCES FROM WORK BY REGIONS

In days		Vacation	Illness	Qualification
	Women	22	11	1
Austria	Men	23	2	1
	Women	32	11	0.4
Germany	Men	31	5	0.7
	Women	23	8	0.8
Eastern Europe	Men	28	2	0.3

EMPLOYEES: DISTRIBUTION BY AGE, GENDER AND CATEGORIES (TOTAL: 375 EMPLOYEES) [1]

White-collar employees [2]

333 employees	<28	29–48	49<
W	11 %	42 %	6 %
M	2 %	25 %	14 %

Blue-collar staff

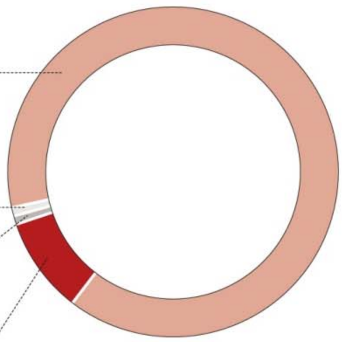
3 employees	<28	29–48	49<
W	0 %	0 %	33 %
M	0 %	0 %	67 %

Management Board

3 employees	<28	29–48	49<
W	0 %	0 %	0 %
M	0 %	33 %	67 %

Executives [3]

36 employees	<28	29–48	49<
W	0 %	19 %	3 %
M	3 %	61 %	14 %



[1] Excludes employees on unpaid leave and 108 employees (as at 31 December 2012) gained through the acquisition of two hotel businesses in the Czech Republic in the third quarter of 2012
[2] thereof 3 % with handicap. Employees with handicap are not subdivided for reasons of data protection.
[3] Executives include Group Managers, heads of the regional offices, heads of departments, divisional heads, team leaders. Share of female executives: 22 %.

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator is the net income generated with the money shareholders have invested (return on equity, RoE). The aim is to produce a ratio higher than the imputed cost of equity (assuming a medium-term rate of around 7.0%) and thereby generate shareholder value. The return on equity for 2012 was approximately 3.2% below the target value (3.8% in 2011). Despite this, the measures defined under our strategy will lead to an acceptable return on equity in the medium term.

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

Since the 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:

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

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

Local presence
Local knowledge and familiarity with markets are key to the effective cultivation of highly diverse regional markets. For this reason, CA Immo maintains branch offices in its main markets of Germany and Eastern Europe.

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

VALUE-INDICATORS

		2012	2011	2010	2009
Key figures per share					
NAV/share	€	19.30	19.20	18.70	17.90
Chance in NAV/share	%	0.5	2.7	4.5	–5.3
Operating cash flow / share	€	2.20	2.18	1.38	1.40
RoE 1) in %	%	3.2	3.8	2.8	–4.8
ROCE 2) in %	%	4.4	5.5	4.77	0.1
EVA 3)	€ m	10.3	44.04	Negative	Negative

[1] Return on equity = consolidated net income after minorities/Ø shareholders' equity (excluding minority interests)
[2] Return on capital employed (ROCE) = net operating profit after tax (NOPAT)/capital employed
[3] EVA (economic value added) is a registered trademark of Stern Stewart & Co; EVA = capital employed * (ROCE – WACC); WACC 2012 = 4.18

Value added statement

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

STATEMENT OF VALUE ADDED

	2012	in %	2011	in %
Gross revenues	356,255		332,222	
Result from the sale of long-term properties	235,765		251,764	
Result from revaluation	–8,449		49,143	
Other income	11,063		17,368	
Operating expenses	–310,508		–308,070	
Depreciation and impairment	–6,528		–10,521	
Other expenses	–17,219		–14,485	
Incurrence	**260,379**		**317,421**	
to non-controlling interest	5,878	–2%	–5,042	2%
to staff	–32,558	13%	–33,164	10%
to state	–27,056	10%	–43,797	14%
to non-profit organisations	–5	0%	–2	0%
to lender	–152,199	58%	–172,787	54%
to company/shareholders	–54,439	21%	–62,629	20%
Allocation	**–260,379**	**100%**	**–317,421**	**100%**

RISK MANAGEMENT REPORT

CA IMMO GROUP RISK MANAGEMENT

RISIK MANAGEMENT AT CORPORATE LEVEL

STRATEGIC RISKS	PROPERTY-SPECIFIC RISKS	GENERAL BUSINESS RISKS
- Capital market/financing risk - Expansion risk	- Market risk - Profit fluctuation risk - Asset management risk	- Financial risk - Legal risk - Tax change risk

RISIK MANAGEMENT AT REAL ESTATE LEVEL

STRATEGIC RISKS	PROPERTY-SPECIFIC RISKS	GENERAL BUSINESS RISKS
- Concentration (cluster) risk - Country-spcific/transfer risk	- Location risk - Letting risk (vacancy, property management, re-letting) - Profitability risk - Property valuation risk - Tenant risk (loss of rent) - Partner risk - Liquidation risk - Project development/ investment cost risk	- Environmental risk - Contract/documentation risk

SUPPORTING SUSTAINABLE CORPORATE DEVELOPMENT: RISK MANAGEMENT

Risk management is very important to the CA Immo Group: it has a direct bearing on strategic and operational decision-making within the company and therefore delivers a significant contribution to the long-term development of the company. The aim of risk management is to identify potential opportunities and hazardous developments at an early stage and properly assess their impact so that relevant decision-makers can be informed in good time and suitable measures can be taken. CA Immo evaluates the current opportunity/threat situation through quarterly reporting. Risk is continually assessed in relation to specific properties and projects as well as (sub)portfolios. The company circumvents unexpected risk by means of early warning indicators such as rent forecasts and vacancy analyses as well as the continual monitoring of lease agreement periods and the possibility of terminations; 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 of the company's future development. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions and producing appropriate management templates. The company also evaluates specific risks at regular intervals, thereby consulting external advisors. All potential risks and opportunities are assessed according to substance, effect and the likelihood of occurrence. On that basis, risk management is implemented at every level of the company and is binding on all organisational divisions. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. Clear internal guidelines and strategies, business and investment plans and continuous reporting systems have made it possible to monitor and control the economic risks associated with everyday business activity. Measures are applied to all Group subsidiaries. Investment plans are also subject to the scrutiny and approval of the Supervisory Board or its investment committee. The Controlling department supports risk management by providing structured information and data; individual matters are spot-checked by the Internal Auditing division.

THE INTERNAL MONITORING SYSTEM (IMS)

Designed to identify risk, the accounting-based internal monitoring system (IMS) – part of the risk management system – is incorporated into individual business processes. The system incorporates all measures designed to ensure compliance with legislation and specific company guidelines (Group manual, allocation of responsibilities, authority to sign, dual verification principle, regulations for release, etc.) and prevent errors. The objectives of the IMS are to preclude (preventive monitoring) and identify (detective monitoring) errors in accounting and financial reporting, thus enabling amendments to be introduced in good time. Based on precise information concerning accounting and financial reporting processes, the IMS also covers related upstream processes. Operational divisions are involved to ensure a complete overview of the financial reporting process. Individual measures and checks operate in parallel with operations or apply directly upstream or downstream of working processes. In line with the organisational structure of the CA Immo Group, local management teams are responsible for the implementation and supervision of the internal monitoring system; the managing directors of the various subsidiaries are required to perform self-checks in order to assess and document compliance with the monitoring measures.

Alongside the Risk Management division, CA Immo has set up an Internal Auditing unit under the control of the full Management Board with a view to consolidating the IMS. On the basis of an annual auditing plan and ad-hoc assessments performed as needs dictate, the two units oversee compliance with legal provisions and internal guidelines throughout the Group. The effectiveness of the IMS is regularly assessed by the Group Auditing department while the cost-effectiveness of business processes and the potential for efficiency gains is continually evaluated. The results of these assessments are reported to the responsible executive boards as well as the full CA Immo Management Board. The Supervisory Board is informed as to the auditing plan and the assessment results at least once a year. Furthermore, the proper functioning of the risk management system is evaluated annually by the Group auditor in accordance with the requirements of C-Rule no. 83 of the Austrain Corporate Governance Code, with the findings presented to the Management Board and Supervisory Board or its audit committee.

OVERALL ASSESSMENT OF OPPORTUNITIES AND RISKS

The most significant risk to CA Immo and its business activities is posed by the persistently tough economic climate. The main risks to the Group continue to derive from the market-linked danger of rising vacancy rates, tenant insolvency, the difficult environment for real estate transactions created by the restrictive lending policy of banks and, accordingly, short-term liquidity bottlenecks, rising yields and declining property values. The risk categories outlined below were evaluated following an assessment of risk carried out in 2011; the major risks facing the Group have not changed significantly from previous years.

STRATEGIC RISKS

Concentration (cluster) risk

Risk potential increases where investments lead to overrepresentation of a particular region, usage type or tenant structure in the overall portfolio. From a regional perspective, the focusing of its portfolio in Germany and Eastern Europe exposes CA Immo to risk of this kind; as for Germany, however, the overall risk is neutral given the stability of the market and the portfolio structure. The restrictive situation on certain Eastern European markets (including Hungary and Romania) has the potential for a certain level of market risk; CA Immo counters this by spreading its portfolio across various countries.

At individual property level, CA Immo defines the limit value for concentration/cluster risk at 5% of the total portfolio. The only property in this category at present is Tower 185 in Frankfurt. Preparations for a planned (partial) exit have already been enacted. The next-largest properties account for roughly 2.5% of the total portfolio value (e.g. Skygarden in Munich). These properties do not create concentration risk owing to wide regional distribution.

The package of investment properties acquired from the state of Hesse in 2006 (which makes up around 15% of the total portfolio) produced a 'cluster risk' from smaller portfolios. This particular portfolio is, however, divided between 36 properties that were individually sold. In view of the long-term nature of existing lease contracts and the satisfactory creditworthiness of the tenant (the state of Hesse), the portfolio represents a calculated risk. As regards land reserves and land development projects, risk arises from the high capital commitment. With the prevailing market climate hampering development projects, further property sales are in the pipeline for 2013. Measures have been put in place to accelerate land development projects where possible and partners are being involved at an early stage (especially in the residential construction segment) with a view to cutting the capital commitment.

Country-specific risk and transfer risk

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

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment

The continuing reluctance of banks to provide real estate finance slowed the transaction rate perceptibly on some **property investment markets** in Eastern Europe last business year. Since this had an adverse effect on CA Immo's sales targets for 2012, the planned portfolio optimisation proved economically unfeasible in some parts of Eastern Europe. Demand was almost exclusively restricted to core real estate, especially in Warsaw; trading of other properties was limited. Germany continues to act as the stabilising influence of the eurozone, a fact reflected on real estate markets in the consistent levels of investment turnover and continuously high demand. The investment and office markets in Austria were vibrant, offering a healthy basis for business.

With everything pointing to the continuance of this trend, continual evaluation of key real estate indicators such the quality of locations and properties, changes in the market and emerging trends in order to determine ideal resale times will remain a top priority in 2013. This will also enable the company to counter in advance the danger of either being unable to sell properties, or only able to sell them at a discount. Market risk is thereby identified at an early stage, applied to evaluations of investment and project plans and thus to medium-term liquidity and corporate planning. Properties with heightened risk potential are managed by a specially formed restructuring unit with a view to securing their sale at the earliest opportunity after restructuring.

Real estate prices are also subject to considerable fluctuation owing to changing economic conditions. CA Immo counters **property valuation risk** by subjecting its properties to annual valuation by an outside party; value changes during the year are identified by internal specialists. The past few years have shown how a rise in yields continues to be reflected in valuation reports owing to the discount and capitalisation rates assessed; it also influences consolidated net income and reduces shareholders' equity through changes in market value that must be recognised under IAS 40. The low prospect of rental growth will again pose the danger of starting yields for commercial real estate being adjusted upwards in 2013. Changes in value will continue to represent a significant risk in 2013.

Demand for commercial real estate is mainly determined by economic developments. Although the core markets of CA Immo maintained a sound economic basis in 2012 and performance indicators for the various **rental markets** were stable, the vacancy rate for the company remained high at over 20%, especially in Eastern Europe. The logistics asset class is largely responsible for vacancy. By comparison, vacancy rates on most core markets of CA Immo in Eastern Europe (with the exception of Warsaw) stand at more than 10%. Owing to the limited availability of financing, however, high levels of pre-letting on new development projects are required, and this is certain to reduce vacancy. With no upturn on office markets anticipated in 2013, no significant reduction in vacancy rates is likely in Eastern Europe. By contrast, lettings performance on the Austrian office market expanded dramatically in 2012. CA Immo played a major part in the upturn with, amongst other things, the letting of the Silbermöwe building in the Lände 3 district. Although vacancy in Austria is currently just under 7%, available floor space is likely to increase during 2013 as numerous projects are completed and demand falls. This will serve to suppress lettings performance. The vacancy level on the Viennese office market is thus expected to rise. Compared to the previous year, vacancy rates for the German asset portfolio have also risen owing to properties in a stabilisation phase (Tower 185 and Ambigon). However, strong demand for high quality premises coupled with falling construction levels are likely to reduce vacancy levels in this segment during 2013.

Given the economic conditions, it is also possible that existing tenants will be unable to meet their rent payments (**loss of rent risk**); this risk is countered by demanding securities (bank guarantees). To keep rent losses and attendant vacancy to a minimum, CA Immo screens the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored, and structured quality checks are carried out; restructuring is introduced where risk potential increases. At present, nearly all outstanding rental payments relate to Eastern Europe; these are linked in particular to hotels, two logistics parks and a shopping centre. All outstanding receivables have been evaluated according to the associated level of risk. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Reduced income following contract extensions remains a risk where rent levels have to be reduced or greater incentives are offered. Overall, however, the aforementioned problematic cases do not constitute a major threat.

Project development risks

The main risks associated with development projects include delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects, lack of demand for rental space and so on. Given the high value that can be created through development projects, there is a chance of generating additional revenue. For projects to be realised, it is essential in any event that equity or additional loan capital (project financing) is available. After all, delays in approving credit can lead to postponements in project implementation as well as the imposition of contractual penalties in the case of pre-letting; loss of rental revenue can have serious implications for the company's cash flow. Increases in construction costs can in turn bring about stricter financing conditions. The start-up losses that typically arise in connection with project development also have a detrimental effect on earnings. Price trends in the raw materials sector (steel, aluminium, copper, etc.) are exposed to a risk of cost variation. With this in mind, cost pools are formed for large-scale projects, with the risk of rising commodity prices and production costs passed on to contractors. All projects are being implemented within their approved budgetary frameworks. Extensions of the stabilisation phase (initial letting) in response to market conditions and the risk of rising yields caused by restrictive lending place particular pressure on development outcomes. With all of this in mind, CA Immo takes various steps to control the risks associated with project development (cost monitoring, variance analyses, long-term liquidity planning, observance of minimum pre-letting quotas, and so on). Projects are only launched following detailed, long-term liquidity planning and an appropriate level of pre-letting (50–60% on average in Germany, for example). In Eastern Europe, compliance with a certain pre-letting rate may not be achievable (or only possible to a limited degree) on account of the specific market situation: most lease contracts can only be signed when project completion is foreseeable. Certain projects in the region are initiated with low levels of pre-letting, although financing is generally secured first. Generally speaking, we select partners and service providers with care and uphold strict internal and external controlling, including continual cost monitoring and variance analyses.

GENERAL BUSINESS RISKS

Legal risks

In addition to the usual legal disputes that arise in the sector (especially against tenants and construction service contractors), CA Immo faces the risk of disputes with, amongst others, joint venture and project partners as well as disputes linked to past and future sales of real estate. There is also potential for disputes arising over annulment actions brought by shareholders against resolutions of the Ordinary General Meeting or review of the exchange ratio applied in the 2010 merger of CA Immo International AG and CA Immo. Almost all pending actions relate to conventional cases of operational business activity. Our joint venture partner on "Maslov" project, for example, initiated arbitration proceedings for € 48 m in 2011, an amount that rose to approx. € 110 m (plus interest) in 2012; the chances of success had been seen as minimal. Sufficient financial provisions have been made for the anticipated outflow of funds. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are thus imminent or pending. The Group's Legal & Compliance division is responsible for monitoring and overseeing legal disputes. Sufficient provisions are formed as necessary; for the Group as a whole. No provisions have been formed for active and passive lawsuits where the likelihood of prevailing is high or the risk of losing is below 50% respectively.

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 and thus the assets, financial and revenue positions of the CA Immo Group. One current case in point is the enactment of the AIFM (Alternative Investment Fund Managers) Directive, which will be transposed into national law by 22 July 2013. Given the broad definition of the term AIF (alternative investment fund), the directive will apply to classic hedge funds and private equity funds as well as property funds and special funds. Currently, it is still unclear whether the definition of AIF will cover listed real estate corporations, which would mean an even more extensive duty to inform investors and supervisory authorities for such companies. Some requirements specified in the AIFM directive represent a departure from established practice for the sector. Provisions on depositories and extensive associated provisions on liability also represent a break from earlier sector standards, as do the organisational requirements and remuneration provisions in the directive. Far-reaching documentation requirements, the obligation to introduce depositories and so forth would generate higher costs for the company and its investors. The challenges ahead are therefore considerable and imprecisely defined in many cases given the ongoing absence of sufficiently detailed Level II provisions. Since there is no definite prospect of the legislative implementation of Level I directive in Austria at present, regulations that underlie options at national level (such as de minimis exceptions) also remain imponderable factors for the sector for now.

Taxation risk

National taxation systems are subject to continual change on the target markets of the CA Immo Group. All relevant discussions and decisions taken by national legislators are continually monitored. Despite this, exceptional tax rises linked to changing legal frameworks pose a constant risk to revenue. Sufficient financial provisions are made for known risks linked to tax audits and fiscal or extra-judicial proceedings.

Organisational risk

At the end of 2012, CA Immo began implementing measures aimed at increasing efficiency and 'redimensioning'. These included closure of the subsidiary in Cologne, the amalgamation of back office units and the resolution of international dual appointments. Over the next few years these initiatives will, amongst other things, cut staffing costs across the Group by around 20%; restructuring provisions have been formed for this. From an organisational viewpoint, however, there is a risk that working processes and flows will be adapted late or not at all, particularly in the departments most affected. An associated project aimed at improving existing workflows, which involves external advisors, should be completed in the near future.

SUSTAINABILITY: OPPORTUNITIES AND THREATS

Since the sustainable development of the CA Immo Group is of such central concern, pursuing a comprehensive set of environmental, economic and social sustainability goals forms part of our strategic thinking. To an increasing degree, our shareholders, customers and business partners feel similarly obliged to adopt a long-term approach to business. Sustainable practices that take account of environmental, economic and social aspects present more opportunities than risks to the company and its stakeholders. The business activity of CA Immo is based on value-oriented corporate management that is guided by the following (sustainability) criteria:

- Full transparency in relation to publication and documentation requirements to ensure any present risks are properly assessed.
- Corporate governance that obliges employees and business partners alike to observe substantive sustainability criteria as appropriate in corporate governance and risk management structures (regarding corruption, breaches of human rights, violation of working conditions, reputation, etc.).
- A portfolio and project development strategy oriented towards sustainability, tenant quality and the long-term upholding of marketability and utilisation quality: tenants increasingly view real estate as a statement, and the demands of the market can only be met through continual enhancement of the portfolio.
- Active tenant support (insourcing of property management activities in Eastern Europe and joint ventures in Germany) as tenant satisfaction is critical to long-term business relationships.
- Establishment of a balanced financing structure as markets becoming increasingly volatile.
- Long-term optimisation of profitability and lasting competitiveness, bearing in mind the needs of shareholders.

Environmental risk

The CA Immo Group can incur significant costs in preventing environmental damage (from toxic substances/materials and contamination); there is also a risk that legal changes may require previously acceptable materials to be eliminated. It is not possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; such changes may adversely affect real estate values and thus the company's assets, financial and earnings position. As far as environmental sustainability is concerned, CA Immo – as a real estate company focused on the long term – takes account of the impact of climate change and associated risks in determining the general direction of its business activity. To varying degrees from one country to another, risks are arising from stricter legal obligations (such as the EnEV energy saving ordinance for new buildings in Germany) and a greater awareness of environmental factors on the part of tenants. This can make investments necessary. At the same time, gaining a competitive advantage via early adaptation presents opportunities. 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. Environmental risks associated with investment properties are assessed using the CA Immo Sustainability Tool (CAST). CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification: in this way, stringent green building and sustainability specifications are automatically satisfied while the usage of environmentally unsound products is ruled out. This criterion will be observed in the future acquisition of real estate.

FINANCIAL RISKS

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

Liquidity and refinancing risk

Refinancing on the financial and capital markets is one of the most important considerations for CA Immo. The (re)financing situation remains generally troublesome and lending policy will continue to be restrictive, especially in Eastern Europe. In regions such as Hungary and Romania, difficulty in refinancing could necessitate an influx of capital resources. By contrast, the Austrian and German markets will continue to offer sufficient liquidity in the next few years, making the procurement of capital easier. However, there is also a danger that credit margins will rise substantially on these markets where new loans are agreed or loans are extended, depending on market trends and corporate creditworthiness.

Although the CA Immo Group had access to sufficient liquidity at the end of 2012, restrictions at individual subsidiary level must be taken into consideration. This is mainly because of the following factors:

– liquidity is made available not within the parent company itself but at various levels of the company;
– access to cash and cash equivalents is limited owing to obligations to current projects;
– a liquidity requirement to stabilise loans exists in certain instances;
– planned sales activities are not current viable, or only possible subject to delays or price reductions.

The general liquidity situation had improved somewhat by year end thanks to sales (including that of the Warsaw Financial Center). Nonetheless, given the reluctance of banks to take risks, liquidity risks cannot be ruled out in the short term (for example, where financing arrangements expire and are not extended). Other risks arise from unforeseen additional funding obligations in relation to project financing and breaches of covenant in the property financing area. CA Immo counters this risk by continually monitoring covenant agreements and effectively planning and securing liquidity. Planning also takes account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales); this also ensures the Group can meet unexpected cash flow requirements. To this end, various liquidity deployment measures have been identified; these provide, for example, for the early redemption of loans with very high margins. Loans are invariably agreed on a long-term basis in accordance with the investment horizon for real estate. 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 and fund partners (partner risks) are not viable. Capital commitments are typical in the case of development projects; the Group company CA Immo Deutschland has a particularly high commitment in the case of the Tower 185 project. Financing has been secured for all projects under construction; additional financing is required for new project launches. The expiry profile of financial liabilities for the CA Immo Group is stable until business year 2014; loans maturing by that date are linked solely to financing at property or project level. The refinancing of the 6.125% CA Immo bond 09-14 (ISIN: AT0000A0EXE6) and the convertible bond are scheduled for 2014, provided conversion rights are not exerted.

Interest rate risk

In response to the euro crisis, the European Central Bank lowered its base rate from 1.0% to a record low of 0.75% in the summer of 2012, a rate subsequently confirmed in February 2013. It is likely that the rate (at which commercial banks obtain refinancing from the central bank) will remain at this low level for the next four quarters. Swap rates are also unlikely to rise significantly. These market-led fluctuations in the interest rate affect both the level of financing costs and the fair value of interest hedging transactions concluded, which influence CA Immo's earnings and equity. In line with its investment strategy, the CA Immo Group opts for a mix of long-term fixed-rate and floating-rate loans; more than 60% of the latter are secured by means of derivative financial instruments (mainly in the form of interest rate caps/swaps) which have negative cash values owing to market conditions. According to the latest interest rate forecasts, however, the floor may already have been reached; from the present standpoint, the swap result could again be neutral in 2013. Despite this, continual monitoring of the interest rate risk is 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.

Currency risk

Since CA Immo invests in various currency areas, the company is exposed to certain currency risks linked to the inflow of rental income and rents receivable in BGN, CZK, HUF, PLN, RON and RSD. CA Immo secures these foreign currency inflows by pegging rents to a hard currency (EUR or USD); no significant currency risk exists at present. Since incoming payments are mainly received in local currency, however, free liquidity is converted into euros upon receipt. The pegging of rents to the EUR/USD affects the creditworthiness of tenants and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent (especially in Hungary). To hedge against the currency risk on the liabilities side (financing in CZK and USD), these loans are counterbalanced by rental income in the same currency. Loans are generally taken out in the currency underlying the relevant lease. There is no currency risk linked to construction projects now that most projects have been completed in Eastern Europe.

FINANCIAL RISK MANAGEMENT

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

CA IMMO

CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2012

€ 1.000	Note	2012	2011
Rental income	2	280,886	265,576
Operating costs charged to tenants	3	68,177	64,326
Operating expenses	3	– 79,832	– 75,413
Other expenses directly related to properties rented	3	– 24,270	– 27,403
Net rental income		**244,961**	**227,086**
Gross revenues hotel operations		3,252	0
Expenses related to hotel operations		– 2,774	0
Result from hotel operations	**4**	**478**	**0**
Income from the sale of properties held for trading		8,426	28,049
Book value of sold properties held for trading		– 3,231	– 20,259
Trading result	**5**	**5,195**	**7,790**
Revenues from development services		3,940	2,320
Expenses related to development services		– 2,265	– 1,742
Result from development services	**6**	**1,675**	**578**
Other expenses directly related to investment properties under development	7	– 4,407	– 7,315
Net operating income		**247,902**	**228,139**
Result from the sale of investment properties	8	32,274	44,961
Indirect expenses	9	– 45,897	– 44,045
Other operating income	10	11,063	17,368
EBITDA		**245,342**	**246,423**
Depreciation and impairment of long-term assets		– 5,134	– 9,282
Changes in value of properties held for trading		– 1,394	– 1,239
Depreciation and impairment/reversal	**11**	**– 6,528**	**– 10,521**
Revaluation gain		99,665	133,509
Revaluation loss		– 108,114	– 84,366
Result from revaluation		**– 8,449**	**49,143**
Operating result (EBIT)	**1**	**230,365**	**285,045**
Finance costs	12	– 168,844	– 162,479
Other financial result	13	20,764	1,470
Foreign currency gains/losses	18	– 2,146	334
Result from interest rate derivative transactions	14	– 12,305	– 22,456
Result from financial investments	15	9,003	11,557
Result from other financial assets	16	– 7,000	– 4,675
Result from associated companies	17	2,694	– 1,696
Financial result	**18**	**– 157,834**	**– 177,945**
Net result before taxes (EBT)		**72,531**	**107,100**
Current income tax		4,977	– 27,261
Deferred and other income taxes		– 28,947	– 12,168
Income tax	**19**	**– 23,970**	**– 39,429**
Consolidated net income		**48,561**	**67,671**
thereof attributable to non-controlling interests		– 5,878	5,042
thereof attributable to the owners of the parent		**54,439**	**62,629**
Earnings per share in € (basic equals diluted)	**42**	**€ 0.62**	**€ 0.71**

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2012

€ 1,000	Note	2012	2011
Consolidated net income		48,561	67,671
Other comprehensive income			
Valuation cash flow hedges		– 19,058	– 30,209
Reclassification cash flow hedges		1,299	4,892
Other comprehensive income/loss from associated companies		– 424	194
Exchange rate differences		283	– 391
Income tax related to other comprehensive income		3,146	5,151
Other comprehensive income for the period (realised through profit or loss)	**20**	**– 14,754**	**– 20,363**
Change of reserve according to IAS 16		486	0
Income tax related to other comprehensive income		– 121	0
Other comprehensive income for the period (not realised through profit or loss)	**20**	**365**	**0**
Other comprehensive income for the period		**– 14,389**	**– 20,363**
Comprehensive income for the period		**34,172**	**47,308**
thereof attributable to non-controlling interests		– 5,897	5,232
thereof attributable to the owners of the parent		**40,069**	**42,076**

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2012

€ 1,000	Note	31.12.2012	31.12.2011	1.1.2011
ASSETS				
Rental investment properties	21	4,391,378	4,183,202	2,716,211
Investment properties under development	21	726,988	934,482	790,582
Hotel and other own used properties	21	36,253	12,760	13,575
Office furniture and other equipment	21	9,972	10,470	1,638
Intangible assets	22	37,122	39,103	31,468
Prepayments made on investments in properties	23	0	2,217	136,200
Investments in associated companies	24	36,233	34,719	37,096
Financial assets	25	93,587	74,308	41,075
Deferred tax assets	26	9,812	11,739	14,133
Long-term assets		**5,341,345**	**5,303,000**	**3,781,978**
Long-term assets as a % of total assets		90.7%	89.6%	86.4%
Assets held for sale	27	53,794	57,835	46,509
Properties held for trading	28	52,693	33,904	45,339
Receivables and other assets	29	182,866	168,059	147,019
Securities		0	0	3,854
Cash and cash equivalents	30	257,744	353,778	354,764
Short-term assets		**547,097**	**613,576**	**597,485**
Total assets		**5,888,442**	**5,916,576**	**4,379,463**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		638,714	638,714	638,714
Capital reserves		1,030,410	1,062,184	1,061,464
Other reserves		– 107,659	– 93,288	– 72,735
Retained earnings		131,393	76,954	14,325
Attributable to the owners of the parent		**1,692,858**	**1,684,564**	**1,641,768**
Non-controlling interests		122,884	124,891	18,171
Shareholders' equity	**31**	**1,815,742**	**1,809,455**	**1,659,939**
Shareholders' equity as a % of total assets		30.8%	30.6%	37.9%
Provisions	32	4,163	9,182	6,239
Interest-bearing liabilities	33	2,454,856	2,622,925	1,888,306
Other liabilities	34	271,435	237,489	230,402
Deferred tax liabilities	26	215,863	191,813	116,157
Long-term liabilities		**2,946,317**	**3,061,409**	**2,241,104**
Current income tax liabilities	35	15,448	36,839	59,894
Provisions	32	78,931	79,292	58,809
Interest-bearing liabilities	33	924,676	777,973	238,049
Other liabilities	34	107,328	151,608	115,814
Liabilities relating to disposal groups	27	0	0	5,854
Short-term liabilities		**1,126,383**	**1,045,712**	**478,420**
Total liabilities and shareholders' equity		**5,888,442**	**5,916,576**	**4,379,463**

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2012

€ 1,000	Note	2012	2011
Operating activities			
Net result before taxes		72,531	107,100
Revaluation result incl. change in accrual and deferral of rental income		7,120	– 49,143
Depreciation and impairment/reversal	11	6,528	10,521
Result from the sale of long-term properties and office furniture and other equipment	8	– 32,417	– 44,866
Income/loss from the sale of financial investments	16	– 333	0
Taxes paid excl. taxes for the sale of properties		– 18,380	– 9,696
Finance costs, result from financial investments and other financial result	12,13,15	139,077	149,452
Foreign currency gains/losses	18	2,146	– 334
Result from interest rate derivative transactions	14	12,305	22,456
Result from other financial assets and from investments in associated companies	17,12	4,639	6,371
Cash flow from operations		**193,216**	**191,861**
Properties held for trading	28	– 2,086	10,250
Receivables and other assets	25,29	14,797	– 4,732
Provisions	32	2,878	717
Other liabilities	34	– 15,967	530
Cash flow from change in net current assets		**– 378**	**6,765**
Cash flow from operating activities		**192,838**	**198,626**
Investing activities			
Acquisition of and investment in properties incl. prepayments		– 241,614	– 243,618
Acquisition of property companies, less cash and cash equivalents of € 4,436 K (2011: € 128,308 K)		3,194	71,880
Acquisition of office equipment and intangible assets	21,22	– 1,431	– 1,382
Acquisition of financial assets		– 1,125	– 12,926
Disposal of long-term financial assets and securities	23	2,550	4,653
Repayment of joint ventures		4,042	9,929
Disposal of long-term properties and other assets	8	197,571	131,459
Disposal of companies with long-term properties, less cash and cash equivalents of € 76 K (2011: € 2,696 K)	8	1,824	29,998
Taxes paid relating to the sale of long-term properties		– 26,931	– 49,291
Dividend payments received from associated companies and securities		877	891
Interest paid for investment in properties	21	– 5,470	– 9,934
Interest received from financial investments	15	3,532	5,718
Cash flow from investing activities		**– 62,981**	**– 62,623**
Financing activities			
Cash inflow from loans	33	163,134	252,226
Cash inflow from joint ventures and from non-controlling interests		5,478	4,861
Dividend payments to shareholders	31	– 33,385	0
Payments to subsidiaries and purchase of non-controlling interests		– 1,439	– 10,763
Repayment of loans incl. bonds	33	– 214,943	– 232,786
Other interest paid	12	– 147,153	– 148,181
Cash flow from financing activities		**– 228,308**	**– 134,643**
Net change in cash and cash equivalents		**– 98,451**	**1,360**
Cash and cash equivalents as at 1.1.		353,778	354,764
Changes in the value of foreign currency		2,417	– 2,346
Cash and cash equivalents as at 31.12.	**30**	**257,744**	**353,778**

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2012

€ 1,000	Note	Share capital	Capital reserves
As at 1.1.2011		**638,714**	**1,061,464**
Valuation cash flow hedge	20	0	0
Income recognised directly in equity of associated companies	20	0	0
Currency translation reserve	20	0	0
Consolidated net income		0	0
Comprehensive income for 2011		**0**	**0**
Acquisition of Europolis AG		0	0
Disposal from sale of companies		0	0
Dividend payments from subsidiaries		0	0
Payments to non-controlling interests		0	0
Payments from non-controlling interests		0	0
Acquisition of non-controlling interests		0	1,301
Repurchase convertible bond		0	– 581
As at 31.12.2011	**31**	**638,714**	**1,062,184**
Valuation cash flow hedge	20	0	0
Income recognised directly in equity of associated companies	20	0	0
Currency translation reserve	20	0	0
Change of reserve IAS 16	20	0	0
Consolidated net income		0	0
Comprehensive income for 2012		**0**	**0**
Dividend payments to shareholders	31	0	– 33,385
Payments to non-controlling interests		0	0
Payments from non-controlling interests		0	0
Acquisition of non-controlling interests		0	1,611
As at 31.12.2012	**31**	**638,714**	**1,030,410**

Retained earnings	Valuation result (hedging)	other reserves	Attributable to shareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
14,325	**– 72,716**	**– 19**	**1,641,768**	**18,171**	**1,659,939**
0	– 20,306	0	– 20,306	190	– 20,116
0	0	144	144	0	144
0	0	– 391	– 391	0	– 391
62,629	0	0	62,629	5,042	67,671
62,629	**– 20,306**	**– 247**	**42,076**	**5,232**	**47,308**
0	0	0	0	131,866	131,866
0	0	0	0	– 24,179	– 24,179
0	0	0	0	– 1,225	– 1,225
0	0	0	0	– 4,098	– 4,098
0	0	0	0	4,564	4,564
0	0	0	1,301	– 5,440	– 4,139
0	0	0	– 581	0	– 581
76,954	**– 93,022**	**– 266**	**1,684,564**	**124,891**	**1,809,455**
0	– 14,559	0	– 14,559	– 107	– 14,666
0	0	– 371	– 371	0	– 371
0	0	195	195	88	283
0	0	365	365	0	365
54,439	0	0	54,439	– 5,878	48,561
54,439	**– 14,559**	**189**	**40,069**	**– 5,897**	**34,172**
0	0	0	– 33,385	0	– 33,385
0	0	0	0	– 238	– 238
0	0	0	0	5,478	5,478
0	0	0	1,611	– 1,351	260
131,393	**– 107,581**	**– 78**	**1,692,858**	**122,884**	**1,815,742**

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2012

GENERAL NOTES

1. Information concerning the Company

CA Immobilien Anlagen Aktiengesellschaftand its subsidiaries (the “CA Immo Group”), is an international real estate group. The parent company is CA Immobilien Anlagen Aktiengesellschaft ("CA Immo AG"), which has its head office at 1030 Vienna, Mechelgasse 1. As at 31.12.2012, CA Immo Group owns office, hotel, commercial and residential properties in Austria and Germany as well as in Eastern Europe. CA Immo AG is listed in 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. The consolidated financial statements are based on the acquisition cost method, with the exception of investment properties (including properties under development), properties held for sale, securities, derivative financial instruments and provisions for cash-settled share-based payment plans, which are measured at fair value. The net item for plan assets arising from pension obligations comprises the fair value of the plan assets less the present value of the obligations.

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. 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	proportional	At equity
As at 1.1.2012	**227**	**32**	**3**
Business combinations according to IFRS 3	2	0	0
Acquisition of property companies	4	2	0
Disposal of property companies	–2	0	0
New establishment of companies	6	8	0
Disposal of companies due to liquidation or restructuring	–17	0	0
As at 31.12.2012	**220**	**42**	**3**
thereof foreign companies	182	39	2

Acquisitions and disposals of companies

CA Immo Group acquired the following entities in 2012:

Company name/domicile	Purpose	Interest in %	Purchase price in € 1,000	Initial consolidation date
Hotel Operations Plzen s.r.o., Prague	Hotel operations	100.0	8	24.7.2012
Hotel Operations Europort s.r.o., Prague	Hotel operations	100.0	8	24.7.2012
Business combinations according to IFRS 3			**16**	
Camari Investments Sp.z o.o., Warsaw	Holding company	50.0	3	1.1.2012
Megapark o.o.d. (in prior year interest of 35 %), Sofia	Property company	8.5	0	1.1.2012
Avielen Beteiligungs GmbH, Vienna	Holding company with an interest of 10 % in ZAO „Avielen A.G.“, St. Petersburg	100.0	17	1.4.2012
Hotel Operations Plzen Holding s.r.o., Prague	Holding company	100.0	0	1.7.2012
Hotel Operations Europort Holding s.r.o., Prague	Holding company	100.0	0	1.7.2012
Alberique Limited, Limassol	Holding company	100.0	3	1.8.2012
IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A., Warsaw	Holding company	50.0	3	16.8.2012
Other acquisitions of companies			**26**	
Total			**42**	

These purchase prices were paid in full in cash.

In the business year, the Company incurred € 213 K (2011: € 39 K) in legal and other consulting expenses related to acquisitions according to IFRS 3. These expenses are reported in the item indirect expenses in the consolidated income statement.

CA Immo Group disposed of the following entities in the business year 2012:

Company name/domicile	Interest held in %	Sales price € 1,000	Deconsolidation date
Flottwellpromenade Projektentwicklungs GmbH & Co. KG, Berlin	50.0	1,900	30.9.2012
Flottwellpromenade Verwaltungs GmbH, Berlin	50.0	-	30.9.2012
Summe		**1,900**	

The sale price was paid in full in cash.

The above mentioned business combinations in accordance with IFRS 3 and the disposals (measured as of the date of initial consolidation or deconsolidation, as appropriate) had the following effect on the consolidated financial statements:

€ 1,000	IFRS 3 acquisitions at market values	Sales at book values
Properties	0	– 809
Office furniture and other equipment	154	0
Intangible assets	33	0
Cash and cash equivalents	3,838	– 76
Other assets	1,342	– 65
Deferred taxes	0	18
Provisions	– 34	0
Other liabilities	– 2,925	635
Liabilities to affiliated companies	– 2,408	0
Net assets	**0**	**– 297**

Other assets contain receivables and other assets with a fair value of € 1,342 K (nominal amount of € 1,355 K less allowances of € 13 K).

Gross revenues generated by the companies acquired according to IFRS 3 totalled € 3,272 K since the time of acquisition (since 1.1.2012: € 7,249 K). The result for the period amounted to € – 377 K (from 1.1.2012 : € 438 K).

Joint ventures

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

€ 1,000	31.12.2012	31.12.2011
Properties according to IAS 40	207,432	247,212
Other long-term assets	30,434	38
Properties held for trading	30,435	11,887
Other short-term assets	18,655	32,977
Deferred tax assets	616	1,272
Total assets	**287,572**	**293,386**
Long-term liabilities	88,533	103,769
Short-term liabilities	116,993	104,579
Deferred tax liabilities	8,138	15,495
Liabilities	**213,664**	**223,843**

€ 1,000	2012	2011
Rental income	13,343	11,520
Income from the sale of properties held for trading	1,089	18,852
Result from revaluation	7,482	3,265
Other income	5,228	1,622
Other expenses incl. book value of assets disposed	–6,293	–23,629
Operating result (EBIT)	**20,849**	**11,630**
Financial result	–4,965	–5,769
Net result before taxes (EBT)	**15,884**	**5,861**
Income tax	6,724	–3,052
Consolidated net income	**22,608**	**2,809**

Associated companies

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

€ 1,000	31.12.2012	31.12.2011
Properties according to IAS 40	387,049	456,603
Other long-term assets	154,151	123,357
Short-term assets	198,206	194,134
Long-term liabilities	483,352	451,584
Short-term liabilities	141,620	182,509
Group's share in net assets	**26,718**	**35,008**
	2012	**2011**
Gross revenues	211,207	92,252
Net income	–22,067	3,325
Group's share in net income	**–7,191**	**832**

As at 31.12.2012 – like at previous year – there were no unrecognised losses from associated companies given.

4. Accounting methods

a) Changes in the presentation and classification

In 2012, CA Immo Group acquired two hoteloOperationcompanies which have been renting two investment properties of the group so far. Therefore beginning in July 2012, these two properties are no longer accounted for in accordance with IAS 40, but in accordance with IAS 16 and are presented as hotel and other own used properties. Income and directly attributable expenses from the operation of the hotels are presented in a separate line item in the consolidated income statement.

Since gains from the redemption of interest bearing liabilities (repurchase of investment loans) are significant in 2012 they are presented separately in the consolidated income statement. For the comparative period 2011 an amount of € 1,470 K (redemption of convertible bonds and bonds) was reclassified from the item finance cost to other financial result.

In the consolidated statement of financial position, the purchase price from the acquisition of the shares in Europolis AG, Vienna, which is deferred for payment until 2015, was reclassified from other liabilities to interest bearing liabilities. For the purpose of improved comparability, an amount of € 136.884 K (long-term: € 136.000 K, short-term: € 884 K) was adjusted for 2011 accordingly.

b) Methods of consolidation

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 at which control is transferred to the parent. It is deconsolidated when control ends. All intra-group transactions between companies included in the scope of full and proportional consolidation, the related income and expenses, receivables and payables, as well as unrealised intra-group profits, are eliminated in full (or proportionally in the case of proportional consolidation).

CA Immo Group acquires companies that hold property assets. At the time of acquisition, the Company determines whether assets or a business are acquired. If a business is acquired, the acquisition encompasses not only properties and other assets and liabilities, but an integrated business. In detail, the following criteria are used for the assessment:

- number of properties and sites held by the subsidiary
- other major areas of included by the acquisition, such as property or asset management, accounting etc.
- existence of own employees managing the properties

If the acquisition of a property company does not represent a "business combination according to IFRS 3", the purchase encompasses only assets and liabilities. The acquired identifiable assets and liabilities of the company are recognised at their proportional acquisition cost. The acquisition cost is allocated to the acquired assets (especially properties) and liabilities 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. The subsidiary is consolidated for the first time using the acquisition method, by recognising its identifiable assets and liabilities at fair value and a goodwill if applicable.

Non-controlling interests are reported according to the classification of the capital interest as either shareholders' equity or loan capital, as non-controlling interests within shareholders' equity or as other liabilities within loan capital. Non-controlling interests are initially recognised at the proportional share in the recognised amounts of the acquired company's identifiable net assets. Non-controlling interests are 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.

Changes in the parent's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The book values of the controlling and non-controlling interests are adjusted to reflect the changes in the 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 owners of the company.

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

Joint ventures

CA Immo Group founds 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 included proportionally in the consolidated financial statements of CA Immo Group. The Group's interests in the assets, liabilities, income and expenses of jointly managed companies are allocated to the relevant line items of the consolidated financial statements.

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 (AE – at equity). According to the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost including directly attributable ancillary costs, adjusted for post-acquisition changes in the Group's share of the net assets of the associate, as well as for the Group's share in the profit or loss, other comprehensive income and dividend payouts and contributions, less any impairment losses on individual investments.

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

c) Foreign currency translation

Transactions in foreign currencies

The individual Group companies record foreign currency transactions at the rate of exchange prevailing at the day 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 rate of exchange prevailing on that date. Any resulting foreign currency gains or losses are recognised in the income statement of the relevant business year.

		Acquisition	**Sale**	**Acquisition**	**Sale**
		31.12.2012	**31.12.2012**	**31.12.2011**	**31.12.2011**
Switzerland	CHF	1.2002	1.2130	1.2090	1.2218
USA	USD	1.3156	1.3256	1.2905	1.3005

Translation of individual financial statements denominated in foreign currencies

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 hotel and other own use properties and other non-monetary assets are translated at historical exchange rates. Items of the income statement are translated at theaverage 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 subsidiaries in Ukraine, the management companies in Eastern Europe as well as the hotel operation companies in Czech Republic is the respective local currency. 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 and presented in the currency translation reserve.

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

		Closing rate 31.12.2012	Closing rate 31.12.2011	Average exchange rate 2012	Average exchange rate 2011
Bulgaria	BGN	1.9558	1.9558	1.9558	1.9558
Croatia	HRK	7.5500	7.5250	7.5243	7.3209
Poland	PLN	4.0882	4.4168	4.1721	4.1457
Romania	RON	4.4287	4.3197	4.3666	4.2313
Russia	RUB	40.2300	41.7000	40.0507	41.0177
Serbia	RSD	112.4000	106.0000	113.5209	101.9208
Czech Republic	CZK	25.1400	25.8000	25.0979	24.5788
Ukraine	UAH	10.5372	10.3624	10.3768	11.1648
Hungary	HUF	291.2900	311.1300	287.7321	280.6958

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 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 property concerned is intended for sale in the ordinary course of business or is under construction for subsequent sale in the ordinary course of business.

Properties held for the purpose of operating a hotel as well as investment properties used for administration purposesare presented under the item “own used properties”.

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

Valuation

All investment properties are measured according to the fair value model specified as an option under IAS 40. Under this model, property assets are measured at the fair value at the respective reporting date. 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 and changes due to agreed incentives) are recognised in the income statement under "result from revaluation".

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

Own used properties and the 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.

Office furniture, equipment and other assets are depreciated straight-line over their estimated useful life, which generally ranges from 3 to 40 years. The estimated useful life of the own used properties applying the principle that each part of an item with a significant cost shall be depreciated separately is 50 to 75 years for the structural work, 15 to 50 years for the façade, 20 to 25 years for the building equipment and appliances, 15 to 25 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 get ready for its intended use or sale. In cases in which loan capital is not directly attributable to an individual qualifying asset, the portional amount of the total financing 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.

Determination of fair value

Around 99.5 % (31.12.2011: 99.5 %) of the properties in Austria, about 97.9 % (31.12.2011: rd. 96.5 %) of the properties in Germany, and about 99.9 % (31.12.2011: 99.9 %) of the properties in Eastern Europe were subject to an external valuation as of the reporting date 31.12.2011. The values of the 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 exchange 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 valued mainly by the investment method. Under this method, the market values are based on capitalised future expected rental income. Besides the current contractual rents and lease expiration profile, the appraiser establishes and considers further parameters on the basis of professional judgment and estimates including in particular the long-term achievable market rent for an individual property (ERV: expected rental value) as well as property specific, risk adjusted yields (equivalent yields). In Austria the equivalent yields remain stable at prior year's level ranging from 3.0 % to 8.5 % (31.12.2011: 4.25 % to 8.5 %). The majority of properties range in the middle between 5.0 % and 6.75 %. Also in Germany mostly steady equivalent yields can be observed, as these markets are regarded as exceptionally stable. As of 31.12.2012 the discount rates/capitalization interest rates range here from 4.25 % to 9.5 % (31.12.2011: 4,0 % und 8,25 %), however the predominant number ranges in the middle (5.0 % und 6.5 %) of the mentioned range. The trends in Eastern Europe are mainly inconsistent. While in Poland and Slovakia a slight decline of equivalent yields can be noticed partially, in Hungary a slight average increases can be observed. For example, the yields for office properties range from 7.5 % to 9.25 (31.12.2011: 7.5 % to 9.25 %), in Hungary, 7.9 % - 10.0 % in Romania (31.12.2011: 8.5 % to 10.0 %), 8.4 % to 9.0 % in Serbia (31.12.2011: 8.25 % to 11.0 %) and 6.6 % to 8.0 % in Poland (31.12.2011: 6.8 % to 9.7 %). For the hotel properties in the portfolio in Slovenia and Czech Republic, the yields remain stable above 8.8 % to 10.0% (31.12.2011: 8.8 % to 10.0 %).Considerably variations can be observed partially for the logistic portfolio. The yields for logistic property remain consistently at 9.0 % in Hungary (31.12.2011: 8.75 % bis 9.0 %), in Romania at 10.0 % (31.12.2011: 9.5 %) and in Poland from 5 % to 9.9 % (31.12.2011: 9.5 % bis 9.7 %).

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 outstanding expenses and after applying a reasonable developer profit in the range of 4.0 % to 17.5% of acquisition or production costs (31.12.2011: 5.0 % bis 20.0 %)., Developer profit for properties under development, that are nearly completed, range at the bottom of the margin according to their reduced risk. Potential risks are considered in the estimated future rents and/or capitalisation/discount rates. Interest rates in Germany ranging from 4.0 % to 6.75 %. They 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 right before completion, the properties are valued by applying the investment method (see above), adjusted for outstanding work.

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, on the basis of comparable transactions or by the liquidation value, cost or residual value method.

e) Intangible assets

Goodwill resulting from business combinations pursuant to IFRS 3 mainly corresponds to the difference arising from the allocation of acquisition cost to the fair values of the acquired properties and the corresponding deferred tax liabilities, which are not discounted in accordance with IAS 12. Mainly, it represents the benefit resulting from the fact that the acquired deferred tax liabilities will become due in a future period. Goodwill is not amortised, but is tested for impairment at least annually.

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 an asset might be impaired, CA Immo Group determines the recoverable amount for the own used properties (including hotel operations), for office furniture, equipment and other assets as well as for intangible assets. The recoverable amount is the higher of the fair value less the cost to sell (net realisable value) and the value in use. The value in use is the present value of the expected future cash flows that are likely to be generated by the continued use of an asset and its retirement at the end of its useful life.

If this recoverable amount is lower than the carrying value of the asset, the asset is written down to the lower value. Impairment losses are reportet in the consolidated income statement under “depreciation and impairment/reversal”.

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

Goodwill is tested for impairment annually, with individual properties representing the cash generating unit. 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 for disposing individual properties. Hence, the book value of the cash generating unit includes, in addition to the allocated goodwill, the directly attributable deferred tax liability of the property determined at the time of the company’s acquisition. The recoverable amount is determined on the basis of fair value. The fair value of a property is determined on the basis of external valuation reports. The present value of the income tax payments was determined considering after-tax interest rates (the respective yield of the valued property less the effect of the tax rate in the respective country) of expected income tax payments.

The impairment test assumes an average retention period for properties held by CA Immo Group of 15 years and of 25 years for land/land banks from the date of acquisition. Due to the assumption of the retention period decreasing each year and thus of a reduced discounting period each year, further impairment losses corresponding to the reduction in the present value benefit are expected in future periods.

g) Financial assets and liabilities (FI – financial instruments)

Other interests in companies

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/at cost" (AFS/AC). Since a listed price on an active market is not available and the fair value cannot be reliably established, the other interests are measured at acquisition cost.

Loans and prepayments made on investments

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

Receivables and other financial assets

Trade receivables from the provision of services, other receivables and other financial assets are primary financial instruments that are not listed on active markets and not intended for sale. They are assigned to the measurement category "loans and receivables" (L&R). They are 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 and other assets 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 collected in full. Uncollectible receivables are derecognised. Subsequent payments in respect of receivables for which impairment losses have been recognised are recognised in the consolidated income statement in the item “Other operating income”.

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, sight deposits with 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. Cash in banks subject to drawing restrictions with a longer period are presented in “receivables and other assets”.

Interest-bearing liabilities

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

Other financial 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 current other liabilities, the fair value generally corresponds to the estimated sum of all future payments. For non-current other liabilities (advance payments), the acquisition cost of the liabilities corresponds to their present value and they are accumulated up to the market rates of bank deposits.

Derivative financial instruments

CA Immo Group uses derivative financial instruments, such as interest rate caps, floors, swaps and forward exchange transactions, in order to hedge against interest and currency risks. These derivative financial instruments are recognised at fair value at the time the contract is concluded and remeasured at fair value in the following periods. Derivative financial instruments with a positive fair value are recognised as financial assets and as financial liabilities if their fair value is negative.

Derivative financial instruments are presented in non-current assets or liabilities if the remaining term of the instrument exceeds twelve months and realisation or settlement within twelve months is not expected. All other derivative financial instruments 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 the case of derivative financial instruments qualifying as cash flow hedges, the effective portion of the change in fair value is recognised in other comprehensive income, i.e. directly in equity. The ineffective portion is immediately recognised as an expense in the item "Result from interest derivative transactions". The gains or losses from the measurement of the cash flow hedges recognised in equity 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, such as e.g. interest rate caps, floors and swaps without a concurrent loan agreement, are referred to as "fair value derivatives" to clearly distinguish these instruments from cash flow hedges. 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 recognised entirely in profit or loss in the item "Result from interest derivative transactions".

The fair values of interest rate swaps, caps and floors are calculated by discounting the future cash flows from variable payments on the basis of generally accepted finance-mathematical models.

h) Construction contracts

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

i) Other non-financial instruments

Other non-financial assets mainly consist of prepayments made on investment properties, 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 and short-term rent prepayments. They are initially recognised in the amount corresponding to the estimated outflow of funds. Changes in value arising from updated information are recognised in profit or loss.

j) Assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if the relevant book value is expected to be realised from a disposal and not from continued use. This 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 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 thistransaction.

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 continuously measured according to the fair value model, are exempted from this rule.

k) Payment obligations to employees

Variable remuneration

In business year 2010, the members of the Management Board were offered to participate in an LTI (long-term incentive) programme with a term of three years for the first time. Participants are required to invest own funds, subject to a ceiling of 50 % of their annual base salary. This investment was measured at the closing rate on 31.12.2009, and the number of underlying shares was calculated accordingly. Performance is measured according to the following indicators: NAV growth, ISCR (interest coverage ratio) and TSR (total shareholder return). Members of the first management level were also offered to participate in the LTI scheme. Their own investment is limited to 35 % of their basic salary. In the business years 2011 and 2012, the LTI programme was continued and the members of the Management Board and first management level were again offered to participate. The key indicators of the 2010 LTI programme were NAV growth, ISCR and TSR, but the weighting of these factors was revised and the target values were raised.

For such cash-settled share-based payments, the obligation incurred is built up over the vesting period of 3 years and reported under provisions. Until the liability is settled, the fair value is remeasured at each annual reporting date and at the settlement date. All changes in the fair value of the liability are recognised in profit or loss in the relevant business year when inccurred.

Defined benefit plans upon termination of employmentObligations arising from defined benefit pension plans exist for four persons in the CA Immo Germany Group. The commitments relate to four pension benefits, three of which for managing directors who have already retired. In accordance with IAS 19.59, reinsurance contracts in respect of defined benefit pension obligations concluded in previous years that qualify as plan assets are presented in “Non-current receivables and other assets” the to the extent that the plan assets exceed the present value of the future obligations and CA Immo Group has a legally enforceable right to the plan assets.

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:

	31.12.2012	31.12.2011
Interest rate	2.96%	4.75%
Salary increases expected in the future	2.0%	2.0%
Accumulation period	25 years	25 years
Expected income from plan asset	2.96%	3.0%

Actual return on plan assets for 2012 is 3,7 % (2011: 3.2 %).

The expected return on plan assets is set on a rate of 2,96 % (31.12.2011: observed average rate of 3,0 % during the recent years). Service cost and actuarial gains and losses related to the obligation are recognised in personnel expenses within indirect expenses in the year in which they arise. Interest expenses are recognised in financing costs. Both actuarial gains and losses related to the plan assets and expected return on plan assets are recognised in the result from financial investments in the year in which they arise.

CA Immo Group has the 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. A provision is recognised for this defined benefit obligation. According to IAS 19, a provision for those defined benefit obligation has been recognized.

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 are 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, depending on age; Germany: immediately upon reaching the age of 27). The contribution is calculated as a percentage of the relevant monthly gross salary, i.e. 2.5 % or 2.7 % in Austria, and 2.0 % in Germany. The contributions paid vest after a certain period (Austria: 5 or 7 years; Germany: 3 years) and are paid out as monthly pension upon retirement.

l) Other provisions and contingent liabilities

Other 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, it represents a contingent liability. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. In such cases, a provision is not recognised and an explanation of the facts is disclosed in the Notes. Contingent liabilities are also disclosed to the extent that a future outflow of funds is not probable and therefore, a provision is not recognised for that reason, but is likewise not improbable, either. The amounts disclosed represent the present value of the best estimate.

m) Taxes

Income tax expense reported for the business year contains the income tax on the taxable income 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. taxes related to issuing costs of capital increases and subscription rights due to convertible bonds, the measurement and sale of treasury shares, and – in some cases – the measurement of derivative transactions). 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 5 to 7 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, which are expected to apply at the time when the differences are reversed:

Country		Tax rate	Country		Tax rate
	2012	2011		2012	2011
Bulgaria	10.0%	10.0%	Switzerland	31.9%	31.9%
Germany	15.8% to 31.9%	15.8% to 31.9%	Serbia	15.0%	10.0%
Croatia	20.0%	20.0%	Slovakia	23.0%	19.0%
Luxembourg	28.6%	28.6%	Slovenia	17.0%	20.0%
Netherlands	20.0%	20.0%	Czech Republic	19.0%	19.0%
Austria	25.0%	25.0%	Ukraine	19.0%	21.0%
Poland	19.0%	19.0%	Hungary	10.0% / 19.0%	10.0% / 19.0%
Romania	16.0%	16.0%	Cyprus	10.0%	10.0%
Russia	20.0%	20.0%			

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

For certain entities within the CA Immo Germany Group a tax group has been established in accordance with German income tax legislation. 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 andafter 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.

n) Leases

CA Immo Group determines whether an arrangement contains a lease based on the substance of the arrangement at the time of inception 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.

o) Operating segments

The operating 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 that are aggregated into reportable business segments in a first order according to regions, and within the regions according to investment property and investment property under development. The properties are allocated to the segments according to region/country, 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:

- Properties: Investment properties rented, own used properties (including hotel operations) 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 and beginning of 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 AG, Vienna

p) Revenue recognition

Rental income is recognised on a straight-line basis over the term of the lease unless a different recognition method is more appropriate. Lease incentive agreements, such as rent-free periods, reduced rents for a certain period or one-off payments are included in rental income. Therefore, the lease incentives are allocated on a straight-line basis over the entire lease term accordingly. In the case of leases with constant rent adjustment over the term (graduated rents), such adjustments are recognised on a straight-line basis over the term of the lease likewise. 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, like for example any amounts which 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 market value of the consideration received or outstanding, less any direct reductions in rent income.

Payments received from tenants for the premature termination of a lease and payments for damage to rented premises are recognised as rental income in the priod in which they are incurred.

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”.

Income from hotel operations and service contracts is recognised to the extent the services have been rendered as of the reporting date.

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 costs 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 payments received in advance (prepayments received) are discounted at the time of receipt at a reasonable market interest rate reflecting maturity and risk, and accreted upon subsequent measurement. The accreted interest is recognised in the consolidated income statement in financial result.

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

If a contract for the construction of a property is recognised as a construction contract, related income is recognised – in compliance with IAS 11 – by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion of an individual construction contract is determined according to the ratio of contract costs incurred for work performed as of the reporting date to the estimated total contract costs.

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

For the purpose of revenue recognition in accordance with IAS 18, contracts are separated into their individual components if materially different services are combined into a single arrangement. Such a multi-component transaction is assumed when a contract contains several complementary but different elements, such as a service provided alongside a sale of an investment property. In such cases, revenue is recognised separately for each of these different elements. The purchase price of the property is recognised according to the revenue recognition criteria applicable to sales. Service revenue is recognised in accordance with the stage of completion. As material components of investment properties the following have been identified: procurement of planning permission, site development, surface construction and interior works. The allocation of the total revenues to the individual components is done based on the residual value menthod. By deducting the market value of the components not yet delivered the fair value of the components already delivered is resulting.

q) 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 market values are recognised in the consolidated income statement as result from revaluation (revaluation gain/loss). When property assets are sold during the business year, the valuation gain/loss 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. Likewise, any goodwill that has been allocated to a property sold is recognised within the result from the sale of investment properties.

r) 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.

s) Financial result

Finance costs comprise interest payable for external financing (if not required to be capitalised according to IAS 23), interest recognised by the effective interest-rate method, interest for committed external funds not yet received, current interest on hedging transactions, the interest costs arising from the calculation of retirement benefits, the net result attributable to non-controlling interests in limited partnerships and expenses similar to interest. Interest is deferred over time on behalf of 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 in German limited partnerships, whose capital contribution is recognised as debt in the statement of financial position under other liabilities.

Other financial result comprises the result from the repurchase of interest-bearing liabilities (e.g. loans, bonds) if the purchase price was below the book value. When convertible bonds are repurchased, a portion of the result is recognised directly in equity as capital reserves.

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

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

The result from other financial investments mainly relates to the valuation of loans and prepayments on investments in properties.

t) 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. Actual amounts in the future can differ from the initial assumptions.

Property valuation Immobilienbewertung

The crisis in the global financial system in recent years has triggered considerable uncertainty in the commercial property markets. As a result, prices and values are subject to increased fluctuation. 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. Unforeseen 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. It is likewise true that the influence exerted by the appraiser's assumptions on the estimated property value increases, the more distant the scheduled completion date is.

The property values established by external appraisers depend on several parameters, some of which 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, simplified assumptions were made below in order to present possible changes.

The table below illustrates the sensitivity of the fair value to a change in rental income (for the purposes of this model, defined as sustainable (reversionary) rent) and yield. It is based on a representative selection of the Group portfolio of investment properties that contains the highest-value investment properties, that are in Austria 2, in Germany 10 and Eastern Europe 13 properties. In total the market value of these 25 investment properties amounts to € 2.296 m and represents 52.3 % of the total investment property portfolio.

					Change in sustainable rent of
Change in yield (in % of initial yield)	**+10%**	**+5%**	**0%**	**– 5%**	**– 10%**
– 10%	20.3%	16.2%	12.1%	8.0%	4.0%
– 5%	13.3%	9.5%	5.8%	2.0%	– 1.8%
0%	7.0%	3.5%	0.0%	– 3.5%	– 7.0%
+5%	1.6%	– 1.6%	– 4.9%	– 8.2%	– 11.5%
+10%	– 3.6%	– 6.6%	– 9.7%	– 12.8%	– 15.8%

The scenarios show that a change in the gross rental income has a minor effect on the fair values while a change of yield has a significant effect on the fair values. 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. It is based on the development projects under construction in Germany.

				Still outstanding capital expenditures	
in € m	– 10%	– 5%	Initial value	+5%	+10%
Outstanding capital expenditures	175.0	184.7	194.4	204.2	213.9
Fair values	208.8	199.1	189.4	179.6	169.9
Changes to initial value	10.3%	5.1%	0.0%	– 5.1%	– 10.3%

The calculated scenarios indicate that currently a change in the outstanding investment costs has a proportional effect on the fair values. This relationship however is only a current snap-shot at at the balance sheet date, as the book values as of the reporting date are approximately below the expected outstanding investment costs. As the stage of completion advances, the effect will become less because the ratio of the outstanding investment costs to the invested capital gradually declines.

Taxes

All companies with property holdings are subject to local income tax on both rental income 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's financial statements.

Income from the disposal of investments in companies in Germany, Switzerland and Eastern Europe is wholly or partially exempt from income tax when certain conditions are met. Even if the Group intended to meet these conditions, the full amount of deferred tax liabilities is recognised for the investment properties.

Material assumptions about temporary differences and losses carried forward that can be offset against taxable profits need to be assessed and the probability that deferred tax assets can be capitalized. Uncertainties exist concerning the interpretation of complex tax regulations and with regard to the amount and effective date of future taxable income.

The probability that deferred tax assets arising from temporary differences and losses carried forward can be offset against taxable profits needs to be assessed. In this context, the impairment test applied to assess the recoverability of deferred tax assets depends on individual forecasts for each entity, taking into account, among other things, the future earnings situation planned for the relevant Group company. Given the complexity of international business interaction, differences between the actual results and the assumptions underlying the tax planning on the one hand, as well as the future changes to these assumptions on the other can influence future tax expenses and tax refunds. CA Immo Group recognises adequate provisions for probable liabilities arising from ongoing tax audits by the relevant national tax authorities.

Measurement of interest rate derivatives

CA Immo Group uses interest rate swaps, caps and floors in order to mitigate the risk of interest rate. 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 referencing an observable market yield curve. The calculation is based on interbank middle rates.

The practice of cash-flow hedge accounting (hedging of future cash flows) for interest rate swaps requests an estimation, whether the future cash-flow hedges of variable interests for financial liabilites occur with sufficient high probability. The probability of occurance depends on the existence of the direct refunding of financial liability, as far as the retention period of the interest rate swap is even longer. As far as probability is not sufficient anymore, cash-flow hedge accounting is not allowed to be applied. Changes in valuation that are determined in other comprehensive income (equity), needs to be recognised entirely in profit or loss.

u) 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 2012:

standard / interpretation	Content	entry into force[1]
IFRS 7	Amended IFRS 7: Disclosures - Transfers of Financial Assets	1.7.2011

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

New and revised standards and interpretations that are not yet compulsory

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

standard / interpretation	Content	entry into force[1]
IAS 1	Amended IAS 1: Presentation of Items of Other Comprehensive Income	1.7.2012
IAS 12	Amended IAS 12: Deferred Tax: Recovery of Underlying Assets	31.12.2012
IAS 19	Amended IAS 19: Employee Benefits	1.1.2013
IAS 27	Revised IAS 27: Separate Financial Statements	1.1.2014
IAS 28	Revised IAS 28: Investments in Associates and Joint Ventures	1.1.2014
IAS 32	Amended IAS 32: Offsetting Financial Assets and Financial Liabilities	1.1.2014
IFRS 1	Amended IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	31.12.2012
IFRS 1	Amended IAS 1: Government loans	1.1.2013[2]
IFRS 7	Amended IFRS 7: Offsetting Financial Assets and Financial Liabilities	1.1.2013
IFRS 7	Amendment IFRS 7: Mandatory effective date and transition disclosures	1.1.2015[2]
IFRS 9	New Standard: Financial Instruments	1.1.2015[2]
IFRS 9	Amendment IFRS 9: Mandatory effective date and transition disclosures	1.1.2015[2]
IFRS 10	New Standard: Consolidated Financial Statements	1.1.2014
IFRS 11	New Standard: Joint Arrangements	1.1.2014
IFRS 12	New Standard: Disclosures of Interests in Other Entities	1.1.2014
IFRS 13	New Standard: Fair Value Measurement	1.1.2013
IFRIC 20	New Interpretation: Stripping Costs in the Production Phase of a Surface Mine	1.1.2013

[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 revisions and interpretations listed above are not being adopted early by CA Immo Group – with the exception of the amendment of IAS 1 (Presentation of Items of Other Comprehensive Income). The first-time application of IFRS 9 to IFRS 12 will have significant effect on the presentation of the financial position of CA Immo Group and its financial performance. As a result of these new IFRSs, CA Immo Group will require including jointly controlled entities in the consolidated financial statements at equity, rather than by the proportional consolidation method applied so far.. Currently the CA Immo Group analyzes the possible effects on consolidated financial statement, especially with regard to IFRS 10. The first time application of other new standards and revisions are not expected to have a significant effect on the presentation of the financial position of CA Immo Group and its financial performance.

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 from rental activities, hotel operations, the sale of properties held for trading as well as from development services. Gross revenues are allocated to the country in which the investment properties are located.

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 "Accounting methods".

Transactions between operating segments are allocated as follows:

- Personnel costs directly attributable to a business segment are recognised in the relevant segment.
- Management fees for services performed by the holding segment (e.g. accounting, controlling, general expenses) are charged on basis of actual costs and are allocated to the individual segments on the basis of the invoiced services. They are recognised in the column “Holding” as other operating income.
- 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 other operating income.
- Due to an amendment of the strategic direction by the Management Board in 2012, expenses were allocated differently. In 2012, this results in a different allocation of indirect expenses in the segment of the German region. For a better comparability the amounts of the previous period have been adjusted accordingly (reallocation of € 2,925 K of the indirect expenses from the German development segment to the German income producing segment).
- In 2012, the convertible bond and other bonds were shown for the first time in the column “Holding”. The amounts of 2011 have been adjusted accordingly (31.12.2011: German development segment reduction by € 265,699 K, Eastern Europe income producing segment reduction by € 218.640 K, column Holding increase by € 464,339 K).
- In the current business year, the segment reporting ends for the first time at the line operating result (EBIT), whereas the finance structure of CA Immo Group is directed by the Management Board not via segments/regions but via the entire CA Immo Group.

[1] Incl. one property in Switzerland

[2] Property assets include rental investment properties, investment properties under development, hotels and other own used properties, properties held for trading and prepayments made on property acquisitions.

[3] 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 € 5,118 K (31.12.2011: € 7,514 K) in properties held for trading.

€ 1,000 2012	Income producing	Development	Austria Total	Income producing
Rental income	39,544	36	39,580	67,810
Rental income with other operating segments	738	0	738	291
Operating costs charged to tenants	8,827	36	8,863	7,093
Operating expenses	– 10,002	– 36	– 10,038	– 8,467
Other expenses directly related to properties rented	– 3,863	0	– 3,863	– 4,802
Net rental income	**35,244**	**36**	**35,280**	**61,925**
Result from hotel operations	0	0	0	0
Trading result	0	0	0	0
Result from development services	0	0	0	0
Other expenses directly related to investment properties under development	0	– 720	– 720	0
Net operating income	**35,244**	**– 684**	**34,560**	**61,925**
Result from the sale of investment properties	3,302	0	3,302	81
Indirect expenses	– 987	– 211	– 1,198	– 7,841
Other operating income	384	0	384	1,560
EBITDA	**37,943**	**– 895**	**37,048**	**55,725**
Depreciation and impairment/reversal	– 1,441	0	– 1,441	– 117
Result from revaluation	1,897	2,868	4,765	– 18,462
Operating result (EBIT)	**38,399**	**1,973**	**40,372**	**37,146**

31.12.2012				
Property assets[2)]	679,778	60,200	739,978	1,132,081
Other assets	56,649	1,036	57,685	121,469
Deferred tax assets	0	0	0	974
Segment assets	**736,427**	**61,236**	**797,663**	**1,254,524**
Interest-bearing liabilities	343,719	20,845	364,564	699,938
Other liabilities	44,242	1,091	45,333	125,735
Deferred tax liabilities incl. current income tax liabilities	54,609	271	54,880	6,405
Liabilities	**442,570**	**22,207**	**464,777**	**832,078**
Shareholders' equity	**293,857**	**39,029**	**332,886**	**422,446**
Capital expenditures[3)]	5,005	24,532	29,537	360

Development[1)]	Germany[1)] Total	Income producing	Development	Eastern Europe Total	Holding	Total segments	Consolidation	Total
32,735	100,545	139,730	1,031	140,761	0	280,886	0	280,886
0	291	0	0	0	0	1,029	– 1,029	0
6,488	13,581	45,631	102	45,733	0	68,177	0	68,177
– 8,773	– 17,240	– 52,316	– 238	– 52,554	0	– 79,832	0	– 79,832
– 5,883	– 10,685	– 9,485	– 237	– 9,722	0	– 24,270	0	– 24,270
24,567	**86,492**	**123,560**	**658**	**124,218**	**0**	**245,990**	**– 1,029**	**244,961**
0	0	478	0	478	0	478	0	478
5,195	5,195	0	0	0	0	5,195	0	5,195
1,675	1,675	0	0	0	0	1,675	0	1,675
– 2,624	– 2,624	0	– 1,063	– 1,063	0	– 4,407	0	– 4,407
28,813	**90,738**	**124,038**	**– 405**	**123,633**	**0**	**248,931**	**– 1,029**	**247,902**
25,034	25,115	3,857	0	3,857	0	32,274	0	32,274
– 11,849	– 19,690	– 14,904	– 3,082	– 17,986	– 12,834	– 51,708	5,811	– 45,897
2,890	4,450	6,627	634	7,261	3,750	15,845	– 4,782	11,063
44,888	**100,613**	**119,618**	**– 2,853**	**116,765**	**– 9,084**	**245,342**	**0**	**245,342**
– 2,771	– 2,888	– 1,855	– 4	– 1,859	– 340	– 6,528	0	– 6,528
61,641	43,179	– 53,497	– 2,896	– 56,393	0	– 8,449	0	– 8,449
103,758	**140,904**	**64,266**	**– 5,753**	**58,513**	**– 9,424**	**230,365**	**0**	**230,365**

1,369,555	2,501,636	1,872,552	146,940	2,019,492	0	5,261,106	0	5,261,106
235,586	357,055	178,512	89,890	268,402	344,246	1,027,388	– 409,864	617,524
7,107	8,081	1,731	0	1,731	42,285	52,097	– 42,285	9,812
1,612,248	**2,866,772**	**2,052,795**	**236,830**	**2,289,625**	**386,531**	**6,340,591**	**– 452,149**	**5,888,442**
578,329	1,278,267	1,471,235	156,093	1,627,328	518,778	3,788,937	– 409,405	3,379,532
176,137	301,872	56,656	1,518	58,174	56,937	462,316	– 459	461,857
99,479	105,884	110,149	2,636	112,785	47	273,596	– 42,285	231,311
853,945	**1,686,023**	**1,638,040**	**160,247**	**1,798,287**	**575,762**	**4,524,849**	**– 452,149**	**4,072,700**
758,303	**1,180,749**	**414,755**	**76,583**	**491,338**	**– 189,231**	**1,815,742**	**0**	**1,815,742**
165,452	165,812	21,411	24,651	46,062	727	242,138	0	242,138

€ 1,000 2011	Income producing	Development	Austria Total	Income producing
Rental income	36,918	197	37,115	71,229
Rental income with other operating segments	622	0	622	312
Operating costs charged to tenants	7,947	43	7,990	6,104
Operating expenses	– 9,650	– 49	– 9,699	– 6,870
Other expenses directly related to properties rented	– 3,314	0	– 3,314	– 4,346
Net rental income	**32,523**	**191**	**32,714**	**66,429**
Trading result	0	0	0	0
Result from development services	0	0	0	0
Other expenses directly related to investment properties under development	0	– 515	– 515	0
Net operating income	**32,523**	**– 324**	**32,199**	**66,429**
Result from the sale of investment properties	3,619	– 2,203	1,416	– 818
Indirect expenses	– 935	– 709	– 1,644	– 6,839
Other operating income	421	11	432	4,874
EBITDA	**35,628**	**– 3,225**	**32,403**	**63,646**
Depreciation and impairment/reversal	– 3,873	– 60	– 3,933	– 74
Result from revaluation	– 6,713	3,285	– 3,428	13,606
Operating result (EBIT)	**25,042**	**0**	**25,042**	**77,178**

31.12.2011

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

Development[1]	Germany[1] Total	Income producing	Development	Eastern Europe Total	Holding	Total segments	Consolidation	Total
18,922	90,151	132,282	6,028	138,310	0	265,576	0	265,576
0	312	0	0	0	0	934	– 934	0
4,738	10,842	43,226	2,268	45,494	0	64,326	0	64,326
– 3,896	– 10,766	– 50,897	– 4,051	– 54,948	0	– 75,413	0	– 75,413
– 4,458	– 8,804	– 14,021	– 1,264	– 15,285	0	– 27,403	0	– 27,403
15,306	**81,735**	**110,590**	**2,981**	**113,571**	**0**	**228,020**	**– 934**	**227,086**
7,790	7,790	0	0	0	0	7,790	0	7,790
578	578	0	0	0	0	578	0	578
– 5,970	– 5,970	0	– 830	– 830	0	– 7,315	0	– 7,315
17,704	**84,133**	**110,590**	**2,151**	**112,741**	**0**	**229,073**	**– 934**	**228,139**
34,391	33,573	9,044	928	9,972	0	44,961	0	44,961
– 9,066	– 15,905	– 16,777	– 4,480	– 21,257	– 11,714	– 50,520	6,475	– 44,045
2,887	7,761	7,720	2,053	9,773	4,943	22,909	– 5,541	17,368
45,916	**109,562**	**110,577**	**652**	**111,229**	**– 6,771**	**246,423**	**0**	**246,423**
– 5,224	– 5,298	– 704	– 322	– 1,026	– 264	– 10,521	0	– 10,521
55,636	69,242	– 342	– 16,329	– 16,671	0	49,143	0	49,143
96,328	**173,506**	**109,531**	**– 15,999**	**93,532**	**– 7,035**	**285,045**	**0**	**285,045**
1,212,884	2,364,898	1,900,229	232,218	2,132,447	0	5,222,183	0	5,222,183
286,751	439,529	231,172	103,838	335,010	303,445	1,107,197	– 424,543	682,654
6,518	8,962	2,316	461	2,777	39,083	50,822	– 39,083	11,739
1,506,153	**2,813,389**	**2,133,717**	**336,517**	**2,470,234**	**342,528**	**6,380,202**	**– 463,626**	**5,916,576**
473,863	1,183,116	1,439,275	232,756	1,672,031	552,272	3,824,488	– 423,590	3,400,898
210,105	312,740	62,544	10,324	72,868	83,409	478,524	– 953	477,571
90,394	100,335	111,988	2,881	114,869	0	267,735	– 39,083	228,652
774,362	**1,596,191**	**1,613,807**	**245,961**	**1,859,768**	**635,681**	**4,570,747**	**– 463,626**	**4,107,121**
731,791	**1,217,198**	**519,910**	**90,556**	**610,466**	**– 293,153**	**1,809,455**	**0**	**1,809,455**
242,886	244,259	1,379,253	176,626	1,555,879	157	1,828,069	0	1,828,069

A significant portion (respectively more than 10 %) of total rental income is generated by CA immo Group in the four core regions of the Eastern Europe segment. In these regions a material portion of the investment properties of CA Immo Group is located:

	2012		2011	
	€ 1,000	Share in %	€ 1,000	Share in %
Rental income				
Poland	41,066	14.6	37,846	14.3
Romania	30,587	10.9	28,494	10.7
Czech Republic	24,417	8.7	29,313	11.0
Hungary	28,688	10.2	27,163	10.2
Fair value of investment properties IAS 40				
Poland	510,494	9.9	628,997	12.3
Romania	417,620	8.1	410,581	8.0
Czech Republic	317,560	6.1	344,920	6.7
Hungary	403,700	7.8	421,570	8.2

2. Rental income

€ 1,000	2012	2011
Basic rental income	268,496	254,126
Conditional rental income	1,334	3,006
Accrued rental income related to lease incentive agreements	9,841	7,296
Settlement from cancellation of rent agreements	1,215	1,148
Rental income	**280,886**	**265,576**

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

2012	Austria		Germany		Eastern Europe		Total	
	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %
Offices	17,347	44	83,663	84	109,303	78	210,313	74
Hotels	6,061	15	856	1	1,976	1	8,893	3
Retail	10,693	27	295	0	7,402	5	18,390	7
Logistics	147	0	8,523	8	21,225	15	29,895	11
Residential	2,295	6	4	0	0	0	2,299	1
Other properties	3,037	8	7,204	7	855	1	11,096	4
Rental income	**39,580**	**100**	**100,545**	**100**	**140,761**	**100**	**280,886**	**100**

2011	Austria		Germany		Eastern Europe		Total	
	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %
Offices	14,233	39	73,228	82	99,568	72	187,029	70
Hotels	4,910	13	882	1	7,022	5	12,814	5
Retail	10,836	29	365	0	9,172	6	20,373	8
Logistics	143	0	7,273	8	21,686	16	29,102	11
Residential	4,023	11	45	0	0	0	4,068	1
Other properties	2,970	8	8,358	9	862	1	12,190	5
Rental income	**37,115**	**100**	**90,151**	**100**	**138,310**	**100**	**265,576**	**100**

CA Immo Group generates rental income from a multitude of tenants. The rental income from rental agreements with one tenant in Germany (Federal State of Hessen) CA Immo Group generates more than 10 % of total rental income as follows:

€ 1,000	2012	2011
Rental income Federal State of Hessen	46,508	43,297
Principal tenant as a % of the rental income total	16.6%	16.3%
Fair value properties rented by Federal State of Hessen	800,550	813,850
Principal tenant as a % of the rental investment properties	18.2%	19.5%

3. Result from operating costs and other expenses directly related to properties rented

€ 1,000	2012	2011
Operating costs charged to tenants	68,177	64,326
Operating expenses	– 79,832	– 75,413
Own operating costs	**– 11,655**	**– 11,087**
Maintenance costs	– 7,905	– 6,005
Agency fees	– 5,053	– 2,369
Bad debt losses and reserves for bad debts	– 2,492	– 8,497
Other directly related expenses	– 8,820	– 10,532
Other expenses directly related to properties rented	**– 24,270**	**– 27,403**
Total	**– 35,925**	**– 38,490**

4. Result from hotel operations

Beginning in July 2012, CA Immo Group is operating two previously rented hotels in Czech Republic. The result from hotel operations therefore includes half a year. Other expenses from hotel operations mainly include expenses for food and beverages, catering, hotel rooms, licence and management fees, advertising costs, bad debts, operating costs, maintenance costs and other costs related to properties.

The depreciation of hotels operated by CA Immo Group are inlcuded in the item „depreciation and impairment of long-term assets“ with an amount of € 856 K (2011: € 0 K).

5. Trading result

€ 1,000	2012	2011
Income from sales	**8,426**	**28,049**
Book value of sold properties incl. ancillary costs	– 2,367	– 18,722
Book value of goodwill	– 9	0
Reversal of impairment losses previously recognised on properties sold during the business year	160	20
Impairment losses on properties sold during the business year	0	– 121
Other development expenses/materials costs	– 371	– 761
Own operating costs (vacancy costs)	– 644	– 675
Book value of sold properties held for trading	**– 3,231**	**– 20,259**
Trading result	**5,195**	**7,790**
Trading result as a % of income from sales	61.7%	27.8%

Other development expenses/materials costs include non-capitalisable project costs at CA Immo Germany Group.

6. Result from development services

€ 1,000	2012	2011
Revenues from contract work according to IAS 11	662	702
Revenues from service contracts	3,278	1,618
Other materials costs	– 837	– 798
Personnel expenses	– 1,428	– 944
Result from development services	**1,675**	**578**
Result from services as a % of revenues from development services	42.5%	24.9%

Costs incurred for contract work in accordance with IAS 11 for projects in progress at the reporting date total € 1,205 K (2011: € 602 K) so far, the related accumulated revenues amount to € 1,461 K (31.12.2011: € 799 K). In 2012, profits recognised by reference to the stage of completion of the contract amount to € 59 K (2011: € 197 K). Prepayments received total € 1,351 K (31.12.2011: € 742 K).

7. Other expenses directly related to investment properties under development

€ 1,000	2012	2011
Operating expenses related to investment properties under development	– 3,008	– 4,466
Property advertising costs	– 444	– 1,427
Project development and project execution	– 955	– 1,422
	– 4,407	**– 7,315**

8. Result from the sale of investment properties

€ 1,000	Austria	Germany	Eastern Europe	2012	Austria	Germany	Eastern Europe	2011
Sales prices for interests in property companies	0	1,900	0	1,900	0	42	32,958	33,000
Book value of net assets sold	0	– 297	0	– 297	0	530	– 26,474	– 25,944
Goodwill of sold properties	0	0	0	0	0	0	– 1,472	– 1,472
Revaluation result for the year	0	57	0	57	0	226	5,183	5,409
Subsequent costs and ancillary costs	0	0	0	0	0	– 111	– 307	– 418
Results from the sale of investment property (share deals)	**0**	**1,660**	**0**	**1,660**	**0**	**687**	**9,888**	**10,575**
Income from the sale of investment properties	21,021	99,722	104,695	225,438	38,259	152,032	424	190,715
Book value of properties sold	– 17,248	– 76,581	– 104,250	– 198,079	– 37,334	– 114,007	– 340	– 151,681
Goodwill of sold properties	– 201	– 196	0	– 397	– 709	– 1,401	0	– 2,110
Revaluation result for the year	0	10,440	4,537	14,977	1,917	19,561	0	21,478
Subsequent costs and ancillary costs	– 270	– 9,930	– 1,126	– 11,326	– 717	– 23,298	0	– 24,015
Results from the sale of investment property (asset deals)	**3,302**	**23,455**	**3,856**	**30,613**	**1,416**	**32,887**	**84**	**34,387**
Result from the sale of investment properties	**3,302**	**25,115**	**3,856**	**32,273**	**1,416**	**33,574**	**9,972**	**44,962**

In the previous year the book value of net assets sold (= equity) included investment properties in the amount of € 3,270 K in Germany and € 102,710 K in Eastern Europe, for which purchase prices totalling € 105,980 K were agreed.

9. Indirect expenses

€ 1,000	2012	2011
Personnel expenses	– 32,558	– 32,220
Legal, auditing and consulting fees	– 10,620	– 11,343
Office rent	– 1,902	– 2,430
Travel expenses and transportation costs	– 1,370	– 1,347
Other expenses internal management	– 4,760	– 4,602
Other indirect expenses	– 5,161	– 4,907
Subtotal	**– 56,371**	**– 56,849**
Own work capitalised in investment property	9,844	12,108
Change in properties held for trading	630	696
Indirect expenses	**– 45,897**	**– 44,045**

Personnel expenses include contributions to staff welfare funds in the amount of € 102 K (2011: € 114 K) and to pension and relief funds in the amount of € 485 K (2011: € 373 K).

10. Other operating income

€ 1,000	2012	2011
Management fees	2,650	3,966
Reversal of provisions	2,830	2,901
Reversal of bad debt allowance	1,744	2,220
Compensation payment	0	3,380
Others	3,839	4,901
Other operating income	**11,063**	**17,368**

11. Depreciation and impairment losses/reversal

€ 1,000	2012	2011
Regular depreciation	– 3,175	– 2,381
Impairment loss on goodwill	– 1,959	– 6,901
Impairment loss on properties held for trading	– 1,471	– 1,284
Reversal of impairment loss previously recognised on properties held for trading	77	44
Depreciation and impairment/reversal	**– 6,528**	**– 10,521**

12. Finance costs

€ 1,000	2012	2011
Interest expense banks	– 135,158	– 129,001
Interest expense bonds	– 19,587	– 21,237
Interest expense convertible bond	– 6,490	– 6,686
Other interest and finance costs	– 7,609	– 5,555
Finance costs	**– 168,844**	**– 162,479**

13. Other financial result

In 2012, CA Immo Group repurchased two loans for properties in Eastern Europe from the financing bank. The difference between the purchase price and the outstanding loan amount is presented in this item. In 2011, this item relates to the gain from the repurchase of bonds and convertible bonds.

14. Result from interest derivative transactions

€ 1,000	2012	2011
Valuation interest rate derivative transactions (not realised)	– 9,867	– 17,645
Reclassification of valuation results recognised in equity in prior years	– 1,299	– 4,892
Ineffectiveness of interest rate swaps	– 1,139	– 111
Realised results from interest rate derivative transactions	0	192
Result from interest rate derivative transactions	**– 12,305**	**– 22,456**

The item "Valuation interest rate derivative transactions (not realised)" includes the follwing items:

€ 1,000	2012	2011
Valuation of interest rate swaps without cash flow hedge relation	– 9,716	– 16,436
Valuation cash flow hedges relating to premature termination of cash flow hedge relation	– 261	1,558
Valuation result from counter-swaps	0	– 1,874
Valuation of interest rate caps and interest rate floors	110	– 893
Valuation interest rate derivative transactions (not realised)	**– 9,867**	**– 17,645**

15. Result from financial investments

€ 1,000	2012	2011
Interest income from loans to associated companies and joint ventures	3,159	3,480
Interest income on bank deposits	1,759	3,896
Income from investments	52	35
Realised income from securities	0	815
Other interest income	4,033	3,331
Result from financial investments	**9,003**	**11,557**

16. Result from other financial assets

The result from other financial assets for the year 2012 amounts to €– 7,000 K (2011: € – 4,675 K) and relates to the reversal of previously recognised impairment losses upon the sale of interests in properties of € 333 K (2011: € 325 K) and to impairment losses on loans related to investments in Germany and Eastern Europe amounting to € 7,333 K (2011: € 5,000 K).

17. Result form associated companies

€ 1,000	2012	2011
UBM Realitätenentwicklung AG, Vienna	2,712	1,640
ZAO „Avielen A.G.“, St. Petersburg	– 18	– 3,334
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	0	– 2
	2,694	**– 1,696**

18. Net results from categories of financial instruments

€ 1,000		Category[1)]	2012	2011
Interest expense		FLAC	– 168,844	– 162,479
Other financial result		FLAC	20,764	1,470
Foreign currency gains/losses	Valuation		– 6,208	5,100
	Realisation		3,194	– 3,267
Forward foreign exchange transactions	Valuation	HFT	1,214	– 1,432
	Realisation	HFT	– 346	– 67
Interest rate swaps	Valuation	HFT	– 11,275	– 21,644
		CFH	– 1,139	– 111
	Realisation	HFT	0	192
Interest rate caps and floors	Valuation	HFT	110	– 893
Securities	Realisation	FV/PL	0	815
Interest income		L&R	8,950	10,707
		AFS/AC	52	35
Result from other financial assets		L&R	– 7,000	– 4,675
Result from associated companies		AE	2,694	– 1,696
Financial result			**– 157,834**	**– 177,945**

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

19. Income tax

€ 1,000	2012	2011
Current income tax (current year)	– 28,112	– 27,619
Current income tax (previous years)	33,089	358
Current income tax	**4,977**	**– 27,261**
Effective tax rate (current income tax)	-	25.5%
Change in deferred taxes	– 28,947	– 17,645
Tax benefit on valuation of derivative transactions	0	5,477
Income tax	**– 23,970**	**– 39,429**
Effective tax rate (total)	33.0%	36.8%

Current income tax mainly results from the segment Germany. The change in current income tax (previous years) is mainly due to a tax benefit claimed 2012 in tax returns for previous years, which in turn resulted in an increase in deferred tax liabilities to some extent.

The reasons for the difference between expected income tax expense and effective income tax expense are outlined in the following table:

€ 1,000	2012	2011
Net result before taxes	72,531	107,100
Expected tax expenses (tax rate Austria 25.0% / prior year 25.0%)	**– 18,133**	**– 26,775**
Differing tax rates abroad	– 8,212	5,039
Non-usable tax losses carried forward	– 5,069	– 17,221
Recognition of tax assets not recognised in prior periods	3,021	6,988
Tax-effective impairment and reversal of impairment losses of investments in affiliated entities	– 700	5,493
Impairment loss on goodwill	– 542	– 2,940
Non tax-deductible expense and permanent differences	– 7,384	– 977
Exchange rate differences not affecting tax	1,453	– 2,817
Tax-exempt income	2,703	1,685
Tax-exempt sales	13,172	1,334
Adjustment of preceeding periods	– 9,071	– 7,797
Change in tax rate	5,822	– 1,748
Trade tax effects	– 516	881
Others	– 514	– 574
Effective tax expense	**– 23,970**	**– 39,429**

The item „Recognition of tax credits not recognised in prior periods“ includes, among others, previously not recognised tax loss carryforwards of € 1,524 K as well as € 1,496 K for the actual use of previously unrecognised tax loss carryforwards. The item "adjustment of preceeding periods" includes, among others, reversals of impairment losses previously recognised on deferred tax assets of € – 2,761 K.

20. Other comprehensive income

2012

€ 1,000	Valuation result (hedging)	Reserves from associates	Currency translation reserve	Reserve according to IAS 16	Total
Other comprehensive income before taxes	– 17,759	– 424	283	486	– 17,414
Income tax related to other comprehensive income	3,093	53	0	– 121	3,025
Other comprehensive income for the period	**– 14,666**	**– 371**	**283**	**365**	**– 14,389**
thereof: attributable to the owners of the parent	– 14,559	– 371	195	365	– 14,370
thereof: attributable to non-controlling interests	– 107	0	88	0	– 19

2011

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

The reserve from associates comprises currency translation effects and cash flow hedge valuations recognised directly in equity of associated companies.

The reclassification of € 1,299 K (2011: € 4,892 K) relates to the fair values of cash flow hedges recorded in equity as at previous year's reporting date for which the underlying loans were repaid prematurely during business year.

The reserve according to IAS 16 results from the valuation at the market value due to reclassification of an own used part of a property from IAS 16 to IAS 40.

21. Long-term properties, office furniture and other equipment

€ 1,000	Rental investment properties	Investment properties under development	Hotel and other own used properties	Office furniture and other equipment	Total
Book values					
As at 1.1.2011	**2,716,211**	**790,582**	**13,575**	**1,638**	**3,522,006**
Addition from business combinations IFRS 3	1,377,636	111,213	40	9,204	1,498,092
Purchase of real estate companies	78,273	0	0	63	78,337
Current investment/construction	32,403	191,545	0	1,078	225,026
Disposals	– 132,682	– 73,772	0	– 180	– 206,634
Depreciation and amortisation	0	0	– 762	– 1,370	– 2,132
Reclassification to assets held for sale	0	– 49,124	0	0	– 49,124
Other reclassifications	65,558	– 65,006	– 93	– 443	15
Revaluation	33,171	29,135	0	479	62,785
Currency conversion	0	– 90	0	0	– 90
Addition of incentives agreements company acquisitions	8,939	0	0	0	8,939
Change in lease incentives	3,693	0	0	0	3,693
As at 31.12.2011 = 1.1.2012	**4,183,202**	**934,482**	**12,760**	**10,470**	**5,140,914**
Addition from business combinations IFRS 3	0	0	0	154	154
Purchase of real estate companies	8,190	61	0	0	8,251
Current investment/construction	65,708	160,200	120	728	227,129
Disposals	– 125,835	– 35,013	0	– 116	– 160,985
Depreciation and amortisation	0	0	– 1,598	– 1,230	– 2,828
Reclassification of own used properties	– 24,485	0	24,485	0	0
Reclassification to assets held for sale	0	– 32,806	0	0	– 32,806
Reclassification from IAS 40 to IAS 2	0	– 17,557	0	0	– 17,557
Other reclassifications	303,292	– 302,892	0	– 33	16
Revaluation	– 19,863	20,363	486	0	987
Change in lease incentives	1,169	150	0	0	1,319
As at 31.12.2012	**4,391,378**	**726,988**	**36,253**	**9,972**	**5,164,591**

The following table provides an overview of the book values at the respective reporting date:

€ 1,000	Rental investment properties	Investment properties under development	Hotel and other own used properties	Office furniture and other equipment	Total
As at 1.1.2011					
Acquisition costs					
Fair value of properties	2,716,211	790,582	16,689	3,845	3,527,328
Accumulated depreciation	0	0	– 3,115	– 2,207	– 5,322
Fair value/book value	**2,716,211**	**790,582**	**13,575**	**1,638**	**3,522,006**
As at 31.12.2011 = 1.1.2012					
Acquisition costs					
Fair value of properties	4,170,569	934,482	16,637	13,895	5,135,582
Accumulated depreciation	0	0	– 3,877	– 3,425	– 7,302
Net book value	**4,170,569**	**934,482**	**12,760**	**10,470**	**5,128,281**
Lease incentive agreements	12,633	0	0	0	12,633
Fair value/book value	**4,183,202**	**934,482**	**12,760**	**10,470**	**5,140,914**
As at 31.12.2012					
Acquisition costs					
Fair value of properties	4,390,208	726,838	40,378	14,401	5,171,825
Accumulated depreciation	0	0	– 4,125	– 4,429	– 8,553
Net book value	**4,390,209**	**726,838**	**36,253**	**9,972**	**5,163,272**
Lease incentive agreements	1,169	150	0	0	1,319
Fair value/book value	**4,391,378**	**726,988**	**36,253**	**9,972**	**5,164,592**

The current capital expenditures (construction costs) for existing investment properties under development mainly relate to „Lände 3“ in Vienna (€ 24,512 K), „Skyline Plaza“ in Frankfurt (€ 45,711 K), one project in Berlin (€ 29,894 K) as well as further projects in Germany, Slovakia and Poland. The capital expenditure for existing properties mainly relates to the completion of the objects „Tower 185“ in Frankfurt (€ 25,186 K) and „Europaplatz“ in Berlin (€ 17,187 K).

The disposals mainly relate to the sale of „Warsaw Financial Center“ in Warsaw (€ 104,250 K) and various sales transactions in Vienna, Berlin and Munich.

The reclassification from investment properties to own used properties mainly relates to two hotels in Czech Republic which are operated by CA Immo Group beginning mid 2012.

The market value of the properties assigned as collateral for external financings totals € 4,204,287 K (31.12.2011: € 4,315,776 K), thereof € 161,450 K (31.12.2011: € 176,181 K) relate to joint ventures.

In the 2012 financial year, a total of € 5,361 K (2011: € 9,934 K) of borrowing costs related to the construction of properties was capitalised at a weighted average interest rate of 3.6 % (2011: 2.8 %) to contruction cost.

22. Intangible assets

€ 1,000	Goodwill	Software	Total
Book values			
As at 1.1.2011	**31,093**	**374**	**31,468**
Addition from business combinations IFRS 3	18,019	75	18,093
Current additions	0	334	334
Disposals	– 3,581	– 28	– 3,610
Depreciation and amortisation	0	– 268	– 268
Impairment	– 6,901	0	– 6,901
Reclassification	0	– 14	– 14
As at 31.12.2011 = 1.1.2012	**38,631**	**472**	**39,103**
Addition from company acquisitions	0	33	33
Current additions	0	709	709
Disposals	– 406	– 10	– 416
Depreciation and amortisation	0	– 346	– 346
Impairment	– 1,959	0	– 1,959
Reclassification	0	– 2	– 2
As at 31.12.2012	**36,265**	**857**	**37,122**

The following table shows the book values at each of the reporting dates:

€ 1,000	Goodwill	Software	Total
As at 1.1.2011			
Acquisition costs	62,960	1,079	64,039
Accumulated impairment/amortisation	– 31,866	– 705	– 32,571
Book values	**31,094**	**374**	**31,468**
As at 31.12.2011 = 1.1.2012			
Acquisition costs	64,464	1,377	65,841
Accumulated impairment/amortisation	– 25,834	– 905	– 26,738
Book values	**38,630**	**472**	**39,101**
As at 31.12.2012			
Acquisition costs	58,352	2,124	60,476
Accumulated impairment/amortisation	– 22,087	– 1,267	– 23,354
Book values	**36,265**	**857**	**37,122**

23. Prepayments made on investments in properties

The item "Prepayments made on investments in properties" relates to payments for contracts with a closing to be effected at a later point in time. As at 31.12.2011, this item included the prepayment made on a project company in Prague (forward purchase) in the amount of € 2,217 K, which was sold in 2012.

24. Investments in associated companies

€ 1,000	Region [1]	1.1.2012	Payments made	Dividend distribution	Proportional income of the period	Proportional other income	31.12.2012
UBM Realitätenentwicklung AG, Vienna	CEE	34,698	0	– 825	2,712	– 373	36,212
ZAO „Avielen A.G.“, St. Petersburg	CEE	0	18	0	– 18	0	0
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	Germany	21	0	0	0	0	21
		34,719	**18**	**– 825**	**2,694**	**– 373**	**36,233**

€ 1,000	Region [1]	1.1.2011	Payments made	Dividend distribution	Proportional income of the period	Proportional other income	31.12.2011
UBM Realitätenentwicklung AG, Vienna	CEE	33,739	0	– 825	1,641	143	34,698
ZAO „Avielen A.G.“, St. Petersburg	CEE	3,335	0	0	– 3,335	0	0
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	Germany	22	0	0	– 1	0	21
		37,096	**0**	**– 825**	**– 1,695**	**143**	**34,719**

[1] CEE Eastern Europe

Associated companies relate entirely to the development segment.

The share price of UBM Realitätenentwicklung AG, Vienna, was at € 13.50 as at 31.12.2012 (31.12.2011: € 25.00). Hence, the stock market value of the 1,500,008 shares (31.12.2011: 750,004 shares) held by CA Immo AG amounted to € 20,250 K (31.12.2011: € 18,750 K). In 2012 a share split in the ratio of 1:2 was effected.

25. Financial assets

€ 1,000	31.12.2012	31.12.2011
Other financial assets	65,208	39,684
Long-term receivables and other assets	28,302	32,751
Net plan assets from pension obligations	77	1,872
	93,587	**74,307**

Other financial assets

€ 1,000	Acquisition costs 31.12.2011	Changes in value recognised in profit or loss 2012	Changes in value accumulated until 31.12.2012	Book value 31.12.2012
Loans to joint ventures	9,313	414	1,954	11,267
Loans to associated companies	22,516	– 3,599	– 3,446	19,070
Other loans	52,636	– 1,150	– 18,091	34,546
Loans and receivables	**84,465**	**– 4,335**	**– 19,582**	**64,883**
Financial assets available for sale	**325**	**0**	**0**	**325**
Other financial assets	**84,790**	**– 4,335**	**– 19,582**	**65,208**

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

Long-term receivables and other assets

€ 1,000	Book value 31.12.2012	Book value 31.12.2011
Cash and cash equivalents with drawing restrictions	25,976	32,171
Other receivables and assets	2,326	580
	28,302	**32,751**

Net plan assets from pension obligations

CA Immo Group has a reinsurance policy for pension obligations (= plan assets), which fulfills the criteria for disclosure as plan assets:

€ 1,000	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Present value of obligation	– 6,293	– 4,269	– 4,084	– 3,033	– 2,343
Fair value of plan asset	6,370	6,141	6,022	5,966	2,343
Net position recorded in consolidated statement of financial position	**77**	**1,872**	**1,938**	**2,933**	**0**
Experience adjustments of cash value of obligation	– 1,857	63	– 815	– 138	583
Experience adjustments of fair value of plan asset	36	– 242	– 216	13	– 583

The following table presents the changes in the pension obligation and plan asset:

€ 1,000	2012	2011
Present value of obligation as at 1.1.	4,269	4,084
Current service costs	0	59
Past service costs	0	207
Interest cost	203	184
Actuarial losses/gains	1,821	– 265
Present value of obligation as at 31.12.	**6,293**	**4,269**
Plan asset as at 1.1.	6,141	6,022
Expected income from plan asset	186	361
Actuarial gains/losses	43	– 242
Plan asset as at 31.12.	**6,370**	**6,141**

The following expense was recognised in profit or loss:

€ 1,000	2012	2011
Current service costs	0	– 59
Past service costs	0	– 207
Interest cost	– 203	– 184
Expected income from plan asset	186	361
Actuarial losses/gains from pension obligation	– 1,821	265
Actuarial gains/losses from plan asset	43	– 242
Pensions costs	**– 1,795**	**– 66**

26. Deferred taxes

€ 1,000	31.12.2012	31.12.2011
Long-term properties	23,538	25,787
Intangible assets	83	1,550
Office furniture and other equipment	257	2,126
Receivables and other assets	11,740	6,718
Cash and cash equivalents	0	170
Liabilities	15,178	46,174
Provisions	1,063	0
Deferred tax assets	**51,859**	**82,525**
Long-term properties	273,797	260,214
Assets held for sale	12,524	10,776
Properties held for trading	2,275	2,358
Cash and cash equivalents	366	0
Loans	4,966	5
Provisions	0	22,849
Deferred tax liabilities	**293,929**	**296,202**
Non-capitalised deferred tax assets on deductible differences	**– 32,534**	**– 25,594**
Deferred tax assets on capitalised tax loss carryforwards	**68,552**	**59,197**
Deferred taxes (net)	**– 206,051**	**– 180,074**
thereof deferred tax assets in statement of financial position	**9,812**	**11,739**
thereof deferred tax liabilities in statement of financial position	**215,863**	**191,813**

The following table presents the changes in deferred taxes:

€ 1,000	2012	2011
Deferred taxes as at 1.1. (net)	**– 180,074**	**– 102,024**
Changes due to company acquisitions	0	– 80,857
Changes from sale of companies	18	9,716
Changes due to exchange rate fluctuations	3	117
Changes recognised in equity	2,949	10,619
Changes recognised in profit or loss	– 28,947	– 17,645
Deferred taxes as at 31.12. (net)	**– 206,051**	**– 180,074**

In 2012, changes recognised in profit or loss include € 13,172 K (2011: € 0 K) from the disposal of deferred taxes due to the sale of „Warsaw Financial Center“, Warsaw.

Tax loss carryforwards for which deferred taxes were not recognised expire as follows:

€ 1,000	2012	2011
In the following year	33,156	4,784
Thereafter 4 years	97,890	87,913
More than 5 years	38,213	35,632
Without limitation in time	422,010	394,390
Sum total unrecorded tax losses carried forward	**591,269**	**522,719**
thereupon non-capitalised deferred tax assets	130,565	119,826

The total of taxable temporary differences related to investments in Austrian affiliated companies, joint ventures and associated companies for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 98,227 K (31.12.2011: € 38,596 K). Tax loss carryforwards of the Austrian companies that were not recognised amount to € 223,141 K (31.12.2011: € 219,845 K) – including the outstanding amounts relating to impairment losses on investments which have to be deferred over a period of 7 years for income tax purposes of € 72,318K (31.12.2011: € 70,484 K).

The total of 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 € 4,443 K (31.12.2011: € 452 K). Tax loss carryforwards of foreign entities amounting to € 368,128 K (31.12.2011: € 302,874K) were not recognised. Subject to specific requirements, gains from the disposal of investments in foreign entities are partially or completely exempt from income taxes.

27. Assets and liabilities held for sale

As at 31.12.2012, assets with a fair value of € 53,794 K (31.12.2011: € 57,835 K) were classified as assets held for sale. For those assets the disposal has been agreed by the appropriate level of management of CA Immo Group and a contract of sale has been concluded at the time of the preparation of the consolidated financial statements.

€ 1,000	31.12.2012	31.12.2011
Austria – Rental investment properties	8,535	100
Germany - Properties under development	45,259	57,735
Properties held for sale	**53,794**	**57,835**

The result from revaluation includes an amount of € 6,085K (2011: € 3,302 K) related to investment properties after their reclassification as properties held for sale.

As at 31.12.2012, no assets and liabilities were reclassified and attributed to disposal groups.

€ 8,535 K (31.12.2011: € 100K) of the properties classified according to IFRS 5 (individual assets and disposal groups) are mortgaged as a collateral for loan liabilities.

28. Properties held for trading

€ 1,000	Acquisition / production costs	Accumulated impairment	31.12.2012 Book values	Acquisition / production costs	Accumulated impairment	31.12.2011 Book values
At acquisiion/production costs	45,295	0	45,295	25,276	0	25,276
At net realisable value	17,576	– 10,178	7,398	16,715	– 8,087	8,628
Total properties held for trading	**62,871**	**– 10,178**	**52,693**	**41,990**	**– 8,087**	**33,904**

The fair value of the properties held for trading which are recognised at acquisition/production costs amounts to € 52,678 K (31.12.2011: € 32,861 K).

Properties held for trading in the amount of € 38,365 K (31.12.2011: € 20,159 K) are expected to be realised within a period of more than 12 months. This applies to 18 properties (31.12.2011: 19 properties) in Germany.

€ 4 K (31.12.2011: € 397 K) of the properties held for trading are mortgaged as a collateral for loan liabilities.

In 2012, a total of € 27 K (2011: € 130 K) of borrowing costs was capitalised to properties held for trading at a weighted average interest rate of 4.6 % (2011: 4.0 %).

29. Receivables and other assets

€ 1,000	Book value 31.12.2012	Book value 31.12.2011
Receivables and other financial assets	119,118	139,265
Derivative financial instruments	0	11
Other non financial assets	63,748	28,783
	182,866	**168,059**

Receivables and other financial assets contain receivables in accordance with IAS 11 amounting to € 98 K (31.12.2011: € 45 K).

A specific valuation allowance of € 8,715 K (31.12.2011: € 16,851 K) was recognised for short term receivables and other financial assets with a nominal value of € 9,025 K (31.12.2011: € 17,111 K). Insolvency proceedings against a tenant in Czech Republic, for which an allowance of € 8,531 K had been recognised, was finalised and resulted in the use of valuation allowances as at 31.12.2011 of € 7,924 K.

Change in valuation allowances of receivables and other assets:

€ 1,000	2012	2011
As at 1.1.	**17,466**	**11,083**
Appropriation (value adjustment expenses)	4,468	11,762
Disposal deconsolidation	0	– 177
Use	– 9,985	– 463
Reversal	– 1,725	– 2,129
Reclassification to long-term financial assets	0	– 2,099
Foreign currency gains/losses	649	– 511
As at 31.12.	**10,873**	**17,466**

Aging of short-term receivables and other financial assets, for which no allowance has been recognised, is as follows:

	not due				overdue	Total
		< 30 days	31 - 180 days	181 - 360 days	> 1 year	
31.12.2012	111,915	4,417	1,798	169	509	**118,808**
31.12.2011	125,382	6,639	3,010	790	3,184	**139,005**

30. Cash and cash equivalents

€ 1,000	31.12.2012	31.12.2011
Cash in banks	237,879	337,493
Restricted cash	19,773	16,261
Cash on hand	92	25
	257,744	**353,778**

31. Shareholders' equity

Share capital equals the fully paid in nominal capital of CA Immobilien Anlagen Aktiengesellschaft of € 638,713,556 (31.12.2011: € 638,713,556). It is divided into 87,856,056 (31.12.2011: 87,856,056) bearer shares and 4 registered shares of no par value. The registered shares are held by UniCredit Bank Austria AG, Vienna, each granting the right to nominate one member to the Supervisory Board. UniCredit Bank Austria AG, Vienna is currently not exercising this right. All members of the Supervisory Board were elected by the General Meeting.

In November 2009, a 5-year convertible bond with a volume of € 135,000 K was issued, of which an amount of € 20,500 K has been repurchased by the Company in 2011 until the reporting date. The coupon of the convertible bond payable every six months was fixed at 4.125% of the nominal amount. According to the issuing conditions of the convertible bond, the creditors have the right to convert their bond at any time (i.e. also prior to the expiration date of the bond in 2014) into shares in CA Immobilien Anlagen Aktiengesellschaft at the conversion price. As at the reporting date, the originally determined conversion price of € 11.5802 has been adjusted to € 11.0575 (31.12.2011: 11.5802) as a result of dividend payments. Therefore a maximum of 10,354,963 bearer shares can be issued upon exercise of the conversion right for the total outstanding nominal value. Due to a contemplated dividend payment in 2013, the conversion price will be adjusted once again resulting in a corresponding adjustment of the maximum number of bearer shares to be issued upon exercise of the conversion right. The adjustment depends on the share price immediately before the effective date of the dividend payout. As of the reporting date, the share price of the CA Immo share of € 10.47 was below the conversion price. No bonds have been submitted for conversion as of the reporting date.

The tied capital reserve as reported in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft totals € 820,184 K (31.12.2011: € 820,184 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 2012, a dividend amount of € 0.38 for each share entitled to dividend, in total € 33,385 K (2011: € 0 K) was distributed to the shareholders. An amount of € 24,538 K (31.12.2011: € 18,431) of the total net profit of CA Immobilien Anlagen Aktiengesellschaft as at 31.12.2012 amounting to € 108,747 K (31.12.2011: € 98,748 K) is subject to dividend payment constraints. The Management Board of CA Immo AG proposes to use part of retained earnings as at 31.12.2012 amounting to € 108,747 K to distribute a dividend of € 0.38 per share, i.e. a total of € 33,385 K to the shareholders. The remaining retained earnings amounting to € 75,362 K is intended to be carried forward.

As at 31.12.2012, there is unused authorised capital amounting to € 319,356,778.10 that can be drawn on or before 11.9.2015, as well as conditional capital in the amount of € 317,185,011.

32. Provisions

€ 1,000	Staff	Construction services	Subsequent costs of sold properties	Others	Total
As at 1.1.2012	**9,234**	**34,099**	**17,674**	**27,467**	**88,474**
Use	– 5,683	– 32,665	– 2,554	– 12,972	– 53,874
Reversal	– 1,464	– 2,239	– 453	– 10,013	– 14,169
Addition	6,795	29,686	2,686	22,848	62,015
Addition from initial consolidation	0	0	0	37	37
Change in interest rates	166	0	0	0	166
Foreign currency gains/losses	24	249	0	172	445
As at 31.12.2012	**9,072**	**29,130**	**17,353**	**27,539**	**83,094**
thereof: short-term	7,760	28,876	14,756	27,539	78,931
thereof: long-term	1,312	254	2,597	0	4,163

Provision for staff

The provision for staff primarily comprises the present value of the long-term severance obligation of € 655 K (31.12.2011 € 967 K), bonuses of € 4,726 K (31.12.2011: € 6,806 K), and unused holiday entitlements of € 1,020 K (31.12.2011: € 1,080 K).

The provision for bonuses comprises a long-term provision for the 2011 and 2012 LTI-(long-term incentive) programmes in the amount of € 656 K (31.12.2011: € 1,266 K) as well as a short-term provision for 2010 of € 229 K (31.12.2011: € 0 K) which has been allocated since the business year 2010. All LTI-programmes provide for payment after a period of three years. In 2012, a reversal of provisions amounting to € 368 K (2011: expense € 952 K) was recognised.

The following table presents the changes in the present value of the severance payment obligation:

€ 1,000	2012	2011	2010	2009	2008
Present value of severance obligations as at 1.1	967	642	522	560	599
Addition due to acquisitions	0	458	0	0	0
Use	– 517	– 45	0	– 99	– 325
Current service costs	369	– 171	184	– 42	491
Interest cost	29	52	24	22	24
Actuarial gains/losses	– 193	31	– 88	81	– 229
Present value of severance obligations as at 31.12	**655**	**967**	**642**	**522**	**560**

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

Furthermore, there are defined benefit pension plans in Germany, for which a reinsurance policy was obtained. Since the plan assets at the reporting date exceed the present value of the defined benefit obligation, net plan assets amounting to € 77 K (31.12.2011: € 1,873 K) are presented in long-term receivables.

33. Interest bearing liabilities

€ 1,000	Short-term	Long-term	31.12.2012 Total	Short-term	Long-term	31.12.2011 Total
Convertible bond	672	114,500	115,172	488	112,724	113,212
Other bonds	4,515	332,961	337,476	4,516	332,106	336,622
Bonds	**5,187**	**447,461**	**452,648**	**5,004**	**444,830**	**449,834**
Investment loan	872,150	1,886,252	2,758,402	726,408	2,089,270	2,815,678
Subordinated liabilities	39,329	78,406	117,735	37,066	79,845	116,911
Loans due to joint venture partners	8,010	12,312	20,322	8,059	8,980	17,039
Liabilities to joint ventures	0	30,425	30,425	1,436	0	1,436
Other interest-bearing liabilities	**919,489**	**2,007,395**	**2,926,884**	**772,969**	**2,178,095**	**2,951,064**
	924,676	**2,454,856**	**3,379,532**	**777,973**	**2,622,925**	**3,400,898**

Liabilities in EUR account for 99.7% (31.12.2011: 99.2%), liabilities denominated in USD account for 0.1% (31.12.2011: 0.6%) and liabilities denominated in CZK account for 0.2% (31.12.2011: 0.2%) of total interest bearing liabilities.

Bonds

31.12.2012	Nominal value in € 1,000	Book value Total € 1,000	Deferred interest in € 1,000	Nominal interest rate	Effective interest rate	Issue	Repayment
Convertible bond	114,500	114,500	672	4.13%	5.67%	9.11.2009	9.11.2014
Bonds 2006-2016	185,992	183,462	2,618	5.13%	5.53%	22.9.2006	22.9.2016
Bonds 2009-2014	150,000	149,499	1,897	6.13%	6.33%	16.10.2009	16.10.2014
Total	**450,492**	**447,461**	**5,187**				

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

Other interest-bearing liabilities

97.4 % (31.12.2011: 99.3 %) of other interest-bearing liabilities within CA Immo Group are subject to financial covenants. These usually are LTV (loan to value) and DSCR (debt service coverage ratio) ratios for rental investment properties and LTC (loan to cost) and ISCR (interest service coverage ratio) ratios for development financing.

Other interest-bearing liabilities for which the respective financial covenants are not met as at 31.12.2012 are presented in short-term interest-bearing liabilities regardless of their maturity as 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 31.12.2012, the respective covenants were not met for six loans in Eastern Europe amounting to a total of € 140,664 K (31.12.2011: four loans in Eastern Europe amounting to a total of € 69,965 K). CA Immo Group takes appropriate measures (e.g. partial repayment of the loans, increase in equity of the respective companies) in order to remedy the breach of financial covenants.

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

As at 31.12.2012 and 31.12.2011, the terms of other interest-bearing liabilities are as follows:

Type of financing and currency	Effective interest rate as at 31.12.2012 in %	Interest variable/fixed/ hedged	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value of liability in € 1,000
Investment loan / EUR	4.41%	hedged	01/2017	503,965	506,815	506,815
Investment loan / EUR	2.97%	hedged	12/2013	270,000	272,585	272,585
Investment loan / EUR	1.22%	variable	12/2015	136,000	136,424	136,424
Investment loans (each below 100 m EUR)	0.00% - 7.73%	partly hedged	01/2013 - 12/2030	1,706,647	1,704,577	1,704,577
Investment loan / EUR	3.90% - 7.08%	fixed	06/2013 - 01/2024	126,695	127,673	132,422
Investment loan / CZK	5.72%	hedged	06/2013	7,129	7,129	7,129
Investment loan / USD	4.36%	variable	12/2015	3,199	3,199	3,199
Investment loans (total)				**2,753,635**	**2,758,402**	**2,763,151**
Subordinated liabilities	**1.12% - 1.71%**	**variable**	**12/2013 - 09/2016**	**122,313**	**117,735**	**117,735**
Loans due to joint venture partners EUR / HUF	**0.00% - 7.00%**	**variable / fixed**	**03/2013 - 12/2020**	**16,818**	**20,322**	**20,380**
Liabilities to joint ventures	**3.25%**	**fixed**	**11/2014**	**30,296**	**30,425**	**31,044**
				2,923,062	**2,926,884**	**2,932,310**

Type of financing and currency	Effective interest rate as at 31.12.2011 in %	Interest variable/fixed/ hedged	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value of liability in € 1,000
Investment loan / EUR	4.41%	hedged	01/2017	512,240	514,978	514,978
Investment loan / EUR	4.68%	hedged	12/2012	264,806	262,140	262,140
Investment loan / EUR	2.40%	variable	12/2015	136,000	136,884	136,884
Investment loans (each below 100 m EUR)	1.40% - 7.73%	partly hedged	01/2012 - 12/2030	1,783,970	1,780,189	1,780,189
Investment loan / EUR	3.90% - 7.58%	fixed	06/2013 - 12/2013	93,739	94,171	96,940
Investment loan / CZK	5.72%	hedged	06/2013	7,211	7,211	7,211
Investment loan / USD	2.83% - 4.08%	variable	12/2012 - 12/2017	19,463	20,105	20,105
Investment loans (total)				**2,817,429**	**2,815,678**	**2,818,447**
Subordinated liabilities	**2.30% - 2.90%**	**variable**	**12/2012 - 09/2016**	**124,651**	**116,911**	**116,911**
Loans due to joint venture partners EUR / HUF	**0.00% - 7.00%**	**variable / fixed**	**03/2012 - 12/2020**	**15,056**	**17,039**	**17,369**
Liabilities to joint ventures	**2.56%**	**variable**	**12/2011 - 12/2012**	**1,413**	**1,436**	**1,436**
				2,958,549	**2,951,064**	**2,954,163**

Taking into account all interest hedging agreements, the average weighted interest rate is 3.5% (31.12.2011: 4.1%) for all other interest bearing liabilities denominated in EUR, 4.4% (31.12.2011: 3.9%) for all other interest bearing liabilities denominated in USD and 5.7% (31.12.2011: 5.7%) for the CZK investment loan.

34. Other liabilities

€ 1,000			31.12.2012			31.12.2011
	Short-term	Long-term	Total	Short-term	Long-term	Total
Fair value derivative transactions	**742**	**214,620**	**215,362**	**5,418**	**181,092**	**186,510**
Prepayments received	37,635	31,778	69,413	36,222	31,717	67,939
Trade payables	28,794	7,690	36,484	53,002	8,552	61,554
Rent deposits	1,427	14,301	15,728	2,173	13,162	15,335
Outstanding purchase invoices	9,478	0	9,478	1,436	0	1,436
Income resulting from deconsolidation not yet realised	6,400	0	6,400	6,400	0	6,400
Settlement of operating costs	3,612	0	3,612	3,325	0	3,325
Other	5,486	2,222	7,708	7,722	2,182	9,904
Financial liabilities	**92,832**	**55,991**	**148,823**	**110,280**	**55,613**	**165,893**
Operating taxes	7,966	0	7,966	30,733	0	30,733
Prepaid rent	5,788	824	6,612	5,177	784	5,961
Non-financial (other) liabilities	**13,754**	**824**	**14,578**	**35,910**	**784**	**36,694**
	107,328	**271,435**	**378,763**	**151,608**	**237,489**	**389,097**

35. Income tax liabilities

This item includes an amount of € 13,284 K (31.12.2011: € 35,921 K) related to CA Immo Germany Group and comprises corporate income tax and trade tax for the years 2004 to 2012 that have not been finally assessed by tax authorities.

36. Financial instruments

Financial assets by categories

Category			IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1,000	HFT	AFS/AC	L&R		31.12.2012	31.12.2012
Net plan assets from pension obligations	0	0	0	77	77	77
Cash and cash equivalents with drawing restrictions	0	0	25,976	0	25,976	25,976
Derivative financial instruments	1	0	0	0	1	1
Primary financial instruments	0	325	67,208	0	67,533	67,533
Financial assets	**1**	**325**	**93,184**	**77**	**93,587**	**93,587**
Cash and cash equivalents with drawing restrictions	0	0	28,632	0	28,632	28,632
Other receivables and assets	0	0	90,387	63,846	154,233	154,233
Receivables and other assets	**0**	**0**	**119,019**	**63,846**	**182,865**	**182,865**
Cash and cash equivalents	**0**	**0**	**257,744**	**0**	**257,744**	**257,744**
	1	**325**	**469,947**	**63,923**	**534,196**	**534,196**

Category			IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1,000	HFT	AFS/AC	L&R		31.12.2011	31.12.2011
Prepayments made on investments in properties	**0**	**0**	**2,217**	**0**	**2,217**	**2,217**
Net plan assets from pension obligations	0	0	0	1,873	1,873	1,873
Cash and cash equivalents with drawing restrictions	0	0	32,171	0	32,171	32,171
Derivative financial instruments	58	0	0	0	58	58
Primary financial instruments	0	330	39,876	0	40,206	40,206
Financial assets	**58**	**330**	**72,047**	**1,873**	**74,308**	**74,308**
Cash and cash equivalents with drawing restrictions	0	0	23,894	0	23,894	23,894
Derivative financial instruments	11	0	0	0	11	11
Other receivables and assets	0	0	115,326	28,828	144,154	144,154
Receivables and other assets	**11**	**0**	**139,220**	**28,828**	**168,059**	**168,059**
Cash and cash equivalents	**0**	**0**	**353,778**	**0**	**353,778**	**353,778**
	69	**330**	**567,262**	**30,701**	**598,362**	**598,362**

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

The fair value of the receivables and other assets essentially equals the book value due to daily and/or short-term maturities. Since no price listed on an active market is available for the financial instruments of the available for sale category and the fair value cannot be assessed reliably, they are measured at acquisition cost. Therefore, the "Fair value" column for this category represents the book value.

Financial assets are partially given in mortgage as security for financial liabilities.

Financial liabilities by categories

Category			IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1,000	HFT	CFH	FLAC		31.12.2012	31.12.2012
Convertible bond	0	0	115,172	0	115,172	119,721
Other bonds	0	0	337,476	0	337,476	351,022
Other interest-bearing liabilities	0	0	2,926,884	0	2,926,884	2,929,280
Interest-bearing liabilities	**0**	**0**	**3,379,532**	**0**	**3,379,532**	**3,400,023**
Derivative financial instruments	77,354	138,008	0	0	215,362	215,362
Other primary liabilities	0	0	148,823	14,578	163,401	163,401
Other liabilities	**77,354**	**138,008**	**148,823**	**14,578**	**378,763**	**378,763**
	77,354	**138,008**	**3,528,355**	**14,578**	**3,758,295**	**3,778,786**

Category			IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1,000	HFT	CFH	FLAC		31.12.2011	31.12.2011
Convertible bond	0	0	113,212	0	113,212	115,760
Other bonds	0	0	336,622	0	336,622	337,492
Other interest-bearing liabilities	0	0	2,951,064	0	2,951,064	2,959,167
Interest-bearing liabilities	**0**	**0**	**3,400,898**	**0**	**3,400,898**	**3,412,418**
Derivative financial instruments	67,381	119,129	0	0	186,510	186,510
Other primary liabilities	0	0	165,893	36,694	202,587	202,587
Other liabilities	**67,381**	**119,129**	**165,893**	**36,694**	**389,097**	**389,097**
	67,381	**119,129**	**3,566,791**	**36,694**	**3,789,995**	**3,801,515**

[1] HFT – held for trading, CFH – Cash-flow Hedge, FLAC – financial liabilities at amortised cost

37. Derivative financial instruments and hedging transactions

€ 1,000	Nominal value	Fair value	31.12.2012 Book value	Nominal value	Fair value	31.12.2011 Book value
Interest rate swaps	1,415,559	– 214,309	– 214,309	1,828,152	– 184,121	– 184,121
Interest rate caps	197,861	1	1	229,448	58	58
Interest rate floors	23,063	– 1,036	– 1,036	24,109	– 1,188	– 1,188
Forward foreign exchange transactions	2,088	– 17	– 17	11,289	– 1,191	– 1,191
Total	**1,638,571**	**– 215,361**	**– 215,361**	**2,092,998**	**– 186,442**	**– 186,442**
- thereof hedging (cash flow hedges)	1,011,288	– 138,008	– 138,008	1,366,614	– 119,129	– 119,129
- thereof stand alone (fair value derivatives)	627,283	– 77,353	– 77,353	726,384	– 67,313	– 67,313

As at the balance sheet date 46.2 % (31.12.2011: 58.4 %) of the nominal value of all variable-interest investment loans have been turned into fixedinterest rates (or into ranges of interest rates with a cap or a floor respectively) by the way of interest rate swaps or interest rate caps/floors.

Interest rate swaps

Interest rate swaps are concluded for the purpose of hedging future cash flows. The effectiveness of the hedge relationship between hedging instrument and hedged items is assessed on a regular basis by measuring effectiveness.

€ 1,000	Nominal value	Fair value	31.12.2012 Book value	Nominal value	Fair value	31.12.2011 Book value
- Cash flow hedges (effective)	998,074	– 136,869	– 136,869	1,362,878	– 119,018	– 119,018
- Cash flow hedges (ineffective)	13,214	– 1,139	– 1,139	3,736	– 111	– 111
- Fair value derivatives (HFT)	404,271	– 76,301	– 76,301	461,538	– 64,992	– 64,992
Interest rate swaps	**1,415,559**	**– 214,309**	**– 214,309**	**1,828,152**	**– 184,121**	**– 184,121**

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2012	Reference interest rate	Fair value 31.12.2012 in € 1,000
EUR	464,461	12/2006	01/2017	3.91%	3M-Euribor	– 65,325
EUR (nominal value each below 100 m EUR) - CFH	519,918	03/2006 - 12/2011	11/2013 - 12/2022	1.30% - 4.79%	3M-Euribor	– 71,077
EUR (nominal value each below 100 m EUR) - stand alone	404,271	07/2007- 12/2008	12/2015 - 12/2022	4.01% - 4.82%	3M-Euribor	– 76,301
EUR	19,780	05/2006	12/2014	4.20%	6M-Euribor	– 1,459
CZK	7,129	06/2008	06/2013	4.62%	3M-Pribor	– 147
Total = variable in fixed	**1,415,559**					**– 214,309**

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2011	Reference interest rate	Fair value 31.12.2011 in € 1,000
EUR	464,461	12/2006	01/2017	3.91%	3M-Euribor	– 54,565
EUR	264,700	03/2010	12/2012	1.93%	3M-Euribor	– 2,093
EUR (nominal value each below 100 m EUR) - CFH	609,364	03/2006 - 12/2011	06/2012 - 12/2022	1.30% - 4.79%	3M-Euribor	– 60,472
EUR (nominal value each below 100 m EUR) - stand alone	461,538	09/2002 - 12/2008	09/2012 - 12/2022	4.01% - 5.28%	3M-Euribor	– 64,992
EUR	20,878	05/2006	12/2014	4.20%	6M-Euribor	– 1,623
CZK	7,211	06/2008	06/2013	4.62%	3M-Pribor	– 377
Total = variable in fixed	**1,828,152**					**– 184,121**

Interest rate caps/interest rate floors

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2012	Reference interest rate	Fair value 31.12.2012 in € 1,000
Interest rate caps EUR	197,861	10/2006 - 03/2011	09/2013 - 12/2014	1.22% - 5.80%	3M-Euribor	1
Interest rate floor EUR	23,063	06/2008	12/2013	3.85%	3M-Euribor	– 1,036
Total	**220,924**					**– 1,035**

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2011	Reference interest rate	Fair value 31.12.2011 in € 1,000
Interest rate caps EUR	229,448	10/2006 - 03/2011	06/2012 - 12/2014	1.22% - 6,50%	3M-Euribor	58
Interest rate floor EUR	24,109	06/2008	12/2013	3.85%	3M-Euribor	– 1,188
Total	**253,557**					**– 1,130**

Forward foreign exchange transactions

The forward foreign exchange transactions were concluded to hedge against future currency fluctuations for construction costs in Poland.

Currency	Fixed Exchange rate as at 31.12.2012	Start	End	Nominal value in 1,000 Foreign currency	Nominal value in € 1,000	Fair value 31.12.2012 in € 1,000
PLN	4.0700 - 4.1090	04/2011	01/2013 - 08/2013	8,537	2,088	– 17

Currency	Fixed Exchange rate as at 31.12.2011	Start	End	Nominal value in 1,000 Foreign currency	Nominal value in € 1,000	Fair value 31.12.2011 in € 1,000
PLN	4.0020 - 4.6320	03/2009 - 04/2011	01/2012 - 08/2013	44,357	10,940	– 1,152
USD	1.4337	06/2009	06/2012	500	349	– 39
					11,289	**– 1,191**

Gains and losses in other comprehensive income

€ 1,000	2012	2011
As at 1.1.	**– 93,882**	**– 73,766**
Change in valuation of cash flow hedges	– 20,197	– 30,320
Change of ineffectiveness cash flow hedges	1,139	111
Reclassification cash flow hedges	1,299	4,892
Income tax cash flow hedges	3,093	5,201
As at 31.12.	**– 108,548**	**– 93,882**
thereof: attributable to the owners of the parent	– 107,581	– 93,022
thereof: attributable to non-controlling interests	– 967	– 860

Hierarchy of fair values

Financial instruments measured at fair value relate only to derivative financial instruments. As in prior year the valuation is based on inputs which can be observed either directly or indirectly (eg. interest rate curves or foreign exchange forward rates). This represents level 2 of the fair value hierarchy in accordance with IFRS 7.27A.

38. Risks from financial instruments

Interest rate risk

Risks resulting from changes in interest rates basically result from long-term loans and interest rate derivatives (Swaps, Caps, Floors) 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 the case of floating-rate loans, derivative financial instruments (interest rate caps, interest rate floors and interest rate swaps) are also used to hedge the cash-flow risk of interest rate changes arising from hedged items.

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

€ 1,000	Gain (+)/loss (-) through profit or loss		Recognised directly in equity	
	at 100 bps Increase	until 100 bps Decrease	at 100 bps Increase	until 100 bps Decrease
31.12.2012				
Variable rate instruments (interest)	– 27,410	27,410	0	0
Derivative financial instruments (interest)	16,365	– 12,519	0	0
Derivative financial instruments (valuation)	13,870	– 9,373	29,149	– 15,604
	2,824	**5,518**	**29,149**	**– 15,604**
31.12.2011				
Variable rate instruments (interest)	– 27,019	27,019	0	0
Derivative financial instruments (interest)	20,817	– 20,817	0	0
Derivative financial instruments (valuation)	14,327	– 15,234	38,695	– 39,956
	8,125	**– 9,032**	**38,695**	**– 39,956**

Variable rate instruments contain variable rate financial liabilities, loans and receivables from financing, not taking into account hedge relationships. In the case of derivative financial instruments, an interest rate change gives rise to a component recognised 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 recognised in equity.

Currency risk

Currency risks result from rental income and rental receivables denominated in BGN, CZK, HRK, HUF, PLN, RON and RSD. This foreign currency rental income is secured by linking the rental payments to EUR and USD, so that no major risk remains. Risks in respect of liabilities exist as a result from financing in CZK and USD. This risk is mainly counterbalanced by rental income in the same currency.

The following table shows the effect of a 10% increase or decrease in the Euro compared to the respective foreign currency to the consolidated income statement. Additional impacts to the shareholders’ equity are not substantial.

31.12.2012

€ 1,000	USD	Gain (+)/ loss (-)	CZK	Gain (+)/ loss (-)	HUF	Gain (+)/ loss (-)
Exchange rate	**1.3156**		**25.1400**		**291.2900**	
+10% increase	1.4472	291	27.6540	648	320.4190	63
– 10% decrease	1.1840	-355	22.6260	-792	262.1610	-77

31.12.2011

€ 1,000	USD	Gain (+)/ loss (-)	CZK	Gain (+)/ loss (-)	HUF	Gain (+)/ loss (-)
Exchange rate	**1.2905**		**25.8000**		**311.1300**	
+10% increase	1.4196	1,828	28.3800	656	342.2430	59
– 10% decrease	1.1615	– 2.234	23.2200	– 801	280.0170	– 72

Forward foreign exchange transactions have been concluded to avoid the risk of currency fluctuations; these should counteract future fluctuations for construction costs.

Credit risk

The book values disclosed for all financial assets less deposits received from tenants and guarantees and other commitments assumed represent the maximum default risk as no major set-off agreements exist.

Tenants provided deposits in the amount of € 15,728 K (31.12.2011: € 15,335 K) as well as bank guarantees of € 48,431 K (31.12.2011: € 48,512 K). The default risk for other financial instruments recognised as assets is considered to be minor, since in most cases, the contracting parties are financial institutions with the highest credit rating or government bodies.

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 by entering into capital partnerships (joint ventures) for project development purposes as an alternative and extension to established sources of raising equity capital. External capital is raised by CA Immo Group not only from its principal bank, UniCredit Bank Austria AG/UniCredit Group, but to an increasing extent from other domestic and foreign banks, with which little or no business relationships existed.

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

31.12.2012 € 1,000	Book value 2012	Contractually agreed cash flows	Cash flow 2013	Cash flow 2014-2017	Cash flow 2018 ff
Convertible bond	115,172	– 123,946	– 4,723	– 119,223	0
Other bonds	337,476	– 392,496	– 18,720	– 373,776	0
Other interest-bearing liabilities	2,926,884	– 3,157,645	– 881,890	– 1,855,366	– 420,389
Other liabilities	163,401	– 163,401	– 106,585	– 46,653	– 10,163
Primary financial liabilities	**3,542,933**	**– 3,837,488**	**– 1,011,918**	**– 2,395,018**	**– 430,552**
Interest rate derivatives in connection with cash flow hedges	138,008	– 139,655	– 37,044	– 97,176	– 5,435
Interest rate derivatives not connected with hedges	77,337	– 84,470	– 19,461	– 57,962	– 7,047
Forward foreign exchange transactions not connected with hedges	17	– 17	– 17	0	0
Derivative financial liabilities	**215,362**	**– 224,142**	**– 56,522**	**– 155,138**	**– 12,482**
	3,758,295	**– 4,061,630**	**– 1,068,440**	**– 2,550,156**	**– 443,034**

31.12.2011 € 1,000	Book value 2011	Contractually agreed cash flows	Cash flow 2012-2015	Cash flow 2013-2016	Cash flow 2017 ff
Convertible bond	113,212	– 128,669	– 4,723	– 123,946	0
Other bonds	336,622	– 411,215	– 18,720	– 392,495	0
Other interest-bearing liabilities	2,951,064	– 3,319,486	– 779,079	– 1,475,970	– 1,064,437
Other liabilities	202,587	– 202,587	– 147,074	– 43,503	– 12,010
Primary financial liabilities	**3,603,485**	**– 4,061,957**	**– 949,596**	**– 2,035,914**	**– 1,076,447**
Interest rate derivatives in connection with cash flow hedges	119,129	– 120,656	– 30,984	– 82,510	– 7,162
Interest rate derivatives not connected with hedges	66,180	– 69,053	– 16,507	– 43,657	– 8,889
Forward foreign exchange transactions not connected with hedges	1,201	– 1,201	– 964	– 237	0
Derivative financial liabilities	**186,510**	**– 190,910**	**– 48,455**	**– 126,404**	**– 16,051**
	3,789,995	**– 4,252,867**	**– 998,051**	**– 2,162,318**	**– 1,092,498**

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.

Capital management

The objective of CA Immo Group's capital management is to provide the necessary financial resources for the Company to continue as a going concern at all times and to optimise the costs of capital.

The key parameters for determining the capital structure of CA Immo Group are the general ratio of shareholders' equity to liabilities and also the separation of liabilities into external funding collateralised by properties as collateral, which is raised at the level of special-purpose vehicles, and unsecured external funding, which is raised by the parent company of the Group. Equity is managed based in shareholders'' equity as presented in the financial statements according to IFRS. With regard to the first parameter, CA Immo Group strives to maintain an equity ratio of approx. 35 % to 40 %. As at 31.12.2012, the equity ratio was below this target corridor. Therefore, CA Immo Group intends to take active measures to improve the equity ratio, particularly through the sale of properties and the repayment of liabilities with the proceeds received from the sale.

With regard to the second parameter, CA Immo Group focuses on property loans secured by mortgages, which are usually taken out by special-purpose vehicles holding the respective property. Secured financing generally offers more favourable conditions compared to unsecured financing, as these are structurally subordinated to secured financing. Unsecured financing is generally only available in the form of corporate bonds issued on the capital markets. There are no external ratings or explicit requirements by third parties in respect of key parameters for managing the Group's capital.

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

€ 1,000	31.12.2012	31.12.2011
Interest-bearing liabilities		
Long-term interest-bearing liabilities	2,454,856	2,622,925
Short-term interest-bearing liabilities	924,676	777,973
Interest-bearing assets		
Cash and cash equivalents	– 257,744	– 353,778
Cash and cash equivalents with drawing restrictions	– 54,608	– 56,065
Net debt	**3,067,180**	**2,991,055**
Shareholders' equity	1,815,742	1,809,455
Gearing ratio (Net debt/equity)	**168.9%**	**165.3%**

Cash and cash equivalents with drawing restrictions were considered in the calculation of net debt, as they are used to secure the repayments of financial liabilities.

39. Other liabilities and contingent liabilities

Guarantees and other commitments

As at 31.12.2012 CA Immo Germany Group is subject to guarantees and other commitments amounting to € 65 K (31.12.2011: € 21,205 K) resulting from urban development contracts and purchase agreements for decontamination costs and war damage costs amounting to € 1,159 K (31.12.2011: € 1,485 K). Furthermore, comfort letters have been signed for three proportionally consolidated companies in Germany amounting to € 98,651 K (31.12.2011: € 61,749 K).

Additionally, a guarantee has been granted by Caine B.V., Hoofddorp to assume the liabilities for the “Airport City Petersburg” amounting to € 4,200 K (31.12.2011: € 4,200 K).

Contingent liabilities

In 2011, the joint venture partner from "Project Maslov" has filed an arbitration action for approx € 48 m, which has been increase in 2012 to approx € 110 m plus interest. CA Immo Group considers the chances of this action succeeding as minimal. The expected cash outflows in this respect have been recognised in the statement of financial position accordingly.

Other financial obligations

Furthermore, other financial obligations relate to building site liabilities for work carried out in the course of developing real estate in Austria of € 4,834 K (31.12.2011: € 5,186 K), in Germany of € 91,747 K (31.12.2011: 78,172 K), and in Eastern Europe of € 476 K (31.12.2011: € 16,630 K). Moreover as at 31.12.2012 CA Immo Group is subject to other financial liabilities resulting from construction costs from urban development contracts, which can be capitalised in the future with an amount of € 47,807 K (31.12.2011: € 41.385 K).

As at 31.12.2012 total obligations of CA Immo Group in respect of equity calls for proportionally consolidated companies amounted to € 179 K (31.12.2011: € 179 K).

40. 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. Generally, these 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 short-term lease contracts or contracts with termination waivers as at the reporting date are as follows:

€ 1,000	2012	2011
In the following year	258,587	231,731
Thereafter 4 years	731,938	664,981
More than 5 years	1,363,693	1,346,554
Total	**2,354,218**	**2,243,266**

All remaining rental agreements may be terminated at short notice.

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 Cologne (until 2016), Munich (until 2017), Berlin (until 2018) and Frankfurt (until 2021).

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 € 2,652 K were recognised as expenses in 2012. (2011: € 3,024 K).

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

€ 1,000	2012	2011
In the following year	2,181	2,324
Thereafter 4 years	6,705	7,162
More than 5 years	3,793	5,818
Total	**12,679**	**15,304**

41. Transactions with related parties

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

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

Transactions with joint ventures

€ 1,000	31.12.2012	31.12.2011
Loans	11,266	9,758
Receivables	25,777	5,110
Payables	31,223	2,279
	2012	**2011**
Other income	1,874	551
Other expenses	– 922	– 5
Interest income	680	1,434
Interest expense	– 175	– 7

Outstanding loans to joint ventures and the majority of the receivables from joint ventures as at the reporting date serve to finance properties. The interest rates are in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these loans. The cumulative impairment loss on loans to joint ventures amounts to € 362 K (31.12.2011 € 0 K). Receivables from joint ventures comprise short-term loans in the amount of € 1,750 K (31.12.2011: € 1,721 K). The liabilities against joint ventures include long-term loans with an amount of € 30,425 K (31.12.2011: € 1,437 K). All receivables and liabilities have interest rates in line with those prevailing in 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 impairment losses or other adjustments to the book values were recognised in profit or loss.

Transactions with associated companies

€ 1,000	31.12.2012	31.12.2011
Loans	19,070	20,480
	2012	**2011**
Income from associated companies	2,711	1,640
Expenses due to associated companies	– 18	– 3,336
Result from associated companies	**2,694**	**– 1,696**
Interest income from associated companies	2,479	2,872
Impairment loans to associated companies	– 5,711	– 5,288

Loans to associated companies outstanding as at the reporting date serve to finance project development companies. All loans have interest rates in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these loans. The cumulative impairment loss recognised on loans to associated companies amounts to € 7,636 K (31.12.2011: € 1,925 K).

The executive bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna
Management Board
Dr. Bruno Ettenauer
Bernhard H. Hansen
Mag. Florian Nowotny (since 1.10.2012)
Mag. Wolfhard Fromwald (until 30.9.2012)

No loans or advances were paid. In addition, management board member Bruno Ettenauer is a member of the supervisory board of UBM Realitätenentwicklungs AG, Vienna.

In fiscal 2012 the total costs of the management board (including non-wage labour costs, benefits and expense allowances) amounted to € 2,294 K (2011: € 2,449 K). Thereof € 91 K were related to charges based on the wages. The remuneration of the management board included in 2012 € 1,265 K (2011: € 846 K) of variable salary components. Beside the bonus payments for 2011 all payments due to the resignation of Wolfhard Fromwald after 23 years of services are included in this amount. For variable salary components including charges on this component provisions in an amount of € 568 K (2011: € 622 K) were considered as expenses. Provisions for LTI (long term incentive) programme amount to € 665 K as at 31.12.2012 (31.12.2011: € 1,266 K). Thereof € 299 are related to the current Management Board. In fiscal year 2012 an amount of € 225 K (2011: € 89 K) was paid to the pensions funds. Included is a contractually agreed one-time payment of € 127 K for the former member of the management board Fromwald. The expenses for the provision building for severance payments (achievement oriented undertaking) amount to € 67 K (2011: € 50 K) in the current year 2012. No loans or prepayments were granted to the Management Board.

€ 1,000	Fixed[1]	Variable	Payment in kind[3]	Fixed/variable ratio in %[4]	Total 2012	Total 2011
Bruno Ettenauer	320	291	8	53:47	619	637
Wolfhard Fromwald (to 30.9.2012)	282	698[2]	9	40:60	989	565
Florian Nowotny (from 1.10.2012)	56	-	1	-	57	-
Bernhard H. Hansen	270	246	22	54:46	538	555
Total	**928**	**1,235**	**40**	**42:58**	**2,203**	**1,757**

[1] Not including non-wage labour costs in a total amount of € 91 K
[2] Beside bonus payments for 2011 all payments due to resignation of Wolfhard Frowald after 23 years of services are included.
[3] Car costs and traveling expenses
[4] Including benefits

Supervisory Board
Wolfgang Ruttenstorfer, Chairman
Helmut Bernkopf, Vice Chairman
Waldemar Jud
Barbara A. Knoflach
Reinhard Madlencnik
Franz Zwickl

In 2012 (for the business year 2011), CA Immo Anlagen Aktiengesellschaft paid a total of € 116 K (2011 for the 2010 business year: € 165 K, thereof € 52 K in universal succession of CA Immo International AG) in Supervisory Board compensation. No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were paid.

Since 1.1.2013, Helmut Bernkopf, who has been head of the Private Banking division of the UniCredit Group (UniCredit SpA, Milan), has taken over the new Management board for private banking and corporate clients in the UniCredit Bank Austria AG, Vienna. Additionally Franz Zwickl acts as member of the management board at UniCredit Group (UniCredit SpA, Milan). Reinhard Madlencnik heads the Real Estate division at UniCredit Bank Austria AG, Vienna.

UniCredit Bank Austria AG/UniCredit Group
UniCredit Bank Austria AG is the principal bank of the CA Immo Group and the largest single shareholder in the Company with a stake of about 18% (as at: 31.12.2012). CA Immo Group processes most of its payment transactions and arranges much of its credit financing and financial investment through the bank. UniCredit Bank Austria AG also holds four registered shares, which entitle the bank to nominate one Supervisory Board member for each share.

The list of transactions with UniCredit Bank Austria AG/UniCredit Group relates to the following items:

– Consolidated statement of financial position:

€ 1,000	31.12.2012	31.12.2011
Share of financial liabilities recognised in the consolidated statement of financial position	18.9%	19.0%
Outstanding receivables	159,725	146,252
Outstanding liabilities	– 634,267	– 647,867
Fair value of interest rate swaps	– 152,683	– 128,053

– Consolidated income statement:

€ 1,000	2012	2011
Finance costs	– 54,016	– 48,948
Result from interest rate derivative transactions	– 5,032	– 8,951
Result from financial investments	919	1,898
Transaction fees	– 421	– 296

– Other comprehensive income (equity):

€ 1,000	2012	2011
Valuation result accumulated (hedging)	– 115,340	– 99,557

– Consolidated statement of cash flows:

€ 1,000	2012	2011
Raising of new bank loans	41,616	195,274
Repayment of bank loans	– 61,478	– 122,759
Realisation interest rate derivative transactions	0	109
Interest paid	– 48,574	– 49,197
Interest received	915	1,590

Mortgages, pledges of rental receivables, bank credits and shares as well as similar guarantees are used as collateral for bank liabilities. No impairment losses were recognised in profit or loss for bank receivables. The terms and conditions governing the transactions with UniCredit Bank Austria AG/UniCredit Group are in line with those prevailing in the market.

42. Key figures per share

Earnings per share

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

		2012	2011
Weighted average number of shares outstanding	pcs.	87,856,060	87,856,060
Consolidated net income	€ 1,000	54,439	62,629
Earnings per share (basic equals diluted)	**€**	**0.62**	**0.71**

Cash-flow per share

		2012	2011
Weighted average number of shares outstanding	pcs.	87,856,060	87,856,060
Cash flow from operations	€ 1,000	193,216	191,861
Operating cash flow per share (basic equals diluted)	**€**	**2.20**	**2.18**
Cash flow from operating activities	€ 1,000	192,838	198,626
Cash flow from operating activities per share (basic equals diluted)	**€**	**2.19**	**2.26**

43. Employees

In the 2012, CA Immo Group had an average of 460 white-collar workers (2011: 368) and 12 blue-collar workers (2011: 27), of which on average of 175 (2011: 172) were employed in Germany, 100 white-collar workers (2011: 0) in hotel operations in Czech Republic and 131 (2011: 149) white-collar workers and 10 (2011: 26) blue-collar workers at subsidiaries in Eastern Europe. Additionally an average of 1 white-collar worker was employed (2011: 1) in proportionally consolidated companies.

44. Costs for the auditor

€ 1,000	**2012**	**2011**
Auditing costs	563	501
Other review services	269	263
Other consultancy services	67	0
Total	**899**	**763**

The expenses for the auditor do not contain non-deductible VAT in the amount of € 54 K (2011: € 55 K).

45. Events after the close of the business year

There were no material events after the close of the business year.

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 19.3.2013 for approval.

Vienna, 19.3.2013

The Management Board

Bruno Ettenauer (Chairman)	Bernhard H. Hansen (Management Board Member)	Florian Nowotny (Managment Board Member)

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 / Initial consolidation in 2012 [2]
CA Immo d.o.o.	Belgrade	390,500	EUR	100	FC	
TM Immo d.o.o.	Belgrade	13,750,000	EUR	100	FC	
BA Business Center a.s.	Bratislava	7,503,200	EUR	100	FC	
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	FC	
Canada Square Kft.	Budapest	12,500,000	HUF	100	FC	
Kapas Center Kft.	Budapest	772,560,000	HUF	100	FC	
Kilb Kft.	Budapest	30,000,000	HUF	100	FC	
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	FC	
Skogs Buda Business Center II. Kft.	Budapest	327,000,000	HUF	100	FC	
Váci 76 Kft.	Budapest	3,100,000	HUF	100	FC	
Opera Center One S.R.L.	Bucharest	27,326,150	RON	100	FC	
Opera Center Two S.R.L.	Bucharest	7,310,400	RON	100	FC	
S.C. BBP Leasing S.R.L.	Bucharest	14,637,711	RON	100	FC	
Blitz F07-neunhundert-sechzig-acht GmbH	Frankfurt	25,000	EUR	100	FC	
Blitz F07-neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Acht GmbH & Co. KG	Frankfurt	24,960	EUR	100	FC	
CA Immo AG	Frankfurt	50,000	EUR	100	FC	
CA Immo Deutschland GmbH	Frankfurt	5,000,000	EUR	99.7	FC	
CA Immo Drei GmbH & Co. KG	Frankfurt	24,844	EUR	100	FC	
CA Immo Eins GmbH & Co. KG	Frankfurt	24,743	EUR	100	FC	
CA Immo Elf GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünf GmbH & Co. KG	Frankfurt	24,962	EUR	100	FC	
CA Immo Fünfzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo Fünfzehn GmbH & Co. KG	Frankfurt	24,982	EUR	100	FC	
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
CA Immo GB GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Neun GmbH & Co. KG	Frankfurt	24,811	EUR	100	FC	
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechs GmbH & Co. KG	Frankfurt	24,828	EUR	100	FC	
CA Immo Sechzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo Sechzehn GmbH & Co. KG	Frankfurt	24,982	EUR	100	FC	
CA Immo Sieben GmbH & Co. KG	Frankfurt	24,818	EUR	100	FC	
CA Immo Vier GmbH & Co. KG	Frankfurt	24,973	EUR	100	FC	
CA Immo Zehn GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Zwei GmbH & Co. KG	Frankfurt	24,491	EUR	100	FC	
CA Immo Zwölf Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	F
CEREP Allermöhe GmbH	Frankfurt	25,000	EUR	99.7	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]	PC	
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	FC	

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / Initial consolidation in 2012 [2]
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	FC	
CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR	Luxembourg	153,569,000	EUR	70	FC	
CA Immo S.á.r.l.	Luxembourg	33,000	EUR	100	FC	
OOO Saimir (in Liquidation)	Moscow	10,000	RUB	100	FC	
2P s.r.o.	Pilsen	240,000	CZK	100	FC	
Hotel Operations Plzen Holding s.r.o.	Prague	200,000	CZK	100	FC	A
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	FC	
FCL Property a.s.	Prague	2,000,000	CZK	100	FC	
Hotel Operations Europort s.r.o.	Prague	200,000	CZK	100	FC	A
Megapark o.o.d.	Sofia	5,000	BGN	43.5[3]	PC	A
Office Center Mladost 2 EOOD	Sofia	5,000	BGN	100	FC	
Office Center Mladost EOOD	Sofia	5,000	BGN	100	FC	
Camari Investments Sp.z o.o.	Warsaw	5,000	PLN	50	PC	A
Doratus Sp.z.o.o.	Warsaw	2,000,000	PLN	100	FC	
Ipopema Towarzystwo Funduszy Inwestycyjnych S.A.	Warsaw	514,881,668	PLN	50	PC	A
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	PC	
Warsaw Financial Center Sp.z.o.o.	Warsaw	218,032,000	PLN	50	PC	
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	FC	A
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 Beratungs- und Beteiligungs GmbH in Liqu.	Vienna	35,000	EUR	100	FC	F
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	100	FC	
CA Immo CEE Beteiligungs GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Galleria Liegenschaftsverwaltung GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Germany Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo International Beteiligungsverwaltungs GmbH	Vienna	35,000	EUR	100	FC	
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Investment Management GmbH	Vienna	100,000	EUR	100	FC	
CA Immo LP GmbH	Vienna	146,000	EUR	100	FC	
CA Immo ProjektentwicklungsgmbH	Vienna	72,500	EUR	100	FC	
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	FC	
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG	Vienna	2,537,600	EUR	100	FC	
CA Immo-RI-Residential Property Holding GmbH	Vienna	35,000	EUR	100	FC	
CAII Projektbeteiligungs GmbH	Vienna	35,000	EUR	100	FC	
CAII Projektmanagement GmbH	Vienna	35,000	EUR	100	FC	
CEE Hotel Development GmbH in Liqu.	Vienna	70,000	EUR	50	PC	
CEE Hotel Management und Beteiligungs GmbH in Liqu.	Vienna	35,000	EUR	50	PC	
EUROPOLIS AG	Vienna	5,000,000	EUR	100	FC	
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	FC	
UBM Realitätenentwicklung AG	Vienna	5,450,463	EUR	25	EQ	

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

As at 31.12.2012, CA Immobilien Anlagen Aktiengesellschaft held 100 % of shares in EUROPOLIS AG, Vienna. The following subsidiaries, shares in joint ventures and associated companies of EUROPOLIS AG, Vienna, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / Initial consolidation in 2012 [2]
Phönix Logistics d.o.o.	Belgrade	242,460,163	RSD	65	FC	
Europolis D61 Logistics s.r.o.	Bratislava	1,435,000	EUR	100	FC	
Europolis Harbour City s.r.o.	Bratislava	23,629,211	EUR	65	FC	
CA Immo Real Estate Management Hungary K.f.t.	Budapest	54,510,000	HUF	100	FC	
COM PARK Ingatlanberuházási Kft	Budapest	3,010,000	HUF	65	FC	
EUROPOLIS ABP Ingatlanberuházási Kft	Budapest	21,410,000	HUF	51	FC	
EUROPOLIS City Gate Ingatlanberuházási Kft	Budapest	13,000,000	HUF	65	FC	
Europolis Infopark Ingatlanüzemeltető Kft	Budapest	5,240,000	HUF	51	FC	
EUROPOLIS IPW Ingatlanberuházási Kft	Budapest	54,370,000	HUF	65	FC	
EUROPOLIS M1 Ingatlanberuházási Kft	Budapest	55,020,000	HUF	51	FC	
Europolis Park Airport Kft.	Budapest	19,900,000	HUF	100	FC	
Europolis Tárnok Ingatlanberuházási Kft	Budapest	5,400,000	HUF	65	FC	
Terminál Közép-Európai Ingatlan-fejlesztő Kft	Budapest	3,500,000	HUF	75	FC	
CA Immo Real Estate Management Romania S.R.L.	Bucharest	985,000	RON	100	FC	
EUROPOLIS BV DEVELOPMENT S.R.L.	Bucharest	43,853,900	RON	65	FC	
EUROPOLIS ORHIDEEA B.C. S.R.L.	Bucharest	91,389,960	RON	65	FC	
EUROPOLIS PARK BUCHAREST ALPHA S.R.L.	Bucharest	54,064,790	RON	65	FC	
EUROPOLIS PARK BUCHAREST BETA S.R.L.	Bucharest	6,481,000	RON	65	FC	
EUROPOLIS PARK BUCHAREST DELTA S.R.L.	Bucharest	1,000	RON	65	FC	
EUROPOLIS PARK BUCHAREST GAMMA S.R.L.	Bucharest	8,601,000	RON	65	FC	
EUROPOLIS PARK BUCHAREST INFRASTRUCTURA S.R.L.	Bucharest	8,640,036	RON	65	FC	
EUROPOLIS SEMA PARK S.R.L.	Bucharest	107,680,000	RON	65	FC	
INTERMED CONSULTING & MANAGEMENT S.R.L.	Bucharest	330	RON	65	FC	
VICTORIA INTERNATIONAL PROPERTY S.R.L.	Bucharest	216	RON	65	FC	
Private Enterprise "Margolia Ukraine"	Kiev	1,000	UAH	65	FC	
TzoV "Europolis Logistics Park I"	Kiev	2,232,296	UAH	100	FC	
TzoV "Europolis Logistics Park II"	Kiev	122,456,333	UAH	100	FC	
TzoV "Europolis Logistics Park III"	Kiev	40,000	UAH	100	FC	
TzoV "Europolis Property Holding"	Kiev	204,712,185	UAH	65	FC	
TzoV "Europolis Real Estate AM"	Kiev	6,855,988	UAH	100	FC	
TzoV "Logistyk-Tsentr "A"	Kiev	13,512,117	UAH	65	FC	
TzoV"Corma Development II"	Kiev	1,000,000	UAH	65	FC	
TzoV"Corma Development"	Kiev	205,406,948	UAH	65	FC	
ALBERIQUE LIMITED	Limassol	1,000	EUR	100	FC	A
BEDELLAN PROPERTIES LIMITED	Limassol	11,833	EUR	65	FC	
EPC KAPPA LIMITED	Limassol	11,380	EUR	100	FC	
EPC LAMBDA LIMITED	Limassol	457,254	EUR	75	FC	
EPC LEDUM LIMITED	Limassol	12,312	EUR	100	FC	
EPC OMIKRON LIMITED	Limassol	56,259	EUR	65	FC	
EPC PI LIMITED	Limassol	2,010	EUR	65	FC	

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

Company	**Registered office**	**Nominal capital**	**Currency**	**Interest in %**	**Consolidation method [1]**	**Foundation / Initial consolidation in 2012 [2]**
EPC PLATINUM LIMITED	Limassol	2,445	EUR	100	FC	
EPC RHO LIMITED	Limassol	1,890	EUR	65	FC	
EPC THREE LIMITED	Limassol	2,491,237	EUR	65	FC	
EPC TWO LIMITED	Limassol	969,399	EUR	65	FC	
EUROPOLIS REAL ESTATE ASSET MANAGEMENT LIMITED	Limassol	2,500	EUR	100	FC	
OPRAH ENTERPRISES LIMITED	Limassol	2,800	EUR	100	FC	
Europolis Real Estate Asset Management LLC	Moscow	26,350,886	RUB	100	FC	
CORMA HOLDINGS LIMITED	Nicosia	6	EUR	65	FC	
HARILDO LIMITED	Nicosia	1,400	EUR	50	PC	
VESESTO LIMITED	Nicosia	1,400	EUR	50	PC	
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	75	FC	
CA Immo Real Estate Management Czech Republic s.r.o.	Prague	1,000,000	CZK	100	FC	
EUROPOLIS Technopark s.r.o.	Prague	200,000	CZK	51	FC	
RCP Alfa, s.r.o.	Prague	1,000,000	CZK	51	FC	
RCP Amazon, s.r.o.	Prague	1,000,000	CZK	65	FC	
RCP Beta, s.r.o.	Prague	73,804,000	CZK	65	FC	
RCP Delta, s.r.o.	Prague	1,000,000	CZK	65	FC	
RCP Gama, s.r.o.	Prague	96,931,000	CZK	65	FC	
RCP ISC, s.r.o.	Prague	1,000,000	CZK	65	FC	
RCP Residence, s.r.o.	Prague	5,000,000	CZK	100	FC	
TK Czech Development IX s.r.o.	Prague	100,000	CZK	100	FC	
ALLIANCE MANAGEMENT COMPANY Sp.z o.o.	Warsaw	971,925	PLN	65	FC	
CA Immo Real Estate Management Poland Sp. z o.o.	Warsaw	565,000	PLN	100	FC	
CENTER PARK Sp.z o.o.	Warsaw	84,000	PLN	65	FC	
EUROPOLIS BITWY WARSZAWSKIEJ Sp.z o.o.	Warsaw	50,000	PLN	51	FC	
EUROPOLIS LIPOWY OFFICE PARK Sp.z o.o.	Warsaw	70,000	PLN	100	FC	
EUROPOLIS PARK BŁONIE Sp.z o.o.	Warsaw	1,091,400	PLN	65	FC	
EUROPOLIS SASKI CRESCENT Sp.z o.o.	Warsaw	50,000	PLN	51	FC	
EUROPOLIS SASKI POINT Sp.z o.o.	Warsaw	50,000	PLN	51	FC	
EUROPOLIS SIENNA CENTER Sp.z o.o.	Warsaw	4,600,000	PLN	51	FC	
POLAND CENTRAL UNIT 1 Sp.z o.o.	Warsaw	11,800,000	PLN	75	FC	
SOFTWARE PARK KRAKÓW Sp.z o.o.	Warsaw	50,000	PLN	50	PC	
WARSAW TOWERS Sp.z o.o.	Warsaw	50,000	PLN	51	FC	
EUROPOLIS CE Alpha Holding GmbH	Vienna	36,336	EUR	65	FC	
EUROPOLIS CE Amber Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Gamma Holding GmbH	Vienna	35,000	EUR	65	FC	
EUROPOLIS CE Istros Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Kappa Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Lambda Holding GmbH	Vienna	35,000	EUR	75	FC	
EUROPOLIS CE Ledum Holding GmbH	Vienna	35,000	EUR	100	FC	

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / Initial consolidation in 2012 [2]
EUROPOLIS CE My Holding GmbH	Vienna	35,000	EUR	75	FC	
EUROPOLIS CE Omikron Holding GmbH	Vienna	35,000	EUR	65	FC	
EUROPOLIS CE Pi Holding GmbH	Vienna	35,000	EUR	65	FC	
EUROPOLIS CE Rho Holding GmbH	Vienna	35,000	EUR	65	FC	
EUROPOLIS CE Sigma Holding GmbH	Vienna	35,000	EUR	65	FC	
EUROPOLIS CE Tau Holding GmbH	Vienna	35,000	EUR	65	FC	
EUROPOLIS CE Tilia Holding GmbH	Vienna	35,000	EUR	65	FC	
EUROPOLIS Duat Holding GmbH & Co OG	Vienna	2,906,913	EUR	100	FC	
Europolis Pheme Holding GmbH	Vienna	36,336	EUR	100	FC	
Europolis Real Estate Asset Management GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS Sarisu Holding GmbH	Vienna	35,000	EUR	100	FC	
Europolis Zagrebtower d.o.o.	Zagreb	15,347,000	HRK	65	FC	

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

As at 31.12.2012, CA Immobilien Anlagen Aktiengesellschaft held 70 % of shares in CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg. The following subsidiaries, shares in joint ventures and associated companies of CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / Initial consolidation in 2012 [2]
CA Immo Sava City d.o.o.	Belgrade	33,620,000	EUR	100	FC	
TC Investments Arad S.R.L.	Bucharest	4,018,560	RON	100	FC	
Pannonia Shopping Center Kft.	Györ	500,000	HUF	100[3]	FC	
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC	
Pulkovo B.V.	Hoofddorp	25,000	EUR	100	FC	
CAINE S.à.r.l.	Luxembourg	12,500	EUR	100	FC	
K&K Investments S.R.L.	Sibiu	21,609,000	RON	90	FC	
ZAO "Avielen A.G."	St. Petersburg	370,000,000	RUB	35[4]	EQ	
Amsterdam Office Sp.z.o.o.	Warsaw	2,700,000	PLN	50	PC	
Poleczki Business Park Sp.z.o.o.	Warsaw	7,936,000	PLN	50	PC	
Vienna Office Sp.z.o.o.	Warsaw	3,300,000	PLN	50	PC	

1) FC full consolidation, PC proportional consolidation, EQ at equity consolidation
2) F foundation, A acquisition
3) thereof, 50% directly held by CA Immobilien Anlagen Aktiengesellschaft
4) thereof, 10% indirectly held by CA Immobilien Anlagen Aktiengesellschaft

As at 31.12.2012, 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 ans associated companies of CA Immo Deutschland GmbH, Frankfurt, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / Initial consolidation in 2012 [2]
CA Immo 13 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo 14 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 Hallesches Ufer GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 3 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 5 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 6 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 8 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 9 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lietzenburger Straße GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lietzenburger Straße Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin MBVD Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin MBVD Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Mühlenstraße Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	F
CA Immo Berlin Mühlenstraße Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo Berlin Schöneberger Ufer Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Stadthafenquartier Europacity GmbH & Co. KG	Frankfurt	5,000	EUR	50	PC	
CA Immo Berlin Stadthafenquartier Europacity Verwaltungs GmbH	Frankfurt	25,000	EUR	50	PC	
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	
CA Immo Frankfurt Bauphase I GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Bauphase I Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 1 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Nord 1 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower 185 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower 185 Betriebs GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo Frankfurt Tower 185 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Tower 185 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower– 2-Besitz GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Tower– 2-Geschäftsführungs GmbH	Frankfurt	25,000	EUR	100	FC	

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / Initial consolidation in 2012 [2]
CA Immo Frankfurt Tower– 2-Verwaltungsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Köln K 1 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München MI 1 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München MK 6 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC	
omniCon Gesellschaft für innovatives Bauen mbH	Frankfurt	100,000	EUR	100	FC	
omniPro Gesellschaft für Projektmanagement mbH	Frankfurt	25,000	EUR	100	FC	
Baumkirchen MK GmbH & Co. KG	Grünwald	10,000	EUR	50	PC	F
Baumkirchen MK Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC	F
Baumkirchen WA 1 GmbH & Co. KG	Grünwald	10,000	EUR	50	PC	F
Baumkirchen WA 1 Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC	F
Baumkirchen WA 2 GmbH & Co. KG	Grünwald	10,000	EUR	50	PC	F
Baumkirchen WA 2 Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC	F
Baumkirchen WA 3 GmbH & Co. KG	Grünwald	10,000	EUR	50	PC	F
Baumkirchen WA 3 Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC	F
CA Immo München Eggartensiedlung Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo München Moosach Projekt GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Moosach Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Projektentwicklung Bayern GmbH & Co. KG	Grünwald	255,646	EUR	100	FC	
CA Immo Projektentwicklung Bayern Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Stuttgart Heilbronner Straße GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CONCEPT BAU - PREMIER CA Immo Isargärten GmbH & Co. KG	Grünwald	15,000	EUR	33.3[3]	PC	
CONCEPT BAU - PREMIER CA Isargärten Verwaltungs GmbH	Grünwald	25,000	EUR	33.3[3]	PC	
Isargärten Bauträger GmbH & Co. KG	Grünwald	15,000	EUR	33.3[3]	PC	
Isargärten Bauträger Verwaltungs GmbH	Grünwald	25,000	EUR	33.3[3]	PC	
Isargärten Thalkirchen Verwaltungs GmbH	Grünwald	30,000	EUR	33.3	EQ	
SKYGARDEN Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	100	FC	
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC	
Congress Centrum Skyline Plaza Beteiligung GmbH	Hamburg	25,000	EUR	50	PC	
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	PC	
CongressCentrum Skyline Plaza GmbH & Co. KG	Hamburg	25,000	EUR	50	PC	
REC Frankfurt Objekt GmbH & Co. KG	Hamburg	100,000	EUR	50	PC	
REC Frankfurt Objektverwaltungsgesellschaft mbH	Hamburg	25,000	EUR	50	PC	
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	PC	
Zollhafen Mainz GmbH & Co. KG	Mainz	1,200,000	EUR	50.1[3]	PC	
Kontorhaus Arnulfpark GmbH & Co. KG	Oberhaching	100,000	EUR	50	PC	
Kontorhaus Arnulfpark Verwaltungs GmbH	Oberhaching	25,000	EUR	50	PC	
Skyline Plaza Generalübernehmer GmbH & Co. KG	Oststeinbek	25,000	EUR	50	PC	
Skyline Plaza Generalübernehmer Verwaltung GmbH	Oststeinbek	25,000	EUR	50	PC	
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	50	PC	
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	PC	

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

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

The management board confirms to the best of their knowledge that the consolidated financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, give a true and fair view of the 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, 19 March 2013

The Management Board

Bruno Ettenauer (Chairman)	Bernhard H. Hansen (Member of the Management Board)	Florian Nowotny (Member of the Management Board)

AUDITOR'S REPORT

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

CA Immobilien Anlagen Aktiengesellschaft,
Vienna,

for the year from 1 January 2012 to 31 December 2012. These consolidated financial statements comprise the consolidated statement of financial position as of 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended 31 December 2012 and a summary of significant accounting policies and other explanatory notes.

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

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

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

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

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2012 and of its financial performance and its cash flows for the year from 1 January to 31 December 2012 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

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

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

Vienna, 19 March 2013

KPMG
Wirtschaftsprüfungs- und Steuerberatungs AG

Mag. Helmut Kerschbaumer
Wirtschaftsprüfer

ppa Mag. Christoph Erik Balzar
Wirtschaftsprüfer

(Austrian Chartered Accountants)

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

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

FINANCIAL STATEMENTS AND MANAGEMENT REPORT

CONTENT

BALANCE SHEET AS OF 31.12.2012

Assets

	31.12.2012	31.12.2011
	€	€ 1,000
A. Fixed assets		
I. Intangible fixed assets		
EDP software	333,911.31	41
	333,911.31	**41**
II. Tangible fixed assets		
1. Property and buildings	252,539,060.53	248,555
of which land value: € 50,719,055.93; 31.12.2011: € 51,058 K		
2. Other assets, office furniture and equipment	1,263,587.86	1,343
3. Prepayments made and construction in progress	25,633,503.90	12,282
	279,436,152.29	**262,180**
III. Financial assets		
1. Investments in affiliated companies	1,668,167,870.66	1,741,907
2. Loans to affiliated companies	252,993,053.61	217,875
3. Prepayments made on investments in affiliated companies	0.00	1,900
4. Investments in associated companies	43,533.69	57
5. Other loans	9,477,245.56	14,344
	1,930,681,703.52	**1,976,083**
	2,210,451,767.12	**2,238,304**
B. Current assets		
I. Receivables		
1. Trade debtors	298,787.47	455
2. Receivables from affiliated companies	19,755,083.21	66,324
3. Other receivables	8,905,881.22	5,271
	28,959,751.90	**72,050**
II. Other securities	**33,055,300.00**	**33,055**
III. Cash on hand, cash at banks	**49,449,269.95**	**44,935**
	111,464,321.85	**150,040**
C. Deferred expenses	**810,801.82**	**1,067**
	2,322,726,890.79	**2,389,411**

Liabilities and Shareholders' Equity

	31.12.2012	31.12.2011
	€	€ 1,000
A. Shareholders' Equity		
I. Share capital	638,713,556.20	638,714
II. Tied capital reserves	820,184,324.63	820,184
III. Net profit	108,746,949.86	98,748
of which profit carried forward: € 65,362,636.47; 31.12.2011: € 0 K		
	1,567,644,830.69	**1,557,646**
B. Untaxed reserves		
Other untaxed reserves		
Special item for investment grants	**266.89**	**0**
C. Provisions		
1. Provision for severance payment	263,375.00	697
2. Tax provisions	182,900.00	215
3. Other provisions	66,958,064.18	62,917
	67,404,339.18	**63,829**
D. Liabilities		
1. Bonds	485,000,000.00	485,000
of which convertible: € 135,000,000.00; 31.12.2011: € 135,000 K		
2. Liabilities to banks	128,913,465.45	136,881
3. Trade creditors	810,492.92	607
4. Payables to affiliated companies	65,806,963.31	137,308
5. Other liabilities	6,345,838.75	6,994
of which from taxes: € 0.00; 31.12.2011: € 421 K		
of which in connection with social security: € 110,153.77; 31.12.2011: € 99 K		
	686,876,760.43	**766,790**
E. Deferred income	**800,693.60**	**1,146**
	2,322,726,890.79	**2,389,411**
Contingent liabilities	477,332,511.00	378,318

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2012

	2012		2011	
	€	€	€ 1,000	€ 1,000
1. Gross Revenues		**23,986,941.51**		**20,998**
2. Other operating income				
a) Income from the sale and reversal of impairment losses of fixed assets except of financial assets	7,453,596.15		8,132	
b) Income from the reduction of provisions	111,121.54		245	
c) Other income	4,495,211.50	**12,059,929.19**	4,645	**13,022**
3. Staff expense				
a) Wages	– 13,500.00		– 14	
b) Salaries	– 6,527,047.61		– 6,976	
c) Expenses for severance payments and payments into staff welfare funds	– 258,821.75		– 175	
d) Expenses in connection with pensions	– 311,944.56		– 160	
e) Payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions	– 1,198,794.09		– 1,161	
f) Other social expenses	– 495,531.54	**– 8,805,639.55**	– 91	**– 8,577**
4. Depreciation on intangible fixed assets and tangible fixed assets		**– 7,621,026.15**		**– 7,846**
5. Other operating expenses				
a) Taxes	– 330,947.02		– 344	
b) Other expenses	– 16,516,208.37	**– 16,847,155.39**	– 14,919	**– 15,263**
6. Subtotal from lines 1 to 5 (operating result)		**2,773,049.61**		**2,334**
7. Income from investments		**154,595,541.58**		**163,526**
of which from affiliated companies: € 154,595,541.58; 2011: € 163,526 K				
8. Income from loans from financial assets		**11,930,732.12**		**10,477**
of which from affiliated companies: € 10,784,194.48; 2010: € 9,333 K				
9. Other interest and similar income		**9,027,460.39**		**33,611**
of which from affiliated companies: € 4,949,026.79; 2011: € 4,202 K				
10. Income from the disposal and revaluation of financial assets and short-term securities		**20,276,084.71**		**18,034**
11. Expenses for financial assets and interest receivables in current assets, thereof		**– 100,165,786.34**		**– 60,789**
a) Impairment: € 100,968,958.64; 2011: € 58,267 K				
b) Expenses from affiliated companies: € 98,676,440.06; 2011: € 56,541 K				
12. Interest and similar expenses		**– 59,306,077.17**		**– 74,004**
of which relating to affiliated companies: € 2,927,550.45; 2011: € 19,021 K				
13. Subtotal from lines 7 to 12 (financial result)		**36,357,955.29**		**90,855**
14. Result from usual business activity		**39,131,004.90**		**93,189**
15. Taxes on income		**4,253,296.50**		**5,481**
16. Net profit for the year		**43,384,301.40**		**98,670**
17. Dissolution of untaxed reserves				
Special item for investment grants		11.99		78
18. Profit carried forward from the previous year		**65,362,636.47**		**0**
19. Net profit		**108,746,949.86**		**98,748**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2012

ACCOUNTING AND VALUATION PRINCIPLES AND GENERAL INFORMATION

The financial statements were prepared in accordance with the Austrian Commercial Code (UGB).

1. Fixed assets

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

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

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments have occurred. In 2012 - as in the previous year - no unscheduled depreciation on tangible assets were made.

In business year 2012, reversal of impairment losses on tangible assets in the amount of € 4,595 K (2011: € 2,511 K) were made and none (2011: € 64 K) were omitted.

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

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

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairment losses have occurred. In 2012 impairment losses in the amount of € 100,969 K (2011: € 58,267 K) and reversal of impairment losses in the amount of € 19,943 K (2011: € 15,919 K) on financial assets were recognised.

The income from investments is recognised on the basis of shareholder resolutions or on the basis of documented dividend distributions at the same balance sheet date.

2. Current assets

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

Securities are stated including accrued interest attributable to the securities, though not higher than at market value. Accrued interests are included in the item “other receivables”.

3. Deferred assets

Under Deferred assets prepaid expenses are accrued. Additionally the bond premium are capitalised in this position and distributed over the redemption period according to the principals of financial mathematics.

4. Other untaxed reserves

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

5. Provisions and liabilities

Provisions for severance payments amount to 132.6 % (31.12.2011: 103.41 %) of the imputed statutory severance payment obligations existing on the balance sheet date. The calculation is made using the PUC method, which is recognised in international accounting, based on an interest rate of 2.96 % (31.12.2011: 4.75 %) and future salary increases of 2 % for employees plus an inflation rate of 2% and not taking into account a fluctuation discount. The interest rate was decreased by 1.79 % compared to the previous year, otherwise the same parameters were applied for calculation of the provisions as in the previous year.

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

If it is possible in the respective cases, Derivative financial instruments (in this case interest swaps) are designated as hedging instrument for an underlying contract (a receivable from the reimbursement to another affiliated company (back-to-back) or a floating interest-bearing financial liability). According to the AFRAC Comment Letter "Accounting for Derivatives and Hedging Instruments under Company Law" these derivatives are deemed to form a valuation group, if the hedging relationship is sufficiently effective. For the calculation of the prospective efficiency of the hedging instrument the “critical term match” is determined, while for the calculation of the retrospective efficiency the “hypothetical derivative method” is ascertained. Upon a valuation group there is neither a receivable nor a provision for contingent losses built in case of a positive or negative fair value of the derivative financial instrument. In case of derivative financial instruments with the purpose of hedging floating interest payments of the future together with financial liabilities of the company, no provision for contingent losses is built if the efficiency criteria are met, if cash-flow payments in the opposite direction from the underlying transaction (for example lower interest payments) can be expected with almost absolute certainty. The inefficient part of derivative financial instruments designed as hedging instrument are always considered as provision for contingent losses. If it is not possible to build a valuation group, a negative fair value of the derivative financial instrument is considered as provision for contingent losses in the amount of the negative fair value. Positive fair values of derivative financial instruments are not considered at all.

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

6. Note on currency conversion

Foreign exchange receivables are valued at the purchase price or at the lower bid rate as at the balance sheet date. Foreign exchange liabilities are valued at the purchase price or at the higher offer rate as at the balance sheet date.

EXPLANATORY NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

7. Explanatory notes on the balance sheet

a) Fixed assets

The breakdown and development of the fixed assets can be seen from the assets analyses in appendix 1.

Tangible assets

Additions to Property and buildings and to Prepayments made and construction in progress mainly relate to current investments, in particular amalgamation and division of leased premises and preconstruction works for the Erdberger Lände and the Storchengasse. Disposals relate to the sale of two properties. As at the balance sheet date the tangible assets include 21 properties (31.12.2011: 23 properties).

Financial assets

The notes on affiliated companies can be found in appendix 2.

The book value of the Investments in affiliated companies is € 1,668,168 K (31.12.2011: € 1,741,907 K). Current additions are mainly the result of various shareholder contributions in the amount of € 6,680 K to companies in Eastern Europe. The disposal results from the liquidation of a company in Eastern Europe. Impairment losses of investments in affiliated companies to the value of € 100,611 K (31.12.2011: 53,017 K) and reversal of impairment losses to the value of € 19,721 K (31.12.2011: € 14,219 K) were recognised in 2012.

The Loans to affiliated companies are made up as follows:

€ 1,000	31.12.2012	31.12.2011
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna	78,282	86,767
BA Business Center a.s., Bratislava	24,922	11,000
CA Immo Holding B.V., Hoofddorp	16,900	29,190
R70 Invest Budapest Kft, Budapest	12,404	12,704
Kapas Center Kft, Budapest	12,180	13,480
Other below € 10,000 K	108,305	64,734
	252,993	**217,875**

Loans to affiliated companies to the value of € 177,039 K (31.12.2011: € 134,044 K) have a remaining term of up to one year.

The prepayment made on investments in affiliated companies was sold in 2012.

In the business year, impairment losses to the value of € 14 K (2011: € 15 K) were recognised on Investments in associated companies.

Other loans mainly relate to long-term loans to not affiliated group companies and business partners.

b) Current assets

Trade debtors to the value of € 299 K (31.12.2011: € 455 K) include outstanding rent and operating cost payments.

Receivables from affiliated companies are made up as follows:

€ 1,000	31.12.2012	31.12.2011
Receivables from interest	10,305	7,192
Receivables from dividend payments	2,825	49,815
Receivables from tax compensation	2,389	5,399
Trade debtors (current charging to affiliated companies)	4,236	1,068
Other receivables	0	2,850
	19,755	**66,324**

Other receivables in the amount of € 8,906 K (31.12.2011: € 5,271 K) mainly include receivables from the sale of a property, short-term cash advances and receivables from the passing-on of costs and receivables from tax authorities. In 2012 expenses for bad debt allowances in the amount of € 1,358 K (2011: € 190 K) are considered.

As in the previous year, all receivables have a remaining term of up to one year.

Other securities include own 2006-2016 bonds redeemed from the market in 2011 with a book value of € 13,658 K and a nominal value of € 14,008 K as well as convertible bonds with a book value of € 19,397 K and a nominal value of € 20,500 K. The convertible bond is registered for trading on the unlisted securities market of the Vienna Stock Exchange. However, the trading volumes on the stock exchange are very low and transactions are made only sporadically. Due to the low trading volume, the prices observed on the stock exchange do not reflect the market price of this paper so that the valuation of the own convertible bond held by the company was calculated on the basis of internal valuation models.

c) Deferred expenses

Deferred expenses in the amount of € 811 K (31.12.2011: € 1,067 K) essentially comprise deferred discounts to the value of € 760 K (31.12.2011: € 1,059 K) for the issuance of a bond in the amount of € 200,000 K in 2006 and a bond issued in business year 2009 to the value of € 150,000 K.

d) Shareholders' equity

Share capital equals the fully paid in nominal capital of € 638,713,556.20 (31.12.2011: € 638,713,556.20). It is divided into 87,856,056 (31.12.2011: 87,856,056) bearer shares and 4 registered shares of no par value. The registered shares are held by UniCredit Bank Austria AG, Vienna, each granting the right to nominate one member to the Supervisory Board. UniCredit Bank Austria AG, Vienna is currently not exercising this right. All members of the Supervisory Board were elected by the General Meeting.

In 2012 a dividend amount of € 0,38 for each share entitled to dividend, in total € 33,385 K (2011: € 0 K) was distributed to the shareholders.

In the 21st Ordinary Shareholders' Meeting of 13.5.2008 the Management Board was authorised with the approval of the Supervisory Board and up to 12.5.2013 to issue convertible bonds to a total nominal value of up to € 317,185 K on a one-off basis or repeatedly, also under exclusion of the subscription rights of the shareholders, and to grant the bearers of convertible bonds conversion rights on up to 43,629,300 bearer shares of CA Immobilien Anlagen Aktiengesellschaft. In November 2009, on the basis of this authorisation, a five-year convertible bond with a volume of € 135,000 K was issued. The coupon of the convertible bond (payable every six months) was fixed at 4,125% and the conversion price at € 11.5802 (this corresponds to a premium of 27.5% above the reference price on the date of issuance). As result of the dividend payment in an amount of 0.38 € per share the conversion price according to section 10 (e) of the terms and conditions of issuance of the convertible bond has been adjusted to € 11.0575. According to the issuing conditions of the convertible bond, the creditors have the right to convert their bonds at any time (i.e. also before the end of the term of the bond in 2014) into shares of CA Immobilien Anlagen Aktiengesellschaft at the conversion price. As at the balance sheet date of 31.12.2012 the share price of the CA Immo share was € 10.47 and thus below the conversion price. No bonds have been submitted for conversion by the balance sheet date or the date when the balance sheet was drawn up.

As at 31.12.2012 there is unused authorised capital amounting to € 319,356,778.10 that can be drawn on or before 11.9.2015, as well as conditional capital in the amount of € 317,185,011.00.

The net profit 2012 includes reversal of impairment losses for fixed assets in the amount of € 24,538 K. According to section 235 no. 1 of the Austrian Commercial Code (UGB), the net profit is subject to a limitation on profit distribution in this amount.

e) Provisions

Provisions for severance payment amount to € 263 K (31.12.2011: € 697 K) and include severance payment entitlements of employees of the company.

The Tax provisions in the amount of € 183 K (31.12.2011: € 215 K) mainly relate to provisions for German corporation tax.

The Other provisions are made up as follows:

€ 1,000	31.12.2012	31.12.2011
Derivative transactions	45,646	37,812
Provision for contributions to group companies	14,439	17,114
Premiums	1,995	2,370
Real property tax and land transfer tax	1,427	1,367
Construction services	1,377	2,503
Other	2,074	1,751
	66,958	**62,917**

In business year 2010 the Management Board was, for the first time, offered the option to participate in an LTI (long term incentive) programme with a term of three years. Participation requires personal investment limited to 50% of the annual basic salary. Such investment was evaluated at the closing rate as at 31.12.2009, with the number of associated shares thereby determined. Performance will be measured according to the following indicators: NAV growth, ISCR (interest service coverage ratio) and TSR (total shareholder return). First-level managerial staff was also entitled to take part in the LTI programme. For these staff members, the personal investment is limited to 35% of the basic salary. The LTI programme was continued in the following years, and the Management Board and the first-level management staff were again given the opportunity to take part. As with the 2010 LTI programme, NAV growth, ISCR and TSR were used as performance indicators; however, their weighting was modified and the target values were increased.

With such cash-settled share-based payment, the accrued debt is recognised as a provision in the amount of the fair value. Until this debt has been settled, the fair value will be newly determined on each reporting date and on the date of settlement. All changes will be recognised in the operating income in each business year.

f) Liabilities

31.12.2012 € 1,000	Maturity up to 1 year	Maturity 1-5 years	Maturity more than 5 years	Total
Bonds	0	485,000	0	485,000
Liabilities to banks	14,175	84,735	30,003	128,913
Trade creditors	661	150	0	811
Payables to affiliated companies	65,807	0	0	65,807
Other liabilities	6,346	0	0	6,346
Total	**86,989**	**569,885**	**30,003**	**686,877**

31.12.2011 € 1,000	Maturity up to 1 year	Maturity 1-5 years	Maturity more than 5 years	Total
Bonds	0	485,000	0	485,000
Liabilities to banks	35,510	52,581	48,790	136,881
Trade creditors	430	177	0	607
Payables to affiliated companies	126,293	6,040	4,975	137,308
Other liabilities	6,994	0	0	6,994
Total	**169,227**	**543,798**	**53,765**	**766,790**

The Bonds item comprises the following liabilities:

	Nominal value **€ 1,000**	**Nominal interest rate**
Bond 2006-2016	200,000	5,125%
Bond 2009-2014	150,000	6,125%
Convertible bond 2009-2014	135,000	4,125%
	485,000	

The maturity of the convertible bond was assigned on the basis of the end of its term.

The Liabilities to banks comprise investment loans to the value of € 128,913 K (31.12.2011: € 136,881 K), which are mainly secured by filed claims to entry in the land register, by pledge of bank credits and rental receivables.

The Trade creditors item for the most part comprises liabilities for construction services and liability guarantees as well as general administrative costs.

The liabilities shown under the Payables to affiliated companies item mainly relate to group-internal cash advances.

Other liabilities are essentially made up of accrued interest for bonds and convertible bonds (€ 5,503 K) which only become cash-effective in the spring or autumn of 2013, unpaid liabilities to the property management company and liabilities arising from payroll-accounting.

g) Contingent liabilities

	Maximum amount as at 31.12.2012 Tsd.		Used as at reporting date 31.12.2012 € 1,000	Used as at reporting date 31.12.2011 € 1,000
Liability for a loan granted to CA Immo Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	25,000	€	25,000	25,000
Guarantee for loans granted to CA Immo BIP Liegenschaftsverwaltung GmbH, BIL-S Superädifikatsverwaltungs GmbH, CA Immo Galleria Liegenschaftsverwaltung GmbH, Betriebsobjekte Verwertung Gesellschaft mbH & Co. Leasing OG and CA Immo Deutschland GmbH	192,479	€	179,122	97,792
Guarantee for CA Immo CEE Beteiligungs GmbH, Vienna, for the acquisition of Europolis AG granted to the sellers	136,424	€	136,424	136,884
Irrevocable guarantee for a loan granted to Vaci 76 Kft., Budapest	45,600	€	34,365	35,445
Guarantee for loans granted to CA Immo Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	34,000	€	34,000	33,333
Irrevocable guarantee for a loan granted to S.C. BBP Leasing S.R.L., Bucharest	33,150	€	14,484	16,156
Irrevocable guarantee for a loan granted to Kilb Kft, Budapest	21,000	€	13,150	13,579
Liability for a loan granted to CA Immo Sava City d.o.o., Belgrad	18,612	€	18,612	0
Irrevocable guarantee for a loan granted to CA Immo Rennweg 16 GmbH, Vienna	8,900	€	4,610	6,800
Irrevocable guarantee for a loan granted to Doratus Sp.z.o.o., Warsaw	8,500	€	6,734	7,157
Irrevocable guarantee for a loan granted to Canada Square Kft., Budapest	8,200	€	6,097	6,172
Liability for a loan granted to Europolis Sienna Center Sp.z.o.o., Warsaw	3,500	€	3,500	0
Liability for a loan granted to Europort Airport Center, Prague	1,235	€	1,235	0
Liability for a hotel management contract agreed with Europort Airport Center, Prague	1,000	€	0	0
Liability for fulfilment of a selling contract with CA Immo Deutschland GmbH, Frankfurt, granted to a business partner	1,000	€	0	0
Liability for interest payment for a selling contract with CA Immo Deutschland GmbH, Frankfurt, granted to a business partner	750	€	0	0
			477,333	**378,318**

CA Immobilien Anlagen Aktiengesellschaft and CA Immo CEE Beteiligungs GmbH, Vienna, acquired the shares in Europolis AG, Vienna, on 1.1.2011. CA Immobilien Anlagen Aktiengesellschaft is liable towards the seller for the purchase price of € 136 m, which was still outstanding on 31.12.2012. The outstanding purchase price is deferred until 31.12.2015.

Furthermore, the stakes of CA Immobilien Anlagen Aktiengesellschaft in the following companies are pledged in favour of the lenders financing the subsidiaries:

Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG, Vienna
CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna
CA Immo International Holding GmbH, Vienna
Canada Square Kft., Budapest
Kilb Kft., Budapest
Vaci 76 Kft., Budapest
BBP Leasing S.R.L. , Bucharest
2P s.r.o., Pilsen
FCL Property a.s., Prague
Office Center Mladost II EOOD, Sofia

Furthermore, the following letters of comfort were issued for subsidiaries to financial institutions financing them:

BIL S Superädifikationsverwaltungs GmbH, Vienna
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OHG, Vienna
CA Immobilien Anlagen d.o.o., Laibach
2P s.r.o., Pilsen
FCL Property a.s., Prague

In 2011 the partner from a Russian project has filed an arbitration action in the amount of approx. € 48 m, which has been increased in 2012 to approx. € 110 m plus interest. However, the chance of success is assumed to be low. Appropriate provisions were set up in the balance sheet for the expected payment outflow.

h) Liabilities from utilisation of tangible assets

The lease-related liability from utilisation of tangible assets not reported in the balance sheet is € 605 K for the subsequent business year and € 2,979 K for the subsequent five business years.

Of this € 592 K is attributable to affiliated companies for the subsequent business year and € 2,962 K for the subsequent five business years.

i) Details of derivative financial instruments

€ 1,000 Start	End	Nominal value 31.12.2012	fixed interest rate as at 31.12.2012	interest reference rate	Fair Value 31.12.2012	thereof considered as provisions 31.12.2012	thereof not considered as provisions 31.12.2012	thereof charged derivatives to affiliated companies 31.12.2012
12/2007	12/2017	114,375	4.41%	3M-EURIBOR	– 20,740	– 8,608	– 12,132	– 560
12/2007	12/2017	65,000	4.82%	3M-EURIBOR	– 13,552	– 13,552	0	0
12/2007	12/2022	57,188	4.55%	3M-EURIBOR	– 15,908	– 38	– 15,870	– 14,193
01/2008	12/2017	41,400	4.41%	3M-EURIBOR	– 7,473	– 7,473	0	0
01/2008	12/2022	57,500	4.55%	3M-EURIBOR	– 15,975	– 15,975	0	0
12/2008	12/2017	73,600	4.41%	3M-EURIBOR	– 13,332	0	– 13,332	– 13,332
		409,063			**– 86,980**	**– 45,646**	**– 41,334**	**– 28,085**

€ 1,000 Start	End	Nominal value 31.12.2011	fixed interest rate as at 31.12.2011	interest reference rate	Fair Value 31.12.2011	thereof considered as provisions 31.12.2011	thereof not considered as provisions 31.12.2011	thereof charged derivatives to affiliated companies 31.12.2011
12/2007	12/2012	58,438	4.25%	3M-EURIBOR	– 1,865	– 1,865	0	0
12/2007	12/2017	116,875	4.41%	3M-EURIBOR	– 17,383	– 5,828	– 11,555	– 469
12/2007	12/2017	65,000	4.82%	3M-EURIBOR	– 11,648	– 11,648	0	0
12/2007	12/2022	58,438	4.55%	3M-EURIBOR	– 12,076	– 5	– 12,071	– 10,774
01/2008	12/2017	42,525	4.41%	3M-EURIBOR	– 6,288	– 6,288	0	0
01/2008	12/2022	59,063	4.55%	3M-EURIBOR	– 12,178	– 12,178	0	0
12/2008	12/2017	75,200	4.41%	3M-EURIBOR	– 11,167	0	– 11,167	– 11,167
		475,539			**– 72,605**	**– 37,812**	**– 34,793**	**– 22,410**

The fair value corresponds to the amount that CA Immobilien Anlagen Aktiengesellschaft would receive or pay upon termination of the contract on the balance sheet date. These values were determined by the financial institute with which the transactions were concluded. The cited figures are present values. Future cash-flows from variable payments and discount rates are determined on the basis of generally recognised financial models. Interbank mid-rates are used for valuation. Specific bid/offer spreads and other liquidation costs are not included in the valuation.

j) Hedging relationship

As at 31.12.2012, provisions for derivative financial instruments not considered in the balance sheet which are subject to a hedging relationship (hedge accounting) amount to € 41,334 K (31.12.2011: € 34,793 K). Thereof € 28,085 K (31.12.2011: € 22,410 K) are related to accounting units with (back-to-back) derivatives passed on to affiliated companies (back-to-back derivatives) as well as € 13,249 K (31.12.2011: € 12,383 K) not built provisions for contingent losses related to accounting units with floating interest bearing liabilities. The redemption periods of the loans designated as underlying contract are either at least equal to the term of the derivative or - if the interest bearing liability underlying the hedging relationship has a shorter term - it is expected to receive a follow-up financing.

The inefficient part of the hedging relationship in amount of € 558 K (31.12.2011: € 189 K) is considered as provision as at 31.12.2012.

8. Explanatory notes on the income statement

Gross revenues

The gross revenues relate in full to real estate located in the domestic market and are made up as follows:

€ 1,000	**2012**	**2011**
Rental income for real estate	18,360	16,404
Operating costs passed on to tenants	5,627	4,594
	23,987	**20,998**

Other operating income

The other income item of the other operating income of € 4,495 K (2011: € 4,645 K) results from management fees paid to subsidiaries in the amount of € 3,553 K (2011: € 4,131 K, cost re-charging and insurance revenues.

Staff expense

This item includes wages, salaries, statutory social welfare contributions and expenses for severance payments and pensions totalling € 8,806 K (2011: € 8,577 K) for the 62 staff (2011: 60) employed by the company on average.

Expenses for severance payments as well as payments dependent on remuneration and compulsory contributions are made up as follows:

€ 1,000	2012	2011
Change of provision for severance payments to directors and executive employees	– 448	81
Allocation to provision for severance payments to other employees	15	4
Severance payments to directors and executive employees	602	0
Pension fund contributions for directors and executive employees	39	44
Pension fund contributions for other employees	51	46
	259	**175**

Expenses in connection with pensions are made up as follows:

€ 1,000	2012	2011
Pension fund contributions for directors and executive employees	260	123
Pension fund contributions for other employees	52	37
	312	**160**

Depreciation

€ 1,000	2012	2011
Depreciation of intangible fixed assets	85	244
Scheduled depreciation of buildings	7,033	7,134
Depreciation of other assets, office furniture and equipment	500	468
Low-value assets	3	0
	7,621	**7,846**

Other operating expenses

Where they do not come under taxes on income the taxes in the amount of € 331 K (2011: € 344) mainly comprise the non-deductible input VAT of the current year and real estate charges passed on to tenants in the amount of € 325 K (2011: € 330 K).

The Other expenses item of the other operating expenses is made up as follows:

€ 1,000	2012	2011
Other expenses directly related to properties		
Operating costs passed on to tenants	5,284	4,247
Maintenance costs	1,915	1,659
Own operating costs (vacancy costs)	956	1,815
Administration and agency fees	922	227
Other	507	194
Subtotal	**9,584**	**8,142**
General administrative costs		
Legal and consulting fees	2,578	2,307
Advertising and representation expenses	900	862
Office rent including operating costs	850	820
Expenses of bonds and convertible bond	313	297
Other fees and bank charges	114	128
Claims and reserves for bad debts of other receivables	59	348
Other	2,118	2,015
Subtotal	**6,932**	**6,777**
Total other operating expenses	**16,516**	**14,919**

Income from interest

This item comprises dividends paid from affiliated companies from Austria in the amount of € 135,3780 K (2011: € 102,340 K) and from Eastern Europe or from intermediate holding companies for investments in Eastern Europe in the amount of € 19,500 K (2011: € 61,186 K).

Income from loans from financial investments

This item comprises interest income from loans to affiliated companies and from other loans.

Other interest and similar income

The interest income originates from fixed term deposits, investments in securities and cash at bank, accrued interest for acquired shares as well as from swap interest transfers to affiliated companies. In the previous year in relation to the change in the accounting method used for derivative financial instruments qualified as parts of hedging relationships, provisions for anticipated losses to the total value of € 24,935 K were reversed on 1.1.2011.

Income from the sale and revaluation of financial assets and short-term securities

In the financial year 2012 reversals of impairment losses of investment in affiliated companies to the value of € 19,721 K (2011: € 14,219 K) were carried out and provisions for contributions to group companies in the amount of € 1,417 K (2011: € 0 K) were reversed. In addition income from the sale of short-term securities from current assets to the value of € 815 K was generated in 2011.

Expenses for financial assets and interest receivables in the current assets

€ 1,000	2012	2011
Depreciation of financial assets	100,969	58,267
Reversal/addition of provisions for contributions to group companies	– 1,258	2,522
Bad debt allowance for interest receivables	1,865	0
Loss from disposal of investments in affiliated companies	7	0
	101,583	**60,789**

Interest and similar expense

€ 1,000	2012	2011
Interest costs for bonds	25,006	25,006
Expenses for derivative transactions	27,533	26,090
Interest for loans taken up and bank liabilities for the financing of real estate assets	3,638	3,879
Interest costs in respect of affiliated companies	2,928	19,021
Other	201	8
	59,306	**74,004**

In relation to the change in the accounting method used for derivative financial instruments qualified as parts of valuation group, swap receivables from affiliated companies to the total value of € 15,191 K were adjusted as at 1.1.2011 and considered in the previous year.

Taxes on income

This item essentially comprises the income from tax compensation of group members in the amount of € 4,252 K (2011: € 5,409 K).

As at 31.12.2012 CA Immobilien Anlagen Aktiengesellschaft has losses carried forward in the amount of € 312,642 K (31.12.2011: € 262,116 K) for which, pursuant to the provisions of the Austrian Commercial Code (UGB), no deferred taxes were shown in the financial statements. Furthermore, no deferred tax assets were recognised for depreciation on financial assets in the amount of € 25,325 K (31.12.2011: € 30,569 K) that have not yet been claimed for tax purposes.

OTHER INFORMATION

9. Affiliated companies

CA Immobilien Anlagen Aktiengesellschaft, Vienna, is the ultimate parent company of CA Immobilien Anlagen AG Group. The Group Consolidated Financial Statements are drawn up pursuant to International Financial Reporting Standards (IFRS) and the supplementary provisions of section 245a of the Austrian Commercial Code (UGB) and filed at the Vienna Commercial Court.

10. Tax group

In business year 2005 a group and tax compensation agreement was concluded for the formation of a tax group within the meaning of section 9 of the Austrian Corporation Tax Act (KStG) effective from business year 2005. In the subsequent years this was expanded to include additional group members. The group is headed by CA Immobilien Anlagen Aktiengesellschaft, Vienna. In business year 2012 the tax group comprises beside the head of the group 32 Austrian group companies (2011: 34).

The allocation method used by CA Immo tax group is the distribution method where tax profits of a group member are offset against pre-group tax loss carried forward. Forwarded losses of a group member are kept evident. In case of termination of the tax group or withdrawal of a tax group member, CA Immobilien Anlagen Aktiengesellschaft is obliged to pay a final compensation payment for unused tax losses that have been allocated to the head of the group. These compensation payments are based on the fair value of all (notional) prospective tax reductions, which the group member could potentially realise if it had not joined the tax group. Upon withdrawal of a tax group member or termination of the tax group the final compensation payment will be determined through a professional opinion by a mutually appointed chartered accountant.As of 31.12.2012 the possible obligations against group companies from a possible termination of the group were estimated to € 257 K. As at 31.12.2012 no group company has left the tax group, so that no provision was considered for that case.

11. Executive bodies and employees

Supervisory Board

Dr. Wolfgang Ruttenstorfer, Chairman
Mag. Helmut Bernkopf, Deputy Chairman
O.Univ.-Prof.DDr.Waldemar Jud
Barbara A. Knoflach
Mag. Reinhard Madlencnik
Mag. Franz Zwickl
Detlef Bierbaum (until 10.5.2011)
Mag. DDr. Regina Prehofer (until 10.5.2011)

As at 31.12.2012 all members of the Supervisory Board had been elected by the General Meeting.

The remuneration of the Supervisory Board paid in 2012 (for financial year2011) amounts to € 116 K (2011for fiscal year 2010: € 113 K). No additional remunerations were paid to members of the Supervisory Board.

Management Board

Dr. Bruno Ettenauer
Bernhard H. Hansen
Mag. Florian Nowotny (since 1.10.2012)
Mag. Wolfhard Fromwald (until 30.09.2012)

In business year 2012, the total costs of the Management Board (including incidental wage costs, remuneration in kind and expense allowances) amounted to € 1,775 K (2011: € 1,332 K); thereof, salary-based deductions accounted for € 80 K. In 2012, the remuneration of the Management Board included variable salary components in an amount of € 990 K (2011: € 584 K). In addition to bonus payments for 2011 this amount includes all payments related to Wolfhard Fromwald's retirement after 23 years of services. The remuneration of Management Board member Bernhard H. Hansen was totally paid by CA Immo Deutschland GmbH, Frankfurt am Main, without charging the company. For variable salary components including charges on this component provisions in an amount of € 393 K (2011: € 622 K) were considered as expenses. As part of the LTI (long term incentive) programme, as at 31.12.2012 there are provisions with a total value of € 525 K (31.12.2011: € 596 K); thereof € 155 K (2011: € 281 K) relates to the current Management Board. No loans or prepayments were granted to the Management Board.

Employees

The average number of staff employed by the company during the fiscal year was 62 (2011: 60).

12. Auditor's remuneration

There is no indication of the auditor's remuneration for the fiscal year pursuant to section 237, no. 14 of the Austrian Commercial Code (UGB), as this information is contained in the Group Consolidated Financial Statements of CA Immobilien Anlagen Aktiengesellschaft.

13. Proposal for the appropriation of net earnings

It is proposed to use part of the net retained earnings of € 108,746,949.86 to pay a dividend of € 0.38 per share, i.e. a total of € 33,385,302.80, to the shareholders. The rest of the net retained earnings in the amount of € 75,361,647.06 is intended to be carried forward to new account.

The Management Board

Bruno Ettenauer (Chairman)	Bernhard H. Hansen (Member of the Management Board)	Florian Nowotny (Member of the Management Board)

Vienna, 19 March 2013

ASSETS ANALYSES FOR THE BUSINESS YEAR 2012

	Acquisition and production costs as at 1.1.2012	Addition	Disposal	Transfer	Acquisition and production costs as at 31.12.2012	Depreciation and amortisation (accumulated)	Book value as of 31.12.2012	Depreciation and amortisation in 2012	Reversal of impairment losses in 2012	Book value as at 31.12.2011
	€	€	€	€	€	€	€	€	€	€ 1,000
I. Intangible fixed assets										
Rights and EDP software	233,595.34	377,607.67	0.00	0.00	611,203.01	277,291.70	333,911.31	85,032.50	0.00	41
	233,595.34	**377,607.67**	**0.00**	**0.00**	**611,203.01**	**277,291.70**	**333,911.31**	**85,032.50**	**0.00**	**41**
II. Tangible fixed assets										
1. Property and buildings										
a) Land value	68,437,656.06	0.00	2,158,236.16	0.00	66,279,419.90	15,560,363.97	50,719,055.93	0.00	1,443,692.00	51,058
b) Building value	308,201,930.66	2,963,862.97	8,362,643.69	9,790,245.05	312,593,394.99	110,773,390.39	201,820,004.60	7,033,252.85	3,151,468.15	197,497
	376,639,586.72	**2,963,862.97**	**10,520,879.85**	**9,790,245.05**	**378,872,814.89**	**126,333,754.36**	**252,539,060.53**	**7,033,252.85**	**4,595,160.15**	**248,555**
2. Other assets, office furniture and equipment	4,061,712.23	464,332.85	445,830.91	0.00	4,080,214.17	2,816,626.31	1,263,587.86	499,737.28	0.00	1,343
3. Low-value assets	0.00	3,003.52	3,003.52	0.00	0.00	0.00	0.00	3,003.52	0.00	0
4. Prepayments made and construction in progress	12,381,422.15	24,270,316.49	1,127,989.69	– 9,790,245.05	25,733,503.90	100,000.00	25,633,503.90	0.00	0.00	12,282
	393,082,721.10	**27,701,515.83**	**12,097,703.97**	**0.00**	**408,686,532.96**	**129,250,380.67**	**279,436,152.29**	**7,535,993.65**	**4,595,160.15**	**262,180**
III. Financial assets										
1. Investments in affiliated companies	2,376,015,079.91	7,617,211.24	560,671.14	1,022,000.00	2,384,093,620.01	715,925,749.35	1,668,167,870.66	100,610,930.57	19,721,143.70	1,741,907
2. Loans to related companies	218,876,577.91	68,749,500.00	35,762,711.31	5,878,000.00	257,741,366.60	4,748,312.99	252,993,053.61	168,000.00	221,781.29	217,875
3. Prepayments made on investments in affiliated companies	5,413,882.39	0.00	5,413,882.39	0.00	0.00	0.00	0.00	0.00	0.00	1,900
4. Investments in associated companies	2,733,232.69	0.00	0.00	0.00	2,733,232.69	2,689,699.00	43,533.69	14,000.00	0.00	57
5. Other loans	43,546,278.35	157,500.00	2,750,000.00	– 6,900,000.00	34,053,778.35	24,576,532.79	9,477,245.56	176,028.07	0.00	14,344
	2,646,585,051.25	**76,524,211.24**	**44,487,264.84**	**0.00**	**2,678,621,997.65**	**747,940,294.13**	**1,930,681,703.52**	**100,968,958.64**	**19,942,924.99**	**1,976,083**
	3,039,901,367.69	**104,603,334.74**	**56,584,968.81**	**0.00**	**3,087,919,733.62**	**877,467,966.50**	**2,210,451,767.12**	**108,589,984.79**	**24,538,085.14**	**2,238,304**

INFORMATION ABOUT GROUP COMPANIES

Direct investments

Company	Registered office	Share capital		Interest in %	Profit/loss for fiscal 2012 in 1,000		Shareholders' equity as at 31.12.2012 in 1,000		Profit/loss for fiscal 2011 in 1,000		Shareholders' equity as at 31.12.2011 in 1,000	
CA Immo d.o.o.	Belgrad	390,500	EUR	100	728	RSD	957	RSD	– 2,974	RSD	229	RSD
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	– 22,296	HUF	520,738	HUF	4,351	HUF	854,163	HUF
Canada Square Kft.	Budapest	12,500,000	HUF	100	277,663	HUF	355,670	HUF	– 228,021	HUF	78,007	HUF
Kapas Center Kft.	Budapest	772,560,000	HUF	50	300,384	HUF	1,483,762	HUF	– 195,689	HUF	1,183,379	HUF
Kilb Kft.	Budapest	30,000,000	HUF	100	600,964	HUF	1,500,635	HUF	– 43,842	HUF	1,210,058	HUF
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	431,225	HUF	2,542,536	HUF	– 315,848	HUF	850,281	HUF
Skogs Buda Business Center II. Kft.	Budapest	327,000,000	HUF	100	– 210,016	HUF	213,618	HUF	– 286,990	HUF	423,634	HUF
Váci 76 Kft.	Budapest	3,100,000	HUF	100	1,210,140	HUF	4,729,080	HUF	– 1,430,118	HUF	3,518,940	HUF
Opera Center One S.R.L.	Bukarest	27,326,150	RON	0.24	4,139	RON	61,195	RON	1,175	RON	61,306	RON
Opera Center Two S.R.L.	Bukarest	7,310,400	RON	0.14	1,312	RON	11,793	RON	1,063	RON	11,552	RON
S.C. BBP Leasing S.R.L.	Bukarest	14,637,711	RON	0.02	11,676	RON	73,128	RON	8,755	RON	24,585	RON
CA Immo AG	Frankfurt	50,000	EUR	50.5	83	EUR	282,220	EUR	2,052	EUR	297,022	EUR
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49	85	EUR	525	EUR	– 72	EUR	428	EUR
Pannonia Shopping Center Kft.	Györ	500,000	HUF	50	– 235,116	HUF	– 100,686	HUF	– 861,973	HUF	– 774,645	HUF
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	5,445	EUR	55,915	EUR	4,235	EUR	59,085	EUR
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	– 2,364	EUR	– 11,713	EUR	– 3,415	EUR	– 12,349	EUR
CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR	Luxembourg	153,569,000	EUR	70	1,791	EUR	62,519	EUR	– 5,995	EUR	60,728	EUR
CA Immo S.á.r.l.	Luxembourg	33,000	EUR	100	– 18	EUR	14	EUR	– 17	EUR	– 14	EUR
2P s.r.o.	Pilsen	240,000	CZK	100	18,024	CZK	37,185	CZK	– 52,479	CZK	8,930	CZK
Hotel Operations Plzen Holding s.r.o.	Pilsen	200,000	CZK	10	– 5,776	CZK	4,664	CZK			acquired	2012
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	26,361	CZK	40,168	CZK	– 145,595	CZK	– 45,423	CZK
FCL Property a.s.	Prague	2,000,000	CZK	100	5,832	CZK	24,250	CZK	3,911	CZK	18,417	CZK
Hotel Operations Europort s.r.o.	Prague	200,000	CZK	10	– 2,881	CZK	9,097	CZK			acquired	2012
Office Center Mladost 2 EOOD	Sofia	5,000	BGN	100	646	BGN	658	BGN	– 713	BGN	– 622	BGN
Office Center Mladost EOOD	Sofia	5,000	BGN	100	408	BGN	429	BGN	– 711	BGN	– 704	BGN
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	56	PLN	35	PLN	– 33	PLN	– 21	PLN
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	– 342	EUR	– 5,100	EUR			acquired	2012
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,135,427	EUR	100	2,421	EUR	6,557	EUR	1,235	EUR	5,370	EUR
CA Immo Beratungs- und Beteiligungs GmbH in Liqu.	Vienna	35,000	EUR	100	– 12	EUR	20	EUR	– 3	EUR	32	EUR
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	38.9	– 1,989	EUR	28,561	EUR	7,860	EUR	41,487	EUR

Information on participations is based on preliminary figures in financial statements prepared according to local accounting standards.

Company	**Registered office**	**Share capital**		**Interest in %**	**Profit/loss for fiscal 2012 in 1,000**		**Shareholders' equity as at 31.12.2012 in 1,000**		**Profit/loss for fiscal 2011 in 1,000**		**Shareholders' equity as at 31.12.2011 in 1,000**	
CA Immo International Beteiligungsverwaltungs GmbH	Vienna	35,000	EUR	100	824	EUR	20,498	EUR	767	EUR	20,439	EUR
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	64,666	EUR	1,271,584	EUR	70,539	EUR	1,332,718	EUR
CA Immo Investment Management GmbH	Vienna	100,000	EUR	100	2,031	EUR	2,139	EUR	279	EUR	388	EUR
CA Immo ProjektentwicklungsgmbH	Vienna	72,500	EUR	100	– 1,175	EUR	168	EUR	– 1,346	EUR	443	EUR
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	– 684	EUR	1,132	EUR	487	EUR	1,816	EUR
CAII Projektmanagement GmbH	Vienna	35,000	EUR	100	– 213	EUR	16	EUR	– 1,579	EUR	209	EUR
CEE Hotel Development GmbH in Liqu.	Vienna	70,000	EUR	50	– 14	EUR	54	EUR	– 3	EUR	68	EUR
CEE Hotel Management und Beteiligungs GmbH in Liqu.	Vienna	35,000	EUR	50	– 14	EUR	18	EUR	– 3	EUR	32	EUR
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	– 6	EUR	82	EUR	– 2	EUR	88	EUR

Information on participations is based on preliminary figures in financial statements prepared according to local accounting standards.

MANAGEMENT REPORT

MANAGEMENT REPORT OF CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2012

CA Immobilien Anlagen Aktiengesellschaft ("CA Immo") is the parent company of the CA Immo Group. Its head office is at Mechelgasse 1, 1030 Vienna. The CA Immo Group is an internationally active property group. It has subsidiaries in Bulgaria, Germany, Croatia, Luxembourg, the Netherlands, Austria, Poland, Romania, Russia, Serbia, Slovakia, Slowenia, the Czech Republic, Ukraine, Hungary and Cyprus. As of 31 December 2011, the CA Immo Group owned real estate and properties in all of the aforementioned countries except Luxembourg, the Netherlands and Cyprus. The company's main activity involves the strategic and operational management of the domestic and foreign subsidiaries. It also owns 21 properties in Austria (as of 31 December 2012).

ECONOMIC ENVIRONMENT

The cyclical trend

The main factors influencing the operational business development of CA Immo are economic growth, which drives the demand for office space, as well as liquidity and interest rates. The continuing debt crisis is impacting on general economic stability and feeding insecurity on markets and amongst investors accordingly.

The pace of economic expansion across the EU slowed in 2012 with average GDP growth of 0.3%, compared to 1.6% in 2011. Against this background of tension as individual economies drifted even further apart within the eurozone, CA Immo's core markets returned above average growth figures. Compared to most eurozone nations, economic output on most of CA Immo's core markets in Eastern Europe proved more stable, with higher growth rates and far lower levels of debt. With GDP expansion of 2.4%, Poland took centre stage in impressive fashion. Over the same period, CA Immo's other core markets achieved economic output above the EU average with GDP increases of around 1.0%. According to Eurostat forecasts, Poland and Romania will have the highest growth rates in 2013.

The money market and interest rate environment [1]

The average inflation rate in the eurozone for 2012 was 2.2%, 0.5% below the previous year's value but above the indicator of price stability of below two percent as specified by the European Central Bank (ECB). Once again, prices were driven by energy and other commodities. Despite the marginal decline in the inflation rate, the ECB upheld its low interest rate policy, introducing a further cut to the base rate (from 1.0% to 0.75%) in July.

Interest rates on the unsecured money market underwent a downward slide in 2012, levelling off at a record low level in the final quarter. The 3 month Euribor, the reference rate for floating rate loans, stood at 1.2% at the start of the year and had fallen to 0.19% by December. Despite the low interest level, total financing costs remained the same or higher than in previous years owing to higher bank margins. This was partly due to high risk premiums for financing as well as higher capital requirements on the part of financing banks (see also 'Outlook' on the next page).

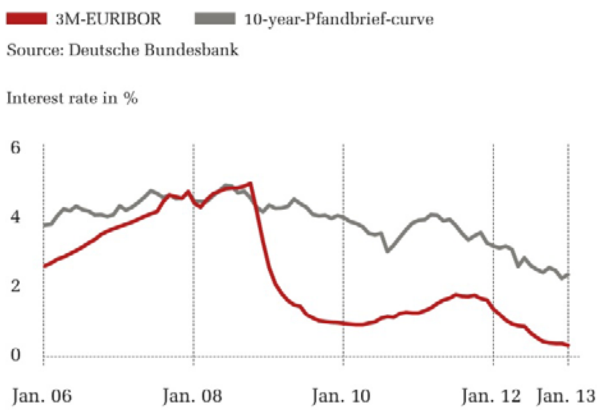
[1] Sources: Eurostat 2012, European Central Bank, Monthly Bulletin January 2012

ECONOMIC DATA OF CA IMMO CORE MARKETS

	Growth rate of the real GDP [1]		Annual inflation rates [2]	Rate of unemployment [3]	Gross public debt [4]	Public deficit/ -surplus	Balance of trade [5]
	2012	2013	in %	in %	in %	in % of the GDP 2011	in bn €
EU (27)	0.3	0.4	2.3	10.7	80.1	−4.4	−9.8
Euro zone (17)	0.4	0.1	2.2	11.8	85.3	−4.1	9.3
AT	0.8	0.9	2.9	4.5	73.7	−2.5	7.2
D	0.7	0.8	2.0	5.4	81.7	−0.8	157.7
PL	2.4	1.8	2.2	10.6	55.9	−5	−7.5
CZ	1.3	0.8	2.4	7.4	44.9	−3.3	10.8
HU	1.2	0.3	5.1	10.9	78.6	4.3	6
RO	0.8	2.2	4.6	6.7	35.2	−5.5	−8.3

Source: Euostat
[1] Prognosis, change from previous year (in %)
[2] as of January 2013
[3] as of November 2012 (saisonally adjusted)
4 as of third quarter of 2012 (saisonally adjusted)
5 January to October 2012 (not saisonally adjusted)

INTEREST RATE DEVELOPMENT



Currencies [2]

The development of the euro remained volatile as the sovereign debt crisis in various European nations persisted. The nominal effective exchange rate of the euro has been falling sharply against the currencies of the 20 main trading partners since the end of August. Against the US dollar, the euro fell by -0.5% on average to stand at US$ 1.2848 at year end. Given that nearly all of CA Immo's lease contracts are concluded in euros, this did not impact directly on rental revenue.

Outlook

The economy of Europe is set to expand in 2013, albeit at a moderate pace, and growth indicators are pointing to the stabilisation of economic activity. Economic data also suggests healthy stability for the core markets of CA Immo. Interrelations between these markets are strong, and trading activity – the main factor driving the European economy – will remain buoyant. Highly stable market conditions would therefore seem to be guaranteed for CA Immo.

Despite the positive signals, though, there is little sign that economic growth will pick up in the crisis-afflicted nations of Europe (such as Greece and Spain) during 2013. Although structural obstacles on labour and goods markets are still impeding the pace of expansion as regards investment, employment and consumption, the mood among business players is more optimistic than before.

During January 2013, tension on the money market eased tangibly; interbank transactions revived as many banks on core markets regained access to liquidity via the free markets. Accordingly, these institutions are generally repaying funds borrowed from the ECB early. At present,

[2] Sources: European Central Bank, Monthly Bulletin January 2013, www.finanzen.net; closing rate on 30.12.2012

it is not possible to foresee the extent to which the ECB will tie its base rate to the pattern of interbank transactions or continue to support countries still in crisis via low base rates, which mean cheap money.

We must also wait and see whether, when and to what extent the positive banking sector developments noted early in the year will influence actual lending. Financing in the real estate environment is likely to remain costly and bound by strict requirements. In particular, long-term loans and loans for non-core products will become more expensive due to high risk premiums.

As regards the yield prospects for AAA-rated government bonds, which are presently low, higher-yield investments such as real estate and shares are likely to attract more capital in 2013. Demand for real estate investment (especially in the core category) is thus expected to rise, leading to price increases in at least some areas.

REAL ESTATE MARKETS

The core markets of CA Immo revealed sound economic foundations in 2012, with performance indicators proving highly stable on the property investment and rental markets. The investment and office markets in Austria were vibrant, offering a healthy basis for business. Germany continues to act as the stabilising influence of the eurozone, a fact reflected on real estate markets in the consistent levels of investment turnover and continuously high demand. CA Immo's core markets in Eastern Europe are still defined by widely varying conditions; overall, there is a clear north-south divide on the lettings and investment markets of Europe.

Once again, certainty was the main factor for investors making purchase decisions in 2012. As a result, the gap has widened between high quality real estate in European capital cities and older properties in B-class areas and locations that fall short of modern technical standards. This trend is expected to continue in 2013.

THE REAL ESTATE MARKET IN AUSTRIA [3]

The investment market

Around € 1.8 bn was invested in Austrian real estate in 2012, an increase of 7% on the transaction volume for 2011. The majority of transactions (70%) took place in the second half of the year. Investors were strongly attracted to high quality retail properties (41%) and offices (33%). In year-on-year comparison, peak yields fell by 20 base points to stand at 5.0% at the turn of the year. Another marginal yield compression is expected in 2013.

The office property market

In Vienna, 345,000 sqm of office space was let in 2012, equivalent to a 34% rise in lettings performance compared to the previous year. CA Immo delivered a major contribution to this increase with, amongst other things, the letting of the Silbermöwe building (21,500 sqm) in the Lände 3 district. Despite this large-scale let, most floor space turnover was generated through small-scale lettings of less than 5,000 sqm. Lettings performance is likely to fall in 2013, levelling off around the level of 2011.

Compared to 2011, the production of office space (including general redevelopment) has increased by 92%. Another 176,000 sqm of office space is expected to be produced in 2013 as various projects are completed. Given the expected drop in demand, vacancy levels (especially in previously occupied properties not conforming to the latest standards) could well increase. Peak rent levels were hovering around € 24.75/sqm at the end of 2012. Another slight rise in rental rates in prime locations is likely during 2013.

THE REAL ESTATE MARKET IN GERMANY [4]

The investment market

Once again economic stability, a polycentric structure and large, liquid real estate markets made Germany a magnet for investors in 2012. Nationally, around € 25.6 bn (a rise of 9% on the previous year) was invested in the commercial purchase of real estate. Demand also remained strong for high quality properties with good letting levels (core segment), especially in the usage

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

[4] Sources: BNP Paribas Real Estate 2013; CBRE EMEA Rents and Yields Q4 2012; CBRE MarketView, Office Market Frankfurt/Munich Q4 2012

categories of offices (42% of the total investment volume) and retail (30.5%). The value of peak yields has fallen in most locations.

Berlin now leads the German investment market in terms of sales, with the transaction volume on the commercial investment market rising by 65% to € 3.85 bn; it was followed by Munich with turnover of € 3.62 bn (up 26%) and Frankfurt with € 3.23 bn (up 9%). The reason for this was not a lack of demand from investors, however, but a shortage of suitable core status assets. Looking ahead, a similar transaction volume should be attainable in 2013.

The office property market

As regards the office rental market in Germany, office space totalling 1.84 m square metres was let on the core CA Immo markets of Berlin, Frankfurt and Munich in 2012 (compared to 1.75 m square metres in 2011). Strong demand for high quality premises coupled with falling (speculative) construction levels will reduce vacancy further in the quality segment during 2013. Structural vacancy will rise at the same time, with the trend towards redesignation of vacant office properties no longer marketable to alternative (e.g. residential) usages accelerating rapidly in some prime office locations.

The supply of new premises in **Berlin** is moderate owing to the fact that construction has only been carried out as required in recent years (and subject to appropriate levels of pre-letting). Demand for modern properties in central locations is rising continually, driving a steady increase in peak rents. This positive market trend, which is reflected on the investment market, is expected to continue in 2013.

During 2012, **Frankfurt** achieved good results on the investment market (up 9%) and especially the office rental market (up 20%). The supply of modern premises available at short notice is limited while structural vacancy is rising markedly outside of the prime segment, producing strong competition for older premises and forcing down average rents outside the core segment. The trend for refurbishing or redesignating older, vacant office space to alternative usage types (residential in particular) is set to continue in 2013.

Despite strong demand in central city locations, floor space turnover in **Munich** fell 19% to 611,450 sqm in year-on-year terms. Rental rates rose sharply in central areas, with the peak rent level overtaking Frankfurt for the first time. Vacancy decreased by around 14% compared to 2011 owing to the declining completion volume. Demand for modern office premises in central locations is likely to be sustained in 2013.

THE REAL ESTATE MARKET IN EASTERN EUROPE [5]

The investment market

During 2012, commercial investment activity in the CEE region was characterised by a fall in transactions; the total investment volume was around € 7.4 bn (down 35% on the previous year). Investors looking for core properties in capital cities were particularly attracted to Poland (€ 1.54 bn) and Russia (€ 1.19 bn). Only a handful of banks are prepared to finance real estate purchases in Eastern Europe. Poland and the Czech Republic alone emerged as relatively liquid markets. In Poland, the fourth quarter of 2012 saw the highest quarterly volume of transactions since 2006. Investors deserted the smaller nations of South Eastern Europe in droves owing to deteriorating economic conditions, restrictive financing options and a short supply of core assets as the investment market in the region virtually ground to a halt. Peak yields on class A office properties were largely stable in 2012; they were unchanged at 6.25% in Poland and 6.50% in the Czech Republic.

The office property markets [6]

In spite of the tough economic conditions in Europe, the office market in the CEE region was again stable if patchy. Demand in **Poland** remained constant, with stable floor space turnover and good absorption levels for newly built premises. The vacancy rate is likely to rise over the years ahead, however, as more new projects and fully renovated office properties come onto the market. Lettings were also stable on the **office property market in the Czech Republic** in 2012. Although lettings performance declined by around 16%, vacancy levels and rents remained around the same levels. Completions of new office premises are likely to increase on the office markets of Poland and the Czech Republic in 2013. The absorption of these premises is expected to be generated largely through relocations from old offices. Vacancy is poised to increase, especially in outdated buildings.

[5] Sources: CBRE Market View, CEE Offices February 2013; CBRE EMEA Rents and Yields Q4 2012
[6] Sources: CBRE Market View, CEE Offices February 2013; CBRE EMEA Rents and Yields Q4 2012

Lettings activity in **Hungary and Romania** in 2012 was characterised by contract extensions and expansions of premises by existing tenants, resulting in low net absorption and a concurrent rise in the vacancy rate. An upturn on these office markets is not anticipated in the year ahead.

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

Logistics [7]

The logistics segment – which traditionally has shorter lease agreement terms, higher volumes of floor space and direct links to the business environment – generally responds more quickly to international trends than the office property sector. Accordingly, transaction volume and lettings performance in the logistics area during 2012 showed moderate to good results on the more economically stable CEE markets such as Poland, the Czech Republic and Russia. This positive demand was seen alongside a large supply and thus strong competition of logistic space in these regions. Other markets in Eastern and South Eastern Europe saw investors withdraw as floor space turnover fell sharply.

Thanks to the country's strong domestic market, stable economic growth and close trading links with Western Europe, domestic and foreign demand in Poland has expanded steadily, encountering a high supply of logistic space available. Until October 2012, floor space turnover in the commercial sector broadly matched the level of the previous year. At the end of Q3 2012, the logistics vacancy rate averaged 12%, varying from 5% to 30% according to location. Rent levels remained stable at € 2.8/sqm to € 5.0/sqm. Peak yields fell marginally (down 25 base points) to the current level of 7.50%. Rents and yields are not expected to change significantly in 2013.

[7] Sources: Jones Lang LaSalle, European Industrial Bulletin, September 2012; CBRE Big Box Poland Industrial Market View, Q4 2012

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 the center of Europe. The objective is to build up a focused portfolio of high quality and sustainable investment properties within the core markets of Germany, Austria, the Czech Republic, Poland, Hungary, Romania and Slovakia. The company generates additional revenue through the utilisation of developed real estate reserves.

As at key date 31 December 2012, the property assets of CA Immo were approximately € 5.3 bn (€ 5.2 bn as at 31.12.2011). Of this figure, investment properties[8] account for € 4.5 bn (86% of the total portfolio) and property assets under development represent € 0.7 bn (14% of the portfolio as a whole). The proportion of the Eastern European segment fell from around 41 % of total property assets as at 31 December 2011 to 38 % as at 31 December 2012; the Germany segment rose to 47% of total property assets (45% as at 31.12.2011).

The property assets directly held by CA Immobilien Anlagen AG as of the reporting date encompassed 21 properties in Austria with a recognised value of € 278.173 K (property and buildings and down-payments, including construction in progress) (as of 31 December 2011: 23 properties, recognised value € 260.837 K). The economic occupancy rate was 89% (2011: 85%).

During 2012 CA Immo sold two investment properties in Vienna with a value of € 5,541 K (2011: five investment properties with a value of € 11,530 K). Total income of € 2,827 K was generated from sales (2011: € 5,608 K).

Project development sustains portfolio quality

CA Immo Group also acts as a project developer on its markets. One objective of development activity is to raise the quality of the company's portfolio by absorbing projects as they are completed. On the other hand, the company increases the value of land reserves by acquiring building rights and utilises them by means of sales or joint venture developments. CA Immo either transfers completed projects to its portfolio or sells them (through forward sales or to investors upon completion). In the

[8] Including properties used for own purposes and intended for trading or sale

course of its development activity, CA Immo covers the entire value chain from site development and property use approval to project management, construction management and the letting or sale of completed properties.

CA Immobilien Anlagen AG's development activities in Austria are centred on Vienna and span property assets under development with a total value of around € 60.2 m. As at 31 December 2012, the company was realising one development project in Vienna.

Early in 2010, CA Immo launched a large-scale inner city development and restoration project known as **Lände 3** at Erdberger Lände in the capital. The site, which currently offers some 80,000 sqm of existing office space, comprises a number of sections. Following an initial phase of restoration, Post AG signed up as an anchor tenant for approximately 31,000 sqm of office space in 2011.

A redevelopment project was launched on the Lände 3 site in connection with the urban development scheme in March 2011: the Silbermöwe office building has now been thoroughly refurbished, thereby observing stringent sustainability criteria. Completion of the structural shell of the building, which has 10 floors and stands at just under 40 m, was celebrated in May 2012; an application for ÖGNI certification has been made. In November, Robert BOSCH AG agreed to rent the entire gross floor space of the building (21,500 sqm) for at least 10 years; the company will take up residence during quarters two and three of 2013. This agreement was by far CA Immo's largest new letting of 2012 on the Vienna office market.

PATTERN OF BUSINESS AT CA IMMOBILIEN ANLAGEN AG

Earnings

In view of new leases concluded in business year 2011, rental income rose by 11,9%, from € 16,404 K to € 18,360 K. Operating costs passed on to tenants also increased, from € 4,594 K to € 5,627 K. This rise was associated with an advance of 14% in the gross revenues recognised in the annual financial statements of CA Immobilien Anlagen AG as of 31 December 2012, from € 20,998 K to € 23,987 K.

Other operating income fell to € 12,060 K (2011: € 13,022 K). The downturn is attributable to the decrease in management fees passed on to the CA Immo New Europe Property Fund, from € 4,131 K in 2011 to € 3,553 K in 2012. This item also includes cost allocations and insurance proceeds.

The staff expenses item contains wages, salaries, statutory social security contributions, and expenses for severance payments and retirement pensions in the total amount of € 8,806 K (2011: € 8,577 K); the average number of employees was 62 (2011: 60).

Amortisation of intangible assets and depreciation of tangible assets together fell slightly (– 3%) year on year, to € 7,621 K (2011: € 7,846 K). In contrast, other operating expenses climbed by 10% to € 16,847 K because of an increase in both the other expenses directly related to properties and the general administrative expenses – in particular in connection with the investment in the Hotel Europort in Prague and the insolvency of the tenant ECM.

Overall, the operating result rose by 19% to € 2,773 K as of 31 December 2012 (2011: € 2,334 K).

Dividends from subsidiaries in Germany, Austria and Eastern Europe gave rise to income from investments in the amount of € 154,596 K (2011: € 163,526 K). Expenses from financial investments and securities held as current assets totalled € – 100,166 K (2011: € – 60,789 K). They arose predominantly from the dividend-related depreciation of shares in affiliated companies.

The company generated proceeds from loans, largely from subsidiaries, in the amount of € 11,931 K (2011: € 10,477 K). Interest income declined from € 33,611 K in 2011 to € 9,027 K as of 31 December 2012; it arises from fixed deposits, cash advances, deferred interest for purchased bonds, and interest on swaps charged to affiliated companies. In the previous year, in the context of revising the method of accounting for derivative financial instruments qualified as valuation units, provisions for onerous contracts in the total amount of € 24,935 K were reversed as of 1 January 2011.

Income from the disposal and write-up of financial investments and securities held as current assets rose by 20% to € 21,694 K (previous year: € 18,034 K). In business year 2012, the reversal of write-downs at CA Immo Rennweg 16 GmbH (Vienna); Váci 76 Kft., Kilb Kft., Kapas Center Kft. (all Budapest); and 2P s.r.o. (Prague) prompted the reversal of impairment losses for shares in affiliated companies in the amount of € 19,721 K (2011: € 14,219 K). In the previous year, income in the amount of € 815 K was also generated from the sale of an ABS fund.

Interest and similar expenses in the business year came to € – 59,306 K (previous year: € – 74,004 K), arising primarily from interest expenses for bonds (€ – 25,006 K) and expenses for derivatives (€ – 27,533 K) of CA Immobilien Anlagen AG.

In combination, the forenamed factors pushed down the financial result substantially, from € 90,855 K in 2011 to € 36,358 K in 2012. The result from ordinary business activities totalled € 39,131 K (2011: € 93,189 K).

After tax income (chiefly from accounting for group apportionments) in the amount of € 4,253 K (2011: € 5,481 K), the annual surplus as of 31 December 2012 stood at € 43,384 K, which was significantly less than the € 98,670 K posted as of 31 December 2011. Giving due consideration to the reversal of both untaxed reserves and profit brought forward from the previous year in the amount of € 65,363 K (previous year: € 0 K), the annual financial statements of CA Immobilien Anlagen AG show a net profit of € 108,747 K (2011: € 98,748 K).

In 2012, cash flow from business activities (operating cash flow plus changes in net current assets) stood at € 128,630 K (2011: € 68,174 K), and cash flow from investment activities at € – 11,245 K (2011: € – 59,176 K). Cash flow from financing activities totalled € – 112,870 K (2011: € – 7,618 K). The change originated primarily from the dividend payout to the shareholders of CA Immobilien Anlagen AG.

Statement of financial position: assets

The total assets of CA Immobilien Anlagen AG edged down year on year, from € 2,389,411 K as of 31 December 2011 to € 2,322,727 K as of 31 December 2012. Fixed assets fell marginally, by – 1.2%, from € 2,238,304 K as of 31 December 2011 to € 2,210,452 K as of 31 December 2012. As of 31 December 2012, the ratio of fixed assets to total assets stood at approximately 95% (31 December 2011: 94%).

Measured against the previous year, tangible fixed assets rose by 6.6% to € 279.436 K (31 December 2011: € 262,180 K). As of the reporting date, the company's property assets comprised a total of 21 properties in Austria with a book value of € 278,173 K (31 December 2011: 23 properties, book value € 260,837 K). The increase in property assets originates chiefly from current investments and progress made with projects, in particular the Silbermöwe project in Vienna. These developments stood alongside a decline in the carrying value of property and buildings following the disposal of the Comeniusgasse and Rilkeplatz properties.

Intangible assets climbed from € 41 K as of 31 December 2011) to € 334 K as of 31 December 2012 and consist exclusively of EDP software.

Financial investments dropped by – 2.3% to € 1,930,682 K. The decrease is largely attributable to the repayment of contributions to CA Immo International Holding GmbH (Vienna). The loans to affiliated companies consist of a loan to CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna, in the amount of € 78,282 K (31 December 2011: € 86,767 K), for the purpose of refinancing various subsidiaries in Austria and Germany in connection with property investments, and loans to various Eastern European subsidiaries in the aggregate amount of € 174,711 K (31 December 2011: € 131,108 K).

Current assets fell by – 25.7% to € 111,464 K as of 31 December 2012. The decrease originates chiefly from dividend payments adopted in the previous year by the affiliated companies. The trade receivables in the amount of € 299 K (31.12.2011: € 455 K) contain outstanding rent and operating cost payments. The other receivables in the amount of € 8,906 K (31.12.2011: € 5,271 K) primarily concern receivables from the sale of a property; this item also contains short-term cash advances and receivables from passed-on costs. Write-downs in 2012 totalled € 1,358 K (2011: € 190 K).

The "other securities" item encompasses own bonds (2006-2016) with a carrying value of € 13,658 K and a principal of € 14,008 K, and own convertible bonds with a carrying value of € 19,397 K and a principal of € 20,500 K, which were repurchased in 2011. The convertible bond is listed on the Second Regulated Market of Vienna Stock Exchange, but the trading volume is very small and transactions take place only sporadically. Thus, the prices observed on the stock exchange do not reflect the bond's fair value, so that internal valuation models were applied to measure the own convertible bonds held by the company.

At present, the company possesses three outstanding bonds that are listed on the Second Regulated Market of Vienna Stock Exchange. The bonds were issued to obtain unsecured financing for CA Immobilien Anlagen AG; the bonds are equal-ranking, one to another, and rank pari passu with all other unsecured financing of CA Immobilien Anlagen AG. The bond terms do not envisage any relevant financial covenants.

Statement of financial position: liabilities and shareholders' equity

Equity remained more or less unchanged year on year; it stood at € 1,567,645 K (31 December 2011: € 1,557,646 K). As of the reporting date, the equity ratio was around 67% (31 December 2011: 65%). The equity to fixed assets ratio was 71% (31 December 2011: 70%). The provisions increased year on year by 5.6% to € 67,404 K and largely consist of obligations arising from derivative transactions in an amount of € 45,646 K (31 December 2011: € 37,812 K).

The fall in liabilities, from € 766,790 K at the end of 2011 to € 686,877 K as of 31 December 2012, is attributable in particular to a year-on-year decrease in the volume of financing (from financial institutions) and to the settlement of payables to affiliated companies.

Dividend proposal

The Management Board is to propose to the General Meeting on 7 May 2013 the distribution of a dividend for business year 2012 in the amount of € 0.38 per share, payable on 14 May 2013. This corresponds to a dividend return of around 3.6%, measured against the closing price of 2012.

INFORMATION PROVIDED UNDER SECTION 243A UGB (AUSTRIAN COMMERCIAL CODE)

The following information must be declared according to Section 243a UGB:

As of the reporting date, the share capital of CA Immo totals € 638,713,556.20 and, as before, is divided into four registered shares and 87,856,056 bearer shares that are traded in the prime market segment of Vienna Stock Exchange (ISIN: AT0000641352). Around 18% of the share capital and the registered shares are held by UniCredit Bank Austria AG, the company's largest shareholder. Each of the registered shares entitles the holder to nominate one member of the Supervisory Board; this right has not been exercised thus far. All Supervisory Board members were elected by the General Meeting. UniCredit Bank Austria held the majority of the capital represented in the General Meeting of CA Immo in recent years as well. Apart from the largest shareholder, no others are known to hold an investment of more than 5%. The other shares of CA Immo (around 82% of the share capital) are publicly held by institutional and private investors. As in the previous year, the company did not hold any treasury shares as of 31 December 2012. The voting rights are not subject to any restrictions. The transfer of the registered shares is subject to the company's consent. Apart from UniCredit Bank Austria AG, no shareholders own shares with special rights of control. Employees who hold shares exercise their voting rights directly at the General Meeting.

According to the Articles of Association, the company's Management Board must comprise one, two or three persons. The age limit for members of the Management Board is determined in the Articles of Association and fixed at the age of 65. The final term of office as a member of the Management Board ends upon the closing of the Annual General Meeting following the member's 65th birthday. The Supervisory Board shall consist of at least three and no more than twelve members. The holders of the four registered shares are entitled to appoint one member of the Supervisory Board each. The appointed Supervisory Board members can be dismissed by the entitled party and replaced by other members at any time. The provisions of the Articles of Association governing the term of office and elections to fill vacancies do not apply to the thus appointed members. The other members of the Supervisory Board are elected by the General Meeting. The age limit for members of the Supervisory Board is determined in the Articles of Association and fixed at the age of 70. Members of the Supervisory Board leave the Supervisory Board upon the closing of the Annual General Meeting following their 70th birthday.

In the 25th Annual General Meeting on 8 May 2012, the Management Board was authorised in the period until 11 September 2015 (once or from time to time) to increase the share capital by up to € 319,356,778.10 by cash contribution in return for the issue of up to 43,928,030 no-par bearer shares, observing the statutory subscription right (Section 153 (6) AktG (Austrian Joint Stock Companies Act)) and to determine the issue price and the conditions governing the issue in agreement with the Supervisory Board. Furthermore, the same General Meeting authorised the Management Board for a period of 30 months to acquire treasury shares (Section 65 (1) No. 8 AktG) to the maximum extent permitted by law, namely 10% of the share capital, and if applicable also to redeem or sell treasury shares – including other than on the stock exchange or by way of a public offering. In the period until 31 December 2012, this authority was not exercised.

The Annual General Meeting of 13 May 2008 authorised the Management Board until 12 May 2013, with the approval of the Supervisory Board, to issue convertible bonds in the total nominal amount of up to € 317,185,011.00 once or from time to time and excluding the subscription right of existing shareholders, and to grant conversion rights to the holders of convertible bonds in respect of up to 43,629,300 ordinary bearer shares in the company. In this connection, the same General Meeting granted authority for a contingent capital increase (under Section 159 AktG) in the amount of € 317,185,011.00. On the basis of this authority, a five-year convertible bond with a principal of € 135,000 K was issued in November 2009. The coupon of the convertible bond, payable half-yearly, was fixed at 4.125%. In view of the dividend payout in 2012 (for 2011), the original conversion price (€ 11.5802) was revised to € 11.0575 in compliance with section 10 e of the terms concerning the 2009-2014 convertible bond. The adjustment became effective on 10 May 2012. As a consequence, given the currently outstanding volume of around € 114.5 m, no more than 10,354,963 no-par shares can be issued if the conversion right is exercised. From the end of Q4 2012, the convertible bonds can be redeemed early by CA Immo, provided that its share price (in certain periods) corresponds to at least 130% of the conversion price applicable at the time.

Otherwise, there are no significant agreements becoming effective, changing or terminating in connection with a change of control within the company resulting from a takeover bid. There are likewise no compensation agreements in place with Management Board members, Supervisory Board members or employees for the event of a public takeover bid. As regards the accounting process, the main features of the internal monitoring and risk management system are as follows: minimum standards for internal monitoring systems are defined in a set of internal Group guidelines; to ensure these standards are observed, an internal auditing unit has been set up alongside the risk management unit. The internal auditing section, which is under the control of the full Management Board, took up its assigned duties for the first time in business year 2010. It monitors compliance with legal provisions, internal guidelines and codes of conduct on the basis of an auditing plan; it also reviews the functioning of operational processes (upholding the dual verification principle across all organisational units, continual reporting, etc.) as regards possible risk, and assesses the potential for efficiency improvements (regular auditing of Group companies). Reports on the auditing plan and the assessment results are submitted to the Supervisory Board at least once a year. The internal monitoring system (IMS) has been expanded to assist in the early identification and monitoring of risks. The definition of standard Group rules governing the compilation of annual and interim financial statements is also regulated in a set of internal Group guidelines. The Group has a comprehensive risk management system. Key sub-processes in the accounting process have been identified and analysed, with their effectiveness assessed on the basis of a rolling timetable; the sub-processes were also adapted according to best practice (e.g. derivatives, management of receivables). The risk management system is regularly assessed by the auditor of the annual financial statements. The outcomes of the performed audits are reported to the audit committee of the Supervisory Board.

The changes in shareholders' equity are indicated below:

DEVELOPMENT OF SHAREHOLDERS‘ EQUITY

€ 1,000	**31.12.2011**	**Capital increase**	**Dividend payments**	**Annual result**	**Release of capital reserves**	**31.12.2012**
Share capital	638,714	0	0	0	0	638,714
Tied capital reserves	820,184	0	0	0	0	820,184
Retained earnings	0	0	0	0	0	0
Net profit	98,748	0	–33,385	43,384	0	108,747
Total equity	**1,557,646**	**0**	**–33,385**	**43,384**	**0**	**1,567,645**

COMMITTED TO OBSERVING THE AUSTRIAN CORPORATE GOVERNANCE CODE

Compliance with the appropriate legal provisions in Austria is very important to the Management Board and Supervisory Board of CA Immo. Needless to say, our subsidiaries in Germany and Eastern Europe comply with local legislation. CA Immo is committed to observing the Austrian Corporate Governance Code[9] and thus to transparency and principles of good corporate management. In business year 2012, CA Immo implemented almost in full the regulations and recommendations of the Code as amended in July 2012. Discrepancies were noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board) and 45 (executive positions with competitor companies). Compliance with the Code is evaluated annually (most recently by KPMG Wirtschaftsprufungs- und Steuerberatungs AG)[9].

SUPPORTING SUSTAINABLE CORPORATE DEVELOPMENT: RISK MANAGEMENT

Risk management is very important to the CA Immo Group: it has a direct bearing on strategic and operational decision-making within the company and therefore delivers a significant contribution to the long-term development of the company. The aim of risk management is to identify potential opportunities and hazardous developments at an early stage and properly assess their impact so that relevant decision-makers can be informed in good time and suitable measures can be taken. CA Immo evaluates the current opportunity/threat situation through quarterly reporting. Risk is continually assessed in relation to specific properties and projects as well as (sub)portfolios. The company circumvents unexpected risk by means of early warning indicators such as rent forecasts and vacancy analyses as well as the continual monitoring of lease agreement periods and the possibility of terminations; 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 of the company's future development. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions and producing appropriate management templates. The company also evaluates specific risks at regular intervals, thereby consulting external advisors. All potential risks and opportunities are assessed according to substance, effect and the likelihood of occurrence. On that basis, risk management is implemented at every level of the company and is binding on all organisational divisions. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. Clear internal guidelines and strategies, business and investment plans and continuous reporting systems have made it possible to monitor and control the economic risks associated with everyday business activity. Measures are applied to all Group subsidiaries. Investment plans are also subject to the scrutiny and approval of the Supervisory Board or its investment committee. The Controlling department supports risk management by providing structured information and data; individual matters are spot-checked by the Internal Auditing division.

THE INTERNAL MONITORING SYSTEM (IMS)

Designed to identify risk, the accounting-based internal monitoring system (IMS) – part of the risk management system – is incorporated into individual business processes. The system incorporates all measures designed to ensure compliance with legislation and specific company guidelines (Group manual, allocation of responsibilities, authority to sign, dual verification principle, regulations for release, etc.) and prevent errors. The objectives of the IMS are to preclude (preventive monitoring) and identify (detective monitoring) errors in accounting and financial reporting, thus enabling amendments to be introduced in good time. Based on precise information concerning accounting and financial reporting processes, the IMS also covers related upstream processes. Operational divisions are involved to ensure a complete overview of the financial reporting process. Individual measures and checks operate in parallel with operations or apply directly upstream or downstream of working processes. In line with the organisational structure of the CA Immo Group, local management teams are responsible for the implementation and supervision of the internal monitoring system; the managing directors of the various subsidiaries are required to perform self-checks in order to assess and document compliance with the monitoring measures.

Alongside the Risk Management division, CA Immo has set up an Internal Auditing unit under the control of the full Management Board with a view to consolidating the

[9] Results of the evaluation see www.caimmo.com.

IMS. On the basis of an annual auditing plan and ad-hoc assessments performed as needs dictate, the two units oversee compliance with legal provisions and internal guidelines throughout the Group. The effectiveness of the IMS is regularly assessed by the Group Auditing department while the cost-effectiveness of business processes and the potential for efficiency gains is continually evaluated. The results of these assessments are reported to the responsible executive boards as well as the full CA Immo Management Board. The Supervisory Board is informed as to the auditing plan and the assessment results at least once a year. Furthermore, the proper functioning of the risk management system is evaluated annually by the Group auditor in accordance with the requirements of C-Rule no. 83 of the Austrain Corporate Governance Code, with the findings presented to the Management Board and Supervisory Board or its audit committee.

OVERALL ASSESSMENT OF OPPORTUNITIES AND RISKS

The most significant risk to CA Immo and its business activities is posed by the persistently tough economic climate. The main risks to the Group continue to derive from the market-linked danger of rising vacancy rates, tenant insolvency, the difficult environment for real estate transactions created by the restrictive lending policy of banks and, accordingly, short-term liquidity bottlenecks, rising yields and declining property values. The risk categories outlined below were evaluated following an assessment of risk carried out in 2011; the major risks facing the Group have not changed significantly from previous years.

STRATEGIC RISKS

Concentration (cluster) risk
Risk potential increases where investments lead to overrepresentation of a particular region, usage type or tenant structure in the overall portfolio. From a regional perspective, the focusing of its portfolio in Germany and Eastern Europe exposes CA Immo to risk of this kind; as for Germany, however, the overall risk is neutral given the stability of the market and the portfolio structure. The restrictive situation on certain Eastern European markets (including Hungary and Romania) has the potential for a certain level of market risk; CA Immo counters this by spreading its portfolio across various countries.

At individual property level, CA Immo defines the limit value for concentration/cluster risk at 5% of the total portfolio. The only property in this category at present is Tower 185 in Frankfurt. Preparations for a planned (partial) exit have already been enacted. The next-largest properties account for roughly 2.5% of the total portfolio value (e.g. Skygarden in Munich). These properties do not create concentration risk owing to wide regional distribution.

The package of investment properties acquired from the state of Hesse in 2006 (which makes up around 15% of the total portfolio) produced a 'cluster risk' from smaller portfolios. This particular portfolio is, however, divided between 36 properties that were individually sold. In view of the long-term nature of existing lease contracts and the satisfactory creditworthiness of the tenant (the state of Hesse), the portfolio represents a calculated risk. As regards land reserves and land development projects, risk arises from the high capital commitment. With the prevailing market climate hampering development projects, further property sales are in the pipeline for 2013. Measures have been put in place to accelerate land development projects where possible and partners are being involved at an early stage (especially in the residential construction segment) with a view to cutting the capital commitment.

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

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment

The continuing reluctance of banks to provide real estate finance slowed the transaction rate perceptibly on some **property investment markets** in Eastern Europe last business year. Since this had an adverse effect on CA Immo's sales targets for 2012, the planned portfolio optimisation proved economically unfeasible in some parts of Eastern Europe. Demand was almost exclusively restricted to core real estate, especially in Warsaw; trading of other properties was limited. Germany continues to act as the stabilising influence of the eurozone, a fact reflected on real estate markets in the consistent levels of investment turnover and continuously high demand. The investment and office markets in Austria were vibrant, offering a healthy basis for business.

With everything pointing to the continuance of this trend, continual evaluation of key real estate indicators such the quality of locations and properties, changes in the market and emerging trends in order to determine ideal resale times will remain a top priority in 2013. This will also enable the company to counter in advance the danger of either being unable to sell properties, or only able to sell them at a discount. Market risk is thereby identified at an early stage, applied to evaluations of investment and project plans and thus to medium-term liquidity and corporate planning. Properties with heightened risk potential are managed by a specially formed restructuring unit with a view to securing their sale at the earliest opportunity after restructuring.

Real estate prices are also subject to considerable fluctuation owing to changing economic conditions. CA Immo counters **property valuation risk** by subjecting its properties to annual valuation by an outside party; value changes during the year are identified by internal specialists. The past few years have shown how a rise in yields continues to be reflected in valuation reports owing to the discount and capitalisation rates assessed; it also influences consolidated net income and reduces shareholders' equity through changes in market value that must be recognised under IAS 40. The low prospect of rental growth will again pose the danger of starting yields for commercial real estate being adjusted upwards in 2013. Changes in value will continue to represent a significant risk in 2013.

Demand for commercial real estate is mainly determined by economic developments. Although the core markets of CA Immo maintained a sound economic basis in 2012 and performance indicators for the various **rental markets** were stable, the vacancy rate for the company remained high at over 20%, especially in Eastern Europe. The logistics asset class is largely responsible for vacancy. By comparison, vacancy rates on most core markets of CA Immo in Eastern Europe (with the exception of Warsaw) stand at more than 10%. Owing to the limited availability of financing, however, high levels of pre-letting on new development projects are required, and this is certain to reduce vacancy. With no upturn on office markets anticipated in 2013, no significant reduction in vacancy rates is likely in Eastern Europe. By contrast, lettings performance on the Austrian office market expanded dramatically in 2012. CA Immo played a major part in the upturn with, amongst other things, the letting of the Silbermöwe building in the Lände 3 district. Although vacancy in Austria is currently just under 7%, available floor space is likely to increase during 2013 as numerous projects are completed and demand falls. This will serve to suppress lettings performance. The vacancy level on the Viennese office market is thus expected to rise. Compared to the previous year, vacancy rates for the German asset portfolio have also risen owing to properties in a stabilisation phase (Tower 185 and Ambigon). However, strong demand for high quality premises coupled with falling construction levels are likely to reduce vacancy levels in this segment during 2013.

Given the economic conditions, it is also possible that existing tenants will be unable to meet their rent payments (**loss of rent risk**); this risk is countered by demanding securities (bank guarantees). To keep rent losses and attendant vacancy to a minimum, CA Immo screens the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored, and structured quality checks are carried out; restructuring is introduced where risk potential increases. At present, nearly all outstanding rental payments relate to Eastern Europe; these are linked in particular to hotels, two logistics parks and a shopping centre. All outstanding receivables have been evaluated according to the associated level of risk. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Reduced income following contract extensions remains a risk where rent levels have to be reduced or greater incentives are offered. Overall, however, the aforementioned problematic cases do not constitute a major threat.

Project development risks

The main risks associated with development projects include delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects, lack of demand for rental space and so on. Given the high value that can be created through development projects, there is a chance of generating additional revenue. For projects to be realised, it is essential in any event that equity or additional loan capital (project financing) is available. After all, delays in approving credit can lead to postponements in project implementation as well as the imposition of contractual penalties in the case of pre-letting; loss of rental revenue can have serious implications for the company's cash flow. Increases in construction costs can in turn bring about stricter financing conditions. The start-up losses that typically arise in connection with project development also have a detrimental effect on earnings. Price trends in the raw materials sector (steel, aluminium, copper, etc.) are exposed to a risk of cost variation. With this in mind, cost pools are formed for large-scale projects, with the risk of rising commodity prices and production costs passed on to contractors. All projects are being implemented within their approved budgetary frameworks. Extensions of the stabilisation phase (initial letting) in response to market conditions and the risk of rising yields caused by restrictive lending place particular pressure on development outcomes. With all of this in mind, CA Immo takes various steps to control the risks associated with project development (cost monitoring, variance analyses, long-term liquidity planning, observance of minimum pre-letting quotas, and so on). Projects are only launched following detailed, long-term liquidity planning and an appropriate level of pre-letting (50–60% on average in Germany, for example). In Eastern Europe, compliance with a certain pre-letting rate may not be achievable (or only possible to a limited degree) on account of the specific market situation: most lease contracts can only be signed when project completion is foreseeable. Certain projects in the region are initiated with low levels of pre-letting, although financing is generally secured first. Generally speaking, we select partners and service providers with care and uphold strict internal and external controlling, including continual cost monitoring and variance analyses.

GENERAL BUSINESS RISKS

Legal risks

In addition to the usual legal disputes that arise in the sector (especially against tenants and construction service contractors), CA Immo faces the risk of disputes with, amongst others, joint venture and project partners as well as disputes linked to past and future sales of real estate. There is also potential for disputes arising over annulment actions brought by shareholders against resolutions of the Ordinary General Meeting or review of the exchange ratio applied in the 2010 merger of CA Immo International AG and CA Immo. Almost all pending actions relate to conventional cases of operational business activity. Our joint venture partner on “Maslov” project, for example, initiated arbitration proceedings for € 48 m in 2011, an amount that rose to approx. € 110 m (plus interest) in 2012; the chances of success had been seen as minimal. Sufficient financial provisions have been made for the anticipated outflow of funds. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are thus imminent or pending. The Group's Legal & Compliance division is responsible for monitoring and overseeing legal disputes. Sufficient provisions are formed as necessary; for the Group as a whole. No provisions have been formed for active and passive lawsuits where the likelihood of prevailing is high or the risk of losing is below 50% respectively.

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 and thus the assets, financial and revenue positions of the CA Immo Group. One current case in point is the enactment of the AIFM (Alternative Investment Fund Managers) Directive, which will be transposed into national law by 22 July 2013. Given the broad definition of the term AIF (alternative investment fund), the directive will apply to classic hedge funds and private equity funds as well as property funds and special funds. Currently, it is still unclear whether the definition of AIF will cover listed real estate corporations, which would mean an even more extensive duty to inform investors and supervisory authorities for such companies. Some requirements specified in the AIFM directive represent a departure from established practice for the sector. Provisions on depositories and extensive associated provisions on liability also represent a break from earlier sector standards, as do the organisational requirements and remuneration provisions in the directive. Far-reaching documentation requirements, the obligation to introduce depositories and so forth would generate higher costs for the company and its investors. The challenges ahead are therefore considerable and imprecisely defined in many cases given the ongoing absence of sufficiently detailed Level II provisions. Since there is no definite prospect of the legislative implementation of Level I directive in Austria at present, regulations that underlie options at national level (such as de minimis exceptions) also remain imponderable factors for the sector for now.

Taxation risk

National taxation systems are subject to continual change on the target markets of the CA Immo Group. All relevant discussions and decisions taken by national legislators are continually monitored. Despite this, exceptional tax rises linked to changing legal frameworks pose a constant risk to revenue. Sufficient financial provisions are made for known risks linked to tax audits and fiscal or extra-judicial proceedings.

Organisational risk

At the end of 2012, CA Immo began implementing measures aimed at increasing efficiency and 'redimensioning'. These included closure of the subsidiary in Cologne, the amalgamation of back office units and the resolution of international dual appointments. Over the next few years these initiatives will, amongst other things, cut staffing costs across the Group by around 20%; restructuring provisions have been formed for this. From an organisational viewpoint, however, there is a risk that working processes and flows will be adapted late or not at all, particularly in the departments most affected. An associated project aimed at improving existing workflows, which involves external advisors, should be completed in the near future.

SUSTAINABILITY: OPPORTUNITIES AND THREATS

Since the sustainable development of the CA Immo Group is of such central concern, pursuing a comprehensive set of environmental, economic and social sustainability goals forms part of our strategic thinking. To an increasing degree, our shareholders, customers and business partners feel similarly obliged to adopt a long-term approach to business. Sustainable practices that take account of environmental, economic and social aspects present more opportunities than risks to the company and its stakeholders. The business activity of CA Immo is based on value-oriented corporate management that is guided by the following (sustainability) criteria:

- Full transparency in relation to publication and documentation requirements to ensure any present risks are properly assessed.
- Corporate governance that obliges employees and business partners alike to observe substantive sustainability criteria as appropriate in corporate governance and risk management structures (regarding corruption, breaches of human rights, violation of working conditions, reputation, etc.).
- A portfolio and project development strategy oriented towards sustainability, tenant quality and the long-term upholding of marketability and utilisation quality: tenants increasingly view real estate as a statement, and the demands of the market can only be met through continual enhancement of the portfolio.
- Active tenant support (insourcing of property management activities in Eastern Europe and joint ventures in Germany) as tenant satisfaction is critical to long-term business relationships.
- Establishment of a balanced financing structure as markets becoming increasingly volatile.
- Long-term optimisation of profitability and lasting competitiveness, bearing in mind the needs of shareholders.

Environmental risk

The CA Immo Group can incur significant costs in preventing environmental damage (from toxic substances/materials and contamination); there is also a risk that legal changes may require previously acceptable materials to be eliminated. It is not possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; such changes may adversely affect real estate values and thus the company's assets, financial and earnings position. As far as environmental sustainability is concerned, CA Immo – as a real estate company focused on the long term – takes account of the impact of climate change and associated risks in determining the general direction of its business activity. To varying degrees from one country to another, risks are arising from stricter legal obligations (such as the EnEV energy saving ordinance for new buildings in Germany) and a greater awareness of environmental factors on the part of tenants. This can make investments necessary. At the same time, gaining a competitive advantage via early adaptation presents opportunities. 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. Environmental risks associated with investment properties are assessed using the CA Immo Sustainability Tool (CAST). CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification: in this way, stringent green building and sustainability specifications are automatically satisfied while the usage of environmentally unsound products is ruled out. This criterion will be observed in the future acquisition of real estate.

FINANCIAL RISKS

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

Liquidity and refinancing risk

Refinancing on the financial and capital markets is one of the most important considerations for CA Immo. The (re)financing situation remains generally troublesome and lending policy will continue to be restrictive, especially in Eastern Europe. In regions such as Hungary and Romania, difficulty in refinancing could necessitate an influx of capital resources. By contrast, the Austrian and German markets will continue to offer sufficient liquidity in the next few years, making the procurement of capital easier. However, there is also a danger that credit margins will rise substantially on these markets where new loans are agreed or loans are extended, depending on market trends and corporate creditworthiness.

Although the CA Immo Group had access to sufficient liquidity at the end of 2012, restrictions at individual subsidiary level must be taken into consideration. This is mainly because of the following factors:

– liquidity is made available not within the parent company itself but at various levels of the company;
– access to cash and cash equivalents is limited owing to obligations to current projects;
– a liquidity requirement to stabilise loans exists in certain instances;
– planned sales activities are not current viable, or only possible subject to delays or price reductions.

The general liquidity situation had improved somewhat by year end thanks to sales (including that of the Warsaw Financial Center). Nonetheless, given the reluctance of banks to take risks, liquidity risks cannot be ruled out in the short term (for example, where financing arrangements expire and are not extended). Other risks arise from unforeseen additional funding obligations in relation to project financing and breaches of covenant in the property financing area. CA Immo counters this risk by continually monitoring covenant agreements and effectively planning and securing liquidity. Planning also takes account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales); this also ensures the Group can meet unexpected cash flow requirements. To this end, various liquidity deployment measures have been identified; these provide, for example, for the early redemption of loans with very high margins. Loans are invariably agreed on a long-term basis in accordance with the investment horizon for real estate. 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 and fund partners (partner risks) are not viable. Capital commitments are typical in the case of development projects; the Group company CA Immo Deutschland has a particularly high commitment in the case of the Tower 185 project. Financing has been secured for all projects under construction; additional financing is required for new project launches. The expiry profile of financial liabilities for the CA Immo Group is stable until business year 2014; loans maturing by that date are linked solely to financing at property or project level. The refinancing of the 6.125% CA Immo bond 09-14 (ISIN: AT0000A0EXE6) and the convertible bond are scheduled for 2014, provided conversion rights are not exerted.

Interest rate risk

In response to the euro crisis, the European Central Bank lowered its base rate from 1.0% to a record low of 0.75% in the summer of 2012, a rate subsequently confirmed in February 2013. It is likely that the rate (at which commercial banks obtain refinancing from the central bank) will remain at this low level for the next four quarters. Swap rates are also unlikely to rise significantly. These market-led fluctuations in the interest rate affect both the level of financing costs and the fair value of interest hedging transactions concluded, which influence CA Immo's earnings and equity. In line with its investment strategy, the CA Immo Group opts for a mix of long-term fixed-rate and floating-rate loans; more than 60%

of the latter are secured by means of derivative financial instruments (mainly in the form of interest rate caps/swaps) which have negative cash values owing to market conditions. According to the latest interest rate forecasts, however, the floor may already have been reached; from the present standpoint, the swap result could again be neutral in 2013. Despite this, continual monitoring of the interest rate risk is 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.

FINANCIAL INSTRUMENTS[10]

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

BRANCH OFFICES

The CA Immo Group has its head office in Austria and also has a presence in Germany via the subsidiary CA Immo Deutschland GmbH in Frankfurt, Berlin and Munich, as well as in Eastern Europe via subsidiaries in Budapest, Belgrade, Bucharest, Prague and Warsaw.

INVESTMENTS AND FUNDS

Although originally active on the Austrian market only, CA Immo began investing in Eastern Europe in 1999. Two years later, the company embarked on project development in the region. Having since acquired the Europolis Group in 2011, CA Immo now ranks as one of the biggest investors. As it expanded in Eastern Europe, the company built its portfolio of real estate in Austria and Germany, obtaining a package of properties from the German federal state of Hesse in 2006 and finalising the acquisition of Vivico Real Estate GmbH (now CA Immo Deutschland GmbH) early in 2008. Today, the CA Immo Group is established in Central Europe as an active holder of commercial real estate with strong development expertise. The parent company of the CA Immo Group is **CA Immobilien Anlagen Aktiengesellschaft**, a Vienna-based firm listed on the Vienna Stock Exchange since 1988. The company has subsidiaries in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia as well as offices in Russia, the Ukraine and Cyprus. Each site acts as a largely autonomous profit centre. As at key date 31 December 2012, the Group had 272 subsidiaries (compared to 263 as at 31.12.2011) in 17 countries[11].

COMPANIES BY REGION

Number of subsidiaries	**31.12.2012**	**31.12.2011**
Austria[1]	40	42
thereof Joint-Ventures	*8*	*8*
Germany	110	103
thereof Joint-Ventures	*22*	*20*
Eastern Europe	122	118
thereof Joint-Ventures	*23*	*24*
Konzernweit	**272**	**263**
thereof Joint-Ventures	***53***	***52***

1 Excluding CA Immobilien Anlagen AG
2 Including all subsidiaries in the scope of our Eastern European investments

CA IMMO IN GERMANY

CA Immo Deutschland GmbH has functioned as the operational platform for all Group activity in Germany since 2008. 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. Projects on these sites are at various stages of preparation and will be rapidly progressed to construction readiness over the coming years. On completion, development projects are either sold, transferred to the company's asset portfolio or sold to property developers as construction-ready real estate. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local profile is assured. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and

[10] For full details on the derivative financial instruments of CA Immobilien Anlagen AG, see the notes section.

[11] Includes holding companies in Cyprus, Luxembourg and the Netherlands

general planning – is carried out by **omniCon**, the CA Immo subsidiary acquired in 2008. omniCon also performs these services for third parties. CA Immo Deutschland GmbH is fully consolidated in the consolidated financial statements of CA Immo. The company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale.

Most of the investment properties in Germany, including the package of properties acquired from the state of Hesse, are maintained by Frankfurt-based **CA Immo AG** (in the future CA Immo Invest GmbH), in which CA Immobilien Anlagen Aktiengesellschaft of Vienna has direct and indirect holdings amounting to 100%. The company is also fully consolidated in the consolidated financial statements.

DRG Deutsche Realitäten GmbH was also founded as a joint venture with the estate agent and property management firm ÖRAG in 2011. DRG undertakes tenant management, service charge accounting, rental revenue enhancement, cost reduction, maintenance tasks and letting for CA Immo's office investment properties in Germany. To ensure the cost structure can be adapted flexibly, external service providers are brought in to carry out certain other activities.

POOLING OF EASTERN EUROPEAN ACTIVITY IN CA IMMO AND EUROPOLIS

The Group's portfolio in Eastern Europe is directly held via CA Immo participating interests and via **Europolis AG**, another wholly owned subsidiary of CA Immo acquired from the Volksbank Group early in 2011. The Europolis Group, which has been in existence since 1990, focuses on class A office, logistical and retail buildings in Eastern Europe. The Europolis AG portfolio also includes a small number of development projects and undeveloped plots in Poland, Hungary and the Ukraine. The overall portfolio is divided into six smaller portfolios in which reputable partners such as the EBRD, AXA and Union Invest hold shares of between 25% and 49%. The portfolios are managed by **Europolis Real Estate Asset Management GmbH** of Vienna (EREAM), a wholly owned subsidiary of Europolis AG, alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as CA Immo Real Estate Management.

SPECIAL FUND FOR DEVELOPMENT PROJECTS IN EASTERN EUROPE

Since 2007, CA Immo has largely managed development projects in Eastern Europe through the **CA Immo New Europe Property Fund** (CAINE), a project development fund structured under Luxembourg law as a SICAR (Société d'Investissement en Capital à Risque). CA Immo holds 70% of the shares in the fund; the remaining 30% is held by three institutional investors. The planned lifespan of the fund, which is managed by a CA Immo subsidiary, is seven years in total (with the option to extend). The commitment period (in which new projects can be initiated) came to a close at the end of 2009. Investment activity has fallen far short of the levels originally intended owing to changed market conditions; agreement was reached with co-partners only to proceed with development projects that were already in progress. In future, new projects will be launched directly by CA Immo unless the fund partner decides in favour of individual involvement in the implementation. As at the balance sheet date, the CA Immo New Europe Property Fund had a book value of around € 147 m (compared to € 142 m in the previous year). Three projects are in progress at present; three more completed since the fund was set up are currently held by the fund as investment properties.

INVESTMENT IN UBM

CA Immo holds a stake of 25% plus four shares (vetoing minority holding) in the listed Vienna-based real estate developer **UBM Realitätenentwicklung AG** through a subsidiary company. The main shareholder in UBM is the PORR Group with a holding of approximately 41%. With development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. Projects realised with UBM include the Poleczki Business Park in Warsaw and the Airport City project in St. Petersburg.

PENDING LAWSUITS

The company is involved in several lawsuits arising from the ordinary course of business. Provisions were formed, depending on the likelihood of a claim being asserted. Remarks concerning the existing legal risks are contained under the heading "Risk management".

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator is the net income generated with the money shareholders have invested (return on equity, RoE). The aim is to produce a ratio higher than the imputed cost of equity (assuming a medium-term rate of around 7.0%) and thereby generate shareholder value. The return on equity for 2012 was approximately 3.2% below the target value (3.8% in 2011). Despite this, the measures defined under our strategy will lead to an acceptable return on equity in the medium term.

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

VALUE-INDICATORS OF CA IMMO GRUPPE

		2012	2011	2010	2009
Key figures per share					
NAV/share	€	19.30	19.20	18.70	17.90
Chance in NAV/share	%	0.5	2.7	4.5	–5.3
Operating cash flow / share	€	2.20	2.18	1.38	1.40
RoE 1) in %	%	3.2	3.8	2.8	–4.8
ROCE 2) in %	%	4.4	5.5	4.77	0.1
EVA 3)	€ m	10.3	44.04	Negative	Negative

[1] Return on equity = consolidated net income after minorities/Ø shareholders' equity (excluding minority interests)
[2] Return on capital employed (ROCE) = net operating profit after tax (NOPAT)/capital employed
[3] EVA (economic value added) is a registered trademark of Stern Stewart & Co; EVA = capital employed * (ROCE – WACC); WACC 2012 = 4.18

The key factors for CA Immo AG include the equity ratio, net debt (bonds and liabilities to bank less cash and cash equivalents) and equity-to-fixed-assets ratio. The equity ratio reflects the portion of the company's financing that is covered by its equity. It is an important indicator when assessing a company's creditworthiness. The equity-to-fixed-assets ratio indicates the extent to which, measured in percent, equity covers the fixed assets of CA Immo AG.

VALUE-INDICATORS OF CA IMMOBILIEN ANLAGEN AG

		2012	2011	2010	2009
Equity ratio	%	67	65	65	66
Net debt	€ m	531	544	586	406
Equity-to-fixed-assets ratio	%	71	70	70	75

Since the 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:

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

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

Local presence
Local knowledge and familiarity with markets are key to the effective cultivation of highly diverse regional markets. For this reason, CA Immo maintains branch offices in its main markets of Germany and Eastern Europe.

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

EMPLOYEES

As at 31 December 2012, CA Immo had 375[12]) employees (compared to 390 on 31 December 2011). A total of 38 new staff members[13] joined the Group in 2012. CA Immo has head offices in Vienna, from where the company oversees local branch offices in Frankfurt, Berlin and Munich as well as Budapest, Warsaw, Prague, Belgrade and Bucharest. In business year 2012 CA Immobilien Anlagen AG itself employed 62 people in average compared to 60 people in 2011.

[12] Around 7 % of those are part-time staff; 30 Group employees on unpaid leave and 108 employees gained through the acquisition of two hotel businesses in the Czech Republic in the third quarter of 2012 were not counted.

[13] Excludes 108 employees gained through the acquisition of two hotel businesses in the Czech Republic in the third quarter of 2012.

Consolidation following period of rapid growth
Largely as a consequence of the big corporate acquisitions of recent years, the number of CA Immo staff almost doubled from 203 as at 31 December 2007 to 390 as at 31 December 2011. Alongside the intended redimensioning of the real estate portfolio, the company now plans to boost efficiency across the value chain with a view to cutting Group staff costs by some 20% over the years ahead, amongst other things. The process was supported by an external consultancy firm which analysed working practices within the company and pinpointed areas that could be improved. Suitable measures were then introduced and implemented at the end of 2012. These included closure of the subsidiary in Cologne, the amalgamation of back office units and the resolution of international dual appointments.

OUTLOOK

Expected development, including material opportunities and risks
Despite some positive indications, growth in the European economy still shows little sign of accelerating in 2013. We nonetheless expect the key core markets of CA Immo to make steady progress. The lending climate will remain the determining factor for the property segment in 2013.

Financing trends
The availability and rising cost of loan capital has been exerting a restrictive influence in the property investment market for some time. Tight lending policies are affecting the whole of Europe, but Eastern Europe in particular. Banks are still prepared to finance premium properties with a proven track record, good long-term occupancy rates and stable rental income, but only on expensive terms. It is becoming increasingly difficult, however, to obtain suitable financing for commercial properties with high vacancy rates. Provided that key parameters (preletting ratio, own capital contribution of at least 40%) were satisfied, project financing was never a problem for CA Immo thus far. While banks are making funds readily available in Germany in particular, finance is a rather scarce commodity in some Eastern European markets, for example.

Yield optimisation and cash flow growth provide operating and strategic opportunities
From a strategic perspective, we intend determinedly to pursue our Group-wide resizing programme with a view to substantially enhancing efficiency throughout the

value chain. The goal is to safeguard additional stability and profitability for the company, and to align it as closely as possible with both the current and the prospective economic landscape.

Even though the economic climate remains difficult and beset by significant uncertainties, we anticipate the following developments in business year 2013:

- Largely stable rents on a like-for-like basis. Additional rental income from project completions will make good the revenue decrease triggered by property sales.
- Disposals of around € 300 m, chiefly consisting of non-core properties in Eastern Europe and land banks in Germany. We also expect to sell part of the Tower 185 building (75%); initial indicative offers are expected in the course of the first half 2013.
- Released funds will be used primarily to amortise debt (bond liabilities).
- A half-size portion of the benefits from tightening overheads and reducing material costs is to be delivered in 2013.
- Investments of around € 200 m are to be made in current development projects in particular.

Our expectations are based on certain assumptions concerning both general and specific outline conditions. The following key parameters could affect the pattern of business anticipated for business year of 2013:

- Economic developments in the regions in which we operate, and the impact of such trends on both rental demand and rents.
- The development of the general interest rate level.
- The lending climate, especially the availability and cost of long-term loans, and therefore the development of the property investment market and price trends, as well as the effect of these factors on the valuation of our portfolio. The speed at which the planned development projects are realised also depends in particular on the availability of the requisite outside borrowed and equity capital.

RESEARCH & DEVELOPMENT

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

SUPPLEMENTARY REPORT

No material events apart from those recorded in the annual financial statements as of 31 December 2012 have taken place since the reporting date.

The Management Board

Bruno Ettenauer (Chairman)

Bernhard H. Hansen (Member of the Management Board)

Florian Nowotny (Member of the Management Board)

Vienna, 19 March 2013

AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of

CA Immobilien Anlagen Aktiengesellschaft,
Vienna,

for the fiscal year from **1 January 2012 to 31 December 2012**. These financial statements comprise the balance sheet as of **31 December 2012**, the income statement for the fiscal year ended **31 December 2012**, and the notes.

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

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility and Description of Type and Scope of the statutory audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2012 and of its financial performance for the year from 1 January 2012 to 31 December 2012 in accordance with Austrian Generally Accepted Accounting Principles.

Report on Other Legal Requirements (Management Report)

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

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

Vienna, 19 March 2013

KPMG
Wirtschaftsprüfungs- und Steuerberatungs AG

Mag. Helmut Kerschbaumer — ppa Mag. Christoph Erik Balzar

Wirtschaftsprüfer — Wirtschaftsprüfer

(Austrian Chartered Accountants)

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

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

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

The managing board confirms to the best of their knowledge that the financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the CA Immobilien Anlagen Aktiengesellschaft and that the management report gives a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties the CA Immobilien Anlagen Aktiengesellschaft faces.

The Management Board

Bruno Ettenauer (Chairman)	Bernhard H. Hansen (Member of the Management Board)	Florian Nowotny (Member of the Management Board)

Vienna, 19 March 2013

CONTACT

CA Immobilien Anlagen AG
Mechelgasse 1
1030 Vienna
Phone +43 1 532 59 07-0
Fax +43 1 532 59 07-510
office@caimmo.com
www.caimmo.com

Investor Relations
Free info hotline in Austria: 0800 01 01 50
Claudia Hainz
Phone +43 1 532 59 07-0
Fax +43 1 532 59 07-595
ir@caimmo.com

Corporate Communications
Susanne Steinböck
Silke Gregoritsch
Phone +43 1 532 59 07-0
Fax +43 1 532 59 07-595
presse@caimmo.com

DISCLAIMER

This Report contains statements and forecasts which refer to the future development of CA Immobilien Anlagen AG and their companies. The forecasts represent assessments and targets which the Company has formulated on the basis of any and all information available to the Company at present. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or the risks set out in the risk management report materialise, then the actual results may deviate from the results currently anticipated. This Report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.

IMPRINT

Published by: CA Immobilien Anlagen AG
1030 Vienna, Mechelgasse 1
Text: Susanne Steinböck, Claudia Hainz
Graphic design and setting: Silke Gregoritsch, WIEN NORD Werbeagentur
Photographs: CA Immo
Production: 08/16

produced according to the Austrian Eco-Label criteria UZ 24 "low pollutant printed prod
Druckerei Janetschek GmbH · UWNr. 637

We ask for your understanding that gender-conscious notation in the texts of this Report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

This Report is printed on environmentally friendly and chlorine-free bleached paper.