CA IMMO

ANNUAL FINANCIAL REPORT 2014
I.A.W. ARTICLE 82 (4) OF THE
AUSTRIAN STOCK EXCHANGE ACT

14

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GROUP MANAGEMENT REPORT

GROUP STRUCTURE

The CA Immo Group is an international real estate business based in Vienna. The Group, which comprises numerous companies, controls a significant number of properties in various jurisdictions. Its core field of expertise involves developing and managing modern and spacious office properties in Central and Eastern Europe. In regional terms, the company focuses on Austria, Germany, Poland, Hungary, the Czech Republic, Slovakia and Romania. Business activity in Germany is focused on the cities of Munich, Frankfurt and Berlin; in other countries, the main strategic emphasis is on the capital cities. The proportion of office properties stands at around 78% of the fully consolidated asset portfolio, a figure that is likely to rise. Aside from office properties, the Group's asset portfolio includes residential and logistics properties, hotels, speciality store centers and shopping malls. From the design and development of entire urban districts to the active management of investment properties, value is generated through a comprehensive value chain. As at 31 December 2014, the Group had around 355 employees in total.

COMPANIES BY REGION

Number of subsidiaries [1]	31.12.2014	31.12.2013
Austria	24	30
- *thereof Joint Ventures*	*0*	*0*
Germany	95	106
- *thereof Joint Ventures*	*15*	*13*
Eastern Europe[2]	108	127
- *thereof Joint Ventures*	*30*	*31*
Across the Group	**227**	**263**
- *thereof Joint Ventures*	*45*	*44*

[1] Joint ventures at property/project level
[2] Including companies established in connection with Eastern European investments

The parent company of the CA Immo Group is the Vienna-based listed company **CA Immobilien Anlagen Aktiengesellschaft**, whose main activity revolves around the strategic and operational management of domestic and foreign subsidiaries. The company has branch offices in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia; the Group also has offices in Cyprus and Ukraine. Each site acts as a largely autonomous profit centre. Other subsidiaries (without separate local teams) are present in Bulgaria, Croatia, Luxembourg, the Netherlands, Slovakia and Slovenia. Following of a wide-ranging programme of restructuring in Austria and Poland, the Group had a total of 227 subsidiaries in 17 countries as at 31 December 2014 (263 on 31.12.2013)[5].

AUSTRIA

The company's domestic properties are overseen in direct holdings of CA Immo. As at 31 December 2014, approximate property assets of € 245.3 m were directly held by CA Immobilien Anlagen AG (against € 268.5 m on 31.12.2013). At present, the Austria portfolio comprises purely investment properties.

GERMANY: EXPANDING THE PORTFOLIO THROUGH PROJECT DEVELOPMENT

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. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local profile is assured. The company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale. Investment properties are largely held in direct holdings and let and managed by **DRG Deutsche Realitäten GmbH**, a joint venture set up with the estate agent and property management firm ÖRAG. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by CA Immo's German subsidiary **omniCon**, which also performs these services for third parties.

[5] Includes holding companies in Cyprus, Luxembourg and the Netherlands and another company in Switzerland.

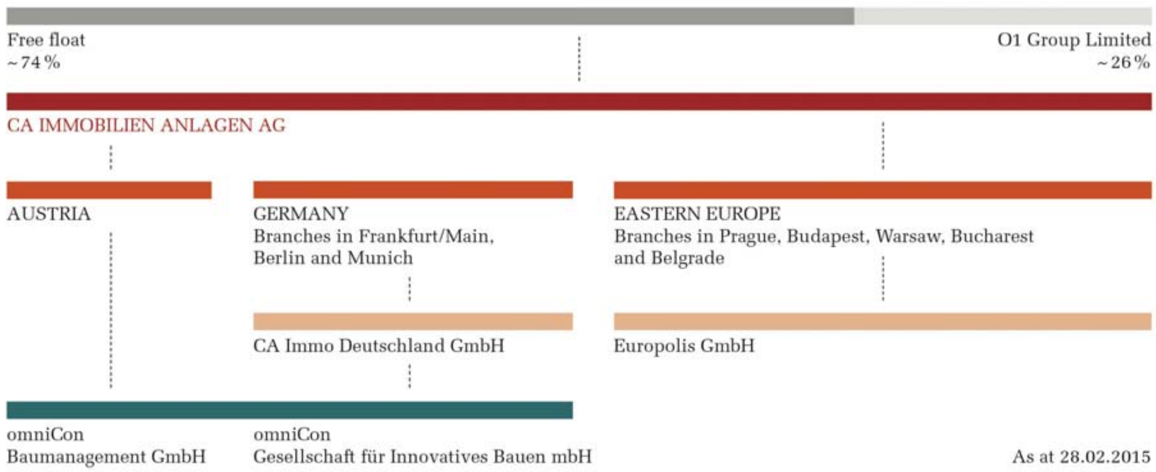
EASTERN EUROPE: ACTIVE MANAGEMENT OF INVESTMENT PROPERTIES

The Group's portfolio of investment properties in Eastern Europe is directly held via CA Immo participating interests and via **Europolis GmbH** (formerly Europolis AG), another wholly owned subsidiary of CA Immo acquired from the Volksbank Group early in 2011. The Europolis Group, which was established in 1990, focuses on class A commercial properties in Eastern Europe. The overall Europolis portfolio is split into four sub-portfolios. Reputable partners such as EBRD and Union Invest hold stakes from 25 % to 49 % in two of these portfolios. The properties are managed by **Europolis Real Estate Asset Management GmbH** (EREAM) of Vienna alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as **CA Immo Real Estate Management**.

Eastern European development projects originally held in 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) – and three other investment properties have also been directly held by CA Immo since early December 2014. The fund terminated at the end of 2013 when it was dissolved in a voluntary liquidation process. The Europolis portfolio also includes a small number of development projects and undeveloped plots in Poland, Hungary and Ukraine.

Until recently, CA Immo held 25% plus eight shares in the listed Vienna-based property developer UBM Realitätenentwicklung AG through one of its subsidiaries; this holding was successfully sold to PORR subsidiary PIAG Immobilien AG in the second half of 2014. The purchase price for the 1,500,008 bearer shares was € 36.0 m. Projects realised in partnership with UBM – the Poleczki Business Park in Warsaw and Airport City in St. Petersburg – are unaffected by the transaction.

ORGANISATIONAL STRUCTURE OF CA IMMO GROUP



ECONOMIC ENVIRONMENT

THE ECONOMIC TREND[1)]

In 2014 the global economy was characterised by geopolitical instability, and thus volatility. In particular, the effect of sanctions against Russia was felt by the economies of Western Europe. Here economic woes were intensified by the rapid drop of the oil price and the rouble, the flare-up of the debt crisis in Europe and the end of the Federal Reserve's bond purchase programme in the USA. According to the International Monetary Fund (IMF), however, the mood around the world is set to change in 2015 with the economies of Europe in particular experiencing a modest upturn. The economic prospects in the eurozone have indeed brightened since mid-January 2015. The pressure of the austerity policy will ease in future, leaving greater scope for economic growth.

REVIEW OF THE CA IMMO CORE MARKETS IN 2014[2)]

Growth in the eurozone amounted to 0.8% in 2014, with the EU as a whole achieving 1.3%; both figures are below expectations for the first half of 2014. In 2015 eurozone growth should improve marginally to 1.1%, with the EU returning 1.5% (the values also fall short of the 2014 spring forecast of 1.7% and 2% respectively). A budget deficit of 2.6% is expected for the eurozone (overall EU: 2.7%). The total average national debt for the eurozone stood at 92.1% (EU: 86.6%).

Economic growth in **Austria** was 0.7%, below the spring target of 1.6%; the Austrian economy grew by 0.3% (real value) in 2014. In spite of low interest rates, companies are still reluctant to invest as the income and private consumption trend remains subdued. The inflation rate in Austria stood at 1.5% in 2014, and is likely to remain at this low level in 2015 owing to the falling oil price. Compared to the general price trend in 2014 for the eurozone (0.5%) and the EU (0.6%), Austria is thus well above average. The 2014 unemployment rate of 5.3% (forecast for 2015: 5.4%) remains among the lowest in the EU.

The German economy was mainly driven by foreign trade, with the trade balance (seasonally and calendar adjusted) rising from € 16.9 bn in 2013 to € 21.8 bn in 2014. Gross domestic product also rose by 1.5%. In EU comparison, **Germany** has the lowest unemployment rate at just 5.1%. The inflation rate in Germany has been hovering around the 0% mark, missing deflation by a hair's breadth at the end of the year. Debt in Germany as a percentage of GDP fell from 78.4% in 2013 to 74.8% in 2014.

[1)] International Monetary Fund (IMF), World Economic Outlook, January 2015

[2)] Eurostat Eurostatistics 01/2015 edition, EU Commission forecast (17.02.2015), Raiffeisen Research CEE Economics Q4 2014 (16.2.2015)

ECONOMIC DATA OF CA IMMO CORE MARKETS

	Growth rate of the real GDP [1)]		Annual inflation rates [2)]	Rate of unemployment [3)]	Employment rate YoY [4)]	Gross public debt [5)]	Balance of trade [6)]
	2014	2015	in %	in %	in %	as % of GDP 2014	in bn. €
EU –28	1.3	1.5	0.9	10.0	0.9	86,6	7,6
Euro zone –18	0.8	1.1	0.8	11.5	0.6	92,1	24,0
AT	0.7	1.2	1.1	5.3	0.7	80,7	0,6
GER	1.3	1.1	0.19	5.1	0.9	74,8	15,6
PL	3.0	2.8	-0.89	8.0	1.9	48,6	-1,4
CZ	2.0	2.7	0.08	5.8	0.5	43,8	-0,4
HU	3.5	2.5	-0.9	9.3	3.7	80,3	-0,3
RO	2.9	2.4	1.0	6.5	-0.3	38,1	0,1

Source: Eurostat, Bloomberg

[1)] Forecast, change versus prior year (in %); [2)] by January 2014; [3)] by December 2014 (seasonally adjusted); [4)] by third quarter 2014; [5)] as a percentage of GDP 2014; [6)] January to November 2014 (not adjusted for seasonal variation)

Economic growth in Hungary amounted to a surprising 3.5% at the end of 2014, above the expected figure of 3.2%. The Romanian economy also performed well in 2014, recording GDP growth of 2.9% in place of the predicted 2.5%. Gross domestic product in Poland grew between 3.0% in 2014, slightly below the forecast of 3.3% at the start of the year. In the Czech Republic, the economy expanded by 2% in 2014, well below the forecast figure of 2.6%. The unemployment rate in the **CEE** nations is higher than that for the rest of the EU; it stands at 8.0% in Poland, 5.8% in the Czech Republic, 9.3% in Hungary and 7.1% in Romania.

The inflation rates in CEE countries remained below the respective targets. In yearly comparison, the inflation rate in Poland was 1.3% at the end of January 2015; the interest rate is therefore expected to fall by possibly 2% as things stand. The price trend in Hungary was -1.4% in January 2015, implying scope for an interest rate reduction of 2.1% at present. The inflation rate in the Czech Republic was 0.1% above the previous year's value in January 2015, and 0.4% above in Romania.

THE MONEY MARKET AND INTEREST ENVIRONMENT[1)]

Monetary policy was highly expansive in 2014 and characterised by the continuance of historically low interest rates. Around mid-year, the European Central Bank (ECB) cut base rates for the eurozone from 0.25% to 0.15% in two stages; in September the rate fell again to the record low of 0.05%. To make lending more attractive for banks, deposit rates remain negative at -0.20%. According to Eurostat, the rate of price increases in the eurozone was just 0.3% at the end of 2014, well below the 2% target set by the ECB. To counter the threat of deflation and support business, the ECB resolved in January 2014 to extend its programme of buying government bonds and other securities from eurozone countries up to a volume of € 60 bn. The 3 month Euribor, the interest reference rate for floating rate bonds, hit records lows of between 0.3% and 0.08% in 2014.

The decline in the second half of the year continued into the first weeks of 2015, with a new low of 0.05% confirmed. The 1 month Euribor actually briefly entered negative territory in January 2015. Yields on government bonds from eurozone countries and corporate bonds with good credit ratings also reached historic lows in 2014.

[1)] Sources: Eurostat, Central Statistical Offices, Bloomberg

CURRENCIES [2)]

The ECB's monetary policy measures led to a weakening of the single European currency in 2014, especially against the US dollar. The Polish and Hungarian currencies displayed greater volatility around the end of 2014 and the start of 2015: EUR/PLN was trading between 4.15 and 4.38, while the EUR/HUF fluctuated between 305 and 323. The currencies of the CEE nations declined in value after the Swiss National Bank abruptly abandoned its minimum exchange rate of 1.20 francs to the euro on 15 January 2015; countries were able to quickly compensate for these losses, however.

OUTLOOK [3)]

In view of the present economic situation and the development of the inflation rate in the eurozone, we expect the base rate to remain at an historic low in 2015. The decision by the ECB to extend its bond purchase programme, together with the investment programme that the European Commission unveiled in November, which should release investment of at least € 315 bn for strategic infrastructure projects over the next three years, should benefit the economy. With the steep fall in the oil price having slowed the rate of price increases in 2014, the EU Commission expects the inflation rate to fall further, and actually anticipates a deflationary trend for 2015.

According to experts, the CEE nations should benefit from more vigorous domestic demand and increased investment activity in 2015, with growth averaging 2.5% this year (twice as strong as that in the eurozone). With GDP expanding by 3.1% in 2015, Poland is likely to remain the fastest growing member of the CEE region. Growth of 2.4% is expected for the Czech Republic in 2015, with Hungary expanding by 2.3% and Slovakia achieving 2.5% growth. With government expenditure likely to decrease, the Hungarian economy might grow at a slower rate.

[2)] Sources: European Central Bank, Central Statistical Office, Bloomberg
[3)] Sources: European Central Bank, Central Statistical Office, Bloomberg

PROPERTY MARKETS

THE REAL ESTATE MARKET IN AUSTRIA [1)]

The investment market

The volume invested in commercial real estate during the fourth quarter of 2014 (€ 700 m) was lower than the figure for the comparable period of 2013 (€ 800 m). Retail properties accounted for 33% of transactions, followed by office properties with 32%. The total investment volume of € 2.8 bn in 2014 exceeded the 2013 level (€ 1.75 bn) by 60%. The prime yield on office properties stood at 4.6% in quarter four, marginally down on the previous quarter (4.65%). Yields in good locations were very slightly lower (5 bps) than those for quarter three (5.25% compared to 5.30%). During the fourth quarter, the proportion of domestic investors rose from 25% (in Q3) to 73%. Investors from Russia were responsible for around 14% of investments, German investors accounted for approximately 13%. In view of current market trends, it is likely that the interest of foreign investors will grow, leading to large-scale transactions in 2015.

The office property market

The stock of premises on the Viennese office property market expanded only marginally in 2014 to the current level of approximately 10.83 million sqm (10.81 million sqm in 2013). The main reason for the stability of the entire stock was the relatively low completion volume. The main project completions in Vienna included the ÖBB Tower at the new main station and new properties for the office district of Wienerberg. Lettings performance of 43,000 sqm in the fourth quarter of 2014 was 52% below the result for the third quarter (90,000 sqm). However, total lettings performance in the second half (133,000 sqm) was much stronger than in the first six months (77,000 sqm). In 2014, 80% of all completions were pre-let, a trend that is expected to continue in 2015. The vacancy rate was stable at 6.6% on account of the low completion volume in 2014 and the continuing demand for office space. The peak monthly rent in Vienna in the final quarter of 2014 was unchanged at € 25.75/sqm, a trend expected to continue in 2015. Rents in good and average locations varied somewhat, with both rising steadily since early 2014 to stand at around € 15.00/sqm per month in good locations and € 13.50/sqm per month in average locations by the fourth quarter.

[1)] Sources: CBRE: Austria Investment MarketView Q4 2014, Vienna Office MarketView Q4 2014, MarketView EMEA Rents and Yields Q4 2014

OFFICE MARKET DEVELOPMENT IN VIENNA

	2014	2013	Change in %
Take up in sqm	210,000	295,000	-28.8
Vacancy rate in %	6.6	6.6	+/-0,0
Peek rent in €/sqm net exclusive	25.75	25.25	+2.0
Prime yield in %	4.60	4.75	-3.16

Sources: CBRE: Austria Investment MarketView Q4 2014, Vienna Office MarketView Q4 2014
Note: floor space turnover includes owner-occupier transactions

THE REAL ESTATE MARKET IN GERMANY [2)]

The investment market

Approximately € 20.3 bn was invested in office properties in Germany during 2014, with € 7.3 bn of this invested in the final quarter. This represents 51% of the total German investment market for commercial real estate (up 32% on the previous year). Over the past 10 years, the average transaction volume in Germany has risen by a third every year. The proportion of foreign investors in Germany has increased from 25% to almost 39%.

The proportion of investment in office properties in the overall transaction volume doubled between 2010 and 2014. In Berlin, € 2.3 bn was invested in office properties (64% of the total Berlin investment market); in Düsseldorf the figure was € 1.2 bn (63%) and in Munich € 3.7 bn (34%). The highest proportion of investment in offices was reported in Frankfurt (€ 3.9 bn or 77% of the total volume). In response to high demand for investment, the prime yield in Munich declined on the previous year to 4.30% (compared to 4.55% in Berlin and 4.6% in Frankfurt).

The office property market [3)]

Despite negative forecasts, **office space take-up** in Germany actually increased in comparison with 2013. The total volume of turnover was 3.0 million sqm (up 30% in quarter four), with a similar volume anticipated for 2015. Development was variable in the main property centres, however. With floor space turnover of 616,600 sqm, Berlin recorded a rise of 35% compared to 2013, while turn-

[2)] Sources: Jones Lang LaSalle: German Investment Market Q4 2014; CBRE: MarketView Deutschland Investment Quarterly Q4 2014, MarketView European Investment Quarterly Q4 2014

[3)] Jones Lang LaSalle: Office Market Overview BIG 7 4Q 2014, CBRE: German Investment Quarterly MarketView Q4 2014, MarketView, Office Market Frankfurt, Berlin MarketView Q4 2014, MarketView EMEA Rents and Yields Q4 2014 over in Düsseldorf fell by 22% to 324,000 sqm. Floor space turnover for the five other core cities was between these levels, with Hamburg, Stuttgart and Munich improving on the previous year. The volume of new space increased by a moderate 11% to 998,000 sqm in 2014. Of the premises completed in 2014, 80% were pre-let or owner-occupied.

Total **vacancy** in the seven core cities reached a low of 7.6% (6.81 million sqm) in 2014, dropping below the seven million sqm threshold. Stabilisation at this level is expected in 2015. Demand for office space led to a marginal rise in prime rents in inner city areas of Hamburg, Cologne, Frankfurt, Munich, Stuttgart and Berlin. The aggregate prime rent rose by 0.6% in 2014; the only decrease (of 5.5%) was reported in Düsseldorf. Average rents also rose by 2%, with similar results expected for 2015.

Office space take-up in **Munich** totalled 641,000 sqm in 2014, mainly thanks to a strong fourth quarter (214,800 sqm); a similar level is anticipated for 2015.

In 2014, 204,000 sqm of new or redeveloped office space was completed. The office vacancy level stood at 6.6%, its lowest level since 2003. Compared to the same period of 2013, the peak monthly rent increased by € 1.50 to € 33.00/sqm in the fourth quarter of 2014. Rental rates are expected to climb further in inner city areas especially, where demand is high; the peak rental rate for prime office space should also rise.

Office space take-up in **Frankfurt** was approximately 378.100 sqm in 2014, below the 400,000-sqm level for the third time since 2004. This value is around 18% below the ten-year average, mainly because of the decision by many tenants to extend existing contracts rather than relocate. At the same time, the largest volume of newly built premises for more than a decade was completed in 2014 (approximately 300,000 sqm); 75% of new floor space was pre-let prior to completion.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2014	2013	Change in %
Berlin			
Take up in sqm	617,000	455,000	35.0
Vacancy rate in %	7.7	8.2	-0.5
Peek rent in €/sqm net exclusive	22.0	22.0	0.0
Prime yield in %	4.5	4.7	-0.2
Frankfurt am Main			
Take up in sqm	378,000	441,000	-14.2
Vacancy rate in %	10.4	11.1	-0.7
Peek rent in €/sqm net exclusive	35.0	35.0	0.0
Prime yield in %	4.6	4.7	-0.1
Munich			
Take up in sqm	641,000	625,000	2.6
Vacancy rate in %	6.6	7.3	-0.7
Peek rent in €/sqm net exclusive	33.0	31.5	4.8
Prime yield in %	4.2	4.4	-0.2

Sources: Jones Lang LaSalle: Office Market Overview BIG 7 4Q 2014
Note: floor space turnover includes owner-occupier transactions

Partly due to various disposals of older portfolio buildings, the vacancy rate fell further to 10.4% in the final quarter of 2014; it is currently at its lowest level for over 10 years. The prime rent stabilized at € 35/sqm per month.

Office space take-up in **Berlin** reached the record level of 616,600 sqm in 2014 (up 35% on the 2013 figure of 455,000 sqm). Floor space turnover was approximately 219,000 sqm in quarter four of 2014. The vacancy rate fell to the low level of 7.7% in the final quarter thanks to the rise in demand for office space. Vacancy was very low in all peripheral city areas. The average rent in this segment increased by 7.6% to € 13.70/sqm per month. The peak monthly rent is currently stable at € 22.00/sqm.

THE REAL ESTATE MARKET IN EASTERN EUROPE [1)]

The investment market

The investment volume in the CEE nations (excluding Russia) amounted to around € 7.9 bn in 2014, equivalent to growth of approximately 27% (€ 6.2 bn in 2013). Poland remained the leading regional market with an approximate share of 41% (€ 3.2 bn), followed by the Czech Republic (25%, € 2.0 bn), Romania (16%, € 1.3 bn), Slovakia (8%, € 0.6 bn) and Hungary (7%, € 0.6 bn). In the CEE countries, the office transaction market achieved a particularly strong result with € 3.7 bn, around 54% above the previous year's value of € 2.4 bn. There has been a significant increase in investment in the logistics sector, with the figure rising by some € 1.6 bn (35%) in year-on-year comparison.

Thanks to solid performance in 2014, **Poland** retained the primary focus of many institutional investors, even though its share of the total CEE transaction market fell from 70% in 2012 to around 41% in 2014 as other countries of the region attracted higher volumes – a promising trend for the whole region. The transaction volume in Warsaw, the most important investment market in Eastern Europe, expanded from € 913 m in 2013 to € 1.2 bn in 2014.

In the **Czech Republic**, the transaction volume rose to € 1.28 bn in the second half of 2014 (up 78% on the first six months and 52% on the same period of 2013). In 2014 **Hungary** recorded its highest transaction volume since 2007 at just over € 580 m. The investment volume in **Romania** was dominated by retail transactions (41%).

The office property markets [2)]

Floor space turnover increased sharply in 2014 in three of CA Immo's four core cities (Prague, Budapest and Bucharest); the vacancy level fell further in Bucharest and Budapest. Prime yields remained at a stable level on the core markets of CA Immo. Bucharest was also stable at 7.75% in the fourth quarter after the prime yield rose by 50 bsp since the opening quarter of 2014.

Warsaw represents some 48% of the Polish office property market with total floor space of around 4.4 million sqm. The completion volume was 276,900 sqm in 2014, with a further 834,000 sqm due to follow by 2016. In 2014, 3% less office space (612,400 sqm) was let than in the previous year, although the final quarter of 2014 saw the strongest performance of the past four years with 190,700 sqm let. Between the third and fourth quarters of 2014, the vacancy rate declined by 0.5% to 13.3%; the reduction was mainly due to the low completion volume in the final quarter. The prime rent was € 25/sqm per month in central locations and € 15/sqm per month in peripheral districts. Given the extensive project pipeline, the prime rent level is likely to fall.

Lettings performance on the **Bucharest** office market exceeded 108,000 sqm in the fourth quarter, of which 65% was newly let. Lettings activity expanded by 20% in comparison with previous quarters. The completion volume in the fourth quarter stood at 41,200 sqm. Office space in Bucharest totalled 2.27 million sqm in 2014 and is expected to expand by 150,000 sqm in 2015. Floor space turnover was 315,000 sqm in 2014, a rise of 5% on the previous year. The vacancy rate fell from 15% at the start of the year to 13% at year end; it is expected to stand at 12% in 2015. However, there are big differences between the various submarkets. Vacancy in class A properties was just 6.2% thanks to strong demand for modern office premises with good transport connections, while the rate for B-class properties was 17.3%. The prime monthly rent in Bucharest amounted to € 18/sqm in the fourth quarter of 2014.

Office space take-up in **Budapest** rose from 396,000 sqm in 2013 to 465,600 sqm in 2014 (a rise of 17%). Lettings

[1)] Sources: Jones Lang LaSalle: CEE Investment Market Pulse/2014; CBRE: Property Investment MarketView Q4 2014

[2)] Sources: Jones Lang LaSalle: Warsaw Office Market Profile Q4 2014, Warsaw, Bucharest and Budapest City Report Q4 2014, Prague Office Market Q4 2014; CBRE: Prague, Warsaw, Bucharest and Budapest Office MarketView Q4 2014, CZ Property Investment MarketView H2 2014, MarketView EMEA Rents and Yields Q4 2014 performance in the office sector expanded by 19% in 2014, a similar rate to that reported in 2013. The completion volume in 2014 was low at 68,200 sqm; 72% of the new premises were already let. Another 45,000 sqm of new office space is expected to be completed in 2015. The vacancy rate fell by 2.2 bsp in 2014 to stand at the current level of 16.2%, the lowest for six years. The fall in vacancy was steepest (5.5 bsp) among class B properties; among class A properties, the vacancy rate was generally constant. A further reduction is expected in 2015. The average prime monthly rent in Budapest currently stands at € 19-21/sqm.

In 2014 the office market in **Prague** recorded its strongest annual growth since 2009, and a 90% rise on the figure for 2013, with a completion volume of 148,900 sqm. The portfolio of office space in Prague thus broke through the three million sqm threshold. In total 15 new buildings came onto the market, nearly all of which were aimed at the upscale market segment. Lettings performance in 2014 was up 32% on the 2013 figure at 331,900 sqm. The vacancy rate in the final quarter was 15.3%, with variation across individual submarkets. Vacancy amounts to 20.7% in Prague, with 14.3% of office space vacant in inner city areas and just 13.5% standing empty in outlying areas. In 2015 the vacancy level in Prague is expected to reach the temporary high of 16%. Prime monthly rents in the city stand at € 18.50-19.50/sqm, with the inner city figure at € 15.00-17.50/sqm and peripheral areas ranging from € 13.00-14.50/sqm.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN EASTERN EUROPE

	2014	2013	Change in %
Budapest			
Take up in sqm	465,000	396,000	17
Vacancy rate in %	16.2	18.4	-11.9
Peek rent in €/sqm net exclusive	19,0-21,0	19.0	-5.2
Prime yield in %	7.25	7.50	-3.3
Bucharest			
Take up in sqm	315,000	300,000	5
Vacancy rate in %	13	15.1	-93.4
Peek rent in €/sqm net exclusive	18	18	0.0
Prime yield in %	7.75	8.25	-6.1
Prague			
Take up in sqm	331,000	299,000	10.7
Vacancy rate in %	15.3	13.2	15.9
Peek rent in €/sqm net exclusive	19.50	20.0	-2.5
Prime yield in %	6.0	6.0	0.0
Warsaw			
Take up in sqm	612,000	633,000	-3.3
Vacancy rate in %	13.3	11.8	12.7
Peek rent in €/sqm net exclusive	25.5	25.5	0.0
Prime yield in %	6.0	6.0	0.0

Sources: CBRE: Budapest Office MarketView Q4 2014, MarketView Bucharest Office Q4 2014, MarketView Prague Office Q4 2014, MarketView Warsaw Office Q4 2014, MarketView EMEA Rents and Yields Q4 2014; Jones Lang LaSalle: Prague Office Market Q4 2014, Warsaw Office Market Profile Q4 2014

Note: floor space turnover includes owner-occupier transactions

PROPERTY ASSETS

The CA Immo Group divides its core activity into the business areas of letting investment properties and developing real estate. In both of these business areas, CA Immo specialises in commercial real estate with a clear focus on office properties in capital cities in the centre of Europe. The objective is to 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 land reserves.

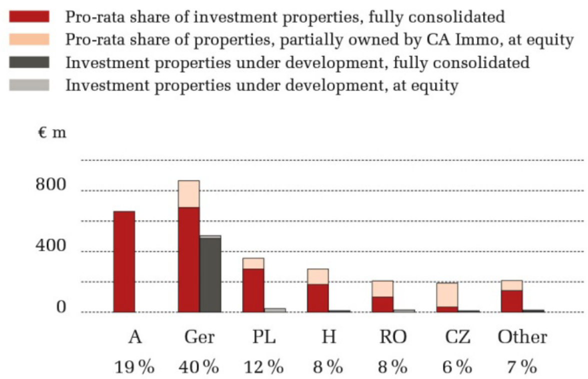
Application of new IFRS standards and impact on the representation of property assets

Compared to the previous annual report, the application of the new financial reporting standards involves a modified representation of property assets. Fully consolidated properties wholly owned by CA Immo are reported separately from partially owned real estate (companies) consolidated at equity (pro-rata share). For purposes of comparison, last year's figures have been adapted in line with the new standards.

€ 3.6 bn property assets

As at key date 31 December 2014, the property assets of CA Immo were approximately € 3.6 bn. Of this figure, investment properties account for € 3.0 bn (84% of the total portfolio)[1] and property assets under development represent € 0.6 bn (16% of total portfolio). Eastern Europe is the biggest regional segment with a proportion of 41% of total property assets.

DISTRIBUTION OF PROPERTY ASSETS BY COUNTRY AND TYPE



[1] Includes properties used for own purposes, self-administrated properties and short-term property assets

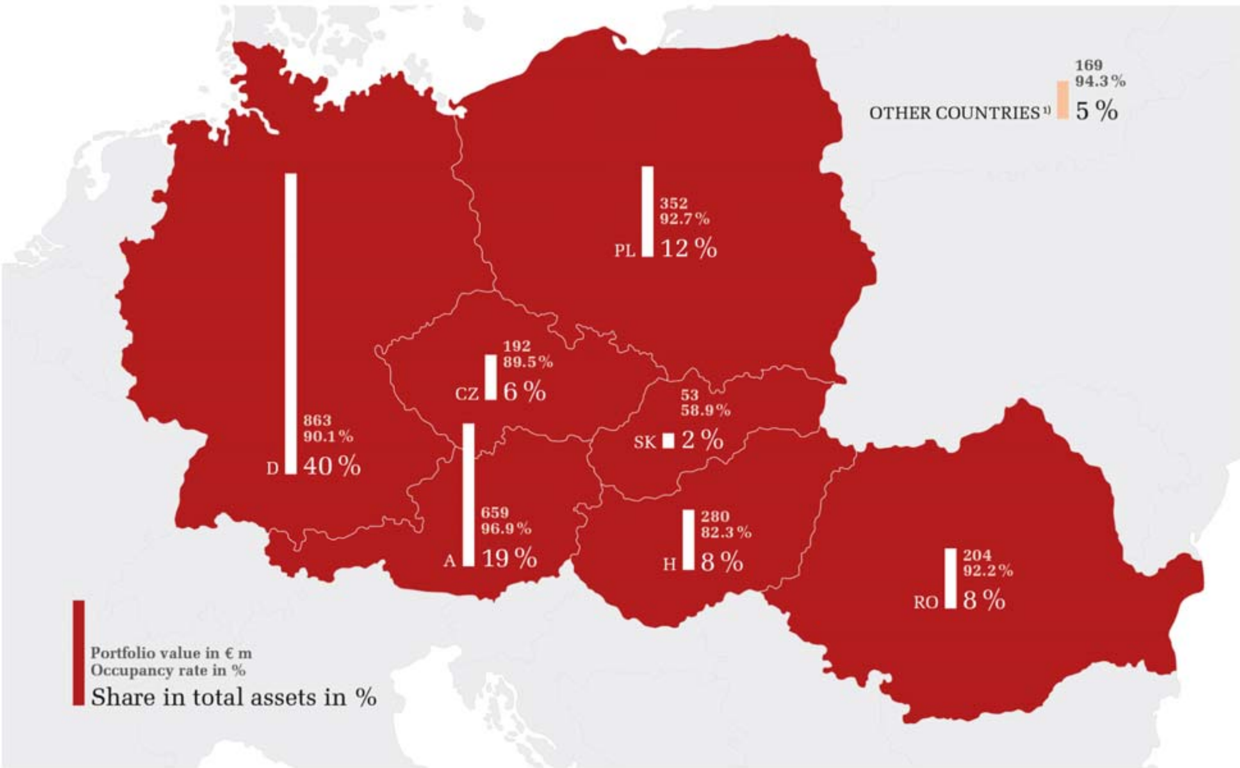
PROPERTY ASSETS OF THE CA IMMO GROUP AS AT 31.12.2014 (BOOK VALUES)

in € m	Investment properties [1]			Investment properties under development			Short-term property assets [2]			Property assets			Property assets in %		
	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ
Austria	664	0	664	0	0	0	20	0	20	685	0	685	25	0	19
Germany	689	177	866	485	18	503	25	33	58	1,200	228	1,428	45	26	40
Czech Republic	34	157	192	3	3	6	28	0	28	65	160	225	2	18	6
Hungary	182	98	280	1	0	1	0	13	13	183	111	294	7	12	8
Poland	286	66	352	0	22	22	24	33	57	310	121	431	12	14	12
Romania	100	105	204	1	14	16	0	78	78	101	197	298	4	22	8
Others	144	64	208	6	8	13	0	1	1	150	73	222	5	8	7
Total	**2,100**	**667**	**2,768**	**496**	**65**	**561**	**97**	**158**	**255**	**2,694**	**890**	**3,583**	**100**	**100**	**100**
Share on total portfolio	78%	75%	77%	18%	7%	16%	4%	18%	7%	100%	100%	100%			

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

[1] Excludes properties used for own purposes and self-administrated properties
[2] Short-term property assets including properties intended for trading or sale

CA IMMO PROPERTY ASSETS



[1] Includes properties in Serbia, Croatia, Bulgaria, Slovenia and Ukraine.

Sales

In business year 2014, the strategic policy of focusing on large-scale, modern office properties in the portfolio was upheld across the Group. Accordingly, the majority of sales involved properties not classified as part of core business of CA Immo in regional or sectoral terms. Property assets sold in 2014 generated total trading income of € 271.5 m and contributed € 38.8 m to the result.

In October, a purchase agreement for the sale of a **logistics portfolio** with a total area of approx. 467.000 sqm was successfully completed. The closing was in the beginning of February 2015. This transaction includes a logistic park in Romania (215.000 sqm), two investment properties in Poland (252.000 sqm) and approx. 165 acres undeveloped property development, primarily in Poland and Romania. The properties were held by CA Immo in a joint venture with the European Bank of Re-construction and development (EBRD).

In the course of the portfolio adjustment smaller properties of various asset classes as well as superaedificates with a trading income of circa € 56.4 m were sold in Austria; two of these transactions were closed in the beginning of 2015. The income contribution from these transactions was around € 3 m.

The sale of **building plots** connected with urban district development activity (mainly in inner city areas in Germany and including a high-rise construction site in the Frankfurt Europaviertel) produced trading income of € 24.9 m and contributed € 15.2 m to the result; suitably value-enhancing property use approvals had previously been obtained.

In November, contract negotiations concerning the sale **two office towers at Airportcity St. Petersburg** were successfully concluded. The investment volume stands at € 70 m, the closing was in early March 2015. The project company ZAO Avielen, a joint venture of the Austrian real estate Warimpex (55%), CA Immo (35%) and UBM (10%) develops the project Airportcity St. Petersburg which is located in close proximity to Pulkovo 2 international airport St. Petersburg. In addition to the four star hotel, the complex includes three modern office buildings with a gross field area of approx. 31.000 sqm. The two towers sold, Jupiter 1 and Jupiter 2, with total office space of approximately 16,800 sqm are fully let out.

Investments

In total, CA Immo invested € 141.9 m in its property portfolio. € 24.9 m accounted for modernisation and optimisation measures and € 117.0 m was invested in development projects.

Acquisitions

In mid-August, CA Immo increased its share in the Munich **office project Kontorhaus** from 50% to 93%. The seller of the company shares was E&G Bridge Equity Fonds GmbH & Co. KG. The purchase price was agreed to be kept confidential. The transaction was closed end of September. The Kontorhaus, which is being developed under the terms of a joint venture between CA Immo and E&G Financial Services, will be completed in autumn 2015 as the last building in the Munich district of Arnulfpark. The total investment volume will be around € 102 m and the pre-letting rate currently stands at 55%. The main tenant for the structure will be Google, renting gross floor space of 14,000 sqm.

Visualization of the Kontorhaus office building in Munich

PROPERTY ASSETS BRIDGE 2013 TO 2014

		Austria	Germany	Eastern Europe	Total
Property assets 31.12.2013	**€ m**	**704.7**	**1,271.7**	**1,651.6**	**3,628.0**
Acquisition of new properties	€ m	0.0	26.6	6.0	32.6
Capital expenditure	€ m	6.3	115.6	20.0	141.9
Change from revaluation/impairment/depreciation	€ m	6.5	29.3	–64.7	–28.9
Changes Mietincentive	€ m	0.5	7.8	–0.1	8.2
Disposals	€ m	–33.4	–23.4	–142.0	–198.8
other Changes	€ m	0.0	0.2	0.2	0.4
Property assets 31.12.2014	**€ m**	**684.7**	**1,427.8**	**1,471.0**	**3,583.4**
Annual rental income[1)]	€ m	41.8	51.5	107.1	200.4
Annualised rental income	€ m	39.0	53.2	111.0	203.2
Economic vacancy rate for investment properties	%	3.1	9.9	11.2	9.3
Gross yield (investment properties)	%	5.7	5.7	7.7	6.6

[1)] Includes annual rental income from properties sold in 2014 (€ 6.3 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. The key performance indicators of operational property business are as follows:

- The vacancy rate indicates the quality of the portfolio and our success in managing it. With an occupancy rate of 90.7%, CA Immo is above market average.
- The quality of a location and its infrastructure are critical to the marketability of properties. The majority of CA Immo office properties are situated in CBD- or central business locations of central European cities.
- Local presence and market knowledge: CA Immo has branch offices on its core markets to ensure efficient management and tenant retention

Investment properties: Office share enhanced to 79%

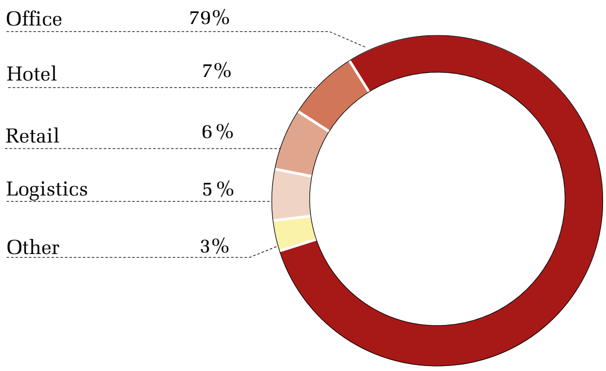
As at key date 31 December 2014, the Group's asset portfolio[1)] incorporated a total rentable effective area of 1.6 m sqm with an approximate book value of € 2.8 bn (compared to € 3.0 bn in 2013). With 45% of book value, the Eastern Europe segment accounts for the largest proportion of the asset portfolio. In 2014, CA Immo generated total rental income of € 200.4 m (€ 249.9 m in 2013); the Eastern Europe segment accounted for roughly 53% of total rental revenue. On the basis of annualised rental revenue, the asset portfolio produced a yield of 6.6% (6.5% in 2013). In line with the strategic portfolio focus, the office share in the total portfolio was further increased from 70% (31.12.2013) to 79% as at the reporting date.

[1] Excludes properties used for own purposes, self-administrated properties and short-term property assets

Occupancy rate increased to 90.7%

The occupancy rate for the asset portfolio rose from 88.1% (31.12.2013) to 90.7% on 31 December 2014. Especially properties in Romania, Austria and Poland recorded above-average high occupancy rates. In like-for-like comparisons of properties forming part of the portfolio as at 31 December 2013, the economic occupancy rate increased from 88.4% on that date to 91.3% on the balance sheet date for 2014.

DISTRIBUTION OF BOOK VALUE PORTFOLIO PROPERTIES BY MAIN USAGE (Basis: € 2.8 bn)



INVESTMENT PROPERTIES: KEY FIGURES BY COUNTRY [1)]

	Fair value property assets in € m			Rentable area in sqm			Occupancy rate in %			Annualised rental income [2)] in € m			Yield in %		
	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ
Austria	659	0	659	512,549	0	512,549	96.9	0.0	96.9	37.3	0.0	37.3	5.7	0.0	5.7
Germany	687	177	863	400,392	33,457	433,849	92.5	80.4	90.1	40.1	8.8	48.8	5.8	5.0	5.7
Czech Republic	34	157	192	27,337	70,033	97,370	90.3	89.3	89.5	3.5	11.4	14.9	10.0	7.3	7.8
Hungary	182	98	280	106,832	76,213	183,045	80.1	86.2	82.3	13.0	7.7	20.7	7.1	7.9	7.4
Poland	286	66	352	93,294	33,078	126,371	93.1	91.1	92.7	21.5	5.6	27.1	7.5	8.5	7.7
Romania	100	105	204	42,340	50,409	92,749	94.5	89.8	92.2	8.7	8.0	16.8	8.8	7.7	8.2
Others	144	64	208	87,496	37,687	125,183	86.5	90.1	87.5	11.2	4.9	16.1	7.8	7.6	7.7
Total	**2,093**	**667**	**2,760**	**1,270,240**	**300,877**	**1,571,117**	**91.9**	**87.3**	**90.7**	**135.3**	**46.4**	**181.7**	**6.5**	**7.0**	**6.6**

Full: Fully consolidated properties wholly owned by CA Immo
At equity: Properties partially owned by CA Immo, consolidated at equity (pro-rata share)
[1)] Excludes properties used for own purposes, self-administrated properties and short-term property assets
[2)] Monthly contractual rent as at key date multiplied by 12

LIKE-FOR-LIKE COMPARISON OF PROPERTIES IN THE PORTFOLIO AS AT 31.12.2013

	Book values		Annualised rental income [1]		Gross yield in %		Occupancy rate	
€ m	2014	2013 restated	2014	2013 restated	2014	2013 restated	2014	2013 restated
Austria	639.3	631.5	37.3	36.9	5.8	5.8	96.9	93.8
Germany	819.5	800.7	47.0	49.5	5.7	6.2	92.2	89.8
Eastern Europe	1,237.3	1,257.0	95.6	94.5	7.7	7.5	88.8	85.9
Total	**2,696.1**	**2,689.2**	**179.9**	**181.0**	**6.7**	**6.7**	**91.3**	**88.4**

[1] Monthly contractual rent as at key date multiplied by 12

Lettings performance 2014: 24% of usable space newly let or extended

Across the Group, CA Immo let approx. 382,000 sqm of floor space in 2014, of which 10,800 sqm were pre-lettings on development projects. Excluding these pre-lettings, this equates to lettings performance of 24% of the Group´s total investment portfolio, which amounts to 1.57 m sqm. New lettings and contract extensions by existing tenants accounted for around 48%, renewals of existing tenants represent 52%. Office space accounted for 51% of total lettings, logistics for 48%. 2014 Austria was, with just under 13,800 sqm office space newly let, the market with the strongest leasing performance, followed by Poland with over 12,200 sqm new office rental. The biggest lease contract in 2014 was signed by the Croatian public authority, leasing 9,400 sqm in Zagreb Tower. Of the lease contracts, 41% are unlimited or have terms in excess of five years.

LETTINGS PERFORMANCE BY SEGMENT

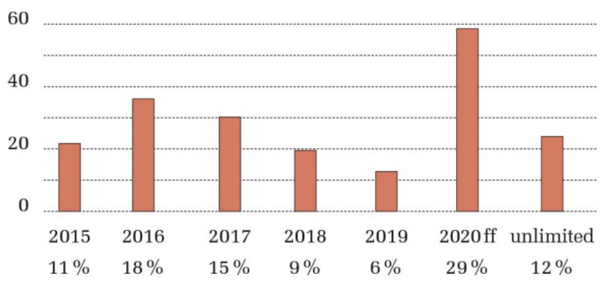
	Office	Others	Total
Germany			
Pre-leases development projects	10,000	814	10,814
New leases investment properties	2,830	9,018	11,848
Lease extension	9,827	7,626	17,453
Total	**22,657**	**17,458**	**40,115**
Austria		**0**	
New leases investment properties	13,755	4,754	18,509
Lease extension	6,525	1,763	8,288
Total	**20,280**	**6,517**	**26,797**
Eastern Europe		**0**	
New leases investment properties	63,089	79,693	142,782
Lease extension	87,033	85,259	172,293
Total	**150,122**	**164,953**	**315,075**
Total Group	**193,059**	**188,928**	**381,987**

BIGGEST TENANTS

	Sector	Region	Share in % [1]
PWC	Auditor	Germany	6
Hennes & Mauritz GmbH	Fashion retail	Germany	3
Verkehrsbüro Hotellerie GmbH	Hotel sector	Austria /Eastern Europe	2
TOTAL Deutschland GmbH	Energy supply	Germany	2
Land Berlin c/o Berliner Immobilienmanagement GmbH	Property administration	Germany	2
Österreichische Post AG	Post	Austria	2
Robert Bosch Aktiengesellschaft	Electrical engineering	Austria	2
InterCityHotel GmbH	Hotel sector	Germany	1
IBM	IT	Eastern Europe	1
Meininger GmbH	Hotel sector	Austria/ Germany	1

[1] After annualised rental revenue

EXPIRY PROFILE OF LEASE AGREEMENTS BASED ON EFFECTIVE RENTAL INCOME



THE AUSTRIA SEGMENT

The asset portfolio in Austria comprises rentable effective area of 512,549 sqm with a market value of around € 659 m according to current valuations. Austria, with an approximate share of 24% of the total CA Immo asset portfolio (measure by portfolio value), is the biggest asset market in the Group. In 2014, this portfolio generated rental income of € 42 m (€ 40 m in 2013), equivalent to an average yield of 5.7% (6.0% in 2013).

CA Immo invested 2014 around € 6.3 m in its Austrian real estate portfolio, compared to € 3.0 m in 2013. Moreover, roughly € 2.6 m (€ 2.3 m in 2013) were spent on maintaining the Austrian investment properties in 2014.

Lettings

Around 13,755 sqm of office space was newly let and contracts for approx. 6,500 sqm renewed.In 2014, a total of 26,800 sqm of usable space was newly let or extended. On annual comparison, the economic occupancy rate in the asset portfolio rose to 96.9% (94.2% in 2013).

INVESTMENT PROPERTIES AUSTRIA: KEY FIGURES [1]

in € m	31.12.2014	31.12.2013 restated	Change
book value	659.3	699.4	–5.7
Annualised rental income [2]	37.3	41.8	–10.8
Gross yield in %	5.7	6.0	–0.3 pp
Economic vacancy rate in %	3.1	5.8	–2.7 pp

[1] Excludes properties used for own purposes
[2] Monthly contractual rent as at key date multiplied by 12

THE GERMANY SEGMENT

At the key date, CA Immo held investment properties in Germany with an approximate market value of € 863.4 m (€ 801 m in 2013) and rentable effective area of 433,849 sqm. The company's investment property assets in Germany mostly comprises modern, centrally located office buildings (most of which are developed by CA Immo) in Berlin, Munich and Frankfurt.

Two completed projects transferred to the portfolio

Rental income of € 51.5 m was generated in 2014, compared to € 108.8 m in 2013. The yield on the portfolio was 5.7% as at 31 December 2014 (6.2% in 2013).
CA Immo spent some € 0.2 m on maintaining its German investment properties in 2014. The office and retail buildings Belmundo and LaVista in the Düsseldorf city district BelsenPark were completed in autumn 2014 and transferred to the CA Immo asset portfolio. LaVista has a gross floor area of 4,000 sqm, with 29%[1] rented. Belmundo comprises 10,000 sqm, with an occupancy rate of 80%[1].

Occupancy rate up from 88% to 90%

The occupancy rate for the asset portfolio in Germany increased – despite the transfer of two completed projects to the portfolio, which are still in a phase of stabilisation phase – from 89.8% on 31 December 2013 to 90.1% on 31 December 2014. In Germany, approx. 40,100 sqm floor space (of which 22,660 sqm is office space) was newly let or extended during 2014. Pre-letting on development projects accounted for almost 10,000 sqm.

INVESTMENT PROPERTIES GERMANY: KEY FIGURES [1]

in € m	31.12.2014	31.12.2013 restated	Change
book value	863.4	800.7	7.8
Annualised rental income [2]	48.8	49.5	-1.4
Gross yield in %	5.7	6.2	-0.5 pp
Economic vacancy rate in %	9.9	10.2	-0.3 pp

[1] Excludes properties used for own purposes and short-term property assets
[2] Monthly contractual rent as at key date multiplied by 12

[1] Incl. signed rental agreements as at 31 December 2014

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 70%) and South Eastern Europe (SEE, 30%). As at key date 31 December 2014, investment properties in Eastern Europe had an approximate market value of € 1,237.3 m (€ 1,451.6 m on 31.12.2013), equivalent to around 45% of the total asset portfolio. In this region, CA Immo concentrates on high quality, centrally located office properties in capital cities of Eastern and South Eastern Europe. After selling the logistic assets in Poland and Romania (the closing of this transaction was after reporting date in January 2015), 93% of the overall Eastern European investment portfolio accounts for office properties, logistical real estate accounts for only 2%, retail properties making up 4% and hotels 1%. The portfolio is maintained and let by the company's local teams on site.

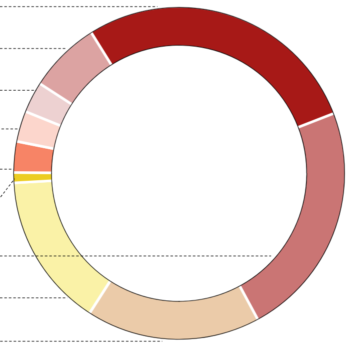
53% of rental revenue from Eastern Europe
The company's asset portfolio comprises 624,719 sqm of rentable effective area which generated rental income of € 107.1 m in 2014 (compared to € 100.8 m in 2013). This represents 53% of CA Immo's total rental revenue. The overall portfolio produced a gross yield of 7.7% (7.1% in 2013), with the yield for properties in the SEE region standing at 8.3% (8.4% in 2013) and that for properties in the CEE region at 7.5% (2013: 6.4%). Details on the properties in the Eastern European asset portfolio can be found in the general overview of properties at the end of the report.

Occupancy rate increased up to 89%
Thanks to its strong local profile and the high (site) quality of its real estate, CA Immo was able to increase the utilisation rate of its portfolio (measured on the basis of expected annual rental income) from 85% (2013) up to 89% (as at 31 December 2014). The occupancy rate in the core office segment stood at 90% (86% in 2013).

Total lettings performance for the Eastern Europe segment in 2014 stood at roughly 315,000 sqm of rentable effective area; office space accounted for 150,100 sqm and logistical premises accounted for 162,600 sqm.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES EASTERN EUROPE BY COUNTRIES
(Basis: € 1.24 bn)

Poland	28%
Serbia	7%
Slovakia	3%
Croatia	3%
Bulgaria	3%
Slovenia	1%
Hungary	23%
Czech Republic	15%
Romania	17%



INVESTMENT PROPERTIES IN EASTERN EUROPE: KEY FIGURES [1)]

	Fair value property assets in € m			Annualised rental income [2)] in € m			Occupancy rate in %			Yield in %		
	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ
Poland	286	66	352	21.5	5.6	27.1	93.1	91.1	92.7	7.5	8.5	7.7
Hungary	182	98	280	13.0	7.7	20.7	80.1	86.2	82.3	7.1	7.9	7.4
Romania	100	105	204	8.7	8.0	16.8	94.5	89.8	92.2	8.8	7.7	8.2
Czech Republic	34	157	192	3.5	11.4	14.9	90.3	89.3	89.5	10.0	7.3	7.8
Serbia	83	0	83	7.3	0.0	7.3	97.0	0.0	97.0	8.8	0.0	8.8
Croatia	0	33	33	0.0	2.3	2.3	0.0	94.9	94.9	0.0	7.1	7.1
Bulgaria	6	32	38	1.0	2.5	3.5	100.0	86.1	89.5	15.1	8.0	9.2
Slovenia	12	0	12	0.9	0.0	0.9	90.7	0.0	90.7	7.8	0.0	7.8
Slovakia	43	0	43	2.1	0.0	2.1	58.9	0.0	58.9	4.8	0.0	4.8
Total	**747**	**491**	**1,237**	**58.0**	**37.6**	**95.6**	**88.6**	**89.1**	**88.8**	**7.8**	**7.7**	**7.7**

Full: Fully consolidated properties wholly owned by CA Immo
At equity: Properties partially owned by CA Immo, consolidated at equity (pro-rata share)
1) Excludes self-administrated properties and short-term property assets
2) Monthly contractual rent as at key date multiplied by 12

INITIATIVES AIMED AT RAISING THE ENERGY EFFICIENCY OF THE ASSET PORTFOLIO

From an international viewpoint, CA Immo holds investment properties of many different kinds at many stages of the property lifecycle. In order for the asset portfolio to comply with general quality standards and meet the individual needs of tenants while ensuring the longest possible marketability of individual properties, CA Immo Asset Management applies diversified quality management. To establish the best possible conditions for long-term rentals, various highly specific measures aimed at properties and their tenants are adopted. **The most important levers in integrated quality assurance are:**

- Standardised recording of structural properties (including energy consumption values) as the decision-making basis in active asset management
- Needs-based investment to ensure portfolio quality and user comfort
- Continual, systematic dialogue with current tenants to ensure long-term tenant retention
- Selective use of sustainability certification for strategic core properties
- Raising awareness among current tenants to improve resource conservation by users

CAST: quality assurance for portfolio buildings

To adequately facilitate comparison of the sustainability of portfolio buildings across various countries, CA Immo developed CAST (CA Immo Sustainability Tool), its own recording system for office buildings in its portfolio. 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 the company's strategy, CA Immo's entire portfolio of office assets has been recorded in CAST since 2013. Business processes and consumption data such as electricity, heating energy, water and waste were systematically represented for the first time in 2014.

Energy consumption and the carbon footprint

Since 2013, consumption data and carbon emissions generated by buildings through heat and power consumption have been recorded for all of CA Immo's office assets (all office properties with a market value of at least € 10 m). The table shows the corresponding values per square metre of rentable area in business year 2014 for Eastern Europe, Austria and Germany.

Health and safety in portfolio buildings

Regular maintenance is carried out during current operations to ensure the safety and functional reliability of technical building installations; performing maintenance and monitoring as operations continue also serves to minimise health risks posed by malfunctions.

CARBON FOOTPRINT, ENERGY CONSUMPTION AND WATER CONSUMPTION IN THE ASSET PORTFOLIO [1)]

	Stromverbrauch/ m² Mietfläche in kWh	Heizenergieverbrauch/ m² Mietfläche in kWh	Gesamt CO_2-Emission[2)]/ m² Mietfläche in $kgCO_2/a$	Wasserverbrauch /m² in m³
Osteuropa	187,60	101,25	111,15	0,52
Deutschland	87,35	68,30	48,84	0,29
Österreich	112,53	94,31	18,34	0,45
gesamt	**153,99**	**93,35**	**83,68**	**0,42**

The calculation of carbon emissions from power consumption is based on 54 properties, or 100 % of the rentable area of the portfolio.
The calculation of carbon emissions from the heat requirement is based on 52 properties, or 98.94 % of the rentable area of the portfolio.

[1)] All data is per sqm of rentable area; data refers to 2013

[2)] The calculation of carbon emissions caused by power and heating energy consumption take account of the so-called carbon dioxide equivalent, which differs between countries and sometimes regions. The higher the proportion of renewable energy in the production of electric power and heating, the lower the carbon dioxide equivalent. As regards the portfolio of CA Immo, we can ascertain that carbon emissions are lowest in Austria on account of the high proportion of hydroelectric power. In some countries of Eastern Europe, on the other hand, the proportion of coal-fired power stations producing energy is still very high; the figures on carbon emissions per sqm of rentable area are accordingly poorer.

OVERVIEW SUSTAINABILITY CERTIFICATES OF INVESTMENT PROPERTIES

Country	City	Property	System	Category	Status	Version
CZ	Prague	Amazon Court	DGNB	Gold	Certificate (2011)	Office new building
SK	Bratislava	BBC 1 plus	LEED	Gold	Certificate (2011)	Office new building
PL	Warsaw	Poleczki B1/C1 phase 2	LEED	Gold	Certificate (2011)	Office new building
HU	Budapest	R 70	LEED	Gold	Certificate (2014)	Office existing building
HU	Budapest	Capital Square	LEED	Gold	Certificate (2014)	Office existing building
A	Vienna	Silbermöwe	ÖGNI / DGNB	Silver	Certificate (2013)	Office refurbishment
D	Frankfurt	Tower 185	DGNB	Silver	Certificate (2013)	Office existing building
D	Frankfurt	Tower 185	LEED	Gold	Certificate (2012)	Office new building
D	Munich	Skygarden	LEED	Gold	Certificate (2013)	Office new building
D	Munich	Ambigon	DGNB	Silver	Certificate (2013)	Office new building
D	Berlin	InterCityHotel	DGNB	Gold	Certificate (2014)	Hotel new building
D	Berlin	Tour TOTAL	DGNB	Silver	Certificate (2013)	Office new building
D	Frankfurt	Skyline Plaza	DGNB	Gold	Certificate (2013)	Shopping Center new building

Management and user conduct as key levers

Optimising the energy consumption of portfolio buildings and regularly inspecting compliance with safety measures 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. To enhance the energy performance of portfolio buildings, an extended dialogue was initiated with users regarding consumer behaviour (amongst other measures). A Group-wide information campaign concerning the resource-efficient usage of office buildings by CA Immo office tenants guided by the motto “Think more, waste less” was launched in business year 2013.

Sustainability certification for investment properties

To facilitate transparent comparison of the quality of portfolio buildings across international boundaries, older portfolio buildings have also been certified. At present, a total of eight portfolio buildings in Budapest, Warsaw and Prague are undergoing the certification process (LEED Gold and BREEAM, Very Good rating).

Stakeholder dialogue: international tenant survey

The first Group-wide survey of all CA Immo office tenants took place in December 2013. The aim was to enhance tenant satisfaction by optimising service provision and to identify new tenant needs and trends at an early stage. Key issues addressed by the online survey included:

– Satisfaction with rented premises (building, infrastructure, technical facilities, etc.)
– Evaluation of the quality of services rendered by CA Immo and external service providers (asset management, property management, facility management)
– Importance of sustainability and associated requirements
– Current situation plus any planned changes to working environments (flexible workstations, home office)

Tenants appreciate the location, appearance and flexible space of their CA Immo offices

The results confirmed that CA Immo enjoys very high levels of tenant satisfaction and retention: 97 % of tenants are claim to be satisfied or very satisfied with the office space they lease, while 90 % of tenants said they would make the same letting decision today.

Tenants were particularly enthusiastic about the location advantages of CA Immo properties, with 98 % of those surveyed satisfied with the attractiveness of their office building’s location and 94 % satisfied with its overall visual appearance and architecture. Around 92 % of tenants regard the flexibility and efficiency of rented premises as an advantage. The average overall satisfaction level of CA Immo tenants stands at 2.35 (where 1 = very satisfied and 6 = very unsatisfied). A summary of the results is available at www.caimmo.com/tenantsurvey. The company plans to repeat the survey at two-yearly intervals.

INVESTMENT PROPERTIES UNDER DEVELOPMENT

Project development as a driver of organic growth
One objective of development activity is to raise the quality of the company's portfolio by absorbing projects as they are completed and thereby achieve organic growth. 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.

90% of development activity in Germany
As at 31 December 2013, the development division represented around 16% (equivalent to approximately € 561.0 m, 2013: € 417.0 m) of CA Immo's total property assets. Accounting for a share of 89.7%, the focus of project development activity is still firmly on Germany. Developments and land reserves in Eastern Europe account for the remainder of investment properties under development (€ 57.6 m). Development projects in Germany with a total book value of € 503.4 m are divided into projects under construction accounting for around € 155.1 m and plots subject to property use approval and long-term land reserves making up € 348.3 m.

INVESTMENT PROPERTIES UNDER DEVELOPMENT BY COUNTRY

		In Zoning		Landbank	Projects under construction		Total Investment Properties under Development	
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**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Frankfurt	22.5	11.7	110.1	54.1	0.0	0.0	132.6	23.6
Berlin	72.7	37.9	47.7	23.5	74.7	45.1	195.1	34.8
Munich	82.9	43.2	4.3	2.1	80.4	48.5	167.5	29.9
Rest of Germany	8.2	4.3	0.0	0.0	0.0	0.0	8.2	1.5
Germany	**186.3**	**97.1**	**162.1**	**79.7**	**155.1**	**93.5**	**503.4**	**89.7**
Czech Republic	0.0	0.0	5.8	2.8	0.0	0.0	5.8	1.0
Hungary	0.0	0.0	1.3	0.6	0.0	0.0	1.3	0.2
Poland	0.0	0.0	11.0	5.4	10.7	6.5	21.7	3.9
Romania	0.0	0.0	15.6	7.6	0.0	0.0	15.6	2.8
Serbia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0	0.0	3.4	1.7	0.0	0.0	3.4	0.6
Slovakia	5.5	2.9	4.4	2.1	0.0	0.0	9.9	1.8
Eastern Europe	**5.5**	**2.9**	**41.4**	**20.3**	**10.7**	**6.5**	**57.6**	**10.3**
CA IMMO	**191.8**	**100.0**	**203.4**	**100.0**	**165.8**	**100.0**	**561.0**	**100.0**

DEVELOPMENT OF URBAN DISTRICT EUROPACITY IN BERLIN

1

JOHN F. KENNEDY HAUS

- Ground floor area: 22,000 sqm
- Main usage: Office
- Planned completion: 1. HY 2015
- Status: under construction

2

INTERCITY HOTEL

- Ground floor area: 20,000 sqm
- Main usage: Hotel
- Opened: 2013
- Status: rented

3

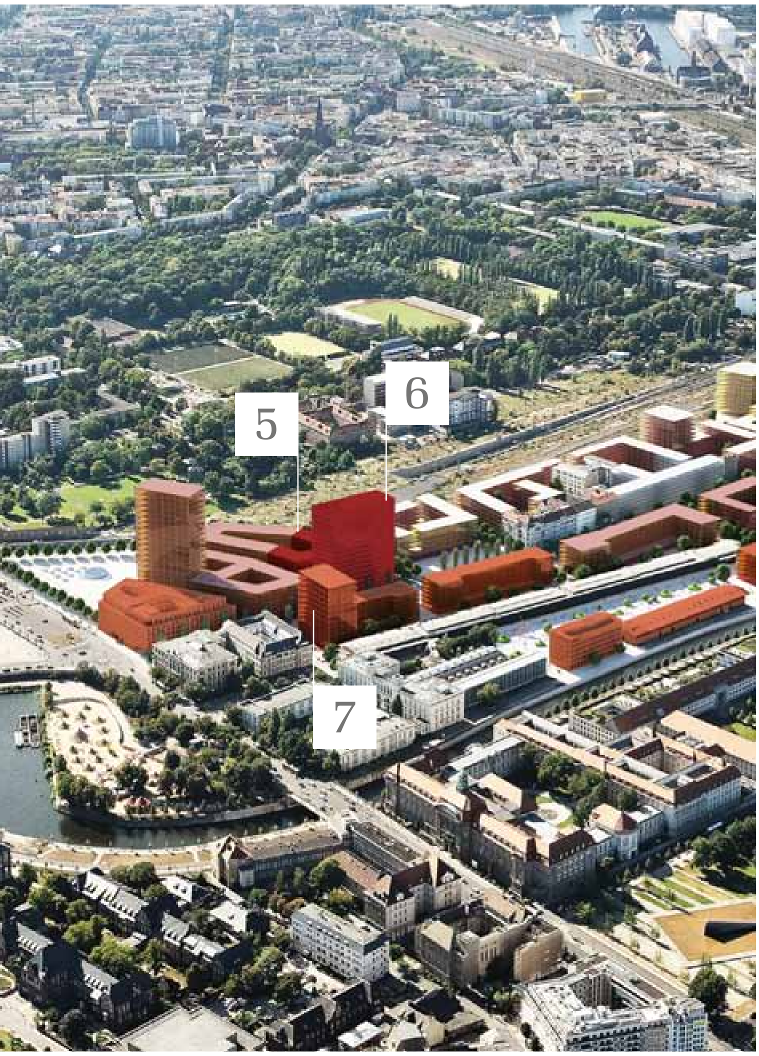
MEININGER HOTEL

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

4

STEIGENBERGER HOTEL AM KANZLERAMT

- Ground floor area: 23,500 sqm
- Main usage: Hotel
- Opened: 2014
- Status: plot sold



EUROPACITY
Berlin,
at the main station

Developed by CA Immo

Plots sold

Plots owned by CA Immo

5

MONNET 4

- Ground floor area: 10,000 sqm
- Main usage: Office
- Planned completion: Q2 2015
- Status: under construction

6

TOUR TOTAL

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

7

50 HERTZ

- Ground floor area: 18,000 sqm
- Main usage: Office
- Planned completion: 2016
- Status: plot sold

PROJECTS UNDER CONSTRUCTION

in € m	Book value	Book value in %	Outstanding construction costs	Planned rentable effective area in sqm	Expected value upon completion	Gross yield on cost in %	City	Main usage	Share in %	Pre-letting rate	Scheduled completion
Avia [1)]	10.7	6	3.1	5,680	11.7	9.7	Krakow	Office	50	51%	Q1 2015
John F. Kennedy Haus	57.9	35	15.7	17,774	83.2	6.2	Berlin	Office	100	66%	Q2 2015
Monnet 4	16.8	10	11.8	8,167	30.6	5.7	Berlin	Office	100	70%	Q3 2015
Kontorhaus	80.4	49	31.2	28,414	122.6	7.2	Munich	Office	100	51%	Q4 2015
Total	**165.8**	**100**	**61.8**	**60,035**	**248.1**	**6.7**					

[1)] All data relates to the 50 % share

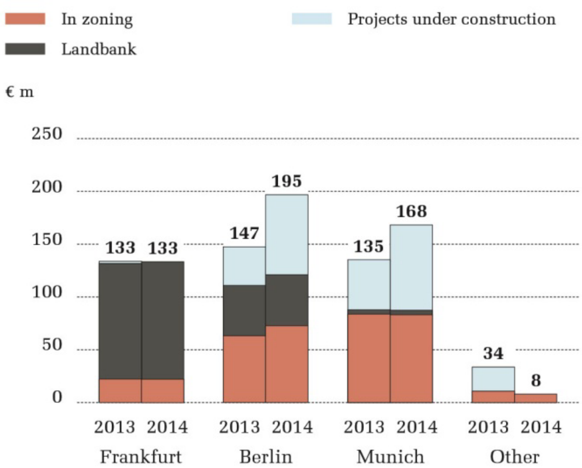
THE AUSTRIA SEGMENT

CA Immo had no investment properties under development in Austria as at 31 December 2014.

THE GERMANY SEGMENT

CA Immo focuses its development activity mainly 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 2014, CA Immo held rentable effective area under construction amounting to 54,355 sqm in Germany with an expected market value (after completion) of around € 236.4 m.

GERMANY: BREAKDOWN OF ASSETS UNDER DEVELOPMENT



The main focus of current development activity in Germany

Berlin

Around Berlin's main rail station, the **city district Europacity** is taking shape, drawing together office, residential, hotel and culture on some 40 hectares. Reputable companies such as TOTAL, Steigenberger, 50 Hertz and Ernst Basler & Partner have already signed up as tenants or investors. CA Immo is developing two projects in this district on the key date.

John F. Kennedy-Haus is being constructed in the southern part of Berlin's new Europacity district; the office building with gross floor space above ground of approximately 21,700 sqm is being built opposite the Chancellery building, at the bend in the River Spree. Pre-letting stands at 70%. The green building is scheduled for completion by the spring of 2015.

The office building **Monnet 4** is in close proximity to the Berlin central train station. At reporting date, 70% of the 10,000 square meters of gross floor area comprehensive office building are pre-leased. The commissioning is planned for summer 2015.

Munich

In mid-September, the joint venture partners CA Immo and Patrizia laid the foundation stone for the new Baumkirchen Mitte quarter in Munich. A total of 560 high-quality apartments as well as attractive office spaces will be developed there by the end of 2018. The total investment in the quarter amounts to around € 275 m. The first phase of construction (WA 1) includes a total of 170 owner-occupied apartments. Around 50% of the apartments had already been sold when the foundation stone was laid. Completion is scheduled for summer 2016

Düsseldorf

In autumn 2014, CA Immo completed the first office and retail buildings within the city quarter BelsenPark in Düsseldorf, Belmundo (10,000 m² GFA) and LaVista (4,000 m² GFA), which are now part of the CA Immo property portfolio.

Mainz

In early October, the results of the architectural competition for the building ensemble "Hafenspitze" in the city district Zollhafen Main, which is developed by CA Immo Germany GmbH in cooperation with Stadtwerke Mainz AG, were presented. Target is the realization of a prominent urban office building with 12.000 m² of floor space with a height up to 42 m.

THE EASTERN EUROPE SEGMENT

CA Immo had one current development project in Eastern Europe (in Krakow) as at 31 December 2014. In total, the Eastern Europe segment accounts for property assets under development (land reserves and building rights) with an approximate market value of € 57.6 m.

PROPERTY RESERVES IN EASTERN EUROPE BY PROPERTY USE APPROVAL CLASS (MARKET VALUES)

in € m	Office	Logistics	Others	Total
Czech Republic	3.0	0.0	2.8	5.8
Hungary	0.0	1.3	0.0	1.3
Poland	11.0	0.0	0.0	11.0
Romania	5.9	0.0	9.6	15.6
Ukraine	0.0	3.4	0.0	3.4
Slovakia	5.5	4.4	0.0	9.9
Others	0.0	0.0	0.0	0.0
Total	25.4	9.1	12.4	46.9

The **AVIA office building in Krakow**, spanning office space of approximately 11,500 sqm, is being realised under the terms of a joint venture between CA Immo and the GD&K Group, a leading Polish project developer. Completion and handing over to the tenants – amongst others, the Polish bank BPH S.A. – took place at the end of January 2015.

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 the multifarious requirements arising at all levels, CA Immo resolved at the end of 2011 only to construct offices[19] and hotels[20] certified to LEED, DGNB or ÖGNI standards on a Group-wide basis. The Intercity hotel adjacent to Berlin's main station was 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.

[19] Since the end of 2011
[20] Since 2013 (InterCity Hotel Berlin)

SUSTAINABILITY CERTIFICATIONS OF CURRENT DEVELOPMENT PROJECTS

Country	City	Project	System	Category	Version
D	Berlin	John-F.-Kennedy-Haus, Europacity	DGNB	Gold	Office new construction
D	Berlin	Monnet 4, Europacity	DGNB	Silver	Office new construction
D	Düsseldorf	Belmundo, Belsenpark	DGNB	Silver	Office new construction
D	Düsseldorf	LaVista, Belsenpark	DGNB	Silver	Office new construction
D	Munich	Kontorhaus, Arnulfpark	DGNB	Silver	Office new construction
PL	Krakow	Avia	DGNB	Silver	Office new construction

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

Observance of social and environmental standards
Where construction services are provided, CA Immo requires contractors to comply with the legal regulations on occupational health and safety, workplace regulations, working time regulations and wage agreements; the company also verifies compliance. Alongside the economic evaluation of tenders, the company asks potential contractors to comply with social and environmental standards and monitors observance during the tendering process. Where submitting bids, individual bidders must specifically commit to observing aspects of human rights. Tendering processes for construction services in relation to development projects in Germany involve assessments of bidders' commitment to observing human rights as part of their corporate responsibility, and in particular to rejecting child labour. Potential contractors must also provide a statement confirming that to the best of their knowledge, no utilised materials or equipment have been manufactured or processed using child labour. Confirmation of observance of human rights aspects has so far been requested on eight projects in Berlin, Düsseldorf, Munich and Frankfurt. No significant fines or non-monetary penalties arising from non-compliance with environmental regulations or the provision and utilisation of products and services were incurred in 2014.

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 site are evaluated accordingly, with restoration work and mitigating measures introduced as appropriate; these may include the creation of green access pathways or the planting of tree and bushes.

During the reporting year, for example, CA Immo undertook extensive soil replacement followed by ground water remediation at the Heidestrasse site near Berlin's main station through its wholly owned construction business omniCon. Years of wooden sleeper rail waterproofing at the former railway site had resulted in contamination to the soil and ground water by tar and zinc. Experts from omniCon remediated the main area of contamination as extensively as possible and significantly improved the quality of the ground water with a view to establishing healthy living and working conditions at the site; in total, around 90 % of the damage had been removed by the end of 2014. High grade utilisation of the site is now possible with no limits.

Preparing the ground: site development by specialist construction subsidiary omniCon in Munich's Arnulfpark

EXAMPLE OF SUSTAINABLE PROJECT DEVELOPMENT: JOHN F. KENNEDY OFFICE AND COMMERCIAL BUILDING IN BERLIN

KEY FACTS
- Construction of office and commercial building with approximate gross floor space of 26,000 sqm close to Berlin's main station
- Gold DGNB certification planned

SUSTAINABILITY FACTORS
- Development of a climate control concept to optimise energy efficiency, taking account of all aspects of usage and structural physics as well as the facade
- The structure will thereby perform some 25% below the legally required value on primary energy consumption as defined in the EnEV energy saving ordinance.
- Land recycling: rehabilitation of formerly polluted railway premises
- Application of environmentally sound construction processes with regard to cleanliness, soil conservation and noise and waste reduction
- Low-pollutant construction method in line with the highest DGNB quality rating (4)

PROPERTY VALUATION

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

The value of real estate is generally determined by independent expert appraisers outside the company using recognised valuation methods. External valuations are carried out in line with standards defined by the Royal Institution of Chartered Surveyors (RICS). RICS defines fair value as the estimated value at which an asset or liability can be sold to a willing buyer by a willing seller on the valuation date in the framework of a transaction in the usual course of business after a reasonable marketing period, whereby the parties each act knowledgeably, prudently and without compulsion.

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

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

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

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

An external valuation of over 93% of property assets was carried out on the key date 31.12.2014. The values for other property assets were updated on the basis of binding purchase agreements or internally in line with the previous year's valuations.

The valuations as at 31 December 2014 were compiled by the following companies:

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

Market environment in 2014

The market environment for the core markets of Germany, Austria and the CEE nations was stable in 2014 (see also the 'Property markets' section). The positive economic trend in Germany has prompted a boom in investment and generated higher turnover from lettings. This encouraging development has also been reflected in the valuation result for the Germany segment through progressive development activity and a higher occupancy rate. While the core Eastern European markets of Romania, the Czech Republic and Hungary are achieving consistent operational development and reporting rising transaction activity, the extensive building activity currently taking place in the office sector in the Polish capital Warsaw is having a somewhat depressive effect. For 2014 as a whole, these events produced a negative revaluation result of €–4,210 K.

AUSTRIA

A low volume of new office premises coupled with high levels of pre-letting made for a stable office property market in Austria in 2014; accordingly, there were no major value changes in the CA Immo asset portfolio. The largest property-specific valuation effect was reported in connection with the Erdberger Lände development property. As at the key date, the revaluation result amounted to € 6.9 m. The average gross yield on investment properties fell from 6.0% in the previous year to 5.7%.

GERMANY

Values for the real estate portfolio in Germany developed positively on the whole, mainly on account of intensive development activity. The revaluation result for the Group as at 31 December 2014 was € 14.4 m. In terms of amount, properties at Europacity in Berlin delivered the largest contribution to the revaluation gain in the German segment. Year on year, the gross yield fell from 6.4% to 5.8%.

VALUATION RESULT FOR AUSTRIA[1)]

	Acquisition costs (€ m) 31.12.2014	book value (in € m) 31.12.2014	Revaluation/ Impairment in € m	Gross yield	
				31.12.2013 restated	31.12.2014
Income producing investment properties	708.8	659.3	6.9	6.0	5.7
Assets held for sale	18.7	20.5	0.0		
Total	**727.5**	**679.8**	**6.9**		

[1)] Based on fully consolidated properties
[2)] Excludes properties used for own purposes

VALUATION RESULT FOR GERMANY[1)]

	Acquisition costs (€ m) 31.12.2014	Book value (in € m) 31.12.2014	Revaluation/ Impairment in € m	Gross yield	
				31.12.2013 restated	31.12.2014
Income producing investment properties	681.0	686.9	3.9	6.4	5.8
investment properties under development	447.8	485.4	10.3		
Assets held for sale	4.4	6.4	0.0		
Properties held for trading	21.2	18.4	0.2		
Total	**1,154.4**	**1,197.1**	**14.4**		

[1)] Based on fully consolidated properties
[2)] Excludes properties used for own purposes

EASTERN EUROPE

The 2014 revaluation result of € -25.3 m for the Eastern Europe segment was an improvement on the 2013 value of € -36.6 m but the impact of devaluations continued to be felt.

The market environment was stable across much of CA Immo's core region in 2014, with changes in value mainly driven by property-specific factors. One exception is Warsaw, the most important market in the company's Eastern European portfolio, where the supply of modern office space is likely to outpace demand in the short term owing to vigorous building activity. Despite the strong position enjoyed in the Polish capital by CA Immo, most of whose office premises are located in the central business district (CBD), this market development also affected revaluations in 2014. The gross yield was unchanged year-on-year at 7.8%.

VALUTATION RESULT FOR EASTERN EUROPE[1)]

	Acquisition costs (in € m) 31.12.2014	book value (in € m) 31.12.2014	Revaluation/ Impairment in € m	Gross yield 31.12.2013 restated	Gross yield 31.12.2014
Investment properties	891.1	746.8	–18.5	7.8	7.8
investment properties under development	17.7	10.8	–1.7		
Assets held for sale	111.6	51.8	–5.2		
Total	**1,020.4**	**809.4**	**–25.3**		

[1)] Based on fully consolidated properties

FINANCING

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

Further reduction in debt

As at 31 December 2014, the total financial liabilities of the CA Immo Group stood at € 1,229,150 K, a significant reduction on the previous year's value (€ 1,710,942 K on 31.12.2013). Net debt after the deduction of the Group's cash and cash equivalents amounted to € 1,065,512 K at year end (2013: € 1,097,516 K). The company thus has an solid balance sheet with an equity ratio of 53.2% (44.4% on 31.12.2013), which in debt figures equates to a gearing of 54.4% (2013: 60.2%) and a loan-to-value (LTV) ratio of 39.9% (2013: 39.4%).

Moreover, the Group's outstanding convertible bond 2009--2014 was almost entirely converted to equity during the fourth quarter of 2014. The conversion right could be exercised from 6 January 2010 to 21 October 2014. Of the outstanding volume of € 114.5 m, a total of € 113.4 m was converted into CA Immo shares. The remaining nominal value of € 1.1 m was repaid on 9 November 2014.

In addition to financing already secured which is thus reflected on the balance sheet, the CA Immo Group has non-utilised credit lines that will be used to finance development projects under construction in Germany; payment dates will be set by the banks as construction work progresses. This financing framework amounted to € 86,619 K as at the key date, whereby joint ventures are recognised according to the amount of the holding. As a consequence of the reduction in the debt-equity ratio and optimisation of the financing structure, the cost of financing fell sharply in 2014 to stand at € –81,767 K (€ –118,864 K in 2013). The resultant improvement in recurring earnings power continues to enhance the financial profile of the Group.

Repurchase of OEVAG financing portfolio

In January 2014 CA Immo reached agreement with Oesterreichische Volksbanken AG to buy back own liabilities and loans granted to joint ventures at an approximate nominal value of € 428 m. The acquisition was concluded below par; the parties agreed not to disclose the purchase price. Unsecured financing at Group holding level, including the second (deferred) purchase price component in the Europolis acquisition and subordinated liabilities, accounted for roughly half of the nominal amount. The remaining component relates to secured loans for projects in Poland, Romania, Hungary and the Czech Republic. Some of the project financing was selectively refinanced during 2014.

Expiry profile

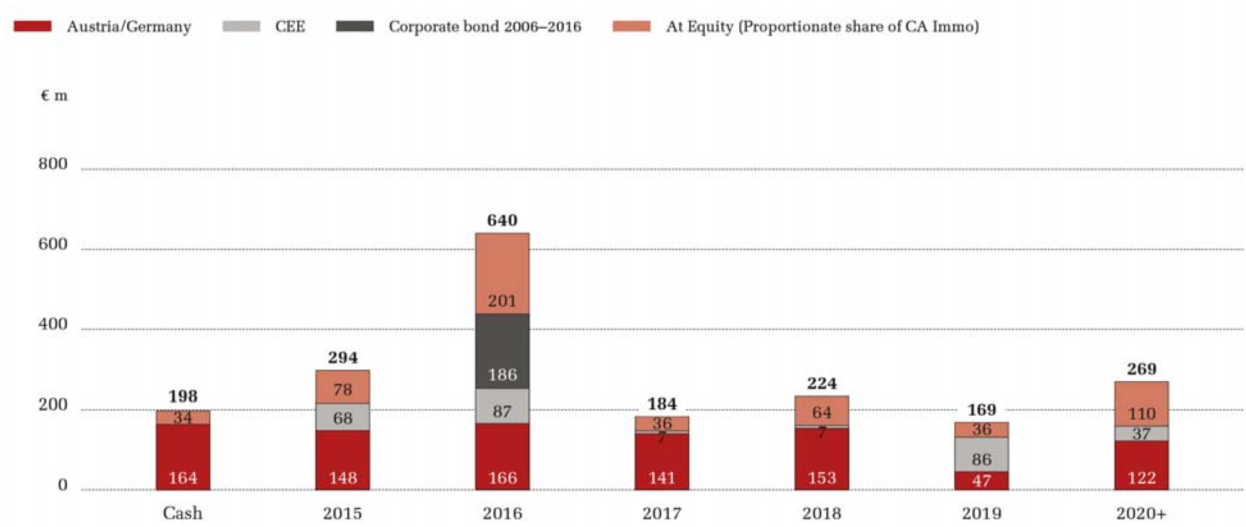
The diagram below shows the maturity profile of the financial liabilities of the CA Immo Group as at 31 December 2014 (assuming options to extend are exercised). The repurchase of own liabilities and loans granted to joint ventures from the OEVAG portfolio significantly and prematurely reduced due amounts in the markets of Eastern Europe during 2015. The due amounts shown for 2015 and loans fully secured by a mortgage amounted to approximately € 294 m on the key date, with proportionate financing for joint ventures accounting for around € 78 m of this. Properties in Austria and Germany account for some € 148 m of the liabilities of approximately € 216 m fully consolidated by due amounts.

Declining financing costs

As the table above shows, average financing costs for the CA Immo Group on the basis of total financial liabilities (i.e. including proportionate joint venture financing) stood at 4.1% as at key date 31 December 2014. This figure includes derivatives used for interest rate hedging in the form of interest rate swaps and caps (see section on 'Long-term interest rate hedging'). Loans for which the risk of rate changes has been covered in recent years via long-term swap contracts against rising interest rates could not reflect the positive effects as regards the basic rate and financing margin.

As a result, average financing costs fell significantly during 2014 and stood from around 5.1% at the mid-year point. With (Euribor) base rates falling massively as a result of the effectively zero interest rate policy of the European Central Bank (ECB) and a more competitive bank financing environment (especially in Germany) with resultant lower financing margins, the trend on all core markets of CA Immo was for decreasing financing costs. Moreover, repayment of corporate bond 2009-2014 in the fourth quarter – the Group's most expensive financing instrument with a coupon of 6.125 % – positively influenced the average financing costs of the company.

DEBT EXPIRY PROFILE OF CA IMMO GROUP



FINANCING COSTS [1]

in € m	Outstanding financial debt	Outstanding nominale value	Nominal value swaps	Ø Cost of debt incl. Derivatives	Ø Cost of debt excl. Derivatives	Ø Debt maturity	Ø Swap maturity
Income producing investment properties							
Austria	217.2	219.6	140.2	2.0	4.4	5.2	8.3
Germany	443.1	436.7	180.6	1.9	3.4	5.0	3.1
Czech Republic	93.6	93.7	42.5	2.3	2.6	2.6	1.8
Hungary	102.3	102.6	0.0	3.7	3.7	4.7	0.0
Poland	203.6	203.8	23.0	2.6	2.6	3.0	1.5
Romania	60.2	59.8	0.0	3.6	3.6	3.8	0.0
Others	93.4	91.3	33.5	3.6	4.5	3.4	1.5
Total	**1,213.3**	**1,207.6**	**419.7**	**2.4**	**3.6**	**4.3**	**4.5**
Development projects	136.3	138.0	0.0	1.8	1.8	1.7	0.0
short-term property assets	75.0	75.2	0.0	2.3	2.3	1.3	0.0
Financing on parent company level	365.5	359.1	0.0	4.1	4.1	2.8	0.0
Total	**1,790.1**	**1,779.9**	**419.7**	**2.7**	**3.4**	**3.7**	**4.5**
Corporate Swaps Austria			109.0		4.3		8.0
Corporate Swaps Germany			159.8		4.2		2.3
Corporate Swaps other			8.5		4.4		1.2
Total CA Immo	**1,790.1**	**1,779.9**	**696.9**		**4.1**		**4.5**

[1] The data include both fully consolidated liabilities and liabilities consolidated at equity and represented pro rata (proportionately)

BASIC PARAMETERS OF THE FINANCING STRATEGY

Emphasis on secured financing

The focus of the current financing structure is on mortgage credit secured with property; credit is taken up in the (subsidiary) companies in which the respective real estate is held. Unsecured financing at Group parent company level was limited to a bond placed on the capital market as at the key date. This structure offers the following key advantages:

– In the current competitive environment for bank financing, loans secured by a mortgage generally attract more attractive conditions than unsecured financing.
– 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 2014 was around € 0.35 bn, with undeveloped sites making up the majority of this. On the key date, the volume of unsecured bond financing was approximately € 186 m; it received a boost of € 175 m in February 2015 with the issue of corporate bond 2015-2022.

Issue of a new corporate bond

Following repayment of the corporate bond for 2009-2014, (with a nominal value of € 150 m) in October 2014, a new corporate bond with a total volume of € 175 m was issued in February 2015. This bond has a term of seven years and an interest rate of 2.75%. The bond, which was mainly subscribed by private investors in Austria, was registered for trading on the second regulated market of the Vienna Stock Exchange (ISIN AT0000A1CB33).

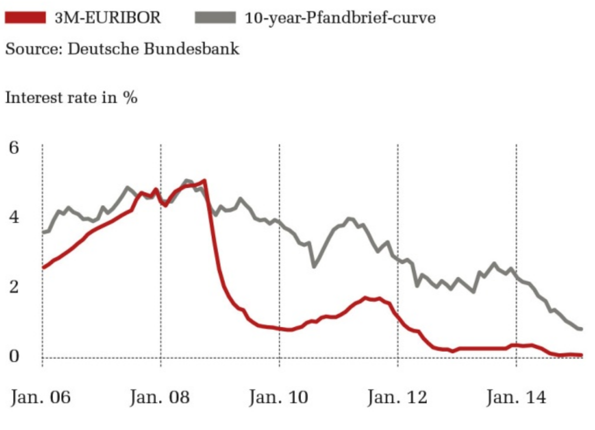
Long-term interest rate hedging

Since the interest paid makes up the biggest expense item in the income statement for most real estate companies, interest rate rises can have a major impact on earnings – especially since rental revenue is usually based on long-term agreements, which means increases in financing costs cannot be counterbalanced by higher revenue. For this reason, the CA Immo Group's financing policy partly involves hedging a substantial proportion of interest expenditure against fluctuation over the long term. Interest swaps (and, to a lesser extent, interest rate caps) are used as interest hedging tools. It is also possible to utilise the instrument of a swaption, an option to enter into an interest rate swap in a defined timeframe.

Of the derivatives deployed, interest swap agreements account for a nominal value of € 637,687 K. The weighted average interest rate fixed via swap contracts is 3.06%. The weighted average term remaining on derivatives used for interest rate hedging is around 4.5 years, compared to a weighted remaining term of 3.4 years on variable interest-bearing liabilities. Interest rate caps represent a nominal value of € 46,333 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 2014 was € –77,611 K (for the entire nominal amount of € 637,687 K).

INTEREST RATE DEVELOPMENT



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 'Result from interest rate derivative transactions'. As at key date 31 December 2014, contracts with a nominal value of € 251,723 K and a fair value of € –33,689 K were classified as cash flow hedges. The nominal value of swaps classified as fair value derivatives was € 507,549 K; the negative fair value was € –43,858 K as at 31 December 2014.

Corporate bonds

As at key date 31 December 2014, CA Immo had an outstanding bond registered for trading on the second regulated market of the Vienna Stock Exchange:

ISIN	Typus	Outstanding Volume	Maturity	Cupon
AT0000A026P5	Corporate Bond	€ 186 m	2006-2016	5.125%
AT0000A1CB33	Corporate Bond [1]	€ 175 m	2015-2022	2.750%

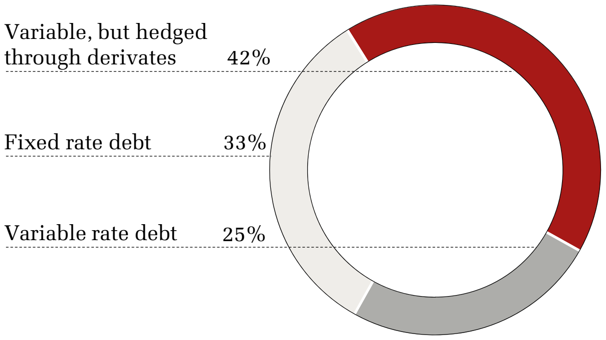
[1] Issued in February 2015

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

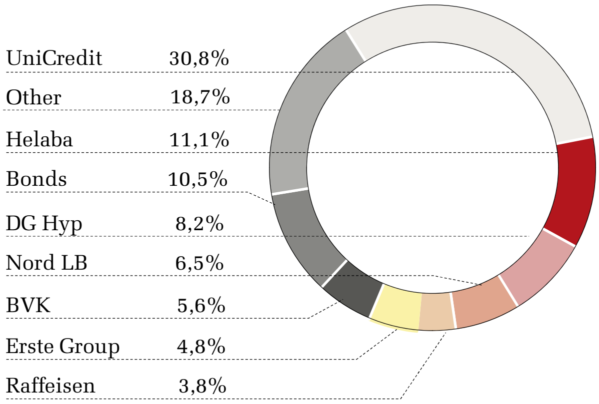
Financing banks

CA Immo has business relations with a large number of banks. With around 31% of total outstanding financial liabilities, the main financing bank is the UniCredit Group. As the diagram below shows, Helaba, DG Hyp, Nord LB and Bayrische Versorgungskammer (BVK) also accounted for significant shares as at the key date. No other bank or insurance company provides more than 5% of the credit volume.

FINANCIAL DEBT AS OF 31.12.2014



FINANCING VOLUME BY BANKS
(Basis: € 1.78 bn)



RESULTS

KEY FIGURES FROM THE INCOME STATEMENT

Analysis of results for 2014 shows that because of changes to relevant IFRS provisions, a number of companies that were previously fully consolidated must be stated at equity at the start of the year. Figures from last year used for comparative purposes have also been adapted to the new rules accordingly.

Sustained earnings

Rental income for CA Immo fell by –25.5% to € 145,195 K in 2014. This significant change compared to the previous year was caused by extensive real estate sales in 2013, and in particular the sale of the Hesse portfolio and the partial sale of Tower 185 in Frankfurt. As the following table shows, the company was only able to compensate for the drop in rent of € 52,051 K resulting from property sales to a degree. The takeover of the share of JV partner AXA in the P1 portfolio in Warsaw provided a highly positive contribution towards the increase in rent of € 18,004 K.

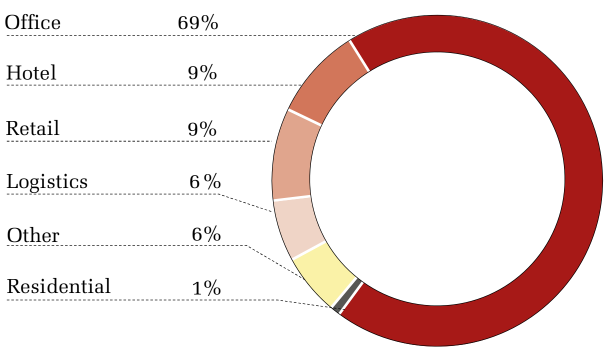
Incentive arrangements from various lease agreements (in particular rent-free periods) are linearised for the total term of the lease contract. Rental income therefore shows the effective economic rent and not the actual cash-relevant rent during the period. Of the rental income for business year 2014, linearisation of this kind accounted for € –168 K (€ 10,553 K in 2013).

In year-on-year comparison, property expenses directly attributable to the asset portfolio, including own operating expenses, declined by –27.2%, from € –22,465 K to € –16,350 K. The main expenditure items are vacancy costs and operating expenses that cannot be passed on (€ –5,790 K), maintenance (€ –4,671 K), allowances for bad debt (€ –1,091 K) and other directly attributable expenses (€ –3,631 K). While bad debt losses and individual value adjustments remained at the level of last year, the other items were successfully reduced. Expenditure on maintenance (–40.3%) and other expenses (–38.3%) fell particularly sharply.

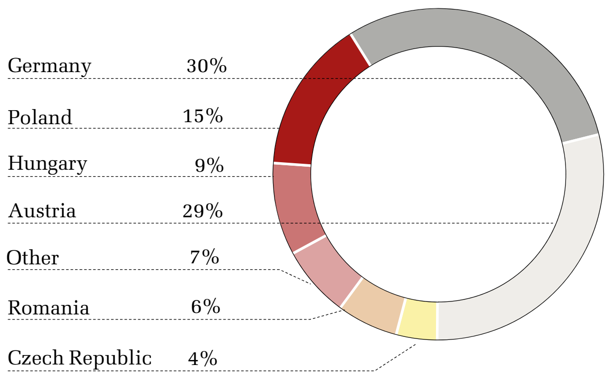
The net result from renting attributable to letting activities after the deduction of direct management costs fell by –25.3% (from € 172,410 K to € 128,845 K) after the deduction of direct management costs. The operating margin on letting activities (result from renting in relation to rental income), an indicator of the efficiency of rental business, rose marginally last year from 88.5% to 88.7%.

Earnings of € 7,379 K were generated from hotel management in business year 2014. This income was counterbalanced by expenditure (excluding depreciation) of € –5,623 K; hotel management thus contributed € 1,756 K to the result, equivalent to an increase of 15.8% on the previous year's value. Other expenditure directly attributable to project development stood at € –3,175 K at year end (€ –2,782 K in 2013).

RENTAL INCOME BY MAIN USAGE (Basis: € 145.2 m)



RENTAL INCOME BY COUNTRY (Basis: € 145.2 m)



CHANGE IN RENTAL INCOME FROM 2013 TO 2014

€ m	Austria	Germany	Eastern Europe	Total
2013	**40.4**	**107.8**	**46.7**	**194.9**
Change				
Resulting from indexation	0.6	1.6	0.7	2.9
Resulting from change in vacancy rate or reduced rentals	0.4	-1.5	-0.7	-1.8
Resulting from whole-year rental for the first time	2.0	2.4	0.0	4.4
Resulting from completed projects	0.0	0.4	0.0	0.4
Acquisition of joint venture partner share AXA in “P1” Portfolio	0.0	0.0	18.0	18.0
change in the consolidation methods	0.0	-22.0	0.5	-21.5
Resulting from sale of properties	-1.6	-45.0	-5.5	-52.1
Total change in rental income	**1.5**	**-64.1**	**13.0**	**-49.8**
2014	**41.8**	**43.7**	**59.7**	**145.2**

INDIRECT EXPENSES

€ 1,000	2014	2013 restated
Personnel expenses	–28,357	–28,958
Legal, auditing and consulting fees	–9,047	–6,907
Material expenses for services	–3,628	–4,173
Office rent	–1,828	–1,632
Travel expenses and transportation costs	–1,266	–1,261
Other expenses internal management	–3,095	–3,734
Other indirect expenses	–2,747	–3,016
Subtotal	**–49,968**	**–49,681**
Own work capitalised in investment property	6,374	8,526
Change in properties held for trading	623	417
Indirect expenses	**–42,971**	**–40,738**

Sales result

Trading income of € 14,870 K (previous year: € 22,105 K) was earned in 2014 in connection with the scheduled sale of properties held in current assets. This income was counteracted by book value deductions and other directly attributable expenditure of € –6,145 K. The trading portfolio thus contributed a total of € 8,725 K to the result, compared to € 9,941 K in 2013. As at year end, the remaining volume of properties intended for trading stood at € 18,445 K.

The result from the sale of investment properties was € 29,827 K, well below the previous year's value of € 58,611 K. The fall was linked to the exceptionally high sales volume of 2013. In 2014, sales in Germany accounted for € 28,419 K. The Austria segment contributed € 1,136 K to the result, with sales in Eastern Europe generating earnings of € 271 K.

Gross revenue from service provision

By contrast, gross revenue from services rose by a significant 14.2% in yearly comparison to stand at € 15,990 K (€ 13,999 K in 2013). Alongside development revenue for third parties via the subsidiary omniCon, this item contains revenue from asset management and other services to joint venture partners.

Indirect expenses

In 2014 indirect expenditures increased on the previous year's figure of € –40,738 K by 9.0% to € –44,386 K. Unlike in previous periods, this item also contains expenditure counterbalancing the aforementioned gross revenue from services. As the above table shows, total indirect expenditure includes the item 'own work capitalised', which was 25.2% down on the 2013 figure at € 6,374 K. This item may be regarded as an offsetting item to the indirect expenditures which counterbalance that portion of internal project development expenditure, provided it is directly attributable to individual development projects and thus qualifies for capitalisation.

Other operating income

Other operating income stood at € 11,469 K compared to the 2013 reference value of € 3,031 K. A positive effect of € 3,600 K was posted in connection with the repurchase of OEVAG liabilities in the first quarter, while the conclusion of a legal dispute concerning Maslov, amongst other things, impacted positively on the result in quarter two of € 5,271 K.

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

Earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at € 149,051 K, down –31.0% on the previous year's level of € 215,990 K. As shown above, this trend can be explained by the extensive property sales of 2013. In comparison with reporting carried out in the previous period under IAS 27 and 28, the absence of a contribution from joint ventures produced a significant decrease that impacts on EBITDA, while it contributes to EBIT.

The contribution of the various regional segments to overall earnings is as follows: with an EBITDA of € 65,605 K, the Germany segment generated the largest share (approximately 44%) while the Eastern Europe segment accounted for € 50,658 K and the Austria segment contributed € 32,788 K.

Revaluation result

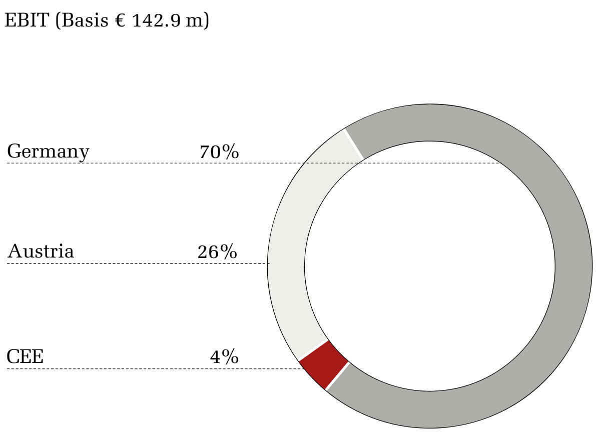
The total revaluation gain of € 34,121 K in 2014 was counterbalanced by a revaluation loss of €–38,331 K. The cumulative revaluation result of € –4,210 K was therefore negative (€ 6,843 K in 2013). In regional terms, the revaluation result was positive in both Austria (€ 6,940 K) and Germany (€ 14,185 K). The Eastern Europe segment was negative at € –25,334 K owing to negative changes in market value within the asset portfolio.

Result from joint ventures

Current results of joint ventures consolidated at equity are reported under 'Result from investments in joint ventures' in the consolidated income statement. In 2014 this contribution totalled € 8,157 K. The main effect on earnings compared to last year's value of € 26,287 K was the result of negative valuation effects linked to the sale of logistical properties in Eastern Europe. The share of earnings meeting the EBITDA definition of the Group stood at € 50,958 K at year end, a decrease of – 13.2% on the previous year's value of € 58,698 K.

Earnings before interest and taxes (EBIT)

Earnings before interest and taxes (EBIT) stood at € 142,917 K on key date 31 December 2014, –41.3% below the corresponding figure for last year of € 243,632 K. The lower result compared to last year was mainly due to the drop in rent linked to last year's extensive real estate sales and the weaker revaluation resultIn regional terms, the Germany segment contributed the biggest share to Group EBIT with € 100,115 K, or 70%. On an EBIT basis, Austria generated € 37,275 K in 2014, with Eastern Europe contributing € 5,527 K.



Financial result

In year-on-year comparison, the financial result improved significantly to stand at € –58,346 K in 2014 (against € –139,924 K in the previous year). In detail, the elements of the financial result developed as follows:

The Group's financing costs, a key element in long-term revenue, fell to € –81,767 K (2012: –118,864). Aside from loan repayments linked to property sales and the conversion of the convertible bond into equity, the repurchase of own liabilities in the first quarter had a positive effect. Lower costs of floating-rate financing also had a positive impact. In addition to interest paid as shown in the income statement, interest of € 481 K was capitalised for development properties under construction (€ 823 K in 2013).

Other financial income/expenses of € 2,408 K were posted in connection with the aforementioned repurchase of own liabilities below nominal value.

The result from interest rate derivative transactions delivered a negative contribution of € –13,252 K, although this was still a significant improvement on the 2013 figure of € –32,799 K. In the third quarter of the previous year, this component in the result was adversely affected by reclassification of negative swap book values previously recognised directly in equity in connection with the sale of the Hesse portfolio.

The result from financial investments of € 47,402 K was significantly higher than the value for the reference period (€ 11,991 K in 2013). The result primarily includes accrued interest on loans to joint venture companies repurchased below par from the financing bank.

The result from other financial investments of € –9,351 K (€ –3,778 K in 2013) mainly comprises devaluations on repurchased loans to joint venture companies in Poland and Ukraine posted in the third quarter.

The negative contribution to the result from associated companies of € –3,146 K (€ 4,589 K in 2013) contains the proportionate result from the investment in UBM, which decreased in value owing to the disposal of shareholdings in quarter two.

Earnings before taxes (EBT)

The decrease in earnings before taxes (EBT) to € 84,571 K (€ 103,708 K in 2013) was much lower (– 18.5%) owing to the significant improvement in the financial result against the EBITDA and EBIT.

Taxes on earnings amounted to € –13,773 K in 2014 (compared to € –27,877 K in 2013).

Result for the period

The result for the period was € 70,798 K, –6.6% below the previous year's value of € 75,831 K. The significant decrease in rental revenue and the lower revaluation result were almost completely counterbalanced by other income components such as significantly reduced financing costs in particular.

Cash flow

Gross cash flow stood at € 105,725 K in 2014, compared to € 142,417 K in 2013. Cash flow from operating activities takes account of changes in current assets linked to the sale of properties intended for trading and totalled € 99,587 K as at key date 31 December 2014 (€ 140,706 K in 2013).

Cash flow from investment activities, which comprises the net balance between investments and real estate sales, stood at € –193,060 K in 2014 compared to the previous year's value of € 479,495 K, which was strongly positive owing to the high volume of real estate sales in 2013.

Cash flow from financing activities of € –354,188 K (€ –198,742 K in 2013) includes the fourth quarter repayment of the corporate bond for 2009-2014 with a volume of € 150 m.

CASH FLOW-STATEMENT – SHORT VERSION

€ m	2014	2013 restated	Change in %
Cash flow from			
- business activities	99.6	140.7	-29
- Investment activities	-193.1	479.5	n.m.
- financing activities	-354.2	-198.7	78
Changes in cash and cash equivalents	**-447.7**	**421.5**	**n.m.**
Cash and cash equivalents			
- beginning of the business year	613.4	193.2	>100
- changes in the value of foreign currency	-1.2	-1.3	-6
- Changes due to classification of disposal group acc. to IFRS 5	-0.9	0.0	n.m.
- the end of the business year	163.6	613.4	-73

Funds from operations (FFO)

An FFO I of € 69,991 K was generated in 2014, 10.4 % above the previous year's value of € 63,397 K, and well above the 2014 target of € 63 m. FFO I, a key indicator of the Group's recurring earnings power, is reported before taxes and adjusted for the sales result and other non-permanent effects. FFO II, which includes the sales result and applicable taxes and indicates the Group's overall profitability, almost doubled on the previous year's value, rising by 96.9% from € 68,614 K in 2013 to € 135,110 K.

FUNDS FROM OPERATIONS (FFO)

€ m	2014	2013 restated
Net rental income (NRI)	128.8	172.4
Result from hotel operations	1.8	1.5
Income from services	16.0	14.0
Other expenses directly related to properties under development	-3.2	-2.8
Other operating income	11.5	3.8
Other operating income/expenses	26.0	16.5
Indirect expenses	-44.4	-41.5
Result from investments in joint ventures [1]	18.6	24.9
Finance costs	-81.8	-118.9
Result from financial investments	47.4	12.0
Other adjustment [2]	-24.7	-2.1
FFO I (excl. Trading and pre taxes)	**70.0**	**63.4**
Trading result	8.7	9.9
Result from the sale of investment properties	29.8	58.6
Result from sale of joint ventures	8.1	12.9
Result from property sales	46.6	81.4
Other financial result	2.4	0.0
Current income tax	-7.5	-22.8
current income tax of joint ventures	-1.2	-3.1
Other adjustments	24.7	-50.3
FFO II	**135.1**	**68.6**

[1] Adjustment for real estate sales and non-sustainable results
[2] Adjustment for other non-sustainable results

BALANCE SHEET ANALYSIS

Assets

The real estate sales of 2013 and the first-time application of IFRS 10 and 11 produced a balance sheet contraction on the key date when compared to reporting under IAS 27 and 28 in previous periods. As at the balance sheet date, long-term assets amounted to € 3,209,811 K (87.4% of total assets).

The balance sheet item 'Property assets under development' rose by 24.0% to € 496,252 K compared to 31 December 2013. Total property assets (investment properties, hotels and other properties used for own purposes, property assets under development and property assets held as current assets) amounted to € 2,693.734 K on the key date, marginally below the level at the end of 2013 (€ 2,707,506 K).

Assets and debts of joint ventures are no longer reported individually in the consolidated balance sheet; instead, the net assets of these companies are shown in the balance sheet item 'Investments in joint ventures', which stood at € 206,136 K on the key date (€ 219,224 K in 2013).

Cash and cash equivalents had declined substantially to € 163,638 K on the balance sheet date compared to the value for 31 December 2013 (€ 613,426 K); the key factors in this were the repurchase of own liabilities and loans granted to joint ventures from Oesterreichische Volksbanken AG in January 2014 and repayment of the corporate bond 2009-2014 in October 2014.

Liabilities

Equity

Owing to the exercising of conversion rights by owners of the 4.125 % convertible bond for 2009-2014, the company's capital stock increased during the reporting year by a total of € 79,623,046.52, from € 638,713,556.20 to € 718,336,602.72 as a result of the issue of new shares from contingent capital. As at year end, the Group's equity ratio stood at 53.2% (31.12.2103: 44.4%). The number of ordinary shares outstanding amounted to 98,808,332 on key date 31 December 2014.

According to the company's own information, around 84% of the shares were in free float as at key date 31 December 2014; the remaining 16% or so were held by O1 Group Limited along with four registered shares that entitle O1 to nominate one Supervisory Board member for each share. More details on the shareholder structure and the organisation of shares may be found in the section on investor relations and the corporate governance report.

As at key date 31 December 2014, non-utilised authorised capital (article 169 of the Austrian Stock Corporation Act) of € 319.4 m, which can be utilised by 11 September 2015 at the latest, was available along with contingent capital (article 159 of the Austrian Stock Corporation Act) of € 100.0 m to service any future convertible bond issue. As at 31 December 2014 the company itself, as in the previous year, did not hold any treasury shares.

During 2014 equity increased by 8.8%, from € 1,794,266 K to € 1,951,707 K. Aside from the result for the period of € 70,798 K and payment of a dividend of € 35,142 K, the main factor behind this development was the conversion of the convertible bonds 2009-2014 (€ 113,069 K). As at 31 December 2014, the negative valuation result of the company's cash flow hedges recognised in equity stood at € –27,503 K.

Interest-bearing liabilities

Interest-bearing liabilities fell by a significant –28.2% in yearly comparison to € 1,229,150 K. Net debt (interest-bearing liabilities less cash and cash equivalents) was reduced from € 1,079,810 K in the previous year to € 1,061,291 K. Gearing (ratio of net debt to shareholders' equity) improved from 60.2% on 31 December 2013 to 54.4% as at 31 December 2014. Year on year, the loan-to-value ratio (financial liabilities less cash and cash equivalents to property assets) improved marginally from 39.9% to 39.4%.

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

KEY FINANCING FIGURES

€ m	2014	2013 restated
Shareholders' equity	**1,951.7**	**1,794.3**
Short-term interest-bearing liabilities	202.5	608.8
Long-term interest-bearing liabilities	1,026.6	1,102.1
Cash and cash equivalents	-163.6	-613.4
Restricted cash	-4.2	-17.7
Net debt	**1,061.3**	**1,079.8**
Equity ratio	53.2	44.4
Gearing	54.4	60.2
Loan to Value (Net)	39.4	39.9
EBITDA / net interest (factor)	4.3	2.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SHORT VERSION

	2014	31.12.2013 restated	Change		
	€ m	in %	€ m	in %	in %
Properties	2,596.7	71	2,572.5	64	1
Investments in joint ventures	206.1	6	219.2	5	-6
Intangible assets	15.8	0	20.1	0	-21
Financial and other assets	386.8	11	340.1	8	14
Deferred tax assets	4.3	0	4.3	0	0
Long-term assets	**3,209.8**	**87**	**3,156.1**	**78**	**2**
Assets held for sale	91.5	2	114.5	3	-20
Properties held for trading	18.4	1	20.6	1	-10
Receivables and other assets	187.6	5	136.0	3	38
Cash and cash equivalents	163.6	4	613.4	15	-73
Short-term assets	**461.1**	**13**	**884.5**	**22**	**-48**
Total assets	**3,670.9**	**100**	**4,040.6**	**100**	**-9**
Shareholders' equity	1,951.7	53	1,794.3	44	9
Shareholders' equity as a % of total assets	53.2%		44.4%		
Long-term interest-bearing liabilities	1,026.6	28	1,102.1	27	-7
Short-term interest-bearing liabilities	202.5	6	608.8	15	-67
Other liabilities	344.1	9	395.1	10	-13
Deferred tax assets	146.0	4	140.3	3	4
Total liabilities and shareholders' equity	3,670.9	100	4,040.6	100	-9

Net asset value

On 31 December 2014, NAV (shareholders' equity) stood at € 1,951.7 m (€ 19.75 per share) compared to € 1,794.3 m at the end of 2013 (€ 19.36 per share on a diluted basis). Aside from the annual result, the change reflects the other changes to equity outlined above. The table below shows the conversion of NAV to NNNAV in compliance with the best practice policy recommendations of the European Public Real Estate Association (EPRA). The EPRA NAV was 21.74 per share on the key date. The EPRA NNNAV per share after adjustments for financial instruments, liabilities and deferred taxes, stood at € 20.36 per share as at 31 December 2014. The number of shares outstanding amounted to 98,808,336 on 31 December 2014.

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

€ m	31.12.2014 diluted	31.12.2014 undiluted	31.12.2013 restated diluted	31.12.2013 restated undiluted
Equity (NAV)	**1,951.7**	**1,951.7**	**1,794.3**	**1,794.3**
Exercise of options	0.0	0.0	114.5	0.0
NAV after exercise of options	**1,951.7**	**1,951.7**	**1,908.8**	**1,794.3**
NAV/share in €	**19.75**	**19.75**	**19.36**	**20.42**
Value adjustment for [1]				
- own use properties	4.2	4.2	4.2	4.2
- short-term property assets	12.3	12.3	10.9	10.9
- Financial instruments	27.5	27.5	34.9	34.9
Deferred taxes	152.5	152.5	185.7	185.7
EPRA NAV after adjustments	**2,148.2**	**2,148.2**	**2,144.4**	**2,029.9**
EPRA NAV per share in €	**21.74**	**21.74**	**21.75**	**23.11**
Value adj. for financial instruments	-27.5	-27.5	-34.9	-34.9
Value adjustment for liabilities	-10.7	-10.7	-8.6	-8.6
Deferred taxes	-98.5	-98.5	-119.9	-119.9
EPRA NNNAV	**2,011.6**	**2,011.6**	**1,981.0**	**1,866.5**
EPRA NNNAV per share in €	**20.36**	**20.36**	**20.09**	**21.24**
Change of NNNAV against previous year	1.3%	-4.2%		
Price (31.12.) / NNNAV per share -1	-23.9	-23.9	-35.9	-39.4
Number of shares	98,808,336	98,808,336	98,595,133	87,856,060

[1] Includes proportionate values from joint ventures

OUTLOOK

LIKELY DEVELOPMENTS AND THE MAIN OPPORTUNITIES AND RISKS

While 2015 may well see more of the geopolitical instability of 2014, there are signs of a continuing economic recovery in Europe. The bond purchase programme initiated by the ECB in January 2015 (which will be extended) and the European Commission's programme of investment in strategic infrastructure projects published last November should provide further economic momentum. As was the case last year, we are working on the assumption that the core markets of CA Immo will remain stable, and that real estate market conditions in Germany will remain highly positive. The presently advantageous financing environment should continue to define the real estate sector in 2015.

Strategy

With key milestones in the programme of strategic measures for 2012 to 2015 having been implemented early, the focus for the CA Immo Group now switches back to raising value through growth. The company's healthy balance sheet and equity ratio of over 50% is strengthening the organic growth area of real estate development, which will continue to revolve around the German market. Transferring in-house developments to the asset portfolio constitutes a major competitive advantage for CA Immo, securing access to high quality real estate with long-term cash flow. To consolidate the competitive position of the company on existing core markets, the potential for realising value from sites through investment is continually reviewed.

Further sales of non-strategic real estate, which are synchronised with new investment, will supplement the ongoing optimisation of the real estate portfolio and the expansion of the proportion of office properties as key tools for raising operational profitability. As in the last two years, currently high levels of liquidity on real estate investment markets should provide a promising climate for planned sales. For more information and details, please refer to the 'Strategy' section.

Development

We will continue to push ahead with the development of core office properties in Germany as a driver of organic expansion. Around € 150-200 m will be invested in current development projects during 2015.

Routine business

In like-for-like comparison, rent levels are expected to be generally stable. The completion and incorporation of new developments will make up for rent losses from property sales. Further optimisation of the financing structure and the associated reduction in interest expenditure should boost the long-term earnings power of the Group.

Financing

In view of the present economic situation and the development of the inflation rate in the eurozone, we expect the interest rate to remain at an historic low in 2015. Given the quality of the portfolio and the strong balance sheet indicators, we expect the availability of financing with outside capital, both for the refinancing of investment properties and for the financing of development projects, to remain positive. The environment for bank financing will remain competitive, especially in Germany. The positive conditions should enable us to reduce the Group's average financing costs still further. For more information and details, please refer to the 'Financing' section.

Our expectations are based on certain assumptions regarding general and specific conditions. Key factors that may influence our business plans for 2015 include:

- Economic developments in the regions in which we operate and their impact on demand for rental premises and rental prices.
- The general progression of interest rates.
- The financing environment as regards availability and the cost of long-term financing with outside capital and, accordingly, the development of the market for real estate investment, price trends and their impact on the valuation of our portfolio. The speed at which planned development projects are realised will also depend largely on the availability of necessary external loan capital and equity.
- Political, fiscal, legal and economic risks; the transparency and development level on our real estate markets.

FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator is return on equity or RoE. The aim is to produce a figure higher than the calculatory cost of capital (assuming a medium-term rate of around 7.0%), thus generating shareholder value. The ROE of 3.8% generated in 2014 (2013: 4.3%) was still below the target value. The continuous implementation of measures initiated with the Strategy 2012-2015 programme such as increasing the portfolio efficiency and reducing financing costs should enable the group to achieve the target value in the medium term.

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

Since the key financial indicators ultimately demonstrate the operational success of the property business, they are preceded by a series of other non-financial performance indicators which are key to measuring and managing the operational business. See the "Investment Properties" section for a presentation of these performance indicators.

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

in € 1,000	**2014**	**in %**	**2013**	**in %**
Gross revenues	202,035	126%	254,714	96%
Result from the sale of long-term properties	235,077	147%	726,950	274%
Result from revaluation	-4,210	-3%	6,843	3%
other income	11,469	7%	3,031	1%
operating expenses	-247,706	-155%	-718,194	-271%
Depreciation and impairment	-10,081	-6%	-5,488	-2%
Other expenses	-26,762	-17%	-2,381	-1%
incurrence	**159,822**	**100%**	**265,475**	**100%**
to non-controlling interest	0	0%	-92	0%
to staff	-28,357	18%	-20,015	8%
to state	-14,884	9%	-29,412	11%
to non-profit organisations		0%		0%
to lender	-45,783	29%	-140,217	53%
to company/shareholders [1)]	-70,798	44%	-75,739	29%
allocation	**-159,822**	**100%**	**-265,475**	**100%**

[1)] Retained earnings, thereof € 35.1 m dividend payments in business year 2014

EMPLOYEES

As at 31 December 2014, CA Immobilien Anlagen AG had 355[1] employees across the Group (31.12.2013: 355[2]). CA Immo has head offices in Vienna, from where the company also oversees local branch offices in Frankfurt, Berlin and Munich as well as Budapest, Warsaw, Prague and Bucharest. The branch offices employ regional staff at both employee and managerial level; new appointments are made by agreement with local branch managers and the Group's Human Resources department.

Stable employee structure

The number of international employees remained constant at 355 in 2014. Across the Group, 34 new employees were appointed in the business year under review. Seventy-seven employees are based in Austria, with 108 in Eastern Europe; Germany is CA Immo's core market for staff with around 48% working here.

Human resources management

The Human Resources (HR) division is responsible for personnel matters across the Group and reports directly to the CEO. Issues such as international development and training opportunities, staff planning and the proactive internal communication of HR-related information fall within its remit.

[1] Of which around 10% are part-time staff; includes 5 Group employees on unpaid leave; excludes 111 employees at two hotel businesses in the Czech Republic.

[2] Of which around 9% are part-time staff; includes 26 Group employees on unpaid leave; excludes 111 employees at two hotel businesses in the Czech Republic.

[2] Of which around 9% are part-time staff; includes 26 Group employees on unpaid leave; excludes 111 employees at two hotel businesses in the Czech Republic.

The division also supports and advises managers in such areas as team building and corporate culture. The aim of the HR department is to guarantee equal treatment for all employees as regards opportunities for promotion and training, remuneration and other conditions; transparency for employees is a priority.

One main emphasis of HR work during 2014 involved the training and development of managerial staff. Managerial training sessions were based on a catalogue of leadership skills for the first and second management levels devised by the Human Resources department in partnership with the Management Board and senior executives. NICE, the internal CA Immo innovation project launched in 2013, also continued with the aim of improving the transfer of know-how through international working groups.

- **Learning and development**: expansion of skills and specialist knowledge at all levels, promotion of personal skills and strengths; international exchange as part of the Group-wide NICE programme
- **Employee assessment:** standardisation of qualitative and quantitative targets across the Group continued in 2014; establishment of an expertise model for managers
- **Reporting**: regular internal reporting (e.g. staffing level reports, cost reporting)
- **Personnel lifecycle**: intake, contract drafting, job descriptions, management of resignations; developing new contractual forms such as teleworking, sabbaticals
- **Remuneration system**: payroll processes, social benefits, remuneration, benchmarking

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP

		31.12.2014	31.12.2013		Change	Joining / Leaving	Fluctuation rate [1]
	Total employees (Headcounts)	Thereof women in %	Total employees (Headcounts)	absolute	in %		in %
Austria	77	57	79	-2	-3	5/7	6,5
Germany/Switzerland[2]	170	49	166	4	2	24/16	13,6
Eastern Europe	108	75	110	-2	-2	5/6	4,6
Total	**355**	**59**	**355**	**0**	**0**	**34/29**	**9,6**

[1] Fluctuation rate: New personnelg x 100 / average number of employees. Including group employees on unpaid leave. Employees gained through the acquisition of two hotel businesses in the Czech Republic were not counted

[2] In the framework of the newly established local office of 100%-CA Immo-subsidiary omniCon in Basle, one employee was hired locally in 2014

– **Internal communication**: faster communications to staff, introduction of transparent information processes

Fit2Work: greater vigour and energy

The aims of the fit2work project include promoting and maintaining employees' capacity to work and performance levels, reducing risks to health and establishing an early warning system (especially for burnout) with a view to preventing long-term sick leave and early retirements. Having made a successful start in Austria in 2013, the fit2work initiative was rolled out to Germany in business year 2014. The main features of the programme have been an anonymous staff survey and the definition of specific improvement measures based on the results.

AVERAGE ABSENCES FROM WORK BY REGIONS

in days		Vacation	Illness[1)]	Qualification
	Women	22	4	4
Austria	Men	20	3	4
	Women	23	7	2
Germany	Men	22	4	2
Eastern	Women	20	5	1
Europe	Men r	24	5	2

[1)] Excludes two long-term sick leave cases in Austria: days of absence totalled 451 for the reporting period. Including these long-term sick leaves, the average of sick leaves in Austria would be 9 (women) and 10 (men) days.

Social benefits and safety at work

Depending on taxation and national insurance circumstances, CA Immo employees receive the following social benefits, amongst others: meal and kindergarten allowances, Bahncard 25 or 50, job tickets, support for training, limited deployment-specific allowances, group health insurance, group accident insurance and company pension (pension fund).

Six accidents at work and while commuting were reported in Germany during reporting year 2014, resulting in absences of not longer than one month in each case. No other serious occupational injuries (serious injuries are defined as those requiring the employee to consult a doctor), illnesses or absences by CA Immo employees were reported in 2014. CA Immo employees on construction sites received regular safety guidance along with health and safety plans. Specific companies are tasked with ensuring the safety of subcontractor staff.

CA Immo employees cycle from Vienna to the Expo Real property sector trade fair in Munich in just one of many annual team building events

Advancement of women at CA Immo

In qualitative, quantitative and structural terms, CA Immo is aiming to increase the proportion of women in the workforce as a whole, and at all managerial and executive levels. Of 34 new employees appointed across the Group in 2014, 22 were women and 12 men. The company seeks to ensure 50 % of new management trainees are women. Compared to the previous year, the proportion of female employees across the Group rose from 58% to 59% while the proportion of women in managerial positions increased from 25% in 2013 to 26.5% in 2014. The basis for defining managerial staff changed in 2014 and now includes managers from omniCon (4 authorised signatories); the comparative figure for 2013 was adjusted accordingly. The proportion of women in the Supervisory Board also increased in 2014: two of the six mandates are now performed by women (compared to just one in six mandates in 2013).

PERSONNEL DISTRIBUTION BY AGE AND CATEGORIES (Total: 355 employees)[1]

Employees[2]

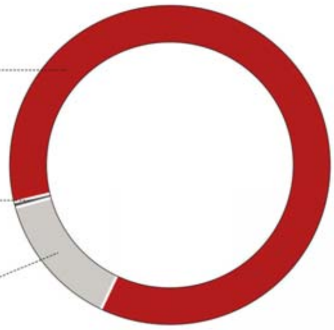
304 employees	<28	29–48	49<
F	5 %	50 %	9 %
M	1 %	21 %	14 %

Management Board

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

Executives[3]

49 employees	<28	29–48	49<
F	0 %	24 %	2 %
M	0 %	53 %	21 %



[1] Excludes 111 employees (as at 31 December 2014) gained through Czech hotel businesses.
[2] thereof 1 % 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, authorized signatories. Share of female executives: 26.5 %.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2015:

In February 2015, the acceptance period for the **voluntary partial public takeover offer by O1 Group Limited** to the shareholders of CA Immobilien Anlagen AG ended. The offer was accepted for a total of 40,790,659 bearer shares, which corresponds to approximately 41.28% of CA Immo's total share capital and voting rights. The allocation quota stood at approximately 23.87%. Together with the shares acquired from UniCredit, O1 therefore holds 26% of CA Immo's total share capital and voting rights.

At the same time, CA Immo issued a new **corporate bond** with a total volume of € 175 m and a term of seven years. For details please see the Investor Relations section.

In March, CA Immo and O1 Group Limited announced to jointly launch a **partial voluntary tender offer to the shareholders of Immofinanz AG** to acquire up to 150,893,280 bearer shares that correspond to approximately 13.5% of the total issued shares in Immofinanz AG (i.e., including treasury shares) or approximately 15.0% of the outstanding shares in Immofinanz AG (i.e., excluding treasury shares). All documents related to this voluntary partial offer are subject to prior clearance by the Austrian Takeover Commission and are expected to be published in March 2015.

Sales

In February, CA Immo sold **two hotels in Czech Republic**: Europort Airport Center, a hotel directly located at the Prague Airport with some 13,800 sqm gross floor area, and Diplomat Center in Pilsen, spanning some 10,000 sqm floor area. The sale of Europort Airport Center has already been closed, the buyer was a local investor.

The sale of **two office towers at Airportcity St. Petersburg**, which was contractually agreed in November 2014, was successfully closed in early March. For details of the transaction please see chapter Property assets.

The **sale of a logistics portfolio** with a total space of 467,000 sqm was closed in the beginning of February (see also chapter property assets). The sale of **Europolis Park Budapest M1**, a logistical property spanning some 69,000 sqm space, which was held as part of a joint venture with Union Investment, was closed in March.

Project development

In early March, the construction of 220 privately financed rental apartments and 141 parking spaces at the Vienna project area Lände 3 was contractually agreed. CA Immo is developing this project under the terms of a forward sale for a local investor. Start of construction is scheduled in the fourth quarter of 2015.

RESEARCH AND DEVELOPMENT

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

RISK MANAGEMENT REPORT

CA IMMO GROUP RISK MANAGEMENT

RISIK MANAGEMENT AT CORPORATE LEVEL

STRATEGIC RISKS	PROPERTY-SPECIFIC RISKS	GENERAL BUSINESS RISKS
- Financial and capital market risk - Growth risk	- Market risk - Profit fluctuation risk - Investment risk - Asset management risk	- Financial risk (Liquidity, Investment, (Re-)Financing risks, Interest-change- and currency risks) - Legal risk - Tax risk - Organisational risk

RISIK MANAGEMENT AT REAL ESTATE LEVEL

STRATEGIC RISKS	PROPERTY-SPECIFIC RISKS	GENERAL BUSINESS RISKS
- Concentration (cluster) risk (portfolio stucture) - Country risk / tranfer risk	- Location risk - Letting risk (vacancy, property management, re-letting) - Profitability risk - Property valuation risk - Risk of rental losses - Disposal / liquidation risk - Project development / investment cost risk - Risks associated with disposals	- Environmental risk - Contract / documentation risk - Partner risk - Competition risk

RISK MANAGEMENT AT ALL LEVELS OF THE COMPANY

Risk management and the internal monitoring system are integral parts of the CA Immo Group's management systems. Internal Auditing, an independent division, oversees operational and business processes and the internal monitoring system; it acts independently in reporting and evaluating the audit results. The risk policy of CA Immo is defined by a series of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is obligatory at all levels of the company. The aim is to identify and analyse both potential opportunities and hazardous developments at an early stage. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all levels, decisions are subject to the dual verification principle. CA Immo evaluates the current opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company incorporates early warning indicators such as rent forecasts, vacancy analyses, continual monitoring of lease agreement periods and the possibility of terminations; construction costs are also tracked during project implementation. Scenarios are envisaged regarding the value trend for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions. The legal department is responsible for monitoring debate on legal policy at European and local level to ensure compliance; it is also responsible for overseeing legal disputes. The company also evaluates specific risks at regular intervals, focusing on content, effect and likelihood of occurrence.

Overall assessment of opportunities and risks

The Group is subject to all risks typically associated with the acquisition, development, management and sale of real estate. These include general market fluctuations linked to the economic cycle, delays and budget overruns in land development, project realisations and redevelopments and risks linked to financing and interest rates.

THE INTERNAL MONITORING SYSTEM (IMS)

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

STRATEGIC RISKS

Portfolio structure, concentration (cluster) risk

Risk potential increases where investments lead to over-representation of a particular region in the overall portfolio. CA Immo counters **market risk** by spreading its portfolio across various countries. Following on from the sales of 2013 and 2014 (partial sale of Tower 185, sale of the Hesse portfolio and non-core properties), regional distribution in the portfolio almost matches the desired level of 40% for both Eastern Europe and Germany and 20% for Austria. Germany remains the biggest single market of CA Immo. The aim here is to maintain property assets of € 250-300 m per core city to uphold consistent market relevance. For **single investments**, CA Immo defines concentration risk as a limit value of 5% of the total portfolio. At present, no properties in the portfolio exceed this limit value. The sale of the Hesse portfolio has served to reduce concentration risk in respect of **individual tenants**. At present, the top 10 tenants are generating some 22% of rental revenue. Accounting for an approximate share of 6% of total rental income, PricewaterhouseCoopers is the largest single tenant in the portfolio at present. The high **capital commitment** is raising the general risk level as regards land reserves and land development projects; for this reason, the sale of non-strategic land reserves is planned for 2015 as land development projects are accelerated and partners are involved at an early stage. The future development volume is indicated at approximately 15% of the equity of the CA Immo Group.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment

The level of revenue that the Group can earn from real estate is heavily dependent on the liquidity of real estate investment markets. Under certain conditions, **real estate values** can be subject to substantial fluctuation caused by falling real estate prices, lack of financing, falls in demand and so on. A poor market climate, legal provisions and contractual regulations can impair the ability of CA Immo to sell specific properties with a view to strategically adjusting its real estate portfolio.

CA Immo negates **transfer risk** by repatriating liquid assets from investment markets with a low credit standing. 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. Continual monitoring of the portfolio and specific portfolio management enable the company to respond quickly to economic and political events.

In view of the continued marginal prospect of rental growth and the fact that the (re)financing market in Eastern Europe is only slowly recovering, there is still a danger that starting yields for commercial real estate will be adjusted upwards. In the Eastern European states in particular, there are considerable political risks that could potentially have major negative effects on **property valuation**. The political situations in Hungary, Russia and Ukraine, for instance, are already adversely affecting the real estate market. Many factors that can lead to unfavourable developments are outside of CA Immo's control. These include changes to available income, economic output, interest rates and tax policy. Economic growth, unemployment rates and consumer confidence also influence the supply and demand of real estate at a local level, which in turn can affect market prices, rents and occupancy rates while adversely affecting the value of properties and associated income. Changes in value will continue to represent a significant risk in 2015.

Political and economic trends in the countries in which CA Immo is active also have a significant impact on **occupancy rates** and rent losses. In like-for-like comparison, lettings were relatively stable on the core markets of CA Immo in 2014. As at 31 December 2014, the Group vacancy rate for the investment portfolio stood at 9.3%. Vacancy for the core segment of office properties amounted to 9.8% on the key date. The sale of more fully let properties could adversely affect vacancy levels further. The market value of a property is affected where the Group is unable to extend a rental agreement due to expire under favourable conditions or find (and retain for the long term) suitably solvent tenants. The creditworthiness of a tenant, especially during an economic downturn, may diminish over the short or medium term, which can affect rental revenue in turn. In critical situations, the Group can opt to cut rents in order to maintain an acceptable occupancy rate. Through careful monitoring and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the **loss of rent risk** has settled at a moderate level. At present, most outstanding rental payments relate to Eastern Europe. All outstanding receivables are evaluated quarterly and adjusted according to the associated level of risk; around 45% of outstanding receivables are adjusted on average. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Many of the Group's lease agreements contain stable value clauses, usually taking account of consumer price indices for particular countries. The level of revenue from such rental contracts and new lettings depends heavily on the inflation trend (**sustainable value risk**).

The Group's portfolio also includes **shopping malls and specialist retail centres** whose operation involves certain risks. Poor running of the centre, inadequate corporate management of tenants, declining footfall and increasing competition can force rental rates down and lead to the loss of key tenants, which leads to rent losses and problems with new lettings. The CA Immo portfolio also includes **hotels**, some of which are operated on the company's own account (to that extent, the Group bears the economic operator risk in full). For this reason, the Group's earnings situation also depends on the quality of hotel management and the development of hotel markets.

As regards letting real estate, the Group is exposed to **competition** from local and international investors (real estate companies, project developers and owners) on all markets. Rent levels are under pressure on many markets; competition for reputable tenants between real estate investors is intense and could get stronger still. To remain attractive to tenants, CA Immo could be forced to accept rental rates lower than those forecast.

Where the attractiveness or potential usage of a **location** is incorrectly assessed, it may prove difficult to let a property in full or at the rent level predicted. This can have a long-term effect on profitability. To ensure a property remains attractive to tenants and appropriate revenue is generated over the long term, its condition and **technical attributes** must be maintained and improved, which can entail significant costs for the company.

Risks associated with sales transactions

Sales in 2013 and 2014 (such as those of the Hesse portfolio, Tower 185, Skyline Plaza, BelsenPark and Lipowy) can give rise to risks linked to contractual agreements and assurances. These might be based on guaranteed income from rental payments, and can subsequently reduce purchase sums agreed or received. Sufficient financial provisions have been made in response to recognised risks to revenue from transacted sales, and liquidity risk is considered in liquidity planning. Contractual obligations in the form of follow-on costs (e.g. residual construction work) form part of relevant project cost estimates.

Project development risks

Costs are generally sustained at the early stages of real estate development projects; revenue is not generated until the later phases of a project. Development projects are often associated with cost overruns and delays in completion that are frequently caused by factors beyond the control of CA Immo. This can adversely affect the economic viability of individual projects and lead to contractual penalties and compensation claims. If no suitable tenants are found, this can produce vacancy after completion. CA Immo takes various steps to keep such risks largely under control (cost monitoring, variance analyses, long-term liquidity planning, and so on). Projects are only launched subject to appropriate pre-letting (40-60% in Germany for example, depending on location). All projects are being implemented within their approved timeframes and budgetary frameworks.

GENERAL BUSINESS RISKS

Legal risks

The companies of the Group become involved in **legal disputes**, both and plaintiffs and as defendants, in the course of normal business activity. Legal cases are heard in various jurisdictions. In each case, different procedural law means that competent courts are not always equally efficient; moreover, in certain cases the complexity of issues in dispute can make for protracted proceedings or lead to other delays. CA Immo believes it has made sufficient financial provisions for legal disputes. At present, no lawsuits or arbitration proceedings that could threaten the company’s survival are imminent or pending.

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

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

Taxation risk

On the markets of Eastern Europe especially, CA Immo is subject to uncertainty linked to taxation systems with provisions that are frequently amended and adapted, leading to high expenses for the Group. Exceptional tax rises are a constant risk to revenue. For this reason, all relevant discussions and decisions taken by national legislators are continually monitored. Sufficient financial provisions are made for known risks linked to tax audits and fiscal or extra-judicial proceedings.

Partner risks

In Germany in particular, CA Immo is involved in numerous development projects with partners and is thus dependent on those partners to a degree (**partner risk**). Part of the portfolio of investment properties in Eastern Europe is jointly held by the European Bank for Reconstruction and Development (EBRD) and Union Investment Real Estate GmbH. CA Immo is party to a co-investment agreement here, whereby various obligations and restrictions are imposed on investors. This can influence the value of investments; moreover, the Group is exposed to credit risk in respect of its counterparties. Depending on the agreement in question, CA Immo could also bear joint liability for costs, taxes and other third-party claims with its co-investors and, where a co-investor opts out, be forced to accept liability for their credit risk or share of costs, taxes or other liabilities.

The Group outsources some real estate management tasks and other administrative duties to third parties outside the company. In the process of transferring administrative tasks, it is possible that knowledge of managed properties and administrative processes can be lost, and that CA Immo could prove incapable of identifying and contractually committing suitable service providers within the necessary timeframe.

Environmental risk

Environmental and safety regulations serve to standardise active and latent obligations to remediate contaminated sites, and complying with these provisions can entail considerable investment expenses and other costs. These obligations may apply to real estate currently or formerly owned by CA Immo, or currently or formerly managed or developed by the company. In particular, the provisions cover contamination with undiscovered harmful materials or noxious substances, munitions and other environmental risks such as soil pollution, etc. Several regulations impose sanctions on the discharge of emissions into air, soil and water: this can make the Group liable to third parties, significantly impact the sale and letting of affected properties and adversely affect the generation of rental revenue from such properties. Natural disasters and extreme weather conditions can also cause considerable damage to real estate. Unless sufficient insurance is in place to cover such damage, this can have an adverse impact. To minimise the risk, CA Immo incorporates these considerations into its assessments prior to every purchase and appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. 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 specifications regarding green buildings and sustainability are satisfied while the usage of environmentally unsound products is ruled out.

FINANCIAL RISKS

Liquidity, investment and refinancing risk

(Re)financing on the financial and capital markets is one of the most important considerations for real estate companies. CA Immo requires loan capital to refinance existing loans and to finance development projects and acquisitions in particular. In effect, therefore, the company is dependent on the readiness of banks to provide additional loan capital and extend existing financing agreements under acceptable terms. Market conditions for real estate financing are constantly changing, and deteriorated significantly during the financial and economic crisis in particular. In Hungary especially, financing for real estate projects is very difficult to secure at present. The attractiveness of financing alternatives depends on a range of factors, not all of which can be influenced by the Group (market interest rates, level of necessary financing, taxation aspects, required securities and so on). This can significantly impair the ability of the Group to raise the completion level of its development portfolio, invest in suitable acquisition projects or meet its obligations arising from financing agreements. The refinancing requirement on existing loans is approximately € 294 m in 2015, with Austria and Germany accounting for some € 164 m of this and approximately € 130 m in Eastern Europe. Although the CA Immo Group has a sufficient level of liquidity as things stand, we must take account of restrictions at individual subsidiary level; access to cash and cash equivalents is limited owing to obligations to current projects and a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices lower than expected. Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area. Where these requirements are violated or default occurs, the relevant contractual partners are entitled to accelerate financing and demand immediate repayment. This could impel the Group to sell real estate or arrange refinancing under unfavourable terms. CA Immo does not rule out financing future business activity by issuing more shares (**equity-based financing**). If investors cannot be found to invest in real estate company shares owing to their assessment of the market and the risk profile, it may be difficult for the Group to raise any more equity at all, let alone equity under acceptable conditions. This would necessitate a change of strategy.

CA Immo has fluctuating stocks of cash and cash equivalents which the company invests according to its particular operational and strategic needs and objectives. In some cases, an **investment** may take the form of listed securities or funds, which are subject to a higher risk of loss.

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

Interest rate risk

Market-led fluctuations in the interest rate affect both the level of financing costs and the fair value of interest hedging transactions concluded. In its financing, CA Immo opts for a mix of long-term fixed-rate and floating-rate loans; the latter are not entirely secured by means of derivative financial instruments. However, CA Immo continually undertakes hedging transactions, particularly to hedge against **interest rate changes** and associated fluctuations in its financing costs. Hedging transactions of this kind may prove to be inefficient or unsuitable for achieving targets; they may also result in losses that affect earnings. Moreover, the **valuation of derivatives** can impact negatively on profits and shareholders' equity. The extent to which the Group utilises derivative instruments is guided by assumptions and market expectations in respect of the future interest level, and especially the 3 month Euribor rate. Should these assumptions prove incorrect, the result can be a significant rise in interest expenditure. Continual monitoring of the interest rate risk is therefore essential. No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all risks identified.

Currency risk

Since CA Immo is active on a number of markets outside the eurozone, the company is subject to various currency risks. Where rents are payable in currencies other than the euro on these markets and cannot be fully adjusted to current exchange rates in time, incoming payments may be reduced by exchange rate changes. Where expenses and investments are not transacted in euros, exchange rate fluctuations can impair the payment capacity of Group companies and adversely affect the Group's profits and earnings situation. CA Immo counters such risk in that foreign currency inflows are generally secured by pegging rents to the euro; no significant and direct currency risk exists at present. The pegging of rents affects the creditworthiness of tenants and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. This process is constantly overseen by the responsible country coordinators. Due to the repayment of CZK loans which was caused by disposals by the end of 2014 the currency risk on the liabilities side is no longer relevant. Currency risks linked to construction projects are hedged according to need on a case-by-case basis, taking account of the currency underlying the order and lease agreement, likely exchange rate development and the calculation rate.

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

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS

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A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2014

€ 1,000	Note	2014	2013 restated
Rental income	2	145,195	194,875
Operating costs charged to tenants	3	33,471	38,524
Operating expenses	3	– 39,261	– 44,496
Other expenses directly related to properties rented	3	– 10,560	– 16,493
Net rental income		**128,845**	**172,410**
Gross revenues hotel operations		7,379	7,316
Expenses related to hotel operations		– 5,623	– 5,798
Result from hotel operations	**4**	**1,756**	**1,518**
Other expenses directly related to properties under development	**5**	**– 3,175**	**– 2,782**
Income from the sale of properties held for trading		14,870	22,105
Book value of sold properties held for trading		– 6,145	– 12,164
Trading result	**6**	**8,725**	**9,941**
Result from the sale of investment properties	**7**	**29,827**	**58,611**
Income from services	8	15,990	13,999
Indirect expenses	9	– 44,386	– 40,738
Other operating income	10	11,469	3,031
EBITDA		**149,051**	**215,990**
Depreciation and impairment of long-term assets		– 10,285	– 5,475
Changes in value of properties held for trading		204	– 13
Depreciation and impairment/reversal	**11**	**– 10,081**	**– 5,488**
Revaluation gain		34,121	49,336
Revaluation loss		– 38,331	– 42,493
Result from revaluation		**– 4,210**	**6,843**
Result from joint ventures	12	8,157	26,287
Operating result (EBIT)		**142,917**	**243,632**
Finance costs	13	– 81,767	– 118,864
Other financial result	14	2,408	0
Foreign currency gains/losses	19	– 640	– 1,063
Result from interest rate derivative transactions	15	– 13,252	– 32,799
Result from financial investments	16	47,402	11,991
Result from other financial assets	17	– 9,351	– 3,778
Result from associated companies	18	– 3,146	4,589
Financial result	**19**	**– 58,346**	**– 139,924**
Net result before taxes (EBT)		**84,571**	**103,708**
Current income tax		– 7,452	– 22,807
Deferred taxes		– 6,321	– 5,070
Income tax	**20**	**– 13,773**	**– 27,877**
Consolidated net income		**70,798**	**75,831**
thereof attributable to non-controlling interests		0	92
thereof attributable to the owners of the parent		**70,798**	**75,739**
Earning per share in € (basic)	**43**	**€ 0.76**	**€ 0.86**
Earnings per share in € (diluted)	**43**	**€ 0.76**	**€ 0.80**

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2014

€ 1,000	Note	2014	2013 restated
Consolidated net income		**70,798**	**75,831**
Other comprehensive income			
Valuation cash flow hedges		403	38,346
Reclassification cash flow hedges		7,729	51,484
Exchange rate differences		2,236	167
Income tax related to other comprehensive income		– 728	– 17,069
Revaluation of assets available for sale		398	0
Other comprehensive income for the period (realisable through profit or loss)	**21**	**10,038**	**72,928**
Revaluation gains/losses IAS 19		– 1,941	– 430
Income tax related to other comprehensive income		620	147
Other comprehensive income for the period (not realisable through profit or loss)	**21**	**– 1,321**	**– 283**
Other comprehensive income for the period	**21**	**8,717**	**72,645**
Comprehensive income for the period		**79,515**	**148,476**
thereof attributable to non-controlling interests		0	331
thereof attributable to the owners of the parent		**79,515**	**148,145**

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2014

€ 1,000	Note	31.12.2014	31.12.2013 restated	1.1.2013 restated
ASSETS				
Investment properties	22	2,092,917	2,139,564	3,139,372
Investment properties under development	22	496,252	400,095	535,333
Hotels and other own used properties	22	7,533	32,813	36,253
Office furniture and other equipment	22	1,399	1,700	2,166
Intangible assets	23	15,845	20,054	21,705
Investments in joint ventures	24	206,136	219,224	242,818
Investments in associated companies	25	18	38,744	36,233
Financial assets	26	385,410	299,652	213,294
Deferred tax assets	27	4,301	4,300	7,525
Long-term assets		**3,209,811**	**3,156,146**	**4,234,699**
Long-term assets as a % of total assets		87.4%	78.1%	90.4%
Assets held for sale	28	91,481	114,467	53,794
Properties held for trading	29	18,445	20,566	22,258
Receivables and other assets	30	187,566	136,006	178,700
Cash and cash equivalents	31	163,638	613,426	193,228
Short-term assets		**461,130**	**884,465**	**447,980**
Total assets		**3,670,941**	**4,040,611**	**4,682,679**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		718,337	638,714	638,714
Capital reserves		998,839	1,000,536	1,030,410
Other reserves		– 28,704	– 37,423	– 109,829
Retained earnings		263,235	192,439	116,700
Attributable to the owners of the parent		**1,951,707**	**1,794,266**	**1,675,995**
Non-controlling interests		0	0	12,622
Shareholders' equity	**32**	**1,951,707**	**1,794,266**	**1,688,617**
Shareholders' equity as a % of total assets		53.2%	44.4%	36.1%
Provisions	33	7,726	8,116	3,910
Interest-bearing liabilities	34	1,026,620	1,102,119	2,004,712
Other liabilities	35	162,352	203,739	262,960
Deferred tax liabilities	27	145,991	140,304	134,569
Long-term liabilities		**1,342,689**	**1,454,278**	**2,406,151**
Current income tax liabilities	36	11,372	12,480	14,622
Provisions	33	51,259	61,074	69,394
Interest-bearing liabilities	34	202,530	608,823	412,820
Other liabilities	35	84,841	109,690	91,075
Liabilities relating to disposal groups	28	26,543	0	0
Short-term liabilities		**376,545**	**792,067**	**587,911**
Total liabilities and shareholders' equity		**3,670,941**	**4,040,611**	**4,682,679**

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2014

€ 1,000	Note	2014	2013
Operating activities			
Net result before taxes		84,571	103,708
Revaluation result incl. change in accrual and deferral of rental income		4,378	– 17,396
Depreciation and impairment/reversal	11	10,081	5,488
Result from the sale of long-term properties and office furniture and other equipment	8	– 29,833	– 58,657
Taxes paid excl. taxes for the sale of properties		– 6,895	– 4,363
Finance costs, result from financial investments and other financial result	13.14,16	31,957	106,873
Foreign currency gains/losses	19	640	1,063
Result from interest rate derivative transactions	15	13,252	32,799
Result from other financial assets and from investments in associated companies	18.13	4,340	– 27,098
Other non-cash income		– 6,766	0
Cash flow from operations		**105,725**	**142,417**
Properties held for trading	29	2,325	1,679
Receivables and other assets	26.30	– 5,444	9,127
Provisions	33	– 185	– 1,864
Other liabilities	35	– 2,834	– 10,653
Cash flow from change in net current assets		**– 6,138**	**– 1,711**
Cash flow from operating activities		**99,587**	**140,706**
Investing activities			
Acquisition of and investment in properties incl. prepayments		– 110,462	– 159,834
Acquisition of property companies, less cash and cash equivalents of € 5,665 K (2013: € 14,323 K)		– 136,024	– 32,586
Acquisition of office equipment and intangible assets	22.23	– 1,164	– 4,990
Disposal of financial assets		0	1,400
Acquisition of assets available for sale	30	– 24,149	0
investments in joint ventures	24	– 9,830	– 180,607
Disposal of long-term properties and other assets	8	166,934	259,864
Disposal of investment property companies, less cash and cash equivalents of € 868 K (2013: € 24,572	8	6,698	465,960
Disposal of joint ventures and associated companies	24	23,187	136,099
Financing of joint ventures	26	– 147,101	– 26,892
Repayment of joint ventures	26	16,410	21,458
Taxes repaid/paid relating to the sale of long-term properties		– 1,326	– 7,447
dividend distribution/capital repayment from associated companies and securities		14,085	2,647
Interest paid for investment in properties	22	– 746	– 2,064
Interest received from financial investments	16	10,428	6,487
Cash flow from investing activities		**– 193,060**	**479,495**
Financing activities			
Cash inflow from loans	34	207,336	404,623
cash flow from joint ventures	34	14,573	0
Dividend payments to shareholders	32	– 35,142	– 33,385
Acquisition of non-controlling interests		0	– 9,442
Repayment of loans incl. Interest derivative	34	– 462,146	– 453,000
Repayment of convertible bonds	32	– 1,100	0
Other interest paid	13	– 77,709	– 107,538
Cash flow from financing activities		**– 354,188**	**– 198,742**
Net change in cash and cash equivalents		**– 447,661**	**421,459**
Cash and cash equivalents as at 1.1.		613,426	193,228
Changes in the value of foreign currency		– 1,191	– 1,261
Changes due to classification of disposal group acc. to IFRS 5		– 936	0
Cash and cash equivalents as at 31.12.	**31**	**163,638**	**613,426**

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2014

€ 1,000	Note	Share capital	Capital reserves	Retained earnings
As at 1.1.2013 restated		**638,714**	**1,030,410**	**116,700**
Valuation cash flow hedge	21	0	0	0
Currency translation reserve	21	0	0	0
Revaluation gains/losses IAS 19	21	0	0	0
Consolidated net income		0	0	75,739
Comprehensive income for 2013		**0**	**0**	**75,739**
Dividend payments to shareholders		0	– 33,385	0
Acquisition of non-controlling interests		0	3,511	0
As at 31.12.2013 restated	**32**	**638,714**	**1,000,536**	**192,439**
As at 1.1.2014		**638,714**	**1,000,536**	**192,439**
Valuation cash flow hedge	21	0	0	0
Revaluation of assets available for sale	21	0	0	0
Currency translation reserve	21	0	0	0
Revaluation gains/losses IAS 19	21	0	0	0
Consolidated net income		0	0	70,798
Comprehensive income for 2014		**0**	**0**	**70,798**
Dividend payments to shareholders	32	0	– 35,142	0
Reclassifiction (other comprehensive income, not realised through profit or loss)		0	0	– 2
conversion of bonds	32	79,623	33,445	0
As at 31.12.2014	**32**	**718,337**	**998,839**	**263,235**

Valuation result (hedging - reserve)	other reserves	Attributable to shareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
– 107,429	**– 2,400**	**1,675,995**	**12,622**	**1,688,617**
72,522	0	72,522	239	72,761
0	167	167	0	167
0	– 283	– 283	0	– 283
0	0	75,739	92	75,831
72,522	**– 116**	**148,145**	**331**	**148,476**
0	0	– 33,385	0	– 33,385
0	0	3,511	– 12,953	– 9,442
– 34,907	**– 2,516**	**1,794,266**	**0**	**1,794,266**
– 34,907	**– 2,516**	**1,794,266**	**0**	**1,794,266**
7,404	0	7,404	0	7,404
0	398	398	0	398
0	2,236	2,236	0	2,236
0	– 1,321	– 1,321	0	– 1,321
0	0	70,798	0	70,798
7,404	**1,313**	**79,515**	**0**	**79,515**
0	0	– 35,142	0	– 35,142
0	2	0	0	0
0	0	113,068	0	113,068
– 27,503	**– 1,201**	**1,951,707**	**0**	**1,951,707**

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2014

GENERAL NOTES

1. Information concerning the Company

CA Immobilien Anlagen Aktiengesellschaft and 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. CA Immo Group owns, develops and manages office, hotel, commercial, logistic 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 and fulfills thereby the additional requirements of §245a para. 1 of the Austrian Commercial Code (UGB). The consolidated financial statements are based on the acquisition cost method, with the exception of investment properties (including properties under development), properties held for sale, available-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 consolidation	Joint ventures at equity	Associated companies at equity
As at 1.1.2014 restated	**153**	**100**	**3**
Acquisition of companies / transition consolidation	3	–3	0
New establishment of companies	4	0	0
Disposal of companies due to liquidation or restructuring	–22	–4	0
Sales	–2	–3	–1
As at 31.12.2014	**136**	**90**	**2**
thereof foreign companies	113	86	2

Acquisitions and disposals of companies and joint ventures

CA Immo Group acquired the following entities in 2014:

Company name/domicile	Purpose	Interest in %	Purchase price in € 1,000	Initial consolidation date
Kontorhaus Arnulfpark GmbH & Co. KG	Property company	43	19,238	30.09.2014
Kontorhaus Arnulfpark Verwaltungs GmbH	Holding company	50	13	30.09.2014
POLAND CENTRAL UNIT 1 Sp.z o.o.	Property company	100	0	1.10.2014
Total			**19,251**	

These purchase prices except of € 13,851 K (Kontorhaus Arnulfpark GmbH & Co. KG) were paid in full in cash. The acquired companies are holding or property companies which do not apply to the scope of IFRS 3. For all newly founded companies equity in the amount of € 90 K was paid.

CA Immo Group disposed the following interests in entities in the business year 2014:

Company name/domicile	Interest held in %	Consolidation type	Sales price € 1,000	Deconsolidation date
Office Center Mladost 2 EOOD, Sofia	100	FC	4,857	3.12.2014
FCL Property a.s., Prague	100	FC	2,710	19.11.2014
EUROPOLIS BV DEVELOPMENT S.R.L., Bucharest	65	AEJV	1,150	14.2.2014
EUROPOLIS Technopark s.r.o., Prague	51	AEJV	2,864	31.7.2014
Ipopema Towarzystwo Funduszy Inwestycyjnych S.A., Warsaw	50	AEJV	62	6.11.2014
UBM Realitätenentwicklung AG, Vienna	25	AEA	36,000	10.10.2014
Total			**47,642**	

All open sales prices as at 31.12.2014 amounting to € 24,857 K were paid in full by mid of February 2015.

The fully consolidated entities comprised the following net assets as of the date of the sale:

€ 1,000	Total
Properties	–19,500
Other assets	–490
Cash and cash equivalents	–868
Deferred taxes	707
Financial liabilities	10,819
Provisions	19
Other liabilities	271
Receivables from/payables to affiliated companies	1,754
Net change	**–7,288**
thereof proportional net assets sold	–7,288

Investments in not-consolidated structured entities
As at 31.12.2014 – like in the previous year – there are no investments in not-consolidated structured entities.

4. Presentation and Accounting methods

a) Changes in the presentation and classification

With exeption of the following changes, the applied presentation and accounting methods remain unchanged compared with the previous year:

Segment reporting
The previous reported presentation of the Eastern Europe segment was divided into two reporting segments, Eastern Europe core regions and Eastern Europe other regions. The reporting Eastern Europe core regions segment comprises of Czech Republic, Slovakia, Hungary, Poland and Romania. The reporting Eastern Europe other regions segment consists of Bulgaria, Croatia, Serbia as well as Ukraine. Furthermore, the presentation of the segment reporting was changed in such a way that joint ventures always show 100% of the assets and liabilities as well as revenues and expenses of the entities in the segment, irrespective of the method of consolidation into the financial statements. Adjustments in accordance with the consolidation method in CA Immo Group are shown in the column Consolidation.

Presentation of revenues and expense from services

In the transition to IFRS 10 and 11, the presentation of revenues and expenses from services has been changed. While according to IAS 27 and IAS28 part of services provided by the group as production costs have been capitalized into real estate under development, the capitalization is no longer made in cases, in which the affected real estate properties are no longer fully consolidtated. For a clear presentation, the revenues from services are separately presented in the consolidated statement of profit and loss and other comprehensive income, and the related expenses are accounted for directly into indirect expenses. Thus, for a clear presentation, revenues from services were separately presented under consolidated statement of profit and loss (2013: € 7,585 K) and the corresponding expenses included (2013: € 4,173 K) in the indirect expenses.

Consolidation, Financial Reporting for Joint Ventures and disclosures of interest in other entities according to IFRS 10, 11 and 12

The new standard IFRS 10 combines IAS 27 and SIC 12 standards, which were effective for the assessment of the type of consolidation in the past, in a single standard and simultaneously establishes a new control concept for the apportionment of the consolidation scope. While IAS 27 (old) basically aimed to the majority of the voting rights at a company and, if this criteria had been fulfilled, established the assumption of control, focuses IFRS 10 less on formula, corporate law criteria, but defines control for those cases, in which an investor can significantly influence the relevant activities of a party owned subsidiary due to existing rights and can therefore significantly influence the height of the yield of the party owned subsidiary. Due to the changed control concept the method of consolidation of various companies changes in the consolidated financial statements of CA Immo Group.

Due to the new approach for consolidation according to IFRS 10, the treatment of some entities into CA Immo Group changed, so that these companies are not longer included according to proportionate consolidation, but according to the Equity method. Additionally the application of the proportionate consolidation of companies under joint control is no longer permitted according to IFRS 11. These companies are accounted for according to the equity method in the consolidated financial statements. The effect of the above mentioned changes in the financial reporting took place retrospectively, starting 1.1.2013.

The following tables show the effect on consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income and consolidated statement of cash flows by 2013 respectively 01.01.2013 following first time adoption of IFRS 10 and IFRS 11.

€ 1,000	2013 according to IAS 27 + 28 (as reported)	changes due to IFRS 10 + 11 and change of presentation	2013 according to IFRS 10 + 11 (restated)
Rental income	281,470	−86,595	194,875
Operating costs charged to tenants	68,513	−29,989	38,524
Operating expenses	−77,890	33,394	−44,496
Other expenses directly related to properties rented	−21,500	5,007	−16,493
Net rental income	**250,593**	**−78,183**	**172,410**
Gross revenues hotel operations	7,316	0	7,316
Expenses from hotel operations	−5,798	0	−5,798
Result from hotel operations	**1,518**	**0**	**1,518**
Other expenses directly related to properties under development	**−4,612**	**1,830**	**−2,782**
Income from the sale of properties held for trading	29,211	−7,106	22,105
Book value of sold properties held for trading	−16,957	4,793	−12,164
Trading result	**12,254**	**−2,313**	**9,941**
Result from the sale of investment properties	**63,204**	**−4,593**	**58,611**
Income from services	7,585	6,414	13,999
Expenses related to development services	−5,834	5,834	0
Indirect expenses	−38,158	−2,580	−40,738
Other operating income	9,226	−6,195	3,031
EBITDA	**295,776**	**−79,786**	**215,990**
Depreciation and impairment of long-term assets	−6,342	867	−5,475
Changes in value of properties held for trading	−500	487	−13
Depreciation and impairment/reversal	**−6,842**	**1,354**	**−5,488**
Revaluation gain	47,834	1,502	49,336
Revaluation loss	−81,555	39,062	−42,493
Result from revaluation	**−33,721**	**40,564**	**6,843**
Result from joint ventures	0	26,287	26,287
Operating result (EBIT)	**255,213**	**−11,581**	**243,632**
Finance costs	−148,297	29,433	−118,864
Other financial result	3,000	−3,000	0
Foreign currency gains/losses	−974	−89	−1,063
Result from interest rate derivative transactions	−32,214	−585	−32,799
Result from financial investments	6,033	5,958	11,991
Result from other financial assets	−2,545	−1,233	−3,778
Result from associated companies	3,356	1,233	4,589
Financial result	**−171,641**	**31,717**	**−139,924**
Net result before taxes (EBT)	**83,572**	**20,136**	**103,708**
Current income tax	−27,016	4,209	−22,807
Deferred taxes	−6,169	1,099	−5,070
Income tax	**−33,185**	**5,308**	**−27,877**
Consolidated net income	**50,387**	**25,444**	**75,831**
thereof attributable to non-controlling interests	2,050	−1,958	92
thereof attributable to the owners of the parent	**48,337**	**27,402**	**75,739**

€ 1,000	2013 according to IAS 27 + 28 (as reported)	changes due to IFRS 10 + 11	2013 according to IFRS 10 + 11 (restated)
Consolidated net income	**50,387**	**25,444**	**75,831**
Other comprehensive income			
Valuation cash flow hedges	38,536	−190	38,346
Reclassification cash flow hedges	51,484	0	51,484
Other comprehensive income/loss from associated companies	−23	23	0
Exchange rate differences	44	123	167
Income tax related to other comprehensive income	−17,094	25	−17,069
Other comprehensive income for the period (realised through profit or loss)	**72,947**	**−19**	**72,928**
Revaluation gains/losses IAS 19	−430	0	−430
Income tax related to other comprehensive income	147	0	147
Other comprehensive income for the period (not realised through profit or loss)	**−283**	**0**	**−283**
Other comprehensive income for the period	**72,664**	**−19**	**72,645**
Comprehensive income for the period	**123,051**	**25,425**	**148,476**
thereof attributable to non-controlling interests	2,307	−1,976	331
thereof attributable to the owners of the parent	**120,744**	**27,401**	**148,145**

€ 1,000	31.12.2013 according to IAS 27+28 (as reported)	Changes due to IFRS 10+11	31.12.2013 according to IFRS 10+11 (restated)
ASSETS			
Investment properties	3,108,487	−968,923	2,139,564
Investment properties under development	486,355	−86,260	400,095
Hotels and other own used properties	32,813	0	32,813
Office furniture and other equipment	9,069	−7,369	1,700
Intangible assets	35,056	−15,002	20,054
Investments in joint ventures	0	219,224	219,224
Investments in associated companies	106,088	−67,344	38,744
Financial assets	125,214	174,438	299,652
Deferred tax assets	5,079	−779	4,300
Long-term assets	**3,908,161**	**−752,015**	**3,156,146**
Long-term assets as a % of total assets	79.6%	86.4%	78.1%
Assets held for sale	118,190	−3,723	114,467
Properties held for trading	59,169	−38,603	20,566
Receivables and other assets	149,955	−13,949	136,006
Cash and cash equivalents	675,413	−61,987	613,426
Short-term assets	**1,002,727**	**−118,262**	**884,465**
Total assets	**4,910,888**	**−870,277**	**4,040,611**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	638,714	0	638,714
Capital reserves	1,015,007	−14,471	1,000,536
Other reserves	−37,422	−1	−37,423
Retained earnings	181,900	10,539	192,439
Attributable to the owners of the parent	**1,798,199**	**−3,933**	**1,794,266**
Non-controlling interests	66,983	−66,983	0
Shareholders' equity	**1,865,182**	**−70,916**	**1,794,266**
Shareholders' equity as a % of total assets	38.0%	8.1%	44.4%
Provisions	8,370	−254	8,116
Interest-bearing liabilities	1,555,032	−452,913	1,102,119
Other liabilities	194,343	9,396	203,739
Deferred tax liabilities	216,418	−76,114	140,304
Long-term liabilities	**1,974,163**	**−519,885**	**1,454,278**
Current income tax liabilities	14,131	−1,651	12,480
Provisions	73,457	−12,383	61,074
Interest-bearing liabilities	872,045	−263,222	608,823
Other liabilities	111,910	−2,220	109,690
Short-term liabilities	**1,071,543**	**−279,476**	**792,067**
Total liabilities and shareholders' equity	**4,910,888**	**−870,277**	**4,040,611**

€ 1,000	1.1.2013 according to IAS 27+28 (as reported)	Changes due to IFRS 10+11	1.1.2013 according to IFRS 10+11 (restated)
ASSETS			
Investment properties	4,391,378	−1,252,006	3,139,372
Investment properties under development	726,988	−191,655	535,333
Hotels and other own used properties	36,253	0	36,253
Office furniture and other equipment	9,972	−7,806	2,166
Intangible assets	37,122	−15,417	21,705
Investments in joint ventures	0	242,818	242,818
Investments in associated companies	36,233	0	36,233
Financial assets	93,587	119,707	213,294
Deferred tax assets	9,812	−2,287	7,525
Long-term assets	**5,341,345**	**−1,106,646**	**4,234,699**
Long-term assets as a % of total assets	90.7%	91.8%	90.4%
Assets held for sale	53,794	0	53,794
Properties held for trading	52,693	−30,435	22,258
Receivables and other assets	182,866	−4,166	178,700
Cash and cash equivalents	257,744	−64,516	193,228
Short-term assets	**547,097**	**−99,117**	**447,980**
Total assets	**5,888,442**	**−1,205,763**	**4,682,679**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	638,714	0	638,714
Capital reserves	1,030,410	0	1,030,410
Other reserves	−107,659	−2,170	−109,829
Retained earnings	131,393	−14,693	116,700
Attributable to the owners of the parent	**1,692,858**	**−16,863**	**1,675,995**
Non-controlling interests	122,884	−110,262	12,622
Shareholders' equity	**1,815,742**	**−127,125**	**1,688,617**
Shareholders' equity as a % of total assets	30.8%	10.5%	36.1%
Provisions	4,163	−253	3,910
Interest-bearing liabilities	2,454,856	−450,144	2,004,712
Other liabilities	271,435	−8,475	262,960
Deferred tax liabilities	215,863	−81,294	134,569
Long-term liabilities	**2,946,317**	**−540,166**	**2,406,151**
Current income tax liabilities	15,448	−826	14,622
Provisions	78,931	−9,537	69,394
Interest-bearing liabilities	924,676	−511,856	412,820
Other liabilities	107,328	−16,253	91,075
Short-term liabilities	**1,126,383**	**−538,472**	**587,911**
Total liabilities and shareholders' equity	**5,888,442**	**−1,205,763**	**4,682,679**

€ 1,000	2013 according to IAS 27 + 28 (as reported)	Changes due to IFRS 10+11	2013 according to IFRS 10 + 11 (restated)
Operating activities			
Net result before taxes	83,572	20,136	103,708
Revaluation result incl. change in accrual and deferral of rental income	21,656	−39,052	−17,396
Depreciation and impairment/reversal	6,842	−1,354	5,488
Result from the sale of long-term properties and office furniture and other equipment	−65,279	6,622	−58,657
Taxes paid excl. taxes for the sale of properties	−7,385	3,022	−4,363
Finance costs, result from financial investments and other financial result	139,264	−32,391	106,873
Foreign currency gains/losses	974	89	1,063
Result from interest rate derivative transactions	32,214	585	32,799
Result from other financial assets and from investments in associated companies	−811	−26,287	−27,098
Cash flow from operations	**211,047**	**−68,630**	**142,417**
Properties held for trading	−6,976	8,655	1,679
Receivables and other assets	28,645	−19,518	9,127
Provisions	−2,326	462	−1,864
Other liabilities	−20,849	10,196	−10,653
Cash flow from change in net current assets	**−1,506**	**−205**	**−1,711**
Cash flow from operating activities	**209,541**	**−68,835**	**140,706**
Investing activities			
Acquisition of and investment in properties incl. prepayments	−225,268	65,434	−159,834
Acquisition of property companies, less cash and cash equivalents	0	−32,586	−32,586
Acquisition of office equipment and intangible assets	−5,077	87	−4,990
Disposal of financial assets	1,400	0	1,400
investments in joint ventures	0	−180,607	−180,607
Disposal of long-term properties and other assets	243,343	16,521	259,864
Disposal of investment property companies, less cash and cash equivalents	600,217	−134,257	465,960
Disposal of joint ventures	0	136,099	136,099
Financing of joint ventures	0	−26,892	−26,892
Repayment of joint ventures	0	21,458	21,458
Taxes repaid/paid relating to the sale of long-term properties	−7,447	0	−7,447
dividend distribution/capital repayment from associated companies and securities	1,021	1,626	2,647
Interest paid for investment in properties	−5,800	3,736	−2,064
Interest received from financial investments	7,565	−1,078	6,487
Cash flow from investing activities	**609,954**	**−130,459**	**479,495**

€ 1,000	2013 according to IAS 27 + 28 (as reported)	Changes due to IFRS 10+11	2013 according to IFRS 10 + 11 (restated)
Financing activities			
Cash inflow from loans	629,219	−224,596	404,623
Cash inflow from related companies and from non-controlling interests	6,496	−6,496	0
Dividend payments to shareholders	−33,385	0	−33,385
Purchase of non-controlling interests and payments to subsidiaries	−56,674	47,232	−9,442
Repayment of loans incl. Interest derivative	−810,548	357,548	−453,000
Other interest paid	−134,178	26,640	−107,538
Cash flow from financing activities	**−399,070**	**200,328**	**−198,742**
Net change in cash and cash equivalents	**420,425**	**1,034**	**421,459**
Cash and cash equivalents as at 1.1.	257,744	−64,516	193,228
Changes in the value of foreign currency	−2,680	1,419	−1,261
Changes due to classification of disposal group acc. to IFRS 5	−76	76	0
Cash and cash equivalents as at 31.12.	**675,413**	**−61,987**	**613,426**

b) Consolidation methods

All companies under the control of the parent company are fully consolidated in the consolidated financial statements. A company is initially consolidated as of the time a control is transferred to the parent. Companies are deconsolidated when control ceases. All intra-group transactions between companies included in the scope of full consolidation, the related revenues and expenses, receivables and payables, as well as unrealised intra-group profits, are fully eliminated. Profit and loss amounts resulting from “upstream” and “downstream” transactions with joint ventures or associated companies are eliminated in accordance with the share of CA Immo Group in these companies.

CA Immo Group determines at the time of acquisition of companies (legal entities) whether the acquisition is a business or a group of assets and liabilities. A business is given if:

- The acquired entity comprises of a number of properties or
- There are other major activities or,
- The entity has own employees managing the properties.

If the acquired company (legal entity) is not a business, the acquisition is no business combination according to IFRS 3. Correspondingly, the acquisition is only an acquisition of assets and liabilities, which are recognised with their proportionally acquisition cost. The acquisition cost is allocated to the acquired assets (especially properties) and liabilities as well as the non-controlling interests, based on their relative fair value at the date of acquisition of the subsidiary.

If a business is acquired, the acquisition is classified as a business combination according to IFRS 3. The subsidiary is consolidated for the first time using the acquisition method, by recognising its identifiable assets and liabilities at fair value and a goodwill and non-controlling interests, if applicable.
Non-controlling interests are reported according to the classification of the capital interest as either shareholders' equity or liabilities, as non-controlling interests within shareholders' equity respectively as other liabilities in the liabilities. 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 an establishment or loss of control are accounted for as equity transactions. The book values of the controlling and non-controlling interests are adjusted to reflect the changes in the respective interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the parent company. If a business operation is acquired, goodwill arises from the comparison of the fair value of the consideration transferred and the amount recognised for the non-controlling interests with the fair value of the acquired company's net identifiable assets and liabilities (net assets). The amount exceeding net assets is recognised as goodwill.

Joint ventures

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

Associated companies

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

At Equity-Method

According to the equity method, investments in joint ventures as well as in associates are initially recognised at the date of acquisition in the consolidated statement of financial position at cost, including directly attributable ancillary costs. The subsequent measurement is affected by an increase/ decrease of this value, based on the Group’s share in the profit or loss and the other comprehensive income (corrected by interim gains or losses resulting from transactions with the group), dividend payouts, contributions and other changes in the equity of the associated company, as well as through impairment of the interests as a result of an impairment test. Once the book value of the interests in an associated company has decreased to zero and possible long term loans to the associated companies are impaired to zero as well, additional losses are recognised as a liability only to the extent that CA Immo Group has incurred a legal or effective obligation to make further payments to the associated company.

c) Foreign currency translation

Transactions in foreign currencies

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

		Acquisition	Sale	Acquisition	Sale
		31.12.2014	31.12.2014	31.12.2013	31.12.2013
Switzerland	CHF	1.1936	1.2064	1.2186	1.2314
USA	USD	1.2111	1.2211	1.3725	1.3825

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 own used properties as well as other non-monetary assets are translated at historical exchange rates. Items of the income statement are translated at the average exchange rates of the relevant reporting period. Gains or losses resulting from the currency translation are recognised in the income statement.

The functional currency of the 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.

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

		Closing rate 31.12.2014	Closing rate 31.12.2013	Average exchange rate 2014	Average exchange rate 2013
Bulgaria	BGN	1.9558	1.9558	1.9558	1.9558
Croatia	HRK	7.6615	7.6376	7.6325	7.5771
Poland	PLN	4.2623	4.1472	4.1893	4.2110
Romania	RON	4.4821	4.4847	4.4378	4.4157
Russia	RUB	69.1315	45.2000	51.6654	42.6099
Serbia	RSD	120.9583	114.6421	117.3674	113.0774
Czech Republic	CZK	27.7250	27.4250	27.5500	26.1958
Ukraine	UAH	19.2329	11.0415	16.0213	10.6421
Hungary	HUF	314.8900	296.9100	309.6975	298.0734

d) Properties

Classification

The item "investment properties" consists of investment properties and properties under development that are held neither for own use nor for sale in the ordinary course of business, but to generate rental income and to appreciate in value.
Properties under development are reclassified to investment properties upon completion of the main construction services. Properties are recognised as held for trading if the 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.

Hotel operations as well as investment properties used for administration purposes are presented under the line "hotels and other own used properties"

Some properties are mixed-use – they are used both to generate rental income and appreciation 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 only classified as an investment property if the own used part occupies less than 5.0 % of the total useful area. Otherwise, the entire property is classified as own used.

Valuation

Investment properties are measured according to the fair value model. 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 as well as the impact from the deferral of incentives) are recognised in the income statement under "result from revaluation".

Properties held for trading are measured at the lower of acquisition or production cost and net realisable value as of the relevant reporting date.
Own used properties and 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.
Investment grants are accounted for as deduction of acquistion costs.

Office furniture, equipment and other assets are depreciated straight-line over their estimated useful life, which generally ranges from 3 to 10 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 debt is not directly attributable to an individual qualifying asset, the proportional amount of the total finance costs is allocated to the qualifying asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Determination of fair value

Around 97.7% (31.12.2013: 99.9 %) of the properties in Austria, about 97.9 % (31.12.2013: 94.6 %) of the properties in Germany, and about 87.7 % (31.12.2013: 94.0%) of the properties in Eastern Europe were subject to an external valuation as of the reporting date 31.12.2014. 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 revenues. 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 achievable market rent for an individual property as well as property specific, risk adjusted yields.

For properties under development and construction, the residual method is applied. Under this method, the market value is based on the estimated market value upon completion, less expected outstanding expenses and after applying a reasonable developer profit in the range of 2 % to 15 % of the market value upon completion (31.12.2013: 7.0 % to 15.0 %). Developer profit for properties under development, which are nearly completed, ranges 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. The rates lie within a range of 4.5% to 5.5% and 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.

The following table shows the essential input factors for the valuation of investment property and property under development:

Class of property **Valuation technique investment method**	**Book values as at 31.12.2014 € 1,000**	**Book value as at 31.12.2013 restated € 1,000**	**Inputs**	**Range 2014**	**Range 2013**
Office Austria	327,650	359,585	Actual-rent €/m² p. m.	6.4 – 22.61	5.23 – 16.28
			Market-rent €/m² p. m.	6.33 – 22.96	6.00 – 14.50
			average remaining lease term in years	7.84	6.43
			average vacancy %	4.06	6.86
			Yield Term min/max/weighted average %	4.25 / 8.00 / 5.41	4.25 / 7.00 / 5.22
			Yield Reversion min/max/weighted average %	4.55 / 8.00 / 5.52	4.50 / 7.25 / 5.48
Office Germany	471,040	447,130	Actual-rent €/m² p. m.	9.13 – 19.02	9.13 – 21.00
			Market-rent €/m² p. m.	9.19 – 19.42	8.00 – 21.00
			average remaining lease term in years	8.24	7.61
			average vacancy %	9.11	5.57
			Yield Term min/max/weighted average %	4.25 / 6.00 / 5.11	4.25 / 6.15 / 4.96
			Yield Reversion min/max/weighted average %	5.00 / 6.00 / 5.29	4.75 / 6.15 / 5.24
Office Eastern Europe	690,550	720,650	Actual-rent €/m² p. m.	7.58 – 22.58	6.25 – 43.30
			Market-rent €/m² p. m.	7.87 – 20.74	8.00 – 21.67
			average remaining lease term in years	2.64	2.77
			average vacancy %	13.67	13.55
			Yield Term min/max/weighted average %	6.45 / 9.00 / 7.77	6.75 / 9.00 / 7.85
			Yield Reversion min/max/weighted average %	6.45 / 9.50 / 7.79	6.75 / 9.50 / 7.86
Office total	**1,489,240**	**1,527,365**			
Retail Austria	112,740	111,440	Actual-rent €/m² p. m.	4.98 – 13.76	5.24 – 72.42
			Market-rent €/m² p. m.	4.37 – 14.66	4.44 – 68.39
			average remaining lease term in years	8.00	6.99
			average vacancy %	5.57	1.54
			Yield Term min/max/weighted average %	5.00 / 9.50 / 5.32	5.00 / 6.75 / 5.24
			Yield Reversion min/max/weighted average %	5.00 / 9.00 / 5.35	5.00 / 7.25 / 5.32
Retail Eastern Europe	44,900	54,930	Actual-rent €/m² p. m.	4.31 – 11.92	3.78 – 11.82
			Market-rent €/m² p. m.	6.61 – 8.96	4.44 – 68.39
			average remaining lease term in years	4.50	5.09
			average vacancy %	15.47	16.8
			Yield Term min/max/weighted average %	8.80 / 9.00 / 8.84	8.80 / 9.00 / 8.84
			Yield Reversion min/max/weighted average %	8.35 / 9.00 / 8.55	8.80 / 9.00 / 8.86
Retail total	**157,640**	**166,370**			
Hotel Austria	86,900	88,870	Actual-rent €/m² p. m.	9.06 – 10.85	10.40 – 10.66
			Market-rent €/m² p. m.	9.27 – 11.00	10.40 – 11.00

Class of property	Book values as at 31.12.2014	Book value as at 31.12.2013 restated	Inputs	Range 2014	Range 2013
Valuation technique investment method	**€ 1,000**	**€ 1,000**			
			average remaining lease term in years	8.55	14.00
			average vacancy %	1.69	0
			Yield Term min/max/weighted average %	4.75 / 5.75 / 5.45	4.75 / 6.00 / 5.04
			Yield Reversion min/max/weighted average %	5.25 / 5.75 / 5.51	5.25 / 6.50 / 5.53
Hotel Germany	72,600	71,500	Actual-rent €/m² p. m.	12.95 – 15.86	15.54 – 15.86
			Market-rent €/m² p. m.	13.16 – 15.86	15.54 – 15.86
			average remaining lease term in years	18.09	18.02
			average vacancy %	1.61	0
			Yield Term min/max/weighted average %	5.60 / 6.00 / 5.67	5.65 / 6.00 / 5.72
			Yield Reversion min/max/weighted average %	5.60 / 6.00 / 5.67	5.65 / 6.00 / 5.72
Hotel Eastern Europe	11,600	39,907	Actual-rent €/m² p. m.	4.88 – 4.88	6.70 – 6.70
			Market-rent €/m² p. m.	4.90 – 4.90	6.70 – 6.70
			average remaining lease term in years	10.00	8.40
			average vacancy %	14.25	0
			Yield Term min/max/weighted average %	8.00 / 8.00 / 8.00	8.50 / 8.50 / 8.50
			Yield Reversion min/max/weighted average %	8.50 / 8.50 / 8.50	9.00 / 9.00 / 9.00
Hotel total	**171,100**	**200,277**			
Other Austria	139,498	133,888	Actual-rent €/m² p. m.	0.06 – 11.15	0.80 – 11.27
			Market-rent €/m² p. m.	0.06 – 11.34	2.50 – 13.00
			average remaining lease term in years	7.00	6.50
			average vacancy %	0.38	10.00
			Yield Term min/max/weighted average %	3.75 / 12.00 / 6.28	3.75 / 7.75 / 5.63
			Yield Reversion min/max/weighted average %	4.50 / 8.50 / 5.59	4.75 / 8.25 / 5.71
Other Germany	149,590	162,225	Actual-rent €/m² p. m.	3.40 – 5.19	0.00 – 5.47
			Market-rent €/m² p. m.	3.24 – 6.03	3.24 – 6.21
			average remaining lease term in years	7.63	8.56
			average vacancy %	7.80	8.00
			Yield Term min/max/weighted average %	5.00 / 8.50 / 6.65	5.00 / 8.75 / 6.67
			Yield Reversion min/max/weighted average %	5.25 / 8.50 / 6.98	5.25 / 8.75 / 7.00
Other Eastern Europe	0	8,550	Actual-rent €/m² p. m.	-	9.61 – 9.61
			Market-rent €/m² p. m.	-	9.00 – 9.00
			average remaining lease term in years	-	18.66
			average vacancy %	-	0
			Yield Term min/max/weighted average %	-	8.50 / 8.50 / 8.50
			Yield Reversion min/max/weighted average %	-	8.50 / 8.50 / 8.50
Other total	**289,088**	**304,663**			

Class of property Valuation technique residual value	Book values as at 31.12.2014 € 1,000	Book value as at 31.12.2013 restated € 1,000	Inputs	Range 2014	Range 2013
Office Austria	10,500	0	Expected-rent €/m² p. m.	12.00 – 16.50	-
			Construction cost €/m²	1,400.00	-
			Related cost in % of Constr. cost	16.50	-
Office Germany	150,500	36,600	Expected-rent €/m² p. m.	17.58 – 21.25	16.50 – 21.00
			Construction cost €/m²	1,600 – 2,100	1,450 – 2,100
			Related cost in % of Constr. cost	22.00 – 31.00	15.00 – 19.00
Office total	**161,000**	**36,600**			
Other Austria	0	14,300	Expected-rent €/m² p. m.	-	10.50 – 12.50
			Construction cost €/m²	-	1,293.00
			Related cost in % of Constr. cost	-	13
Other total	**0**	**14,300**			

Land banks which are not currently under development or which are not expected to be developed in the near future, are valued depending on the property and the stage of development through comparable transactions or by the liquidation, cost or residual value method.

Class of property Comparative, liquidation or residual method	Book values as at 31.12.2014	Book value as at 31.12.2013 restated	Inputs	Range 2014	Range 2013
Landbank Germany	327,305	315,260	comparative value / m² plot area	3.48 – 13,378.55	3.48 – 12,946.98
Landbank Eeastern/South East Europe	10,817	12,520	comparative value / m² plot area	5.10 – 292.75	5.80 – 294.12
Landbank total	**338,122**	**327,780**			

The fair value for rented properties, properties under development as well as land banks corresponds to level 3 of the fair value hierarchy according to IFRS 13.

Interdependencies between the input factors
The essential input factors for the determination of the fair values for investment property are the actual rents and market rents as well as the interest rates (yields). Increasing rents (e.g. a short supply and increased demand) would cause increasing fair values. Vice versa, the fair value decreases when the rents are decreasing.

Increasing yields (e.g. the market expects increasing interest rates at increasing risks – excessive supply, regional risks, etc.) would cause decreasing fair values. Vice versa, the fair value would increase if the yield decreases (e.g. higher demand for this type of investment property).

Both input factors act reinforcing – as well in a positive or negative way – when they appear jointly. This means that a strengthened demand for rental space as well as a simultaneously strengthened demand for such investment property would cause an even greater increase of the fair value. Vice versa, a decrease in the demand for rental space as well as a decreased market demand for investment property would cause an even heavier decrease of the fair value.

For properties under development there is another essential input factor added: construction costs. The market value of properties is mainly determined by the expected rental income and the yield. In this area of conflict new development projects are planned and calculated. Given that the calculated construction costs as a major influencing factor of developments could change during the development phase due to market related factors (e.g. shortage of resources on the markets or oversupply) as well as planning-related factors (e.g. necessary additional changes, unforeseeable problems, subsequent savings, etc.), they have a significant influence on the profitability. These additional chances/ risks are appropriately considered in a developer's profit (risk/profit) based on the total construction costs.

Valuation Process
CA Immo Group generally commissions every fiscal year end for the major part of the real estate portfolio independent, external real estate experts for issuing a market value evaluation and provided them with all necessary documents. After clarification of any queries the expert creates valuation drafts. These drafts were checked for credibility and integrity and finally approved for issuance.

The selection of the independent, external real estate experts for CA Immo Group is based on the one hand on the professional qualification, which is measured via national and international standards like HypZert or RICS, and on the other hand via local market presence and penetration. If the market conditions allow, independent external real estate experts are selected that do not act as an agent in leasing or investment business.

e) Intangible assets
Goodwill resulting from business combinations pursuant to IFRS 3 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 only in a future period. Goodwill is not amortised, but is tested for impairment at each period end.

A possible impairment is directly connected to the change of the fair value of the property or change in the taxation in the referring country of the cash generating unit. Essentially parameters which were determined by the appraisers within the scope of the external property valuation are used for the impairment test.

Other intangible assets mainly comprise software and are recognised at acquisition cost less straight-line amortisation and impairment losses. Software is amortised over a useful life of 3 to 5 years.

f) Impairment losses
If an indication exists that 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 reported in the consolidated statement of profit and loss and other comprehensive income under “depreciation and impairment/reversal”.

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

Goodwill is tested for impairment at each balance sheet date, with individual properties representing the cash generating units. Due to the specific nature of the recognised goodwill, the recoverable amount for the cash generating unit cannot be determined without taking into account the expected tax charge. Hence, the book value of the cash generating unit includes, in addition to the allocated goodwill, the directly attributable deferred taxes of the single properties. The recoverable amount is determined on the basis of fair value. The fair value of a property is mainly determined on the basis of external valuation reports. The present value of the income tax payments 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 5 to 18 years for investment properties as at reporting date. Due to the assumption of the retention period decreasing each year and thus of a reduced discounting period each year, further impairment losses of the goodwill corresponding to the reduction in the present value benefit are expected in future periods.

The following sensitivity analysis shows the impact of the change of significant parameter for the impairment test, on impairment of the goodwill.

Goodwill impairment in € K				
Change in yield (in % of initial yield)	**+5%**	**+5%**	**+10%**	**+10%**
Change in market rent	**– 5%**	**– 10%**	**– 5%**	**– 10%**
Impact on the profit and loss statement	– 723.6	– 1,232.0	– 1,351.5	– 2,039.1

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

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

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 incurred, are recognised in the consolidated statement of profit and loss and other comprehensive 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, deposits in banks, as well as fixed-term deposits with an original term of up to three months. This item also includes cash in banks subject to drawing restrictions for a period of less than 3 months which is used for securing outstanding loans. Cash in banks subject to drawing restrictions up to 12 months is presented in caption “receivables and other assets”. Restricted cash with a longer lock-up period (over 12 months), is presented under financial assets.

Interest-bearing liabilities

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

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 other current liabilities, the fair value generally corresponds to the estimated sum of all future payments. At time of contribution, other non-current liabilities (received advance payments) are recognized at their fair value and are compounded with a timely and risk adequate market rate.

Derivative financial instruments

CA Immo Group uses derivative financial instruments, such as interest rate caps, floors, swaps, swaptions and forward exchange transactions, in order to hedge against interest and currency risks. These derivative financial instruments are recognised at fair value at the time the contract is concluded and remeasured at fair value in the following periods. Derivative financial instruments 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 case the derivative financial instruments fulfill the criteria of cash flow hedge accounting, the effective portion of the change in fair value is recognised in other comprehensive income, not affecting the net income. 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 other comprehensive income are reclassified into profit or loss in the period in which the underlying transaction becomes effective or the expected cash flows are no longer expected to occur. The effectiveness of the hedging relationship between the hedging instrument and the underlying transaction is assessed and documented at the inception of the hedge and subsequently reassessed on an ongoing basis.

Derivative financial instruments no longer qualifying for cash flow hedge accounting, 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. These are for example interest swaps, swaptions, interest caps and interest floors without a parallel running loan contract. 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, swaptions, caps and floors are calculated by external third parties by discounting the future cash flows from variable payments on the basis of generally accepted finance-mathematical models. The interest rates for the discount of the future cash flows are estimated on basis of an interest curve which is observable on the market. For the calculation the inter - bank middle rates are used.

h) Construction contracts

Pursuant to the percentage of completion method, contract revenues and contract expenses 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 (Non-FI)

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, short-term rent prepayments and advance payments. 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 expected to be completed within one year of the classification as held for sale. Disposal groups consist of assets that are to be sold together in a single transaction and the associated liabilities that are to be transferred in the course of this transaction.

Non-current assets and disposal groups that are classified as held for sale are generally recognised at the lower of book and fair value less costs to sell. Investment properties, which are continuously measured according to the fair value model, are exempted from this rule and loans payable that are measured at amortised cost furthermore as well as deferred tax assets according to IAS 12.

k) Payment obligations to employees

Variable remuneration

Since the business year 2010 the option to participate in an LTI (long term incentive) programme with a term of three years is offered each year to the Management Board. Participation requires personal investment limited to 50% of the annual basic salary. Such investment is valued respectively at the closing rate of the previous year balance sheet date, for the first time 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) (until 2013), TSR (total shareholder return) and since 2014 FFO growth (funds from operations), in which the emphasis and target values are adjusted annually. 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.

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 incurred.

Defined benefit plans upon termination of employment

Obligations arising from defined benefit pension plans exist for four persons in the CA Immo Germany Group. The commitments relate to 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” 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:

	31.12.2014	31.12.2013
Interest rate	1.56%	2.82%
Salary increases expected in the future	2.0%	2.0%
Accumulation period	25 years	25 years
Expected income from plan asset	1.56%	2.82%

Actual return on plan assets for 2014 is 2.8% (2013: 2.0 %).

Service cost and interest expense related to the obligation as well as the interest income related to the plan assets are recognised in the year in which they arise. Actuarial gains and losses less deferred taxes related to the obligation and the plan assets are recognized in the other comprehensive income.

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. According to IAS 19, a provision is recognised for this defined benefit obligation.

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, independent of 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, the fund flow from the obligation is not likely or the occurrence of the obligation depends on future events it represents a contingent liability. In such cases, a provision is not recognised and an explanation of the facts is disclosed in the notes.

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 3 to 5 years which show the expected use of the tax losses carried forward in the near future and on the existence of sufficient taxable temporary differences, mainly resulting from investment property.

The deferred taxes are calculated based on the following tax rates:

Country	Tax rate 2014	Tax rate 2013	Country	Tax rate 2014	Tax rate 2013
Bulgaria	10.0%	10.0%	Switzerland	31.9%	31.9%
Germany	15.8% to 31.9%	15.8% to 31.9%	Serbia	15.0%	15.0%
Croatia	20.0%	20.0%	Slovakia	22.0%	22.0%
Luxembourg	29.2%	28.6%	Slovenia	17.0%	17.0%
Netherlands	20.0% / 25.0%	20.0%	Czech Republic	19.0%	19.0%
Austria	25.0%	25.0%	Ukraine	16.0%	16.0%
Poland	19.0%	19.0%	Hungary	10.0% / 19.0%	10.0% / 19.0%
Romania	16.0%	16.0%	Cyprus	12.5%	12.5%
Russia	20.0%	20.0%			

A group and tax compensation agreement was concluded in Austria for the formation of a tax group as defined by Section 9 of the Austrian 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 economic substance of the arrangement and evaluates whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement contains a right to use the asset, even if such right is not explicitly stated in the agreement.

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 by regions, and within the regions by income producing property and property under development.

The properties are allocated to the segments according to location/region, their category and the main activities of the management/holding companies. Items that cannot be directly attributed to a property or segment management structure are disclosed in the column “Holding”. The presentation corresponds to CA Immo Group’s internal reporting system. The following segments have been identified:

- Income producing properties: Investment properties rented, own used properties (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 or 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 revenue 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 expected contractual 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 fair 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 period 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 expenses incurred or to be incurred in connection with the sale can be reliably determined, and
- it is sufficiently probable that the economic benefit from the sale will flow to CA Immo Group.

Non-current earnings received in advance are measured at par value and subsequently with a reasonable market interest rate reflecting maturity and risk. The accrued interest is recognised in the consolidated income statement in the financial result.

Income from the sale of properties under construction is assessed according to IFRIC 15 in order to establish whether IAS 11 (contruction contracts) or IAS 18 (revenue recognition) applies and thus to determine when income from the sale during the construction period shall be recognised. Requirement for the recognition of a disposal is that CA Immo Group has no more effective power to dispose in respect of the constructed property.

If a contract for the construction of a property is recognised as a construction contract which means that the sponsor can exercise significant influence on the constructions of the property 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 is determined according to the ratio of contract costs incurred for work performed as of the reporting date to the estimated total contract costs.

Given there is no customized project planning which means that the purchaser has only limited options to influence the contruction of the property, 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 method. By deducting the fair 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 fair values are recognised in profit and loss, as result from revaluation (revaluation gain/loss). When property assets are sold, 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 as part of the book value of the sold property 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, interest recognised by the effective interest-rate method (if not required to be capitalised according to IAS 23), interest for committed external funds not yet received, current interest on 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 via 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 own 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, floors and the swaption unless they are recognised in other comprehensive income 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 and the expected return on plan assets.

The result from other financial investments mainly relates to the valuation of loans.

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 can differ from the initial assumptions in the future.

Property valuation

The geopolitical crisis in the global financial system in recent years has triggered considerable fluctuations in the commercial property markets affecting prices and values. In particular, restricted liquidity in the capital markets can make it more difficult to successfully sell the properties in the short term.

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

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 following tables below illustrate the sensitivity of the fair value to a change in rental income (for the purposes of this model, defined as market rent) and in the yields (term yield and reversionary yield).

Office Austria Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	Change in market rent of 10%
– 10%	2.79%	6.96%	11.12%	15.29%	19.45%
– 5%	– 2.48%	1.39%	5.27%	9.14%	13.02%
0%	– 7.23%	– 3.61%	0.00%	3.61%	7.23%
+5%	– 11.53%	– 8.15%	– 4.77%	– 1.39%	1.99%
+10%	– 15.44%	– 12.27%	– 9.10%	– 5.93%	– 2.76%

Office Germany Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	Change in market rent of 10%
– 10%	3.00%	7.26%	11.53%	15.79%	20.06%
– 5%	– 2.47%	1.49%	5.46%	9.43%	13.39%
0%	– 7.40%	– 3.70%	0.00%	3.70%	7.40%
+5%	– 11.86%	– 8.40%	– 4.94%	– 1.48%	1.98%
+10%	– 15.91%	– 12.67%	– 9.43%	– 6.19%	– 2.95%

Office Eastern Europe Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	Change in market rent of 10%
– 10%	1.74%	6.56%	11.39%	16.22%	21.05%
– 5%	– 3.67%	0.86%	5.40%	9.93%	14.46%
0%	– 8.54%	– 4.27%	0.00%	4.27%	8.54%
+5%	– 12.94%	– 8.91%	– 4.88%	– 0.85%	3.18%
+10%	– 16.95%	– 13.14%	– 9.32%	– 5.51%	– 1.69%

Retail Austria Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	Change in market rent of 10%
– 10%	2.82%	7.10%	11.39%	15.67%	19.95%
– 5%	– 2.57%	1.41%	5.39%	9.37%	13.36%
0%	– 7.43%	– 3.72%	0.00%	3.72%	7.43%
+5%	– 11.83%	– 8.35%	– 4.88%	– 1.40%	2.07%
+10%	– 15.83%	– 12.57%	– 9.31%	– 6.05%	– 2.79%

Retail Eastern Europe Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	Change in market rent of 10%
– 10%	3.34%	7.35%	11.35%	15.35%	19.36%
– 5%	– 2.07%	1.65%	5.38%	9.10%	12.82%
0%	– 6.94%	– 3.47%	0.00%	3.47%	6.94%
+5%	– 11.36%	– 8.11%	– 4.87%	– 1.62%	1.62%
+10%	– 15.38%	– 12.34%	– 9.30%	– 6.25%	– 3.21%

Hotel Austria **Change in Yield (in % of initial yield)**	**– 10%**	**– 5%**	**0%**	**5%**	**Change in market rent of** **10%**
– 10%	3.36%	7.32%	11.27%	15.23%	19.19%
– 5%	– 2.00%	1.67%	5.34%	9.01%	12.68%
0%	– 6.83%	– 3.41%	0.00%	3.41%	6.83%
+5%	– 11.20%	– 8.01%	– 4.83%	– 1.65%	1.53%
+10%	– 15.17%	– 12.20%	– 9.22%	– 6.25%	– 3.27%

Hotel Germany **Change in Yield (in % of initial yield)**	**– 10%**	**– 5%**	**0%**	**5%**	**Change in market rent of** **10%**
– 10%	6.45%	8.80%	11.15%	13.51%	15.86%
– 5%	1.03%	3.16%	5.28%	7.41%	9.53%
0%	– 3.85%	– 1.92%	0.00%	1.92%	3.85%
+5%	– 8.27%	– 6.53%	– 4.78%	– 3.03%	– 1.29%
+10%	– 12.31%	– 10.72%	– 9.13%	– 7.54%	– 5.95%

Hotel Eastern Europe **Change in Yield (in % of initial yield)**	**– 10%**	**– 5%**	**0%**	**5%**	**Change in market rent of** **10%**
– 10%	4.77%	7.91%	11.05%	14.19%	17.32%
– 5%	– 0.53%	2.35%	5.23%	8.11%	11.00%
0%	– 5.31%	– 2.66%	0.00%	2.66%	5.31%
+5%	– 9.64%	– 7.19%	– 4.73%	– 2.28%	0.18%
+10%	– 13.59%	– 11.31%	– 9.04%	– 6.76%	– 4.49%

Other Austria **Change in Yield (in % of initial yield)**	**– 10%**	**– 5%**	**0%**	**5%**	**Change in market rent of** **10%**
– 10%	2.52%	7.05%	11.59%	16.12%	20.66%
– 5%	– 2.97%	1.26%	5.49%	9.72%	13.95%
0%	– 7.91%	– 3.95%	0.00%	3.95%	7.91%
+5%	– 12.38%	– 8.67%	– 4.97%	– 1.26%	2.45%
+10%	– 16.45%	– 12.97%	– 9.48%	– 6.00%	– 2.51%

Other Germany **Change in Yield (in % of initial yield)**	**– 10%**	**– 5%**	**0%**	**5%**	**Change in market rent of** **10%**
– 10%	3.19%	7.53%	11.88%	16.22%	20.57%
– 5%	– 2.43%	1.59%	5.62%	9.65%	13.68%
0%	– 7.49%	– 3.74%	0.00%	3.74%	7.49%
+5%	– 12.06%	– 8.57%	– 5.08%	– 1.59%	1.90%
+10%	– 16.21%	– 12.95%	– 9.69%	– 6.43%	– 3.16%

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 as well as procurement of planning permission.

					Still outstanding capital expenditures
in € m	**– 10%**	**– 5%**	**Initial value**	**+5%**	**+10%**
Still outstanding capital expenditures	79.97	84.41	88.86	93.30	97.74
Fair value	169.89	165.44	161.00	156.56	152.11
Changes to initial value	5.5%	2.8%	0.0%	– 2.8%	– 5.5%

The calculated amounts indicate only a balance sheet date scenario, where the expected outstanding investment costs correspond to approximately 55% of the fair value. As the stage of completion of the buildings and procurement of building approval advances – under similar conditions – the value percentage will successively change in the fair value's favour.

Taxes

All companies which own properties, 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 consolidated financial statements.

Income from the disposal of investments in companies in Germany 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 taxes according to IAS 12 is recognised for the investment properties.

Material assumptions also need to be assessed if temporary differences and losses carried forward can be offset against taxable profits in the future and if the deferred tax assets can be capitalised. Uncertainties exist concerning the amount and effective date of future taxable income and the interpretation of complex tax regulations.

Measurement of interest rate derivatives

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

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

The application of cash flow hedge accounting (hedging of future cash flows) for interest rate swaps requires an assessement of probability of occurrence of the future hedged cash flows from variable interest of financial liabilites. The probability depends on the existence and – in case the maturity date of the financial liability being earlier than the maturity date of the interest rate swap – on the immediate refinancing of the financial liability. As soon as it is no longer highly probable that the hedged cash flows will occur, hedge accounting is no longer used.

u) Fair value measurement

IFRS 13 defines the fair value as the price, which would be received following the sale of an asset or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. The price could be directly observable or estimated using valuation techniques. Corresponding to the used inputs for the determination of the fair values, the measurement hierarchy distinguishes between the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs that are observable for the measurement of assets or liabilities, either directly or indirectly
- Level 3: inputs are unobservable for the measurement of assets or liabilities

Hierarchy of the fair values

31.12.2014			Measurement hierarchy acc. to IFRS 13	
€ 1,000	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties	0	0	2,092,917	2,092,917
investment properties under development	0	0	496,252	496,252
Investment property	**0**	**0**	**2,589,169**	**2,589,169**
Financial assets HFT	0	64	0	64
Financial assets available for sale	24,547	0	0	24,547
Financial instruments by category (assets)	**24,547**	**64**	**0**	**24,611**
Assets in disposal groups held for sale	0	0	91,481	91,481
Assets in disposal groups held for sale	**0**	**0**	**91,481**	**91,481**
Financial liabilities HFT	0	– 43,922	0	– 43,922
Financial liabilities CFH	0	– 33,689	0	– 33,689
Financial instruments by category (liabilities)	**0**	**– 77,611**	**0**	**– 77,611**
Total	**24,547**	**– 77,547**	**2,680,650**	**2,627,650**

31.12.2013 restated € 1,000	Measurement hierarchy acc. to IFRS 13			
	Level 1	Level 2	Level 3	Total
Investment properties	0	0	2,139,564	2,139,564
investment properties under development	0	0	400,095	400,095
Investment property	**0**	**0**	**2,539,659**	**2,539,659**
Financial assets HFT	0	2,109	0	2,109
Financial instruments by category (assets)	**0**	**2,109**	**0**	**2,109**
Assets in disposal groups held for sale	0	0	114,467	114,467
Assets in disposal groups held for sale	**0**	**0**	**114,467**	**114,467**
Financial liabilities HFT	0	– 56,959	0	– 56,959
Financial liabilities CFH	0	– 48,201	0	– 48,201
Financial instruments by category (liabilities)	**0**	**– 105,161**	**0**	**– 105,161**
Total	**0**	**– 103,052**	**2,654,126**	**2,551,075**

Reclassifications between levels did not occur.

Hierarchy classification

The following tables show the development of separate classes that are assigned according to IFRS 13 to level 3 of the fair value hierarchy:

2014 € 1,000	Office Austria	Office Germany	Office Eastern Europe	Retail Austria	Retail Eastern Europe
As at 01.01.	359,585	447,130	720,650	111,440	54,930
Additions	5,507	22,241	6,421	139	135
Disposals	– 23,944	– 3,790	– 17,367	0	0
Purchase of real estate companies	0	0	0	0	0
Valuation (through profit or loss)	1,814	3,519	– 14,384	1,249	– 6,479
Reclassification IFRS 5	– 15,800	0	0	0	– 3,548
Other changes	488	1,939	– 4,770	– 88	– 138
As at 31.12.	**327,650**	**471,040**	**690,550**	**112,740**	**44,900**

2014 **€ 1,000**	**Hotel Austria**	**Hotel Germany**	**Hotel Eastern Europe**	**Others Austria**	**Others Germany**	**Others Eastern Europe**
As at 01.01.	88,870	71,500	39,907	133,888	162,225	8,550
Additions	0	0	24	51	– 7	0
Disposals	0	0	0	– 10,264	– 10,345	– 8,500
Purchase of real estate companies	0	0	0	0	0	0
Valuation (through profit or loss)	– 1,765	1,124	– 3,224	1,405	– 3,131	– 50
Reclassification IFRS 5	0	0	– 24,198	– 4,680	0	0
Other changes	– 205	– 24	– 909	19,099	848	0
As at 31.12.	**86,900**	**72,600**	**11,600**	**139,498**	**149,590**	**0**

2014 **€ 1,000**	**Development Austria**	**Development Germany**	**Land banks Germany**	**Land banks Eastern Europe**
As at 01.01.	14,300	36,600	315,260	12,520
Additions	626	47,919	10,563	17
Disposals	0	0	– 6,593	0
Purchase of real estate companies	0	63,242	0	0
Valuation (through profit or loss)	5,074	10,320	11,312	– 1,720
Reclassification IFRS 5	0	– 3,305	0	0
Other changes	– 9,500	– 4,276	– 3,237	0
As at 31.12.	**10,500**	**150,500**	**327,305**	**10,817**

v) New and revised standards and interpretations

First-time application of new and revised standards and interpretations

The following standards and interpretations, already adopted by the EU, were applicable for the first time in the business year 2014:

standard / interpretation	**Content**	**entry into force**[1)]
IFRS 10	Consolidated financial statement	1.1.2014
IFRS 11	Joint Arrangements	1.1.2014
IFRS 12	Information regarding shares in affiliated companies	1.1.2014
Amendments to IFRS 10, IFRS 11 und IFRS 12	Provisional regulations	1.1.2014
Amendments to IFRS 10, IFRS 12 und IAS 27	Investment Entities	1.1.2014
Amendment to IAS 27	Separate financial statements	1.1.2014
Amendment to IAS 28	Investments in associated companies and joint ventures	1.1.2014
Amendment to IAS 32	Balance of financial assets and liabilities	1.1.2014
Amendment to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	1.1.2014
Amendment to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1.1.2014

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

New and revised standards and interpretations that are not yet compulsory

standard / interpretation	Content	entry into force[1)]
IFRIC 21	Details	01.07.2014
Changes in IAS 19	Efficiency oriented plans: employee contribution	1.7.2014[2]
Annual improvement (cycle 2010– 2012)	Miscellaneous	1.7.2014[2]
Annual improvement (cycle 2011– 2013)	Miscellaneous	1.7.2014[2]
Changes to IFRS 11	Acquistitions of shares in joint ventures	1.1.2016[2]
Changes to IAS 16 and IAS 38	Clarification of acceptable amoritsation method	1.1.2016[2]
Changes to IAS 16 and IAS 41	Agronomy produced plant	1.1.2016[2]
Changes to IFRS 10 and IAS 28	Sale of assets	1.1.2016[2]
Changes to IAS 27	Seperate fiancial statements	1.1.2016[2]
Annual improvement (cycle 2012– 2014)	Miscellaneous	1.1.2016[2]
IFRS 14	Regulatory accrual	1.1.2016[2]
IFRS 15	Turnover from client contracts	1.1.2017[2]
IFRS 9	Financial instrument	1.1.2018[2]

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

The above listed revisions and interpretations are not being adopted early by CA Immo Group.

The effect of the changes in IFRS 9 and IFRS 15 on CA Immo Group has not yet been analyzed.

The first time usage of all other new regulations is not likely to have any material impact on the financial statements.

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

1. Segment reporting

The operating segments generate gross revenues and other income from rental activities, hotel operations, the sale of properties held for trading as well as from development services. Gross revenues and other income are allocated to the country and segment the properties or services are located/ provided in.

Business relationship within an operating segment are consolidated within the segment. Business relationship 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 fees 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.
– Eastern Europe core region segment consists of Hungary, Poland, Romania, Czech Republic as well as Slovakia.
– Eastern Europe other region segment consists of Bulgaria, Croatia, Slovenia, Ukraine and Serbia.

€ 1,000 2014	Income producing	Development	Austria Total	Income producing	Development	Germany Total	Income producing
Rental income	41,761	72	41,833	55,387	11,698	67,085	116,157
Rental income with other operating segments	515	0	515	230	0	230	0
Operating costs charged to tenants	9,224	0	9,224	12,271	1,090	13,361	40,573
Operating expenses	– 9,895	0	– 9,895	– 15,609	– 1,601	– 17,210	– 45,832
Other expenses directly related to properties rented	– 3,688	0	– 3,688	– 3,713	– 1,507	– 5,220	– 9,172
Net rental income	**37,917**	**72**	**37,989**	**48,566**	**9,680**	**58,246**	**101,726**
Result from hotel operations	0	0	0	0	0	0	1,798
Other expenses directly related to properties under development	0	– 11	– 11	0	– 5,115	– 5,115	0
Trading result	0	0	0	0	8,844	8,844	0
Result from the sale of investment properties	1,144	– 8	1,136	4,015	33,688	37,703	– 118
Income from services	98	0	98	0	11,493	11,493	826
Indirect expenses	– 1,135	– 187	– 1,322	– 5,884	– 21,745	– 27,629	– 16,651
Other operating income	52	0	52	1,556	590	2,146	4,262
EBITDA	**38,076**	**– 134**	**37,942**	**48,253**	**37,435**	**85,688**	**91,843**
Depreciation and impairment/reversal	– 3,049	0	– 3,049	– 171	– 554	– 725	– 6,227
Result from revaluation	6,940	0	6,940	35,614	22,635	58,249	– 71,543
Result from joint ventures	0	0	0	0	0	0	0
Operating result (EBIT)	**41,967**	**– 134**	**41,833**	**83,696**	**59,516**	**143,212**	**14,073**
31.12.2014							
Property assets[1]	684,678	0	684,678	1,054,585	778,026	1,832,611	1,574,364
Other assets	80,234	6	80,240	198,028	292,798	490,826	236,698
Deferred tax assets	0	0	0	965	2,534	3,499	3,156
Segment assets	**764,912**	**6**	**764,918**	**1,253,578**	**1,073,358**	**2,326,936**	**1,814,218**
Interest-bearing liabilities	328,951	0	328,951	628,549	411,816	1,040,365	1,092,001
Other liabilities	34,179	5	34,184	90,021	67,434	157,455	183,896
Deferred tax liabilities incl. current income tax liabilities	59,580	0	59,580	77,387	48,529	125,916	65,228
Liabilities	**422,710**	**5**	**422,715**	**795,957**	**527,779**	**1,323,736**	**1,341,125**
Shareholders' equity	**342,202**	**1**	**342,203**	**457,621**	**545,579**	**1,003,200**	**473,093**
Capital expenditures[2]	6,323	0	6,323	9,504	147,746	157,250	14,360

[1] Property assets include rental investment properties, investment properties under development, hotels and other own used properties, properties held for trading and properties available for sale.

[2] Capital expenditures include all acquisitions of properties (long-term and short-term) including additions from initial consolidation, office furniture and other equipment and intangible assets; thereof € 2,078 K (31.12.2013: € 8,608 K) in properties held for trading.

	Eastern Europe core regions			Eastern Europe other regions	Total segments		Transition	Total
Development	Total	Income producing	Development	Total		Holding	Consolidation	
4,910	121,067	16,851	0	16,851	246,836	0	– 101,641	145,195
0	0	0	0	0	745	0	– 745	0
1,091	41,664	5,120	0	5,120	69,369	0	– 35,898	33,471
– 1,319	– 47,151	– 6,002	0	– 6,002	– 80,258	0	40,997	– 39,261
– 625	– 9,797	– 1,311	0	– 1,311	– 20,016	0	9,456	– 10,560
4,057	**105,783**	**14,658**	**0**	**14,658**	**216,676**	**0**	**– 87,831**	**128,845**
0	1,798	0	0	0	1,798	0	– 42	1,756
– 103	– 103	0	– 32	– 32	– 5,261	0	2,086	– 3,175
0	0	0	0	0	8,844	0	– 119	8,725
669	551	– 107	0	– 107	39,283	0	– 9,456	29,827
0	826	0	0	0	12,417	3,663	– 90	15,990
– 1,460	– 18,111	– 1,475	– 299	– 1,774	– 48,836	– 14,689	19,139	– 44,386
615	4,877	4	5,332	5,336	12,411	322	– 1,264	11,469
3,778	**95,621**	**13,080**	**5,001**	**18,081**	**237,332**	**– 10,704**	**– 77,577**	**149,051**
– 14	– 6,241	– 2	– 11	– 13	– 10,028	– 556	503	– 10,081
9,677	– 61,866	– 10,580	– 3,130	– 13,710	– 10,387	0	6,177	– 4,210
0	0	0	0	0	0	0	8,157	8,157
13,441	**27,514**	**2,498**	**1,860**	**4,358**	**216,917**	**– 11,260**	**– 62,740**	**142,917**

101,154	1,675,518	223,739	5,802	229,541	4,422,348	0	– 1,715,720	2,706,628
11,108	247,806	5,556	3,319	8,875	827,747	691,122	– 558,857	960,012
0	3,156	0	0	0	6,655	51,498	– 53,852	4,301
112,262	**1,926,480**	**229,295**	**9,121**	**238,416**	**5,256,750**	**742,620**	**– 2,328,429**	**3,670,941**
96,570	1,188,571	164,789	28,461	193,250	2,751,137	311,812	– 1,833,799	1,229,150
6,867	190,763	8,098	36	8,134	390,536	48,486	– 106,301	332,721
2,683	67,911	9,690	2	9,692	263,099	1,375	– 107,111	157,363
106,120	**1,447,245**	**182,577**	**28,499**	**211,076**	**3,404,772**	**361,673**	**– 2,047,211**	**1,719,234**
6,142	**479,235**	**46,718**	**– 19,378**	**27,340**	**1,851,978**	**380,947**	**– 281,218**	**1,951,707**
14,490	28,850	2,924	32	2,956	195,379	528	– 11,904	184,003

€ 1,000 2013 restated	Income producing	Development	Austria Total	Income producing	Development	Germany Total	Income producing
Rental income	39,231	1,123	40,354	73,790	38,289	112,079	122,481
Rental income with other operating segments	507	0	507	330	0	330	0
Operating costs charged to tenants	9,077	87	9,164	8,091	6,676	14,767	43,698
Operating expenses	– 9,911	– 121	– 10,032	– 9,696	– 7,851	– 17,547	– 49,669
Other expenses directly related to properties rented	– 3,407	– 24	– 3,431	– 6,139	– 4,002	– 10,141	– 7,326
Net rental income	**35,497**	**1,065**	**36,562**	**66,376**	**33,112**	**99,488**	**109,184**
Result from hotel operations	0	0	0	0	0	0	1,518
Other expenses directly related to properties under development	0	– 96	– 96	0	– 6,379	– 6,379	– 4
Trading result	0	0	0	0	16,278	16,278	0
Result from the sale of investment properties	2,901	– 3,447	– 546	34,930	43,183	78,113	0
Income from services	0	0	0	0	9,466	9,466	1,328
Indirect expenses	– 957	– 153	– 1,110	– 4,435	– 22,546	– 26,981	– 17,023
Other operating income	465	12	477	2,954	1,405	4,359	4,205
EBITDA	**37,906**	**– 2,619**	**35,287**	**99,825**	**74,519**	**174,344**	**99,208**
Depreciation and impairment/reversal	– 922	0	– 922	– 128	– 1,894	– 2,022	– 3,579
Result from revaluation	– 458	223	– 235	– 4,637	10,441	5,804	– 30,041
Result from joint ventures	0	0	0	0	0	0	0
Operating result (EBIT)	**36,526**	**– 2,396**	**34,130**	**95,060**	**83,066**	**178,126**	**65,588**

31.12.2013 **restated**							
Property assets[1)]	650,019	54,700	704,719	525,880	1,108,730	1,634,610	1,732,161
Other assets	154,318	11,661	165,979	149,878	607,337	757,215	197,146
Deferred tax assets	0	0	0	813	3,381	4,194	954
Segment assets	**804,337**	**66,361**	**870,698**	**676,571**	**1,719,448**	**2,396,019**	**1,930,261**
Interest-bearing liabilities	320,608	20,820	341,428	323,903	618,977	942,880	1,325,867
Other liabilities	38,147	3,116	41,263	77,122	44,059	121,181	110,926
Deferred tax liabilities incl. current income tax liabilities	52,595	173	52,768	59,966	76,601	136,567	106,355
Liabilities	**411,350**	**24,109**	**435,459**	**460,991**	**739,637**	**1,200,628**	**1,543,148**
Shareholders' equity	**392,987**	**42,252**	**435,239**	**215,580**	**979,811**	**1,195,391**	**387,113**
Capital expenditures[2)]	3,010	9,640	12,650	5,216	113,123	118,339	260,519

	Eastern Europe core regions			Eastern Europe other regions	Total segments		Transition	Total
Development	Total	Income producing	Development	Total		Holding	Consolidation	
3,040	125,521	16,377	0	16,377	294,331	0	– 99,456	194,875
0	0	0	0	0	837	0	– 837	0
688	44,386	4,658	0	4,658	72,975	0	– 34,451	38,524
– 1,085	– 50,754	– 5,730	0	– 5,730	– 84,063	0	39,567	– 44,496
– 793	– 8,119	– 1,373	0	– 1,373	– 23,064	0	6,571	– 16,493
1,850	**111,034**	**13,932**	**0**	**13,932**	**261,016**	**0**	**– 88,606**	**172,410**
0	1,518	0	0	0	1,518	0	0	1,518
– 118	– 122	0	– 110	– 110	– 6,707	0	3,925	– 2,782
0	0	0	0	0	16,278	0	– 6,337	9,941
0	0	0	0	0	77,567	0	– 18,956	58,611
0	1,328	0	0	0	10,794	3,531	– 326	13,999
– 2,681	– 19,704	– 1,810	– 800	– 2,610	– 50,405	– 10,305	19,972	– 40,738
483	4,688	150	771	921	10,445	175	– 7,589	3,031
– 466	**98,742**	**12,272**	**– 139**	**12,133**	**320,506**	**– 6,599**	**– 97,917**	**215,990**
0	– 3,579	– 31	– 1	– 32	– 6,555	– 372	1,439	– 5,488
– 9,053	– 39,094	– 8,598	791	– 7,807	– 41,332	0	48,175	6,843
0	0	0	0	0	0	0	26,287	26,287
– 9,519	**56,069**	**3,643**	**651**	**4,294**	**272,619**	**– 6,971**	**– 22,016**	**243,632**
120,263	1,852,424	242,500	8,900	251,400	4,443,153	0	– 1,735,648	2,707,505
204,033	401,179	13,355	3,479	16,834	1,341,207	442,814	– 455,215	1,328,806
75	1,029	0	0	0	5,223	44,199	– 45,122	4,300
324,371	**2,254,632**	**255,855**	**12,379**	**268,234**	**5,789,583**	**487,013**	**– 2,235,985**	**4,040,611**
235,716	1,561,583	187,518	25,137	212,655	3,058,546	533,041	– 1,880,645	1,710,942
8,633	119,559	8,274	72	8,346	290,349	45,728	46,542	382,619
2,073	108,428	9,886	0	9,886	307,649	48	– 154,913	152,784
246,422	**1,789,570**	**205,678**	**25,209**	**230,887**	**3,656,544**	**578,817**	**– 1,989,016**	**2,246,345**
77,949	**465,062**	**50,177**	**– 12,830**	**37,347**	**2,133,039**	**– 91,804**	**– 246,969**	**1,794,266**
4,968	265,487	2,181	11	2,192	398,668	483	– 30,500	368,651

A significant proportion of total rental income is generated by CA immo Group in the core regions of the Eastern Europe segment. In those regions a material proportion of the investment properties of CA Immo Group is also located:

	2014		2013 restated	
Segment Eastern Europe core regions before transition	**€ 1,000**	**Share in %**	**€ 1,000**	**Share in %**
Rental income				
Poland	37,784	26.0	42,165	14.5
Romania	32,960	22.7	31,421	10.8
Czech Republic / Slovakia	24,363	16.8	24,372	8.4
Hungary	25,960	17.9	27,563	9.5
Fair value of investment properties IAS 40				
Poland	537,027	19.8	648,012	14.8
Romania	397,599	14.7	414,645	9.4
Czech Republic / Slovakia	366,754	13.6	397,527	9.1
Hungary	374,138	13.8	392,240	8.9

2. Rental income

€ 1,000	2014	2013 restated
Basic rental income	143,011	182,527
Conditional rental income	1,794	1,342
Accrued rental income related to lease incentive agreements	– 168	10,553
Settlement from cancellation of rent agreements	558	453
Rental income	**145,195**	**194,875**

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

2014	Austria		Germany		Eastern Europe core regions		Eastern Europe other regions		Total	
	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %
Offices	20,609	49.3%	28,036	64.2%	43,545	87.4%	8,688	88.1%	100,878	69.5%
Hotels	6,325	15.1%	3,967	9.1%	1,094	2.2%	1,165	11.8%	12,551	8.6%
Retail	8,987	21.5%	310	0.7%	3,994	8.0%	0	0.0%	13,291	9.2%
Logistics	0	0.0%	7,599	17.4%	470	0.9%	10	0.1%	8,079	5.6%
Residential	759	1.8%	278	0.6%	0	0.0%	0	0.0%	1,037	0.7%
Other properties	5,153	12.3%	3,466	7.9%	740	1.5%	0	0.0%	9,359	6.4%
Rental income	**41,833**	**100%**	**43,657**	**100%**	**49,842**	**100%**	**9,863**	**100%**	**145,195**	**100%**

2013 restated	Austria		Germany		Eastern Europe core regions		Eastern Europe other regions		Total	
	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %
Offices	17,902	44.4%	93,570	86.8%	30,722	83.4%	8,605	87.5%	150,799	77.4%
Hotels	6,429	15.9%	1,575	1.5%	1,156	3.1%	1,233	12.5%	10,392	5.3%
Retail	8,698	21.6%	310	0.3%	4,149	11.2%	0	0.0%	13,157	6.8%
Logistics	0	0.0%	7,711	7.2%	0	0.0%	0	0.0%	7,711	4.0%
Residential	1,848	4.6%	261	0.2%	0	0.0%	0	0.0%	2,109	1.1%
Other properties	5,476	13.6%	4,372	4.1%	857	2.3%	0	0.0%	10,705	5.5%
Rental income	**40,353**	**100%**	**107,799**	**100%**	**36,885**	**100%**	**9,838**	**100%**	**194,874**	**100%**

CA Immo Group generates rental income from a multitude of tenants. No single tenant generates more than 10 % of total rental income of CA Immo Group. In prior year, this applied to the Federal State of Hessen with rental income of € 42,670 K, i.e. 21.9% of total rental income.

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

€ 1,000	2014	2013 restated
Operating costs charged to tenants	33,471	38,524
Operating expenses	– 39,261	– 44,496
Own operating costs	**– 5,790**	**– 5,972**
Maintenance costs	– 4,671	– 7,820
Agency fees	– 1,167	– 1,777
Bad debt losses and reserves for bad debts	– 1,091	– 1,011
Other directly related expenses	– 3,631	– 5,885
Other expenses directly related to properties rented	**– 10,560**	**– 16,493**
Total	**– 16,350**	**– 22,465**

4. Result from hotel operations

CA Immo Group operates two hotels in Czech Republic. Other expenses from hotel operations mainly include expenses for food and beverages, catering, hotel rooms, licence and management fees, personnel expenses, advertising costs, bad debts, operating costs, maintenance costs and other costs related to properties.

The depreciation and impairment of hotels operated by CA Immo Group are inlcuded in the line "depreciation and impairment of long-term assets" amounting to € 5,663 K (2013: € 2,993 K).

5. Other expenses directly related to investment property under development

€ 1,000	2014	2013 restated
Operating expenses related to investment properties under development	– 1,362	– 1,711
Property advertising costs	– 80	– 18
Project development and project execution	– 1,110	– 981
Operating expenses related to investment properties under development	**– 2,552**	**– 2,710**
Operating expenses related to properties held for trading	**– 622**	**– 72**
Other expenses directly related to properties under development	**– 3,175**	**– 2,782**

6. Trading result

€ 1,000	2014	2013 restated
Income from sales	**14,870**	**22,105**
Book value of sold properties incl. ancillary costs	– 6,145	– 12,201
Reversal of impairment losses previously recognised on properties sold during the business year	0	37
Book value of sold properties held for trading	**– 6,145**	**– 12,164**
Trading result	**8,725**	**9,941**
Trading result as a % of income from sales	58.7%	45.0%

7. Result from sale of investment properties

€ 1,000	Austria	Germany	Eastern Europe other regions	Eastern Europe other regions	2014	Austria	Germany	2013 restated
Sales prices for interests in property companies	0	0	2,709	4,857	7,566	0	482,070	482,070
Book value of net assets sold excl. goodwill	0	0	– 2,833	– 4,455	– 7,288	0	– 477,763	– 477,763
Goodwill of sold properties	0	0	0	– 76	– 76	0	0	0
Revaluation result for the year	0	0	– 50	– 405	– 455	0	44,260	44,260
Subsequent costs and ancillary costs	0	0	– 89	– 28	– 117	0	– 14,439	– 14,439
Results from the sale of investment property (share deals)	**0**	**0**	**– 263**	**– 107**	**– 370**	**0**	**34,128**	**34,128**
Income from the sale of investment properties	35,515	57,068	113,061	0	205,644	47,513	166,320	213,833
Book value of properties sold	– 34,149	– 24,589	– 111,315	0	– 170,053	– 43,672	– 134,825	– 178,497
Goodwill of sold properties	– 590	– 273	– 369	0	– 1,232	– 517	– 526	– 1,043
Revaluation result for the year	837	9,121	– 37	0	9,921	– 3,163	1,357	– 1,806
Subsequent costs and ancillary costs	– 477	– 12,907	– 699	0	– 14,083	– 707	– 7,297	– 8,004
Results from the sale of investment property (asset deals)	**1,136**	**28,420**	**641**	**0**	**30,197**	**– 546**	**25,029**	**24,483**
Result from the sale of investment properties	**1,136**	**28,420**	**378**	**– 107**	**29,827**	**– 546**	**59,157**	**58,611**

The book value of net assets sold (= equity) include proportional investment properties in the amount of € 19,500 K (restated in 2013: €1,112,201 K), for which selling prices totaling to € 19,263 K (restated in 2013: € 1,139,870 K) were agreed.

8. Result from development services

€ 1,000	2014	2013 restated
Revenues from contract work according to IAS 11	1,466	365
Revenues from service contracts	8,335	7,219
Income from management services	5,740	5,973
Property management revenues and other fees	449	442
Income from services	**15,990**	**13,999**

Costs incurred for contract work in accordance with IAS 11 for projects in progress at the reporting date total € 3,020 K (31.12.2013: € 1,579 K) so far, the related accumulated revenues amount to € 3,606 K (31.12.2013: € 1,822 K). In 2014, losses recognised by reference to the stage of completion of the contract amount to € 15 K (2013: € 11 K loss). Prepayments amount to € 3,068 K (31.12.2013: € 1,741 K).

9. Indirect expenses

€ 1,000	2014	2013 restated
Personnel expenses	– 28,357	– 28,958
Legal, auditing and consulting fees	– 9,047	– 6,907
Material expenses for services	– 5,043	– 4,173
Office rent	– 1,828	– 1,632
Travel expenses and transportation costs	– 1,266	– 1,261
Other expenses internal management	– 3,095	– 3,734
Other indirect expenses	– 2,747	– 3,016
Subtotal	**– 51,383**	**– 49,681**
Own work capitalised in investment property	6,374	8,526
Own work capitalised in properties held for trading	623	417
Indirect expenses	**– 44,386**	**– 40,738**

Personnel expenses include contributions to staff welfare funds in the amount of € 74 K (2013: € 101 K) and to pension and relief funds in the amount of € 551 K (2013: € 623 K).

10. Other operating income

€ 1,000	2014	2013 restated
Derecognition of lapsed liabilities	7,846	740
Income from taxes	476	5
Income from costs charged through	0	316
Other income	3,147	1,970
Other operating income	**11,469**	**3,031**

In other operating income € 5.2 m resulting from the termination of the proceedings Maslov as well as € 3.5 m resulting from guarantees and purchase price reductions are recognized.

11. Depreciation and impairment losses/reversal

€ 1,000	2014	2013 restated
Regular depreciation	– 3,924	– 3,681
Impairment loss on goodwill	– 2,831	– 957
Impairment own used properties	– 3,530	– 837
Impairment loss on properties held for trading	– 41	– 22
Reversal of impairment loss previously recognised on properties held for trading	245	9
Depreciation and impairment/reversal	**– 10,081**	**– 5,488**

12. Joint ventures result

€ 1,000	2014	2013 restated
At equity consolidation of investments in joint ventures	8,816	32,669
Result from sale of joint ventures	– 659	– 6,382
Result from joint ventures	**8,157**	**26,287**

13. Finance costs

€ 1,000	2014	2013 restated
Interest expense banks	– 58,334	– 91,131
Interest expense bonds	– 17,749	– 19,655
Interest expense convertible bond	– 2,536	– 4,723
Other interest and finance costs	– 3,148	– 3,355
Finance costs	**– 81,767**	**– 118,864**

14. Other financial result

In 2014, CA Immo Group repurchased own loans from the financing bank. The difference between the purchase price and the outstanding loan amount for consolidated subsidiaries in the amount of € 2,408 K (2013: € 0 K) is presented in the profit and loss statement in the financial result as a separate item.

15. Result from interest rate derivatives

€ 1,000	2014	2013 restated
Valuation interest rate derivative transactions (not realised)	– 3,008	71,457
Reclassification of valuation results recognised in equity in prior years	– 7,729	– 51,484
Ineffectiveness of cash-flow hedges	14	– 348
Realised results from interest rate derivative transactions	– 2,529	– 52,424
Result from interest rate derivative transactions	**– 13,252**	**– 32,799**

The result from interest rate derivative transactions is based on the development of the market-value of those interest swaps, which don’t have any Cash-Flow Hedge relation or which no longer have one, due to reclassification. The reclassifications result from early repayment of the borrowings.

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

€ 1,000	2014	2013 restated
Valuation of interest rate swaps without cash flow hedge relation	– 964	70,660
Valuation Swaption	– 2,054	797
Valuation of interest rate caps and interest rate floors	10	0
Valuation interest rate derivative transactions (not realised)	**– 3,008**	**71,457**

16. Result from financial investments

€ 1,000	2014	2013 restated
Interest income from loans to associated companies and joint ventures	44,645	9,331
Interest income on bank deposits	346	478
Income from investments	684	196
Other interest income	1,727	1,986
Result from financial investments	**47,402**	**11,991**

17. Result from other financial assets

The result from other financial assets for the year 2014 amounts to € -9,351 K (2013: € -3,778 K). It refers to impairments of loans granted to joint ventures and other loans.

18. Result from associated companies

€ 1,000	2014	2013 restated
UBM Realitätenentwicklung AG, Vienna	– 2,091	3,359
ZAO „Avielen A.G.“, St. Petersburg	– 1,055	1,233
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	0	– 3
	– 3,146	**4,589**

In the result from associated companies the loss resulting from the sale of the associated company UBM Realitätenentwicklung AG amounting to € 5,606 K is shown.

19. Financial result

€ 1,000		Category[1]	2014	2013 restated
Interest expense		FLAC	– 81,767	– 118,864
Other financial result		L&R	2,408	0
Foreign currency gains/losses	Valuation		– 5,912	– 1,058
	Realisation		5,517	– 5
Forward foreign exchange transactions	Realisation	HFT	– 246	0
Interest rate swaps	Valuation	HFT	– 8,692	19,176
		CFH	14	– 348
	Realisation	HFT	– 2,529	– 52,424
Swaption	Valuation	HFT	– 2,054	797
Interest rate caps and floors	Valuation	HFT	10	0
Interest income		L&R	46,718	11,795
Result from other financial assets		AFS/AC	684	196
		L&R	– 9,351	– 3,778
Net result of financial instruments			– 55,200	– 144,513
Result from associated companies	Valuation	AEA	– 1,055	3,764
	Realisation	AEA	– 2,091	825
Result from associated companies			– 3,146	4,589
Financial result			**– 58,346**	**– 139,924**

[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, AEA – at equity associate

20. Income tax

€ 1,000	2014	2013 restated
Current income tax (current year)	– 18,944	– 27,572
Current income tax (previous years)	11,492	4,765
Current income tax	**– 7,452**	**– 22,807**
Change in deferred taxes	– 8,621	– 4,921
Tax benefit on valuation of derivative transactions and IAS 19 in equity	2,300	– 149
Income tax	**– 13,773**	**– 27,877**
Effective tax rate (total)	16.3%	26.9%

Current income tax mainly results from the segment Germany as well as from property sales in Poland. The change in income tax (previous years) is mainly due to a tax benefit in tax returns for previous years , which in turn resulted in an increase in deferred tax liabilities to almost the same extent.

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

€ 1,000	2014	2013 restated
Net result before taxes	84,571	103,708
Expected tax expenses (tax rate Austria 25.0% / prior year 25.0%)	**– 21,143**	**– 25,927**
Tax-effective impairment and reversal of impairment losses of investments in affiliated entities	15,222	– 3,450
Non-usable tax losses carried forward	– 10,223	626
Non tax-deductible expense and permanent differences	– 6,937	– 12,565
Differing tax rates abroad	– 6,468	– 471
Elimination of temporary differences	4,527	0
Capitalisation of in prior years non-capitalised tax losses	2,837	6,837
Tax-exempt income	2,669	2,846
Adjustment of preceeding periods	2,487	6,272
Utilization of in prior years non-capitalised tax losses	1,634	2,202
Trade tax effects	1,633	– 13,971
Amortisation/Reversal of amortisation of deferred tax assets	– 421	3,525
At equity consolidation of investments in joint ventures	359	5,060
Exchange rate differences not affecting tax	– 332	– 101
Change in tax rate	0	976
Others	383	264
Effective tax expense	**– 13,773**	**– 27,877**

21. Other comprehensive income

2014

€ 1,000	Valuation result/ Reclassification (Hedging)	Currency translation reserve	Reserves for available for sale valuation	Reserve according to IAS 19	Total
Other comprehensive income before taxes	8,132	2,236	398	– 1,941	8,825
Income tax related to other comprehensive income	– 728	0	0	620	– 108
Other comprehensive income for the period	**7,404**	**2,236**	**398**	**– 1,321**	**8,717**
thereof: attributable to the owners of the parent	7,404	2,236	398	– 1,321	8,717

2013 restated € 1,000	Valuation result/ Reclassification (Hedging)	Currency translation reserve	Reserve according to IAS 19	Total
Other comprehensive income before taxes	89,830	167	– 430	89,567
Income tax related to other comprehensive income	– 17,069	0	147	– 16,922
Other comprehensive income for the period	**72,761**	**167**	**– 283**	**72,645**
thereof: attributable to the owners of the parent	72,522	167	– 283	72,406
thereof: attributable to non-controlling interests	239	0	0	239

The reclassification of € 7,729 K (2013: € 51,484 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 in advance during business year.

Reserves according to IAS 19 include actuarial gains and losses from post-employment defined benefit plans as well as actuarial gains and losses from the plan assets.

22. 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					
1.1.2013 restated	**3,139,372**	**535,333**	**36,253**	**2,166**	**3,713,124**
Purchase of real estate companies	260,225	0	0	0	260,225
Current investment/construction	34,100	62,256	20	4,226	100,602
Disposals	– 1,418,873	– 34,440	0	– 135	– 1,453,449
Depreciation and amortisation	0	0	– 3,460	– 605	– 4,065
Reclassification to assets held for sale	– 109,859	0	0	0	– 109,859
Other reclassifications	170,548	– 166,532	0	– 3,967	49
Revaluation	50,773	3,787	0	0	54,560
Currency conversion	0	– 160	0	16	– 144
Change in lease incentives	13,279	– 150	0	0	13,129
As at 31.12.2013 = 1.1.2014 restated	**2,139,564**	**400,095**	**32,813**	**1,700**	**2,574,172**
Purchase of real estate companies	0	63,240	0	1	63,242
Current investment/construction	17,098	76,539	0	344	93,981
Disposals	– 61,220	– 19,583	0	– 3	– 80,805
Depreciation and amortisation	0	0	– 6,161	– 526	– 6,687
Reclassification to assets held for sale	– 29,705	– 3,279	– 18,547	0	– 51,531
Other reclassifications	39,241	– 38,732	– 572	– 147	– 210
Revaluation	– 12,909	17,972	0	0	5,063
Foreign currency gains/losses	0	0	0	29	29
Change in lease incentives	846	0	0	0	846
As at 31.12.2014	**2,092,917**	**496,252**	**7,533**	**1,399**	**2,598,100**

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
1.1.2013 restated					
Acquisition costs					
Fair value of properties	3,134,140	535,183	40,378	5,561	3,715,263
Accumulated depreciation	0	0	– 4,125	– 3,395	– 7,520
Net book value	**3,134,140**	**535,183**	**36,253**	**2,166**	**3,707,742**
Incentives agreements	5,232	150	0	0	5,382
Fair value/book value	**3,139,372**	**535,333**	**36,253**	**2,166**	**3,713,124**
As at 31.12.2013 = 1.1.2014 restated					
Acquisition costs					
Fair value of properties	2,137,990	400,095	40,398	4,726	2,583,209
Accumulated depreciation	0	0	– 7,585	– 3,026	– 10,611
Net book value	**2,137,990**	**400,095**	**32,813**	**1,700**	**2,572,599**
Lease incentive agreements	1,574	0	0	0	1,574
Fair value/book value	**2,139,564**	**400,095**	**32,813**	**1,700**	**2,574,171**
As at 31.12.2014					
Acquisition costs					
Fair value of properties	2,090,524	496,252	11,880	4,686	2,603,342
Accumulated depreciation	0	0	– 4,347	– 3,287	– 7,635
Net book value	**2,090,524**	**496,252**	**7,533**	**1,399**	**2,595,707**
Lease incentive agreements	2,393	0	0	0	2,393
Fair value/book value	**2,092,917**	**496,252**	**7,533**	**1,399**	**2,598,100**

The current capital expenditures (construction costs) for investment properties under development mainly relate to Lehrter Stadtquartier 7 (€ 25,494 K), Kontorhaus Arnulfpark (€ 14,220 K) Europaplatz Berlin (€ 10,090 K), as well as other projects in Germany. The capital expenditures in rental investment properties relate mainly to the completion of the property Lände 3 (€ 6,056 K) as well as capital expenditures in Poland.

The disposals for the current year relate to the sale of Europolis Lipowy Office Park in Poland, the sale of “English School” in Prague, the sale of “Mladost Office Center 2” in Sofia, as well as several sales in Germany and Vienna. Previous year disposals relate to the sale of Tower 185, the project “MBVD” and the “Hessen Portfolio” in Germany as well as several sales in Vienna.

The fair value of the properties assigned as collateral for external financings totals € 1,966,678 K (31.12.2013: € 1,931,302 K).

In the 2014 financial year, a total of € 481 K (2013 restated: € 823 K) borrowing costs, related to the construction of properties, was capitalised at a weighted average interest rate of 1.72 % (2013: 2.2 %).

In 2014 government grants amounted to € 2,579 K (2013: € 370 K).

23. Intangible assets

€ 1,000	Goodwill	Software	Total
Book values			
1.1.2013 restated	**20,850**	**857**	**21,706**
Currency translation adjustments	0	– 11	– 11
Addition from company acquisitions	0	0	0
Current additions	0	849	849
Disposals	– 1,043	– 30	– 1,074
Depreciation and amortisation	0	– 457	– 457
Impairment	– 957	0	– 957
Reclassification	0	– 4	– 4
As at 31.12.2013 = 1.1.2014 restated	**18,850**	**1,205**	**20,054**
Currency translation adjustments	0	– 3	– 3
Current additions	0	750	750
Disposals	– 1,308	– 11	– 1,319
Depreciation and amortisation	0	– 771	– 771
Impairment	– 2,831	0	– 2,832
Reclassification	0	– 36	– 36
As at 31.12.2014	**14,711**	**1,135**	**15,845**

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

€ 1,000	Goodwill	Software	Total
1.1.2013 restated			
Acquisition costs	42,331	2,118	44,449
Accumulated impairment/amortisation	– 21,481	– 1,261	– 22,742
Book values	**20,850**	**857**	**21,706**
As at 31.12.2013 = 1.1.2014 restated			
Acquisition costs	37,173	2,823	39,995
Accumulated impairment/amortisation	– 18,323	– 1,618	– 19,941
Book values	**18,850**	**1,205**	**20,054**
As at 31.12.2014			
Acquisition costs	34,736	3,456	38,192
Accumulated impairment/amortisation	– 20,025	– 2,321	– 22,345
Book values	**14,711**	**1,135**	**15,845**

24. Investments in Joint Ventures

CA Immo Group has the following material joint ventures:

Name	Project Partner	Share of CA Immo Group (Prior Year)	Registered office	Region/Country Investment	Type of investment	Aggregation	Number entities (Prior Year)
E-Fonds	European Bank for Reconstruction and Development	65%– 75% (65%-75%)	Vienna	Eastern Europe	Income Producing / Devleopment	Group	39 (46)
Tower 185	PPG Partnerpensionsgesellschaft, WPI Fonds	33.33% (33.33%)	Frankfurt	Germany	Income producing	Sum of entities	3 (3)

The main focus of the E-Fonds are logistics projects in Poland, Romania and Serbia as well as office buildings in Czech Republic, Romania, Hungary, Croatia, as well as Slovakia. The project Tower 185 holds the Tower 185 in Frankfurt.

None of the joint ventures are listed and all have 31.12. as key date. In all cases, except Baumkirchen joint venture, the profit share is in accordance with the held ownership share. The financial statements of the joint ventures are made in accordance with the accounting policy of CA Immo Group and are recorded in accordance with the equity method for the purpose of the consolidated financial statements.

Joint ventures are set up by CA Immo Group for strategic reasons and are structured as independent investment companies. Partially they concern common agreements, subgroups, groups of independent investment companies (sum) or separate investment companies (subsidiaries). The structure depends on the strategic background e.g. development, financing or investment volume.

The new control concept of IFRS 10 leads to the fact, that although CA Immo Group holds a stake of more than 50% in a joint venture, based on contractual regulations, the joint venture is consolidated in accordance with IFRS 11 at equity.

As at 31.12.2014 the not recognized losses from joint ventures amount to € 2,530 K (31.12.2013: € 2,460 K). There are no contractual obligations for the CA Immo Group for the acquisition or disposal of shares in joint jentures or for assets. that are not accounted for.

The following table shows material interests in joint ventures:

€ 1,000	2014		2013	
	E-Fonds	**Tower 185**	**E-Fonds**	**Tower 185**
Rental income	47,731	23,461	48,905	0
Depreciation and impairment/reversal	**– 1,027**	**– 12**	**– 463**	**0**
Finance costs	– 22,060	– 14,711	– 25,163	0
Income tax	– 1,136	– 237	– 5,544	0
Consolidated net income	**– 22,588**	**43,949**	**5,486**	**0**
Total comprehensive income	**2,353**	**0**	**185**	**0**
Comprehensive income for the period	**– 20,235**	**43,949**	**5,671**	**0**
Long-term assets	**522,205**	**538,728**	**756,493**	**499,291**
Other short-term assets	185,061	22,931	12,179	24,431
Cash and cash equivalents	17,081	26,435	26,493	16,753
Total assets	**724,346**	**588,094**	**795,166**	**540,474**
Other long-term liabilities	33,688	13,113	40,177	13,138
Interest-bearing liabilities	417,596	299,186	434,821	299,109
Long-term liabilities	**451,284**	**312,300**	**474,997**	**312,248**
Other short-term liabilities	107,324	11,115	11,196	13,390
Interest-bearing liabilities	127,306	0	253,109	0
Short-term liabilities	**234,629**	**11,115**	**264,304**	**13,390**
Shareholders' equity	**38,433**	**264,680**	**55,865**	**214,836**
Proportional equity as at 1.1.	**36,221**	**71,583**	**29,713**	**0**
Proportional profit of the period	– 14,056	14,644	3,944	0
Proportional other income	1,532	0	167	0
Capital in-/ decrease	1,822	1,964	2,397	0
Proportional equity as at 31.12.	**25,520**	**88,191**	**36,221**	**0**
Goodwill	3,469	0	4,080	0
Book value investments into joint ventures 31.12.2014	**28,989**	**88,191**	**40,982**	**71,583**

The information presented does not include any consolidation within CA Immo Group.

The following table shows immaterial interests in joint ventures:

€ 1,000	2014	2013
Proportional equity as at 1.1.	**82,387**	**244,562**
Proportional profit of the period	7,365	9,284
Proportional other income	0	0
Capital in-decrease	4,815	– 32,947
Dividends received	– 10,917	– 93,811
Proportional equity as at 31.12.	**83,651**	**127,089**
Goodwill	2,034	6,396
Intercompany profit elimination	– 612	0
Addition / Disposal / Transition consolidation / Deconsolidation / Reclassification IFRS 5	– 16,200	– 44,701
Allowance of loans and receivables	17,053	15,417
Not recognized losses	**3,030**	**2,460**
Book value investments into joint ventures 31.12.2014	**88,956**	**106,660**

25. Investments in associated companies

CA Immo Group had the following material associated company which was recognized at equity:

Company	Registered office	Type of investment	Interest in %	Market value of shares (stock exchange listed) in € 1,000
UBM Realitätenentwicklung AG	Vienna	Investment in real estate developer	0.0 (2013: 25.0)	0.0 (2013: 23,175)

The market value of UBM Realitätenentwiklung AG is based on the share price of the reporting date and therefore corresponds to Level 1 of fair value hierarchy.

As at 31.12.2014 there were no not recognised losses from associated companies (31.12.2013: € 0 K).

The associated companies refer completely to the development segment.

UBM Realitätenentwicklung AG	2014	2013
Gross revenues	87,225	75,733
Consolidated net income	**6,768**	**3,947**
Total comprehensive income	**0**	**– 78**
Comprehensive income for the period	**6,838**	**4,120**
thereof attributable to non-controlling interests	234	– 1,327
thereof attributable to the owners of the parent	**6,604**	**5,447**

€ 1,000	2014	2013
Long-term assets	**0**	**461,478**
Other short-term assets	0	149,943
Cash and cash equivalents	0	53,349
Total assets	**0**	**664,770**
Other long-term liabilities	0	189,403
Interest-bearing liabilities	0	204,378
Long-term liabilities	**0**	**393,781**
Other short-term liabilities	0	91,281
Interest-bearing liabilities	0	25,154
Short-term liabilities	**0**	**116,435**
Shareholders' equity	**0**	**154,554**
thereof: attributable to non-controlling interests	**0**	**– 351**
thereof: attributable to the owners of the parent	**0**	**154,905**
Book value 1.1.	**38,726**	**36,212**
Proportional profit of the period	3,515	3,359
Proportional other income	296	– 20
Addition / Disposal / Transition consolidation / Deconsolidation	– 41,606	0
Dividends received	– 930	– 825
Book value 31.12.	**0**	**38,726**

For the valuation of UBM Realitätenentwicklung AG the most recent version of the financial statements from 30.6.2014 had been used.

The following table shows the immaterial interests in associated companies:

€ 1,000	2014	2013
Book value 1.1.	**– 8,375**	**– 9,761**
Proportional profit of the period	– 3,081	1,386
Allowance of loans and receivables	11,474	8,393
Not recognized losses	**0**	**0**
Book value 31.12.	**18**	**18**

The information does not include any consolidation within CA Immo Group.

26. Financial assets

€ 1,000	31.12.2014	31.12.2013 restated
Other financial assets	382,694	265,000
Long-term receivables and other assets	2,716	34,652
	385,410	**299,652**

Other financial assets

€ 1,000	Acquisition costs as at 31.12.2014	Write-downs recognised in profit or loss 2014	Changes in the value accumulated 31.12.2014	Book values as at 31.12.2014
Loans to joint ventures	323,952	– 9,301	– 18,500	305,452
Loans to associated companies	29,971	– 1,055	– 9,447	20,524
Other loans	27,760	– 50	– 27,760	0
Loans and receivables	**381,683**	**– 10,405**	**– 55,706**	**325,976**
Interests available for sale	56,655	0	0	56,655
Financial assets available for sale	**56,655**	**0**	**0**	**56,655**

€ 1,000	Acquisition costs as at 31.12.2014	Changes in value recognised in profit or loss 2014	Changes in the value accumulated 31.12.2014	Book values as at 31.12.2014
Interest rate caps	245	10	– 235	10
Swaption	1,311	– 2,055	– 1,257	54
Derivative financial instruments	**1,556**	**– 2,045**	**– 1,492**	**64**
Total other financial assets	**439,894**	**– 12,450**	**– 57,198**	**382,694**

€ 1,000	Acquisition costs 31.12.2013 restated	Write-downs recognised in profit or loss 2013	Changes in value accumulated until 31.12.2013	Book value as at 31.12.2013 restated
Loans to joint ventures	198,240	– 107	– 13,663	184,577
Loans to associated companies	29,787	– 1	– 8,393	21,394
Other loans	27,901	– 2,420	– 27,709	192
Loans and receivables	**255,927**	**– 2,527**	**– 49,764**	**206,163**
Interests available for sale	56,728	0	0	56,728
Financial assets available for sale	**56,728**	**0**	**0**	**56,728**

€ 1,000	Acquisition costs 31.12.2013 restated	Changes in value recognised in profit or loss 2013	Changes in value accumulated until 31.12.2013	Book value as at 31.12.2013 restated
Swaption	1,311	798	798	2,109
Derivative financial instruments	**1,311**	**798**	**798**	**2,109**
Total other financial assets	**313,966**	**– 1,729**	**– 48,966**	**265,000**

The net income affecting amount to be recognised in future for loans to joint ventures as at 31.12.2014 amounts to € 2,933 K.

Long-term receivables and other assets

€ 1,000	Book values as at 31.12.2014	Book value as at 31.12.2013 restated
Cash and cash equivalents with drawing restrictions	2,709	14,470
Receivables from property sales	0	15,361
Other receivables and assets	7	4,821
Long-term receivables and other assets	**2,716**	**34,652**

27. Deferred taxes

€ 1,000	2014	2013 restated
Deferred taxes as at 1.1. (net)	**– 136,004**	**– 127,044**
Change from IFRS 5 transfer	– 120	0
Changes from sale of companies	707	12,944
Changes due to exchange rate fluctuations	30	– 1
Changes recognised in equity	2,318	– 16,982
Changes recognised in profit or loss	– 8,622	– 4,921
Deferred taxes as at 31.12. (net)	**– 141,690**	**– 136,004**

€ 1,000	2013 restated					31.12.2014	
Type	Net amount	Consolidated Income Statement	Other income	Addition / Disposal / IFRS 5 / exchange rate fluctuations	Net amount	Deferred tax asset	Deferred tax liabilities
Revaluation of investment property held as financial asset	– 183,551	– 25,426	0	775	– 208,202	1,476	– 209,678
Difference in depreciation of own used properties	– 4,660	306	0	0	– 4,354	0	– 4,354
Difference in acquisition costs for asstes held for sale	– 3,704	1,229	0	1	– 2,474	0	– 2,474
Difference in useful life for intangible assets	80	5	0	0	85	85	0
Difference in useful life for equipment	114	67	0	– 1	180	180	0
Investments in joint ventures	– 5,412	– 3,329	0	– 7	– 8,748	0	– 8,748
Loans	– 1,329	– 17,524	0	0	– 18,853	0	– 18,853
Assets available for sale	– 1,792	0	0	0	– 1,792	0	– 1,792
Revaluation of receivables and other assets	– 4,832	6,843	0	– 74	1,937	0	1,937
Revaluation of derivatives assets	– 50	52	0	0	2	2	0
Revaluation of cash and cash equivalents	– 322	420	0	0	98	98	0
Revaluation of derivates liabilities	7,550	3,387	1,699	0	12,636	12,636	0
Liabilities	– 5,252	5,954	0	23	725	725	0
Convertible bond	– 176	176	0	0	0	0	0
Provisions	7,187	– 1,712	620	0	6,095	6,095	0
Tax losses	60,145	20,930	0	– 100	80,975	80,975	0
Deferred tax assets/liabilities before offset	**– 136,004**	**– 8,622**	**2,319**	**617**	**– 141,690**	**102,272**	**– 243,962**
Computation of taxes					0	– 97,971	97,971
Deferred tax assets/liabilities net					**– 141,690**	**4,301**	**– 145,991**

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

€ 1,000	2014	2013 restated
In the following year	10,849	7,051
Thereafter 4 years	39,241	56,897
More than 5 years	16,252	1,667
Without limitation in time	342,264	356,102
Total unrecorded tax losses carried forward	**408,606**	**421,717**
thereupon non-capitalised deferred tax assets	91,333	96,631

The total 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 € 227,475 K (31.12.2013: € 254,243 K). Tax loss carryforwards of the Austrian companies that were not recognised amount to € 150,601 K (31.12.2013: € 189,845 K) – including the outstanding amounts relating to impairment losses on investments which have to be deferred over the next years for income tax purposes of € 66,314K (31.12.2013: € 24,971 K).

The total taxable temporary differences related to investments in foreign affiliated companies, joint ventures and associated companies for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 16,767 K (31.12.2013: € 12,058 K). Not recognized tax losses carry forwards of foreign entities amount to € 258,006 K (31.12.2013: € 231,874 K) were not recognised. Subject to specific requirements, gains from the disposal of investments in foreign entities are partially or completely exempt from income tax.

28. Assets and liabilities held for sale

As at 31.12.2014, the shares of a joint venture and several properties with a fair value of € 86,000 K (31.12.2013: € 114,467 K) were classified as held for sale. For those assets and disposal groups, the disposal has been agreed by the appropriate level of management of CA Immo Group and a contract of sale has been concluded or has been signed until the preparation of the consolidated financial statements at the lastest.

Properties held for sale € 1,000	31.12.2014	31.12.2013 restated
Austria - investment properties	20,480	0
Germany - Investment properties	0	5,005
Germany - Properties under development	6,350	2,910
Eastern Europe core regions - investment properties	31,213	106,552
Eastern Europe core regions - properties under development	1,996	0
Eastern Europe core region - hotel and other own used properties	18,547	0
Assets held for sale	**78,586**	**114,467**
Eastern Europe core regions - joint ventures	7,414	0
Financial assets held for sale	**7,414**	**0**
Assets held for sale	**86,000**	**114,467**

The result from revaluation includes an amount of € 192 K (2013: € 272 K) related to investment properties after their reclassification as properties held for sale.

Assets and liabilities included in disposal groups € 1,000	31.12.2014	31.12.2013 restated
Assets held for sale	86,000	114,467
Receivables and other assets	4,424	0
Cash and cash equivalents	936	0
deferred tax asset	120	0
Assets in disposal groups held for sale	**91,481**	**114,467**
Provisions	877	0
Interest-bearing liabilities	24,833	0
Other liabilities	833	0
Liabilities relating to disposal groups	**26,543**	**0**
Net-assets/liabilities included in disposal groups	**64,938**	**114,467**

Out of the IFRS 5 reclassified investment property, € 44,800 K (31.12.2013: € 106,522 K) are set as collateral for loans.

29. Properties held for trading

€ 1,000			31.12.2014			31.12.2013 restated
	Acquisition / production costs	Accumulated impairment	Book values	Acquisition / production costs	Accumulated impairment	Book values
At acquisition/production costs	14,665	0	14,665	19,299	0	19,299
At net realisable value	6,495	– 2,715	3,780	6,892	– 5,624	1,268
Total properties held for trading	**21,160**	**– 2,715**	**18,445**	**26,191**	**– 5,624**	**20,567**

The fair value of the properties held for trading which are recognised at acquisition/production costs amounts to € 24,398 K (31.12.2013: € 28,572 K), and correspond to level 3 of the fair value hierarchy

Properties held for trading amounting to € 15,428 K (31.12.2013: € 14,457 K) are expected to be realised within a period of more than 12 months. This applies to 17 properties (31.12.2013: 15 properties) in Germany.

In 2014 and 2013, no borrowing costs were capitalised on properties held for trading. Interest bearing liabilities in context with certain properties which were defined as held for sale sum up to an amount of € 0 K (31.12.2013 restated: € 0 K).

30. Receivables and other assets

€ 1,000	Book values as at 31.12.2014	Book value as at 31.12.2013 restated
Receivables and other financial assets	108,109	84,635
Other non financial assets	54,910	51,371
Available-for-sale securities	24,547	0
	187,566	**136,006**

Other non financial assets contain receivables in accordance with IAS 11 amounting to € 545 K (31.12.2013: € 83 K). The carrying amounts of receivable and other assets are based on nominal value and bad debt allowance, as follows:

€ 1,000	Nominal value 31.12.2014	Bad debt allowance 31.12.2014	Book value 31.12.2014	Nominal value 31.12.2013 restated	Bad debt allowance 31.12.2013 restated	Book value 31.12.2013 restated
Receivables and other financial assets excl. bad debt allowance	105,546	0	105,546	83,793	0	83,793
Receivables and other financial assets incl. bad debt allowance	8,292	– 5,729	2,563	8,342	– 7,500	842
financial subtotal	**113,838**	**– 5,729**	**108,109**	**92,135**	**– 7,500**	**84,635**
Other non financial assets	58,072	– 3,162	54,910	54,354	– 2,983	51,371
	171,910	**– 8,891**	**163,019**	**146,489**	**– 10,483**	**136,006**

Movements in allowances of receivables and other assets are presented below:

€ 1,000	2014	2013 restated
As at 1.1.	**10,483**	**18,120**
Appropriation (value adjustment expenses)	2,436	2,501
Use	– 654	– 1,438
Reversal	– 2,736	– 8,378
Disposal deconsolidation	– 1	– 23
Reclassification	– 558	0
Foreign currency gains/losses	– 79	– 299
As at 31.12.	**8,891**	**10,483**

The reclassification refers to financial assets within disposal groups. The corresponding nominal values of receivables and other financial and non-financial assets, which are included in the disposal group, amount to € 3,601 K.

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	
31.12.2014	101,626	1,958	1,232	323	407	**105,546**
31.12.2013 restated	80,765	982	1,279	502	265	**83,793**

31. Cash and cash equivalents

€ 1,000	31.12.2014	31.12.2013 restated
Cash in banks	148,763	605,632
Restricted cash	14,857	7,763
Cash on hand	18	31
	163,638	**613,426**

32. Shareholders' equity

Share capital equals the fully paid in nominal capital of CA Immobilien Anlagen Aktiengesellschaft of € 718,336,602.72 (31.12.2013: € 638,713,556.20). It is divided into 98,808,332 (31.12.2013: 87,856,056) bearer shares and 4 registered shares of no par value. The registered shares are held by O1 Group Limited, Cyprus, each granting the right to nominate one member to the Supervisory Board. O1 Group Limited, Cyprus 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 nominal value of € 135,000 K was issued. The coupon of the convertible bonds (payable semi-annually) was set at 4.125%. In November 2014, the convertible bonds were almost completely converted; the remaining nominal value of € 1,100 K was repaid. Owing to the exercising of conversion rights by owners of the convertible bonds 2009-2014, the company's share capital increased during the reporting year by a total of € 79,623,046.52, from € 638,713,556.20 to € 718,336,602.72 (as at 31.12.2014) as a result of the issue of new shares from contingent capital. The conversion costs comprise € 1,134 K incorporation tax and € 78 K transaction costs.

The tied capital reserve as reported in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft totals € 854,842 K (31.12.2013 : € 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 2014, a dividend amount of € 0.40 (2013: € 0.38) for each share entitled to dividend, in total € 35,142 K (31.12.2013 : € 33,385 K) was distributed to the shareholders. An amount of € 3,580 K (31.12.2013 : € 47,281) of the total net profit of CA Immobilien Anlagen Aktiengesellschaft as at 31.12.2014 amounting to € 235,953 K (31.12.2013: € 221,976 K) is subject to dividend payment constraints. The Management Board of CA Immo AG proposes to use part of retained earnings as at 31.12.2014 amounting to € 235,953 K to distribute a dividend of € 0.45 per share, i.e. a total of € 44,464 K to the shareholders. The remaining retained earnings amounting of € 191,489 K are intended to be carried forward.

As at 31.12.2014, 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 € 100,006,120.00 for the fulfillment of a convertible bond eventually issued in the future.

33. Provisions

€ 1,000	Staff	Construction services	Subsequent costs of sold properties	Others	Total
As at 1.1.2014 restated	**9,143**	**20,371**	**17,983**	**21,693**	**69,190**
Use	– 5,649	– 15,775	– 6,876	– 8,642	– 36,942
Reversal	– 583	– 2,087	– 836	– 4,712	– 8,218
Addition	8,553	13,139	4,261	8,079	34,032
Addition from initial consolidation	0	830	0	1,070	1,900
Disposal from deconsolidation	0	0	0	– 144	– 144
Reclassification IFRS 5	– 130	– 46	27	– 728	– 877
Accumulated interest	30	0	190	0	220
Foreign currency gains/losses	– 13	– 60	0	– 103	– 176
As at 31.12.2014	**11,351**	**16,372**	**14,749**	**16,513**	**58,985**
thereof: short-term	6,970	16,372	11,404	16,513	51,259
thereof: long-term	4,381	0	3,345	0	7,726

Provision for employees

The provision for employees primarily comprises the present value of the long-term severance obligation of € 784 K (31.12.2013: € 696 K), bonuses of € 6,441 K (31.12.2013: € 5,550 K), and unused holiday entitlements of € 973 K (31.12.2013: € 1,021 K).

The provision for bonuses comprises a long-term provision for the LTI-(long-term incentive) program amounting to € 1,262 K (31.12.2013: € 589 K) as well as a short-term provision of € 964 K (31.12.2013: € 677 K)

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

€ 1,000	2014	2013
Present value of severance obligations as at 1.1	696	655
Use	– 19	– 4
Current service costs	105	57
Interest cost	8	19
Actuarial gains/losses	– 6	– 31
Present value of severance obligations as at 31.12	**784**	**696**

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

Net plan assets from pension obligations

CA Immo Group has a reinsurance policy for defined benefit obligations in Germany, which fulfills the criteria for disclosure as plan assets. As the capital value of these defined benefit obligations exceeds the plan assets at the closing date, the net position is presented under the provisions.

€ 1,000	31.12.2014	31.12.2013
Present value of obligation	– 8,965	– 6,878
Fair value of plan asset	6,629	6,497
Net position recorded in consolidated statement of financial position	**– 2,336**	**– 381**
Financial adjustments of present value of the obligation	– 1,922	– 182
Experience adjustments of fair value of plan asset	29	– 217

The development of the defined benefit obligation and of the plan asset is shown in the following table:

€ 1,000	2014	2013
Present value of obligation as at 1.1.	– 6,878	– 6,293
Interest cost	– 194	– 186
Revaluation	– 1,893	– 399
Present value of obligation as at 31.12.	**– 8,965**	**– 6,878**
Plan asset as at 1.1.	6,497	6,370
Expected income from plan asset	183	188
Revaluation	– 51	– 61
Plan asset as at 31.12.	**6,629**	**6,497**

The following income/expense was recognized in the income statement:

€ 1,000	2014	2013
Interest cost	– 194	– 186
Expected income from plan asset	183	188
Pension income/expense	**– 11**	**2**

The following result was recognised in the other comprehensive income:

€ 1,000	2014	2013
Actuarial gains/losses from pension obligation	– 1,893	– 399
Actuarial gains/losses from plan asset	– 51	– 61
IAS 19 reserve	**– 1,944**	**– 460**

Sensitivity analysis regarding the financial mathematical assumptions is shown in the following table:

€ 1,000	– 1%	+1%
change interest rate of 1 percent point	– 2,137	1,642
change pension trend of 1 percentage point	1,210	– 1,489

34. Interest bearing liabilities

€ 1,000	Short-term	Long-term	31.12.2014 Total	Short-term	Long-term	31.12.2013 restated Total
Convertible bond	0	0	0	115,189	0	115,189
Other bonds	2,616	184,759	187,376	154,285	184,094	338,379
Bonds	**2,616**	**184,759**	**187,375**	**269,474**	**184,094**	**453,568**
Investment loans	186,063	788,288	974,350	336,350	826,110	1,162,460
Subordinated liabilities	0	0	0	0	70,431	70,431
Loans due to joint venture partners	13,851	39,000	52,851	3,000	21,484	24,484
Liabilities to joint ventures	0	14,573	14,573	0	0	0
Other interest-bearing liabilities	**199,913**	**841,861**	**1,041,774**	**339,350**	**918,025**	**1,257,375**
	202,530	**1,026,620**	**1,229,149**	**608,823**	**1,102,120**	**1,710,943**

Out of total interest bearing liabilities, the ones in EUR account for 100 % (31.12.2013 restated: 99.8% in EUR and 0.2% for CZK).

Bonds

31.12.2014	Nominal value in € 1,000	Book value excl. interests € 1,000	Deferred interest in € 1,000	Nominal interest rate	Effective interest rate	Issue	Repayment
Bonds 2006– 2016	184,759	184,759	2,616	5.13%	5.53%	22.9.2006	22.9.2016
Total	**184,759**	**184,759**	**2,616**				

31.12.2013	Nominal value in € 1,000	Book value excl. interests € 1,000	Deferred interest in € 1,000	Nominal interest rate	Effective interest rate	Issue	Repayment
Convertible bond	114,500	114,500	689	4.13%	4.13%	9.11.2009	9.11.2014
Bonds 2006– 2016	185,992	184,093	2,616	5.13%	5.53%	22.9.2006	22.9.2016
Bonds 2009– 2014	150,000	149,772	1,897	6.13%	6.33%	16.10.2009	16.10.2014
Total	**450,492**	**448,365**	**5,203**				

Other interest-bearing liabilities

As at 31.12.2014 and 31.12.2013, the terms of other interest-bearing liabilities are as follows:

Type of financing and currency	Effective interest rate as at 31.12.2014 in %	Interest variable /fixed / hedged	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value of liability in € 1,000
Investment loans (each below 100 m EUR)	1.04 – 5 %	variable	02/2015 – 12/2029	448,327	447,128	447,128
Investment loans / EUR	2.83– 7.83 %	hedged	11/2015 – 12/2030	380,176	378,775	378,775
Investment loan / EUR	1.45– 3.95%	fix	03/2015 – 12/2024	149,160	148,446	146,795
Investment loans (total)				**977,663**	**974,350**	**972,698**
Loans due to joint venture partners EUR	**3.40% – 3.5%**	**Fix**	**12/2015 – 12/2016**	**52,851**	**52,851**	**52,579**
Liabilities to joint ventures	**5.00%**	**Fix**	**12/2020 – 12/2024**	**14,156**	**14,573**	**17,076**
				1,044,670	**1,041,774**	**1,042,353**

Type of financing and currency	Effective interest rate as at 31.12.2013 restated 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	1.23%	variable	12/2015	136,000	136,000	136,000
Investment loans (each below 100 m EUR)	1.09 – 6.23 %	variable	03/2014 – 12/2029	643,617	495,032	495,032
Investment loans / EUR	2.67– 7.86 %	hedged	12/2014 – 12/2030	480,729	478,980	478,980
Investment loans / EUR	1.9– 10.14 %	fix	12/2014 – 12/2020	46,462	46,366	43,722
Investment loan / CZK	6.55%	hedged	06/2016	6,143	6,081	6,081
Investment loans (total)				**1,312,952**	**1,162,459**	**1,159,815**
Subordinated liabilities	**1.12 – 1.73 %**	**variable**	**09/2016**	**75,200**	**70,431**	**70,431**
Loans due to joint venture partners EUR	**0.13 – 10.14 %**	**variable / fixed**	**12/2014 – 12/2020**	**24,484**	**24,484**	**24,484**
				1,412,635	**1,257,374**	**1,254,729**

More than 90 % of the third party financings of CA Immo Group are subject to financial covenants. These usually are for investment properties LTV (loan to value, ie ratio between loan amount and the fair value of the object) and DSCR (debt service coverage ratio, ie the ratio between EBIT and debt service of one period) and ratios for investment properties under development LTC (loan to cost, ie ratio between debt amount and total project costs) and ISCR (interest service coverage ratio, ie the ratio between EBIT and financial expenditure) ratios for development projects.

Other interest-bearing liabilities for which the respective financial covenants are not met as at 31.12.2014, 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 31.12.2014, no loan breached the respective covenants (31.12.2013 restated: covenants were not met by two loans in Eastern Europe amounting to a total of € 28,528 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.

As at 31.12.2014, the contract duration of a loan in Czech Republic amounting to € 16,300 K ended. Because of ongoing sales negotiations, the financing bank extended the repayment period. In February 2015 the shares of this entity were sold.

Taking into account all interest hedging agreements, the average weighted interest rate is 4.1% (31.12.2013 restated: 4.3%) for all other interest bearing liabilities denominated in EUR.

35. Other liabilities

€ 1,000			31.12.2014			31.12.2013 restated
	Short-term	Long-term	Total	Short-term	Long-term	Total
Fair value derivative transactions	**1,648**	**75,963**	**77,611**	**1,301**	**103,860**	**105,161**
Trade payables	13,176	2,035	15,211	11,827	3,275	15,102
Liabilities to joint ventures	17,785	7,789	25,574	19,220	16,948	36,168
Rent deposits	3,442	4,408	7,850	2,933	7,607	10,540
Outstanding purchase invoices	4,961	0	4,961	13,877	0	13,877
Income resulting from deconsolidation not yet realised	0	0	0	5,301	0	5,301
Settlement of operating costs	2,021	0	2,021	2,235	0	2,235
Other	4,840	15,308	20,148	5,554	13,463	19,017
Financial liabilities	**46,225**	**29,540**	**75,765**	**60,947**	**41,293**	**102,240**
Operating taxes	4,051	0	4,051	5,340	0	5,340
Prepayments received	31,233	56,171	87,404	41,330	57,861	99,191
Prepaid rent	1,684	678	2,362	771	726	1,497
Non-financial liabilities	**36,968**	**56,849**	**93,817**	**47,441**	**58,587**	**106,028**
	84,841	**162,352**	**247,193**	**109,689**	**203,740**	**313,429**

36. Income tax liabilities

This item includes an amount of € 9,337 K (31.12.2013 restated: € 11,168 K) related to CA Immo Germany Group and comprises of corporate income tax and trade tax for the years 2012 to 2014, that have not been finally assessed by tax authorities.

37. Financial instruments

Financial assets by categories

Category				IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1,000	HFT	AFS	AFS/AC	L&R		31.12.2014	31.12.2014
Cash and cash equivalents with drawing restrictions	0	0	0	2,709	0	2,709	2,709
Derivative financial instruments	64	0	0	0	0	64	64
Primary financial instruments	0	0	56,654	325,983	0	382,637	
Financial assets	**64**	**0**	**56,654**	**328,692**	**0**	**385,410**	
Cash and cash equivalents with drawing restrictions	0	0	0	1,512	0	1,512	1,512
Other receivables and assets	0	0	0	106,597	54,910	161,507	
Receivables and other assets	**0**	**0**	**0**	**108,109**	**54,910**	**163,019**	
Securities	**0**	**24,547**	**0**	**0**	**0**	**24,547**	**24,547**
Cash and cash equivalents	**0**	**0**	**0**	**163,638**	**0**	**163,638**	
	64	**24,547**	**56,654**	**600,439**	**54,910**	**736,614**	

Category				IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1,000	HFT	AFS	AFS/AC	L&R		31.12.2013 restated	31.12.2013 restated
Cash and cash equivalents with drawing restrictions	0	0	0	14,470	0	14,470	14,470
Derivative financial instruments	2,109	0	0	0	0	2,109	2,109
Primary financial instruments	0	0	56,728	226,345	0	283,073	
Financial assets	**2,109**	**0**	**56,728**	**240,815**	**0**	**299,652**	
Cash and cash equivalents with drawing restrictions	0	0	0	13,736	0	13,736	13,736
Other receivables and assets	0	0	0	70,899	51,371	122,270	
Receivables and other assets	**0**	**0**	**0**	**84,635**	**51,371**	**136,006**	
Cash and cash equivalents	**0**	**0**	**0**	**0**	**613,426**	**613,426**	
	2,109	**0**	**56,728**	**325,450**	**664,797**	**1,049,084**	

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

The fair value of the receivables and other assets essentially equals the book value, restricted cash as well as the primary financial instruments in the category of loans and amounts receivable due to daily and/or short-term maturities. Since no listed price on an active market is available for the financial instruments in the available for sale category (AFS / AC) and the fair value cannot be reliably assessed, they are measured at acquisition cost. Financial instruments in the category AFS are recognised with their market value and are therefore classified as level 1 of the fair value hierarchy.

Financial assets are partially given as securities for financial liabilities.

Financial liabilities by categories

Category			IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1,000	HFT	CFH	FLAC		31.12.2014	31.12.2014
Other bonds	0	0	187,376	0	187,376	195,291
Other interest-bearing liabilities	0	0	1,041,774	0	1,041,774	1,058,466
Interest-bearing liabilities	**0**	**0**	**1,229,150**	**0**	**1,229,150**	
Derivative financial instruments	43,922	33,689	0	0	77,611	77,611
Other primary liabilities	0	0	75,766	93,816	169,582	
Other liabilities	**43,922**	**33,689**	**75,766**	**93,816**	**247,193**	
	43,922	**33,689**	**1,304,916**	**93,816**	**1,476,343**	

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

Category			IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1,000	HFT	CFH	FLAC		31.12.2013 restated	31.12.2013 restated
Convertible bond	0	0	115,189	0	115,189	139,740
Other bonds	0	0	338,379	0	338,379	347,426
Other interest-bearing liabilities	0	0	1,257,374	0	1,257,374	1,258,257
Interest-bearing liabilities	**0**	**0**	**1,710,942**	**0**	**1,710,942**	
Derivative financial instruments	56,959	48,201	0	0	105,161	105,161
Other primary liabilities	0	0	102,238	106,029	208,267	
Other liabilities	**56,959**	**48,201**	**102,238**	**106,029**	**313,427**	
	56,959	**48,201**	**1,813,180**	**106,029**	**2,024,369**	

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

Hierarchy of fair values

Financial liabilities 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 (e.g. interest rate curves or foreign exchange forward rates). This represents level 2 of the fair value hierarchy in accordance with IFRS 13.81.

The recognized fair value of other non-derivative liabilities basically equals based on the daily and short term due date, the book value.

38. Derivative financial instruments and hedging transactions

€ 1,000	Nominal value	Fair value	31.12.2014 Book value	Nominal value	Fair value	31.12.2013 restated Book value
Interest rate swaps	637,687	– 77,611	– 77,611	861,764	– 105,161	– 105,161
Swaption	100,000	54	54	100,000	2,109	2,109
Interest rate caps	21,585	10	10	36,800	0	0
Total	**759,272**	**– 77,547**	**– 77,547**	**998,564**	**– 103,052**	**– 103,052**
- thereof hedging (cash flow hedges)	251,723	– 33,689	– 33,689	434,540	– 48,201	– 48,201
- thereof stand alone (fair value derivatives)	507,549	– 43,858	– 43,858	564,024	– 54,851	– 54,851

As at the balance sheet date 74.72 % (31.12.2013: 82,12 %) of the nominal value of all investment loans have been turned into fixed interest rates (or into ranges of interest rates with a cap respectively) by means 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	31.12.2014 Book value	Nominal value	Fair value	31.12.2013 restated Book value
- Cash flow hedges (effective)	247,568	– 33,180	– 33,180	422,953	– 46,595	– 46,595
- Cash flow hedges (ineffective)	4,155	– 510	– 510	11,587	– 1,606	– 1,606
- Fair value derivatives (HFT)	385,964	– 43,922	– 43,922	427,224	– 56,960	– 56,960
Interest rate swaps	**637,687**	**– 77,611**	**– 77,611**	**861,764**	**– 105,161**	**– 105,161**

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2014	Reference interest rate	Fair value 31.12.2014 in € 1,000
EUR (nominal value each above 100 m EUR) - CFH	109,375	01/1900	12/2017	4.41%	3M-Euribor	– 13,809
EUR (nominal value each below 100 m EUR) - CFH	309,844	06/2008	12/2022	1,295%– 4,789%	3M-Euribor / 6M-Euribor	– 43,122
EUR (nominal value each below 100 m EUR) - stand alone	218,468	07/2007	12/2023	2,279%– 4,820%	6M-Euribor	– 20,679
Total = variable in fixed	**637,687**					**– 77,611**

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2013 restated	Reference interest rate	Fair value 31.12.2013 restated in € 1,000
EUR (nominal value each above 100 m EUR) - CFH	68,330	01/2008	12/2017	4.41%	3M-Euribor	– 9,358
EUR (nominal value each below 100 m EUR) - CFH	366,210	03/2006 – 12/2011	06/2014 – 12/2023	1.30% – 4.79%	3M-Euribor / 6M-Euribor	– 38,843
EUR (nominal value each below 100 m EUR) - stand alone	427,224	07/2007 – 12/2008	12/2015 – 12/2022	4.01% – 4.82%	3M-Euribor	– 56,960
Total = variable in fixed	**861,764**					**– 105,161**

Swaption

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2014	Reference interest rate	Fair value 31.12.2014 in € 1,000
Swaption EUR	100,000	06/2013	06/2016	2.50%	6M-Euribor	54
Total	**100,000**					**54**

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2013 restated	Reference interest rate	Fair value 31.12.2013 restated in € 1,000
Swaption EUR	100,000	06/2013	06/2016	2.50%	6M-Euribor	2,109
Total	**100,000**					**2,109**

Interest rate caps

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2014	Reference interest rate	Fair value 31.12.2014 in € 1,000
Interest rate caps EUR	21,585	03/2014	03/2019	2.000%	3M-Euribor	10
Total	**21,585**					**10**

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2013 restated	Reference interest rate	Fair value 31.12.2013 restated in € 1,000
Interest rate caps EUR	36,800	03/2011	03/2014	5.000%	3M-Euribor	0
Total	**36,800**					**0**

Gains and losses in other comprehensive income

€ 1,000	2014	2013 restated
As at 1.1.	**– 34,907**	**– 108,306**
Change in valuation of cash flow hedges	417	37,998
Change of ineffectiveness cash flow hedges	– 14	348
Reclassification cash flow hedges	7,729	51,484
Income tax cash flow hedges	– 728	– 17,069
Reclassification acquisition of non-controlling interests	0	638
As at 31.12.	**– 27,503**	**– 34,907**
thereof: attributable to the owners of the parent	– 27,503	– 34,907

Amounts not to be set off according to IFRS 7

As at 31.12.2014 there are no amounts to be set of according to IFRS 7.13.

€ 1,000						31.12.2013 restated
Financial assets	**Gross book value**	**Amount set off (book value financial obligation)**	**Net value set off**	**Amounts not to be set off (acc. to IAS 32)**	**Financial collaterals not to be set off**	**Net value acc. to IFRS 7.13**
restricted cash	28,206	0	28,206	0	– 10,500	17,706
Swaption	2,109	0	2,109	0	0	2,109
Total	**30,315**	**0**	**30,315**	**0**	**– 10,500**	**19,815**
Derivative financial liabilities						
Interest rate swaps	**– 105,161**	**0**	**– 105,161**	**0**	**10,500**	**– 94,661**
- thereof cash flow hedges	– 48,201	0	– 48,201	0	0	– 48,201
- thereof fair value derivatives	– 56,960	0	– 56,960	0	10,500	– 46,460
Total	**– 105,161**	**0**	**– 105,161**	**0**	**10,500**	**– 94,661**

The set off according to IFRS 7.13C (d1) relates to restricted cash given as a collateral to a bank for two interest swaps. The remaining balances at banks with restrictions constitute collaterals for interest-bearing liabilities.

39. Risks from financial instruments

Interest rate risk

Risks arising from changes in interest rates basically result from long-term loans and interest rate derivatives (Swaps, Caps) and relate to the amount of future interest payments (for variable interest instruments) and to the fair value of the financial instrument (for fixed rate instruments). A mix of long-term fixed-rate and floating-rate loans is used to reduce the interest rate risk. In case of floating-rate loans, derivative financial instruments (interest rate caps, 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 sensitivity analysis outlines the impact of variable interest rates on interest expense. It shows the effect of a change in interest rate by 50 and 100 basis points on the interest expenses. The analysis assumes that all other variables, particularly foreign exchange rate, remain constant. Due to the very low interest levels the analysis only shows the effect of increasing interest rates.

€ 1,000	Gain/Loss average interest payable for		recognised directly in equity	
	at 50 bps Increase	at 100 bps Increase	at 50 bps Increase	at 100 bps Increase
31.12.2014				
Variable rate instruments	– 4,125	– 8,250		
Fixed rate instruments	0	0		
Fixed rate instruments (Swaps)	3,188	6,377		
Derivative financial instruments (valuation)	11,565	23,663	1,679	3,359
	10,628	**21,790**	**1,679**	**3,359**
31.12.2013 restated				
Variable rate instruments	– 9,164	– 18,328		
Fixed rate instruments	0	0		
Fixed rate instruments (Swaps)	5,788	11,577		
Derivative financial instruments (valuation)	10,382	20,764	7,284	14,567
	7,006	**14,013**	**7,284**	**14,567**

Variable rate instruments contain variable rate financial liabilities, loans and receivables from financing, not taking into account derivatives. In the case of derivative financial instruments, an interest rate change gives rise to a component recognized in profit or loss (interest, valuation of fair value derivatives and ineffective portions of cash flow hedge valuation) and to the change in value of cash flow hedges recognized in equity.

Currency risk

Currency risks result from rental revenues and rental receivables denominated in BGN, CZK, HRK, HUF, PLN, RON, CHF and RSD. This foreign currency rental income is secured by linking the rental payments to EUR and USD, so that no major risk remains. 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.

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

The following table shows the effect of a 10% increase or decrease in the Euro compared to the respective foreign currency to the consolidated profit and loss and other comprehensive income for the prior year. Additional impacts to the shareholders' equity are not substantial.

31.12.2013 restated € 1,000	**CZK**	**Gain (+)/ loss (-)**
Exchange rate	**27.4250**	
+10% increase	30.1675	496
– 10% decrease	24.6825	– 746

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 amounting to € 7,850 K (31.12.2013 restated: € 10,540 K) as well as bank guarantees of € 18,724 K (31.12.2013 restated: € 12,087 K).

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.

31.12.2014 € 1,000	**Book value 2014**	**Contractually agreed cash flows**	**Cash-flow 2015**	**Cash-flow 2016– 2019**	**Cash-flow 2020 ff**
Other bonds	187,376	– 205,056	– 9,532	– 195,524	0
Other interest-bearing liabilities	1,041,774	– 1,140,100	– 221,830	– 735,805	– 182,464
Trade payables	15,211	– 15,211	– 13,178	– 2,033	0
Non-controlling interests held by limited partners	4,891	– 4,891	0	0	– 4,891
Liabilities to joint ventures	25,573	– 26,485	– 16,045	– 10,440	0
Other liabilities	30,090	– 30,090	– 15,264	– 14,633	– 193
Primary financial liabilities	**1,304,916**	**– 1,421,833**	**– 275,850**	**– 958,436**	**– 187,548**
Interest rate derivatives in connection with cash flow hedges	33,689	– 34,494	– 9,728	– 19,685	– 5,080
Interest rate derivatives not connected with hedges	43,922	– 44,259	– 14,716	– 25,033	– 4,510
Derivative financial liabilities	**77,611**	**– 78,753**	**– 24,445**	**– 44,718**	**– 9,591**
	1,382,526	**– 1,500,586**	**– 300,294**	**– 1,003,153**	**– 197,139**

31.12.2013 restated € 1,000	Book value 2013	Contractually agreed cash flows	Cash flow 2014	Cash-flow 2015– 2018	Cash-flow 2019 ff
Convertible bond	115,189	– 119,223	– 119,223	0	0
Other bonds	338,379	– 373,776	– 168,720	– 205,056	0
Other interest-bearing liabilities	1,257,374	– 1,460,783	– 297,668	– 987,991	– 175,124
Trade payables	15,102	– 15,102	– 11,828	– 2,058	– 1,217
Non-controlling interests held by limited partners	2,282	– 2,282	0	0	– 2,282
Liabilities to joint ventures	36,168	– 36,705	– 19,361	– 17,344	0
Other liabilities	48,687	– 48,687	– 29,898	– 15,547	– 3,241
Primary financial liabilities	**1,813,181**	**– 2,056,559**	**– 646,697**	**– 1,227,996**	**– 181,865**
Interest rate derivatives in connection with cash flow hedges	48,201	– 51,989	– 1,269	– 26,935	– 23,785
Interest rate derivatives not connected with hedges	56,959	– 58,757	0	– 40,633	– 18,124
Derivative financial liabilities	**105,160**	**– 110,746**	**– 1,269**	**– 67,568**	**– 41,909**
	1,918,341	**– 2,167,305**	**– 647,967**	**– 1,295,564**	**– 223,774**

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 optimize 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 collateralized 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 on 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.40%-45 %. As at 31.12.2014, the equity ratio was at 53.20%. Particularly through the recent property disposals in the CA Immo Group and the related repayment of liabilities, active steps for the improving of the equity ratio have been set.

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 favorable 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	31.12.2014	31.12.2013 restated
Interest-bearing liabilities		
Long-term interest-bearing liabilities	1,026,620	1,102,119
Short-term interest-bearing liabilities	202,530	608,823
Interest-bearing assets		
Cash and cash equivalents	– 163,638	– 613,426
Cash and cash equivalents with drawing restrictions	– 4,221	– 17,706
Net debt	**1,061,291**	**1,079,810**
Shareholders' equity	1,951,707	1,794,266
Gearing ratio (Net debt/equity)	**54.4%**	**60.2%**

Restricted cash was considered in the calculation of net debt, as they are used to secure the repayments of financial liabilities.

40. Other liabilities and contingent liabilities

Guarantees and other commitments

As at 31.12.2014 CA Immo Germany Group is subject to guarantees and other commitments amounting to € 120 K (31.12.2013 restated: € 65 K) resulting from urban development contracts and purchase agreements for decontamination costs and war damage costs amounting to € 1,461 K (31.12.2013 restated: € 572 K). Furthermore, comfort letters and securities have been issued for three joint ventures in Germany amounting to € 9,000 K (31.12.2013 restated for three joint ventures € 6,100 K). As a security for the liabilities of the three joint ventures loan guarantees, letters of comfort and declarations were issued in an extent of €14,900 K. Furthermore as security for warranty risks of a German at equity company a guarantee was issued in an amount of € 6,066 K (31.12.2013 restated: € 6,066 K)

CA Immo Group has agreed to adopt a guarantee in connection with the refunding of the project "Airport City St. Petersburg" in the extent of € 15.5 m (31.12.2013 restated: € 6,237 K). The amount consists of € 6,992 K in favour of the buyer of the project "Jupiter" as well as of the amount of € 8,469 K for a back-to-back guarantee opposite to the joint venture partner in course of financing the project.

The arbitration case from the joint venture partner from "Project Maslov" from 2011 was finalised in 2014. The arbitration court determined the claim in favour of CA Immo. The provision was desolved and recognized in the income statement in the item "other income".

In connection with sales, CA Immo Group concludes guarantees (i.e. rent guarantees) under regular market conditions for coverage of possible warranty and liability claims on the part of the buyer for which adequate provisions have been recognised in the balance sheet.

Due to the sale of Tower 185, Frankfurt, CA Immo Group granted a guarantee for compensation of rent-free periods as well as rent guarantees, in the amount of € 36,785 K, for which adequate provisions have been recognized in the balance sheet. The shares in CA Immo Frankfurt Tower 185 GmbH & Co KG as well as the shares in CA Immo Frankfurt 185 Betriebs GmbH were pledged as security for loans of two joint ventures.

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 € 1,223 K (31.12.2013 restated: € 1,433 K), in Germany of € 26,520 K (31.12.2013 restated: € 48,846 K), and in Eastern Europe of € 1,237 K (31.12.2013 restated: € 12,085 K). Moreover as at 31.12.2014 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 € 34,974 K (2013 restated: € 45,256 K).

The amount of contingent liabilities for CA Immo Group for contributions of equity, respectively loans to the E-Fonds, amount as at 31.12.2014 to € 106,935 K (31.12.2013: € 108,750 K). The contingent liability in connection with equity contribution in case of Baumkirchen joint venture amounts as at 31.12.2014 to € 6,271 K (31.12.2013: € 10,320 K). In the previous year, there was also a contingent liability in connection with Stadthafenquartier joint venture (31.12.2013: € 170 K) and Kontorhaus (31.12.2013: € 2,555 K). Besides the above mentioned contingencies, no further significant obligations exist in connection with joint ventures.

41. 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	2014	2013 restated
In the following year	114,668	129,365
Thereafter 4 years	324,807	338,735
More than 5 years	204,266	323,570
Total	**643,741**	**791,671**

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 € 2,406 K were recognised as expenses in 2014 (2013: € 2,157 K).

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

€ 1,000	2014	2013 restated
In the following year	1,916	1,532
Thereafter 4 years	5,339	4,377
More than 5 years	641	1,346
Total	**7,896**	**7,255**

42. 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, until 28.10.2014
- O1 Group Limited, Cyprus, since 28.10.2014

Transactions with joint ventures

€ 1,000	31.12.2014	31.12.2013 restated
Investments in joint ventures	206,136	219,224
Loans	305,452	184,577
Receivables	17,004	8,835
Liabilities	39,973	36,168
	2014	**2013 restated**
Income from joint ventures	46,117	37,687
Expense from joint venutres	– 37,960	– 11,400
Result from joint ventures	**8,157**	**26,287**
Other income	6,979	5,259
Other expenses	– 2,342	– 1,441
Interest income	11,788	4,831
Interest expense	– 484	– 817
Effective interest on financial investments	30,214	0
Impairment / reversal of impairment of loans	– 9,301	385

Outstanding loans to joint ventures and the majority of the receivables from joint ventures as at the reporting date serve to finance the properties. The interest rates are in line with those prevailing on the market. Partly guarantees or other forms of security exist in connection with these loans. The cumulative impairment loss on loans to joint ventures amounts to € 18,500 K (31.12.2013 restated: € 13,663 K). Receivables from joint ventures comprise short-term loans in the amount of € 9,993 K (31.12.2013 restated: € 4,118 K). Liabilities against joint ventures include long-term loans amounted to € 38,258 K (31.12.2013 restated: € 35,558 K) . All receivables and liabilities have interest rates in line with those prevailing on the market. The remaining receivables and liabilities are predominantly the result of services performed in Germany. No guarantees or other forms of security exist in connection with these receivables and liabilities.

No additional impairment losses or other adjustments to the book values were recognised in profit or loss.

Transactions with associated companies

€ 1,000	31.12.2014	31.12.2013
Investments in associated companies	18	38,744
Loans	20,524	21,394
	2014	**2013**
Income from associated companies	0	4,592
Expenses due to associated companies	– 3,146	– 3
Result from associated companies	**– 3,146**	**4,589**

Loans to associated companies outstanding as at the reporting date serve to finance a Russian project development company. 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 € 9,447 K (31.12.2013 restated: € 8,393 K).

The executive bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna
Management Board
Dr. Bruno Ettenauer
Mag. Florian Nowotny

In fiscal 2014 the total costs of the management board (including non-wage labour costs, benefits and expense allowances) amounted to € 1,326 K. The corresponding value for the previous year was € 968 K, excluding payments made to Bernhard H. Hansen, the Management Board member who stepped down at the end of 2013; details of these payments were noted in the consolitated financial statements for 2013. Thereof € 93 K (2013: € 80 K) were related to charges based on the wages. Remuneration of the management board includes a short-term variable salary component of € 541 K (€ 240 K in 2013) for meeting strategic targets (ZVB bonuses for 2013) and € 74 K (€ 34 K in 2013) from the LTI tranche for 2011-2013. Provisions of € 537 K (including incidental charges) were allocated at Management Board level for variable salary components payable in 2015 on the basis of 2014 targets (ZVB bonuses for 2014). As at 31 December 2014, provisions totalling € 2,709 K (including incidental charges) had been formed in connection with the LTI programme (€ 1,265 K on 31.12.2013); of this, the current Management Board accounted for
€ 483 K (€ 242 K in the previous year). During business year 2014, contributions to pension funds for Management Board members (defined contribution plan) totalled € 56 K (€ 56 K in 2013). Payments to form a reserve for severance payment claims (defined benefit plan) amounted to € 97 K in the last business year (compared to € 32 K in 2013). As at 31 December 2014, severance payment provisions totalled € 337 K (€ 240 K on 31.12.2013). No loans or advances were paid to Management Board members.

Payments have been made to former members of the Management Board. After resigning his mandates as a member of the CA Immo Management Board and Chief Executive Officer of CA Immo Deutschland GmbH upon expiry of his contracts at the end of September 2015, Bernhard H. Hansen has received current earnings (including variable salary components). Wolfhard Fromwald received payments from the maturity of the LTI tranche for 2011-2013. A total of € 393 K was paid to former Management Board members (€ 558 K in 2013); as a precautionary measure, these amounts were entered in the consolidated and annual financial statements for the previous year.

€ 1,000	Bruno Ettenauer Chairman 2014	2013	Florian Nowotny Management Board Member 2014	2013	Total 2014	2013
Fixed compensation	320	320	225	225	545	545
Wage-based labour costs	58	45	35	35	93	80
Payment in kind: car	9	7	4	4	13	11
Benefits	1	1	2	2	4	2
Total fixed compensation	**388**	**373**	**267**	**266**	**655**	**638**
Total fixed in % (incl. contributions to pension schemes)	*52,5%*	*66,7%*	*55,2%*	*80,0%*	*53,6%*	*71,7%*
Short-term variable compensation ("ZVB Bonus")	318	168	223	72	541	240
Long-term variable compensation (LTI-Program)	62	34	12	0	74	34
Total variable compensation	**380**	**202**	**235**	**72**	**615**	**274**
Total variable compensation in %	*47,5%*	*33,3%*	*44,8%*	*20,0%*	*46,4%*	*28,3%*
Contributions to pension schemes	33	33	23	23	56	56
Total compensation	**801**	**607**	**525**	**361**	**1.326**	**968**

Supervisory Board
Dr. Wolfgang Ruttenstorfer, Chairman
Dimitry Mints, Vice Chairman (since 19.12.2014)
MMag. Dr. Maria Doralt (since 08.05.2014)
Barbara A. Knoflach
Michael Stanton (since 19.12.2014)
Mag. Franz Zwickl
o.Univ.-Prof DDr. Waldemar Jud (until 08.05.2014)
Mag. Helmut Bernkopf, Vice Chairman (until 28.10.2014)
Mag. Reinhard Madlencnik (until 28.10.2014)

The remuneration of the Supervisory Board paid in 2014 (for financial year 2013) amounts to € 122 K (2013 for fiscal year 2012: € 125 K). Additionally, cash outlays for travel expenses in the amount of € 12 K (2013: € 9 K) and other expenditures in the amount of € 1 K (2013: € 0 K) were paid to the Supervisory Board. No other consultancy fees were paid to members of the Supervisory Board.

All business transactions conducted between the company and members of the Management Board as well as persons or organisations with whom they are closely acquainted must conform to industry standards and have the approval of the Supervisory Board. The same applies to contracts between the company and members of the Supervisory Board which oblige those members to perform services outside of their Supervisory Board activities for the CA Immo Group in return for remuneration of a not inconsiderable value (L Rule no. 48 and article 228 section 3 of the Austrian Commercial Code). The same applies to contracts with companies in which a Supervisory Board member has a significant business interest. In this context note that Maria Doralt, a member of CA Immo's Supervisory Board, is also a partner at DLA Piper. With DLA Piper UK LLP a mandate agreement defining consultancy on the letting of the Kontorhaus in Munich was entered into at the end of 2012. The relevant fees are based on market standard hourly rates; in business year 2014 they amounted to € 58 K. No other fees (particulary for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were paid.

O1 Group Limited, Cyprus

In Q4, UniCredit Bank Austria AG – with a share of 16% of the capital stock the biggest shareholder of CA Immo – sold the 15,954,891 CA Immo shares (among them four registered shares, each granting the right to nominate one member of the supervisory board) to O1 Group Limited ("O1").

Since 20.2.2015 O1 Group Limited, holds after the conclusion of a voluntarily public take-over offer, 25,690,163 bearer shares and four registered shares. This corresponds to about 26.00% of the voting rights.

The terms and conditions governing the transactions with O1 Group Limited are in line with those prevailing in the market

UniCredit Bank Austria AG/UniCredit Group

UniCredit Bank Austria AG is the principal bank of the CA Immo Group and was the largest single shareholder in the Company with a stake of about 16% including four registered shares, which entitle to nominate one Supervisory Board member for each share until 28.10.2014. CA Immo Group processes most of its payment transactions and arranges much of its credit financing and financial investment through the bank.

Due to the sale of shares to O1 Group Limited, only amounts for the consolidated income statement as well as the consolidated cash flow statement for the fiscal year 2014 is shown in the following:

– Consolidated statement of financial position:

€ 1,000	31.12.2014	31.12.2013 restated
Share of financial liabilities recognised in the consolidated statement of financial position	-	29.5%
Outstanding receivables	-	332,690
Outstanding liabilities	-	– 505,240
Fair value of interest rate swaps	-	– 63,371
Fair value of swaptions	-	979

– Consolidated income statement:

€ 1,000	2014	2013 restated
Finance costs	– 32,217	– 47,207
Result from interest rate derivative transactions incl. Reclassification	– 11,916	– 43,553
Result from financial investments	217	245
Transaction fees	– 327	– 336

– Other comprehensive income (equity):

€ 1,000	2014	2013 restated
Valuation result of period (Hedging)	6,022	80,744

– Consolidated statement of cash flows:

€ 1,000	2014	2013 restated
Raising of new bank loans	5,947	71,179
Repayment of bank loans	– 71,195	– 24,854
Realisation and acquisition of interest rate derivative transactions	-9,249	– 51,144
Interest paid	– 31,189	– 44,287
Interest received	217	241

Mortgages, pledges of rental receivables, bank accounts and investments in consolidated subsidiaries 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

43. Key figures per share

Earnings per share

A convertible bond was issued in November 2009. This bond had until the redemption date in November 2014 an effect on the earnings per share.

		2014	2013 restated
Weighted average number of shares outstanding	pcs.	92,907,093	87,856,060
Consolidated net income	€ 1,000	70,798	75,739
basic earnings per share	**€**	**0.76**	**0.86**

		2014	2013 restated
Weighted average number of shares outstanding	pcs.	92,907,093	87,856,060
Dilution effect:			
Convertible bond	pcs.	0	10,739,073
Weighted average number of shares	**pcs.**	**92,907,093**	**98,595,133**
Consolidated net income attributable to the owners of the parent	€ 1,000	70,798	75,739
Dilution effect:			
Effective interest rate on convertible bond	€ 1,000	0	4,723
less taxes	€ 1,000	0	– 1,181
Consolidated net income attributable to the owners of the parent adjusted by dilution effect	**€ 1,000**	**70,798**	**79,281**
Diluted earnings per share	**€**	**0.76**	**0.80**

44. Employees

In 2014, CA Immo Group had an average of 413 white-collar workers (2013: 415) and 1 blue-collar worker (2013: 2), of which on average of 155 (2013: 161) were employed in Germany, 101 white-collar workers (2013: 110) in hotel operations in Czech Republic and 93 (2013: 115) white-collar workers and 0 (2013: 0) blue-collar workers at subsidiaries in Eastern Europe.

45. Costs for the auditor

€ 1,000	2014	2013 restated
Auditing costs	420	404
Other review services	150	192
Other consultancy services	105	0
Total	**675**	**596**

The expenses for the auditor do not contain non-deductible VAT in the amount of € 0K (2013: € 5K).

46. Events after the close of the business year

On 10.2.2005 CA Immobilien Anlagen AG issued a corporate bond with a maturity of seven years. The volume of the corporate bond amounts to € 175 Mio and has a fixed coupon of 2.75%.

End of January 2015, all suspensive conditions for the sale of the Logistics Portfolio were fulfilled. The majority of the portfolio is held within the scope of a Joint Venture between CA Immo Group and the European Bank for Reconstruction and Development (EBRD). The portfolio includes logistic properties and undeveloped development properties in Romania, Poland and Serbia.

In February 2015 Europort Airport Centers at the Airport in Prague was sold and the contract on the sale of the Diplomat Centers in Pilsen was signed.

In early March 2015 the two office towers in Airport City St. Petersburg, in which CA Immo Group holds a 35 % stake in the associated company Avielen AG, were sold.

In March 2015 CA Immo and O1 Group Limited announced to jointly launch a partial voluntary tender offer to the shareholders of Immofinanz AG to acquire up to 150,893,280 bearer shares that correspond to approximately 13.5% of the total issued shares in Immofinanz AG (i.e., including treasury shares) or approximately 15.0% of the outstanding shares in Immofinanz AG (i.e., excluding treasury shares). All documents related to this voluntary partial offer are subject to prior clearance by the Austrian Takeover Commission and are expected to be published in March 2015.

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 23.3.2015 for approval.

Vienna, 23.3.2015

The Management Board

Bruno Ettenauer
(Chairman)

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 / First time consolidation in 2014 [2]
Europolis Holding B.V.	Amsterdam	2	EUR	100	FC	
CA Immo d.o.o.	Belgrade	390,500	EUR	100	FC	
TM Immo d.o.o.	Belgrade	13,750,000	EUR	100	FC	
CA Immo Sava City d.o.o.	Belgrade	33,620,000	EUR	100	FC	
Phönix Logistics d.o.o.	Belgrade	242,460,163	RSD	65	AEJV	
BA Business Center a.s.	Bratislava	7,503,200	EUR	100	FC	
Europolis D61 Logistics s.r.o.	Bratislava	1,500,000	EUR	100	FC	
Europolis Harbour City s.r.o.	Bratislava	23,629,211	EUR	65	AEJV	
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	327,010,000	HUF	100	FC	
Váci 76 Kft.	Budapest	3,100,000	HUF	100	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	AEJV	
EUROPOLIS ABP Ingatlanberuházási Kft	Budapest	21,410,000	HUF	51	AEJV	
EUROPOLIS City Gate Ingatlanberuházási Kft	Budapest	13,000,000	HUF	65	AEJV	
Europolis Infopark Ingatlanüzemeltető Kft	Budapest	5,240,000	HUF	51	AEJV	
EUROPOLIS IPW Ingatlanberuházási Kft	Budapest	54,370,000	HUF	65	AEJV	
EUROPOLIS M1 Ingatlanberuházási Kft	Budapest	55,020,000	HUF	51	AEJV	
Europolis Park Airport Kft.	Budapest	19,900,000	HUF	100	FC	
Europolis Tárnok Ingatlanberuházási Kft	Budapest	5,400,000	HUF	65	AEJV	
Opera Center One S.R.L.	Bucharest	27,326,150	RON	100	FC	
Opera Center Two S.R.L.	Bucharest	7,310,400	RON	100	FC	
S.C. BBP Leasing S.R.L.	Bucharest	14,637,711	RON	100	FC	
TC Investments Arad S.R.L.	Bucharest	4,018,560	RON	100	FC	
CA Immo Real Estate Management Romania S.R.L.	Bucharest	975,000	RON	100	FC	
EUROPOLIS ORHIDEEA B.C. S.R.L.	Bucharest	91,389,960	RON	65	AEJV	
EUROPOLIS PARK BUCHAREST ALPHA S.R.L.	Bucharest	18,538,880	RON	65	AEJV	
EUROPOLIS PARK BUCHAREST BETA S.R.L.	Bucharest	438,880	RON	65	AEJV	
EUROPOLIS PARK BUCHAREST DELTA S.R.L.	Bucharest	3,438,880	RON	65	AEJV	
EUROPOLIS PARK BUCHAREST GAMMA S.R.L.	Bucharest	438,880	RON	65	AEJV	
EUROPOLIS PARK BUCHAREST INFRASTRUCTURA S.R.L.	Bucharest	438,876	RON	65	AEJV	
EUROPOLIS SEMA PARK S.R.L.	Bucharest	107,680,000	RON	65	AEJV	
INTERMED CONSULTING & MANAGEMENT S.R.L.	Bucharest	330	RON	65	AEJV	
VICTORIA INTERNATIONAL PROPERTY S.R.L.	Bucharest	216	RON	65	AEJV	

[1] FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies
[2] F foundation, A acquisition
[3] common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2014 [2]
Blitz F07-neunhundert-sechzig-acht GmbH	Frankfurt	25,000	EUR	100	FC	
Blitz F07-neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Invest GmbH	Frankfurt	50,000	EUR	100	FC	
CA Immo Deutschland GmbH	Frankfurt	5,000,000	EUR	99.7	FC	
CA Immo Elf GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünfzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünfzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
CA Immo GB GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo Zehn GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Zwölf Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
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]	AEJV	
Pannonia Shopping Center Kft.	Györ	3,000,000	HUF	100	FC	
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	FC	
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC	
Pulkovo B.V.	Hoofddorp	25,000	EUR	100	FC	
TzoV "Europolis Logistics Park II"	Kiev	122,456,333	UAH	100	FC	
TzoV "Europolis Property Holding"	Kiev	205,343,887	UAH	65	AEJV	
TzoV "Logistyk-Tsentr "A"	Kiev	19,380,120	UAH	65	AEJV	
TzoV"Corma Development"	Kiev	209,286,179	UAH	65	AEJV	
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	FC	
ALBERIQUE LIMITED	Limassol	1,100	EUR	100	FC	
BEDELLAN PROPERTIES LIMITED	Limassol	12,175	EUR	65	AEJV	
EPC KAPPA LIMITED	Limassol	11,560	EUR	100	FC	
EPC LAMBDA LIMITED	Limassol	457,767	EUR	75	AEJV	
EPC LEDUM LIMITED	Limassol	13,169	EUR	100	FC	
EPC OMIKRON LIMITED	Limassol	56,772	EUR	65	AEJV	
EPC PI LIMITED	Limassol	2,110	EUR	65	AEJV	
EPC PLATINUM LIMITED	Limassol	2,450	EUR	100	FC	
EPC RHO LIMITED	Limassol	2,090	EUR	65	AEJV	
EPC THREE LIMITED	Limassol	2,491,614	EUR	65	AEJV	
EPC TWO LIMITED	Limassol	969,741	EUR	65	AEJV	
EUROPOLIS REAL ESTATE ASSET MANAGEMENT	Limassol	2,500	EUR	100	FC	
OPRAH ENTERPRISES LIMITED	Limassol	3,110	EUR	100	FC	
CA Immo SARL	Luxembour	33,000	EUR	100	FC	
CAINE S.à.r.l.	Luxembour	12,500	EUR	100	FC	

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Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1)]	Foundation / First time consolidation in 2014 [2)]
Europolis Real Estate Asset Management LLC	Moscow	22,360,000	RUB	100	FC	
HARILDO LIMITED	Nicosia	1,400	EUR	50	AEJV	
VESESTO LIMITED	Nicosia	1,500	EUR	50	AEJV	
2P s.r.o.	Plzen	240,000	CZK	100	FC	
Hotel Operations Plzen Holding s.r.o.	Plzen	200,000	CZK	100	FC	
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	FC	
Hotel Operations Europort s.r.o.	Prague	200,000	CZK	100	FC	
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	75	AEJV	
CA Immo Real Estate Management Czech Republic s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Alfa, s.r.o.	Prague	1,000,000	CZK	51	AEJV	
RCP Amazon, s.r.o.	Prague	1,000,000	CZK	65	AEJV	
RCP Beta, s.r.o.	Prague	73,804,000	CZK	65	AEJV	
RCP Delta, s.r.o.	Prague	1,000,000	CZK	65	AEJV	
RCP Gama, s.r.o.	Prague	96,931,000	CZK	65	AEJV	
RCP ISC, s.r.o.	Prague	1,000,000	CZK	65	AEJV	
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	
K&K Investments S.R.L.	Sibiu	21,609,000	RON	90	AEJV	
Megapark o.o.d.	Sofia	5,000	BGN	43.5[3)]	AEJV	
Office Center Mladost EOOD	Sofia	5,000	BGN	100	FC	
ZAO "Avielen A.G."	St. Petersburg	370,001,000	RUB	35	AEA	
Camari Investments Sp.z o.o.	Warsaw	10,000	PLN	50	AEJV	
Doratus Sp.z.o.o. (in Liquidation)	Warsaw	2,000,000	PLN	100	FC	
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	AEJV	
Warsaw Financial Center Sp.z.o.o.	Warsaw	51,000	PLN	50	AEJV	
POLECZKI Warsaw Office Sp. z o.o.	Warsaw	5,000	PLN	50	AEJV	
POLECZKI Berlin Office Sp. Z o.o.	Warsaw	5,000	PLN	50	AEJV	
CA Immo Wspólna Sp. z o.o.	Warsaw	5,000	PLN	100	FC	
Poleczki Amsterdam Office Sp. Z o.o.	Warsaw	5,000	PLN	50	AEJV	
Poleczki Vienna Office Sp. Z o.o.	Warsaw	5,000	PLN	50	AEJV	
Poleczki Development Sp. Z o.o.	Warsaw	5,000	PLN	50	AEJV	
Hatley Investments Sp. Z o.o. SKA	Warsaw	125,160	PLN	50	AEJV	
Hatley Investments Sp. Z o.o.	Warsaw	5,000	PLN	50	AEJV	
Amsterdam Office Sp.z.o.o.	Warsaw	2,700,000	PLN	50	AEJV	
Poleczki Business Park Sp.z.o.o.	Warsaw	7,936,000	PLN	50	AEJV	
Vienna Office Sp.z.o.o.	Warsaw	3,300,000	PLN	50	AEJV	
ALLIANCE MANAGEMENT COMPANY Sp.z o.o.	Warsaw	971,925	PLN	65	AEJV	
CA Immo Real Estate Management Poland Sp. z o.o.	Warsaw	565,000	PLN	100	FC	

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Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2014 [2]
CENTER PARK Sp.z o.o.	Warsaw	84,000	PLN	65	AEJV	
EUROPOLIS PARK BŁONIE Sp.z o.o.	Warsaw	1,102,314	PLN	65	AEJV	
POLAND CENTRAL UNIT 1 Sp.z o.o.	Warsaw	11,800,500	PLN	100	FC	A
SOFTWARE PARK KRAKÓW Sp.z o.o.	Warsaw	50,000	PLN	50	AEJV	
CA Immo Bitwy Warszawskiej Sp. z o.o.	Warsaw	47,016,000	PLN	100	FC	
CA Immo Saski Crescent Sp. z o.o.	Warsaw	159,281,000	PLN	100	FC	
CA Immo Saski Point Sp. z o.o.	Warsaw	63,489,000	PLN	100	FC	
CA Immo Sienna Center Sp. z o.o.	Warsaw	112,416,000	PLN	100	FC	
CA Immo Warsaw Towers Sp. z o.o.	Warsaw	180,528,000	PLN	100	FC	
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	FC	
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,135,427	EUR	100	FC	
BIL-S Superädifikatsverwaltungs GmbH	Vienna	70,000	EUR	100	FC	
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	100	FC	
CA Immo Galleria Liegenschaftsverwaltung GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Germany Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo 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 (in Liquidation)	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	147,817,600	EUR	100	FC	
CA Immo-RI-Residential Property Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS GmbH	Vienna	5,000,000	EUR	100	FC	
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	FC	
PHI Finanzbeteiligungs und Investment GmbH	Vienna	35,000	EUR	100	FC	F
EUROPOLIS CE Alpha Holding GmbH	Vienna	36,336	EUR	65	AEJV	
EUROPOLIS CE Amber Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Istros Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Lambda Holding GmbH	Vienna	35,000	EUR	75	AEJV	
EUROPOLIS CE My Holding GmbH	Vienna	35,000	EUR	75	AEJV	
EUROPOLIS CE Rho Holding GmbH	Vienna	35,000	EUR	65	AEJV	
Europolis Real Estate Asset Management GmbH	Vienna	35,000	EUR	100	FC	
Europolis Zagrebtower d.o.o.	Zagreb	15,347,000	HRK	65	AEJV	

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[3] common control

As at 31.12.2014, 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 / First time consolidation in 2014 [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 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 8 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 9 GmbH & 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 Europaplatz 03 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 03 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin 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	
Stadthafenquartier Europacity Berlin GmbH & Co. KG	Frankfurt	5,000	EUR	50	AEJV	
Stadthafenquartier Europacity Berlin Verwaltungs GmbH	Frankfurt	25,000	EUR	50	AEJV	
CA Immo Düsseldorf BelsenPark MK 2.1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark MK 3 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
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 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	33.3	AEJV	
CA Immo Frankfurt Tower 185 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	33.3	AEJV	
CA Immo Frankfurt Tower 185 Verwaltungs GmbH	Frankfurt	25,000	EUR	33.3	AEJV	
CA Immo Frankfurt Tower– 2-Geschäftsführungs GmbH	Frankfurt	25,000	EUR	100	FC	

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Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2014 [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 MI 1 - Arnulfpark Grundstücksverwertungs	Frankfurt	25,000	EUR	100	FC	
CA Immo München MK 6 - Arnulfpark Grundstücksverwertungs	Frankfurt	25,000	EUR	100	FC	
omniCon Gesellschaft für innovatives Bauen mbH	Frankfurt	100,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
Baumkirchen MK GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen MK Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 1 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 1 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 2 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 2 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 3 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 3 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
CA Immo Bayern Betriebs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo München 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]	AEJV	
CONCEPT BAU - PREMIER Vivico Isargärten Verwaltungs GmbH	Grünwald	25,000	EUR	33.3[3]	AEJV	
Isargärten Bauträger GmbH & Co. KG	Grünwald	15,000	EUR	33.3[3]	AEJV	
Isargärten Bauträger Verwaltungs GmbH	Grünwald	25,000	EUR	33.3[3]	AEJV	
Isargärten Thalkirchen Verwaltungs GmbH (in Liquidation)	Grünwald	25,000	EUR	33.3	AEA	
SKYGARDEN Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	100	FC	
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Kontorhaus Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	93	FC	A
Kontorhaus Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	A
Congress Centrum Skyline Plaza Beteiligung GmbH	Hamburg	25,000	EUR	50	AEJV	
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	AEJV	
CongressCentrum Skyline Plaza GmbH & Co. KG	Hamburg	25,000	EUR	50	AEJV	
REC Frankfurt Objektverwaltungsgesellschaft mbH	Hamburg	25,000	EUR	50	AEJV	
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	AEJV	
Zollhafen Mainz GmbH & Co. KG	Mainz	8,624,934	EUR	50.1[3]	AEJV	
CA Immo Mainz Rheinallee III GmbH & Co.KG	Mainz	5,000	EUR	100	FC	F
CA Immo Mainz Rheinallee III Verwaltungs GmbH	Mainz	25,000	EUR	100	FC	F
CA Immo Mainz Rheinallee Hafenspitze GmbH	Mainz	25,000	EUR	100	FC	F
Skyline Plaza Generalübernehmer GmbH & Co. KG	Oststeinbek	25,000	EUR	50	AEJV	
Skyline Plaza Generalübernehmer Verwaltung GmbH	Oststeinbek	25,000	EUR	50	AEJV	
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	AEJV	
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	50	AEJV	

[1] FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies
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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, 23 March 2015

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Management Board Member)

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 2014 to 31 December 2014**. These consolidated financial statements comprise the consolidated statement of financial position as of 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flow and the consolidated statement of changes in equity for the fiscal year 2014 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, and the additional requirements pursuant to § 245a UGB (Austrian Commercial Code). 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 2014 and of its financial performance and its cash flows for the year from 1 January to 31 December 2014 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, 23 March 2015

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungs AG

Mag. Helmut Kerschbaumer	ppa Mag. Christoph Erik Balzar
Wirtschaftsprüfer	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

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FINANCIAL STATEMENTS AND MANAGEMENT REPORT

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CONTACT

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BALANCE SHEET AS AT 31.12.2014

Assets

	31.12.2014	31.12.2013
	€	€ 1.000
A. Fixed assets		
I. Intangible fixed assets		
EDP software	632,651.32	605
	632,651.32	**605**
II. Tangible fixed assets		
1. Property and buildings	244,285,577.36	265,687
of which land value: € 44,395,040.45; 31.12.2013: € 48,585 K		
2. Other assets, office furniture and equipment	693,999.88	893
3. Prepayments made and construction in progress	1,010,834.44	2,813
	245,990,411.68	**269,393**
III. Financial assets		
1. Investments in affiliated companies	1,571,945,998.27	1,754,754
2. Loans to affiliated companies	206,625,630.11	154,789
3. Investments in associated companies	253,186.19	7
4. Loans to associated companies	67,000.00	67
5. Derivative financial instruments	54,207.79	1,311
6. Other loans	136,905,340.88	7,963
	1,915,851,363.24	**1,918,891**
	2,162,474,426.24	**2,188,889**
B. Current assets		
I. Receivables		
1. Trade debtors	63,626.20	215
2. Receivables from affiliated companies	26,293,922.40	37,612
3. Receivables from associated companies	25,341.55	0
4. Other receivables	8,724,721.40	2,729
	35,107,611.55	**40,556**
II. Other securities	**13,657,800.00**	**33,055**
III. Cash on hand, cash at banks	**27,692,685.23**	**179,184**
	76,458,096.78	**252,795**
C. Deferred expenses	**222,309.05**	**525**
	2,239,154,832.07	**2,442,209**

Liabilities and Shareholders' Equity

	31.12.2014	31.12.2013
	€	€ 1.000
A. Shareholders' Equity		
I. Share capital	718,336,602.72	638,714
II. Tied capital reserves	854,841,594.68	820,184
III. Net profit	235,953,402.38	221,976
of which profit carried forward:€ 186,833,249.08 ; 31.12.2013: € 75,362 K		
	1,809,131,599.78	**1,680,874**
B. Grants from public funds	**370,835.40**	**0**
C. Provisions		
1. Provision for severance payment	410,166.00	299
2. Tax provisions	195,212.50	184
3. Other provisions	28,976,272.68	67,647
	29,581,651.18	**68,130**
D. Liabilities		
1. Bonds	200,000,000.00	485,000
of which convertible: € 0.00; 31.12.2013: € 135,000 K		
2. Liabilities to banks	137,785,163.75	118,915
3. Trade creditors	831,603.49	1,661
4. Payables to affiliated companies	55,147,825.04	79,346
5. Other liabilities	3,797,906.28	6,578
of which from taxes: € 439,014.22; 31.12.2013: € 670 K		
of which in connection with social security: € 101,011.19; 31.12.2013: € 102 K		
	397,562,498.56	**691,500**
E. Deferred income	**2,508,247.15**	**1,705**
	2,239,154,832.07	**2,442,209**
Contingent liabilities	324,442,439.53	331,045

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2014

		2014		2013
	€	€	€ 1.000	€ 1.000
1. Gross Revenues		**26,508,556.95**		**24,939**
2. Other operating income				
a) Income from the sale and reversal of impairment losses of fixed assets except of financial assets	3,097,368.31		11,358	
b) Income from the reversal of provisions	5,431,831.02		103	
c) Other income	5,256,672.74	**13,785,872.07**	4,863	**16,324**
3. Staff expense				
a) Wages	– 13,700.00		– 14	
b) Salaries	– 6,746,685.61		– 6,007	
c) Expenses for severance payments and payments into staff welfare funds	– 180,384.66		– 127	
d) Expenses in connection with pensions	– 175,531.54		– 163	
e) Payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions	– 1,231,527.26		– 1,151	
f) Other social expenses	– 98,971.60	**– 8,446,800.67**	– 89	**– 7,551**
4. Depreciation on intangible fixed assets and tangible fixed assets		**– 8,355,082.51**		**– 7,768**
5. Other operating expenses				
a) Taxes	– 1,463,392.99		– 382	
b) Other expenses	– 26,531,237.01	**– 27,994,630.00**	– 14,396	**– 14,778**
6. Subtotal from lines 1 to 5 (operating result)		**– 4,502,084.16**		**11,166**
7. Income from investments		**322,808,182.33**		**95,809**
of which from affiliated companies: € 322,710,182.33; 2013: € 95,809 K				
8. Income from loans from financial assets		**21,112,193.14**		**10,567**
of which from affiliated companies: €10,580,075.93; 2013: € 9,893 K				
9. Other interest and similar income		**8,683,860.91**		**16,451**
of which from affiliated companies: € 5,294,101.79; 2013: € 5,514 K				
10. Income from the disposal and revaluation of financial assets		**10,465,797.92**		**71,053**
11. Expenses for financial assets and interest receivables in current assets, thereof		**– 263,022,118.19**		**– 8,916**
a) Impairment: € 258,982,405.68; 2013: € 9,417 K				
b) bad dept allowance of interest receivables 3,843,740.34 €, 2013: € 1,667 K				
c) Expenses from affiliated companies: € 257,679,261.98; 2013: € 8,915 K				
12. Interest and similar expenses		**– 50,659,923.39**		**– 54,391**
of which relating to affiliated companies: € 5,908,742.47; 2013: € 1,151 K				
13. Subtotal from lines 7 to 12 (financial result)		**49,387,992.72**		**130,573**
14. Result from usual business activity		**44,885,908.56**		**141,739**
15. Taxes on income		**4,234,244.74**		**4,875**
16. Net profit for the year		**49,120,153.30**		**146,614**
17. Profit carried forward from the previous year		**186,833,249.08**		**75,362**
18. Net profit		**235,953,402.38**		**221,976**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2014

ACCOUNTING AND VALUATION PRINCIPLES AND GENERAL INFORMATION

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

The financial statements were prepared in accordance with Austrian Generally Accepted Accounting Principles and the principle of true and fair view.

Specifically, the principle of going concern, prudence and completeness as well as the principle of individual valuation of assets and liabilities were considered.

The income statement is presented by nature of expenses.

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. A reversal of impairment losses recognised in prior periods is recorded if the fair value is higher than the book value at the balance sheet date, but below amortised costs.

Financial assets
Investments in affiliated companies, the investment in associated companies and swaption, which are shown as "derivative financial instruments", are stated at acquisition costs reduced by unscheduled depreciation.

The loans to affiliated companies, associated 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. A reversal of impairment losses recognised in prior periods is recorded if the fair value is higher than the book value at the balance sheet date, but below acquisition costs.

2. Current assets

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

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 expenses and deferred income

Under Deferred expenses prepaid expenses are accrued. Additionally the disagio for bonds is capitalised in this position and distributed over the redemption period according to the principals of financial mathematics.

Rent prepayments and invest allowances from tenants are shown under Deferred income.

4. Grants from public funds

Grants from public funds include an allowance from Land Wien für innovatives Bauen (state of Vienna for innovative construction work). This allowance will be reversed over the remaining useful life of the building.

5. Provisions and liabilities

Provisions for severance payments amount to 165.68 % (31.12.2013: 139.63 %) 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 1.56 % (31.12.2013: 2.82%) 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 1.26 % 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 rate swaps) are designated as hedging instrument for an underlying contract (a receivable from the reimbursement to another affiliated company (back-to-back)). 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. At the same time, receivables/liabilities from/to affiliated companies for the identical (back-to-back) derivative financial instruments are not considered in the balance sheet as receivables/liabilities. The inefficient part of derivative financial instruments designated as hedging instrument is always considered as provision for contingent losses. A negative fair value of the derivative financial instrument is considered as provision for contingent losses in the amount of the negative fair value, if it is not possible to build a valuation group or if the circumstances have changed and it is not possible to build it anymore. 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 translation

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 mainly relate to the sale of 3 properties and the demolition of a building. As at the balance sheet date the tangible assets include 13 properties (31.12.2013: 16 properties).

In 2014 – as in the previous year – no unscheduled depreciation on tangible assets were made. In business year 2014, reversals of impairment losses on tangible assets in the amount of € 879 K (2013: € 0 K) were made and none (2013: € 0 K) were omitted.

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

In 2014 impairment losses in the amount of € 258,982 K (2013: € 9,417 K) and reversal of impairment losses in the amount of € 2,701 K (2013: € 47,231 K) on financial assets were recognised.

The book value of the Investments in affiliated companies is € 1,571,946 K (31.12.2013: € 1,754,754 K). Current additions are mainly the result of various shareholder contributions. Disposals mainly consist of the liquidation of a subsidiary in Luxemburg in the amount of € 44,336 K.

The Loans to affiliated companies are made up as follows:

€ 1.000	**31.12.2014**	**31.12.2013**
CAINE B.V., Hoofddorp	56,949	7,000
BA Business Center a.s., Bratislava	28,000	28,000
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna	20,350	0
Poland Central Unit Sp.z.o.o, Warsaw	18,703	30,000
TK Czech Development IX s.r.o., Prague	17,564	0
CA Immo Holding B.V., Hoofddorp	17,200	16,900
R70 Invest Budapest Kft., Budapest	12,004	12,004
Kapas Center Kft., Budapest	10,430	11,730
Other below € 10 m	25,426	49,155
	206,626	**154,789**

Loans to affiliated companies to the value of € 71,311 K (31.12.2013: € 127,412 K) have a remaining term of up to one year.

The item Derivative financial instruments includes in this particular case swaption.

Other loans are made up as follows:

Tsd. €	**31.12.2014**	**31.12.2013**
EUROPOLIS PARK BUCHAREST ALPHA S.R.L., Bukarest	44.491	0
RCP Amazon, s.r.o., Prag	19.552	0
EUROPOLIS SEMA PARK S.R.L., Bukarest	12.439	0
COM PARK Ingatlanberuházási Kft, Budapest	12.436	0
EUROPOLIS PARK BUCHAREST BETA S.R.L., Bukarest	11.151	0
EUROPOLIS PARK BUCHAREST S.R.L., Bukarest	6.540	0
Sonstige unter 5 Mio. €	25.296	7.963
	136.905	**7.963**

Other loans to the value of € 103,112 K (31.12.2013: € 0 K) have a remaining term of up to one year.

b) Current assets
Trade debtors to the value of € 64 K (31.12.2013: € 215 K) include outstanding rent and operating cost payments.

Receivables from affiliated companies are made up as follows:

€ 1.000	31.12.2014	31.12.2013
Receivables from interest	17,219	11,124
Receivables from tax compensation	5,217	4,816
Trade debtors (current charging to affiliated companies)	3,858	7,252
Receivables from dividend payments	0	14,420
	26,294	**37,612**

Other receivables in the amount of € 8,725 K (31.12.2013: € 2,729 K) mainly include receivables from interest, unpaid purchase prices, receivables from the passing-on of costs and receivables from tax authorities. In 2014 expenses for bad debt allowances in the amount of € 2,306 K (2013: € 0 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 in the previous year additionally convertible bonds with a book value of € 19,397 K and a nominal value of € 20,500 K.

c) Deferred expenses

Deferred expenses in the amount of € 222 K (31.12.2013: € 525 K) essentially comprise deferred discounts to the value of € 161 K (31.12.2013: € 446 K) for the issuance of a bond in the amount of € 200,000 K in 2006.

d) Shareholders' equity

Share capital equals the fully paid in nominal capital of € 718,336,602.72 (31.12.2013: € 638,713,556.20). It is divided into 98,808,332 (31.12.2013: 87,856,056) bearer shares and 4 registered shares of no par value. The registered shares are held by O1 Group Limited, Cypress, each granting the right to nominate one member to the Supervisory Board. This right is currently not exercised. All members of the Supervisory Board were elected by the General Meeting.

In November 2009, 5-years convertible bonds with a nominal value of € 135,000 K were issued. The coupon of the convertible bonds (payable semi-annually) was set at 4.125%. In November 2014, the convertible bonds were almost completely converted; the remaining nominal value of € 1,100 K was repaid. Owing to the exercising of conversion rights by owners of the 4.125% convertible bonds for 2009-2014, the company's capital stock increased during the reporting year by a total of € 79,623,046.52, from € 638,713,556.20 to € 718,336,602.72 (as at 31.12.2014) as a result of the issue of new shares from contingent capital. In 2014, convertible bonds with a nominal value of € 113,400 K were converted into capital stock and tied-up capital reserves. Convertible bonds with a nominal value of € 20,500 K were redeemed.

In 2014 a dividend amount of € 0.38 (2013: € 0.38) for each share entitled to dividend, in total € 35,142 K (2013: € 35,142) was distributed to the shareholders.

As at 31.12.2014 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 total amount of € 100,006,120.00 for the conversion of possible future convertible bonds.

The net profit 2014 includes reversal of impairment losses for fixed assets in the amount of € 3,580 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) Grants from public funds

For the rebuilding of Erdberg building element A a public grant was requested. This was granted because of innovative construction work with the maximum amount of € 380 K. The calculation is not finalised. This allowance will be reversed over the remaining useful life of the building.

f) Provisions

Provisions for severance payment amount to € 410 K (31.12.2013: € 299 K) and include severance payment entitlements of employees of the company.

The Tax provisions in the amount of € 195 K (31.12.2013: € 184 K) mainly relate to provisions for German corporation tax.

The Other provisions are made up as follows:

€ 1.000	31.12.2014	31.12.2013
Derivative transactions	15,195	43,960
Provision for contributions to group companies	7,131	15,450
Premiums	2,928	2,268
Real property tax and land transfer tax	1,368	1,377
Construction services	720	2,704
Staff (vacation and overtime)	558	776
Legal, auditing and consultancy fees	470	482
Annual report and expert opinions	114	185
Other	492	445
	28,976	**67,647**

Since the business year 2010 the option to participate in an LTI (long term incentive) programme with a term of three years is offered each year to the Management Board. Participation requires personal investment limited to 50% of the annual basic salary. Such investment is valued respectively at the closing rate of the previous year balance sheet date, for the first time 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) (until 2013), TSR (total shareholder return) and since 2014 FFO growth (funds from operations), in which the emphasis and target values are adjusted annually. 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.

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.

g) Liabilities

31.12.2014 € 1.000	Maturity up to 1 year	Maturity 1– 5 years	Maturity more than 5 years	Total
Bonds	0	200,000	0	200,000
Liabilities to banks	9,918	83,141	44,725	137,784
Trade creditors	456	376	0	832
Payables to affiliated companies	55,148	0	0	55,148
Other liabilities	3,798	0	0	3,798
Total	**69,320**	**283,517**	**44,725**	**397,562**

31.12.2013 € 1.000	Maturity up to 1 year	Maturity 1– 5 years	Maturity more than 5 years	Total
Bonds	285,000	200,000	0	485,000
Liabilities to banks	74,941	43,974	0	118,915
Trade creditors	1,223	438	0	1,661
Payables to affiliated companies	79,346	0	0	79,346
Other liabilities	6,578	0	0	6,578
Total	**447,088**	**244,412**	**0**	**691,500**

The Bonds item 31.12.2014 comprises the following liabilities:

	Nominal value € 1.000	Nominal interest rate	Issue	Repayment
Bond 2006– 2016	200,000	5.125%	22.09.2006	22.09.2016
	200,000			

The Liabilities to banks comprise investment loans to the value of € 137,784 K (31.12.2013: € 118,915 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 (€ 2,813 K) which only become cash-effective in autumn 2015, unpaid liabilities to the property management company, liabilities arising from payroll-accounting and tax charge.

h) Deferred income

Rent prepayments for some buildings and invest allowances from tenants are shown under this item.

i) Contingent liabilities

	Maximum amount as at 31.12.2014 Tsd.		Outstanding on reporting date 31.12.2014 € 1.000	Outstanding on reporting date 31.12.2013 € 1.000
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	192,479	€	89,028	93,722
Guarantee to Europolis GmbH, Vienna, for sale of real estate of a subsidiary	107,535	€	107,535	0
Irrevocable guarantee for a loan granted to Vaci 76 Kft., Budapest	45,600	€	32,958	33,837
Irrevocable guarantee for a loan granted to S.C. BBP Leasing S.R.L., Bucharest	33,150	€	11,185	12,837
Irrevocable guarantee for a loan granted to Kilb Kft., Budapest	21,000	€	10,986	11,904
Liability for a loan granted to CA Immo Sava City d.o.o., Belgrad	18,612	€	16,692	17,520
Guarantie for a loan granted to Com Park Ingatlanberuházásu Kft., Budapest	12,350	€	12,350	0
Irrevocable guarantee for a loan granted to CA Immo Wspolna Sp.z.o.o., Warsaw	8,500	€	5,947	6,297
Guarantee for financing project to Z.A.O. Avielen AG, St. Petersburg	8,469	€	8,469	0
Irrevocable guarantee for a loan granted to Canada Square Kft., Budapest	8,200	€	5,500	6,000
Guarantee in connection for sale to Z.A.O. Avielen AG, St. Petersburg	6,992	€	6,992	0
Performance guarantee in connection with sale to Skogs Buda Business Center Kft., Budapest	6,000	€	6,000	0
Letter of comfort for obligation of purchase (Kontorhaus) to CA Immo Deutschland GmbH, Frankfurt	4,900	€	4,900	0
Guarantee for interest to CA Immo Saski Point Sp.z.o.o., Warsaw	1,826	€	1,826	0
Guarantee to Software Park Kraków Sp.z.o.o., Warsaw	1,224	€	1,224	0
Guarantee for interest to Poleczki Development Sp.z.o.o., Warsaw	1,200	€	1,200	0
Guarantee in connection with Europort Airport Center to Mariott Hotels International B.V., Prague	1,000	€	1,000	0
Guarantee for a loan granted to Poleczki Development Sp.z.o.o., Warsaw	650	€	650	0
Guarantee for CA Immo CEE Beteiligungs GmbH, Vienna, for the acquisition of Europolis GmbH granted to the sellers	0	€	0	136,426
Letter of comfort for a loan granted to 2P s.r.o., Pilsen	0	€	0	9,237
Irrevocable guarantee for a loan granted to CA Immo Rennweg 16 GmbH, Vienna	0	€	0	2,300
Liability for a loan granted to Europort Airport Center, Prague	0	€	0	382
Guarantee for a loan granted to FCL Property a.s., Prague	0	CZK	0	583
			324,442	**331,045**

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
Váci 76 Kft., Budapest
BBP Leasing S.R.L., Bucharest
2P s.r.o., Pilsen

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
Pannonia Shopping Center Ingatlanfesjlesztesi Kft., Budapest
CA Immobilien Anlagen d.o.o., Laibach
2P s.r.o., Pilsen
RCP ISC s.r.o., Prague

The arbitration case of the partner from a Russian project from 2011 was finished in 2014. The arbitration court determined the claim in favour of CA Immo Group.

j) Liabilities from utilisation of tangible assets

The lease-related liability from utilisation of tangible assets not reported in the balance sheet is € 641 K for the subsequent business year and € 3,204 K for the subsequent five business years.

Of this € 612 K is attributable to affiliated companies for the subsequent business year and € 3,062 K for the subsequent five business years.

k) Details of derivative financial instruments – interest rate swaps

€ 1.000		Nominal value	fixed interest rate as at	interest reference rate	Fair Value	thereof considered as provisions	thereof not considered as provisions	thereof charged derivatives to affiliated companies
Start	End	31.12.2014	31.12.2014		31.12.2014	31.12.2014	31.12.2014	31.12.2014
12/2007	12/2017	109,375	4.41%	3M-EURIBOR	– 13,809	– 13,436	– 373	– 373
12/2007	12/2022	54,688	4.55%	3M-EURIBOR	– 16,315	– 1,759	– 14,556	– 14,556
12/2008	12/2017	70,400	4.41%	3M-EURIBOR	– 8,879	0	– 8,879	– 8,879
		234,463			**– 39,003**	**– 15,195**	**– 23,808**	**– 23,808**

€ 1.000		Nominal value	fixed interest rate as at	interest reference rate	Fair Value	thereof considered as provisions	thereof not considered as provisions	thereof charged derivatives to affiliated companies
Start	End	31.12.2013	31.12.2013		31.12.2013	31.12.2013	31.12.2013	31.12.2013
12/2007	12/2017	111,875	4.41%	3M-EURIBOR	– 15,321	– 14,907	– 414	– 414
12/2007	12/2017	65,000	4.82%	3M-EURIBOR	– 10,185	– 10,185	0	0
12/2007	12/2022	55,938	4.55%	3M-EURIBOR	– 11,996	– 1,293	– 10,703	– 10,703
01/2008	12/2017	40,500	4.41%	3M-EURIBOR	– 5,546	– 5,546	0	0
01/2008	12/2022	56,250	4.55%	3M-EURIBOR	– 12,029	– 12,029	0	0
12/2008	12/2017	72,000	4.41%	3M-EURIBOR	– 9,848	0	– 9,848	– 9,848
		401,563			**– 64,925**	**– 43,960**	**– 20,965**	**– 20,965**

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.

l) Details of derivative financial instruments – swaption

€ 1.000		Nominal value	fixed interest rate as at	interest reference rate	Fair Value	Book value
Start	End	31.12.2014	31.12.2014		31.12.2014	31.12.2014
06/2016	06/2021	50,000	2.50%	6M-EURIBOR	20	20
06/2016	06/2021	50,000	2.50%	6M-EURIBOR	34	34
		100,000			**54**	**54**

€ 1.000		Nominal value	fixed interest rate as at	interest reference rate	Fair Value	Book value
Start	End	31.12.2013	31.12.2013		31.12.2013	31.12.2013
06/2016	06/2021	50,000	2.50%	6M-EURIBOR	1,130	685
06/2016	06/2021	50,000	2.50%	6M-EURIBOR	979	626
		100,000			**2,109**	**1,311**

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 book value corresponds to the acquisition costs or the lower fair value.

m) Hedging relationship

As at 31.12.2014, provisions for derivative financial instruments not considered in the balance sheet which are subject to a hedging relationship (hedge accounting) amount to € 23,808 K (31.12.2013: € 20,965 K). Like in the previous year, these are related to accounting units in the same amount and at same conditions with (back-to-back) derivatives passed on to affiliated companies.

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	2014	2013
Rental income for real estate	20,426	18,990
Operating costs passed on to tenants	6,083	5,949
	26,509	**24,939**

Income from the reversal of provisions

This item mainly results from the reversal of a provision for an arbitration claim in the amount of € 5,315 K.

Other operating income

The other income item of the other operating income of € 5,257 K (2013: € 4,863 K) results from management fees charged to subsidiaries in the amount of € 3,668 K (2013: € 3,420 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 € 8,447 K (2013: € 7,551 K) for the 54 staff (2013: 52) 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	2014	2013
Change of provision for severance payments to directors and executive employees	97	32
Allocation to provision for severance payments to other employees	14	3
Pension fund contributions for directors and executive employees	41	52
Pension fund contributions for other employees	28	40
	180	**127**

Expenses in connection with pensions are made up as follows:

€ 1.000	2014	2013
Pension fund contributions for directors and executive employees	136	121
Pension fund contributions for other employees	40	42
	176	**163**

Depreciation

€ 1.000	2014	2013
Depreciation of intangible fixed assets	430	191
Scheduled depreciation of buildings	7,579	7,192
Depreciation of other assets, office furniture and equipment	343	382
Low-value assets	3	3
	8,355	**7,768**

Other operating expenses

Where they do not come under taxes on income the taxes in the amount of € 1,463 K (2013: € 382 K) mainly comprise capital transaction tax from the capital increase caused by the conversion of bonds in the amount of € 1,134 K (2013: € 0 K), real estate charges passed on to tenants in the amount of € 303 K (2013: € 325 K) and the non-deductible input VAT of the current year.

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

€ 1.000	2014	2013
Other expenses directly related to properties		
Operating costs passed on to tenants	5,769	5,628
Maintenance costs	3,772	1,532
Own operating costs (vacancy costs)	267	551
Administration and agency fees	115	168
Asset disposal based on demolition of a building	6,390	0
Other	550	264
Subtotal	**16,863**	**8,143**
General administrative costs		
Legal and consulting fees	4,426	1,996
Advertising and representation expenses	777	611
Office rent including operating costs	609	595
Expenses of bonds and convertible bond	357	328
Other fees and bank charges	926	119
Claims and reserves for bad debts of other receivables	141	0
Other	2,432	2,604
Subtotal	**9,668**	**6,253**
Total other operating expenses	**26,531**	**14,396**

Income from interest

This item comprises dividends paid from companies from Austria in the amount of € 321,343 K (2013: € 75,599 K) and from Germany and Eastern Europe or from intermediate holding companies for investments in Eastern Europe in the amount of € 1,465 K (2013: € 20,210 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 investments in securities and cash at bank, accrued interest for acquired bonds, revaluation from derivative financial instruments, realised swap income as well as from swap interest transfers to affiliated companies.

Income from the sale and revaluation of financial assets

In the financial year 2014 reversals of impairment losses of investment in affiliated companies to the value of € 2,701 K were carried out (2013: € 47,231 K). Additionally in 2014, the sale of a Czech affiliated company and the liquidation of an affiliated company in Luxembourg as well as the repayment of loans above the book value are considered.

Expenses for financial assets and interest receivables in the current assets

€ 1.000	2014	2013
Depreciation of financial assets	258,982	9,417
Bad debt allowance for interest receivables	3,844	1,667
Loss from disposal of investments in affiliated companies	196	0
Use of provisions for contributions to group companies	0	– 2,168
	263,022	**8,916**

In 2014, depreciation of financial assets is mainly caused by paid dividends.

Interest and similar expenses

€ 1.000	2014	2013
Interest costs for bonds	20,752	25,006
Expenses for derivative transactions	20,072	25,271
Interest for loans taken up and bank liabilities for the financing of real estate assets	3,925	2,956
Interest costs in respect of affiliated companies	5,909	1,151
Other	2	7
	50,660	**54,391**

Taxes on income

This item essentially comprises the income from tax compensation of group members in the amount of € 4,499 K (2013: € 4,904 K).

As at 31.12.2014 CA Immobilien Anlagen Aktiengesellschaft has losses carried forward in the amount of € 352,125 K (31.12.2013: € 332,659 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 € 62,107 K (31.12.2013: € 17,812 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 2014 the tax group comprises beside the head of the group 20 Austrian group companies (2013: 24). The reduction of members in 2013 results from mergers and liquidations.

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 31.12.2014 the possible obligations against group companies from a possible termination of the group were estimated to € 31 K (31.12.2013: € 18 K). As at 31.12.2014 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
Dmitry Mints, Deputy Chairman (since 19.12.2014)
MMag. Dr. Maria Doralt (since 8.5.2014)
Barbara A. Knoflach
Michael Stanton (since 19.12.2014)
Mag. Franz Zwickl
O.Univ.-Prof.DDr. Waldemar Jud (until 8.5.2014)
Mag. Helmut Bernkopf, Deputy Chairman (until 28.10.2014)
Mag. Reinhard Madlencnik (until 28.10.2014)

As at 31.12.2014 all members of the Supervisory Board had been elected by the General Meeting.

The remuneration of the Supervisory Board paid in 2014 (for financial year 2013) amounts to € 122 K (2013 for fiscal year 2012: € 125 K). Additionally, cash outlays for travel expenses in the amount of € 12 K (2013: € 9 K) and other expenditures in the amount of € 1 K (2013: € 0 K) were paid to the Supervisory Board. No other consultancy fees were paid to members of the Supervisory Board.

Management Board

Dr. Bruno Ettenauer
Mag. Florian Nowotny

Total salary payments to active Management Board members in business year 2014 stood at € 1.326 K. The corresponding value for the previous year was € 968 K. Remuneration for Management Board members included a short-term variable salary component of € 541 K (2013: € 240 K) for meeting strategic targets (ZVB bonuses for 2013) and € 74 K (2013: € 34 K) from the LTI tranche for 2011-2013. Fixed salary components made up 53.6% of Management Board remuneration (2013: 71.7%), with variable salary components accounting for 46.4% (2013: 28.3%). Provisions of € 537 K (including incidental charges) were allocated at Management Board level for variable salary components payable in 2015 on the basis of 2014 targets (ZVB bonuses for 2014). As at 31.12.2014, provisions totalling € 2,709 K (including incidental charges) had been formed in connection with the LTI programme (€ 1,265 K on 31.12.2013); of this, the current Management Board accounted for € 483 K (€ 242 K in the previous year). No loans or advances were paid to either Management Board. A total of € 125 K was paid to former Management Board members (2013: €87 K) from the maturity of the LTI tranche for 2011-2013.

Employees

The average number of staff employed by the company during the fiscal year was 54 (2013: 52).

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 € 235,953,402.38 to pay a dividend of € 0.45 per share, i.e. a total of € 44,463,751.20, to the shareholders. The rest of the net retained earnings in the amount of € 191,489,651.18 is intended to be carried forward to new account.

Vienna, 23 March 2015

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Member of the Management Board)

ASSET ANALYSES FOR THE BUSINESS YEAR 2014

	Acquisition and production costs as at 1.1.2014	Addition	Disposal	Transfer	Acquisition and production costs as at 31.12.2014	Depreciation and amortisation (accumulated)	Book value as of 31.12.2014	Depreciation and amortisation in 2014	Reversal of impairment losses in 2014	Book value as at 31.12.2013
	€	€	€	€	€	€	€	€	€	€ 1.000
I. Intangible fixed assets										
Rights and EDP software	1,069,897.97	471,561.40	15,205.00	0.00	1,526,254.37	893,603.05	632,651.32	429,894.60	0.00	605
	1,069,897.97	**471,561.40**	**15,205.00**	**0.00**	**1,526,254.37**	**893,603.05**	**632,651.32**	**429,894.60**	**0.00**	**605**
II. Tangible fixed assets										
1. Property and buildings										
a) Land value	64,134,630.51	0.00	4,760,369.65	0.00	59,374,260.86	14,979,220.41	44,395,040.45	0.00	178,877.84	48,585
b) Building value	325,563,320.92	3,427,180.37	27,191,385.00	2,753,358.90	304,552,475.19	104,661,938.28	199,890,536.91	7,579,886.12	700,419.85	217,102
	389,697,951.43	**3,427,180.37**	**31,951,754.65**	**2,753,358.90**	**363,926,736.05**	**119,641,158.69**	**244,285,577.36**	**7,579,886.12**	**879,297.69**	**265,687**
2. Other assets, office furniture and equipment	3,261,889.09	144,283.75	72,112.37	0.00	3,334,060.47	2,640,060.59	693,999.88	342,697.62	0.00	893
3. Low-value assets	0.00	2,604.17	2,604.17	0.00	0.00	0.00	0.00	2,604.17	0.00	0
4. Prepayments made and construction in progress	2,812,715.91	1,010,834.44	59,357.01	– 2,753,358.90	1,010,834.44	0.00	1,010,834.44	0.00	0.00	2,813
	395,772,556.43	**4,584,902.73**	**32,085,828.20**	**0.00**	**368,271,630.96**	**122,281,219.28**	**245,990,411.68**	**7,925,187.91**	**879,297.69**	**269,393**
III. Financial assets										
1. Investments in affiliated companies	2,409,576,350.11	115,422,594.29	119,695,491.50	77,478.50	2,405,380,931.40	833,434,933.13	1,571,945,998.27	247,413,281.52	2,696,808.09	1,754,754
2. Loans to related companies	159,380,294.24	95,414,347.09	22,332,899.28	– 8,723,330.00	223,738,412.05	17,112,781.94	206,625,630.11	8,532,469.95	4,219.17	154,789
3. Investments in associated companies	16,326.83	0.00	0.00	245,851.50	262,178.33	8,992.14	253,186.19	0.00	0.00	7
4. Loans to associated companies	67,000.00	0.00	0.00	0.00	67,000.00	0.00	67,000.00	0.00	0.00	67
5. Derivative financial instruments	1,311,250.00	0.00	0.00	0.00	1,311,250.00	1,257,042.21	54,207.79	1,257,042.21	0.00	1,311
6. Other loans	32,539,778.35	122,321,707.32	0.00	8,400,000.00	163,261,485.67	26,356,144.79	136,905,340.88	1,779,612.00	0.00	7,963
	2,602,890,999.53	**333,158,648.70**	**142,028,390.78**	**0.00**	**2,794,021,257.45**	**878,169,894.21**	**1,915,851,363.24**	**258,982,405.68**	**2,701,027.26**	**1,918,891**
	2,999,733,453.93	**338,215,112.83**	**174,129,423.98**	**0.00**	**3,163,819,142.78**	**1,001,344,716.54**	**2,162,474,426.24**	**267,337,488.19**	**3,580,324.95**	**2,188,889**

INFORMATION ABOUT GROUP COMPANIES

Direct investments

Company	Registered office	Share capital		Interest in %	Profit/loss for fiscal 2014 in 1,000		Shareholders' equity as at 31.12.2014 in 1,000		Profit/loss for fiscal 2013 in 1,000		Shareholders' equity as at 31.12.2013 in 1,000	
CA Immo d.o.o.	Belgrad	390,500	EUR	100	2,780	RSD	5,653	RSD	1,917	RSD	2,873	RSD
BA Business Center a.s.	Bratislava	7,503,200	EUR	0.01	– 3,026	EUR	4,002	EUR	Acquisition 2014		Acquisition 2014	
CA Holding Szolgáltató Kft.	Budapest	13,000,000	HUF	100	99,326	HUF	640,799	HUF	20,735	HUF	541,473	HUF
Canada Square Kft.	Budapest	12,500,000	HUF	100	– 13,262	HUF	380,233	HUF	37,825	HUF	393,495	HUF
Kapas Center Kft.	Budapest	772,560,000	HUF	50	47,201	HUF	1,401,014	HUF	95,366	HUF	1,462,612	HUF
Kilb Kft.	Budapest	30,000,000	HUF	100	315,387	HUF	2,020,669	HUF	408,551	HUF	1,705,283	HUF
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	– 144,342	HUF	2,295,157	HUF	42,607	HUF	2,439,498	HUF
Skogs Buda Business Center II. Kft.	Budapest	327,010,000	HUF	100	– 121,122	HUF	222,839	HUF	– 339,917	HUF	– 126,299	HUF
Váci 76 Kft.	Budapest	3,100,000	HUF	100	– 343,993	HUF	4,272,982	HUF	239,185	HUF	4,676,975	HUF
Opera Center One S.R.L.	Bukarest	27,326,150	RON	0.24	6,195	RON	117,460	RON	4,457	RON	115,488	RON
Opera Center Two S.R.L.	Bukarest	7,310,400	RON	0.14	– 668	RON	22,633	RON	– 160	RON	23,301	RON
S.C. BBP Leasing S.R.L.	Bukarest	14,637,711	RON	0.02	12,405	RON	71,271	RON	12,547	RON	71,370	RON
CA Immo Invest GmbH	Frankfurt	50,000	EUR	50.5	939	EUR	18,820	EUR	10,916	EUR	20,789	EUR
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49	211	EUR	761	EUR	225	EUR	750	EUR
Pannonia Shopping Center Kft.	Györ	3,000,000	HUF	50	– 443,955	HUF	– 312,713	HUF	– 64,104	HUF	– 60,758	HUF
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	4,998	EUR	94,405	EUR	47,093	EUR	103,007	EUR
CAINE B.V.	Hoofddorp	18,151	EUR	100	109	EUR	– 36,978	EUR	Acquisition 2014		Acquisition 2014	
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	– 2,621	EUR	– 13,994	EUR	– 761	EUR	– 11,373	EUR
CA Immo S.á.r.l.	Luxembourg	33,000	EUR	100	– 3	EUR	– 6	EUR	– 17	EUR	– 3	EUR
CAINE S.á.r.l.	Luxembourg	12,500	EUR	100	– 35	EUR	– 95	EUR	Acquisition 2014		Acquisition 2014	
2P s.r.o.	Pilsen	240,000	CZK	100	6,993	CZK	68,204	CZK	19,632	CZK	61,211	CZK
Hotel Operations Plzen Holding s.r.o.	Pilsen	200,000	CZK	10	6,778	CSK	9,725	CSK	– 12,216	CSK	2,948	CSK
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	– 249,420	CZK	– 202,430	CZK	– 62,877	CZK	– 4,725	CZK
Hotel Operations Europort s.r.o.	Prague	200,000	CZK	10	– 2,682	CZK	– 238	CZK	– 6,653	CZK	2,444	CZK
Office Center Mladost EOOD	Sofia	5,000	BGN	100	540	BGN	652	BGN	466	BGN	895	BGN
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	116	PLN	208	PLN	56	PLN	92	PLN
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	– 155	EUR	– 5,257	EUR	– 2	EUR	– 5,102	EUR
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,135,427	EUR	100	– 83	EUR	6,213	EUR	– 261	EUR	6,296	EUR
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	38.9	2,911	EUR	8,582	EUR	13,670	EUR	31,231	EUR

Information on participations 2014 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 2014 in 1,000		Shareholders' equity as at 31.12.2014 in 1,000		Profit/loss for fiscal 2013 in 1,000		Shareholders' equity as at 31.12.2013 in 1,000	
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG	Vienna	147,817,600	EUR	100	4,557	EUR	151,754	EUR	– 176	EUR	77,217	EUR
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	92,185	EUR	1,219,964	EUR	109,361	EUR	1,377,871	EUR
CA Immo Investment Management GmbH	Vienna	100,000	EUR	100	– 32	EUR	35	EUR	– 72	EUR	67	EUR
CA Immo ProjektentwicklungsgmbH in liquidation	Vienna	72,500	EUR	100	– 108	EUR	1	EUR	– 4,080	EUR	– 3,912	EUR
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	– 4,326	EUR	– 5,429	EUR	– 2,235	EUR	– 1,103	EUR
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	0	EUR	78	EUR	– 5	EUR	78	EUR

Information on participations 2014 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 2014

The CA Immo Group is an international real estate business based in Vienna. The Group, which comprises numerous companies, controls a significant number of properties in various jurisdictions. Its core field of expertise involves developing and managing modern and spacious office properties in Central and Eastern Europe. In regional terms, the company focuses on Austria, Germany, Poland, Hungary, the Czech Republic, Slovakia and Romania. Business activity in Germany is focused on the cities of Munich, Frankfurt and Berlin; in other countries, the main strategic emphasis is on the capital cities. The proportion of office properties stands at around 78% of the fully consolidated asset portfolio, a figure that is likely to rise. Aside from office properties, the Group's asset portfolio includes residential and logistics properties, hotels, speciality store centers and shopping malls. From the design and development of entire urban districts to the active management of investment properties, value is generated through a comprehensive value chain. As at 31 December 2014, the Group had around 355 employees in total (31.12.2013: 355). In business year 2014 CA Immobilien Anlagen AG itself employed 54 people in average compared to 52 people in 2013.

COMPANIES BY REGION

Number of subsidiaries [1]	31.12.2014	31.12.2013
Austria	24	30
- *thereof Joint Ventures*	*0*	*0*
Germany	95	106
- *thereof Joint Ventures*	*15*	*13*
Eastern Europe[2]	108	127
- *thereof Joint Ventures*	*30*	*31*
Across the Group	**227**	**263**
- *thereof Joint Ventures*	*45*	*44*

1 Joint ventures at property/project level
2 Including companies established in connection with Eastern European investments

The parent company of the CA Immo Group is the Vienna-based listed company **CA Immobilien Anlagen Aktiengesellschaft**, whose main activity revolves around the strategic and operational management of domestic and foreign subsidiaries. The company has branch offices in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia; the Group also has offices in Cyprus and Ukraine. Each site acts as a largely autonomous profit centre. Other subsidiaries (without separate local teams) are present in Bulgaria, Croatia, Luxembourg, the Netherlands, Slovakia and Slovenia. Following of a wide-ranging programme of restructuring in Austria and Poland, the Group had a total of 227 subsidiaries in 17 countries as at 31 December 2014 (263 on 31.12.2013)[1].

Austria

The company's domestic properties are overseen in direct holdings of CA Immo. As at 31 December 2014, approximate property assets of € 245.3 m were directly held by CA Immobilien Anlagen AG (against € 268.5 m on 31.12.2013). At present, the Austria portfolio comprises purely investment properties.

Germany: Expanding the portfolio through project development

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. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local profile is assured. The company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale. Investment properties are largely held in direct holdings and let and managed by **DRG Deutsche Realitäten GmbH**, a joint venture set up with the estate agent and property management firm ÖRAG. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by CA Immo's German subsidiary **omniCon**, which also performs these services for third parties.

Eastern Europe: Active management of investment properties

The Group's portfolio of investment properties in Eastern Europe is directly held via CA Immo participating interests and via **Europolis GmbH** (formerly Europolis AG), another wholly owned subsidiary of CA Immo acquired from the Volksbank Group early in

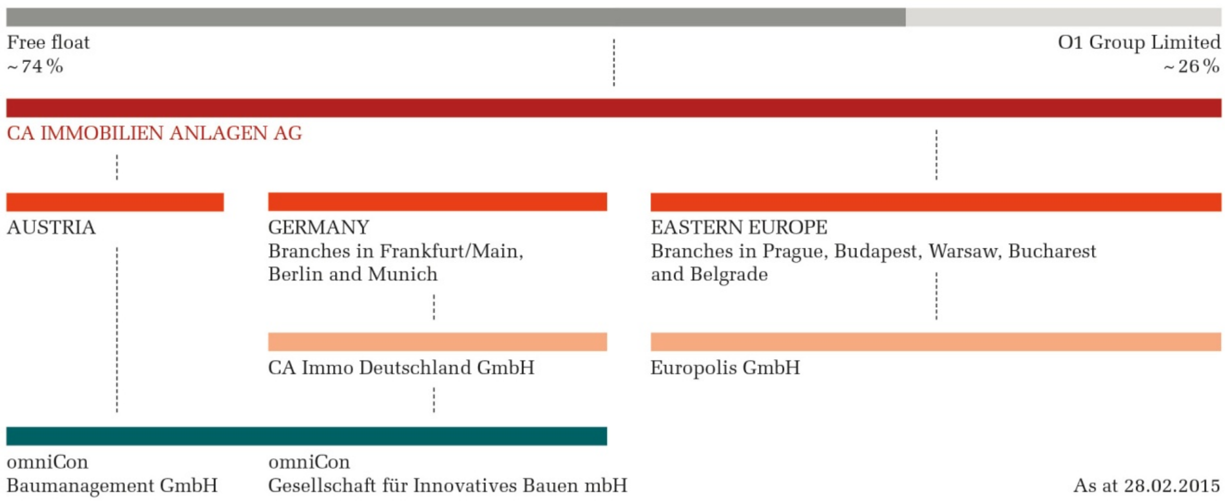
[1] Includes holding companies in Cyprus, Luxembourg and the Netherlands and another company in Switzerland.

2011. The Europolis Group, which was established in 1990, focuses on class A commercial properties in Eastern Europe. The overall Europolis portfolio is split into four sub-portfolios. Reputable partners such as EBRD and Union Invest hold stakes from 25% to 49% in two of these portfolios. The properties are managed by **Europolis Real Estate Asset Management GmbH** (EREAM) of Vienna alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as **CA Immo Real Estate Management**.

Eastern European development projects originally held in 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) – and three other investment properties have also been directly held by CA Immo since early December 2014. The fund terminated at the end of 2013 when it was dissolved in a voluntary liquidation process. The Europolis portfolio also includes a small number of development projects and undeveloped plots in Poland, Hungary and Ukraine.

Until recently, CA Immo held 25% plus eight shares in the listed Vienna-based property developer UBM Realitätenentwicklung AG through one of its subsidiaries; this holding was successfully sold to PORR subsidiary PIAG Immobilien AG in the second half of 2014. The purchase price for the 1,500,008 bearer shares was € 36.0 m. Projects realised in partnership with UBM – the Poleczki Business Park in Warsaw and Airport City in St. Petersburg – are unaffected by the transaction.

GROUP STRUCTURE



ECONOMIC ENVIRONMENT

The economic trend[1)]

In 2014 the global economy was characterised by geopolitical instability, and thus volatility. In particular, the effect of sanctions against Russia was felt by the economies of Western Europe. Here economic woes were intensified by the rapid drop of the oil price and the rouble, the flare-up of the debt crisis in Europe and the end of the Federal Reserve's bond purchase programme in the USA. According to the International Monetary Fund (IMF), however, the mood around the world is set to change in 2015 with the economies of Europe in particular experiencing a modest upturn. The economic prospects in the eurozone have indeed brightened since mid-January 2015. The pressure of the austerity policy will ease in future, leaving greater scope for economic growth.

Review of the core markets in 2014[2)]

Growth in the eurozone amounted to 0.8% in 2014, with the EU as a whole achieving 1.3%; both figures are below expectations for the first half of 2014. In 2015 eurozone growth should improve marginally to 1.1%, with the EU returning 1.5% (the values also fall short of the 2014 spring forecast of 1.7% and 2% respectively). A budget deficit of 2.6% is expected for the eurozone (overall EU: 2.7%). The total average national debt for the eurozone stood at 92.1 % (EU: 86.6%).

Economic growth in Austria was 0.7%, below the spring target of 1.6%; the Austrian economy grew by 0.3% (real value) in 2014. In spite of low interest rates, companies are still reluctant to invest as the income and private consumption trend remains subdued. The inflation rate in Austria stood at 1.5% in 2014, and is likely to remain at this low level in 2015 owing to the falling oil price. Compared to the general price trend in 2014 for the eurozone (0.5%) and the EU (0.6%), Austria is thus well above average. The 2014 unemployment rate of 5.3% (forecast for 2015: 5.4%) remains among the lowest in the EU.

The German economy was mainly driven by foreign trade, with the trade balance (seasonally and calendar adjusted) rising from € 16.9 bn in 2013 to € 21.8 bn in 2014. Gross domestic product also rose by 1.5%. In EU comparison, Germany has the lowest unemployment rate at just 5.1%. The inflation rate in Germany has been hovering around the 0% mark, missing deflation by a hair's breadth at the end of the year. Debt in Germany as a percentage of GDP fell from 78.4% in 2013 to 74.8% in 2014.

Economic growth in Hungary amounted to a surprising 3.5% at the end of 2014, above the expected figure of 3.2%. The Romanian economy also performed well in 2014, recording GDP growth of 2.9% in place of the predicted 2.5%. Gross domestic product in Poland grew by 3.0% in 2014, slightly below the forecast of 3.3% at the start of the year. In the Czech Republic, the economy expanded by 2% in 2014, well below the forecast figure of 2.6%. The unemployment rate in the CEE nations is higher than that for the rest of the EU; it stands at 8.0% in Poland, 5.8% in the Czech Republic, 9.3% in Hungary and 7.1% in Romania.

The inflation rates in CEE countries remained below the respective targets. In yearly comparison, the inflation rate in Poland was 1.3% at the end of January 2015; the interest rate is therefore expected to fall by possibly 2% as things stand. The price trend in Hungary was – 1.4% in January 2015, implying scope for an interest rate reduction of 2.1% at present. The inflation rate in the Czech Republic was 0.1% above the previous year's value in January 2015, and 0.4% above in Romania.

The money market and interest environment[3)]

Monetary policy was highly expansive in 2014 and characterised by the continuance of historically low interest rates. Around mid-year, the European Central Bank (ECB) cut base rates for the eurozone from 0.25% to 0.15% in two stages; in September the rate fell again to the record low of 0.05%. To make lending more attractive for banks, deposit rates remain negative at -0.20%. According to Eurostat, the rate of price increases in the eurozone was just 0.3% at the end of 2014, well below the 2% target set by the ECB. To counter the threat of deflation and support business, the ECB resolved in January 2014 to extend its programme of buying government bonds and other securities from eurozone countries up to a volume of € 60 bn. The 3 month Euribor, the interest reference rate for floating rate bonds, hit records lows of between 0.3% and 0.08% in 2014.

1) International Monetary Fund (IMF), World Economic Outlook, January 2015

2) Eurostat Eurostatistics 01/2015 edition, EU Commission forecast for 17.02.2015, Raiffeisen Research, CEE Economics Q4 (16.2.2015)

3) Sources: Eurostat, Central Statistical Offices, Bloomberg

The decline in the second half of the year continued into the opening weeks of 2015, with a new low of 0.05% confirmed. The 1 month Euribor actually briefly entered negative territory in January 2015. Yields on government bonds from eurozone countries and corporate bonds with good credit ratings also reached historic lows in 2014.

Currencies [1)]

The ECB's monetary policy measures led to a weakening of the single European currency in 2014, especially against the US dollar. The Polish and Hungarian currencies displayed greater volatility around the end of 2014 and the start of 2015: EUR/PLN was trading between 4.15 and 4.38, while the EUR/HUF fluctuated between 305 and 323. The currencies of the CEE nations declined in value after the Swiss National Bank abruptly abandoned its minimum exchange rate of 1.20 francs to the euro on 15 January 2015; the bank quickly compensated for these losses, however.

[1] Sources: European Central Bank, Central Statistical Office, Bloomberg

ECONOMIC DATA OF CA IMMO CORE MARKETS

	Growth rate oft he real GDP [1)]		Annual inflation rates [2)]	Rate of unemployment [3)]	Employment rate YoY [4)]	Gross public debt [5)]	Trade balance [6)]
	2014	2015	in %	in %	in %	in % of GDP 2014	in € bn
EU –28	1.3	1.5	0.9	10.0	0.9	86.6	7.6
Euro zone –18	0.8	1.1	0.8	11.5	0.6	92.1	24.0
AT	0.7	1.2	1.1	5.3	0.7	80.7	90.6
GER	1.3	1.1	0.19	5.1	0.9	74.8	15.6
PL	3.0	2.8	-0.89	8.0	1.9	48.6	–1.4
CZ	2.0	2.7	0.08	5.8	0.5	43.8	0.4
HU	3.5	2.5	-0.9	9.3	3.7	80.3	–0.3
RO	2.9	2.4	1.0	6.5	-0.3	38.1	0.1

Source: Eurostat, Bloomberg

[1)] Forecast, Change versus prior year ((in %); [2)] by January 2014; [3)] by December 2014 (seasonally adjusted); [4)] by third quarter 2014; [5)] as a percent of GDP 2014

[6)] January to November 2014 (not adjusted for seasonal variation)

Outlook [2)]

In view of the present economic situation and the development of the inflation rate in the eurozone, we expect the base rate to remain at an historic low in 2015. The decision by the ECB to extend its bond purchase programme, together with the investment programme that the European Commission unveiled in November, which should release investment of at least € 315 bn for strategic infrastructure projects over the next three years, will benefit the economy. With the steep fall in the oil price having slowed the rate of price increases in 2014, the EU Commission expects the inflation rate to fall further, and actually anticipates a deflationary trend for 2015.

According to experts, the CEE nations should benefit from more vigorous domestic demand and increased investment activity in 2015, with growth averaging 2.5% this year (twice as strong as that in the eurozone). With GDP expanding by 3.1% in 2015, Poland is likely to remain the fastest growing member of the CEE region. Growth of 2.4% is expected for the Czech Republic in 2015, with Hungary expanding by 2.3% and Slovakia achieving 2.5% growth. With government expenditure likely to decrease, the Hungarian economy will grow at a slower rate.

[2] Sources: European Central Bank, Central Statistical Office, Bloomberg

THE REAL ESTATE MARKET IN AUSTRIA [1)]

The investment market

The volume invested in commercial real estate during the fourth quarter of 2014 (€ 700 m) was lower than the figure for the comparable period of 2013 (€ 800 m). Retail properties accounted for 33% of transactions, followed by office properties with 32%. The total investment volume of € 2.8 bn in 2014 exceeded the 2013 level (€ 1.75 bn) by 60%. The peak yield on office properties stood at 4.6% in quarter four, marginally down on the previous quarter (4.65%). Yields in good locations were very slightly lower (5 bps) than those for quarter three (5.25% compared to 5.30%). During the fourth quarter, the proportion of domestic investors rose from 25% (in Q3) to 73%. Investors from Russia were responsible for around 14% of investments, with German investors accounting for approximately 13%. In view of current market trends, it is likely that the interest of foreign investors will grow, leading to large-scale transactions in 2015.

The office property market

The stock of premises on the Viennese office property market expanded only marginally in 2014 to the current level of approximately 10.83 million sqm (10.81 million sqm in 2013). The main reason for the stability of the total portfolio was the relatively low completion volume. The main project completions in Vienna included the ÖBB Tower at the new main station and new properties for the office district of Wienerberg. Lettings performance of 43,000 sqm in the fourth quarter of 2014 was 52% below the result for the third quarter (90,000 sqm). However, total lettings performance in the second half (133,000 sqm) was much stronger than in the first six months (77,000 sqm). In 2014, 80% of all completions were pre-let, a trend that is expected to continue in 2015. The vacancy rate was stable at 6.6% on account of the low completion volume in 2014 and the continuing demand for office space. The prime monthly rent in Vienna in the final quarter of 2014 was unchanged at € 25.75/sqm, a trend expected to continue in 2015. Rents in good and average locations varied somewhat, with both rising steadily since early 2014 to stand at around € 15.00/sqm per month in good locations and € 13.50/sqm per month in average locations by the fourth quarter.

1) Sources: CBRE: Austria Investment MarketView Q4 2014, Vienna Office MarketView Q4 2014, MarketView EMEA Rents and Yields Q4 2014

OFFICE MARKET DEVELOPMENT IN VIENNA

	2014	2013	Change in %
Take up in sqm	210,000	295,000	– 28.8
Vacancy rate in %	6.6	6.6	+/– 0.0
Peak rent in €/sqm net exclusive	25.75	25.25	+2.0
Prime yield in %	4.60	4.75	– 3.16

Sources: CBRE: Austria Investment MarketView Q4 2014, Vienna Office MarketView Q4 2014
Note: floor space turnover includes owner-occupier transactions

THE REAL ESTATE MARKET IN GERMANY [2)]

The investment market

Approximately € 20.3 bn was invested in office properties in Germany during 2014, with € 7.3 bn of this invested in the final quarter. This represents 51% of the total German investment market for commercial real estate (up 32% on the previous year). Over the past 10 years, the average transaction volume in Germany has risen by a third every year. The proportion of foreign investors in Germany has increased from 25% to almost 39%.

The proportion of investment in office properties in the overall investment volume doubled between 2010 and 2014. In Berlin, € 2.3 bn was invested in office properties (64% of the total Berlin investment market); in Düsseldorf the figure was € 1.2 bn (63%) and in Munich € 3.7 bn (34%). The highest proportion of investment in offices was reported in Frankfurt (€ 3.9 bn or 77% of the total volume). In response to high demand for investment, the peak yield in Munich declined on the previous year to 4.30% (compared to 4.55% in Berlin and 4.6% in Frankfurt).

The office property market [3)]

Despite negative forecasts, office space take-up in Germany actually increased in comparison with 2013. The total volume of turnover was 3.0 million sqm (up 30% in quarter four), with a similar volume anticipated for 2015. Development was variable in the main property centres,

2) Sources: Jones Lang LaSalle: German Investment Market Q4 2014; CBRE: MarketView Deutschland Investment Quarterly Q4 2014; MarketView European Investment Quarterly Q4 2014

3) Jones Lang LaSalle: Office Market Overview BIG 7 4Q 2014; CBRE: German Investment Quarterly MarketView Q4 2014, MarketView, Office Market Frankfurt, Berlin MarketView Q4 2014, MarketView EMEA Rents and Yields Q4 2014

however. With floor space turnover of 616,600 sqm, Berlin recorded a rise of 35% compared to 2013, while turnover in Düsseldorf fell by 22% to 324,000 sqm. Floor space turnover for the five other core cities lay between these levels, with Hamburg, Stuttgart and Munich improving on the previous year. The volume of new building increased by a moderate 11% to 998,000 sqm in 2014. Of the premises completed in 2014, 80% were pre-let or owner-occupied.

Total vacancy in the seven core cities reached a low of 7.6% (6.81 million sqm) in 2014, dropping below the seven million sqm threshold. Stabilisation at this level is expected in 2015. Demand for office space led to a marginal rise in peak rents in inner city areas of Hamburg, Cologne, Frankfurt, Munich, Stuttgart and Berlin. The aggregate peak rent rose by 0.6% in 2014; the only decrease (of 5.5%) was reported in Düsseldorf. Average rents also rose by 2%, with similar results expected for 2015.

Office space take-up in **Munich** totalled 641,000 sqm in 2014, mainly thanks to a strong fourth quarter (214,800 sqm); a similar level is anticipated for 2015. In 2014, 204,000 sqm of new or redeveloped office space was completed. The office vacancy level stood at 6.6%, its lowest level since 2003. Compared to the same period of 2013, the prime monthly rent increased by € 1.50 to € 33.00/sqm in the fourth quarter of 2014. Rental rates are expected to climb further in inner city areas especially, where demand is high; the peak rental rate for prime office space should also rise.

Office space take-up in **Frankfurt** was approximately 378,100 sqm in 2014, below the 400,000-sqm level for the third time since 2004. This value is around 18% below the ten-year average, mainly because of the decision by many tenants to extend existing contracts rather than relocate. At the same time, the largest volume of newly built premises for more than a decade was completed in 2014 (approximately 300,000 sqm); 75% of new floor space was pre-let prior to completion. Partly due to various disposals of older portfolio buildings, the vacancy rate fell further to 10.4% in the final quarter of 2014; it is currently at its lowest level for over 10 years. The prime rent stabilized at € 35/sqm per month.

Office space take-up in **Berlin** reached the record level of 616,600 sqm in 2014 (up 35% on the 2013 figure of 455,000 sqm). Floor space turnover was approximately 219,000 sqm in quarter four of 2014. The vacancy rate fell to the low level of 7.7% in the final quarter thanks to the rise in demand for office space. Vacancy was very low in all peripheral city areas. The average rent in this segment increased by 7.6% to € 13.70/sqm per month. The prime monthly rent is currently stable at € 22.00/sqm.

THE REAL ESTATE MARKET IN EASTERN EUROPE [1)]

The investment market

The investment volume in the CEE nations (excluding Russia) amounted to around € 7.9 bn in 2014, equivalent to growth of approximately 27% (€ 6.2 bn in 2013). Poland remained the leading regional market with an approximate share of 41% (€ 3.2 bn), followed by the Czech Republic (25%, € 2.0 bn), Romania (16%, € 1.3 bn), Slovakia (8%, € 0.6 bn) and Hungary (7%, € 0.6 bn). In the CEE countries, the office transaction market achieved a particularly strong result with € 3.7 bn, around 54% above the previous year's value of € 2.4 bn. There has been a significant increase in investment in the logistics sector, with the figure rising by some € 1.6 bn (35%) in year-on-year comparison.

Thanks to solid performance in 2014, **Poland** retained the primary focus of many institutional investors, even though its share of the total CEE transaction market fell from 70% in 2012 to around 41% in 2014 as countries of the region invested higher volumes – a promising trend for the whole region. The transaction volume in Warsaw, the most important investment market in Eastern Europe, expanded from € 913 m in 2013 to € 1.2 bn in 2014.

In the **Czech Republic**, the transaction volume rose to € 1.28 bn in the second half of 2014 (up 78% on the first six months and 52% on the same period of 2013). In 2014 **Hungary** recorded its highest transaction volume since 2007 at just over € 580 m. The investment volume in **Romania** was dominated by retail transactions (41%).

The office property markets [2)]

Floor space turnover increased sharply in 2014 in three of CA Immo's four core cities (Prague, Budapest and Bucharest); the vacancy level fell further in Bucharest

[1)] Sources: Jones Lang LaSalle: CEE Investment Market Pulse/2014; CBRE: Property Investment MarketView Q4 2014

[2)] Sources: Jones Lang LaSalle: Warsaw Office Market Profile Q4 2014, Warsaw, Bucharest and Budapest City Report Q4 2014, Prague Office Market Q4 2014; CBRE: Prague, Warsaw, Bucharest and Budapest Office MarketView Q4 2014, CZ Property Investment MarketView H2 2014, MarketView EMEA Rents and Yields Q4 2014 and Budapest. Prime yields remained at a stable level on the core markets of CA Immo. Bucharest was also stable at 7.75% in the fourth quarter after the prime yield rose by 50 bsp since the opening quarter of 2014.

Warsaw represents some 48% of the Polish office property market with total floor space of around 4.4 million sqm. The completion volume was 276,900 sqm in 2014, with a further 834,000 sqm due to follow by 2016. In 2014, 3% less office space (612,400 sqm) was let than in the previous year, although the final quarter of 2014 saw the strongest performance of the past four years with 190,700 sqm let. Between the third and fourth quarters of 2014, the vacancy rate declined by 0.5% to 13.3%; the reduction was mainly due to the low completion volume in the final quarter. The prime rent was € 25/sqm per month in central locations and € 15/sqm per month in peripheral districts. Given the extensive project pipeline, the peak rent level is likely to fall.

Lettings performance on the **Bucharest** office market exceeded 108,000 sqm in the fourth quarter, of which 65% was newly let. Lettings activity expanded by 20% in comparison with previous quarters. The completion volume in the fourth quarter stood at 41,200 sqm. Office space in Bucharest totalled 2.27 million sqm in 2014 and is expected to expand by 150,000 sqm in 2015. Floor space turnover was 315,000 sqm in 2014, a rise of 5% on the previous year. The vacancy rate fell from 15% at the start of the year to 13% at year end; it is expected to stand at 12% in 2015. However, there are big differences between the various submarkets. Vacancy in class A properties was just 6.2% thanks to strong demand for modern office premises with good transport connections, while the rate for B-class properties was 17.3%. The prime monthly rent in Bucharest amounted to € 18/sqm in the fourth quarter of 2014.

Office space take-up in **Budapest** rose from 396,000 sqm in 2013 to 465,600 sqm in 2014 (a rise of 17%). Lettings performance in the office sector expanded by 19% in 2014, a similar rate to that reported in 2013. The completion volume in 2014 was low at 68,200 sqm; 72% of the new premises were already let. Another 45,000 sqm of new office space is expected to be completed in 2015. The vacancy rate fell by 2.2 bsp in 2014 to stand at the current level of 16.2%, the lowest for six years. The fall in vacancy was steepest (5.5 bsp) among class B properties; among class A properties, the vacancy rate was generally constant. A further reduction is expected in 2015. The average prine monthly rent in Budapest currently stands at € 19-21/sqm.

In 2014 the office market in **Prague** recorded its strongest annual growth since 2009, and a 90% rise on the figure for 2013, with a completion volume of 148,900 sqm. The portfolio of office space in Prague thus broke through the three million sqm threshold. In total 15 new buildings came onto the market, nearly all of which were aimed at the upscale market segment. Lettings performance in 2014 was up 32% on the 2013 figure at 331,900 sqm. The vacancy rate in the final quarter was 15.3%, with variation across individual submarkets. Vacancy amounts to 20.7 % in Prague, with 14.3% of office space vacant in inner city areas and just 13.5% standing empty in outlying areas. In 2015 the vacancy level in Prague is expected to reach the provisional high of 16%. Prime monthly rents in the city stand at € 18.50-19.50/sqm, with the inner city figure at € 15.00-17.50/sqm and peripheral areas commanding € 13.00-14.50/sqm.

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, the Group specialises in commercial real estate with a clear focus on office properties in capital cities in the centre 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 land reserves.

CA Immo Group‘s property assets

As at key date 31 December 2014, CA Immo Group held property assets of € 3.6 bn. Of this figure, investment properties account for € 3.0 bn (84% of the total portfolio)[1)] and property assets under development represent € 0.6 bn (16% of total portfolio). Eastern Europe is now the biggest regional segment with a proportion of 41% of total property assets.

[1] Includes properties used for own purposes, self-administrated properties and short-term property assets; excludes Tower 185 which is accounted for using the equity method

Portfolio of CA Immobilien Anlagen AG

Property assets directly held by CA Immobilien Anlagen AG represent a rentable effective area of 174,039 sqm (2013: 206,498 sqm). As at the balance sheet date, these assets comprised 13 properties (16 in 2013) in Austria with a market value of € 245,296 K (€ 268,500 K on 31.12.2013). This portfolio generated rental income of € 20,426 K in 2014 (€ 18,990 K in 2013).

The business area of investment properties is the most important source of revenue for CA Immo. 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. The key performance indicators of operational property business are as follows:

– The vacancy rate and average rent indicate the quality of the portfolio and our success in managing it.
– The quality of a location and its infrastructure are critical to the marketability of properties.
– Local presence and market knowledge: CA Immo has branch offices on its core markets to ensure efficient management and tenant retention.

Lettings

An approximate total of 11,740 sqm of floor space newly let or extended in 2014. Contracts were also concluded for another 383 sqm or so of floor space that will be occupied in 2015. The economic occupancy rate in the asset portfolio rose to approximately 97% in yearly comparison (91% in 2013). The biggest tenants of CA Immobilien Anlagen AG are Österreichische Post AG and Robert Bosch AG.

Investments

The company invested € 4,438 K in its asset portfolio in 2014 (€ 11,301 K in 2013) while spending € 3,772 K on maintaining its investment properties (against € 1,532 K in 2013) and € 361 K (€ 18 K in 2013) for the preparation of development projects.

Disposals

As part of its portfolio streamlining, three investment properties with a value of € 14,492 were sold in 2014 (compared to five investment properties with a value of € 13,516 K in 2013). These sales generated total income of € 3,097 K (compared to € 11,327 K in 2013).

Development projects

There were no current development projects as at 31 December 2014.

COURSE OF BUSINESS FOR CA IMMOBILIEN ANLAGEN AG

Results

Rental income improved by 7.6% (from € 18,990 K to € 20,426 K) as a result of the handover of the Silbermöwe office building to the tenant early in September 2013. Operating expenses passed on to the tenant rose from € 5,949 K to € 6,083 K. Overall this led to a 6% increase in gross revenues from € 24,939 K to € 26,509 K.

Other operating income lowered by 16% from € 16,324 K to € 13,786 K in yearly comparison owing to less property sales compared to the previous year. Other operating income also includes management fees charged to subsidiaries, cost allocations and insurance proceeds.

Primarily as a result of salary adjustments, staff expenses increased by 12% from € 7,551 K in 2013 to € 8,447 K as of 31.12.2014.

Comparing the two periods, depreciation of tangible assets increased by 8% to € 8,355 K (€ 7,768 K in 2013), owing to the recognition of the Silbermöwe office property which was completed in September 2013 for the entire financial year.

Primarily caused by demolitions of hall buildings on the Lände 3 area (part B) and an increase of operating expenses charged to the tenants and maintenance expenses as well as from general administrative expenses – particularly legal, auditing and consultancy costs, other operating expenditures rose by 89% to € – 27,995 K (€ – 14,778 K in 2013). Taxes (also included in this item) comprise primarily corporate income tax of € 1,134 K (€ 0 K in 2013) for the contingent capital increase owing to the exercising of conversion rights by owners of the 4.125% convertible bond for 09-14.

In overall terms, the developments outlined above brought about a significant decline in operating profit (from € 11,166 K as at 31 December 2013 to € – 4.502 K on 31 December 2014).

The company received total income from investments of € 322,808 K (€ 95,809 K in 2013) via subsidiary dividend payouts. Of this figure, € 321,343 K (2013: € 75,599 K) was generated in Austria and € 1,465 K stemes from Germany, Eastern Europe and various interim holdings for investments in Eastern Europe (2013: € 20,210 K). In 2014, this item was counterbalanced by expenses linked to financial assets and interest receivables on current assets of € – 263,022 K compared to € – 8,916 K in 2013, which mainly resulted from write-downs of shares in affiliated companies linked to dividend payments. Loans granted mainly to subsidiary companies produced interest income of € 21,112 K (€ 10,567 K in 2013). As of 31 December 2014, other interest and similar income stood at € 8,684 K (compared to € 16,451 K in 2013).

In a year-on-year comparision the lower income from financial investments (€10,466 K in 2014 compared to € 71,053 Tsd. € as of 31 December 2013) include investment appreciations in an amount of € 2,697 K (€ 47,231 K in 2013) and revenues from the repayment of loans above book value. In 2014, one Czech investment has been sold and a further participation in Luxembourgwas has been liquidated.

'Interest and similar expenditure' accounted for € – 50,660 K versus € – 54,391 K in 2013. Driven by the repayment of the 6.125% bond 09-14 interest expenses for bonds decreased by 17% from € – 25,006 K in 2013 to € – 20,752 K on 31 December 2014. Expenses for derivative transactions recorded a decrease by 21% to € – 20,072 K (2013: € – 25,271 K); expenses for financing of real estate assets rose by 33% to € – 3,925K € (2013: € – 2,956 K). Interest costs in respect of affiliated companies increased to € – 5.909 K (€– 1.151 K in 2013). Overall, the factors outlined above led to a significant decline in the financial result, from € 130,573 K in 2013 to € 49,388 K in 2014. Earnings before interest and taxes stood at € 44,886 K (against € 141,739 K in 2013). After taking account of tax revenue (essentially derived from the offsetting of Group charges) of € 4,234 K (2013: € 4,875 K), the annual net profit as at 31 December 2014 stands at € 49,120 K, compared to € 146,614 K on 31 December 2013. Taking into consideration profit brought forward from the previous year of € 186,833 K (€ 75,362 K in the previous year), the annual financial statements of CA Immobilien Anlagen AG show net retained earnings of € 235,953 K (€ 221,976 K in 2013).

Proposed dividend

At the Ordinary General Meeting to be held on 30 April 2015, the Management Board will propose payment of a dividend for business year 2014 of 45 cents per share, payable on 7 May 2015. This equates to a dividend yield of around 2.9% in relation to the closing rate for 2014 (€ 15.50).

Cash flow

Cash-flow from operating activities (operating cash-flow plus changes in net working capital) stood at € 265,176 K in the past business year (€ 89,946 K in 2013). Cash flow from investment activities was € – 224.723 K (2013: € 69,620 K) and cash-flow from financing activities was € – 191,945 K (2013: € – 29,831 K). The main reason for the change was the payment of a dividend to shareholders of CA Immobilien Anlagen AG.

Balance sheet: assets

Compared to the previous year, the total assets of CA Immobilien Anlagen AG decreased from € 2,442,209 K as at 31 December 2013 to € 2,239,155 K as at 31 December 2014.

Fixed assets fell by 1,2% from € 2,188,889 K as at 31 December 2013 to € 2,162,474 K on 31 December 2014. As a proportion of total assets, the share of fixed assets amounted to 97% on 31 December 2014 (31.12.2013: 90%). Tangible fixed assets fell by 8,7% on the previous year's total to € 245,990 K (€ 269,393 K on 31.12.2013). As at the balance sheet date, the company's property assets comprised 13 properties in Austria with a market value of € 245,296 K (compared to 16 properties with market value of € 268.500 K on 31.12.2013). The decline in property assets was prompted by real estate sales at Klosterneuburger Straße 23-25, Zetschegasse 17 and Freilinger Straße – Marchtrenk. Financial assets fell to € 1,918,892 K (31.12.2013: € 1,930,682 K). The book value of shares in affiliated companies stood at € 1,915,851 K (31.12.2013: € 1,918,891 K). Book value of investments in affiliated companies was € 1,571,946 K (31.12.2013: € 1,754,754 K). Current additions were mainly the result of various shareholder subsidies. Disposals were mainly the result of the liquidation of the Luxembourg subsidiary CA Immo New Europe Propertay Fund S.C.A. SICAR of € 44,336 K.

Current assets declined from € 252,795 K as at 31 December 2013 to € 76,458 K on 31 December 2014. The main reason for the decline was the repayment of the 6.125% bond 09-14 with a nominal value of € 150 m. The item 'Other securities' contains own bonds repurchased from the market in 2011 with a book value of € 13,658 K and a nominal value of € 14,008 K. In the previous year this item also included repurchased own convertible bonds with a book value of € 19,397 K and a nominal value of € 20,500 K. On 31 December 2014 the company has cash holdings of € 27,693 K (31.12.2013: € 179,184 K).

Balance sheet: liabilities

Shareholders' equity rose to € 1,809,132 K as at the balance sheet date (€ 1,680,874 K on 31.12.2013). The equity ratio on the key date was approximately 81% (31.12.2013: 69%). Equity covered 84% of fixed assets (31.12.2013: 77%). Provisions amounted to € 29,582 K, taking account of obligations arising from derivative transactions with an amount of € 15,195 K (31.12.2013: € 43,960 K). Liabilities fell from € 691,500 K at the end of 2013 to € 397,562 K as at 31 December 2014 taking into account the discontinuation of the 6.125% bond and the conversion of the convertible. As at balance sheet date, the company has one outstanding bond, registered for trading on the unlisted securities market of the Vienna Stock Exchange. The bond provides unsecured financing for CA Immobilien Anlagen AG; it is on equal footing to all other unsecured financing of CA Immobilien Anlagen AG. The conditions of the bond do not provide for any relevant financial covenants.

DEVELOPMENT OF SHAREHOLDERS' EQUITY

€ 1,000	31.12.2013	Capital Increase	Dividend payments	Annual result	Release of capital reserves	31.12.2014
Share capital	638,714	79,623	0	0	0	718,337
Tied capital reserves	820,184	34,658	0	0	0	854,842
Retained earnings	0	0	0	0	0	0
Net profit	221,976	0	–35,143	49,120	0	235,953
Total equity	**1,680,874**	**114,281**	**–35,143**	**49,120**	**0**	**1,809,132**

SHAREHOLDER STRUCTURE AND CAPITAL DISCLOSURES (INFORMATION PROVIDED UNDER SECTION 243A UGB (AUSTRIAN COMMERCIAL CODE)

Owing to the exercising of conversion rights by owners of the 4.125% convertible bond for 09-14, the company's capital stock increased during the reporting year by a total of € 79,623,046.52, from € 638,713,556.20 to € 718,336,602.72 (as at 31.12.2014) as a result of the issue of new shares from contingent capital. This was divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of the capital stock of € 7.27. The shares trade on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352).

In quarter four UniCredit Bank Austria AG – formerly the largest shareholder in CA Immo with roughly 16% of the capital stock – sold its 15,954,891 shares in CA Immo (including four registered shares, each of which entitles the hold to appoint one Supervisory Board member) to O1 Group Limited ('O1'). The purchase price was € 18.50 per share. The total volume of the transaction was € 295 m.

The registered shares which are now held by O1 Group Limited entitle to nominate one Supervisory Board member for each share; O1 has informed the company that it has no intention of utilising this right of appointment in the foreseeable future. All members of the Supervisory Board have been elected by the Ordinary General Meeting. Transfer of registered shares requires the approval of the company. There are no preference shares or restrictions on ordinary shares of the company issued prior to 31 December 2014.

O1 Group Limited is a private holding company based in Cyprus which focuses on strategic investments and asset management in various sectors (including real estate, industry and financial services). The holdings also include a majority stake in O1 Properties, one of the most important owners of prime office real estate in central Moscow.

On 28 November 2014, O1 issued a voluntary partial public offer for another 9,735,276 bearer shares (approximately 10% of the capital stock) to the shareholders of CA Immo. The offer price (i.e. the price paid by O1 to UniCredit) was € 18.50 per share. The term of acceptance closed on 6 February 2015. The offer was accepted for a total of 40,790,659 bearer shares (approximately 41.28% of the total capital stock). Owing to oversubscription, declarations of acceptance could only be considered on a pro rata basis. The allocation quota stood at approximately 23.87%. Together with the shares acquired by

UniCredit, O1 has thereby amassed a proportion of 26% of the outstanding share capital of CA Immo.

The company is not aware of any other shareholders with a stake of more than 4% or 5%. The remaining shares of CA Immo (approximately 74% of the capital stock) are in free float with both institutional and private investors. Apart from O1 Group Limited, there are no holders of shares with special inspection rights. Employees who hold shares directly exercise their rights to vote at the Ordinary General Meeting.

At the 27th Ordinary General Meeting, the Management Board was authorised to acquire own shares to the maximum degree admissible by law (10% of the capital stock, article 65 section 1 line 8 of the Stock Corporation Act) for a period of 30 months, and if necessary to withdraw or sell own shares via the share market, or by other means, or via a public offer. As at 31 December 2014 the company itself did not hold any own shares. On 25 November 2014 CA Immo announced its intention to utilise the authorisation of the Management Board granted at the 27th Ordinary General Meeting on 8 May 2014 to acquire own company shares in line with article 65 subsection 1 line 8 of the Stock Corporation Act. Firstly, shares with a total value of up to € 20 m will be acquired via the Vienna Stock Exchange subject to a limit value of € 14.25 per share. On the basis of the current share price (€ 17.37 closing price on 17.3.2015), this equates to roughly 1.2% of capital stock. The repurchase will be carried to support the purposes permitted by resolution of the Annual General Meeting, and in particular to establish a currency for corporate and real estate acquisitions and raise demand for the CA Immo share on the Vienna Stock Exchange. The buyback programme started on 1 December 2014 and will end by 7 October 2016 at the latest.

At the 26th Ordinary General Meeting, the Management Board, with the approval of the Supervisory Board, was again authorised to issue, in several batches if required, convertible bonds associated with conversion or subscription rights on up to 13,756,000 bearer shares of the company with a proportionate amount of the capital stock of up to € 100,006,120, up to a total amount of approximately € 100 m, and to stipulate all other conditions, the issue itself and the conversion procedures for the convertible bonds. The subscription rights of shareholders (article 174 section 4 of the Stock Corporation Act in conjunction with article 153 of the Act) were excluded. To secure conversion rights, contingent capital II (article 159 of the Stock Corporation Act) of the same amount (€ 100,006,120) was approved.

At the 25th Ordinary General Meeting of 8th May 2012, the Management Board was authorised to increase the capital stock by up to € 319,356,778.10 by 11th September 2015 through cash contributions against the issue of up to 43,928,030 bearer shares (in several batches if required), thereby observing the statutory subscription right (article 153 section 6 of the Austrian Stock Corporation Act) and determining the issue price and conditions by agreement with the Supervisory Board.

According to the Articles of Association, the company's Management Board must consist of one, two or three persons. The age limit for Management Board members is defined as 65 in the Articles of Association. The final term of office for Management Board members concludes at the end of the Ordinary General Meeting that follows the 65th birthday of a Board member. The Supervisory Board comprises no less than three and no more than 12 members. At any time, an appointed Supervisory Board member may be asked to step down by the person entitled to nominate and replaced by another. The provisions of the Articles of Association on the term of office and replacement elections do not apply to nominated members. The other Supervisory Board are elected by the Ordinary General Meeting. The age limit for Supervisory Board members is defined as 70 in the Articles of Association. Supervisory Board members must step down from the Board at the end of the Ordinary General Meeting that follows their 70th birthday.

Otherwise there are no significant agreements in place that would become effective, change or terminate in the event of a change of control in the company resulting from a takeover bid. Moreover, there are no remuneration agreements with Management Board members, Supervisory Board members or employees that would become effective in the case of a public takeover bid.

We now turn our attention to the key features of the internal monitoring and risk management systems in terms of the financial reporting process. Minimum standards for internal monitoring systems are defined in a set of internal Group guidelines. To oversee compliance with these standards, CA Immo set up an Internal Auditing unit under the control of the full Management Board alongside the Risk Management division. On the basis of an auditing plan and by agreement with the Compliance division, it monitors the observance of legal provisions, internal guidelines and rules of conduct as well as potential for risk in operational processes (upholding the dual verification principle in all organisational entities, continual reporting and so on) while assessing the potential for efficiency improvements (regular audits of individual Group companies). Reports on the auditing plan and assessment results will be submitted to audit committee and the Supervisory Board at least once every year. The internal monitoring system (IMS) is also being continually expanded to assist in the early identification and monitoring of risks. Standard Group regulations for compiling annual and interim financial statements are also defined in internal Group guidelines. The Group employs a comprehensive risk management system. The financial reporting process was analysed to define key sub-processes; the effectiveness of the sub-processes thereby identified will be evaluated and they will be aligned with best practice (e.g. derivatives, claims management) on the basis of a rotating schedule. The risk management system is subject to regular appraisal by the auditor. The results of audits are reported to the Supervisory Board's audit committee.

Development of shareholders‘ equity is shown in section "Business development of CA Immobilien Anlagen AG".

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 Code9 and thus to transparency and principles of good corporate management. In business year 2013, 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 Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft)[1].

RISK MANAGEMENT AT ALL LEVELS OF THE COMPANY

Risk management and the internal monitoring system are integral parts of the CA Immo Group's management systems. Internal Auditing, an independent division, oversees operational and business processes and the internal monitoring system; it acts independently in reporting and evaluating the audit results. The risk policy of CA Immo is defined by a series of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is obligatory at all levels of the company. The aim is to identify and analyse both potential opportunities and hazardous developments at an early stage. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all levels, decisions are subject to the dual verification principle. CA Immo evaluates the current opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company incorporates early warning indicators such as rent forecasts, vacancy analyses, continual monitoring of lease agreement periods and the possibility of terminations; construction costs are also tracked during project implementation. Scenarios are envisaged regarding the value trend for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions. The legal department is responsible for monitoring debate on legal policy at European and local level to ensure compliance; it is also responsible for overseeing legal disputes. The company also evaluates specific risks at regular intervals, focusing on content, effect and likelihood of occurrence.

Overall assessment of opportunities and risks

CA Immobilien Anlagen AG is subject to all risks typically associated with the acquisition, development, management and sale of real estate. These include general market fluctuations linked to the economic cycle, delays and budget overruns in land development, project realisations and redevelopments and risks linked to financing and interest rates. By valuing participating interests, these risks can also impact the company's annual accounts.

[1] Results of the evaluation see www.caimmo.com.

THE INTERNAL MONITORING SYSTEM (IMS)

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

STRATEGIC RISKS

Portfolio structure, concentration (cluster) risk
Risk potential increases where investments lead to over-representation of a particular region in the overall portfolio. CA Immo counters **market risk** by spreading its portfolio across various countries. Following on from the sales of 2013 and 2014 (partial sale of Tower 185, sale of the Hesse portfolio and non-core properties), regional distribution in the portfolio almost matches the desired level of 40% for both Eastern Europe and Germany and 20% for Austria. Germany remains the biggest single market of CA Immo. The aim here is to maintain property assets of € 250-300 m per core city to uphold consistent market relevance. For **single investments**, CA Immo defines concentration risk as a limit value of 5% of the total portfolio. At present, no properties in the portfolio exceed this limit value. The sale of the Hesse portfolio has served to reduce concentration risk in respect of **individual tenants**. At present, the top 10 tenants are generating some 22% of rental revenue. Accounting for an approximate share of 6% of total rental income, PricewaterhouseCoopers is the largest single tenant in the portfolio at present. The high **capital commitment** is raising the general risk level as regards land reserves and land development projects; for this reason, the sale of non-strategic land reserves is planned for 2015 as land development projects are accelerated and partners are involved at an early stage. The future development volume is indicated at approximately 15% of the equity of the CA Immo Group.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment
The level of revenue that the Group can earn from real estate is heavily dependent on the liquidity of real estate investment markets. Under certain conditions, **real estate values** can be subject to substantial fluctuation caused by falling real estate prices, lack of financing, falls in demand and so on. A poor market climate, legal provisions and contractual regulations can impair the ability of CA Immo to sell specific properties with a view to strategically adjusting its real estate portfolio.

CA Immo negates **transfer risk** by repatriating liquid assets from investment markets with a low credit standing. 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. Continual monitoring of the portfolio and specific portfolio management enable the company to respond quickly to economic and political events.

In view of the continued marginal prospect of rental growth and the fact that the (re)financing market in Eastern Europe is only slowly recovering, there is still a danger that starting yields for commercial real estate will be adjusted upwards. In the Eastern European states in particular, there are considerable political risks that could potentially have major negative effects on **property valuation**. The political situations in Hungary, Russia and Ukraine, for instance, are already adversely affecting the real estate market. Many factors that can lead to unfavourable developments are outside of CA Immo's control. These include changes to available income, economic output, interest rates and tax policy. Economic growth, unemployment rates and consumer confidence also influence the supply and demand of real estate at a local level, which in turn can affect market prices, rents and occupancy rates while adversely affecting the value of properties and associated income. Changes in value will continue to represent a significant risk in 2015.

Political and economic trends in the countries in which CA Immo is active also have a significant impact on **occupancy rates** and rent losses. In like-for-like comparison, lettings were relatively stable on the core markets of CA Immo in 2014. As at 31 December 2014, the Group vacancy rate for the investment portfolio stood at 9.3%. Vacancy for the core segment of office properties amounted to 9.8% on the key date. The sale of more fully let properties could adversely affect vacancy levels further. The market value of a property is affected where the Group is unable to extend a rental agreement due to expire under favourable conditions or find (and retain for the long term) suitably solvent tenants. The creditworthiness of a tenant, especially during an economic downturn, may diminish over the short or medium term, which can affect rental revenue in turn. In critical situations, the Group can opt to cut rents in order to maintain an acceptable occupancy rate. Through careful monitoring and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the **loss of rent risk** has settled at a moderate level. At present, most outstanding rental payments relate to Eastern Europe. All outstanding receivables are evaluated quarterly and adjusted according to the associated level of risk; around 45% of outstanding receivables are adjusted on average. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Many of the Group's lease agreements contain stable value clauses, usually taking account of consumer price indices for particular countries. The level of revenue from such rental contracts and new lettings depends heavily on the inflation trend (**sustainable value risk**).

The Group's portfolio also includes **shopping malls and specialist retail centres** whose operation involves certain risks. Poor running of the centre, inadequate corporate management of tenants, declining footfall and increasing competition can force rental rates down and lead to the loss of key tenants, which leads to rent losses and problems with new lettings. The CA Immo portfolio also includes **hotels**, some of which are operated on the company's own account (to that extent, the Group bears the economic operator risk in full). For this reason, the Group's earnings situation also depends on the quality of hotel management and the development of hotel markets.

As regards letting real estate, the Group is exposed to **competition** from local and international investors (real estate companies, project developers and owners) on all markets. Rent levels are under pressure on many markets; competition for reputable tenants between real estate investors is intense and could get stronger still. To remain attractive to tenants, CA Immo could be forced to accept rental rates lower than those forecast.

Where the attractiveness or potential usage of a **location** is incorrectly assessed, it may prove difficult to let a property in full or at the rent level predicted. This can have a long-term effect on profitability. To ensure a property remains attractive to tenants and appropriate revenue is generated over the long term, its condition and **technical attributes** must be maintained and improved, which can entail significant costs for the company.

Risks associated with sales transactions

Sales in 2013 and 2014 (such as those of the Hesse portfolio, Tower 185, Skyline Plaza, BelsenPark and Lipowy) can give rise to risks linked to contractual agreements and assurances. These might be based on guaranteed income from rental payments, and can subsequently reduce purchase sums agreed or received. Sufficient financial provisions have been made in response to recognised risks to revenue from transacted sales, and liquidity risk is considered in liquidity planning. Contractual obligations in the form of follow-on costs (e.g. residual construction work) form part of relevant project cost estimates.

Project development risks

Costs are generally sustained at the early stages of real estate development projects; revenue is not generated until the later phases of a project. Development projects are often associated with cost overruns and delays in completion that are frequently caused by factors beyond the control of CA Immo. This can adversely affect the economic viability of individual projects and lead to contractual penalties and compensation claims. If no suitable tenants are found, this can produce vacancy after completion. CA Immo takes various steps to keep such risks largely under control (cost monitoring, variance analyses, long-term liquidity planning, and so on). Projects are only launched subject to appropriate pre-letting (40-60% in Germany for example, depending on location).

All projects are being implemented within their approved timeframes and budgetary frameworks.

GENERAL BUSINESS RISKS

Legal risks

The companies of the Group become involved in **legal disputes**, both and plaintiffs and as defendants, in the course of normal business activity. Legal cases are heard in various jurisdictions. In each case, different procedural law means that competent courts are not always equally efficient; moreover, in certain cases the complexity of issues in dispute can make for protracted proceedings or lead to other delays. CA Immo believes it has made sufficient financial provisions for legal disputes. At present, no lawsuits or arbitration proceedings that could threaten the Groups' or the parent company's survival are imminent or pending. Provisions were formed, depending on the likelihood of a claim being asserted.

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

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

Taxation risk

On the markets of Eastern Europe especially, CA Immo is subject to uncertainty linked to taxation systems with provisions that are frequently amended and adapted, leading to high expenses for the Group. Exceptional tax rises are a constant risk to revenue. For this reason, all relevant discussions and decisions taken by national legislators are continually monitored. Sufficient financial provisions are made for known risks linked to tax audits and fiscal or extra-judicial proceedings.

Partner risks

In Germany in particular, CA Immo is involved in numerous development projects with partners and is thus dependent on those partners to a degree (**partner risk**). Part of the portfolio of investment properties in Eastern Europe is jointly held by the European Bank for Reconstruction and Development (EBRD) and Union Investment Real Estate GmbH. CA Immo is party to a co-investment agreement here, whereby various obligations and restrictions are imposed on investors. This can influence the value of investments; moreover, the Group is exposed to credit risk in respect of its counterparties. Depending on the agreement in question, CA Immo could also bear joint liability for costs, taxes and other third-party claims with its co-investors and, where a co-investor opts out, be forced to accept liability for their credit risk or share of costs, taxes or other liabilities.

The Group outsources some real estate management tasks and other administrative duties to third parties outside the company. In the process of transferring administrative tasks, it is possible that knowledge of managed properties and administrative processes can be lost, and that CA Immo could prove incapable of identifying and contractually committing suitable service providers within the necessary timeframe.

Environmental risk

Environmental and safety regulations serve to standardise active and latent obligations to remediate contaminated sites, and complying with these provisions can entail considerable investment expenses and other costs. These obligations may apply to real estate currently or formerly owned by CA Immo, or currently or formerly managed or developed by the company. In particular, the provisions cover contamination with undiscovered harmful materials or noxious substances, munitions and other environmental risks such as soil pollution, etc. Several regulations impose sanctions on the discharge of emissions into air, soil and water: this can make the Group liable to third parties, significantly impact the sale and letting of affected properties and adversely affect the generation of rental revenue from such properties. Natural disasters and extreme weather conditions can also cause considerable damage to real estate. Unless sufficient insurance is in place to cover such damage, this can have an adverse impact. To minimise the risk, CA Immo incorporates these considerations into its assessments prior to every purchase and appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. 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 specifications regarding green buildings and sustainability are satisfied while the usage of environmentally unsound products is ruled out.

FINANCIAL RISKS

Liquidity, investment and refinancing risk

(Re)financing on the financial and capital markets is one of the most important considerations for real estate companies. CA Immo requires loan capital to refinance existing loans and to finance development projects and acquisitions in particular. In effect, therefore, the company is dependent on the readiness of banks to provide additional loan capital and extend existing financing agreements under acceptable terms. Market conditions for real estate financing are constantly changing, and deteriorated significantly during the financial and economic crisis in particular. In Hungary especially, financing for real estate projects is very difficult to secure at present. The attractiveness of financing alternatives depends on a range of factors, not all of which can be influenced by the Group (market interest rates, level of necessary financing, taxation aspects, required securities and so on). This can significantly impair the ability of the Group to raise the completion level of its development portfolio, invest in suitable acquisition projects or meet its obligations arising from financing agreements. The refinancing requirement on existing loans is approximately € 294 m in 2015, with Austria and Germany accounting for some € 164 m of this and approximately € 130 m in Eastern Europe. Although the CA Immo Group has a sufficient level of liquidity as things stand, we must take account of restrictions at individual subsidiary level; access to cash and cash equivalents is limited owing to obligations to current projects and a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices lower than expected. Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area. Where these requirements are violated or default occurs, the relevant contractual partners are entitled to accelerate financing and demand immediate repayment. This could impel the Group to sell real estate or arrange refinancing under unfavourable terms. CA Immo does not rule out financing future business activity by issuing more shares (**equity-based financing**). If investors cannot be found to invest in real estate company shares owing to their assessment of the market and the risk profile, it may be difficult for the Group to raise any more equity at all, let alone equity under acceptable conditions. This would necessitate a change of strategy.

CA Immo has fluctuating stocks of cash and cash equivalents which the company invests according to its particular operational and strategic needs and objectives. In some cases, an **investment** may take the form of listed securities or funds, which are subject to a higher risk of loss.

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

Interest rate risk

Market-led fluctuations in the interest rate affect both the level of financing costs and the fair value of interest hedging transactions concluded. In its financing, CA Immo opts for a mix of long-term fixed-rate and floating-rate loans; the latter are not entirely secured by means of derivative financial instruments. However, CA Immo continually undertakes hedging transactions, particularly to hedge against **interest rate changes** and associated fluctuations in its financing costs. Hedging transactions of this kind may prove to be inefficient or unsuitable for achieving targets; they may also result in losses that affect earnings. Moreover, the **valuation of derivatives** can impact negatively on profits and shareholders' equity. The extent to which the Group utilises derivative instruments is guided by assumptions and market expectations in respect of the future interest level, and especially the 3 month Euribor rate. Should these assumptions prove incorrect, the result can be a significant rise in interest expenditure. Continual monitoring of the interest rate risk is therefore essential. No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all risks identified.

Currency risk
Since CA Immo is active on a number of markets outside the eurozone, the company is subject to various currency risks. Where rents are payable in currencies other than the euro on these markets and cannot be fully adjusted to current exchange rates in time, incoming payments may be reduced by exchange rate changes. Where expenses and investments are not transacted in euros, exchange rate fluctuations can impair the payment capacity of Group companies and adversely affect the Group's profits and earnings situation. CA Immo counters such risk in that foreign currency inflows are generally secured by pegging rents to the euro; no significant and direct currency risk exists at present. The pegging of rents affects the creditworthiness of tenants and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. This process is constantly overseen by the responsible country coordinators. Due to the repayment of CZK loans which was caused by disposals by the end of 2014 the currency risk on the liabilities side is no longer relevant. Currency risks linked to construction projects are hedged according to need on a case-by-case basis, taking account of the currency underlying the order and lease agreement, likely exchange rate development and the calculation rate.

FINANCIAL INSTRUMENTS[1]

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.

[1] For full details on the derivative financial instruments of CA Immobilien Anlagen AG, see the notes section.

THE COMPANY'S FUTURE DEVELOPMENT

While 2015 may well see more of the geopolitical instability of 2014, there are signs of a continuing economic recovery in Europe. The bond purchase programme initiated by the ECB in January 2015 and the European Commission's programme of investment in strategic infrastructure projects published last November should provide further economic momentum. As was the case last year, we are working on the assumption that the core markets of CA Immo will remain stable, and that real estate market conditions in Germany will remain highly positive. The presently advantageous financing environment will continue to define the real estate sector in 2015.

Strategy
With key milestones in the programme of strategic measures for 2012 to 2015 having been implemented early, the focus for the CA Immo Group now switches back to raising value through growth. The company's healthy balance sheet and equity ratio of over 50 % is strengthening the organic growth area of real estate development, which will continue to revolve around the German market. Transferring in-house developments to the asset portfolio constitutes a major competitive advantage for CA Immo, securing access to high quality real estate with long-term cash flow. To consolidate the competitive position of the company on existing core markets, the potential for realising value from sites through investment is continually reviewed.

Further sales of non-strategic real estate, which are synchronised with new investment, will supplement the ongoing optimisation of the real estate portfolio and the expansion of the proportion of office properties as key tools for raising operational profitability. As in the last two years, currently high levels of liquidity on real estate investment markets should provide a promising climate for planned sales.

Development
We will continue to push ahead with the development of core office properties in Germany as a driver of organic expansion. Around € 150-200 m will be invested in current development projects during 2015.

Routine business
In like-for-like comparison, rents levels are expected to be generally stable. The completion and incorporation of new developments will make up for rent losses from property sales. Further optimisation of the financing

structure and the associated reduction in interest expenditure should boost the long-term earning power of the Group.

Financing

In view of the present economic situation and the development of the inflation rate in the eurozone, we expect the interest rate to remain at an historic low in 2015. Given the quality of the portfolio and the strong balance sheet indicators, we expect the availability of financing with outside capital, both for the refinancing of investment properties and for the financing of development projects, to remain positive. The environment for bank financing will remain competitive, especially in Germany. The positive conditions should enable us to reduce the Group's average financing costs still further. For more information and details, please refer to the 'Financing' section.

Our expectations are based on certain assumptions regarding general and specific conditions. Key factors that may influence our business plans for 2015 include:

- Economic developments in the regions in which we operate and their impact on demand for rental premises and rental prices.

- The general progression of interest rates.

- The financing environment as regards availability and the cost of long-term financing with outside capital and, accordingly, the development of the market for real estate investment, price trends and their impact on the valuation of our portfolio. The speed at which planned development projects are realised will also depend largely on the availability of necessary external loan capital and equity.

- Political, fiscal, legal and economic risks; the transparency and development level on our real estate markets.

RESEARCH AND DEVELOPMENT

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

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2015:

In February 2015, the acceptance period for the voluntary partial public takeover offer by O1 Group Limited to the shareholders of CA Immobilien Anlagen AG ended. The offer was accepted for a total of 40,790,659 bearer shares, which corresponds to approximately 41.28% of CA Immo's total share capital and voting rights. The allocation quota stood at approximately 23.87%. Together with the shares acquired from UniCredit, O1 therefore holds 26% of CA Immo's total share capital and voting rights.

At the same time CA Immo issued a new corporate bond with a total volume of € 175 m (division into shares per nominal amount of € 500) and a term of seven years. The subscription period for the partial bonds for 2015-2022 extended from 12 February to 16 February 2015 for private investors in Austria. The value date for the transaction was 17 February 2015. The interest rate stood at 2.75%. Interest is paid annually for a period starting on 17 February 2015 (inclusive) and ending on the day before maturity (16 February 2022). Interest is payable retrospectively on 17 February of each calendar year, with the first payment on 17 February 2016. Unless fully or partially repaid or acquired and devalued sooner, the partial bonds will be repaid at the nominal amount on 17 February 2022. The net proceeds from the issue of the partial bonds will be used for potential acquisitions, the optimisation of existing financing, the cancellation of existing interest-rate hedges and other general corporate purposes. The joint lead managers in the transaction were Erste Group Bank AG and UniCredit Bank Austria AG. The bond is admitted to trading on the Semi-official Market (Geregelter Freiverkehr) of the Vienna Stock exchange (ISIN AT0000A1CB33).

In March CA Immo and O1 Group Limited announced to jointly launch a partial voluntary tender offer to the shareholders of Immofinanz AG to acquire up to 150,893,280 bearer shares that correspond to approximately 13.5% of the total issued shares in Immofinanz AG (i.e., including treasury shares) or approximately 15.0% of the outstanding shares in Immofinanz AG (i.e., excluding treasury shares). All documents related to this voluntary partial offer are subject to prior clearance by the Austrian Takeover Commission and are expected to be published in March 2015.

Sales

In February, CA Immo sold two hotels in Czech Republic: Europort Airport Center, a hotel directly located at the Prague Airport with some 13,800 sqm gross floor area, and Diplomat Center in Pilsen, spanning some 10,000 sqm floor area. The sale of Europort Airport Center has already been closed, the buyer was a local investor.

The sale of two office towers at Airportcity St. Petersburg, which was contractually agreed in November 2014, was successfully closed in early March. For details of the transaction please see chapter Property assets.

In October, a purchase agreement for the sale of a logistics portfolio with a total area of approx. 467.000 sqm was successfully completed. The closing was in the beginning of February 2015. This transaction includes a logistic park in Romania (215.000 sqm), two investment properties in Poland (252.000 sqm) and approx. 165 acres undeveloped property development, primarily in Poland and Romania. The properties were held by CA Immo in a joint venture with the European Bank of Re-construction and development (EBRD).

The sale of Europolis Park Budapest M1, a logistical property spanning some 69,000 sqm space, which was held as part of a joint venture with Union Investment, was closed in March.

Project development

In early March, the construction of 220 privately financed rental apartments and 141 parking spaces at the Vienna project area Lände 3 was contractually agreed. CA Immo is developing this project under the terms of a forward sale for a local investor. Start of construction is scheduled in the fourth quarter of 2015.

Vienna, 23 March 2015

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Member of the Management Board)

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 2014 to 31 December 2014**. These financial statements comprise the statement of financial position as of **31 December 2014**, the income statement for the fiscal year 2014, 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 2014 and of its financial performance for the year from 1 January 2014 to 31 December 2014 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, 23 March 2015

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

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.

The financial statements together with our auditor's opinion may only be published 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.

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

The managing board confirms to the best of their knowledge that the financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the CA Immobilien Anlagen Aktiengesellschaft and that the management report gives a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties the CA Immobilien Anlagen Aktiengesellschaft faces.

Vienna, 23 March 2015

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Member of the Management Board)

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DISCLAIMER

This Report contains statements and forecasts which refer to the future development of CA Immobilien Anlagen AG and their companies. The forecasts represent assessments and targets which the Company has formulated on the basis of any and all information available to the Company at present. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or the risks set out in the risk management report materialise, then the actual results may deviate from the results currently anticipated. This Report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.

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We ask for your understanding that gender-conscious notation in the texts of this Report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

This Report is printed on environmentally friendly and chlorine-free bleached paper.