CA IMMO

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This Annual Report is printed on environmentally friendly and chlorine-free bleached paper.

We ask for your understanding that gender-conscious notation in the texts of this Annual Report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

COMPANY PROFILE

CA IMMOBILIEN ANLAGEN AG

- Founded in 1987 and consistently developed into one of the leading property investment companies in Austria and Europe
- Invests in commercial property (focusing on offices and business hotels) in Austria, Germany and, via the subsidiary CA Immo International, in eastern Europe
- Property holdings in 12 countries with a market value of about € 3.8 billion
- Listed on the Vienna Stock Exchange since 1988
- About 90 % in free float with private and institutional investors

BUSINESS AREAS

- Income producing properties: acquisition and management of commercial properties with a medium to long-term investment horizon
- Project development: planning, construction and marketing of commercial properties. Investment objective: incorporation in the company's own stock properties or sale to third parties (as early as the concept stage or immediately after completion and letting)

STRENGTHS

- Internal management with many years of experience
- Excellent networking and strong partnerships with local property experts in the individual countries
- Strong equity capital base
- Well-balanced portfolio
- High-quality site reserves
- Practising transparency and corporate responsibility

MISSION STATEMENT

Our goal is to use property to create permanent assets that provide sustainable benefits to both shareholders and tenants. The focus of our everyday business, in addition to increasing the value of our properties, is on human requirements and meaningful use of resources. We concentrate on our core business, in which we are among Europe's top players: the management and development of commercial properties in Germany, Austria and eastern Europe. Our experience acquired over more than 20 years, our international network and the long-term strategic perspectives of CA Immo form the basis for achieving our goals.

KEY FIGURES

INCOME STATEMENT

		2008	2007
Rental income	€ m	175.3	123.3
EBITDA	€ m	137.8	90.7
Operating result (EBIT)	€ m	–152.6	151.5
Net income before taxes (EBT)	€ m	–295.4	106.2
Consolidated net income	€ m	–294.9	84.0
Consolidated net income w/o minorities	€ m	–237.1	52.1
Operating cash flow	€ m	114.6	83.4
Capital expenditure	€ m	1,859.1	411.0

BALANCE SHEET

		2008	2007
Total assets	€ m	4,394.8	3,823.4
Shareholders' equity	€ m	1,854.7	2,265.5
long- and short-term financial liabilities	€ m	1,923.7	1,407.6
Net debt	€ m	1,591.1	839.6
Gearing	%	86	37
Equity ratio	%	42	59
Equity-to-fixed-assets ratio	%	49	71
Net Asset Value (NAV)	€ m	1,623.0	1,922.9
Net Asset Value (NNNAV)	€ m	1,758.4	1,964.4

PROPERTY PORTFOLIO

		2008	2007
Total usable space (excl. parking, excl. projects)	sqm	1,528,837	1,118,778
Gross yield of property assets let	%	6.3	5.8
Book value of properties	€ m	3,788.3	2,535.3
Book value of property assets let	€ m	2,520.7	2,319.6

KEY FIGURES OF SHARE

KEY FIGURES PER SHARE

		2008	2007
Rental income/share	€	2.02	1.58
Operating cash flow/share	€	1.32	1.07
Net income/share	€	–2.73	0.67
NNNAV/share	€	20.50	22.51
NAV/share	€	18.92	22.04
Price (31.12.)/NNNAV per share –1[1]	%	–79.51	–31.92

MULTIPLIERS

	2008	2007
P/E ratio (PER)	–2	23
Price/cash flow	3	14
Ø EV/EBITDA	19	27

VALUATION

		2008	2007
Market capitalisation[2]	€ m	360.2	1,335.1
Market capitalisation (annual average)	€ m	968.9	1,600.0
Stated value (equity) (including minority interests)	€ m	1,854.7	2,265.5
Enterprise value (EV)	€ m	2,560.0	2,439.6
Net asset value (NNNAV)	€ m	1,758.4	1,964.4

SHARES

		2008	2007
Number of shares (31.12.)		87,258,600	87,258,600
Of which treasury shares (31.12.)		1,494,076	–
Ø Number of shares		86,739,128	77,935,078
Ø Price/share	€	11.17	20.53
Closing price (31.12.)	€	4.20	15.30
Highest price	€	15.88	25.15
Lowest price	€	3.15	13.20

[1] Before deferred taxes

[2] Excluding treasury shares

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BETWEEN THE LINES

16 JOURNALIST'S INTERVIEW WITH THE MANAGEMENT BOARD

Developments on the stock markets and, in particular, among public property companies have been and continue to be extreme. This is reason enough not to whitewash the situation but to confront the CA Immo Management Board with critical questions.

19 SUSTAINABILITY IN ACTION

As for the CA Immo Group, sustainability doesn't mean merely ecological construction but also social sustainability. An example of this concept in action can be seen in the „ATMOS" office block in the Arnulfpark urban district in Munich.

32 ENDURING VALUE

Around the globe, falling property values are having a negative impact on the balance sheets of real estate companies. In this interview, the independent real estate writer Walter Senk discusses the causes and effects of recent developments – and the value of real estate as a commodity – with Wolfhard Fromwald, member of the CA Immo Management Board and property valuation experts Professor Alfons Metzger and Georg Fichtinger.

CONTENT

DEAR SHAREHOLDERS AND READERS,

Bruno Ettenauer, Wolfhard Fromwald

The 2008 business year will long be remembered for the impact of the global financial crisis on the real estate sector. Despite this highly challenging set of circumstances, we scored some striking operational successes in 2008, including a rise in rental income and satisfactory levels of new lettings. However, these achievements were counteracted by significant value adjustments to the property portfolio, a development that led to the unfortunate result of clearly negative consolidated net income.

What were the causes of this result? A great deal has been written about the general economic situation, so we will content ourselves with offering a summary of the key factors and their impact on our sector.

In the second half of 2008, the drastic distortion on the capital markets produced a clear rise in refinancing costs for banks as risk surcharges on loans hit new highs. As a highly capital-intensive sector, the real estate industry segment was directly and adversely affected by the tightening of loan terms and the higher cost of credit. Restricted access to debt financing was also the main reason behind the sharp fall from the third quarter onwards in the volume of transactions on the property investment market. The decline in the number and volume of real estate transactions across Europe also put severe pressure on property prices. Needless to say, we regard it as our duty to value our properties in line with market realities. Even when real estate prices are falling, this market trend is reflected in our portfolio in the shape of depreciation and revaluation losses.

Focus on strengthening cash flow

As the Management Board of CA Immo, we are not prepared to hide behind the effects of macroeconomic factors and sectoral trends. Instead, we will utilise all possible scope for action in order to ensure CA Immo is positioned as strongly as possible within the challenging environment. In 2009, the clear operational emphasis will be on measures aimed at maintaining and strengthening our operational cash flow as well as the selective implementation of strategically significant development projects. To this end, we are currently introducing a package of proactive initiatives designed to avoid vacancy – in times of deep economic uncertainty in particular, securing rental revenue is priority number one. Accordingly, we also plan to adapt our entire organisation around the new pace of expansion and development and cut our operating costs.

As far as development projects are concerned, the realisation of planned projects is one way to release capital tied up in these ventures, thereby strengthening the capital base of the Group for the long term. However, restrictive conditions on the financing market will necessitate a reduction in development activity on projects of long-term strategic importance. Moreover, we will not be undertaking any purely speculative development projects. We will place security first by maximising pre-letting and agreeing forward sales before construction starts. In our view, the recent sharp drop in building costs also represents an opportunity. On the sales front, recent successes (such as the sale of the ATMOS building in Munich, sold in March 2009 immediately after completion) prove that even in difficult climates such as that which currently prevails, quality and prime locations can produce demand for our properties at acceptable prices.

Uncertain environment persists for CA Immo shares

In view of continuing uncertainty on the capital markets, it is impossible to say when the operational measures we are currently introducing will bring about an upturn in our share price. Last year, our share sustained a fall of around 73 %, a development in line with other property securities in Austria (the I-ATX, the Austrian real estate securities index, slumped by over 82 % over the year). Our share price was recently trading at less than one fifth of its intrinsic value (NAV). In historic terms, this painful trend represents an extreme movement in share prices, not only for us but for the entire listed real estate sector. Most analysts agree that a sustained recovery will only come about when the banking sector – closely aligned to the property sector – regains a measure of stability.

Outlook for 2009

As 2009 began, the banking sector was continuing to issue gloomy reports and macroeconomic forecasts were still pointing to a worsening of the economic downturn. There can be little doubt, therefore, that 2009 will be a difficult year for the property sector and thus for CA Immo. This makes it all the more critical that we consistently implement the measures we have set ourselves, in particular,: the stabilisation of rental income, the reduction in operating costs, the selective realisation of strategically significant development projects and the careful monitoring of risk.

We can achieve all of this on the basis of our fundamentally sound substance: thanks to long-term rental agreements and creditworthy tenants, CA Immo is well placed to count on a secure revenue stream, even in tough times; similarly, existing liquidity and the balanced maturity profile of our financial liabilities provide the robust capitalisation needed to ensure we can cope with a market phase of restrictive financing conditions.

Rest assured that in the future, despite the difficult conditions we are currently experiencing, we will do everything in our power to return the figures that we present to positive territory for the long term. Thereby, revive the attractive picture that reflects the sound foundations of CA Immo.

Bruno Ettenauer
Member of Management Board
and spokesman

Wolfhard Fromwald
Member of Management Board

COOPERATION BETWEEN SUPERVISORY AND MANAGEMENT BOARDS BASED ON OPEN DISCUSSION

Gerhard Nidetzky
Chairman

DEAR SHAREHOLDERS!

During business year 2008, the Supervisory Board held eight meetings with the Management Board; all members thus complied with the statutory minimum attendance requirements. These meetings took the form of open discussions on the business activities of the CA Immo Group in a market environment that has become considerably more difficult. Regular reporting provides the Supervisory Board with full and timely updates on all pertinent issues linked to the economic situation, current business developments, core processes, staff changes and investment plans within the CA Immo Group. To evaluate the altered risk position of CA Immo, a risk management project was devised, with the results presented to the Supervisory Board. The strategic alignment of CA Immo was coordinated with the Supervisory Board, and progress on strategy implementation was discussed at regular intervals. The Supervisory Board received regular reports on economic developments affecting the CA Immo Group's target markets and the capital market, and discussed the associated opportunities and threats with the Management Board on many occasions. From the third quarter of 2008 onwards, the Supervisory Board received numerous special reports on central themes relating to the company's financing and the valuation of properties; these issues were discussed in full and detailed advice was given. The Supervisory Board chairman also maintained close contact with the Management Board, which fully explained any departures from agreed plans and targets. Decisions and measures taken by the Management Board were transparent and raised no objections.

Decision-making by committee

No new appointments to the Management or Supervisory Boards were made in the past business year. Gerhard Nidetzky and Christian Nowotny were confirmed as the chairman and deputy chairman at the constitutive meeting held on 29 May 2008. In addition to the audit committee, CA Immo has established an investment committee, a remuneration and nomination committee. The composition of the Supervisory Board and the committees, and the specific spheres of responsibility, are set out in detail in the Corporate Governance Report.

The audit committee convened once (on 14 March 2008) to discuss and examine, with the auditor and the Management Board, the annual and consolidated financial statements for 2007 (including management reports), the Corporate Governance Report and the Management Board's proposal on the distribution of profit. A statement was obtained from the proposed auditor, whose legal relationship with CA Immo and its senior executives was scrutinised.The fee for carrying out the audit was negotiated and a recommendation on the selection of an auditor was submitted. The internal monitoring system and the implementation of risk management within the company were also examined. No objections were raised.

With the exception of agendas reserved for the audit committee, all matters were addressed by the full Supervisory Board in 2008. There was no cause to convene the investment committee, or the remuneration or nomination committees. A decision to reform the organisational structure was taken in 2007, and the overhaul of the performance bonus for Management Board members and senior executives continued to apply in business year 2008.

The rules of procedure for the Supervisory Board and Management Board were adapted by resolution on 28 August 2008 in the area of business subject to approval.

Agendas in 2008

The past business year was notable, amongst other things, for the incorporation of Vivico, the company acquired at the turn of 2007/2008. In this regard, the Supervisory Board was constantly involved in the strategic realignment of the CA Immo Group and the exploitation of long-term value potential.

The conversion of acquisition financing linked to the purchase of Vivico into a long-term financing structure was resolved on 26 November 2008, and realised as planned despite a market phase of restrictive financing conditions. In connection with this, a financing package of € 330 m was concluded.

The Supervisory Board also held several meetings to discuss the current implementation status of CA Immo Group development projects initiated in 2007 and continued in 2008. Written reports on project controlling were submitted to the Supervisory Board at regular intervals in line with newly established core processes. In addition to existing projects, the Supervisory Board, at its meeting of 14 March 2008, authorised the acquisition of the remaining condominium shares and the renovation of the Galleria shopping centre in Vienna, a project with a total investment volume of around € 32.5 m. A hotel project on Altmannsdorferstrasse was subsequently approved on 28 August 2008 at an investment volume of approximately € 34 m.

Having resolved to increase the shareholding of CA Immo in the listed subsidiary CA Immo International at meetings on 23 January and 28 August 2008, the Supervisory Board authorised the acquisition of own shares through CA Immo on 8 July 2008. The authorisation provides for the repurchase of up to 2.7 million shares, equivalent to 3.09 % of current share capital, through the stock exchange. For more information on these subjects, please refer to the Share chapter.

The Supervisory Board held a number of meetings around the balance sheet date to consider real estate valuations for the annual financial statements for 2008. In view of rapidly rising yields across Europe, and the associated sharp decrease in the value of the CA Immo Group‘s entire property stock, the full Supervisory Board closely examined the general economic conditions as well as external assessments.

Given the negative economic reports from around the world, the Supervisory Board is supportive of the Management Board’s proposal to make no compromise in the compilation of the annual financial statements for 2008 and to be appropriately conservative as regards the financial accounting options.

Commitment to the Austrian Corporate Governance Code

At its meeting of 14 March 2008, the Supervisory Board discussed at length the demands of good corporate governance as well as compliance with the provisions of the Austrian Corporate Governance Code. An evaluation of compliance with the Code carried out by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH confirmed that public pronouncements made by CA Immo in connection with observance with the Code are accurate. Additional implementation and improvement measures are continually assessed, and the Articles of Association and rules of procedure are adapted according to the Code. As regards of the Compliance Decree for Issuers published by the Financial Market Authority (FMA), the annual review of CA Immo’s compliance with the Code was presented to the Supervisory Board. The regular examinations conducted by the compliance officer did not give rise to any objections.

Unqualified auditor’s opinion and adoption of annual financial statements

KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH has audited the annual financial statements for 2008 (including the management report) and the consolidated financial statements for 2008 (including the Group management report) and expressed its unqualified auditor’s opinion. All documents making up the annual and consolidated financial statements, the Management Board’s proposal on the distribution of profit and the auditor’s reports were discussed in detail by the audit committee in the presence of the auditor and the Management Board members, examined according to Article 96 of the Austrian Stock Corporation Act and submitted to the Supervisory Board for endorsement. No objections were raised. The Supervisory Board endorsed the annual financial statements, which were thus adopted in accordance with Article 125 subsection 2 of the Austrian Stock Corporation Act, and indicated its consent to the Management Board’s proposal on the distribution of profit.

The Supervisory Board would like to extend thanks to the members of the Management Board and all employees for their commitment in especially challenging circumstances.

Vienna, March 2009

On behalf of the Supervisory Board
Gerhard Nidetzky, Chairman

THE STRATEGY OF THE CA IMMO GROUP FOR 2009

The real estate sector was confronted with major challenges across the globe in 2009. In the face of the persistent tightening of credit, the flow of liquidity from the ‘third face, of the sector in particular (i.e. the banks and the capital market) as well as individual companies has become increasingly scarce – and the effects of this will be felt on property investment markets across Europe. As a result, we do not foresee an end to the strong reluctance to enter into transactions during 2009. Some distress sales are also a distinct possibility; with data on the real economy painting a rapidly worsening picture, and with forecasts pointing to stagnation at best, the demand for real estate will diminish, and far more attention will surely be paid to the creditworthiness of tenants. Against such a backdrop, the CA Immo Group must introduce an immediate and consistent set of measures if the company is to steer a steady path through the current economic situation.

Despite the tough climate that prevails, however, we must also bear in mind the inherently cyclical nature of our sector and not neglect to start establishing the basis on which we will be able to exploit opportunities that emerge as the market recovers. In this way, we can fortify the long-term strategic assets of our company.

In terms of our strategy, this will mean switching the focus from the aggressive expansionism of recent years to the stabilisation of our core business. With its wealth of experience, sound capital basis, well-adjusted portfolio and high-value land reserves, the CA Immo Group has many strengths that will enable us to secure the future of the company and grow organically.

The strategic and operational priorities for 2009 are therefore as follows:

STRATEGIC GOAL	**Exploit the potential of development projects**		
OPERATIONAL MEASURES	**Germany: Selective implementation of key strategic projects** CA Immo’s land reserves in Germany constitute one of the Group’s main assets. As the planned development projects are realised, the capital tied up in these reserves will be released, thereby boosting the revenue of the Group. However, given the present restrictions on access to loan capital and external equity, it will be necessary to reduce development activity as regards projects with a long-term strategic significance. In particular, this will affect key projects that raise the value of certain city districts as a whole over the long term (such as the T-185 project in the Frankfurt Europaviertel and the Skygarden project in Munich’s Arnulfpark).	**Minimising project risks** The present economic climate leaves zero scope for purely speculative development projects. To minimise the risks associated with projects, therefore, CA Immo will aim in particular to maximise the level of pre-letting before construction work begins, and to finalise its exit strategy in advance by concluding forward sales.	**Eastern Europe: Steady implementation of ongoing projects** In 2009, the clear focus in Eastern Europe will be on the realisation of real estate development projects already in progress. The number of planned projects was cut early in 2008. Now re-evaluation as to whether further investment should be postponed will take place in connection with those projects scheduled for processing in multiple phases and those for which building permission has been obtained and decisions are due on the commencement of construction.
FINANCIAL AIMS FOR 2009	**Invest in development projects of approx. € 200 m in Germany**	**Minimum pre-letting of 60 % for new projects in Germany**	**Invest in development projects of approx. € 100 m in Eastern Europe**

STRATEGIC GOAL

Secure and consolidate operational cash flow

OPERATIONAL MEASURES

Optimisation of rental income by taking steps to prevent vacancy
Regular rental income is the basis for the business activity of the CA Immo Group. Securing rental revenue is therefore the top priority, especially in times of high economic volatility. By intensifying dialogue with existing tenants, the Group will gain a full picture of the business situations and future property requirements of tenants, and be in a position to identify any necessary amendments well before the tenancy comes to an end. This will also enable us to take steps at the right time in order to agree extensions or find new tenants.

Consistent cost reduction
The CA Immo Group has a strong platform, but this must be adapted to the changing pace of expansion and development. By utilising the synergies produced by the integration of Vivico and practising consistent cost management, we will aim to reduce the administrative costs of the CA Immo Group on a sustainable basis.

FINANCIAL AIMS FOR 2009

Stabilise rental income at 2008 level

Reduce administration costs by 10–15 % compared to 2008

STRATEGIC GOAL

Sustain the sound capital basis

OPERATIONAL MEASURES

More selective sales to release capital
Making sales from the portfolio diverts equity tied up in particular properties back to the company. This represents a major contribution to internal financing. When selecting potential properties for sale, it will be necessary to weigh up whether the sale price currently attainable for each particular property is appropriate in terms of that property's long-term value to CA Immo. The impact of the loss of regular rental income on the Group's long-term cash flow must also be taken into account. The focus of selling activity will; therefore, be divided between undeveloped land reserves on the one hand and recently completed development projects on the other.

Securing financing for development projects
Securing the financing for planned projects is CA Immo's biggest operational challenge. In this context, seeking out equity partners with whom to share the opportunities and threats associated with a project assumes great importance. As regards negotiations over financing with outside capital, we are widening the circle of banks to approach and actively taking steps to form finance consortia.

FINANCIAL AIMS FOR 2009

Sell off real estate with a book value of approx. € 300 m

Maintain an equity ratio of at least 40 %

TRANSPARENT INFORMATION POLICY

Stock market year 2008 overshadowed by financial crisis

Real estate and financial markets heavily impacted by distortion

CA Immo shares succumb to downward trend on international stock markets

THE INTERNATIONAL ENVIRONMENT

Market developments in 2008 were characterised by dramatic price collapses on the stock market, rescue packages and fears of recession. Last year, some people clung to the hope that the 'subprime' crisis would turn out to be a localised problem in the USA which would have a short-term effect on international stock markets. Such hopes were dashed in the first half of 2008 as the global credit and banking crisis spiralled into a worldwide financial meltdown. In the climate of mistrust and insecurity, private and institutional investors alike became much more risk-averse, as a consequence of which the stock markets entered a phase of high volatility. Economic forecasts were also revised downwards as the financial crisis increasingly affected the real economy in the second half of 2008. The shockwave spread from the USA to western Europe and Japan, engulfing the rest of the world by the autumn. Virtually all sectors suffered price falls – not just banks and insurance companies.

The international stock markets really began their collapse in mid-September when the US investment bank Lehman Brothers filed for insolvency, totally paralysing the interbank market around the globe. Benchmark indices for all major capital markets dropped, and sharp price falls were recorded on commodities markets, particularly during the fourth quarter of 2008. As a result, most automobile manufacturers announced significant production cutbacks in response to double-digit downturns in sales.

In the United States, the Dow Jones Industrial Average, which reflects the stock prices of 30 of the largest companies in the US economy, shrank by 34 %. The German DAX closed on 4,810.20 points, down 40 % on the year. In October 2008, the British benchmark index FTSE 100 marked its worst performance in the 24 years since the Financial Times Stock Exchange Index of the 100 leading companies began: in yearly comparison, the index fell by 31 %. This coincided with the decline in sterling. A year ago, one pound was worth € 1.36; by the last trading day of 2008, its value had plummeted to € 1.04. Between the start of January and the end of December 2008, the Nikkei also fell by 42 % to close on 8,859.56 points – the poorest performance in the 58-year history of the index.

Development for the domestic benchmark index was even worse than that of indices elsewhere in Europe: the ATX fell by 61 % to approximately 1,750 points, with the ATX Prime losing 64 %. This was a year in which one record fall followed another, day after day. By the end of 2008, market capitalisation for listed companies had plunged from around € 157 bn (on the final day of trading of the previous year) to € 52 bn. The Austrian market was also characterised by greater than average volatility and low turnover. The Vienna Stock Exchange thus recorded its worst year since the launch of the ATX 18 years ago. Experts do not envisage any recovery for the ATX in the months ahead given continuing insecurity over the future pattern of economic activity.

Property shares were amongst the stock most seriously affected. In year-on-year comparison, the Austrian Real Estate Index (IATX) lost around 82 % of its value, a steep fall on the peak price achieved in April of the previous year. None of the real estate stock listed on the IATX fell by less than 70 %. Similarly, the value of the key EPRA index, which represents property stock in Europe, contracted by 49 % (YTD).

Outlook for 2009

Despite the rescue packages worth billions aimed at the banking and automobile sectors, and the economic recovery programmes introduced by various governments, it remains very difficult to gauge how long the financial crisis will persist, and how severe its impact on real economies around the world will be. For this reason, market analysts are predicting a tough 2009 for the stock markets.

THE CA IMMO SHARE

In the shadow of the international stock trading climate, the CA Immo share also experienced extreme turbulence as the market year began. Following a difficult start to 2008, the share price started to regain momentum from late March onwards, reaching a peak for the year of € 15.88 early in June. However, the recovery proved to be short-lived as a stream of bad news from the international banks and insurance companies affected by the financial crisis heralded another steep decline in mid-June, a downturn that became more serious from mid-September onwards. At the start of December, the price of the CA Immo share hit a new low of € 3.23 (closing price on 5th December 2008); the share closed the year on € 4.20, producing annual performance of minus 72.55 %. As of the balance sheet date, the share price stood around 80 % below its intrinsic value.

At the turn of the year 2008/2009, the CA Immo share embarked on a slight upward trend. However, from the middle of January 2009 further negative drifts became apparent and financial title again came under pressure, which also has affected the CA Immo share. For the first two months of business year 2009, the highest price was € 4.97 and the lowest price was € 2.35.

SHARE PRICE DEVELOPMENT IN RELATION TO ATX, IATX, EPRA 1.1.2008 to 28.2.2009

Profit distribution

CA Immo has so far maintained a policy of continual reinvestment: the company's profits have been reinvested on an annual basis.

Trading volume

During the reporting period, the trading turnover of CA Immo shares was down on the turnover level for 2007. The average trading volume was 368,000 shares per day (double-counting) compared to a trading volume of 454,000 shares per day on average in 2007; annual sales amounted to € 1.0 bn (€ 2.3 bn in 2007), equivalent to average daily sales of € 4.0 m (€ 9.4 m in 2007). During 2008, the share price was subject to repeated double-digit fluctuation from day to day owing to low daily sales, amongst other factors.

Share capital and market capitalisation

During business year 2008, CA Immo did not instigate any corporate action aside from the share buy-back programme detailed below. On the last day of the year, the company's share capital stood at € 634.37 m (unchanged from 2007), divided across four registered shares and 87,258,596 bearer shares, of which CA Immo held 1,494,076 as of year end. The registered shares are held by Bank Austria, with each one entitling the nomination of one member of the Supervisory Board. The bank has not so far exercised this right, and all members of the Supervisory Board were elected by the Ordinary General Meeting. Market capitalisation on the balance sheet date was approximately € 366.5 m (€ 1,335.1 m in 2007).

KEY PERFORMANCE FIGURES

28.12.2007 bis 30.12.2008

CA Immo share	–72.55 %
IATX	–82.47 %
ATX	–61.20 %
EPRA	–51.10 %

Share buy-back

At the 21st Ordinary General Meeting held on 13 May 2008, the Management Board was authorised to acquire its own shares in the company in accordance with article 65 subsection 1 line 8 of the Austrian Stock Corporation Act. With the approval of the Supervisory Board, the Management Board proceeded to take advantage of this power early in July 2008. The authorisation provides for the repurchase of up to 2.7 million shares (equivalent to as much as 3.09 % of current share capital) through the Vienna Stock Exchange. The buy-back may be performed for any purpose as resolved by the General Meeting of 13 May 2008, and in particular to raise acquisition funds for buying companies and real estate and to stimulate demand for CA Immo shares on the Vienna Stock Exchange (whereby trading with own shares as a means of acquisition is excluded).

The repurchase programme started on 14 July 2008 and is scheduled to last for one year; it will therefore terminate on 14 July 2009 at the latest. As of the balance sheet date, CA Immo had acquired a total of 1,494,076 shares (1.71 % of share capital) on the stock exchange at an average price of € 9.18, with the highest price being € 12.26 and the lowest price standing at € 4.50. The total investment volume for 2008 was approximately € 13.7 m.

More details on the buy-back programme:

- The resolution of the Ordinary General Meeting was published in the "Amtsblatt zur Wiener Zeitung" (an official insert in the Wiener Zeitung newspaper) on 14 June 2008.
- The buy-back programme relates to bearer shares in CA Immobilien Anlagen AG.
- In accordance with the resolution of the Ordinary General Meeting on 13th May 2008, the nominal repurchase value may not be 20 % lower than or 10 % above the average unweighted closing price for the ten trading days preceding the buy-back.
- The company reserves the right to resell own shares that it acquires, either through the Vienna Stock Exchange or as otherwise provided by the resolution of the Ordinary General Meeting of 13 May 2008 (including non-stock exchange methods) as well as the right to redeem these shares.
- The buy-back programme does not affect the admission to official trading of the shares of the issuer.
- Publication obligations under articles 6 and 7 of the Austrian Publication Regulation are fulfilled through the publication of information on the CA Immo website (www.caimmoag.com); the site contains a detailed breakdown of individual transactions.

SHAREHOLDER STRUCTURE

CA Immo is a genuinely public company. The share capital of the company is divided across four registered shares and 87,258,596 bearer shares, of which CA Immo held 1,494,076 as of year end. The shares are traded in the prime market segment of the Vienna Stock Exchange.

Bank Austria is the largest shareholder with a stake of around 10 %; there are no other major shareholders (with interests exceeding 5 %). There are no cross-shareholdings. According to the company's own estimation, the free float of 90 % comprises 40 % institutional investors and 50 % private shareholders. Growth-oriented investors make up 75 % of the institutional investors.

Geographical distribution is typical for a listed Austrian property company: the majority of shareholders (66 %) are from Austria, with around 8 % from the Anglo-Saxon region (North America and the United Kingdom) and 4 % from the Netherlands. The remainder are largely from the European region.

Research Coverage

The CA Immo share receives regular coverage from experts in the world of finance. Investment companies publishing analyses on CA Immo and its shares at periodic intervals are Deutsche Bank, Crédit Agricole Cheuvreux, Erste Bank, Goldman Sachs, Kempen & Co Investment Research, Raiffeisen Centrobank, Sal. Oppenheim Research, UniCredit Markets and Investment Banking/CA-IB.

Property sector indices

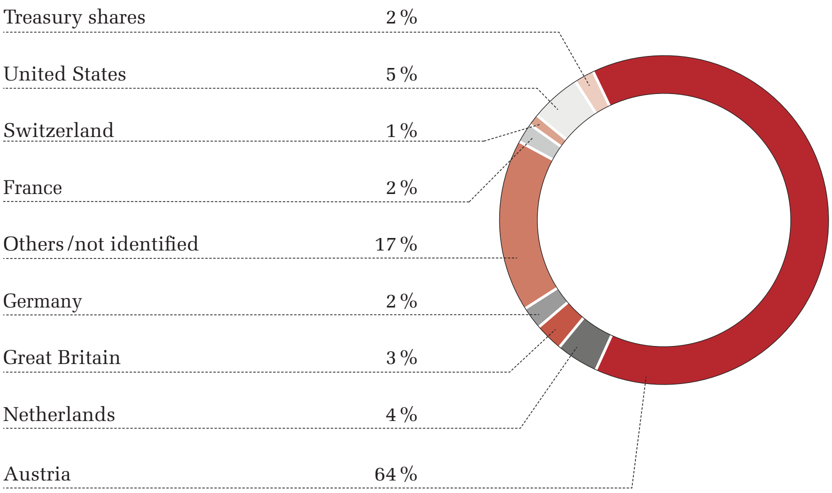
CA Immo is represented in the main property sector indices (IATX, FTSE EPRA/NAREIT Europe, GRP 250 and ATX Prime).

The CA Immo bond

The corporate bond issued in business year 2006 (with a nominal value of € 200 m) is registered for trading on the unlisted securities market of the Vienna Stock Exchange (ISIN: AT0000A026P5). In 2008, the bond was quoted at a high price of 100.10 and a low price of 89. The closing price as at 31 December 2008 was 91. The bond has a ten-year term and will be 100 % redeemed on 22 September 2016. The interest return is 5 1/8 %.

SHAREHOLDER STRUCTURE BY COUNTRY

Basis: 87.258.600 shares, correct as at 31.12.2008



INVESTOR RELATIONS

Throughout the severe crisis of trust on the capital markets last year, CA Immo held firm to its policy of transparent information. The Management Board and the team responsible for investor relations responded to the rising demand for information from all market players in a comprehensive and personal manner, clarifying facts and the reasons for them, explaining developments in the sector and elucidating strategic decisions taken within the company in numerous one-to-one meetings at more than 25 conferences and road shows and around 40 client events aimed at institutional and private investors. Conference calls with analysts and account managers from various banks were also arranged at least once per quarter.

In addition to the compulsory publication of quarterly and annual reports, CA Immo publishes corporate presentations, ad hoc reports, press releases and detailed information on the website www.caimmoag.com at regular intervals. The flow of information also includes an electronic newsletter. The first investor relations chat session on the annual result for 2007 took place during the financial results press conference.

ORDINARY GENERAL MEETING

The 2008 CA Immo Ordinary General Meeting was held in the Group's own Hotel Savoyen Vienna. Around 290 shareholders took the opportunity to find out about the development of the business and to vote on various items on the agenda. Resolutions passed included the following:

- Profit distribution: The proposal of the Management Board regarding the reinvestment of balance sheet profits earned as at 31 December 2007 was passed in its entirety.
- Formal approval of management conduct: The actions of the Management Board and the Supervisory Board were approved in separate votes.
- Remuneration of the Supervisory Board: Remuneration for the Supervisory Board was determined at € 73,333 for business year 2007.
- KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH was appointed unanimously as auditor for the annual accounts and consolidated financial statements for the business year 2008.
- Convertible bonds: The Management Board was authorised to issue convertible bonds within the next five years on shares associated with conversion rights for up to 43.6 million bearer shares. An exclusion of subscription rights may be provided in the issue of convertible bonds. As part of this authorisation, a potential capital sum was passed to secure the conversion rights.
- Share buy-back: The substance of the 2007 resolution of the Ordinary General Meeting was adapted and will apply until 13th October 2010, subject to further amendments agreed by the Ordinary General Meeting. For more information on the share buy-back programme, please see page 12.
- Amendments to the Articles of Association: The current version of the CA Immo Articles of Association is published in the Investor Relations section of the company's website (go to www.caimmoag.com and click on Corporate Governance followed by Articles of Association).

FINANCIAL CALENDAR 2009

24 MARCH
PUBLICATION OF 2008 ANNUAL RESULTS

13 MAY
ORDINARY GENERAL MEETING

27 MAY
REPORT ON Q1 2009

28 AUGUST
REPORT ON Q2 2009

26 NOVEMBER
REPORT ON Q3 2009

CA IMMO ONLINE SERVICES: WHERE TRANSPARENCY MEETS INNOVATION

For all reports published by CA Immobilien Anlagen AG, detailed information on the company, key share figures, an interactive performance calculator and much more, simply go to www.caimmoag.com.

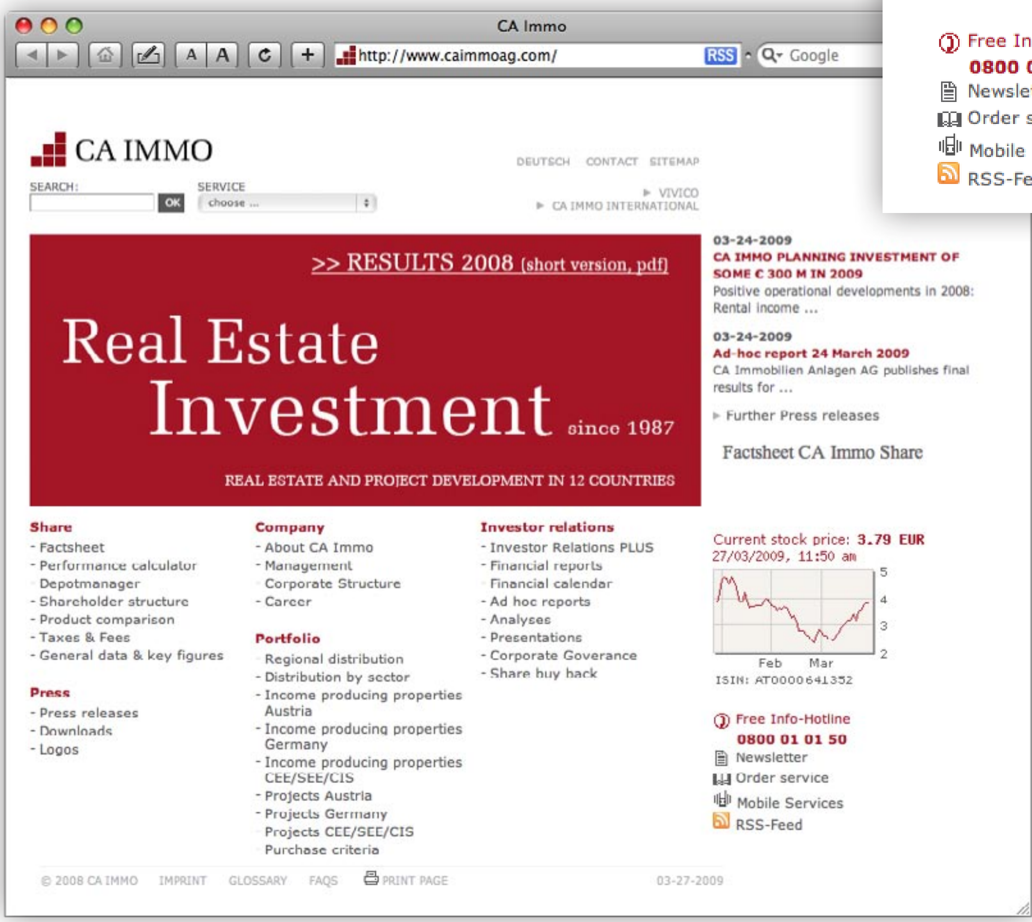
Our online services:

- Newsletter: Subscribe to receive the monthly news on CA Immo by e-mail
- Mobile services: For corporate information on the move – to your PDA, Smartphone or Communicator – go to mobile.caimmoag.com
- SMS service: Up-to-date share prices and the latest ad-hoc reports, straight to your mobile phone
- RSS Feed: All the news on CA Immo, delivered automatically to your computer – nothing could be faster!
- Ordering service: All of our financial market publications can be supplied by post or e-mail

Any questions?
Just get in touch!

INVESTOR RELATIONS CONTACT

Shareholders' free phone line
(in Austria): 0800 01 01 50
Claudia Hainz
Florian Nowotny
T: +43 1 532 59 07
F: +43 1 532 59 07-595
E-Mail: ir@caimmoag.com
Website: www.caimmoag.com



„I wouldn't like to predict at what point things will start to improve again. But one thing I do know is that we will manage this difficult period because we are in a very solid position."

Bruno Ettenauer,
Speaker of the Management Board of CA Immo since 2006

JOURNALIST'S INTERVIEW WITH THE MANAGEMENT BOARD

Developments on the stock markets and, in particular, among public property companies have been and continue to be extreme. This is reason enough not to whitewash the situation but to confront the CA Immo Management Board with critical questions.

The interviewer was Dr. Georg Wailand, editor of the business magazine GEWINN.

Question: Your company has not remained unscathed by the property crisis; did you expect the downturn to occur with such speed?

Ettenauer: In all honesty, no! The momentum and severity of this development was as much of a surprise to us as to everyone else in the industry. I can therefore understand the consternation of the shareholders all too well. The price of our shares is totally unsatisfactory and we are putting all our efforts into moving ourselves back to where we were previously.

Fromwald: We were all shocked by the suddenness of the collapse, particularly among public property companies. The property market appeared to be holding up well and many people expected that the Austrian property market, in particular, would be able grow independently of the financial markets.

Question: How deep will the crisis in the property sector still bite; has it already hit rock bottom?

Fromwald: It is very difficult to make predictions of this kind at the moment. European property prices have lost between 15 and 25 % over the past twelve months but not many transactions have taken place either. Further developments will depend strongly on the economic situation in the individual countries. The question of rents is also still open. In this area, we have not yet been negatively affected but the subject could still become a challenge as a result of the delayed effects of the crisis on the real economy.

Question: Are you being forced, like others, to undertake emergency sales of properties simply to ensure liquidity?

Ettenauer: No, we normally dispose of between 10 and 15 % of our portfolio per year. We have managed this even under the difficult conditions of 2008. High quality still continues to find buyers at reasonable prices. We have sold large properties in Frankfurt, Munich and Warsaw and at the valuations that we had originally posted for them in the books! But in overall terms, there is no doubt that the market has become much more difficult.

Question: A period like this must surely be a good time to buy cheaply?

Ettenauer: Yes in principle, but at the moment we have to budget our resources carefully. What is important today is that we generate revenues from our income producing properties that are as high as possible and concentrate the funds we have available on development projects which have already started.

Question: But your share price has also gone through the floor…

Fromwald: Until the crisis started, our net asset value was € 23; today it is just under € 19. But the share price today – in mid-March – is under € 3, so that the largest part of our assets, whether they be cash or real estate, is not reflected in this price…

Ettenauer: And in addition there is the fact that our equity capitalisation is over 40 % and that our funding is secured on a very long-term basis. This provides us with stability. If you compare the share price of about € 2.5 with the net asset value of € 19, the opportunity/risk profile reveals a far greater potential for profit than for loss.

Question: Then wouldn't it be worthwhile to buy up property shares like yours now when the price is low?

Fromwald: I believe that stabilisation of the economy as a whole is what is required for a significant recovery in CA Immo share prices. With this in mind, I tend to be sceptical about short-term, sustainable recovery. The current phase may indeed last quite a bit longer. But once the wheels of the economy start to turn again things may move very fast and at that point there is a good chance of the price moving back up into double figures again at least.

Ettenauer: I wouldn't like to predict at what point things will start to improve again. But one thing I do know is that we will manage this difficult period because we are in a very solid position. We have an equity ratio of over 40 %, we have sufficient liquidity, we are focusing on our core business, of which we really have a very good understanding, and, don't forget, we have sufficient income from our ongoing, operational business. All of this means that our starting position is comparatively very good.

Question: All well and good, but what about your liquidity, which is so essential in a market situation like this?

Ettenauer: Since November 2008 we have set up financing deals totalling € 850 million, of which € 350 million were refinancing arrangements. As anyone who knows the industry will confirm, this is a very good achievement in a period like the present.

Question: What is happening to returns on the property markets at the moment?

Fromwald: In eastern Europe, where returns were recently at 6 %, they have risen to between 7 % (Poland) and 9.25 % (Bulgaria). The situation in Russia is even more extreme, where an increase of 8.5 % in the first six months of 2008 was followed by a rise that is currently between 10 and 11 %. These increases in returns have simultaneously led to a significant downward adjustment of property values.

Ettenauer: The situation in Germany is not as striking. Returns there rose from 4.5 to a good 5 %.

Question: Talking of eastern Europe – hasn't this region transformed from a promising market to a perilous time bomb?

Ettenauer: Developments are not uniform and you need to look at each country individually. We have invested € 300 million equity capital in this region and a few problems may arise from this in the short term, but from the medium and long-term view we continue to see major potential.

Fromwald: When CA Immo International was floated on the stock exchange two and a half years ago, our aim was to ensure growth and also to achieve a better spread of risk in project development business with our special fund, CA Immo New Europe. Our involvement in eastern Europe was a good investment opportunity for institutional investors in particular. The risk of our eastern European activities is a relative one from the perspective of the Group because only just under 20 % of our investment outlay is in the east. The majority of our real estate is in Germany and Austria.

Question: But you will have to post a loss this time?

Fromwald: This year's result is badly negative but in operational business it was actually possible to expand rental income. The loss is based on negative changes in market values in our property assets and these are a reflection of the overall poor development of the property markets and at least have no detrimental effect on cash flow and liquidity.

Question: But you won't be paying out any dividends?

Fromwald: In view of the 2008 results, no dividend is possible at present. In addition, after twenty years of reinvestment, this year, in the midst of the vast financial crisis, would be completely the wrong time to start paying out dividends – liquidity takes precedence at the moment!

Question: And how will things progress in the CA Immo Group as 2009 continues?

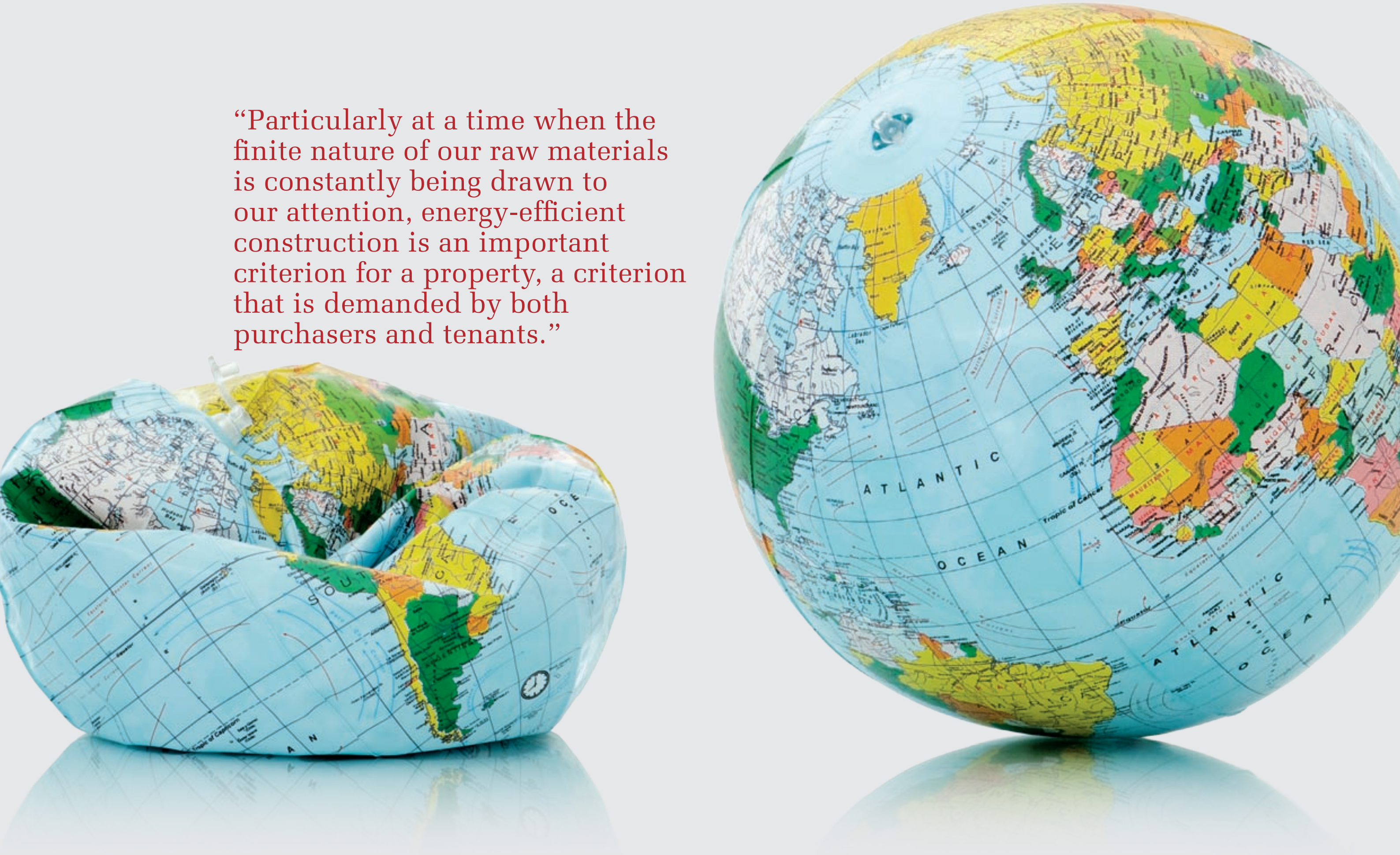
Ettenauer: We are concentrating on securing our ongoing revenues, on active management of our properties and on taking great care in selecting our tenants. We are also focusing on financing negotiations and the sale of selected real estate. We have already been continuing to make good progress with this in 2009. This year, another issue will be in the forefront is the concentrated realisation of strategically important investments. Ultimately, even this crisis has a positive side. As a result of falling construction costs, we are doing better than we had planned in terms of the production costs of new projects! And one final word on the dividend question: as soon as the market situation changes and we are once more able to post positive results, we will immediately be returning to the subject of dividends.

SUSTAINABILITY IN ACTION

As for the CA Immo Group, sustainability doesn't mean merely ecological construction; but also, social sustainability. An example of this concept in action can be seen in the "ATMOS" office block in the Arnulfpark urban district in Munich.

Text: Walter Senk, independent journalist

"Particularly at a time when the finite nature of our raw materials is constantly being drawn to our attention, energy-efficient construction is an important criterion for a property, a criterion that is demanded by both purchasers and tenants."



This site, currently under development by CA Immo subsidiary Vivico, is a former German Railways container terminal centrally situated close to Munich central station. On an area of about 18 hectares, a cooperative project involving Vivico, the city of Munich, architects, investors and tenants is creating a first-class location for companies and high-quality residential life: the Arnulfpark urban district.

A sophisticated combination of office buildings, residential projects, retail space, cafés and restaurants, along with a theatre seating 380 people will create around 4,500 jobs and some 1,000 apartments. The entire district has been laid out around a new, centrally situated, park area of 40,000 sqm with a modern children's playground.

The important factor in this context for those responsible is not only the idea of sustainable and ecological

"In principle, there are no easy answers in sustainable construction, it is a matter of a holistic approach, in pursuit of the goal of achieving the maximum environmental protection, energy efficiency and recycling at the minimum cost."

construction, but also an element of social and societal sustainability. Improving quality of life, a harmonious and efficient interplay of living, working and leisure, functioning communities and the cultural inheritance of future generations all have a part to play here. And the reward for all the work? A high level of public acceptance – among other things.

One of the largest buildings of the urban district is the innovative ATMOS office block, in which nothing has been left to chance. It will meet the highest demands in every respect, from architecture to furnishings and fittings, from the atmosphere to the eco-factor, and is intended to create a climate for maximum efficiency based on the motto "Come and work in new spheres".

The building's system description is just one of the things that is worth looking at: ATMOS covers more than 50 per cent of its energy requirements from renewable energy sources and undercuts the requirements of the current German energy-saving legislation by 35 per cent. Innovative and resource-conserving technology allows groundwater to be used for cooling and heating the rented areas. The groundwater is pumped up via a well and then distributed through the office premises not via radiators, but through thermoactive ceilings. Heating is supplemented by the district heating system only for peak loads, but in Munich the majority of energy for district heating is also derived from renewable sources. Another fundamental factor was the way in which the energy in the building itself would be used. For this reason, a costly and complex technical procedure was used to equip the building with movement detectors. By means of which lights are switched on and off as required. But sustainability involves not only the subject of energy but also the building itself. Only environmentally acceptable building materials were used on the construction site. Care was also taken to ensure that these materials were not transported over long distances and ideally came from the immediate neighbourhood of Munich.

The idea of sustainability is also continued inside ATMOS. Particular attention was also paid to the internal fixtures and fittings and to the attractiveness of the interior of the building. The use of a special light and colour concept and generously dimensioned communications areas help to develop a comfortable ambience customised to the requirements of the tenants.

So far, so good – but reading through many brochures of buildings described as "sustainable" the descriptions do leave a slight aftertaste of esoterically rose-tinted eco-amateurism. Have builders and property investors really discovered that they are green at heart, and decided to accept higher development costs for the sake of the welfare of future generations? Of course, it is not quite like that: but the fact that ecological construction and operation is becoming an increasingly important market requirement.

German Cachet for Sustainable Construction

MUNICH
Office Building ATMOS

The ATMOS office building is one of three project developments by the CA Immo Group (together with the Laim290 office building in Munich and the high-rise Tower185 in Frankfurt), which has been certified by the German Association for Sustainable Construction (DGNB).

Sustainable construction is thus increasingly becoming an active acknowledgement of corporate social responsibility, particularly among large corporate groups. But even purely economic considerations make sustainable buildings attractive: particularly at a time when the finite nature of our raw materials is constantly being drawn to our attention. Energy-efficient construction is becoming more and more of an important criterion for a property, a criterion that is demanded by both purchasers and tenants. The subject of efficient running costs is thus an important aspect of sustainability. To achieve this, systems are being installed that can be seen to keep running costs low. This cost efficiency in turn yields competitive advantages on the market.

At CA Immo, the topic of sustainability and its most economic utilisation has long been a subject of discussion. The head of technology, Roland Pomajbik says, “There is no doubt that great potential with respect to sustainable construction is to be found in a greater awareness of the economy, in accepting and using energy efficiency and making it more economical. There is great potential, particularly in the fields of geothermics (heat from the earth), solar water heating, daylight utilisation and the like, that is hardly used at all as of yet.”

Flagship projects like ATMOS are even more important to CA Immo as an investor so that awareness of this potential can also be generated among the public. The CA Immo subsidiary, Vivico, employs its basic principles of urban district development in practice in all its construction projects. This means that the parameters for the next project in the Arnulfpark – the SKYGARDEN – have already been set. A principal tenant mindful of sustainable construction has already been found in the form of PricewaterhouseCoopers.

MANAGEMENT BOARD

BRUNO ETTENAUER (BORN 25 JANUARY 1961)

is responsible for the property management area (investment management, including financing and asset management) and has been the spokesman for the Board since 2006. In performing these tasks, he is able to draw on over 15 years experience in the field of real estate financing. He is also a sworn real estate appraiser.

Date of initial appointment: 1 March 2006
Term of office ends: 28 February 2011

SUPERVISORY BOARD MANDATES OR SIMILAR POSTS WITH OTHER DOMESTIC AND FOREIGN COMPANIES OUTSIDE THE GROUP [1]:

UBM Realitätenentwicklung Aktiengesellschaft, Vienna [2]	Supervisory Board member
Bank Austria Creditanstalt Real Invest GmbH, Vienna	Supervisory Board member
Bank Austria Creditanstalt Real Invest Immobilien-Kapitalanlage GmbH, Vienna	Supervisory Board member
Bank Austria Creditanstalt Wohnbaubank AG, Vienna	Deputy chairman of Supervisory Board
WED Wiener Entwicklungsgesellschaft für den Donauraum Aktiengesellschaft, Vienna	Deputy chairman of Supervisory Board
Dr. Bruno Ettenauer Immobilienhandel KEG, Vienna	General partner

WOLFHARD FROMWALD (BORN 22 JUNE 1952)

has almost 20 years experience in the property investment business, and has served on the CA Immo Management Board since 1990. Having played a key role in explanding the company, he is responsible for finance and accounting, controlling, personnel and legal affairs, investor relations, corporate communications, IT and organisation.

Date of initial appointment: 28 March 1990
Term of office ends: 31 February 2011

SUPERVISORY BOARD MANDATES OR SIMILAR POSTS WITH OTHER DOMESTIC AND FOREIGN COMPANIES OUTSIDE THE GROUP [1]:

UBM Realitätenentwicklung Aktiengesellschaft, Vienna [2]	Supervisory Board member

[1] A full list of mandates is published at www.caimmoag.com.
[2] 25 % participation (plus four shares) in CA Immo International AG.

MANAGEMENT BOARD'S ALLOCATION OF DUTIES

ETTENAUER (SPEAKER)

INVESTMENTMANAGEMENT

- Austria
- Eastern and Southeast Europe (CA Immo International)
- Holding Management Germany

ASSETMANAGEMENT

- Portfolio management
- Project development/technology
- Project organisation

FROMWALD

FINANCE AND ACCOUNTING
CONTROLLING
PERSONNEL/IT AND ORGANISATION
IR AND CAPITAL MARKET ACTIVITIES
CORPORATE COMMUNICATIONS
LEGAL AFFAIRS

MAXIMUM TRANSPARENCY: THE KEY TO MAINTAINING THE COMPANY'S VALUE

The effects of the global banking and financial crisis continue to ripple outwards. The property crisis that began in the USA early in the summer of 2007 (then known as the subprime crisis) initiated a world-wide series of liquidity bottlenecks, incurred losses and the bankruptcy of international financial institutions. Even the banks stopped lending money to each other.

In 2008, the crisis became one of trust. The closure of hedge funds and the losses incurred by investment banks led to a lack of faith in the financial system as well as greater reluctance to take risks amongst private and institutional investors, a development that impacted on all stock exchanges. Even companies in fundamentally healthy positions found themselves faced with steep share price drops.

In such tough times, measures aimed at restoring faith in the capital market and increasing and enhancing transparency will be essential if market players are to maintain faith in a functioning financial system.

Corporate governance embraces all national and international values and principles that determine good and responsible corporate management. At CA Immo, good corporate governance means guaranteeing management that is accountable, competent, transparent and focused on long-term success, and which serves the company and its owners as well as external interest groups – in other words, management that serves all stakeholders. In practical terms, CA Immo implements these principles by means of clear corporate communications, effective corporate management that focuses on sustainable and long-term value creation, target-oriented collaboration between the Management Board and Supervisory Board and a willingness to take measured risks. The overriding objective is to uphold the interests of all stakeholders with a view to consolidating trust in the company – and the main means of achieving this is to maximise transparency, the key criterion in terms of traceability of property valuation in any real estate company. In this regard, CA Immo has been rated the most transparent real estate corporation in Austria according to the transparency rating for real estate companies determined by Feri Rating & Research AG. The full study is published at http://frr.feri.de/de/aktuelle-ratingergebnisse/anlageprodukte/immobilienaktiengesellschaften.aspx.

SUPERVISORY BOARD AND COMMITTEES

GERHARD NIDETZKY (BORN 16 JUNE 1947)

is the chairman of the Supervisory Board. He founded the company TPA Horwath Wirtschaftstreuhand und Steuerberatung GmbH and continued to play a decisive role in its development until stepping down in 2003, nearly three decades later. He is an acknowledged real estate expert and textbook author. Alongside his role at CA Immo, he is the deputy chairman of the Supervisory Board for the listed subsidiary CA Immo International AG and chairs the Supervisory Board of Pankl & Hofmann AG of Vienna.

Year of initial appointment: 1990   Term of office ends: 2009

CHRISTIAN NOWOTNY (BORN 23 JULY 1950)

is the executive officer for the Institute of Civil and Corporate Law at the Vienna University of Economics and Business Administration, and has been the deputy chairman of the Supervisory Board since 2002. His specialist areas include company law, financial reporting and banking. He sits on numerous committees for the Austrian Chamber of Chartered Public Accountants and Tax Consultants and is a member of the presiding committee of the Austrian Financial Reporting and Auditing Committee (AFRAC), a member of the Working Group for Corporate Governance and a member of the Supervisory Board of Andritz AG of Graz.

Year of initial appointment: 1990   Term of office ends: 2009

DETLEF BIERBAUM (BORN 18 SEPTEMBER 1942)

switched from being a general partner at the private bank Sal. Oppenheim jr. & Cie to become a Supervisory Board member for Sal. Oppenheim Germany in April 2008. With 40 years' experience in the international financial industry, his services as a consultant are highly sought after by many companies and institutions. He served for eight years on the Executive Board and presiding committee of the Association of German Banks, and resigned these posts only recently. He is the Supervisory Board chairman for IVG Immobilien AG, Bonn, and a member of the Supervisory Board of Douglas Holding AG of Hagen.

Year of initial appointment: 2006   Term of office ends: 2011

REINHARD MADLENCNIK (BORN 10 APRIL 1961)

heads the real estate division at Bank Austria, with responsibility for all commercial property business as well as property financing. Aside from his Supervisory Board mandates at CA Immo and CA Immo International, he holds no other posts with any listed companies at home or abroad.

Year of initial appointment: 2002   Term of office ends: 2012

REGINA PREHOFER (BORN 2 AUGUST 1956)

started her career at Österreichische Kontrollbank AG before moving to Creditanstalt in 1987. In 2003, after three years as head of the Division for Multinational Corporates, Corporate Finance and Trade Finance, she was appointed to the Executive Board of Bank Austria. In 2008, the long-serving board director of Bank Austria joined the board of BAWAG, where she assumed responsibility for Austrian private and corporate clients. Regina Prehofer is also the Supervisory Board chairwoman at CA Immo International AG.

Year of initial appointment: 2006 Term of office ends: 2011

HORST PÖCHHACKER (BORN 16 NOVEMBER 1938)

The ÖBB's Supervisory Board president served on the Executive Board of Porr AG, Austria's second largest construction group, for 30 years. He sits on numerous committees within the Austrian construction industry and serves as the deputy chairman of the Supervisory Board of the Vienna-based UBM Realitätenentwicklung Aktiengesellschaft.

Year of initial appointment: 2007 Term of office ends: 2012

The Supervisory Board of CA Immo comprises a sufficient number of members who are independent of the company and its Management Board. No members have business or personal links to the company or its Management Board that could serve to influence the conduct of that member (C Rule 53). Of the six elected members of the Supervisory Board, only Reinhard Madlencnik does not satisfy C Rule 54 of the Austrian Corporate Governance Code owing to his representation of Bank Austria, which has a shareholding of around 10 % in CA Immo. The detailed Corporate Governance report published on the company's website contains the Supervisory Board guidelines defining its independence and lists all mandates outside of CA Immo held by Supervisory Board members.

COMPOSITION OF COMMITTEES

Audit committee
Gerhard Nidetzky (Chairman)
Christian Nowotny
Reinhard Madlencnik

Investment committee
Gerhard Nidetzky (Chairman)
Christian Nowotny
Reinhard Madlencnik
Horst Pöchhacker

Remuneration and nomination committee
Gerhard Nidetzky (Chairman)
Christian Nowotny
Regina Prehofer

CORPORATE GOVERNANCE REPORT

Commitment to observing the provisions of the Austrian Corporate Governance Code

The Management Board and Supervisory Board of CA Immo are committed to the regulations of the Austrian Corporate Governance Code and thus to transparency and uniform principles of good corporate management. CA Immo has implemented in full the regulations and recommendations of the Code as amended in June 2007. The Code in its January 2009 amendment came into force for CA Immo on 1 January 2009. An evaluation to determine compliance with the Code was carried out by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH, and duly confirmed the validity of public statements concerning compliance with the Code. The results of the evaluation may be viewed on the web site (www.caimmoag.com). The active implementation of compliance guidelines by all executive bodies and employees of CA Immo also prevents insider abuse. Observance of the guidelines, and other rules of conduct, is monitored by the responsible compliance officer at CA Immo. This demonstrates the determination of the Management Board to uphold the interests of all stakeholders by ensuring equal treatment for all shareholders and avoiding conflicts of interest.

The Austrian Corporate Governance Code

Since 2002, the Corporate Governance Code has been an indispensable element in the Austrian system of corporate governance and a key instrument for building trust in corporate management and monitoring. The Code sets the standard for good corporate management and control on the Austrian capital market. It is reviewed annually in the light of national and international developments, and adapted as necessary. The last revision of the Code took place in the last business year. The revised Code, which came into effect on 1 January 2009, is available on the web site of the Austrian Working Group for Corporate Governance (www.corporate-governance.at). In accordance with the Company Law Amendment Act 2008, listed companies are obliged to compile Corporate Governance Reports under the 'comply or explain' principle. Our Corporate Governance Report is published on the company's web site.

Shareholders and the Ordinary General Meeting

CA Immo is a public company, with around 90 % of the 87.3 million ordinary shares in free float. Bank Austria holds the remaining 10 %, including four registered shares which entitle the bank to nominate one Supervisory Board member for each share; this right has not been exercised. All Supervisory Board members are elected by the Ordinary General Meeting. CA Immo makes every effort to help shareholders take part in Ordinary General Meetings and exercise their rights to speak, access information and vote. The next Ordinary General Meeting will take place on 13th May 2009. The convening of the meeting, along with all motions and relevant information, will be published on the company's web site no later than three weeks before this date. There are neither voting caps to limit the number of votes a shareholder may cast nor special voting rights. The 'one share one vote' principle, and the principle of equal treatment for both institutional and private investors, is upheld in full. The Austrian Takeovers Act ensures that all CA Immo shareholders would receive the same price for their shares in CA Immo in the event of a takeover bid. The shareholders alone would decide whether to accept or reject any such bid.

Responsibilities of the Management Board

With Gerhard Engelsberger having stepped down at the end of January 2008, the Management Board of CA Immo now comprises two members. As the spokesman for the Board, the duties of Bruno Ettenauer are similar to those of a Chief Executive Officer (C Rule 16). Along with pertinent legal provisions, the way in which the Management Board cooperates is defined in the Articles of Association and the rules of procedure passed by the Supervisory Board (including the schedule of responsibilities). Important decisions on strategy, investment policy and corporate governance are the responsibility of the entire Management Board; the Board also decides on communication tasks of critical importance. All pertinent issues are regularly and openly discussed by the Board members, agreements are reached and the implementation of resolutions passed is continually monitored.

Pairing of management and supervisory functions

To enable it to carry out its supervisory function properly, the Supervisory Board is supplied with regular, timely and comprehensive reports on all matters relevant to the development of the company. In addition to matters subject to authorisation (which are regulated partly by legislation and partly by the Articles of Association or the rules of procedure), all strategic decisions are coordinated in open discussions with the Supervisory Board that exceed the usual framework of Supervisory Board meetings.

The Supervisory Board and committees

The full Supervisory Board comprised six members in 2008, all of whom were elected by the Ordinary General Meeting. Details on the composition of the Supervisory Board and the independence of its members are found on pages 24–25. There are no cross-links. No former Management Board members or senior managers sit on the

Supervisory Board of CA Immo. The Supervisory Board, which rules on matters of critical importance and the strategic priorities of CA Immo, held eight meetings during the year under review. Depending on the significance of particular issues, the Supervisory Board also performs its monitoring function through committees. Three committees have been set up at CA Immo, the composition of which is shown on page 25.

The remuneration and nomination committee is responsible for all Management Board-related matters as well as succession planning, which includes the matching of suitable candidates to Supervisory Board mandates. The nomination committee (or the full Supervisory Board) proposes candidates to the Ordinary General Meeting where mandates emerge within the Supervisory Board; the main emphasis is on ensuring a balance of expertise across the Supervisory Board and the personal qualifications of candidates. No new appointments were made to the Management Board or the Supervisory Board in the year under review. Since the remuneration system for the Management Board was redefined in 2007 and remained in force until the end of the reporting year, this committee did not hold any meetings in 2008.

Working with the Management Board, and bringing in competent experts where necessary, the task of the investment committee is to prepare the ground for significant (investment) decisions to be taken by the full Supervisory Board. The investment committee may also approve transactions and measures to a maximum volume of € 75 m; beyond this limit value, the full Supervisory Board assumes responsibility. The investment committee did not meet during the reporting period because all authorisations were granted by the full Supervisory Board.

PARTICIPATION IN SUPERVISORY BOARD AND COMMITTEE MEETINGS

	Supervisory Board (8 meetings)	**Audit committee** (1 meeting)
Detlef Bierbaum	7	
Reinhard Madlencnik	6	
Horst Pöchhacker	4	
Gerhard Nidetzky	8	1
Christian Nowotny	7	1
Regina Prehofer	4	1*)

*) As representative of Reinhard Madlencnik

Listed companies are required to establish an audit committee, which is responsible for monitoring the entire process of financial reporting. The audit committee at CA Immo carries out preparatory work for the full Supervisory Board on all issues connected with the annual and consolidated financial statements, the proposal on the distribution of profit and the management report. It also monitors the effectiveness of the internal control system and the risk management system as well as the independence and competence of the auditing company (as assessed by 'peer reviews'). The audit committee held one meeting in 2008. A financial expert sits on the audit committee of CA Immo in compliance with the Code.

The detailed remuneration report on pages 30–31 encompasses the principles of remuneration policy, a breakdown of the emoluments of individual Management Board and Supervisory Board members and an overview of share ownership.

Preventing conflicts of interest

To prevent conflicts of interest arising, all members of the Management Board are obliged to report potential conflicts of interest to the Supervisory Board and the other members of the Management Board without delay. Management Board members may only enter into secondary activities (in particular accepting Supervisory Board mandates with companies not connected to the Group) with the approval of the Supervisory Board. Senior executives may only take up executive functions outside the CA Immo Group with the approval of the Management Board. The provision prohibiting competition has not been rescinded. Supervisory Board members are also obliged to report without delay any conflicts of interest, and especially those that may arise from consultancy or executive functions for a partner or competitor company; in such cases, they may be required to abstain from taking part in voting procedures. A number of CA Immo Supervisory Board members perform executive functions for similar companies within the sector (under C Rule 45). A full breakdown of executive posts held by Management and Supervisory Board members is published at www.caimmoag.com. There are no direct agreements, and in particular no consultancy contracts between CA Immo and Supervisory Board members; there are no cross-links.

Related party disclosures

Related parties are essentially companies or persons who exert control over the company or who at least are in a position to exert a decisive influence over operational decisions of the company. The related parties for CA Immo are as follows:

Bank Austria: Reinhard Madlencnik heads the real estate division at Bank Austria, and Regina Prehofer was a member of the Bank Austria Executive Board until mid-2008. Bank Austria holds four registered shares in CA Immo which entitle the bank to nominate one Supervisory Board member for each share; this right has not been exercised. CA Immo processes the bulk of its payment transactions and of its credit financing through Bank Austria/UniCredit Group. The Group also arranges € 172.9 K of financial investment and 32.6 % of its on-balance sheet financial liabilities through Bank Austria/ UniCredit Group. In addition, an agreement is in place to govern the sale of CA Immo shares. In 2008, CA Immobilien Anlagen AG's net interest payments (including interest income, expenditures respectively income from Swaps and loan processing fees) to Bank Austria/ UniCredit Group stood at € 1,205.0 K (€ 342.6 K in 2007) and € 6,264.5 K (€ 5,210.9 K in 2007) in CA Immo's subsidiaries. Marketing and distribution fees (rebate) amounted to € 614.8 K (€ 3,816 K in 2007). No issue expenses were incurred (€ 18,840 K in 2007).

Directors' dealings

Members of the Management and Supervisory Boards and others performing management tasks at CA Immo are obliged to disclose all personal acquisitions and sales of shares in CA Immo and CA Immo International. The ruling also applies to anyone with a close relationship to such managerial personnel. Purchases and sales of personal shares by Board members are reported at www.caimmoag.com on an ongoing basis; an overview of share ownership is provided on page 31.

Auditing company fees

Auditing of accounts has been carried out by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH since business year 2003. The auditor performed internal rotation of staff in 2007. CA Immo's annual and consolidated financial statements were once again audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH in 2007. In the case of foreign subsidiaries, local KPMG accountants are generally charged with reviewing and auditing the semi-annual and annual financial statements and with overseeing the conversion to IFRS. The independence of the auditing company is overseen by the audit committee, which also verifies the performance of 'peer reviews'. The management letter from the auditing company along with a report on the effectiveness of risk management within the Group were brought to the attention of the Supervisory Board chairman and discussed by the audit committee and the full Supervisory Board. A total of € 455.9 K (€ 456.2 K in 2007) was charged for auditing the Group and associated services. Project-related consultancy services amounted to € 81.8 K in the reporting period (€ 40 K in 2007). No consulting services which could compromise independence (particularly legal/tax consultancy services) were rendered.

Risk management

CA Immo regards its risk management system as an integral element of any business process. During the year under review, the company reviewed and updated its risk profile according to the current business situation and the wider economic environment. The Management and Supervisory Boards discussed the results of the risk evaluation in great detail. Greater understanding of the risk situation enhances the basis on which opportunity-based and risk-oriented decisions are made whilst meeting the requirements of the Company Law Amendment Act 2008 as regards effective risk management systems. Risk awareness is being integrated into existing business procedures with a view to establishing a stable and sustainable risk management process. Early identification of risks is ensured thanks to the introduction of the dual verification principle, monthly reporting and other means. CA Immo still does not require the 'internal auditing' function on account of its clear corporate structure (C Rule 18). Internal control and monitoring functions are part of the Group controlling area, and the results of these measures are regularly reported to the Management and Supervisory Boards. Auditing of specific areas is intermittently performed by an external auditor as part of an audit procedure. If the company continues to expand, a separate internal auditing unit will be established.

PERSONNEL

Effective and dynamic staff development is critical to the profitable administration of real estate as well as the efficient realisation of development projects in a rapidly changing market environment. In line with a strategy of requirements-based personnel management – and to ensure readiness for whatever challenges lie ahead – CA Immo invests in the specific further education and training of its international team of experts.

The main spheres of focus last year were the ongoing advancement of specialist staff, the insourcing on a cost/benefit basis of services previously procured from external sources and the reorganisation and integration of German subsidiary Vivico with a view to consolidating the platform in Germany.

During 2008, 43 % of administrative expenditure was invested in human resources. This expenditure was made up of wage and salary costs on the one hand, and fees for personnel development measures on the other. Total personnel expenditure in 2008 was € 22.5 m (compared to € 8.4 m in 2007), of which CA Immobilien Anlagen AG accounted for € 4.8 m. CA Immo International AG accounted for € 2.7 m and Vivico GmbH, which was acquired after the turn of the year, accounted for € 15 m.

On the final day of 2008, the CA Immo Group had a total of 330 employees (203 at the end of 2007), comprising 295 white-collar employees (158 on 31.12.2007) and 35 blue-collar staff (45 on 31.12.2007).

Of the Vienna-based white-collar employees, 48 worked for CA Immobilien Anlagen AG (42 on 31.12.2007), 22 worked for CA Immo International AG (23 on 31.12.2007) and four were employees of H1 Hotelentwicklungs GmbH (two on 31.12.2007). The subsidiaries in the CEE/SEE/CIS states had 39 white-collar workers (94 on 31.12.2007) who were responsible for asset management as well as commercial and technical property management.

Vivico GmbH, which was acquired after the turn of the year, had 182 white-collar employees, including the total for the OmniCon Group acquired during the summer (134 on 31.12.2007).

As for blue-collar staff, 10 worked for subsidiaries in Austria (12 on 31.12.2007) and 25 (34 on 31.12.2007) worked for subsidiaries in the CEE/SEE/CIS region with responsibility for facility management.

The operational business of CA Immobilien Anlagen AG is managed by an experienced core team that has been with the company for many years. This team has since 2006 been continually reinforced with suitably qualified specialists.

Salaried staff in CA Immo's functional areas of investor relations, corporate communications, finance and accounting, controlling, legal affairs and personnel, IT and organisation performs tasks for the Group as a whole (i.e. CA Immo and CA Immo International). The associated costs are divided between the companies according to need, thereby enabling synergies between the two organisations to be exploited cost-effectively.

Asset and investment management as well as holding management are managed by the individual companies (by CA Immo for Austria and Germany and by CA Immo International for Eastern and Southeastern Europe). CA Immo International staff also work in a joint executive capacity for the CA Immo New Europe Property Fund, with they and their teams contributing the necessary expertise to the management of the special fund. The H1 hotel fund is run by a core team of just four and obtains additional services from the shareholders involved.

Wages and salaries of CA Immo staff are commensurate with sector and market norms. In addition to the fixed salary component, performance-related bonuses have been defined in the form of annual targets agreed with the Supervisory Board. The maximum bonus stands at 10 % of an annual salary for any employee. At management level, there is also a bonus scheme linked to the company's growth and earnings. CA Immo pays 2.5 % of employees' annual salaries into a pension fund after they have been with the company for three years.

CA Immo uses flexible working time models to enhance compatibility between family and working life, particularly for female staff wishing to return to work after maternity leave or a career break.

Staff development measures remained a key focus of personnel department activity in 2008 in order to ensure employees are ideally prepared to meet the constantly shifting demands of operational business. Staff development expenditure totalled 254,000 € in 2008, compared to 188,000 € in 2007. Further education and training initiatives encompassed all areas of the company. This year, CA Immo is planning to introduce staff development sessions in which performance, potential and development opportunities will be explained to staff across all departments. A head of personnel was appointed in response to the rising staffing level; as a result, the costs of purchased services in the personnel area (especially linked to recruiting) had been reduced significantly by the second half of 2008.

REMUNERATION REPORT

The remuneration report sets out the principles for determining payments to the Management Board and the remuneration of the Supervisory Board. It explains the relevant amounts and structure and indicates the number of shares owned by the members of the Management and Supervisory Boards.

Payments to the Management Board

The employment contracts of individual Management Board members were redefined in business year 2007. In line with these contracts, Management Board members are remunerated for the functions they perform at both CA Immo and the listed subsidiary CA Immo International. Remuneration for Management Board members comprises a fixed element and a (variable) performance-related element.

Fixed salaries

The level of fixed salaries depends on spheres of responsibility as determined in the schedule of responsibilities. Fixed salaries are paid in advance in 14 monthly payments. Fixed salaries charged to CA Immo International are settled in line with spheres of responsibility according to the following percentages: Gerhard Engelsberger 30 %, Bruno Ettenauer 35 % and Wolfhard Fromwald 35 %.

Profit sharing

The variable element of remuneration as defined by the remuneration committee at the end of the business year is checked by the auditor and paid retrospectively. The assessment basis for the level of performance-related pay is the earnings before taxes (EBT) of the CA Immo Group. The EBT, which takes account of all key control parameters that may be influenced by the Management Board, is the preferred benchmark for the CA Immo Group in terms of detailed analysis and long-term comparisons. The variable remuneration is derived from a defined percentage of this assessment basis. Members of the Management Board are obliged to invest one third of the performance-related remuneration in shares in CA Immo or CA Immo International. The retention period for the shares is one year. The Supervisory Board may also award a performance bonus at its discretion. There is no stock option plan. The payout of variable remuneration is charged to CA Immo International pro rata the share of its EBT in the consolidated EBT.

Management Board's costs: –40 %

Downsizing the Management Board from three to two members and cutting of variable compensation for the remaining board members by about 25 %, lead to a decline in the cost of the Board by around 40 %, compared to the previous year. Total salaries paid to the Management Board in business year 2008 amounted to € 1,218.4 K (€ 2,019 K in 2007). Of this, fixed salary components accounted for € 580.4 K (€ 817.6 K in 2007) and variable elements totalled € 638.0 K (2007: € 1,202.0 K). The variable payment was related to fiscal year 2007 and was disbursed in 2008 after determination of the annual accounts of 2007. Total salaries of approximately € 741.9 K (2007: € 1,057.6 K) were charged to CA Immo International. Aside from the remuneration for Management Board positions with CA Immo/CA Immo International and the Supervisory Board mandate at UBM, no separate payment is made for accepting mandates in Group companies.

No performance-related remuneration for 2008

Due to the current business development no performance-related compensation payments for the 2008 fiscal year will arrive in 2009. The outcome of this is a further reduction of management costs by about 50 %.

Pension funds and severance payments

All members of the Management Board have pension fund settlements into which annually agreed contributions are paid. During the business year, a total of

MANAGEMENT BOARD EMOLUMENTS

in € 1,000			2008			2007
	Fixed	Variable[1]	Total	Fixed	Variable[1]	Total
Gerhard Engelsberger[2]	23.1	–	23.1	274.7	360.0	634.7
Bruno Ettenauer	277.4	319.0	596.4	269.9	460.0	729.9
Wolfhard Fromwald	279.9	319.0	598.9	273.0	382.0	655.0
Total	**580.4**	**638.0**	**1,218.4**	**817.6**	**1,202.0**	**2,019.6**

[1] Paid in 2008 for 2007 / paid in 2007 for 2006.
[2] Gerhard Engelsberger stepped down from the Management Boards of CA Immo and CA Immo International at the end of January 2008.

approximately € 56.5 K (around € 79.6 K in 2007) was paid in the form of contributions to pension funds (defined contribution plan) for Management Board members. The amount of a legal severance payment is determined by the amount of an overall salary as well as length of service, with the maximum payout equating to one full year's salary. Payment is forfeited in the event of the employee serving notice of termination. CA Immo has no obligations extending beyond this. In 2008 Gerhard Engelsberger obtained a severance pay of around € 275.6 K, and a residual settlement in the amount of 100.0 K € for contractual claims. Payments to form a reserve for severance payment claims amounted to € 246.7 K in the year under review (€ 250.4 K in 2007). No further payments were made to former Management Board members or their surviving dependents.

Supervisory Board remuneration

Remuneration for the Supervisory Board is determined annually by the Ordinary General Meeting. In addition to the reimbursement of cash expenses, every member of the Board will receive a fixed annual payment of € 10 K. The chairman will receive double that amount, with the deputy chairman paid one and a half times the fixed fee. Members of committees are paid € 500 for each attendance at a committee meeting. Remuneration is aliquoted where a Supervisory Board member steps down during the year. Supervisory Board remuneration amounted to roughly € 73.3 K for 2007 (payment in 2008) and € 63.8 K for 2006 (payment in 2007). No other fees were paid to Supervisory Board members. No remuneration for services other than those described above (and in particular for consultancy and brokerage activities) was paid. No loans or advances were paid to members of either the Management Board or the Supervisory Board.

NUMBER OF CA IMMO SHARES HELD BY MANAGEMENT BOARD MEMBERS

	as at 31.12.2008	as at 31.12.2007
Bruno Ettenauer	5,000	5,000
Wolfhard Fromwald	8,973	2,773
Total	**13,973**	**7,773**

Directors' dealings

At the end of 2008, 13,973 shares were held by Management Board members (7,773 shares in the previous year). No shares were owned by CA Immo Supervisory Board members. In 2008, under the terms of a share repurchase programme, CA Immo acquired 1,494,076 shares (1.71 % of the share capital) on the Vienna Stock Exchange for an average price of € 9.18. For more information on the share buy-back programme, please see page 12.

CA Immo also increased its stake in the listed subsidiary CA Immo International from 53.85 % to 61.74 % at year end. In 2008, the company acquired 3,427,360 shares in CA Immo International, bringing the total shareholding to 26,831,142 on the balance sheet date.

D&O insurance

At CA Immo Group level, D&O manager liability insurance with coverage of € 10 m was taken out for the executive bodies of the parent company and subsidiaries. The insurance does not provide for any excess. Since the scope of business activity has risen disproportionately, however, the scope of insurance coverage will be revised upwards accordingly.

SUPERVISORY BOARD REMUNERATION

in €	2008 payments for 2007	2007 payments for 2006
Gerhard Nidetzky, Chairman	21,000.0	21,000.0
Christian Nowotny, Deputy Chairman	15,000.0	16,000.0
Detlef Bierbaum	10,000.0	6,667.0
Bruno Ettenauer (to 27.2.2006)	–	1,667.0
Reinhard Madlencnik	11,000.0	11,000.0
Ewald Nageler (to 7.2.2006)	–	833.0
Horst Pöchhacker (from 29.5.2007)	5,833.0	–
Regina Prehofer	10,000.0	6,667.0
Total	**73,333.0**	**63,833.0**

ENDURING VALUE

Around the globe, falling property values are having a negative impact on the balance sheets of real estate companies. In this interview, the independent real estate writer Walter Senk discusses the causes and effects of recent developments – and the value of real estate as a commodity – with Wolfhard Fromwald, member of the CA Immo Management Board and property valuation experts Professor Alfons Metzger and Georg Fichtinger.

l.t.r.: Walter Senk, Wolfhard Fromwald, Alfons Metzger, Georg Fichtinger.

Within one year, global market capitalisation has slumped by US$ 17 billion. The banking sector has ground to a halt and money markets around the world have been rocked by an unprecedented crisis in finance and confidence. This situation began with the flood of defaults on the American mortgage market as private borrowers, deep in debt, found themselves unable to cope with interest rates and meet the repayments on their home loans. Eighteen months on, the adverse trend has spread to virtually all categories of real estate all around the world: ultimately, it means adjusted numbers on the balance sheets of property companies.

Senk: The events we are seeing on real estate markets, with property prices falling around the world, did not come about overnight. Where do the roots of these developments lie?

Metzger: You have to look very carefully at the fundamentals. The foundations of the situation we see today were laid out 10 or 12 years ago in the course of globalisation. As investment activity spread around the world, the real estate market became a part of the financial market. At the same time, totally new valuation systems for real estate became established because people wanted similar systems that would allow them to value properties in the international context.

Senk: Isn't that a good thing?

Metzger: Of course, in a globalised property market you must have parallel systems and methods. Unfortunately, though, international real estate investments relied on a method called DCF, or discounted cash flow, which is normally used for corporate valuations. Real estate was increasingly acquired as part of a package, investments were valued in the same way as corporate takeovers, and the result was a displacement of value. Individual valuations were still carried out in isolated cases, but portfolios tended to be assessed as single packages comprising many different properties, even though each property has its own background.

Senk: In other words, the method was misguided?

Metzger: I don't think there's anything wrong with the methodology, so long as it's correctly applied. However, real estate is not a product like furniture or shoes, so a property portfolio cannot be assessed in the same way as a furniture or shoe factory. The cash flow for a property, by which I mean the net revenue that a property generates for me, is a key criterion. Despite this, the assessment also calls for consideration of factors such as net asset value, location, quality, tenant profile and the potential for opportunities and threats in the medium to long term.

Senk: How could a single trigger affect the entire economy?

Metzger: As the borders have come down, a world-wide financial circuit has emerged. If someone introduces poison into the system, nobody can tell where it came from or how toxic it might be.

Fichtinger: The effects are evident. Prices are falling in nearly every country and across all sectors – retail, industry and offices. We've been observing the pattern across the world since the third quarter of 2007, but around the end of 2008 the prices of commercial real estate in Austria started to drop particularly steeply.

Senk: Surely prices are falling so steeply because they had climbed so steeply beforehand?

Fichtinger: Prices had been rising steadily since 2001, and yields were coming down accordingly. A great many international investors came in when prices were too high. This pushed prices up even more. In some cases, we would value a property at X for a potential buyer, who would then offer significantly more because of pressure to invest and the favourable financing conditions. Real estate got more and more expensive, and the transactions made at the higher rates helped to raise the valuations for other properties.

Senk: CA Immo AG has always been highly conservative when it comes to investment. Why must the value of your portfolio also be revised downwards at this time?

Fromwald: We are not immune to developments on the international markets. Returns on real estate in all usage categories have risen exponentially, and market values have slumped at the same time. Despite all of the caution that we apply to valuation, the change was much more dramatic than we could have foreseen.

Can you clarify that with an example?

Fromwald: Yes, Bucharest is a very good example. At the end of 2007, the valuation for our properties in prime sites produced a gross yield, which we define as rental income in proportion to market value, of around 7 %. We regarded this as conservative, because at that time acquisitions were being made at yields of around 6 %. Because of falling prices, the comparable yield is now 8–8.5 %. We were overtaken by the market and the expectations of yield. Obviously we need to correct our values as well, but to be precise only halfway – from 7 % to 8 %, not from 6 %. Yield development has been much the same in the other countries of eastern Europe. There's a similar trend in Austria and Germany, although not quite as pronounced. The pattern shifted very quickly in 2008. Property yields have risen by average of 100 base points across Europe just in the last 12 months, and this equates to an average price reduction of 15–20 %.

"The only positive aspect is the fact that revaluation losses do not represent an outflow of funds; our operational cash flow in 2008 remained satisfactory thanks to the income producing properties."

Wolfhard Fromwald,
Management Board member of CA Immo since 1990

Metzger: Real estate has not lost its essential value. Shares can always lose value, but savings accounts can collapse too. I believe that an investment in real estate is still the most enduring investment available. Over the long term, it secures not only sound revenue, but also the original capital deployed. Just to make it absolutely clear, I'd like to say it again: when the property market and the capital market merged, there was a failure to consider real estate in isolation. Properties were bought and turned around, or sold at a profit, straight away – that's what was driving prices. In the old days, you would buy and hold; as globalisation gained ground, the mantra changed to 'buy and sell at a profit'. As a

consequence, prices spiralled up and up, but the system lost sight of the potential for value.

Fichtinger: I would agree that real estate became a commodity, but that has its positive side. Turning real estate into a commodity also makes the market more transparent. The market developed first, and property is another form of merchandise. That's not a bad thing.

Fromwald: That's right. Back in 1988, everyone in Austria was delighted when real estate was suddenly being traded for real, and a market had emerged. Unfortunately, trading in real estate soon became an end in itself as the retention periods got shorter and shorter. In most cases, the value increases achieved were not the result of active management, they stemmed from short-term speculation based on falling interest rates and excessive liquidity in the market. The situation we have now is the exact reverse. Transactions have all but dried up, so a key element for valuation is absent: comparable, effectively concluded transactions that substantiate values determined by a surveyor.

Metzger: Market transactions are important, but the lack of purchases and sales in response to the extraordinary events we're now seeing within the economy does not mean that the value we possess is suddenly worthless. Transactions made in an emergency don't provide a useful yardstick by which to assess the value of similar properties. What I mean is this: to a certain degree, fluctuations in value are a normal part of the property cycle, but extreme short-term movements are not normal, at least in central Europe, thanks to the legal frameworks, financing criteria and ownership structures. This is certainly very different from the conditions in the USA and on the British property market.

Fromwald: Calculation methods also tend to overlook asset value. Clearly, all properties have a value. Of course a house may not yield much of a profit, but it doesn't lose its long-term value potential. Asset value has been cast aside, and needs to play a greater role. CA Immo AG has huge reserves of land in central areas of the main west German cities. These reserves might not be producing regular income at the moment, but they still have intrinsic value and, above all, high potential. In my view, the capital market pays too little attention to this value owing to short-term yield targets; it is massively underrated because of insufficient cash flow and potential development risk.

Fichtinger: All real estate has an asset value, calculated from the land value and the breakdown value of the building itself. If a commercial property is standing empty, you have to ask yourself why is it vacant? Is there a problem with the location, the utilisation or the quality? Does mean that I won't be able to attract tenants, or the will rental revenue that I obtain be much lower than I'd expected? In this case, the net asset value – which can and must have no influence on valuation – is worth much more than the earning power.

Senk: How will the general market situation affect the value of real estate that makes up CA Immo's assets?

Fromwald: We have had to adjust our real estate by around 7 % on average across the whole portfolio, which includes income producing properties as well as projects under construction. That's typical for the sector in Europe. When you have total property assets of around € 4 billion, though, that produces a considerable revaluation loss. The only positive aspect is the fact that this loss doesn't represent an outflow of funds; our operational net earnings in 2008 remained satisfactory thanks to the income producing properties. On the basis of actual rents for 2008, our income producing properties are yielding approximately 6.2 % on average.

"Just because no transactions are taking place at the moment, and real estate has got cheaper, does not mean that the value we possess is suddenly worthless."

Professor Alfons Metzger, FRICS, CRE, owner of Metzger Realitätengruppe and internationally renowned property valuer

"Prices had been rising steadily since 2001, and yields had come down accordingly. Partly encouraged by favourable financing, a great many international investors came in when prices were too high, and this pushed prices up even more."

Georg Fichtinger, Senior Director (Head of Capital Markets) in Austria for CB Richard Ellis, the world leader in commercial real estate services

Metzger: Anyone who invests in real estate knows that a return of five or six percent is going very good. As long as a reasonable financing structure is in place, long-term returns on equity of 6–8 % are possible, depending on the usage type and the region. Real estate is a solid investment with guaranteed value. It's just that over recent years, certain activities have created unrealistic value potential. This has affected a lot of speculative investors in particular.

Senk: How often does CA Immo AG carry out valuations on its properties?

Fromwald: For some years, we have valued our properties in eastern Europe on a quarterly basis. This is because property prices increased very quickly there on account of rapid economic growth, strong demand and short supply. Returns were still in the range of 10–12 % until a few years ago, but this had halved on average by the end of 2007. We perform annual valuations in Austria and Germany because the shifts in value are less erratic and the markets are generally more stable.

Senk: As an investor, I would be interested to know how you measure the market value of a property?

Fichtinger: The real parameters are creditworthy tenants and sustainable rents, adjusted to the market wherever possible. Then you must consider the potential for opportunities and threats, location and future variables such as investment strategies and development options.

Metzger: Taking that a step further, you also need to think about political developments. A local political crisis can cause the value of property to hit rock bottom – at least temporarily.

Senk: What's next for the property markets?

Fichtinger: In Austria, the pressure on prices will continue and returns will carry on rising. In this country, developments are not entirely dependent on the sector and utilisation. The trends for other European countries will vary. Some countries, such as the United Kingdom, have almost completed the correction process. In the UK there was a major correction at the end of 2007, followed by steady devaluation of one or two percent per month last year.

Fromwald: In the event that the general situation fails to stabilise or gets even worse than we are expecting, we can't rule out further adjustments. On the whole, though, I'd rather be optimistic and suggest that we will hit the floor this year, with the upturn arriving by 2010 at the latest. From our perspective, it's not only developments in eastern Europe that matter, but also what happens in Germany in particular – and the forecasts being issued by experts are all over the place.

Metzger: There's no doubt we must watch the overall economic picture. As soon as economic growth and stability make a comeback, real estate will be a commodity that's much in demand.

THE HISTORY OF CA IMMO

Ever since 1987, with a watchful eye on the markets and experienced real estate professionals at the helm, the Vienna-based property investment company CA Immo has been steadily building its business and its portfolio. Since 1999 CA Immo has been investing in Eastern Europe, branching into project development in Eastern Europe two years later. To clarify the division of regional business within the company, CA Immo underwent restructuring in 2006, establishing the subsidiary CA Immo International to manage its Eastern European property portfolio. As the company expanded in that region, it continued to build up property assets in Austria and Germany.

Shortly after the balance sheet date for 2007, the CA Immo Group acquired Vivico, the German railway property management group, for € 1.03 bn. The expansion enabled the Group to grow not only in terms of total assets and surface area, but also in terms of the quality of its business operations. The integration of Vivico gave the CA Immo Group valuable reserves of real estate as well as expertise in the fields of urban development and project management, right across the value chain – from the acquisition of properties and the processing of high-yielding projects to the restoration and profitable sale of those properties. CA Immo thereby strengthened its position as an investment business with acknowledged real estate experts offering comprehensive knowledge of the sector.

2008 was a year of integration and consolidation. Early in the year, the company reacted to signals from the market by reducing the pace of investment in favour of a strategy of cautious, selective growth. Instead of pursuing short-term market trends, the emphasis switched to medium and long-term development in specific core regions. One particular focus was on developing, with maximum profitability and efficiency, the high quality inner city real estate in Germany that came into play with the acquisition of Vivico.

Today the CA Immo Group is one of the key players on the European real estate investment market. Since April 2007, CA Immo has been listed in the prime market segment of the Vienna Stock Exchange, with a free float of around 90 % (shares formerly traded in the standard market auction).

THE HISTORY OF CA IMMO

2008
- Acquisition of Vivico Group in Germany

2007
- Entry to Serbian market
- Formation of CA Immo New Europe special fund (CAINE)

- Acquisition of real estate package from the German state of Hesse
- Issuance of first public corporate bond

2006
- Entry to Russian market
- CA Immo International floats on Vienna Stock Exchange

2005
- Acquisition of 78 properties in Austria from the former Brau Union property portfolio

2003
- First investments in Bulgaria (Sofia) and Romania (Bucharest)

2001
- Acquisition of office properties in Poland (Warsaw)
- Commencement of development projects in Hungary (Budapest) and Czech Republic (Prague)

2000
- First investment in Slovakia (Bratislava)

1999
- First CEE expansion into office properties in Hungary (Budapest)

1988
- Flotation on Vienna Stock Exchange

1987
- Founding of CA Immobilien Anlagen AG

EQUITY INVESTMENTS AND FUNDS

Measures aimed at transforming the CA Immo Group step by step into a broad-based property group operating across a wider region were introduced in 2006. The first step – the flotation of CA Immo International – was followed by the acquisition of a shareholding in Vienna-based property development company UBM Realitätenentwicklung AG and the establishment of special funds for project development activities in Eastern Europe. The Group then widened its regional foundation by acquiring Vivico Real Estate GmbH in Germany. The aims of the realignment were to increase the spread of risk (both regionally and by incorporating third-party institutional investors), to exploit the earnings potential of project development activities and to offer a wider range of capital market products to all manners of investor groups.

CA Immo International

The CA Immo Group's Eastern European portfolio is managed by the subsidiary CA Immo International. CA Immo had a shareholding of approximately 62 % in CA Immo International as at 31 December 2008. Shares in the company are traded in the prime market segment of the Vienna Stock Exchange, with market capitalisation at around € 123 m on the last day of 2008. CA Immo's holding in CA Immo International, which stood at 51 % following the flotation, was steadily increased throughout 2007 and 2008, reaching 61.74 % by the balance sheet date. On this date, the portfolio of CA Immo International amounted to approximately € 751.7 m, with the company investing in nine countries: Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Slovenia, Serbia and Russia. In terms of asset classes, the portfolio is mainly made up of office premises, although the company is aiming to increase the proportion of other commercial utilisation types (such as retail, logistical and hotel premises) in the medium to long term.

CA Immo New Europe Property Fund

This project development fund has brought together the development projects of CA Immo International since the start of 2007. The fund is structured under Luxembourg law as a SICAR (Societé d'Investissement en Capital à Risque). The total volume of the fund originally envisaged was € 1 bn, of which € 400 m was to be made available as equity capital; 40 % of the equity capital was pledged by four institutional investors at home and abroad, with 60 % assumed by CA Immo International. The fund has a fixed term of seven years. The investment strategy of the fund revolves around real estate development projects in Eastern and Southeastern Europe. Projects currently in progress largely satisfy the originally defined priorities in terms of region (20 % of projects in the CEE, with around 40 % in both the SEE and CIS) and usage type (less office space in favour of more retail and logistical premises).

Owing to prevailing market conditions in Eastern Europe, initial assumptions have had to be revised on many projects, with significant value adjustments and financial provisions made on that basis. By agreement of the co-partners, it has been decided that only development projects in progress will be continued; new projects will not be initiated until further notice. Around 60 % of the necessary equity capital has been made available, and most of the remainder will be secured in 2009. The required loan capital has been secured, with the exception of the Pulkovo project in St. Petersburg. CA Immo New Europe is managed by CA Immo International, which receives in return a one-off acquisition fee (1.25 %), a regular fee from 'assets under management' (0.85 %) and a performance fee upon project completion and rental (hurdle rate of 15 % IRR).

The H1 hotel fund

Together with Raiffeisen Versicherung (of the UNIQA Group), CA Immo International founded CEE Hotel Development AG (the H1 hotel fund) in 2007 with the aim of investing in hotel projects in Eastern and Southeastern Europe and Russia. Projects were analysed and negotiated through this special fund. Sites in Russia (Moscow, St. Petersburg, Astrakhan, Togliatti), the Czech Republic (Prague), Slovakia (Bratislava), Hungary (Budapest) and Serbia (Belgrade) were prepared and presented to the Investment Board. Due diligence was performed for the various projects, contracts were negotiated and hotel operators were identified.

Owing to economic conditions on the international real estate and financial markets, and particularly in Russia, the partners in CEE Hotel Development AG have decided not to make any new investments for the time being. The projects outlined were shelved (without incurring additional costs) and the activities of H1 Hotelentwicklungs GmbH were suspended.

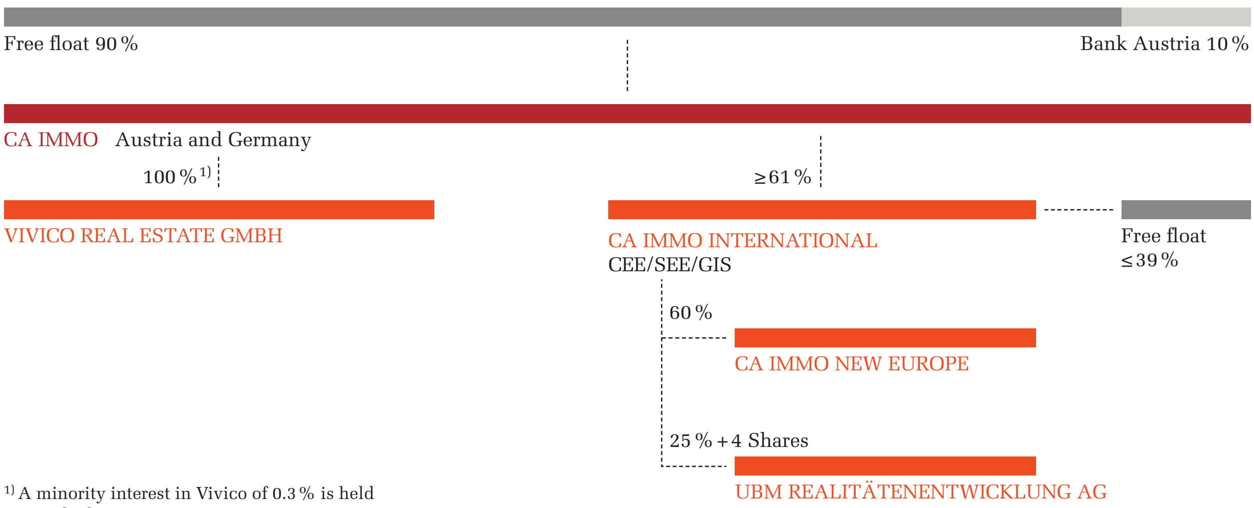
Vivico Real Estate GmbH

Around the turn of the year 2007/2008, the CA Immo Group acquired the German urban district developer Vivico Real Estate GmbH for around € 1.03 bn, thereby significantly boosting the Group's long-term standing on the German market. CA Immo has since expanded its German subsidiary into an operational platform for the all of the Group's project development and asset management activities in Germany. Vivico – formerly a state-owned collecting society for railway property – has a wealth of expertise in the development of inner city real estate formerly given over to industrial or railway usages. The company's property assets comprise high quality income-generating real estate (with a book value of € 207 m on 31 December 2008), undeveloped sites and properties under construction (book value of € 858 m on 31.12.2008) as well as a portfolio of other properties designated for sale. The highest quality reserves of real estate are now being developed step by step as dictated by current conditions as certain other sites and finished properties are sold.

Investment in UBM

Late in 2006, CA Immo International acquired a blocking minority of 25 % plus four shares in the listed Vienna-based property developer UBM Realitätenentwicklung AG. With its proven development expertise in the CEE region, UBM is ideally placed to bolster CA Immo International and the CA Immo Group as a whole. In 2007, CA Immo International and UBM embarked on a major project set to span several years (the Poleczki Business Park in Warsaw) through a subsidiary company owned on a 50:50 basis; UBM is also involved in the airport city project in St. Petersburg, contributing not only capital but also, primarily, project development expertise. The investment in UBM generated a dividend of € 825.000 for CA Immo International for the year 2007, equivalent to a yield on invested capital of around 3 %. Despite the economic downturn, the UBM Group succeeded in raising its total revenue by around 16 %, from € 202.4 m to € 234.8 m as at 30 September 2008; the result for the first nine months of 2008 was € 14.0 m, compared to € 13.7 m in the previous year. Aside from CA Immo International, the main shareholder in UBM is the Porr Group with 41.27 %. In view of the market environment and economic forecasts for 2009, UBM expects sales and earnings to fall short of the previous year's levels, but remain generally positive nonetheless.

GROUP STRUCTURE (31.12.2008)



1) A minority interest in Vivico of 0.3 % is held outside the CA Immo Group.

ECONOMIC ENVIRONMENT

ECONOMIC ENVIRONMENT [1)]

Global economic data went into freefall during 2008 owing to the financial crisis, which also prompted analysts to revise their forecasts for the immediate future ever downwards. In both the second and third quarters of 2008, the economy of the eurozone contracted by 0.2 %, for the first time satisfying the technical definition of a recession. The deterioration on financial markets around the world, the associated collapse in asset prices, the sharp rise in commodities prices (especially the high oil price in the first six months) and the strong euro combined to deliver a severe shock to the eurozone in terms of external supply and demand. In particular, reduced demand from abroad brought about a decline in net exports of –0.6 %. The picture for private consumption was one of general inertia, with the only positive stimulus for domestic demand coming from public spending.

As far as the real estate sector is concerned, developments in the macroeconomy are having a specific impact on demand for rental premises. A sustained recession therefore poses the threat of higher vacancy rates and a drop in rental rates.

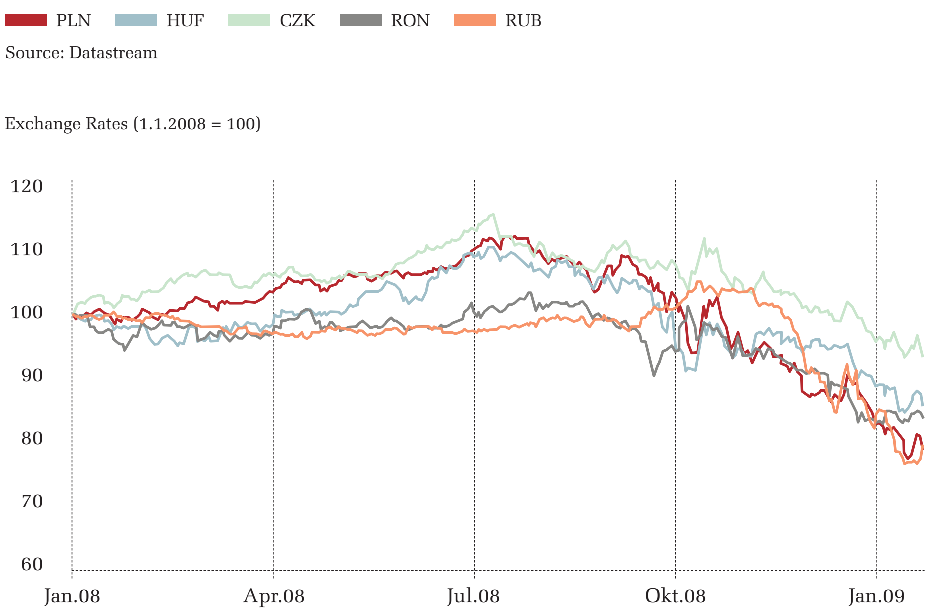
Austria

With growth expected to stand at 1.7 % for 2008 in real terms, Austria is much more favourably placed than most countries in the eurozone. However, growth had come to a halt by the third quarter, and negative growth is expected from the fourth quarter onwards. For a small export-oriented economy, future developments are largely dependent on external factors; on the positive side, state measures and the effects of lower inflation on spending power could trigger a resurgence in domestic demand.

Germany

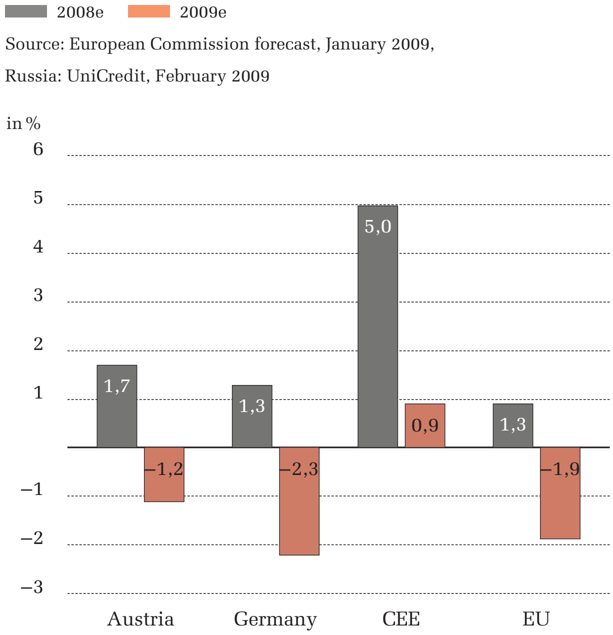
The European Commission predicted real-terms GDP growth of 1.25 % in Germany for 2008, but the growth rate reversed dramatically during the year. In terms of quarter-to-quarter development, the decline set in during the second period, with the downturn hitting –2.1 % by the fourth quarter. Germany, thus finds itself in a full-blown recession. The main factor behind the trend was a sharp drop in exports; the traditional engine of German economic growth.

DEVELOPMENT OF EXCHANGE RATES (to the Euro)



[1)] Data correct at the time of going to press in late February 2009: subsequent adjustments to interim figures and forecasts have not been taken into account

REAL-TERMS GDP GROWTH



Eastern Europe

The countries of Eastern and Southeastern Europe – which had achieved much higher growth rates than western European nations in recent years – have been significantly impacted by the distortion on the financial markets, especially since mid-2008. This was particularly apparent in the sharp falls against the euro in the exchange rates for Eastern European currencies as well as the significant widening in yields of bonds of those countries.

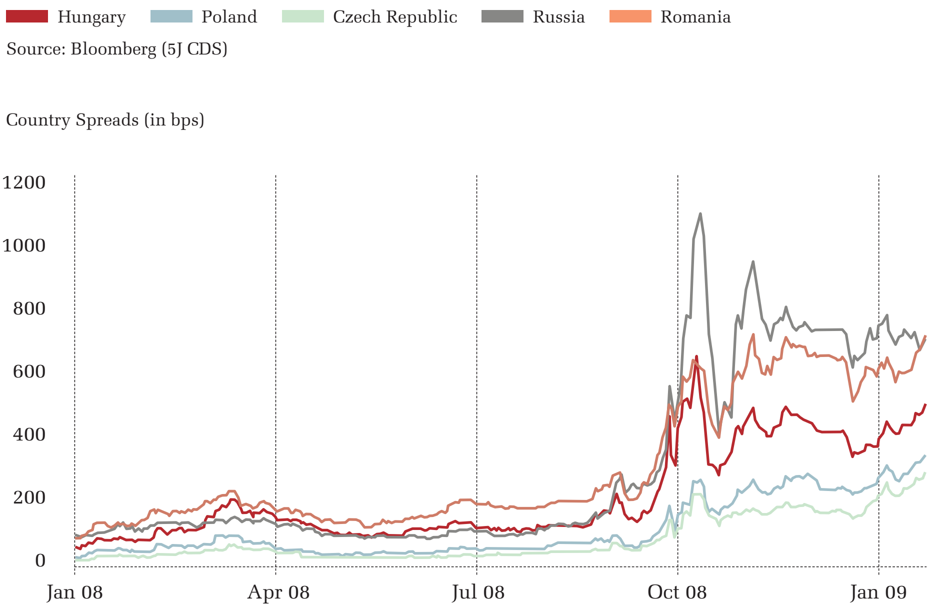
Economic growth for the region as a whole comfortably outpaced that of the eurozone until the third quarter of 2008. However, the effects of the turbulence on real economies varied from one country to another. Growth rates for the EU member states in Central and Eastern Europe (Poland, the Czech Republic, Slovakia and Hungary) abated only gradually, and growth also decelerated comparatively slowly in Bulgaria and Romania. By contrast, growth has slumped in Estonia and Latvia.

Russia has been faced with significant outflows of capital, especially since quarter three of 2008. This led to the collapse of the stock market as well as liquidity bottlenecks on the Russian interbank market. In addition, the drop in the oil price is having an especially adverse effect on economic development and the balance of payments which is contributing to the steep fall in the rate of the Rouble. Real-terms GDP growth for 2008 is consequently expected to decline to 5.6 %, with a downturn of –0.8 % forecast for 2009 (source: UniCredit).

Outlook

As the financial crisis persists and the global economy deteriorates, the prospects for the economies of our key markets are darkening considerably. Although the introduction of support packages by national governments will make an important contribution in terms of reversing the world-wide crisis of confidence, economic output is likely to shrink throughout 2009. According to its January 2009 forecast, the European Commission expects the eurozone economy to contract by 1.9 % this year, with marginal growth of 0.4 % likely to be seen in 2010.

DEVELOPMENT OF COUNTRY SPREADS



Money market and interest rate environment

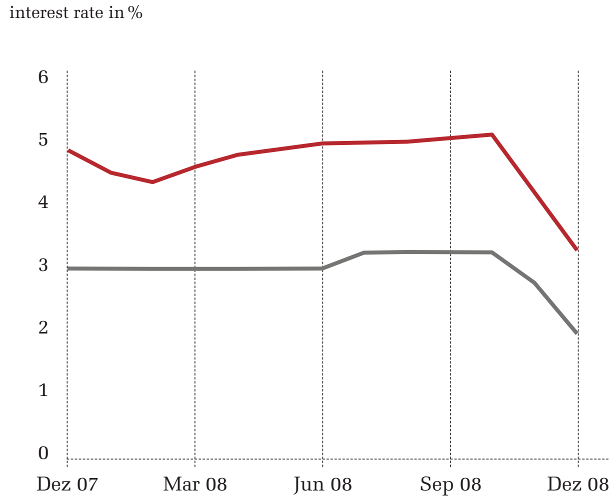
Since mid-2008, money markets have been affected by severe distortion, which has led to a sharp rise in refinancing costs for banks. Many of the sources of refinancing used by banks had dried up by the time Lehman Brothers filed for bankruptcy in September 2008. In particular, the securitisation market – critical to real estate financing – ground to a virtual halt. The interbank market only started moving again after interventions from central banks and other state authorities. In the face of such turmoil, the risk surcharges demanded by the capital markets and banks reached record highs. As a particularly capital-intensive sector, real estate was directly and adversely affected by the scarcity of available credit and the tightening of credit terms. Restricted access to debt financing was also the main reason behind the steep fall in the volume of property investment market transactions that began in the third quarter of 2008.

The economic collapse in the second half of 2008 was also reflected in the development of interest rates. The euro base rates remained unchanged in the first six months, followed by a small rise of 25 base points in July. From October onwards, however, the ECB joined attempts to counter the economic downturn by lowering the interest rate significantly with successive cuts. The central banks of the UK and the USA cut their base rates steeply, bringing interest levels to all-time lows by early 2009.

DEVELOPMENT OF INTEREST RATES

3 Month Euribor ECB rate

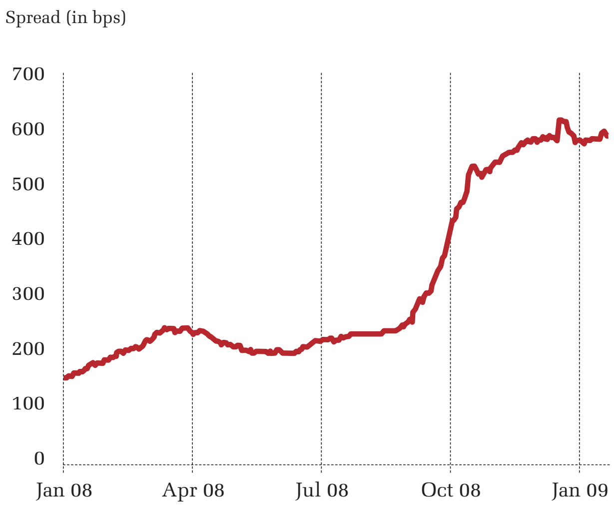
Source: ECB, Reuters



Despite this, the decline in base rates was counteracted by the increased risk surcharges outlined above, so the reduction in effective interest charges was limited or nonexistent for most borrowers.

DEVELOPMENT YIELDS BBB BONDS

Source: Bloomberg (Merrill Lynch BBB EMU Index)



DEVELOPMENT I TRAXX CROSSOVER INDEX

Source: Bloomberg

THE REAL ESTATE MARKET IN AUSTRIA

The Austrian real estate market was not immune from the effects of the events of 2008. Although the market was strong at the start of the year, offering attractive development possibilities, economic indicators had changed the mood to one of hesitance and caution by the middle of 2008. Towards the end of the year, the crisis impacted particularly strongly on the capital-intensive property investment market. By contrast, conditions on the lettings market remained relatively positive throughout.

The investment market

Around € 2 bn was invested in real estate in Austria during 2008, a drop of 30 % on 2007. Thanks to the processing of one very large transaction – the sale of Shopping City Süd to the Dutch property investment company Unibail-Rodamco – the reduction was smaller than may have been expected given the current crisis.

Owing to the significantly restricted flow of liquidity coupled with the generally circumspect mood of the market, the ratio of net rental income to net purchase price increased for office premises, especially in the fourth quarter 2008. The figure was up 75 base points (BP) to 5.5 % in excellent locations. In good locations it rose by 80–100 BP to around 6 %. In moderate sites and where the rental contract situation is poor, the figure rose by up to 150 BP to approximately 7 % (source: CBRE/Vienna Office Market Report 2008). Applied to office property prices, this represents value decreases in the range of 15–25 % according to location. Given the stricter financing terms now in place, however, it cannot be assumed that large numbers of transactions will be seen, even if conditions remain the same and property prices continue to fall.

The office market

The Austrian office market continued to be characterised by consistently high demand and stable rent levels in 2008, following the pattern of recent years. On the Viennese market, rent levels ranged from € 13/sqm [1] to a peak value of € 23/sqm in prime locations and from € 10–15/sqm in good locations; in other locations, rents were much lower. The demand for modern, high quality premises remained unaltered and excellent transport connections and infrastructure, combined with space and energy efficiency were the keys to high rentability. Owing to the economic downturn, consumers became much more price sensitive towards the end of 2008. To a greater degree, companies were prepared to forego expensive locations in favour of cheaper (but still high quality) solutions. The legal introduction of energy performance certificates on 1 January 2009 confirmed energy and environmental awareness as decisive factors in new lettings and relocations. Improvements in infrastructure (such as the extension of the U2 underground line) and urban modernisation measures (such as the upgrading of the Wien Mitte and Westbahnhof railway stations) are likely to provide a boost for currently underdeveloped office areas.

Floor space on the Viennese market for office property now totals around 10 m sqm, having expanded by around 250,000 sqm in 2008. Thanks to much improved marketing performance of around 400,000 sqm, the vacancy rate again fell slightly to approximately 5 %.

The retail market

Retail properties in Austria are globally sought after as an investment – thanks to the international mix of tenants, high density of sites and superior design of premises. Despite the financial crisis, demand for properties in attractive locations (particularly shopping streets and good sites in central Vienna) remains high and rental levels are stable on the Austrian retail market. Availability is slowly declining. Peak rents had increased slightly by the end of the year and well established properties in commercial areas and prime inner city locations continued to generate particularly strong returns. Shopping centres in favourable sites were commanding peak rents of up to € 90/sqm per month at year end, with peak gross returns at around 5.25 %. Over the next few years, the market for shopping centres in Vienna will be guided principally by major railway projects. Shopping centres are planned for the new Westbahnhof station and Wien-Mitte station as well as Vienna's new central station which is under construction (source: CBRE, Retail Market Austria 2008).

The residential property market

Despite the gloomy situation on the economic front and the labour market, demand remains stable for high quality properties in particular. Given the anticipated concentration of settlement in Vienna over the decades ahead, it is reasonable to assume constantly high demand for residential property in the federal capital city. Which in turn will drive up prices, especially in the most popular districts of the city. Most price falls were seen in formerly high-priced districts (especially for averagely sited properties) as well as convenient locations on the outskirts of town. Many businesses relocated from expensive inner city areas to lower priced suburban districts in response to the deteriorating economic conditions. Some of the vacant premises, thereby created, have been expanded and turned into highly priced luxury apartments.

[1] All mentioned rents are net prices.

The hotel property market

The Austrian tourism and hotel sector experienced a record year in 2008. Austrian hotels welcomed more guests than ever in 2008, chalking up their 11th consecutive year of growth. All federal states recorded increases in the number of overnight stays, led by Vienna (up 6 %) and Salzburg (up 4.6 %). Over half of guests were from Germany and the Netherlands.

Vienna has 15 to 20 current hotel projects, half of which have reached the construction stage. Four hotels are due for completion in the city by 2010, including one in the six-star category. Around the turn of the year, investors started to show a particular interest in projects and existing hotels in the three and four-star brackets, as the five-star category temporarily took a back seat in response to economic developments. CA Immo is planning to commence two hotel projects in 2009: one three-star hotel in Salzburg and a four-star hotel in Vienna.

The increasingly fraught financing situation had forced delays to many hotel sector projects by the end of the year, especially at the luxury end of the market. Although Vienna offers lower room prices than many other countries on average (around € 140 in the four-star-plus category), rates were falling by the end of the year. The number of overnight stays is also expected to drop in 2009, and losses are likely, especially in the high-end (four-star-plus) conference and business travel segment. Modern but good-value low budget and economy hotels (in the one- to three-star bracket) will be the main beneficiaries of the general trend towards price awareness.

VIENNA Hotel Savoyen Rennweg

THE REAL ESTATE MARKET IN GERMANY

Following the sustained and rapid phase of expansion that reached its peak in 2007, economic decline characterised 2008. As the financial market crisis coincided with a general downturn in the economic cycle, the turnover of real estate transactions collapsed in the second half of the year in Germany as yield increased. According to the Ifo Institute, the overall economy in December 2008 had reverted to the level of 2002/2003.

The investment market

In 2008, total turnover for the German commercial real estate market fell by around 65 % to stand at € 20.7 bn. The effects of the financial market crisis forced the closure of numerous open-end property funds for fixed periods as banks tightened their lending requirements and potential consumers waited for purchase prices to fall further. All of these factors in combination had brought the real estate investment market to a virtual standstill by the end of 2008. The steepest fall over the year as a whole was in the demand for office properties, which declined by 77 % compared to 2007. In the hotel property segment, only properties with long-term lease agreements were in demand. Real estate investment business centred on the prime locations of Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne and Munich.

Owing to the fraught situation on the capital markets and the deteriorating wider economy, returns on real estate increased in virtually all of Germany's property strongholds, especially in the fourth quarter of 2008. Net starting yields for prime properties have now climbed to over 5 % across the board, pushing property values downwards. Rental prices are also likely to fall in this area in the short to medium term. Mindful that security is preferable to yield, investment transactions are intensifying the focus on properties with the lowest possible risk, characterised by lengthy rental contracts, excellent quality fittings and creditworthy tenants.

The office market

Vacancy rates on the office markets were still falling at the end of 2008. As regards the office centres of Berlin, Düsseldorf, Hamburg, Frankfurt, Cologne, Munich and Stuttgart, the total vacancy rate again fell sharply from the previous year's level of 9.7 % to 8.6 % by year end. In overall terms, vacancy tended to decline in modern, newly built premises; in future, rising vacancy levels in older properties no longer compliant with market conditions will expand the base vacancy rate.

Owing to the fact that demand levels remained high throughout the first two quarters of last year and the availability of modern, centrally located office space declined as vacancy dropped sharply, peak rents rose again in all locations.

At the present time, it is impossible to predict the number of office jobs that will be lost in 2009 due to the financial crisis, and the impact this will have on the demand for office space in Germany. However, demand is already starting to shift to alternative, centrally located and lower priced sites, which will suppress peak rents and raise vacancy levels. At the same time, the restrictive financing situation is likely to lead to a reduction in the project volume, which will mean a clear marketing advantage for projects in progress.

The residential property market

According to figures published by the Federal Statistical Office, the demand for residential property in Germany will continue to rise. Accordingly, the demand for property ownership will also remain consistently high. Current levels of excess demand will be maintained, especially in the larger German conurbations. As a result, the residential market in German cities still holds a great deal of development potential. In overall terms, prices have risen in both the rental and ownership segments in Berlin, Frankfurt, Cologne and Munich. The highest average rents in good locations are in Frankfurt (€ 13.50/sqm) and Munich (€ 12–14/sqm); Berlin and Cologne are relatively affordable at € 7–11/sqm.

The retail market

In Germany, CA Immo focuses on the realisation of local, small-scale retail businesses. The financial market crisis had no visible effect on consumer behaviour in 2008, and thus no impact on the rental market for retail premises. Expanding product ranges led to greater demand for floor space, which in turn was reflected in rising rent prices. Across Germany, rent prices for large units (120–260 sqm) rose by an average of 3.5 %; for the smaller units (60–120 sqm), the mean increase was 2.98 %. For the country as a whole, the average peak rent stood at € 60/sqm. Purchase prices for business premises in prime sites were high, and unlikely to be forced downwards by the financial market crisis for some time. By contrast, the investment volume in shopping centres, factory outlet centres and specialist retail centres decreased in the second half of the year. Although Germany still tops the European table, total turnover fell from € 11.3 bn in the previous year to € 6.1 bn in 2008.

The hotel property market

Hotel chains continued to expand in Germany in 2008. Both the number of companies and the number of hotels

DEVELOPMENT OF OFFICE MARKETS FOR
CA IMMO PRIME LOCATIONS IN GERMANY 2008

	2007	2008	Change in %
Berlin			
Office space inventory in m sqm	17.8	17.90	+0.6 %
Leased office space in sqm	620,000	490,000	–21.0 %
Vacancy in sqm	1,550,000	1,450,000	–6.5 %
Vacancy rate in %	8.7	8.1	–6.9 %
Peak rent in €/sqm net exclusive	21.5	22.0	+2.3 %
Düsseldorf			
Office space inventory in m sqm	7.1	7.1	+0.0 %
Leased office space in sqm	520,700	424,100	–18.6 %
Vacancy in sqm	661,000	626,000	–5.3 %
Vacancy rate in %	9.3	8.8	–5.4 %
Peak rent in €/sqm net exclusive	22.2	23.6	+6.3 %
Frankfurt			
Office space inventory in m sqm	11.6	11.6	+0.0 %
Leased office space in sqm	550,000	510,000	–7.3 %
Vacancy in sqm	1,650,000	1,580,000	–4.2 %
Vacancy rate in %	14.2	13.6	–4.2 %
Peak rent in €/sqm net exclusive	37.0	38.0	+2.7 %
Cologne			
Office space inventory in m sqm	7.1	7.2	+1.4 %
Leased office space in sqm	285,000	300,000	+5.3 %
Vacancy in sqm	600,000	600,000	+0.0 %
Vacancy rate in %	8.5	8.3	–2.4 %
Peak rent in €/sqm net exclusive	21.0	21.5	+2.4 %
Munich (city and environs)			
Office space inventory in m sqm	12.9	13.2	+2.3 %
Leased office space in sqm	696,000	667,000	–4.2 %
Vacancy in sqm	1,457,000	1,405,000	–3.6 %
Vacancy rate in %	12.0	11.1	–7.5 %
Peak rent in €/sqm net exclusive	32.5	35.0	+7.7 %

Note: All floor space data given as rentable area according to gif, conversion factor: gross floor area x 0.85
Source: gif e.V., Annual Survey of Office Markets 2008; correct as at February 2009

rose significantly in comparison with the previous year. According to the German Hotel Association, average prices and room revenues increased in the first half of 2008. During the second six months, however, the financial market crisis began to affect the German hotel sector, with only low-budget hotels benefiting from the greater price-sensitivity of many consumers.

The CA Immo Group is actively developing high value hotel projects in the trade fair centres of Berlin, Basel, Frankfurt and Cologne, which are highly popular destinations thanks to their plentiful leisure and cultural facilities. Demand for places to stay is continually rising in these cities owing to growing numbers of conference participants, business travellers and tourists.

THE PROPERTY MARKET IN EASTERN EUROPE

Following positive results for the first half of 2008, the deteriorating situation on the financial markets adversely affected real economies across Eastern Europe, thus impacting on the property markets of the region. The upshot was a steep downturn in the investment volume on nearly all Eastern European markets between the third and fourth quarters of 2008 and a near-total collapse of real estate transactions in the fourth quarter along with rising yields and vacancy levels. Towards the end of the year, another symptom emerged as rental prices fell on some markets.

During 2008, a total of € 9.5 bn was invested in commercial real estate in the CEE region, 37 % less than in 2007 but 47 % above the level for 2005. In the final quarter of 2008 in particular, total transactions fell steeply to overall € 580 m. This was a direct consequence of the limited availability of credit, the temporary pull-out of major German property funds and uncertainty over future economic developments.

The investment market [1)]

Investment on the office market accounted for around 50 % of the total investment volume. The proportion of turnover for the retail sector fell from 39 % (in 2007) to 29 %. Investment activity focused on cities, which pose less risk. Price adjustment on the real estate markets, which is likely in the present climate, will create attractive investment opportunities in the CEE states in particular. Investors with sufficient equity are awaiting the right moment to make acquisitions.

In the countries of Southeastern Europe and the Commonwealth of Independent States (CIS) in particular, office segment yields have risen sharply. Yield in Russia was in the range of 10–12 % in the fourth quarter of 2008 (up 250–450 base points in year-on-year comparison) and at 8.25–9 % in Bulgaria and Serbia. Yields were also up on the CEE markets: in the final quarter of 2008, they ranged from 6.25 % in Warsaw (up 85 base points) to 9 % in Bratislava. Yields are expected to continue rising for the time being.

The office market

In overall terms, the office markets of Eastern Europe asserted themselves strongly in 2008. The demand for office space reached record levels in the first six months in regions such as Moscow and Belgrade, before imploding in the final quarter. However, the markets could not fully absorb the high number of completions over 2008 as a whole, and vacancy rates increased significantly across nearly all of Eastern Europe (from 6 % to 11.3 % in the CEE, and to around 8.5 % in the SEE; source: CBRE). The sharpest rise in vacancy was seen in Russia (5.9 % to 15.1 %). Only Warsaw achieved a lower vacancy level. Future developments will be guided by regional market conditions, which are linked to the scale of project pipelines and movements in underlying economic data.

Greater numbers of completed projects – launched in more favourable economic times – will come onto the market in 2009, which will adversely affect vacancy in the light of falling demand. As a consequence of the global financial market crisis, financing for development projects has become more difficult to secure, which in particular is delaying – and even threatening to terminate – those projects still at the planning stage by year end. Vacancy levels are therefore expected to start falling again by 2010 at the latest.

Having increased markedly in the first half of 2008, rental rates in most eastern European nations came under severe pressure in the second six months. In yearly comparison, rental growth was generally low, although peak rents actually fell in a number of cities (including Belgrade and Sofia). The main factors behind this trend (apart from the crisis on the international finance market) were the massive devaluations sustained by local currencies in certain countries and the rising vacancy rates. Russia had the highest peak rent on the eastern European office market (€ 91.44/sqm per month in the fourth quarter of 2008). Poland (€ 23–28/sqm), the Czech Republic (€ 20–23/sqm) and Hungary (€ 20–22.50/sqm) were commanding rents of similar magnitude in the final quarter. The lowest rents for office space were found in Serbia (€ 15.50–17.50/sqm) and Bulgaria (€ 15–17/sqm), although new lettings were no longer commanding these rates by the end of the year.

Retail

As the standard of living has improved over recent years in the countries of Eastern and Southeastern Europe, shopping centres have experienced a boom, with scores of new malls continuing to be built. Retail premises are now available in all major cities of the region, which is greatly intensifying the level of competition between the various sites. In this segment, the choice of location and the quality of the shopping centre will be, more than ever before, the determining factors behind any successful long-term investment.

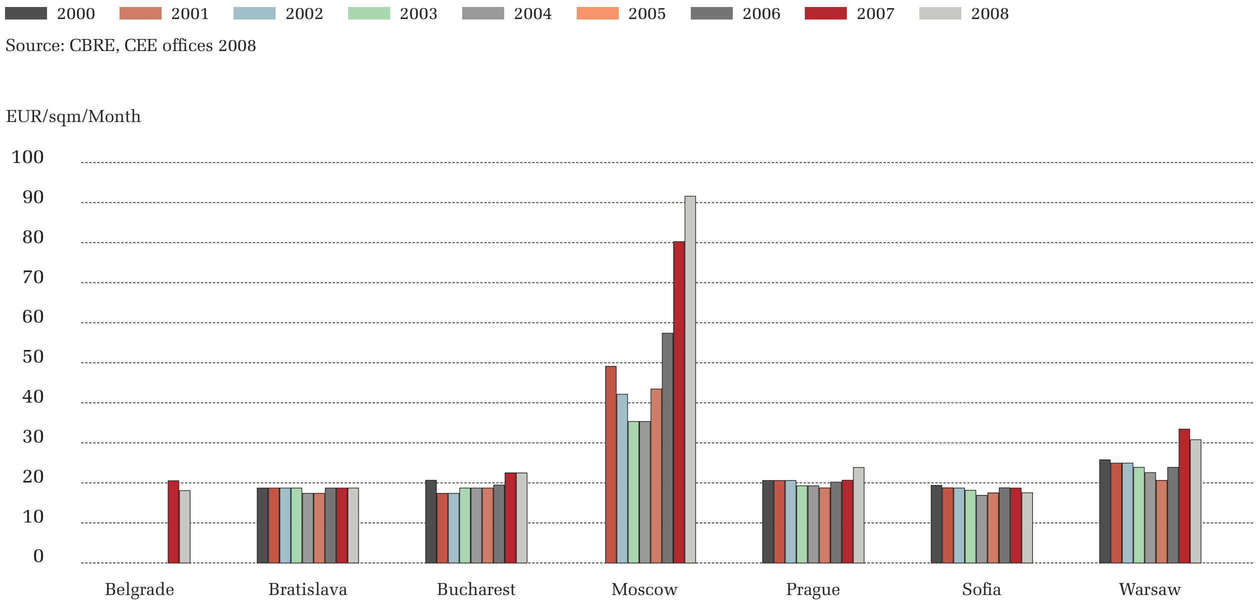
The hotel property market [2)]

The expansion of the EU into Eastern Europe over recent years spurred the development of hotel property markets in the region, with scores of international hotel

[1)] Source: CBRE, CEE property investment 2008
[2)] Source: CBRE – Market View Hotels CEE 2008

CEE PRIME RENTS BY YEAR

Source: CBRE, CEE offices 2008



groups establishing themselves in the main cities of the Czech Republic, Poland and Hungary. With 12.2 million overnight stays in 2007, Prague ranks as the best performing market in the Eastern European hotel sector (source: MRG). However, developments on the global financial markets have gradually applied the brakes to the region's hotel property market. International banks and investors are exercising greater caution in their lending, making it more difficult to secure financing for development projects in the hotel segment. At the same time, compared to the previous year's level, the capacity of hotels in central and Eastern Europe fell by 6.7 % in 2008 to stand at 65 %. Yields, which had been falling steadily since 2000, rose again last year in response to the lack of investment. At the end of 2008, they ranged from 7.50 % in Prague and Warsaw to 9.25 % in Bucharest. Returns are likely to increase further in 2009.

Although the construction market for hotels in the three, four and five-star categories is largely saturated in Poland and the Czech Republic, demand for hotels was sustained in Croatia, Slovakia, Serbia, Romania, the Ukraine and Russia in 2008. However, given the tough economic conditions and uncertainty over future developments, it is not possible to predict which projects will actually come to fruition. The proportion of hotels in the upper bracket continues to increase across these regions, but luxury hotels are gaining ground only gradually.

OFFICE PROPERTY YIELDS IN 4 TH QUATER 2008

Source: CA Immo International

City	**Yield**
Belgrade	8.2–9.0 %
Bratislava	7.0–9.0 %
Budapest	7.0–8.0 %
Bucharest	7.0–8.0 %
Moscow	10.0–11.0 %
Prague	6.2–7.0 %
Sofia	8.5–9.2 %
Warsaw	6.2–7.0 %

PROPERTY ASSETS

The CA Immo Group invests in commercial real estate in Central Europe, focusing heavily on office properties.
As regards regional activity, the Group operates in Austria through the parent company CA Immo and in Germany through the wholly owned subsidiaries Vivico Real Estate GmbH and Vivico AG. The Group's portfolio in Eastern Europe is managed by the subsidiary CA Immo International. Two business areas encompass the Group's core expertise: **portfolio management** (concentrating on the generation of maximum yield from income producing properties) and **project development.**

In its consolidated balance sheet for 2008, the CA Immo Group reported property assets (excluding forward purchases) of approximately € 3.8 bn (€ 2.5 bn in 2007), allocated as follows:

Property assets let, including properties used for own purposes and properties intended for trading	2.7 bn € (71 % of the total portfolio)
Property assets under development	1.1 bn € (29 % of the total portfolio)

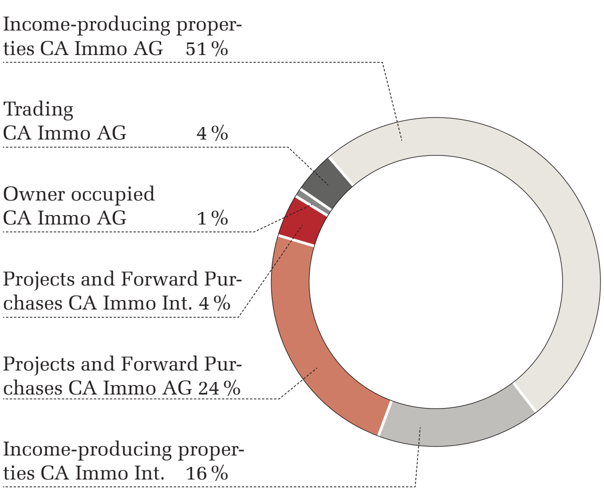
As of the key date, the Group's property assets let represented a total effective area of 1.38 m sqm, of which office space accounted for around 57 % and storage facilities made up 18 %. According to estimates, 47 % of the property assets let are located in Germany, 30 % are in Austria and income-generating real estate of CA Immo International in the Eastern European states accounts for 23 %.

Of development projects with a total value of € 1.1 bn, approximately 4 % relates to developments and strategic land reserves of CA Immo in Austria; Germany accounts for 81 % and the remaining 15 % comprises CA Immo International projects in the CEE/SEE region and the CIS.

In 2008, the Group generated rental income of € 175.3 m (€ 123.3 m in 2007); therefore property assets let are producing a yield measured by book value of around 6.3 % in 2008 (5.8 % in 2007).

The average economic vacancy rate (measured by expected annual rental income) stood at 5.1 % in 2008 (3.8 % in 2007).

DISTRIBUTION OF BOOK VALUE
BY COMPANY AND TYPE

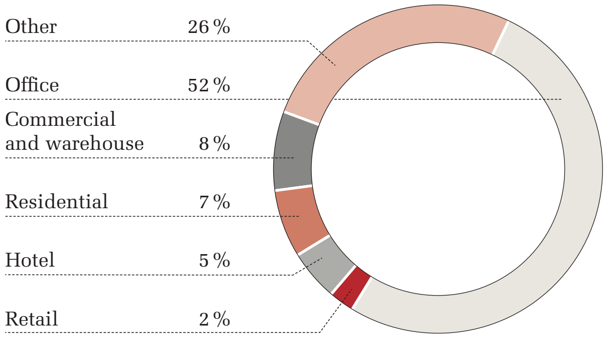


OVERALL PORTFOLIO

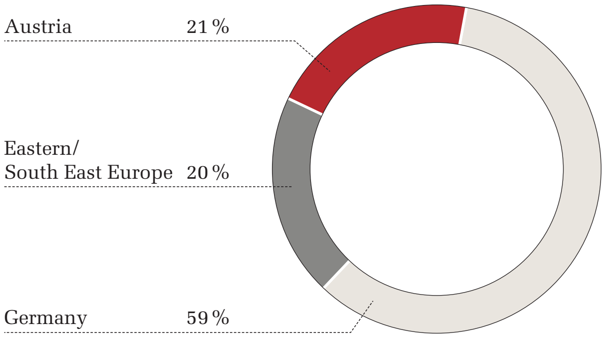
		Austria	Germany	Eastern and Southeastern Europe	Total
Property assets 31.12.2007	€ m	**892.5**	**934.4**	**708.4**	**2,535.3**
Property assets let	€ m	805.2	915.5	599.0	2,319.6
Property assets under development	€ m	87.3	19.0	109.4	215.7
Property own used	€ m	0.0	0.0	0.0	0.0
Property intended for trading	€ m	0.0	0.0	0.0	0.0
Acqusition of new properties	€ m	5.2	1,448.0	112.0	1,565.2
Investments in current projects	€ m	6.1	118.0	66.5	190.6
Investments in the portfolio stock	€ m	9.2	35.7	12.0	56.9
Change from revaluation/impairment	€ m	–81.3	–112.1	–92.2	–285.6
Disposals	€ m	–31.7	–187.5	–55.0	–274.2
Property assets 31.12.2008	€ m	**800.1**	**2,236.5**	**751.7**	**3,788.3**
Property assets let	€ m	747.9	1,184.5	588.2	2,520.7
Property assets under development	€ m	40.6	876.9	162.2	1,079.8
Property own used	€ m	11.5	7.9	0.0	19.4
Property intended for trading	€ m	0.0	167.1	1.2	168.4
Annual rental income [1]	€ m	45.2	91.5	38.7	175.3
Annualized rental income	€ m	46.0	91.4	40.9	178.3
Vacancy rate property assets let	%	9.8	1.3	6.0	5.1
Yield property assets let	%	6.1	6.0	7.3	6.3

[1] incl. annual rental income from properties sold in 2008 (€ 4.4 m)

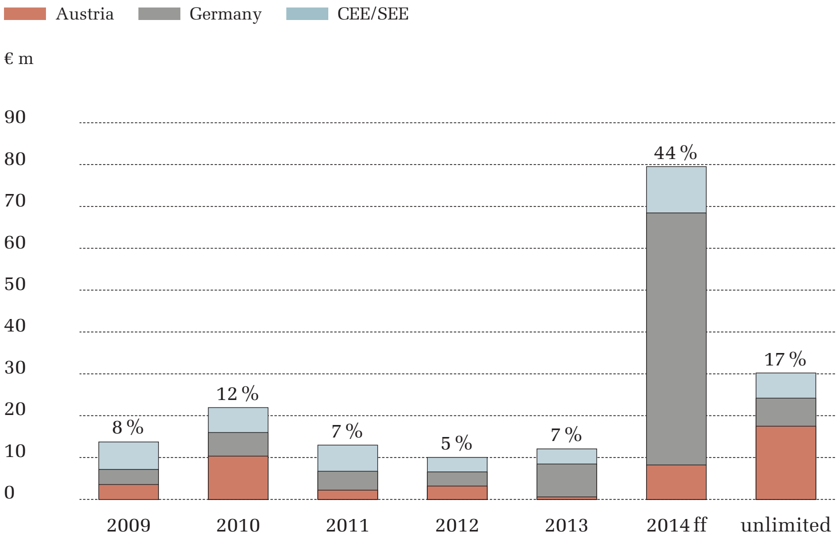
DISTRIBUTION OF BOOK VALUE BY MAIN USAGE TYPE



DISTRIBUTION OF BOOK VALUE CA IMMO BY REGION



LEASE CONTRACT ANALYSIS based on effective rental income of the current lease contracts



PROPERTY ASSETS BY BALANCE SHEET ITEMS

		Austria	CA Immo Germany	CA Immo Internat. Eastern and South East Europe	CA Immo Group total
Property assets let					
Usable space (excluding parking spaces)	thsd sqm	408	745	231	1.384
Number of parking space	No.	4,463	7,832	3,734	16,029
Book value	€ m	747.9	1,184.5	588.2	2,520.7
Rental income (actual)[1]	€ m	44.6	66.3	38.7	149.6
Rental income (annualized)	€ m	45.9	70.8	40.9	157.6
Vacancy	%	9.8	1.3	6.0	5.1
Yield	%	6.1	6.0	7.3	6.3
Property assets under developement					
Usable space (excluding parking spaces)	thsd sqm	12	457	222	691
Number of parking space	No.	45	3,977	6,259	10,281
Book value	€ m	40.6	876.9	162.2	1,079.8
Rental income (actual)[1]	€ m	0.1	10.3	0.0	10.4
Property intended for trading					
Usable space (excluding parking spaces)	thsd sqm	0	139	0	139
Number of parking space	No.	0	634	0	634
Book value	€ m	0	167.1	1.2	168.4
Rental income (actual)[1]	€ m	0	11.0	0.0	11.0
Investment property own used					
Usable space (excluding parking spaces)	thsd sqm	3	3	0	6
Number of parking space	No.	40	20	0	60
Book value	€ m	11.5	7.9	0	19.4

[1] excl. rental income for sold objects in 2008 (4.4 Mio. €)
[2] excl. 4.099 thsd sqm land reserve

THE PORTFOLIO STRATEGY OF THE CA IMMO GROUP

The Group's portfolio strategy is geared to the specific conditions on individual markets as well as general economic conditions. Early in 2008, CA Immo responded to the developments on the real estate and financial markets stemming from the subprime crisis by focusing on realising the current project pipeline as efficiently as possible and securing the earning power of income producing properties for the long term. Operational business activities in 2008 thus revolved around the consolidation of existing tenancies in income generating properties. New projects will be initiated only where financing and a high degree of pre-letting can be secured.

Generally speaking, the emphasis has been on income producing properties and development projects in the office segment with a clear bias towards prime sites. CA Immo continued to work within its core regions of Austria, Germany and Central Eastern and South Eastern Europe during 2008, withholding further expansion. This phase of consolidation will carry on throughout 2009.

The portfolio strategy also envisages the sale of 10–15 % of existing income-generating properties each year in order to release capital resources that can be devoted to pipeline projects. The same objective will be pursued in 2009, provided the investment market opens up again and sales can be made under reasonable conditions.

The CA Immo Group continues to rely on an internal management team made up of real estate experts who have a comprehensive understanding of the markets as well as expertise across the sector. For CA Immo, local offices, long-standing partnerships with project developers and the UniCredit Group network constitute the basis for the purposeful and high-yielding management of real estate – a basis that adds up to a clear competitive advantage.

MANAGEMENT REPORT

INVESTMENT STRATEGY

TYPE OF UTILISATION

Office, Hotel, Retail, Logistical, Residential

BUSINESS AREAS

ACTIVE EXPLOITATION	PROJECT DEVELOPMENT	ACQUISITION OF STOCK PROPERTY
ACTIVITY		
- Technical revaluation - Utilising floor space potential - Optimising costs - Letting, drafting rental contracts	- Developing sites - Planning and construction - Marketing of premises	- Portfolios - Single properties
AIM		
- Raise earnings - Sustainability - Value appreciation	- Augment asset portfolio - Raise earnings potential - Generate yield	- Long-term yield - Consistent cash flow - Basis for long-term value increase

INCOME PRODUCING PROPERTIES AUSTRIA

(SELECTION)

VIENNA
Rennweg 16, Hotel Savoyen
Hotel, Office

VIENNA
Handelskai/DBC 388
Office

VIENNA
Schönbrunnerstraße 247
Office

VIENNA
Döblinger Hauptstraße 66
Residential, Office

VIENNA
Stroheckgasse 6
Residential

VIENNA
Landstr. Hauptstraße 97–101, Galleria
Retail, Office, Residential

VIENNA
Linke Wienzeile 234
Office

VIENNA
Mariahilfer Straße 17
Residential, Retail, Office

VIENNA
Erdberger Lände 26–32
Office, Retail

VIENNA
Siebensterngasse 20
Residential

VIENNA
Prinz-Eugen-Straße 72
Office

VIENNA
Garnisongasse 22
Residential, Retail

SEYRING
Brünner Straße 160
Retail, Office

WELS
Kaiser-Josef-Platz 49
Office, Retail

LINZ
Altstadt 16
Residential, Retail

SALZBURG
Getreidegasse 34/36
Commerce, Retail, Residential

SALZBURG
Rathausplatz 2
Retail

SALZBURG
Ferdinand Hanusch Platz 1
Office, Retail

INCOME PRODUCING PROPERTIES EAST-/SOUTHEASTERN EUROPE

(SELECTION)

BELGRADE
Belgrade Office Park
Office

WARSAW
Warsaw Financial Center
Office

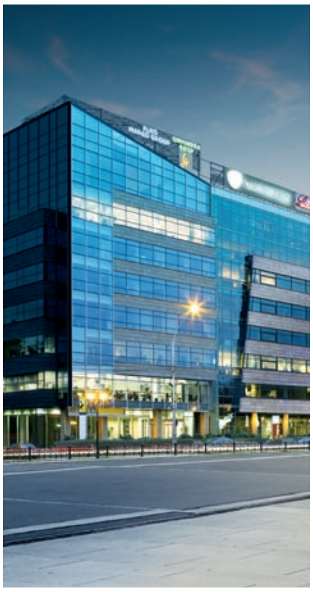
LJUBLJANA
Austria Trend Hotel Ljubljana
Hotel

SOFIA
Europark Office Building
Office

WARSAW
Wspólna
Office

PILSEN
Diplomat Center Pilsen
Hotel

BUCHAREST
Opera Center 1
Office



BUCHAREST
Opera Center 2
Office

BUCHAREST
Bucharest Business Park
Office

PRAGUE
Europort
Office, Hotel, Commerce

BUDAPEST
R70 Office Complex
Office

BUDAPEST
Vízívaros Office Center
Office

BUDAPEST
Buda Business Center
Office

BUDAPEST
Canada Square
Office

BUDAPEST
Bartok Ház
Office

For a general overview of properties please refer to page 168 ff.

INCOME PRODUCING PROPERTIES GERMANY

(SELECTION)

BERLIN
Spreebogen
Office

BERLIN
Römischer Hof – Unter den Linden
Office

BERLIN
Königliche Direktion
Office

BERLIN
Joachimstaler Straße 20
Office and Retail

BERLIN
Hallesches Ufer
Office

BERLIN
Hamburger Bahnhof
Museum

COLOGNE
RheinAtrium
Office

COLOGNE
Office building Johannisstraße
Office

COLOGNE
RheinPalais
Office

HAMBURG
Logistikzentrum H&M
Logistics

KARLSRUHE
Lammstraße 19
Office

KASSEL
Courthouse
Office

WIESBADEN
Wirtschaftsministerium
Office

MUNICH
ATMOS
Office

MUNICH
Das VELUM
Office and Residential

For a general overview of properties please refer to page 168 ff.

PROJECT DEVELOPMENTS GERMANY

(SELECTION)

FRANKFURT/MAIN
Urban district Europaviertel
Office, Retail and Residential

FRANKFURT/MAIN
Europaviertel, Tower185
Office

FRANKFURT/MAIN
Europaviertel, Nord 4
Hotel

FRANKFURT/MAIN
Europaviertel, Boulevard
Residential, Office, Retail

MUNICH
Schlossviertel Nymphenburg
Residential

MUNICH
Arnulfpark, SKYGARDEN
Office

MUNICH
Urban district Arnulfpark
Office and Residential

BERLIN
Lehrter urban district
Hotel, Office

BERLIN
Gleisdreieck

MUNICH
LAIM
Office

SEGMENT REPORT FOR AUSTRIA

THE INCOME PRODUCING PROPERTY AREA

The Austrian asset portfolio (including properties own used) comprises effective rentable area of approximately 411,000 sqm, representing an approximate book value of € 759.5 m at current valuation. Over the past business year, this portfolio generated rental income of € 44.6 m, equivalent to an average yield of 6.1 %. Letting performance in Austria remained healthy in 2008, with over 12,400 sqm of office space and 7,400 sqm of residential space let for the first time in Vienna alone.

Activity centred on the active management of the asset portfolio and the securing of tenancies for the long term. Specifically, this involved renovating and adapting premises previously utilised as offices into residential units – one sign of the way in which CA Immo is reacting quickly to changes in market demand.

Examples of the successful implementation of this strategy include the 16 new residential units at Markgraf-Rüdiger Strasse/Löschenkohlgasse in Vienna, and the property at Goethestraße in Linz. In another property at Garnisongasse in Vienna's 9th municipal district, a loft conversion has been completed and major renovation has been carried out on all apartments in the old building. The proximity of this property to central Vienna is one key factor behind the occupancy of all rental units prior to completion.

In the retail premises area, CA Immo has significantly extended the Haas Pyramids building on Brünner Strasse in Seyring by adding a storage hall with effective area of 4,160 sqm.

Having successfully let the hotel on Rennweg 16 to the Austria Trend Hotel Group, the company also rented the 'office by the Botanical Gardens', which occupies the same property, in the first half of 2008. In terms of floor space, the handover of more than 3,340 sqm of effective area to Peek & Cloppenburg was one of the biggest new rentals on the Viennese office market last year. During 2008, CA Immo also relocated its headquarters, as planned, to a new site at Mechelgasse 1, 1030 Vienna.

Redevelopment of the Donau Business Center office building at Handelskai in Vienna's second municipal district (the planned office extension and alternative utilisation as a hotel) did not take place owing to current market trends. Although this led to an increase in year-on-year vacancy as shown below, letting activities since initiated with reduced rents are now bearing fruit. The present marketing strategy is designed to generate additional rental income, cut the costs to the company and thus improve cash flow in connection with this property. The direct link to the public underground railway network, due to be completed by the end of 2010, will raise the value of the location; CA Immo is therefore seeking to secure rental agreements with terms of three years to a maximum of five years.

The average economic vacancy rate in the asset portfolio (measured by expected annual rental income) stood at 9.8 % in 2008; as of key date 31 December 2008, vacancy was 9.9 %.

Acquisitions in 2008

Throughout 2008, CA Immo steadily acquired condominium shares (including office and residential sections) in the **Galleria Landstrasse** shopping centre in the Vienna 3 district. CA Immo became the sole owner of the entire property in January 2009. Galleria, built as a condominium property nearly 20 years ago, has net rentable effective area of some 30,200 sqm. Of this, commercial premises account for approximately 45 %, with office and residential space making up the remainder. A car park with 388 spaces is available to customers. Starting in 2009, CA Immo will be investing in the urgently required modernisation of the centre in order to capitalise on its advantages (central location on Landstrasser Hauptstraße, excellent ease of access via private and public transport and the attachment of residents to the site). The revitalisation of the centre, which is currently being planned, will include full restoration of the façade and adaptation work in the general mall area.

Thanks to the acquisition of a site in **Marchtrenk** in Upper Austria, the building on third party land acquired in 1988 has been extended to include the corresponding plot. Management of the entire site is now possible.

CA Immo invested approximately € 40.7 m in its Austrian portfolio in 2008, including acquisitions. Around € 3.6 m was devoted to maintenance with a view to upholding the fabric of buildings and the quality of rental units.

Sales in 2008

Total revenue of € 30.4 m was generated by selling land and properties from the domestic portfolio over the past year. Most of these sales involved smaller properties and portfolio-enhancing condominium shares; a plot previously rented by a commercial tenant was also sold off. In total, CA Immo sold approximately 30,200 sqm of land and around 8,000 sqm of rentable effective area.

THE DEVELOPMENT PROJECTS AREA

CA Immo acquired a sizeable package of development properties in Vienna back in 2007. Most of these were small-scale properties in inner city locations that were suitable for residential or hotel utilisation. Appropriate property use approval applications were lodged for a number of these in 2008, and planning and marketing activities were initiated. The most advanced scheme is a **hotel project on Altmannsdorfer Straße**, for which planning permission is expected in spring 2009. The four-star hotel will have around 260 rooms. CA Immo is realising another hotel project in an income producing property on **Fürbergstraße in Salzburg**: conversion work for this budget hotel will start by mid-2009. The total investment volume for the two projects is approximately € 32 m; financing with outside capital is under negotiation for both projects, and dialogue with future tenants is at an advanced stage.

CA Immo's biggest development project in Austria is planned on **Erdberger Lände**, a property in Vienna's 3rd district is currently let to Siemens in its entirety. In order to secure the site for the long term and to raise its value, CA Immo and the city of Vienna have collaborated to launch a town planning competition that has been announced across Europe.

Vienna Retail Centre Galleria, visualisation of the new front

SEGMENT REPORT FOR GERMANY

CA Immo has been investing in Germany since the autumn of 2006. By the balance sheet date of 31 December 2008, the company had built up property assets amounting to € 2.2 bn on this market, equivalent to approximately 59 % of the CA Immo Group's total property assets. CA Immo moved into Europe's largest real estate market with the acquisition of a package of properties worth € 798 m from the federal state of Hesse. These properties are leased to the state of Hesse for the long term. On average, lease agreements have around 23 years left to run. As well as procuring more commercial properties in 2007 and 2008, the company acquired Vivico Real Estate GmbH – a project development company with a significant portfolio of centrally sited real estate in major German cities – at the turn of the year 2007/2008. The purchase price for the stake in Vivico was € 1.03 bn, and the property assets thereby acquired, which had a total value of around € 1.3 bn, was recognised on the balance sheet and in the income statement in early 2008.

The Vivico Group emerged from a collecting society for railway properties in 2001, and until recently it was wholly owned by the German government. In 2003, its property portfolio was streamlined as part of a realignment towards intrinsically valuable real estate and properties with development potential. Since then, the core competence of Vivico has been urban district enhancement. Vivico's real estate services include portfolio management, portfolio development and trading; its portfolio, which comprises intrinsically valuable real estate and premises in the most densely populated areas of Germany, includes landmark buildings, such as the Römischer Hof® in Berlin and the RheinTriadem® in Cologne. Vivico is highly skilled in the transformation of inner city real estate formerly given over to industrial usages, and specialises in the development of mixed-use districts in major cities. The company has head offices in Frankfurt am Main, with branch offices in Berlin, Cologne and Munich. Vivico's experienced team of real estate experts also provides the CA Immo Group with a powerful platform on which to implement its activities in Germany (and especially its development projects) methodically and cost-efficiently.

The integration of Vivico and the restructuring of real estate and project development business were key priorities for the CA Immo Group in Germany in 2008. All activities in Germany – acquisitions, the management of property assets and project development – are now organised and undertaken through Vivico Real Estate GmbH.

Strategically speaking, the CA Immo Group has focused its investment activities on the major west German cities. Development business has been largely concerned with accelerating existing projects with a high degree of pre-letting, particularly in Munich, Frankfurt and Berlin. Properties were also sold as planned in order to boost the Group's capital resources and generate capital for new projects.

THE INCOME PRODUCING PROPERTY AREA

The German property assets let comprises an effective rentable area of 745,000 sqm, representing an approximate book value of € 1,184.5 m at current valuation. The occupancy rate for these properties averaged 98.7 % in 2008, with the typical remaining period on fixed-term rental contracts standing at around 24 years and average rents at € 8.29/sqm. Over the past business year, this portfolio generated rental income of € 66.3 m. In 2008, CA Immo invested approximately € 10.4 m for maintenance of its income producing properties in Germany.

In response to market trends – which will remain difficult to predict – and in line with its policy of prudent valuation, the CA Immo Group performed a value adjustment for its income producing properties amounting to € 66.8 m at the end of 2008. As at 31 December 2008, therefore, the overall portfolio delivered a yield of 6.0 %.

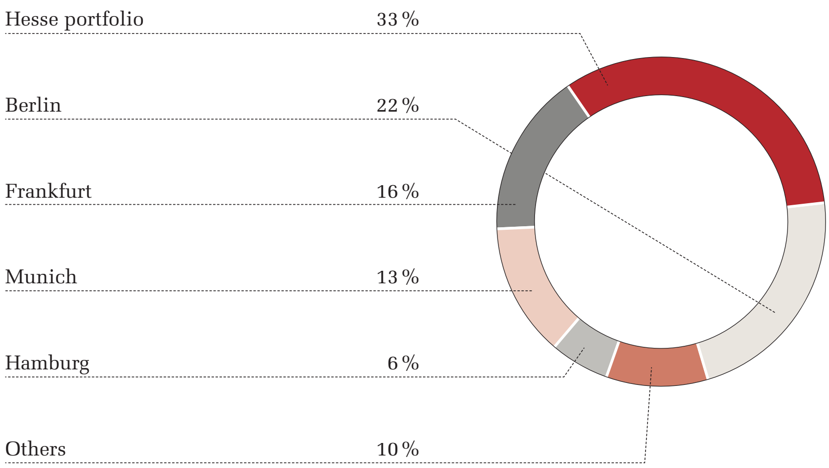
Purchases in 2008

One significant acquisition was a logistics centre for the textiles group Hennes & Mauritz in Hamburg. The forward purchase for effective area of around 115,000 sqm was concluded in the third quarter of 2007. It was handed over to the tenant in the second quarter of 2008 and recognised on the balance sheet as of closing on 16 June 2008. With a term of 15 years, the lease agreement with H&M establishes the property as a stable generator of revenue. The annual rent of around € 7 m will equate to a return of approximately 6.2 % based on the current market value of € 112 m.

Sales in 2008

At the start of the year, the company set itself the goal of releasing capital and generating liquidity by selling off specific properties so that development projects could be realised on a sound financial footing. Total sales of roughly € 214 m were recognised on the balance sheet in 2008, with these stocks producing profits

BOOK VALUE GERMANY BY CITIES



MANAGEMENT REPORT

of € 24.2 m for the company. Of the total rental income 2008, rental income of these sold properties accounted for € 4 m.

Sales included the **Mövenpick Hotel Frankfurt City** to Union Investment Real Estate AG for a total consideration of € 63 m. The Hotel Mövenpick was the first building to be completed as part of the Europaviertel urban development project in Frankfurt. Constructed by Vivico in 2006, it was handed over to the operator Mövenpick as a turnkey project, with a lease agreement running until 2024. The project development was thus successfully concluded with the sale at the end of September 2008.

Another property in Germany sold in October was the **Laim 290 office building** in Munich, which was completed in 2008. The building, which has a rentable area of around 9,600 sqm, was also bought by Union Investment Real Estate AG for a purchase price of € 36 m. By the balance sheet date of 31 December 2008, another properties amounting to € 167.1 m are designed for trading. These properties yielded by 6.4 % in 2008, rental income stood at € 11 m.

In addition, sales with a total value of around € 110 m were agreed as part of a forward purchase; these will be reflected in the balance sheet in 2009 or 2010. The agreement includes the sale of the **Nord 1 office/commercial building** on the Boulevard in Frankfurt's Europaviertel. The development project will go to Union Investment Real Estate AG, with final implementation of the transaction (and hence the date at which it will be considered on the balance sheet) taking place after completion, which is scheduled for 2010. The sod-cutting ceremony for the building took place in October 2008.

THE DEVELOPMENT PROJECTS AREA

The core activity of Vivico is project development, which is expected to deliver a significant contribution to future revenue growth for the CA Immo Group. Over the next few years, the high-quality reserves of real estate held by the Group, mainly in inner city locations, will be steady developed in line with prevailing conditions on the property and financial market. One key priority will be the careful control of development risk through a balanced mix of uses, sustainability in the design of buildings, high levels of pre-letting and the incorporation of project partners. In Germany alone, floor space totalling around 140,000 sqm (developed and undeveloped areas) was (pre-)let for the first time in 2008.

With a view to optimising the realisation of its planned projects, Vivico acquired omniCon Holding GmbH, which specialises in construction management, in 2008. Thanks to the takeover, the Group has acquired significant expertise in the management of complex construction projects, from initial concept to planning, execution, handover and post-project support – expertise that previously had to be bought in from outside.

In 2008, steadily deteriorating economic conditions had a major impact on project development business. Rising real estate yields, the restricted availability and higher cost of financing and difficulties in attracting new tenants and retaining existing tenants forced the company to revise its expectations as regards rental income. Delays in construction schedules also necessitated the re-evaluation of some development projects. Taken together, these factors also led to value adjustments on certain projects. It is also important to point out that in determining the value of each individual project, future imputed developer's profit is recognised as project costs in the range of 15 to 20 % of calculated total investment costs in accordance with the rules of valuation to attain market value. For full details on the valuation results, please refer to the Property Valuation chapter on 68 f.

Falling commodity prices and a general decline in building activity are lowering construction costs, which will have a positive effect in terms of the efficient realisation of development projects. Despite the largely adverse external influences, positive operational progress was achieved in the development projects area in 2008. Key areas of development activity currently include:

Frankfurt/Main

The **Europaviertel** is a new city district on a site of around 90 hectares, 18 of which were developed by Vivico. It is currently the CA Immo Group's largest development project. The modern city district emerging on a site adjacent to the Frankfurt Exhibition Centre and the banking district will combine residential apartments, offices, restaurants, a conference centre and retail premises. Reputable companies such as BNP Paribas, Bayerische Versorgungskammer, Mövenpick, Realgrund and Meininger Hotel have already signed up as both tenants and investors in the Europaviertel.

The main features of the district are the Boulevard (six of its twelve lots are either under development or sold), the Skyline Plaza shopping and conference centre with the Grand Hyatt Hotel tower, the Tower185 office high-rise and the Hotel Mövenpick, which has already been completed and sold. Foundation work for Tower185 began with the ground-breaking ceremony on 29 September. With planned total investment of some € 450 m, the office tower is the largest project in the Europaviertel; pre-letting had reached the level of 60 % by key date 31 December 2008. Construction of the 50-storey structure, distinctive amongst other things for its impressive energy and space efficiency, is scheduled to begin in mid-2009 when ongoing negotiations over finance have been finalised.

Munich

In the Bavarian state capital, CA Immo has access to extensive development sites in good locations with respect to infrastructure. One project currently nearing completion is the **Arnulfpark city district**, a central quarter of some 18 hectares aimed at businesses and high-quality housing close to the city's main railway station. Around 1,000 apartments and 4,500 jobs are being created in total, along with two hotels, various restaurants, cultural facilities and local amenities.

The SKYGARDEN office building, part of the Arnulfpark urban district, is being developed by Vivico in a joint venture with German developer OFB. The plan is for a new building with gross above-ground surface area of approximately 32,700 sqm. An important milestone in the successful marketing of the project was passed in October 2008 when a lease agreement was signed with accounting and consultancy firm PricewaterhouseCoopers (PwC) for around 17,500 sqm of office space (roughly 53 % of the total area). Construction work on the building also began in October 2008.

Also in Munich, Vivico is developing the **Nymphenburg castle district**, a high-class residential and commercial quarter. Around 1,200 apartments are envisaged, most of which have already been taken. Approximately 57,000 sqm of floor space will also be created for office and commercial purposes. AMBIGON is a combined business and medical centre with a planned gross floor area of 15,500 sqm, of which around 3,000 sqm will be devoted to shopping and catering outlets on the ground floor and first basement level. Marketing for the offices and the planned medical premises began at the end of the reporting year.

PROJECT PIPELINE GERMANY

PLANNING STAGE | COMPLETION


Heidestraße, Berlin


BelsenPark, Düsseldorf


Europaviertel, Frankfurt


Arnulfpark, Munich


Gleisdreieck, Berlin


Lehrter City District, Berlin


Erlenmatt, Basle


Laim, Munich


Schlossviertel, Munich

MANAGEMENT REPORT

Berlin

The Group owns three high-value real estate reserves in the German capital: the Gleisdreieck site, the Lehrter area around Berlin's main railway station and the city district bordering Heidestraße to the north. The large dimensions of the sites, all of which enjoy prime central locations, have made the CA Immo Group the third largest landowner in Berlin.

In connection with the Lehrter city district – directly adjacent to the city's main station – plans are at varying stages of evaluation and scheduling regarding the construction of hotels in various categories which will provide around 1,200 beds in total, a conference centre to accommodate around 3,500 people and two free-standing office buildings. Both an investor and a hotel operator have been secured for the first lot. The Meininger Group will run a hotel for international business travellers on the site, which offers close proximity to the main station, the Berlin-Mitte centre and the government quarter; construction has now commenced. Discussions with other operators are under way for the other four lots.

SEGMENT REPORT FOR EASTERN AND SOUTHEASTERN EUROPE

The CA Immo Group has been investing in Eastern Europe since 1999. The Group now maintains a presence in nine countries in the regions of Central and Eastern Europe (CEE), Southern and Eastern Europe (SEE) and Russia (CIS) in the form of income producing properties and development projects. In 2006, CA Immo amalgamated its entire Eastern European portfolio in the subsidiary company CA Immo International, which was floated on the stock market. As at 31 December 2008, CA Immo held an approximate 62 % stake in CA Immo International, having recently acquired additional shares. CA Immo International's real estate business comprises two core areas of activity: the acquisition and management of income producing properties and the development of projects. Since the start of 2007, the project development business area has mainly been administered through special funds. Projects launched prior to 2007 are implemented directly by CA Immo International; projects commenced after 1 January 2007 – provided they meet the fund requirements – are realised through the CA Immo New Europe special fund, in which CA Immo International holds a 60 % stake.

PORTFOLIO STRATEGY IN (SOUTH)EASTERN EUROPE

CA Immo International's investment strategy takes its cue from the conditions prevailing on specific markets as well as the general economic situation. Accordingly, the focus in 2008 was on developing the existing (project) portfolio as efficiently as possible. The portfolio strategy also provides for the sale of 10–15 % of existing income-generating properties per year in order to release capital resources that will facilitate implementation of the project pipeline. The same objective will be pursued in 2009, provided the investment market opens up again and sales can be transacted under acceptable terms.

CA Immo International invests in commercial real estate such as offices and business hotels. Although the main emphasis is on the office segment at present, the portfolio will be diversified in the direction of business and logistical premises as current projects are implemented.
CA Immo International operated within its core regions in 2008, opting against further expansion, and this phase of consolidation will continue into 2009. The activities of the H1 hotel fund, which specialises in hotel projects (and in which CA Immo International holds a 50 % stake) have been suspended until further notice in view of the current market situation.

In common with the parent company, CA Immo International continues to rely on an internal management team made up of real estate experts with a sound understanding of markets and specific sectoral knowledge. Local offices, well established partnerships with project developers and the UniCredit Group network combine to form the basis on which CA Immo International can manage its real estate with the precision necessary to ensure high yield – a major competitive advantage.

THE INCOME PRODUCING PROPERTY AREA

On the balance sheet date 31 December 2008, the income producing portfolio of CA Immo International had a book value of approximately € 588.2 m. The company invests in Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Slovenia and Serbia, with the CEE states accounting for 61 % and nations in the SEE region representing 39 %.

As 2008 progressed, the initially positive market outlook for Eastern Europe dwindled in the face of increasingly bleak forecasts and a slowdown in growth of the real economy. In response to the trend and the expanded country spreads associated with it, an appropriate value adjustment for the income producing properties amounting to € 46.7 m was performed at the end of 2008. As at 31 December 2008, therefore, the overall portfolio delivered a yield of 7.3 % (6.7 % in 2007); in regional terms, properties in the SEE produced a yield of 7.8 % (7.0 % in 2007) and property stocks in the CEE region yielded 7.0 % (6.5 % in 2007). For full details on the valuation results, please refer to the Property Valuation chapter on 68 f.

The Group has regional companies in Poland, Hungary, Romania and Serbia that ensure the regional management of income producing properties is as efficient as possible. These companies, which have an intimate understanding of the market and tenants thanks to their local presence, are entrusted with property and project management tasks. The advantage of being able to ensure real estate quality locally, coupled with active tenant support, is reflected amongst other things in the vacancy rate: the average economic vacancy rate in the asset portfolio (measured by expected annual rental income) was successfully maintained at the low level of 6.0 % in 2008 (3.5 % in 2007); vacancy on key date 31 December 2008 stood at 4.7 % (3.2 % in 2007). Rental income of € 38.7 m was generated in 2008, equating to an average yield of 7.3 %.

Central and Eastern Europe (CEE)

CA Immo International has always been strongly represented in the CEE countries, with just under two thirds of its assets located in the region. The company's asset portfolio in the core market of **Poland** includes two high quality office properties in Warsaw: the Warsaw Financial Center (which is 50 % owned by CA Immo International) and another building in the capital's central business district. These properties, both of which are managed by one of the Group's Polish companies, are almost fully let (the vacancy rate for Polish income producing properties was 0.6 % on key date 31 December 2008) and generate excellent rental prices. Taken together, the properties offer a total rentable effective area of 31,994 sqm and a book value of around € 118.8 m according to current valuations.

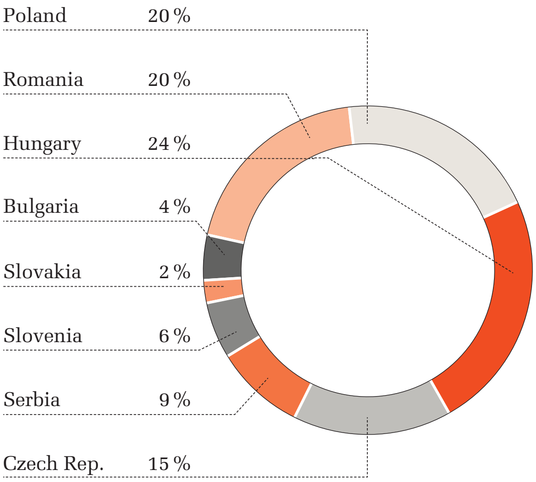
In the **Czech Republic**, the company owns a business hotel at Prague Airport and a building housing the English International School.

In addition, a forward purchase deal was finalised in the Czech city of Pilsen at the end of July 2008. The Diplomat Center, a Marriott Courtyard Hotel, was completed in the autumn of 2007 and acquired by CA Immo International on 31 July 2008 for a purchase price of € 31 m. Around 10,000 sqm of the building will be utilised as a hotel, with the remaining 4,000 sqm or so devoted to office space. The hotel will be let for 10 years, after which an operator contract will come into effect. Taken together, these three properties have rentable effective area of 38,748 sqm, a book value of approximately € 91.2 m according to current valuations and a vacancy rate of 2.8 % as of key date 31 December 2008.

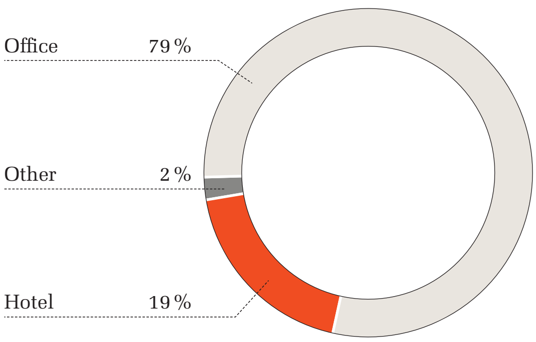
CA Immo International has one income producing property in **Slovakia**. The Bratislava Business Center, acquired in 1999, has a rentable effective area of 9,257 sqm and a value of € 12.9 m. In addition, the company holds a land reserve in order to build an extension to the property.

Contributing five income-generating properties to the asset portfolio, **Hungary** remains CA Immo International's biggest regional market. The office properties, which are managed by a team of local experts, provide a rentable effective area of 59,832 sqm and have a book value of approximately € 138.8 m under current valuations.

INCOME PRODUCING PROPERTIES:
DISTRIBUTION OF BOOK VALUE CA IMMO INTERNATIONAL
BY COUNTRY



INCOME PRODUCING PROPERTIES:
DISTRIBUTION OF BOOK VALUE CA IMMO INTERNATIONAL
BY USAGE



BELGRADE Belgrade Office Park

Southern and Eastern Europe (SEE)

CA Immo International invests in Romania, Bulgaria, Slovenia and Serbia in the SEE region. **Romania** is the company's key target market in this region: CA Immo International is investing in three high quality, attractively sited office properties in the capital, Bucharest. These properties are managed by a local team from CA Immo International. They are let at high rates, with a vacancy level of 0.0 % as of the key date; they provide a rentable effective area of 40,684 sqm and they have a book value of around € 115.7 m at current valuations.

The asset portfolio in **Bulgaria** includes two office buildings in Sofia. Both are fully let, with remaining contract terms of two years (Europark Office Building) and 10 years (IBC). In total, the buildings have rentable effective area of 11,172 sqm and a total book value of around € 25.2 m on the basis of latest valuations.

In **Slovenia**, the company owns a hotel in Ljubljana with an effective area of 17,931 sqm and a book value of around € 33.1 m.

The company moved onto the market in **Serbia** in 2007 when the acquisition of the first of two sections in the **Belgrade Office Park** complex was contractually secured in the form of a forward purchase. As the first section, which has an effective area of roughly 10,101 sqm, was acquired, the additional acquisition of another section was contractually agreed. This second section was handed over to the tenants at the end of 2008.

Sales

The Renaissance Tower in Warsaw was sold during the first quarter of 2008 for a purchase price of approximately € 60 m, around 10 % above the last valuation carried out on 31 December 2007. The property, which was offered in a tender, was handed over to the buyer, a Polish investor, on 8 February 2008.

THE PROJECT DEVELOPMENT AREA

The steadily deteriorating economic conditions had a major impact on project development activities in 2008. Rising property yields, the restricted availability and higher cost of financing, reduced demand and postponed decisions on the part of potential tenants and delays in construction schedules combined to necessitate a general re-evaluation of development projects as well as value adjustments – significant in some instances – on individual projects. Whether these adjustments can be compensated, and if so, to what extent, will be largely determined by external factors as well as variables that the project team is able to control. For example, falling commodity prices and a general decline in building activity are lowering construction costs, which will have a positive effect on earnings from projects.

It is also important to point out that in determining the value of each individual project, future imputed developers profit is recognised as project costs in the range of 15 to 20 % of calculated total investment costs. For full details on the valuation results, please refer to the Property Valuation chapter on 68 f.

Despite the largely adverse external influences in 2008, major operational progress was achieved in the development projects area, especially as regards obtaining necessary approvals, construction processing, marketing and, above all, project financing. The majority of projects in which CA Immo International holds a majority stake, and for which the company is responsible for raising equity capital, are fully funded, and as such can be realised on a sound financial footing.

In the field of project development, CA Immo International is involved in or contractually committed to the following projects through the CA Immo New Europe project development fund:

Poland

- **Poleczki Business Park:** Poland's largest business park – it occupies a site of around 140,000 sqm – is a mixed-use property complex made up of offices, commercial space and storage facilities with excellent infrastructure links. The official laying of the foundation stone was celebrated on schedule on 25 September 2008. The project is being developed in multiple phases as a 50:50 joint venture between the CA Immo New Europe project development fund and UBM. The planned total investment cost of the first phase is around € 120 m; a finance pledge of € 84 m has been given by Bank Austria, with the first payment of € 15 m already received. Completion of the first construction phase is scheduled for 2010; pre-letting agreements and letters of intent (LOIs) have been obtained for over 20 % of the floor space.

Serbia

- **Sava Business Center:** This office project in the capital Belgrade is being realised by the CA Immo New Europe project development fund for a total investment of approximately € 59 m. Construction work is due to be completed by the end of quarter one 2009.
  The project is 40 % financed with equity capital and 60 % financed with loan capital, with financing secured through Bank Austria in the first half of 2008. The net rentable effective area will be 18,650 sqm plus around 400 parking spaces; of this, nearly 17,000 sqm will be office space, with the remainder devoted to storage, catering and other uses.
  The general situation on the Serbian market deteriorated sharply during 2008, leading to a slackening of initially healthy demand (especially for larger premises) and a fall in rental prices. Cancellations that are occurring as international concerns review their business location policies are making the lettings situation even more difficult. To ensure this particular property is successfully positioned for the long term despite the broader picture, rental prices have been adjusted. This move is reflected in the valuation of the project.

Romania

- **Special Retail Centre Arad:** In cooperation with an Austrian joint venture partner, the erection of a specialist retail centre is being planned for Arad, one of the ten largest cities in Romania. The site was acquired in June 2008, the effective area will be of around 16,700 sqm,. Financing for the project was secured in the final quarter of 2008; the start of construction now depends on a sufficient level of pre-letting, amongst other factors.

- **Retail Park Sibiu:** A double-level shopping centre with two single-storey specialist retail centres attached is being planned for Sibiu through a joint venture with a German/Romanian development group. With around 170,000 inhabitants and a catchment area of about 400,000 people, Sibiu is one of the 15 largest cities in Romania. The 220,000 sqm site was purchased in autumn 2007, since when intensive planning work has been continuing. Refinancing for the acquisition of the site was secured in mid-2008, along with the necessary infrastructure measures. A rental agreement for a 9,800 sqm DIY store with garden centre has been signed with

BELGRADE Sava Business Center

SIBIU Retail Park Sibiu

an international DIY chain. The total planned retail space will amount to around 80,000 sqm. Construction work on the first phase of this project is scheduled to begin in the first quarter of 2009. Total investment costs for overall completion are calculated at approximately € 100 m.

The company has taken account of the tougher economic situation by splitting the project into smaller phases. This will secure the site and ensure development potential is retained. The current economic climate has forced postponements to certain competitor projects, which in turn has lowered the completion rate and eased the pressure on the supply of new buildings for the local market.

Hungary

- **Duna Center:** A specialist retail centre with a total investment volume of € 18–20 m is being built in Györ under the terms of a 50:50 joint venture with a private investor group. All necessary planning permission has been granted, and a finance agreement of € 11 m has been concluded with Bank Burgenland. The effective area is approximately 16,500 sqm; some 40 % of the total rentable space has already been pre-let to international chains, with negotiations in progress for a further 30 %. Construction work commenced early in October 2008, with completion and opening scheduled for September 2009. With a population of 130,000, Györ is the sixth largest city in Hungary. Owing to its proximity to Austria and the presence of numerous foreign companies, the region boasts the second highest purchasing power in the country (after Budapest).

GYÖR Duna Center

Russia

- **Airport City St. Petersburg** (formerly Pulkovo Business Park): In St. Petersburg, a four-star Crowne Plaza Hotel and two office buildings will be built on a 62,300 sqm site adjacent to Pulkovo Airport through a joint venture with Warimpex, UBM and the city's airport. CA Immo International's project development fund holds a 25 % stake in the project. The project will be realised in three construction phases, with the investment of approximately € 260 m in the first two phases creating effective area of around 55,000 sqm. Phase one is currently in progress. The extremely challenging conditions that currently prevail in Russia have delayed negotiations regarding finance with outside capital whilst hampering realisation of the project and utilisation of the rental premises. At present, the company, with the consent of the joint venture partner, is considering the possibility of splitting phase one into two sections.

- **Matryoshka Retail Outlets:** The construction of 11 convenience stores spanning between 1,500 sqm and 3,000 sqm is being planned in residential areas of Moscow under the auspices of a 50:50 joint venture concluded in the city with a German/Russian partner. The first instalment in connection with the Matryoshka project has now been received, and the project is at the planning and development stage. Owing to the restrictive economic conditions and their effect on local purchasing power, the strategic priorities of prospective anchor tenants have become unclear; further investment thus depends on decisions taken by potential tenants in Moscow.

Projects initiated before the establishment of the CA Immo New Europe fund, and which do not satisfy the criteria of the fund, are implemented directly by CA Immo International. These projects include:

Russia

- **Maslov:** The construction of an office property with rentable effective area of over 30,000 sqm is being planned for central Moscow with a German joint venture partner. The investment volume has been calculated at roughly € 150 m, 50 % of which will be taken on by CA Immo International. Work to install the infrastructure started early in 2009. Despite modest estimates as regards rental prices and the good local infrastructure, revenue targets are falling owing to the uncertain developments in rental prices. Two important milestones were achieved in 2008 with the granting of property use approval and the signing of a financing agreement worth € 133 m. Next steps will be agreed with the partner when final planning permission is secured, as expected, in the first half of 2009.

Slovakia

- **BBC 1 plus:** An office extension is being developed on a site forming part of the Bratislava Business Center office building (the BBC, an income producing property of CA Immo International). The annexe will provide approximately 14,000 sqm of extra floor space and around 300 underground parking spaces. Negotiations over finance and construction costs are currently under way, with the project already delayed by several months owing to the tougher climate. The decision concerning the start of construction is about to be made in the first half of 2009. As regards the letting situation, tenants from BBC I have indicated a particular interest in expanding or relocating.

- **Sekyra Tower:** In preparation for the realisation of the Sekyra Tower project in Bratislava, a 50 % stake in a project development company was acquired in October 2008, and a 50:50 joint venture was agreed with project development firm Sekyra, the largest Czech/Slovak company of its kind. The plan is to build a class A-multi-level mixed use (office, retail and residential) building with a net effective area of 34,000 sqm and an underground car park with around 500 spaces. The site of some 7,410 sqm is located close to the old town district and the National Bank of Slovakia in central Bratislava, and offers excellent public transport connections. The procedure from now on depends on contractually agreed preconditions regarding the scope of usage approval being met.

Hungary

- **Capital Square** (Forward Purchase): This office building, being built by HOCHTIEF Development Hungary, enjoys a prime location in Budapest: the future government quarter. The structural shell was completed in the third quarter of 2008. The first section of the edifice will be handed over in the spring of 2009, with the remainder to follow over the summer. The office project provides around 34,000 sqm of net rentable floor space on eight levels, along with around 630 parking spaces. CA Immo International is expected to take full ownership of the structure in mid-2009 under the terms of a forward purchase agreement, with the purchase price depending on the level of letting.

Other CA Immo International projects at an early stage of development include:

Czech Republic

- **CITY Deco** (Forward Purchase): The CITY Deco project involves real estate development in a fast-rising district of Prague. The mixed-use project with a total span of around 18,000 sqm will incorporate offices, a health centre and car park. Following completion in late 2009/early 2010, the property will be acquired at an agreed fixed yield. The purchase price has been calculated at approximately € 45 m. With planning permission yet to be obtained, however, realisation of the project is not secured yet.

Estonia

- **Soravia Business Center Tallinn:** An office building with a limited amount of retail space and a gross floor area of around 22,000 sqm is planned for the Estonian capital. A joint venture has been set up with the Soravia Group to realise the project, in which CA Immo International has a 40 % stake. Financing with outside capital was secured in 2008 to acquire the real estate, and planning permission is expected to be confirmed early in the second quarter of 2009. With economic conditions having changed for the worse in the Baltic region, the revenue potential no longer matches original estimates. For this reason, the project is currently being re-evaluated with the consent of the joint venture partner.

Serbia

- **LogCenter Novi Banovci:** This strategic land reserve has an excellent location adjacent to a motorway junction near Belgrade. CA Immo International acquired the reserve under favourable conditions, gaining a 50 % stake. At this time, negotiations over rezoning are under way; the construction of a logistics centre is one of the options envisioned.

PROPERTY VALUATION

It is not without reason that so much attention is paid to the valuation of the property assets: it is the substantial basis for evaluation of the real estate company and the most important parameter for determining share value. The CA Immo Group devalued its property assets by about 7 % in 2008 and is posting correspondingly a negative consolidated net income. As unwelcome as this valuation result may be, we believe that it reflects a realistic view of conditions on the property markets as they appear at the start of 2009.

All of our markets saw a general increase in the property yields assumed by the valuers. There are a number of general factors responsible for this that apply throughout Europe, in addition to causes affecting individual properties and the individual regional markets:

Collapse of the property investment market: The number and volume of real estate transactions in Europe fell, particularly as a result of the tighter loan allocations by the banks. This tends to increase valuation uncertainty since there are fewer reference transactions on the market with which to perform plausibility checks of the property values than has been the case in previous years. Valuers respond to this situation in the form of higher risk surcharges or by applying deductions for a lack of liquidity.

Negative business expectations: Economic growth is an important driver both for the level of future rents and for movements in the vacancy rate. Hence the rapidly worsening economic predictions cause the valuers to lower their assumptions with respect to achievable rents and occupancy rates. In addition, a decrease in expected inflation results in a reduction in assumed rent growth.

Increasing risk surcharges on the cost of equity: Although the second half of 2008 saw a drop in interest levels, with positive effects in principle on property values, in view of the recently observed increase in risk surcharges there has not so far been any reduction in the actual costs of loan capital. Moreover, virtually every investment category has seen an increase in the imputed or implied costs of equity since mid-2008 at the latest. The reason for this is the increased price volatility that can be observed in almost every class of investment, and a general paradigm shift in the pricing of risk. This aspect results, in particular, in decreases in the valuation of development projects (see below).

The most striking change in value in relative terms was in our **Austrian** income producing properties. In addition to the general rise in property yields, this is the result of individual property-related factors: in particular, the values of those properties with inadequate occupancy rates or reduced estimated rents were adjusted to a very significant extent in view of the subdued business expectations. A figure of € 20.5 m, almost one-third of the total devaluation, is accounted for by our largest Austrian property in terms of value (Erdberger Lände 26-32, the "Siemens Building"). A fundamental factor relating to this value adjustment of almost 16 % to € 109.5 m was an adjustment of the projected, estimated rental values for the period after notice is given by the principal tenant, a possibility that may arise for the first time after 2010. This adjustment was made in the light of the increasing weakness of the rental market. The current gross initial yield of this property is 8.6 % and thus well above the average for our portfolio.

The change in value of our **German** income producing properties was –5.3 % reflecting a perceptible increase in the property yields being observed on the market. Of the total devaluation of € 66.8 m undertaken on the German

VALUATION OF INCOME-PRODUCING PROPERTIES

Region	Acquisition costs (in € m)	Fair Value (in € m)	Revaluation		Gross Initial Yield	
	31.12.2008	31.12.2008	in € m	in %	31.12.2007	31.12.2008
Austria	807.7	747.9	–64.6	–8.0 %	5.5 %	6.1 %
Germany	1,252.9	1,184.5	–66.8	–5.3 %	5.4 %	6.0 %
Eastern/South East Europe	530.8	588.2	–46.7	–7.4 %	6.7 %	7.3 %
Total	**2,591.3**	**2,520.7**	**–178.1**	**–6.6 %**	**5.8 %**	**6.3 %**

income producing portfolio, some € 41.8 m is accounted for by the “Hesse Portfolio”. However, owing to the particularly long term of the rental agreement and the unquestionable creditworthiness of the tenant (the German “Land” of Hesse), this portfolio is exposed to the current upheavals on the market only to a very limited extent, a fact that can also be seen in a comparatively low increase in the gross initial yield from 5.4 % to 5.7 % (corresponding to an adjustment of –5.3 % in the portfolio value).

In addition to the revaluation of income producing properties, there was also amortisation in Austria and Germany of properties the Group is using itself. This amounted to € 1.5 m.

The collapse of the property investment market was particularly pronounced in **Eastern and South East Europe** owing to the lack of foreign capital. The other factors, particularly in relation to the availability and cost of loan capital, were even more marked than in Western Europe. The increase in country risk surcharges also brought about an increase in the relevant reference interest rates. But there were significant differences in the extent of market adjustment across the entire region. Thus, the value of our portfolio in South East Europe (SEE) with devaluation of about 9.0 % was far more sharply affected than our properties in Eastern Europe, which lost some 6.3 % of their value (CEE). This was the result in particular of the robust market conditions in Poland, which led to an upward revaluation of the properties in Warsaw so that the overall effect of downward revaluations in the other countries of this sub-region was attenuated. In absolute figures, over half of the entire change in value in South East Europe was accounted for by the Bucharest Business Park property, which was revalued downwards by around 17 % to € 67.7 m and is now posting a gross initial yield of 7.9 %

TRANSPARENCY

The CA Immo Group’s policy of transparent operation applies to the valuation of its properties as well and it publishes the value of every property on an annual basis, together with the parameters used to determine the valuation. These detailed data, which are listed in table form at the end of this annual report, are intended to allow readers of the annual report to satisfy themselves to an even greater extent of the market conformity of our property values.

The trading portfolio contains properties intended for sale. These principally involve about 100, generally fairly small properties in Germany, which were taken on as part of the Vivico acquisition. The valuation of this portfolio also reflects the increase in yields in Germany that was outlined above.

When valuing our development projects and land reserves, the procedure known as the “residual value method” is used. This essentially takes the potential value on completion (for which the parameters listed above for income producing properties are the most important factors) and deducts the anticipated costs still to arise before completion. In addition to the construction costs and other secondary expenses, any profit that could be expected by a potential purchaser with respect to the individual project risk is also subtracted (usually 10-20 %

VALUATION OF TRADING PORTFOLIO

Region	Acquisition costs (in € m) 31.12.2008	Book Value (in € m) 31.12.2008	Depreciation in € m	Depreciation in %	Gross Initial Yield 31.12.2008
Germany	176.5	167.1	–9.4	–5.3 %	6.4 %
CEE	6.3	1.2	–5.1	–80.3 %	n.a.
Total	**182.8**	**168.4**	**–14.5**	**–7.9 %**	**6.4 %**

VALUATION OF DEVELOPMENT PROJECTS

Region	Acquisition costs (in € m) 31.12.2008	Book value (in € m) 31.12.2008	Depreciation in € m	in %
Austria	59.3	40.6	–16.0	–28.2 %
Germany	912.8	876.9	–35.1	–3.8 %
Eastern/South East Europe	219.8	162.2	–40.5	–20.0 %
Total	**1,191.9**	**1,079.8**	**–91.5**	**–7.8 %**

referred to total investment costs for the project). The resulting amount is then the value set for the project at the stage it has reached at the key date.

This method inevitably means that a significant developer profit is realised when the project is completed on schedule.

The general increase in assumed appropriate return on equity capital mentioned above led to an increase for 2008 in this future developer profit that is at least notionally achievable. These raised expectations of developer profit could not be sufficiently offset by reduced construction costs so that the project valuations fell.

In regional terms, almost half of the figure of € 45.6 m for depreciation undertaken on development projects was accounted for by Eastern/South East Europe. Russia was the country that was most affected, with the massive reduction in credit availability towards the end of the year ultimately resulting in many development projects being cancelled. The project calculations were also affected by estimated rental values that were significantly lower than those at the start of the year. The value adjustments related to the two Moscow projects, Matryoshka (€ –12.0 m) and Maslov Tower (€ –9.1 m). A value adjustment amounting to € –17.1 m was also made to the 25 % stake held via the CA Immo New Europe Property Fund in the project company running the project at St Petersburg airport (Pulkovo), posted under “Stakes in associated companies”. Other important value adjustments occurred in Belgrade (Sava City) and Bratislava (BBC Plus and Sekyra Tower).

The very significant value adjustment of –28 % for development projects in Austria largely involved properties purchased in the context of a portfolio transaction in mid-2007, with project calculations being adjusted to the altered market conditions.

In Germany, value adjustment on development projects was far lower at –3.8 % than in the other two segments. The reason for this is the very positive operational progress made in many of the individual projects, which contrasted with the negative general market factors. In particular, a number of advantageous land zonings were achieved that had a direct, value-enhancing effect as a result of the higher useful area that could be achieved, so that no depreciations were necessary for these properties and in many cases the estimated values continued to be well above the book values. Of the value adjustments of € 35.1 m, half involved land reserves and half projects that are already in the course of realisation.

EXTERNAL VALUATION TO INTERNATIONAL STANDARDS

A fundamental cornerstone of our commitment to transparency and objectifiable valuation is the fact that property values are determined by independent experts. The value of the Austrian properties was calculated by CB Richard Ellis and the Metzger Realitäten Group; the property portfolio in Germany was valued by VALEURO Kleiber and Partners and CB Richard Ellis. Valuation of the CA Immo International portfolio is undertaken quarterly by CB Richard Ellis. All the valuations were made in accordance with the standards defined by the “Royal Institution of Chartered Surveyors” (RICS). Summaries of the expert reports can be viewed on our home page at www.caimmoag.com.

RESULTS

Gross revenues and net operating income

Rental income increased significantly in 2008 compared to 2007, rising 42 % to € 175.3 m. The rise was mainly attributable to Vivico being recognised for the first time; this accounted for about 22 % of the rental income in 2008 and also resulted in the contribution from the Germany segment increasing from 36 % in 2007 to 52 % in 2008. If Vivico is not taken into account, the increase in rental income amounts to 10 %.

Income from sale of properties held for sale of € 88.3 m was achieved in 2008 in connection with the planned sale of Vivico properties held as current assets. This revenue is shown against the expenditure item 'Disposal of properties held for sale' of € 69.5 m, producing total profit from these sales of around € 18.7 m. As a result, an average sales price of around 27 % above the book value was achieved.

The item 'Revenues from construction contracts' amounting to € 3.7 m relates to revenue from the German subsidiary Omnicon, a company specialising in the management of construction projects acquired in mid-2008. This revenue item is shown against the expenditure item 'Expenses for construction contracts' in the amount of € 2.7 m.

The item 'Other revenues' relates to revenues of € 1.3 m from the operation on own account of a hotel in Ljubljana until 31 March 2008. From the second quarter of 2008, this property has again been generating rental income as opposed to direct revenue from the hotel business.

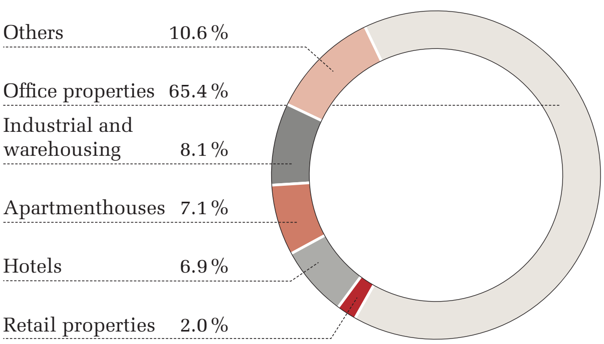
The item 'Other expenses directly related to the properties' saw a rise well above average to € 28.8 m. This development is mainly due to non-capitalised expenditure in connection with the development projects of Vivico in Germany. In addition, increased maintenance costs were incurred for certain income-producing properties in Germany in 2008.

As a result of these developments, net operating income (NOI) rose by 47 % to € 160.2 m compared to € 108.7 m in 2007.

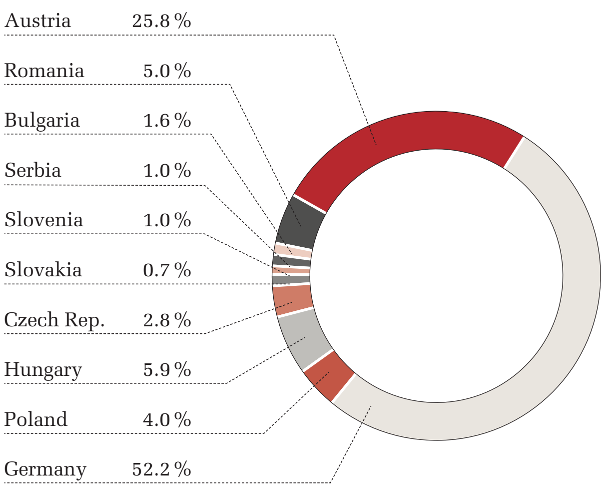
Income from sales of properties: Investment properties

The result from the sale of properties held as fixed assets doubled in comparison with the previous year, from € 5.7 m to € 11.7 m. Around € 7 m of this figure can be attributed to the sale of the Renaissance Tower in Warsaw in the first quarter of 2008. A further € 5.5 m of the result (with the greater part in the second half of the year) comes from sales of properties in Germany. The main sales included the Mövenpick Hotel in Frankfurt as well as mostly vacant properties in Berlin and Basle (note: for organisational reasons, our properties in Basle are included in the Germany segment). In Austria, the sale of investment properties yielded a negative result of € –0,8 m.

RENTAL INCOME BY SECTOR



RENTAL INCOME BY REGION



Administrative expenses
The significant increase in indirect expenditure (i.e. any administrative expenditure not directly attributable to properties) from € 27.9 m to € 52.2 m is mainly due to the increase in the number of employees as a result of the influx of staff from Vivico (who account for around 51 % of total administrative expenditure). Indirect expenditure is to be considered jointly with the offsetting item 'Own work capitalised' in the amount of € 5.3 m which neutralises the share of Vivico's internal expenditure directly attributable to individual development projects and which therefore can be capitalised.

In direct comparison (i.e. without taking into account the new expenditure in connection with Vivico), indirect expenditure has dropped by about 8 % compared with 2007. This is due to a series of cost-cutting measures initiated during the course of 2008. The omission of variable performance-related salary components had a particular impact on staff expenses.

Earnings before taxes and depreciation (EBITDA)
The net result of these developments was an increase in earnings before taxes and depreciation (EBITDA) of 52 %: the value rose from € 90.7 m the previous year to € 137.8 m. The first quarter contributed € 39.5 m to these earnings, the second quarter € 22.6 m, the third quarter € 29.9 m and the fourth quarter € 45.8 m. The fluctuations between the quarters are primarily due to the uneven distribution of profits made from sales.

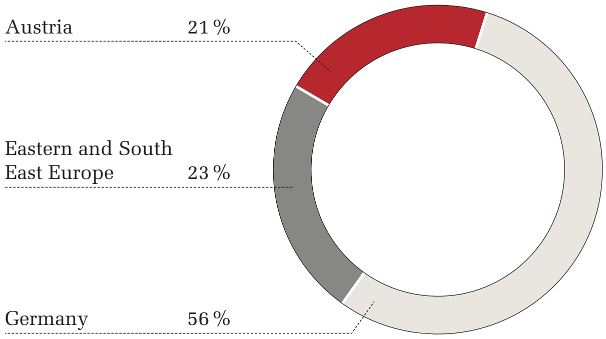
When broken down into segments, the consolidation of Vivico more than doubled the EBITDA attributed to Germany. However, Austria (+6 %) and Eastern and South East Europe (+19 %) also contributed to the increase in EBITDA in 2008.

Depreciation and revaluation result
The CA Immo Group was faced with a significant drop in property values in all segments, especially at the end of 2008 (for an explanation of the factors responsible for this, see also the Property Valuation chapter). In the income statement, this took the form of unscheduled depreciation of € –107.5 m in respect of property assets under development, property assets for own use and inventory intended for trading and revaluation losses of € –178.1 m in respect of property assets let.

Allocation to the individual regions and balance sheet items is shown in the table on the next page:

Operating result (EBIT)
The drop in the operating result (EBIT) from € 151.5 m in 2007 to € –152.6 m in 2008 is primarily a reflection of depreciation and revaluation losses.

EBITDA
DISTRIBUTION BY REGIONAL SEGMENT



Financial results
The financial results reached € –142.8 m in 2008 compared with € –45.3 m in 2007. The increase in financing costs from € –57.4 m to € –105.1 m accounted for most of this development. This is primarily the result of the increase in the volume of financing due to the Vivico acquisition.

The second significant factor was the result from derivative transactions of € –15.9 m. This item only reflects the valuation of SWAP contracts which are used to hedge against the risk of interest rate changes. As a precautionary measure, the policy of CA Immo is always to hedge the relevant rate of interest for the long term when entering into a loan agreement. In most cases, this takes the form of interest rate SWAP contracts. Apart from transactions purely intended to hedge against the risk of interest rate changes, the CA Immo Group is not involved in any derivative transactions.

In accordance with the provisions of IAS 39, changes in the value of contracts that can be defined as cash flow hedges (the majority of the SWAPs used by CA Immo fall under this category) are shown as changes in shareholders equity while changes in the value of contracts classified as fair-value SWAPs are directly depicted as expenditure or income in the income statement. The reference value for interest rate SWAPs is the Euribor. In the second half of 2008, there was a significant drop in the Euribor (see section 'Economic environment') as a result of which the net-present values of the SWAP contracts turned negative. Most of these related to valuation losses which had no effect on cash.

Besides interest income of € 19.7 m, the result of financial investments amounting to € 4.4 m includes losses from securities of € 15.2 m (of which € 9.8 m are realised losses and € 5.4 m are valuation losses) from investments in near-money market funds in which some of the liquid assets of CA Immo had been invested. Because of the banking crisis and increasing yields, the return on these funds was not in line with expectations and their valuation came under pressure amid the unrest on the financial markets.

Expenses from financial assets (€ –7.8 m) and the investment result from associated companies (€ –15.1 m) derive from property depreciation in companies in which the CA Immo Group is only a minority shareholder (and which are therefore non-fully consolidated), and from the depreciation of investments made in the form of loans or down payments to non-fully consolidated companies; the biggest single factor was the value adjustment for the 25 % share (held through the CA Immo New Europe property fund) in the project company running the St. Petersburg (Pulkovo) Airport project.

Net income before taxes

As a result of the above-mentioned developments, the total net income before taxes (EBT) 2008 was € –295.4 m compared with € 106.2 m in 2007. As shown in the table below, the change is almost entirely attributable to non-cash-effective factors:

Taxes on income

The taxes on income of € +0.5 m (€ –22.2 m in 2007) are mainly the result of an increase in current taxes payable from € –2.3 m in 2007 to € –48.2 m in 2008, counterbalanced by a positive contribution from the change in deferred taxes of € 62.1 m. Current taxes are mainly attributable to local taxes payable in Germany. The change in deferred taxes is due to property value adjustments as well as re-evaluation of the holding period for real estate in Eastern and South East Europe.

Consolidated net income

Consolidated net income fell from € 84 m to € –294.9 m. The income attributable to the shareholders of the parent company in 2008 was € –237.1 m, compared with € 52.1 m in 2007.

DECREASE IN VALUE AND REVALUATIONS

Region	Book Value (€ m) 31.12.2008	Depreciation/ revaluation € m	in %
A Income-producing	747.9	–64.6	–8.0 %
A Own use	11.5	–0.7	–5.9 %
A Development	40.6	–16.0	–28.2 %
A Total	**800.1**	**–81.3**	**–9.2 %**
G Income-producing	1,184.5	–66.8	–5.3 %
G Own use	7.9	–0.7	–8.6 %
G Inventory for trading	167.1	–9.4	–5.3 %
G Development	876.9	–35.1	–3.8 %
G Total	**2,236.5**	**–112.1**	**–4.8 %**
Eastern and South East Europe, income-producing	588.2	–46.7	–7.4 %
Eastern and South East Europe, Inventory for trading	1.2	–5.1	–80.3 %
Eastern and South East Europe, development	162.2	–40.5	–20.0 %
Eastern and South East Europe, total	**751.7**	**–92.2**	**–10.9 %**
Total	**3,788.3**	**–285.6**	**–7.0 %**
of which revaluation of property assets let		–178.1	–6.6 %
of which decrease in value on property assets for own use as well as property assets under development and properties held for sale (trading)		–107.5	–7.8 %

The details relating to the movement of consolidated net income after minorities between 2007 and 2008 are shown in the graph below.

Cash flow

Since the main negative factors which led to the drop in consolidated net income described above were non-cash-related, and due to the strong operational business performance as well as revenue from the sale of inventory intended for trading, the cash flow from business activities in 2008 which amounted to € 169.7 m was more than double the value for 2007.

The cash flow from investment activities was € –127.8 m, of which € –625.3 m related to the direct or indirect (companies, down payments, financial assets) acquisition of property assets. The main single item was the payment of the second half of the purchase price for the acquisition of Vivico amounting to around € 0.5 bn which was made at the start of 2008. Other significant factors influencing the cash flow from investment activities were the net capital inflow from the sale of properties (€ 157.9 m) and the sale of short-term securities from current assets of € 414.2 m, primarily to finance the acquisition of Vivico.

In 2008, the cash flow from financing activities amounted to € 89.1 m. Aside from new loans taken out in connection with investments in development projects, this includes in particular the financing of the Vivico acquisition and refinancing for this carried out during the business year. This financing is shown against interest payments made of € 102.5 m.

NET INCOME BEFORE TAXES

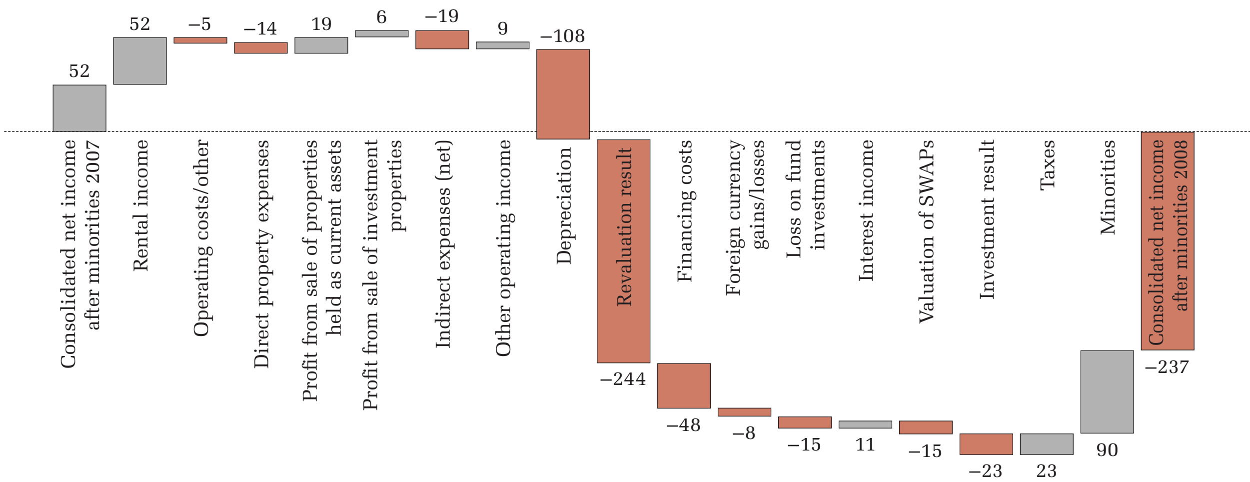
	€ m
EBT 2007	**106.2**
Rental Income	52.0
Property Expenses	–18.6
Indirect costs net of capitalized services	–19.0
Other operating income	8.6
Other	–0.6
Result from financial investments	–14.9
Interest result	–36.6
Result from the sale of properties [1]	24.7
Cash effective	**–4.4**
Revaluations/Impairments	–351.2
FX gains/losses	–8.2
Result from derivatives	–14.6
Result from financial assets	–7.8
Result from associates	–15.5
Other	0.1
Non-Cash effective	**–397.2**
EBT 2008	**–295.4**

[1] including sale of properties held for sale

Funds from operations

The funds from operations (FFO) before taxes amounted to € 30.3 m in 2008, below the value of € 41.0 m in the previous year.

RESULT BRIDGE BETWEEN CONSOLIDATED NET INCOME 2007 AND 2008



BALANCE SHEET

Balance sheet: Assets

There was a significant increase in the balance sheet total from € 3.8 bn to € 4.4 bn in 2008. This development is primarily due to the acquisition of Vivico which was only recognised indirectly in the balance sheet for 31 December 2007 with the payment of the first half of the purchase price amounting to € 0.5 bn (under the item 'Prepayments on investments in properties'). Since the start of 2008, Vivico has been fully consolidated in the consolidated financial statements of the CA Immo Group. The most visible effect of this was the recognition of Vivico's property assets, which led to an increase in property assets under development in particular. The consolidation of Vivico also resulted in the creation of the balance sheet item 'Properties held for sale'.

The reduction in the item 'Securities' from € 375.6 m at the beginning of the year to € 11.3 m and the simultaneous increase in 'Cash and cash equivalents' from € 192.5 m to € 321.4 m reflect – besides the employment of funds for acquisitions and loan repayments – the regrouping carried out during the first nine months of 2008 of securities investments held mainly in the form of near-money market funds to time deposits. At the end of 2008, the remaining investment still being held in a near-money market fund was dissolved so that on the one hand the monies invested were shifted to time deposits while on the other, shares in an ABS fund which had until then been held in the near-money market fund are now held directly and so represent the sole remaining security item.

Balance sheet: Liabilities

At the balance sheet date the share capital of the company was unchanged to the previous year and amounted to € 634.4 m and was made up by 87.3 million bearer shares. Almost 90 % of the shares are free-float, the remaining 10 % as well as four registered share (that each entitle the holder to nominate a supervisory board member) are held by Bank Austria. As at December 31 2008 there was authorized capital in the amount of € 317.2 m which can be exercised until August 8 2012 against contribution in cash or in kind as well as unexercised conditional capital in the amount of € 317.2 m.

In 2008, shareholders' equity (including minority interests) fell from € 2,265.5 m to € 1,854.7 m, mainly on account of negative consolidated net income. The main factors included the following:

- A drop in minority interests due to the losses attributable proportionately to the minority shareholders of CA Immo International and the minority shareholders of its subsidiary CA Immo New Europe property fund.
- A drop in the hedging reserve included in the shareholders' equity of € 20.7 m as at 31 December 2007 to € –52.1 m as at 31 December 2008. As outlined above, changes in the value of interest rate SWAPs classified as cash flow hedges are stated directly in the equity capital. The steep decline in the general interest rate level during the second half of 2008 turned the hedging reserve negative (as at 30 June 2008 this item was still € +46.6 m).
- An increase in our share in the fully consolidated subsidiary CA Immo International from 54 % as at 31 December 2007 to just below 62 % as at 31 December 2008. The increase in this stake led to a reduction of

CASH FLOW STATEMENT: SHORT VERSION

€ m	2008	2007	Change
Cash flow from			
- business activities	169.7	84.0	102 %
- investment activities	–127.8	–936.9	–86 %
- financing activities	89.1	897.5	–90 %
Change in cash and cash equivalents	**130.9**	**44.6**	**193 %**
Cash and cash equivalents			
- Start of business year	192.5	148.3	30 %
- Changes in the value of foreign currency	–2.0	–0.5	
- End of business year	321.4	192.5	67 %

FUNDS FROM OPERATIONS (FFO)

€ m	31.12.2008	31.12.2007
Net income before taxes before minorities	–295.4	106.2
Depreciation	112.3	4.6
Revaluation gains/losses	178.1	–65.4
Foreign currency gains/losses	3.5	–4.8
corr. at equity income	16.5	0.4
Valuation of financial instruments	15.3	0.0
Funds from operations before taxes	**30.3**	**41.0**
Taxes paid	–11.5	–3.2
Funds from operations after taxes	**18.8**	**37.8**

€ 50.5 m in the minority interests as well as an increase of € 21.9 m in capital reserves as the shares were purchased at prices significantly below the book value. In overall terms, therefore, this had a direct positive effect on net asset value for the shareholders of CA Immobilien Anlagen AG.
- The buy-back of own shares which resulted in a reduction in capital reserves of € 11.9 m. All in all, as the shares were repurchased at prices significantly below their book value, and the reduction in the number of outstanding shares was greater than the reduction in the shareholders' equity, the effect on the book value per share was positive. The board received the authorization for the share buy-back in the 21st AGM on 13 May 2008. The authorization is valid for a buy back of up to 2.7 m shares (equivalent to about 3.09 % of the share capital) over the Vienna Stock Exchange. As of the balance sheet date CA Immo had acquired a total of 1,494,076 shares (1.7 % of the share capital) over the stock exchange at an average price of € 9.18.

The equity ratio as at 31 December 2008 was 42 % (59 % on 31 December 2007). This drop is the result of both the increase in the balance sheet total due to the Vivico acquisition and the reduction in the shareholders' equity presented above.

Deferred taxes

Another significant outcome of the acquisition of Vivico is the increase in long-term deferred tax liabilities from € 92.9 m as at 31 December 2007 to € 205.7 m as at 31 December 2008. This is mainly due to the deferred tax liabilities formed in connection with the initial consolidation of Vivico.

CONSOLIDATED BALANCE SHEET: SHORT VERSION

		2008		**2007**	**Change**
	in € m	in %	in € m	in %	in %
Property assets	3,619.9	82	2,535.3	66	43
Down payments on properties	20.5	0	0.0	0	n.m.
Down payments on property investments	0.2	0	545.2	14	0
Intangible assets	53.4	1	34.0	1	57
Financial and other assets	81.3	2	92.4	2	–12
Deferred tax assets	55.6	1	0.8	0	>100
Long-term assets	**3,830.9**	**87**	**3,207.8**	**84**	**19**
Receivables	63.0	1	47.6	1	32
Inventory intended for trading	168.4	4	0.0	0	
Cash equivalents and securities	332.6	8	568.1	15	–41
Short-term assets	**563.9**	**13**	**615.6**	**16**	**–8**
Total assets	**4,394.8**	**100**	**3,823.4**	**100**	**15**
Shareholders' equity	1,854.7	42	2,265.5	59	–18
Shareholders' equity as % of balance sheet total	42 %		59 %		
Liabilities from bonds	194.9	4	194.4	5	0
Long-term financial liabilities	1,640.0	37	962.2	25	70
Short-term financial liabilities	88.9	2	251.1	7	–65
Other liabilities	410.7	9	57.4	2	>100
Deferred tax liabilities	205.7	5	92.9	2	>100
Total liabilities	**4,394.8**	**100**	**3,823.4**	**100**	**15**

Financial liabilities

The increase in long-term financial liabilities from € 962.2 m as at 31 December 2007 to € 1,640.0 m as at 31 December 2008 largely reflects the debt financing linked to the acquisition of shares in Vivico as well as the initial consolidation of Vivico's financial liabilities. A short-term interim loan of € 0.5 bn was originally taken out to cover the purchase price of Vivico. About € 170 m of this liability was repaid during or before the fourth quarter of 2008. The remaining € 330 m was transferred to a longer-term financing structure with a term of 20 years (with a bank break option after three years) during the fourth quarter of 2008.

Financial liabilities due to mature in less than one year amounted to € 88.9 m as at 31 December 2008.

Since the beginning of the year, therefore, the net debt (financial liabilities less cash and cash equivalents) has risen from € 839.6 m to € 1,591.1 m; the gearing (ratio of net debt to shareholders' equity) rose from 37 % as at 31 December 2007 to 86 % as at 31 December 2008.

As at 31 December 2008, the maturity profile of financial liabilities was as follows (yearly progression):

Fixed interest rates and maturing of financial liabilities are always aligned in the investment portfolio with terms that are typical for property investments.

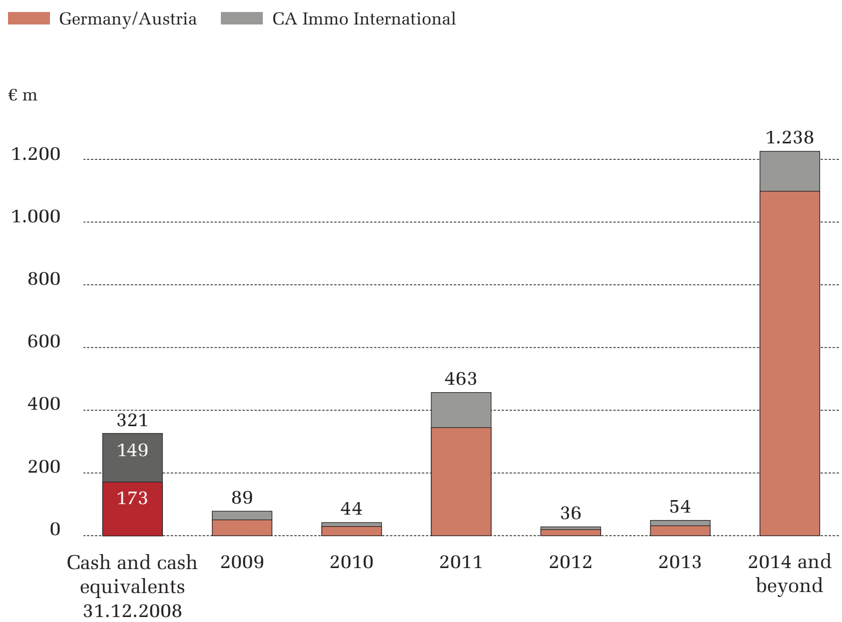
After taking account of the interest rate hedges in each case, the average interest on loans (including the bond) at the end of the business year 2008 was 5.32 % (4.98 % in 2007). Around 98 % of all loans were taken out in Euro. Given the long-term nature of financing, and for reasons of prudence, the basic policy of CA Immo when concluding a loan agreement is to hedge the relevant interest level for the long term. In most cases, this is achieved by means of interest rate SWAP contracts. As at 31 December 2008, the interest rates on 73 % of the financial liabilities were fixed by means of SWAP contracts, 13 % were fixed-rate loans and 14 % were floating-rate loans.

Net asset value

Owing to the annual loss and the other factors described above, the NAV (shareholders' equity excluding minority interests) fell by –16%, from € 1,922.9 m as at 31 December 2007 to € 1,623.0 m as at 31 December 2008. The NAV per share fell by –14% to € 18.92 as at 31 December 2008 compared with € 22.04 as at 31 December 2007. The smaller drop in the NAV per share is due to the reduced number of outstanding shares resulting from the buy-back of own shares carried out in 2008.

The computation of the NNNAV based on NAV in accordance with the Best Practice Policy Recommendations of the European Public Real Estate Association (EPRA)

MATURITY PROFILE OF FINANCIAL LIABILITIES 2008 to 2014ff



is shown in the table below. The significant factor here is the consideration of the effect of discounting on deferred taxes as well as value adjustments for development projects amounting to € 82,6 m. The latter are linked to a series of projects in Germany for which the value according to valuation reports exceeds the values shown in the balance sheet at acquisition cost, thus giving rise to undisclosed reserves (negative differences from report values have already been taken into account in the balance sheet).

As at 31 December 2008, therefore, the NNNAV stood at € 1,758.4 m or € 20.5/share (9 % less than in 2007)

KEY FINANCING FIGURES

€ m	**2008**	**2007**
Shareholders' equity	**1,854.7**	**2,265.5**
Short-term financial liabilities	88.9	251.1
Long-term financial liabilities (including bond)	1,834.9	1,156.6
Cash and cash equivalents	−332.6	−568.1
Net debt	**1,591.1**	**839.6**
Gearing	**86 %**	**37 %**
EBITDA/net interest (factor)	**1.4**	**1.8**

ASSET VALUE (NAV AND NNNAV AS DEFINED BY EPRA)

€ m	**31.12.2008**	**31.12.2007**
Equity (NAV)	**1,623.0**	**1,922.9**
NAV/share in €	**18.92**	**22.04**
Computation of NNNAV		
Exercise of options	0,0	0.0
NAV after exercise of options	1,623.0	1,922.9
Value adjustment for projects based on IFRS fair-value method	82.6	10.3
Value adjustment for tenant leases held as finance leases	0.0	0.0
Value adjustment for properties held as current assets	0.0	0.0
Value adjustment for financial instruments	52.1	−20.6
Deferred taxes	96.8	58.0
NAV after adjustments	**1.854.5**	**1,970.7**
Value adjustment for financial instruments	−52.1	20.6
Value adjustment for liabilities	18.0	4.4
Deferred taxes	−62.0	−31.4
EPRA NNNAV	**1,758.4**	**1,964.4**
EPRA NNNAV per share in €	**20.5**	**22.51**
Change of NNNAV against previous year	−8.9 %	6,10 %
Price (31.12)/NNNAV per share -1 in €	−79.5	−31.92
Number of outstanding shares	85,764,524	87,258,600

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

At the heart of the business strategy pursued by CA Immo International lies a commitment to achieving a sustained increase in enterprise value. Financial performance indicators (key figures or ratios) are an important identifier and measure of the main factors that contribute to raising enterprise value long-term, and are thus used for value management purposes.

The primary such indicator is the net income generated with the money shareholders have invested (RoE – Return on Equity). The target is to produce a ratio that is higher than the imputed cost of equity (we assume a medium-term rate of around 7.5 %) and thus to generate shareholder value. As a consequence of the substantial devaluation of property assets, the return on equity for 2008 is significantly below zero – the general target was not met, therefore, in the year under review. Having revised our strategy in the light of the prevailing challenging climate, we remain confident, however, of generating an adequate return on equity again in the medium term.

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

Since the financial indicators ultimately demonstrate the operational success of our property business, they are preceded by a series of performance indicators that cannot be immediately quantified in financial terms, which are key to measuring and managing the operating business.

- **Vacancy rate and average rent**
  Sound economic data nurture the demand for commercially used premises and invigorate both building activity and the property market. Cyclical discrepancies between supply and demand are reflected in the occupancy rate and attainable rents. Viewed over time, the vacancy rate and average rent are key indicators of a portfolio's quality and its successful management on the one hand, and of the asset managers' ability to respond timely to economic influences.

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

- **Local presence**
  Local knowledge and familiarity with the territory are critical factors in the effective cultivation of very diverse regional markets. For this reason, CA Immo International maintains its own offices in Belgrade, Bucharest, Budapest and Warsaw.

- **Know-how and synergies**
  The competitive edge of CA Immo International stems from the local knowledge of its operating employees and the leverage of synergies in the Group, in particular in project development and property marketing.

VALUE INDICATORS

		2008	2007	2006
NAV/share		18.9	22.0	20.6
Change in NAV/share	%	–14.1	6.1	6.4
Operating cash flow/share	€	1.32	1.10	0.93
RoE [1] in %	%	–13.4	3.3	5.9
ROCE [2] in %	%	negative	5.2	5.8
EVA [3]	€ m	negative	2.7	11.3

[1] Return on equity (profit generating efficiency) = consolidated net income after minority interests / average equity (without minority interests)

[2] Return on capital employed = net operating profit after tax (NOPAT) / capital employed

[3] EVA (economic value added) is a registered trademark of Stern Stewart & Co; EVA = capital employed * (ROCE – WACC); WACC 2008 = 5.3 %; (WACC is the weighted average cost of debt and equity)

OUTLOOK FOR 2009

Market environment

According to the most recent macroeconomic forecasts, the overall economic situation is unlikely to ease in the short term (see also the chapter entitled "Economic climate"). The global property sector is currently encountering a significant contraction in the amount of capital being made available for investments. This shortfall is prompting an appreciable downturn in the volume of transactions and sustained pressure on property securities. With negative reports still arising from the banking sector at the beginning of 2009 and continuing pressure on the capital markets, this year is sure to be a challenging one for the property sector and, therefore, CA Immo. The situation is not expected to become any calmer until capital begins to flow into the sector again, especially from the banks.

Fresh impetus is anticipated from the forthcoming development of interest rates in particular – at the start of 2009, property yields in Europe are substantially higher than the reference interest rates, so that the relative appeal of property investments is increasing.

Outlook for CA Immo

CA Immo is aware of the possible effects of this difficult economic environment and consequently – as outlined in the chapter entitled "Strategy" – will place its operating emphasis for 2009 on measures to maintain and strengthen its operating cash flow and on the selective implementation of strategically important development projects. Therefore, 2009 will be a year of consolidation for the CA Immo Group.

In concrete terms, we anticipate that rental income will follow a stable pattern in 2009. Since, owing to the long-term nature of lease contracts, these are not expected to suffer any immediate effect from the decline in the property market, and appropriate counter-measures can

BUDAPEST R70 Office Complex

be taken by the pro-active avoidance of vacancies. As regards indirect costs, a 10 to 15 % reduction compared to the 2008 level is targeted.

The outlook for property valuation, which was of course the main factor in the 2008 result, can be gauged only with difficulty given the current market turbulence. Viewed from today's perspective, the valuation underlying the present annual financial statements fully covers the current situation on the property markets. However, should the market conditions deteriorate in the course of the year beyond the scale currently anticipated, further adjustments cannot be ruled out.

As far as the investments planned for 2009 are concerned, the emphasis is on the selective implementation of strategically important development projects. An investment volume of around € 300 m to 350 m is expected to be recognised in the balance sheet, some two-thirds of it in Germany. This will be offset by planned disposals on a similar scale, which are intended to make a positive liquidity contribution and a neutral to slightly positive contribution to earnings.

No substantial new property acquisitions are planned for 2009. As a result of the investment activity, it cannot be ruled out that the equity ratio will fall below our 40 % target in the short term; however, it is expected to rise again to above this level at any rate in the medium term as a result of new partnerships formed for individual projects, as well as property sales.

Outlook on the capital market

Despite billions being spent on rescue packages for the banking and car industries and the introduction of economic stimulation programmes at national level, it is difficult to judge how long and how deeply the financial crisis will affect the global property industry. Consequently, stock market experts anticipate another difficult year on the share markets in 2009. The CA Immo share is therefore also likely to be subject to further high volatility.

Principal risks and uncertainties concerning 2009 outlook

Our expectations for 2009 are based on certain assumptions concerning the general conditions and the specific circumstances governing the real estate business. The extremely volatile current economic situation entails additional uncertainties as regards the ability to meet targets for investment volume, timing of realisation and yield quality.

The following, in our view, are the critical parameters most likely to influence the envisaged pattern of business in 2009:

- Further developments on the international capital markets and their effect on the economies in the regions in which we are active
- The extent to which the anticipated economic decline affects rental demand and the level of rents in the individual regions
- The availability and the cost of borrowing
- Further developments on the property investment market and, by association, the price trend and its effect on the valuation of our portfolio
- Speed at which the planned development projects are realised, which depends in particular on the availability of the requisite outside borrowed and equity capital
- Political, fiscal, legal and economic risks, and the transparency and extent of development of the individual property markets, especially in the SEE and CIS regions
- The development of the EUR exchange rate vis-à-vis the local currencies and USD

SUPPLEMENTARY REPORT

We can report the following activities in the first few months of the current business year:

Sale of ATMOS office building, Munich

The **ATMOS** office block in Munich has been sold to Union Investment Real Estate AG at a purchase price of over € 100 m. The six-storey office building is situated in the Arnulfpark® urban district of Munich and was completed in January 2009 by CA Immo subsidiary Vivico. It has been designed and constructed as a "Green Building". The building has a rental area of about 26,500 sqm and 270 parking spaces for cars. International pharmaceuticals company Bristol-Myers Squibb had already signed a lease agreement for some 10,600 sqm office space in ATMOS even before the start of construction and intends to set up its German head office there.

Tower185 in Frankfurt moves into the next phase of construction

Discussions on the financing of the office block **Tower185** in Frankfurt's Europaviertel district have been successfully completed. Loan finance for the planned € 450 m project is thus secure. A banking consortium headed by Eurohypo AG is to provide a loan volume of € 254 m to fund construction of the building, which is already 60 % pre-let even before building work commences. In addition to Eurohypo, the banking consortium is made up of DG HYP, DEUTSCHE HYPO and RZB.

The 50-storey office block Tower185 forms the entrance to the Frankfurt Europaviertel district, currently under development by CA Immo subsidiary Vivico. Tower185 will have a total rentable area of 100,000 sqm, principally for office use with local amenities in the basement. Accountancy firm PricewaterhouseCoopers AG (PwC) was acquired as the anchor tenant even before construction started. Tower185 is being built with a view to ecological sustainability. It will move into the structural engineering phase from March 2009 and final completion of the tower is planned for the end of 2011.

Siemens Austria terminates rental agreement

In accordance with the rental agreement, Siemens Österreich AG has terminated its rental agreement for about 40 % of the rental space in the Erdberger Lände property in Vienna with effect from 28 February 2010. Activities for re-letting the space are already under way. In order to further increase the value of the location, CA Immo has been working with the city of Vienna in initiating a town-planning competition for which tenders were invited from across Europe.

Activities of the H1 hotel fund suspended

As a result of the economic conditions on the international property and financial markets, specifically in Russia, CEE Hotel Development AG has decided not to enter into any investments at present. The investment management agreement with H1 Hotelentwicklungs GmbH was cancelled in January 2009 and activities of the H1 hotel fund (H1 Hotelentwicklungs GmbH), which specialises in hotel projects in Eastern Europe, were suspended. The projects already submitted were declined without further costs being incurred.

RESEARCH AND DEVELOPMENT

Research and development in the CA Immo Group is focused on a single central issue: the sustainable development of real estate. This focus became even stronger with the incorporation of the German company Vivico, which specialises in the transformation of inner city real estate formerly given over to industrial or railway usages. Quality-based project development – one of the core activities of CA Immo – depends not only on choice of location, architecture and the quality of fittings, but also on the sustainability and energy efficiency of the structure. The objective is to enhance the value of real estate over the long term.

Helping to create a sustainability seal of approval

To clarify what is meant by 'sustainable construction', the CA Immo Group, through its German subsidiary Vivico, was heavily involved in the development of an energy certificate for real estate. The Group supported the creation of a seal of approval from the German Sustainable Building Council (DGNB) by taking part in the pilot phase. The seal aims to enable both investors and users to assess the sustainability of real estate much more effectively than has hitherto been possible.

Triple-certified sustainability

The Group has also placed a clear emphasis on sustainability in its operational business: three projects managed by the CA Immo subsidiary Vivico received certification from the DGNB. The ATMOS and Laim290 office buildings in Munich and the Tower185 high-rise in Frankfurt am Main, which is currently under construction, were thereby singled out as environmentally friendly, resource-conserving and economically efficient development projects.

ATMOS, an office building spanning around 41,000 square metres in Munich's Arnulfpark®, was awarded the silver version of the German Seal for Sustainable Building. The structure, which was completed in 2008, was erected in accordance with stringent sustainability criteria and in close cooperation with Bristol-Myers Squibb, the principal tenant. To avoid energy-intensive transports, for example, only ecologically neutral and regional materials were utilised. Moreover, the building derives over half of its energy requirement from renewable sources, 35 percent above the level stipulated by current energy savings regulations.

The **Tower185** office building is at an early stage of construction in Frankfurt's Europaviertel. The 185-metre project has earned the certificate preliminary to the silver German Seal for Sustainable Building. The office high-rise, which will have a floor span of approximately 130,000 square metres, is due to be completed by the end of 2011. The structure will be built by means of solid reinforced concrete construction using the tube-in-tube system, which will ensure ample storage mass for a pleasant interior climate and low energy consumption. With heating / cooling ceilings, the building equipment more than satisfies current energy savings regulations and ensures low energy consumption for cooling, heating and power. The Tower185 project will also seek to secure gold LEED certification (Leadership in Energy and Environmental Design).

The **Laim290** office building, which spans around 14,500 square metres, was completed in 2008 and was also awarded the silver version of the German Seal for Sustainable Building. The construction boasts impressive ecological and economic attributes, with thermoactive ceilings and usage of groundwater. Around 85 percent of the structure, which marks the emergence of a new office and commercial zone in the Laim area of Munich, had been rented prior to completion. The building has since been sold to Union Investment Real Estate AG.

For more details on the projects above, please see the Segment Report for Germany on page 58.

For a report on the subject of sustainability, please see page 19.

MUNICH Laim290

CORPORATE SOCIAL RESPONSIBILITY

The mandate and the purpose of CA Immo's German subsidiary Vivico is to find attractive new applications for inner city real estate formerly given over to industrial or railway usages. With the acquisition of Vivico at the beginning of 2008, the development of mixed-use zones in German cities became one of the most important business fields for the CA Immo Group.

City districts with prospects

Developing an entire city district (i.e. several structural complexes with a community centre, often in an inner city location) is generally a long-term undertaking with significant town planning implications – after all, such city zones must comply with stringent requirements in terms of quality (of life), energy efficiency and architecture. The CA Immo Group meets this social responsibility thanks to an integrated planning approach which coordinates the needs and intentions of the company with the demands and wishes of potential users, investors and partners as well as residents, politicians and relevant local authorities whilst taking account of economic, social and environmental considerations. Alongside its activities as a project developer (principally in Germany, but also in Austria and Eastern Europe), the Group also pursues this approach as an investor by purposely awarding contracts for ecologically sustainable structures and buildings.

Urban development with a future

Modern city districts brim with possibilities and meet every need of the contemporary urban lifestyle. They offer cultural and social diversity by skillfully blending utilisations and bringing together different generations; they engage the senses with wide-ranging cultural and service facilities; and not least, they create partnerships between public and private authorities and future users.

The future of city centres – and thus the creation and optimisation of living and working space for city dwellers – is the central concern of Vivico. In line with the global trend towards inner city revitalisation and renaissance, the company develops habitable space in urban areas in spite of ever greater population density. Over the long term, redesigning city districts to meet modern needs enhances the quality of life for those who live and work in such areas. The city zones forge their own clear identities with which people can identify: every urban quarter becomes a distinctive part of a city.

The planning also takes account of key emerging trends as regards facilities and functionality in commercial real estate. These cover aspects of family friendliness and the balance between work and home life – for example, making it easier for residents to organise their lives by creating an urban landscape of fast access, greater inner city mobility, high recreational value based on wide-ranging options that appeal to diverse target groups and concentrating compatible utilisations in specific areas.

Focus on resource conservation

Concerning the development of real estate and city districts, the main focus – aside from the factors outlined above – is on ecological sustainability and the purposeful conservation of resources. This includes the usage of renewable energy, as in the deployment of geothermal energy in buildings in Munich's Arnulfpark®. In addition, new wide green spaces are intodruced, water features and parkland in many of the projects developed by CA Immo, such as Erlenmatt® in Basel, BelsenPark in the Düsseldorf district of Oberkassel and the Europaviertel® in Frankfurt.

The economically viable transformation of former industrial land into service zones is also creating highly skilled jobs, particularly in inner city areas. As a result, space needs to be generated and the demand for centrally sited residential units is rising as the traditional lines between work and home life are ever more blurred. Given these developments, combined with the finite nature of new premises and the ongoing densification of city centres, it will be a major challenge for developers and urban planners to continue to create intelligent and sustainable concepts.

RISK MANAGEMENT

Over recent years, risk management has become increasing important as part of integrated management systems. This is certainly the case for CA Immo, which defines risk management as the systematic and continuous management of corporate risks and opportunities. The main priority is not to avoid risk, but to handle threats in a controlled and effective manner whilst identifying and realising opportunities in appropriate time. The Management Board of CA Immo, which is involved in all decisions and risk management processes, takes ultimate responsibility. Group controlling centrally combines planning, information provision, control and monitoring tasks with a view to informing the Management Board of existing and potential risks in good time. Current business-related risks in particular are monitored and controlled by means of clear internal guidelines and strategies, business and investment plans and the implementation of continuous reporting systems at all corporate levels. The increasing complexity and interlinking of business areas also intensifies the specific risk situation of the company. In order to gauge the risk position on a continual basis, the company evaluates risk by means of regular reporting at corporate and sectoral level. The effectiveness of risk management at CA Immo is appraised annually by the auditor, who reports findings to the Supervisory and Management Boards. In addition to this, an external consultant assisted in the creation of a company-specific risk profile in 2008, taking into account the current corporate and market position of the CA Immo Group. The prevailing risk situation was discussed from the viewpoint of the relevant heads of department and summarised in a specific risk evaluation report. The objective was to determine the risk situation (taking into consideration all measures and controls presently implemented at strategic and operational level) and to define additional measures designed to minimise risk. In the course of this process, new areas of risk not previously evident were identified and incorporated in the risk inventory; by the same token, others were classified as non-critical in view of the changing business environment and removed from the risk inventory.

Risk management at all corporate levels

CA Immo assesses all risks according to content, impact and likelihood of occurrence. On this basis, risk management is realised at all levels of the company, strategic as well as operational. Strategic risk management involves, amongst other things, the compilation of compulsory guidelines for investment policy. The investment strategy of CA Immo – and the associated opportunities and threats – are assessed annually by the Management and Supervisory Boards, and risks are limited by focussing on existing strengths and expertise. Operational risk management is concerned with the management of property-specific and general business risks.The company averts unforeseen risks by utilising early warning tools such as rent projections and vacancy analyses and by continually monitoring lease contract terms and termination clauses.

THE RISKS IN DETAIL

Strategic risks

- Capital market risk: The worsening crisis of confidence in the viability of the financial markets is making it much more difficult to raise additional equity capital (normally through capital increases) and to acquire loan capital (loan financing).

CA Immo addresses capital market risk at several levels. Firstly, the company is highly skilled at planning and securing liquidity in order to avoid bottlenecks. Secondly, CA Immo covers itself by entering into equity partnerships (joint ventures) at project level as an alternative and supplement to established sources of equity capital procurement. As regards the raising of loan capital, CA Immo is making greater efforts to establish or develop business relationships with domestic and foreign banks (in addition to Bank Austria, its principal bank).

- Geopolitical risks: Owing to the corporate structure, these risks principally apply to the subsidiary CA Immo International. With the exception of Russia and Serbia, all of the countries in which the company has a presence are EU members, which means greater legal certainty and lower risk of fundamental shifts in political or economic policy.

In non-EU member states, consideration is given in specific cases to insuring investments against expropriation, political violence and the convertibility of local currency, and precautions are taken as appropriate.

- Expansion risk: The realisation of investment plans, the integration of fully acquired property packages and companies and, not least, the higher proportion of project development constitute major challenges for the company and its employees.

CA Immo flexibly adjusts the pace of its expansion to global and (above all) regional conditions. In line with current market conditions, the company has recently slowed the pace of growth considerably.

CA IMMO GROUP RISK MANAGEMENT

RISIK MANAGEMENT CORPORATE LEVEL

STRATEGIC RISKS	PROPERTY SPECIFIC RISKS	GENERAL BUSINESS RISKS
1. Capital market risk 2. Geopolitical risk	1. Property valuation risk 2. Asset management risk	1. Financial risk 2. Business organisation risk

RISIK MANAGEMENT PROPERTY LEVEL

STRATEGIC RISKS	PROPERTY SPECIFIC RISKS	GENERAL BUSINESS RISKS
3. Growth risk 4. Market and liquidation risk 5. Concentration (cluster) risk	3. Location risk 4. Investment cost and project development risk 5. Profit fluctuation risk 6. Management risk 7. Contract risk 8. Environmental risk	3. Seller's risk 4. Insurance risk

Expansion planning is carefully coordinated with the planning of financial and personnel resources. To prevent organisational bottlenecks, service processes have been developed; these are continually adapted. Staff development is addressed through active personnel management.

- Market and liquidation risk: As an investor, CA Immo is exposed to external, market-specific risks such as macroeconomic trends, developments in tenant sectors, rent development, the activities of other market players and the development of real estate yield across the various segments.

Bearing this in mind, CA Immo performs its own exhaustive market analyses and maintains constant contact with leading experts in the sector. To minimise regional risks, the ideal resale times for the largest properties in the portfolio are considered as part of regular discussions concerning location quality, property quality and market changes. In this way, CA Immo reduces the risk of not being able to sell properties, or only being able to sell them at a discount.

- Concentration (cluster) risk: 'Cluster risk' arises where certain investments are overrepresented in the portfolio.

CA Immo addresses the risk of certain properties dominating the portfolio by purposely distributing property assets according to both usage type and geographical location. As a rule, no single investment may exceed 20 % of the total portfolio value for a particular region; joint venture partners are sought for large-scale investment plans.

Property-specific risks

- Property valuation risk: Real estate prices are subject to considerable fluctuation on account of changing economic conditions (rising and falling interest rates, expanding or contracting economies, imbalance between the supply and demand of real estate and other factors). In common with most companies in the sector, CA Immo opted for the market value method in the conversion of its accounting to IFRS. As a consequence, changes in market value can lead to major discrepancies in results; this has produced some very positive outcomes in recent years, but also an extremely negative outcome in 2008. Value reductions curtail not only results but also equity capital; this in turn adversely affects creditworthiness, with loan-to-value covenants unable to be upheld in some circumstances.

CA Immo has its properties externally valued once every year (quarterly in Eastern Europe in view of the significantly higher volatility of property prices). Owing to the current distortion on the capital market, the limited liquidity and associated low level of transactions, the lack of comparable transactions and the prospect of distress sales, value assessment has been significantly hampered and properties may only be sold with greater liquidation expenditure, even at the values quoted.

To maintain its creditworthiness, CA Immo agrees an appropriate leverage in advance and secures appropriate restoration periods in connection with financing.

- Location risk: The location of a property has a decisive influence on rentability and long-term letting potential as well as the earning power and sales revenue of a property. Location is therefore the greatest risk associated with real estate investment.

To minimise this risk, CA Immo invites external experts to carry out regular analyses of locations and trends. Locations that are candidates for investment are assessed separately according to stringent criteria.

- Investment cost / project development risk: Since 2006, the CA Immo Group has significantly increased the proportion of project development in its property assets; the acquisition of Vivico Real Estate GmbH in Germany has given project development a much higher profile. The objective is to generate additional income through the addition of the value inherent to project development. In Eastern Europe, these activities are mainly managed by the CA Immo New Europe project development fund. Project business is, however, associated with higher risk. Risks can arise from imponderables such as delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects and so on. These risks can never be completely ruled out, even with meticulous planning and monitoring. CA Immo was making greater use of forward purchases at fixed returns in 2007, mainly through the subsidiary CA Immo International. In such cases, price risk can also arise where property market trends lead to rising returns.

Having gained experience in project development, the CA Immo Group endeavours to reduce the risk by working with local partners, concentrating on well-established companies and those with whom CA Immo has registered positive experiences in order to minimise the selection risk. With Vivico, CA Immo has brought a robust and experienced project development player into the Group. A strict reporting system ensures precise monitoring of costs and deadlines. In 2008, project development risk intensified significantly owing to the greater capital market risk, increased geopolitical risks and the changes in general conditions that resulted from this. Consequently, original project costings have had to be revised, in some instances considerably. CA Immo is responding to the evolving situation as necessary, adjusting book values clearly and appropriately.

- Profit fluctuation risk: This risk group essentially comprises the aforementioned resale risk along with vacancy risk (where floor space is not let, income is forfeited, vacancy costs arise and the value of a property falls). We cannot rule out the possibility that the present economic crisis will impact the rental market more rapidly than has previously been the case, with the effects being felt as early as 2009.

To keep vacancy to an absolute minimum, CA Immo screens the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored, and structured quality checks are carried out. The company also cooperates with reputable estate agents when seeking new tenants. In certain cases, CA Immo has circumvented probable future risks by selling a property – a measure that can be deployed only sparingly at the present time.

- Management risk: The build quality of a property has a not inconsiderable influence on the costs of its management. A property that does not comply with current standards can generate higher investment costs in connection with restoration and improvement measures, or fail to attract tenants; this in turn adversely affects the earning power of that property.

To stop this happening, CA Immo undertakes technical due diligence prior to acquisition in order to determine a property's quality and the compliance of its fixtures and fittings. The company also maintains close contact with tenants and property managers so that any hidden construction defects can be remedied quickly and cost-effectively.

- Contract risk: In order to minimise risks linked to legal disputes, CA Immo works with lawyers on its relevant target markets, integrating them into decision-making processes at appropriate stages. At the present time, no lawsuits or arbitration proceedings which could have a material influence on the company's economic situation are pending or foreseeable.

- Environmental risk: Increasingly stringent environmental regulations are establishing ecological impact as a determining factor in property valuation to an ever greater degree. Aside from the bearing on value, ecological damage can lead to properties being left vacant or abandoned.

CA Immo incorporates this consideration into its wide-ranging assessments prior to every purchase. Appropriate guarantees are also required from sellers. In its capacity as a builder, CA Immo makes use of environmentally sustainable materials and energy-saving technologies wherever possible.

General business risks

- Financial risk: Risks linked to liquidity, interest rates and currencies make up the main financial risks. These risks, along with a corresponding liquidity analysis, are reproduced in the notes section (income and balance sheet analysis).

- Interest rate risk: CA Immo uses a mix of long-term fixed-rate and floating-rate loans to cut the interest rate risk. In the case of floating-rate loans, derivative financial instruments (interest rate caps and interest rate swaps) are also used. Without exception, such instruments are used to hedge against the risk of interest rate changes arising from underlying transactions. These financial instruments

FINANCIAL RISK MANAGEMENT

RISK	EFFECT	COUNTERMEASURES
CHANGE IN INTEREST RATES Evaluating interest rate development	Reduced Group success if interest rates rise	- Mix of long-term pegged interest rates and loans bearing variable interest - Use of derivate financial instruments
DEVELOPMENT IN EXCHANGE RATE Evaluating the relationship of the EUR to the USD	Significant fluctuation in earnings owing to exchange rate gains/losses	- Natural hedging where loans are agreed in the same currency as rental agreements - Changing of USD financing to EUR when changing currency in the rental agreements - Exchange rate hedging
LIQUIDITY Lack of liquidity	Attractive investments cannot be realised	- Continual short- and medium-term updating of liquidity planing - Optimisation of investment
CREDIT AGREEMENTS Lack of flexibility of specific conditions	Cost drawbacks during the term of the agreement	- Continual checks on credit agreements (including derivatives) for any need for adjustment - Project-related, long-term financing agreements

may be subject to changes in value. Changes in the value of contracts that can be defined as cash flow hedges (the majority of the SWAPs used by CA Immo fall under this category) are shown as equity capital. Changes in the value of contracts classified as fair-value SWAPs are directly depicted as expenditure or income in the income statement. The reference value for interest rate SWAPs is the Euribor. In the second half of 2008, there was a significant drop in the Euribor (see section 'Economic environment') as a result of which the cash values of the SWAP contracts turned negative. Most of these related to valuation losses which had no effect on cash.

As at 31 December 2008, CA Immo was investing liquid assets mainly as daily allowances or commercial papers. Since the latter are exposed to creditworthiness and liquidity risks, future fluctuations in value cannot be ruled out. To further reduce risk, the stock of near-money market funds (the performance of which has plummeted in the capital market crisis) was successively reduced from € 376 m at the start of the year to € 11.3 m on the balance sheet date. At the end of 2008 the remaining investment held in near-money market funds was dissolved and the assessed money has been transferred in deposits on the one hand, and on the other hand the remaining stock of near-money market funds (ABS funds) now is held directly and represents the sole position of securities.

No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all identified risks.

- Currency (change) risk: Owing to investment activity abroad, the management of currency risks is another important element of risk management. Exchange rate fluctuations can impact on results where rents are payable in foreign currencies or loans were raised in US dollars, Czech krone or Swiss francs. Non-cash effects on consolidated net income can result from the translation of individual financial statements of subsidiaries outside the eurozone.

For this reason, the subsidiary CA Immo International seeks to peg rents to a hard currency when acquiring new properties in Eastern and Southeastern Europe. Loans are taken out in the currency underlying the relevant lease. Owing to the volatility of Eastern European currencies, exept operating costs, which have to be paid in local currency, all payments in local currency are converted into euros upon receipt.

- Taxation law risk: National taxation systems are subject to ongoing change on the target markets of the CA Immo Group.

Working with international consultants, CA Immo monitors all relevant debates and decisions taken by national legislators. Despite this, short- and long-term tax rises linked to changing legal frameworks pose a constant risk to revenue.

CA IMMO

ANNUAL REPORT 2008
FINANCIAL STATEMENTS

CONTENT

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS OF CA IMMO ANLAGEN AG

TABLES AND ANALYSES

A. CONSOLIDATED INCOME STATEMENT

€ 1,000	Notes	2008	2007
Rental income		175,283.6	123,276.5
Operating costs passed on to tenants		30,278.5	18,400.0
Income from the sale of properties intended for trading		88,269.2	0.0
Revenues from construction contracts		3,700.4	0.0
Other turnover		1,258.5	2,897.9
Gross revenues	2.1.1.	**298,790.2**	**144,574.4**
Operating expenses	2.1.2.	–37,549.1	–20,918.6
Other expenses directly related to long-term properties	2.1.2.	–28,846.9	–14,969.4
Book value of properties intended for trading	2.1.1.	–69,541.7	0.0
Expenses for construction contracts	2.1.1.	–2,665.9	0.0
Net operating income		**160,186.6**	**108,686.4**
NOI as a % of the gross revenues		54 %	75 %
Profit from the sale of long-term properties		175,433.3	40,314.4
Book value of long-term properties sold		–163,695.4	–34,591.9
Result from the sale of long-term properties	2.1.3.	**11,737.9**	**5,722.5**
Administrative expenses	2.1.4.	–52,207.0	–27,886.8
Own works capitalised	2.1.5.	5,323.5	0.0
Other operating income	2.1.6.	12,735.0	4,163.1
EBITDA		**137,776.0**	**90,685.2**
EBITDA as a % of the gross revenues		46 %	63 %
Depreciation and amortisation of long-term assets		–97,853.2	–4,626.7
Depreciation of properties intended for trading		–14,446.0	0.0
Depreciation and amortisation	2.1.7.	**–112,299.2**	**–4,626.7**
Revaluation gains		16,650.7	84,099.3
Revaluation losses		–194,743.8	–18,671.2
Change from revaluation	2.1.8.	**–178,093.1**	**65,428.1**
Operating result (EBIT)		**–152,616.3**	**151,486.6**
EBIT as a % of the gross revenues		–	105 %
Financing costs	2.1.9.	–105,113.8	–57,440.1
Foreign currency losses/gains	2.1.10.	–3,467.6	4,752.3
Result of derivative instruments	2.1.11.	–15,874.5	–1,269.7
Result of financial investments	2.1.12.	4,433.6	8,262.0
Result from financial assets	2.1.13.	–7,800.9	0.0
Result from investments in associates	2.1.14.	–15,071.1	379.8
Minority interests held by limited partners	2.1.15.	111.6	0.0
Financial result		**–142,782.7**	**–45,315.7**
Net income before taxes (EBT)		**–295,399.0**	**106,170.9**
Taxes on income	2.2.12.	510.2	–22,197.4
Consolidated net income		**–294,888.8**	**83,973.5**
of which: attributable to minority shareholders		–57,768.2	31,917.0
of which: attributable to the parent company		–237,120.6	52,056.5
Earnings per share in € (undiluted equals diluted)	2.3.8.	–2.73	0.67
Operating cash flow per share in €	2.3.8.	1.32	1.07
Cash flow from business activities per share in €	2.3.8.	1.96	1.08

B. CONSOLIDATED BALANCE SHEET

€ 1,000	Notes	31.12.2008	31.12.2007
Assets			
Property assets let	2.2.1.	2,520,674.0	2,319,631.3
Property assets under development	2.2.1.	1,079,821.4	215,707.9
Investment property own used	2.2.1.	19,449.6	0.0
Prepayments on properties	2.2.1.	20,482.5	0.0
Office furniture and equipment	2.2.1.	2,433.7	5,715.8
Intangible assets	2.2.2.	53,391.5	34,037.1
Prepayments on investments in properties	2.2.3.	200.0	545,248.3
Investments in associates	2.2.3.	45,978.4	59,683.2
Loans to joint ventures	2.2.3.	25,389.4	14,721.8
Loans to associates	2.2.3.	6,499.8	3,066.6
Other loans	2.2.3.	1,006.3	9,160.1
Other financial assets	2.2.3.	7.3	8.6
Deferred tax assets	2.2.12.	55,553.2	784.8
Long-term assets		**3,830,887.1**	**3,207,765.4**
long-term assets as a % of balance sheet total		87 %	84 %
Property intended for trading	2.2.4.	168,350.1	0.0
Receivables from joint ventures	2.2.5.	6,686.2	156.7
Receivables and other assets	2.2.5.	56,277.9	47,434.2
Securities	2.2.6.	11,251.2	375,584.8
Cash and cash equivalents	2.2.7.	321,380.3	192,468.5
Short-term assets		**563,945.7**	**615,644.2**
Total assets		**4,394,832.8**	**3,823,409.6**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	2.2.8.	634,370.0	634,370.0
Capital reserves	2.2.8.	995,109.5	984,959.2
Retained earnings (incl. valuation result from hedging and other reserves)		−6,525.8	303,612.9
Minority interests		231,700.4	342,511.3
Shareholders' equity		**1,854,654.1**	**2,265,453.4**
shareholders' equity as a % of balance sheet total		42 %	59 %
Shares from limited partners		2,597.7	2,621.7
Provisions	2.2.9.	560.1	598.7
Bond	2.2.10.	194,903.6	194,385.4
Financial liabilities	2.2.11.	1,639,961.3	962,187.0
Trade creditors		8,251.1	185.1
Other liabilities	2.2.13.	111,965.2	6,714.0
Deferred tax liabilities	2.2.12.	205,749.6	92,862.6
Long-term liabilities		**2,163,988.6**	**1,259,554.6**
Provisions for taxation	2.2.9.	46,340.4	1,447.7
Provisions	2.2.9.	89,723.4	22,335.5
Financial liabilities	2.2.11.	88,857.5	251,075.8
Payables to joint ventures		3,820.5	398.9
Trade creditors		61,100.4	6,381.2
Other liabilities	2.2.13.	86,347.9	16,762.5
Short-term liabilities		**376,190.1**	**298,401.6**
Total liabilities and shareholders' equity		**4,394,832.8**	**3,823,409.6**

C. CONSOLIDATED CASH FLOW STATEMENT

€ 1,000	Notes	2008	2007
Cash flow from operating activities			
Net income before taxes		−295,399.0	106,170.9
Revaluation losses/gains	2.1.8.	178,093.1	−65,428.1
Depreciation and amortisation	2.1.7.	112,299.2	4,626.7
Income from the sale of properties and office equipment	2.1.3.	−16,050.0	−5,722.5
Loss from asset disposal		4,344.1	298.4
Taxes paid		−11,481.4	−3,151.2
Interest income/expense		100,680.2	50,447.8
Result from financial assets	2.1.13.	7,800.9	0.0
Effect on valuation of interest swaps and caps	2.1.11.	15,874.5	1,269.7
Result from investments in associates		14,959.5	−379.7
Foreign currency losses/gains	2.1.10.	3,467.6	−4,752.3
Operating cash flow		**114,588.7**	**83,379.7**
Property intended for trading	2.2.4.	46,219.4	0.0
Receivables and other assets	2.2.5.	10,442.9	−3,434.1
Trade creditors		−7,908.2	−2,388.9
Provisions	2.2.9.	−518.5	4,277.9
Deferred tax assets/liabilities incl. tax provisions	2.2.12.	−652.6	2,684.4
Other short-term liabilities	2.2.13.	7,488.6	−532.2
Cash flow from change in net current assets		**55,071.6**	**607.2**
Cash flow from operating activities		**169,660.3**	**83,986.9**
Cash flow from investment activities			
Aquisition of property assets	2.2.1.	−191,365.2	−296,692.4
Acquisition of property companies, less cash and cash equivalents in the amount of € 174,534.5 K (2007: € 9,427.2 K)		−390,945.9	−82,070.9
Acquisition of office equipment and intangible assets	2.2.1.	−2,064.1	−2,188.4
Prepayments on investments in properties	2.2.4.	−465.0	−540,690.8
Prepayments in respect of properties	2.2.1.	−20,482.5	0.0
Acquisition of financial assets	2.2.3.	−22,077.8	−22,533.5
Acquisition of own shares (CA Immobilien Anlagen AG)	2.2.8.	−13,722.8	0.0
Acquisition of shares in CAIIAG		−28,586.2	−14,367.7
Acquisition of short term securities	2.2.6.	−65,804.8	−670,123.7
Disposal of short term securities	2.2.6.	414,253.1	631,802.7
Financing from joint ventures		17,659.6	4,828.1
Disposal of property assets, property companies and other assets, less cash and cash equivalents in the amount of € 2,286.6 K (2007: € 319.6 K)		156,775.7	44.517.1
Dividend payments of associated companies and securities		1,465.5	750.0
Repayments of other loans		550.0	0.0
Interest received from financial investments		17,013.4	9,864.8
Cash flow from investment activities		**–127,797.0**	**–936,904.7**

€ 1,000	Notes	2008	2007
Cash flow from financing activities			
Cash inflow from financing		951,636.5	296,518.6
Cash flow from capital increases		0.0	645,362.2
Dividend payments of subsidiaries to minorities		−6,477.4	0.0
Cash inflow from minorities		736.2	45,796.5
Costs for the capital increase SICAR		0.0	−3,651.1
Cash inflow from related companies		400.3	20.2
Repayment of derivative instruments		−1,251.6	0.0
Repayment of loans		−753,478.4	−35,073.2
Interest paid		−102,498.1	−51,428.9
Cash flow from financing activities		**89,067.5**	**897,544.3**
Net change in cash and cash equivalents		**130,930.8**	**44,626.5**
Cash and cash equivalents as at 1 January		192,468.5	148,295.1
Changes in the value of foreign currency		−2,019.0	−453.1
Net change in cash and cash equivalents		130,930.8	44,626.5
Cash and cash equivalents as at 31 December [1)]	**2.2.7.**	**321,380.3**	**192,468.5**

[1)] see 2.2.7. for a break down of cash and cash equivalents.

D. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€ 1,000	Share capital	Capital reserves	Reserves for own shares
As at 1 January 2007	**422,913.3**	**540,628.7**	**0.0**
Valuation of cash flow hedge	0.0	0.0	0.0
Consolidated net income for the period 2007	0.0	0.0	0.0
Total result for the period	**0.0**	**0.0**	**0.0**
Capital increase AG	211,456.7	441,628.5	0.0
Capital increase SICAR	0.0	–1,046.7	0.0
Purchase of interests from CAIIAG	0.0	3,748.7	0.0
Payments from minorities and purchase of minority interests	0.0	0.0	0.0
Group disposal of companies	0.0	0.0	0.0
As at 31 December 2007	**634,370.0**	**984,959.2**	**0.0**
Valuation of cash flow hedge	0.0	0.0	0.0
Reserve on changes recognised directly in the associate's equity	0.0	0.0	0.0
Reserve from foreign currency translation	0.0	0.0	0.0
Consolidated net income for the period 2008	0.0	0.0	0.0
Total result for the period	**0.0**	**0.0**	**0.0**
Dividend payments	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	–11,861.3
Purchase of interests from CAIIAG	0.0	21,919.0	0.0
Acquisition of new companies	0.0	0.0	0.0
Payments from minorities and purchase and sale of minority interests	0.0	92.6	0.0
As at 31 December 2008	**634,370.0**	**1,006,970.8**	**–11,861.3**

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

2) Company in Switzerland with functional currency CHF, see 1.5.

Retained earnings	Valuation result (hedging)	Reserves from associates [1]	Reserves from foreign currency translation [2]	Shares held by the shareholders of the parent company	Minority interests	Shareholders' equity (total)
230,893.1	**5,270.3**	**0.0**	**0.0**	**1,199,705.4**	**285,528.0**	**1,485,233.4**
0.0	15,397.5	0.0	0.0	15,397.5	−13.9	15,383.6
52,056.5	0.0	0.0	0.0	52,056.5	31,917.0	83,973.5
52,056.5	**15,397.5**	**0.0**	**0.0**	**67,454.0**	**31,903.1**	**99,357.1**
0.0	0.0	0.0	0.0	653,085.2	0.0	653,085.2
0.0	0.0	0.0	0.0	−1,046.7	−1,005.6	−2,052.3
0.0	0.0	0.0	0.0	3,748.7	−18,116.4	−14,367.7
0.0	0.0	0.0	0.0	0.0	44,197.7	44,197.7
−4.5	0.0	0.0	0.0	−4.5	4.5	0.0
282,945.1	**20,667.8**	**0.0**	**0.0**	**1,922,942.1**	**342,511.3**	**2,265,453.4**
0.0	−72,801.0	0.0	0.0	−72,801.0	−3,439.1	−76,240.1
0.0	0.0	−219.2	0.0	−219.2	−167.8	−387.0
0.0	0.0	0.0	2.1	2.1	0.0	2.1
−237,120.6	0.0	0.0	0.0	−237,120.6	−57,768.2	−294,888.8
−237,120.6	**−72,801.0**	**−219.2**	**2.1**	**−310,138.7**	**−61,375.1**	**−371,513.8**
0.0	0.0	0.0	0.0	0.0	−6,477.4	−6,477.4
0.0	0.0	0.0	0.0	−11,861.3	0.0	−11,861.3
0.0	0.0	0.0	0.0	21,919.0	−50,505.2	−28,586.2
0.0	0.0	0.0	0.0	0.0	6,995.6	6,995.6
0.0	0.0	0.0	0.0	92.6	551.2	643.8
45,824.5	**−52,133.2**	**−219.2**	**2.1**	**1,622,953.7**	**231,700.4**	**1,854,654.1**

E. CONSOLIDATED SEGMENT REPORTING

Segmentation by sectors

€ 1,000				2008			2007
	Income producing	**Trading**	**Development [1]**	**Total**	**Income producing**	**Development**	**Total**
Rental income	152,438.3	13,521.7	9,323.6	175,283.6	122,943.7	332.8	123,276.5
Income from sale of properties intended for trading	0.0	88,269.2	0.0	88,269.2	0.0	0.0	0.0
Revenues from construction contracts	0.0	0.0	3,700.4	3,700.4	0.0	0.0	0.0
Other turnover	1,258.5	0.0	0.0	1,258.5	2,897.9	0.0	2,897.9
Operating costs passed on to tenants	28,314.2	1,635.6	328.7	30,278.5	18,367.1	32.9	18,400.0
Gross revenues	**182,011.0**	**103,426.5**	**13,352.7**	**298,790.2**	**144,208.7**	**365.7**	**144,574.4**
Operating expenses	−29,610.8	−3,931.5	−4,006.9	−37,549.1	−20,781.9	−136.7	−20,918.6
Expenses directly related to long-term properties	−16,890.7	−3,190.2	−8,766.0	−28,846.9	−14,668.4	−301.0	−14,969.4
Book value of properties intended for trading	0.0	−69,541.7	0.0	−69,541.7	0.0	0.0	0.0
Expenses for construction contracts	0.0	0.0	−2,665.9	−2,665.9	0.0	0.0	0.0
Net operating income	**135,509.5**	**26.763,1**	**−2,086.0**	**160,186.6**	**108,758.4**	**−72.0**	**108,686.4**
NOI as a % of the gross revenues	75 %	26 %	−16 %	54 %	75 %	−20 %	75 %
Result from the sale of long-term properties	10,715.2	0.0	1,022.7	11,737.9	5,722.5	0.0	5,722.5
Administrative expenses	−23,909.0	−8,562.5	−19,735.5	−52,207.0	−23,308.2	−4,578.6	−27,886.8
Own works capitalised	0.0	0.0	5,323.5	5,323.5	0.0	0.0	0.0
Other operating income	7,148.2	5,394.7	192.1	12,735.0	4,057.5	105.6	4,163.1
EBITDA	**129,464.0**	**23,595.3**	**−15,283.3**	**137,776.0**	**95,230.2**	**−4,545.0**	**90,685.2**
EBITDA as a % of the gross revenues	71 %	23 %	–	46 %	66 %	–	63 %
Depreciation and amortisation of long-term assets	−3,214.0	0.0	−1,615.9	−4,829.9	−2,079.9	−163.4	−2,243.3
Impairment losses	−1,638.3	−14,446.1	−91,384.9	−107,469.3	0.0	−2,383.3	−2,383.3
Revaluation result	−178,009.6	0.0	−83.5 [5]	−178,093.1	47,987.0	17,441.1	65,428.1
Operating result (EBIT)	**−53,398.0**	**9,149.2**	**−108,367.6**	**−152,616.3**	**141,137.2**	**10,349.1**	**151,486.6**
EBIT as a % of the gross revenues	–	9 %	–	–	98 %	–	105 %
Financing costs and result of financial investments	−70,692.7	989.6	−30,977.1	−100,680.2	−41,069.7	−8,108.4	−49,178.1
Result of derivative instruments	−10,547.2	0.0	−5,327.3	−15,874.5	−1,269.7	0.0	−1,269.7
Result from financial assets	0.0	0.0	−7,800.9	−7,800.9	0.0	0.0	0.0
Result from investments in associates	0.0	0.0	−15,071.1	−15,071.1	−5.9	385.7	379.8
Minority intrests held by limited partners	32.5	−43.2	122.3	111.6	0.0	0.0	0.0
Foreign currency losses / gains	−2,656.3	−25.6	−785.7	−3,467.6	5,080.6	−328.3	4,752.3
Net income before taxes (EBT)	**−137,261.7**	**10,070.0**	**−168,207.3**	**−295,399.0**	**103,872.5**	**2,298.4**	**106,170.9**
Segment property assets IAS 40	2,520,674.0	0.0	0.0	2,520,674.0	2,319,631.3	0.0	2,319,631.3
Other segment property assets [2]	39,932.1	168,350.0	1,079,821.5	1,288,103.6	0.0	215,707.9	215,707.9
Other segment assets	243,115.0	7,153.4	280,233.6	530,502.0	1,169,923.9	117,361.7	1,287,285.6
Deferred tax assets	23,760.4	8,220.4	23,572.4	55,553.2	637.1	147.7	784.8
Balance sheet total	**2,827,481.5**	**183,723.8**	**1,383,627.5**	**4,394,832.8**	**3,490,192.3**	**333,217.3**	**3,823,409.6**
Segment liabilities	1,588,994.8	76,898.7	622,195.2	2,288,088.7	1,388,973.7	74,672.2	1,463,645.9
Deferred tax liabilities incl. tax provisions	91,877.7	24,784.7	135,427.6	252,090.0	85,566.2	8,744.1	94,310.3
Segment debts	**1,680,872.5**	**101,683.4**	**757,622.8**	**2,540,178.7**	**1,474,539.9**	**83,416.3**	**1,557,956.2**
Capital expenditure [3]	481,627.0	250,339.3	1,127,182.5	1,859,148.8	220,801.4	190,164.6	410,966.0
Employees [4]							

[1] Incl. one property in Switzerland [2] Other segment property assets include property developments, own-used properties, properties held for sale and prepayments on properties

[3] Capital expenditure includes all acquisitions in property assets (long-term and short term), office furniture and equipment, and intangible assets.

Segmentation by regions

			2008				2007
Austria	Germany [1)]	CEE/SEE/CIS	Total	Austria	Germany [1)]	CEE/SEE/CIS	Total
45,153.6	91,470.4	38,659.6	175,283.6	41,133.2	44,033.4	38,109.9	123,276.5
0.0	88,269.2	0.0	88,269.2	0.0	0.0	0.0	0.0
0.0	3,700.4	0.0	3,700.4	0.0	0.0	0.0	0.0
0.0	0.0	1,258.5	1,258.5	0.0	0.0	2,897.9	2,897.9
6,689.7	11,512.9	12,075.9	30,278.5	5,664.8	1,409.3	11,325.9	18,400.0
51,843.3	**194,952.9**	**51,994.0**	**298,790.2**	**46,798.0**	**45,442.7**	**52,333.7**	**144,574.4**
−8,756.5	−16,481.8	−12,310.8	−37,549.1	−7,662.7	−1,467.5	−11,788.4	−20,918.6
−6,008.2	−20,344.1	−2,494.6	−28,846.9	−7,073.5	−3,673.9	−4,222.0	−14,969.4
0.0	−69,541.7	0.0	−69,541.7	0.0	0.0	0.0	0.0
0.0	−2,665.9	0.0	−2,665.9	0.0	0.0	0.0	0.0
37,078.6	**85,919.4**	**37,188.6**	**160,186.6**	**32,061.8**	**40,301.3**	**36,323.3**	**108,686.4**
72 %	44 %	72 %	54 %	69 %	89 %	69 %	75 %
−759.7	5,484.1	7,013.5	11,737.9	1,783.1	0.0	3,939.4	5,722.5
−8,579.3	−29,973.4	−13,654.3	−52,207.0	−9,483.4	−3,856.0	−14,547.4	−27,886.8
0.0	5,323.5	0.0	5,323.5	0.0	0.0	0.0	0.0
954.2	10,108.9	1,671.9	12,735.0	2,648.8	162.6	1,351.7	4,163.1
28,693.8	**76,862.5**	**32,219.7**	**137,776.0**	**27,010.3**	**36,607.9**	**27,067.0**	**90,685.2**
55 %	39 %	62 %	46 %	58 %	81 %	52 %	63 %
−1,025.3	−1,777.1	−2,027.5	−4,829.9	−524.9	0.0	−1,718.5	−2,243.4
−16,690.6	−45,234.1	−45,544.6	−107,469.3	−2,383.3	0.0	0.0	−2,383.3
−64,607.6	−66,819.5	−46,666.0	−178,093.1	5,395.3	2,460.1	57,572.7	65,428.1
−53,629.7	**−36,968.2**	**−62,018.4**	**−152,616.3**	**29,497.4**	**39,068.0**	**82,921.2**	**151,486.6**
–	–	–	–	63 %	86 %	158 %	105 %
−28,846.3	−65,190.0	−6,643.9	−100,680.2	−17,001.1	−25,576.6	−6,600.4	−49,178.1
−11,154.3	−4,720.2	0.0	−15,874.5	−1,269.7	0.0	0.0	−1,269.7
0.0	0.0	−7,800.9	−7,800.9	0.0	0.0	0.0	0.0
0.0	−5.7	−15,065.4	−15,071.1	0.0	0.0	379.8	379.8
0.0	111.6	0.0	111.6	0.0	0.0	0.0	0.0
−396.2	115.9	−3,187.3	−3,467.6	127.1	−0.1	4,625.3	4,752.3
−94,026.5	**−106,656.6**	**−94,715.9**	**−295,399.0**	**11,353.7**	**13,491.3**	**81,325.9**	**106,170.9**
747,938.0	1,184,549.0	588,187.0	2,520,674.0	805,205.3	915,454.0	598,972.0	2,319,631.3
72,647.3	1,051,972.5	163,483.8	1,288,103.6	87,320.7	18,963.0	109,424.2	215,707.9
80,218.8	210,622.2	239,661.0	530,502.0	456,821.3	567,813.2	262,651.1	1,287,285.6
0.0	54,142.9	1,410.3	55,553.2	0.0	328.4	456.4	784.8
900,804.1	**2,501,286.6**	**992,742.1**	**4,394,832.8**	**1,349,347.3**	**1,502,558.6**	**971,503.7**	**3,823,409.6**
453,279.5	1,442,275.1	392,534.1	2,288,088.7	598,708.6	606,819.7	258,117.6	1,463,645.9
31,933.8	179,094.2	41,062.0	252,090.0	62,434.4	7,906.0	23,969.9	94,310.3
485,213.3	**1,621,369.3**	**433,596.1**	**2,540,178.7**	**661,143.0**	**614,725.7**	**282,087.5**	**1,557,956.2**
40,747.7	1,629,553.5	188,847.6	1,859,148.8	138,553.2	127,693.2	144,719.6	410,966.0
56	182	90	328	53	0	151	204

4) Situation as at 31.12.2008 (31.12.2007), companies consolidated on a proportional basis are included at 100 %. 5) Revaluation of projects which were reclassified after completion as income producing.

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2008

1. GENERAL NOTES

1.1. Scope of business

CA Immobilien Anlagen Aktiengesellschaft and its subsidiaries (the "CA Immo Group") is an internationally active property group. The parent company is CA Immobilien Anlagen Aktiengesellschaft ("CA Immo AG"), domiciled at 1030 Vienna, Mechelgasse 1. Subsidiaries exist in Austria, Germany, Switzerland, Bulgaria, Estonia, Croatia, Luxemburg, the Netherlands, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, the Czech Republic, Hungary and Cyprus. As at 31 December 2008, the CA Immo Group held properties in all of the aforementioned countries (except the Netherlands, Luxemburg, Croatia and Cyprus).

1.2. Accounting principles

The Consolidated Financial Statements of CA Immo AG were prepared in accordance with the International Financial Reporting Standards (IFRS), to the extent these standards are applicable to companies within the European Union.

The accounts of the companies included in the Consolidated Financial Statements are based on the uniform accounting principles of the CA Immo Group. The balance sheet date of all companies is 31 December 2008. The Consolidated Financial Statements are presented in one thousand euros ("€K", rounded according to the commercial rounding method). The use of automatic data processing equipment may give rise to rounding differences in the addition of rounded amounts and percentage rates.

Since 1 January 2008, the German property development group Vivico, with Vivico Real Estate GmbH, Frankfurt as its parent company (the "Vivico Group"), has been shown as fully consolidated as a result of which the following items have been added to the balance sheet and income statement:

Consolidated balance sheet:

- Properties intended for trading (mainly the trading portfolio of the Vivico Group)
- Investment properties own used (in Germany and Austria)

Consolidated income statement:

- Sales revenue (income from the sale of properties intended for trading)
- Book value of properties intended for trading: this item includes the book value of stock properties sold, changes to stock and other development costs in connection with properties intended for trading.
- Own works capitalised: this item includes capitalised items in connection with properties under development.
- Revenues and expenses of construction contracts (through service companies)

The main effects which the Vivico Group has had on items in the consolidated cash flow statement are as follows: The cash flow from changes in net current assets mainly includes changes in connection with properties intended for trading, in particular changes in connection with properties intended for trading (stock), changes to receivables and trade creditors for properties intended for trading and changes to pre-payments received on properties intended for trading which have been sold.

1.3. List of consolidated companies

The following companies are included in the Consolidated Financial Statements in addition to CA Immobilien Anlagen Aktiengesellschaft:

Company	Domicile	Nominal capital	Currency	Interest held %	Consolidation method [1]
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OHG	Vienna	4,135,427	EUR	100	FC
BIL-S Superädifikatsverwaltungs GmbH	Vienna	70,000	EUR	100	FC
CA Immo Asset Management GmbH	Vienna	100,000	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 AG	Vienna	315,959,907	EUR	61,7	FC
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	FC
CA Immo LP GmbH	Vienna	146,000	EUR	100	FC
CA Immo ProjektentwicklungsgmbH	Vienna	72,500	EUR	100	FC
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	FC
CA Immo-RI-Residential Property Holding GmbH	Vienna	35,000	EUR	100	FC
CA Immobilien Anlagen Beteiligungs GmbH	Vienna	36,500	EUR	100	FC
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OEG	Vienna	7,000	EUR	100	FC
MI Immobilienverwertungs-Gesellschaft m.b.H.	Vienna	109,500	EUR	100	FC
I.N.A. Handels GmbH	Vienna	37,000	EUR	100	FC
Parkring 10 Immobilien GmbH	Vienna	35,000	EUR	100	FC
SQUARE S Holding GmbH	Vienna	35,000	EUR	100	FC
Blitz F07-neunhundert-sechzig-acht GmbH	Frankfurt	25,000	EUR	100	FC
Blitz F07-neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo Eins GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Zwei GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Drei GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Vier GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Fünf GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Sechs GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Sieben GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Acht GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Neun GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Zehn GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo Elf GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo GB GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	94,9	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
Vivico AG	Frankfurt	50,000	EUR	100	FC
Vivico Real Estate GmbH	Frankfurt	5,000,000	EUR	99,7	FC

[1] FC = full consolidation

As at 31 December 2008, the CA Immo Group held 99.7 % of the shares in Vivico Real Estate GmbH, Frankfurt am Main ("Frankfurt"). Therefore the following subsidiaries and joint ventures of Vivico Real Estate GmbH, Frankfurt, are also included in the Consolidated Financial Statements:

Company	**Domicile**	**Nominal capital**	**Currency**	**Interest held %**	**Consolidation method [1)]**
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	50	PC
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	PC
Dorotheenhöfe - Grundstücks GmbH & Co. KG	Berlin	255,646	EUR	100	FC
Dorotheenhöfe Grundstücksverwaltungs-GmbH	Frankfurt	25,565	EUR	100	FC
Einkaufszentrum Erlenmatt AG	Basel	100,000	CHF	50	PC
Isargärten Thalkirchen GmbH & Co. KG	Grünwald	30,000	EUR	33,3	EQ
Isargärten Thalkirchen Verwaltungs GmbH	Grünwald	25,000	EUR	33,3	EQ
omniCon Verwaltungs GmbH	Dreieich	100,000	EUR	100	FC
omniCon Gesellschaft für innovatives Bauen mbH	Dreieich	100,000	EUR	100	FC
omniPro Gesellschaft für Projektmanagement mbH	Dreieich	25,000	EUR	100	FC
REC Frankfurt Objekt KG	Frankfurt	50,000	EUR	100	FC
REC Frankfurt Objekt Verwaltungsgesellschaft mbH	Hamburg	25,000	EUR	50	PC
SKYGARDEN Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	50	PC
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC
VIADOR GmbH	Frankfurt	100,000	EUR	70	FC
Vivico Berlin Hallesches Ufer GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 3 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 5 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 6 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 8 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 9 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Schöneberger Ufer Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Schöneberger Ufer GmbH & Co. KG	Frankfurt	2,500,000	EUR	100	FC
Vivico Berlin Schöneberger Ufer Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Unter den Linden Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Unter den Linden GmbH & Co. KG	Frankfurt	2,500	EUR	100	FC
Vivico Berlin Unter den Linden Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Bauphase I GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Bauphase I Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Hotel Vermietungsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Nord 1 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Nord 1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Nord 1 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Nord 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Nord 4 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt TL Hotel Verwaltungs-GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower185 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower185 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Tower185 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower-2-Besitz GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Tower-2-Geschäftsführungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower-2-Hotelbetriebsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower-2-Verwaltungsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC

Company	Domicile	Nominal capital	Currency	Interest held %	Consolidation method [1]
Vivico Köln K1 GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Köln K2 GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Köln K3 GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München HKW - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München Lokhalle Beteiligungs-GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MI 1 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MI 3 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MI 5 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MI 6 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MK 2 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MK 3 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MK 4 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MK 6 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München Perlach Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC

[1] [1] FC = full consolidation, PC = proportional consolidation, EQ = at-equity consolidation

As at 31 December 2008, the CA Immo Group held 61.7 % of the shares in CA Immo International AG, Vienna. Therefore the following subsidiaries, joint ventures and associated companies of CA Immo International AG, Vienna are also included in the Consolidated Financial Statements:

Company	Domicile	Nominal capital	Currency	Interest held %	Consolidation method [1]
CA Immo International Beteiligungsverwaltungs GmbH	Vienna	35,000	EUR	100	FC
CA Immo Investment Management GmbH	Vienna	100,000	EUR	100	FC
CEE Hotel Development Aktiengesellschaft	Vienna	70,000	EUR	50	PC
CEE Hotel Management und Beteiligungs GmbH	Vienna	35,000	EUR	50	PC
H 1 Hotelentwicklungs GmbH	Vienna	35,000	EUR	33,3 [2]	PC
UBM Realitätenentwicklung AG	Vienna	5,450,463	EUR	25	EQ
CA Immo d.o.o.	Belgrade	100,500	EUR	100	FC
Log Center d.o.o.	Belgrade	40,515	RSD	50	PC
TM Immo d.o.o.	Belgrade	367,466,398	RSD	100	FC
BA Business Center a.s.	Bratislava	226,000,000	SKK	100	FC
Starohorska Development s.r.o.	Bratislava	200,000	SKK	50	PC
CA Immo Holding Hungary Kft.	Budapest	13,000,000	HUF	100	FC
Canada Square Kft.	Budapest	113,500,000	HUF	100	FC
Casa Property Kft.	Budapest	51,310,000	HUF	100	FC
CSB VagyonkezelőKft.	Budapest	12,500,000	HUF	100	FC
Kapas Center Kft.	Budapest	772,560,000	HUF	100	FC
Kilb Kft.	Budapest	30,000,000	HUF	100	FC
R 70 Invest Budapest Kft.	Budapest	5,250,000	HUF	100	FC
Skogs Buda Business Center II. Kft.	Budapest	327,100,000	HUF	100	FC
Skogs Hungary Kft.	Budapest	327,000,000	HUF	100	FC
Váci 76 Kft.	Budapest	3,000,000	HUF	100	FC
CA Immobilien S.R.L.	Bucharest	947,100	RON	100	FC
Opera Center One S.R.L.	Bucharest	2,531,150	RON	100	FC
Opera Center Two S.R.L.	Bucharest	4,700,400	RON	100	FC
S.C. BBP Leasing S.R.L.	Bucharest	14,637,711	RON	100	FC
Astrakhan Hotelinvest B.V.	Hoofddorp	25,000	EUR	50	PC

Company	Domicile	Nominal capital	Currency	Interest held %	Consolidation method [1]
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	FC
CEE Development B.V.	Hoofddorp	25,000	EUR	50	PC
CA Immobilien Anlagen d.o.o.	Ljubljana	50,199	EUR	100	FC
CA Immo NEW EUROPE PROPERTY FUND S.C.A. SICAR	Luxemburg	114,530,000	EUR	60	FC
CA Immo S.á.r.l.	Luxemburg	33,000	EUR	100	FC
OOO BBM	Moscow	10,000	RUB	50	PC
OOO Business Center Maslovka	Moscow	23,500,000	RUB	50	PC
Larico Limited	Nicosia	1,438	EUR	50	PC
Triastron Investments Limited	Nicosia	1,737	EUR	50	PC
2P s.r.o.	Pilsen	240,000	CZK	100	FC
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	FC
FCL Property a.s.	Prague	2,000,000	CZK	100	FC
Officecenter Mladost EOOD	Sofia	5,000	BGN	100	FC
Officecenter Mladost 2 EOOD	Sofia	5,000	BGN	100	FC
Soravia Center OÜ	Tallinn	100,000	EEK	40	EQ
CA Betriebsobjekte Polska Sp. z.o.o.	Warsaw	50,000	PLN	50	PC
Doratus Sp. z.o.o.	Warsaw	2,000,000	PLN	100	FC
Mahler Property Services Sp. z.o.o.	Warsaw	50,000	PLN	50	PC
Warsaw Financial Center Sp. z.o.o.	Warsaw	100,634,600	PLN	50	PC
CA Immo Projekt d.o.o.	Zagreb	11,800,000	HRK	100	FC

[1] FC = full consolidation, PC = proportional consolidation, EQ = At Equity consolidation

[2] The 66.7 % interest held in CEE Hotel Management und Beteiligungs GmbH, a 50 % proportion of which is shown in the Consolidated Financial Statements of CA Immo International

As at 31 December 2008, CA Immo International AG for its part held 60 % of the shares in CA Immo NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxemburg. Therefore the following subsidiaries, joint ventures and associated companies of CA Immo NEW EUROPE PROPERTY FUND S.C.A SICAR, Luxemburg are also included in the Consolidated Financial Statements:

Company	Domicile	Nominal capital	Currency	Interest held %	Consolidation method [1]
CA Immo Office Park d.o.o.	Belgrade	500	EUR	100	FC
CA Immo Sava City d.o.o.	Belgrade	6,100,000	EUR	100	FC
TC Investments Arad SRL	Bucharest	4,018,560	RON	95.9	FC
TC Investments Turda SRL	Bucharest	200	RON	70	FC
Pannonia Shopping Center Kft.	Györ	380,000,000	HUF	50	PC
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC
Pulkovo B.V.	Hoofddorp	25,000	EUR	100	FC
CAINE S.á.r.l.	Luxemburg	12,500	EUR	100	FC
OOO BB Invest	Moscow	10,000	RUB	50	PC
OOO BBV	Moscow	7,987,787	RUB	31.8 [2]	PC
Tavero Enterprises Limited	Nicosia	1,710	EUR	50	PC
Kornelco Holdings Limited	Nicosia	1,741	EUR	50	PC
K&K Investments SRL	Sibiu	15,000	RON	90	FC
OAO Avielen AG	St. Petersburg	370,000,000	RUB	25	EQ
Poleczki Business Park Sp. z.o.o.	Warsaw	3,936,000	PLN	50	PC

[1] FC = full consolidation, PC = proportional consolidation, EQ = At Equity consolidation

[2] The 63.5 % interest held in OOO BB Invest, Moscow, a 50 % proportion of which is shown in the Consolidated Financial Statements of CA Immo New Europe Property Fund S.C.A. SICAR

The number of consolidated companies developed as follows in the business year 2008:

	Full consolidation	Proportional consolidation	At equity
As at 1 January 2008	**76**	**11**	**3**
Acquisition of the Vivico Group, January 2008	41	6	2
Other acquisitions and establishments	16	9	0
Sales	–3	0	0
Disposals as a result of reorganisation	–1	0	0
As at 31 December 2008	**129**	**26**	**5**
of which foreign companies	108	23	4

In the business year 2008, the CA Immo Group acquired the following companies:

Company name/domicile	**Interest held [1)]**	**Purchase price**	**Date of acquisition**
	%	€ 1,000	
Vivico Real Estate GmbH, Frankfurt	99.7 %	1,036,013.40	01.01.2008
- Boulevard Süd 4 GmbH & Co. KG, Ulm	50 %	-	01.01.2008
- Boulevard Süd 4 Verwaltungs-GmbH, Ulm	50 %	-	01.01.2008
- Dorotheenhöfe - Grundstücks GmbH & Co. KG, Berlin	100 %	-	01.01.2008
- Dorotheenhöfe Grundstücksverwaltungs-GmbH, Frankfurt	100 %	-	01.01.2008
- Isargärten Thalkirchen GmbH & Co. KG, Grünwald	33.3 %	-	01.01.2008
- Isargärten Thalkirchen Verwaltungs GmbH, Grünwald	33.3 %	-	01.01.2008
- REC Frankfurt Objekt KG, Frankfurt	100 %	-	01.01.2008
- REC Frankfurt Objekt Verwaltungsgesellschaft mbH, Hamburg	50 %	-	01.01.2008
- SKYGARDEN Arnulfpark GmbH & Co. KG, Grünwald	50 %	-	01.01.2008
- SKYGARDEN Arnulfpark Verwaltungs GmbH, Grünwald	50 %	-	01.01.2008
- VIADOR GmbH, Frankfurt	70 %	-	01.01.2008
- Vivico Berlin Hallesches Ufer GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Lehrter Stadtquartier Verwaltungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Lehrter Stadtquartier 3 GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Lehrter Stadtquartier 4 GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Lehrter Stadtquartier 5 GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Lehrter Stadtquartier 6 GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Lehrter Stadtquartier 7 GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Lehrter Stadtquartier 8 GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Lehrter Stadtquartier 9 GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Schöneberger Ufer Beteiligungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Schöneberger Ufer GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Schöneberger Ufer Verwaltungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Unter den Linden Beteiligungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Unter den Linden GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Berlin Unter den Linden Verwaltungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Frankfurt Bauphase I GmbH & Co. KG, Frankfurt	100 %	-	01.01.2008
- Vivico Frankfurt Bauphase I Verwaltungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Frankfurt Hotel Vermietungsgesellschaft mbH, Frankfurt	100 %	-	01.01.2008

Company name/domicile	Interest held [1] %	Purchase price € 1,000	Date of acquisition
- Vivico Frankfurt Nord 1 Beteiligungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Frankfurt TL Hotel Verwaltungs-GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Frankfurt TL Hotel GmbH & Co. KG	100 %	-	01.01.2008
- Vivico Frankfurt Tower185 Beteiligungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Frankfurt Tower-2-Hotelbetriebsgesellschaft , Frankfurt mbH	100 %	-	01.01.2008
- Vivico Köln K1 GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Köln K2 GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico Köln K3 GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München HKW - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München MI 1 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München MI 3 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München MI 5 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München MI 6 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München MK 2 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München MK 3 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München MK 4 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München MK 6 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Vivico München Perlach Grundstücksverwertungs GmbH, Frankfurt	100 %	-	01.01.2008
- Einkaufszentrum Erlenmatt AG, Basel	50 %	-	01.01.2008
Vivico Frankfurt Nord 4 Verwaltungs GmbH, Frankfurt	100 %	27.5	01.01.2008
TM Immo d.o.o., Belgrade	100 %	27,802.5	31.01.2008
Vivico Frankfurt Tower-2-Geschäftsführungs GmbH, Frankfurt	100 %	27.5	01.03.2008
Vivico Frankfurt Tower-2-Verwaltungsgesellschaft mbH, Frankfurt	100 %	27.5	01.03.2008
Vivico Frankfurt Tower185 Verwaltungs GmbH, Frankfurt	100 %	27.5	01.03.2008
Vivico Frankfurt Nord 1 Verwaltungs GmbH, Frankfurt	100 %	27.5	15.04.2008
Tavero Enterprises Limited, Nicosia [2]	50 %	0.9	30.04.2008
- Kornelco Holdings Limited, Nicosia	50 %	-	30.04.2008
- OOO BB Invest, Moskow	50 %	-	30.04.2008
- OOO BBV, Moskow	31.8 %	-	30.04.2008
CEREP Allermöhe GmbH, Hamburg	99.7%	36,044.5	30.06.2008
omniCon Verwaltungs GmbH, Dreieich [3]	100 %	1,052.1	01.07.2008
- omniCon Gesellschaft für Innovatives Bauen mbH, Dreieich	100 %	-	01.07.2008
- omniPro Gesellschaft für Projektmanagement mbH, Dreieich	100 %	-	01.07.2008
2P s.r.o., Pilsen	100 %	5,795.0	31.07.2008
Pannonia Shopping Center Kft., Györ	50 %	1,578.0	31.08.2008
Log Center d.o.o., Belgrade	50 %	25.9	16.09.2008
Starohorska Development s.r.o., Bratislava	50 %	120.2	15.10.2008
Vivico München Lokhalle Beteiligungs-GmbH, Frankfurt	100 %	27.5	20.10.2008

[1] The percentage interests shown relate to the valuations of interests in the relevant subgroup.

[2] Tavero Enterprises Limited holds direct and indirect interests in Kornelco Holdings Limited, OOO BB Invest and OOO BBV.

[3] OmniCon Verwaltungs GmbH holds direct interests in omniCon Gesellschaft für Innovatives Bauen mbH and omniPro Gesellschaft für Projektmanagement.

In the business year 2008, the CA Immo Group acquired 99.7 % of the shares in Vivico Real Estate GmbH, Frankfurt at Main, which acquired 100 % of the shares in the German developer omniCon during the business year amongst others. As at 31 December 2008, Vivico Real Estate GmbH, Frankfurt held interests in a total of 27 property development companies, 9 property companies, 2 service companies and 22 intermediate holding companies.

Two of the companies acquired in Eastern/South East Europe are property companies, 3 are intermediate holding companies and 4 are property development companies. The CA Immo Group also acquired a property company in Germany.

The results of the acquired companies are included in the Consolidated Financial Statements from the relevant date of acquisition. The acquisitions were carried in the Consolidated Financial Statements according to the purchase method detailed under 1.4.

The purchase price for the shares in Vivico Real Estate GmbH, Frankfurt was fixed at € 1,033,000.0K (excl. auxiliary costs) and was fully paid in with € 1,025,000.0K being paid on 15 January 2008 and € 8,000.0K on 13 October 2008. The purchase price for the other companies amounted to a further € 72,584.1K which was paid up to € 9,842.9K. The first-time consolidation of the newly acquired companies was carried out at the relevant date of acquisition.

RTW Sp. z.o.o., Warsaw was sold using 1 January 2008 as the value date. The selling price was € 19,636.0K and up to € 530.6K was paid. Hotel Management d.o.o., Ljubljana (with 1 April 2008 as the value date) was also sold at a selling price of € 175.0K along with OOO "Start-T", Togliatti (with 1 October 2008 as the value date) which was sold at a selling price of € 0.3K.

The acquisition and sale of these companies has had the following effect on the composition of the Consolidated Financial Statements (values at the time of acquisition or sale):

€ 1,000	Vivico Group	Other Acquisitions	Sales	Total
Property assets	1,107,533.8	224,383.9	−54,830.0	1,277,087.7
Properties intended for trading	222,671.3	6,326.2	0.0	229,015.5
Intangible assets	31,275.3	0.0	0.0	31,275.3
Office furniture and equipment	2,352.6	17.0	−166.5	2,203.1
Other assets	51,417.8	5,679.8	−1,121.1	55,958.6
Cash and cash equivalents	169,452.5	5,083.6	−2,286.5	172,249.6
Deferred taxes	−140,108.9	−3,108.0	2,664.6	−140,552.3
Provisions	−52,195.3	−1,544.9	10.5	−53,729.7
Financial liabilities	−201,829.3	−135,338.3	20,867.7	−316,299.9
Minority interests	−425.4	−6,570.0	0.0	−6,995.4
Receivables/payables in respect of related companies	0.0	−13,128.4	17,659.5	4,531.1
Other liabilities	−150,305.8	−10,333.2	4,343.8	−156,295.2
Net assets	**1,039,838.6**	**71,467.8**	**−12,858.1**	**1,098,448.4**

For 2008, the gross revenues of the acquired companies amounted to € 141,739.1K from the date of acquisition (since 1 January 2008 € 145,501.2K) while income before taxes amounted to € –64,897.5K (since 1 January 2008 € –62,581.0K). The acquired companies are included in the consolidated balance sheet as at 31 December 2008 as assets of € 1,690,255.7K and liabilities of € 797,132.4K.

In addition, the following companies were established and consolidated for the first time in the business year 2008:
- Astrakhan Hotelinvest B.V., Hoofddorp (holding company)
- CEE Development B.V., Hoofddorp (holding company)
- Vivico Frankfurt Nord 1 Projekt GmbH & Co. KG, Frankfurt (project company)
- Vivico Frankfurt Nord 4 GmbH & Co. KG, Frankfurt (project company)
- Vivico Frankfurt Tower-2-Besitz GmbH & Co. KG, Frankfurt (project company)
- Vivico Frankfurt Tower185 Projekt GmbH & Co. KG, Frankfurt (project company)

Capital contributions to the established companies totalled € 50.0K.
The companies:

- CA Betriebsobjekte Polska Sp. z.o.o., Warsaw,
- CEE Hotel Development AG, Vienna,
- CEE Hotel Management und Beteiligungs GmbH, Vienna,
- H1 Hotelentwicklungs GmbH, Vienna,
- Larico Limited, Nicosia,
- Mahler Property Services Sp. z.o.o., Warsaw,
- OOO Business Center Maslovka, Moscow,
- OOO BBM, Moscow,
- Poleczki Business Park Sp. z.o.o., Warsaw,
- Triastron Investments Limited, Nicosia,
- Warsaw Financial Center Sp. z.o.o., Warsaw,
- Boulevard Süd 4 GmbH & Co. KG, Ulm (since 1 January 2008),
- Boulevard Süd 4 Verwaltungs-GmbH, Ulm (since 1 January 2008),
- Einkaufszentrum Erlenmatt AG, Basle (since 1 January 2008),
- REC Frankfurt Objekt Verwaltungsgesellschaft mbH, Hamburg (since 1 January 2008),
- SKYGARDEN Arnulfpark GmbH & Co. KG, Grünwald (since 1 January 2008),
- SKYGARDEN Arnulfpark Verwaltungs GmbH, Grünwald (since 1 January 2008),
- CEE Development B.V., Hoofddorp (since 12 March 2008),
- Kornelco Holdings Limited, Nicosia (since 30 April 2008),
- OOO BB Invest, Moscow (since 30 April 2008),
- OOO BBV, Moscow (since 30 April 2008),
- Tavero Enterprises Limited, Nicosia (since 30 April 2008),
- Astrakhan Hotelinvest B.V., Hoofddorp (since 13 June 2008),
- Pannonia Shopping Center Kft., Györ (since 31 August 2008),
- Log Center d.o.o., Belgrade (since 16 September 2008),
- Starohorska Development s.r.o., Bratislava (since 15 October 2008),

were included in the Consolidated Financial Statements by means of proportional consolidation with the following proportional values (50 % each) in total:

€ 1,000	**31.12.2008**	**31.12.2007**
Long-term assets	161,807.2	123,522.1
Short-term assets	11,008.5	7,056.0
Long-term liabilities	95,397.4	57,982.7
Short-term liabilities	17,504.3	3,832.6
Gross revenues	7,603.2	7,920.6
Revaluation result according to IAS 40	10,039.0	17,546.6
Depreciation and amortisation	−29,895.3	−366.0
Other expenses	−19,399.2	−16,042.0
Other income	634.0	2,369.0

Regarding the companies that are included in the consolidated financial statements at-equity, which are:

- OAO Avielen AG, St. Petersburg
- Soravia Center OÜ, Tallinn
- UBM Realitätenentwicklung AG, Vienna
- Isargärten Thalkirchen GmbH & Co. KG, Grünwald (since 1 January 2008)

- Isargärten Thalkirchen Verwaltungs GmbH, Grünwald (since 1 January 2008)
the following information regarding assets, liabilities, revenues and result is available:

€ 1,000	**31.12.2008**	**31.12.2007**
Long-term assets	413,964.2	331,818.1
Short-term assets	156,398.2	150,041.1
Long-term liabilities	296,156.6	171,104.2
Short-term liabilities	152,906.4	207,025.4
Gross revenues	87,858.7	77,536.7
Net income for the period	7,627.6	1,763.3

1.4. Consolidation methods

The first-time consolidation of a newly acquired subsidiary in the Consolidated Financial Statements is undertaken in accordance with the purchase method by allocating the acquisition costs to the revalued assets (especially properties) and liabilities of the subsidiary.

All group-internal transactions between companies included in the Consolidated Financial Statements by means of full and proportional consolidation and the relevant income and expenses, receivables and payables as well as inter-company gains and losses were eliminated.

If a definitive influence can be exerted on the business and financial policy of companies (associated companies), these companies are carried at equity and the proportional annual surplus/loss of the company is entered under the book value of the shares. The value of any dividends is proportionally reduced.

1.5. Foreign currency translation

Business operations in foreign currency

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

Translation of individual financial statements denominated in foreign currency

The Group currency is the euro (EUR).

Since the euro is also the functional currency of the companies located outside the European Monetary Union in Eastern/South East Europe and included in the Consolidated Financial Statements, the financial statements prepared in foreign currency are translated in accordance with the re-measurement method. Under this method, investment property as well as monetary assets and liabilities are translated at closing rates whereas non-monetary assets are translated at historical exchange rates. Items from the income statements are translated at the average exchange rates of the relevant reporting period. Any gains and losses resulting from foreign currency translation are recognised in the income statement.

The functional currency of the subsidiary in Switzerland is the Swiss franc as the company is an economically independent unit within the context of IAS 21. Balance sheet values are translated at the valid closing rates. Only the shareholders' equity is translated at historical exchange rates. Items from the income statements are translated at the average exchange rates of the relevant reporting period. Any gains and losses resulting from the application of the closing rate method are not recognised in the income statement and are reported under shareholders' equity in the reserve from foreign currency translation.

The foreign currency translation was based on the following rates of exchange:

	Croatia HRK	Hungary HUF	Slovakia SKK	Czech Rep. CZK	Poland PLN	Romania RON	Bulgaria BGN	Cyprus [1] CYP
Closing rate 31.12.2008	7.3990	265.5500	30.1260	26.5000	4.1880	4.0300	1.9550	–
Average exchange rate 2008	7.2300	251.1000	31.1743	24.9875	3.5355	3.7075	1.9528	–
Closing rate 31.12.2007	7.3400	253.2500	33.6500	26.6150	3.5950	3.5900	1.9500	0.5853
Average exchange rate 2007	7.3440	251.9083	33.8375	27.7879	3.7773	3.3493	1.9563	0.5572

	Russia RUB	Serbien RSD	Switzerland CHF	CHF Selling	CHF Buying	USD Selling	USD Buying
Closing rate 31.12.2008	41.4500	89.3000	1.4932	1.4996	1.4868	1.4140	1.4040
Average exchange rate 2008	36.7831	81.7625	1.5810				
Closing rate 31.12.2007	35.9000	79.8000	–	1.6649	1.6521	1.4780	1.4680
Average exchange rate 2007	35.1147	79.9000	–				

[1] Introduction of Euro as at 1 January 2008

1.6. Accounting and valuation principles

Application of new accounting and valuation methods

All compulsory amendments to existing IASs and IFRSs and IFRIC and SIC interpretations as well as all new IFRSs and IFRICs to be applied in the European Union (EU) as at 31 December 2008 were taken into account in the preparation of the Consolidated Financial Statements. In the business year 2008, the following standards were applied for the first time: IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions), IFRIC 14 (IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) and IAS 39/IFRS 7 (Amendment to IAS 39 and IFRS 7).

Amendments to existing, or new, standards and interpretations which were issued prior to 31 December 2008 for application within the EU but have not yet become effective, were not applied earlier on a voluntary basis. Such amendments apply to the following as at 31 December 2008: all amendments made to IFRS standards in 2008, IFRS 1/IAS 27 (Amendments to Cost of an Investment in a Subsidiary), IFRS 2 (Amendment Vesting Conditions and Cancellations), IFRS 8 (Operating Segments), IAS 1 (Amendment to Presentation of Financial Statements), IAS 23 (Amendment to Borrowing Costs), IAS 32/IAS 1 (Amendments to Puttable FI and Obligations Arising on Liquidation) and IFRIC 13 (Customer Loyalty Programmes).

Other standards which have however not yet been adopted by the EU as at 31 December 2008 include the following: IFRS 1 (Revised IFRS 1 First Time Adoption of IFRS), IFRS 3 (Business Combinations), IAS 27 (Consolidated and Separate Financial Statements), IAS 39 (Amendment Eligible hedged items), IAS 39/IFRS 7 (Amendment Reclassification of Financial Assets: Effective Date and Transition), IFRIC 12 (Service Concession Arrangements), IFRIC 15 (Agreements for the Construction of Real Estate), IFRIC 16 (Hedges of a Net Investment in a Foreign Operation) and IFRIC 17 (Distributions of Non-cash Assets to Owners).

Owing to the revision of IAS 40, projects which at present are still assessed at net acquisition and production costs will in future be valued at fair value.

Apart from that, the amendments listed are unlikely to have any material consequences on the presentation of the Group’s asset, financial and earnings position.

Change of accounting and valuation principles for the preceding period

In accordance with IAS 8, a retrospective adjustment was made during the second half of 2007 on account of the change of accounting method, based on the statement by the Austrian Financial Reporting and Auditing Committee (AFRAC) published on 18 September 2007. As already presented in the Consolidated Financial Statements as at 31 December 2007, in the opening balance sheet as at 1 January 2006, a deferred tax in the amount of € 8,989.9K was written off and the retained earnings were adjusted accordingly. However, this does not affect the Consolidated Income Statement for 2007 and 2008.

Properties held as financial investments

Properties held as financial investments are carried as financial investments in accordance with the Fair Value method specified as an option under IAS 40. Thus the property asset is carried at the fair value as at the balance sheet date. Changes to the current book value before revaluation (fair value from the previous year plus subsequent/additional acquisition costs minus subsequent reductions in the acquisition price) are recognised in the income statement in the revaluation result. For further details, see under point 2.2.1.

Properties under development, properties own used and other tangible assets

Properties under development, properties own used and other tangible assets are valued in accordance with the acquisition cost method, i. e. at acquisition or production costs less regular depreciation and value impairment costs. Investment grants are recognised as reductions of acquisition costs if a binding agreement exists. Financing costs in the construction of properties are capitalised at acquisition and production costs if the financing can be attributed directly to the property. In the case of projects, in the business year 2008, total financing costs in the amount of € 4,434.8K (weighted average interest rate of 4.80 %) were capitalised while in the business year 2007, total financing costs in the amount of € 422.9K (weighted average interest rate of 6.98 %) were capitalised.

Regular depreciation of other tangible assets is done on a straight-line basis over their estimated useful lives of 5 to 10 years or, in the case of properties for own use, 10 to 75 years using the component approach.

As office furniture and equipment was included in the valuation reports for properties let, the book values as at 31 December 2008 were reclassified at a value of € 3,528.1K as property assets.

Intangible assets

Intangible assets are carried in the balance sheet at acquisition cost less straight-line amortisation and value impairment costs. For the amortisation of computer software, a useful life of 3 to 5 years was assumed.

The balance sheet item "Other intangible assets" is the difference between the distribution of acquisition costs over the relevant fair values of the properties acquired and the relevant deferred tax liabilities not discounted in accordance with IAS 12. It represents the benefit resulting from the subsequent maturity of the deferred tax liabilities and is carried in the tax expense subject to maturity.

Financial assets

Securities held as short-term assets are subject to common management and are assigned to the category "At fair value through profit and loss" as the portfolio is taxed on the basis of its relevant fair value. Securities from long-term and short-term assets are valued at fair value at the time of purchase and are recognised as income in subsequent periods at the relevant fair values resulting from the relevant stock market quotations. The result of the market valuation is recognised in the income statement under the result from financial investments. Purchases and sales are recognised at the trading date.

Loans granted by the company and pre-payments in respect of investments in properties (held-to-maturity) are carried at amortised cost.

Stakes in associated companies are valued at equity. Changes in the equity capital of associated companies recognised in the income statement are taken into account in the income statement under income from associated companies.

Changes in the equity capital not recognised in the income statement are included in the reserve for associated companies.

Properties intended for trading

Properties intended for trading as part of the ordinary course of business and properties under development or construction for the purpose of such a sale are recognised as stock in accordance with IAS 2.

In contrast to the classification of property assets in accordance with IAS 40, properties are shown as being intended for trading if the relevant property is intended to be sold during the ordinary course of business or is being constructed with a view to selling it at a later date during the ordinary course of business.

The properties are first valued at acquisition or production cost. Thereafter they are valued at the lower of acquisition or production cost and net realisable value as of the relevant balance sheet date.

The net sale value is the estimated sales revenue attainable in the normal course of business less the estimated costs to completion and the estimated necessary selling costs.

The need to write stocks down to the net realisable value is examined separately for each individual property. The net realisable value of the properties classified as stock is estimated based on market value reports and internal valuations.

If the conditions that previously caused write-downs to the net selling price no longer exist due to changes in circumstances, then the write-down is reversed up to the historic acquisition and production cost as a maximum. In the business year 2008, no reversal of write-downs was carried out. See 2.2.1. for explanatory notes.

Financing costs in the construction of properties intended for trading too are capitalised at acquisition and production costs if the financing can be attributed directly to the property. In the case of properties intended for trading, in the business year 2008, total financing costs in the amount of € 178.5K (weighted average interest rate 3.96 %) were capitalised (2007: € 0.0K).

Impairment losses (value impairments)

If signs of a value impairment are evident, the CA Immo Group determines the recoverable amount for properties under development, other tangible assets and intangible assets. The recoverable amount is the higher of the fair value less the cost of selling (net selling price) and the value in use.

The fair value is equivalent to the proceeds attainable through the sale of an asset in a single transaction under market conditions between competent, willing and mutually independent parties.

The value in use is the cash 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 the recoverable amount is lower than the carrying value of the asset, the asset is written down to this value.

The calculated impairment loss is recognised in the income statement. In the business year 2008, an impairment loss on long-term assets in the amount of € 93,023.3K (2007: € 2,383.3K) was recognised. For details, see sub-section 2.2.1. and 2.1.7. A write-down of € 14,446.0K (2007: € 0.0K) was carried out for properties intended for trading.

If at a later date a value impairment ceases to exist, the impairment loss which is recognised in the income statement is reversed up to the carrying amount of the amortised original acquisition or production cost as a maximum. In the business year 2008, no impairment losses were reversed for either the long-term or the short-term property assets (2007: € 0.0K).

Receivables and other assets

Receivables and other assets are stated at amortised acquisition cost. Recognisable individual risks are considered by means of appropriate value adjustments.

Order completion

Contracts for the provision of services directly connected with the completion of an asset are carried in accordance with IAS 11 and – if requirements apply – under trade debtors.

Within the context of the profit realisation method to be used ("percentage of completion method"), order income and order costs in connection with order completion are recognised according to the progress of performance as at the balance sheet date. Losses expected in connection with the completion order are included immediately as expenditure.

The accrued costs of order completion for projects in progress as of the balance sheet date stand at € 1,137.7K. The accrued costs of order completion are counteracted by down payments received of € 1,137.7K. Profits entered according to work performed amount to € 18.9K. There are no retentions.

Cash and cash equivalents
Cash and cash equivalents include cash, sight deposits with banks as well as investments with banks with a term of up to three months at the time of investment.

Payment obligations to employees
In accordance with legal requirements, CA Immo AG is obliged to pay employees taken on in Austria before 1 January 2003 a one-off severance payment in the event of termination or on reaching retirement age. This will depend on the number of years of service and the definitive salary in respect of severance and will be between two and twelve months' salary. A provision has been made to cover this obligation. The reserve carried is calculated in the same way as it was calculated last year in accordance with IAS 19 using the Projected Unit Credit method based on an interest rate of 5.75 % (2007: 5.25 %), salary increases of 2.0 % expected in the future, 2.0 % inflation expected and an accumulation period of 25 years. All actuarial gains and losses are recognised in the income statement in the year they occur.

The CA Immo Group has the legal obligation to pay 1.53 % of the monthly salary of all domestic staff employed after 31 December 2002 into a staff provision fund. There are no other obligations. This scheme is a defined contribution plan. In 2008, an amount of € 75.0K (2007: € 54.0K) was paid in and recognised immediately in the income statement.

Based on an agreement with a pension fund in Austria and with a support fund for medium-sized companies in Germany, there is a defined contribution pension obligation in respect of employees in Austria and Germany who have worked a certain number of years of service. In the year under report, an amount of € 235.5K (2007: € 151.2K) was paid in and recognised in the income statement.

In addition, the managing directors of Vivico Real Estate GmbH of Frankfurt are entitled to defined pension commitments reinsured with insurance agreements. The cash value of the commitment is determined using the projected unit credit method. In view of the full financing with plan assets, no balance sheet entry is made where IAS 19 is applied, i.e. the balance sheet entry for this defined pension scheme is the same as the entry for a defined contribution plan. Since a single premium was paid in 2006, no pension plan reinsurance payments were made in business year 2008.

Other provisions
Other provisions are stated if the CA Immo Group has legal or actual payment obligations towards third parties due to a past event and if this obligation is likely to lead to an outflow of funds. Such provisions are stated at the value which can be determined through the best possible estimate at the time of preparation of this Annual Report. If a reasonable estimate of the amount is not possible, a provision is not set up and an explanation of the facts must be given in the Notes. If the cash value of the provisions determined on the basis of prevailing market interest rates differs substantially from the nominal value, the cash value of the obligation is stated.

Taxes
The income tax expense reported for the business year contains the income tax of the individual subsidiaries calculated from their taxable income, the tax rate applicable in the relevant country ("current tax"), the change in deferred taxes recognised in the income statement as well as tax expenses resulting from equity capital postings not recognised in the income statement (e.g. taxes concerning issuing costs of capital increases and the valuation of own shares) and the amortisation of the item "Other intangible assets" (cf. sub-section 2.2.2.).

In accordance with IAS 12, all temporary differences between tax accounts and Consolidated Balance Sheet are considered in the calculation of deferred taxes. Deferred taxes on losses carried forward are capitalised to the extent that such losses carried forward are likely to be netted against future tax profits within the next 5 to 7 years.

For the calculation of deferred taxes, the tax rates expected to apply at the time of reversing the temporary difference are used. The calculation of deferred taxes was based on the following tax rates: Austria 25 % (2007: 25 %), Bulgaria 10 % (2007: 10 %), Germany 15.825 % to 31.925 % (2007: 15.825 %), Croatia 20 % (2007: 20 %), Luxemburg 29.63 % (2007: 29.63 %), the Netherlands 20 % (2007: 20 % to 25.5 %), Poland 19 % (2007: 19 %), Romania 16 % (2007: 16 %), Russia 24 % (2007: 24 %), Serbia 10 % (2007: 10 %), Slovakia 19 % (2007: 19 %), Slovenia 20 % (2007: 20 %), the Czech Republic 19 % (2007: 19 %), Hungary 16 % (2007: 16 %), Cyprus 10 % (2007: 10 %) and Switzerland 29.92 %.

The following applies to property:

Tax on profits is basically payable in respect of property in Austria, Germany and Switzerland on both the rental income from the relevant property and profits from the sale of the property (as an individual asset or if the property company is sold). Therefore deferred taxes are carried in full for these properties.

Deferred taxes relating to the properties of companies in Eastern/South East Europe are only carried to the extent of the tax expenses associated with the letting and sale of these properties. While tax on profits is basically payable on the rental income from foreign properties in the relevant country, profits from the sale of stakes in foreign companies are exempt from corporation tax if certain requirements are met. It is the intention of the CA Immo Group to meet these requirements. Therefore with regard to properties in Eastern/South East Europe, the extent of the deferred taxes carried is oriented towards the average period of time during which the properties are expected to be held and also the ratio between taxable and tax-exempt refluxes from investments in properties. The expected value is brought up-to-date at each balance- sheet date. Up to 31 December 2005, this tax expense was classified as insignificant and so only low tax deferrals were made for this. In the business year 2006, the provision for deferred tax liabilities was adjusted in line with the current estimated period of time for holding properties in view of the increasing number of properties and the continued increase in fair values. In the business year 2008, another review took place and the estimated period of time for holding properties was adjusted accordingly which gave rise to a provision for income taxes in respect of property transactions in Eastern/South East Europe in the amount of € 36,923.3K.

As at 31 December 2008, the deferred tax liabilities relating to properties located in Austria and abroad (held long-term and intended for trading) amount to € 203,744.5K (31 December 2007: € 106,872.3K).

In the business year 2005, a group and tax compensation agreement was concluded in Austria for the formation of a group of companies within the meaning of Section 9 of the Austrian Corporation Tax Act (KStG) with effectiveness from the business year 2005. In the business year 2007, an agreement on amendments and supplements to the group and tax compensation agreement was concluded between CA Immobilien Anlagen Aktiengesellschaft and CA Immo International AG as well as CA Immo Investment Management GmbH. The head of the group is CA Immobilien Anlagen Aktiengesellschaft, Vienna. The following companies are members of the group in 2008:

- CA Immo Anlagen Beteiligungs GmbH, Vienna
- CA Immo International AG, Vienna
- CA Immo International Holding GmbH, Vienna
- CA Immo ProjektentwicklungsgmbH, Vienna
- CA Immo Rennweg 16 GmbH, Vienna
- CA Immo - RI - Residential Property Holding GmbH, Vienna
- MI Immobilienverwertungs-Gesellschaft m.b.H, Vienna
- CA Immo Asset Management GmbH, Vienna (from 2006)
- CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna (from 2006)
- CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna (from 2006)
- CA Immo Investment Management GmbH, Vienna (from 2006)
- SQUARE S Holding GmbH, Vienna (from 2006)
- BIL-S Superädifikatsverwaltungs GmbH, Vienna (from 2007)
- CA Immo International Beteiligungsverwaltungs GmbH, Vienna (from 2007)
- CA Immo Germany Holding GmbH, Vienna (from 2008)
- CA Immo LP GmbH, Vienna (from 2008)
- Parkring 10 Immobilien GmbH, Vienna (from 2008)

The Vivico Group which was consolidated for the first time on 1 January 2008 formed tax groups for corporation tax and trade tax with effect from the business year 2005 in accordance with German law. The parent company is Vivico Real Estate GmbH, Frankfurt. The members of the tax group which concluded profit-pooling contracts with Vivico Real Estate GmbH included the following:

- Vivico Bauphase I VerwaltungsGmbH, Frankfurt
- Vivico TL Hotel Verwaltungs GmbH, Frankfurt
- Vivico Unter den Linden Verwaltungs GmbH, Frankfurt
- Vivico Schöneberger Ufer Verwaltungs GmbH, Frankfurt
- Vivico Unter den Linden Beteiligungs GmbH, Frankfurt
- Vivico Schöneberger Ufer Beteiligungs GmbH, Frankfurt
- Vivico München MK 2 Arnulfpark Grundstücksverwertungs GmbH, Frankfurt
- Vivico München MK 6 Arnulfpark Grundstücksverwertungs GmbH, Frankfurt
- Vivico Köln K1 GmbH, Frankfurt
- Vivico Köln K2 GmbH, Frankfurt
- Vivico Köln K3 GmbH, Frankfurt

Under the profit-pooling contracts, the members of the tax groups are obliged to pay over all their profits (the profit for the financial year before profit-pooling less any loss carried forward from the previous year – subject to the formation or release of reserves) to the parent company. Vivico Real Estate GmbH, Frankfurt is obliged to compensate for any other annual deficits incurred during the term of the contract as long as this is not done by taking amounts put in during the term of the contract from the other appropriated reserves.

Financial liabilities

Financial liabilities are stated at the amount actually received. Any difference between the amount received and the repayment amount is allocated over the term of the financing according to the effective interest rate method and recognised under financing costs.

Trade creditors and other liabilities

Trade creditors and other liabilities are measured at amortised acquisition cost.

Derivative financial instruments

The CA Immo Group uses interest rate caps in order to reduce risks which may result from interest rate hikes. The CA Immo Group also uses interest rate swaps in order to manage the risk of interest rate fluctuations. The Group does not use any financial instruments for trading purposes. Swaps without underlying transactions were noted on the balance sheet key date (see also 2.3.1). Interest rate caps and interest rate swaps are stated in the balance sheet at fair value. This corresponds to the value which the Group would receive or pay upon liquidation of the deal at the balance sheet date.

Realised and unrealised valuation results from derivative financial instruments are recognised in the financial result under the result from derivative transactions unless the financial instruments are cash flow hedges. Valuation results of cash flow hedges are recognised under equity capital with no effect on profit or loss.

Recognition of revenues

Rental income is recognised on the basis of the lease contracts.

With regard to the entry of gross revenues for property transactions, it is obligatory in accordance with IAS 18 to break down contracts into individual services if significantly different services have been agreed within a contract (multi-component activity). A multi-component activity exists if a contract contains a number of complementary but different individual services, e.g. a service-related activity as well as a sales-related activity. The various components of a contract lead to the realisation of separate income if it is possible to separate them in terms of both content and value. In such cases, the contractually agreed purchase price will be broken down into the purchase price for the property and the purchase price for the services still to be provided. The purchase price for the property is recognised according to the criteria for income realisation in connection with sales. Income for services (development services or other services) is realised based on the progress of performance. The share of the purchase price which is attributable to the income not yet realised is shown on the liabilities side under other liabilities (prepayment received) until the time of realisation. If the services are provided in subsequent business years, the prepayment received will be accumulated until the date on which the services are provided.

Income from services (completion orders) is entered – under consideration of IAS 11 – according to the extent of the services provided as at the balance sheet date using the “percentage of completion method” based on the relevant progress of performance. In order to determine the progress of performance of the individual completion order, the ratio between the order costs incurred up to the value date and the estimated total order costs as at the value date is determined.

Financial result

Financing costs comprise interest payable for external funds, expenses similar to interest as well as results from hedging transactions. Interest is deferred over time.

Foreign currency gains/losses which primarily arise in connection with financing and investment are shown separately in the financial result.

Results from derivative transactions include profits and losses from the sale or valuation of interest rate swaps and interest rate caps unless these transactions are cash flow hedges which are recognised under equity capital with no effect on profit or loss.

Results from financial investments include interest, dividends and similar income from the investment of funds and investments in financial assets as well as profits and losses from the sale of securities and the valuation of securities as at the balance sheet date.

The expenses from financial assets refer to the valuation of loans and pre-payments on investments in properties.
The result from investment in associates encompasses the individual results of companies valued at equity.

2. NOTES TO THE CONSOLIDATED INCOME STATEMENT AND TO THE CONSOLIDATED BALANCE SHEET

2.1. Consolidated Income Statement

2.1.1. Gross revenues and segment reporting

The Consolidated Income Statement is structured in line with the recommendation of EPRA (European Public Real Estate Association). The presentation of segments is done in regions and property sectors. The segmentation by region complies with the Group's internal reporting system.

The primary segmentation comprises the regions of Austria, Germany incl. a property in Switzerland and Eastern/ South East Europe.

As a result of the acquisition of the Vivico Group and its main activity in the field of development, segmentation is also carried out by sector. This involves assignment to categories of properties or activities of the management companies. The figures of 2007 were adjusted. The segmentation comprises:

- Income-producing: investment property in accordance with IAS 40 and properties own used
- Development: projects (future investment property in accordance with IAS 40) that are valued at amortised production cost during the development phase in accordance with IAS 16
- Trading: properties intended for trading which are valued as stock in accordance with IAS 2

The rental segment is as follows:

€ 1,000	**2008**	**2007**
Rental		
Rental income	175,283.6	123,276.5
Other turnover	1,258.5	2,897.9
Operating costs passed on to tenants	30,278.5	18,400.0
Gross rental income	**206,820.6**	**144,574.4**
Operating expenses	−37,549.1	−20,918.6
Other expenses directly related to long-term properties	−28,846.9	−14,969.4
Net rental income	**140,424.6**	**108,686.4**
NOI as a % of the gross rental income	68 %	75 %

Other turnover relates to income from the hotel business in Ljubljana which was sold in the second quarter of 2008.

As a result of the acquisition of the Vivico Group in 2008, the segments covering property transactions and order completion were added to gross revenues. In the business year 2008, the result for these two segments is as follows (no comparison figures for 2007 in the CA Immo Group):

€ 1,000	2008
Trading	
Sales revenue	88,269.2
Book value of properties intended for trading	−69,768.8
Changes in inventory and other development costs	227.1
Result from property transactions	**18,727.5**
NOI as a % of sales revenue	21 %
Order completion	
Gross revenue from orders completed	3,700.4
Changes in stock and material costs	−2,665.9
Result from order completion	**1,034.5**
NOI as a % of completion revenue	28 %

The result from property trading is attributable to current sales and the results from subsequent revenues realised (multi-component approach) for trading properties with a transfer of benefits and burdens for properties sold in previous years (no comparison figures for 2007 in the CA Immo Group).

€ 1,000	2008
Result from sales in the current business year	16,481.5
Revenue from the multi-component approach	1,938.8
Profit from surveying	80.2
Changes in inventory and other development costs	227.1
Net trading result	**18,727.6**

2.1.2. Operating costs and other expenses directly related to long-term properties

The expenses listed here are expenses in connection with long-term properties.

€ 1,000	2008	2007
Operating costs passed on to tenants	27,959.5	18,197.1
Own operating costs (vacancy costs)	9,589.6	2,721.5
Operating costs	**37,549.1**	**20,918.6**
Maintenance costs	14,823.8	9,358.3
Agency fees	4,575.5	744.0
Project development and project execution	2,794.9	0.0
Administrative fees	2,099.7	727.4
Bad debt expenses and valuation adjustments	1,724.8	2,156.6
Property tax	670.9	427.5
Insurance fees	490.4	508.9
Claims	449.4	202.2
Other directly related expenses	1,217.5	844.5
Other expenses directly related to long-term properties	**28,846.9**	**14,969.4**
Total	**66,396.0**	**35,888.0**

Own operating costs have risen, mainly due to the acquisition of the Vivico Group and also the increased number of properties which is mainly because of the strategic vacancy during projects.

Maintenance costs mainly relate to current expenditure in the amount of € 5,217.6K for the "Hesse portfolio" in Germany and in the amount of € 5,104.6K for the Vivico Group.

The expenses relating to project development and project implementation relate to non-capitalised expenditure for properties under development.

Agency fees mainly relate to the forward purchase sale of a property under development, the hand-over of which is planned for 2011.

Bad debt expenses and valuation adjustments are mainly due to receivables value adjustments in respect of tenants in Germany.

2.1.3. Result from the sale of long-term properties

This item contains the result from sales of long-term properties held and let and projects under development.

€ 1,000	**2008**	**2007**
Result from the sale of investment properties	10,715.2	5,722.5
Result from the sale of projects	1,022.7	0.0
Result from the sale of long-term properties	**11,737.9**	**5,722.5**

The result from the sale of investment property relates to the sale of the Hotel Mövenpick in Frankfurt, other properties in Austria and the sale of the company RTW Sp. z o.o., Warsaw (2007: sale of properties in Austria and sale of shares in Delta Park a.s., Prague). The result from the sale of projects encompasses the sale of projects in Germany and the rescinding of 2 projects in Austria.

2.1.4. Administrative expenses

€ 1,000	**2008**	**2007**
Internal management		
Staff expenses (excl. staff expenses at hotel in Ljubljana)	22,510.4	7,721.6
Office rent	2,200.4	326.9
Administrative and management fees	1,601.8	1,326.0
Travel expenses and transportation costs	1,360.4	661.4
Office expenses and other leasing costs	570.0	73.1
Telephone fees	569.5	152.9
Vehicle costs	549.6	121.6
Membership fees and licences	462.2	62.2
Seminar and training costs	254.4	58.5
Other	1,048.8	1,323.8
	31,127.5	**11,827.8**

€ 1,000	2008	2007
Legal, auditing and consultancy fees		
Solicitor's fees	3,101.7	2,267.5
Cost of expert opinions	2,727.5	615.3
Auditing costs	1,905.6	777.2
Tax consulting and accounting fees	1,517.6	1,073.5
Cost of recruiting and appointing staff	519.8	215.9
Technical consulting fees	297.4	68.7
Notary's fee	224.5	173.0
Other fees	733.0	561.5
	11,027.1	**5,752.6**
Other administrative expenses		
Advertising and representation fees	3,421.1	2,462.5
Non-deductible VAT	2,197.7	560.7
Hotel expenses (Ljubljana) incl. staff expenses at hotel	887.8	1,843.8
Taxes and duties	759.4	153.1
Penalties and cases of damage	704.9	61.0
Marketing and distribution fees (portfolio commission)	614.8	3,875.7
Bank charges and bank guarantee fees	668.7	708.4
Publication costs	416.9	393.5
Insurance fees	264.3	100.2
Remuneration of the Supervisory Board	116.8	147.5
	10,052.4	**10,306.4**
Total	**52,207.0**	**27,886.8**

The rise in all items of administrative expenses compared to the previous year is due to the acquisition of the Vivico Group which accounts for € 26,633.2K, 50 % of the administrative expenses. At € 25,573.8K, the expenditure of the CA Immo Group for 2008 excluding the Vivico Group has decreased by € 2,313.0K compared to the previous year.

Because of the average of 157 employees within the Vivico Group (€ 14,984.3K), staff expenses have risen significantly compared to the previous year.

The rise in rent is mainly attributable to the office rent of the Vivico Group in Frankfurt.

Administrative and management fees mainly relate to management services in Austria (netting of reporting and staff fees), services provided by the joint venture partner in Moscow and the administrative activity of the CA Immo NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxemburg.

As at 31 December 2008, the CA Immo Group held over 300 properties in total (2007: over 200 properties) in Austria, Germany and Eastern/South East Europe as a result of which the cost of external valuation reports as at the balance-sheet date had increased considerably compared to the previous year. The Vivico Group accounts for € 4,001.6K of the total legal, auditing and consultancy fees while € 2,897.4K are attributable to Eastern/South East Europe and € 4,128.1K to other companies.

The item "Non-deductible VAT" mainly relates to Germany which accounts for € 1,801.2K and Eastern/South East Europe which accounts for € 395.3K.

Hotel expenses relate to the costs of managing the hotel in Ljubljana which was sold using 1 April 2008 as the value date.

2.1.5. Own works capitalised

This item includes the pro rata indirect expenditure attributable to properties under development.

2.1.6. Other operating income

€ 1,000	2008	2007
Costs passed on to tenants	4,063.8	611.7
Release of provisions	4,009.0	367.9
Settlements from cancellation of tenancy agreements	1,867.5	1,425.0
Release of value adjustment	868.8	236.0
Discharge of lapsed liabilities	470.4	0.0
Insurance compensation	286.9	261.3
Property management revenue	154.9	135.0
Other	1,013.7	1,126.2
	12,735.0	**4,163.1**

Income from costs passed on to tenants and income from the release of provisions mainly relate to Germany. Settlements relate to the early termination of tenancy agreements in Germany, Romania and Poland.

2.1.7. Depreciation and amortisation

This item includes the regular depreciation on properties own used and office furniture and equipment as well as impairment losses on long-term properties (under development and own used) and properties intended for trading. Depreciation is composed as follows:

€ 1,000	2008	2007
Impairment losses on long-term properties	93,023.3	2,383.3
Impairment losses on properties intended for trading	14,446.0	0.0
Depreciation	4,829.9	2,243.4
	112,299.2	**4,626.7**

Impairment charges for long-term assets of € 93,023.3K (€ 2,383.3K in 2007) are allotted to property assets under development at the amount of € 91,384.9K (€ 2,383.3K in 2007), and to owner-occupied property assets at the amount of € 1,638.4K (€ 0.0K in 2007).

2.1.8. Change from revaluation

€ 1,000	2008	2007
Revaluation gain	16,650.7	84,099.3
Revaluation loss	−194,743.8	−18,671.2
	−178,093.1	**65,428.1**

The revaluation gains in 2008 mainly originate from properties in Poland and Romania. The revaluation losses mainly relate to the write-downs of € 68,047.4K in Germany, € 66,246.1K in Austria, € 36,473.6K in Eastern Europe and € 23,976.6K in South East Europe. See 2.2.1. for explanatory notes.

2.1.9. Financing costs

€ 1,000	2008	2007
Bank interest	−86,969.6	−44,272.7
Bond interest	−10,768.2	−10,741.0
Interest expenses in connection with joint venture partners	−2,622.0	−1,643.2
Interest expenses associates	−25.3	−20.2
Other interest and financial expenses	−4,728.7	−763.0
	−105,113.8	**−57,440.1**

Other interest and financial expenses mainly relate to the accumulated long-term liabilities.

2.1.10. Foreign currency gains/losses

The foreign currency losses totalling € -3,467.6K (2007: foreign currency gains of € 4,752.3K) are mainly due to the balance of unrealised results from the end-of-period valuation of foreign currency loans taken in USD and CZK and from the investment of cash and cash equivalents in foreign currency.

2.1.11. Result from derivative transactions

€ 1,000	2008	2007
Value of derivative transactions (unrealised – interest rate swap and interest rate cap)	−9,908.3	−1,269.7
Realised result from derivative transactions	−5,966.2	0.0
	−15,874.5	**−1,269.7**

The fair values of the interest rate swaps and the interest rate cap are calculated by discounting the future cash flows from variable payments on the basis of generally recognised models of financial mathematics. There is no cash flow hedge relation for interest rate swaps without a concurrent loan agreement or documentation required in accordance with IFRS (recognised directly in equity) so that changes from the valuation of the interest rate swaps are shown in the financial result (unrealised). See 2.2.1. for explanatory notes. For valuation of financial instruments see 2.3.1. for explanatory notes.

During the business year, the CA Immo Group also prematurely redeemed a partial amount of € 65,000K on a short-term loan; no cash flow hedge relationship has existed since then and the value adjustments to the underlying interest swaps are recognised as affecting net income. In business year 2008, the value adjustments for these interest swaps as entered on the income statement amounted to € –4,909.1K.

In the business year 2008, the CA Immo Group dissolved interest rate swaps prior to maturity with a total nominal value of € 171,718.0K for which there was no cash flow hedge relation. As a result, losses in the amount of € –5,966.2K were realised. As at 1 January 2009, new interest rate swaps with a total nominal value of € 78,074.3K had been concluded for which there is now a cash flow hedge relation.

2.1.12. Result of financial investments

€ 1,000	2008	2007
Result from securities	−15,244.8	−374.8
Income from bank interest	13,951.8	5,859.8
Income from interest from loans to associates and joint ventures	3,074.3	2,673.6
Other interest income	2,652.3	103.4
Result of financial investments	**4,433.6**	**8,262.0**

For investment of financial resources see 2.2.6. for explanatory notes.

The result from securities is included in the result from financial investments in the amount of € −15,244.8K (2007: € −374.8K) and is composed as follows:

€ 1,000	2008	2007
Realised result from securities	−9,844.4	5,112.2
Valuation securities (not realised)	−5,400.4	−5,487.0
Result from securities	**−15,244.8**	**−374.8**

In accordance with the categories from IAS 39, financing expenses and income (financing costs, result from financial investments and result from derivative transactions) are broken down as follows:

€ 1,000	Category [1]	2008	2007
Net profits and net losses			
Valuation securities	FV/P&L	–5,400.4	–5,487.0
Total from instruments designated FV/P&L		**–5,400.4**	**–5,487.0**
Changes in the value of interest rate swaps (CFH frozen)	HFT	1,066.9	0.0
Changes in the value of interest rate swaps (CFH relation terminated)	HFT	–4,909.1	0.0
Changes in the value of interest rate swaps (fair value swap)	HFT	–6,064.8	–1,268.9
Changes in the value of interest rate caps	HFT	–1.3	–0.8
Total HFT		**–9,908.3**	**–1,269.7**
Total net profits and net losses		**–15,308.7**	**–6,756.7**
Interest income and interest expenditure			
Interest income from loans	HTM	3,074.3	4,383.8
Other interest income	L&R	16,604.1	4,253.0
Interest income from financial instruments not valued at FV/P&L		19,678.4	8,636.8
Interest income from securities	FV/P&L	0.0	5,112.2
Total interest income		**19,678.4**	**13,749.0**
Interest expenditure from liabilities	L&R	–105,113.8	–57,440.1
Interest expenditure from financial instruments not valued at FV/P&L		–105,113.8	–57,440.1
Expenditure from interest rate swaps	HFT	–5,966.2	0.0
Expenditure from securities	FV/P&L	–9,844.4	0.0
Total interest expenditure		**–120,924.4**	**–57,440.1**

[1] FV/P&L At fair value through profit or loss HFT Held for trading L&R Loans and Receivables HTM Held-to-maturity CFH Cash flow Hedge

[2] cf. 2.1.11. Result of derivative transactions

2.1.13. Result from financial assets

The expenditure from investments in the amount of € 7,800.9K (2007: € 0.0K) relates to the value adjustment in connection with a prepayment on investments in property amounting to € 5,479.8K and a loan to an associated company amounting to € 2,321.1K.

2.1.14. Result from investments in associates

The result from investments in associates is composed as follows:

€ 1,000	2008	2007
UBM Realitätenentwicklung AG, Vienna	1,999.1	385.7
OAO Avielen AG, St. Petersburg	–17,064.4	0.0
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	–5.8	0.0
Soravia Center OÜ, Tallinn	0.0	–5.9
Result from investments in associates	**–15,071.1**	**379.8**

2.1.15. Minority interests held by limited partners

This item includes the proportional results for German minority shareholders, whose investments have been recognised in the balance sheet as liabilities under the item "Minority interests held by limited partners".

2.2. Consolidated Balance Sheet

2.2.1. Long-term property assets and other tangible assets

€ 1,000			long-term property assets		Office	Total
	let	own used	under development	pre-payments	furniture and equipment	
Market values [1] /acquisition costs						
As at 1.1.2007	**1,227,758.6**	**0.0**	**90,876.7**	**797,709.6**	**7,460.7**	**2,123,805.6**
Additions resulting from company acquisitions	72,455.2	0.0	107,581.9	0.0	1,267.3	181,304.4
Additions resulting from property acquisitions	127,429.8	0.0	0.0	0.0	0.0	127,429.8
Additions resulting from investments in properties and projects	13,468.9	0.0	80,813.9	0.0	2,041.9	96,324.7
Disposals	−45,010.8	0.0	−110.4	0.0	−540.0	−45,661.2
Reclassifications	858,101.5	0.0	−60,763.4	−797,709.6	334.9	−36.6
Revaluation	65,428.1	0.0	0.0	0.0	0.0	65,428.1
As at 31.12.2007 = 1.1.2008	**2,319,631.3**	**0.0**	**218,398.7**	**0.0**	**10,564.8**	**2,548,594.8**
Additions resulting from company acquisitions	426,246.7	8,052.5	897,618.6	0.0	2,369.6	1,334,287.4
Additions resulting from property acquisitions	0.0	0.0	39,250.3	20,482.5	0.0	59,732.8
Additions resulting from investments in properties and projects	17,472.4	4,910.8	159,049.4	0.0	1,992.0	183,424.6
Disposals	−122,914.9	0.0	−76,356.6	0.0	−8,063.2	−207,334.7
Reclassifications [2]	58,331.6	9,139.7	−61,051.8	0.0	−3,528.3	2,891.1
Revaluation	−178,093.1	0.0	0.0	0.0	0.0	−178,093.1
As at 31.12.2008	**2,520,674.0**	**22,103.0**	**1,176,908.5**	**20,482.5**	**3,334.9**	**3,743,502.9**
Accumulated depreciation						
As at 1.1.2007	**0.0**	**0.0**	**344.1**	**0.0**	**2,977.9**	**3,322.0**
Disposals	0.0	0.0	0.0	0.0	−297.6	−297.6
Depreciation	0.0	0.0	2,383.3	0.0	2,168.7	4,552.0
Reclassifications	0.0	0.0	−36.6	0.0	0.0	−36.6
As at 31.12.2007 = 1.1.2008	**0.0**	**0.0**	**2,690.8**	**0.0**	**4,849.0**	**7,539.8**
Disposals	0.0	0.0	0.0	0.0	−7,130.1	−7,130.1
Depreciation	0.0	2,082.7	92,269.8	0.0	3,182.3	97,534.8
Reclassifications	0.0	570.7	2,126.5	0.0	0.0	2,697.2
As at 31.12.2008	**0.0**	**2,653.4**	**97,087.1**	**0.0**	**901.2**	**100,641.7**
Book value as at 1.1.2007	**1,227,758.6**	**0.0**	**90,532.6**	**797,709.6**	**4,482.8**	**2,120,483.6**
Book value as at 31.12.2007 = 1.1.2008	**2,319,631.3**	**0.0**	**215,707.9**	**0.0**	**5,715.8**	**2,541,055.0**
Book value as at 31.12.2008	**2,520,674.0**	**19,449.6**	**1,079,821.4**	**20,482.5**	**2,433.7**	**3,642,861.2**

[1] Properties let are carried at market value in accordance with IAS 40 while properties own used and properties under development are carried at acquisition cost in accordance with IAS 16.

[2] As office furniture and equipment were included in the valuation reports for properties let, the book values as at 31 December 2008 were reclassified for properties let.

Additions resulting from company acquisitions and investments in existing properties and projects (current additions) relate to the following regions (excl. office furniture and equipment):

€ 1,000	Company acquisitions	Current investments	Total
Austria	0.0	39,817.9	39,817.9
Germany	1,226,290.7	125,314.5	1,351,605.2
Eastern/South East Europe	105,627.1	76,033.0	181,660.1
	1,331,917.8	**241,165.4**	**1,573,083.2**

Disposals mainly relate to the sale of one property in Frankfurt and one in Warsaw as well as projects in Munich and Frankfurt.

All the main properties let as well as properties under development (with the exception of the Matryoshka project, the project partner's valuation report for which is enclosed) were valued as at 30 November 2008 or 31 December 2008 by independent experts operating internationally under consideration of the current market situation. Valuation was basically carried out in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS), the German regulation on the determination of value for properties abroad and national valuation regulations (Property Valuation Act, ÖNORM B1802, etc) for properties in Austria.

The calculated market value of properties let is based on discounted cash flows expected in the future or capitalised rental income. In the case of properties under development, the calculated market value is based on the projected earnings value of the projects upon completion, less an appropriate developer profit and taking into consideration the outstanding cost to completion. Any risks were considered either in the expected future cash flows, the estimated rent or in the discount or capitalisation interest rates used. The discount factors vary, in particular depending on the different property locations, and were determined based on experts' empirical values.

With reference to the valuation of the property assets outlined above, the current development of the market is worthy of special note. The present crisis in the global financial system has triggered considerable uncertainty in commercial property markets worldwide. For a certain period, therefore, prices and values can be subject to significant fluctuations while the market absorbs and adjusts to various changes. The current lack of liquidity in the capital markets could make it more difficult to sell the property assets in the short term.

In the context of evaluating the property assets under development, special attention is to be paid to the Matryoshka project. CA Immo New Europe Property Fund S.C.A SICAR (Caine) is developing retail outlets in Russia in a joint venture. Up until the balance sheet date, Caine had contributed financial resources in the amount of € 5.3m to the project. Depending on the contractually defined conditions precedent, Caine has an obligation to contribute further financial resources in the amount of € 13.1m to the project. In view of the current market development in Russia and an external valuation report provided by the joint venture partner, however, it is currently to be assumed that the financial resources will not be fully recovered within the framework of the transaction unless key project parameters are changed. For these reasons, an appropriate impairment loss was recognised as at 31 December 2008.

The book value of the tangible assets pledged as collateral for long-term loans amounts to € 2,503,755.8K (2007: € 1,659,568.0K).

See 2.2.1. or 2.1.8. for explanatory notes on depreciation and amortisation and revaluation gains/losses.

2.2.2. Intangible assets

€ 1,000	Software	Other	Total
Acquisition costs			
As at 1.1.2007	**159.7**	**32,017.1**	**32,176.8**
Additions	283.2	5,623.9	5,907.1
Disposals	−1.2	0.0	−1.2
As at 31.12.2007 = 1.1.2008	**441.7**	**37,641.0**	**38,082.7**
Additions	397.0	30,967.7	31,364.7
Disposals	−119.9	0.0	−119.9
Reclassifications [1]	−176.5	0.0	−176.5
As at 31.12.2008	**542.3**	**68,608.7**	**69,151.0**
Accumulated depreciation			
As at 1.1.2007	**43.5**	**1,754.6**	**1,798.1**
Amortisation	74.7	2,172.8	2,247.5
As at 31.12.2007 = 1.1.2008	**118.2**	**3,927.4**	**4,045.6**
Amortisation	318.4	11,515.1	11,833.5
Disposals	−119.6	0.0	−119.6
As at 31.12.2008	**317.0**	**15,442.5**	**15,759.5**
Book value as at 1.1.2007	**116.2**	**30,262.5**	**30,378.7**
Book value as at 31.12.2007 = 1.1.2008	**323.5**	**33,713.6**	**34,037.1**
Book value as at 31.12.2008	**225.3**	**53,166.2**	**53,391.5**

[1] As all asset values were included in the valuation reports for properties let, the book values (Software) as at 31 December 2008 were reclassified for properties let.

The item “Other intangible assets” is the difference between the distribution of acquisition costs over the relevant fair values of the properties acquired and the relevant deferred tax liabilities not discounted in accordance with IAS 12. In terms of content, it represents the benefit resulting from the subsequent maturity of the deferred tax liabilities and is carried in the tax expense subject to maturity.

2.2.3. Financial assets

€ 1,000	Category in acc. with IAS 39	Acquisition cost	Changes in value recognised in the income statement 2008	Changes in value recognised in the income statement accumulated	Changes in value not recognised in profit or loss	Redemption / Repayment	Fair value	Book Value 31.12.2008	Book Value 31.12.2007
Pre-payments on investments in properties	HTM	5,203.4	−5,101.4	−5,003.4	0.0	0.0	200.0	200.0	545,248.3
Loans to joint ventures	HTM	21,745.4	2,231.3	3,720.7	0.0	−76.7	25,389.4	25,389.4	14,721.8
Loans to associated companies	HTM	8,292.6	−1,843.9	−1,792.8	0.0	0.0	6,499.8	6,499.8	3,066.6
Other loans	HTM	930.0	55.0	76.3	0.0	0.0	1,006.3	1,006.3	9,160.1
Total HTM		**36,171.4**	**−4,659.0**	**−2,999.2**	**0.0**	**−76.7**	**33,095.5**	**33,095.5**	**572,196.8**
Stakes in associated companies	AE	61,876.9	−15,071.2	−14,691.5	−383.1	−825.0	45,978.4	45,978.4	59,683.2
Other stakes	AE	7.3	0.0	0.0	0.0	0.0	7.3	7.3	7.3
Total AE		**61,884.2**	**−15,071.2**	**−14,691.5**	**−383.1**	**−825.0**	**45,985.7**	**45,985.7**	**59,690.5**
Interest rate caps	**HFT**	**812.7**	**−1.3**	**−812.7**	**0.0**	**0.0**	**0.0**	**0.0**	**1.3**
		98,868.3	**−19,731.5**	**−18,503.3**	**−383.1**	**−901.7**	**79,081.2**	**79,081.2**	**631,888.6**

HTM Held-to-Maturity AE at Equity HFT Held for trading

As at 31 December 2008, the item “Pre-payments on investments in properties” which is to be closed at a later date includes the prepayment in respect of a project development company in Prague (forward purchase). As at the balance sheet date, there was a contractual obligation from the forward purchase. The purchase price is calculated at approximately € 45,000.0K; however, the precise schedule for project implementation has not been finalised because planning permission has not yet been secured. The final purchase price is determined at the time of closing. In the previous year, this item mainly related to the down-payment in respect of the Vivico Group in Germany.

Loans to joint ventures relate to interest-bearing loans to five companies in which a 50 % stake is held (last year to three companies in which a 50 % stake was held). Loans to associated companies relate to two interest-bearing loans to two associated companies. Other loans relate to another interest-bearing loan. The fair value corresponds to the discounted future repayments based on the current market interest rate.

The item “Stakes in associated companies” contains the 25 % stake plus 4 shares in UBM Realitätenentwicklung AG, Vienna, (book value as at 31 December 2008: € 30,475.3K; 2007: € 29,683.2K), the 33.3 % stake in each of the German companies Isargärten Thalkirchen GmbH & Co. KG and Isargärten Thalkirchen Verwaltungs GmbH (shareholder: GmbH & Co. KG), Dreieich (book value as at 31 December 2008: € 0.0; date of acquisition: 1 January 2008), the 40 % stake in Soravia Center OÜ, Tallinn (book value as at 31 December 2008: € 0.0; 2007: € 0.0) and the 25 % stake in OAO Avielen AG, St. Petersburg (book value as at 31 December 2008: € 15,503.2K; 2007: € 30,000.0K) which are all valued at equity.

As at 29 December 2008, the share price for UBM Realitätenentwicklung AG was € 30.00. Therefore, the stock exchange value of 750,004 shares at a price of € 30.00 amounted to € 22,500.1K.

Interest rate caps relate to premiums paid for the agreement on two interest rate ceilings which will be valid until 31 January 2010. The fair value corresponds to the amount which CA Immobilien Anlagen Aktiengesellschaft would receive upon liquidation of the transactions on the balance sheet date.

2.2.4. Properties intended for trading

The item "Properties intended for trading" in the amount of € 168,350.1K (2007: € 0.0K) includes properties of the Vivico Group in Germany in the amount of € 167,102.9K and properties in Slovakia in the amount of € 1,247.2K.

The acquisition or production costs of properties intended for trading as at 31 December 2008 amount to € 182,796.1K.

The book value of properties intended for trading and pledged as security for liabilities is € 38,440.8K (2007: € 0.0K).

2.2.5. Receivables and other assets

€ 1,000	Category in acc. with IAS 39	Classes	Book value 31.12.2008	Fair Value 31.12.2008	Book value 31.12.2007	Fair Value 31.12.2007
Receivables from joint venture partners (50 % stake)	**L&R**	**Receivables LuL**	**6,686.2**	**6,686.2**	**156.7**	**156.7**
Receivables and other assets:						
Trade debtors	L&R	Trade debtors	14,355.2	14,355.2	6,252.1	6,252.1
Receivables from sales	L&R	Trade debtors	13,031.0	13,031.0	749.5	749.5
Receivables from fiscal authorities	L&R	Other receivables	9,116.8	9,116.8	3,776.1	3,776.1
Fixed deposits with restrictions on disposal	L&R	Other receivables	7,465.6	7,465.6	0.0	0.0
Loans granted	L&R	Other receivables	3,779.3	3,779.3	2,629.4	2,629.4
Accruals	L&R	Other receivables	1,491.8	1,491.8	1,747.1	1,747.1
Receivables from interest rate caps	L&R	Other receivables	1,381.9	1,381.9	702.5	702.5
Positive market value of derivative financial instruments (hedge accounting)	CFH	Derivate	0.0	0.0	27,144.9	27,144.9
Other receivables and assets	L&R	Other receivables	5,656.3	5,656.3	4,432.6	4,432.6
Receivables and other assets			**56,277.9**	**56,277.9**	**47,434.2**	**47,434.2**
			62,964.1	**62,964.1**	**47,590.9**	**47,590.9**
of which L&R			62,964.1	62,964.1	20,446.0	20,446.0
of which CFH			0.0	0.0	27,144.9	27,144.9

*) L&R: Loans and Receivables CFH: Cash flow Hedge

Ageing of receivables and other assets:

As at 31.12.2008	Not due	Overdue				Total
€ 1,000		< 30 days	31–180 days	181–360 days	> 1 year	
Nominal values of receivables						
Receivables from joint venture partners	6,686.2	0.0	0.0	0.0	0.0	6,686.2
Trade debtors	11,908.8	1,618.9	349.6	672.9	1,595.9	16,146.1
Receivables from sales	11,771.3	1,250.0	0.0	0.0	457.3	13,478.6
Loans granted	3,779.3	0.0	0.0	0.0	0.0	3,779.3
Accruals	1,491.8	0.0	0.0	0.0	0.0	1,491.8
Other receivables and assets	21,847.6	993.0	741.0	11.6	97.0	23,690.2
Total as at 31.12.2008	**57,485.0**	**3,861.9**	**1,090.6**	**684.5**	**2,150.2**	**65,272.2**
Receivables value adjustments						
Receivables from trade debtors	−27.9	−4.2	−53.8	−288.9	−1,416.1	−1,790.9
Receivables from sales	0.0	0.0	0.0	0.0	−447.6	−447.6
Other receivables and assets	−26.1	−43.5	0.0	0.0	0.0	−69.6
As at 31.12.2008	**−54.0**	**−47.7**	**−53.8**	**−288.9**	**−1,863.7**	**−2,308.1**
Book values of receivables						
Receivables from joint venture partners	6,686.2	0.0	0.0	0.0	0.0	6,686.2
Trade debtors	11,880.9	1,614.7	295.8	384.0	179.8	14,355.2
Receivables from sales	11,771.3	1,250.0	0.0	0.0	9.7	13,031.0
Loans granted	3,779.3	0.0	0.0	0.0	0.0	3,779.3
Accruals	1,491.8	0.0	0.0	0.0	0.0	1,491.8
Other receivables and assets	21,821.5	949.5	741.0	11.6	97.0	23,620.6
As at 31.12.2008	**57,431.0**	**3,814.2**	**1,036.8**	**395.6**	**286.5**	**62,964.1**
As at 31.12.2007						
Nominal values of receivables						
Receivables from joint venture partners	156.7	0.0	0.0	0.0	0.0	156.7
Trade debtors	3,304.4	1,209.2	1,643.8	945.0	3,512.7	10,615.1
Receivables from derivative financial instruments	27,144.9	0.0	0.0	0.0	0.0	27,144.9
Loans granted	2,629.4	0.0	0.0	0.0	0.0	2,629.4
Receivables from sales	749.5	0.0	0.0	0.0	0.0	749.5
Accruals	1,747.1	0.0	0.0	0.0	0.0	1,747.1
Other receivables and assets	6,809.8	98.5	729.8	922.7	350.4	8,911.2
Total as at 31.12.2007	**42,541.8**	**1,307.7**	**2,373.6**	**1,867.7**	**3,863.1**	**51,953.9**
Receivables value adjustments						
Receivables from trade debtors	−215.7	−74.1	−369.4	−620.4	−3,083.4	−4,363.0
As at 31.12.2007	**−215.7**	**−74.1**	**−369.4**	**−620.4**	**−3,083.4**	**−4,363.0**
Book values of receivables						
Receivables from joint venture partners	156.7	0.0	0.0	0.0	0.0	156.7
Trade debtors	3,088.7	1,135.1	1,274.4	324.6	429.3	6,252.1
Receivables from derivative financial instruments	27,144.9	0.0	0.0	0.0	0.0	27,144.9
Loans granted	2,629.4	0.0	0.0	0.0	0.0	2,629.4
Receivables from sales	749.5	0.0	0.0	0.0	0.0	749.5
Accruals	1,747.1	0.0	0.0	0.0	0.0	1,747.1
Other receivables and assets	6,809.8	98.5	729.8	922.7	350.4	8,911.2
As at 31.12.2007	**42,326.1**	**1,233.6**	**2,004.2**	**1,247.3**	**779.7**	**47,590.9**

Development of value adjustments:

€ 1,000	2008	2007
As at 1 January	**4,363.0**	**4,326.2**
Appropriation (value adjustment expenses)	2,031.3	1,704.9
Additions from first-time consolidation	3,547.7	0.0
Use	−6,750.6	−1,406.6
Release	−868.8	−236.0
Interest income from impaired financial assets	−7.1	−10.3
Foreign currency gains/losses	−7.4	−15.2
As at 31 December	**2,308.1**	**4,363.0**

The allocation to individual allowances for receivables depends on the status of the dunning procedure and the individual credit rating of the relevant debtor in consideration of the securities received.

There is usually a default risk associated with rent receivables. This default risk is limited by several factors and controlled. Because of the regional diversification of the property portfolio and the heterogeneous composition of tenants, the cluster risk has been avoided in this area. As a rule, in order to minimise the default risk, tenants are required to provide securities (cash bonds, bank guarantees). In order to identify risks early on, a constant check is generally kept on the credit rating of tenants and more extensive checks are carried out in individual cases.

2.2.6. Securities

As at 31.12.2007 and up to the third quarter of 2008, most of the securities were invested in near-money market funds. Because of the bank crisis and the increasing margins, the actual return was not in line with expectations so that in the third quarter of 2008, the remaining investments held were released and the monies invested were reallocated to time deposits on the one hand while on the other hand, shares which up until then had been held in near-money market funds were then held directly in an ABS fund and thus represented the single remaining security item. The acquisition costs for the securities entered as at 31.12.2008 amounted to € 16,651.7K (2007: € 381,070.5K). A loss from valuation as at the value date was recognised in the income statement for securities held as at 31 December 2008 in the amount of € 5,400.4K while last year, the loss from valuation of securities held as at 31 December 2007 amounted to € 5,487.0K.

The following securities are held by the CA Immo Group:

	31.12.2008		31.12.2007	
	Share	€ 1,000	Share	€ 1,000
ABS Dynamic Cash	1,826	11,251.3	0	0.0
R 311 Fund	0	0.0	1,808,572	196,863.0
Diversified Euro Cash Fund	0	0.0	1,425	147,946.6
Institutional Money Market Fund	0	0.0	2,012	20,182.6
PIA Euro Cash	0	0.0	122,500	10,592.6
	1,826	**11,251.2**	**1,934,509**	**375,584.8**

The securities as at 31 December 2008 were pledged in favour of a credit of Bank Austria/UniCredit Group.

2.2.7. Cash and cash equivalents

€ 1,000	31.12.2008	31.12.2007
Credit balances with banks	321,357.5	192,448.6
Cash on hand	22.8	19.9
	321,380.3	**192,468.5**

2.2.8. Shareholders’ equity

The fully paid-in nominal capital of CA Immobilien Anlagen Aktiengesellschaft in the amount of € 634,370,022 is stated as share capital. It is subdivided into 87,258,600 shares of no par value, 4 of which are registered and 87,258,596 of which are bearer shares. The registered shares are held by Bank Austria/UniCredit Group and carry the right to nominate one Supervisory Board member each. This right has not been exercised. All Supervisory Board members were elected by the General Meeting.

At the 21st Ordinary General Meeting of shareholders held on 13 May 2008, the Management Board was authorised to buy back the company’s own shares in accordance with Section 65 para. 1 sentence 8 of the Austrian Stock Corporation Act (AktG). The Management Board made use of this authority with consent from the Supervisory Board from the beginning of July 2008. The reasons for buying back the company’s own shares were to create an acquisition currency for purchasing companies and properties as well as to increase demand for CA Immo shares on the Vienna stock market but with trading in own shares for the purpose of acquisition being excluded.

The buy-back programme started on 14 July 2008 and will continue for a period of one year so that it will end on 14 July 2009 at the latest. Up to the balance-sheet date, a total of 1,494,076 bearer shares (1.7 % of the share capital) had been bought back via the stock market at an average price of € 9.18 by CA Immobilien Anlagen Aktiengesellschaft. The company’s own share reserve was constantly added to during the year and amounts to € 6,276.9K as at 31 December 2008 (31 December 2007: € 0.0K).

The individual financial statements of CA Immo AG show appropriated capital reserves in the amount of € 868,545.0K (31 December 2007: € 1,030,376.3K). In accordance with the resolution of the Management Board of 25 February 2009, free reserves in the amount of € 19,803.4K, statutory reserves in the amount of € 23.3K and appropriated capital reserves in the amount of € 161,831.3K were reversed in the order prescribed by law in accordance with Section 130 para. 4 of the Austrian Stock Corporation Act in order to balance out a net loss which would otherwise have been shown in the individual financial statements of CA Immo AG in the financial year 2008.

As at the value date of 31 December 2008, there is unused authorised capital which can be used for capital increases up to 8 August 2012 at the latest in the amount of € 317,185.0K.

2.2.9. Provisions

€ 1,000	Current taxes	Employees	Other	Total
As at 1 January 2008	**1,447.7**	**2,992.2**	**19,942.0**	**24,381.9**
Exchange rate differences	–29.4	0.0	–243.5	–272.9
Additions from first-time consolidation	8,886.5	3,242.1	41,611.7	53,740.3
Disposals from final consolidation	0.0	0.0	–9.0	–9.0
Use	–2,478.6	–4,893.1	–35,110.8	–42,482.4
Release	–363.7	–733.7	–5,845.2	–6,942.6
Set-up	38,877.9	3,049.0	66,281.8	108,208.7
As at 31 December 2008	**46,340.4**	**3,656.5**	**86,627.0**	**136,623.9**
of which: short-term	46,340.4	3,096.4	86,627.0	136,063.8
of which: long-term	0.0	560.1	0.0	560.1

Staff provisions mainly relate to the cash value of the long-term liabilities resulting from severance payments to employees in the amount of € 560.1K (2007: € 598.7K), premiums just for employees of the Vivico Group based on individual contractual arrangements in the amount of € 2,139.4K (2007: CA Immo Group € 1,932.8K) and unused holiday in the amount of € 822.0K (2007: € 440.4K). The cash value of severance payment obligations developed as follows:

€ 1,000	2008	2007
Provisions for severance payments		
Cash value of severance payment obligations as at 1 January	598.7	370.9
Appropriation of reserve	–325.0	0.0
Interest expense	23.9	14.8
Service cost	262.5	213.0
Cash value of severance payment obligations as at 31 December	**560.1**	**598.7**

Interest expense and service cost are included in staff expenses and thus in administrative expenses.

Other provisions were set up mainly for construction services in the amount of € 59,139.2K (2007: € 12,518.7K), for property tax and registration fees in the amount of € 10,345.9K (2007: € 96.6K), for warranty and technical risks from sales in the amount of € 4,095.6K (2007: € 0.0K), for subsequent costs in connection with properties sold in the amount of € 2,356.7K (2007: € 0.0K), for legal consultancy fees in the amount of € 1,548.4K (2007: € 1,841.1K), for commission in the amount of € 1,476.9K (2007: € 2,074.0K), for auditing costs in the amount of € 1,324.8K (2007: € 640.8K), for operating costs and outstanding purchasing invoices in the amount of € 1,321.8K (2007: € 578.0K), for expert opinions in the amount of € 1,258.5K (2007: € 235.3K), for tax consultancy fees in the amount of € 813.9K (2007: € 383.8K), for property tax in the amount of € 670.3K (2007: € 470.0K) and for the Annual Report in the amount of € 215.8K (2007: € 290.6K).

2.2.10. Bond

In the business year 2006, CA Immo AG issued a bond with a nominal value of € 200,000.0K with a term of 10 years up to 22 September 2016 at a nominal interest rate of 5.125 %.

In accordance with IAS 39.43, the transaction costs directly attributable to the acquisition have been deducted and distributed over the term of the loan in the form of an effective interest rate. The effective interest rate is 5.53 %. As at 31 December 2008, the loan rate was € 91.00.

2.2.11. Financial liabilities

€ 1,000	Maturity			31.12.2008	31.12.2007
	up to 1 year	1–5 years	more than 5 years	Total	Total
Investment credit	84,989.9	566,862.2	1,041,979.1	1,693,831.1	1,196,724.4
Deferred interest on loan	2,813.2	0.0	0.0	2,813.2	2,813.2
Other	1,054.5	23,238.5	7,881.5	32,174.5	13,725.2
	88,857.5	**590,100.7**	**1,049,860.6**	**1,728,818.8**	**1,213,262.8**

The terms of the major financial liabilities are as follows as at 31 December 2008:

Type of financing and currency	Effective interest rate as at 31.12.2008 %	Floating/fixed interest	Maturity	Book values € 1,000	Fair values € 1,000
Investment credit/EUR	6.787	floating	01/2009	1,510.2	1,510.2
Investment credit/EUR	5.002	floating	02/2009	7,828.6	7,828.6
Investment credit/EUR	3.959	floating	03/2009	13,953.0	13,953.0
Investment credit/EUR	6.637	floating	06/2009	4,750.0	4,750.0
Investment credit/EUR	6.755	floating	12/2009	9,877.3	9,877.3
Investment credit/EUR	6.987	floating	10/2010	11,674.1	11,674.1
Investment credit/EUR	7.037	floating	12/2010	5,303.5	5,303.5
Investment credit/EUR	4.113	floating	02/2011	16,964.7	16,964.7
Investment credit/EUR	4.732	floating	07/2011	14,789.3	14,789.3
Investment credit/EUR	6.803	floating	07/2011	23,899.6	23,899.6
Investment credit/EUR	4.485	floating	10/2011	1,963.0	1,963.0
Investment credit/EUR	4.402	floating	12/2011	15,054.0	15,054.0
Investment credit/EUR	6.232	floating	12/2011	56,426.7	56,426.7
Investment credit/EUR	6.331	floating	12/2011	12,563.9	12,563.9
Investment credit/EUR	6.453	floating	12/2011	27,982.0	27,982.0
Investment credit/EUR	6.305	floating	12/2011	44,250.9	44,250.9
Investment credit/EUR	6.453	floating	12/2011	24,040.7	24,040.7
Investment credit/EUR	6.319	floating	12/2011	100,545.5	100,545.5
Investment credit/EUR	6.155	floating	12/2011	12,955.7	12,955.7
Investment credit/EUR	6.155	floating	12/2011	11,189.9	11,189.9
Investment credit/EUR	6.305	floating	12/2011	23,818.8	23,818.8
Investment credit/EUR	5.400	floating	12/2011	1,332.0	1,332.0
Investment credit/EUR	4.485	floating	05/2012	8,500.0	8,500.0
Investment credit/EUR	5.161	fixed	12/2013	13,020.7	13,739.1
Investment credit/EUR	9.467	floating	09/2014	5,293.2	5,293.2
Investment credit/EUR	6.000	floating	12/2014	24,190.0	24,190.0
Investment credit/EUR	4.750	floating	11/2015	30,126.0	30,126.0
Investment credit/EUR	4.780	floating	12/2015	17,085.4	17,085.4
Investment credit/EUR	7.636	floating	03/2016	34,420.9	34,420.9

Type of financing and currency	Effective interest rate as at 31.12.2008 %	Floating/fixed interest	Maturity	Book values € 1,000	Fair values € 1,000
Investment credit/EUR	5.192	floating	07/2016	28,465.7	28,465.7
Investment credit/EUR	4.720	floating	12/2016	31,872.4	31,872.4
Investment credit/EUR	4.410	floating	01/2017	541,484.4	541,484.4
Investment credit/EUR	4.878	floating	03/2017	65,675.0	65,675.0
Investment credit/EUR	4.912	floating	10/2017	7,812.8	7,812.8
Investment credit/EUR	4.958	floating	10/2017	14,518.4	14,518.4
Investment credit/EUR	5.078	floating	12/2017	48,336.7	48,336.7
Investment credit/EUR	5.043	floating	12/2017	13,367.9	13,367.9
Investment credit/EUR	5.531	floating	06/2018	79,472.1	79,472.1
Investment credit/EUR	7.384	floating	09/2019	13,073.5	13,073.5
Investment credit/EUR	6.007	floating	12/2020	31,758.0	31,758.0
Investment credit/EUR	4.609	floating	03/2021	59,204.7	59,204.7
Investment credit/EUR	8.987	floating	07/2023	27,846.8	27,846.8
Investment credit/EUR	5.814	floating	09/2023	15,744.9	15,744.9
Investment credit/EUR	6.142	floating	03/2024	30,640.8	30,640.8
Investment credit/EUR	5.432	floating	12/2024	6,614.3	6,614.3
Investment credit/EUR	5.987	floating	02/2025	2,800.0	2,800.0
Investment credit/EUR	5.811	floating	03/2026	7,179.9	7,179.9
Investment credit/EUR	5.483	floating	06/2026	5,898.3	5,898.3
Investment credit/EUR	4.360	floating	03/2027	4,400.0	4,400.0
Investment credit/EUR	5.357	floating	12/2030	43,946.0	43,946.0
Investment credit/EUR	5.483	floating	12/2032	1,883.7	1,883.7
Investment credit/USD	6.963	floating	10/2010	3,588.7	3,588.7
Investment credit/USD	5.819	floating	02/2011	17,667.4	17,667.4
Investment credit/USD	6.963	floating	07/2011	1,324.9	1,324.9
Investment credit/CHF	3.408	floating	02/2015	4,152.7	4,152.7
Investment credit/CZK	5.720	floating	12/2026	7,709.8	7,709.8
Credit from joint venture partners/EUR	11.800	fixed	08/2010	10,497.9	12,259.4
Credit from joint venture partners/EUR	14.900	fixed	09/2010	11,835.6	14,455.8
Credit from joint venture partners/EUR	7.000	fixed	12/2014	1,475.1	2,070.7
Credit from joint venture partners/EUR	7.737	floating	12/2016	6,408.1	6,408.1
				1,721,966.1	**1,727,661.8**

The average weighted interest rate, considering the hedging transactions concluded in each case, amounts to about 5.32 % for all EUR investment credits, about 6.07 % for all USD investment credits, about 3.41 % for the CHF investment credit and about 5.72 % for the CZK investment credit.

The fair values of the fixed rate investment credits correspond to the book values due to the market situation. The fair values of the other financing transactions correspond to the book values due to the floating interest rate, the short-term or the statement of the fair values during Purchase Price Accounting.

In order to hedge the interest rate risk, interest rate caps were concluded in the year 2000 for two long-term loans equal to the amount outstanding. These derivative financial instruments are stated under long-term financial assets in the amount of the relevant fair value (cf. 2.3.1.).

The CA Immo Group uses interest rate swaps to hedge the interest rate risk. If these derivative financial instruments qualify for cash flow hedges, they are considered under equity at the fair value without recognition in the income statement (see 2.3.1.). The remaining swaps which do not qualify for cash flow hedges are recognised in the income statement and are entered under the item “Result from derivative transactions”. In total, the nominal value of all interest rate swaps concluded at the balance sheet date amounted to about 82.8 % of the floating rate EUR investment credits, about 42.2 % of the floating rate USD investment credits and 100.0 % of the floating rate CZK investment credit.

2.2.12. Taxes on income

Tax expenses are composed as follows:

€ 1,000	**2008**	**2007**
Corporation tax (current tax)	−25,733.3	−2,029.4
Trade tax (current tax)	−22,506.4	−240.4
Corporation tax and trade tax (current tax)	**−48,239.7**	**−2,269.8**
Deferred taxes on changes in equity	0.0	−7,605.2
Deferred taxes on the valuation of own shares	−1,861.5	0.0
Taxes on the valuation of swaps	−6,937.7	0.0
Amortisation of adjustment items from intangible assets	−11,515.1	−2,172.8
Change in deferred tax liabilities (deferred taxes)	69,064.2	−10,149.6
	510.2	**−22,197.4**

Temporary differences between the carrying values in the Consolidated Financial Statements and the relevant tax base have the following effect on tax deferrals as stated in the balance sheet:

€ 1,000	**31.12.2008**	**31.12.2007**
Deferred tax assets		
Intangible assets	21.8	17.1
Receivables and other assets	2,908.7	555.3
Cash and cash equivalents	116.3	0.0
Provisions	0.0	81.5
Liabilities	19,749.1	0.0
	22,795.9	**653.9**
Deferred tax liabilities		
Long-term property assets	191,170.6	106,872.3
Short-term property assets (properties intended for trading)	12,573.9	0.0
Office furniture and equipment	1.6	212.5
Financial assets	0.0	636.8
Receivables and other assets	0.0	3,923.6
Provisions	11,297.6	0.0
Liabilities	0.0	4,379.7
	215,043.7	**116,024.9**
Losses carried forward	**42,051.4**	**23,293.2**
Tax deferral (net)	**−150,196.4**	**−92,077.8**
Deferred tax assets	55,553.2	784.8
Deferred tax liabilities	205,749.6	92,862.6

Deferred taxes on losses carried forward are capitalised if they are likely to be used within the next 5 to 7 years. The basis of deferred taxes on losses carried forward amounts to € 169,271.7K (2007: € 96,451.8K) for which deferred taxes in the amount of € 42,051.4K were used. Deferred taxes on losses carried forward which have not been capitalised amount to € 29,435.1K (2007: € 5,229.4K).

The reasons for the difference between the expected tax credit (2007: tax charge) and the stated tax credit (2007: tax expense) are as follows:

€ 1,000	2008	2007
Net income before taxes	**–295,399.0**	**106,170.9**
Expected tax credit/charge (25%)	**–73,849.8**	**26,542.7**
Change in assessment of period of time during which the properties are expected to be held	36,923.3	0.0
Non-usable losses carried forward and adjustment of preceding periods	25,932.6	3,935.8
Amortisation of other intangible assets [1]	11,515.1	2,172.8
Differing tax rates abroad	10,789.3	–7,128.3
Equity investment impairments affecting tax	–9,735.6	–1,382.8
Exchange rate differences not affecting income tax	–8,659.8	686.9
Non-tax deductible expense and permanent differences	5,822.3	1,161.4
Trade tax	4,453.6	168.4
Tax-exempt income	–3,216.0	–3,030.0
Fair value adjustments	–642.2	–522.9
Changes in the tax rate	58.6	–692.4
Other	98.3	285.8
Effective tax credit/charge	**–510.2**	**22,197.4**

[1] see sub-section 1.6. Change of accounting and valuation methods or sub-section 2.2.2. Intangible assets.

Tax deferrals developed as follows:

€ 1,000	2008	2007
Deferred taxes as at 1 January (net)	**–92,077.8**	**–66,731.4**
Change due to company acquisitions	–142,175.8	–13,405.0
Change due to sales of companies	1,617.7	553.9
Change due to exchange rate fluctuations	208.7	–237.5
Change stated under equity	13,166.6	–2,108.2
Change recognised in the income statement	69,064.2	–10,149.6
Deferred taxes as at 31 December (net)	**–150,196.4**	**–92,077.8**

2.2.13. Other liabilities

€ 1,000	Maturity			31.12.2008	31.12.2007
	up to 1 year	1–5 years	more than 5 years	Total	Total
Fair value of derivatives	0.0	6,738.0	74,527.9	81,265.9	7,112.0
Pre-payments received	46,451.9	10,447.6	0.0	56,899.5	0.0
Outstanding purchase invoices	14,662.0	4,707.7	0.0	19,329.7	6,903.6
Deferred income	3,596.8	2,819.7	9,712.1	16,128.6	2,572.2
Fiscal authorities	15,196.2	0.0	0.0	15,196.2	2,587.3
Rent deposits	719.9	2,993.0	0.0	3,712.9	2,460.7
Other	5,761.1	19.2	0.0	5,780.3	1,840.7
	86,347.9	**27,725.2**	**84,240.0**	**198,313.1**	**23,476.5**

Pre-payments received mainly include purchase payments received for purchase contracts relating to the sale of properties incl. services provided for which due to the separation of services, income realisation in connection with services is not shown until services have been provided by the Vivico Group in subsequent years (multi-component activity).

The liabilities in respect of outstanding purchase invoices relate to property acquisitions in Germany and Austria and to assets and property acquisitions in Eastern/South East Europe.

Deferred income mainly relates to rent paid in advance where an amount of € 14,465.9K is attributable to Germany, € 1,015.8K to Austria and € 646.9K to Eastern/South East Europe.

2.3. Other information

2.3.1. Financial instruments

Financial instruments include both primary and derivative financial instruments.

Primary financial instruments held within the Group mainly comprise financial assets, lendings, securities, other receivables, credit balances with banks, financial liabilities, trade debtors and other liabilities.

Derivative financial instruments are composed as follows:

			31 December 2008			31 December 2007
€ 1,000	Book value	Fair values	Nominal value	Book value	Fair values	Nominal value
Interest rate caps	0.0	0.0	6,837.6	1.3	1.3	8,584.3
Forward foreign exchange transactions	0.0	0.0	0.0	−3,637.7	−3,637.7	10,218.0
Interest rate swaps	−81,265.9	−81,265.9	1,582,509.4	23,670.7	23,670.7	950,142.4
- of which cash flow hedges	−64,185.9	−64,185.9	1,378,914.4	24,939.6	24,939.6	885,142.4
- of which fair value swaps	−17,080.0	−17,080.0	203,595.0	−1,268.9	−1,268.9	65,000.0

Interest rate caps are used exclusively to hedge the interest rate risk related to loans. The forward foreign exchange transaction shown in the previous year related to the company RTW Sp. z o.o., Warsaw which was sold on 1 January 2008. The CA Immo Group uses interest rate swaps (floating into fixed) to protect against the risk of interest rate fluctuation.

Fair value swaps also include interest rate swaps with a nominal value of € 60,500.0K which qualified for a cash flow hedge up to a certain value date (3 December 2008, respectively 23 December 2008). In the absence of an underlying transaction concluded as at 3 December 2008, respectively as at 23 December or as at the balance sheet date, the value as at 3 December 2008, respectively as at 23 December in the amount of € –4,794.6K, respectively € –1,471.1K was frozen and all subsequent changes in value will be shown in the income statement until the underlying loan has been concluded. As at 31 December 2008, the fair value of this interest rate swap amounts to € –5,198.8K so that the change in value for this interest rate swap in the business year 2008 amounted to € 1,066.9K (cf. 2.1.11.).

The market values and conditions of the existing interest rate swaps as at 31 December 2008 are as follows:

Currency	Nominal value in 1,000	Start	End	Fixed interest rate as at 31.12.2008 %	Reference interest rate	Market value 31.12.2008 € 1,000
EUR	7,266.9	03/2003	03/2010	3.960	3M-EURIBOR	–137.8
EUR	16,478.5	09/2004	12/2011	3.870	3M-EURIBOR	–426.8
EUR	16,478.5	09/2004	12/2011	2.990	3M-EURIBOR	–191.7
EUR	7,805.1	02/2005	04/2012	3.510	3M-EURIBOR	–124.3
EUR	8,239.4	07/2005	12/2011	2.895	3M-EURIBOR	0.3
EUR	3,902.5	07/2005	04/2012	3.045	3M-EURIBOR	–7.2
EUR	14,750.0	03/2006	12/2014	3.670	3M-EURIBOR	–313.2
EUR	14,750.0	03/2006	12/2014	3.300	3M-EURIBOR	–367.2
EUR	24,190.0	05/2006	12/2014	4.200	6M-EURIBOR	–1,110.2
EUR	16,850.0	07/2006	02/2011	4.152	1M-EURIBOR	–619.2
EUR	70,538.7	12/2006	01/2017	3.940	3M-EURIBOR	–2,130.7
EUR	467,500.0	12/2006	01/2017	3.905	3M-EURIBOR	–13,428.3
EUR	17,550.0	07/2007	07/2011	4.720	3M-EURIBOR	–703.2
EUR	1,443.0	07/2007	12/2011	4.695	3M-EURIBOR	–43.3
EUR	15,592.3	07/2007	06/2014	4.755	3M-EURIBOR	–1,040.1
EUR	13,440.5	07/2007	06/2014	4.750	3M-EURIBOR	–952.0
EUR	5,832.7	07/2007	06/2014	4.755	3M-EURIBOR	–410.9
EUR	5,704.4	07/2007	06/2014	4.760	3M-EURIBOR	–371.0
EUR	13,095.0	07/2007	10/2017	4.173	3M-EURIBOR	–690.4
EUR	9,806.3	09/2007	12/2012	4.500	3M-EURIBOR	–509.2
EUR	18,000.0	10/2007	07/2017	4.613	3M-EURIBOR	–1,495.1
EUR	47,975.0	11/2007	12/2017	4.495	3M-EURIBOR	–3,412.1
EUR	14,308.0	12/2007	10/2017	4.378	3M-EURIBOR	–957.7
EUR	65,000.0	12/2007	12/2017	4.820	3M-EURIBOR	–6,281.8
EUR	62,187.5	01/2008	12/2012	4.250	3M-EURIBOR	–2,773.3
EUR	45,000.0	01/2008	12/2017	4.405	3M-EURIBOR	–3,166.2
EUR	124,375.0	01/2008	12/2017	4.410	3M-EURIBOR	–7,838.2
EUR	62,187.5	01/2008	12/2022	4.550	3M-EURIBOR	–4,887.5
EUR	62,500.0	01/2008	12/2022	4.550	3M-EURIBOR	–5,446.5
EUR	31,000.0	06/2008	03/2016	4.505	3M-EURIBOR	–2,077.5
EUR	50,000.0	07/2008	07/2018	4.789	3M-EURIBOR	–4,848.0
EUR	65,670.0	09/2008	03/2017	4.348	3M-EURIBOR	–4,283.6
EUR	7,800.0	11/2008	12/2017	4.373	3M-EURIBOR	–500.5
EUR	30,126.0	12/2008	11/2015	4.000	3M-EURIBOR	–1,307.4

Currency	Nominal value	Start	End	Fixed interest rate as at 31.12.2008	Reference interest rate	Market value 31.12.2008
	in 1,000			%		€ 1,000
EUR	16,748.3	12/2008	12/2015	4.070	3M-EURIBOR	−739.8
EUR	31,200.0	12/2008	09/2016	4.070	3M-EURIBOR	−1,457.7
EUR	80,000.0	12/2008	12/2017	4.405	3M-EURIBOR	−5,013.9
USD	9,508.5	07/2006	02/2011	5.715	1M-LIBOR	−632.8
CZK	7,709.8	06/2008	06/2013	4.620	3M-PRIBOR	−569.9
						−81,265.9

The average weighted interest rate is about 4.21 % for all EUR interest rate swaps, about 5.72 % for the USD interest rate swap and about 4.62 % for the CZK interest rate swap.

The fair value corresponds to the value which the relevant company would receive or pay upon liquidation of the deal on the balance sheet date. This value was determined by the relevant bank with which these transactions had been concluded.

The fair values were calculated by discounting the future cash flows from variable payments on the basis of generally recognised models of financial mathematics. The valuation was based on interbank middle rates of exchange.

Changes recognised directly in equity

€ 1,000	2008	2007
As at 1 January	**20,890.2**	**5,506.6**
Changes in the value of cash flow hedges	−76,240.2	15,383.6
As at 31 December	**−55,350.0**	**20,890.2**
of which valuation result attributable to parent company	**−52,133.2**	**20,667.8**
of which valuation result attributable to minority interests	**−3,216.8**	**−222.4**

Capital market risk

The CA Immo Group manages the risks arising from the capital markets in a variety of ways. It takes extensive liquidity planning and safeguarding measures, for example, in order to avoid tight positions. The CA Immo Group also protects itself by entering into capital partnerships (joint ventures) for project development purposes. This policy serves as an alternative to and extension of the customary sources of equity capital. Outside capital is procured by the CA Immo Group not only from its principal bank, Bank Austria/UniCredit Group, but also and to a growing extent through new or developing business relations with other domestic and foreign banks.

Interest rate risk

Risks resulting from changes in interest rates basically concern long-term loans. In order to reduce the interest rate risk, a mix of long-term fixed interest rate and variable interest rate loans is used. The variable interest rate loans concluded also include derivative financial instruments (interest rate caps, interest rate swaps). However, the purpose of all of these is just to hedge against interest rate risks from underlying transactions.

A list of all major interest rate liabilities and swaps concluded as well as details on maturities is given in 2.2.11. and 2.3.1. in these Notes. There are currently no risks which represent a major and permanent danger to the CA Immo Group.

A change in interest rates of 100 basis points would have the following effect on the income statement and the equity capital. This analysis is based on the assumption that all other variables, especially exchange rates, will remain constant:

€ 1,000	Recognition in profit or loss		Recognised directly in equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2008				
Variable rate instruments	−18,732.7	18,732.7	0.0	0.0
Interest rate swaps	15,825.1	−15,825.1	0.0	0.0
Interest rate swaps (valuation)	12,020.9	−13,189.6	63,904.3	−68,749.7
	9,113.3	**−10,282.0**	**63,904.3**	**−68,749.7**
31 December 2007				
Variable rate instruments	−11,559.4	11,559.4	0.0	0.0
Interest rate swaps	9,501.4	−9,501.4	0.0	0.0
Interest rate swaps (valuation)	5,301.6	−5,301.6	55,699.3	−55,699.3
	3,243.6	**−3,243.6**	**55,699.3**	**−55,699.3**

The sensitivity analysis is based on the balance sheet values as at 31 December 2008 assuming a change in interest rates of 100 basis points. The floating rate instruments include interest rate-dependent financial liabilities and loans without taking account of hedge relations. In the case of the financial derivatives, a change in the interest rate results in a component (interest rate and valuation fair value swaps) which has an effect on the income statement as well as the change in the value of the cash flow hedges recognised in equity.

Currency risk

Currency risks result from rental income and receivables in foreign currency, especially in SKK[1)], BGN, CZK, HUF, PLN, RON and RSD. These foreign currency inflows from rents are secured through a linkage of rents to EUR and USD so that on balance no major risk exists. On the liabilities side, risks may result from loans taken out in CHF, CZK and USD (cf. Notes 2.2.11.). This risk mainly relates to rental income in CZK and USD. Loans are taken out in the same currency as the one on which the rental agreement in question is based. The translation of individual financial statements denominated in local currency relating to companies located outside the Euro zone may result in non-cash-related effects on the consolidated net income.

An assumed USD exchange rate increase by 10 % (from 1.4040 to 1.5444) since the balance sheet date would have resulted in a currency gain of € 2,052.8K. An assumed USD exchange rate decrease by 10 % (from 1.4040 to 1.2636) since the balance sheet date would have resulted in a currency loss of € 2,509.0K.

An assumed CZK exchange rate increase by 10 % (from 26.5000 to 29.1500) since the balance sheet date would have resulted in a currency gain of € 700.9K. An assumed CZK exchange rate decrease by 10 % (from 26.5000 to 23.8500) since the balance sheet date would have resulted in a currency loss of € 856.6K.

An assumed CHF exchange rate increase by 10 % (from 1.4868 to 1.6355) since the balance sheet date would have resulted in a currency gain of € 377.5K. An assumed CHF exchange rate decrease by 10 % (from 1.4868 to 1.3381) since the balance sheet date would have resulted in a currency loss of € 461.4K.

[1)] Slovakia introduced the Euro on 1 January 2009 so that the currency risk for SKK no longer exists in future.

Credit risk

On the assets side, the amounts stated represent the maximum default risk as no major set-off agreements exist. Where recognisable, the risk resulting from rent receivables and receivables from property purchasers is considered by carrying out value adjustments. If there are objective indications of a value impairment (such as e.g. late payment, litigation, insolvency), a value impairment is to be recognised. The same applies to financing obtained by joint ventures or associated companies if, in view of the relevant company's business development, full repayment is not to be expected. The impairment loss is the difference between the current book value of the asset and the cash value of the expected future cash flow from the receivable. The default risk of other financial instruments stated on the assets side may be considered as low since the transactions were mainly concluded with banks of first credit-worthiness.

Fair values

The fair values of the financial assets and financial liabilities are stated together with the relevant items. The fair value of the other primary financial instruments corresponds to the book value due to day-to-day maturity or very short maturities.

2.3.2. Liquidity risk

The liquidity risk is the risk of being unable to settle financial liabilities at the time of maturity. The CA Immo Group controls liquidity by ensuring the availability of sufficient financial resources to settle due liabilities, while avoiding unnecessary potential losses and risks. In keeping with the investment horizon for real estate, most of the loans raised are long-term loans.

The table below shows the contractually agreed (non-discounted) interest payments and repayments relating to primary financial liabilities and derivative financial instruments.

31.12.2008 € 1,000	**Book value 2008**	**Contractually agreed cash flows**	**Cash flow 2009**	**Cash flow 2010–2013**	**Cash flow 2014 ff.**
Primary financial liabilities:					
Liabilities from loans	194,903.6	−282,000.0	−10,250.0	−41,000.0	−230,750.0
Financial liabilities	1,728,818.8	−2,188,706.8	−138,860.5	−802,331.2	−1,247,515.1
Trade creditors	69,351.5	−69,351.5	−61,100.4	−8,251.1	0.0
Liabilities in respect of minority interests	2,597.7	−2,597.7	0.0	0.0	−2,597.7
Interest-bearing liabilities to joint venture partners	799.2	−818.0	−818.0	0.0	0.0
interest-free liabilities to joint venture partners	3,021.3	−3,021.3	−3,021.3	0.0	0.0
Other interest-free liabilities	117,047.2	−117,047.2	−86,347.9	−30,699.3	0.0
Derivative financial liabilities: [1]					
Interest rate derivatives in connection with cash flow hedges	64,185.9	−90,806.8	−24,956.7	−56,831.5	−9,018.6
Interest rate derivatives not connected with hedges	17,080.0	−22,221.0	−4,564.5	−12,259.0	−5,397.5
	2,197,805.2	**−2,776,570.3**	**−329,919.3**	**−951,372.1**	**−1,495,278.9**

[1] The cash flows of derivative financial liabilities are expected values on the basis of forward rates.

31.12.2007 € 1,000	Book value 2007	Contractually agreed cash flows	Cash flow 2008	Cash flow 2009–2012	Cash flow 2013 ff.
Primary financial liabilities:					
Liabilities from loans	194,385.4	−292,250.0	−10,250.0	−41,000.0	−241,000.0
Financial liabilities	1,213,262.8	−1,706,449.7	−312,980.4	−419,624.2	−973,845.1
Trade creditors	6,566.3	−6,566.3	−6,381.2	−185.1	0.0
Liabilities in respect of minority interests	2,621.7	−2,621.7	0.0	0.0	−2,621.7
Interest-bearing liabilities to joint-venture partners	398.9	−404.7	−404.7	0.0	0.0
Other interest-free liabilities	16,364.5	−16,364.5	−13,124.8	−3,239.7	0.0
Derivative financial liabilities:					
Interest rate derivatives in connection with cash flow hedges	2,205.4	−2,375.2	−321.9	−1,971.3	−82.0
Interest rate derivatives not connected with hedges	1,268.9	−1,502.2	−148.6	−1,135.4	−218.2
Forward foreign exchange transactions	3,637.7	−3,637.7	−3,637.7	0.0	0.0
	1,440,711.6	**−2,032,172.0**	**−347,249.3**	**−467,155.7**	**−1,217,767.0**

2.3.3. Other liabilities and contingent liabilities

Guarantees

As at 31 December 2008, there are guarantees within the Vivico Group in the amount of € 32,178.0K from urban development contracts as well as from purchase contracts concluded with regard to the payment of costs in respect of contaminated sites and war damage in the amount of € 3,706.0K. There are also rent guarantees in the amount of € 211.0K which have been provided. In addition, letters of intent have been issued for two companies in Germany consolidated on a proportional basis.

As at 31 December 2008, there are guarantees for Eastern/South East Europe amounting to € 7,182.0K (2007: 0.0) for two companies in Slovakia and in Cyprus consolidated on a proportional basis.

Open lawsuits

The CA Immo Group is involved in several lawsuits resulting from the ordinary course of business. Whenever the probability of the enforcement of claims was higher than 50 %, provisions were set up for this purpose.

Significant liabilities in respect of outstanding purchase invoices

The existing obligation to pay the full purchase price for the acquisition of Vivico Real Estate GmbH, Frankfurt as at 31 December 2007 was fully paid in during the year under report.

In addition, by way of the provisions for the acquisition of a property company in Hungary already contained in the balance sheet, an obligation in the amount of at least € 51,000.0K exists within the framework of the forward purchase.

Obligations from the use of tangible assets

Rent obligations from the use of tangible assets not included in the balance sheet are as follows:

€ 1,000	2008	2007
Up to 1 year	1,446.0	1,471.0
2–5 years	3,414.0	2,967.0
More than 5 years	165.0	0.0
Total	**5,025.0**	**4,438.0**

2.3.4. Lease contracts

The lease contracts concluded by the CA Immo Group usually contain the following major contract provisions:

- linkage to EUR or USD
- value maintenance through linkage to international indices
- medium-term to long-term maturities or waiver of termination

Future minimum rental income from lease contracts existing as at 31 December 2008 which are either limited or subject to termination waiver amounts to € 1,687,090.0K. Of this, € 149,997.6K (2007: € 95,219.8K) is attributable to the year 2009, € 440,249.1K (2007: € 294,374.2K) to the years 2010 to 2013 and € 1,096,843.3K (2007: € 1,082,862.8K) to subsequent years. The remaining lease contracts may be terminated at short notice.

2.3.5. Business relationships with related companies and parties

Companies and persons related to the CA Immo Group are:

- the executive bodies of CA Immobilien Anlagen Aktiengesellschaft
- the Bank Austria/UniCredit Group

The executive bodies of the CA Immo Group are:

The Management Board of CA Immobilien Anlagen Aktiengesellschaft, Vienna now has two members following the departure of Gerhard Engelsberger on 31 January 2008:

Bruno Ettenauer
Wolfhard Fromwald

Supervisory Board of CA Immobilien Anlagen Aktiengesellschaft, Vienna [1)]

Gerhard Nidetzky, Chairman
Christian Nowotny, Deputy Chairman
Reinhard Madlencnik
Regina Prehofer
Detlef Bierbaum
Horst Pöchhacker

In 2008, the members of the Management Board received remuneration totalling € 1,218.4K (2007: € 2,019.6K), of which € 638.0K (2007: € 1,202.0K) was performance-related based on the business year 2007. Neither loans nor advances were granted to Group management executive bodies. Gerhard Engelsberger retired from the Management Board with effect from 31 January 2008. In the business year, Gerhard Engelsberger received a severance payment of € 275.6K and a residual payment in the amount of € 100.0K for contractual entitlements. The remuneration of the members of the Supervisory Boards of CA Immobilien Anlagen Aktiengesellschaft and its subsidiaries amounted to € 116.8K (2007: € 147.5K) in the year under report.

As of the indicated balance sheet dates, the following significant receivables from, and liabilities to, subsidiaries in which the CA Immo Group held a 50 % interest existed:

[1)] As at 31.12.2008, all members of the Supervisory Board had been elected by the General Meeting.

€ 1,000	31.12.2008	31.12.2007
Loans to joint ventures		
Triastron Investments Limited, Nicosia	14,506.8	12,778.9
Poleczki Business Park Sp. z o.o., Warsaw	6,479.2	1,692.6
Kornelco Holdings Limited, Nicosia	2,656.5	0.0
Starohorska Development s.r.o., Bratislava	1,493.4	0.0
H1 Hotelentwicklungs GmbH, Vienna	253.5	250.3
Total	**25,389.4**	**14,721.8**
Loans to associated companies		
OAO Avielen AG, St. Petersburg	4,599.8	132.5
Soravia Center OÜ, Tallinn	1,900.0	2,934.1
Total	**6,499.8**	**3,066.6**
Receivables from joint ventures		
SKYGARDEN Arnulfpark GmbH & Co. KG, Grünwald	4,624.9	0.0
Boulevard Süd 4 GmbH & Co. KG, Ulm	1,523.9	0.0
Einkaufszentrum Erlenmatt AG, Basle	458.9	0.0
Poleczki Business Park Sp. z o.o., Warsaw	68.3	0.0
H1 Hotelentwicklungs GmbH, Vienna	8.5	155.8
CEE Hotel Development Aktiengesellschaft, Vienna	0.6	0.6
CEE Hotelmanagement und Beteiligungs GmbH, Vienna	0.6	0.3
Pannonia Shopping Center Kft., Györ	0.5	0.0
Total	**6,686.2**	**156.7**
Payables to joint ventures		
Boulevard Süd 4 GmbH & Co. KG, Ulm	2,970.1	0.0
Warsaw Financial Center Sp. z o.o., Warsaw	799.2	398.9
Mahler Property Sp. z o.o., Warsaw	51.2	0.0
Total	**3,820.5**	**398.9**

The Bank Austria/UniCredit Group is the principal bank of the CA Immo Group. The company carries out a large proportion of its payment transactions through the Bank Austria/UniCredit Group, places a lot of its financial investments with the Bank Austria/UniCredit Group and holds about 32.6 % of the financial liabilities shown in the consolidated financial statements with the Bank Austria/UniCredit Group. In the business year 2008, the net interest expenses (incl. interest income, swap expenditure and income and loan processing fees) of CA Immobilien Anlagen Aktiengesellschaft in respect of the Bank Austria/UniCredit Group amounted to € 1,205.0K (2007: € 342.6K) while those of CA Immo subsidiaries in respect of the Bank Austria/UniCredit Group amounted to € 6,264.5K (2007: € 5,210.9K). The marketing and distribution fees (portfolio commission) of CA Immobilien Anlagen Aktiengesellschaft in respect of the Bank Austria/UniCredit Group amounted to € 614.8K (2007: € 3,815.7K). In the business year 2008, there were no issuing costs (2007: € 18,840.0K).

As at 31 December 2008, the balance of outstanding receivables from, and liabilities to, the Bank Austria/UniCredit Group is € –453,747.5K (31 December 2007: € –156,579.4K). There are also interest rate swap transactions with the Bank Austria/UniCredit Group with a fair value of € –54,058.8K (31 December 2007: € 22,099.4K). The terms and conditions of the business relationship with the Bank Austria/UniCredit Group are in line with those prevailing in the market.

2.3.6. Net profit effect on the income statement of the settlement of transactions within the CA Immo Group and the CAINE Group

The CA Immo Group has a majority (61.74 %) stake in CA Immo International AG alongside other investors. CA Immo International AG for its part has a majority (60 %) stake in CA Immo NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxemburg. The individual financial statements of CA Immo NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxemburg and the individual financial statements of CA Immo International AG are shown as fully consolidated in the Consolidated Financial Statements of the CA Immo Group so that business transactions with CA Immo International AG and CA Immo NEW EUROPE PROPERTY FUND S.C.A. SICAR and its subsidiaries (the CA Immo International Group and the CAINE Group for short) are not taken into consideration in the individual items from the annual financial statements but are just shown in the results as minority interests.

Linkage of the minority interest in the individual group company CA Immo NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxemburg (CAINE) based on group-internal settlements:

€ 1,000	**31.12.2008**	**31.12.2007**
Result of the individual group company CAINE after consolidation of the CA Immo Group	−46,228.4	701.7
of which 39.97 % expected minority interest	−18,476.2	280.5
Current minority interest	−20,819.9	−1,227.4
Difference	**2,343.7**	**1,507.9**
Composition of the difference		
Minority interest in respect of asset management fee	1,766.5	1,293.7
Minority interest in respect of acquisition fee	0.0	225.8
Minority interest in respect of interest earnings	558.5	156.5
Minority interest in respect of management fees	39.7	17.0
Minority interest in respect of marketing costs	−21.0	−14.0
Minority interest in respect of result of a company due to group-internal sales	0.0	−171.1
Total	**2,343.7**	**1,507.9**

2.3.7. Capital management

The aim of the capital management policy within the CA Immo Group is to maintain an appropriate capital structure which enables the attainment of a sustainable increase in the value of the company. As a result of investment activity, we cannot rule out falling short of our target equity ratio of 40 % in the short term; in the medium term, however, the equity ratio is likely to be exceeded once again as partnerships are created in relation to specific projects and certain properties are sold off.

Pursuant to section 130 para. 4 of the Austrian Stock Corporation Act (AktG), the appropriated capital reserves stated in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft may only be released to cover a net loss which would otherwise be shown. In accordance with the resolution of the Management Board of 25 February 2009, free reserves in the amount of € 19,803.4K, statutory reserves in the amount of € 23.3K and appropriated capital reserves in the amount of € 161,831.3K were reversed in the order prescribed by law in accordance with Section 130 para. 4 of the Austrian Stock Corporation Act in order to balance out a net loss which would otherwise have been shown in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft in the financial year 2008. As a result, the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft show appropriated capital reserves in the amount of € 868,545.0K as at 31 December 2008 (31 December 2007: € 1,030,376.4K).

A distribution of profits may be carried out only up to the amount of the net profit as stated in the individual financial statements of the company (31 December 2008: € 0.0).

The business equity capital corresponds to the equity capital shown in the consolidated balance sheet. With a balance sheet total of € 4,394,832.8 as at 31 December 2008 (31 December 2007: € 3,823,409.6K), the equity capital ratio amounts to 42.2 % (31 December 2007: 59.3 %).

The management board made use of its authority to buy back the company's own shares and up to the balance sheet date, a total of 1,494,076 bearer shares had been bought back via the stock market (see also 2.2.8.).

The net financial liability and the gearing ratio are definitive key figures for presenting the capital structure of the CA Immo Group and show the following development:

€ 1,000	31.12.2008	31.12.2007
Interest-bearing liabilities		
Loans	194,903.6	194,385.4
Financial liabilities	1,728,818.8	1,213,262.8
Interest-bearing assets		
Securities	−11,251.2	−375,584.8
Cash and cash equivalents	−321,380.3	−192,468.5
Net financial liability	**1,591,090.9**	**839,594.9**
Equity capital	1,854,654.1	2,265,453.4
Gearing ratio	**86 %**	**37 %**

2.3.8. Key figures per share

Earnings per share

Earnings per share are calculated by dividing consolidated net income by the weighted number of ordinary shares in circulation during the business year.

		2008	2007
Weighted number of shares in circulation	Number	86,739,128.0	77,935,078.0
Consolidated net income	€ 1,000	−237,120.6	52,056.5
Loss/profit per share	€	−2.73	0.67

Diluted earnings per share corresponds to the earnings per share as no financial instruments with dilution effect were issued. Dilution effects could be seen in future, however, owing to existing conditional capital of € 317,185.0K.

Cash flow per share

The cash flow per share is calculated by dividing the operating cash flow and the cash flow from business activities by the weighted number of ordinary shares in circulation during the business year.

		2008	2007
Weighted number of shares in circulation	Number	86,739,128.0	77,935,078.0
Operating cash flow	€ 1,000	114,588.7	83,379.7
Operating cash flow per share	€	1.32	1.07
Cash flow from business activities	€ 1,000	169,660.3	83,986.9
Cash flow per share	€	1.96	1.08

2.3.9. Payroll

In the business year 2008, the CA Immo Group employed an average of 263 white-collar workers (2007: 104) as well as 19 blue-collar workers (2007: 22). Of these, an average of 157 white-collar workers were employed by the Vivico Group. In addition, an average of 16 of the 263 white-collar workers were involved in the hotel business in Ljubljana which was sold on 1 April 2008. In addition, an average of 14 white-collar workers (2007: 11) and 20 blue-collar workers (2007: 21) were employed by companies consolidated on a proportional basis.

2.3.10. Events after the close of the business year

In the first quarter of 2009, the sale of a property in Munich was agreed at a purchase price of more than € 100 m.

In addition, a bank consortium agreed to provide credit finance of € 254 m for a property under development in Germany.

Siemens Österreich AG gave notice to quit about 40 % of the space at the property located at Erdberger Lände in Vienna on 28 February 2010 in accordance with the terms of its contract.

In January 2009, CEE Hotel Development Aktiengesellschaft, Vienna, terminated the investment management agreement with H1 Hotelentwicklungs GmbH, Vienna, and H1 Hotelentwicklungs GmbH terminated that service agreement with Deloitte Corporate Finance. The activities of H1 Hotelentwicklungs GmbH were suspended.

Vienna, 13 March 2009

The Management Board

Bruno Ettenauer

Wolfhard Fromwald

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

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

Vienna, 13 March 2009

The Management Board

Dr. Bruno Ettenauer

Mag. Wolfhard Fromwald

INDEPENDENT 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 financial year from 1 January to 31 December 2008. Those financial statements comprise the balance sheet as at 31 December 2008, and the income statement, cash flow statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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

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 International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 entity'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 entity's internal control. An audit also includes evaluation of 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. Based on the results of our audit in our opinion the consolidated financial statements are in accordance with legal requirements and present fairly, in all material respects, the financial position of the group as at 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on Other Legal Requirements

Law and regulation applicable in Austria require us to perform audit procedures whether the group management report is consistent with the consolidated financial statements and whether the other disclosures made in the group management report do not give rise to misconception of the position of the group.

In our opinion, the Group Management Report is consistent with the consolidated financial statements.

Vienna, 13 March 2009

KPMG
Wirtschaftsprüfungs- und Steuerberatungs GmbH

Mag. Walter Reiffenstuhl ppa Mag. Nikolaus Urschler

Austrian Chartered Accountants

FINANCIAL STATEMENTS OF CA IMMO ANLAGEN AG

PROFIT AND LOSS ACCOUNT FOR THE BUSINESS YEAR ENDED 31 DECEMBER 2008

		2008		2007
	€	€	€ 1,000	€ 1,000
1. Gross revenues		**28,161,717.71**		**27,616.5**
2. Other operating income				
a) Income from the sale of fixed assets with the exception of financial assets	19,311.21		15,420.8	
b) Income from the reduction of provisions	104,968.00		32.6	
c) Other	2,841,834.08	2,966,113.29	5,486.0	20,939.4
3. Staff expenses				
a) Wage	–16,804.17		–31.7	
b) Salaries	–3,549,903.52		–4,815.0	
c) Payments relating to dispatching and payments into staff welfare funds	–333,377.25		–293.9	
d) Expenses in connection with pensions	–100,063.12		–115.2	
e) Payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions	–701,842.73		–689.8	
f) Other social expenses	–82,439.40	–4,784,430.19	–17.3	–5,962.9
4. Depreciation on intangible assets, fixed assets and tangible assets		**–31,974,320.94**		**–11,207.9**
of which unscheduled depreciation in accordance with § 204 para. 2 UGB: € 22,511,363.70; previous year: € 1,670.8K				
5. Other operating expenses				
a) Taxes	–350,456.86		–7,118.6	
b) Other	–19,640,082.72	–19,990,539.58	–40,359.7	–47,478.3
6. Subtotal from S 1 to 5 (operating result)		**–25,621,459.71**		**–16,093.2**
7. Income from interests		**976,100.30**		**0.0**
of which from related companies: € 976,100.30; previous year: € 0.0K				
8. Income from loans from financial investments		**8,436,685.53**		**5,843.5**
of which from related companies: € 8,436,685.53; previous year: € 5,843.5K				

		2008		2007
	€	€	€ 1,000	€ 1,000
9. Other interest and similar income		**5,447,797.80**		**5,874.5**
of which from related companies:				
€ 2,646,036.58; previous year: € 2,353.9K				
10. Income from the sale of financial assets and short-term securities from current assets		**41,324.89**		**1,797.8**
11. Expenses from financial assets and from short-term securities from current assets		**–78,697,570.09**		**–8,240.8**
of which: a) Depreciation and amortisation:				
€ 68,811,794.70; previous year: € 4,000.0K				
b) Expenses from affiliated companies:				
€ 55,965,532.83; previous year: € 4.000.0K				
12. Interest and similar expenses		**–99,042,675.99**		**–19,159.7**
of which in connection with related companies:				
€ 18,513,851.28; previous year: € 2,575.2K				
13. Subtotal from S 7 to 12 (financial result)		**–162,838,337.56**		**–13,884.7**
14. Result from usual business activity		**–188,459,797.27**		**–29,977.9**
15. Extraordinary income		**0.00**		**3,397.3**
16. Taxes on income		**6,799,089.43**		**2,045.7**
17. Annual deficit		**–181,660,707.84**		**–24,534.9**
18. Reduction of untaxed reserves				
Special items for investment grants		2,333.16		2.3
19. Reduction of capital reserves		**161,831,291.87**		**0.0**
20. Reduction of retained profit				
a) Statutory reserve		23,345.42		24,490.0
b) Other reserves (free reserves)		19,803,411.24		
21. Profit carried forward from the previous year		**326.15**		**42.9**
22. Profit as shown in the balance sheet		**0.00**		**0.3**

BALANCE SHEET AS AT 31 DECEMBER 2008

	31.12.2008	31.12.2007
	€	€ 1,000
ASSETS		
A. Fixed assets		
I. Intangible fixed assets		
1. Rights	882.86	1.5
2. EDP software	73,708.57	60.7
3. Goodwill	643,439.39	857.9
	718,030.82	**920.1**
II. Tangible fixed assets		
1. Property and buildings	308,500,550.79	341,439.0
of which land value: € 65,092,540.59; previous year: € 73,281.6K		
2. Other assets, office furniture and equipment	1,562,465.73	1,361.1
3. Down-payments made and construction in progress	2,808,110.35	374.4
	312,871,126.87	**343,174.5**
III. Financial assets		
1. Stakes in related companies	2,046,090,996.34	1,488,181.0
2. Loans to related companies	104,030,577.86	146,794.0
3. Equity investments	7,332.69	7.3
	2,150,128,906.89	**1,634,982.3**
	2,463,718,064.58	**1,979,076.9**
B. Current assets		
I. Claims		
1. Trade debtors	237,258.15	442.9
2. Claims on related companies	26,633,221.63	56,506.8
3. Other receivables	1,797,483.96	1,821.4
	28,667,963.74	**58,771.1**
II. Other securities		
1. Own shares	6,276,870.62	0.0
2. Other securities	11,251,300.72	389,952.6
	17,528,171.34	**389,952.6**
III. Cash on hand, credit balances with banks	**24,240,239.74**	**30,388.0**
	70,436,374.82	**479,111.70**
C. Deferred expenses	**888,725.72**	**1,143.9**
	2,535,043,165.12	**2,459,332.5**

BALANCE SHEET AS AT 31 DECEMBER 2008

	31.12.2008 €	31.12.2007 € 1,000
LIABILITIES		
A. Shareholders' equity		
I. Share capital	**634,370,022.00**	**634,370.0**
II. Capital reserves	**868,545,036.43**	**1,030,376.4**
III. Retained earnings		
1. Statutory reserve	0.00	23.3
2. Reserve for own shares	6,276,870.62	0.0
3. Other reserves (free reserves)	0.00	26,080.3
	6,276,870.62	**26,103.6**
IV. Net profit	**0.00**	**0.3**
of which profit carried forward: € 326.15; previous year: € 42.9K		
	1,509,191,929.05	**1,690,850.3**
B. Untaxed reserves		
I. Valuation reserve based on special depreciation in accordance with § 10 a para. 3 of the Income Tax Law	**126,202.60**	**126.2**
II. Other untaxed reserves		
Special items for investment grants	83,293.32	85.6
	209,495.92	**211.8**
C. Provisions		
1. Provisions for severance payments	510,485.00	551.2
2. Tax provisions	731,416.28	704.6
3. Other provisions	37,552,639.02	5,450.9
	38,794,540.30	**6,706.7**
D. Liabilities		
1. Bond	200,000,000.00	200,000.0
of which convertible: € 0.00; previous year: € 0.0K		
2. Liabilities to banks	191,693,213.25	270,069.5
3. Trade creditors	790,451.77	1,295.7
4. Payables to related companies	587,822,314.67	284,583.9
5. Other liabilities	5,204,719.97	4,215.1
of which from taxes: € 623,101.00; previous year: € 1,223.6K		
of which in connection with social security: € 73,877.86; previous year: € 70.8K		
	985,510,699.66	**760,164.2**
E. Deferred income	**1,336,500.19**	**1,399.5**
	2,535,043,165.12	**2,459,332.5**
Contingent liabilities from guarantees	217,365,000.00	612,614.0

OTHER NOTES

The financial statements of CA Immobilien Anlagen Aktiengesellschaft for the 2008 business year prepared according to the Austrian accounting principles and for which an unqualified auditors' opinion was expressed by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH will be submitted together with the relevant documents to the Austrian Register of Companies of the Commercial Court of Vienna, no. 75895k. These financial statements can be ordered free of charge from CA Immobilien Anlagen Aktiengesellschaft, 1030 Vienna.

Vienna, 5 March 2009

The Management Board

Bruno Ettenauer

Wolfhard Fromwald

TABLES AND ANALYSES

I. CA IMMO SHARE

1. REVIEW OF SHARE RATIOS

		2008	2007	2006	2005	2004
Key figures per share €						
Rental income/share		2.02	1.58	1.50	1.44	1.19
EBITDA/share		1.59	1.16	1.15	1.00	0.86
Operating cash flow/share		1.32	1.07	0.93	0.96	0.80
Consolidated net income w/o minorities/share		–2.73	0.67	1.17	1.55	–0.07
EV/share		22.75	27.96	32.40	24.46	18.89
NNNAV/share		20.50	22.51	21.13	19.66	18.37
Price (31 December)/NNNAV per share –1	%	–79.51	–31.92	4.62	7.07	9.10
Multipliers						
P/E ratio (PER)		–1.5	23.0	18.0	13.0	–
Price/cash flow		3.2	14.3	23.0	21.0	25.0
av. EV/EBITDA		18.6	26.9	29.1	28.0	25.0
Valuation € m						
Market capitalisation (31 December)		360.2	1,335.1	1,286.2	918.4	712.8
Market capitalisation (annual average)		968.9	1,600.0	1,108.0	777.6	604.1
Shareholders equity		1,854.7	2,265.5	1,485.2	851.3	631.1
Average Enterprise Value (EV)		2,560.0	2,439.6	1,721.4	1,084.7	671.5
Net asset value (NNNAV)		1,758.4	1,964.4	1,229.4	857.9	653.1
Share						
Number of shares (31 December)	pcs.	85,764,524	87,258,600	58,172,400	43,629,300	35,549,800
Average number of shares	pcs.	86,739,128	77,935,078	51,345,223	37,838,992	30,947,736
Average price/share	€	11.17	20.53	21.58	20.55	19.52
Highest price	€	15.88	25.15	22.11	21.71	20.05
Lowest price	€	3.15	13.20	21.01	20.00	19.07

2. DEVELOPMENT OF SHARE CAPITAL

Year		Capital increase Nominal value	Number	Price	Status share capital
1987	ATS	200,000,000		100 %	200,000,000
1988	ATS	100,000,000		110 %	300,000,000
1989	ATS	100,000,000		113 %	400,000,000
	ATS	100,000,000		125 %	500,000,000
	ATS	100,000,000		129 %	600,000,000
	ATS	200,000,000		135 %	800,000,000
1990	ATS	200,000,000		138 %	1,000,000,000
1991	ATS	250,000,000		140 %	1,250,000,000
1996		100,000,000		165 %	1,350,000,000
			13,500,000		**98,145,000**
1999	€	10,905,000	1,500,000	14.4 €/share	109,050,000
2001	€	10,905,000	1,500,000	16.2 €/share	119,955,000
	€	11,995,500	1,650,000	16.6 €/share	131,950,500
2002	€	13,195,050	1,815,000	17.1 €/share	145,145,550
	€	14,514,555	1,996,500	17.3 €/share	159,660,105
2003	€	14,514,555	1,996,500	18.2 €/share	174,174,660
	€	18,058,680	2,484,000	18.8 €/share	192,233,340
	€	21,359,260	2,938,000	18.7 €/share	213,592,600
2004	€	21,359,260	2,938,000	19.45 €/share	234,951,860
	€	23,495,186	3,231,800	19.7 €/share	258,447,046
2005	€	23,495,186	3,231,800	20.2 €/share	281,942,232
	€	35,242,779	4,847,700	20.85 €/share	317,185,011
2006	€	105,728,337	14,543,100	21.15 €/share	422,913,348
2007	€	211,456,674	29,086,200	23.25 €/share	634,370,022
2008	€	0	0	0	634,370,022
			87,258,600		

II. PORTFOLIO ANALYSIS

1. OVERALL PORTFOLIO

		Austria	Germany	Eastern and Southeastern Europe	Total
Property assets 31.12.2007	€ m	**892.5**	**934.4**	**708.4**	**2,535.3**
Property assets let	€ m	805.2	915.5	599.0	2,319.6
Property assets under development	€ m	87.3	19.0	109.4	215.7
Property own used	€ m	0.0	0.0	0.0	0.0
Property intended for trading	€ m	0.0	0.0	0.0	0.0
Acqusition of new properties	€ m	5.2	1,448.0	112.0	1,565.2
Investments in current projects	€ m	6.1	118.0	66.5	190.6
Investments in the portfolio stock	€ m	9.2	35.7	12.0	56.9
Change from revaluation/impairment	€ m	−81.3	−112.1	−92.2	−285.6
Disposals	€ m	−31.7	−187.5	−55.0	−274.2
Property assets 31.12.2008	€ m	**800.1**	**2,236.5**	**751.7**	**3,788.3**
Property assets let	€ m	747.9	1,184.5	588.2	2,520.7
Property assets under development	€ m	40.6	876.9	162.2	1,079.8
Property own used	€ m	11.5	7.9	0.0	19.4
Property intended for trading	€ m	0.0	167.1	1.2	168.4
Annual rental income [1]	€ m	45.2	91.5	38.7	175.3
Annualized rental income	€ m	46.0	91.4	40.9	178.3
Vacancy rate property assets let	%	9.8	1.3	6.0	5.1
Yield property assets let	%	6.1	6.0	7.3	6.3

[1] incl. annual rental income from properties sold in 2008 (€ 4.4 m)

2. CHANGE IN RENTAL INCOME (2008 COMPARED WITH 2007)

€ m	Austria	Germany	Eastern and Southeastern Europe	Total
From indexing	1.3	0.0	1.3	2.6
From currency translation	0.0	0.0	−0.3	−0.3
From change of vacancy rate or rent reduction	−0.7	0.0	−1.1	−1.8
From additions of new properties	0.1	41.9	2.9	44.9
From first-time lease on whole-year basis	3.6	5.5	1.8	10.9
From completed projects	0.4	0.0	0.0	0.4
From property disposals	−0.7	0.0	−4.0	−4.7
Total	**4.0**	**47.4**	**0.5**	**52.0**

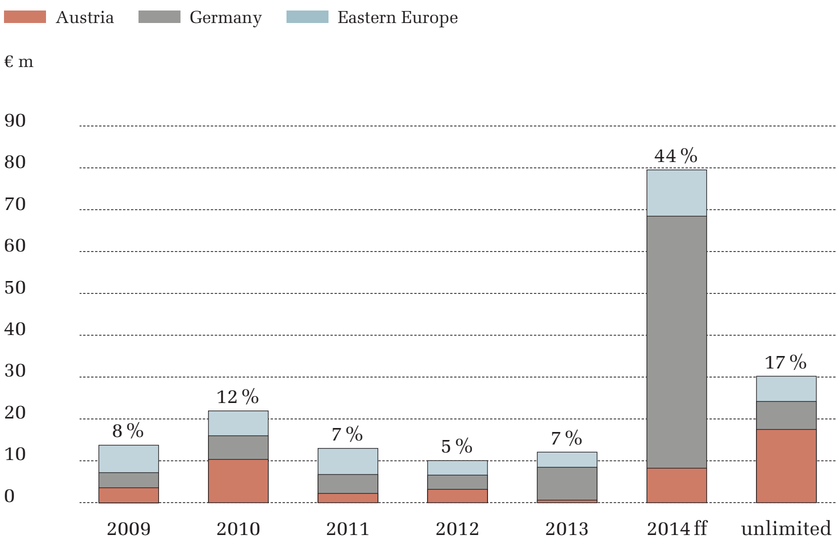
3. SEGMENT ANALYSIS – USABLE SPACE BY TYPE OF USE AND INVENTORY FOR TRADING

	Austria		Germany		Eastern/South East Europe		Total	
	sqm	% share	sqm	% share	sqm	% share	sqm	% share
Office	181,361	44	500,139	57	159,973	70	841,474	55
Hotel	34,968	9	628	0	39,122	17	74,718	5
Retail	73,146	18	3,584	0	12,071	5	88,801	6
Commercial and warehousing	62,416	15	267,370	30	3,006	1	332,791	22
Residential	51,888	13	4,461	1	0	0	56,348	4
Other	4,387	1	107,956	12	16,659	7	129,001	8
Useful area	**408,165**	**100**	**884,138**	**100**	**230,831**	**100**	**1,523,134**	**100**
Number of car-parking spaces	4,463		8,466		3,734		16,663	

4. SEGMENT ANALYSIS – RENTAL INCOMES BY TYPE OF USE AND INVENTORY FOR TRADING

	Austria		Germany		Eastern/South East Europe		Total	
	sqm	% share	sqm	% share	sqm	% share	sqm	% share
Office	18,728	42	63,920	79	31,912	83	114,560	69
Hotel	3,458	8	2,270	3	6,330	16	12,059	7
Retail	3,463	8	0	0	0	0	3,463	2
Commercial and warehousing	2,788	6	9,061	11	0	0	11,849	7
Residential	11,654	26	599	1	0	0	12,253	7
Other	4,939	11	5,348	7	417	1	10,704	6
Rental income	**45,031**	**100**	**81,197**	**100**	**38,659**	**100**	**164,887**	**100**

5. LEASE CONTRACT ANALYSIS 2009 to 2014 ff



6. LARGEST TENANTS

	Industry sector	Region	% Share 1)
Hesse (state of Germany)	Public administration	Germany	23
Siemens AG Österreich	IT, Telecommunications	Austria	5
H&M Hennes & Mauritz GmbH	Fashion retail	Germany	4
BIM Berliner Immobilienmanagement GmbH	property administration	Germany	3
Deutsche Bahn AG	public transportation	Germany	3
Verkehrsbüro Hotellerie GmbH	Hotel trade	Austria	2
Bristol-Myers Sqibb GmbH & CO.	manufacturers of pharmaceuticals	Germany	1
ECM Hotel operations, Europort, s.r.o. (end user Marriott)	Hotel operator	Eastern Europe / SEE	1
ECM Hotel operations Plzen s.r.o. (end user Marriott)	Hotel operator	Eastern Europe / SEE	1
EDS Magyarország Kft.	IT	Eastern Europe / SEE	1

1) by rental income

7. BOOK VALUES BY PROPERTY AREA AND SEGMENTS

€ m	31.12.2008	31.12.2008 before revaluation	Change from revaluation
Property assets let			
Austria	747.9	812.5	–64.6
Germany	1,184.5	1,251.4	–66.8
Eastern/South East Europe	588.2	634.9	–46.7
Property assets let	**2,520.7**	**2,698.8**	**–178.1**
Property assets under development			
Austria	40.6	56.6	–16.0
Germany	876.9	912.0	–35.1
Eastern/South East Europe	162.2	202.7	–40.5
Property assets under development	**1,079.8**	**1,171.3**	**–91.5**
Property intended for trading			
Austria	0.0	0.0	0.0
Germany	167.1	176.5	–9.4
Eastern/South East Europe	1.2	6.3	–5.1
Property intended for trading	**168.4**	**182.9**	**–14.5**
Property assets own used			
Austria	11.5	12.2	–0.7
Germany	7.9	8.7	–0.7
Eastern/South East Europe	0.0	0.0	0.0
Property assets own used	**19.4**	**20.9**	**–1.5**
Total portfolio	**3,788.3**	**4,073.9**	**–285.6**
Austria	800.1	881.4	–81.3
Germany	2,236.5	2,348.6	–112.1
Eastern/South East Europe	751.7	843.9	–92.2

III. BALANCE SHEET AND INCOME ANALYSIS (5-YEAR COMPARISON)

1. CORPORATE DATA/KEY FIGURES

		2008	2007	2006	2005	2004
Income Statement						
Rental income	€ m	175.3	123.3	77.1	54.5	36.7
EBITDA	€ m	137.8	90.7	59.2	38.0	26.7
Operating result (EBIT)	€ m	–152.6	151.5	90.2	73.6	–2.3
Net income before taxes (EBT)	€ m	–295.4	106.2	84.3	63.0	–4.5
Consolidated net income	€ m	–294.9	84.0	66.4	58.6	–2.2
Consolidated net income w/o minorities	€ m	–237.1	52.1	60.3	58.7	–2.2
Operating cash flow	€ m	114.6	83.4	48.0	36.4	24.6
Balance sheet						
Book value of properties	€ m	3,788.3	2,535.3	2,116.0	1,157.5	717.1
Total assets	€ m	4,394.8	3,823.4	2,712.8	1,313.3	875.6
Shareholders' equity	€ m	1,854.7	2,265.5	1,485.2	851.3	631.1
Long and short -term financial liabilities	€ m	1,923.7	1,407.6	1,087.5	400.3	212.8
Net debt	€ m	1,591.1	839.6	598.3	289.6	67.4
PROPERTY PORTFOLIO DATA						
Total usable space (excl. parking, excl.projects)	m²	1,528,837	1,118,778	995,437	566,467	353,361
Gross yield of properties (in relation to book values)	%	6.3	5.8	6.6	6.8	7.4
Vacancy rate	%	5.1	3.8	7.1	11.9	8.4
Capital expenditures	€ m	1,859.1	411.0	986.3	405.0	177.7
Other Key data						
Staff as at 31.12.		330	62	35	26	20
Gearing	%	86	37	40	34	11
Equity ratio	%	42	59	55	65	72
Equity-to-fixed-assets ratio	%	49	71	68	72	88
Average enterprise value	€ m	2,560.0	2,439.6	1,721.4	1,084.7	671.5
Average enterprise value/EBITDA		19	27	29	28	25
Net asset value (NNNAV)	€ m	1,758.4	1,964.4	1,229.4	857.9	653.1
Return on Equity (ROE)	%	–13.4	4.5	5.7	8.0	–0.4
Return on Capital Employed (ROCE)	%	–4.9	5.2	5.8	6.1	–0.3

2. CONSOLIDATED BALANCE SHEET

	2008		2007		2006		2005		2004	
	€ m	%	€ m	%	€ m	%	€ m	%	€ m	%
Property assets	3,619.9	82	2,535.3	66	1,318.3	49	1,157.5	88	717.1	82
Long-term assets	**3,830.9**	**87**	**3,207.8**	**84**	**2,192.9**	**81**	**1,185.6**	**90**	**721.2**	**82**
Short-term assets	**563.9**	**13**	**615.6**	**16**	**519.9**	**19**	**127.7**	**10**	**154.4**	**18**
Total assets	**4,394.8**	**100**	**3,823.4**	**100**	**2,712.8**	**100**	**1,313.3**	**100**	**875.6**	**100**
Shareholders' equity	1,854.7	42	2,265.5	59	1,485.2	55	851.3	65	631.1	72
Long-term financial liabilities	1,834.9	42	1,156.6	30	1,036.3	38	294.8	22	149.8	17
Short-term financial liabilities	88.9	2	251.1	7	51.2	2	105.5	8	63.0	7
Other liabilities	616.5	14	150.3	4	140.7	5	61.7	5	31.6	4
Total liabilities and shareholders' equity	**4,394.8**	**100**	**3,823.4**	**100**	**2,712.8**	**100**	**1,313.3**	**100**	**875.6**	**100**

3. CONSOLIDATED INCOME STATEMENT

€ m	2008	2007	2006	2005	2004
Rental income/Net sales	175.3	123.3	77.1	54.5	36.7
Austria	45.2	41.1	38.6	28.6	21.7
Germany	91.5	44.0	0.3	0.3	0.5
Eastern/South East Europe	38.7	38.1	38.2	25.6	14.6
Gross revenues	298.8	144.6	92.6	64.3	43.6
Net operating income	160.1	108.7	66.6	45.9	31.2
Result from the sale of properties	11.7	5.7	7.3	–0.1	0.0
EBITDA	137.8	90.7	59.2	38.0	26.7
Operating result/EBIT	–152.6	151.5	90.2	73.6	–2.3
Change from revaluation	–178.1	65.4	32.5	36.7	–28.7
Net income before taxes/EBT	–295.4	106.2	84.3	63.0	–4.5
Current taxes	–48.2	–2.3	–3.9	–1.0	–0.8
Deferred taxes	48.7	–19.9	–14.0	–3.4	2.9
Taxes on income	0.5	–22.2	–17.9	–4.4	2.1
Consolidated net income	**–294.9**	**84.0**	**66.4**	**58.6**	**–2.2**
of which: attributable to the parent company	–237.1	52.1	60.3	–	–

4. CASH FLOW ANALYSIS

€ m	2008	2007	2006	2005	2004
Cash flow from					
- operating activities	169.7	84.0	47.4	37.3	25.1
- investment activities	−127.8	−936.9	−1.203.0	−251.7	−221.5
- financing activities	89.1	897.5	1.232.5	224.1	190.0
Change in liquid funds	**130.9**	**44.6**	**76.8**	**9.6**	**−6.4**
Liquid funds					
- at the beginning of the business year	192.5	148.3	70.7	60.9	67.4
- changes in the value of foreign currency	−2.0	−0.5	0.7	0.2	
- at the end of the business year	321.4	192.5	148.3	70.7	60.9

IV. GENERAL LIST OF PROPERTIES

Plot size in 1,000 sqm Values in € 1,000

Post-code	City	Address	Share	Additions Month/Year	Plot 1)	Office space	Retail space
PROPERTY ASSETS LET					**1,733.7**	**791.1**	**87.5**
Property assets let Austria							
1010	Vienna	Franz-Josefs-Kai 31–33	100 %	10/91	WE	0.6	0.4
1020	Vienna	Handelskai 388/DBC	100 %	09/00	9.4	19.9	0.9
1030	Vienna	Erdberger Lände 26–32	100 %	09/04	66.4	60.9	2.7
1030	Vienna	Rennweg 16 (Hotel, vermietetes Büro)	100 %	09/04	5.5	3.7	0.0
1030	Vienna	Landstraßer Hauptstraße 33/Czapkagasse 18	100 %	12/05	4.3	0.6	0.4
1030	Vienna	Rüdengasse 11	100 %	05/03	1.1	4.7	0.0
1030	Vienna	Galleria	100 %	12/05–05/08	WE	4.6	13.7
1040	Vienna	Wiedner Hauptstraße 23–25	100 %	07/89	1.2	1.9	0.9
1040	Vienna	Große Neugasse 36/Schäffergasse 18–20	100 %	12/89	1.0	0.0	0.6
1040	Vienna	Rilkeplatz 5	100 %	05/03	0.5	2.7	0.0
1040	Vienna	Prinz-Eugen-Straße 72	100 %	11/88	1.5	2.7	0.0
1040	Vienna	Viktorgasse 26	100 %	07/07	0.3	0.0	0.2
1060	Vienna	Mariahilfer Straße 17	100 %	07/07	0.7	2.6	0.5
1070	Vienna	Siebensterngasse 20	100 %	08/87	0.7	0.0	0.5
1090	Vienna	Mariannengasse 14	100 %	12/89	0.9	3.5	0.4
1090	Vienna	Stroheckgasse 6	100 %	07/07	0.2	0.0	0.0
1090	Vienna	Garnisongasse 22	100 %	07/07	0.4	0.2	0.0
1090	Vienna	Brünnlbadgasse 3	100 %	07/07	0.6	0.0	0.0
1090	Vienna	Liechtensteinstraße 97	100 %	01/02	0.3	0.0	0.0
1100	Vienna	Erlachgasse 92b	100 %	11/03	2.7	0.0	6.9
1110	Vienna	Simmeringer Hauptstraße 99	100 %	12/05	7.5	0.2	1.2
1120	Vienna	Wolfganggasse 58–60	100 %	11/00	7.3	18.5	0.0
1120	Vienna	Schönbrunner Straße 247	100 %	12/05	1.0	2.9	0.0
1150	Vienna	Linke Wienzeile 234/Storchengasse 1	100 %	03/95	4.0	14.9	0.8
1150	Vienna	Markgraf-Rüdiger-Str. 6–8	100 %	01/02	2.6	3.3	0.3
1150	Vienna	Sparkassaplatz 6	100 %	05/03	0.8	2.2	0.2
1150	Vienna	Hütteldorfer Straße 39–41	100 %	05/03	3.3	0.0	1.9
1170	Vienna	Geblergasse 22–26	100 %	12/05	2.3	0.0	0.1
1190	Vienna	Döblinger Hauptstraße 66	100 %	05/89	4.2	0.5	0.1
1190	Vienna	Heiligenstädter Straße 51–53	100 %	05/89	1.1	1.7	1.3
1200	Vienna	Klosterneuburger Straße 23–27	100 %	05/03	0.5	2.3	0.8
1200	Vienna	Klosterneuburgers Straße 76	100 %	07/07	WE	0.0	0.8
1210	Vienna	Felmayergasse 2	100 %	12/05	6.9	0.0	0.0
1230	Vienna	Zetschegasse 17	100 %	11/03	12.2	3.0	5.2
1230	Vienna	Breitenfurter Straße 142–144	100 %	08/87	6.8	0.0	0.0
2201	Seyring	Brünner Straße 160	100 %	11/04	17.4	1.0	4.3
4020	Linz	Schubertstraße 14–20	100 %	02/90	3.1	0.4	0.2
4020	Linz	Goethestraße 7	100 %	01/02	1.4	1.1	0.3
4020	Linz	Promenade 22	100 %	12/05	0.8	0.5	0.9
4600	Wels	Kaiser-Josef-Platz 49	100 %	12/05	1.7	1.2	0.2
4614	Marchtrenk	Freilinger Straße 44	100 %	01/88	16.0	0.0	0.0
5020	Salzburg	AVA Hof – Ferdinand-Hanusch-Platz 1	100 %	01/02	3.6	4.9	3.0
5020	Salzburg	Getreidegasse 34–36/Griessgasse	100 %	12/05	4.1	0.2	3.4
5020	Salzburg	Rathausplatz 2	100 %	05/03	0.4	0.0	1.8
5020	Salzburg	Fürbergstraße 18–20	100 %	12/05	WE	2.9	3.0

Hotel space	Resi-dental space	Industrial space	Storage space	Others	Total Space [3]	Acquisition costs as at 31.12.2008	IFRS-Book values as at 31.12.2008 [2]	IFRS Book values as at 31.12.2007 [2]	Rental income 2008 – annualised	Level of commercial rental in %	Yield in % [4]
74.1	**55.8**	**40.8**	**248.3**	**86.8**	**1,384.4**	**2,591,323**	**2,520,674**	**2,243,527**	**157,572**	**95 %**	**6.3 %**
0.0	0.0	0.0	0.0	0.0	1.1	2,711	2,790	2,640	72	48 %	2.6 %
0.0	0.0	0.5	1.0	1.0	23.2	51,577	33,600	37,400	1,376	57 %	4.1 %
0.0	0.0	13.9	4.6	0.0	82.1	125,668	109,500	130,500	9,383	100 %	8.6 %
30.8	0.0	0.0	0.7	0.0	35.1	74,765	76,124	66,400	4,083	99 %	5.4 %
0.0	5.5	0.0	0.1	0.0	6.5	7,048	9,164	8,850	452	100 %	4.9 %
0.0	0.0	0.0	0.0	0.0	4.7	9,032	8,000	8,300	555	100 %	6.9 %
0.0	1.9	0.0	0.9	1.8	23.0	55,043	56,537	56,439	2,923	78 %	5.2 %
1.5	1.6	0.0	0.0	0.0	5.8	7,877	9,800	10,100	477	97 %	4.9 %
0.0	3.2	0.0	0.0	0.0	3.8	7,228	7,400	7,400	365	89 %	4.9 %
0.0	0.0	0.0	0.0	0.0	2.7	6,397	6,700	6,900	469	100 %	7.0 %
0.0	0.0	0.0	0.1	0.0	2.9	7,956	6,200	6,500	304	77 %	4.9 %
0.0	1.1	0.0	0.1	0.0	1.4	3,045	2,371	2,929	104	75 %	4.4 %
0.0	0.2	0.0	0.2	0.0	3.5	17,007	16,234	16,428	715	82 %	4.4 %
0.0	1.8	0.0	0.0	0.0	2.3	1,707	3,690	3,720	140	95 %	3.8 %
0.0	0.0	0.0	0.0	0.0	3.9	8,266	8,500	8,500	492	81 %	5.8 %
0.0	1.2	0.0	0.0	0.0	1.2	3,238	3,343	3,457	161	96 %	4.8 %
0.0	1.2	0.0	0.2	0.0	1.6	3,480	3,307	3,355	104	59 %	3.1 %
0.0	1.0	0.0	0.0	0.0	1.0	3,451	3,305	3,225	161	90 %	4.9 %
0.0	1.5	0.0	0.0	0.0	1.5	1,388	2,220	2,250	113	89 %	5.1 %
0.0	0.0	0.0	0.0	0.0	6.9	12,200	11,000	11,900	871	99 %	7.9 %
0.0	2.1	0.0	0.0	0.0	3.5	3,673	3,200	3,830	212	85 %	6.6 %
0.0	0.0	0.0	2.0	0.4	20.9	40,414	25,730	31,900	1,552	84 %	6.0 %
0.0	0.0	0.0	0.0	0.0	2.9	7,770	8,182	8,075	565	97 %	6.9 %
0.0	0.0	0.0	1.6	0.0	17.3	42,930	30,300	35,200	1,943	83 %	6.4 %
0.0	1.7	0.0	0.1	0.0	5.4	6,580	6,900	7,500	452	83 %	6.6 %
0.0	0.0	0.0	0.0	0.0	2.4	4,211	3,710	3,910	293	100 %	7.9 %
0.0	0.0	0.0	0.0	0.0	2.0	2,802	2,240	2,360	159	100 %	7.1 %
0.0	3.5	0.0	0.0	0.0	3.6	7,321	7,653	7,549	413	83 %	5.4 %
0.0	1.5	0.0	0.0	0.2	2.3	3,196	5,200	5,200	258	89 %	5.0 %
0.0	0.0	0.0	0.0	0.0	3.0	5,036	4,100	4,240	265	96 %	6.5 %
0.0	0.4	0.0	0.0	0.0	3.5	6,136	5,800	5,700	435	93 %	7.5 %
0.0	0.8	0.0	0.0	0.0	1.6	3,004	3,066	3,088	113	55 %	3.7 %
0.0	0.0	3.4	0.0	0.0	3.4	2,156	2,175	2,183	159	100 %	7.3 %
0.0	0.0	0.0	0.0	0.0	8.2	10,037	8,750	8,400	661	87 %	7.6 %
0.0	0.0	4.5	0.0	0.0	4.5	4,585	4,200	4,500	491	100 %	11.7 %
0.0	0.0	0.0	7.7	0.0	13.0	14,346	17,100	12,700	1,238	100 %	7.2 %
0.0	2.4	0.0	0.1	0.0	3.1	5,935	5,200	5,800	310	92 %	6.0 %
0.0	0.8	0.0	0.1	0.1	2.4	2,957	3,300	3,310	173	72 %	5.2 %
0.0	0.7	0.0	0.0	0.0	2.1	2,082	2,178	2,096	117	80 %	5.4 %
0.0	0.0	0.0	0.0	0.0	1.4	2,213	2,325	2,253	142	91 %	6.1 %
0.0	0.0	8.4	0.0	0.0	8.4	5,133	4,240	2,130	252	100 %	5.9 %
0.0	0.2	0.0	0.1	0.8	8.9	21,609	23,000	23,100	1,328	97 %	5.8 %
0.0	1.8	0.0	0.0	0.0	5.5	14,959	17,011	16,959	1,076	99 %	6.3 %
0.0	0.0	0.0	0.0	0.0	1.8	10,000	8,000	10,000	459	100 %	5.7 %
0.0	0.1	0.0	0.6	0.0	6.7	8,888	7,869	8,320	283	50 %	3.6 %

Plot size in 1,000 sqm Values in € 1,000

Post-code	City	Address	Share	Additions Month/Year	Plot [1)]	Office space	Retail space
5020	Salzburg	Innsbrucker Bundesstraße 47	100 %	12/05	WE	2.9	0.0
5020	Salzburg	Linzer Gasse 9	100 %	12/05	1.1	0.0	0.3
5020	Salzburg	Julius-Welser-Straße 15	100 %	05/03	2.7	3.1	0.0
5020	Salzburg	Sigmund-Haffner-Gasse 12	100 %	12/05	0.4	0.3	0.4
5020	Salzburg	Ignaz-Harrer-Straße 59	100 %	01/90	0.4	0.3	0.3
8010	Graz	Schießstattgasse 10	100 %	12/05	3.4	0.0	0.2
9020	Klagenfurt	Völkermarkter Straße 140	100 %	12/90	11.2	0.0	7.3
9020	Klagenfurt	Fallegasse 7	100 %	12/05	9.7	0.0	0.0
22 realties with properties built on third land					**333.1**	**0.0**	**0.0**
41 properties with an IFRS Book value < 2 m Euro					**113.0**	**4.9**	**6.7**
Property assets let Austria total					**681.9**	**181.4**	**73.1**
Property assets let Germany							
10115	Berlin	Ämtergebäude Invalidenstraße 130/131	100 %	01/08	1.4	3.1	0.0
10117	Berlin	Mitte, Römischer Hof	100 %	01/08	2.2	7.4	0.0
10785	Berlin	Kreuzberg, Königliche Direktion (Schöneberger Ufer)	100 %	01/08	13.1	23.1	0.0
10963	Berlin	Projektgesellschaft Hallesches Ufer	100 %	01/08	17.0	11.4	0.0
12277	Berlin	Marienfelde, Buckower Chaussee 43–58	100 %	01/08	44.9	1.8	0.0
48143	Münster	Ämtergebäude	100 %	01/08	1.1	2.3	0.0
50668	Cologne	Parkhaus RheinTriadem	100 %	01/08	1.4	0.0	0.0
50668	Cologne	Johannisstraße 60 und 64	100 %	01/08	2.1	2.7	0.0
50669	Cologne	RheinPalais (ehemaliges K2)	100 %	01/08	2.8	6.7	0.0
50670	Cologne	RheinAtrium (ehemaliges K3)	100 %	01/08	1.7	7.5	0.0
70174	Stuttgart	Heilbronner Straße 7/Jägerstraße 17 (ehem. BD)	100 %	01/08	13.4	23.8	0.0
80335	Munich	Arnulfpark, VELUM (ehemaliges Baufeld MI 1)	100 %	01/08	4.3	0.9	1.4
81243	Munich	Erbbaurecht Berga, Bodenseestraße 229	100 %	01/08	7.1	0.0	0.0
D	Hamburg	H&M Logistikcenter	100 %	07/07	146.5	0.0	0.0
D	Berlin	Alt-Moabit 103, 104; Kirchstraße 6,7 und 12 (Spreebogen)	100 %	10/07	7.9	34.3	0.5
D	Kassel	Frankfurter Straße 9+11	100 %	01/07	13.3	28.3	0.0
D	Wiesbaden	Schönbergstraße 100	100 %	01/07	110.2	33.8	0.0
D	Gießen	Schubertstraße 60	100 %	01/07	74.4	20.3	0.0
D	Mainz-Kastel	Wiesbadener Straße 99–103	100 %	01/07	52.8	23.6	0.0
D	Gießen	Ferniestraße 8	100 %	01/07	29.9	10.8	0.0
D	Fulda	Washingtonallee 1–6/Severingstraße 1–5	100 %	01/07	48.0	18.2	0.0
D	Gießen	Gutfleischstr. 1/Marburger Str. 2–4/Ostanlage 7, 15, 17, 19	100 %	01/07	20.6	18.2	0.0
D	Wiesbaden	Kaiser-Friedrich-Ring 75	100 %	01/07	12.3	12.4	0.0
D	Marburg	Robert Koch Straße 5–17	100 %	01/07	27.9	19.7	0.0
D	Wiesbaden	Mosbacher Straße 55	100 %	01/07	11.0	3.5	0.0
D	Wiesbaden	Schaperstraße 16,19	100 %	01/07	9.7	8.8	0.0
D	Wiesbaden	Willy-Brandt-Allee 20–22	100 %	01/07	26.2	6.6	0.0
D	Wiesbaden	Rheinstraße 35–37	100 %	01/07	4.2	6.5	0.0
D	Wiesbaden	Luisenplatz 5+10	100 %	01/07	4.4	5.2	0.0
D	Darmstadt	Steubenplatz 14	100 %	01/07	5.6	5.4	0.0
D	Hofheim	Nordring 4–10	100 %	01/07	12.0	6.7	0.0
D	Berlin	Joachimsthalerstraße 20	100 %	03/07	1.4	4.1	0.4
D	Marburg	Universitätsstraße 48–50	100 %	01/07	10.0	6.7	0.0
D	Wetzlar	Schanzenfeldstraße 8	100 %	01/07	20.4	7.1	0.0
D	Marburg	Raiffeisenstraße 1+7	100 %	01/07	20.7	8.2	0.0
D	Bensheim	Berliner Ring 35	100 %	01/07	12.3	5.9	0.0
D	Bad Homburg	Auf der Steinkaut 10–12	100 %	01/07	6.4	3.6	0.0

Hotel space	Residental space	Industrial space	Storage space	Others	Total Space [3]	Acquisition costs as at 31.12.2008	IFRS-Book values as at 31.12.2008 [2]	IFRS Book values as at 31.12.2007 [2]	Rental income 2008 – annualised	Level of commercial rental in %	Yield in % [4]
0.0	0.0	0.0	0.4	0.0	3.3	4,512	4,037	4,096	184	56 %	4.6 %
2.7	0.0	0.0	0.0	0.0	3.0	4,172	3,697	4,216	253	59 %	6.9 %
0.0	0.0	0.0	0.4	0.0	3.4	3,623	3,120	2,990	252	100 %	8.1 %
0.0	0.7	0.0	0.0	0.0	1.3	2,816	3,006	3,002	197	100 %	6.6 %
0.0	0.6	0.0	0.0	0.0	1.2	3,613	2,000	2,600	145	91 %	7.3 %
0.0	4.1	0.0	0.0	0.0	4.3	6,592	7,009	6,841	408	87 %	5.8 %
0.0	0.0	0.0	0.0	0.0	7.3	10,816	11,200	12,200	819	100 %	7.3 %
0.0	0.0	3.8	0.0	0.0	3.8	2,900	2,900	2,900	353	100 %	12.2 %
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**89,723**	**90,540**	**95,245**	**4,852**	**100 %**	**5.4 %**
0.0	**10.2**	**6.3**	**0.5**	**0.0**	**28.6**	**31,873**	**29,215**	**32,345**	**1,754**	**84 %**	**6.0 %**
35.0	**51.9**	**40.8**	**21.6**	**4.4**	**408.2**	**807,701**	**747,938**	**783,931**	**45,890**	**90 %**	**6.1 %**
0.0	0.0	0.0	0.0	0.0	3.1	5,300	5,280	0	444	100 %	8.4 %
0.0	0.0	0.0	0.5	0.0	7.9	54,618	50,000	0	2,741	99 %	5.5 %
0.0	0.0	0.0	0.7	0.0	23.8	36,289	33,000	0	2,436	100 %	7.4 %
0.0	0.0	0.0	0.0	0.0	11.5	16,513	15,000	0	1,224	100 %	8.2 %
0.0	0.0	0.0	17.0	8.8	27.6	6,933	6,000	0	792	99 %	13.2 %
0.0	0.0	0.0	0.4	0.0	2.7	2,020	1,200	0	126	97 %	10.5 %
0.0	0.0	0.0	0.0	0.0	0.0	3,563	4,060	0	379	100 %	9.3 %
0.0	0.0	0.0	0.1	0.0	2.8	11,601	11,800	0	644	95 %	5.5 %
0.0	0.0	0.0	0.0	0.0	6.7	20,191	19,968	0	859	80 %	4.3 %
0.0	0.0	0.0	0.0	0.0	7.5	25,016	25,000	0	1,450	100 %	5.8 %
0.0	0.0	0.0	0.2	0.0	23.9	18,488	18,232	0	2,054	100 %	11.3 %
0.0	1.8	0.0	0.2	0.0	4.3	15,233	13,872	0	863	100 %	6.2 %
0.0	0.0	0.0	0.0	7.1	7.1	3,140	3,140	0	226	100 %	7.2 %
0.0	0.0	0.0	114.8	0.0	114.8	118,772	112,000	0	6,960	100 %	6.2 %
0.0	0.4	0.0	0.4	0.0	35.6	106,018	99,796	106,000	6,235	94 %	6.2 %
0.0	0.2	0.0	4.1	2.3	34.9	83,752	82,400	83,800	4,373	100 %	5.3 %
0.0	0.2	0.0	5.6	5.9	45.5	80,441	77,700	82,900	4,573	100 %	5.9 %
0.0	0.0	0.0	5.6	6.2	32.2	61,435	55,100	59,100	3,020	100 %	5.5 %
0.0	0.1	0.0	6.7	6.4	36.7	51,134	48,900	51,800	3,197	100 %	6.5 %
0.0	0.0	0.0	2.0	2.1	14.8	46,234	43,480	44,500	2,070	100 %	4.8 %
0.0	0.0	0.0	5.5	3.6	27.2	41,800	38,757	41,650	2,331	100 %	6.0 %
0.0	0.0	0.0	4.9	1.9	25.0	44,911	42,400	45,400	2,246	100 %	5.3 %
0.0	0.0	0.0	3.0	1.0	16.4	44,635	43,600	44,700	2,178	100 %	5.0 %
0.0	0.2	0.0	4.1	3.0	27.0	30,926	31,500	31,500	1,957	100 %	6.2 %
0.0	0.0	0.0	11.5	0.3	15.3	24,567	25,000	25,300	1,319	100 %	5.3 %
0.0	0.0	0.0	1.9	0.8	11.5	23,543	22,100	23,700	1,244	100 %	5.6 %
0.0	0.0	0.0	4.0	1.9	12.6	22,522	20,400	22,600	1,197	100 %	5.9 %
0.0	0.1	0.0	1.0	0.8	8.4	18,426	18,800	19,700	1,028	100 %	5.5 %
0.0	0.0	0.0	1.0	0.5	6.6	18,234	16,900	18,200	810	100 %	4.8 %
0.0	0.0	0.0	1.0	0.3	6.7	15,869	16,800	17,100	854	100 %	5.1 %
0.0	0.1	0.0	2.0	0.5	9.3	15,569	16,400	16,700	932	100 %	5.7 %
0.0	0.0	0.0	0.1	0.0	4.6	13,837	11,070	12,950	678	84 %	6.1 %
0.0	0.3	0.0	1.3	0.9	9.2	13,744	12,600	13,700	728	100 %	5.8 %
0.0	0.0	0.0	1.2	2.6	10.9	13,872	10,700	12,900	720	100 %	6.7 %
0.0	0.0	0.0	1.3	1.1	10.5	11,972	12,000	12,800	695	100 %	5.8 %
0.0	0.0	0.0	1.1	0.3	7.4	11,270	11,600	12,000	649	100 %	5.6 %
0.0	0.2	0.0	1.2	0.3	5.3	12,293	11,000	11,500	636	100 %	5.8 %

TABLES AND ANALYSES

Plot size in 1,000 sqm Values in € 1,000

Post-code	City	Address	Share	Additions Month/Year	Plot 1)	Office space	Retail space
D	Kassel	Friedrich-Ebert-Straße 104–106	100 %	01/07	18.7	6.3	0.0
D	Rüsselsheim	Eisenstraße 60	100 %	01/07	10.0	3.8	0.0
D	Rüsselsheim	Johann-Sebastian-Bach-Straße 45	100 %	01/07	6.7	3.5	0.0
D	Idstein	Gerichtstraße 1+3	100 %	01/07	4.4	2.5	0.0
D	Kassel	Vor dem Osterholz 10–14 (Logistikpark)	100 %	07/07	19.9	7.7	0.0
D	Bad Hersfeld	Hubertusweg 19	100 %	01/07	7.8	5.8	0.0
D	Michelstadt	Erbacher Straße 46, 47, 48	100 %	01/07	15.5	4.8	0.0
D	Düsseldorf	Neuss Sperberweg 6	100 %	05/03	12.0	3.2	0.0
D	Friedberg	Homburger Str. 18	100 %	01/07	8.2	2.7	0.0
D	Hofheim	Zeilsheimer Straße 59	100 %	01/07	11.2	2.2	0.0
D	Gießen	Leihgesterner Weg 52	100 %	01/07	5.1	2.6	0.0
D	Bad Hersfeld	Kleine Industriestraße 3	100 %	01/07	6.9	3.6	0.0
D	Korbach	Medebacher Landstraße 29	100 %	01/07	8.6	3.6	0.0
D	Hofgeißmar	Neue Straße 21	100 %	01/07	8.9	2.9	0.0
D	Homberg/Efze	August-Vilmar-Straße 20	100 %	01/07	13.0	2.7	0.0
D	Kassel	Knorrstraße 32, 34	100 %	01/07	11.3	2.6	0.0
D	Wiesbaden	Willy-Brandt-Allee 2	100 %	01/07	2.1	0.8	0.0
Property assets let Germany total					**970.4**	**449.8**	**2.3**
Property assets let Eastern and South East Europe							
BG	Sofia	Mladost Office Building	100 %	03/03	5.7	3.9	0.0
BG	Sofia	Mladost II	100 %	05/06	2.9	6.9	0.2
CZ	Prague	ECM Airport Center	100 %	07/05	E	0.0	3.5
CZ	Prague	English International School	100 %	10/07	24.0	0.0	0.0
H	Budapest	Víziváros Office Center	100 %	09/05	4.0	11.7	0.3
H	Budapest	R70 Office Complex	100 %	06/03	3.9	16.1	0.3
H	Budapest	Buda Business Center	100 %	09/05	1.8	5.5	0.1
H	Budapest	Canada Square	100 %	07/05	1.4	5.0	0.0
H	Budapest	Bártok Ház	100 %	08/05	3.7	14.3	2.2
PL	Warsaw	Wspolna	100 %	11/01	E	6.2	0.7
PL	Warsaw	Warsaw Financial Center	50 %	09/05	1.3	23.2	0.7
CZ	Pilsen	Hotel Diplomat	100 %	08/08	2.9	3.9	0.0
RO	Bucharest	Opera Center 1	100 %	09/03	2.6	10.3	0.7
RO	Bucharest	Opera Center 2	100 %	03/04	0.8	3.2	0.0
RO	Bucharest	Bucharest Business Park	100 %	10/05	15.7	23.8	0.1
SRB	Belgrade	Belgrade Office Park	100 %	12/07	E	8.9	0.0
SRB	Belgrade	Belgrade Office Park 2 6)	100 %	12/07	E	9.8	0.0
SK	Bratislava	BBC	100 %	01/00	7.9	7.3	0.8
SI	Laibach	Austria Trend Hotel	100 %	04/05	2.9	0.0	2.6
Property assets let Eastern and South East Europe total					**81.4**	**160.0**	**12.1**
PROPERTY ASSETS UNDER DEVELOPMENT					**4,408.7**	**270.0**	**194.0**
Land reserve Austria							
1020	Vienna	Praterstraße 10/Ferdinandstraße 1	100 %	07/07	0.3		
1020	Vienna	Lilienbrunngasse 13–15	100 %	07/07	1.2		
1020	Vienna	Rembrandtstraße 21	100 %	07/07	0.7		
1020	Vienna	Vorgartenstraße 200	100 %	07/07	0.5		
1060	Vienna	Millergasse 22	100 %	07/07	0.5		
1060	Vienna	Webgasse 9	100 %	07/07	1.7		

Hotel space	Residental space	Industrial space	Storage space	Others	Total Space [3]	Acquisition costs as at 31.12.2008	IFRS-Book values as at 31.12.2008 [2]	IFRS Book values as at 31.12.2007 [2]	Rental income 2008 – annualised	Level of commercial rental in %	Yield in % [4]
0.0	0.0	0.0	0.9	0.8	8.1	9,887	10,600	10,900	561	100 %	5.3 %
0.0	0.0	0.0	0.8	0.4	5.1	12,206	8,650	9,800	518	100 %	6.0 %
0.0	0.0	0.0	1.1	0.3	4.9	7,768	8,850	9,200	405	100 %	4.6 %
0.0	0.0	0.0	0.9	0.4	3.8	8,619	8,250	8,600	457	100 %	5.5 %
0.0	0.0	0.0	3.8	0.0	11.5	8,004	7,740	7,300	484	100 %	6.3 %
0.0	0.1	0.0	1.2	0.4	7.5	7,846	6,900	7,700	472	100 %	6.8 %
0.0	0.0	0.0	1.4	0.6	6.7	7,493	6,200	7,000	425	100 %	6.9 %
0.0	0.0	0.0	3.3	0.0	6.5	8,317	6,504	6,554	324	74 %	5.0 %
0.0	0.0	0.0	1.6	0.3	4.6	5,312	4,900	5,600	320	100 %	6.5 %
0.0	0.0	0.0	0.3	0.4	2.9	5,634	4,500	5,600	310	100 %	6.9 %
0.0	0.0	0.0	1.0	0.1	3.7	4,436	5,000	4,700	273	100 %	5.5 %
0.0	0.0	0.0	0.6	0.5	4.6	4,612	4,050	4,500	264	100 %	6.5 %
0.0	0.2	0.0	0.7	0.4	4.9	4,148	3,650	4,000	245	100 %	6.7 %
0.0	0.0	0.0	1.1	0.4	4.3	3,484	2,500	3,600	222	100 %	8.9 %
0.0	0.0	0.0	0.6	0.7	3.9	3,924	2,950	3,500	211	100 %	7.1 %
0.0	0.0	0.0	0.0	0.9	3.6	2,911	2,800	3,100	228	100 %	8.2 %
0.0	0.0	0.0	0.2	0.7	1.7	3,583	2,950	3,300	179	100 %	6.1 %
0.0	**3.9**	**0.0**	**223.7**	**65.7**	**745.4**	**1,252,864**	**1,184,549**	**915,454**	**70,768**	**99 %**	**6.0 %**
0.0	0.0	0.0	0.2	0.0	4.0	9,028	9,085	11,675	1,281	100 %	14.1 %
0.0	0.0	0.0	0.1	0.0	7.2	16,383	16,120	18,160	1,504	100 %	9.3 %
13.8	0.0	0.0	0.0	0.4	17.7	41,503	51,660	60,250	3,501	97 %	6.8 %
0.0	0.0	0.0	0.0	6.8	6.8	12,972	11,580	12,960	739	100 %	6.4 %
0.0	0.0	0.0	0.0	1.4	13.4	25,847	33,770	37,428	2,439	97 %	7.2 %
0.0	0.0	0.0	0.0	1.6	18.0	29,161	33,780	39,634	2,575	83 %	7.6 %
0.0	0.0	0.0	0.0	0.4	6.1	11,849	9,870	11,145	824	73 %	8.3 %
0.0	0.0	0.0	0.4	0.0	5.3	12,174	13,700	15,117	1,038	98 %	7.6 %
0.0	0.0	0.0	0.0	0.6	17.1	43,909	47,690	52,800	3,529	99 %	7.4 %
0.0	0.0	0.0	0.0	0.2	7.1	20,409	22,520	20,360	1,460	98 %	6.5 %
0.0	0.0	0.0	0.0	1.0	24.9	71,173	96,260	85,942	5,477	82 %	5.7 %
10.0	0.0	0.0	0.1	0.2	14.3	27,148	27,980	0	2,442	100 %	8.7 %
0.0	0.0	0.0	0.0	0.5	11.5	23,379	37,678	36,293	2,625	100 %	7.0 %
0.0	0.0	0.0	0.0	0.1	3.3	6,345	10,344	10,018	697	100 %	6.7 %
0.0	0.0	0.0	0.0	1.9	25.8	61,657	67,630	81,365	5,355	100 %	7.9 %
0.0	0.0	0.0	1.2	0.0	10.1	29,285	26,000	0	1,998	92 %	7.7 %
0.0	0.0	0.0	1.1	0.3	11.1	26,771	26,540	0	0		
0.0	0.0	0.0	0.0	1.1	9.3	19,414	12,870	16,525	1,278	91 %	9.9 %
15.4	0.0	0.0	0.0	0.0	17.9	42,351	33,110	34,470	2,154	100 %	6.5 %
39.1	**0.0**	**0.0**	**3.0**	**16.7**	**230.8**	**530,758**	**588,187**	**544,142**	**40,914**	**94 %**	**7.3 %**
181.4	**7.1**	**2.9**	**17.3**	**18.4**	**691.1**	**1,191,864**	**1,079,821**	**207,081**	**10,031**		
						2,069	1,547	2,069	0		
						3,718	2,737	3,390	0		
						3,980	2,646	3,306	0		
						1,390	680	996	3		
						1,190	993	1,190	0		
						5,830	3,533	5,368	1		

Plot size in 1,000 sqm Values in € 1,000

Post-code	City	Address	Share	Additions Month/Year	Plot [1]	Office space	Retail space
1090	Vienna	Beethovengasse 6–8	100 %	07/07	1.4		
1180	Vienna	Gersthofer Straße 122	100 %	07/07	0.6		
1190	Vienna	Muthgasse 42–48	100 %	04/02	14.5		
Land reserve Austria total					**21.5**		
Actual projects Austria							
1030	Vienna	Rennweg 16 (Büros)	100 %	09/04			
1120	Vienna	Altmannsdorfers Straße 80–84	100 %	07/07	3.9	0.0	0.0
1180	Vienna	Theresiengasse 36	100 %	12/05	0.4	0.0	0.0
Actual projects Austria total					**4.3**	**0.0**	**0.0**
Land reserve Germany							
10557	Berlin	Tiergarten, Entwicklungsgebiet Heidestraße	100 %	01/08	173.3		
10557	Berlin	Tiergarten, Lehrter Stadtquartier 8	100 %	01/08	1.6		
10557	Berlin	Tiergarten, Lehrter Stadtquartier 9	100 %	01/08	1.8		
10557	Berlin	Tiergarten, Invalidenstraße 51/52 am Kanal	100 %	01/08	19.3		
10963	Berlin	Kreuzberg, Gleisdreieck	100 %	01/08	170.3		
12207	Berlin	Lichterfelde, Landweg, Osdorfer Straße, Reaumurstraße	100 %	01/08	965.2		
13355	Berlin	Wedding, Brunnenstr., Gbhf. Nordend, S-Bhf. Gesundbrunnen	100 %	01/08	105.7		
13589	Berlin	Tiergarten, Lehrter Gbf	100 %	01/08	46.8		
40210	Düsseldorf	Harkortstraße	100 %	01/08	13.1		
40211	Düsseldorf	Schirmerstraße	100 %	01/08	5.9		
40227	Düsseldorf	Mindener Straße	100 %	01/08	54.1		
40545	Düsseldorf	BelsenPark Oberkassel	100 %	01/08	81.7		
60327	Frankfurt	UEC Tower 1	100 %	01/08	3.7		
60327	Frankfurt	Mannheimer Straße 35 (Khasana-Gelände)	100 %	01/08	8.3		
60327	Frankfurt	Idsteiner Straße	100 %	01/08	56.9		
60327	Frankfurt	Europaallee Nord 2	100 %	01/08	6.1		
60327	Frankfurt	Europaallee Nord 3	100 %	01/08	5.7		
60327	Frankfurt	Europaallee Nord 4	100 %	01/08	0.9		
60327	Frankfurt	Europaallee Süd 1	100 %	01/08	7.9		
60327	Frankfurt	Europaallee Süd 6	100 %	01/08	4.4		
60327	Frankfurt	FFM, Tower 365	100 %	01/08	13.1		
80335	Munich	Schlossviertel Nymphenburg	100 %	01/08	238.5		
80335	Munich	Laim 290	100 %	01/08	16.1		
80939	Munich	Bf Freimann I	100 %	01/08	37.9		
80993	Munich	Eggartensiedlung	100 %	01/08	146.6		
80993	Munich	Ladehof Moosach	100 %	01/08	36.9		
81241	Munich	Gleisdreieck Pasing	100 %	01/08	223.8		
81379	Munich	Isargärten Thalkirchen	50 %	01/08	23.6		
81673	Munich	Bw München 4	100 %	01/08	124.5		
85622	Feldkirchen/München	Naherholungsgebiet "Heimstettener See"	100 %	01/08	452.0		
D	Gießen	Ferniestraße 8	100 %	01/07	0.0		
D	Fulda	Severingstraße 7–9	100 %	01/07	0.0		
properties with an IFRS Book value < 2 m Euro					**364.2**		
Land reserve Germany total					**3,410.0**		
Actual projects Germany							
10557	Berlin	Lehrter Stadtquartier	100 %	01/08	13.1	3.6	3.5
50668	Cologne	Rheinforum	100 %	01/08	5.2	0.0	0.0

Hotel space	Residental space	Industrial space	Storage space	Others	Total Space [3]	Acquisition costs as at 31.12.2008	IFRS-Book values as at 31.12.2008 [2]	IFRS Book values as at 31.12.2007 [2]	Rental income 2008 – annualised	Level of commercial rental in %	Yield in % [4]
						3,094	3,094	3,094	5		
						1,017	1,017	1,017	0		
						23,603	17,900	23,297	6		
						45,891	**34,147**	**43,728**	**15**		
						0	0	22,493	0		
9.3	1.1	0.0	0.0	0.0	10.4	12,219	5,316	11,294	30		
0.0	1.1	0.0	0.0	0.0	1.1	1,181	1,185	1,180	67		
9.3	**2.2**	**0.0**	**0.0**	**0.0**	**11.5**	**13,399**	**6,501**	**34,966**	**97**		
						45,005	44,638	0	1,488		
						33,954	32,822	0	0		
						19,618	17,598	0	6		
						4,680	4,676	0	0		
						35,369	35,369	0	789		
						4,373	4,361	0	291		
						8,650	8,650	0	496		
						2,970	2,970	0	112		
						6,043	5,944	0	187		
						2,634	2,634	0	6		
						3,392	3,392	0	152		
						19,404	17,000	0	102		
						26,026	26,000	0	0		
						8,870	8,870	0	1,221		
						8,819	8,819	0	1		
						8,731	8,000	0	0		
						10,692	8,500	0	0		
						2,284	2,284	0	0		
						15,914	13,000	0	1		
						9,559	7,610	0	0		
						75,292	73,600	0	0		
						36,344	36,344	0	57		
						8,050	8,050	0	444		
						4,290	4,290	0	363		
						13,685	13,685	0	5		
						10,407	9,500	0	55		
						12,239	12,239	0	403		
						11,003	11,003	0	28		
						11,869	11,869	0	75		
						2,248	2,248	0	152		
						7,520	7,520	7,520	0		
						11,443	11,443	11,443	0		
						6,144	**6,144**	**0**	**224**		
						487,520	**471,072**	**18,963**	**6,656**		
76.7	0.0	0.0	0.0	0.0	83.8	69,107	62,900	0	26		
33.6	0.0	0.0	0.0	0.0	33.6	4,393	4,320	0	0		

TABLES AND ANALYSES

Plot size in 1,000 sqm Values in € 1,000

Post-code	City	Address	Share	Additions Month/Year	Plot 1)	Office space	Retail space
60327	Frankfurt	Europaviertel, T185	100 %	01/08	13.3	96.8	1.2
60327	Frankfurt	T 105, Hotel HYATT	100 %	01/08	4.1	0.0	0.2
60327	Frankfurt	Europaviertel, Skyline Plaza	100 %	01/08	41.4	0.2	43.2
60327	Frankfurt	Europaviertel, Nord 1	100 %	01/08	5.6	19.6	2.5
80335	Munich	Arnulfpark, Skygarden	50 %	01/08	6.1	15.8	0.0
80335	Munich	Arnulfpark, Atmos	100 %	01/08	8.7	26.1	0.0
80939	Munich	Lokhalle	50 %	01/08	86.2	0.0	17.4
4031	Basel (CH)	Erlenmatt – Shoppingcenter Multidevelopment	100 %	01/08	128.8	2.2	20.8
Actual projects Germany total					**312.5**	**164.4**	**88.8**
Land Reserve Eastern and South East Europe							
RO	Arad	Arad	100 %	12/07	31.7		
SRB	Belgrade	Log Center	50 %	09/08	265.0		
CZ	Prague	ECM City Deco	100 %	06/07	6.3		
Land Reserve Eastern and South East Europe total					**303.0**		
Actual projects Eastern and South East Europe							
HU	Budapest	Capital Square (Vaci Ut 76)	100 %	01/07	8.5	31.0	1.5
PL	Warsaw	Poleczki Business Park Phase 1	50 %	03/07	72.4	19.1	0.0
RO	Sibiu	Retail Centre Sibiu	100 %	12/07	218.9	0.0	80.5
RU	Moskow	Maslov	50 %	12/06	3.3	15.3	0.0
RU	St. Petersburg	Airport City St. Petersburg 5)	25 %	12/07	15.6	7.8	0.0
RU	Moskaow	Matryoshka	50 %	06/08	7.5	0.0	12.1
SRB	Belgrade	Sava City	100 %	02/07	E	16.8	0.0
HU	Györ	Pannonia Shopping Center	50 %	09/08	21.2	0.0	8.2
SK	Bratislava	BBC Plus	100 %	01/00	6.3	13.8	0.3
SK	Bratislava	Sekyra Tower	50 %	09/08	3.7	1.8	2.5
Actual projects Eastern and South East Europe total					**357.4**	**105.6**	**105.2**
INVESTMENT PROPERTY OWN USED					**0.0**	**5.6**	**0.0**
Investment property own used Austria							
1030	Vienna	Rennweg 16 (Büros)	100 %	09/04	0.0	2.9	0.0
Investment property own used Austria total					**0.0**	**2.9**	**0.0**
Investment property own used Germany							
D	Berlin	Joachimsthaler Straße 20	100 %	03/07	0.0	0.8	0.0
50669	Cologne	Konrad-Adenauer-Ufer 5–9	100 %	01/08	0.0	0.7	0.0
80335	Munich	Klaus-Mann-Platz 1	100 %	01/08	0.0	1.1	0.0
Investment property own used Germany total					**0.0**	**2.7**	**0.0**
PROPERTY INTENDED FOR TRADING					**1,530.8**	**50.3**	**1.3**
Property intended for trading Germany							
10771	Berlin	Am Güterbahnhof Halensee 1–29 u. a.	100 %	01/08	28.2	0.0	0.1
10829	Berlin	Werdauer Weg 20–39	100 %	01/08	34.4	0.0	0.0
10829	Berlin	Werdauer Weg 4–23	100 %	01/08	41.6	0.0	0.0
10829	Berlin	Kolonnenstraße 30k, 30l	100 %	01/08	6.0	0.0	0.0
12247	Berlin	Wunsiedler Weg 26	100 %	01/08	67.2	0.0	0.0
12277	Berlin	Motzener Straße 36–38	100 %	01/08	38.4	1.4	0.0

Hotel space	Residental space	Industrial space	Storage space	Others	Total Space 3)	Acquisition costs as at 31.12.2008	IFRS-Book values as at 31.12.2008 2)	IFRS Book values as at 31.12.2007 2)	Rental income 2008 – annualised	Level of commercial rental in %	Yield in % 4)
0.0	0.0	0.0	2.6	0.0	100.5	91,523	91,523	0	62		
46.6	4.8	0.0	0.0	0.0	51.6	10,204	10,204	0	0		
0.0	0.0	0.0	5.5	8.0	56.9	50,105	45,000	0	0		
0.0	0.0	0.0	1.5	0.0	23.7	18,128	18,128	0	0		
0.0	0.0	0.0	0.7	0.0	16.5	20,387	20,387	0	0		
0.0	0.0	0.0	1.9	0.0	28.0	87,038	86,877	0	822		
0.0	0.0	0.0	1.3	7.1	25.7	29,524	27,500	0	640		
10.5	0.0	0.0	0.0	3.3	36.8	44,843	39,026	0	1,713		
167.4	**4.8**	**0.0**	**13.5**	**18.4**	**457.3**	**425,252**	**405,865**	**0**	**3,263**		
						2,890	2,890	251	0		
						1,780	1,780	0	0		
						0	0	0	0		
						4,670	**4,670**	**251**	**0**		
0.0	0.0	0.0	1.1	0.0	33.7	41,008	41,008	9,933	0		
0.0	0.0	1.7	1.4	0.0	22.2	25,470	21,499	14,420	0		
0.0	0.0	0.0	0.0	0.0	80.5	27,510	23,519	23,681	0		
0.0	0.0	0.0	0.0	0.0	15.3	33,611	18,087	23,013	0		
4.8	0.0	0.0	0.0	0.0	12.5	0	0	0	0		
0.0	0.0	0.0	0.0	0.0	12.1	20,243	8,285	0	0		
0.0	0.0	1.2	0.7	0.0	18.6	48,817	38,650	32,458	0		
0.0	0.0	0.0	0.0	0.0	8.2	4,855	3,177	0	0		
0.0	0.0	0.0	0.6	0.0	14.7	10,552	2,095	5,668	0		
0.0	0.0	0.0	0.0	0.0	4.4	3,065	1,247	0	0		
4.8	**0.0**	**2.9**	**3.8**	**0.0**	**222.3**	**215,132**	**157,567**	**109,173**	**0**		
0.0	**0.0**	**0.0**	**0.2**	**0.0**	**5.7**	**18,258**	**19,450**	**0**	**0**		
0.0	0.0	0.0	0.0	0.0	2.9	11,587	11,517	0	0		
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**2.9**	**11,587**	**11,517**	**0**	**0**		
0.0	0.0	0.0	0.1	0.0	0.9	495	2,230	0	0		
0.0	0.0	0.0	0.0	0.0	0.7	2,130	2,074	0	0		
0.0	0.0	0.0	0.0	0.0	1.2	4,046	3,628	0	0		
0.0	**0.0**	**0.0**	**0.2**	**0.0**	**2.8**	**6,671**	**7,933**	**0**	**0**		
0.6	**13**	**0.0**	**43.7**	**42.2**	**151.1**	**182,796**	**168,350**	**0**	**10,707**		
0.0	0.0	0.0	0.1	2.5	2.7	3,539	3,539	0	161	96 %	4.5 %
0.0	0.0	0.0	2.3	0.0	2.3	5,372	5,372	0	593	100 %	11.0 %
0.0	0.0	0.0	0.2	0.0	0.2	4,100	4,100	0	429	100 %	10.5 %
0.0	0.0	0.0	0.0	6.0	6.0	3,930	3,930	0	291	100 %	7.4 %
0.0	0.0	0.0	0.0	0.0	0.0	6,360	5,000	0	566	100 %	11.3 %
0.0	0.1	0.0	17.3	0.1	18.9	7,035	6,900	0	388	96 %	5.6 %

Plot size in 1,000 sqm Values in € 1,000

Post-code	City	Address	Share	Additions Month/Year	Plot 1)	Office space	Retail space
12277	Berlin	Schwechtenstraße 5–8	100 %	01/08	133.9	0.0	0.0
14059	Berlin	Sophie-Charlotten-Straße 4, 4a–d	100 %	01/08	33.4	2.1	0.8
14129	Berlin	Breisgauer Straße 3	100 %	01/08	32.7	0.0	0.0
22765	Hamburg	Museumstraße 39	100 %	01/08	12.1	32.9	0.0
60327	Frankfurt	Europaallee Süd 3	100 %	01/08	5.3	0.0	0.0
60327	Frankfurt	Europaallee Süd 4	50 %	01/08	2.9	0.0	0.0
76133	Karlsruhe	Lammstraße 19	100 %	01/08	4.0	5.9	0.0
80335	Munich	Arnulfpark Baufeld MK 3	100 %	01/08	8.3	0.0	0.0
80995	Munich	Ratoldstraße	100 %	01/08	73.8	0.0	0.0
4031	Basel (CH)	Erlenstraße 15	100 %	01/08	8.0	3.7	0.0
Properties with an IFRS Book value < 2 m Euro					**1,000.5**	**4.4**	**0.4**
Property intended for trading Germany total					**1,530.8**	**50.3**	**1.3**
Property intended for trading Eastern and South East Europe							
SK	Bratislava	Sekyra Tower	50 %	09/08			
Property intended for trading Eastern and South East Europe total							
Properties sold in 2008							
Austria					86.4	3.8	2.0
Germany					1,349.6	2.6	0.0
Eastern Europe					E	16.8	0.5
Properties sold in 2008 total					**1,436.1**	**23.3**	**2.5**
Property assets let					**1,733.7**	**791.1**	**87.5**
Property assets let Austria					681.9	181.4	73.1
Property assets let Germany					970.4	449.8	2.3
Property assets let Eastern and South East Europe					81.4	160.0	12.1
Property assets under development					**4,408.7**	**270.0**	**194.0**
Land reserve Austria					21.5	0.0	0.0
Actual projects Austria					4.3	0.0	0.0
Land reserve Germany					3,410.0	0.0	0.0
Actual projects Germany					312.5	164.4	88.8
Land Reserve Eastern and South East Europe					303.0	0.0	0.0
Actual projects Eastern and South East Europe					357.4	105.6	105.2
Investment property own used					**0.0**	**5.6**	**0.0**
Investment property own used Austria					0.0	2.9	0.0
Investment property own used Germany					0.0	2.7	0.0
Property intended for trading					**1,530.8**	**50.3**	**1.3**
Property intended for trading Germany					1,530.8	50.3	1.3
Property intended for trading Eastern and South East Europe					0.0	0.0	0.0
Properties sold in 2008					**1,436.1**	**23.3**	**2.5**
Total					**7,673.2**	**1,117.0**	**282.8**
Total (incl. properties sold)					**9,109.3**	**1,140.3**	**285.3**

1) Residental ownership (WE), properties built on third party land (SÄ), perpetual lease (E)

2) IFRS values: property assets let and properties held for sale are valued AT FAIR MARKET VALUE, property assets under development AT COST

Hotel space	Residental space	Industrial space	Storage space	Others	Total Space [3]	Acquisition costs as at 31.12.2008	IFRS-Book values as at 31.12.2008 [2]	IFRS Book values as at 31.12.2007 [2]	Rental income 2008 – annualised	Level of commercial rental in %	Yield in % [4]
0.0	0.0	0.0	0.0	0.0	0.0	2,292	2,270	0	86	94 %	3.8 %
0.0	0.0	0.0	9.4	0.0	12.3	13,869	12,500	0	940	100 %	7.5 %
0.0	0.0	0.0	0.0	0.0	0.0	6,621	6,621	0	42	62 %	0.6 %
0.0	0.0	0.0	0.0	0.0	32.9	24,107	24,107	0	5,073	100 %	21.0 %
0.0	0.0	0.0	0.0	0.0	0.0	24,114	24,114	0	0		0.0 %
0.0	0.0	0.0	0.0	0.0	0.0	7,243	7,243	0	0		0.0 %
0.0	0.0	0.0	0.0	0.0	5.9	3,902	3,900	0	377	100 %	9.7 %
0.0	0.0	0.0	0.0	0.0	0.0	17,086	17,086	0	0		0.0 %
0.0	0.0	0.0	0.0	0.0	0.0	5,000	5,000	0	28	100 %	0.6 %
0.0	0.3	0.0	0.9	0.2	5.1	5,048	5,048	0	417	100 %	8.3 %
0.6	**0.1**	**0.0**	**13.5**	**33.4**	**52.5**	**36,852**	**30,373**	**0**	**1,319**	**84 %**	**4.3 %**
0.6	**0.5**	**0.0**	**43.7**	**42.2**	**138.7**	**176,470**	**167,103**	**0**	**10,707**	**97 %**	**6.4 %**
	12.5				12.5	6,326	1,247	0	0		
	12.5				**12.5**	**6,326**	**1,247**	**0**	**0**		
0.0	2.4	6.1	0.0	0.0	14.5	0	0	29,901	0		
15.9	1.4	0.0	22.5	53.1	95.6	0	0	0	0		
0.0	0.0	0.0	0.2	0.0	17.5	0	0	54,830	0		
15.9	**3.8**	**6.1**	**22.7**	**53.1**	**127.5**	**0**	**0**	**84,731**	**0**		
74.1	**55.8**	**40.8**	**248.3**	**86.8**	**1,384.4**	**2,591,323**	**2,520,674**	**2,243,527**	**157,572**	**95 %**	**6.3 %**
35.0	51.9	40.8	21.6	4.4	408.2	807,701	747,938	783,931	45,890	90 %	6.1 %
0.0	3.9	0.0	223.7	65.7	745.4	1,252,864	1,184,549	915,454	70,768	99 %	6.0 %
39.1	0.0	0.0	3.0	16.7	230.8	530,758	588,187	544,142	40,914	94 %	7.3 %
181.4	**7.1**	**2.9**	**17.3**	**18.4**	**691.1**	**1,191,864**	**1,079,821**	**207,081**	**10,031**		
0.0	0.0	0.0	0.0	0.0	0.0	45,891	34,147	43,728	15		
9.3	2.2	0.0	0.0	0.0	11.5	13,399	6,501	34,966	97		
0.0	0.0	0.0	0.0	0.0	0.0	487,520	471,072	18,963	6,656		
167.4	4.8	0.0	13.5	18.4	457.3	425,252	405,865	0	3,263		
0.0	0.0	0.0	0.0	0.0	0.0	4,670	4,670	251	0		
4.8	0.0	2.9	3.8	0.0	222.3	215,132	157,567	109,173	0		
0.0	**0.0**	**0.0**	**0.2**	**0.0**	**5.7**	**18,258**	**19,450**	**0**	**0**		
0.0	0.0	0.0	0.0	0.0	2.9	11,587	11,517	0	0		
0.0	0.0	0.0	0.2	0.0	2.8	6,671	7,933	0	0		
0.6	**13.0**	**0.0**	**43.7**	**42.2**	**151.2**	**182,796**	**168,350**	**0**	**10,707**		
0.6	0.5	0.0	43.7	42.2	138.7	176,470	167,103	0	10,707		
0.0	12.5	0.0	0.0	0.0	12.5	6,326	1,247	0	0		
15.9	**3.8**	**6.1**	**22.7**	**53.1**	**127.5**	**0**	**0**	**84,731**	**0**		
256.2	**75.9**	**43.7**	**309.5**	**147.4**	**2,232.4**	**3,984,241**	**3,788,295**	**2,450,608**	**178,311**		
272.1	**79.7**	**49.8**	**332.2**	**200.5**	**2,359.9**	**3,984,241**	**3,788,295**	**2,535,339**	**178,311**		

[3] All plot sizes relate to the share held by CA IMMO, CA IMMO International or the CA IMMO New Europe in the property companies as shown in the column headed “Share” [4] Calculation Yield (gross yield): Rental income annualized/Book value IAS 40

[5] At-Equity-Interest [6] BOP 2: completion in December 2008, not included in yield

IMPORTANT FINANCIAL VOCABULARY

AD-HOC REPORT
Corporate information with a potential influence on the share price must be published by stock corporations in the form of ad-hoc reports pursuant to Article 48d of the Stock Exchange Act. Issuers of financial instruments quoted in official trading or registered for trading on the unlisted securities market must disclose without delay any information which might affect the financial and earnings position of the company or materially influence the stock exchange prices of securities. The company concerned is itself responsible for the content of such reports. Ad-hoc reports are meant to ensure that all market participants are equally well informed.

ATX
The Austrian Traded Index covers all blue chips listed on the Vienna Stock Exchange. It is the underlying value for options and futures. The ATX comprises 20 shares of the prime segment (Prime Market) with the highest liquidity and market capitalisation.

AUTHORISED CAPITAL
Authorisation granted by resolution of the General Meeting to the Management Board for a maximum period of five years to increase the share capital by the issue of new shares up to a certain extent without further consultation of the General Meeting.

BENCHMARK
External comparative value used to measure various operating ratios, also used to measure the performance of various investment instruments.

BUILDING ON THIRD-PARTY LAND
Building erected by a tenant or leaseholder on third-party property and owned by the tenant or leaseholder.

CAPITALISATION RATE
Is used to determine the reselling price at the end of a planning period and is oriented towards the discount rate determined for each project.

CASH FLOW
The cash flow calculation provides an overview of the liquid funds which have flowed into and out of a company during the reporting period. They are stated separately by operating, investment and financing activities.

CEE
Abbreviation for Central and Eastern Europe, an area comprising the following states: Estonia, Latvia, Lithuania, Hungary, Czech Republic, Slovakia, Poland, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Albania, Macedonia, Bulgaria, Romania, Moldova, Ukraine, Belarus and Russia. CA Immo Group has investments in the following CEE-states: Poland, Czech Republic, Slovakia and Hungary.

CIS
Abbreviation for Commonwealth of Independent States. This CIS comprises the former Soviet Republics of Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. The Commonwealth was established in 1991 in order to strengthen economic, ecological, social and cultural cooperation, (re)create a common economic zone and promote the coordination of foreign policy.

COMPLIANCE CODE
Binding rules of conduct for issuers of securities which primarily refer to the avoidance of conflicts of interests (insider information).

CONSOLIDATED NET INCOME
Income after taxes.

CORPORATE GOVERNANCE
Compliance with the rules of proper and responsible management and control of a company.

COUNTRY SPREADS
Refers to the spread of risk in relation to national bonds. Can be assessed either in direct comparison with the interest on government securities from another country (Germany is usually chosen on account of the good credit rating and high liquidity of bonds) or in terms of the costs of insurance against failure (credit default swap). The higher a country spread, the greater the probability of failure of the government bonds in question from the viewpoint of investors.

DEFERRED TAXES
The IFRS apply the “temporary concept” by using the balance sheet liability method. According to this method, deferred tax assets and liabilities are to be

calculated for all differences between the carrying values of assets or liabilities recognised in the balance sheet and its respective tax base. This difference is expected to increase or decrease the income tax charge in the future (temporary differences). Deferred tax assets and liabilities are not discounted. Deferred tax assets in relation to loss carry-forwards must be recognised and treated like any other asset with respect to its realisation.

DISCOUNT RATE
The discount rate is determined on the basis of the net initial returns of comparable property transactions in the market.

DIVERSIFICATION
In the context of asset management, the spreading of investments over various types of investment with the aim of minimising risks. In real estate investments, the spreading of the portfolio over various regions and sectors.

DIVIDEND
Distribution of profit e.g. of a stock corporation to its shareholders. The amount of the dividend is dependent on the profit of a company.

EBIT
Earnings before interest and taxes.

EBITDA
Earnings before interest, taxes, depreciation and amortisation.

EBIT MARGIN
EBIT in relation to sales, operating sales return.

EBT
Earnings before taxes.

EPRA
European Public Real Estate Association.

EPS
Earnings per share; net income divided by the weighted number of shares.

EQUITY CAPITAL
Money raised by the owner of a company for financing the business or kept in retained earnings (reinvestment of profits). Share capital plus reserves plus net profit/loss. The equity capital on the balance sheet comprises also minority interests.

EQUITY-TO-FIXED-ASSETS RATIO
Equity capital in relation to fixed assets; indicates the extent to which the property assets and other fixed assets are covered by the equity capital.

EV
Enterprise value; defined as market capitalisation plus net debt.

FAIR VALUE
Price at which an asset is exchanged, or an obligation settled, between knowledgeable, willing parties in an arm's length transaction (market value).

GEARING
Relation between net debt and equity capital.

GROSS YIELD OF PROPERTIES
Annualised actual rents related to book values.

IAS 40
IAS 40 is an international accounting standard for companies. It regulates a sub-section of the International Financial Reporting System (IFRS), the carrying of investment property and the relevant reporting rules.

IATX
The most important real estate securities listed on the Vienna Stock Exchange are covered by the IATX (Immobilien-ATX), a benchmark index for Austrian property securities.

IFRS
International Financial Reporting Standards.

INSIDER INFORMATION
Information about confidential facts relating to securities or issues which is liable to influence considerably the price of a security if such information becomes known to the public. The use of insider information e.g. for the purchase and sale of securities is forbidden and punishable under the Austrian Stock Exchange Act.

INTEREST-RATE CAP
Contractually agreed ceiling for floating-rate liabilities protecting borrowers against a rise in interest rates. A lower limit to interest rates is an interest rate floor.

INVESTMENT HORIZON
The period of time over which investors intend to invest their capital.

INVESTMENT INCOME TAX
Interest and dividends earned from Austrian securities are subject to 25 % investment income tax (Kapitalertragsteuer/KESt.).

ISIN
International Security Identification Number.

MARKET CAPITALISATION
Number of shares issued multiplied by the market price = value of a company measured by the market value of its shares.

MARKET PRICE (QUOTATION)
Price of securities traded on the stock exchange.

MARKET VALUE
See fair value.

NAV
Net asset value: Equates to the equity capital on the balance sheet without minority interests.

NNNAV
Calculation method according to EPRA; NAV adjusted for value adjustments (for financial instruments and development projects) and deferred taxes.

NAV / SHARE
Net asset value of the company divided by the number of shares.

NET DEBT
Balance of financial liabilities less liquid funds.

PER
The price/earnings ratio indicates how often the earnings per share go into the price of a stock. The PER is an important ratio for the valuation of shares. It is especially meaningful in comparisons (historical, with competitors, with the overall market, etc.).

PERFORMANCE
Total return of an investment. Considers changes in the value of the capital employed, but also distributions and their re-investment.

PERPETUAL LEASE
Right applied in Poland that allows the use and management of property belonging to the state for a specified period of time (40 to 99 years).

PRICE
See market price.

PRICE / CASH FLOW RATIO
The price/cash flow ratio (PCR) is an important performance ratio in which the current stock price is divided by the cash flow per share. The lower the PCR, the more attractive the respective securities.

PRICE GAIN
The positive difference between the price at which securities were purchased and the price at which they are currently quoted or have been sold.

PRICE / NAV RATIO
The current market price of a share divided by the net asset value per share.

RE-INVESTMENT OF PROFITS
Profits earned are fully re-invested into the company, thus increasing its intrinsic value.

RETURN
Key ratio for the profit derived from an investment (property).Total return of an investment in relation to the capital employed; specified in percent. In contrast to the performance, value adjustments are not taken into account.

RISK MANAGEMENT
Systematic approach for identifying and assessing potential risks and chances as well as selecting and using measures for coping with risks.

SEE
Abbreviation for Southern Eastern Europe, an area comprising the following states: Albania, Bosnia and Herzegovina, Bulgaria, Greece, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia, Hungary and Turkey. CA Immo Group has investments in the following SEE-states: Romania, Bulgaria, Slovenia and Serbia.

SHARE CAPITAL
Share capital of a stock corporation corresponding to the nominal value of all shares issued (minimum of € 70,000).

SHAREHOLDER VALUE
Orientation towards shareholder value implies the consistent focus of managerial action on increasing the enterprise value for shareholders.

STAKEHOLDER VALUE
In contrast to the shareholder value principle, which regards the needs and expectations of stockholders in a company (e.g. the shareholders in a stock corporation) as the central concern, the stakeholder principle aims to encompass the company in its overall socio-economic context and reconcile the needs of various stakeholder groups.

SWAP
Exchange of one security for another. There are three basic categories of swaps: interest-rate swaps, currency swaps and combined interest rate and currency swaps. The swap partners may e.g. exchange fixed for floating-rate obligations or loans in different currencies.

UNDISCLOSED RESERVES
Market value less stated value of the property assets.

VOLATILITY
A measure of the average fluctuation margin of a price within a certain period of time. The higher the (historical) volatility of an investment instrument, the higher the risk involved.

VOTING RIGHT
Right of the shareholder to vote for or against motions presented at the General Meeting. Ownership of a share usually carries the right to vote.

YIELD
See return.