CA IMMO

ANNUAL FINANCIAL REPORT 2013
IN ACCORDANCE WITH THE § 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT

13

CONTENT

GROUP MANAGEMENT REPORT

GROUP STRUCTURE

The parent company of the CA Immo Group is **CA Immobilien Anlagen Aktiengesellschaft**, a Vienna-based firm listed on the Vienna Stock Exchange since 1988. CA Immo was originally active solely on the Austrian market. From 1999 onwards the company began investing in Eastern Europe; the acquisition of the Europolis Group in 2011 confirmed CA Immo as a major investor. As it expanded in Eastern Europe, the company built its portfolio of real estate in Austria and Germany, obtaining a package of properties from the German federal state of Hesse in 2006 and finalising the acquisition of CA Immo Deutschland GmbH (formerly Vivico Real Estate GmbH) early in 2008. The company has subsidiaries in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia as well as offices in Russia, the Ukraine and Cyprus. Each site acts as a largely autonomous profit centre. Other subsidiaries (without a separate team on site) are located in Bulgaria, Croatia, Luxembourg, the Netherlands, Slovakia and Slovenia. As at key date 31 December 2013, the Group had 256 subsidiaries (compared to 265 on 31.12.2012) in 17 countries[8]. The main activity of the parent company involves the strategic and operational management of subsidiaries at home and abroad.

COMPANIES BY REGION

No. of Companies[1]	31.12.2013	31.12.2012
Austria	30	40
- *thereof Joint-Ventures*	*0*	*0*
Germany	98	110
- *thereof Joint-Ventures*	*18*	*18*
Eastern Europe	128	115
- *thereof Joint-Ventures*	*31*	*39*
Across the Group	**256**	**265**
- *thereof Joint-Ventures*	*49*	*57*

1 Joint-Ventures at SPV level
2 Including all subsidiaries in the scope of our Eastern European investments

AUSTRIA

The company's domestic properties are held in direct holdings of CA Immo. As at 31 December 2013, 16 properties were also directly owned by CA Immobilien Anlagen AG (compared to 21 properties on 31.12.2012). At present, the Austria portfolio comprises purely investment properties along with one development project in Vienna.

GERMANY: EXPANDING THE PORTFOLIO THROUGH PROJECT DEVELOPMENT

CA Immo Deutschland GmbH has functioned as the operational platform for all Group activity in Germany since 2008. As a former collecting society for state-owned railway properties in Germany, the company has a wealth of expertise in developing inner city real estate. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local profile is assured. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by **omniCon**, the CA Immo subsidiary acquired in 2008. omniCon also performs these services for third parties. CA Immo Deutschland GmbH is fully consolidated in the consolidated financial statements of CA Immo. The company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale.

Most of the investment properties in Germany are maintained by Frankfurt-based **CA Immo Invest GmbH** (formerly CA Immo AG), another fully consolidated company in which CA Immobilien Anlagen Aktiengesellschaft has direct and indirect holdings amounting to 100%. These investment properties make up the 'Hesse portfolio', a package of properties let to the state of Hesse for the long term with approximate market value of € 0.8 bn. The portfolio was sold to PATRIZIA Immobilien AG in accordance with the company's strategic objectives for 2012-2015.

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

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

EASTERN EUROPE: EMPHASIS ON PORTFOLIO MANAGEMENT

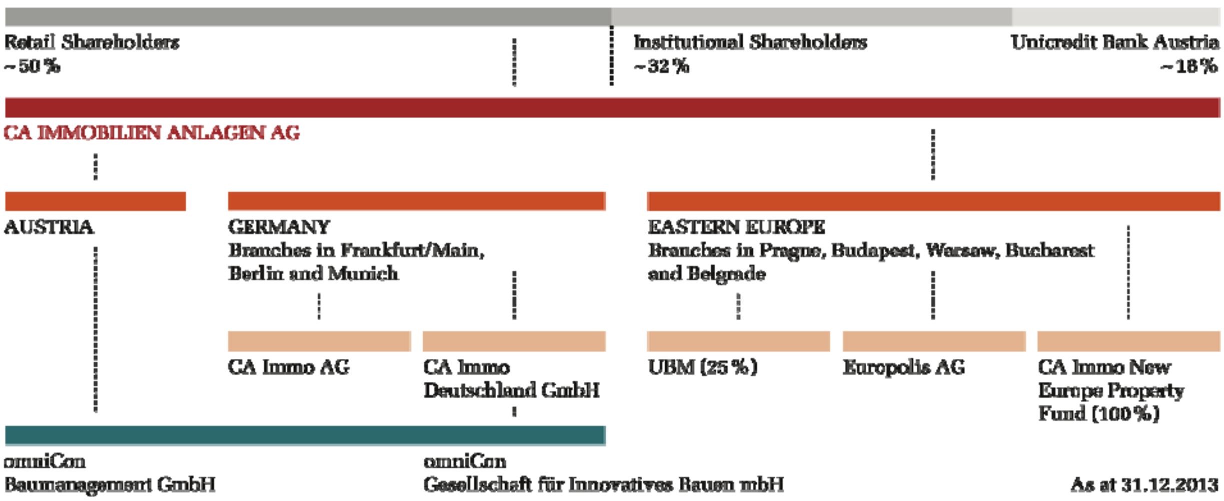
The Group's portfolio of investment properties in Eastern Europe is directly held via CA Immo participating interests and via **Europolis AG**, another wholly owned subsidiary of CA Immo acquired from the Volksbank Group early in 2011. The Europolis Group, which has been in existence since 1990, focuses on class A office, logistical and retail buildings in Eastern Europe. The Europolis AG portfolio also includes a small number of development projects and undeveloped plots in Poland, Hungary and the Ukraine. The total portfolio of Europolis AG was originally divided into six sub-portfolios; three of these were merged into one in 2013; with the acquisition of AXA's 49% share in the "P1" Portfolio in 2013, two of these four sub-portfolios became fully held by Europolis. Reputable partners such as EBRD and Union Invest hold stakes from 25% to 49% in two portfolios. The portfolios are managed by **Europolis Real Estate Asset Management GmbH** (EREAM) of Vienna, a wholly owned subsidiary of Europolis AG, alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as **CA Immo Real Estate Management**.

Since 2007, CA Immo has essentially concentrated its Eastern European project development activity within the **CA Immo New Europe Property Fund** (CAINE), a project development fund structured under Luxembourg law as a SICAR (societé d'investissement en capital à risque) in which CA Immo participated with three institutional investors. The fund, whose term expired at year end 2013, is also managed by a subsidiary of CA Immo. All shares held by external partners of CA Immo had been regained, giving the company a 100% holding as at 31 December 2013. The commitment period for new projects ended back at the end of 2009. Three projects are in progress at present; three more completed since the fund was set up are currently held by the fund as investment properties. In future, new projects will be initiated directly within CA Immo or Europolis.

UBM INVESTMENT

CA Immo holds a stake of 25% plus four shares (vetoing minority holding) in the listed Vienna-based real estate developer **UBM Realitätenentwicklung AG** through a subsidiary company. The main shareholder in UBM is the PORR Group with a holding of approximately 41%. With development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. Projects realised with UBM include the Poleczki Business Park in Warsaw and the Airport City project in St. Petersburg. The investment in UBM contributed a total of € 3,359 K to the earnings of CA Immo in 2013 (€ 2,711 K in 2012). CA Immo thus received a dividend for business year 2012 of € 825 K (€ 825 K in the previous year).

GROUP STRUCTURE



ECONOMIC ENVIRONMENT

THE CYCLICAL TREND [1)]

The main factors influencing the operational business development of CA Immo are economic growth, which drives the demand for office space, as well as liquidity and interest rates. Global activity and world trade picked up in the second half of 2013, mainly driven by stronger final demand in advanced economies and an export rebound in emerging markets. The International Monetary Fund (IMF) expects the euro area to continue its path out of recession in 2014, albeit highlights high debt on both public and private and financial fragmentation as major downside risks to financial stability.

THE MONEY MARKET AND INTEREST RATE ENVIRONMENT [2)]

The ECB's monetary policy remained accommodative throughout 2013. Central Bank interest rates were cut twice throughout the year to record lows of 25bps, to ensure peripheral countries can bring down their budget deficits and to spur growth via investments in the euro area after 6 quarters of economic contraction. The 3 month Euribor, the reference rate for floating rate loans stayed on historical low levels between 0.20% and 0.23% for most of the year, following ECB rate cuts and pledges to keep rates low for an extended period of time. The 3 month Euribor rate increased to 0.30% in December 2013 after banks said they would return more of the long-term loans to the ECB than estimated which will lead to a reduction in excess liquidity in the system.

CEE economies continued their monetary easing cycles in 2013. Positive global market sentiment and benign inflationary pressures/deflation allowed the National Banks of Poland, Hungary and Romania to cut interest rates in several steps to record low levels of 2.50%, 3.00%, 4.00% respectively during the year (since then, further cuts have taken place in Hungary and Romania in early 2014). The Czech Republic had to intervene in FX markets to weaken the CZK as a way to further assist the recovery of the export-driven economy after already cutting interest rates to almost zero levels (0.05%) during the course of 2012.

[1)] Source: International Monetary Fund (IMF), World Economic Outlook, January 2013
[2)] Sources: Eurostat, Central Statistical Offices, Bloomberg

ECONOMIC DATA OF CA IMMO CORE MARKETS

	Growth rate of the real GDP		Annual inflation rates	Rate of unemployment [3)]	Gross public debt [4)]	Public deficit/-surplus	Trade capital balance [5)]
	2013	2014	in %	in %	in %	in % of GDP 2012	in bn €
EU – 28	0.1	1.5	0.9	10.7	86.8	-3.9	49.9
Euro zone – 17	–0.4	1.2	0.8	12	92.7	-3.7	153.8
AT	0.3	1.5	1.5	4.9	77.1	-2.5	–5.3
Germany	0.4	1.8	1.2	5.1	78.4	0.1	185.5
PL	1.6	2.9	0.6	10.1	58	-3.9	–1.8
CZ	–1.2	1.8	0.3	6.7	46	-4.4	13.2
HU	1.1	2.1	0.8	9.3	80.2	-2.0	6.1
RO	3.5	2.3	1.2	7.1	38.9	-3.0	–5.2

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

CURRENCIES [1]

The euro appreciated 4.5% vs the USD during the course of 2013 to levels of EUR/USD 1.3789. The gradual improvement in the euro zone's economy starting in the second quarter of 2013 helped the EU currency despite two ECB rate cuts during the year and the announcement of the start of the progressive phase-out of the US Fed's bond purchases in December 2013. Most currency strategists forecast a weakening of the euro during 2014, as the monetary policies of the ECB and Fed are set to diverge. Eurozone inflation rate of +0.8% in 2013 (well below the ECB's 2% target) allows for further accommodative policies in the euro zone, while the stronger US economy supports the Fed's tapering.

The euro strengthened against all major CEE currencies which fell sharply during the month of May 2013, the start of US tapering discussions. After CEE currencies appreciated in the third and fourth quarter against the euro on supportive macro data, another wave of selling materialised in January and Febuary 2014, as the major emerging market currency sell-off spilled over into solid current account balance CEE currencies as well. The EUR/PLN rose 2.1% during 2013 to 4.1554. Polish macro data was supportive for the currency during the year, however US tapering discussions weighed on the currency. Expectations of interest rate hikes in H2 2014 may support the currency in the following year. The 9% strengthening of the EUR/CZK to 27.35 was mainly caused by the Czech National Bank's intervention in the FX markets as of November 2013 to weaken the Czech currency in order to increase export competitiveness.

The EUR/HUF strengthened 2% in 2013 to 297.22. Several aggressive rate cuts totalling 250bps put pressure on the HUF during the year, whereas good economic momentum supported the currency. The turbulences in EM currencies in January and February 2014 particularly affected the HUF among CEE currencies highlighting significant external vulnerabilities. The EUR/RON stayed largely stable over the year of 2013 increasing 0.6% to 4.4725, proving to be the most resilient CEE currency. As a result of improving fundamentals backed by an IMF programme, Romanian GDP is estimated to grow at 2.8% in 2013, low external balances and a low public budget deficit were supportive for the currency. Given that nearly all of CA Immo's lease contracts are concluded in euro, CEE currency depreciation does not impact rental revenues directly.

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

OUTLOOK [2]

The European Commission ('EC') forecasts growth of 1.5% in the EU and 1.2% in the Eurozone for 2014. The EC believes in a turning point of the European economy, following fiscal consolidation efforts and structural reforms in many countries that have provided a good basis for economic growth. The EC forecasts that consumer-price inflation is expected to stay subdued in 2014 at 1.5%, below the 2% target.

The European Commission also expects more robust growth in CEE3 economies in 2014 compared to 2013. In Poland, GDP is expected to grow at 2.9% in 2014, with domestic demand projected to gradually replace external trade as the main growth engine. Hungarian GDP growth is expected to reach 2.1% in 2014 as exports are forecast to gain impetus in tandem with improving external demand. In the Czech Republic, growth is more fragile, nevertheless the economy is expected to grow 1.8% in 2014 after expectations of -1.2% contraction in 2013. Romania's economy is expecting to remain buoyant in 2014, with GDP estimated to grow by 2.3% after an expected growth rate of 3.5% in 2013. Growth drivers are expected to gradually switch from net exports in 2013 to domestic demand in 2014.

[2] Source: European Commission winter forecasts

PROPERTY MARKETS

THE REAL ESTATE MARKET IN AUSTRIA [1)]

The investment market

In 2013, an investment volume of approximately € 1.7 bn was recorded on the Austrian commercial real estate market. After four years of positive growth, last year showed a 6% decline year on year, despite a strong second half of the year. 32% of investor interest was focused on office properties, followed by retail properties (23%). As in previous years, Austrian investors were responsible for most of the transaction activity (2013: 70%), followed by German investors. With an investment volume of approximately € 750 m, a strong fourth quarter in 2013 is viewed as an indicator for considerable growth in 2014.

The office property market

Total space on the Vienna office property market recorded a slight upturn of approximately 1% in 2013, to 10.76 m sqm. This estimated expansion in supply of newly created and completely renovated space of approx. 150,000 sqm is clearly below the previous year's figure of over 300,000 sqm. Lettings performance of approximately 295,000 sqm was also lower (2012: approx. 345,000 sqm). Most completions were on the Donau City office location, in North East Vienna. The largest demand for space came from the public sector (over 30%), followed by the services sector. The low completion volume had a stabilising effect on the vacancy rate. At 6.6% it remained constant against the previous year. A similar level of space as came onto the market in 2013 is expected for 2014. The market anticipates the vacancy rate to remain below 7%. At the end of 2013, prime yields for office properties were approx. 4.75%.

OFFICE MARKET DEVELOPMENT IN VIENNA

	2013	2012	Change in %
Take up in sqm	295,000	345,000	–14.5
Vacancy rate in %	6.6	6.6	0.0
Peak rent in €/sqm net exclusive	25.25	24.75	2.0
Prime yield in %	4.75	5	–5.0

Sources: CBRE MarketView Austria Investment Q4 2013, Vienna OfficeMarket Q4 2013
Note: Floor space turnover includes owner-occupier transactions

[1)] Sources: CBRE MarketView Austria Investment Q4 2013, Vienna Office Market Q4 2013

THE REAL ESTATE MARKET IN GERMANY [2)]

The investment market

In 2013, just over € 30 bn was invested in commercial property in Germany (up 21% year on year). With transaction volumes at their highest point since 2007, the German investment market continued its strong development and further consolidated its position as a global investment market and Europe's top location after the UK (transaction volume 2013: € 52.3 bn). Investors continue to focus on the core segment. Although the risk aversion of many market participants has diminished significantly, large-volume investments continue to focus on top properties. This results in a shortage on the supply side, which is leading to yield compression for core properties.

Germany's polycentric economic structure is also reflected in the flow of investments. In 2013, approximately 55% of total investment volume concentrated on the top 5 locations of Munich, Frankfurt, Dusseldorf, Berlin and Hamburg. With transactions of approx. € 4.7 bn, Munich headed the field, ahead of Frankfurt (€ 3.6 bn) and Berlin (€ 3.3 bn). According to type of usage, office properties were a key focus at approx. 46%, followed by retail properties with a share of around 26%. Strong demand in Germany is driven by both domestic and foreign investors. In 2013, despite strong foreign investment interest, the share of German investors in the total volume rose from 58% to 67%. This was also illustrated by CA Immo's major transactions in 2013 – both the sale of the Hesse portfolio and the partial sale of Tower 185 in Frankfurt, as well as the disposal of the Mercedes-Benz sales headquarters in Berlin, were to German investors.

The office property market [3)]

The stable conditions in the German economy were also evident with robust demand on Germany's most important office property markets. However, in the core locations of Berlin, Dusseldorf, Hamburg, Frankfurt, Cologne, Munich and Stuttgart there was a slight year-on-year decline in turnover of 3.5% to 2.93 m square metres (new leases and occupancies by owner-occupiers), although letting activities remained at a high level. Vacancy levels totalling 7.3 m square metres were registered in the above

[2)] Sources: Jones Lang LaSalle: German Investment Market Q4 2013; CBRE: MarketView Germany Investment Quarterly Q4 2013; MarketView European Investment Quarterly Q4 2013

[3)] Sources: Jones Lang LaSalle Office market Overview 4Q 2013, CBRE Germany Investment Quarterly MarketView Q4 2013, CBRE Office Market Munich MarketView Q4 2013, CBRE Office Market Frankfurt MarketView Q4 2013, CBRE Office Market Berlin MarketView Q4 2013 major cities. This means that the average vacancy rate fell from 8.8% to 8.3% over the course of the year – the lowest level since 2002, according to JLL Research. Against 2012, the completion volume in the top 7 locations increased by 8% to approx. 890,000 sqm. Peak rents in the cities of Dusseldorf, Frankfurt and Munich edged up by an aggregate 1.9% (2012: 3%). There was also positive development in average rents across all cities. Continuously high demand from German and international investtors in the increasingly narrow core segment led to a further decline in prime yields, which currently range between 4.55% in Munich and 4.80% in Dusseldorf for the office segment.

Munich recorded slight growth in floor space of 0.5% in 2013, to approx. 21 m square metres. The Bavarian capital generated 16% less office take up than in the previous year – lettings performance was down 24% despite higher owner-occupier turnover. At approximately 7.2% the vacancy rate remained constant compared with the end of 2012. The completion figure of approx. 186,000 sqm for 2013 is clearly below the average of the last five years and is expected to increase only slightly in the coming years. The share of space not let at the point of completion was only 19%. Strong demand for core office properties led to a prime yield of 4.55%, down 0.2 percentage points. During the course of the year, there was an increase in the peak rent level for the top segment of approximately 3%.

Frankfurt likewise recorded a drop in floor space turnover of approximately 448,000 sqm (-12%) for 2013, although this was strongly impacted by a high volume of contract extensions. Total office space developed in a stable fashion compared with the previous year. To the end of the year, it totalled approximately 11.8 m sqm. The vacancy rate also stabilised at 14.7%. Floor space turnover of 470,000 sqm is expected in 2014, which corresponds to the 10-year average. Steady demand for high-value office space had a stabilising effect on the development of peak rent levels. CBRE Research expects a completion volume of approximately 286,000 sqm, which corresponds to an increase of 48% compared with 2012 but is only just above the average value for the last ten years. Of this expected new floor space, approximately 75% has already been absorbed by own usage and pre-letting.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2013	2012	Change in %
Berlin			
Take up in sqm	470,000	550,000	–14.5
Vacancy rate in %	8.8	8.5	3.5
Peak rent in €/sqm net exclusive	22.5	22	2.3
Prime yield in %	4.75	5	–5.0
Frankfurt am Main			
Take up in sqm	448,000	510,000	–12.2
Vacancy rate in %	14.7	14.7	0.0
Peak rent in €/sqm net exclusive	38	38	0.0
Prime yield in %	4.7	5	–6.0
Munich			
Take up in sqm	590,000	705,000	–16.3
Vacancy rate in %	7.2	7.2	0.0
Peak rent in €/sqm net exclusive	32.5	31.5	3.2
Prime yield in %	4.55	4.75	–4.2

Sources: CBRE: Market View Office Market Berlin Q4 2013, Market View Office Market Munich Q4 2013, Market View Office Market Frankfurt Q4 2013
Note: Floor space turnover includes owner-occupier transactions

In **Berlin,** office take up of around 470,000 sqm was recorded. This corresponds to a decline of approx. 15% when looked at on an annual basis, primarily due to a lower number of large-volume deals, but only just below the average value for the last ten years. Office space vacancy levels inched up by 0.3% compared with the end of the previous year, currently amounting to approximately 8.8%. Total office space rose slightly year on year, totalling approx. 17.86 m square metres at the end of the year. The completion volume was essentially at the same level as the previous year, in total approx. 127,000 sqm (including renovated floor space). In 2014, a clear expansion in completions is expected, although the share of speculative projects is low. The pre-letting rate for floor space finished in 2013 amounted to over 80% and a similar level is also expected for 2014. Ongoing and high investor interest in office property as the asset class with the strongest demand also was evident in the prime yield decline of 0.25 percentage points for the top segment in Berlin - to 4.75%.

THE REAL ESTATE MARKET IN EASTERN EUROPE [1)]

The investment market

Investment activity in CEE experienced strong growth of 31% to just over € 10 bn, thus posting the second strongest year since the crisis. While all sub-markets showed higher transaction volumes, the upturn was driven primarily by the Russian market, which increased by 40% and was the location of more than 50% of total investments. As in previous years, Poland followed Russia as the most liquid market. Compared with 2012, total investment in commercial property increased by approx. 9% to € 2.97 bn. Hungary and Romania likewise achieved growth in line with the previous year. However, their overall significance was low, accounting for less than 5% of the total CEE market in 2013. The clearly less restrictive behaviour of lenders in the region as well as an increasing risk appetite among international investors should continue to lead to growth in CEE investment volumes.

The office property markets [2)]

In modern office space in **Warsaw** amounts to over 4.1 m square metres, approximately 30% of which is in the city centre. In 2013, the office property market recorded the highest completion volume since 2000, at approximately 300,000 sqm. Similarly high growth of approximately 320,000 sqm is expected in 2014, with a pre-letting rate of approximately 35%. The high level of building activity in the Polish capital, a considerable part of which was started speculatively, led to a slight increase in vacancy levels, which amounted to 11.7% at the end of 2013. In contrast however, fundamental demand is strong and surged to over 630,000 sqm in 2013, beating the record levels of 2012 by approximately 4%. Intensive competition in the market led to a slight drop in rents (approximately 5%) in the top market segment. The prime yield for core office properties was in the region of 6.25%.

Lettings performance on the office market in **Bucharest** achieved its highest value for six years with approximately 300,000 sqm, essentially resulting from a strong increase in contract extensions and renegotiations. The completions on the market came to approx. 122,000 sqm (a jump of 35% year-on-year), with a total modern office property floor space of approximately 2.14 m sqm. A largely constant completion volume is expected for 2014, much of which is on a speculative basis. Vacancy levels dropped slightly from 15.4% to 15.1%, with substantial differences between the different sub-markets. Prime rents in the core segment are stable, as is the prime yield at approximately 8.25%, thus continuing to offer a premium over other capitals in the CEE region.

Lettings performance on the office space market in **Budapest** moved upwards by 21% compared with the previous year. Including contract extensions, total letting activity amounted to approximately 396,000 sqm (up 15% compared with 2012). The market continues to be characterised by the strong optimisation efforts by tenants. This means rentals are very small-scale. Completion volumes were at a very low level compared to

[1)] Sources: CBRE Property Investment MarketView Q4 2013

[2)] Sources: Jones Lang LaSalle: Warsaw Office Market Profile Q4 2013; Warsaw, Bucharest und Budapest City Report Q4 2013, Prague Office Market Q4 2013; CBRE: Warsaw, Bucharest und Budapest Office Market View Q4 2013, CZ Property Investment MarketView H2 2013 that in other CEE capitals – approx. 30,000 sqm of new floor space was offered in 2013. As a result, the total of modern office space remained largely constant, at 3.17 m sqm. Development activity for the coming year is also expected to be low and should have a stabilising effect on existing office space. The vacancy level fell sharply by 2.6 percentage points, but remained at the relatively high level of approx. 18.4%. Prime yields in the core segment remained unchanged at around 7.50-7.75%.

At the end of the fourth quarter 2013, office space in **Prague** totalled approx. 2.96 m sqm. Space expansion through completions came to approx. 78,000 sqm, around 20% lower than the previous year. In contrast, lettings performance grew by approx. 10% to around 298,000 sqm compared with last year, just 25,000 sqm less than in the record year of 2011 and clearly over the average value for the last ten years. Vacancy levels showed stable development and amounted to just over 13% at the end of the year. A large, partly speculative development pipeline with expected completions of 150,000 sqm in 2014 should put pressure on lower-quality buildings in particular. Prime yields in the core area remained steady at 6.25%.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN EASTERN EUROPE

	2013	2012	Change in %
Budapest			
Take up in sqm	396,000	346,000	14.5
Vacancy rate in %	18.4	21.5	–14.4
Peak rent in €/sqm net exclusive	19.0	20.0	–5
Prime yield in %	7.5	7.5	0.0
Bukarest			
Take up in sqm	300,000	225,000	33.3
Vacancy rate in %	15.1	15.1	0.0
Peak rent in €/sqm net exclusive	18	18	0.0
Prime yield in %	8.25	8.25	0
Prag			
Take up in sqm	299,000	272,000	9.9
Vacancy rate in %	13.5	11.9	13.4
Peak rent in €/sqm net exclusive	20.0	20.0	0
Prime yield in %	6.25	6.25	0
Warschau			
Take up in sqm	633,000	608,000	4.1
Vacancy rate in %	11.8	8.8	34.1
Peak rent in €/sqm net exclusive	25.5	27.0	–6
Prime yield in %	6	6.25	–4

Sources: CBRE Budapest Office MarketView January 2014, CBRE MarketView Bucharest Office Q4 2013, Jones Lang LaSalle: Prague Office Market Q4 2013, Warsaw Office Market Profile Q4 2013
Note: Floor space turnover includes owner-occupier transactions

PROPERTY ASSETS

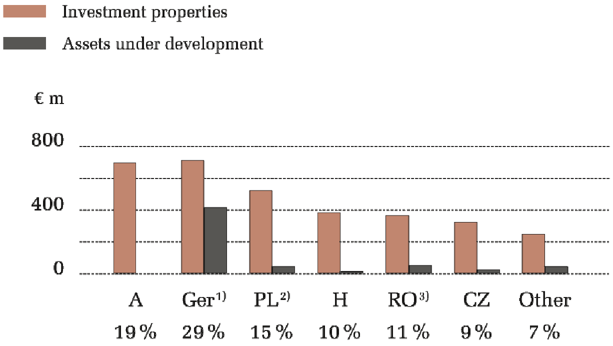
The CA Immo Group divides its core activity into the business areas of letting investment properties and developing real estate. In both of these business areas, CA Immo specialises in commercial real estate with a clear focus on office properties in capital cities in the centre of Europe. The objective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

Property assets fall 28% to € 3.8 bn

As at key date 31 December 2013, the property assets of CA Immo were approximately € 3.8 bn (€ 5.3 bn as at 31.12.2012). Of this figure, investment properties account for € 3.3 bn (87% of the total portfolio)[1] and property assets under development represent € 0.5 bn (13% of total portfolio). On account of the substantial volume of sales of investment properties transacted in Germany during the second half of 2013, the share of the German segment in total property assets fell from approximately 48% on 31 December 2012 to 29% on 31 December 2013; Eastern Europe is now the biggest regional segment with a proportion of 52% of total property assets.

[1] Includes properties used for own purposes, self-administrated properties and short-term property assets; excludes Tower 185 which is accounted for using the equity method

DISTRIBUTION OF PROPERTY ASSETS BY COUNTRY AND TYPE



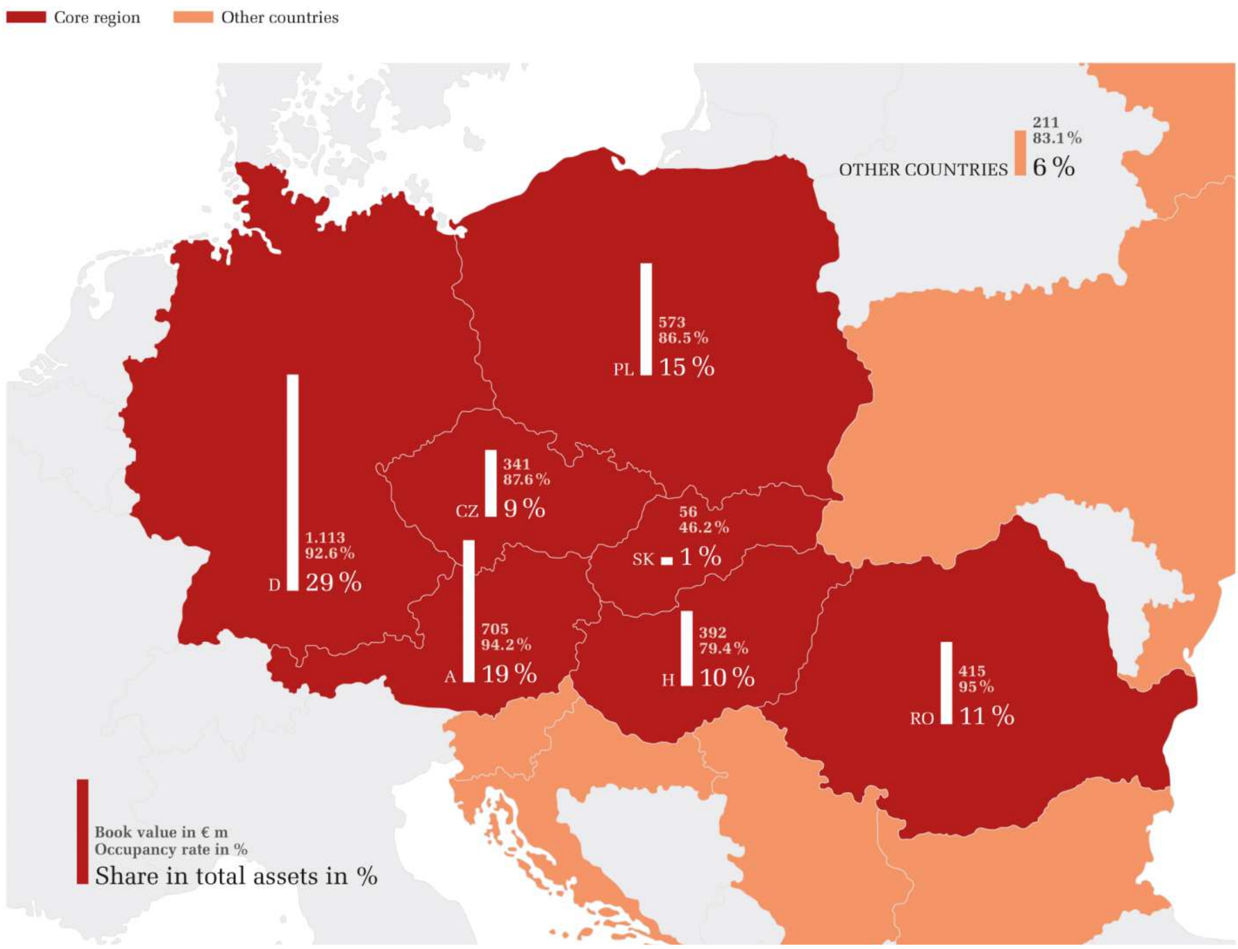
1) including 67 € m properties held as current assets
2) including 107 € m properties held as current assets
3) including 4 € m properties held as current assets

PROPERTY ASSETS OF THE CA IMMO GROUP AS AT 31.12.2013 (BOOK VALUES)

in € m	Rental investment properties 1)	Investment properties under development	Short-term property assets 2)	Properties	Investment properties in %
Austria	705	0	0	705	19%
Germany	644	401	67	1,113	29%
Czech Republic	334	7	0	341	9%
Hungary	391	1	0	392	10%
Poland	444	23	107	573	15%
Romania	380	31	4	415	11%
Others	244	23	0	267	7%
Total	**3,141**	**486**	**177**	**3,805**	**100.0%**
Share on total portfolio	**82%**	**13%**	**5%**	**100%**	

2) Excludes properties used for own purposes and self-administrated properties; excludes Tower 185 which is accounted for using the equity method
3) Short-term property assets including properties intended for trading or sale

CA IMMO PROPERTY ASSETS



Sales

The book value of net assets sold (= equity) include proportional investment properties in the amount of € 1,234.8 m , for which purchase prices totalling € 1,280.8 m were agreed. Total income of € 75.5 m was generated from sales (compared to € 38.5 m in 2012). Sales focused on investment properties in Germany. **Building plots** connected with urban district development activity (mainly in inner city areas in Germany, amongst others, the Marina Quartier in Regensburg) accounted for trading income of € 83.3 m; suitably value-enhancing property use approvals had previously been obtained.

After a construction period of two years, the **Skyline Plaza shopping mall** – which was realised under the terms of a joint venture between CA Immo and ECE – was completed and handed over to the investor Allianz at the end of August. The closing of the forward sale took place at the end of October. CA Immo and ECE each retain a 10% stake in Skyline Plaza. The total investment volume was some € 360 m.

At the beginning of October, the **partial disposal of the Tower 185** successfully concluded the largest development project undertaken by CA Immo to date. Two German institutional investors each acquired one third of the Frankfurt office property, which has a book value of around € 0.5 bn. CA Immo retains a one-third stake and the responsibility for asset management.

Negotiations for the sale of the Hesse portfolio reached a successful conclusion in October: PATRIZIA Immobilien AG acquired the portfolio comprising 36 properties at 19 locations in Hesse with a book value of some € 0.8 bn. The properties are let to the German state of Hesse on a long-term basis. The deal was closed at the end of 2013.

In mid-December, the contract was signed detailing the **sale of the German headquarters building of Mercedes-Benz Vertrieb Deutschland (MBVD)** to Union Investment Real Estate GmbH, which was completed in June 2013. The Berlin office building, which offers a full 28,000 sqm of gross floor space above ground, will be let in its entirety to MBVD for a term of 10 years. The sale price is approximately € 88 m and the closing of the deal was completed in 2013.

Sold in 2013: The German headquarters of the Mercedes-Benz sales division

Also in December, CA Immo sold the **Warsaw office building Lipowy Office Park** to Kimberley sp. z o.o., a special purpose vehicle belonging to a US-listed REIT. The office building has a gross floor area above ground of about 40,000 sqm and the entire property is the subject of a long-term lease to Bank Pekao S.A. The four buildings arranged around an inner courtyard were completed in 2009 and have been owned since then by Europolis AG, which was taken over by CA Immo in early 2011. The transaction is expected to be closed in the first quarter of 2014; the purchase price is around € 108 m.

Investments

In total, CA Immo invested € 199.0 m in its property portfolio (€ 242.1 m in 2012). Of this figure, € 193.1 m was earmarked for its property portfolio (€ 230.1 m in 2012). € 25.7 m accounted for modernisation and optimisation measures and € 172.9 m was devoted to the furtherance of development projects.

Acquisitions

In December, CA Immo successfully concluded negotiations with AXA Investment Managers Deutschland GmbH concerning the acquisition of a 49 % share in the P1 Portfolio in Warsaw. The total market value of the portfolio, which was formerly held in the form of a shared investment between CA Immo and AXA Immoselect, was approximately € 280 m as at 30 September 2013. The outstanding share was acquired below the current net asset value (NAV) of the portfolio. The portfolio comprises the Sienna Center, Saski Crescent, Saski Point, Bitwy Warszawskiej and Warsaw Towers office properties, which offer combined usable space of around 85,500 sqm. Four of the buildings are located in Warsaw's central business district (CBD). Closing was finalised after the end of 2013.

PROPERTY ASSETS BRIDGE 2012 TO 2013

		Austria	Germany	Eastern Europe	Total
Property assets 31.12.2012	**€ m**	**740.0**	**2,501.6**	**2,019.5**	**5,261.1**
Acquisition of new properties	€ m	0.0	0.8	0.0	0.8
Capital expenditure	€ m	12.6	160.5	20.0	193.1
Change from revaluation/impairment/depreciation	€ m	–0.6	7.2	–44.2	–37.6
Changes rent incentive	€ m	0.1	13.5	1.0	14.5
Disposals	€ m	–47.3	–1,575.1	–7.8	–1,630.1
Other changes	€ m	0.0	4.0	–0.8	3.2
Property assets 31.12.2013	**€ m**	**704.7**	**1,112.6**	**1,987.8**	**3,805.0**
Annual rental income[1)]	€ m	40.4	109.7	131.4	281.5
Annualised rental income	€ m	41.8	46.2	144.0	232.0
Economic vacancy rate for investment properties	%	5.8	7.4	14.4	11.6
Yield (investment properties)	%	6.0	6.4	7.7	7.1

[1] Includes annual rental income from properties sold in 2013 (€ 69.6 m)

INVESTMENT PROPERTIES

Contributing around 82% of total property assets, the investment property area is CA Immo's main source of income. The principle objective of the company is the continual optimisation of its portfolio and the retention and acquisition of tenants with a view to securing stable and regular rental revenue. The key performance indicators of operational property business are as follows:

- The vacancy rate and average rent indicate the quality of the portfolio and our success in managing it
- The quality of a location and its infrastructure are critical to the marketability of properties
- Local presence and market knowledge: CA Immo has branch offices on its core markets to ensure efficient management and tenant retention

Investment property assets fall 30% to € 3.1 bn

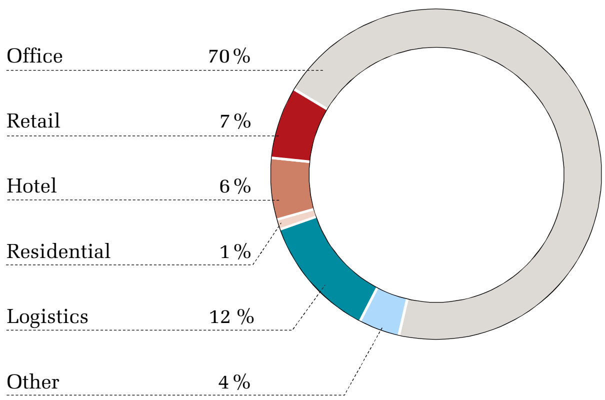
Large-scale transactions finalised in the second half of 2013 as part of strategic property sales significantly reduced the assets of CA Immo, especially in Germany. As at key date 31 December 2013, the Group's asset portfolio[1)] incorporated a total rentable effective area of 1.9 m sqm with an approximate book value of € 3.1 bn (compared to € 4.4 bn in 2012). With 57% of book value, the Eastern Europe segment accounts for the largest proportion of the asset portfolio. In 2013, CA Immo generated total rental income of € 281.5 m (€ 280.9 m in 2012); the Eastern Europe segment accounted for roughly 47% of total rental revenue. On the basis of annualised rental revenue, the asset portfolio produced a yield of 7.1% (6.5% in 2012).

[1)] Excludes properties used for own purposes, self-administrated properties and short-term property assets; excludes Tower 185 which is accounted for using the equity method

Occupancy rate rises in all countries

The occupancy rate for the asset portfolio rose from 86.7% on 31 December 2012 to 88.4% on 31 December 2013. Vacancy was cut on all CA Immo markets; properties in Romania, Austria and Germany are especially strongly utilised. In like-for-like comparisons of properties forming part of the portfolio as at 31 December 2012, the economic occupancy rate increased from 86.2% on that date to 88.1% on the balance sheet date for 2013.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES BY MAIN USAGE (Basis: € 3.1 bn)



INVESTMENT PROPERTIES: KEY FIGURES BY COUNTRY [1)]

	Book value		Rentable area	Rented area	Occupancy rate	Annualised rental income [2)]	Yield
	in € m	in %	in sqm	in sqm	in %	in € m	in %
Austria	699.4	22.5%	318,093	301,809	94.2%	41.8	6.0%
Germany	641.5	20.6%	327,853	306,611	92.6%	41.2	6.4%
Czech Republic	309.2	9.9%	149,336	128,383	87.6%	24.1	7.8%
Hungary	391.0	12.6%	305,036	227,268	79.4%	29.1	7.4%
Poland	443.7	14.3%	376,502	300,815	86.5%	33.0	7.4%
Romania	379.6	12.2%	330,254	315,093	95.0%	33.4	8.8%
Others	244.1	7.9%	142,122	109,987	76.7%	16.9	6.9%
Total	**3,108.5**	**100.0%**	**1,949,197**	**1,689,967**	**88.4%**	**219.4**	**7.1%**

[1)] Excludes properties used for own purposes, self-administrated properties and short-term property assets; excludes Tower 185 which is accounted for using the equity method
[2)] Monthly contractual rent as at key date multiplied by 12

LIKE-FOR-LIKE COMPARISON OF PROPERTIES IN THE PORTFOLIO AS AT 31.12.2012

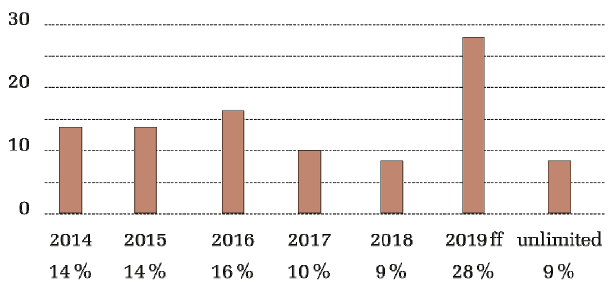
	Book values		Annualised rental income [1]		Gross yield		Occupancy rate	
In € m	2013	2012	2013	2012	2013	2012	2013	2012
Austria	644.7	641.3	38.8	37.7	6.0%	5.9%	94%	94%
Germany	582.8	580.1	38.5	36.1	6.6%	6.2%	92%	90%
Eastern Europe	1,767.6	1,787.0	136.5	134.8	7.7%	7.5%	86%	84%
Total	**2,995.1**	**3,008.4**	**213.8**	**208.6**	**7.1%**	**6.9%**	**88%**	**86%**

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

Lettings performance of around 425,500 sqm

Across the Group, CA Immo let some 425,500 sqm of usable space in 2013. This equates to lettings performance of around 22% of the Group's asset portfolio, which amounts to 1.9 m sqm. New lettings and contract extensions by existing tenants each accounted for around 50%. Office space represented 41% of total let floor space while logistics accounted for 57%. The main impetus came from large-scale lettings in Eastern European investment properties and pre-letting on various development projects in Germany. The biggest lease contract for business year 2013 (14,000 sqm) was signed with Google in respect of the Kontorhaus office building, which is currently under construction in Munich. Of the lease contracts, 37% are unlimited or have terms in excess of five years.

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



BIGGEST TENANTS

	Sector	Region	Share in [1]
Pekao S.A	Banks	Eastern Europe	3%
Hennes & Mauritz GmbH	Fashion retail	Germany	3%
Land Berlin c/o Berliner Immobilienmanagement GmbH	Property administration	Germany	3%
Verkehrsbüro Hotellerie GmbH	Hotel sector	Austria/Eastern Europe	2%
PWC	Auditor	Germany	2%
IBM	IT	Eastern Europe	2%
TOTAL Deutschland GmbH	energy supply	Germany	2%
Österreichische Post AG	Post	Austria	1%
Robert Bosch Aktiengesellschaft	electrical engeneering	Austria	1%
InterCityHotel GmbH	Hotel sector	Germany	1%

[1] After annualised rental revenue

THE AUSTRIA SEGMENT

The asset portfolio in Austria comprises rentable effective area of 318,093 sqm with a market value of around € 699 m according to current valuations. In 2013, this portfolio generated rental income of € 40.4 m (€ 39.6 m in 2012), equivalent to an average yield of 6.0% (5.9% in 2012). The refurbished Silbermöwe office building in the Lände 3 district of Vienna, which was completed and handed over to the tenant in autumn, has been transferred to the asset portfolio.

CA Immo invested around € 3.0 m in its real estate portfolio in 2013, compared to € 5.0 m in 2012. Moreover, roughly € 2.3 m (€ 2.5 m in 2012) were spent on maintaining the Austrian investment properties in 2013.

Lettings

Around 16,600 sqm of office space was newly let or extended in Austria during 2013 (thereof 4,250 sqm in the fourth quarter). In 2013, a total of 23,630 sqm of usable space was newly let or extended. On annual comparison, the economic occupancy rate in the asset portfolio rose to 94.2% (93.0% in 2012).

INVESTMENT PROPERTIES AUSTRIA: KEY FIGURES [1)]

in € m	31.12.2013	31.12.2012	Change
Book value	699.4	665.5	+5.1%
Annualised rental income [2)]	41.8	39.0	+7.2%
Gross initial yield	6.0%	5.9%	+0.1 pp
Economic vacancy rate	5.8%	7.0%	–1.2 pp

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

THE GERMANY SEGMENT

During the second half of 2013, the asset portfolio in Germany was substantially reduced as part of strategic property sales. The one-third share of Tower 185 in Frankfurt still owned by CA Immo will be stated at equity following the key date. As at the key date, CA Immo held investment properties in Germany with an approximate market value of € 642 m (€ 1,836 m in 2012) and rentable effective area of 327,853 sqm. The company's investment property assets in Germany now chiefly comprise modern, centrally located office buildings (some of which are developed by CA Immo) in Berlin, Munich and Frankfurt.

One completed project transferred to the portfolio

Rental income of € 109.7 m was generated in 2013, compared to € 100.5 m in 2012. The yield on the portfolio was 6.4% as at 31 December 2013 (5.6% in 2012).
CA Immo spent some € 4.8 m on maintaining its German investment properties in 2013. The InterCityHotel Berlin, completed in autumn 2013, has been handed over to the operator and transferred to the asset portfolio of CA Immo.

Completed in 2013: InterCityHotel near the Berlin main railway station

Occupancy rate up from 88% to 93%

The occupancy rate for the asset portfolio in Germany increased markedly, from 88.0% on 31 December 2012 to 92.6% on 31 December 2013. This rise in utilisation was mainly due to the proportionate sale of Tower 185 in Frankfurt (which remains in a phase of stabilisation) and the transfer to the portfolio of the fully let InterCityHotel in Berlin. An approximate total of 47,800 sqm of floor space (of which roughly 40,000 sqm was office space) was newly let or extended in Germany during 2013. During the fourth quarter, for example, more than 8,000 sqm of existing office space in the Hallesches Ufer portfolio building in Berlin was extended to the end of 2018. Preletting on development projects accounted for almost 20,000 sqm.

INVESTMENT PROPERTIES GERMANY: KEY FIGURES [1)]

in € m	31.12.2013	31.12.2012	Change
Book value	641.5	1,835.7	–65.1%
Annualised rental income [2)]	41.2	102.2	–59.7%
Gross initial yield	6.4%	5.6%	+0.8 pp
Economic vacancy rate	7.4%	12.0%	–4.6 pp

1 Excludes properties used for own purposes, short-term property assets and Tower 185 which is accounted for using the equity method
2) Monthly contractual rent as at key date multiplied by 12

THE EASTERN EUROPE SEGMENT

CA Immo has been investing in Eastern Europe since 1999. The company now maintains investment properties in nine countries of Central and Eastern Europe (CEE, 67%) and South Eastern Europe (SEE, 33%). As at key date 31 December 2013, investment properties in Eastern Europe had an approximate market value of € 1,767.6 m, equivalent to around 57% of the overall asset portfolio (€ 1,890.1 m on 31.12.2012). In this region, CA Immo concentrates on high quality, centrally located office properties in capital cities of Eastern and South Eastern Europe, which make up 79% of the overall Eastern European portfolio; logistical real estate accounts for 16% of the portfolio, with retail properties making up 4% and hotels accounting for 1%. The portfolio is maintained and let by the company's local teams on site.

47% of rental revenue from Eastern Europe

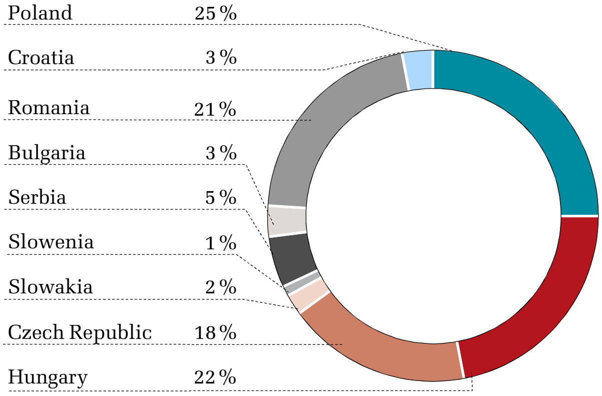
The company's asset portfolio comprises 1,303,251 sqm of rentable effective area which generated rental income of € 131.4 m in 2013 (compared to € 140.7 m in 2012). This represents 47% of CA Immo's total rental revenue. The overall portfolio produced a gross yield of 7.7% (7.5% in 2012), with the yield for properties in the SEE region standing at 8.4% (8.3% in 2012) and that for properties in the CEE region at 7.4% (2012: 7.2%). Details on the properties in the Eastern European asset portfolio can be found in the general overview of properties.

Occupancy rate of asset portfolio increased

Thanks to its strong local profile and the high (site) quality of its real estate, CA Immo was able to stabilise the utilisation rate of its portfolio even in the tough climate of recent years, but actually to increase it in business year 2013. As at 31 December 2013, the economic occupancy rate for the asset portfolio (measured on the basis of expected annual rental income) was 86% (against 84% in 2012). The utilisation rate in the core office segment stood at 87% (86% in 2012).

Total lettings performance for the Eastern Europe segment in 2013 stood at roughly 354,050 sqm of rentable effective area, of which office space accounted for 116,100 sqm and logistical premises accounted for 234,760 sqm.

DISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES EASTERN EUROPE BY COUNTRIES (Basis: € 1.8 bn)



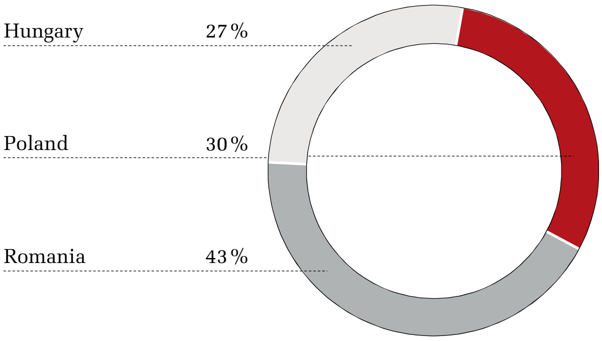
INVESTMENT PROPERTIES IN EASTERN EUROPE: KEY FIGURES [1)]

in € m	Book value	Annualised rents [2)]	Occupancy rate	Gross yield	Equivalent Yield
Poland	443.7	33.0	86%	7.4%	7.7%
Hungary	391.0	29.1	79%	7.4%	8.8%
Romania	379.6	33.4	95%	8.8%	9.4%
Czech Republic	309.2	24.1	88%	7.8%	7.7%
Serbia	82.6	6.9	87%	8.3%	9.0%
Croatia	54.5	2.8	69%	5.1%	8.1%
Bulgaria	49.6	4.4	84%	8.8%	9.3%
Slovenia	14.8	1.2	89%	8.3%	9.9%
Slovakia	42.6	1.6	46%	3.8%	8.4%
Total	**1,767.6**	**136.5**	**86%**	**7.7%**	**8.4%**

1) Excludes self-administrated properties and short-term property assets
2) Monthly contractual rent as at key date multiplied by 12

Logistics
Logistics made up 16% of the portfolio in Eastern Europe (by book value) as at 31 December 2013. In terms of lettings activity, this asset class is relatively volatile. Owing to lease contract terms that are shorter on average, it is particularly exposed to fluctuations in the global economic pattern. In 2013, CA Immo recorded a good rental performance expecially in the Romanian logistic portfolio. The strategic focusing of the portfolio schedules the reduction of the logistics share until 2015.

DISTRIBUTION OF BOOK VALUE LOGISTICS PROPERTIES EASTERN EUROPE BY COUNTRIES (Basis: € 277 m)



INITIATIVES AIMED AT RAISING THE ENERGY EFFICIENCY OF THE ASSET PORTFOLIO

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

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

CAST: quality assurance for portfolio buildings
To adequately clarify and facilitate comparison of the sustainability of portfolio buildings across various countries, CA Immo developed CAST (CA Immo Sustainability Tool), its own recording system for office buildings in its portfolio. CAST not only records economic and social criteria, but also (and especially) the technical quality of installations and facilities across the Group; build quality is also recorded. This process creates transparency within the asset portfolio – a sound basis for the portfolio strategy as well as purchase and sale decisions. Since 2012, the office asset portfolio is fully mapped in CAST.

Energy consumption and carbon footprint
CA Immo recorded the energy consumption values of 89% of its office investment properties for the first time in business year 2012. The company thereby determined the current carbon footprint of its properties, which was found to be 105,763 tons of CO_2 e/a (absolute carbon emissions). The figure included carbon emission from heat and power consumption in buildings, which was equivalent to 65.6 kg of carbon dioxide per year and square metre. Extrapolated to the entire office portfolio, absolute carbon emissions stood at 122,964 tons CO_2 e/a.[1] At the same time, a pilot phase of energy optimisation in selected investment properties (carbon due diligence) was initiated with the aim of detecting and eliminating energy-related cost drivers in structural design and technical systems. Documentation on specific energy efficiency measures and the potential for reducing carbon emissions includes estimates of investment costs and returns on investment for each measure. Carbon due diligence and resultant optimisation measures for two pilot properties were concluded in 2013.

Pilot property certification for Tower 185
Tower 185 became the first investment property of CA Immo to be awarded silver certification by the German Sustainable Building Council (DGNB) in October 2013. Tower 185 was one of the first properties to take part in a certification pilot phase for portfolio buildings conducted by the DGNB. In the overall assessment, the quality of processes (strategy and controlling, quality of management, systematic maintenance management and resource management) proved particularly impressive: this area was actually rated gold.

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

OVERVIEW, SUSTAINABILITY CERTIFICATES OF INVESTMENT PROPERTIES

City	Property	Certificate
Prague	Amazon Court	DGNB Gold
Bratislava	BBC 1 plus	LEED Gold
Frankfurt	Tower 185	DGNB Silber, LEED Gold
Berlin	Tour TOTAL	DGNB Silber
Munich	Skygarden	LEED Gold
Munich	Ambigon	DGNB Silber
Berlin	InterCityHotel	DGNB Gold
Vienna	Silbermöwe	ÖGNI Silber aspired
Warsaw	Poleczki building phase 2	LEED Gold pre-certificate

Management and user conduct as key levers

Optimising the energy consumption of portfolio buildings and inspecting the compliance of safety standards on a regular basis as part of facility management services has been a component of the standard FM contracts of CA Immo Deutschland GmbH since 2008. Particular importance is attached to the carbon footprint of properties. One of the next steps to improve the energy performance of portfolio buildings is, amongst others, an extended dialogue with users on the subject of consumer behaviour. A Group-wide information campaign concerning the resource-efficient usage of office buildings by CA Immo office tenants was launched in business year 2013 (see backside of the report).

Stakeholder dialogue: international tenant survey

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

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

The results confirmed that CA Immo enjoys very high levels of tenant satisfaction and retention: 90% of companies would choose to rent their property again. For detailed results, view www.caimmo.com/tenantsurvey. The survey is planned to be carried out annually.

Health and safety in portfolio buildings

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

GREEN REFURBISHMENT: OFFICE BUILDING SILBERMÖWE IN VIENNA

REFURBISHMENT

- The investment property was erected in several stages between 1960 and 1990
- Core refurbishment following stringent sustainability criteria
- Construction chemicals and resource Management
- Certification from ÖGNI in Silver is in preparation
- Full renovation of the interior; the facades were completely refurbished

BUILDING

- A solar power installation on the roof supplies part of the power required by the building equipment
- An energy-efficient aluminium and glass façade, a chilled ceiling system in combination with a cold storage as well as a heat recovery system maximise energy efficiency
- The energy requirement of the fully renovated building was cut by 50-60 % in relation to the old building
- Carbon emissions were reduced by 280 tons per year
- Electricity filling station for motor vehicles and bicycles

INVESTMENT PROPERTIES UNDER DEVELOPMENT

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

82% of development activity in Germany
As at 31 December 2013, the development division represented around 13% (equivalent to approximately € 486 m) of CA Immo's total property assets (€ 727.0 m in 2012). Accounting for a share of 82.5%, the focus of project development activity is still firmly on Germany. Developments and land reserves in Eastern Europe account for the remainder of property assets under development (17.5%). Development projects in Germany with a total market value of € 401.2 m are divided into projects under construction accounting for around € 61.3 m and plots subject to property use approval and long-term real estate reserves making up € 339.9 m.

INVESTMENT PROPERTIES UNDER DEVELOPMENT BY COUNTRY

	In Zoning		Landbank		Projects under construction [1]		Total Investment Properties under Development	
in € m	Book value	Book value in %	Book value	Book value in %	Book value	Book value in %	Book value	Book value in %
Austria	**0.0**	**0.0%**	**0.0**	**0.0%**	**0.0**	**0.0%**	**0.0**	**0.0%**
Frankfurt	22.3	11.9%	108.7	46.4%	2.0	3.1%	133.0	27.4%
Berlin	63.3	33.7%	46.9	20.0%	36.6	57.1%	146.8	30.2%
Munich	83.6	44.5%	4.2	1.8%	0.0	0.0%	87.8	18.0%
Rest of Germany	10.9	5.8%	0.0	0.0%	22.7	35.5%	33.6	6.9%
Germany	**180.1**	**95.8%**	**159.8**	**68.2%**	**61.3**	**95.7%**	**401.2**	**82.5%**
Czech Republic	0.0	0.0%	7.4	3.2%	0.0	0.0%	7.4	1.5%
Hungary	0.0	0.0%	1.2	0.5%	0.0	0.0%	1.2	0.3%
Poland	0.0	0.0%	19.9	8.5%	2.8	4.3%	22.7	4.7%
Romania	0.0	0.0%	31.3	13.4%	0.0	0.0%	31.3	6.4%
Serbia	0.0	0.0%	1.4	0.6%	0.0	0.0%	1.4	0.3%
Ukraine	0.0	0.0%	7.5	3.2%	0.0	0.0%	7.5	1.5%
Slovakia	7.9	4.2%	5.7	2.4%	0.0	0.0%	13.6	2.8%
Eastern Europe	**7.9**	**4.2%**	**74.5**	**31.8%**	**2.8**	**4.3%**	**85.1**	**17.5%**
Total	**188.1**	**100.0%**	**234.2**	**100.0%**	**64.1**	**100.0%**	**486.4**	**100.0%**

[1] Excl. the development project Kontorhaus in Munich, which is shown in balance sheet item 'short-term property assets´

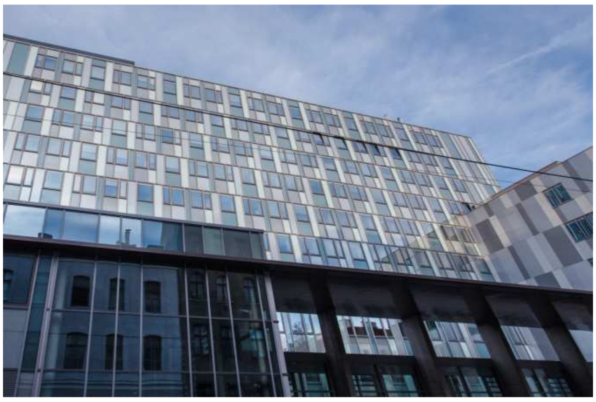
PROJECTS UNDER CONSTRUCTION

in € m	Book value	Book value in %	Outstanding construction costs	Planned rentable effective area in sqm	Expected value upon completion	Yield	City	Main usage	Share	Pre-letting rate	Scheduled completion
Avia [1]	2.8	3%	7.9	5,653	11.6	7.3%	Krakow	Office	50%	27%	12/2014
John F. Kennedy Haus	30.5	38%	40.2	17,789	82.3	5.5%	Berlin	Office	100%	42%	6/2015
Monnet 4	6.1	8%	19.0	8,128	29.6	5.5%	Berlin	Office	100%	49%	6/2015
Belmundo	16.8	21%	18.8	10,169	39.7	6.1%	Düsseldorf	Office	100%	74%	12/2014
Lavista	5.9	7%	9.0	4,105	17.3	6.3%	Düsseldorf	Office	100%	9%	12/2014
Congress Center Skyline Plaza	2.0	3%	3.1	8,300	2.5	n.a.	Frankfurt	Retail	50%	sold	03/2014
Kontorhaus [1] [2]	15.8	20%	31.4	14,207	57.1	5.4%	Munich	Office	50%	50%	12/2015
Total	**79.9**	**100%**	**129.5**	**68,351**	**240.1**	**6.0%**					

[1] All data relates to the 50 % share; [2] Shown in balance sheet item 'short-term property assets´

THE AUSTRIA SEGMENT

CA Immo had no current development projects in Austria as at 31 December 2013. The **Silbermöwe office building** in the Lände 3 district, which was fully renovated by CA Immo, was handed over to the tenant Robert Bosch AG at the end of September. Comprising a seven-level low-rise building and a 10-storey high-rise structure, the office building has an effective area of approximately 21,500 sqm. It is part of the CA Immo asset portfolio with immediate effect. The lease contract will have a term of at least 10 years and the investment volume is approximately € 37 m. The large-scale inner city development and restoration project known as **Lände 3** offers some 80,000 sqm of existing office space across several sections. Following an initial phase of restoration, Post AG signed up as an anchor tenant for approximately 31,000 sqm of office space in 2011.



Completed in August: Office property Silbermöwe

THE GERMANY SEGMENT

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

As at 31 December 2013, CA Immo held rentable effective area under construction amounting to 62,698 sqm in Germany with an expected market value (after completion) of around € 228.5 m.

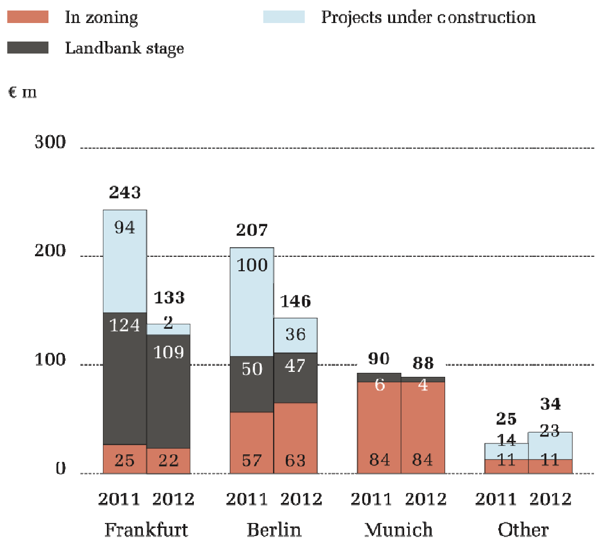
Project completions

CA Immo handed over the new headquarters building in the Berlin district of Friedrichshain to **Mercedes-Benz Vertrieb Deutschland (MBVD)** in June. The office building, which comprises a seven-storey low-rise building and a 14-level high-rise structure, has around 28,000 sqm of gross floor space above ground. It has provided a modern working environment for some 1,200 MBVD employees since mid-July 2013. Numerous sustainability criteria were observed in the construction of the building, and a silver certification from the German Sustainable Building Council (DGNB) was obtained. CA Immo invested around € 70 m in total. The project was successfully concluded in December with the sale of the building to Union Investment Real Estate GmbH for approximately € 88 m.

Also in Berlin, the new **InterCityHotel Berlin Hauptbahnhof** was handed over to the operator, the Steigenberger group, in October following a construction period of just under two years. CA Immo has concluded a 20-year lease agreement on the four-star hotel with Steigenberger. The investment volume was approximately € 53 m. With eight floors and 410 rooms, the upper-mid-range hotel has gross floor space of 19,800 sqm; it transferred to the investment asset portfolio of CA Immo upon completion. The building obtained gold certification from the German Sustainable Building Council (DGNB) in February.

The **Skyline Plaza shopping mall** – the centrepoint of the Frankfurt Europaviertel urban project – opened its doors on 28 August 2013. The construction period for the mall, which was realised under the terms of a joint venture between CA Immo and ECE, was two years; it has been handed over to the investor Allianz. CA Immo and ECE each retain a 10% stake in Skyline Plaza. The shopping centre, which is 96% let, offers retail space of around 38,000 sqm, with some 170 speciality outlets, service providers and restaurants on two levels. The centre's 7,300 sqm roof garden is the only one of its kind in Germany. The MeridanSpa spanning some 9,200 sqm opened in February 2014.

GERMANY: BREAKDOWN OF ASSETS UNDER DEVELOMENT



Munich: excluding the project development Kontorhaus, which is shown in balance sheet item 'short-term property assets´

The main focus of current development activity in Germany

Berlin

The **Europacity district around Berlin's main rail station** comprises some 40 hectares, roughly half of which was owned by CA Immo at the start of the project. The modern district drawing together office, residential, hotel and culture is taking shape around Berlin's main station. Reputable companies such as TOTAL, Steigenberger, InterCity Hotels, 50 Hertz and Ernst Basler & Partner have already signed up as tenants or investors. CA Immo was involved in two current projects linked to the development on the key date.

Construction of the **John F. Kennedy-Haus** in the southern part of **Berlin's new Europacity district** began in May; the office building with gross floor space above ground of approximately 21,860 sqm is being built opposite the Chancellery building, at the bend in the River Spree. Preletting stands at 42% and the foundation stone was ceremonially laid in August. The green building is scheduled for completion by the spring of 2015.

In November, financial services provider and asset consultant MLP signed a rental contract with CA Immo for some 4,700 sqm of gross floor space in the planned **Monnet 4 office building in the Europacity district of Berlin**. Having attained a pre-letting rate of approximately 49%, development started on the building, which has gross floor space of around 10,000 sqm. The structure is located close to Berlin's main station and directly adjacent to Tour TOTAL, which was completed by CA Immo in 2012. The total investment for the Monnet 4 building developed by CA Immo is approximately € 27 m; construction started in January 2014, with completion following in the spring of 2015.

Joint venture partners CA Immo and Hamburg Team, a company specialising in residential construction, are planning to develop a high-quality residential area in the northern zone in Berlin's Europacity district. Around 500 apartments will be built on the site of roughly 32,000 sqm between Heidestrasse and the Ship Canal. A design competition held in March established the broad architectural outlines of the new residential and working area making up the southern part of the city harbour district, which is located in the heart of Berlin. The land development process is currently under way.

DEVELOPMENT OF URBAN DISTRICT EUROPACITY IN BERLIN

1 TOUR TOTAL

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

4 MEININGER HOTEL

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

2 INTERCITY HOTEL

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

3 JOHN F. KENNEDY HAUS

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

 Developed by CA Immo

 Plots sold

 Plots owned by CA I

5 STEIGENBERGER HOTEL AM KANZLERAMT

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

6 ERNST BASLER + PARTNER

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

7 MONNET 4

- Ground floor area: 10,000 sqm
- Main usage: Office
- Planned completion: Q1 2015
- Status: under construction

EUROPACITY
Berlin, at the main station

The immobilienawardberlin is conferred annually in recognition of real estate in Berlin that establishes architectural, technical and environmental standards for future development projects. In 2013 the prize went to CA Immo for its development of the **Tour TOTAL office high-rise** close to Berlin's main station. Tour TOTAL, the sophisticated office high-rise, stands as a major milestone in the development of the Europacity district.

Munich

In April, Google signed a lease contract with CA Immo and E&G Financial Services for 14,000 sqm of floor space in the planned **Kontorhaus office building in Munich's Arnulfpark**. The structure, which is being developed and realised under the terms of a joint venture between CA Immo and E&G Financial Services, is therefore 50% let as construction work starts. The Kontorhaus, which has gross floor space totalling around 25,000 sqm, is the last building block in the new Arnulfpark district close to the city centre.

Construction site of Kontorhaus in the Munich Arnulfpark

A design competition relating to the first office and residential building for the **Baumkirchen Mitte urban zone of Munich** was held in October. The residential and office properties of the urban development project are being realised under the terms of joint venture between CA Immo and PATRIZIA. A site spanning approximately 130,000 sqm will be mainly devoted to apartments (covering around 50,000 sqm of floor space) along with offices and retail outlets. Realisation of the first construction phase will commence with construction of the first residential building in spring 2014.

THE EASTERN EUROPE SEGMENT

CA Immo had one current development project in Eastern Europe (in Krakow) as at 31 December 2013. In total, the Eastern Europe segment accounts for property assets under development (land reserves and building rights) with an approximate market value of € 85.1 m.

The Polish bank BPH S.A. has signed a pre-letting agreement for 3,100 sqm of office space in the **AVIA office building in Krakow**. The Building, which has office space of approximately 11,500 sqm, is being realised under the terms of a joint venture between CA Immo and the GD&K Group, a leading Polish project developer. Completion is scheduled for the end of 2014.

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

in € m	Office	Logistics	Others	Total
Czech Republic	4.6	0.0	2.8	7.4
Hungary	0.0	1.2	0.0	1.2
Poland	5.8	14.1	0.0	19.9
Romania	9.8	11.1	10.4	31.3
Ukraine	0.0	7.5	0.0	7.5
Slovakia	13.6	0.0	0.0	13.6
Others	0.0	1.4	0.0	1.4
Total	33.8	35.4	13.2	82.4

SUSTAINABLE PROJECT DEVELOPMENT: RESPONSIBILITY AND COMPETITIVENESS

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

Projects with sustainability certificates

To comply with multifarious requirements at all levels, CA Immo resolved at the end of 2011 only to construct offices and hotels certified to LEED, DGNB or ÖGNI standards on a Group-wide basis. Office properties developed by CA Immo in Germany have qualified for certification for more than four years; the InterCity hotel adjacent to Berlin's main station was the first hotel developed with certification. By meeting various certification requirements, the company makes allowance for the conservation of resources such as energy and water as well as emissions, wastewater and refuse and the transporting thereof; effects on safety and health are considered in the planning and building phases to the advantage of current and future tenants.

SUSTAINABILITY CERTIFICATIONS OF CURRENT DEVELOPMENT PROJECTS UNDER CONSTRUCTION

City	Project under construction	Certificate
Berlin	Monnet 4	DGNB Silber aspired
Berlin	Kennedy-Haus	DGNB Silber aspired
Munich	Kontorhaus	DGNB Silber aspired
Düsseldorf	Belmundo, Lavista	DGNB Silber aspired
Krakow	Avia	LEED Silber aspired

Dialogue with residents and stakeholders

Within the context of its development projects, CA Immo observes legal requirements on potentially negative influences on stakeholders (such as construction noise and increased particulate matter emissions) and engages in proactive dialogue with relevant stakeholders from the outset. Examples of this have included the site conferences for the new Europacity in Berlin. CA Immo also offers contact options via project-specific web sites (such as www.tower185.de), special forums (such as www.caimmo-dialog.de for the MBVD project) and informative signs displayed at all building sites.

Sensitive site development

Maximum attention is paid to issues such as biodiversity, species protection and (where relevant) habitat change during site development, especially in and around nature reserves. All sites are evaluated accordingly, with mitigating measures introduced as appropriate; these may include the creation of green access pathways or the planting of tree and bushes. In the year under review, for example, projects aimed at establishing and sustaining a safe haven for critically endangered wall lizards and band-winged grasshoppers continued in Germany.

Observance of social and environmental standards

Where construction services are provided, CA Immo requires contractors to comply with the legal regulations on occupational health and safety, workplace regulations, working time regulations and wage agreements; the company also verifies compliance. Alongside the economic evaluation of tenders, the company asks potential contractors to comply with social and environmental standards and monitors observance. Only companies that can demonstrate reliability, expertise and commitment are admitted to the tendering process. Where submitting bids, individual bidders must specifically commit to observing aspects of human rights. Tendering processes for construction services in relation to development projects in Germany involve assessments of bidders' commitment to observing human rights as part of their corporate responsibility, and in particular to rejecting child labour. Potential contractors must also provide a statement confirming that to the best of their knowledge, no utilised materials or equipment have been manufactured or processed using child labour. Confirmation of observance of human rights aspects has so far been requested on five projects in Berlin, Düsseldorf and Frankfurt.

No significant fines or non-monetary penalties arising from non-compliance with environmental regulations or the provision and utilisation of products and services were incurred in 2013.

PROPERTY VALUATION

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

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

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

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

The residual value procedure is applied to properties at the development and construction phase. In this case, fair values are determined following completion, taking account of outstanding expenses and imputing an appropriate developer profit of 4% to 15% of the investment costs. Possible risks are considered, amongst other things, in future attainable rents and the capitalisation and discounting rates. For the portfolio as a whole, interest rates fluctuate between 4.25% and 10%; they are influenced in particular by general market behaviour as well as locations and usage types. The closer a project comes to the point of completion, the larger the proportion of parameters derived from actual and contractually stipulated figures. Shortly before completion and after completion, properties are valued according to the investment method (see above), taking outstanding residual work into consideration.

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

An external valuation of over 95% of property assets was carried out on the key date 31.12.2013. The values for the remaining property assets were updated internally on the basis of previous year valuations and binding sale agreements.

The valuations as at 31 December 2013 were compiled by the following companies:

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

Market environment in 2013

The environment on the core markets of CA Immo remained stable in 2013 (see section on 'Real estate markets'). Germany's positive market dynamic was sustained (especially in Berlin) as economic conditions remained challenging in Hungary. While investment volumes for commercial real estate in Eastern Europe have risen over recent years, they have remained at low levels compared to the rest of Europe (with the exception of Poland). The Group's development activity in Germany and the reduction in the vacancy rate had positive influences on the trend in property values, although this was counteracted by the dampening effect of value adjustments in the Eastern Europe segment.

For 2013 as a whole, these events produced a negative revaluation result of € -33,721 K (€ -8,449 K in 2012).

AUSTRIA

The Austrian real estate market was extremely stable, upholding the pattern of recent years. No major movements in value were noted in the Austrian portfolio during 2013, as reflected in the revaluation result of € -0.2 m. The gross starting yield of 5.9% in the previous year rose marginally to 6.0%.

GERMANY

The value trend for the real estate portfolio in Germany was generally stable. A positive revaluation result of € 7.8 m was recorded at the end of the year. The sharp fall on the prior year's result of € 43.2 m was primarily the product of the significant upward valuation for Tower 185 (around € 40 m in 2012). As in previous years, real estate development in Germany served to raise values: the InterCity Hotel adjacent to Berlin's main station, which was completed in 2013, delivered the biggest contribution to the revaluation gain for the German segment in terms of amount (€ 5.2 m). Within the asset portfolio, the market value of the Skygarden office property in Munich's Arnulfpark increased by around € 4.5 m; on the negative side, the fall in value of the Ambigon office property in Munich and depreciation affecting the H&M logistical property in Hamburg had a particularly adverse effect on the result (€ 4.8 m and around € 4.0 m respectively). The significant portfolio changes led to a steep rise in the gross starting yield, from approximately 5.6% to 6.4%. New completions of development projects and acceleration of the occupancy rate had a positive effect on the yield, as did the sale of the Hesse portfolio.

VALUATION RESULT FOR AUSTRIA

	Acquisition costs (€ m) 31.12.2013	Book value (in € m) 31.12.2013	Revaluation/ impairment in € m	Gross initial yield 31.12.2012	Gross initial yield 31.12.2013
Rental investment properties	760.0	699.4	–0.2	5.9%	6.0%
investment properties under development	0.0	0.0	0.0		
Assets held for sale	0.0	0.0	0.0		
Total	**760.0**	**699.4**	**–0.2**		

[1] Excludes properties used for own purposes

VALUATION RESULT FOR GERMANY

	Acquisition costs (€ m) 31.12.2013	Book value (in € m) 31.12.2013	Revaluation/ impairment in € m	Gross initial yield 31.12.2012	Gross initial yield 31.12.2013
Rental investment properties	651.8	641.5	2.9	5.6%	6.4%
investment properties under development	389.8	401.2	2.2		
Assets held for sale	6.7	7.9	2.7		
Properties held for trading	65.3	59.2	0.0		
Total	**1,113.6**	**1,109.8**	**7.8**		

[1] Excludes properties used for own purposes

EASTERN EUROPE

The 2013 revaluation result of € -41.3 m for the Eastern Europe segment was an improvement on the 2012 value of € -56.4 m but the impact of devaluations continued to be felt. While the market environment appears stable across broad swathes of CA Immo's core region, changes in value are mainly being driven by property-specific factors. Owing to vigorous building activity in Warsaw, the most important market in the company's Eastern European portfolio, the supply of modern office space is likely to outpace demand in the short term. Despite the strong position enjoyed in the Polish capital by CA Immo, most of whose office premises are located in the central business district (CBD), this market development was regarded with caution as regards revaluation. The Polish portfolio also yielded the biggest single fall in value as the Bitwy Warsawskiej office property depreciated by € 9.7 m. Larger devaluations in terms of amount were recorded for the Warsaw Towers property, the Blonie logistics park in Poland and a property held for sale in Romania. Away from Poland, Hungary has been affected by recent impairment as the persistently tough economic climate has taken its toll.

VALUATION RESULT FOR EASTERN EUROPE

	Acquisition costs (€ m) 31.12.2013	Book value (in € m) 31.12.2013	Revaluation/ impairment in € m	Gross initial yield 31.12.2012	Gross initial yield 31.12.2013
Rental investment properties	1,991.4	1,767.6	–35.8	7.5%	7.7%
Investment properties under development	127.3	85.1	–1.4		
Assets held for sale	114.3	110.3	–4.1		
Total	**2,232.9**	**1,963.0**	**–41.3**		

FINANCING

As a real estate company, CA Immo operates in a capital-intensive sector that relies to a large extent on the availability of loan capital. It is critical to establish the most effective possible structuring of financing with outside capital; alongside successful management of the property portfolio, this is one of the key factors in the overall result of the CA Immo Group.

Significant reduction in debt

As at 31 December 2013, the total financial liabilities of the CA Immo Group stood at € 2,427,077 K, significantly below the previous year's value (€ 3,379,532 K on 31.12.2012). Financing costs also fell sharply in 2013 to € – 148,297 K (compared to € – 168,844 K in 2012). In addition to financing already secured which is thus reflected on the balance sheet, the CA Immo Group has non-utilised credit lines totalling € 119,400 K that will be used to finance development projects under construction. Achieving balance sheet objectives and reducing gearing substantially have greatly increased the scope for optimising the financing structure.

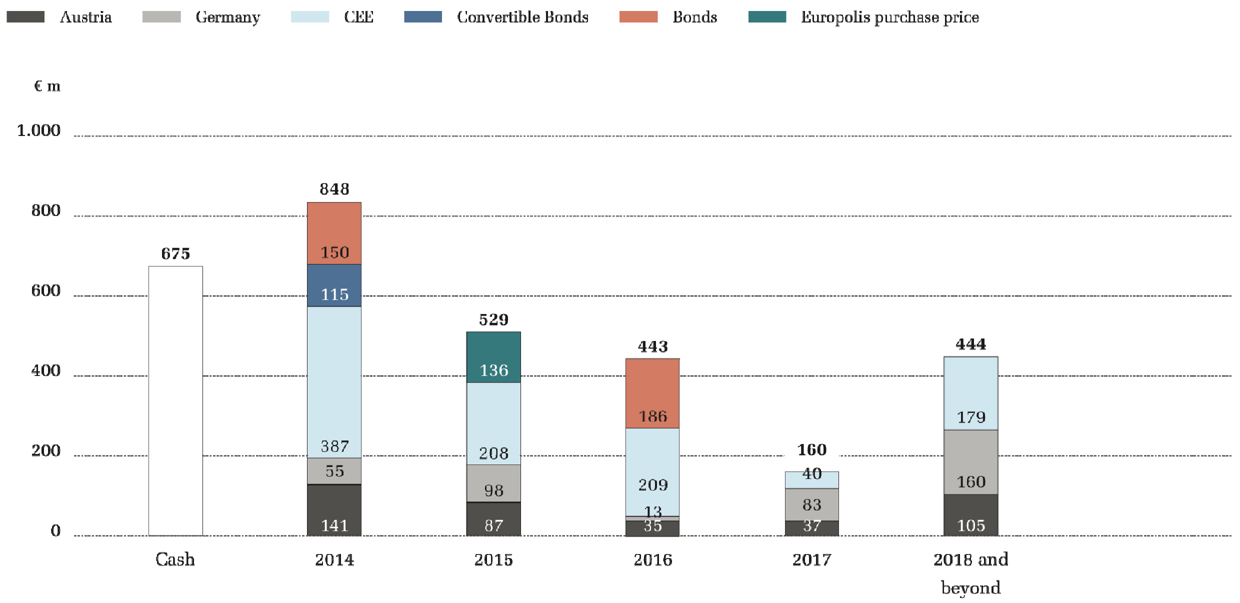
Repurchase of ÖVAG financing portfolio

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

Expiry profile

The diagram below shows the maturity profile of the financial liabilities of the CA Immo Group as at 31 December 2013 (assuming options to extend are exercised). The due amounts shown for 2014 total € 848 m as at the key date. Loans secured by a mortgage on a property account for around € 583 m of this amount, with approximately 66% falling due in the CEE region. Taking account of the aforementioned repurchases from the ÖVAG portfolio, due amounts on Eastern European markets will fall in 2014, with a further significant reduction in 2015 when the majority of the liabilities will fall due. Also included is financing of around € 74 m in relation to the Lipowy office property in Warsaw, which was sold to an American investor in December 2013; closing for the transaction is expected in the first quarter of 2014. Project financing to be refinanced in 2014 affects more than 20 properties with manageable individual volumes.

DEBT EXPIRY PROFILE CA IMMO GROUP



FINANCING COSTS

in € m	Book value	Book value in %	Occupancy rate	Annualised rents	Gross-yield in %	Outstanding financial liabilities	Finance costs in % [2]	LTV in %
Rental investment properties [1]								
Austria	704.7	18.5%	94.2%	41.8	5.9%	276.7	5.2%	39%
Germany	644.3	16.9%	92.6%	41.2	6.4%	287.2	3.5%	45%
Czech Republic	333.9	8.8%	87.6%	24.1	7.2%	227.2	3.2%	68%
Hungary	391.0	10.3%	79.4%	29.1	7.4%	147.9	4.9%	38%
Poland	443.7	11.7%	86.5%	33.0	7.4%	237.3	2.4%	53%
Romania	379.6	10.0%	95.0%	33.4	8.8%	207.6	4.0%	55%
Others	244.1	6.4%	76.7%	16.9	6.9%	108.6	4.5%	44%
Total	3,141.3	82.6%	88.4%	219.4	7.0%	1,492.7	3.9%	48%
Development projects	486.4	12.8%		4.3		142.2	2.2%	29%
Short-term property assets	177.4	4.7%		8.3		76.4	3.8%	43%
Financing on parent company level	0.0	0.0%		0.0		715.8	3.8%	n.a.
Total	**3,805.0**	**100.0%**		**232.0**		**2,427.1**	**3.7%**	

[1] Includes properties used for own purposes, excl. short-term property assets
[2] Including interest rate derivatives directly attributable to a loan

Moreover, both the outstanding convertible bond of the Group (€ 115 m) and a corporate bond with a volume of € 150 m will fall due in the fourth quarter of 2014. While the convertible bond is currently in the money (conversion price of € 10.66, closing rate of € 12.88 on 30.12.2013), the corporate bond will be repaid from the cash reserves of the CA Immo Group rather than refinanced.

The repayment of this corporate bond with a coupon of 6.125% will have a particularly positive effect on the average financing costs of the Group, which stood at roughly 4.4% on 31 December 2013 (including expenses related to interest rate derivative).

Diversification of the financing structure

A greater commitment by insurance companies to the core real estate segment, which has been observed on the financing market, is enabling us to place our financing structure on a broader footing. Longer terms compared to bank loans, which can generally be attained, are making a positive contribution to a balanced maturity profile for the Group over the long term. The refinancing of Tower 185 in Frankfurt should be mentioned in this regard, having been successfully negotiated with the Bayrische Versorgungskammer (BVK) in autumn 2013, prior to the proportionate sale; the development loan provided by a bank consortium was refinanced through 10-year financing with a volume of € 300 m.

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

Where interest rate derivatives not directly attributable to financing are taken into account alongside interest rate hedges directly assigned to specific loans (see section on 'Long-term interest rate hedging'), financing costs rise to 4.4%.

BASIC PARAMETERS OF THE FINANCING STRATEGY

Emphasis on secured financing

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

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

As a result of the emphasis on secured financing, a large proportion of the property assets of the CA Immo Group is pledged as security. The book value of CA Immo's unencumbered properties as at 31 December 2013 was around € 0.7 bn, with undeveloped sites making up the majority of this. The volume of unsecured bond financing remained unchanged at € 0.4 bn.

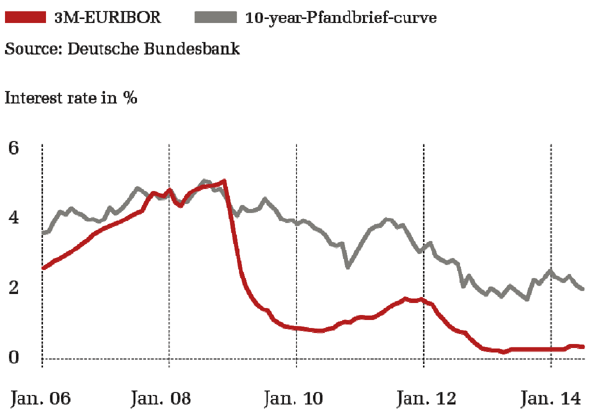
Long-term interest rate hedging

Given that the interest paid makes up the biggest expense item in the income statement for most real estate companies, interest rate rises can have a major impact on earnings – especially since rental revenue is usually based on long-term agreements, which means increases in financing costs cannot be counterbalanced by higher revenue. For this reason, the CA Immo Group's financing policy partly involves hedging a substantial proportion of interest expenditure against fluctuation over the long term. Interest swaps (and, to a lesser extent, interest rate caps) are used as interest hedging tools. A swaption with a volume of € 100 m was also concluded in 2013, providing an option for later entry into an interest rate swap.

Of the derivatives deployed, interest swap agreements account for a nominal value of € 921,617 K. The weighted average interest rate fixed via swap contracts is 3.94%. The weighted average term remaining on derivatives used for interest rate hedging is around 3.4 years, compared to a weighted remaining term of 3.0 years on variable interest-bearing liabilities. Interest rate caps represent a nominal value of € 136,050 K.

The fair value of swap contracts is strongly negative on account of the sharp drop in the general interest level in recent years. The total fair value as at 31 December 2013 was € – 105,565 K (for the entire nominal amount of € 921,617 K). In terms of the balance sheet, a distinction is drawn between those contracts directly attributable to a loan (thus meeting the criteria for hedge accounting as cash flow hedges) and those for which these preconditions are not met (fair value derivatives). For cash flow hedges, the change in the fair value on the relevant key date is recognised directly in equity; for fair value derivatives, by contrast, the change is recognised as expenditure in the income statement under 'Income from derivative transactions'. As at key date 31 December 2013, contracts with a nominal value of € 560,562 K and a fair value of € -58,166 K were classified as cash flow hedges. The sharp decrease resulted from the sale of the Hesse portfolio and the associated swap reversal. The nominal value of swaps classified as fair value derivatives was € 361,055 K; the negative fair value was € -47,399 K as at 31 December 2013.

INTEREST RATE DEVELOPMENT



Bonds and other key sources of financing

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

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

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

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

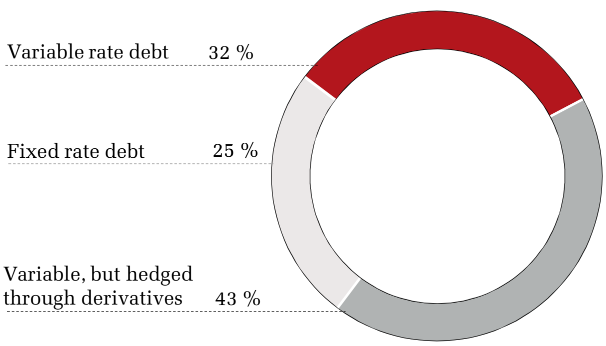
Key features of convertible bonds

The conversion price of the convertible bond is currently € 10.66; the planned payment of a dividend will result in adjustment of the conversion price and thus the maximum number of bearer shares issued where the right of conversion is exercised. The conversion price will thereby be restricted to the level of the dividend yield at the time of the dividend payment. Early repayment of the convertible bonds by CA Immo is possible provided the price of the CA Immo share (in certain periods) amounts to at least 130% of the applicable conversion price at that time.

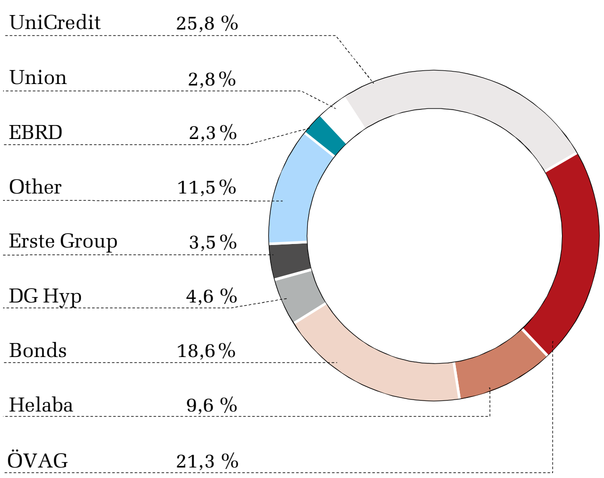
Financing banks

CA Immo has business relations with a large number of banks. With around 26% of total outstanding financial liabilities, the main financing bank is the UniCredit Group. As the diagram below shows, the Österreichische Volksbanken-AG Group (ÖVAG) and Helaba in Germany also accounted for significant shares on the key date. No other bank provides more than 5% of the credit volume.

FINANCIAL DEBT AS OF 31.12.2013



FINANCING VOLUME BY BANKS



RESULTS

INCOME STATEMENT – KEY FIGURES

Gross revenues and net operating income

In 2013, rental income increased by 0.2% to € 281,470 K against the previous year. As shown in the table below, the decline in rents of € -12.4 m resulting from property sales was compensated by index adjustments for existing contarcts and new rentals resulting from the completion of development projects in Germany.

Incentives provided by various leases, in particular rent-free periods, are linearised over the full term of the lease, so that the rental income reflects not the actual cash rent received in the period, but the economically effective rent. This linearisation gave rise to € 12,065 K of the rental income in business year 2013 (2012: € 9,841 K).

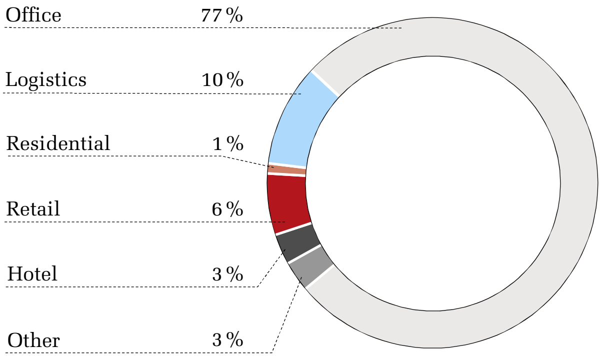
In comparison to the previous year, own operating costs decreased by -9.7%, from € -34,181 K to € -30,877 K. The principal expense items are vacancy costs and operating costs that cannot be passed on to tenants (€ -9,377 K), maintenance costs (€ -9,291 K) and allowances for uncollectible accounts (€ -1,614 K). While maintenance costs rose by 17.5% year on year, there were some significant reductions in other items.

Net operating income attributable to letting activities after the deduction of direct management costs increased by 1.6%, from € 246,705 K to € 250,593 K. The operating margin (net operating income relative to rental income), an indicator for the efficiency of letting activities, showed an upward trend, as in previous years, rising from 87.8% to 89.0%.

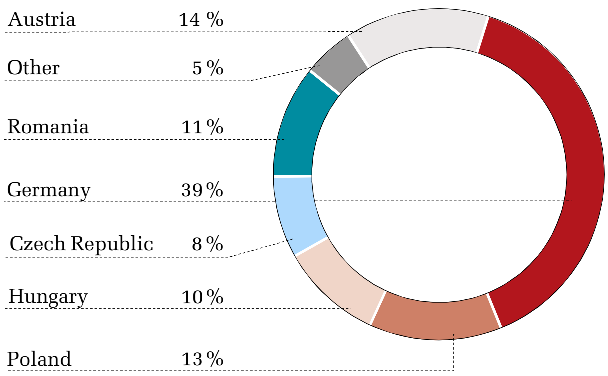
Proceeds from hotel operations came to € 7,316 K in business year 2013. These revenues stand alongside expenses (excluding write-offs) in the amount of € -5,798 K, so that hotel operations ultimately contributed € 1,518 K to earnings. The clear rise on the 2012 reference value should be seen in light of a reclassification of this income in Q3 of the previous year, meaning that only two quarters are used as a reference value (see also "Hotel and other owner-occupied properties" in the statement of financial position).

In connection with the scheduled sale of properties forming part of current assets (exclusively in the Germany segment), trading income totalled € 29,211 K in 2013 (previous year: € 8,426 K). These revenues were diminished by book value disposals and other directly related expenses in the amount of € -16,957 K. The earnings contribution of the trading portfolio therefore came to € 12,254 K (2012: € 6,210 K). At the year-end, the remaining volume of properties intended for trading stood at € 59,169 K.

RENTAL INCOME
BY MAIN USAGE



RENTAL INCOME
BY COUNTRY



CHANGE IN RENTAL INCOME FROM 2012 TO 2013

€ m	Austria	Germany	Eastern Europe	Total
2012	**39.6**	**100.5**	**140.8**	**280.9**
Change				
Resulting from indexation	0.8	2.0	2.8	5.6
Resulting from change in vacancy rate or reduced rentals	1.1	4.3	-3.4	1.9
Resulting from whole-year rental for the first time	0.0	2.3	0.3	2.6
Resulting from completed projects	1.0	4.9	0.0	5.9
Reclassification hotel revenues	0.0	0.0	-3.0	-3.0
Resulting from sale of properties	-2.1	-4.3	-6.0	-12.4
Total change in rental income	**0.8**	**9.1**	**-9.3**	**0.6**
2013	**40.4**	**109.7**	**131.4**	**281.5**

INDIRECT EXPENSES

€ 1.000	2013	2012
Personnel expenses	– 27,669	– 30,520
Legal, auditing and consulting fees	– 9,184	– 10,620
Office rent	– 1,463	– 1,902
Travel expenses and transportation costs	– 1,280	– 1,370
Other expenses internal management	– 4,389	– 4,760
Other indirect expenses	– 4,317	– 5,161
Subtotal	**– 48,302**	**– 54,333**
Own work capitalised in investment property	9,276	9,844
Change in properties held for trading	868	630
Indirect expenses	**– 38,158**	**– 43,859**

Gross revenue from development services for third parties provided by Group subsidiary omniCon edged up by 92.5%to € 7,585 K, compared to € 3,940 K in the previous year. Income from development services for third parties totalled € 1,751.0 K (2012: € 1,675 K).

Other expenses directly related to property assets under development declined from € -5,422 K to € -4,612.0 K.

As a consequence of these developments, net operating income (NOI) improved year on year by 4.7%, from € 249,646 K to € 261,504 K.

Result from the sale of non-current properties

In 2013, proceeds from the sale of properties classified as fixed assets totalled € 844,803 K, and the earnings contribution came to € 63,204 K (2012: € 32,274 K). The sale of properties in Germany contributed € 63,750 K to the total. Since the most important transactions of the past year were performed as sales of shares in companies in which properties were held (share deals), the revenue of € 844,803 K indicated in the income statement relates in part to equity capital from sold companies and not the transaction value for the underlying properties. Proportionate revenue in relation to the sold property assets amounted to € 1,280,838 K. The sale of the Hesse portfolio, the disposal of the Mercedes-Benz sales headquarters in Berlin and the sales of parts of Tower 185 and Skyline Plaza in Frankfurt delivered significant earnings contributions. In this context, the Eastern Europe segment did not make an earnings contribution. The positive figure from the sale of the Lipowy Office Park in Warsaw for more than the carrying amount, in December 2013, has already been recognised in the valuation result, since the transaction will be closed in 2014. Sales in Austria generated a minor loss of € -546 K.

Indirect expenses

In 2013, indirect expenses decreased from € -43,859 K in the previous year by -13.0% to € -38,158 K. On the basis of the cost reduction programme initiated in 2012, CA Immo achieved improvements compared to the previous year for all expenses items (details are contained in the table of key items above). Total indirect expenses are taken into account under "Own Work Capitalised", which was 5.7% lower than 2012, at € 9,276 K. This item is to be regarded as a contra item to indirect expenditures which counterbalances the portion of the internal project development expenses that are directly attributable to individual development projects and thus qualify for capitalisation.

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

Earnings before interest, tax, depreciation and amortisation (EBITDA) achieved the highest figure in the history of CA Immo, with € 295,776 K. This means an upturn of 19.6% compared with the previous year's level of € 247,380 K. The contributions to total comprehensive income made by the individual regional segments are examined below.

With EBITDA of € 161,217 K, (2012: € 102,430 K) the Germany segment has the largest share at approximately 55%. This was underpinned by the significant earnings contribution from sales of properties. The share of the Eastern Europe segment was € 106,233 K, that of Austria € 34,925 K.

Revaluation result

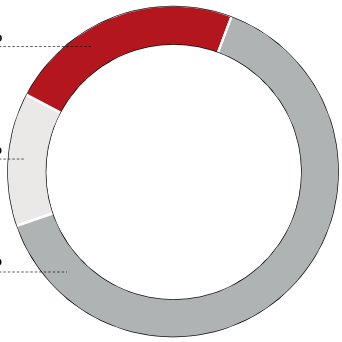
The revaluation result for 2013 was negative overall at € -33,721 K (2012: € -8,449 K). From a regional perspective, a break-even of € -235 K was achieved in Austria (2012: € 4,765 K). Overall, the trend in property value was also stable in Germany. At € 7,825 K, there was a clear decline compared to the previous year's figure (2012: € 43,179 K), where the key factor had been a significant gain in value from the major project, Tower 185. There were negative market value changes in the property portfolio in the Eastern Europe segment amounting to € -41,311 K (2012: € -56,393 K).

A detailed explanation of the factors governing the valuation of properties is contained in the "Property valuation" section.

Operating result (EBIT)

As of the reporting date of 31 December 2013, the operating result (EBIT) was € 255,213 K, 9.8% higher than the figure posted at the end of 2012 (€ 232,403 K). Despite a clearly weaker revaluation result, this increase was achieved on the basis of good operating development and the significant gain from property disposals shown by the strong rise in consolidated EBITDA.

EBIT in the Austrian segment declined to € 33,768 K (2012: € 40,372 K). While there was a slight increase in Eastern Europe from € 58,623 K to € 60,910 K, clear growth was achieved in Germany, to € 167,506 K (2012: € 142,721 K).



Financial result

The financial result for 2013 totalled € -171,641 K (2012: € -157,878 K). The changes in the constituents of the financial result are described in detail below.

Financing costs decreased to € -148,297 K (2012: € -168,844 K). Alongside loan repayments related to sales, it was particularly more favourable financing costs for loans with variable interest rates that had a positive effect. Alongside the interest expenses recognised in the income statement, interest on development projects under construction of € 5,626 K was also capitalised.

Other financial result of € 3,000 K arose from the redemption of an outstanding loan of a project company from the lending bank for less than the nominal amount. This item decreased significantly compared to the comparative figure for 2012 of € 20,764 K. This was due to a positive one-off effect arising from the restructuring of two financings in Eastern Europe in the first quarter of the previous year.

A significantly negative contribution of € -32,214 K (2012: € -12,305 K) resulted from the interest rates derivatives business. In connection with the sale of the Hesse portfolio, there was a reclassification to the income statement of the negative swap carrying amounts of € -52,400 K, which had previously been recognised directly in equity. In contrast, the development of interest rates resulted in some positive effects from the valuation of interest-rate hedges. For further details, see also the "Financing" section.

At € 6,003 K, the result from financial investments was lower than the figure posted for the previous year (€ 8,959 K). However, this was offset by a better result from other financial assets of € -2,545 K (2012: € -7,000 K), which mainly relates to the impairment of a loan in connection with the Erlenmatt (Basel) project. Income from associated companies of € 3,356 K (2012: € 2,694 K) contains the positive contribution from the investment in UBM.

Taxes on income and earnings

Compared to 2012 and despite a weaker financial result, net income before taxes (EBT) increased from € 74,525 K to € 83,572 K.

Income tax expense for 2013 was € -33,185 K (2012: -24,536 K). The higher current income tax charge results primarily from the high volume of property sales in Germany.

Result for the period

At € 50,387 K, the result for the period increased year on year (2012: € 49,989 K). The result of non-controlling interests was € 2,050 K compared with € -5,878 K in 2012. This item largely consisted of the result attributable to the partners in the sub-portfolios of Europolis. In 2013, the share of the result attributable to shareholders of the parent was € 48,337 K. The figure for 2012 was € 55,867 K.

Cash flow

The cash flow from earnings for 2013 totalled € 211,047 K (2012: € 195,254 K). Net cash used in operating activities reflects changes in current assets arising from the disposal of properties intended for trading and increased to € 209,541 K compared to the previous year (2012: € 192,838 K).

Cash flow from investing activities, which is the net amount of investments and property sales, increased significantly to € 609,954 K in 2013 (2012: € -62,981 K).

The cash flow from earnings for 2013 totalled € -399,070 K (2012: € -228,308 K). In 2013, significantly higher inflows from loans were offset by a high volume of borrowing redemptions, including interest rate derivatives.

CASH FLOW STATEMENT – SHORT VERSION

€ m	2013	2012	Change
Cash flow from			
- business activities	209.5	192.8	9%
- Investment activities	610.0	–63.0	n.m.
- financing activities	–399.1	–228.3	75%
Changes in cash and cash equivalents	**420.4**	**–98.5**	**n.m.**
Cash and cash equivalents			
- beginning of the business year	257.7	353.8	–27%
- changes in the value of foreign currency	–2.7	2.4	n.m.
- the end of the business year	675.4	257.7	>100%

FFO – funds from operations

In 2013, funds from operations (FFO) of € 77,100 K (2012: € 113,300 K) were generated after current income tax and before pro rata minority interests. While the key items relevant for FFO before taxes improved year on year, the recognition of the cash effect from winding up the swap in connection with the sale of the Hesse portfolio led to a charge of € -52.4 m.

FUNDS FROM OPERATIONS (FFO)

€ m	2013	2012
Net rental income	250.6	246.7
Income from property sales [1]	75.5	38.5
Other operating income/expenses [2]	7.9	6.1
Indirect expenses	-38.2	-43.9
EBITDA	**295.8**	**247.7**
Finance costs	-148.3	-168.8
Result from financial investments	6.0	9.0
FFO pre special items and tax	**153.5**	**87.5**
Other financal result [3]	3.0	20.8
Result from derivatives [4]	-52.4	0.0
Current income tax	-27.0	5.0
FFO post special items and tax	**77.1**	**113.3**

[1] Result from the sale of current and non-current property assets
[2] Result from hotel operations + result from development services + other operating income + other expenses directly related to project developments
[3] Buy-back of loans below the nominate amount
[4] Cash-effective part

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Assets

In 2013, there were fundamental changes in both the assets and equity/liabilities on the statement of financial position. At the end of the period, total property assets – investment properties, properties under development, hotel and other owner-occupied properties, and properties forming part of current assets – amounted to € 3,805,129 K. This significant decline of -27.7% is related to the high volume of property sales in 2013. € 193,134 K was invested in property assets under development. Project completions in Germany reduced this item from € 726,988 K as of 31 December 2012 to € 486,355 on 31 December 2013. The increase in equity holdings in associated companies is due mainly to the Tower 185 office in Frankfurt. Following the partial sale in 2013, it was consolidated at equity on the reporting date.

Cash and cash equivalents as of 31 December 2013 stood at € 675,413 K, which is a significant increase of 162.0% compared with the beginning of the year. As a result, total assets fell by -16.6% to € 4,910,888 K.

Equity and liabilities

Shareholders' equity

The company's share capital amounts to € 638,714 K, and the number of ordinary shares outstanding remains unchanged at 87,856,060. As of the reporting date, 31 December 2013, according to the company, around 82% of the shares were in free float, and the remaining 18%, as well as the four registered shares that entitle each of the holders to nominate one member of the Supervisory Board, were held by UniCredit Bank Austria AG. Further details on the shareholder structure and features of the shares are contained in the "Investor relations" section and the corporate governance report.

As of the reporting date, 31 December 2013, capital authorised but not issued (pursuant to Section 169 AktG (Austrian Stock Corporation Act)) amounted to € 319.4 m (up to 43,928,030 no-par shares); the closing date for the issue of the capital against cash contribution is 11 September 2015. There was also authorisation for a contingent capital increase (pursuant to Section 159 AktG) in the amount of € 235.0 m (up to 32,324,621 no-par shares). Furthermore, the 25th Ordinary General Meeting authorised the Management Board for a period of 30 months to acquire treasury shares (Section 65 (1) No. 8 AktG) to the maximum extent permitted by law, namely 10% of the share capital, and if applicable, also to withdraw or sell treasury shares – also not on the stock exchange or by way of a public offering. In the period until 31 December 2013, this authority was not exercised. As in the previous year, the company did not hold any treasury shares as of 31 December 2013.

Equity attributable to shareholders of the parent company rose by a significant 6.2% in 2013. Aside from the result for the period, the increase reflects a strongly positive contribution from the change in negative fair values from cash flow hedges recognised in equity and the positive effect of the acquisition of minority interests. This was counteracted by the payment of a dividend of € 33,385 K.

As a result of the acquisition of minority interests in the AXA portfolio and the CA Immo New Europe Property Fund SICAR, non-controlling interests of € 122,884 K held by minorities fell to € 66,983 K.

Interest-bearing liabilities

Interest-bearing liabilities fell significantly by -28.2% to € 2,427,077 K. Net debt (interest-bearing liabilities less cash and cash equivalents) fell year on year from € 3,121,788 K to € 1,751,664 K. The reduction of interest-bearing external liabilities resulted in a massive improvement in the figures on the statement of financial position. Gearing (ratio of net debt to equity) rose from 169% as of 31 December 2012 to 93% as of 31 December 2013. Compared to the previous year, the loan-to-value ratio (financial liabilities less cash and cash equivalents to property assets) improved from 58% to 45%.

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

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

KEY FINANCING FIGURES

€ m	2013	2012
Shareholders' equity	**1,865.2**	**1,815.7**
Short-term interest-bearing liabilities	872.0	924.7
Long-term interest-bearing liabilities	1,555.0	2,454.8
Cash equivalents (including short-term securities)	−675.5	−257.7
Restricted cash	−28.2	−54.6
Net debt	**1,723.4**	**3,067.2**
Equity ratio	38.0%	30.6%
Gearing	92.4%	168.9%
Loan to Value (Net)	45.3%	58.3%
EBITDA / net interest (factor)	2.1	1.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SHORT VERSION

		2013		2012	Change
	€ m	**in %**	**€ m**	**in %**	**in %**
Properties	3,627.7	74	5,154.6	80	-30
Intangible assets	35.1	1	37.1	1	-5
Financial and other assets	240.4	5	139.8	2	72
Deferred tax assets	5.1	0	9.8	0	-48
Long-term assets	**3,908.3**	**80**	**5,341.3**	**86**	**-27**
Receivables	149.8	3	182.9	3	-18
Assets held for sale	118.2	2	53.8	1	>100
Properties held for trading	59.2	1	52.7	1	12
Cash equivalents and securities	675.4	14	257.7	8	>100
Short-term assets	**1,002.6**	**20**	**547.1**	**14**	**83**
Total assets	**4,910.9**	**100**	**5,888.4**	**100**	**-17**
Shareholders' equity	1,865.2	38	1,815.7	31	3
Shareholders' equity as a % of total assets	38.0%		30.8%		
Long-term interest-bearing liabilities	1,555.0	32	2,454.8	41	-37
Short-term interest-bearing liabilities	872.0	18	924.7	16	-6
Other liabilities	402.3	8	477.3	8	-16
Deferred tax assets	216.4	4	215.9	4	0
Total liabilities and shareholders' equity	**4,910.9**	**100**	**5,888.4**	**100**	**-17**

Net asset value

NAV (shareholders' equity excluding non-controlling interests according to IFRS) closed 31 December 2013 at € 1,798.2 m (€ 20.5 per share), representing a rise of 6.2%. This change reflects both the annual result and the forenamed other changes in shareholders' equity. The table below shows how the NNNAV is calculated from the NAV in compliance with the best practice policy recommendations of the European Public Real Estate Association (EPRA).

Given that the CA Immo share price on the reporting date was higher than the conversion price of the convertible bond, the EPRA NAV was calculated giving consideration to a dilutive effect arising from a hypothetical exercise of the conversion option. As of 31 December 2013, the diluted NNNAV per share stood at € 21.3 per share, representing a year-on-year increase of 7%. The number of shares outstanding as of 31 December 2013 remained unchanged at 87,856,060.

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

€ m	**31.12.2013 basic**	**31.12.2013 diluted**	**31.12.2012 basic**
Equity (NAV)	1,798.2	1,798.2	1,692.9
NAV/share in €	20.47	20.47	19.27
Computation of NNNAV			
Exercise of options	0.0	114.5	0.0
NAV after exercise of options	**1,798.2**	**1,912.7**	**1,692.9**
Value adjustment for			
- own use properties	4.2	4.2	3.7
- properties held as current assets	10.9	10.9	7.4
- Financial instruments	35.0	35.0	107.6
Deferred taxes	176.3	176.3	168.9
EPRA NAV after adjustments	**2,024.6**	**2,139.1**	**1,980.4**
Value adj. for financial instruments	-35.0	-35.0	-107.6
Value adjustment for liabilities	-8.6	-8.6	-15.6
Deferred taxes	-113.9	-113.9	-110.8
EPRA NNNAV	**1,867.0**	**1,981.5**	**1,746.4**
EPRA NNNAV per share in €	**21.3**	**20.1**	**19.9**
Change of NNNAV against previous year	6.9%		0.2%
Price (31.12.) / NNNAV per share -1	-39.4		-47.3
Number of shares	87,856,060	98,595,133	87,856,060

OUTLOOK

EXPECTED DEVELOPMENT, INCLUDING MATERIAL OPPORTUNITIES AND RISKS

Following positive development in the second half of 2013, the European Commission expects the economic recovery to continue in Europe in 2014. We expect the key CA Immo core markets to continue to develop in a stable fashion, with very positive real estate market conditions continuing in Germany. The lending climate will also be decisive for the real estate industry in 2014.

Strategy

2014 will also be characterised by the effective implementation of measures in line with the 2012 – 2015 Strategy. After strengthening the statement on financial position, the priority is to further optimise the property portfolio as a significant lever to increase operating profitability. See the "Strategy" section for further information and details.

Development

The development of core office property in Germany is to be accelerated as an organic driver of growth. Investments in ongoing project developments of approximately € 150 – 200 m are expected to take place in 2014.

Existing business

On a like-for-like basis, it is expected that rents will be largely stable. As far as possible, the decline in rents resulting from the sale of properties is to be compensated for by a significant reduction in gearing and subsequently financing expenses.

Costs

In 2014, it is expected that the cost-cutting objectives defined in 2012 will be achieved in full.

Financing trends

On the basis of the quality of the portfolio and the improved figures on the statement of financial position, we expect a stable environment for refinancing CA Immo Group's expiring loans. On our core market of Germany we also expect ongoing and good availability of bank financing for property development. See the "Financing" section for further information and details.

Our expectations are based on certain assumptions concerning both general and specific general conditions. The following key parameters could affect the pattern of business anticipated for business year 2014:

- Economic developments in the regions where we operate and the resulting impact on both rental demand and rent levels.
- The development of the general interest rate level.
- The lending climate, especially the availability and cost of long-term loans, and therefore the development of the property investment market and price trends, as well as the effect of these factors on the valuation of our portfolio. The key factor driving the speed that the planned development projects are realised also depends on the availability of the necessary loans and equity.
- Political, fiscal, legal and economic risks, and the transparency and development level of the individual property market.

RESEARCH AND DEVELOPMENT

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

FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator is return on equity or RoE. The aim is to produce a figure higher than the calculatory cost of capital (assuming a medium-term rate of around 7.0%), thus generating shareholder value. At approximately 2.8% in 2013 and 3.2% in 2012, this figure was considerable below the target value. Significant NAV growth of 6.2% was, however, achieved in 2013 (the value increase for shareholders was approximately 8.2% in 2013 where dividends are included, which exceeds the imputed cost of equity). On the basis of the our Strategy 2012-2015 programme, an adequate RoE is to be generated in the medium term, one that at least covers the cost of equity (see the "Strategy" section).The other quantitative factors used to measure and manage our shareholders' long-term return include the change in NAV per share, operating cash flow per share, return on capital employed (ROCE) and economic value added (EVA).

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

Value added statement

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

STATEMENT OF VALUE ADDED

	2013	in %	2012	in %
Gross revenues	364,884		356,255	
Result from the sale of long-term properties	874,013		235,765	
Result from revaluation	-33,721		-8,449	
Other income	9,226		9,319	
Operating expenses	-913,129		-308,763	
Depreciation and impairment	-6,842		-6,528	
Other expenses	-8,216		-17,219	
Incurrence	**286,215**		**260,379**	
to non-controlling interest	-2,050	1%	5,878	-2%
to staff	-27,669	10%	-31,130	12%
to state	-35,905	13%	-27,056	10%
to non-profit organisations	0	0%	-5	0%
to lender	-172,254	60%	-152,199	58%
to company/shareholders	-48,337	17%	-55,867	21%
Allocation	**-286,215**	**100%**	**-260,379**	**100%**

VALUE INDICATORS

		2013	2012	2011	2010
Key figures per share					
NAV/share	€	20.50	19.30	19.20	18.70
Change in NAV/share	%	6.2	0.5	2.7	4.5
Operating cash flow / share	€	2.40	2.22	2.18	1.38
RoE [1] in %	%	2.8	3.2	3.8	2.8
ROCE [2] in %	%	6.6	4.5	5.5	4.8
EVA [3]	€ m	71.4	13.1	44.0	Negativ

1) Return on Equity (profit-generating efficiency) = consolidated net income after minority interests / average equity (without minority interests)
2) Return On Capital Employed (ROCE) = net operating profit after tax (NOPAT) / capital employed
3) EVA (Economic Value Added) ist eine eingetragene Marke von Stern Stewart & Co; EVA = Capital Employed * (ROCE – WACC); WACC 2013 = 4,5 %(WACC is the weighted average cost of debt and equity)

Completed in 2013 and handed over to the end investor Allianz: Shopping Center Skyline Plaza in Frankfurt

EMPLOYEES

As at 31 December 2013, CA Immo had 355[1]) employees (compared to 405[2] on 31 December 2012). CA Immo has head offices in Vienna, from where the company oversees local branch offices in Frankfurt, Berlin and Munich as well as Budapest, Warsaw, Prague, Belgrade and Bucharest. Local staff are appointed by the particular head of the local office, by agreement with the Group head of Human Resources. All functions on employee- as well as on management-level are occupied by regional staff.

Consolidation following period of rapid growth

Largely as a consequence of the big corporate acquisitions of recent years, the number of CA Immo staff doubled from 203 as at 31 December 2007 to 405 as at 31 December 2012. Alongside the redimensioning of the real estate portfolio in 2013, major efficiency gains were realised across the value chain, resulting amongst other things in a Group-wide reduction in staffing costs of around 20 %. Suitable measures were introduced and implemented at the end of 2012, including closure of the subsidiary in Cologne, the amalgamation of back office units and the resolution of international dual appointments. As a result, the world-wide staffing level fell sharply in 2013, with 90 employees leaving the company. At the same time, 41 new staff members (including 11 maternity leave replacements) joined the Group thanks to dynamic operational development in the course of the year.

[1] Around 9% of those are part-time staff; 26 Group employees on unpaid leave and 111 employees gained through the acquisition of two hotel businesses in the Czech Republic in 2012 were not counted.

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

Human Resources Management

The Human Resources division reports directly to the CEO and serves as a focal point for Group personnel matters. The division takes responsibility for issues such as international development and training opportunities, staff planning and the proactive internal communication of HR-related information. It also supports and advises employees of all levels on issues such as team building and corporate culture.

The aim is to guarantee equal treatment for all employees as regards opportunities for promotion and training, remuneration and other conditions; the main emphasis will be on transparency also for employees. In 2013, synergy between countries has been strengthened and processes were simplified in the following areas:

- **Learning and development**: specialist knowledge, promotion of personal skills and strengths; as part of the Group-wide NICE programme, the spotlight was on international cooperation for strategic research projects in 2013.
- **Employee assessment**: agreement on qualitative and quantitative targets, which were standardised across the Group for the first time in 2013 and extensively documented for all staff.
- **Reporting**: regular internal reporting (e.g. staffing level reports, cost reporting)
- **Personnel lifecycle**: intake, contract drafting, job descriptions, management of resignations

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP [1)]

	31.12.2013		31.12.2012	Change		Joining/leaving	Fluctuation rate
	Total employees (Headcounts)	Thereof women in %	Total employees (Headcounts)	Absolute	in %		in %
Austria	79	58	87	-8	-9	10/21	13,2
Germany	166	47	192	-26	-14	19/49	11,2
Eastern Europe	110	73	126	-16	-13	12/20	10,7
Total	**355**	**58**	**405**	**-50**	**-12**	**41/90**	**11,4**

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

– **Remuneration system**: payroll processes, social benefits, salary increases ·
– **Internal communication**: faster communications to staff, introduction of transparent information processes

Staying Fit2Work

The 'CA Immo Fit2Work' initiative launched in Austria in 2013 aims to ensure CA Immo staff members retain (or restore) their capacity to work over the long term. Following the successful roll-out of the project in Austria, the programme will be extended to Germany and Eastern Europe. One key element of the programme is an anonymous staff survey, which identifies specific improvement measures. The aims of the initiative are:

– To promote and sustain the working and performance capacity of employees
– To reduce health risk and associated costs for the company
– To establish an early warning system (especially against burnout) and prevent long periods of sick leave and early retirements
– To set up an integration system with Integration Officers to facilitate returns to work
– To create an agreeable and productive working environment for all employees
– To improve internal information flows and communication channels with a view to making working practices more efficient and raising productivity

AVERAGE ABSENCES FROM WORK BY REGIONS

in days		Vacation	Illness [1]	Qualification
	Women	19	8	2,8
Austria	Men	22	3	1,4
	Women	31	6	0,6
Germany	Men	32	7	1,0
	Women	21	11	0,7
Eastern Europe	Men	23	2	0,8

Social benefits and safety at work

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

Dragon boating in Frankfurt: one of the annual team building events organised by CA Immo branch offices

During reporting year 2013, no serious occupational injuries[2], illnesses or periods of absence on the part of CA Immo employees were reported. CA Immo staff on construction sites received regular safety guidance along with health and safety plans. Commissioned companies are responsible for the safety of subcontractor staff.

Advancement of women at CA Immo

The aim of our active personnel policy is qualitatively, quantitatively and structurally to increase the proportion of women in the workforce as a whole and at all managerial and executive levels. The company is seeking to ensure 50% of new management trainees are women; in the recruiting process, shortlists include two candidates of either gender. Compared to the previous year, the proportion of female employees across the Group rose from 55% to 57% while the proportion of women in managerial positions increased from 22% to 28%. One of the six Supervisory Board mandates is held by a woman.

[1] Excludes two long-term sick leave cases in Austria: days of absence totalled 459 for the reporting period.

[2] Serious injuries are defined as those requiring the employee to consult a doctor

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

White-collar employees [2]

307 employees	<28	29–48	49<
W	9 %	46 %	8 %
M	1 %	21 %	15 %

Blue-collar staff

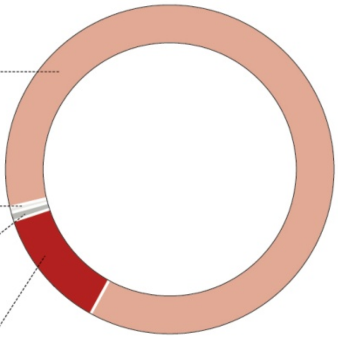
2 employees	<28	29–48	49<
W	0 %	0 %	0 %
M	0 %	0 %	100 %

Management Board

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

Executives [3]

43 employees	<28	29–48	49<
W	0 %	28 %	0 %
M	0 %	58 %	14 %



[1] Excludes 111 employees (as at 31 December 2013) gained through the acquisition of two hotel businesses in the Czech Republic in 2012.
[2] thereof 1 % with handicap. Employees with handicap are not subdivided for reasons of data protection.
[3] Executives include Group Managers, heads of the regional offices, heads of departments, divisional heads, team leaders. Share of female executives: 28 %.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2014:

Increase in voting rights due to conversions

On account of the issue of shares in response to the exercising of conversion rights by holders of the 4.125% convertible bonds for 2009-2014, the company's capital stock amounted to € 639,190,853.51 at the end of February 2014. This was divided into four registered shares and 87,921,709 bearer shares each with a proportionate amount of the capital stock of € 7.27. The delivery shares, currently held under ISIN AT0000A154Z4, have dividend entitlement from their business year of issue.

Buyback of own liabilities

In January, CA Immo has acquired a financing portfolio with an approximate nominal value of € 428 m from Österreichische Volksbanken AG. Secured real estate loans of CA Immo Group companies in Eastern Europe and unsecured financing at holding level each account for around half of the nominal amount. An agreement was made not to disclose the purchase price, which is below the nominal value. With inclusion of this repayment, the target equity ratio of 40% was exceeded. For details on this transaction please see the financing chapter.

Rentals

In March, CA Immo has concluded two lease agreements totalling around 1,500 m² in rental space for the AMBIGON office, medical and commercial building in Munich. The consultancy Edelweiß & Berge (approx. 680 m²) and Post Immobilien GmbH (approx. 820 m²) are the tenants. With the successful conclusion of these leases, the occupancy rate has now risen to approx. 85%.

Sales

In February, CA Immo sold a centrally located hotel and high-rise building plot in the Franfurt Europaviertel. The construction site spanning some 4,600 m² is located between the newly constructed Skyline Plaza shopping centre and the Tower 185 office high-rise. Two investors each acquired a partial plot. Proceeds from both sales amount to some €27 m. The transactions were effected at above book value.

Project development

In January, the development of the new **city quarter Baumkirchen Mitte in Munich** has passed another important milestone with the resolution adopting the development plan. In total, around 560 apartments as well as approx. 650 workplaces will be created on the site measuring around 130,000 sqm in Munich's Berg am Laim district.CA Immo and PATRIZIA have simultaneously begun sales activities for the apartments in the first phase of construction. Construction is expected to begin in April 2014.

RISK MANAGEMENT REPORT

CA IMMO GROUP RISK MANAGEMENT

RISIK MANAGEMENT AT CORPORATE LEVEL

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

RISIK MANAGEMENT AT REAL ESTATE LEVEL

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

RISK MANAGEMENT AT ALL LEVELS OF THE COMPANY

Risk management and the internal monitoring system are integral parts of the CA Immo Group's current management systems. Internal Auditing, an independent division within the company, oversees operational and business processes and the internal monitoring system; it acts independently in reporting and evaluating the audit results. The risk policy of CA Immo is defined by a series of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is implemented at every level of the company and is binding on all organisational divisions. The aim is to identify potential opportunities and hazardous developments at an early stage and assess their impact so that relevant decision-makers can take suitable measures. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. CA Immo evaluates the current opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company utilises early warning indicators such as rent forecasts, vacancy analyses, continual monitoring of lease agreement periods and the possibility of terminations; construction costs are also tracked during project implementation. Scenarios are envisaged regarding the value trend for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions and producing appropriate management templates. The company also evaluates specific risks at regular intervals. All potential risks and opportunities are assessed according to substance, effect and the likelihood of occurrence. Concrete measures aimed at eliminating or alleviating risks identified in the past have now been defined and implemented to a large extent. Furthermore, the proper functioning of the risk management system is evaluated annually by the Group auditor in line with the requirements of C Rule no. 83 of the Austrian Corporate Governance Code. The results are reported to the Management Board, the Supervisory Board and the audit committee.

Overall assessment of opportunities and risks

The main risks to the Group continue to derive from the market-linked danger of rising vacancy rates, tenant insolvency, the difficult environment for real estate transactions in Eastern Europe, rising yields and declining property values. Project development is typically associated with cost and performance risks; the main risks facing the Group have thus remained largely unchanged over recent years.

THE INTERNAL MONITORING SYSTEM (IMS)

The internal monitoring system (IMS) at CA Immo is based on the continual analysis and evaluation of risk. The IMS is integrated into individual business processes, taking account of management processes. The system incorporates all measures designed to ensure compliance with legislation and company guidelines and prevent errors. The objectives of the IMS are to preclude (preventive monitoring) and expose (detective monitoring) errors in accounting and financial reporting, thus enabling amendments to be introduced in good time. Transparent documentation makes it possible to depict processes of accounting, financial reporting and audit activity. All operational areas are incorporated into the financial reporting process. Individual measures and checks operate in parallel with operations or apply directly upstream or downstream of working processes. In line with the organisational structure of the CA Immo Group, local management teams are responsible for the implementation and supervision of the IMS; the managing directors of the various subsidiaries are required to perform self-checks in order to assess and document compliance with the monitoring measures. The effectiveness of the IMS is regularly assessed by the Group Auditing department while the cost-effectiveness of business processes is continually evaluated. The results of these assessments are reported to the responsible executive boards as well as the full CA Immo Management Board. The Supervisory Board is informed as to the auditing plan and the assessment results at least once a year.

STRATEGIC RISKS

Portfolio structure, concentration (cluster) risk

Risk potential increases where investments lead to over-representation of a particular region, usage type or tenant structure in the overall portfolio. Even after the sales of Tower 185 and the Hesse portfolio, Germany remains the biggest single market of CA Immo, while the regional focus has shifted from Germany to Eastern Europe. Although CA Immo counters market risk by spreading its portfolio across various countries, the emphasis is on the company's core regions. We are seeking to balance our German and Eastern European portfolios by the end of 2015. For single investments, CA Immo defines concentration risk as a limit value of 5 % of the total portfolio. Since the proportionate sale of Tower 185, no properties exceed this limit value in the portfolio. The asset portfolio has only three specific properties with an IFRS market value of over € 100 m (the share in Tower 185 in Frankfurt, the Skygarden in Munich and River Place in Bucharest). Moreover, exposure to secondary cities and concentration risk linked to an individual tenant (the state of Hesse) have been reduced through the sale of the Hesse portfolio. As regards land reserves and land development projects, a general risk arises from the high capital commitment. Further property sales are therefore in the pipeline for 2014; wherever possible, measures will be put in place to accelerate land development projects and involve partners at an early stage. The future development volume is indicated at around 15% of the equity of the CA Immo Group.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment

Transaction volumes on European markets were among the best since 2007 in the past business year, with volumes in Germany increasing by 17%[25]. In 2014, growth is expected for residential and commercial properties in particular. The boom on the German real estate market, which is currently the most attractive location for investors, is thus set to continue. In general, high risk investments are no longer necessarily regarded as negative; the reluctance to take risks is apparently diminishing. The investment volume in Eastern Europe has also developed well, although the transaction rate continues to lag. A number of transaction markets (including Hungary and Romania) appear to have ground to a complete halt, threatening to make CA Immo's planned portfolio optimi-

[25] Source: Jones Lang LaSalle

sation unfeasible in some parts of Eastern Europe (**transaction risk**). Whereas some transactions outside of the core segment were reported on the Austrian and German markets, demand in Eastern Europe is still restricted to core properties; financing and trading for other asset classes is only possible to a limited degree. The potential for **country-specific and transfer risk** still needs to be monitored in view of the fraught economic and political situations in the Ukraine, Hungary and the Czech Republic, for example. CA Immo negates transfer risk by repatriating liquid assets from investment markets with a low credit standing. CA Immo counters country-specific risk by concentrating on defined core regions through local subsidiaries with their own on-site staff, and through appropriate regional allocation within those core markets. The company is able to respond quickly to economic and political events through continual portfolio monitoring and specific portfolio management.

Real estate prices may also be subject to considerable fluctuation owing to changing economic conditions. In view of the continued marginal prospect of rental growth and the fact that the (re)financing market in Eastern Europe is only slowly recovering, there is still a danger that starting yields for commercial real estate will be adjusted upwards. **Changes in value** will also pose a significant risk until the end of 2014 since a rise in yields continues to be reflected in valuation reports while influencing consolidated net income and reducing shareholders' equity through changes in market value that must be recognised under IAS 40.

In like-for-like comparison, **lettings** were relatively stable on the core markets of CA Immo in 2013. The logistics asset class remains problematic in Eastern Europe owing to expired rental agreements. Despite extensive floor space in this segment, the material risk is lower than average thanks to lower rental rates than is usual for the market: the vacancy rate amounted to approximately 3.5% of rental income in the overall portfolio. The sale of other fully let properties could adversely affect vacancy levels without risks to absolute vacancy volumes becoming apparent.

Through careful monitoring and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the **loss of rent risk** has settled at a moderate level. At present, most outstanding rental payments relate to Eastern Europe. All outstanding receivables are evaluated quarterly and adjusted according to the associated level of risk; around one third of outstanding receivables are adjusted on average. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Reduced income following contract extensions is also likely in some instances where rent levels have to be reduced or greater incentives are offered.

Risks associated with sales transactions

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

Project development risks

The main danger (aside from the usual risks associated with projects, which include delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects, lack of demand for rental space and delays in approving credit) is posed by extensions of the stabilisation phase (initial letting) in response to market conditions; this can impact negatively on development outcomes and adversely affect cash flow where rental income is impaired. With all of this in mind, CA Immo mo takes various steps to control such risks (cost monitoring, variance analyses, long-term liquidity planning, observance of minimum pre-letting quotas, and so on). Projects are only launched subject to detailed, long-term liquidity planning and an appropriate level of pre-letting (40-60% in Germany for example, depending on location). All projects are being implemented within their approved timeframes and budgetary frameworks.

GENERAL BUSINESS RISKS

Legal risks

In addition to the usual legal disputes that arise in the sector (especially against tenants and construction service contractors), CA Immo faces the risk of disputes with, amongst others, joint venture and project partners as well as disputes linked to past and future sales of real estate. There is also potential for disputes arising over annulment actions brought by shareholders against resolutions of the Ordinary General Meeting. The Group's legal division is responsible for monitoring and overseeing legal disputes. Sufficient provisions are formed as necessary. No provisions have been formed for active and passive lawsuits where the likelihood of prevailing is high or the risk of losing is below 50 % respectively. Almost all pending actions relate to conventional cases of operational business activity. The joint venture partner in the Maslov project also brought an arbitrational action in 2011. The amount in dispute is approximately € 110 m plus interest, with the chances of success in favour of the plaintiff regarded as minimal. Sufficient financial provisions have been made for the anticipated outflow of funds in relation to the enforcement of CA Immo´s legal position. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are thus imminent or pending.

It is not possible to predict changes to legal provisions, case law and administrative practice or their impact on business results; such changes may adversely affect real estate values or the cost structure and thus the assets, financial and revenue positions of the CA Immo Group. The main impact on CA Immo in this regard in the past business year was the transposing of AIFM (Alternative Investment Fund Managers) guidelines into national law. It was initially unclear whether listed real estate corporations would be covered by the AIFM definition, which would entail more wide-ranging documentation requirements and the obligation to introduce depositories and so forth, thus generating higher costs for the company and its investors. Following a full examination of the arguments presented, the Financial Market Authority (FMA) ruled that CA Immo could not be considered as an AIFM, subject to future developments in Europe.

Taxation risk

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

Environmental risk

In common with many companies, CA Immo faces the problem of causing unintentional damage to the environment in the course of its business activity, the impact or elimination of which (toxic substances and materials, contamination and so on) can entail considerable costs. It is also possible that changes to existing legislation may require previously acceptable materials to be eliminated. It is not always possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; changes could adversely affect real estate values and thus the company's assets, financial and revenue positions. To varying degrees from one country to another, risks are arising from stricter legal obligations in certain regions and a greater awareness of environmental factors on the part of tenants. This can necessitate investment. At the same time, gaining a competitive advantage via early adaptation presents opportunities. To minimise the risk, CA Immo incorporates these considerations into its assessments prior to every purchase and appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. Environmental risks associated with investment properties are assessed using the CA Immo Sustainability Tool (CAST). CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification: in this way, stringent specifications regarding green buildings and sustainability are automatically satisfied while the usage of environmentally unsound products is ruled out. These criteria will be observed in the acquisition of real estate.

FINANCIAL RISKS

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

Liquidity and refinancing risk

The (re)financing situation has improved markedly in comparison with the previous year. The Austrian and German financing markets are generally stable, and large-scale financing (up to € 100 m) is posing no problems at present. The entry onto the German market of new providers of real estate financing is contributing to more financing possibilities, which in turn is leading to lower margins and higher loan-to-values (LTV). Insurance companies in particular are offering attractive bullet solutions at moderate LTVs (around 50%). The situation in Eastern Europe has also improved somewhat, which should ease capital procurement. Despite this, rating agencies such as Standard & Poor’s (S&P) are yet to give the all-clear as banks continue to consolidate their equity bases and closely monitor their refinancing risks. This is manifested in a substantial rise in credit margins where new loans are agreed or loans are extended.

Acquiring loan capital is always difficult in certain regions of Eastern Europe (such as Hungary and Romania) and for certain asset classes (such as logistics), which can mean a greater **capital requirement** on specific properties. Although the CA Immo Group has access to sufficient liquidity at the time of writing, restrictions at individual subsidiary level must also be taken into consideration. This is because existing liquidity is made available not within the parent company itself but at various levels of the company, access to cash and cash equivalents is limited owing to obligations to current projects or a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices somewhat lower than expected. Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area. Given that refinancing on the financial and capital markets is one of the most important measures open to CA Immo, the company counters any risk by continually monitoring covenant agreements and effectively planning and securing liquidity. Planning also takes account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales); this also ensures the Group can meet unexpected cash flow requirements. To this end, various liquidity deployment measures have been identified; these provide for, amongst other things, the repaying of costly loans at holding level and the repayment of project financing in certain cases.

Some measures have already been successfully implemented: early in 2014, CA Immo acquired a financing portfolio with a nominal value of approximately € 428 m from Österreichische Volksbanken AG. Secured real estate loans of CA Immo Group companies in Eastern Europe and unsecured financing at holding level each account for around half of this amount. The use of trading income to repay liabilities falling due in the next two years has had a highly positive effect on the **maturity profile**, which is now largely stable for the years ahead. Aside from the extension of loans collateralised by real estate at property or project level, the 6.125% CA Immo bond 09-14 and the convertible bond represent the biggest refinancing positions for the coming year; plans are in place to secure both repayments. In line with the investment horizon for real estate, loans are invariably agreed on a long-term basis. As an alternative and supplement to established means of (equity) capital procurement, the company enters into equity partnerships (joint ventures) at project level. Even with meticulous planning, however, liquidity risk cannot be eliminated, particularly where capital requests linked to joint venture partners (**partner risks**) are not viable. CA Immo Deutschland has a high capital commitment, which is typical in the case of development projects. Financing has been secured for all projects under construction; additional financing is required for new project launches.

Interest rate risk

Market-led fluctuations in the interest rate affect both the level of financing costs and the fair value of interest hedging transactions concluded, which influence CA Immo's earnings and equity. In line with its investment strategy, CA Immo opts for a mix of long-term fixed-rate and floating-rate loans; more than 50% of the latter are secured by means of derivative financial instruments (mainly in the form of interest rate caps/swaps) which can also have negative cash values owing to market conditions. Overall, less than 40% of interest-bearing liabilities are unsecured or bear variable rates of interest. Although the European base rate now stands at a record low of 0.25% following the latest reduction in November 2013, a further reduction of 10 to 15 base points cannot be ruled out. In short, interest rates and swap rates are set to remain at low levels for some time to come, so constant monitoring of the interest rate risk is essential. No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all risks identified.

Currency risk

Since CA Immo invests in various currency areas, the company is exposed to certain currency risks linked to the inflow of rental income and rents receivable in BGN, CZK, HUF, PLN, RON and RSD. These foreign currency inflows are secured by pegging rents to the EUR or USD, so no significant currency risk exists at present. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. This process is constantly overseen by the responsible country coordinators. However, the pegging of rents to the EUR/USD affects the creditworthiness of tenants and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent (especially in Hungary). To hedge against the currency risk on the liabilities side (financing in CZK and USD), these loans are generally counterbalanced by rental income in the same currency. Loans are generally taken out in the currency underlying the relevant lease. Currency risks linked to construction projects are hedged according to need on a case-by-case basis, taking account of the currency underlying the order and lease agreement, likely exchange rate development and the calculation rate.

FINANCIAL RISK MANAGEMENT

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

CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2013

€ 1.000	Note	2013	2012
Rental income	2	281,470	280,886
Operating costs charged to tenants	3	68,513	68,177
Operating expenses	3	– 77,890	– 79,832
Other expenses directly related to properties rented	3	– 21,500	– 22,526
Net rental income		**250,593**	**246,705**
Gross revenues hotel operations		7,316	3,252
Expenses related to hotel operations		– 5,798	– 2,774
Result from hotel operations	**4**	**1,518**	**478**
Income from the sale of properties held for trading		29,211	8,426
Book value of sold properties held for trading		– 16,957	– 2,216
Trading result	**5**	**12,254**	**6,210**
Revenues from development services		7,585	3,940
Expenses related to development services		– 5,834	– 2,265
Result from development services	**6**	**1,751**	**1,675**
Other expenses directly related to properties under development	7	– 4,612	– 5,422
Net operating income		**261,504**	**249,646**
Result from the sale of investment properties	8	63,204	32,274
Indirect expenses	9	– 38,158	– 43,859
Other operating income	10	9,226	9,319
EBITDA		**295,776**	**247,380**
Depreciation and impairment of long-term assets		– 6,342	– 5,134
Changes in value of properties held for trading		– 500	– 1,394
Depreciation and impairment/reversal	**11**	**– 6,842**	**– 6,528**
Revaluation gain		47,834	99,665
Revaluation loss		– 81,555	– 108,114
Result from revaluation		**– 33,721**	**– 8,449**
Operating result (EBIT)	**1**	**255,213**	**232,403**
Finance costs	12	– 148,297	– 168,844
Other financial result	13	3,000	20,764
Foreign currency gains/losses	18	– 974	– 2,146
Result from interest rate derivative transactions	14	– 32,214	– 12,305
Result from financial investments	15	6,033	8,959
Result from other financial assets	16	– 2,545	– 7,000
Result from associated companies	17	3,356	2,694
Financial result	**18**	**– 171,641**	**– 157,878**
Net result before taxes (EBT)		**83,572**	**74,525**
Current income tax		– 27,016	4,977
Deferred taxes		– 6,169	– 29,513
Income tax	**19**	**– 33,185**	**– 24,536**
Consolidated net income		**50,387**	**49,989**
thereof attributable to non-controlling interests		2,050	– 5,878
thereof attributable to the owners of the parent		**48,337**	**55,867**
Earning per share in € (basic)	**41**	**€ 0.55**	**€ 0.64**
Earnings per share in € (diluted)	**41**	**€ 0.53**	**€ 0.64**

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2013

€ 1.000	Note	2013	2012
Consolidated net income		**50,387**	**49,989**
Other comprehensive income			
Valuation cash flow hedges		38,536	– 19,058
Reclassification cash flow hedges		51,484	1,299
Other comprehensive income/loss from associated companies		– 23	– 424
Exchange rate differences		44	283
Income tax related to other comprehensive income		– 17,094	3,146
Other comprehensive income for the period (realised through profit or loss)	**20**	**72,947**	**– 14,754**
Change of reserve according to IAS 16		0	486
Actuarial gains/losses IAS 19		– 430	– 1,994
Income tax related to other comprehensive income		147	445
Other comprehensive income for the period (not realised through profit or loss)	**20**	**– 283**	**– 1,063**
Other comprehensive income for the period	**20**	**72,664**	**– 15,817**
Comprehensive income for the period		**123,051**	**34,172**
thereof attributable to non-controlling interests		2,307	– 5,897
thereof attributable to the owners of the parent		**120,744**	**40,069**

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2013

€ 1.000	Note	31.12.2013	31.12.2012	1.1.2012
ASSETS				
Investment properties	21	3,108,487	4,391,378	4,183,202
Investment properties under development	21	486,355	726,988	934,482
Hotel and other own used properties	21	32,813	36,253	12,760
Office furniture and other equipment	21	9,069	9,972	10,470
Intangible assets	22	35,056	37,122	39,103
Prepayments made on investments in properties		0	0	2,217
Investments in at equity companies	23	106,088	36,233	34,719
Financial assets	24	125,214	93,587	74,308
Deferred tax assets	25	5,079	9,812	11,739
Long-term assets		**3,908,161**	**5,341,345**	**5,303,000**
Long-term assets as a % of total assets		79.6%	90.7%	89.6%
Assets held for sale	26	118,190	53,794	57,835
Properties held for trading	27	59,169	52,693	33,904
Receivables and other assets	28	149,955	182,866	168,059
Cash and cash equivalents	29	675,413	257,744	353,778
Short-term assets		**1,002,727**	**547,097**	**613,576**
Total assets		**4,910,888**	**5,888,442**	**5,916,576**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		638,714	638,714	638,714
Capital reserves		1,015,007	1,030,410	1,062,184
Other reserves		– 37,422	– 109,829	– 94,030
Retained earnings		181,900	133,563	77,696
Attributable to the owners of the parent		**1,798,199**	**1,692,858**	**1,684,564**
Non-controlling interests		66,983	122,884	124,891
Shareholders' equity	**30**	**1,865,182**	**1,815,742**	**1,809,455**
Shareholders' equity as a % of total assets		38.0%	30.8%	30.6%
Provisions	31	8,370	4,163	9,182
Interest-bearing liabilities	32	1,555,032	2,454,856	2,622,925
Other liabilities	33	194,343	271,435	237,489
Deferred tax liabilities	25	216,418	215,863	191,813
Long-term liabilities		**1,974,163**	**2,946,317**	**3,061,409**
Current income tax liabilities	34	14,131	15,448	36,839
Provisions	31	73,457	78,931	79,292
Interest-bearing liabilities	32	872,045	924,676	777,973
Other liabilities	33	111,910	107,328	151,608
Short-term liabilities		**1,071,543**	**1,126,383**	**1,045,712**
Total liabilities and shareholders' equity		**4,910,888**	**5,888,442**	**5,916,576**

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2013

€ 1.000	Note	2013	2012
Operating activities			
Net result before taxes		83,572	74,525
Revaluation result incl. change in accrual and deferral of rental income		21,656	7,120
Depreciation and impairment/reversal	11	6,842	6,528
Result from the sale of long-term properties and office furniture and other equipment	8	– 65,279	– 32,417
Income/loss from the sale of financial investments	16	0	– 333
Taxes paid excl. taxes for the sale of properties		– 7,385	– 18,380
Finance costs, result from financial investments and other financial result	12.13,15	139,264	139,121
Foreign currency gains/losses	18	974	2,146
Result from interest rate derivative transactions	14	32,214	12,305
Result from other financial assets and from investments in associated companies	17.12	– 811	4,639
Cash flow from operations		**211,047**	**195,254**
Properties held for trading	27	– 6,976	– 2,086
Receivables and other assets	24.28	28,645	14,797
Provisions	31	– 2,326	2,878
Other liabilities	33	– 20,849	– 18,005
Cash flow from change in net current assets		**– 1,506**	**– 2,416**
Cash flow from operating activities		**209,541**	**192,838**
Investing activities			
Acquisition of and investment in properties incl. prepayments		– 225,268	– 241,614
Acquisition of property companies, less cash and cash equivalents of € 0 K (2012: € 4,436 K)		0	3,194
Acquisition of office equipment and intangible assets	21.22	– 5,077	– 1,431
Acquisition of financial assets		0	– 1,125
Disposal of long-term financial assets and securities		0	2,550
Repayment of joint ventures		1,400	4,042
Disposal of long-term properties and other assets	8	243,343	197,571
Disposal of companies with long-term properties, less cash and cash equivalents of € 26,067 K (2012: € 76 K)	8	600,217	1,824
Taxes paid relating to the sale of long-term properties		– 7,447	– 26,931
Dividend payments received from associated companies and securities		1,021	877
Interest paid for investment in properties	21	– 5,800	– 5,470
Interest received from financial investments	15	7,565	3,532
Cash flow from investing activities		**609,954**	**– 62,981**
Financing activities			
Cash inflow from loans	32	629,219	163,134
Cash inflow from joint ventures and from non-controlling interests		6,496	5,478
Dividend payments to shareholders	30	– 33,385	– 33,385
Payments to subsidiaries and purchase of non-controlling interests		– 56,674	– 1,439
repayment of loans incl. Interest derivative	32	– 810,548	– 214,943
Other interest paid	12	– 134,178	– 147,153
Cash flow from financing activities		**– 399,070**	**– 228,308**
Net change in cash and cash equivalents		**420,425**	**– 98,451**
Cash and cash equivalents as at 1.1.		257,744	353,778
Changes in the value of foreign currency		– 2,680	2,417
Changes due to classification of disposal group acc. to IFRS 5		– 76	0
Cash and cash equivalents as at 31.12.2013	**29**	**675,413**	**257,744**

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2013

€ 1.000	Note	Share capital	Capital reserves	Retained earnings
As at 1.1.2012		**638,714**	**1,062,184**	**77,696**
Valuation cash flow hedge	20	0	0	0
Income recognised directly in equity of associated companies	20	0	0	0
Currency translation reserve	20	0	0	0
Actuarial gains/losses IAS 19			0	0
Change of reserve according to IAS 16	20	0	0	0
Consolidated net income		0	0	55,867
Comprehensive income for 2012		**0**	**0**	**55,867**
Dividend payments to shareholders		0	– 33,385	0
Payments to non-controlling interests		0	0	0
Payments from non-controlling interests		0	0	0
Acquisition of non-controlling interests		0	1,611	0
As at 31.12.2012	**30**	**638,714**	**1,030,410**	**133,563**
As at 1.1.2013		**638,714**	**1,030,410**	**133,563**
Valuation cash flow hedge incl. reclassification	20	0	0	0
Income recognised directly in equity of associated companies	20	0	0	0
Currency translation reserve	20	0	0	0
Actuarial gains/losses IAS 19		0	0	0
Consolidated net income		0	0	48,337
Comprehensive income for 2013		**0**	**0**	**48,337**
Dividend payments to shareholders	30	0	– 33,385	0
Dividend payments from subsidiaries to non-controlling interests		0	0	0
Payments from non-controlling interests		0	0	0
Acquisition of non-controlling interests		0	17,982	0
As at 31.12.2013	**30**	**638,714**	**1,015,007**	**181,900**

Valuation result (hedging)	other reserves	Attributable toshareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
– 93,022	**– 1,009**	**1,684,563**	**124,892**	**1,809,455**
– 14,559	0	– 14,559	– 107	– 14,666
0	– 371	– 371	0	– 371
0	195	195	88	283
0	– 1,428	– 1,428	0	– 1,428
0	365	365	0	365
0	0	55,867	– 5,878	49,989
– 14,559	**– 1,239**	**40,069**	**– 5,897**	**34,172**
0	0	– 33,385	0	– 33,385
0	0	0	– 238	– 238
0	0	0	5,478	5,478
0	0	1,611	– 1,351	260
– 107,581	**– 2,248**	**1,692,858**	**122,884**	**1,815,742**
– 107,581	**– 2,248**	**1,692,858**	**122,884**	**1,815,742**
72,567	0	72,567	356	72,923
0	– 20	– 20	0	– 20
0	143	143	– 99	44
0	– 283	– 283	0	– 283
0	0	48,337	2,050	50,387
72,567	**– 160**	**120,744**	**2,307**	**123,051**
0	0	– 33,385	0	– 33,385
0	0	0	– 324	– 324
0	0	0	6,496	6,496
0	0	17,982	– 64,380	– 46,398
– 35,014	**– 2,408**	**1,798,199**	**66,983**	**1,865,182**

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2013

GENERAL NOTES

1. Information concerning the Company

CA Immobilien Anlagen Aktiengesellschaft and its subsidiaries (the "CA Immo Group"), is an international real estate group. The parent company is CA Immobilien Anlagen Aktiengesellschaft ("CA Immo AG"), which has its head office at 1030 Vienna, Mechelgasse 1. CA Immo Group owns, develops and manages office, hotel, commercial, logistic and residential properties in Austria and Germany as well as in Eastern Europe. CA Immo AG is listed in the prime market segment of the Vienna Stock Exchange and is included in the ATX (Austrian Traded Index of leading companies).

2. Accounting principles

The consolidated financial statements of CA Immo AG were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and fulfills thereby the additional requirements of §245a para. 1 of the Austrian General Accepted Accounting Principles (UGB). The consolidated financial statements are based on the acquisition cost method, with the exception of investment properties (including properties under development), properties held for sale, securities, derivative financial instruments and provisions for cash-settled share-based payment plans, which are measured at fair value. The net item for pension obligations comprises the present value of the obligation less the fair value of the plan assets.

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

3. Scope of consolidation

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

Changes in scope

	Full consolidation	Proportional consolidation	At equity
As at 1.1.2013	**221**	**42**	**3**
Acquisition of companies	7	5	0
New establishment of companies	0	2	0
Disposal of companies due to liquidation or restructuring	–11	–2	0
Disposal of companies due to the loss of control[1)]	–1	0	0
Diposal / transition consolidation of property companies	–12	–1	3
As at 31.12.2013	**204**	**46**	**6**
thereof foreign companies	174	45	5

1) In 2013 a Hungarian Group company has filed a petition in bankruptcy. For this reason, in April 2013 the company was deconsolidated. A deconsolidation profit in the amount of € 2,026 k was considered and shown as other operating income.

Acquisitions and disposals of companies and non-controlling interests

CA Immo Group acquired the following entities in 2013:

Company name/domicile	Purpose	Interest in %	Purchase price in € 1,000	Initial consolidation date
5 other companies	Holding company	51	10	1.1.2013
Warsaw Office Sp.z.o.o.	Holding company	50	1	1.1.2013
Berlin Office Sp.z.o.o.	Holding company	50	1	1.1.2013
AP Business Park (Poland) B.V.	Holding company	100	0	8.2.2013
CA Immo Wspólna Sp.z.o.o.	Holding company	100	0	21.6.2013
5 polish Holding companies	Holding company	50	12	1.10.2013
Total			**23**	

These purchase prices were paid in full in cash. The acquired companies are holding companies for the structuring of investment property transaction which do not apply to the scope of IFRS 3.

CA Immo Group disposed following interests on entities in the business year 2013:

Company name/domicile	Interest held in %	Sales price € 1,000	Deconsolidation date
REC Frankfurt Objekt GmbH & Co. KG, Frankfurt (Skyline Plaza)	40.00%	137,724	30.10.2013
9 limited partnerships in Frankfurt (Hessen-Portfolio)	94.80%	392,383	30.11.2013
Tower 185 Projekt GmbH & Co.KG, Frankfurt, inkl. 2 management companies (Tower 185)	66.68%	89,168	31.12.2013
Summe		**619,275**	

The sale prices were paid in full in cash. In the scope of the sale of interests in Tower 185 a purchase price adjustement was agreed which is effecitve within the following 24 months.

Due to the sale of the majority interests in the companies mentioned below, CA Immo Group has no more the control over the these. Therefore the companies have been deconsolidated. The remaining interests are shown as non current assets respectively as associated companies.The above mentioned disposals (measured as of the date of deconsolidation, as appropriate) had the following effect on the consolidated financial statements:

€ 1.000	**100% Hessen Portfolio**	**50% Skyline Plaza**	**100% Tower 185**	**Total**
Properties	–835,882	–153,310	–480,078	–1,469,270
Office equipment	0	0	–54	–54
Other assets	–43	–3,620	–3,384	–7,047
Cash and cash equivalents	–7,820	–1,495	–16,752	–26,067
Deferred taxes	0	0	12,943	12,943
Financial liabilities	498,314	0	299,105	797,419
Provisions	516	247	6,280	7,043
Other liabilities	53,543	2,676	6,054	62,273
Receivables from/payables to affiliated companies	–123,025	–17,663	45,688	–95,000
Net change	**–414,397**	**–173,165**	**–130,198**	**–717,760**
thereof proportional net assets sold	**–392,584**	**–138,425**	**–85,179**	**–616,188**

CA Immo acquired follwing non-controlling interests in the business year 2013:

Company/registered office	**Share %**	**Purchase price € 1,000**	**Acquisition date**
AXA "P1" Portfolio, Warsaw	49.00%	36,956	16.12.2013
CA Immo New Europe Property Fund, Luxembourg	30.00%	9,442	18.12.2013
Total		**46,398**	

These purchase prices were paid in full in cash. For the purchase of interests in the AXA “P1” portfolio an advanced payment in the amount of € 11,455 K for conditional purchase price components has been paid additionally.

Joint ventures

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

€ 1.000	31.12.2013	31.12.2012
Properties according to IAS 40	120,345	207,432
Other long-term assets	9	30,434
Properties held for trading	38,603	30,435
Other short-term assets	36,774	18,655
Deferred tax assets	75	616
Total assets	**195,806**	**287,572**
Long-term liabilities	83,864	88,533
Short-term liabilities	69,521	116,993
Deferred tax liabilities	6,389	8,138
Liabilities	**159,774**	**213,664**

€ 1.000	2013	2012
Rental income	9,929	13,343
Income from the sale of properties held for trading	7,106	1,089
Result from revaluation	710	7,482
Other income	11,144	5,228
Other expenses incl. book value of assets disposed	−11,132	−6,293
Operating result (EBIT)	**17,757**	**20,849**
Financial result	−4,091	−4,965
Net result before taxes (EBT)	**13,666**	**15,884**
Income tax	−1,848	6,724
Consolidated net income	**11,818**	**22,608**

At equity companies

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

€ 1.000	31.12.2013	31.12.2012
Properties according to IAS 40	903,708	387,049
Other long-term assets	198,288	154,151
Short-term assets	270,693	198,206
Long-term liabilities	883,276	483,352
Short-term liabilities	134,555	141,620
Group's share in net assets	**105,422**	**26,718**
	2013	**2012**
Gross revenues	171,753	211,207
Net income	−18,777	−22,067
Group's share in net income	**−6,672**	**−7,191**

As at 31.12.2013 – like at previous year – there were no unrecognised losses from associated companies given.

4. Accounting methods

a) Changes in the presentation and classification

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

Changes in the presentation due to the change of IAS 19

The amendment of IAS 19 requires the coverage of actuarial profits and losses from severance payment and pension obligations of CA Immo Group in the other comprehensive income. For the purpose of improved comparability, the amounts of the previous year were amended in consolidated income statement and consolidated statement of comprehensive income. Actuarial gains and losses related to the obligation (indirect expenses € +2,038 K) and related to the plan asset (result from financial investments €-44 K) incl. related income tax (€ -566 K) were shifted to other comprehensive income (not realised through profit or loss € -1,428 K). Additionally as of the respective 1.1., a reclassification from retained earnings to other reserves was done (1.1.2012: € 742 K, 1.1.2013: € 2,170 K) in the consolidated statement of financial position and in the statement of changes in equity.

First time adoption of IFRS 13

IFRS 13 "fair value measurement" establishs a consistent frame for the determination of the fair value and for the notes regarding the fair value, when a fair value measurement is permitted or demanded by a standard. Due to the prospective adoption of the standards no comparative information from the previous year is provided. The first time adoption of IFRS 13 has no significant effect on the valuation of the assets and liabilities of CA Immo Group

Bad debt allowance and project developments according to IAS 2

Additionally the presentation of the income from the release of bad debt allowances has been changed.From now on they will be set off with the expense from addition to the bad debt allowance. For the purpose of improved comparability, the amounts of the previous year were amended in consolidated income statement. This occurred in a shift amounting to € 1,744 k from "other operating income" into "other expenses directly related to properties rented".

According to the increase of developments balanced under IAS 2 these expenses are shown in the position other expenses directly related to properties under development since 2013. For the purpose of improved comparability, the amounts of the previous year were amended in consolidated income statement. This occurred in a shift in the amount of € 1,015 k from "trading result".

b) Methods of consolidation

All companies under the control of the parent company are fully consolidated in the consolidated financial statements. A company is initially consolidated as of the time at which control is transferred to the parent. Companies are deconsolidated when control ends. All intra-group transactions between companies included in the scope of full and proportional consolidation, the related income and expenses, receivables and payables, as well as unrealised intragroup profits, are eliminated in full (or proportionally in the case of proportional consolidation).

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

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

If the acquired company (legal entity) is no business, the acquisition is no business combination according to IFRS 3. Correspondingly the acquisition is only an acquisition of assets and liabilities, which are recognised with their proportionally acquisition cost. The acquisition cost is allocated to the acquired assets (especially properties) and liabilities as well as the non-controlling interests based on their relative fair value at the date of acquisition of the subsidiary.

If a business is acquired, the acquisition is classified as a business combination according to IFRS 3. The subsidiary is consolidated for the first time using the acquisition method, by recognising its identifiable assets and liabilities at fair value and a goodwill and non-controlling interests if applicable.

Non-controlling interests are reported according to the classification of the capital interest as either shareholders' equity or liabilities, as non-controlling interests within shareholders' equity respectively as other liabilities in the liabilities. Non-controlling interests are initially recognised at the proportional share in the recognised amounts of the acquired company’s identifiable net assets. Non-controlling interests are subsequently measured according to the changes in shareholders' equity attributable to the non-controlling interests. Total comprehensive income is attributed to the non-controlling interests even if this results in a negative balance of non-controlling interests.

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

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

Joint ventures

CA Immo Group founds joint ventures with one or more partner companies in the course of establishing property rental or project development partnerships, whereby joint management of these ventures is established by contract. Interests in jointly managed companies are included proportionally in the consolidated financial statements of CA Immo Group. The Group's interests in the assets, liabilities, income and expenses of jointly managed companies are allocated to the relevant line items of the consolidated financial statements.

At equity companies

An associated company is an entity under significant influence of the Group that is neither a subsidiary nor an interest in a joint venture.

The results, assets and liabilities of associated companies are included in the financial statements using the equity method of accounting (AE – at equity). According to the equity method, investments in associates are initially recognised at the date of acquisition in the consolidated statement of financial position at cost including directly attributable ancillary costs. The subsequent measurement is effected by an increase/decrease of this value, based on the Group’s share in the profit or loss and the other comprehensive income, dividend payouts,contributions and other changes in the equitiy of the associated company, as well as through allowance of an impairment of the interests as an result of an impairment test.

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

c) Foreign currency translation

Transactions in foreign currencies

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

		Acquisition 31.12.2013	Sale 31.12.2013	Acquisition 31.12.2012	Sale 31.12.2012
Switzerland	CHF	1.2186	1.2314	1.2002	1.2130
USA	USD	1.3725	1.3825	1.3156	1.3256

Translation of individual financial statements denominated in foreign currencies

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

The functional currency of the subsidiaries in Ukraine, the management companies in Eastern Europe as well as the hotel operation companies in Czech Republic is the respective local currency. The amounts in the statements of financial position are translated at the exchange rate at the reporting date. Only shareholders' equity is translated at historical rates. Items of the income statement are translated at the average exchange rates of the relevant reporting period. Gains and losses arising from the application of the closing rate method are recognised in other comprehensive income.

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

		Closing rate 31.12.2013	Closing rate 31.12.2012	Average exchange rate 2013	Average exchange rate 2012
Bulgaria	BGN	1.9558	1.9558	1.9558	1.9558
Croatia	HRK	7.6376	7.5500	7.5771	7.5243
Poland	PLN	4.1472	4.0882	4.2110	4.1721
Romania	RON	4.4847	4.4287	4.4157	4.3666
Russia	RUB	45.2000	40.2300	42.6099	40.0507
Serbia	RSD	114.6421	112.4000	113.0774	113.5209
Czech Republic	CZK	27.4250	25.1400	26.1958	25.0979
Ukraine	UAH	11.0415	10.5372	10.6421	10.3768
Hungary	HUF	296.9100	291.2900	298.0734	287.7321

d) Properties

Classification

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

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

Properties are recognised as held for trading if the property concerned is intended for sale in the ordinary course of business or is under construction for subsequent sale in the ordinary course of business.

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

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

Valuation

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

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

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

Office furniture, equipment and other assets are depreciated straight-line over their estimated useful life, which generally ranges from 3 to 40 years. The estimated useful life of the own used properties applying the principle that each part of an item with a significant cost shall be depreciated separately is 50 to 75 years for the structural work, 15 to 50 years for the façade, 20 to 25 years for the building equipment and appliances, 15 to 25 years for the roof, and 10 to 20 years for the tenant's finishing works.

Borrowing costs arising during property construction are allocated to the production costs if they are directly attributable to a qualifying asset. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. In cases in which loan capital is not directly attributable to an individual qualifying asset, the proportional amount of the total financing costs is allocated to the qualifying asset. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Determination of fair value

Around 99.9 % (31.12.2012: 99.5 %) of the properties in Austria, about 94.6 % (31.12.2012: 97.9 %) of the properties in Germany, and about 94.0 % (31.12.2012: 99.9 %) of the properties in Eastern Europe were subject to an external valuation as of the reporting date 31.12.2013. The values of the other properties were determined internally on the basis of the previous year's valuations or binding purchase agreements.

The external valuations are made in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS). The RICS defines the market value as the estimated amount for which an asset or liability could exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The valuation method applied by the expert for each property particularly depends on the property's stage of development and its type of use.

Rented commercial properties, which constitute the largest portion of CA Immo Group's portfolio, are valued mainly by the investment method. Under this method, the market values are based on capitalised future expected rental income. Besides the current contractual rents and lease expiration profile, the appraiser establishes and considers further parameters on the basis of professional judgment and estimates including in particular the long-term achievable market rent for an individual property (ERV: expected rental value) as well as property specific, risk adjusted yields (equivalent yields).

In Austria the equivalent yields remain stable at prior year's level ranging from 3.75 % to 8.5 % (31.12.2012: 3.0 % to 8.5 %). The majority of properties range in the middle of 5.77 %. Also in Germany a widely stable equivalent yield can be monitored, as the market counts as above-average stable. Here capitalization-/discount-rates as at 31.12.2013 from 4.25% to 8.75 (31.12.2012: 4.25% to 9.5%) has been used, whereat the majority of properties range in the middle from 5.0% to 6.5%. The trends in Eastern Europe are repeatedly inconsistent. For office projects in Hungary the interest rates range from 7.5% to 8.5% (31.12.2012: 7.5% to 9.25%, in Romania from 7.9% to 8.75% (31.12.2012: 7.9% to 10%), in Czech Republic from 6.65% to 9.25%, in Serbia from 8.6% to 9.0% (31.12.2012: 8.4% to 9%) and in Poland from 6.38 % to 8.12% (31.12.2012: 6.6% to 8.0%). For the hotel properties in the portfolio in Slovenia and Czech Republic the yields remained widely stable at 8.8% to 10.0% (31.21.2012: 8.8% to 10.0%). Considerably variations can be observed for the logistic portfolio. Thus the yields for logistic properties range in Hungary from 9.0% to 9.25% (31.12.2012: 9%), in Romania consistently at 9,5% (31.12.2012: 10.0%) and in Poland from 8.9% to 9.62% (31.12.2012: 9.5% to 9.9%).

For properties under development and construction the residual method is applied. Under this method, the market value is based on the estimated market value upon completion, less expected outstanding expenses and after applying a reasonable developer profit in the range of 7.0 % to 15.0% (31.12.2012: 4.0 % to 17.5 %). Developer profit for properties under development that are nearly completed ranges at the bottom of the margin according to their reduced risk. Potential risks are considered in the estimated future rents and/or capitalisation/discount rates. Interest rates in Germany are ranging from 3.75 % to 6.15 %. They vary in particular depending on the general market climate, location and type of use. The nearer a project is to completion, the greater the portion of parameters that are based on actual or contractually fixed amounts. After completion or right before completion, the properties are valued by applying the investment method (see above), adjusted for outstanding work.

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

Class of property Valuation technique investment method	Book value as at 31.12.2013 € 1.000	Inputs	Range 2013
Office Austria	316,810	Actual-rent €/m² p. m.	5.23 to 16.28
		Plan-rent €/m² p. m.	6.00 to 14.50
		average remaining lease term	6.43 Years
		average vacancy	6.86%
Office Germany	423,613	Actual -rent €/m² p. m.	3.34 to 35.52
		Plan-rent €/m² p. m.	8.00 to 30.00
		average remaining lease term	7.61 Years
		average vacancy	5.57%
Office Eastern Europe	1,511,403	Actual -rent €/m² p. m.	6.45 to 22.59
		Plan-rent €/m² p. m.	7.77 to 21.75
		average remaining lease term	3.6 Years
		average vacancy	15.90%
Office total	2,251,826		
Retail Austria	140,437	Actual -rent €/m² p. m.	5.24 to 72.42
		Plan-rent €/m² p. m.	4.44 to 68.39
		average remaining lease term	6.99 Years
		average vacancy	1.54%
Retail Eastern Europe	54,930	Actual -rent €/m² p. m.	3.78 to 11.82
		Plan-rent €/m² p. m.	1.38 to 12
		average remaining lease term	5.09 Years
		average vacancy	16.80%
Retail total	195,367		
Hotel Austrai	103,036	Actual -rent €/m² p. m.	10.40 to 10.66
		Plan-rent €/m² p. m.	10.40 to 11.00
		average remaining lease term	14 Years
		average vacancy	0.00%
Hotel Germany	71,500	Actual -rent €/m² p. m.	15.54 to 15.86
		Plan-rent €/m² p. m.	15.54 to 15.86
		average remaining lease term	18.02 Years
		average vacancy	0.00%
Hotel Eastern Europe	39,527	Actual -rent €/m² p. m.	6.7
		Plan-rent €/m² p. m.	6.7
		average remaining lease term	8.4 Years
		average vacancy	0.00%
Hotel total	214,063		
Other Austria	130,136	Actual -rent €/m² p. m.	0.80 to 11.27
		Plan-rent €/m² p. m.	2.50 to 13.00
		average remaining lease term	6.5 Years
		average vacancy	10.00%
Other Germany	541,793	Actual -rent €/m² p. m.	1.80 to 8.80
		Plan-rent €/m² p. m.	1.80 to 7.00
		average remaining lease term	4.31 Years
		average vacancy	1410.50%
Other Eastern Europe	379,093	Actual -rent €/m² p. m.	2.58 to 7.85
		Plan-rent €/m² p. m.	2.65 to 5.5
		average remaining lease term	1.8 Years
		average vacancy	32.20%
Other total	1,051,022		

Class of property Valuation technique residual value	Book value as at 31.12.2013 € 1.000	Inputs	Range 2013
Office Germany	75,680	Plan-rent €/m² p. m.	16.50 to 21.00
		Construction cost €/m²	1,450 to 2,100
		Related cost in % of Constr. cost	15 to 19
Office Eastern Europe	2,755	Plan-rent €/m² p. m.	15.87
		Construction cost €/m²	1150
		Related cost in % of Constr. cost	16
Office total	78,435		
Other Austria	14,300	Plan-rent €/m² p. m.	10.50 to 12.50
		Construction cost €/m²	1293
		Related cost in % of Constr. cost	13
Other total	14,300		

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

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

Interdependency between the input factors

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

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

Those both input factors act strengthen – as well in a positive as in a negative way – when they appear jointly. This means that a strengthen demand for rental space as well as a simultaneously strengthen demand for such investment property would cause an even more strongly increase of the fair value. Vice versa a decrease in the demand for rental space as well as a decreased market demand investment property would cause an even more strongly decrease of the fair value.

At properties under development there is another essential input factor added: The construction costs. The construction cost does not influence the fair value directly (apart from quality improving constructions), but the profitability of the project. Given that the calculated construction costs could change during the development phase market related(e.g. shortage of resources on the markets) as well as planning-related (e.g.at necessary additional modification, unforeseeable handicaps, etc.), they have a significant influence on the profibility. These additional risks are appropriately considered in a developer's profit (risk/profit) in the total construction costs.

e) Intangible assets

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

A possible impairment is directly connected to the change of the fair value of the property of the cash generating unit. Therefore only parameters are used for the impairment test, which were determined by the appraisers within the scope of the external property valuation, or such parameters given by local tax legislation.

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

f) Impairment losses

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

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

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

Goodwill is tested for impairment at each balance sheet date, with individual properties representing the cash generating unit. Due to the specific nature of the recognised goodwill, the recoverable amount for the cash generating unit cannot be determined without taking into account the expected tax charge in case of selling individual properties. Hence, the book value of the cash generating unit includes, in addition to the allocated goodwill, the directly attributable deferred tax liability of the single properties determined at the time of the company’s acquisition. The recoverable amount is determined on the basis of fair value. The fair value of a property is determined on the basis of external valuation reports. The present value of the income tax payments was determined considering after-tax interest rates (the respective yield of the valued property less the effect of the tax rate in the respective country) of expected income tax payments.

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

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

Other interests in companies

Interests in companies which are not consolidated due to lack of control, and which are neither significantly influenced by the Group are assigned to the category "available for sale/at cost" (AFS/AC). Since a listed price on an active market is not available and the fair value cannot be reliably established, the other interests are measured at acquisition cost.

Loans

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

Receivables and other financial assets

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

An impairment loss on receivables and other assets is calculated based on the status of the dunning procedure, the past due date, and the individual credit rating of the relevant debtor, taking into account any security received and is recognised when there is objective indication that the receivables cannot be collected in full. Uncollectible receivables are derecognised. Subsequent payments in respect of receivables for which impairment losses have been recognised are recognised in the consolidated income statement.

Receivables from the sale of properties having a maturity of more than one year are recognised as non-current receivables at their present values as of the respective reporting date.

Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits with banks, as well as fixed-term deposits with an original term of up to three months. This item also includes cash in banks subject to drawing restrictions for a period of less than 3 months. Cash in banks subject to drawing restrictions with a longer period are presented in “receivables and other assets”.

Interest-bearing liabilities

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

Other financial liabilities

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

For current other liabilities, the fair value generally corresponds to the estimated sum of all future payments. At time of contribution, non-current other liabilities (received advance payments) are considered at their market value and are accumulated at market rates of sight deposits.

Derivative financial instruments

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

Derivative financial instruments are presented in non-current assets or liabilities if the remaining term of the instrument exceeds twelve months and realisation or settlement within twelve months is not expected. All other derivative financial instruments are presented in current assets or liabilities.

The method applied by CA Immo Group when recognising gains and losses from derivative financial instruments depends on whether or not the criteria for cash-flow hedge accounting (hedging of future cash flows) are met. CA Immo Group exclusively pursues a micro-hedging strategy, whereby the hedging instrument is directly assigned to an individual underlying transaction (loan agreement).

In case the derivative financial instruments fulfill the criteria of a cash flow hedge accounting, the effective portion of the change in fair value is recognised not affecting the net income in other comprehensive income. The ineffective portion is immediately recognised as an expense in the item "Result from interest derivative transactions". The gains or losses from the measurement of the cash flow hedges recognised in the other comprehensive income are reclassified into profit or loss in the period in which the underlying transaction becomes effective or the expected cash flows are no longer expected to occur. The effectiveness of the hedging relationship between the hedging instrument and the underlying transaction is assessed and documented at the inception of the hedge and subsequently reassessed on an ongoing basis.

Derivative financial instruments no longer qualifying for cash flow hedge accounting, such as e.g. interest rate caps, floors and swaps without a concurrent loan agreement, are referred to as "fair value derivatives" to clearly distinguish these instruments from cash flow hedges. This is for example at interest swaps, swaptions, interest caps and interest floors without a parallel running loan contract the case. Pursuant to IAS 39, derivatives not qualifying for hedge accounting are assigned to the category "held for trading" (HFT). Changes in the fair value are therefore recognised entirely in profit or loss in the item "Result from interest derivative transactions".

The fair values of interest rate swaps, Swaptions, caps and floors are calculated by discounting the future cash flows from variable payments on the basis of generally accepted finance-mathematical models. The interest rates for the discount of the future cash flows are estimated on basis of an interest curve which is observable on the market. For the calculation the interbank middle rates are used.

A correction of the valuation of interest derivatives based on CVA (counterpart value adjustment) and DVA (Debt Value Adjustment) was omitted due to materiality reasons.

h) Construction contracts

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

i) Other non-financial instruments

Other non-financial assets mainly consist of prepayments made on investment properties, receivables from fiscal authorities and prepaid expenses. They are measured at cost less any impairment losses.

Other non-financial liabilities refer to liabilities to fiscal authorities and short-term rent prepayments. They are initially recognised in the amount corresponding to the estimated outflow of funds. Changes in value arising from updated information are recognised in profit or loss.

j) Assets held for sale and disposal groups

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

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

k) Payment obligations to employees

Variable remuneration

In business year 2010, the members of the Management Board were offered to participate in an LTI (long-term incentive) programme with a term of three years for the first time. Participants are required to invest own funds, subject to a ceiling of 50 % of their annual base salary. Performance is measured according to the following indicators: NAV growth, ISCR (interest coverage ratio) and TSR (total shareholder return). Members of the first management level were also offered to participate in the LTI scheme. Their own investment is limited to 35 % of their basic salary. In the business years 2011, 2012 and 2013, the LTI programme was continued and the members of the Management Board and first management level were again offered to participate. The key indicators of the 2010 LTI programme were NAV growth, ISCR and TSR, but the weighting of these factors was revised and the target values were raised.

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

Defined benefit plans upon termination of employment

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

Each year, external actuarial calculations are obtained for the defined benefit pension obligations. The defined benefit obligation or liability is calculated according to IAS 19 using the projected unit credit method and based on the following parameters:

	31.12.2013	31.12.2012
Interest rate	2.82%	2.96%
Salary increases expected in the future	2.0%	2.0%
Accumulation period	25 years	25 years
Expected income from plan asset	2.82%	2.96%

Actual return on plan assets for 2013 is 2.0 % (2012: 3.7 %).

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

CA Immo Group has the legal obligation to make a one-time severance payment to staff employed in Austria before 1.1.2003 in the event of dismissal or retirement. The amount of this payment depends on the number of years of service and the relevant salary at the time the settlement is payable. It varies between two and twelve monthly salary payments. According to IAS 19, a provision is recognised for this defined benefit obligation.

Defined contribution plans

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

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

l) Other provisions and contingent liabilities

Other provisions are recognised if CA Immo Group has a legal or constructive obligation towards a third party as a result of a past event and the obligation is likely to lead to an outflow of funds. Such provisions are recognised in the amount representing the best possible estimate at the time the consolidated financial statements are prepared. If the present value of the provision determined on the basis of prevailing market interest rates differs substantially from the nominal value, the present value of the obligation is recognised.

If the amount of an obligation cannot be estimated reliably, the fund flow from the obligation is not likely or the occurrence of the obligation depends on future events it represents a contingent liability. In such cases, a provision is not recognised and an explanation of the facts is disclosed in the Notes.

m) Taxes

Income tax expense reported for the business year contains the income tax on the taxable income of the individual subsidiaries calculated at the tax rate applicable in the relevant country ("current tax"), and the change in deferred taxes recognised in profit and loss ("deferred tax"), as well as the tax effect arising from amounts recognised in equity not giving rise to temporary differences and recognised in equity (e.g. taxes related to issuing costs of capital increases and subscription rights due to convertible bonds, the measurement and sale of treasury shares, and – in some cases – the measurement of derivative transactions). Changes in deferred taxes resulting from foreign currency translation are included in deferred income tax expense.

In line with IAS 12, the calculation of deferred taxes is based on all temporary differences between the tax base of assets or liabilities and their book values in the consolidated statement of financial position. Deferred tax assets on tax losses carried forward are recognised taking into account the fact whether they can be carried forward indefinitely or only up to a certain time as well as the extent of their expected use in the future. The amount of the deferred tax asset recognised is determined based on projections for the next 5 to 7 years which show the expected use of the tax losses carried forward in the near future and on the existence of sufficient taxable temporary differences, mainly resulting from investment property.

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

Country	Tax rate 2013	Tax rate 2012	Country	Tax rate 2013	Tax rate 2012
Bulgaria	10.0%	10.0%	Switzerland	31.9%	31.9%
Germany	15.8% to 31.9%	15.8% to 31.9%	Serbia	15.0%	15.0%
Croatia	20.0%	20.0%	Slovakia	22.0%	23.0%
Luxembourg	28.6%	28.6%	Slovenia	17.0%	17.0%
Netherlands	20.0%	20.0%	Czech Republic	19.0%	19.0%
Austria	25.0%	25.0%	Ukraine	16.0%	19.0%
Poland	19.0%	19.0%	Hungary	10.0% / 19.0%	10.0% / 19.0%
Romania	16.0%	16.0%	Cyprus	12.5%	10.0%
Russia	20.0%	20.0%			

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

For certain entities within the CA Immo Germany Group a tax group has been established in accordance with German income tax legislation. Head of the tax group is CA Immo Deutschland GmbH, Frankfurt. Based on profit and loss transfer agreements the members of the tax group are required to transfer their entire profit to the head of the group (being the annual surplus before the profit transfer, less any loss carried forward from the previous year and after recognition or release of reserves). The head of the group has an obligation to balance any annual deficit arising in a group entity during the term of the agreement to the extent that such deficits exceed the amounts which can be released from other reserves that have been allocated out of profits earned during the term of the agreement.

n) Leases

CA Immo Group determines whether an arrangement contains a lease based on the economic substance of the arrangement and evaluates whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement contains a right to use the asset, even if such right is not explicitly stated in the agreement.

o) Operating segments

The operating segments were identified on the basis of the information regularly used by the company's principal decision makers when deciding on the allocation of resources and assessing profitability. The principal decision-making body of CA Immo Group is the Management Board. It controls the individual properties that are aggregated into reportable business segments by regions, and within the regions by income producing property and property under development. The properties are allocated to the segments according to region/country, their category and the main activities of the management/holding companies. Items that cannot be directly attributed to a property or segment management structure are disclosed in the column “Holding”. The presentation corresponds to CA Immo Group’s internal reporting system. The following segments have been identified:

- Income producing properties: Investment properties rented, own used properties (including hotel operations) and investment properties pursuant to IFRS 5
- Development: Properties under development and land banks, completed development properties (investment properties) until the second annual reporting date after completion (depending on the tenancy rate or beginning of sales process), development services for third parties, properties under development pursuant to IFRS 5, and properties held for trading
- Holding: General management and financing activities of CA Immo AG, Vienna

p) Revenue recognition

Rental income is recognised on a straight-line basis over the term of the lease unless a different recognition method is more appropriate. Lease incentive agreements, such as rent-free periods, reduced rents for a certain period or one-off payments are included in rental income. Therefore, the lease incentives are allocated on a straight-line basis over the entire expected contractual lease termaccordingly. In the case of leases with constant rent adjustment over the term (graduated rents), such adjustments are recognised on a straight-line basis over the term of the lease likewise. Any adjustments attributable to inflation, in contrast, are not spread over the underlying term of the lease.

The term of a lease over which rental income is allocated on a straight-line basis comprises the non-terminable period as well as any further periods for which the tenant can exercise an option, with or without making additional payments, provided that the exercise of the option is estimated as being probable at the inception of the lease.

Conditional rental income, like for example any amounts which are conditional on the revenues generated in the business premises, are recognised in profit or loss in the period in which they are assessed.

Rental income is measured at the fair value of the consideration received or outstanding, less any direct reductions in rent income.

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

Operating costs incurred by CA Immo Group for properties rented to third parties which are charged to tenants are presented in the consolidated income statement in “Operating costs charged to tenants”.

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

Income from the sale of properties is recognised when

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

Non-current payments received in advance (prepayments received) are measured with their capital value and accreted upon subsequent measurement with a reasonable market interest rate reflecting maturity and risk. The accreted interest is recognised in the consolidated income statement in financial result.

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

If a contract for the construction of a property is recognised as a construction contract which means that the sponsor can exercise significant influence on the constructions of the property related income is recognised – in compliance with IAS 11 – by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is determined according to the ratio of contract costs incurred for work performed as of the reporting date to the estimated total contract costs.

Given there is no customized project planning which means that the purchaser has only limited options to influence the construction of the property, it is an agreement for the sale of goods within the scope of IAS 18.

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

q) Result from the sale of investment properties

In accordance with IAS 40, investment properties are measured as of each quarterly reporting date and, as a general rule, changes in fair values are recognised in the consolidated income statement as result from revaluation (revaluation gain/loss). When property assets are sold the valuation gain/loss realised during the current business year to date is reclassified to the result from the sale of investment properties together with the other gain/loss on disposal. Likewise, any goodwill that has been allocated to a property sold is recognised within the result from the sale of investment properties.

r) Indirect expenses

CA Immo Group capitalizes indirect expenses (mainly personnel expenses) to the extent that they can be attributed to the construction cost of properties under development and properties held for trading. These internally-produced capitalised expenses and capitalised changes in work-in-progress respectively are reported as correction of the indirect expenses.

s) Financial result

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

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

Foreign currency gains and losses mainly relate to the result of exchange rate differences in connection with financing and investment transactions, as well as the changes in value and the result from the realisation of forward exchange transactions.

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

The result from financial investments includes interest, dividends and other income from the investment of funds and investments in financial assets and the expected return on plan assets.

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

t) Significant judgments, assumptions and estimates

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

Property valuation

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

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

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

The property values established by external appraisers depend on several parameters, some of which influence each other in a complex way. For the purposes of a sensitivity analysis for sub-portfolios in respect of changes in value caused by the change in one parameter, simplified assumptions were made below in order to present possible changes.

The table below illustrates the sensitivity of the fair value to a change in rental income (for the purposes of this model, defined as sustainable (reversionary) rent) and in the cap rate (term yield and reversionary yield). It is based on the wholeasset portfolio (based on a valuation with the investment method) The portfolio consists of 34 properties in Austria, 18 in Germany, and 49 in Eastern Europe.In total the market value of these 101 investment properties amounts to € 3.055 m.

				Change in sustainable rent of	
Change in yield (in % of initial yield)	**– 10%**	**– 5%**	**0%**	**5%**	**10%**
– 10%	0.30%	4.70%	9.20%	13.60%	18.00%
– 5%	– 4.10%	0.20%	4.40%	8.50%	12.70%
0%	– 8.00%	– 4.00%	0.00%	4.00%	7.90%
+5%	– 11.60%	– 7.80%	– 4.00%	– 0.20%	3.60%
+10%	– 14.90%	– 11.30%	– 7.60%	– 4.00%	– 0.40%

For the development projects, the table below illustrates the sensitivity of the fair value to an increase or decrease in the calculated outstanding development and construction costs. It is based on the development projects under construction in Germany.

				Still outstanding capital expenditures	
in € m	**– 10%**	**– 5%**	**Initial value**	**+5%**	**+10%**
Still outstanding capital expenditures	518.5	547.3	576.1	604.9	633.7
Fair value	315.9	287.1	258.2	229.4	200.6
Changes to initial value	22.0%	11.0%	0.0%	– 11.0%	– 22.0%

The calculated scenarios indicate only a snap-shot as of the balance sheet date, where the fair value corresponds about 45% of the expected outstanding investment costs. As the stage of completion of the buildings and procurement of building approval advances – under else similar conditions – the value percentage will successively change in the fair value's favour.

Taxes

All companies with property holdings are subject to local income tax on both rental income and capital gains in their respective countries. Significant estimates are required in respect of the amount of income tax provisions to be recognised. Moreover, it needs to be determined to which extent the deferred tax assets should be recognised in the Group's financial statements.

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

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

Measurement of interest rate derivatives

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

A correction of the measurement of the interest rate derivatives due to CVA (Counterparty Value Adjustment) was omitted due to inessentiality reasons.

The application of cash flow hedge accounting (hedging of future cash flows) for interest rate swaps requires an assessement of probability of occurrence of the future hedged cash flows from variable interest of financial liabilites. The probability depends on the existence and – in case the maturity date of the financial liability being earlier than the maturity date of the interest rate swap – on the immediate refinancing of the financial liability. As soon as it is no longer highly probable that the hedged cash flows will occur, hedge accounting is termined and the accumulated gains and losses previously reported in other comprehensive income (equity) are realised through profit and loss.

u) Fair value measurement

IFRS 13 defines the fair value as the price, which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The price could be directly observable or estimated using valuation techniques.Appropriate to the used inputs for the measure of the fair values, measurement hierarchies are differed in following stages:

a) Stage 1: quoted prices in active markets for identical assets or liabilities
b) Stage 2: inputs that are observable for the measurement of assets or liabilities, either directly or indirectly
c) Stage 3: inputs are unobservable for the measurement of assets or liabilities

Hierarchy of the fair values

31.12.2013			**Measurement hierarchy acc. to IFRS 13**	
€ 1.000	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties	0	0	3,108,487	3,108,487
investment properties under development	0	0	486,355	486,355
Investment property	**0**	**0**	**3,594,842**	**3,594,842**
Financial assets HFT	0	2,109	0	2,109
Financial instruments by category (assets)	**0**	**2,109**	**0**	**2,109**
Assets in disposal groups held for sale	0	0	118,190	118,190
Assets in disposal groups held for sale	**0**	**0**	**118,190**	**118,190**
Financial liabilities HFT	0	– 56,960	0	– 56,960
Financial liabilities CFH	0	– 48,605	0	– 48,605
Financial instruments by category (liabilities)	**0**	**– 105,565**	**0**	**– 105,565**
Total	**0**	**– 103,456**	**3,594,842**	**3,491,385**

31.12.2012			Measurement hierarchy acc. to IFRS 13	
€ 1.000	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties	0	0	4,391,378	4,391,378
investment properties under development	0	0	726,988	726,988
Investment property	**0**	**0**	**5,118,365**	**5,118,365**
Financial assets HFT	0	1	0	1
Financial instruments by category (assets)	**0**	**1**	**0**	**1**
Assets in disposal groups held for sale	0	0	53,794	53,794
Assets in disposal groups held for sale	**0**	**0**	**53,794**	**53,794**
Financial liabilities HFT	0	– 77,354	0	– 77,354
Financial liabilities CFH	0	– 138,008	0	– 138,008
Financial instruments by category (liabilities)	**0**	**– 215,362**	**0**	**– 215,362**
Total	**0**	**– 215,361**	**5,118,365**	**4,903,004**

€ 1.000	Rental investment properties	investment properties under development	Assets held for sale	Derivatives
As at 1.1.2012	**4,183,202**	**934,482**	**57,835**	**– 186,442**
Additions	74,271	160,261	744	0
Valuation (through profit or loss)	– 19,863	20,363	6,085	– 11,154
Valuation (through equity)	0	0	0	– 17,765
Disposals	– 125,857	– 35,013	– 43,675	0
Other reclassifications	278,455	– 353,255	32,806	0
Change in Lease incentives / other changes	1,169	150	0	0
As at 31.12.2012	**4,391,378**	**726,988**	**53,794**	**– 215,361**
Foreign currency gains/losses	0	– 791	0	4
Additions	45,103	127,212	340	2,108
Valuation (through profit or loss)	15,529	– 1,171	– 5,244	– 32,013
Valuation (through equity)	0	0	0	89,078
Disposals	– 1,572,935	– 41,443	– 44,263	52,727
Other reclassifications	214,743	– 324,290	113,563	0
Change in Lease incentives / other changes	14,669	– 150	0	0
As at 31.12.2013	**3,108,487**	**486,355**	**118,190**	**– 103,456**

There were no reclassifications between the stages.

v) New and revised standards and interpretations

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

The following standards and interpretations, already adopted by the EU, were applicable for the first time in the business year 2013:

standard / interpretation	Content	entry into force[1)]
IFRS 7	Amended IFRS 7: Disclosures - Transfers of Financial Assets	1st January 2013
IAS 19	Amended IAS 19: Employee Benefits	1st January 2013
IFRS 13	New Standard: Fair Value Measurement	1st January 2013
IAS 12	Amended IAS 12: Deferred Tax: Recovery of Underlying Assets	1st January 2013
IFRS 1	changes in IFRS 1: no complete retrospective appliance of the IFRS at Government Loans	1st January 2013
IFRIC 20	New Interpretation: Stripping Costs in the Production Phase of a Surface Mine	1st January 2013

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

New and revised standards and interpretations that are not yet compulsory

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

standard / interpretation	Content	entry into force[1]
IAS 27	Revised IAS 27: Separate Financial Statements	1.1.2014
IAS 28	Revised IAS 28: Investments in Associates and Joint Ventures	1.1.2014
IAS 32	Amended IAS 32: Offsetting Financial Assets and Financial Liabilities	1.1.2014
IFRS 10	New Standard: Consolidated Financial Statements	1.1.2014
IFRS 11	New Standard: Joint Arrangements	1.1.2014
IFRS 12	New Standard: Disclosures of Interests in Other Entities	1.1.2014
IAS 39	changes in IAS 39: Novation of derivatives and continuation of Hedge Accounting	1.1.2014
IAS 36	changes in IAS 36: Notes: recoverable amount disclosures for non-financial assets	1.1.2014

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

The revisions and interpretations listed above are not being adopted early by CA Immo. The first-time application of IFRS 10 to IFRS 12 will partly have significant effect on the presentation of the financial position of CA Immo Group and its financial performance. The first-time application of the other new standards and revisions is not expected to have a significant effect.

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

Expected impact of the new IFRS Standards on the consolidated financial statement

Due to the changed control concept the method of consolidation of various companies changes in the consolidated financial statement of CA Immo Group. In addition is according IFRS 11 the application of proportional consolidation for joint ventures prohibited. Joint ventures have to be consolidated under IFRS 10 and 11 using the equity method. The following table shows how the reduced consolidated income statement for 2013, the reduced consolidated statement of comprehensive income as well as the reduced consolidated balance sheet as at 31.12.2013 of CA Immo Group are modified under the retrospective application of IFRS 10 and IFRS 11.

The new standards affect primarily that henceforth plenty of companies, which had been consolidated proportionally as joint ventures or as companies, which had been fully consolidated with non-controlling interests, are consolidated according to the equity method. This causes that the interests of the companies are no longer part of the miscellaneous items in the consolidated income statement respectively balance sheet. All assets and liabilities are presented as a net investment as within the long term assets. The current results of the joint ventures are recognized as "result from joint ventures" in the consolidated income statement.

Basically the result for the interests of the shareholders of the parent company remains unchanged, the difference in the comprehensive income 2013 arises through the purchase of non-controlling interests as at 31.12.2013. According to the new standards the acquisition of the non-controlling interest leads to control and therefore to an initial consolidation. The difference between proportional acquisition cost and the fair value of the held investment property is recognized in the group's profit and loss statement.   former interest of 51% until the end of 2013 has been classified as a joint venture and thereby as an investment. Furthermore result the differences in the scope of consolidation in income relevant effects out of the elimination of intercompany accounts.

€ m	2013 according to IAS 27 + 28	changes due to IFRS 10 + 11	2013 according to IFRS 10 + 11
Net rental income	251	– 78	172
Net operating income	**262**	**– 67**	**195**
EBITDA	**296**	**– 80**	**216**
Operating result (EBIT)	**255**	**– 12**	**244**
Financial result	– 172	32	– 140
Net result before taxes (EBT)	**84**	**20**	**104**
Income tax	– 33	5	– 28
Consolidated net income	**50**	**26**	**76**
thereof attributable to the owners of the parent	**48**	**27**	**76**
Earning per share in € (basic)	€ 0.55	€ 0.31	€ 0.86
Earnings per share in € (diluted)	€ 0.53	€ 0.28	€ 0.80

€ m	2013 according to IAS 27 + 28	changes due to IFRS 10 + 11	2013 according to IFRS 10 + 11
Consolidated net income	**50**	**26**	**76**
Other comprehensive income			
Other comprehensive income for the period (realised through profit or loss)	73	0	73
Other comprehensive income for the period (not realised through profit or loss)	0	0	0
Other comprehensive income for the period	**73**	**0**	**73**
Comprehensive income for the period	**123**	**25**	**149**
thereof attributable to non-controlling interests	2	– 2	0
thereof attributable to the owners of the parent	**121**	**27**	**148**

Expected impact of the new IFRS Standards on the consolidated balance sheet

Assets and liabilities of the joint ventures are no longer shown in the single items of the consolidated balance sheet. Instead the net assets of these companies are shown as an investment in joint ventures as an item of the consolidated balance sheet. Receivables and liabilities against joint ventures, which had been eliminated in the past, are now recognised in the consolidated balance sheet and measured. This results in a shortened balance sheet sum and simultaneously in a higher equity ratio.

€ m	31.12.2013 according to IAS 27+28	changes due to IFRS 10 + 11	31.12.2013 according to IFRS 10+11
ASSETS			
Long-term assets	3,908	– 752	3,156
Short-term assets	1,003	– 118	884
Total assets	**4,911**	**– 870**	**4,040**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Attributable to the owners of the parent	**1,798**	**– 4**	**1,795**
Non-controlling interests	67	– 67	0
Shareholders' equity	**1,865**	**– 71**	**1,795**
Shareholders' equity as a % of total assets	38.0%	8.1%	44.4%
Long-term liabilities	1,974	– 512	1,462
Short-term liabilities	1,072	– 288	784
Total liabilities and shareholders' equity	**4,911**	**– 870**	**4,040**

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

1. Segment reporting

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

Business relationships within an operating segment are consolidated within the segment. Business relationships with other operating segments are disclosed separately and reconciliations to the consolidated income statement and consolidated statement of financial position are presented in the "Consolidation" column.

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

Transactions between operating segments are allocated as follows:

- Personnel costs directly attributable to a business segment are recognised in the relevant segment.
- Management fees for services performed by the holding segment (e.g. accounting, controlling, general expenses) are charged on basis of actual costs and are allocated to the individual segments on the basis of the invoiced services. They are recognised in the column “Holding” as other operating income.
- Management companies are assigned to the segments according to their main activities. Management fees charged by these companies are allocated based on the invoiced services to the individual operating segment of the respective region and are recognised in the segment, which the management company has been assigned to, as other operating income.

€ 1.000 2013	Income producing	Development	Austria Total	Income producing
Rental income	39,231	1,123	40,354	73,790
Rental income with other operating segments	507	0	507	330
Operating costs charged to tenants	9,077	87	9,164	8,091
Operating expenses	– 9,911	– 121	– 10,032	– 9,445
Other expenses directly related to properties rented	– 3,407	– 24	– 3,431	– 5,851
Net rental income	**35,497**	**1,065**	**36,562**	**66,915**
Result from hotel operations	0	0	0	0
Trading result	0	0	0	0
Result from development services	0	0	0	0
Other expenses directly related to properties under development	0	– 96	– 96	0
Net operating income	**35,497**	**969**	**36,466**	**66,915**
Result from the sale of investment properties	2,901	– 3,447	– 546	32,463
Indirect expenses	– 957	– 153	– 1,110	– 5,335
Other operating income	103	12	115	1,639
EBITDA	**37,544**	**– 2,619**	**34,925**	**95,682**
Depreciation and impairment/reversal	– 922	0	– 922	– 126
Result from revaluation	– 458	223	– 235	– 2,171
Operating result (EBIT)	**36,164**	**– 2,396**	**33,768**	**93,385**
31.12.2013				
Property assets[2]	650,019	54,700	704,719	525,879
Other assets	154,212	11,661	165,873	140,462
Deferred tax assets	0	0	0	813
Segment assets	**804,231**	**66,361**	**870,592**	**667,154**
Interest-bearing liabilities	320,608	20,820	341,428	323,903
Other liabilities	33,612	3,116	36,728	68,433
Deferred tax liabilities incl. current income tax liabilities	55,376	173	55,549	60,167
Liabilities	**409,596**	**24,109**	**433,705**	**452,503**
Shareholders' equity	**394,635**	**42,252**	**436,887**	**214,651**
Capital expenditures[3]	3,010	9,640	12,650	5,548

[1] Incl. one property in Switzerland

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

[3] Capital expenditures include all acquisitions of properties (long-term and short-term) including additions from initial consolidation, office furniture and other equipment and intangible assets; thereof € 21,276 K (31.12.2012: € 5,118 K) in properties held for trading.

	Germany[1]			Eastern Europe	Total segments	Holding	Consolidation	Total
Development[1]	Total	Income producing	Development	Total				
35,900	109,690	129,916	1,510	131,426	281,470	0	0	281,470
0	330	0	0	0	837	0	– 837	0
6,641	14,732	44,329	288	44,617	68,513	0	0	68,513
– 7,788	– 17,233	– 50,097	– 528	– 50,625	– 77,890	0	0	– 77,890
– 3,345	– 9,196	– 8,404	– 469	– 8,873	– 21,500	0	0	– 21,500
31,408	**98,323**	**115,744**	**801**	**116,545**	**251,430**	**0**	**– 837**	**250,593**
0	0	1,518	0	1,518	1,518	0	0	1,518
12,254	12,254	0	0	0	12,254	0	0	12,254
1,751	1,751	0	0	0	1,751	0	0	1,751
– 4,303	– 4,303	– 2	– 211	– 213	– 4,612	0	0	– 4,612
41,110	**108,025**	**117,260**	**590**	**117,850**	**262,341**	**0**	**– 837**	**261,504**
31,287	63,750	0	0	0	63,204	0	0	63,204
– 10,184	– 15,519	– 14,168	– 2,552	– 16,720	– 33,349	– 10,305	5,496	– 38,158
3,322	4,961	2,310	2,793	5,103	10,179	3,706	– 4,659	9,226
65,535	**161,217**	**105,402**	**831**	**106,233**	**302,375**	**– 6,599**	**0**	**295,776**
– 1,410	– 1,536	– 4,011	– 1	– 4,012	– 6,470	– 372	0	– 6,842
9,996	7,825	– 32,331	– 8,980	– 41,311	– 33,721	0	0	– 33,721
74,121	**167,506**	**69,060**	**– 8,150**	**60,910**	**262,184**	**– 6,971**	**0**	**255,213**
586,708	1,112,587	1,886,350	101,358	1,987,708	3,805,014	0	0	3,805,014
547,251	687,713	148,865	88,035	236,900	1,090,486	442,814	– 432,505	1,100,795
3,237	4,050	954	75	1,029	5,079	44,199	– 44,199	5,079
1,137,196	**1,804,350**	**2,036,169**	**189,468**	**2,225,637**	**4,900,579**	**487,013**	**– 476,704**	**4,910,888**
168,463	492,366	1,382,953	105,263	1,488,216	2,322,010	533,041	– 427,974	2,427,077
189,586	258,019	49,491	2,645	52,136	346,883	45,728	– 4,531	388,080
42,166	102,333	114,746	2,072	116,818	274,700	48	– 44,199	230,549
400,215	**852,718**	**1,547,190**	**109,980**	**1,657,170**	**2,943,593**	**578,817**	**– 476,704**	**3,045,706**
736,981	**951,632**	**488,979**	**79,488**	**568,467**	**1,956,986**	**– 91,804**	**0**	**1,865,182**
160,203	165,751	17,100	3,060	20,160	198,561	483	0	199,044

€ 1.000 2012	Income producing	Development	Austria Total	Income producing
Rental income	39,544	36	39,580	67,810
Rental income with other operating segments	738	0	738	291
Operating costs charged to tenants	8,827	36	8,863	7,093
Operating expenses	– 10,002	– 36	– 10,038	– 8,467
Other expenses directly related to properties rented	– 3,816	0	– 3,816	– 4,625
Net rental income	**35,291**	**36**	**35,327**	**62,102**
Result from hotel operations	0	0	0	0
Trading result	0	0	0	0
Result from development services	0	0	0	0
Other expenses directly related to properties under development	0	– 720	– 720	0
Net operating income	**35,291**	**– 684**	**34,607**	**62,102**
Result from the sale of investment properties	3,302	0	3,302	81
Indirect expenses	– 987	– 211	– 1,198	– 7,841
Other operating income	337	0	337	1,383
EBITDA	**37,943**	**– 895**	**37,048**	**55,725**
Depreciation and impairment/reversal	– 1,441	0	– 1,441	– 117
Result from revaluation	1,897	2,868	4,765	– 18,462
Operating result (EBIT)	**38,399**	**1,973**	**40,372**	**37,146**
31.12.2012				
Property assets[2]	679,778	60,200	739,978	1,132,081
Other assets	56,649	1,036	57,685	121,469
Deferred tax assets	0	0	0	974
Segment assets	**736,427**	**61,236**	**797,663**	**1,254,524**
Interest-bearing liabilities	343,719	20,845	364,564	699,938
Other liabilities	44,242	1,091	45,333	125,735
Deferred tax liabilities incl. current income tax liabilities	54,609	271	54,880	6,405
Liabilities	**442,570**	**22,207**	**464,777**	**832,078**
Shareholders' equity	**293,857**	**39,029**	**332,886**	**422,446**
Capital expenditures[3]	5,005	24,532	29,537	360

[1] Incl. one property in Switzerland

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

[3] Capital expenditures include all acquisitions of properties (long-term and short-term) including additions from initial consolidation, office furniture and other equipment and intangible assets; thereof € 21,276 K (31.12.2012: € 5,118 K) in properties held for trading.

	Germany[1)]			Eastern Europe	Total segments	Holding	Consolidation	Total
Development[1)]	Total	Income producing	Development	Total				
32,735	100,545	139,730	1,031	140,761	280,886	0	0	280,886
0	291	0	0	0	1,029	0	– 1,029	0
6,488	13,581	45,631	102	45,733	68,177	0	0	68,177
– 8,773	– 17,240	– 52,316	– 238	– 52,554	– 79,832	0	0	– 79,832
– 5,864	– 10,489	– 7,984	– 237	– 8,221	– 22,526	0	0	– 22,526
24,586	**86,688**	**125,061**	**658**	**125,719**	**247,734**	**0**	**– 1,029**	**246,705**
0	0	478	0	478	478	0	0	478
6,210	6,210	0	0	0	6,210	0	0	6,210
1,675	1,675	0	0	0	1,675	0	0	1,675
– 3,639	– 3,639	0	– 1,063	– 1,063	– 5,422	0	0	– 5,422
28,832	**90,934**	**125,539**	**– 405**	**125,134**	**250,675**	**0**	**– 1,029**	**249,646**
25,034	25,115	3,857	0	3,857	32,274	0	0	32,274
– 10,032	– 17,873	– 14,794	– 3,082	– 17,876	– 36,947	– 12,723	5,811	– 43,859
2,871	4,254	5,126	634	5,760	10,351	3,750	– 4,782	9,319
46,705	**102,430**	**119,728**	**– 2,853**	**116,875**	**256,353**	**– 8,973**	**0**	**247,380**
– 2,771	– 2,888	– 1,855	– 4	– 1,859	– 6,188	– 340	0	– 6,528
61,641	43,179	– 53,497	– 2,896	– 56,393	– 8,449	0	0	– 8,449
105,575	**142,721**	**64,376**	**– 5,753**	**58,623**	**241,716**	**– 9,313**	**0**	**232,403**
1,369,555	2,501,636	1,872,552	146,940	2,019,492	5,261,106	0	0	5,261,106
235,586	357,055	178,512	89,890	268,402	683,142	344,246	– 409,864	617,524
7,107	8,081	1,731	0	1,731	9,812	42,285	– 42,285	9,812
1,612,248	**2,866,772**	**2,052,795**	**236,830**	**2,289,625**	**5,954,060**	**386,531**	**– 452,149**	**5,888,442**
578,329	1,278,267	1,471,235	156,093	1,627,328	3,270,159	518,778	– 409,405	3,379,532
176,137	301,872	56,656	1,518	58,174	405,379	56,937	– 459	461,857
99,479	105,884	110,149	2,636	112,785	273,549	47	– 42,285	231,311
853,945	**1,686,023**	**1,638,040**	**160,247**	**1,798,287**	**3,949,087**	**575,762**	**– 452,149**	**4,072,700**
758,303	**1,180,749**	**414,755**	**76,583**	**491,338**	**2,004,973**	**– 189,231**	**0**	**1,815,742**
165,452	165,812	21,411	24,651	46,062	241,411	727	0	242,138

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

	2013		2012	
	€ 1.000	Share in %	€ 1.000	Share in %
Rental income				
Poland	36,715	13.0	41,066	14.6
Romania	30,433	10.8	30,587	10.9
Czech Republic	21,768	7.7	24,417	8.7
Hungary	27,395	9.7	28,688	10.2
Fair value of investment properties IAS 40				
Poland	572,857	15.4	579,944	11.2
Romania	414,645	11.2	417,620	8.1
Czech Republic	316,580	8.5	317,560	6.1
Hungary	392,240	10.6	403,700	7.8

2. Rental income

€ 1.000	2013	2012
Basic rental income	267,452	268,496
Conditional rental income	1,343	1,334
Accrued rental income related to lease incentive agreements	12,065	9,841
Settlement from cancellation of rent agreements	610	1,215
Rental income	**281,470**	**280,886**

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

2013	Austria		Germany		Eastern Europe		Total	
	€ 1.000	Share in %	€ 1.000	Share in %	€ 1.000	Share in %	€ 1.000	Share in %
Offices	17,902	44	93,609	85	104,343	79	215,854	77
Hotels	6,429	16	1,575	2	1,232	1	9,237	3
Retail	8,698	22	2,192	2	5,729	4	16,619	6
Logistics	0	0	7,711	7	19,264	15	26,975	9
Residential	1,848	5	261	0	0	0	2,109	1
Other properties	5,477	13	4,342	4	858	1	10,676	4
Rental income	**40,354**	**100**	**109,690**	**100**	**131,426**	**100**	**281,470**	**100**

2012	Austria		Germany		Eastern Europe		Total	
	€ 1.000	**Share in %**	**€ 1.000**	**Share in %**	**€ 1.000**	**Share in %**	**€ 1.000**	**Share in %**
Offices	17,347	44	83,663	84	109,303	78	210,313	74
Hotels	6,061	15	856	1	1,976	1	8,893	3
Retail	10,693	27	295	0	7,402	5	18,390	7
Logistics	147	0	8,523	8	21,225	15	29,895	11
Residential	2,295	6	4	0	0	0	2,299	1
Other properties	3,037	8	7,204	7	855	1	11,096	4
Rental income	**39,580**	**100**	**100,545**	**100**	**140,761**	**100**	**280,886**	**100**

CA Immo Group generates rental income from a multitude of tenants. The rental income from rental agreements with one tenant in Germany (Federal State of Hessen) CA Immo Group generates more than 10 % of total rental income. These investment properties have been disposed as at 30.11.2013. Rental income attributable to the Federal State of Hessen accounts for the following portions of total rental income:

€ 1.000	**1-11/2013**	**1-12/2012**
Rental income Federal State of Hessen	42,670	46,508
Principal tenant as a % of the rental income total	15.2%	16.6%
Fair value properties rented by Federal State of Hessen	-	800,550
Principal tenant as a % of the rental investment properties	-	18.2%

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

€ 1.000	**2013**	**2012**
Operating costs charged to tenants	68,513	68,177
Operating expenses	– 77,890	– 79,832
Own operating costs	**– 9,377**	**– 11,655**
Maintenance costs	– 9,291	– 7,905
Agency fees	– 3,792	– 5,053
Bad debt losses and reserves for bad debts	– 1,614	– 748
Other directly related expenses	– 6,803	– 8,820
Other expenses directly related to properties rented	**– 21,500**	**– 22,526**
Total	**– 30,877**	**– 34,181**

4. Result from hotel operations

Beginning in July 2012, CA Immo Group is operating two hotels in Czech Republic, which has been presented as investment property until this date. The result from hotel operations is not comparable with the prior year, because the result of the previous year comprised only half a year. Other expenses from hotel operations mainly include expenses for food and beverages, catering, hotel rooms, licence and management fees, personnel expenses, advertising costs, bad debts, operating costs, maintenance costs and other costs related to properties.

The depreciation of hotels operated by CA Immo Group are inlcuded in the item „depreciation and impairment of long-term assets“with an amount of € 2,934 K (2012: € 856 K).

5. Trading result

€ 1.000	**2013**	**2012**
Income from sales	**29,211**	**8,426**
Book value of sold properties incl. ancillary costs	– 16,994	– 2,367
Book value of goodwill	0	– 9
Reversal of impairment losses previously recognised on properties sold during the business year	37	160
Book value of sold properties held for trading	**– 16,957**	**– 2,216**
Trading result	**12,254**	**6,210**
Trading result as a % of income from sales	41.9%	73.7%

6. Result from development services

€ 1.000	**2013**	**2012**
Revenues from contract work according to IAS 11	365	662
Revenues from service contracts	7,220	3,278
Other materials costs	– 4,173	– 837
Personnel expenses	– 1,661	– 1,428
Result from development services	**1,751**	**1,675**
Result from services as a % of revenues from development services	23.1%	42.5%

Costs incurred for contract work in accordance with IAS 11 for projects in progress at the reporting date total € 1,579 K (2012: € 1,205 K) so far, the related accumulated revenues amount to € 1,822 K (31.12.2012: € 1,461 K). In 2013, profits recognised by reference to the stage of completion of the contract amount to € 11 K (2012: € 59 K). Prepayments received total € 1,741 K (31.12.2012: € 1,351 K).

7. Other expenses directly related to investment properties under development

€ 1.000	2013	2012
Operating expenses related to investment properties under development	– 1,867	– 3,008
Property advertising costs	– 226	– 444
Project development and project execution	– 1,304	– 955
Operating expenses related to investment properties under development long-term assets	**– 3,397**	**– 4,407**
Operating expenses related to investment properties under development	– 11	– 371
Property advertising costs	– 4	0
Project development and project execution	– 1,200	– 644
Operating expenses related to investment properties under development short-term assets	**– 1,215**	**– 1,015**
Other expenses directly related to properties under development	**– 4,612**	**– 5,422**

8. Result from the sale of investment properties

€ 1.000	Austria	Germany	Eastern Europe	2013	Austria	Germany	Eastern Europe	2012
Sales prices for interests in property companies	0	632,062	0	632,062	0	1,900	0	1,900
Book value of net assets sold	0	– 616,188	0	– 616,188	0	– 297	0	– 297
Goodwill of sold properties	0	0	0	0	0	0	0	0
Revaluation result for the year	0	44,641	0	44,641	0	57	0	57
Subsequent costs and ancillary costs	0	– 21,794	0	– 21,794	0	0	0	0
Results from the sale of investment property (share deals)	**0**	**38,721**	**0**	**38,721**	**0**	**1,660**	**0**	**1,660**
Income from the sale of investment properties	47,513	165,228	0	212,741	21,021	99,722	104,695	225,438
Book value of properties sold	– 43,672	– 134,826	0	– 178,498	– 17,248	– 76,581	– 104,250	– 198,079
Goodwill of sold properties	– 517	– 526	0	– 1,043	– 201	– 196	0	– 397
Revaluation result for the year	– 3,163	1,357	0	– 1,806	0	10,440	4,537	14,977
Subsequent costs and ancillary costs	– 707	– 6,204	0	– 6,911	– 270	– 9,930	– 1,126	– 11,326
Results from the sale of investment property (asset deals)	**– 546**	**25,029**	**0**	**24,483**	**3,302**	**23,455**	**3,856**	**30,613**
Result from the sale of investment properties	**– 546**	**63,750**	**0**	**63,204**	**3,302**	**25,115**	**3,856**	**32,273**

The book value of net assets sold (= equity) include proportional investment properties in the amount of € 1,234,849 K , for which purchase prices totalling € 1,280,838 K were agreed.

9. Indirect expenses

€ 1.000	2013	2012
Personnel expenses	– 27,669	– 30,520
Legal, auditing and consulting fees	– 9,184	– 10,620
Office rent	– 1,463	– 1,902
Travel expenses and transportation costs	– 1,280	– 1,370
Other expenses internal management	– 4,389	– 4,760
Other indirect expenses	– 4,317	– 5,161
Subtotal	**– 48,302**	**– 54,333**
Own work capitalised in investment property	9,276	9,844
Change in properties held for trading	868	630
Indirect expenses	**– 38,158**	**– 43,859**

Personnel expenses include contributions to staff welfare funds in the amount of € 101 K (2012: € 102 K) and to pension and relief funds in the amount of € 627 K (2012: € 485 K).

10. Other operating income

€ 1.000	2013	2012
Management fees	2,161	2,650
Discharge of lapsed liabilities	759	479
Reversal of provisions	735	2,830
Result from deconsolidation	2,026	0
Others	3,545	3,360
Other operating income	**9,226**	**9,319**

11. Depreciation and impairment losses/reversal

€ 1.000	2013	2012
Regular depreciation	– 4,135	– 3,175
Impairment loss on goodwill	– 1,371	– 1,959
Impairment own used properties	– 837	0
Impairment loss on properties held for trading	– 509	– 1,471
Reversal of impairment loss previously recognised on properties held for trading	9	77
Depreciation and impairment/reversal	**– 6,842**	**– 6,528**

12. Finance costs

€ 1.000	2013	2012
Interest expense banks	– 118,642	– 135,158
Interest expense bonds	– 19,655	– 19,587
Interest expense convertible bond	– 4,723	– 6,490
Other interest and finance costs	– 5,277	– 7,609
Finance costs	**– 148,297**	**– 168,844**

13. Other financial result

In 2013, CA Immo Group repurchased a loan for one property (2012: two loans for two properties) in Eastern Europe from the financing bank. The difference between the purchase price and the outstanding loan amount is presented in this item.

14. Result from interest rate derivatives

€ 1.000	2013	2012
Valuation interest rate derivative transactions (not realised)	20,558	– 9,867
Realisation of valuation results recognised in equity in prior years	– 52,424	– 1,299
Ineffectiveness of cash-flow hedges	– 348	– 1,139
Result from interest rate derivative transactions	**– 32,214**	**– 12,305**

In the course of the disposal of the “Hessen Portfolio” in the business year 2013 interest rate derivatives, which has been recognized in equity in the past in the amount of € -68.113 K, has been reclassified into the result from interest rate derivatives.

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

€ 1.000	2013	2012
Valuation cash flow hedges relating to premature termination of cash flow hedge relation	0	– 261
Valuation of interest rate swaps without cash flow hedge relation	18,749	– 9,716
Valuation Swaption	797	0
Valuation of interest rate caps and interest rate floors	1,012	110
Valuation interest rate derivative transactions (not realised)	**20,558**	**– 9,867**

15. Result from financial investments

€ 1.000	2013	2012
Interest income from loans to associated companies and joint ventures	2,770	3,159
Interest income on bank deposits	652	1,759
Income from investments	196	52
Other interest income	2,415	3,989
Result from financial investments	**6,033**	**8,959**

16. Result from other financial assets

The result from other financial assets for the year 2013 amounts to €– 2,545 K (2012: € – 7,000 K) and relates to the reversal of previously recognised impairment losses of loans in Eastern Europe in the amount of € 1,237 K (2012: € 333 K) and to impairment losses on loans related to investments in Germany amounting to € 3,782 K (2012: € 7,333 K).

17. Result from at equity companies

€ 1.000	2013	2012
UBM Realitätenentwicklung AG, Vienna	3,359	2,712
ZAO „Avielen A.G.“, St. Petersburg	0	– 18
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	– 3	0
	3,356	**2,694**

18. Net results from categories of financial instruments

€ 1.000		Category[1)]	2013	2012
Interest expense		FLAC	– 148,297	– 168,844
Other financial result		FLAC	3,000	20,764
Foreign currency gains/losses	Valuation		2,088	– 6,208
	Realisation		– 3,031	3,194
Forward foreign exchange transactions	Valuation	HFT	– 49	1,214
	Realisation	HFT	18	– 346
Interest rate swaps	Valuation	HFT	18,749	– 11,275
		CFH	– 348	– 1,139
	Realisation	HFT	– 52,424	0
Swaption	Valuation	HFT	797	0
Interest rate caps and floors	Valuation	HFT	1,012	110
Interest income		L&R	5,837	8,907
		AFS/AC	196	52
Result from other financial assets		L&R	– 2,071	– 7,000
Result from at equity companies	Valuation	AE	2,531	1,869
	Realisation	AE	825	825
Financial result			**– 171,167**	**– 157,877**

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

19. Income tax

€ 1.000	2013	2012
Current income tax (current year)	– 31,645	– 28,112
Current income tax (previous years)	4,629	33,089
Current income tax	**– 27,016**	**4,977**
Effective tax rate (current income tax)	32.3%	– 6.7%
Change in deferred taxes	– 6,022	– 28,947
Tax expense related to IAS 19 in equtiy	– 147	– 566
Income tax	**– 33,185**	**– 24,536**
Effective tax rate (total)	39.7%	32.9%

Current income tax mainly results from the segment Germany. The change in income tax is mainly due to a tax benefit in tax returns for previous years (2012) as well as from the tax return for the year 2011 of CA Immo Deutschland GmbH, Frankfurt, which was completed in 2013, which in turn resulted in an increase in deferred tax liabilities to some extent.

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

€ 1.000	2013	2012
Net result before taxes	83,572	74,525
Expected tax expenses (tax rate Austria 25.0% / prior year 25.0%)	**– 20,893**	**– 18,631**
Tax-exempt income	4,251	2,703
Differing tax rates abroad	– 2,233	– 8,212
Exchange rate differences not affecting tax	– 542	1,453
Amortisation/Reversal of amortisation of deferred tax assets	3,271	– 5,146
Capitalisation of in prior years non-capitalised tax losses	6,335	1,525
Adjustment of preceeding periods	4,797	– 3,926
Change in tax rate	974	5,822
Utilization of in prior years non-capitalised tax losses	2,327	1,496
Tax-exempt sales	0	13,172
Trade tax effects	– 13,748	– 516
Impairment loss on goodwill	– 495	– 542
Non tax-deductible expense and permanent differences	– 9,176	– 7,384
Others	– 66	– 581
Tax-effective impairment and reversal of impairment losses of investments in affiliated entities	– 5,406	– 700
Non-usable tax losses carried forward	– 2,581	– 5,069
Effective tax expense	**– 33,185**	**– 24,536**

20. Other comprehensive income

2013 € 1.000	Valuation result/ reclassification (hedging)	Reserves from associates	Currency translation reserve	Reserve according to IAS 19	Total
Other comprehensive income before taxes	90,020	– 23	44	– 430	89,611
Income tax related to other comprehensive income	– 17,098	4	0	147	– 16,947
Other comprehensive income for the period	**72,922**	**– 19**	**44**	**– 283**	**72,664**
thereof: attributable to the owners of the parent	72,566	– 19	143	– 283	72,407
thereof: attributable to non-controlling interests	356	0	– 99	0	257

2012 € 1.000	Valuation result (hedging)	Reserves from associates	Currency translation reserve	Reserve according to IAS 19	Reserve according to IAS 16	Total
Other comprehensive income before taxes	– 17,759	– 424	283	– 1,994	486	– 19,408
Income tax related to other comprehensive income	3,093	53	0	566	– 121	3,591
Other comprehensive income for the period	**– 14,666**	**– 371**	**283**	**– 1,428**	**365**	**– 15,817**
thereof: attributable to the owners of the parent	– 14,559	– 371	195	– 1,428	365	– 15,798
thereof: attributable to non-controlling interests	– 107	0	88	0	0	– 19

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

The reclassification of € 51,484 K (2012: € 1,299 K) relates to the fair values of cash flow hedges recorded in equity as at previous year's reporting date for which the underlying loans were repaid prematurely during business year.

Reserves according to IAS 19 include finance mathematical gains and losses for post-employment defined benefit plans as well as finance mathematical gains and losses for the pan assets.

The reserve according to IAS 16 resulted in 2012 from the valuation at the market value due to reclassification of an own used part of a property from IAS 16 to IAS 40.

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

€ 1.000	Rental investment properties	Investment properties under development	Hotel and other own used properties	Office furniture and other equipment	Total
Book values					
As at 1.1.2012	**4,183,202**	**934,482**	**12,760**	**10,470**	**5,140,914**
Addition from business combinations IFRS 3	0	0	0	154	154
Purchase of real estate companies	8,190	61	0	0	8,251
Current investment/construction	66,081	160,200	120	728	227,129
Disposals	– 125,857	– 35,013	0	– 118	– 160,987
Depreciation and amortisation	0	0	– 1,598	– 1,230	– 2,828
Reclassification of own used properties	– 24,485	0	24,485	0	0
Reclassification to assets held for sale	0	– 32,806	0	0	– 32,806
Reclassification from IAS 40 to IAS 2	0	– 17,557	0	0	– 17,557
Other reclassifications	302,941	– 302,892	0	– 33	16
Revaluation	– 19,863	20,363	486	0	987
Change in lease incentives	1,169	150	0	0	1,319
As at 31.12.2012 = 1.1.2013	**4,391,378**	**726,988**	**36,253**	**9,972**	**5,164,591**
Foreign currency gains/losses	0	– 791	0	16	– 775
Current investment/construction	45,103	127,212	20	4,243	176,578
Disposals	– 1,572,935	– 41,443	0	– 137	– 1,614,514
Depreciation and amortisation	0	0	– 3,460	– 1,058	– 4,518
Reclassification to assets held for sale	– 109,859	– 3,704	0	0	– 113,563
Other reclassifications	324,602	– 320,585	0	– 3,967	49
Revaluation	15,529	– 1,171	0	0	14,358
Change in lease incentives	14,669	– 150	0	0	14,519
As at 31.12.2013	**3,108,487**	**486,355**	**32,813**	**9,069**	**3,636,725**

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

€ 1.000	Rental investment properties	Investment properties under development	Hotel and other own used properties	Office furniture and other equipment	Total
As at 1.1.2012					
Acquisition costs					
Fair value of properties	4,170,569	934,482	16,637	13,895	5,135,583
Accumulated depreciation	0	0	– 3,877	– 3,425	– 7,301
Net book value	**4,170,569**	**934,482**	**12,760**	**10,470**	**5,128,282**
Incentives agreements	12,633	0	0	0	12,633
Fair value/book value	**4,183,202**	**934,482**	**12,760**	**10,470**	**5,140,915**
As at 31.12.2012 = 1.1.2013					
Acquisition costs					
Fair value of properties	4,377,566	726,838	40,378	14,401	5,159,182
Accumulated depreciation	0	0	– 4,125	– 4,429	– 8,554
Net book value	**4,377,566**	**726,838**	**36,253**	**9,972**	**5,150,629**
Lease incentive agreements	13,812	150	0	0	13,962
Fair value/book value	**4,391,378**	**726,988**	**36,253**	**9,972**	**5,164,591**
As at 31.12.2013					
Acquisition costs					
Fair value of properties	3,098,916	486,355	40,398	13,579	3,639,248
Accumulated depreciation	0	0	– 7,585	– 4,509	– 12,094
Net book value	**3,098,916**	**486,355**	**32,813**	**9,069**	**3,627,154**
Lease incentive agreements	9,570	0	0	0	9,570
Fair value/book value	**3,108,487**	**486,355**	**32,813**	**9,069**	**3,636,725**

The current capital expenditures (construction costs) for investment properties under development mainly relate to „Lände 3" in Vienna (€ 9,555 K), the shopping centre "Skyline Plaza" in Frankfurt (€ 60,806 K), the project "MBVD" in Berlin (€ 28,433 K) as well as for further projects in Germany. The capital expenditures in rental investment properties relate mainly to the completion of the properties "Lehrter Stadquartier 4" (€ 12,748 K) and "Tower 185" in Frankfurt (€ 5,175 K) as well as to capital expenditures in Hungary and Poland. ,

The disposals relate to the sale ofTower 185, the shopping centre "Skyline Plaza", the project "MBVD" in Germany, and the "Hessen Portfolio" as well as several sales in Vienna.

The fair value of the properties assigned as collateral for external financings totals € 2,945,222 K (31.12.2012: € 4,204,287 K), thereof € 72,400 K (31.12.2012: € 161,450 K) relate to joint ventures.

In the 2013 financial year, a total of € 5,626 K (2012: € 5,361 K) of borrowing costs related to the construction of properties was capitalised at a weighted average interest rate of 3.7 % (2012: 3.6 %) to contruction cost.

22. Intangible assets

€ 1.000	Goodwill	Software	Total
Book values			
As at 1.1.2012	**38,631**	**472**	**39,103**
Addition from company acquisitions	0	33	33
Current additions	0	709	709
Disposals	– 406	– 10	– 416
Depreciation and amortisation	0	– 346	– 346
Impairment	– 1,959	0	– 1,959
Reclassification	0	– 2	– 2
As at 31.12.2012 = 1.1.2013	**36,265**	**857**	**37,122**
Currency translation adjustments	0	– 11	– 11
Current additions	0	849	849
Disposals	– 1,043	– 30	– 1,073
Depreciation and amortisation	0	– 457	– 457
Impairment	– 1,371	0	– 1,371
Reclassification	0	– 4	– 4
As at 31.12.2013	**33,852**	**1,205**	**35,057**

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

€ 1.000	Goodwill	Software	Total
As at 1.1.2012			
Acquisition costs	64,464	1,377	65,840
Accumulated impairment/amortisation	– 25,834	– 905	– 26,738
Book values	**38,630**	**472**	**39,102**
As at 31.12.2012 = 1.1.2013			
Acquisition costs	58,352	2,124	60,475
Accumulated impairment/amortisation	– 22,086	– 1,267	– 23,353
Book values	**36,265**	**857**	**37,122**
As at 31.12.2013			
Acquisition costs	53,181	2,825	56,006
Accumulated impairment/amortisation	– 19,328	– 1,620	– 20,948
Book values	**33,852**	**1,205**	**35,057**

23. Investments in at equity companies

€ 1.000	Region 1)	1.1.2013	Transition consolidation	Dividend distribution	Proportional income of the period	Proportional other income	31.12.2013
UBM Realitätenentwicklung AG, Vienna	CEE	36,212	0	– 825	3,360	– 21	38,726
ZAO „Avielen A.G.“, St. Petersburg	CEE	0	0	0	0	0	0
Isargärten Thalkirchen GmbH & Co. KG, Grünwald (in liquidation)	Germany	21	0	0	– 3	0	18
Frankfurt Tower 185 Projekt GmbH & Co. KG, Frankfurt	Germany	0	64,632	0	0	0	64,632
Tower 185 Betriebs GmbH, Frankfurt	Germany	0	2,707	0	0	0	2,707
Frankfurt Tower 185 Verwaltungs GmbH, Frankfurt	Germany	0	4	0	0	0	4
		36,233	**67,344**	**– 825**	**3,357**	**– 21**	**106,088**

€ 1.000	Region 1)	1st January 2012	Payments made	Dividend distribution	Proportional income of the period	Proportional other income	31.12.2012
UBM Realitätenentwicklung AG, Vienna	CEE	34,698	0	– 825	2,712	– 373	36,212
ZAO „Avielen A.G.“, St. Petersburg	CEE	0	18	0	– 18	0	0
Isargärten Thalkirchen GmbH & Co. KG, Grünwald (in liquidation)	Germany	21	0	0	0	0	21
		34,719	**18**	**– 825**	**2,694**	**– 373**	**36,233**

a) CEE Eastern Europe

Associated companies relate to the development segment with the exception of the “Tower 185” companies.

The share price of UBM Realitätenentwicklung AG, Vienna, was at € 15,45 as at 31.12.2013 (31.12.2012: € 13,50). Hence, the stock market value of the 1,500,008 shares (31.12.2012: 1,500,008 shares) held by CA Immo AG amounted to € 23.175 K (31.12.2012: € 20.250 K).

The investment in Frankfurt Tower 185 Projekt GmbH & Co. KG was due disproportionate effort not recognised in the proportional consolidation but at equity as of 01.01.2014.

24. Financial assets

€ 1.000	31.12.2013	31.12.2012
Other financial assets	90,529	65,208
Long-term receivables and other assets	34,686	28,302
Net plan assets from pension obligations	0	77
	125,215	**93,587**

Other financial assets

€ 1.000	Acquisition costs 31.12.2013	Changes in value recognised in profit or loss 2013	Changes in value accumulated until 31.12.2013	Book value as at 31.12.2013
Loans to joint ventures	8,949	428	1,639	10,588
Loans to associated companies	22,516	2,974	– 1,122	21,394
Other loans	21,631	– 952	– 21,439	192
Loans and receivables	**53,096**	**2,450**	**– 20,922**	**32,174**
Interests available for sale	56,246	0	0	56,246
Swaption	1,311	798	798	2,109
Financial assets available for sale	**57,557**	**798**	**798**	**58,355**
Other financial assets	**110,653**	**3,248**	**– 20,124**	**90,529**

€ 1.000	Acquisition costs 31.12.2012	Changes in value recognised in profit or loss 2012	Changes in value accumulated until 31.12.2012	Book value 31.12.2012
Loans to joint ventures	9,313	414	1,954	11,267
Loans to associated companies	22,516	– 3,599	– 3,446	19,070
Other loans	52,636	– 1,150	– 18,091	34,546
Loans and receivables	**84,465**	**– 4,335**	**– 19,582**	**64,883**
Financial assets available for sale	**325**	**0**	**0**	**325**
Other financial assets	**84,790**	**– 4,335**	**– 19,582**	**65,208**

The change in the other financial assets is essentially attributable to the sale of the disposal groups “Hessen-Portfolio”and Skyline Plaza. The remaining miniority interests are presented as interests held for sale after the sale.

Long-term receivables and other assets

€ 1.000	Book value as at 31.12.2013	Book value 31.12.2012
Cash and cash equivalents with drawing restrictions	14,470	25,976
Receivables from property sales	15,361	0
Other receivables and assets	4,855	2,326
Long-term receivables and other assets	**34,686**	**28,302**

Net pension obligations

CA Immo Group has a reinsurance policy for pension obligations (= plan assets), which fulfills the criteria for disclosure as plan assets. As the capital value of these pension obligations exceeds the plan assets at the closing date for the first time, the net position is presented under the provisions.

25. Deferred taxes

€ 1.000	31.12.2013	31.12.2012
Long-term properties	21,193	23,538
Intangible assets	76	83
Office furniture and other equipment	319	257
Receivables and other assets	0	11,740
Liabilities	0	15,178
Provisions	5,344	1,063
Deferred tax assets	**26,932**	**51,859**
Long-term properties	251,477	273,797
Assets held for sale	3,913	12,524
Properties held for trading	2,592	2,275
Receivables and other assets	3,166	0
Cash and cash equivalents	297	366
Loans	4,431	4,966
Liabilities	21,794	0
Deferred tax liabilities	**287,670**	**293,928**
Non-capitalised deferred tax assets on deductible differences	**– 23,055**	**– 32,534**
Deferred tax assets on capitalised tax loss carryforwards	**72,454**	**68,552**
Deferred taxes (net)	**– 211,339**	**– 206,051**
thereof deferred tax assets in statement of financial position	**5,079**	**9,812**
thereof deferred tax liabilities in statement of financial position	**216,418**	**215,863**

The following table presents the changes in deferred taxes:

€ 1.000	2013	2012
Deferred taxes as at 1.1. (net)	**– 206,051**	**– 180,074**
Changes from sale of companies	17,815	18
Changes due to exchange rate fluctuations	1	3
Changes recognised in equity	– 17,082	2,949
Changes recognised in profit or loss	– 6,022	– 28,947
Deferred taxes as at 31.12. (net)	**– 211,339**	**– 206,051**

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

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

€ 1.000	2013	2012
In the following year	17,577	33,156
Thereafter 4 years	115,111	97,890
More than 5 years	15,388	38,213
Without limitation in time	370,277	422,010
Sum total unrecorded tax losses carried forward	**518,353**	**591,269**
thereupon non-capitalised deferred tax assets	109,419	130,565

The total of taxable temporary differences related to investments in Austrian affiliated companies, joint ventures and associated companies for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 161,764 K (31.12.2012: € 98,227 K). Tax loss carryforwards of the Austrian companies that were not recognised amount to € 193,411 K (31.12.2012: € 223,141 K) – including the outstanding amounts relating to impairment losses on investments which have to be deferred over a period of 7 years for income tax purposes of € 43,079K (31.12.2012: € 72,318 K).

The total of taxable temporary differences related to investments in foreign affiliated companies, joint ventures and associated companies for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 12,546 K (31.12.2012: € 4,443 K). Tax loss carryforwards of foreign entities amounting to € 324,942 K (31.12.2012: € 368,128 K) were not recognised. Subject to specific requirements, gains from the disposal of investments in foreign entities are partially or completely exempt from income taxes.

26. Assets and liabilities held for sale

As at 31.12.2013, several properties with a fair value of € 118,190 K (31.12.2012: € 53,794 K) were classified as assets held for sale. For those assets the disposal has been agreed by the appropriate level of management of CA Immo Group and a contract of sale has been concluded at the time of the preparation of the consolidated financial statements.

€ 1.000	31.12.2013	31.12.2012
Austria - Rental investment properties	0	8,535
Germany - Investment properties	5,005	0
Germany - Properties under development	2,910	45,259
Eastern Europe - Investment properties	106,552	0
Eastern Europe - Investment properties under development	3,723	0
Properties held for sale	**118,190**	**53,794**

The result from revaluation includes an amount of € 272 K (2012: € 6,085 K) related to investment properties after their reclassification as properties held for sale.

In the short-term receivables ond other assets there are receivables held for sale in the amount of € 115 K as well as in the short-term liabilities liabilities and provisions from disposal groups in the amount of € 22 K.

As at 31.12.2013 € 106,522 K (31.12.2012: € 8,535 K) of the properties classified according to IFRS 5 (individual assets and disposal groups) are mortgaged as a collateral for loan liabilities.

27. Properties held for trading

€ 1.000	Acquisition / production costs	Accumulated impairment	31.12.2013 Book values	Acquisition / production costs	Accumulated impairment	31.12.2012 Book values
At acquisiion/production costs	54,941	0	54,941	45,295	0	45,295
At net realisable value	10,338	– 6,110	4,228	17,576	– 10,178	7,398
Total properties held for trading	**65,279**	**– 6,110**	**59,169**	**62,871**	**– 10,178**	**52,693**

The fair value of the properties held for trading which are recognised at acquisition/production costs amounts to € 65,823 K (31.12.2012: € 52,678 K).

Properties held for trading in the amount of € 51,706 K (31.12.2012: € 38,365 K) are expected to be realised within a period of more than 12 months. This applies to 20 properties (31.12.2012: 18 properties) in Germany.

€ 37,251 K (31.12.2012: € 4 K) of the properties held for trading are mortgaged as a collateral for loan liabilities.

In 2013, a total of € 218 K (2012: € 27 K) of borrowing costs was capitalised to properties held for trading at a weighted average interest rate of 1.97 % (2012: 4.6 %).

28. Receivables and other assets

€ 1.000	Book value as at 31.12.2013	Book value 31.12.2012
Receivables and other financial assets	95,310	119,118
Other non financial assets	54,531	63,748
	149,841	**182,866**

Receivables and other financial assets contain receivables in accordance with IAS 11 amounting to € 83 K (31.12.2012: € 98 K).

A specific valuation allowance of € 10,971 K (31.12.2012: € 10,873 K) was recognised for short term receivables and other assets with a nominal value of €68,954 K (31.12.2012: €74,932 K). Thereof a specific valuation allowance of € 3,134 K (31.12.2012: € 3,411 K) was recognized for other non financial assets with a nominl value of € 11,289 K (31.12.2012: € 67,159 K).

Changes in valuation allowances of receivables and other assets:

€ 1.000	2013	2012
As at 1.1.	**10,873**	**17,466**
Appropriation (value adjustment expenses)	2,932	4,468
Disposal deconsolidation	– 23	0
Use	– 1,088	– 9,985
Reversal	– 1,371	– 1,725
Foreign currency gains/losses	– 353	649
As at 31.12.	**10,971**	**10,873**

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

	not due				overdue	Total
		< 30 days	31 – 180 days	181 – 360 days	> 1 year	
31.12.2013	87,226	2,063	1,776	525	269	**91,858**
31.12.2012	111,915	4,417	1,798	169	509	**118,808**

29. Cash and cash equivalents

€ 1.000	31.12.2013	31.12.2012
Cash in banks	665,441	237,879
Restricted cash	9,937	19,773
Cash on hand	35	92
	675,413	**257,744**

30. Shareholders' equity

Share capital equals the fully paid in nominal capital of CA Immobilien Anlagen Aktiengesellschaft of € 638,713,556.20 (31.12.2012: € 638,713,556.20). It is divided into 87,856,056 (31.12.2012: 87,856,056) bearer shares and 4 registered shares of no par value. The registered shares are held by UniCredit Bank Austria AG, Vienna, each granting the right to nominate one member to the Supervisory Board. UniCredit Bank Austria AG, Vienna is currently not exercising this right. All members of the Supervisory Board were elected by the General Meeting.

In November 2009, a 5-year convertible bond with a volume of € 135,000 K was issued, of which an amount of € 20,500 K has been repurchased by the Company in 2011 until the reporting date. The coupon of the convertible bond payable every six months was fixed at 4.125% of the nominal amount. According to the issuing conditions of the convertible bond, the creditors have the right to convert their bond at any time (i.e. also prior to the expiration date of the bond in 2014) into shares in CA Immobilien Anlagen Aktiengesellschaft at the conversion price. As at the reporting date, the originally determined conversion price of € 11.5802has been adjusted to € 10.6620 (31.12.2012: 11.0575) as a result of dividend payments. Therefore a maximum of 10,739,073 bearer shares can be issued upon exercise of the conversion right for the total outstanding nominal value. Due to a contemplated dividend payment in 2014, the conversion price will be adjusted once again resulting in a corresponding adjustment of the maximum number of bearer shares to be issued upon exercise of the conversion right. The adjustment depends on the share price immediately before the effective date of the dividend payout. As of the reporting date, the share price of the CA Immo share of € 12.88 was over the conversion price. No bonds have been submitted for conversion as of the reporting date.

Due to the issue of shares because of excersied conversion rights from owners of the 4,125% convertible bond 2009 – 2014 after the reporting date with a nominal value in the amount of € 700 K the share capital of the company a at end of February 2014 amounts to € 639,190,853.51 and is divided into 4 registered shares and 87,921,709 bearer shares with a pro rata interest of € 7.27 on the share capital.

The tied capital reserve as reported in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft totals € 820,184 K (31.12.2012: € 820,184 K). Profits can only be distributed up to the amount of the net profit of the parent company disclosed in the individual financial statements in accordance with the Austrian Commercial Code (UGB), subject to the existence of any legal dividend payment constraints. In 2013, a dividend amount of € 0.38 (2012: € 0,38)for each share entitled to dividend, in total € 33,385 K (2012: € 33,385 K) was distributed to the shareholders. An amount of € 47,281 K (31.12.2012: € 24,538) of the total net profit of CA Immobilien Anlagen Aktiengesellschaft as at 31.12.2013 amounting to € 221,976 K (31.12.2012: € 108,747 K) is subject to dividend payment constraints. The Management Board of CA Immo AG proposes to use part of retained earnings as at 31.12.2013 amounting to € 221,976 K to distribute a dividend of € 0.40 per share, i.e. a total of € 35,142 K to the shareholders. The remaining retained earnings amounting to € 186,833 K is intended to be carried forward.

As at 31.12.2013, there is unused authorised capital amounting to € 319,356,778that can be drawn on or before 11.9.2015, as well as conditional capital in the amount of € 235,006,123.28 which consists of a unused authorized capital I of € 135,000,003.28 for the fulfillment of the convertible bond issued in 2009 as well as of a unused authorised capital II in the amount of € 100,006,120.00 for the fulfillment of a convertible bond eventually issued in the future.

31. Provisions

€ 1.000	Staff	Construction services	Subsequent costs of sold properties	Others	Total
As at 1.1.2013	**9,072**	**29,130**	**17,353**	**27,539**	**83,094**
Use	– 6,240	– 21,451	– 7,299	– 13,681	– 48,671
Reversal	– 1,024	– 6,324	– 4,899	– 2,404	– 14,651
Addition	7,367	27,657	13,111	17,176	65,311
Disposal from deconsolidation	0	– 832	0	– 2,097	– 2,929
Reclassification	0	0	0	– 4	– 4
Foreign currency gains/losses	– 24	– 66	0	– 233	– 323
As at 31.12.2013	**9,151**	**28,114**	**18,266**	**26,296**	**81,827**
thereof: short-term	7,024	27,860	12,277	26,296	73,457
thereof: long-term	2,127	254	5,989	0	8,370

Net pension obligations

CA Immo Group has a reinsurance policy for defined benefit obligations in Germany, which fulfills the criteria for disclosure as plan assets. In previous years the net position from this was shown under the long-term receivables. As the capital value of these defined benefit obligations exceeds the plan assets at the closing date for the first time, the net position is presented under the provisions.

€ 1.000	31.12.2013	31.12.2012
Present value of obligation	– 6,878	– 6,293
Fair value of plan asset	6,497	6,370
Net position recorded in consolidated statement of financial position	**– 381**	**77**
Experience adjustments of cash value of obligation	– 182	– 1,857
Experience adjustments of fair value of plan asset	– 217	36

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

€ 1.000	2013	2012
Present value of obligation as at 1.1.	6,293	4,269
Interest cost	186	203
Actuarial gains/losses	399	1,821
Present value of obligation as at 31.12.	**6,878**	**6,293**
Plan asset as at 1.1.	6,370	6,141
Expected income from plan asset	188	186
Actuarial gains/losses	– 61	43
Plan asset as at 31.12.	**6,497**	**6,370**

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

€ 1.000	2013	2012
Interest cost	– 186	– 203
Expected income from plan asset	188	186
pernsion income/expense	**2**	**– 17**

The following result was recognised in the other comprehensive income:

€ 1.000	2013	2012
Actuarial gains/losses from pension obligation	– 399	– 1,821
Actuarial gains/losses from plan asset	– 61	43
IAS 19 reserve	**– 460**	**– 1,778**

Provision for staff

The provision for staff primarily comprises the present value of the long-term severance obligation of € 696 K (31.12.2012 € 655 K), bonuses of € 5,550 K (31.12.2012: € 4,726 K), and unused holiday entitlements of € 1,025 K (31.12.2012: € 1,020 K).

The provision for bonuses comprises a long-term provision for the 2012 and 2013 LTI-(long-term incentive) programmes in the amount of € 589 K (31.12.2012: € 656 K) as well as a short-term provision for 2011 of € 677 K (31.12.2012: € 229 K) which has been allocated since the business year 2010. All LTI-programmes provide for payment after a period of three years. Therefore an amount of € 227 K was used in 2013 for the first time. In 2013, an addition of provisions amounting to € 606 K (2012: release € 368 K) was recognised.

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

€ 1.000	2013	2012
Present value of severance obligations as at 1.1	655	967
Use	– 4	– 517
Current service costs	57	– 57
Interest cost	19	41
Actuarial gains/losses	– 31	221
Present value of severance obligations as at 31.12	**696**	**655**

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

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

€ 1.000	– 1%	+1%
change interest rate of 1 percent point	– 1,629	1,265
change pension trend of 1 percentage point	858	– 1,047

32. Interest bearing liabilities

€ 1.000	Short-term	Long-term	31.12.2013 Total	Short-term	Long-term	31.12.2012 Total
Convertible bond	115,189	0	115,189	672	114,500	115,172
Other bonds	154,286	184,093	338,379	4,515	332,961	337,476
Bonds	**269,475**	**184,093**	**453,567**	**5,187**	**447,461**	**452,648**
Investment loan	580,159	1,160,947	1,741,106	872,150	1,886,252	2,758,403
Subordinated liabilities	7,952	114,493	122,445	39,329	78,406	117,735
Loans due to joint venture partners	14,459	95,499	109,958	8,010	12,312	20,322
Liabilities to joint ventures	0	0	0	0	30,425	30,425
Other interest-bearing liabilities	**602,571**	**1,370,939**	**1,973,509**	**919,489**	**2,007,395**	**2,926,884**
	872,045	**1,555,032**	**2,427,076**	**924,676**	**2,454,856**	**3,379,532**

Liabilities in EUR account for 99.8% (31.12.2012: 99.7%), liabilities denominated in CZK account for 0.2 % (31.12.2012: 0.2%) of total interest bearing liabilities. Previous year liabilities in USD accounted to 0.1 %.

Bonds

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

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

Other interest-bearing liabilities

As at 31.12.2013 and 31.12.2012, the terms of other interest-bearing liabilities are as follows:

Type of financing and currency	Effective interest rate as at 31.12.2013 in %	Interest variable /fixed / hedged	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value of liability in € 1,000
Investment loan / EUR	1.23%	variabel	12/2015	136,000	136,000	136,000
Investment loans (each below 100 m EUR)	1.09 – 6.23 %	variabel	03/2014 – 12/2029	1,114,419	979,862	979,862
Investment loan / EUR	2.67– 7.86 %	hedged	12/2014 – 12/2030	575,099	572,798	572,798
Investment loan / EUR	1.9– 10.14 %	fix	12/2014 – 12/2020	46,462	46,366	43,722
Investment loan / CZK	6.55%	hedged	12/2015	6,143	6,081	6,081
Investment loans (total)				**1,878,123**	**1,741,106**	**1,738,462**
Subordinated liabilities	**1.12 – 1.73 %**	**variable**	**09/2016**	**123,983**	**122,445**	**122,445**
Loans due to joint venture partners EUR	**0.13 – 10.14 %**	**variable / fixed**	**12/2014 – 12/2020**	**106,654**	**109,958**	**109,958**
				2,108,760	**1,973,509**	**1,970,865**

Type of financing and currency	Effective interest rate as at 31.12.2012 in %	Interest variable /fixed / hedged	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value of liability in € 1,000
Investment loan / EUR	4.41%	hedged	01/2017	503,965	506,815	506,815
Investment loan / EUR	2.97%	hedged	12/2013	270,000	272,585	272,585
Investment loan / EUR	1.22%	variable	12/2015	136,000	136,424	136,424
Investment loans (each below 100 m EUR)	0,000% – 7.73%	partly hedged	01/2013 – 12/2030	1,706,647	1,704,577	1,704,577
Investment loan / EUR	3.90% – 7.08%	fixed	06/2013 – 01/2014	126,695	127,673	132,422
Investment loan / CZK	5.72%	hedged	06/2013	7,129	7,129	7,129
Investment loan / USD	4.36%	variable	12/2015	3,199	3,199	3,199
Investment loans (total)				**2,753,635**	**2,758,402**	**2,763,151**
Subordinated liabilities	**1.12% – 1.71%**	**variable**	**12/2013 – 09/2016**	**122,313**	**117,735**	**117,735**
Loans due to joint venture partners EUR / HUF	**0.00% – 7.00%**	**variable / fixed**	**03/2013 – 12/2020**	**16,818**	**20,322**	**20,322**
Liabilities to joint ventures	**3.25%**	**fixed**	**11/2014**	**30,296**	**30,425**	**31,044**
				2,923,062	**2,926,884**	**2,932,310**

More than 90.0 % of the of third pary financing of CA Immo Group are subject to financial covenants. These usually are LTV (loan to value) and DSCR (debt service coverage ratio) ratios for rental investment properties and LTC (loan to cost) and ISCR (interest service coverage ratio) ratios for development financing.

Other interest-bearing liabilities for which the respective financial covenants are not met as at 31.12.2013 are presented in short-term interest-bearing liabilities regardless of their maturity as breaches of the financial covenants generally entitle the lender to early termination of the loan agreement. This applies irrespective of the state of negotiations with the banks regarding a continuation or amendment of the loan agreements. As at 31.12.2013, the respective covenants were not met for three loans in Eastern Europe amounting to a total of € 60,838 K (31.12.2012: six loans in Eastern Europe amounting to a total of € 140,664 K). CA Immo Group takes appropriate measures (e.g. partial repayment of the loans, increase in equity of the respective companies) in order to remedy the breach of financial covenants.

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

Taking into account all interest hedging agreements, the average weighted interest rate is 4.3% (31.12.2012: 3.5%) for all other interest bearing liabilities denominated in EUR.

33. Other liabilities

€ 1.000	Short-term	Long-term	31.12.2013 Total	Short-term	Long-term	31.12.2012 Total
Fair value derivative transactions	**1,705**	**103,860**	**105,565**	**742**	**214,620**	**215,362**
Prepayments received	39,533	49,814	89,347	37,635	31,778	69,413
Trade payables	19,216	3,442	22,658	28,794	7,690	36,484
Liabilities to joint ventures	19,399	16,948	36,347	0	0	0
Rent deposits	4,669	11,574	16,243	1,427	14,301	15,728
Outstanding purchase invoices	2,422	0	2,422	9,478	0	9,478
Income resulting from deconsolidation not yet realised	5,301	0	5,301	6,400	0	6,400
Settlement of operating costs	2,433	0	2,433	3,612	0	3,612
Other	7,632	7,966	15,598	5,486	2,222	7,708
Financial liabilities	**100,605**	**89,744**	**190,349**	**92,832**	**55,991**	**148,823**
Operating taxes	6,386	0	6,386	7,966	0	7,966
Prepaid rent	3,214	739	3,953	5,788	824	6,612
Non-financial (other) liabilities	**9,600**	**739**	**10,339**	**13,754**	**824**	**14,578**
	111,910	**194,343**	**306,253**	**107,328**	**271,435**	**378,763**

34. Income tax liabilities

This item includes an amount of € 12,615 K (31.12.2012: € 13,284 K) related to CA Immo Germany Group and comprises corporate income tax and trade tax for the years 2008 to 2013 that have not been finally assessed by tax authorities. Nicht notwendig in 2013

35. Financial instruments

Financial assets by categories

Category			IAS 39 category [1]	No financial instruments	Book value	Fair value
€ 1.000	HFT	AFS/AC	L&R		31.12.2013	31.12.2013
Cash and cash equivalents with drawing restrictions	0	0	14,470	0	14,470	14,470
Derivative financial instruments	2,109	0	0	0	2,109	2,109
Primary financial instruments	0	56,246	52,390	0	108,636	108,636
Financial assets	**2,109**	**56,246**	**66,860**	**0**	**125,215**	**125,215**
Cash and cash equivalents with drawing restrictions	0	0	13,736	0	13,736	13,736
Other receivables and assets	0	0	81,574	54,531	136,105	136,105
Receivables and other assets	**0**	**0**	**95,310**	**54,531**	**149,841**	**149,841**
Cash and cash equivalents	**0**	**0**	**675,413**	**0**	**675,413**	**675,413**
	2,109	**56,246**	**837,583**	**54,531**	**950,469**	**950,469**

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

Category € 1.000	HFT	AFS/AC	IAS 39 category [1)] L&R	No financial instruments	Book value 31.12.2012	Fair value 31.12.2012
Net plan assets from pension obligations	0	0	0	77	77	77
Cash and cash equivalents with drawing restrictions	0	0	25,976	0	25,976	25,976
Derivative financial instruments	1	0	0	0	1	1
Primary financial instruments	0	325	67,208	0	67,533	67,533
Financial assets	**1**	**325**	**93,184**	**77**	**93,587**	**93,587**
Cash and cash equivalents with drawing restrictions	0	0	28,632	0	28,632	28,632
Other receivables and assets	0	0	90,387	63,846	154,233	154,233
Receivables and other assets	**0**	**0**	**119,019**	**63,846**	**182,865**	**182,865**
Cash and cash equivalents	**0**	**0**	**257,744**	**0**	**257,744**	**257,744**
	1	**325**	**469,947**	**63,923**	**534,196**	**534,196**

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

The fair value of the receivables and other assets essentially equals the book value due to daily and/or short-term maturities. Therefore, the "Fair value" column for this category represents the book value.

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

Financial liabilities by categories

Category € 1.000	HFT	CFH	IAS 39 category [1)] FLAC	No financial instruments	Book value 31.12.2013	Fair value 31.12.2013
Convertible bond	0	0	115,189	0	115,189	139,740
Other bonds	0	0	338,379	0	338,379	347,426
Other interest-bearing liabilities	0	0	1,973,509	0	1,973,509	1,975,803
Interest-bearing liabilities	**0**	**0**	**2,427,077**	**0**	**2,427,077**	**2,462,970**
Derivative financial instruments	56,960	48,605	0	0	105,564	105,565
Other primary liabilities	0	0	190,348	10,339	200,687	200,687
Other liabilities	**56,960**	**48,605**	**190,348**	**10,339**	**306,253**	**306,253**
	56,960	**48,605**	**2,617,425**	**10,339**	**2,733,330**	**2,769,223**

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

Category		IAS 39 category [1]		No financial instruments	Book value	Fair value
€ 1.000	HFT	CFH	FLAC		31.12.2012	31.12.2012
Convertible bond	0	0	115,172	0	115,172	119,721
Other bonds	0	0	337,476	0	337,476	351,022
Other interest-bearing liabilities	0	0	2,926,884	0	2,926,884	2,929,280
Interest-bearing liabilities	**0**	**0**	**3,379,532**	**0**	**3,379,532**	**3,400,023**
Derivative financial instruments	77,354	138,008	0	0	215,362	215,362
Other primary liabilities	0	0	148,823	14,578	163,401	163,401
Other liabilities	**77,354**	**138,008**	**148,823**	**14,578**	**378,763**	**378,763**
	77,354	**138,008**	**3,528,355**	**14,578**	**3,758,295**	**3,778,786**

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

Hierarchy of fair values

Financial instruments measured at fair value relate only to derivative financial instruments. As in prior year the valuation is based on inputs which can be observed either directly or indirectly (eg. interest rate curves or foreign exchange forward rates). This represents level 2 of the fair value hierarchy in accordance with IFRS 13.81.

36. Derivative financial instruments and hedging transactions

€ 1.000	Nominal value	Fair value	31.12.2013 Book value	Nominal value	Fair value	31.12.2012 Book value
Interest rate swaps	921,617	– 105,565	– 105,565	1,415,559	– 214,309	– 214,309
Swaption	100,000	2,109	2,109	0	0	0
Interest rate caps	136,050	0	0	197,861	1	1
Interest rate floors	0	0	0	23,063	– 1,036	– 1,036
Forward foreign exchange transactions	0	0	0	2,088	– 17	– 17
Total	**1,157,667**	**– 103,456**	**– 103,456**	**1,638,571**	**– 215,361**	**– 215,361**
- thereof hedging (cash flow hedges)	560,562	– 48,605	– 48,605	1,011,288	– 138,008	– 138,008
- thereof stand alone (fair value derivatives)	597,105	– 54,851	– 54,851	627,283	– 77,353	– 77,353

As at the balance sheet date 68.0 % (31.12.2012: 46.2 %) of the nominal value of all investment loans have been turned into fixedinterest rates (or into ranges of interest rates with a cap respectively) by the way of interest rate swaps or interest rate caps/floors.

Interest rate swaps

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

€ 1.000	Nominal value	Fair value	31.12.2013 Book value	Nominal value	Fair value	31.12.2012 Book value
- Cash flow hedges (effective)	548,959	– 48,258	– 48,258	998,074	– 136,869	– 136,869
- Cash flow hedges (ineffective)	11,603	– 348	– 348	13,214	– 1,139	– 1,139
- Fair value derivatives (HFT)	361,055	– 56,960	– 56,960	404,271	– 76,301	– 76,301
Interest rate swaps	**921,617**	**– 105,565**	**– 105,565**	**1,415,559**	**– 214,309**	**– 214,309**

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2013	Reference interest rate	Fair value 31.12.2013 in € 1,000
EUR	111,875	01/2008	12/2017	4.41%	3M-Euribor	– 15,321
EUR (nominal value each below 100 m EUR) - CFH	448,687	05/2006	12/2022	1.23%– 4.79%	3M-Euribor / 6M-Euribor	– 42,845
EUR (nominal value each below 100 m EUR) - stand alone	361,055	07/2007	12/2023	2.28%– 4.82%	6M-Euribor	– 47,399
Total = variable in fixed	**921,617**					**– 105,565**

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

Swaption

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

Interest rate caps/interest rate floors

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2013	Reference interest rate	Fair value 31.12.2013 in € 1,000
Interest rate caps EUR	136,050	06/2009 – 05/2010	03/2014 – 12/2014	3.75 – 5.0%	3M-Euribor	0
Total	**136,050**					**0**

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

Forward foreign exchange transactions

The forward foreign exchange transactions ended in August 2013 which have been concluded to hedge against future currency fluctuations for construction costs in Poland.

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

Gains and losses in other comprehensive income

€ 1.000	2013	2012
As at 1.1.	**– 108,548**	**– 93,882**
Change in valuation of cash flow hedges	38,188	– 20,197
Change of ineffectiveness cash flow hedges	348	1,139
Reclassification cash flow hedges	51,484	1,299
Income tax cash flow hedges	– 17,098	3,093
Reclassification acquisition of non-controlling interests	612	0
As at 31.12.	**– 35,014**	**– 108,548**
thereof: attributable to the owners of the parent	– 35,014	– 107,581
thereof: attributable to non-controlling interests	0	– 967

Amounts not to be set off according to IFRS 7

€ 1.000						31.12.2013
Financial assets	**Gross book value**	**Amount set off (book value financial obligation)**	**Net value set off**	**Amounts not to be set off (acc. to IAS 32)**	**Financial collaterals not to be set off**	**Net value acc. to IFRS 7.13**
Restricted cash	38,143	0	38,143	0	– 10,500	27,643
Total	**40,252**	**0**	**40,252**	**0**	**– 10,500**	**29,752**
Derivative financial liabilities						
Interest rate swaps	**– 105,565**	**0**	**– 105,565**	**0**	**10,500**	**– 95,065**
- thereof cash flow hedges	– 48,605	0	– 48,605	0	0	– 48,605
- thereof fair value derivatives	– 56,960	0	– 56,960	0	10,500	– 46,460
Total	**– 105,565**	**0**	**– 105,565**	**0**	**10,500**	**– 95,065**

€ 1.000						**31.12.2012**
Financial assets	**Gross book value**	**Amount set off (book value financial obligation)**	**Net value set off**	**Amounts not to be set off (acc. to IAS 32)**	**Financial collaterals not to be set off**	**Net value acc. to IFRS 7.13**
restricted cash	74,382	0	74,382	0	– 14,285	60,097
Total	**74,383**	**0**	**74,383**	**0**	**– 14,285**	**60,098**
Derivative financial liabilities						
Interest rate swaps	**– 214,309**	**0**	**– 214,309**	**0**	**14,285**	**– 200,024**
- thereof cash flow hedges	– 138,008	0	– 138,008	0	0	– 138,008
- thereof fair value derivatives	– 76,301	0	– 76,301	0	14,285	– 76,301
Total	**– 215,362**	**0**	**– 215,362**	**0**	**14,285**	**– 201,077**

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

37. Risks from financial instruments

Interest rate risk

Risks resulting from changes in interest rates basically result from long-term loans and interest rate derivatives (Swaps, Caps) and relate to the amount of future interest payments (for variable interest instruments) and to the fair value of the financial instrument (for fixed rate instruments). A mix of long-term fixed-rate and floating-rate loans is used to reduce the interest rate risk. In the case of floating-rate loans, derivative financial instruments (interest rate caps, interest rate floors and interest rate swaps) are also used to hedge the cash-flow risk of interest rate changes arising from hedged items.

The following sensitivity analysis shows the impact of variable interest rates on interest expense, based on the liabilities as at 31.12.2013. It shows the effect of a change in interest rate by 50 and 100 basis points on the interest expenses. The analysis assumes that all other variables, particularly foreign exchange rate, remain constant. Due to the very low interest levels the analysis only shows the effect of increasing interest rates.

€ 1.000	Gain/Loss average interest payable for		recognised directly in equity	
	at 50 bps Increase	at 100 bps Increase	at 50 bps Increase	at 100 bps Increase
31.12.2013				
Variable rate instruments	– 9,164	– 18,328		
Fixed rate instruments	0	0		
Fixed rate instruments (Swaps)	5,788	11,577		
Derivative financial instruments (valuation)	11,185	22,371	7,284	14,567
	7,809	**15,620**		
31.12.2012				
Variable rate instruments	– 13,705	– 27,410		
Fixed rate instruments	0	0		
Fixed rate instruments (Swaps)	8,195	16,389		
Derivative financial instruments (valuation)	10,843	18,493	17,482	29,149
	5,332	**7,472**	**17,482**	**29,149**

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

Currency risk

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

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

31.12.2013 € 1.000	USD	Gain (+)/ loss (-)	CZK	Gain (+)/ loss (-)	HUF	Gain (+)/ loss (-)
Exchange rate	**1.3725**		**27.4250**		**296.9100**	
+10% increase	1.5098	-	30.1675	496	326.6010	-
– 10% decrease	1.2353	-	24.6825	-746	267.2190	-

31.12.2012 € 1.000	USD	Gain (+)/ loss (-)	CZK	Gain (+)/ loss (-)	HUF	Gain (+)/ loss (-)
Exchange rate	**1.3156**		**25.1400**		**291.2900**	
+10% increase	1.4472	291	27.6540	648	320.4190	63
– 10% decrease	1.1840	– 355	22.6260	– 792	262.1610	– 77

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

Credit risk

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

Tenants provided deposits in the amount of € 16,243 K (31.12.2012: € 15,728 K) as well as bank guarantees of € 32,455 K (31.12.2012: € 48,431 K). The default risk for other financial instruments recognised as assets is considered to be minor, since in most cases, the contracting parties are financial institutions with the highest credit rating or government bodies.

Liquidity risk

Liquidity risk is the risk that CA Immo Group will not be able to meet its financial obligations as they fall due. CA Immo Group's approach to managing liquidity is to ensure that CA Immo Group will always have sufficient liquidity to meet liabilities when due, whilst avoiding unnecessary potential losses and risks. Loans are usually agreed on a long-term basis in accordance with the long-term nature of real estate.

The CA Immo Group manages liquidity risk in several different ways: firstly, by means of distinct liquidity planning and securing to avoid possible liquidity shortages. Secondly, CA Immo Group takes safeguarding measures by entering into capital partnerships (joint ventures) for project development purposes as an alternative and extension to established sources of raising equity capital. External capital is raised by CA Immo Group not only from its principal bank, UniCredit Bank Austria AG/UniCredit Group, but to an increasing extent from other domestic and foreign banks, with which little or no business relationships existed. The contractually agreed (undiscounted) interest payments and repayments for primary financial liabilities and derivative financial instruments can be seen in the table below.

31.12.2013	Book value 2013	Contractually agreed cash flows	Cash flow 2014	Cash-flow 2015–2018	Cash-flow 2019 ff
Convertible bond	115,189	– 119,223	– 119,223	0	0
Other bonds	338,379	– 373,776	– 168,720	– 205,056	0
Other interest-bearing liabilities	1,973,509	– 2,135,283	– 629,962	– 1,331,657	– 173,664
Other liabilities	190,349	– 190,349	– 100,606	– 82,748	– 6,995
Liabilities relating to disposal groups	0	0	0	0	0
Primary financial liabilities	**2,627,764**	**– 2,828,970**	**– 1,028,110**	**– 1,619,688**	**– 181,172**
Interest rate derivatives in connection with cash flow hedges	48,605	– 51,989	– 1,269	– 26,935	– 23,785
Interest rate derivatives not connected with hedges	56,960	– 58,757	0	– 40,633	– 18,124
Derivative financial liabilities	**105,565**	**– 110,746**	**– 1,269**	**– 67,568**	**– 41,909**
	2,733,330	**– 2,939,716**	**– 1,029,379**	**– 1,687,256**	**– 223,081**

31.12.2012 € 1,000	Book value 2012	Contractually agreed cash flows	Cash flow 2013– 2015	Cash flow 2014– 2016	Cash flow 2017 ff
Convertible bond	115,172	– 123,946	– 4,723	– 119,223	0
Other bonds	337,476	– 392,496	– 18,720	– 373,776	0
Other interest-bearing liabilities	2,926,884	– 3,157,645	– 881,890	– 1,855,366	– 420,389
Other liabilities	148,823	– 148,823	– 92,830	– 46,353	– 9,639
Primary financial liabilities	**3,542,933**	**– 3,837,488**	**– 1,011,918**	**– 2,395,018**	**– 430,552**
Interest rate derivatives in connection with cash flow hedges	138,008	– 139,655	– 37,044	– 97,176	– 5,435
Interest rate derivatives not connected with hedges	77,337	– 84,470	– 19,461	– 57,962	– 7,047
Forward foreign exchange transactions not connected with hedges	17	– 17	– 17	0	0
Derivative financial liabilities	**215,362**	**– 224,142**	**– 56,522**	**– 155,138**	**– 12,482**
	3,758,295	**– 4,061,630**	**– 1,068,440**	**– 2,550,156**	**– 443,034**

The cash flows for interest rate derivatives are based on assumed values for the underlying forward rates as at the respective balance sheet date.

The cash flows from derivatives in cash flow hedge relationships are expected to have an effect on profit and loss in the period of occurrence of the underlying transaction, i.e. allocated over the term of the financing or when redeemed prematurely at the time of redemption.

Capital management

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

The key parameters for determining the capital structure of CA Immo Group are the general ratio of shareholders' equity to liabilities and also the separation of liabilities into external funding collateralised by properties as collateral, which is raised at the level of special-purpose vehicles, and unsecured external funding, which is raised by the parent company of the Group. Equity is managed based in shareholders'' equity as presented in the financial statements according to IFRS. With regard to the first parameter, CA Immo Group strives to maintain an equity ratio of approx. 40 % to 45 %. As at 31.12.2013, the equity ratio was at 38.4%. Particularly through the lately property disposals in the CA Immo Group and the related repayment of liabilities, active steps for the strengthening of the equity ratio have been set.

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

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

€ 1.000	31.12.2013	31.12.2012
Interest-bearing liabilities		
Long-term interest-bearing liabilities	1,555,032	2,454,856
Short-term interest-bearing liabilities	872,045	924,676
Interest-bearing assets		
Cash and cash equivalents	– 675,413	– 257,744
Cash and cash equivalents with drawing restrictions	– 28,206	– 54,608
cash and cash equivalents held for sale	– 76	0
Net debt	**1,723,382**	**3,067,180**
Shareholders' equity	1,865,182	1,815,742
Gearing ratio (Net debt/equity)	**92.4%**	**168.9%**

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

38. Other liabilities and contingent liabilities

Guarantees and other commitments

As at 31.12.2013 CA Immo Germany Group is subject to guarantees and other commitments amounting to € 65 K (31.12.2012: € 65 K) resulting from urban development contracts and purchase agreements for decontamination costs and war damage costs amounting to € 572 K (31.12.2012: € 1,159 K). Furthermore, comfort letters and securities have been issued for three proportionally consolidated companies in Germany amounting to € 8,666 K (31.12.2012 for four proportionally consolidated companies € 98,651 K).

CA Immo Group has agreed to adopt a gauarantee in connection with the refunding of the project "Airport City St. Petersburg" in the extend of € 6,237 K at the most in favour of the Joint Venture Partner. The guarantee of CA Immo Group to accept liabilities for the "Airport City Petersburg" amounting to € 4,200 K as at 31.12.2012 was finished simultaneously.

In connection with disposals, CA Immo Group concludes guarantees under regular a market conditions for coverag of possible warranty and liability claims on the part of the buyer for which adequate provisions have been recognised in the balance sheet.

Due to the disposal of Tower 185, Frankfurt, CA Immo Group granted a guarantee for compensation of rent-free periods as well as rent guarantees in the amount of € 36,785 K.

CA Immo Group issued a comfort letter amounting to € 3,500 K and pledged shares for an at equity consolidated company in Germany.

Contingent liabilities

In 2011, the joint venture partner from a Russian project has filed an arbitration action for approx € 110 m. CA Immo Group considers the chances of this action succeeding as minimal. The expected cash outflows in this respect have been recognised in the statement of financial position accordingly.

Other financial obligations

Furthermore, other financial obligations relate to building site liabilities for work carried out in the course of developing real estate in Austria of € 1,588 K (31.12.2012: € 4,834 K), in Germany of € 48,846 K (31.12.2012: 91,747 K), and in Eastern Europe of € 12,085 K (31.12.2012: € 476 K). Moreover as at 31.12.2013 CA Immo Group is subject to other financial liabilities resulting from construction costs from urban development contracts, which can be capitalised in the future with an amount of € 45,256 K (31.12.2011: € 47,807 K).

As at 31.12.2013 total obligations of CA Immo Group in respect of equity calls for proportionally consolidated companies amounted to € 13,046 K (31.12.2012: € 179 K).

39. Leases

CA Immo Group as lessor

All lease contracts concluded by CA Immo Group, under which CA Immo Group is the lessor, are recorded as operating leases in accordance with IFRS. Generally, these have the following essential contractual terms:

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

Future minimum rental income from existing short-term lease contracts or contracts with termination waivers as at the reporting date are as follows:

€ 1.000	2013	2012
In the following year	195,240	258,587
Thereafter 4 years	465,679	731,938
More than 5 years	335,793	1,363,693
Total	**996,712**	**2,354,218**

All remaining rental agreements may be terminated at short notice.

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

CA Immo Group as lessee

All rental agreements signed by CA Immo Group are classified as operating leases.

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

The remaining operating lease agreements of CA Immo Group relate to office furniture, equipment and other assets. No purchase options have been agreed. Leasing payments of € 2,029 K were recognised as expenses in 2013. (2012: € 2,652 K).

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

€ 1.000	2013	2012
In the following year	1,532	2,181
Thereafter 4 years	4,377	6,705
More than 5 years	1,346	3,793
Total	**7,255**	**12,679**

40. Transactions with related parties

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

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

Transactions with joint ventures

€ 1.000	31.12.2013	31.12.2012
Loans	10,588	11,266
Receivables	6,100	25,777
Liabilities	34,428	31,223
	2013	**2012**
Other income	867	1,874
Other expenses	– 639	– 922
Interest income	734	680
Interest expense	– 410	– 175

Outstanding loans to joint ventures and the majority of the receivables from joint ventures as at the reporting date serve to finance properties. The interest rates are in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these loans. The cumulative impairment loss on loans to joint ventures amounts to € 1,399 K (31.12.2012 € 362 K). Receivables from joint ventures comprise short-term loans in the amount of € 4,410 K (31.12.2012: € 1,750 K). Previous year, liabilities against joint ventures include long-term loans amounted to € 30,425 K. All receivables and liabilities have interest rates in line with those prevailing in the market. The remaining receivables and liabilities are predominantly the result of services performed in Germany. No guarantees or other forms of security exist in connection with these receivables and liabilities.

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

Transactions with at equity companies

€ 1.000	31.12.2013	31.12.2012
Loans	21,394	19,070
	2013	**2012**
Income from associated companies	3,359	2,711
Expenses due to associated companies	– 3	– 18
Result from associated companies	**3,356**	**2,694**
Interest income from associated companies	2,036	2,479
Impairment loans to associated companies	– 126	– 5,711

Loans to associated companies outstanding as at the reporting date serve to finance a Russian project development company. All loans have interest rates in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these loans. The cumulative impairment loss recognised on loans to associated companies amounts to € 8,393 K (31.12.2012: € 7,636 K).

The executive bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna
Management Board
Dr. Bruno Ettenauer
Bernhard H. Hansen (until 31 December, 2013)
Mag. Florian Nowotny

In addition, management board member Bruno Ettenauer is a member of the supervisory board of UBM Realitätenentwicklungs AG, Vienna.

In fiscal 2013 the total costs of the management board (including non-wage labour costs, benefits and expense allowances) amounted to € 1,407 K (2012: € 2,294 K). Thereof € 91 K (2012: € 91 K) were related to charges based on the wages. The remuneration of the management board included in 2013 € 465 K (2012: € 1,235 K) of variable salary components (including bonus payments for the fiscal year 2012 as well as payments relating to LTI-Tranche 2010). Last year, the figure included, beside bonus payments,, all payments relating to the retirement of the board Member Wolfhard Fromwald. For variable salary components including charges on this component provisions in an amount of € 807 K (2012: € 568 K) were considered as expenses. Provisions for LTI (long term incentive) programme amount to € 1,265 K as at 31.12.2012 (31.12.2012: € 885 K). Thereof € 242 are related to the current Management Board (2012: € 299 K). In fiscal year 2013 an amount of € 83 K (2011: € 225 K) was paid to the pensions funds. Last years comparative included beside the pension fund expenses for former board members a (€ 32 K) fixed single payment amounting to € 127 K. The expenses for the provision building for severance payments (achievement oriented undertaking) amount to € 32 K (2012: € 67 K) in the current year 2013. No loans or prepayments were granted to the Management Board. At the end of 2013 Bernd Hansen, board member of CA Immobilien Anlagen AG and chairman of the management board of CA Immo Deutschland GmbH etc.), resigned from office. Hansons receives his regular pay until the end of his contract contract in September 2015.

€ 1.000	Fixed[1]	Variable[2]	Payment in kind[3]	Fixed/variable ration in %[4]	Total 2013	Total 2012
Bruno Ettenauer	320	202	8	62:38	530	619
Florian Nowotny (from 1.10.2012)	225	72	6	76:24	303	57
Bernhard H. Hansen	270	191	21	60:40	482	538
Total	**815**	**465**	**35**	**65:35**	**1,315**	**1,214**

[1] Not including non-wage labour costs in total amount of € 91 K
[2] Including maturing LTI-Tranche 2010-2012
[3] Car costs and trevveling expenses
[4] Including benefits

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

In 2013 (for the business year 2012), CA Immo Anlagen Aktiengesellschaft paid a total of € 125 K (2012 for the 2014 business year: € 116 K) in Supervisory Board compensation. No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were paid.

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

UniCredit Bank Austria AG/UniCredit Group

UniCredit Bank Austria AG is the principal bank of the CA Immo Group and the largest single shareholder in the Company with a stake of about 18% (as at: 31.12.2013). CA Immo Group processes most of its payment transactions and arranges much of its credit financing and financial investment through the bank. UniCredit Bank Austria AG also holds four registered shares, which entitle the bank to nominate one Supervisory Board member for each share.

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

– Consolidated statement of financial position:

€ 1.000	**31.12.2013**	**31.12.2012**
Share of financial liabilities recognised in the consolidated statement of financial position	25.9%	18.9%
Outstanding receivables	357,193	159,725
Outstanding liabilities	– 628,852	– 634,267
Fair value of interest rate swaps	– 105,565	– 152,683
Fair value of swaptions	2,109	0

– Consolidated income statement:

€ 1.000	**2013**	**2012**
Finance costs	– 53,849	– 54,016
Result from interest rate derivative transactions incl. Reclassification	– 43,557	– 5,819
Result from financial investments	310	919
Transaction fees	– 430	– 421

– Other comprehensive income (equity):

€ 1.000	2013	2012
Valuation result of period (Hedging) incl. reclassification	80,744	– 115,340

– Consolidated statement of cash flows:

€ 1.000	2013	2012
Raising of new bank loans	68,675	41,616
Repayment of bank loans	– 69,353	– 61,478
Realisation and acquisition of interest rate derivative transactions	– 49,721	0
Interest paid	– 50,443	– 48,574
Interest received	304	915

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

41. Key figures per share

Earnings per share

A convertible bond was issued in November 2009. This bond has an effect on the earnings per share. In 2012 diluted earnings per share equal undiluted earnings per share since no dilutive effect arises due to the potential ordinary shares.

		2013	2012
Weighted average number of shares outstanding	pcs.	87,856,060	87,856,060
Consolidated net income	€ 1.000	48,337	55,867
basic earnings per share	**€**	**0.55**	**0.64**

		2013
Weighted average number of shares outstanding	pcs.	87,856,060
Dilution effect:		
Convertible bond	pcs.	10,739,073
Weighted average number of shares	**pcs.**	**98,595,133**
Consolidated net income attributable to the owners of the parent	€ 1.000	48,337
Dilution effect:		
Effective interest rate on convertible bond	€ 1.000	4,723
less taxes	€ 1.000	– 1,181
Consolidated net income attributable to the owners of the parent adjusted by dilution effect	**€ 1.000**	**51,879**
Diluted earnings per share	**€**	**0.53**

Cash-flow per share

		2013	2012
Weighted average number of shares outstanding	pcs.	87,856,060	87,856,060
Weighted number of potential shares	**pcs.**	**98,595,133**	**87,856,060**
Cash flow from operations	€ 1.000	211,047	195,254
Operating cash flow per share (basic)	**€**	**2.40**	**2.22**
Operating cash flow per share (diluted)	**€**	**2.14**	**2.22**
Cash flow from operating activities	€ 1.000	209,541	192,838
Cash flow from operating activities per share (basic)	**€**	**2.39**	**2.19**
Cash flow from operating activities per share (diluted)	**€**	**2.13**	**2.19**

42. Employees

In the financial year2013, CA Immo Group had an average of 475 white-collar workers (2012: 460) and 2 blue-collar workers (2012: 12), of which on average of 161 (2012: 175) were employed in Germany, 110 white-collar workers (2012: 100) in hotel operations in Czech Republic and 115 (2012: 131) white-collar workers and 0 (2012: 10) blue-collar workers at subsidiaries in Eastern Europe. Additionally an average of 11 white-collar worker was employed (2012: 1) in proportionally consolidated companies.

43. Costs for the auditor

€ 1.000	2013	2012
Auditing costs	451	563
Other review services	251	269
Other consultancy services	0	67
Total	**702**	**899**

The expenses for the auditor do not contain non-deductible VAT in the amount of € 33 K (2012: € 54 K).

44. Events after the close of the business year

Through the issuance of share due to the exercise of conversion right of the 4,125% convertible bond 2009 – 2014 after the reporting date the share capital of the company increased to € 639,190,853.51 at end of February 2014. The share capital is divided into 4 registered shares and 87,921,709 bearer shares with a pro rata interest of € 7.27 on the share capital. The shares to be delivered are currently running under ISIN AT0000A154Z4 and are entitled to participate in dividends from the business year they were emitted.

CA Immo Group purchased a loan portfolio from Österreichische Volksbanken AG with a nominal value in the amount of € 428 Mio. About half of the nominal value accounts for Eastern Europe respectively Austria.

These consolidated financial statements were prepared by the Management Board on the date below. The individual and consolidated financial statements for CA Immobilien Anlagen Aktiengesellschaft will be presented to the Supervisory Board on 18.3.2014 for approval.

Vienna, 18.3.2014

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Managment Board Member)

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

ANNEX I TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2013 [2]
CA Immo d.o.o.	Belgrade	390,500	EUR	100	FC	
TM Immo d.o.o.	**Belgrade**	**13,750,000**	**EUR**	**100**	**FC**	
CA Immo Sava City d.o.o.	Belgrade	33,620,000	EUR	100	FC	
BA Business Center a.s.	**Bratislava**	**7,503,200**	**EUR**	**100**	**FC**	
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	FC	
Canada Square Kft.	**Budapest**	**12,500,000**	**HUF**	**100**	**FC**	
Kapas Center Kft.	Budapest	772,560,000	HUF	100	FC	
Kilb Kft.	**Budapest**	**30,000,000**	**HUF**	**100**	**FC**	
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	FC	
Skogs Buda Business Center II. Kft.	**Budapest**	**327,000,000**	**HUF**	**100**	**FC**	
Váci 76 Kft.	Budapest	3,100,000	HUF	100	FC	
Opera Center One S.R.L.	**Bucharest**	**27,326,150**	**RON**	**100**	**FC**	
Opera Center Two S.R.L.	Bucharest	7,310,400	RON	100	FC	
S.C. BBP Leasing S.R.L.	**Bucharest**	**14,637,711**	**RON**	**100**	**FC**	
TC Investments Arad S.R.L.	Bucharest	4,018,560	RON	100	FC	
Blitz F07-neunhundert-sechzig-acht GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
Blitz F07-neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Invest GmbH	**Frankfurt**	**50,000**	**EUR**	**100**	**FC**	
CA Immo Deutschland GmbH	Frankfurt	5,000,000	EUR	99.7	FC	
CA Immo Elf GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Fünfzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünfzehn GmbH & Co. KG	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
CA Immo GB GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechzehn Beteiligungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Sechzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo Zehn GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Zwölf Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CEREP Allermöhe GmbH	**Frankfurt**	**25,000**	**EUR**	**99.7**	**FC**	
CM Komplementär F07– 888 GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
DRG Deutsche Realitäten GmbH	**Frankfurt**	**500,000**	**EUR**	**49**[3]	**PC**	
Pannonia Shopping Center Kft.	Györ	520,000	HUF	100.0	FC	
CA Immo Holding B.V.	**Hoofddorp**	**51,200,000**	**EUR**	**100**	**FC**	
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC	
Pulkovo B.V.	**Hoofddorp**	**25,000**	**EUR**	**100**	**FC**	
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	FC	
CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR	**Luxembourg**	**153,569,000**	**EUR**	**100**	**FC**	

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2013 [2]
CAINE S.à.r.l.	Luxembourg	12,500	EUR	100	FC	
2P s.r.o.	Plzen	240,000	CZK	100	FC	
Hotel Operations Plzen Holding s.r.o.	Plzen	200,000	CZK	100	FC	
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	FC	
FCL Property a.s.	Prague	2,000,000	CZK	100	FC	
Hotel Operations Europort s.r.o.	Prague	200,000	CZK	100	FC	
K&K Investments S.R.L.	Sibiu	21,609,000	RON	90	FC	
Megapark o.o.d.	Sofia	5,000	BGN	43.5[3]	PC	
Office Center Mladost 2 EOOD	Sofia	5,000	BGN	100	FC	
Office Center Mladost EOOD	Sofia	5,000	BGN	100	FC	
ZAO "Avielen A.G."	St. Petersburg	370,500,000	RUB	35	AE	
Camari Investments Sp.z o.o.	Warsaw	10,000	PLN	50	PC	
Doratus Sp.z.o.o.	Warsaw	2,000,000	PLN	100	FC	
Ipopema Towarzystwo Funduszy Inwestycyjnych S.A.	Warsaw	238,388,310	PLN	50	PC	
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	PC	
Warsaw Financial Center Sp.z.o.o.	Warsaw	51,000	PLN	50	PC	
POLECZKI Warsaw Office Sp. z o.o.	Warsaw	5,000	PLN	50	PC	G
POLECZKI Berlin Office Sp. Z o.o.	Warsaw	5,000	PLN	50	PC	G
CA Immo Wspólna Sp. z o.o.	Warsaw	5,000	PLN	100	FC	A
Poleczki Amsterdam Office Sp. Z o.o.	Warsaw	5,000	PLN	50	PC	A
Poleczki Vienna Office Sp. Z o.o.	Warsaw	5,000	PLN	50	PC	A
Poleczki Development Sp. Z o.o.	Warsaw	5,000	PLN	50	PC	A
Hatley Investments Sp. Z o.o. SKA	Warsaw	50,000	PLN	50	PC	A
Hatley Investments Sp. Z o.o.	Warsaw	5,000	PLN	50	PC	A
Amsterdam Office Sp.z.o.o.	Warsaw	2,700,000	PLN	50	PC	
Poleczki Business Park Sp.z.o.o.	Warsaw	7,936,000	PLN	50	PC	
Vienna Office Sp.z.o.o.	Warsaw	3,300,000	PLN	50	PC	
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	FC	
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,135,427	EUR	100	FC	
BIL-S Superädifikatsverwaltungs GmbH	Vienna	70,000	EUR	100	FC	
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	100	FC	
CA Immo CEE Beteiligungs GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Galleria Liegenschaftsverwaltung GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Germany Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo International Beteiligungsverwaltungs GmbH	Vienna	35,000	EUR	100	FC	
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Investment Management GmbH	Vienna	100,000	EUR	100	FC	
CA Immo LP GmbH	Vienna	146,000	EUR	100	FC	
CA Immo ProjektentwicklungsgmbH	Vienna	72,500	EUR	100	FC	

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2013 [2]
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	FC	
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG	**Vienna**	**77,837,600**	**EUR**	**100**	**FC**	
CA Immo-RI-Residential Property Holding GmbH	Vienna	35,000	EUR	100	FC	
CAII Projektmanagement GmbH	**Vienna**	**35,000**	**EUR**	**100**	**FC**	
EUROPOLIS AG	Vienna	5,000,000	EUR	100	FC	
omniCon Baumanagement GmbH	**Vienna**	**100,000**	**EUR**	**100**	**FC**	
UBM Realitätenentwicklung AG	Vienna	18,000,000	EUR	25	AE	

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

As at 31.12.2013, CA Immobilien Anlagen Aktiengesellschaft held 100 % of shares in EUROPOLIS AG, Vienna. The following subsidiaries, shares in joint ventures and associated companies of EUROPOLIS AG, Vienna, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2013 [2]
Europolis Holding B.V.	Amsterdam	2	EUR	100	FC	A
Phönix Logistics d.o.o.	**Belgrade**	**242,460,163**	**RSD**	**65**	**FC**	
Europolis D61 Logistics s.r.o.	Bratislava	1,364,000	EUR	100	FC	
Europolis Harbour City s.r.o.	**Bratislava**	**23,629,211**	**EUR**	**65**	**FC**	
CA Immo Real Estate Management Hungary K.f.t.	Budapest	54,510,000	HUF	100	FC	
COM PARK Ingatlanberuházási Kft	**Budapest**	**3,010,000**	**HUF**	**65**	**FC**	
EUROPOLIS ABP Ingatlanberuházási Kft	Budapest	21,410,000	HUF	51	FC	
EUROPOLIS City Gate Ingatlanberuházási Kft	**Budapest**	**13,000,000**	**HUF**	**65**	**FC**	
Europolis Infopark Ingatlanüzemeltető Kft	Budapest	5,240,000	HUF	51	FC	
EUROPOLIS IPW Ingatlanberuházási Kft	**Budapest**	**54,370,000**	**HUF**	**65**	**FC**	
EUROPOLIS M1 Ingatlanberuházási Kft	Budapest	55,020,000	HUF	51	FC	
Europolis Park Airport Kft.	**Budapest**	**19,900,000**	**HUF**	**100**	**FC**	
Europolis Tárnok Ingatlanberuházási Kft	Budapest	5,400,000	HUF	65	FC	
CA Immo Real Estate Management Romania S.R.L.	**Bucharest**	**975,000**	**RON**	**100**	**FC**	
EUROPOLIS BV DEVELOPMENT S.R.L.	Bucharest	43,853,900	RON	65	FC	
EUROPOLIS ORHIDEEA B.C. S.R.L.	**Bucharest**	**91,389,960**	**RON**	**65**	**FC**	
EUROPOLIS PARK BUCHAREST ALPHA S.R.L.	Bucharest	54,064,790	RON	65	FC	
EUROPOLIS PARK BUCHAREST BETA S.R.L.	**Bucharest**	**8,631,000**	**RON**	**65**	**FC**	
EUROPOLIS PARK BUCHAREST DELTA S.R.L.	Bucharest	1,000	RON	65	FC	
EUROPOLIS PARK BUCHAREST GAMMA S.R.L.	**Bucharest**	**11,181,000**	**RON**	**65**	**FC**	
EUROPOLIS PARK BUCHAREST INFRASTRUCTURA S.R.L.	Bucharest	8,640,036	RON	65	FC	
EUROPOLIS SEMA PARK S.R.L.	**Bucharest**	**107,680,000**	**RON**	**65**	**FC**	
INTERMED CONSULTING & MANAGEMENT S.R.L.	Bucharest	330	RON	65	FC	
VICTORIA INTERNATIONAL PROPERTY S.R.L.	**Bucharest**	**216**	**RON**	**65**	**FC**	
Private Enterprise "Margolia Ukraine" (in Liquidation)	Kiev	1,000	UAH	65	FC	
TzoV "Europolis Logistics Park I" (in Liquidation)	**Kiev**	**2,232,296**	**UAH**	**100**	**FC**	
TzoV "Europolis Logistics Park II"	Kiev	122,456,333	UAH	100	FC	
TzoV "Europolis Property Holding"	**Kiev**	**205,343,887**	**UAH**	**65**	**FC**	
TzoV "Europolis Real Estate AM" (in Liquidation)	Kiev	6,855,988	UAH	100	FC	
TzoV "Logistyk-Tsentr "A"	**Kiev**	**19,380,120**	**UAH**	**65**	**FC**	
TzoV"Corma Development II" (in Liquidation)	Kiev	1,000,000	UAH	65	FC	
TzoV"Corma Development"	**Kiev**	**206,038,651**	**UAH**	**65**	**FC**	
ALBERIQUE LIMITED	Limassol	1,100	EUR	100	FC	
BEDELLAN PROPERTIES LIMITED	**Limassol**	**12,004**	**EUR**	**65**	**FC**	
EPC KAPPA LIMITED	Limassol	11,389	EUR	100	FC	
EPC LAMBDA LIMITED	**Limassol**	**457,596**	**EUR**	**75**	**FC**	
EPC LEDUM LIMITED	Limassol	12,654	EUR	100	FC	
EPC OMIKRON LIMITED	**Limassol**	**56,772**	**EUR**	**65**	**FC**	
EPC PI LIMITED	Limassol	2,110	EUR	65	FC	

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2013 [2]
EPC PLATINUM LIMITED	Limassol	2,450	EUR	100	FC	
EPC RHO LIMITED	**Limassol**	**1,990**	**EUR**	**65**	**FC**	
EPC THREE LIMITED	Limassol	2,491,426	EUR	65	FC	
EPC TWO LIMITED	**Limassol**	**969,570**	**EUR**	**65**	**FC**	
EUROPOLIS REAL ESTATE ASSET MANAGEMENT LIMITED	Limassol	2,500	EUR	100	FC	
OPRAH ENTERPRISES LIMITED	**Limassol**	**3,010**	**EUR**	**100**	**FC**	
Europolis Real Estate Asset Management LLC	Moscow	22,360,000	RUB	100	FC	
CORMA HOLDINGS LIMITED (in Liquidation)	**Nicosia**	**6**	**EUR**	**65**	**FC**	
HARILDO LIMITED	Nicosia	1,400	EUR	50	PC	
VESESTO LIMITED	**Nicosia**	**1,400**	**EUR**	**50**	**PC**	
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	75	FC	
CA Immo Real Estate Management Czech Republic s.r.o.	**Prague**	**1,000,000**	**CZK**	**100**	**FC**	
EUROPOLIS Technopark s.r.o.	Prague	200,000	CZK	51	FC	
RCP Alfa, s.r.o.	**Prague**	**1,000,000**	**CZK**	**51**	**FC**	
RCP Amazon, s.r.o.	Prague	1,000,000	CZK	65	FC	
RCP Beta, s.r.o.	**Prague**	**73,804,000**	**CZK**	**65**	**FC**	
RCP Delta, s.r.o.	Prague	1,000,000	CZK	65	FC	
RCP Gama, s.r.o.	**Prague**	**96,931,000**	**CZK**	**65**	**FC**	
RCP ISC, s.r.o.	Prague	1,000,000	CZK	65	FC	
RCP Residence, s.r.o.	**Prague**	**5,000,000**	**CZK**	**100**	**FC**	
TK Czech Development IX s.r.o.	Prague	100,000	CZK	100	FC	
ALLIANCE MANAGEMENT COMPANY Sp.z o.o.	**Warsaw**	**971,925**	**PLN**	**65**	**FC**	
CA Immo Real Estate Management Poland Sp. z o.o.	Warsaw	565,000	PLN	100	FC	
CENTER PARK Sp.z o.o.	**Warsaw**	**84,000**	**PLN**	**65**	**FC**	
EUROPOLIS BITWY WARSZAWSKIEJ Sp.z o.o.	Warsaw	60,000	PLN	100	FC	
EUROPOLIS LIPOWY OFFICE PARK Sp.z o.o.	**Warsaw**	**70,000**	**PLN**	**100**	**FC**	
EUROPOLIS PARK BŁONIE Sp.z o.o.	Warsaw	1,091,400	PLN	65	FC	
EUROPOLIS SASKI CRESCENT Sp.z o.o.	**Warsaw**	**50,000**	**PLN**	**100**	**FC**	
EUROPOLIS SASKI POINT Sp.z o.o.	Warsaw	50,000	PLN	100	FC	
EUROPOLIS SIENNA CENTER Sp.z o.o.	**Warsaw**	**4,600,000**	**PLN**	**100**	**FC**	
POLAND CENTRAL UNIT 1 Sp.z o.o.	Warsaw	11,800,000	PLN	75	FC	
SOFTWARE PARK KRAKÓW Sp.z o.o.	**Warsaw**	**50,000**	**PLN**	**50**	**PC**	
WARSAW TOWERS Sp.z o.o.	Warsaw	50,000	PLN	100	FC	
Rodway Investments Sp. z o.o.	**Warsaw**	**5,000**	**PLN**	**100**	**FC**	**A**
Tilda Investments Sp. z o.o.	Warsaw	5,000	PLN	100	FC	A
Tugela Investments Sp. z o.o.	**Warsaw**	**5,000**	**PLN**	**100**	**FC**	**A**
Yvelines Investments Sp. z o.o.	Warsaw	5,000	PLN	100	FC	A
Sardis Investments Sp. z o.o.	**Warsaw**	**5,000**	**PLN**	**100**	**FC**	**A**
EUROPOLIS CE Alpha Holding GmbH	Vienna	36,336	EUR	65	FC	
EUROPOLIS CE Amber Holding GmbH	**Vienna**	**35,000**	**EUR**	**100**	**FC**	
EUROPOLIS CE Istros Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Kappa Holding GmbH	**Vienna**	**35,000**	**EUR**	**100**	**FC**	
EUROPOLIS CE Lambda Holding GmbH	Vienna	35,000	EUR	75	FC	
EUROPOLIS CE Ledum Holding GmbH	**Vienna**	**35,000**	**EUR**	**100**	**FC**	

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2013 [2]
EUROPOLIS CE My Holding GmbH	Vienna	35,000	EUR	75	FC	
EUROPOLIS CE Rho Holding GmbH	**Vienna**	**35,000**	**EUR**	**65**	**FC**	
Europolis Real Estate Asset Management GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS Sarisu Holding GmbH	**Vienna**	**35,000**	**EUR**	**100**	**FC**	
Europolis Zagrebtower d.o.o.	Zagreb	15,347,000	HRK	65	FC	

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

As at 31.12.2013, CA Immo Group held 99.7 % of shares in CA Immo Deutschland GmbH, Frankfurt am Main (or simply Frankfurt). The following subsidiaries, shares in joint ventures ans associated companies of CA Immo Deutschland GmbH, Frankfurt, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2013 [2]
CA Immo 13 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo 14 GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Europaplatz 01 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 01 Verwaltungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Hallesches Ufer GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 4 GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Lehrter Stadtquartier 5 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 6 GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 8 GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Lehrter Stadtquartier 9 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier Verwaltungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Lietzenburger Straße GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lietzenburger Straße Verwaltungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Berlin MBVD Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin MBVD Verwaltungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Europaplatz 03 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 03 Verwaltungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Schöneberger Ufer Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer GmbH & Co. KG	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Berlin Schöneberger Ufer Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
Stadthafenquartier Europacity Berlin GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**50**	**PC**	
Stadthafenquartier Europacity Berlin Verwaltungs GmbH	Frankfurt	25,000	EUR	50	PC	
CA Immo Düsseldorf BelsenPark MK 2.1 Projekt GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**100**	**FC**	
CA Immo Düsseldorf BelsenPark MK 3 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark Verwaltungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Frankfurt Bauphase I GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Bauphase I Verwaltungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Frankfurt Nord 1 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 1 Projekt GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**100**	**FC**	
CA Immo Frankfurt Nord 1 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**100**	**FC**	
CA Immo Frankfurt Nord 4 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower 185 Beteiligungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo Frankfurt Tower 185 Betriebs GmbH	Frankfurt	25,000	EUR	33.3	AE	
CA Immo Frankfurt Tower 185 Projekt GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**33.3**	**AE**	
CA Immo Frankfurt Tower 185 Verwaltungs GmbH	Frankfurt	25,000	EUR	33.3	AE	
CA Immo Frankfurt Tower– 2-Besitz GmbH & Co. KG	**Frankfurt**	**5,000**	**EUR**	**100**	**FC**	
CA Immo Frankfurt Tower– 2-Geschäftsführungs GmbH	Frankfurt	25,000	EUR	100	FC	

[2] F foundation, A acquisition
[3] common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method [1]	Foundation / First time consolidation in 2013 [2]
CA Immo Frankfurt Tower– 2-Verwaltungsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Köln K 1 GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo München MI 1 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München MK 6 - Arnulfpark Grundstücksverwertungs GmbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
omniCon Gesellschaft für innovatives Bauen mbH	Frankfurt	100,000	EUR	100	FC	
omniPro Gesellschaft für Projektmanagement mbH	**Frankfurt**	**25,000**	**EUR**	**100**	**FC**	
CA Immo München Ambigon Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg Verwaltungs GmbH	**Grünwald**	**25,000**	**EUR**	**100**	**FC**	
Baumkirchen MK GmbH & Co. KG	Grünwald	10,000	EUR	50	PC	
Baumkirchen MK Verwaltungs GmbH	**Grünwald**	**25,000**	**EUR**	**50**	**PC**	
Baumkirchen WA 1 GmbH & Co. KG	Grünwald	10,000	EUR	50	PC	
Baumkirchen WA 1 Verwaltungs GmbH	**Grünwald**	**25,000**	**EUR**	**50**	**PC**	
Baumkirchen WA 2 GmbH & Co. KG	Grünwald	10,000	EUR	50	PC	
Baumkirchen WA 2 Verwaltungs GmbH	**Grünwald**	**25,000**	**EUR**	**50**	**PC**	
Baumkirchen WA 3 GmbH & Co. KG	Grünwald	10,000	EUR	50	PC	
Baumkirchen WA 3 Verwaltungs GmbH	**Grünwald**	**25,000**	**EUR**	**50**	**PC**	
CA Immo Bayern Betriebs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo München Moosach Projekt GmbH & Co. KG	**Grünwald**	**5,000**	**EUR**	**100**	**FC**	
CA Immo München Moosach Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Projektentwicklung Bayern GmbH & Co. KG	**Grünwald**	**255,646**	**EUR**	**100**	**FC**	
CA Immo Projektentwicklung Bayern Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Stuttgart Heilbronner Straße GmbH & Co. KG	**Grünwald**	**5,000**	**EUR**	**100**	**FC**	
CONCEPT BAU - PREMIER CA Immo Isargärten GmbH & Co. KG	Grünwald	15,000	EUR	33.3 [3]	PC	
CONCEPT BAU - PREMIER Vivico Isargärten Verwaltungs GmbH	**Grünwald**	**25,000**	**EUR**	**33.3 [3]**	**PC**	
Isargärten Thalkirchen GmbH & Co. KG (in liquidation)	Grünwald	30,000	EUR	33.3 [3]	PC	
Isargärten Bauträger Verwaltungs GmbH	**Grünwald**	**25,000**	**EUR**	**33.3 [3]**	**PC**	
Isargärten Thalkirchen Verwaltungs GmbH	Grünwald	25,000	EUR	33.3	AE	
SKYGARDEN Arnulfpark GmbH & Co. KG	**Grünwald**	**100,000**	**EUR**	**100**	**FC**	
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC	
Congress Centrum Skyline Plaza Beteiligung GmbH	**Hamburg**	**25,000**	**EUR**	**50**	**PC**	
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	PC	
CongressCentrum Skyline Plaza GmbH & Co. KG	**Hamburg**	**25,000**	**EUR**	**50**	**PC**	
REC Frankfurt Objektverwaltungsgesellschaft mbH	Hamburg	25,000	EUR	50	PC	
Mainzer Hafen GmbH	**Mainz**	**25,000**	**EUR**	**50**	**PC**	
Zollhafen Mainz GmbH & Co. KG	Mainz	8,500,000	EUR	50.1 [3]	PC	
Kontorhaus Arnulfpark GmbH & Co. KG	**Grünwald**	**100,000**	**EUR**	**50**	**PC**	
Kontorhaus Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC	
Skyline Plaza Generalübernehmer GmbH & Co. KG	**Oststeinbek**	**25,000**	**EUR**	**50**	**PC**	
Skyline Plaza Generalübernehmer Verwaltung GmbH	Oststeinbek	25,000	EUR	50	PC	
Boulevard Süd 4 GmbH & Co. KG	**Ulm**	**200,000**	**EUR**	**50**	**PC**	
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	PC	

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

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

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

Vienna, 18 March 2014

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Management Board Member)

AUDITOR'S REPORT

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

CA Immobilien Anlagen Aktiengesellschaft,
Vienna,

for the year from 1 January 2013 to 31 December 2013. These consolidated financial statements comprise the consolidated statement of financial position as of 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended 31 December 2013 and a summary of significant accounting policies and other explanatory notes.

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

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

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

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

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

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

Opinion

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

Report on the Management Report for the Group

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

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

Vienna, 18 March 2014

KPMG
Wirtschaftsprüfungs- und Steuerberatungs AG

Mag. Helmut Kerschbaumer
Wirtschaftsprüfer

ppa Mag. Christoph Erik Balzar
Wirtschaftsprüfer

(Austrian Chartered Accountants)

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

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

FINANCIAL STATEMENTS AND

MANAGEMENT REPORT

CONTENT

BALANCE SHEET AS AT 31.12.2013

Assets

	31.12.2013 €	31.12.2012 € 1.000
A. Fixed assets		
I. Intangible fixed assets		
EDP software	604,766.01	334
	604,766.01	**334**
II. Tangible fixed assets		
1. Property and buildings	265,687,095.86	252,539
of which land value: € 48,584,830.97; 31.12.2012: € 50,719 K		
2. Other assets, office furniture and equipment	892,995.75	1,264
3. Prepayments made and construction in progress	2,812,715.91	25,633
	269,392,807.52	**279,436**
III. Financial assets		
1. Investments in affiliated companies	1,754,754,052.37	1,668,168
2. Loans to affiliated companies	154,788,910.25	252,993
3. Investments in associated companies	7,334.69	44
4. Loans to associated companies	67,000.00	0
5. Derivative financial instruments	1,311,250.00	0
6. Other loans	7,963,245.56	9,477
	1,918,891,792.87	**1,930,682**
	2,188,889,366.40	**2,210,452**
B. Current assets		
I. Receivables		
1. Trade debtors	214,580.69	299
2. Receivables from affiliated companies	37,611,741.21	19,755
3. Other receivables	2,728,643.24	8,906
	40,554,965.14	**28,960**
II. Other securities	**33,055,300.00**	**33,055**
III. Cash on hand, cash at banks	**179,183,877.68**	**49,449**
	252,794,142.82	**111,464**
C. Deferred expenses	**525,410.41**	**811**
	2,442,208,919.63	**2,322,727**

Liabilities and Shareholders’ Equity

	31.12.2013	31.12.2012
	€	€ 1.000
A. Shareholders' Equity		
I. Share capital	638,713,556.20	638,714
II. Tied capital reserves	820,184,324.63	820,184
III. Net profit	221,975,673.08	108,747
of which profit carried forward:€ 75,361,647.06 ; 31.12.2012: € 65,363 K		
	1,680,873,553.91	**1,567,645**
B. Provisions		
1. Provision for severance payment	298,801.00	263
2. Tax provisions	184,429.00	183
3. Other provisions	67,646,499.45	66,958
	68,129,729.45	**67,404**
C. Liabilities		
1. Bonds	485,000,000.00	485,000
of which convertible: € 135,000,000.00; 31.12.2012: € 135,000 K		
2. Liabilities to banks	118,915,063.53	128,913
3. Trade creditors	1,660,796.48	811
4. Payables to affiliated companies	79,346,324.97	65,807
5. Other liabilities	6,578,178.17	6,346
of which from taxes: € 670,282.40; 31.12.2012: € 0 K		
of which in connection with social security: € 102,011.10; 31.12.2012: € 110 K		
	691,500,363.15	**686,877**
D. Deferred income	**1,705,273.12**	**801**
	2,442,208,919.63	**2,322,727**
Contingent liabilities	379,412,691.00	477,333

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2013

		2013		2012
	€	€	€ 1.000	€ 1.000
1. Gross Revenues		**24,939,290.09**		**23,987**
2. Other operating income				
a) Income from the sale and reversal of impairment losses of fixed assets except of financial assets	11,357,673.60		7,454	
b) Income from the reduction of provisions	102,991.02		111	
c) Other income	4,863,325.25	**16,323,989.87**	4,495	**12,060**
3. Staff expense				
a) Wages	– 13,700.00		– 14	
b) Salaries	– 6,007,125.79		– 6,527	
c) Expenses for severance payments and payments into staff welfare funds	– 126,529.88		– 259	
d) Expenses in connection with pensions	– 163,163.98		– 312	
e) Payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions	– 1,150,644.02		– 1,199	
f) Other social expenses	– 90,376.65	**– 7,551,540.32**	– 495	**– 8,806**
4. Depreciation on intangible fixed assets and tangible fixed assets		**– 7,767,849.44**		**– 7,621**
5. Other operating expenses				
a) Taxes	– 381,741.94		– 331	
b) Other expenses	– 14,396,298.74	**– 14,778,040.68**	– 16,516	**– 16,847**
6. Subtotal from lines 1 to 5 (operating result)		**11,165,849.52**		**2,773**
7. Income from investments		**95,808,985.35**		**154,595**
of which from affiliated companies: € 95,808,985.35; 2012: € 154,595 K				
8. Income from loans from financial assets		**10,567,054.91**		**11,931**
of which from affiliated companies: € 9,893,282.36; 2012: € 10,784 K				
9. Other interest and similar income		**16,450,958.82**		**9,027**
of which from affiliated companies: € 5,514,242.41; 2012: € 4,949 K				
10. Income from the disposal and revaluation of financial assets		**71,053,094.78**		**21,694**
11. Expenses for financial assets and interest receivables in current assets, thereof		**– 8,915,754.97**		**– 101,583**
a) Impairment: € 9,416,716.94; 2012: € 100,969 K				
b) Expenses from affiliated companies: € 8,915,754.97; 2012: € 100,094 K				
12. Interest and similar expenses		**– 54,391,290.68**		**– 59,306**
of which relating to affiliated companies: € 1,150,730.86; 2012: € 2,928 K				
13. Subtotal from lines 7 to 12 (financial result)		**130,573,048.21**		**36,358**
14. Result from usual business activity		**141,738,897.73**		**39,131**
15. Taxes on income		**4,874,861.40**		**4,253**
16. Net profit for the year		**146,613,759.13**		**43,384**
17. Dissolution of untaxed reserves				
Special item for investment grants		266.89		0
18. Profit carried forward from the previous year		**75,361,647.06**		**65,363**
19. Net profit		**221,975,673.08**		**108,747**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2013

ACCOUNTING AND VALUATION PRINCIPLES AND GENERAL INFORMATION

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

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

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

The income statement is presented by nature of expenses.

I. Fixed assets

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

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

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments have occurred. A reversal of impairment losses recognised in prior periods is recorded if the fair value is higher than the book value at the balance sheet date, but below amortised costs.

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

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

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairment losses have occurred. A reversal of impairment losses recognised in prior periods is recorded if the fair value is higher than the book value at the balance sheet date, but below acquisition costs.

II. Current assets

Receivables are valued at nominal value. Identifiable defaults risks are considered by carrying out individual value adjustments. The income from investments is recognised on the basis of shareholder resolutions or on the basis of documented dividend distributions at the same balance sheet date.

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

III.Deferred expenses and deferred income

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

Rent prepayments and invest allowances are shown under Deferred income.

IV. Provisions and liabilities

Provisions for severance payments amount to 139.63 % (31.12.2012: 132.60 %) of the imputed statutory severance payment obligations existing on the balance sheet date. The calculation is made using the PUC method, which is recognised in international accounting, based on an interest rate of 2.82 % (31.12.2012: 2.96%) and future salary increases of 2 % for employees plus an inflation rate of 2% and not taking into account a fluctuation discount. The interest rate was decreased by 0.14 % compared to the previous year, otherwise the same parameters were applied for calculation of the provisions as in the previous year.

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

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

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

V. Note on currency translation

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

EXPLANATORY NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

VI. Explanatory notes on the balance sheet

a) Fixed assets

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

Tangible assets

Additions to Property and buildings and to Prepayments made and construction in progress mainly relate to current investments, in particular amalgamation and division of leased premises and preconstruction works for the Erdberger Lände and theWolfganggasse. Disposals mainly relate to the sale of 5 properties. As at the balance sheet date the tangible assets include 16 properties (31.12.2012: 21 properties).

In 2013 – as in the previous year – no unscheduled depreciation on tangible assets were made. In business year 2013, no reversals of impairment losses on tangible assets (2012: € 4,595 K) were made and none (2012: € 0 K) were omitted.

Financial assets

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

In 2013 impairment losses in the amount of € 9,417 K (2012: € 100,969 K) and reversal of impairment losses in the amount of € 47,281 K (2012: € 19,943 K) on financial assets were recognised.

The book value of the Investments in affiliated companies is € 1,754,754 K (31.12.2012: € 1,668,168 K). Current additions are mainly the result of various shareholder contributions in the amount of € 156,297. Disposals mainly consist of the repayment of capital (from tied capital reserves) of a German affiliated company in the amount of € 134,591 K. Impairment losses of investments in affiliated companies to the value of € 9,417 K (2012: € 100,611 K) and reversal of impairment losses to the value of € 47,281 K (2012: € 19,721 K) were recognised in 2013.

The Loans to affiliated companies are made up as follows:

Tsd. €	31.12.2013	31.12.2012
Poland Central Unit Sp.z.o.o, Warschau	30.000	30.000
BA Business Center a.s., Bratislava	28.000	24.922
CA Immo Holding B.V., Hoofddorp	16.900	16.900
R70 Invest Budapest Kft, Budapest	12.004	12.404
Kapas Center Kft, Budapest	11.730	12.180
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Wien	0	78.282
Sonstige unter 10.000 Tsd. €	56.155	78.305
	154.789	**252.993**

Loans to affiliated companies to the value of € 127,412 K (31.12.2012: € 177,039 K) have a remaining term of up to one year.

In the business year, two Investments in associated companies were liquidated.

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

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

b) Current assets

Trade debtors to the value of € 215 K (31.12.2012: € 299 K) include outstanding rent and operating cost payments.

Receivables from affiliated companies are made up as follows:

€ 1.000	31.12.2013	31.12.2012
Receivables from dividend payments	14,420	2,825
Receivables from interest	11,124	10,305
Receivables from tax compensation	4,816	2,389
Trade debtors (current charging to affiliated companies)	7,252	4,236
	37,612	**19,755**

Other receivables in the amount of € 2,729 K (31.12.2012: € 8,906 K) mainly include receivables of short-term cash advances and receivables from the passing-on of costs and receivables from tax authorities. In 2013 expenses for bad debt allowances in the amount of € 0 K (2012: € 1,358 K) are considered.

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

Other securities include own 2006-2016 bonds redeemed from the market in 2011 with a book value of € 13,658 K and a nominal value of € 14,008 K as well as convertible bonds with a book value of € 19,397 K and a nominal value of € 20,500 K.

c) Deferred expenses

Deferred expenses in the amount of € 525 K (31.12.2012: € 811 K) essentially comprise deferred discounts to the value of € 446 K (31.12.2012: € 760 K) for the issuance of a bond in the amount of € 200,000 K in 2006 and a bond issued in business year 2009 to the value of € 150,000 K.

d) Shareholders' equity

Share capital equals the fully paid in nominal capital of € 638,713,556.20 (31.12.2012: € 638,713,556.20). It is divided into 87,856,056 (31.12.2012: 87,856,056) bearer shares and 4 registered shares of no par value. The registered shares are held by UniCredit Bank Austria AG, Vienna, each granting the right to nominate one member to the Supervisory Board. UniCredit Bank Austria AG, Vienna is currently not exercising this right. All members of the Supervisory Board were elected by the General Meeting.

In 2013 a dividend amount of € 0.38 (2012: € 0.38) for each share entitled to dividend, in total € 33,385 K (2012: € 33,385 K) was distributed to the shareholders.

As at 31.12.2013 there is unused authorised capital amounting to € 319,356,778.10 that can be drawn on or before 11.9.2015, as well as conditional capital in the total amount of € 235,006,123.28; last one consists of a conditional capital I in the amount of € 135,000,003.28 for the conversion of the convertible bond issued in 2009 as well as a conditional capital II in the amount of € 100,006,120.00 for the conversion of possible future convertible bonds.

The net profit 2013 includes reversal of impairment losses for fixed assets in the amount of € 47,281 K. According to section 235 no. 1 of the Austrian Commercial Code (UGB), the net profit is subject to a limitation on profit distribution in this amount.

As early as the 21st Ordinary Shareholders' Meeting of 13.5.2008 the Management Board was authorised, with the approval of the Supervisory Board, to issue convertible bonds in one or more tranches in a total nominal amount of up to € 317,185 K by 12.5.2013 (excluding the subscription rights of shareholders or otherwise) and to grant conversion rights to convertible bond holders for up to 43,629,300 bearer shares of CA Immobilien Anlagen Aktiengesellschaft. On the basis of this authorisation, a five-year convertible bond with a volume of € 135,000 K was issued in November 2019. The coupon of the bond (payable semi-annually) was set at 4.125% and the original conversion price was set at € 11.5802 (equivalent to a premium of 27.5% above the reference price). On account of the payment of a cash dividend of 0.38 € per share to the shareholders of CA Immobilien Anlagen Aktiengesellschaft in 2012 and 2013, this conversion price was adjusted to € 10.6620 in accordance with article 10 (e) of the conditions governing convertible bonds for 2009-2014. Creditors have the right to convert their bond at any time (i.e. also before the end of the term of the bond in November 2014) into shares of CA Immobilien Anlagen Aktiengesellschaft. As a result of the issue of shares (nominal value of € 650 K) prompted by the exercising of conversion rights by owners of the convertible bonds, the company’s capital stock at the end of February 2014 stood at € 639,190,853.51, divided into four registered shares and 87,921,709 bearer shares each with a proportionate amount of the capital stock of € 7.27.

e) Provisions

Provisions for severance payment amount to € 299 K (31.12.2012: € 263 K) and include severance payment entitlements of employees of the company.

The Tax provisions in the amount of € 184 K (31.12.2012: € 183 K) mainly relate to provisions for German corporation tax.

The Other provisions are made up as follows:

€ 1.000	**31.12.2013**	**31.12.2012**
Derivative transactions	43,960	45,646
Provision for contributions to group companies	15,450	14,439
Construction services	2,704	1,377
Premiums	2,268	1,995
Real property tax and land transfer tax	1,377	1,427
Other	1,888	2,074
	67,647	**66,958**

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

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

f) Liabilities

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

31.12.2012 € 1.000	Maturity up to 1 year	Maturity 1– 5 years	Maturity more than 5 years	Total
Bonds	0	485,000	0	485,000
Liabilities to banks	14,175	84,735	30,003	128,913
Trade creditors	661	150	0	811
Payables to affiliated companies	65,807	0	0	65,807
Other liabilities	6,346	0	0	6,346
Total	**86,989**	**569,885**	**30,003**	**686,877**

The Bonds item comprises the following liabilities:

	Nominal value € 1.000	Nominal interest rate	Issue	Repayment
Bond 2006– 2016	200,000	5.125%	22.09.2006	22.09.2016
Bond 2009– 2014	150,000	6.125%	16.10.2009	16.10.2014
Convertible bond 2009– 2014	135,000	4.125%	09.11.2009	09.11.2014
	485,000			

The Liabilities to banks comprise investment loans to the value of € 118,915 K (31.12.2012: € 128,913 K), which are mainly secured by filed claims to entry in the land register, by pledge of bank credits and rental receivables.

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

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

Other liabilities are essentially made up of accrued interest for bonds and convertible bonds (€ 5,503 K) which only become cash-effective in the spring or autumn of 2014, unpaid liabilities to the property management company, liabilities arising from payroll-accounting and tax charge.

g) Deferred income

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

h) Contingent liabilities

	Maximum amount as at 31.12.2013 Tsd.		Used as at reporting date 31.12.2013 € 1.000	Used as at reporting date 31.12.2012 € 1.000
Guarantee for loans granted to CA Immo BIP Liegenschaftsverwaltung GmbH, BIL-S Superädifikatsverwaltungs GmbH, CA Immo Galleria Liegenschaftsverwaltung GmbH, Betriebsobjekte Verwertung Gesellschaft mbH & Co. Leasing OG and CA Immo Deutschland GmbH	192,479	€	142,090	179,122
Guarantee for CA Immo CEE Beteiligungs GmbH, Vienna, for the acquisition of Europolis AG granted to the sellers	136,426	€	136,426	136,424
Irrevocable guarantee for a loan granted to Vaci 76 Kft., Budapest	45,600	€	33,837	34,365
Irrevocable guarantee for a loan granted to S.C. BBP Leasing S.R.L., Bucharest	33,150	€	12,837	14,484
Irrevocable guarantee for a loan granted to Kilb Kft, Budapest	21,000	€	11,904	13,150
Liability for a loan granted to CA Immo Sava City d.o.o., Belgrad	18,612	€	17,520	18,612
Letter of comfort for a loan granted to 2P s.r.o., Pilsen	9,237	€	9,237	0
Irrevocable guarantee for a loan granted to CA Immo Rennweg 16 GmbH, Vienna	8,900	€	2,300	4,610
Irrevocable guarantee for a loan granted to Doratus Sp.z.o.o., Warsaw	8,500	€	6,297	6,734
Irrevocable guarantee for a loan granted to Canada Square Kft., Budapest	8,200	€	6,000	6,097
Liability for a loan granted to Europort Airport Center, Prague	1,118	€	382	1,235
Liability for a hotel management contract agreed with Europort Airport Center, Prague	1,000	€	0	0
Liability for fulfilment of a selling contract with CA Immo Deutschland GmbH, Frankfurt, granted to a business partner	1,000	€	0	0
Liability for interest payment for a selling contract with CA Immo Deutschland GmbH, Frankfurt, granted to a business partner	750	€	0	0
Guarantee for loans granted to CA Immo Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	0	€	0	34,000
Liability for a loan granted to CA Immo Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	0	€	0	25,000
Liability for a loan granted to Europolis Sienna Center Sp.z.o.o., Warsaw	0	€	0	3,500
Guarantee for a loan granted to FCL Property a.s., Praque	16,000	CZK	583	0
			379,413	**477,333**

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

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

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

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

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

i) Liabilities from utilisation of tangible assets

The lease-related liability from utilisation of tangible assets not reported in the balance sheet is € 632 K for the subsequent business year and € 3,105 K for the subsequent five business years.

Of this € 605 K is attributable to affiliated companies for the subsequent business year and € 3,023 K for the subsequent five business years.

j) Details of derivative financial instruments – interest rate swaps

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

€ 1.000 Start	End	Nominal value 31.12.2012	fixed interest rate as at 31.12.2012	interest reference rate	Fair Value 31.12.2012	thereof considered as provisions 31.12.2012	thereof not considered as provisions 31.12.2012	thereof charged derivatives to affiliated companies 31.12.2012
12/2007	12/2017	114,375	4.41%	3M-EURIBOR	– 20,740	– 8,608	– 12,132	– 560
12/2007	12/2017	65,000	4.82%	3M-EURIBOR	– 13,552	– 13,552	0	0
12/2007	12/2022	57,188	4.55%	3M-EURIBOR	– 15,908	– 38	– 15,870	– 14,193
01/2008	12/2017	41,400	4.41%	3M-EURIBOR	– 7,473	– 7,473	0	0
01/2008	12/2022	57,500	4.55%	3M-EURIBOR	– 15,975	– 15,975	0	0
12/2008	12/2017	73,600	4.41%	3M-EURIBOR	– 13,332	0	– 13,332	– 13,332
		409,063			**– 86,980**	**– 45,646**	**– 41,334**	**– 28,085**

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

k) Details of derivative financial instruments – swaption

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

The fair value corresponds to the amount that CA Immobilien Anlagen Aktiengesellschaft would receive or pay upon termination of the contract on the balance sheet date. These values were determined by the financial institute with which the transactions were concluded. The book value corresponds to the acquisition costs or the lower fair value.

With the swaption the CA Immo Group gained the maximum flexibility to transfer the attractive interest rates at this point to 2021. This instrument makes it possible to react to real estate asset changes until mid 2016 at a short notice without effecting negative cash positions.

l) Hedging relationship

As at 31.12.2013, provisions for derivative financial instruments not considered in the balance sheet which are subject to a hedging relationship (hedge accounting) amount to € 20,965 K (31.12.2012: € 41,334 K). These (31.12.2012: € 28,085 K) are related to accounting units with (back-to-back) derivatives passed on to affiliated companies (back-to-back derivatives) as well as in the year before plus € 13,249 K not built provisions for contingent losses related to accounting units with floating interest bearing liabilities. The redemption periods of the loans designated as underlying contract are either at least equal to the term of the derivative or - if the interest bearing liability underlying the hedging relationship has a shorter term - it is expected to receive a follow-up financing.

The inefficient part of the hedging relationship in amount of € 558 K was considered as provision as at 31.12.2012. As at 31.12.2013 the conditions for building accounting units between variable interest bearing liabilities and derivative financial instruments are not fulfilled, whereby an amount of € 9,201 K is considered as additional interest expense in 2013.

VII. Explanatory notes on the income statement

Gross revenues

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

€ 1.000	2013	2012
Rental income for real estate	18,990	18,360
Operating costs passed on to tenants	5,949	5,627
	24,939	**23,987**

Other operating income

The other income item of the other operating income of € 4,863 K (2012: € 4,495 K) results from management fees paid to subsidiaries in the amount of € 3,420 K (2012: € 3,553 K, cost re-charging and insurance revenues.

Staff expense

This item includes wages, salaries, statutory social welfare contributions and expenses for severance payments and pensions totalling € 7,552 K (2012: € 8,806 K) for the 51 staff (2012: 62) employed by the company on average.

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

€ 1.000	2013	2012
Change of provision for severance payments to directors and executive employees	32	– 448
Allocation to provision for severance payments to other employees	3	15
Severance payments to directors and executive employees	0	602
Pension fund contributions for directors and executive employees	52	39
Pension fund contributions for other employees	40	51
	127	**259**

Expenses in connection with pensions are made up as follows:

€ 1.000	2013	2012
Pension fund contributions for directors and executive employees	121	260
Pension fund contributions for other employees	42	52
	163	**312**

Depreciation

€ 1.000	2013	2012
Depreciation of intangible fixed assets	191	85
Scheduled depreciation of buildings	7,192	7,033
Depreciation of other assets, office furniture and equipment	382	500
Low-value assets	3	3
	7,768	**7,621**

Other operating expenses

Where they do not come under taxes on income the taxes in the amount of € 382 K (2012: € 331 K) mainly comprise the non-deductible input VAT of the current year and real estate charges passed on to tenants in the amount of € 303 K (2012: € 325 K).

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

€ 1.000	2013	2012
Other expenses directly related to properties		
Operating costs passed on to tenants	5,628	5,284
Maintenance costs	1,532	1,915
Own operating costs (vacancy costs)	551	956
Administration and agency fees	168	922
Other	264	507
Subtotal	**8,143**	**9,584**
General administrative costs		
Legal and consulting fees	1,996	2,578
Advertising and representation expenses	611	900
Office rent including operating costs	595	850
Expenses of bonds and convertible bond	328	313
Other fees and bank charges	119	114
Other	2,604	2,177
Subtotal	**6,253**	**6,932**
Total other operating expenses	**14,396**	**16,516**

Income from interest

This item comprises dividends paid from affiliated companies from Austria in the amount of € 75,599 K (2012: € 135,378 K) and from Germany and Eastern Europe or from intermediate holding companies for investments in Eastern Europe in the amount of € 20,210 K (2012: € 19,500 K).

Income from loans from financial investments

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

Other interest and similar income

The interest income originates from fixed term deposits, investments in securities and cash at bank, accrued interest for acquired shares, revaluation from derivative financial instruments as well as from swap interest transfers to affiliated companies.

Income from the sale and revaluation of financial assets

In the financial year 2013 reversals of impairment losses of investment in affiliated companies to the value of € 47,231 K were carried out (2012: € 19,721 K and provisions for contributions to group companies in the amount of € 1,417 K were reversed). Additionally in 2013, the capital repayment of a German affiliated company occurred where the difference between book value and payment amount in the amount of € 23,381 K is considered as income from disposals.

Expenses for financial assets and interest receivables in the current assets

€ 1.000	2013	2012
Depreciation of financial assets	9,417	100,969
Use of provisions for contributions to group companies	– 2,168	– 1,258
Bad debt allowance for interest receivables	1,667	1,865
Loss from disposal of investments in affiliated companies	0	7
	8,916	**101,583**

Interest and similar expense

€ 1.000	2013	2012
Interest costs for bonds	25,006	25,006
Expenses for derivative transactions	17,716	27,533
Interest for loans taken up and bank liabilities for the financing of real estate assets	2,955	3,638
Interest costs in respect of affiliated companies	1,151	2,928
Other	7	201
	46,835	**59,306**

Taxes on income

This item essentially comprises the income from tax compensation of group members in the amount of € 4,904 K (2012: € 4,252 K).

As at 31.12.2013 CA Immobilien Anlagen Aktiengesellschaft has losses carried forward in the amount of € 332,659 K (31.12.2012: € 312,636 K) for which, pursuant to the provisions of the Austrian Commercial Code (UGB), no deferred taxes were shown in the financial statements. Furthermore, no deferred tax assets were recognised for depreciation on financial assets in the amount of € 17,812 K (31.12.2012: € 25,325 K) that have not yet been claimed for tax purposes.

OTHER INFORMATION

VIII. Affiliated companies

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

IX. Tax group

In business year 2005 a group and tax compensation agreement was concluded for the formation of a tax group within the meaning of section 9 of the Austrian Corporation Tax Act (KStG) effective from business year 2005. In the subsequent years this was expanded to include additional group members. The group is headed by CA Immobilien Anlagen Aktiengesellschaft, Vienna. In business year 2013 the tax group comprises beside the head of the group 24 Austrian group companies (2012: 32). The reduction of members in 2013 results from mergers and liquidations.

The allocation method used by CA Immo tax group is the distribution method where tax profits of a group member are offset against pre-group tax loss carried forward. Forwarded losses of a group member are kept evident. In case of termination of the tax group or withdrawal of a tax group member, CA Immobilien Anlagen Aktiengesellschaft is obliged to pay a final compensation payment for unused tax losses that have been allocated to the head of the group. These compensation payments are based on the fair value of all (notional) prospective tax reductions, which the group member could potentially realise if it had not joined the tax group. Upon withdrawal of a tax group member or termination of the tax group the final compensation payment will be determined through a professional opinion by a mutually appointed chartered accountant.As of 31.12.2013 the possible obligations against group companies from a possible termination of the group were estimated to € 18 K (31.12.2012: € 257 K). As at 31.12.2013 no group company has left the tax group, so that no provision was considered for that case.

X. Executive bodies and employees

Supervisory Board

Dr. Wolfgang Ruttenstorfer, Chairman
Mag. Helmut Bernkopf, Deputy Chairman
O.Univ.-Prof.DDr.Waldemar Jud
Barbara A. Knoflach
Mag. Reinhard Madlencnik
Mag. Franz Zwickl

As at 31.12.2013 all members of the Supervisory Board had been elected by the General Meeting.

The remuneration of the Supervisory Board paid in 2013 (for financial year 2012) amounts to € 125 K (2012 for fiscal year 2011: € 116 K). Additionally, remunerations for previous years in the amount of € 28 K and travel expenses in the amount of € 9 K were paid to the Supervisory Board. Other remunerations were not granted to members of the Supervisory Board.

Management Board

Dr. Bruno Ettenauer
Mag. Florian Nowotny
Bernhard H. Hansen (until 31.12.2013)

In business year 2013, total salaries paid to the Management Board (including incidental wage costs and expense allowances) amounted to € 950 K (2012: € 1,775 K); thereof salary-based deductions accounted for € 91 K. In 2013, remuneration for Management Board members includes a variable salary component of € 311 K (2012: € 990 K). In 2012, all payments related to the retirement of the Management Board member Wolfhard Fromwald after 23 years of services were included additionally to the bonus payments for the current year. The remuneration of Management Board member Bernhard H. Hansen was totally paid by CA Immo Deutschland GmbH, Frankfurt am Main, without charging the company. For variable salary components including charges on this component provisions in an amount of € 537 K (2012: € 393 K) were considered as expenses. As part of the LTI (long term incentive) programme, as at 31.12.2013 there are provisions with a total value of € 608 K (31.12.2012: € 525 K); thereof € 242 K (2012: € 155 K) relates to the current Management Board. No loans or prepayments were granted to the Management Board.

Employees

The average number of staff employed by the company during the fiscal year was 51 (2012: 62).

XI. Auditor's remuneration

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

XII. Proposal for the appropriation of net earnings

It is proposed to use part of the net retained earnings of € 221,975,673.08 to pay a dividend of € 0.40 per share, i.e. a total of € 35,142,424.00, to the shareholders. The rest of the net retained earnings in the amount of € 186,833,249.08 is intended to be carried forward to new account.

Vienna, 18 March 2014

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Member of the Management Board)

ASSET ANALYSES FOR THE BUSINESS YEAR 2013

	Acquisition and production costs as at 1.1.2013	Addition	Disposal	Transfer	Acquisition and production costs as at 31.12.2013	Depreciation and amortisation (accumulated)	Book value as of 31.12.2013	Depreciation and amortisation in 2013	Reversal of impairment losses in 2013	Book value as at 31.12.2012
	€	€	€	€	€	€	€	€	€	€ 1.000
I. Intangible fixed assets										
Rights and EDP software	611,203.01	467,314.96	8,620.00	0.00	1,069,897.97	465,131.96	604,766.01	190,705.26	0.00	334
	611,203.01	**467,314.96**	**8,620.00**	**0.00**	**1,069,897.97**	**465,131.96**	**604,766.01**	**190,705.26**	**0.00**	**334**
II. Tangible fixed assets										
1. Property and buildings										
a) Land value	66,279,419.90	0.00	2,144,789.39	0.00	64,134,630.51	15,549,799.54	48,584,830.97	0.00	0.00	50,719
b) Building value	312,593,394.99	8,218,016.72	20,981,594.69	25,733,503.90	325,563,320.92	108,461,056.03	217,102,264.89	7,191,817.19	0.00	201,820
	378,872,814.89	**8,218,016.72**	**23,126,384.08**	**25,733,503.90**	**389,697,951.43**	**124,010,855.57**	**265,687,095.86**	**7,191,817.19**	**0.00**	**252,539**
2. Other assets, office furniture and equipment	4,080,214.17	36,541.66	854,866.74	0.00	3,261,889.09	2,368,893.34	892,995.75	381,992.35	0.00	1,264
3. Low-value assets	0.00	3,334.64	3,334.64	0.00	0.00	0.00	0.00	3,334.64	0.00	0
4. Prepayments made and construction in progress	25,733,503.90	2,812,715.91	0.00	– 25,733,503.90	2,812,715.91	0.00	2,812,715.91	0.00	0.00	25,633
	408,686,532.96	**11,070,608.93**	**23,984,585.46**	**0.00**	**395,772,556.43**	**126,379,748.91**	**269,392,807.52**	**7,577,144.18**	**0.00**	**279,436**
III. Financial assets										
1. Investments in affiliated companies	2,384,093,620.01	160,207,887.40	134,902,729.66	177,572.36	2,409,576,350.11	654,822,297.74	1,754,754,052.37	9,416,716.94	47,231,000.00	1,668,168
2. Loans to related companies	257,741,366.60	6,131,000.00	104,314,500.00	– 177,572.36	159,380,294.24	4,591,383.99	154,788,910.25	0.00	50,385.58	252,993
3. Investments in associated companies	2,733,232.69	0.00	2,716,905.86	0.00	16,326.83	8,992.14	7,334.69	0.00	0.00	44
4. Loans to associated companies	0.00	67,000.00	0.00	0.00	67,000.00	0.00	67,000.00	0.00	0.00	0
5. Derivative financial instruments	0.00	1,311,250.00	0.00	0.00	1,311,250.00	0.00	1,311,250.00	0.00	0.00	0
6. Other loans	34,053,778.35	0.00	1,514,000.00	0.00	32,539,778.35	24,576,532.79	7,963,245.56	0.00	0.00	9,477
	2,678,621,997.65	**167,717,137.40**	**243,448,135.52**	**0.00**	**2,602,890,999.53**	**683,999,206.66**	**1,918,891,792.87**	**9,416,716.94**	**47,281,385.58**	**1,930,682**
	3,087,919,733.62	**179,255,061.29**	**267,441,340.98**	**0.00**	**2,999,733,453.93**	**810,844,087.53**	**2,188,889,366.40**	**17,184,566.38**	**47,281,385.58**	**2,210,452**

INFORMATION ABOUT GROUP COMPANIES

Direct investments

Company	Registered office	Share capital		Interest in %	Profit/loss for fiscal 2013 in 1,000		Shareholders' equity as at 31.12.2013 in 1,000		Profit/loss for fiscal 2012 in 1,000		Shareholders' equity as at 31.12.2012 in 1,000	
CA Immo d.o.o.	Belgrad	390,500	EUR	100	1,917	RSD	2,873	RSD	728	RSD	957	RSD
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	20,735	HUF	541,473	HUF	– 22,296	HUF	520,738	HUF
Canada Square Kft.	Budapest	12,500,000	HUF	100	39,076	HUF	394,746	HUF	277,663	HUF	355,670	HUF
Kapas Center Kft.	Budapest	772,560,000	HUF	50	103,558	HUF	1,470,804	HUF	300,384	HUF	1,483,762	HUF
Kilb Kft.	Budapest	30,000,000	HUF	100	413,741	HUF	1,710,473	HUF	600,964	HUF	1,500,635	HUF
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	48,778	HUF	2,445,669	HUF	431,225	HUF	2,542,536	HUF
Skogs Buda Business Center II. Kft.	Budapest	327,000,000	HUF	100	– 337,370	HUF	– 123,752	HUF	– 210,016	HUF	213,618	HUF
Váci 76 Kft.	Budapest	3,100,000	HUF	100	255,776	HUF	4,693,566	HUF	1,210,140	HUF	4,729,080	HUF
Opera Center One S.R.L.	Bukarest	27,326,150	RON	0.24	5,677	RON	77,990	RON	4,139	RON	61,195	RON
Opera Center Two S.R.L.	Bukarest	7,310,400	RON	0.14	164	RON	15,478	RON	1,312	RON	11,793	RON
S.C. BBP Leasing S.R.L.	Bukarest	14,637,711	RON	0.02	12,901	RON	74,657	RON	11,676	RON	73,128	RON
CA Immo Invest GmbH	Frankfurt	50,000	EUR	50.5	33,465	EUR	43,338	EUR	83	EUR	282,220	EUR
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49	205	EUR	730	EUR	85	EUR	525	EUR
Pannonia Shopping Center Kft.	Györ	520,000	HUF	50	– 64,104	HUF	– 60,758	HUF	– 235,116	HUF	– 100,686	HUF
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	47,093	EUR	103,007	EUR	5,445	EUR	55,915	EUR
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	– 761	EUR	– 11,373	EUR	– 2,364	EUR	– 11,713	EUR
CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR	Luxembourg	153,569,000	EUR	100	– 18,293	EUR	44,226	EUR	1,791	EUR	62,519	EUR
CA Immo S.á.r.l.	Luxembourg	33,000	EUR	100	– 17	EUR	– 3	EUR	– 18	EUR	14	EUR
2P s.r.o.	Pilsen	240,000	CZK	100	19,632	CZK	61,211	CZK	18,024	CZK	37,185	CZK
Hotel Operations Plzen Holding s.r.o.	Pilsen	200,000	CZK	10	– 12,216	CZK	2,948	CZK	– 5,776	CZK	4,664	CZK
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	– 62,877	CZK	– 4,725	CZK	26,361	CZK	40,168	CZK
FCL Property a.s.	Prague	2,000,000	CZK	100	3,100	CZK	29,878	CZK	5,832	CZK	24,250	CZK
Hotel Operations Europort s.r.o.	Prague	200,000	CZK	10	– 6,653	CZK	2,444	CZK	– 2,881	CZK	9,097	CZK
Office Center Mladost 2 EOOD	Sofia	5,000	BGN	100	694	BGN	1,354	BGN	646	BGN	658	BGN
Office Center Mladost EOOD	Sofia	5,000	BGN	100	466	BGN	895	BGN	408	BGN	429	BGN
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	56	PLN	92	PLN	56	PLN	35	PLN
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	– 2	EUR	– 5,102	EUR	– 342	EUR	– 5,100	EUR
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,135,427	EUR	100	– 261	EUR	6,296	EUR	2,421	EUR	6,557	EUR
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	38.9	13,670	EUR	31,231	EUR	– 1,989	EUR	28,561	EUR

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

Company	Registered office	Share capital		Interest in %	Profit/loss for fiscal 2013 in 1,000		Shareholders' equity as at 31.12.2013 in 1,000		Profit/loss for fiscal 2012 in 1,000		Shareholders' equity as at 31.12.2012 in 1,000	
CA Immo International Beteiligungsverwaltungs GmbH	Vienna	35,000	EUR	100	817	EUR	20,490	EUR	824	EUR	20,498	EUR
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	109,361	EUR	1,377,871	EUR	64,666	EUR	1,271,584	EUR
CA Immo Investment Management GmbH	Vienna	100,000	EUR	100	– 72	EUR	67	EUR	2,031	EUR	2,139	EUR
CA Immo ProjektentwicklungsgmbH	Vienna	72,500	EUR	100	– 4,080	EUR	– 3,912	EUR	– 1,175	EUR	168	EUR
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	– 2,235	EUR	– 1,103	EUR	– 684	EUR	1,132	EUR
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG	Vienna	77,837,600	EUR	100	– 176	EUR	77,217	EUR	– 108	EUR	2,093	EUR
CAII Projektmanagement GmbH	Vienna	35,000	EUR	100	– 13	EUR	53	EUR	– 213	EUR	16	EUR
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	– 5	EUR	78	EUR	– 6	EUR	82	EUR

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

MANAGEMENT REPORT

MANAGEMENT REPORT OF CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2013

CA Immobilien Anlagen Aktiengesellschaft ("CA Immo") is the parent company of the CA Immo Group. Its head office is at Mechelgasse 1, 1030 Vienna. The CA Immo Group is an internationally active property group. It has subsidiaries in Bulgaria, Germany, Croatia, Luxembourg, the Netherlands, Austria, Poland, Romania, Russia, Serbia, Slovakia, Slowenia, the Czech Republic, Ukraine, Hungary and Cyprus. As of 31 December 2013, the CA Immo Group owned real estate and properties in all of the aforementioned countries except Luxembourg, the Netherlands and Cyprus. The company's main activity involves the strategic and operational management of the domestic and foreign subsidiaries. It also owns 16 properties in Austria (as of 31 December 2013).

ECONOMIC ENVIRONMENT

The cyclical trend [1]

The main factors influencing the operational business development of the CA Immo Group are economic growth, which drives the demand for office space, as well as liquidity and interest rates. Global activity and world trade picked up in the second half of 2013, mainly driven by stronger final demand in advanced economies and an export rebound in emerging markets. The International Monetary Fund (IMF) expects the euro area to continue its path out of recession in 2014, albeit highlights high debt on both public and private and financial fragmentation as major downside risks to financial stability.

The money market and interest rate environment [2]

The ECB's monetary policy remained accommodative throughout 2013. Central Bank interest rates were cut twice throughout the year to record lows of 25 bps, to ensure peripheral countries can bring down their budget deficits and to spur growth via investments in the euro area after 6 quarters of economic contraction. The 3 month Euribor, the reference rate for floating rate loans stayed on historical low levels between 0.20% and 0.23% for most of the year, following ECB rate cuts and pledges to keep rates low for an extended period of time. The 3 month Euribor rate increased to 0.30% in December 2013 after banks said they would return more of the long-term loans to the ECB than estimated which will lead to a reduction in excess liquidity in the system.

CEE economies continued their monetary easing cycles in 2013. Positive global market sentiment and benign inflationary pressures/deflation allowed the National Banks of Poland, Hungary and Romania to cut interest rates in several steps to record low levels of 2.50%, 3.00%, 4.00% respectively during the year (since then, further cuts have taken place in Hungary and Romania in early 2014). The Czech Republic had to intervene in FX markets to weaken the CZK as a way to further assist the recovery of the export-driven economy after already cutting interest rates to almost zero levels (0.05%) during the course of 2012.

[1] Source: International Monetary Fund (IMF), World Economic Outlook, January 2013

[2] Sources: Eurostat, Central Statistical Offices, Bloomberg

ECONOMIC DATA OF CA IMMO CORE MARKETS

	Growth rate of the real GDP [1]		Annual inflation rates [2]	Rate of unemployment [3]	Gross public debt [4]	Public deficit/ -surplus	Balance of trade [5]
	2013	2014	in %	in %	in %	in % of the GDP 2012	in bn €
EU (28)	0.1	1.5	0.9	10.7	86.8	–3.9	49.9
Euro zone (17)	–0.4	1.2	0.8	12	92.7	–3.7	153.8
Austria	0.3	1.5	1.5	4.9	77.1	–2.5	–5.3
Germany	0.4	1.8	1.2	5.1	78.4	0,1	185.5
PL	1.6	2.9	0.6	10.1	58	–3.9	–1.8
CZ	–1.2	1.8	0.3	6.7	46	–4.4	13.2
HU	1.1	2.1	0.8	9.3	80.2	–2.0	6.1
RO	3.5	2.3	1.2	7.1	38.9	–3.0	–5.2

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

Currencies [1]

The euro appreciated 4.5% vs the USD during the course of 2013 to levels of EUR/USD 1.3789. The gradual improvement in the euro zone's economy starting in the second quarter of 2013 helped the EU currency despite two ECB rate cuts during the year and the announcement of the start of the progressive phase-out of the US Fed's bond purchases in December 2013. Most currency strategists forecast a weakening of the euro during 2014, as the monetary policies of the ECB and Fed are set to diverge. Eurozone inflation rate of +0.7% in 2013 (well below the ECB's 2% target) allows for further accommodative policies in the euro zone, while the stronger US economy supports the Fed' stapering.

The euro strengthened against all major CEE currencies which fell sharply during the month of May 2013, the start of US tapering discussions. After CEE currencies appreciated in the third and fourth quarter against the euro on supportive macro data, another wave of selling materialised in January and Febuary 2014, as the major emerging market currency sell-off spilled over into solid current account balance CEE currencies as well. The EUR/PLN rose 2.1% during 2013 to 4.1554. Polish macro data was supportive for the currency during the year, however US tapering discussions weighed on the currency. Expectations of interest rate hikes in H2 2014 may support the currency in the following year. The 9% strengthening of the EUR/CZK to 27.35 was mainly caused by the Czech National Bank's intervention in the FX markets as of November 2013 to weaken the Czech currency in order to increase export competitiveness.

The EUR/HUF strengthened 2% in 2013 to 297.22. Several aggressive rate cuts totalling 250bps put pressure on the HUF during the year, whereas good economic momentum supported the currency. The turbulences in EM currencies in January and February 2014 particularly affected the HUF among CEE currencies. The EUR/RON stayed largely stable over the year of 2013 increasing 0.6% to 4.4725, proving to be the most resilient CEE currency. As a result of improving fundamentals backed by an IMF programme, Romanian GDP is estimated to grow at 2.8% in 2013, low external balances and a low public budget deficit were supportive for the currency. Given that nearly all of CA Immo's lease contracts are concluded in euro, CEE currency depreciation does not impact rental revenues of the Group directly.

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

Outlook [1]

The European Commission ('EC') forecasts growth of 1.5% in the EU and 1.2% in the Eurozone for 2014. The EC believes in a turning point of the European economy, following fiscal consolidation efforts and structural reforms in many countries that have provided a good basis for economic growth. The EC forecasts that consumer-price inflation is expected to stay subdued in 2014 at 1.5%, below the 2% target.

The European Commission also expects more robust growth in CEE3 economies in 2014 compared to 2013. In Poland, GDP is expected to grow at 2.9% in 2014, with domestic demand projected to gradually replace external trade as the main growth engine. Hungarian GDP growth is expected to reach 2.1% in 2014 as exports are forecast to gain impetus in tandem with improving external demand. In the Czech Republic, growth is more fragile, nevertheless the economy is expected to grow 1.8% in 2014 after expectations of - 1.2% contraction in 2013. Romania's economy is expecting to remain buoyant in 2014, with GDP estimated to grow by 2.3%, after 3.5% in 2013, while growth drivers are expected to gradually switch from net exports in 2013 to domestic demand in 2014.

THE REAL ESTATE MARKET IN AUSTRIA [2]

The investment market

In 2013, an investment volume of approximately € 1.7 bn was recorded on the Austrian commercial real estate market. After four years of positive growth, last year showed a 6% decline year on year, despite a strong second half of the year. 32% of investor interest was focused on office properties, followed by retail properties (23%). As in previous years, Austrian investors were responsible for most of the transaction activity (2013: 70%), followed by German investors. With an investment volume of approximately € 750 m, a strong fourth quarter in 2013 is viewed as an indicator for considerable growth in 2014.

The office property market

Total space on the Vienna office property market recorded a slight upturn of approximately 1% in 2013, to 10.76 m sqm. This estimated expansion in supply of newly created and completely renovated space of approx. 150,000 sqm is clearly below the previous year's figure of over 300,000 sqm. Lettings performance of approximately 295,000 sqm was also lower (2012: approx. 345,000 sqm). Most completions were on the Donau City office location, in North East Vienna. The largest demand for space came from the public sector (over 30%), followed by the services sector. The low completion volume had a stabilising effect on the vacancy rate. At 6.6% it remained constant against the previous year. A similar level of space as came onto the market in 2013 is expected for 2014. The market anticipates the vacancy rate to remain below 7%. At the end of 2013, prime yields for office properties were approx. 4.75%.

OFFICE MARKET DEVELOPMENT IN VIENNA

	2013	2012	Change in %
Take up in sqm	295,000	345,000	–14.5
Vacancy rate in %	6.6	6.6	0.0
Peak rent in €/sqm net exclusive	25.25	24.75	2.0
Prime yield in %	4.75	5	–5.0

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

THE REAL ESTATE MARKET IN GERMANY [3]

The investment market

In 2013, just over € 30 bn was invested in commercial property in Germany (up 21% year on year). With transaction volumes at their highest point since 2007, the German investment market continued its strong development and further consolidated its position as a global investment market and Europe's top location after the UK (transaction volume 2013: € 52.3 bn). Investors continue to focus on the core segment. Although the risk aversion of many market participants has diminished significantly, large-volume investments continue to focus on top properties. This results in a shortage on the supply side, which is leading to yield compression for core properties.

Germany's polycentric economic structure is also reflected in the flow of investments. In 2013, approximate-

[1] Source: European Commission autumn forecasts
[2] Sources: CBRE MarketView Austria Investment Q4 2013, Vienna Office Market Q4 2013
[3] Sources: Jones Lang LaSalle: German Investment Market Q4 2013; CBRE: MarketView Germany Investment Quarterly Q4 2013; MarketView European Investment Quarterly Q4 2013

ly 55% of total investment volume concentrated on the top 5 locations of Munich, Frankfurt, Dusseldorf, Berlin and Hamburg. With transactions of approx. € 4.7 bn, Munich headed the field, ahead of Frankfurt (€ 3.6 bn) and Berlin (€ 3.3 bn). According to type of usage, office properties were a key focus at approx. 46%, followed by retail properties with a share of around 26%. Strong demand in Germany is driven by both domestic and foreign investors. In 2013, despite strong foreign investment interest, the share of German investors in the total volume rose from 58% to 67%. This was also illustrated by CA Immo's major transactions in 2013 – both the sale of the Hesse portfolio and the partial sale of Tower 185 in Frankfurt, as well as the disposal of the Mercedes-Benz sales headquarters in Berlin, were to German investors.

The office property market [1]

The stable conditions in the German economy were also evident with robust demand on Germany's most important office property markets. However, in the core locations of Berlin, Dusseldorf, Hamburg, Frankfurt, Cologne, Munich and Stuttgart there was a slight year-on-year decline in turnover of 3.5% to 2.93 m square metres (new leases and occupancies by owner-occupiers), although letting activities remained at a high level. Vacancy levels totalling 7.3 m square metres were registered in the above major cities. This means that the average vacancy rate fell from 8.8% to 8.3% over the course of the year – the lowest level since 2002, according to JLL Research. Against 2012, the completion volume in the top 7 locations increased by 8% to approx. 890,000 sqm. Peak rents in the cities of Dusseldorf, Frankfurt and Munich edged up by an aggregate 1.9% (2012: 3%). There was also positive development in average rents across all cities. Continuously high demand from German and international investors in the increasingly narrow core segment led to a further decline in prime yields, which currently range between 4.55% in Munich and 4.80% in Dusseldorf for the office segment.

Munich recorded slight growth in floor space of 0.5% in 2013, to approx. 21 m square metres. The Bavarian capital generated 16% less office take up than in the previous year – lettings performance was down 24% despite higher owner-occupier turnover. At approximately 7.2% the vacancy rate remained constant compared with the end of 2012. The completion figure of approx. 186,000 sqm for 2013 is clearly below the average of the last five years and is expected to increase only slightly in the coming years. The share of space not let at the point of completion was only 19%. Strong demand for core office properties led to a prime yield of 4.55%, down 0.2 percentage points. During the course of the year, there was an increase in the peak rent level for the top segment of approximately 3%.

Frankfurt likewise recorded a drop in floor space turnover of approximately 448,000 sqm (–12%) for 2013, although this was strongly impacted by a high volume of contract extensions. Total office space developed in a stable fashion compared with the previous year. To the end of the year, it totalled approximately 11.8 m sqm. The vacancy rate also stabilised at 14.7%. Floor space turnover of 470,000 sqm is expected in 2014, which corresponds to the 10-year average. Steady demand for high-value office space had a stabilising effect on the development of peak rent levels. CBRE Research expects a completion volume of approximately 286,000 sqm, which corresponds to an increase of 48% compared with 2012 but is only just above the average value for the last ten years. Of this expected new floor space, approximately 75% has already been absorbed by own usage and pre-letting.

In **Berlin,** office take up of around 470,000 sqm was recorded. This corresponds to a decline of approx. 15% when looked at on an annual basis, primarily due to a lower number of large-volume deals, but only just below the average value for the last ten years. Office space vacancy levels inched up by 0.3% compared with the end of the previous year, currently amounting to approximately 8.8%. Total office space rose slightly year on year, totalling approx. 17.86 m square metres at the end of the year. The completion volume was essentially at the same level as the previous year, in total approx. 127,000 sqm (including renovated floor space). In 2014, a clear expansion in completions is expected, although the share of speculative projects is low. The pre-letting rate for floor space finished in 2013 amounted to over 80% and a similar level is also expected for 2014. Ongoing and high investor interest in office property as the asset class with the strongest demand also was evident in the prime yield decline of 0.25 percentage points for the top segment in Berlin to 4.75%.

[1] Sources: Jones Lang LaSalle Office market Overview 4Q 2013, CBRE Germany Investment Quarterly MarketView Q4 2013, CBRE Office Market Munich MarketView Q4 2013, CBRE Office Market Frankfurt MarketView Q4 2013, CBRE Office Market Berlin MarketView Q4 2013

THE REAL ESTATE MARKET IN EASTERN EUROPE [1]

The investment market

Investment activity in CEE experienced strong growth of 31% to just over € 10 bn, thus posting the second strongest year since the crisis. While all sub-markets showed higher transaction volumes, the upturn was driven primarily by the Russian market, which increased by 40% and was the location of more than 50% of total investments. As in previous years, Poland followed Russia as the most liquid market. Compared with 2012, total investment in commercial property increased by approx. 9% to € 2.97 bn. Hungary and Romania likewise achieved growth in line with the previous year. However, their overall significance was low, accounting for less than 5% of the total CEE market in 2013. The clearly less restrictive behaviour of lenders in the region as well as an increasing risk appetite among international investors should continue to lead to growth in CEE investment volumes.

The office property markets [2]

In modern office space in **Warsaw** amounts to over 4.1 m square metres, approximately 30% of which is in the city centre. In 2013, the office property market recorded the highest completion volume since 2000, at approximately 300,000 sqm. Similarly high growth of approximately 320,000 sqm is expected in 2014, with a pre-letting rate of approximately 35%. The high level of building activity in the Polish capital, a considerable part of which was started speculatively, led to a slight increase in vacancy levels, which amounted to 11.7% at the end of 2013. In contrast however, fundamental demand is strong and surged to over 630,000 sqm in 2013, beating the record levels of 2012 by approximately 4%. Intensive competition in the market led to a slight drop in rents (approximately 5%) in the top market segment. The prime yield for core office properties was in the region of 6.25%.

Lettings performance on the office market in **Bucharest** achieved its highest value for six years with approximately 300,000 sqm, essentially resulting from a strong increase in contract extensions and renegotiations. The completions on the market came to approx. 122,000 sqm (a jump of 35% year-on-year), with a total modern office property floor space of approximately 2.14 m sqm. A largely constant completion volume is expected for 2014, much of which is on a speculative basis. Vacancy levels dropped slightly from 15.4% to 15.1%, with substantial differences between the different sub-markets. Prime rents in the core segment are stable, as is the prime yield at approximately 8.25%, thus continuing to offer a premium over other capitals in the CEE region.

Lettings performance on the office space market in **Budapest** moved upwards by 21% compared with the previous year. Including contract extensions, total letting activity amounted to approximately 396,000 sqm (up 15% compared with 2012). The market continues to be characterised by the strong optimisation efforts by tenants. This means rentals are very small-scale. Completion volumes were at a very low level compared to that in other CEE capitals – approx. 30,000 sqm of new floor space was offered in 2013. As a result, the total of modern office space remained largely constant, at 3.17 m sqm. Development activity for the coming year is also expected to be low and should have a stabilising effect on existing office space. The vacancy level fell sharply by 2.6 percentage points, but remained at the relatively high level of approx. 18.4%. Prime yields in the core segment remained unchanged at around 7.50-7.75%.

At the end of the fourth quarter 2013, office space in **Prague** totalled approx. 2.96 m sqm. Space expansion through completions came to approx. 78,000 sqm, around 20% lower than the previous year. In contrast, lettings performance grew by approx. 10% to around 298,000 sqm compared with last year, just 25,000 sqm less than in the record year of 2011 and clearly over the average value for the last ten years. Vacancy levels showed stable development and amounted to just over 13% at the end of the year. A large, partly speculative development pipeline with expected completions of 150,000 sqm in 2014 should put pressure on lower-quality buildings in particular. Prime yields in the core area remained steady at 6.25%.

PROPERTY ASSETS

The CA Immo Group divides its core activity into the business areas of letting investment properties and developing real estate. In both of these business areas, the Group specialises in commercial real estate with a clear focus on office properties in capital cities in the centre of Europe. The objective is to build up a focused portfolio of high quality and sustainable investment properties within the core markets of Germany, Austria, the Czech

[1] Sources: CBRE Property Investment MarketView Q4 2013

[2] Sources: Jones Lang LaSalle: Warsaw Office Market Profile Q4 2013; Warsaw, Bucharest und Budapest City Report Q4 2013, Prague Office Market Q4 2013; CBRE: Warsaw, Bucharest und Budapest Office Market View Q4 2013, CZ Property Investment MarketView H2 2013

Republic, Poland, Hungary, Romania and Slovakia. The company generates additional revenue through the utilisation of developed land reserves.

As at key date 31 December 2013, the property assets of CA Immo were approximately € 3.8 bn (€ 5.3 bn as at 31.12.2012). Of this figure, investment properties account for € 3.3 bn (87% of the total portfolio)[1)] and property assets under development represent € 0.5 bn (13% of total portfolio). On account of the substantial volume of sales of investment properties transacted in Germany during the second half of 2013, the share of the German segment in total property assets fell from approximately 48% on 31 December 2012 to 29% on 31 December 2013; Eastern Europe is now the biggest regional segment with a proportion of 52% of total property assets.

Property assets directly held by CA Immobilien Anlagen AG represent a rentable effective area of 206,498 sqm. As at the balance sheet date, these assets comprised 16 properties in Austria with a market value of € 268,500 K (21 properties with market value of € 278,172 K on 31.12.2012). This portfolio generated rental income of € 18,990 K in 2013 (€ 18,360 K in 2012). The company invested € 11,301 K in its asset portfolio in 2013 (€ 25,283 K in 2012) while spending € 1,532 K on maintaining its investment properties (against € 1,915 K in 2012).

The business area of investment properties is the most important source of revenue for CA Immo. The principle objective of the company is the continual optimisation of its portfolio and the retention and acquisition of tenants with a view to securing stable and regular rental revenue. The key performance indicators of operational property business are as follows:

- The vacancy rate and average rent indicate the quality of the portfolio and our success in managing it.
- The quality of a location and its infrastructure are critical to the marketability of properties.
- Local presence and market knowledge: CA Immo has branch offices on its core markets to ensure efficient management and tenant retention.

Lettings

An approximate total of 13,000 sqm of floor space (of which around 10,190 sqm was office space) newly let or extended in 2013. Contracts were also concluded for another 6,000 sqm or so of floor space that will be occupied in 2014. The economic occupancy rate in the asset portfolio rose to 91% in yearly comparison (89% in 2012). The biggest tenants of CA Immobilien Anlagen AG are Österreichische Post AG and Robert Bosch AG.Sales

Sales

Five investment properties with a value of € 13,516 K were sold in 2013 (compared to two investment properties with a value of € 5,541 K in 2012). These sales generated total income of € 11,327 K (compared to € 2,827 K in 2012).

Development projects

There were no current development projects as at 31 December 2013. The **Silbermöwe office building** in the Lände 3 district, which was fully renovated by CA Immo, was handed over to the tenant Robert Bosch AG at the end of September 2013. Comprising a seven-level low-rise building and a 10-storey high-rise structure, the office building has an effective area of approximately 21,500 sqm. It is part of the CA Immo asset portfolio with immediate effect. The lease contract will have a term of at least 10 years and the total investment volume is approximately € 37 m. The large-scale inner city development and restoration project known as **Lände 3** offers some 80,000 sqm of existing office space across several sections. Following an initial phase of restoration, Post AG signed up as an anchor tenant for approximately 31,000 sqm of office space in 2011.

COURSE OF BUSINESS FOR CA IMMOBILIEN ANLAGEN AG

Results

Rental income increased by 3.4% (from € 18,360 K to € 18,990 K) as a result of the handover of the Silbermöwe office building to the tenant early in September 2013. Operating expenses passed on to the tenant rose from € 5,627 K to € 5,949 K. Overall this led to a 4% increase in gross revenues from € 23,987 K to € 24.939 K.

Other operating income rose from € 12,061 K to € 16,324 K in yearly comparison owing to the sales of five properties generating income of € 11,358 K (up 52%). Other operating income also includes management fees charged to subsidiaries, cost allocations and insurance proceeds.

[1] Includes properties used for own purposes, self-administrated properties and short-term property assets; excludes Tower 185 which is accounted for using the equity method

Comparing the two years, personnel spending fell by 14%, from € 8,807 K in 2012 to € 7,552 K on 31 December 2013. CA Immo had an average of 51 employees over the past business year (62 in 2012).

Comparing the two periods, depreciation of tangible assets increased by 2% to € 7,768 K owing to the completion of the Silbermöwe office property (€ 7,621 K in 2012).

Other operating expenditure was reduced by 12% to € 14,778 K (€ 16,847 K in 2012) thanks to savings on property-related costs (€ - 1.441 K), general administrative expenses (€ - 679 K) and particularly legal, auditing and consultancy costs (€ - 582 K).

In overall terms, the developments outlined above brought about a significant rise in operating profit (from € 2,773 K as at 31 December 2012 to € 11,166 K on 31 December 2013).

The company received total income from investments of € 95,809 K (€ 154,595 K in 2012) via subsidiary dividend payouts. Of this figure, € 75,599 K (2012: € 135,378 K) was generated in Austria; Germany, Eastern Europe and various interim holdings for investments in Eastern Europe accounted for € 20,210 K (2012: € 19,500 K). In 2013, this item was counterbalanced by expenses linked to financial assets and interest receivables on current assets of € - 8,916 K compared to € – 101,583 K in 2012, which mainly resulted from write-downs of shares in affiliated companies linked to dividend payments. Loans granted mainly to subsidiary companies produced revenue of € 10,567 K (€ 11,931 K in 2012).

A recovery in the value of interest rate derivatives led to a 82% increase in the item 'Other interest and similar income' from € 9,027 K in 2012 to € 16,451 K as at 31 December 2013.

Income from financial investments rose to € 71,053 K (2012: € 21,694 K). The change was the result of write-ups on investments driven by value increases of € 47,281 K (2012: € 19,943 K) as well as the reversal of precautionary provisions of € 1,417 K formed for Group companies in 2012. Also in 2013, a capital repayment of € 23,381 K was made to a German subsidiary in connection with the sale of the Hesse portfolio (held by a holding company), whereby the difference between the book value and the capital repayment is posted as income from the disposal.

The item 'Interest and similar expenditure' also rose to € – 54,391 K as at 31 December 2013 (€ – 59,306 K on 31.12.2012) on account of the recovery in the value of interest rate derivatives. This item includes interest paid on loans amounting to € – 25,006 K.

The inefficient part of the hedging relationship in amount of € 558 K was considered as provision as at 31.12.2012. As at 31.12.2013 the conditions for building accounting units between variable interest bearing liabilities and derivative financial instruments are not fulfilled, whereby an amount of € 9,201 K is considered as additional interest expense in 2013. Overall, the factors outlined above led to a significant rise in the financial result, from € 36,358 K in 2012 to € 130,573 K in 2013. Earnings before interest and taxes stood at € 141,739 K (against € 39,131 K in 2012).

After taking account of tax revenue (essentially derived from the offsetting of Group charges) of € 4,875 K (2012: € 4,253 K), the annual net profit as at 31 December 2013 stands at € 146,614 K, compared to € 43,384 K on 31 December 2012. Taking into consideration profit brought forward from the previous year of € 75,362 K (€ 65 K in the previous year), the annual financial statements of CA Immobilien Anlagen AG show net retained earnings of € 221,976 K (€ 108,747 K in 2012).

Proposed dividend

At the Ordinary General Meeting to be held on 8 May 2014, the Management Board will propose payment of a dividend for business year 2013 of 40 cents per share, payable on 14 May 2014. This equates to a dividend yield of around 3.1% in relation to the closing rate for 2013 (€ 12.88).

Cash-flow

Cash flow from operating activities (operating cash flow plus changes in net working capital) stood at € 89,945 K in the past business year (€ 128,630 K in 2012). The downward movement is caused by gains realised by property sales and appreciations to financial assets. Cash flow from investment activities was € 69,620 K (2012: € – 11,245 K) and cash flow from financing activities was € – 29,831 K (2012: € – 112,870 K). The main reason for the change was the payment of a dividend to shareholders of CA Immobilien Anlagen AG.

Balance sheet: assets

Compared to the previous year, the total assets of CA Immobilien Anlagen AG increased from € 2,322,727 K as at 31 December 2012 to € 2,442,209 K as at 31 December 2013.

Fixed assets decreased by 1% from € 2,210,452 K as at 31 December 2012 to € 2,188,889 K on 31 December 2013. As a proportion of total assets, the share of fixed assets amounted to 90% on 31 December 2013 (31.12.2012: 95%). Intangible assets, which solely comprise EDP software, increased to € 605 K (31.12.2012: € 334 K). Tangible fixed assets fell by 3.6% on the previous year's total to € 269,393 K (€ 279,436 K on 31.12.2012). As at the balance sheet date, the company's property assets comprised 16 properties in Austria with a market value of € 268,500 K (compared to 21 properties with market value of € 278,172 K on 31.12.2012). The decline in property assets was prompted by real estate sales at Fleschgasse, Heiligenstätter Strasse, Zimmermannplatz, Schäffergasse and Rüdengasse. Financial assets fell to € 1,918,892 K (31.12.2012: € 1,930,682 K). The book value of shares in affiliated companies stood at € 1,754,754 K (31.12.2012: € 1,668,168 K). Current additions were mainly the result of various shareholder subsidies of € 156,297 K. Disposals were mainly the result of a capital repayment to a German subsidiary of € 134,591 K.

Currents assets increased from € 111,464 K as at 31 December 2012 to € 252,794 K on 31 December 2013. The main reason for the increase was profit distributions from holding companies (and particularly the Hesse holding). Trade receivables of € 215 K (31.12.2012: € 299 K) include outstanding rental and operating expense payments. The item 'Other securities' contains own bonds repurchased from the market in 2011 (2006-2016) with a book value of € 13,658 K and a nominal value of € 14,008 K along with own convertible bonds with a book value of € 19,397 K and a nominal value of € 20,500 K. The company has three outstanding bonds at present, registered for trading on the unlisted securities market of the Vienna Stock Exchange. The bonds provide unsecured financing for CA Immobilien Anlagen AG; they are on equal footing to one another and to all other unsecured financing of CA Immobilien Anlagen AG. The conditions of the bonds do not provide for any relevant financial covenants. The sale of the Hesse participation also brought about a substantial rise in cash holdings to € 179,184 K (2012: € 49.449 K).

Balance sheet: liabilities

Shareholders' equity rose to € 1,680,874 K as at the balance sheet date (€ 1,567,645 K on 31.12.2012). The equity ratio on the key date was approximately 69% (31.12.2012: 67%). Equity covered 77% of fixed assets (31.12.2012: 71%). Comparing the two years, provisions expanded by 1.1% to € 68,130 K, taking account of obligations arising from derivative transactions with an amount of € 43,960 K (31.12.2012: € 45,646 K). Liabilities rose marginally, from € 686,877 K at the end of 2012 to € 691,500 K as at 31 December 2013.

DEVELOPMENT OF SHAREHOLDERS' EQUITY

€ 1,000	31.12.2012	Capital increase	Dividend payment	Annual result	Release of capital reserves	31.12.2013
Share capital	638,714	0	0	0	0	638,714
Tied capital reserves	820,184	0	0	0	0	820,184
Retained earnings	0	0	0	0	0	0
Net profit	108,747	0	–33,385	146,614	0	221,976
Total equity	**1,567,645**	**0**	**–33,385**	**146,614**	**0**	**1,680,874**

INFORMATION PROVIDED UNDER SECTION 243A UGB (AUSTRIAN COMMERCIAL CODE)

According to article 243a of the Austrian Commercial Code, the following information must be supplied:

The capital stock of CA Immo amounted to € 638,713,556.20 on the balance sheet date, and remains divided into four registered shares and 87,856,056 bearer shares traded on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352). Around 18% of the capital stock and the registered shares are held by

UniCredit Bank Austria AG, the company's largest shareholder. The registered shares entitle the holders to appoint one Supervisory Board member for each share; this right has not been exercised to date. All members of the Supervisory Board have been elected by the Ordinary General Meeting. In recent years, UniCredit Bank Austria has also constituted the majority of the capital represented at the Ordinary General Meeting of CA Immo. The company is not aware of any other shareholders with a stake of more than 5%. The remaining shares of CA Immo (approximately 82% of the capital stock) are in free float with both institutional and private investors. As at 31 December 2013 the company itself, as in the previous year, did not hold any own shares. There are no restrictions on voting rights. Transfer of registered shares requires the approval of the company. Apart from UniCredit Bank Austria AG, there are no holders of shares with special inspection rights. Employees who hold shares directly exercise their rights to vote at the Ordinary General Meeting.

Development of shareholders‘ equity is shown in section "Business development of CA Immobilien Anlagen AG".

According to the Articles of Association, the company's Management Board must consist of one, two or three persons. The age limit for Management Board members is defined as 65 in the Articles of Association. The final term of office for Management Board members concludes at the end of the Ordinary General Meeting that follows the 65th birthday of a Board member. The Supervisory Board comprises no less than three and no more than 12 members. Holders of the four registered shares are entitled to nominate one Supervisory Board member for each share. At any time, an appointed Supervisory Board member may be asked to step down by the person entitled to nominate and replaced by another. The provisions of the Articles of Association on the term of office and replacement elections do not apply to nominated members. The other Supervisory Board are elected by the Ordinary General Meeting. The age limit for Supervisory Board members is defined as 70 in the Articles of Association. Supervisory Board members must step down from the Board at the end of the Ordinary General Meeting that follows their 70th birthday.

At the 25th Ordinary General Meeting of 8th May 2012, the Management Board was authorised to increase the capital stock by up to € 319,356,778.10 by 11th September 2015 through cash contributions against the issue of up to 43,928,030 bearer shares (in several batches if required), thereby observing the statutory subscription right (article 153 section 6 of the Austrian Stock Corporation Act) and determining the issue price and conditions by agreement with the Supervisory Board. At the same meeting, the Management Board was authorised to acquire own shares to the maximum degree admissible by law (10% of the capital stock, article 65 section 1 line 8 of the Stock Corporation Act) for a period of 30 months, and if necessary to withdraw or sell own shares via the share market, or by other means, or via a public offer. This authorisation had not been utilised as at 31 December 2013.

As early as the 21st Ordinary General Meeting of 13 May 2008, the Management Board was authorised, with the approval of the Supervisory Board, to issue convertible bonds in one or more tranches in a total nominal amount of up to € 317,185,011.00 by 12 May 2013 (excluding the subscription rights of shareholders or otherwise) and to grant conversion rights to convertible bond holders for up to 43,629,300 bearer shares of the company. On the basis of this authorisation, a five-year convertible bond with a volume of € 135 m was issued in November 2009. The coupon on the bond (payable semi-annually) was set at 4.125% and the original conversion price was set at € 11.5802 (equivalent to a premium 27.5% above the reference price). On account of the payment of a cash dividend of € 0.38 per share to the shareholders of CA Immobilien Anlagen Aktiengesellschaft of Vienna in 2012 and 2013, this conversion price was adjusted to € 10.6620 in accordance with article 10e of the conditions governing convertible bonds for 2009-2014. The last adjustment came into effect on 10 May 2013. Given the currently outstanding volume of approximately € 114.5 m, a maximum of 10,739,073 shares can thus be issued should conversion rights be exerted.

The contingent capital I approved in this regard at the 26th Ordinary General Meeting on 7 May 2013 (article 159 of the Stock Corporation Act) amounts to € 135,000,003.28.

At the 26th Ordinary General Meeting, the Management Board, with the approval of the Supervisory Board, was again authorised to issue, in several batches if required, convertible bonds associated with conversion or subscription rights on up to 13,756,000 bearer shares of the company with a proportionate amount of the capital stock of up to € 100,006,120, up to a total amount of approximately € 100 m, and to stipulate all other condi tions, the issue itself and the conversion procedures for the convertible bonds. The subscription rights of shareholders (article 174 section 4 of the Stock Corporation Act in conjunction with article 153 of the Act) were excluded. Since the convertible bonds already issued are unaffected by this new authorisation, the amount hereby authorised can be fully exploited by the Management Board. To secure conversion rights, contingent capital II (article 159 of the Stock Corporation Act) of the same amount (€ 100,006,120) was approved.Otherwise there are no significant agreements in place that would become effective, change or terminate in the event of a change of control in the company resulting from a takeover bid. Moreover, there are no remuneration agreements with Management Board members, Supervisory Board members or employees that would become effective in the case of a public takeover bid. We now turn our attention to the key features of the internal monitoring and risk management systems in terms of the financial reporting process. Minimum standards for internal monitoring systems are defined in a set of internal Group guidelines. To oversee compliance with these standards, CA Immo set up an Internal Auditing unit under the control of the full Management Board alongside the Risk Management division. On the basis of an auditing plan and by agreement with the Compliance division, it monitors the observance of legal provisions, internal guidelines and rules of conduct as well as potential for risk in operational processes (upholding the dual verification principle in all organisational entities, continual reporting and so on) while assessing the potential for efficiency improvements (regular audits of individual Group companies). Reports on the auditing plan and assessment results will be submitted to audit committee and the Supervisory Board at least once every year. The internal monitoring system (IMS) is also being continually expanded to assist in the early identification and monitoring of risks. Standard Group regulations for compiling annual and interim financial statements are also defined in internal Group guidelines. The Group employs a comprehensive risk management system. The financial reporting process was analysed to define key sub-processes; the effectiveness of the sub-processes thereby identified will be evaluated and they will be aligned with best practice (e.g. derivatives, claims management) on the basis of a rotating schedule. The risk management system is subject to regular appraisal by the auditor. The results of audits are reported to the Supervisory Board’s audit committee.

COMMITTED TO OBSERVING THE AUSTRIAN CORPORATE GOVERNANCE CODE

Compliance with the appropriate legal provisions in Austria is very important to the Management Board and Supervisory Board of CA Immo. Needless to say, our subsidiaries in Germany and Eastern Europe comply with local legislation. CA Immo is committed to observing the Austrian Corporate Governance Code9 and thus to transparency and principles of good corporate management. In business year 2013, CA Immo implemented almost in full the regulations and recommendations of the Code as amended in July 2012. Discrepancies were noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board) and 45 (executive positions with competitor companies). Compliance with the Code is evaluated annually (most recently by KPMG Wirtschaftsprufungs- und Steuerberatungs AG)[1].

RISK MANAGEMENT AT ALL LEVELS OF THE COMPANY

Risk management and the internal monitoring system are integral parts of the CA Immo Group's current management systems. Internal Auditing, an independent division within the company, oversees operational and business processes and the internal monitoring system; it acts independently in reporting and evaluating the audit results. The risk policy of CA Immo is defined by a series of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is implemented at every level of the company and is binding on all organisational divisions. The aim is to identify potential opportunities and hazardous developments at an early stage and assess their impact so that relevant decision-makers can take suitable measures. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. CA Immo evaluates the current opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company utilises early warning indicators such as rent forecasts, vacancy analyses, continual monitoring of lease agreement periods and the possibility of terminations; construction costs are also tracked during project implementation. Scenarios are envisaged regarding the value trend

[1] Results of the evaluation see www.caimmo.com.

for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions and producing appropriate management templates. The company also evaluates specific risks at regular intervals. All potential risks and opportunities are assessed according to substance, effect and the likelihood of occurrence. Concrete measures aimed at eliminating or alleviating risks identified in the past have now been defined and implemented to a large extent. Furthermore, the proper functioning of the risk management system is evaluated annually by the Group auditor in line with the requirements of C Rule no. 83 of the Austrian Corporate Governance Code. The results are reported to the Management Board, the Supervisory Board and the audit committee.

Overall assessment of opportunities and risks

The main risks to the Group continue to derive from the market-linked danger of rising vacancy rates, tenant insolvency, the difficult environment for real estate transactions in Eastern Europe, rising yields and declining property values. Project development is typically associated with cost and performance risks; the main risks facing the Group have thus remained largely unchanged over recent years.

THE INTERNAL MONITORING SYSTEM (IMS)

The internal monitoring system (IMS) at CA Immo is based on the continual analysis and evaluation of risk. The IMS is integrated into individual business processes, taking account of management processes. The system incorporates all measures designed to ensure compliance with legislation and company guidelines and prevent errors. The objectives of the IMS are to preclude (preventive monitoring) and expose (detective monitoring) errors in accounting and financial reporting, thus enabling amendments to be introduced in good time. Transparent documentation makes it possible to depict processes of accounting, financial reporting and audit activity. All operational areas are incorporated into the financial reporting process. Individual measures and checks operate in parallel with operations or apply directly upstream or downstream of working processes. In line with the organisational structure of the CA Immo Group, local management teams are responsible for the implementation and supervision of the IMS; the managing directors of the various subsidiaries are required to perform self-checks in order to assess and document compliance with the monitoring measures. The effectiveness of the IMS is regularly assessed by the Group Auditing department while the cost-effectiveness of business processes is continually evaluated. The results of these assessments are reported to the responsible executive boards as well as the full CA Immo Management Board. The Supervisory Board is informed as to the auditing plan and the assessment results at least once a year.

STRATEGIC RISKS

Portfolio structure, concentration (cluster) risk

Risk potential increases where investments lead to over-representation of a particular region, usage type or tenant structure in the overall portfolio. Even after the sales of Tower 185 and the Hesse portfolio, Germany remains the biggest single market of CA Immo, while the regional focus has shifted from Germany to Eastern Europe. Although CA Immo counters market risk by spreading its portfolio across various countries, the emphasis is on the company's core regions. We are seeking to balance our German and Eastern European portfolios by the end of 2015. For single investments, CA Immo defines concentration risk as a limit value of 5 % of the total portfolio. Since the proportionate sale of Tower 185, no properties exceed this limit value in the portfolio. The asset portfolio has only three specific properties with an IFRS market value of over € 100 m (the share in Tower 185 in Frankfurt, the Skygarden in Munich and River Place in Bucharest). Moreover, exposure to secondary cities and concentration risk linked to an individual tenant (the state of Hesse) have been reduced through the sale of the Hesse portfolio. As regards land reserves and land development projects, a general risk arises from the high capital commitment. Further property sales are therefore in the pipeline for 2014; wherever possible, measures will be put in place to accelerate land development projects and involve partners at an early stage. The future development volume is indicated at around 15% of the equity of the CA Immo Group.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment

Transaction volumes on European markets were among the best since 2007 in the past business year, with volumes in Germany increasing by 17%[1]. In 2014, growth is expected for residential and commercial properties in particular. The boom on the German real estate market, which is currently the most attractive location for investors, is thus set to continue. In general, high risk investments are no longer necessarily regarded as negative; the reluctance to take risks is apparently diminishing. The investment volume in Eastern Europe has also developed well, although the transaction rate continues to lag. A number of transaction markets (including Hungary and Romania) appear to have ground to a complete halt, threatening to make CA Immo's planned portfolio optimisation unfeasible in some parts of Eastern Europe (**transaction risk**). Whereas some transactions outside of the core segment were reported on the Austrian and German markets, demand in Eastern Europe is still restricted to core properties; financing and trading for other asset classes is only possible to a limited degree. The potential for **country-specific and transfer risk** still needs to be monitored in view of the fraught economic and political situations in the Ukraine, Hungary and the Czech Republic, for example. CA Immo negates transfer risk by repatriating liquid assets from investment markets with a low credit standing. CA Immo counters country-specific risk by concentrating on defined core regions through local subsidiaries with their own on-site staff, and through appropriate regional allocation within those core markets. The company is able to respond quickly to economic and political events through continual portfolio monitoring and specific portfolio management.

Real estate prices may also be subject to considerable fluctuation owing to changing economic conditions. In view of the continued marginal prospect of rental growth and the fact that the (re)financing market in Eastern Europe is only slowly recovering, there is still a danger that starting yields for commercial real estate will be adjusted upwards. **Changes in value** will also pose a significant risk until the end of 2014 since a rise in yields continues to be reflected in valuation reports while influencing consolidated net income and reducing shareholders' equity through changes in market value that must be recognised under IAS 40.

In like-for-like comparison, **lettings** were relatively stable on the core markets of CA Immo in 2013. The logistics asset class remains problematic in Eastern Europe owing to expired rental agreements. Despite extensive floor space in this segment, the material risk is lower than average thanks to lower rental rates than is usual for the market: the vacancy rate amounted to approximately 3.5% of rental income in the overall portfolio. The sale of other fully let properties could adversely affect vacancy levels without risks to absolute vacancy volumes becoming apparent.

Through careful monitoring and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the **loss of rent risk** has settled at a moderate level. At present, most outstanding rental payments relate to Eastern Europe. All outstanding receivables are evaluated quarterly and adjusted according to the associated level of risk; around one third of outstanding receivables are adjusted on average. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Reduced income following contract extensions is also likely in some instances where rent levels have to be reduced or greater incentives are offered.

Risks associated with sales transactions

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

Project development risks

The main danger (aside from the usual risks associated with projects, which include delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects, lack of demand for rental space and delays in approving credit) is posed by extensions of the stabilisation phase (initial letting) in response to market conditions; this can impact negatively on development outcomes and adversely affect cash flow where rental income is impaired. With all of this in mind, CA Immo mo takes various steps to control such risks (cost monitoring, variance analyses, long-term liquidity planning, observance of minimum pre-letting quotas, and so on). Projects are only launched subject to detailed, long-term liquidity planning and an appropriate level of pre-letting (40-60% in Germany for example, depending on location). All projects are being implemented within their approved timeframes and budgetary frameworks.

[1] Source: Jones Lang LaSalle

GENERAL BUSINESS RISKS

Legal risks

In addition to the usual legal disputes that arise in the sector (especially against tenants and construction service contractors), CA Immo faces the risk of disputes with, amongst others, joint venture and project partners as well as disputes linked to past and future sales of real estate. There is also potential for disputes arising over annulment actions brought by shareholders against resolutions of the Ordinary General Meeting. The Group's legal division is responsible for monitoring and overseeing legal disputes. Sufficient provisions are formed as necessary. No provisions have been formed for active and passive lawsuits where the likelihood of prevailing is high or the risk of losing is below 50% respectively. Almost all pending actions relate to conventional cases of operational business activity. The joint venture partner in the Maslov project also brought an arbitrational action in 2011. The amount in dispute is approximately € 110 m plus interest, with the chances of success in favour of the plaintiff regarded as minimal. Sufficient financial provisions have been made for the anticipated outflow of funds in relation to the enforcement of CA Immo's legal position. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are thus imminent or pending. It is not possible to predict changes to legal provisions, case law and administrative practice or their impact on business results; such changes may adversely affect real estate values or the cost structure and thus the assets, financial and revenue positions of the CA Immo Group. The main impact on CA Immo in this regard in the past business year was the transposing of AIFM (Alternative Investment Fund Managers) guidelines into national law. It was initially unclear whether listed real estate corporations would be covered by the AIFM definition, which would entail more wide-ranging documentation requirements and the obligation to introduce depositories and so forth, thus generating higher costs for the company and its investors. Following a full examination of the arguments presented, the Financial Market Authority (FMA) ruled that CA Immo could not be considered as an AIFM, subject to future developments in Europe.

Taxation risk

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

Environmental risk

In common with many companies, CA Immo faces the problem of causing unintentional damage to the environment in the course of its business activity, the impact or elimination of which (toxic substances and materials, contamination and so on) can entail considerable costs. It is also possible that changes to existing legislation may require previously acceptable materials to be eliminated. It is not always possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; changes could adversely affect real estate values and thus the company's assets, financial and revenue positions. To varying degrees from one country to another, risks are arising from stricter legal obligations in certain regions and a greater awareness of environmental factors on the part of tenants. This can necessitate investment. At the same time, gaining a competitive advantage via early adaptation presents opportunities. To minimise the risk, CA Immo incorporates these considerations into its assessments prior to every purchase and appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. Environmental risks associated with investment properties are assessed using the CA Immo Sustainability Tool (CAST). CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification: in this way, stringent specifications regarding green buildings and sustainability are automatically satisfied while the usage of environmentally unsound products is ruled out. These criteria will be observed in the acquisition of real estate.

FINANCIAL RISKS

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

Liquidity and refinancing risk

The (re)financing situation has improved markedly in comparison with the previous year. The Austrian and German financing markets are generally stable, and large-scale financing (up to € 100 m) is posing no problems at present. The entry onto the German market of new providers of real estate financing is contributing to more financing possibilities, which in turn is leading to lower margins and higher loan-to-values (LTV). Insurance companies in particular are offering attractive bullet solutions at moderate LTVs (around 50%). The situation in Eastern Europe has also improved somewhat, which should ease capital procurement. Despite this, rating agencies such as Standard & Poor's (S&P) are yet to give the all-clear as banks continue to consolidate their equity bases and closely monitor their refinancing risks. This is manifested in a substantial rise in credit margins where new loans are agreed or loans are extended. **Acquiring loan capital** is always difficult in certain regions of Eastern Europe (such as Hungary and Romania) and for certain asset classes (such as logistics), which can mean a greater **capital requirement** on specific properties. Although the CA Immo Group has access to sufficient liquidity at the time of writing, restrictions at individual subsidiary level must also be taken into consideration. This is because existing liquidity is made available not within the parent company itself but at various levels of the company, access to cash and cash equivalents is limited owing to obligations to current projects or a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices somewhat lower than expected. Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area. Given that refinancing on the financial and capital markets is one of the most important measures open to CA Immo, the company counters any risk by continually monitoring covenant agreements and effectively planning and securing liquidity. Planning also takes account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales); this also ensures the Group can meet unexpected cash flow requirements. To this end, various liquidity deployment measures have been identified; these provide for, amongst other things, the repaying of costly loans at holding level and the repayment of project financing in certain cases. Some measures have already been successfully implemented: early in 2014, CA Immo acquired a financing portfolio with a nominal value of approximately € 428 m from Österreichische Volksbanken AG. Secured real estate loans of CA Immo Group companies in Eastern Europe and unsecured financing at holding level each account for around half of this amount. The use of trading income to repay liabilities falling due in the next two years has had a highly positive effect on the **maturity profile**, which is now largely stable for the years ahead. Aside from the extension of loans collateralised by real estate at property or project level, the 6.125% CA Immo bond 09-14 and the convertible bond represent the biggest refinancing positions for the coming year; plans are in place to secure both repayments. In line with the investment horizon for real estate, loans are invariably agreed on a long-term basis. As an alternative and supplement to established means of (equity) capital procurement, the company enters into equity partnerships (joint ventures) at project level. Even with meticulous planning, however, liquidity risk cannot be eliminated, particularly where capital requests linked to joint venture partners (**partner risks**) are not viable. CA Immo Deutschland has a high capital commitment, which is typical in the case of development projects. Financing has been secured for all projects under construction; additional financing is required for new project launches.

Interest rate risk

Market-led fluctuations in the interest rate affect both the level of financing costs and the fair value of interest hedging transactions concluded, which influence CA Immo's earnings and equity. In line with its investment strategy, CA Immo opts for a mix of long-term fixed-rate and floating-rate loans; more than 50% of the latter are secured by means of derivative financial instruments (mainly in the form of interest rate caps/swaps) which can also have negative cash values owing to market conditions. Overall, less than 40% of interest-bearing liabilities are unsecured or bear variable rates of interest. Although the European base rate now stands at a record low of 0.25% following the latest reduction in November 2013, a further reduction of 10 to 15 base points cannot be ruled out. In short, interest rates and swap rates are set to remain at low levels for some time to come, so constant monitoring of the interest rate risk is essential. No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all risks identified.

Currency risk

Since CA Immo invests in various currency areas, the company is exposed to certain currency risks linked to the inflow of rental income and rents receivable in BGN, CZK, HUF, PLN, RON and RSD. These foreign currency inflows are secured by pegging rents to the EUR or USD, so no significant currency risk exists at present. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. This process is constantly overseen by the responsible country coordinators. However, the pegging of rents to the EUR/USD affects the creditworthiness of tenants and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent (especially in Hungary). To hedge against the currency risk on the liabilities side (financing in CZK and USD), these loans are generally counterbalanced by rental income in the same currency. Loans are generally taken out in the currency underlying the relevant lease. Currency risks linked to construction projects are hedged according to need on a case-by-case basis, taking account of the currency underlying the order and lease agreement, likely exchange rate development and the calculation rate.

FINANCIAL INSTRUMENTS[1]

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

GROUP STRUCTURE

The parent company of the CA Immo Group is **CA Immobilien Anlagen Aktiengesellschaft**, a Vienna-based firm listed on the Vienna Stock Exchange since 1988. CA Immo was originally active solely on the Austrian market. From 1999 onwards the company began investing in Eastern Europe, moving into project development business two years later; the acquisition of the Europolis Group in 2011 confirmed CA Immo as a major investor. As it expanded in Eastern Europe, the company built its portfolio of real estate in Austria and Germany, obtaining a package of properties from the German federal state of Hesse in 2006 and finalising the acquisition of CA Immo Deutschland GmbH (formerly Vivico Real Estate GmbH) early in 2008. The company has subsidiaries in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia as well as offices in Russia, the Ukraine and Cyprus. Each site acts as a largely autonomous profit centre. Other subsidiaries (without a separate team on site) are located in Bulgaria, Croatia, Luxembourg, the Netherlands, Slovakia and Slovenia. As at key date 31 December 2013, the Group had 256 subsidiaries (compared to 265 on 31.12.2012) in 17 countries[2]. The main activity of the parent company involves the strategic and operational management of subsidiaries at home and abroad.

Austria

The company's domestic properties are held in direct holdings of CA Immo. As at 31 December 2013, 16 properties were also directly owned by CA Immobilien Anlagen AG (compared to 21 properties on 31.12.2012). At present, the Austria portfolio comprises purely investment properties along with one development project in Vienna.

COMPANIES BY REGION

No. of Companies[1]	31.12.2013	31.12.2012
Austria	30	40
- *thereof Joint-Ventures*	*0*	*0*
Germany	98	110
- *thereof Joint-Ventures*	*18*	*18*
Eastern Europe	128	115
- *thereof Joint-Ventures*	*31*	*39*
Across the Group	**256**	**265**
- *thereof Joint-Ventures*	*49*	*57*

1 Joint-Ventures at SPV level
2 Including all subsidiaries in the scope of our Eastern European investments

Germany: Expanding the portfolio through project development

CA Immo Deutschland GmbH has functioned as the operational platform for all Group activity in Germany since 2008. As a former collecting society for state-owned railway properties in Germany, the company has a wealth of expertise in developing inner city real estate. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local profile is assured. Construction management – which encompasses project monitoring, ten-

[1] For full details on the derivative financial instruments of CA Immobilien Anlagen AG, see the notes section.

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

dering, contract awarding, construction supervision and general planning – is carried out by **omniCon**, the CA Immo subsidiary acquired in 2008. omniCon also performs these services for third parties. CA Immo Deutschland GmbH is fully consolidated in the consolidated financial statements of CA Immo. The company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale.

Most of the investment properties in Germany are maintained by Frankfurt-based **CA Immo Invest GmbH** (formerly CA Immo AG), another fully consolidated company in which CA Immobilien Anlagen Aktiengesellschaft has direct and indirect holdings amounting to 100%. These investment properties make up the 'Hesse portfolio', a package of properties let to the state of Hesse for the long term with approximate market value of € 0.8 bn comprising 36 properties at 19 sites in Hesse. The portfolio was sold to PATRIZIA Immobilien AG in accordance with the company's strategic objectives for 2012-2015. The transaction was concluded in December 2013.

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

Eastern Europe: Emphasis on portfolio management

The Group's portfolio of investment properties in Eastern Europe is directly held via CA Immo participating interests and via **Europolis AG**, another wholly owned subsidiary of CA Immo acquired from the Volksbank Group early in 2011. The Europolis Group, which has been in existence since 1990, focuses on class A office, logistical and retail buildings in Eastern Europe. The Europolis AG portfolio also includes a small number of development projects and undeveloped plots in Poland, Hungary and the Ukraine. The total portfolio of Europolis AG was originally divided into six sub-portfolios; three of these were merged into one in 2013; with the acquisition of AXA's 49% share in the "P1" Portfolio in 2013, two of these four sub-portfolios became fully held by Europolis. Reputable partners such as EBRD and Union Invest hold stakes from 25% to 49% in two portfolios. The portfolios are managed by **Europolis Real Estate Asset Management GmbH** (EREAM) of Vienna, a wholly owned subsidiary of Europolis AG, alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as **CA Immo Real Estate Management**.

Since 2007, CA Immo has essentially concentrated its Eastern European project development activity within the **CA Immo New Europe Property Fund** (CAINE), a project development fund structured under Luxembourg law as a SICAR (societé d'investissement en capital à risque) in which CA Immo participated with three institutional investors. The fund, whose term expired at year end 2013, is also managed by a subsidiary of CA Immo. All shares held by external partners of CA Immo had been regained, giving the company a 100% holding as at 31 December 2013. The commitment period for new projects ended back at the end of 2009. Three projects are in progress at present; three more completed since the fund was set up are currently held by the fund as investment properties. In future, new projects will be initiated directly within CA Immo or Europolis.

UBM investment

CA Immo holds a stake of 25% plus four shares (vetoing minority holding) in the listed Vienna-based real estate developer **UBM Realitätenentwicklung AG** through a subsidiary company. The main shareholder in UBM is the PORR Group with a holding of approximately 41%. With development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. Projects realised with UBM include the Poleczki Business Park in Warsaw and the Airport City project in St. Petersburg. The investment in UBM contributed a total of € 3,359 K to the earnings of CA Immo in 2013 (€ 2,711 K in 2012). CA Immo thus received a dividend for business year 2012 of € 825 K (€ 825 K in the previous year).

PENDING LAWSUITS

The company is involved in several lawsuits arising from the ordinary course of business. Provisions were formed, depending on the likelihood of a claim being asserted. Remarks concerning the existing legal risks are contained under the heading "Risk management".

EMPLOYEES

As at 31 December 2013, the CA Immo Group had 355[1]) employees (compared to 405[2] on 31 December 2012). In business year 2013 CA Immobilien Anlagen AG itself employed 51 people in average compared to 62 people in 2012.

EXPECTED DEVELOPMENT, INCLUDING MATERIAL OPPORTUNITIES AND RISKS

Following positive development in the second half of 2013, the European Commission expects the economic recovery to continue in Europe in 2014. We expect the key CA Immo core markets to continue to develop in a stable fashion, with very positive real estate market conditions continuing in Germany. The lending climate will also be decisive for the real estate industry in 2014.

Strategy
2014 will also be characterised by the effective implementation of measures in line with the 2012 – 2015 Strategy. After strengthening the statement on financial position, the priority is to further optimise the property portfolio as a significant lever to increase operating profitability.

Existing business
On a like-for-like basis, it is expected that rents will be largely stable. As far as possible, the decline in rents resulting from the sale of properties is to be compensated for by a significant reduction in gearing and subsequently financing expenses.

Costs
In 2014, it is expected that the cost-cutting objectives defined in 2012 will be achieved in full.

Financing trends
On the basis of the quality of the portfolio and the improved figures on the statement of financial position, we expect a stable environment for refinancing CA Immo Group's expiring loans.

Our expectations are based on certain assumptions concerning both general and specific general conditions. The following key parameters could affect the pattern of business anticipated for business year 2014:

- Economic developments in the regions where we operate and the resulting impact on both rental demand and rent levels.
- The development of the general interest rate level.
- The lending climate, especially the availability and cost of long-term loans, and therefore the development of the property investment market and price trends, as well as the effect of these factors on the valuation of our portfolio. The key factor driving the speed that the planned development projects are realised also depends on the availability of the necessary loans and equity.
- Political, fiscal, legal and economic risks, and the transparency and development level of the individual property market.

RESEARCH & DEVELOPMENT

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

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2014:

Increase in voting rights due to conversions
On account of the issue of shares in response to the exercising of conversion rights by holders of the 4.125% convertible bonds for 2009-2014, the company's capital stock amounted to € 639,190,853.51 at the end of February 2014. This was divided into four registered shares and 87,921,709 bearer shares each with a proportionate amount of the capital stock of € 7.27. The delivery shares, currently held under ISIN AT0000A154Z4, have dividend entitlement from their business year of issue.

Buyback of own liabilities for a nominal value of approx. € 428 m
In January, CA Immo has acquired a financing portfolio with an approximate nominal value of € 428 m from Österreichische Volksbanken AG. Secured real estate

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

[2] Davon rund 7% Teilzeitarbeitskräfte; inklusive der konzernweit 30 karenzierten Mitarbeiter; exkl. der 108 Mitarbeiter, die im Zuge des Erwerbs von zwei tschechischen Hotelgesellschaften im dritten Quartal 2012 übernommen wurden.

loans of CA Immo Group companies in Eastern Europe and unsecured financing at holding level each account for around half of the nominal amount. An agreement was made not to disclose the purchase price, which is below the nominal value. With inclusion of this repayment, the target equity ratio of 40% was exceeded.

Vienna, 18 March 2014

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Member of the Management Board)

AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of

CA Immobilien Anlagen Aktiengesellschaft,
Vienna,

for the fiscal year from **1 January 2013 to 31 December 2013**. These financial statements comprise the balance sheet as of **31 December 2013**, the income statement for the fiscal year ended **31 December 2013**, and the notes.

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

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility and Description of Type and Scope of the statutory audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance for the year from 1 January 2013 to 31 December 2013 in accordance with Austrian Generally Accepted Accounting Principles.

Report on Other Legal Requirements (Management Report)

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

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

Vienna, 18 March 2014

KPMG
Wirtschaftsprüfungs- und Steuerberatungs AG

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

(Austrian Chartered Accountants)

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

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

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

The managing board confirms to the best of their knowledge that the financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the CA Immobilien Anlagen Aktiengesellschaft and that the management report gives a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties the CA Immobilien Anlagen Aktiengesellschaft faces.

Vienna, 18 March 2014

The Management Board

Bruno Ettenauer
(Chairman)

Florian Nowotny
(Member of the Management Board)

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DISCLAIMER

This Report contains statements and forecasts which refer to the future development of CA Immobilien Anlagen AG and their companies. The forecasts represent assessments and targets which the Company has formulated on the basis of any and all information available to the Company at present. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or the risks set out in the risk management report materialise, then the actual results may deviate from the results currently anticipated. This Report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.

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

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