



ANNUAL FINANCIAL REPORT 2010
IN ACCORDANCE WITH § 82(4) OF THE
AUSTRIAN STOCK EXCHANGE ACT

10

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DECLARATION OF THE MANAGING BOARD DUE TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT

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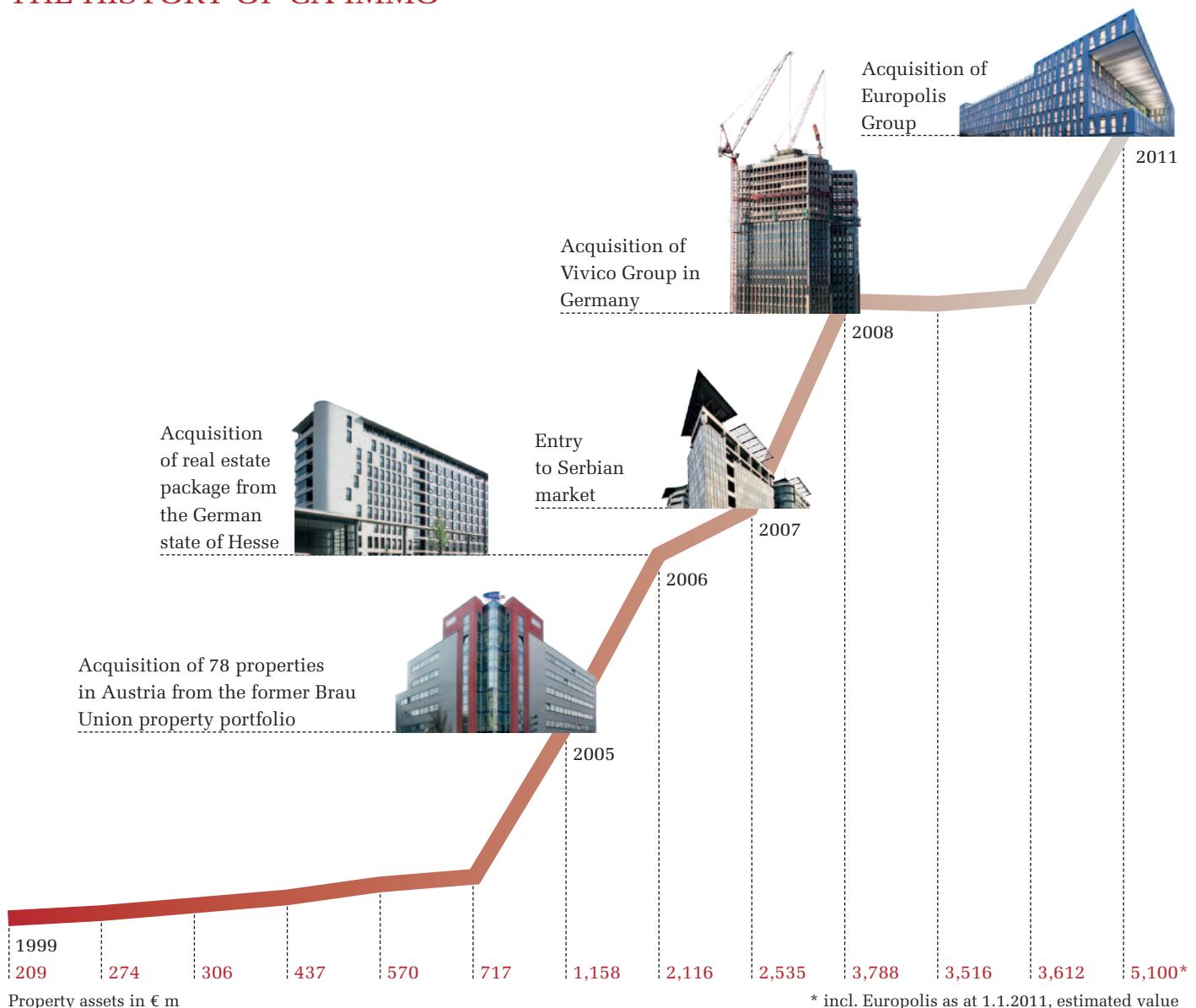
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THE HISTORY OF CA IMMO



1987
- Founding of CA Immobilien Anlagen AG

1988
- Flotation on Vienna Stock Exchange

1999
- First CEE expansion into office properties in Hungary

2000
- First investment in Slovakia

2001
- Acquisition of office properties in Poland
- Commencement of development projects in Hungary and Czech Republic

2003
- First investments in Bulgaria and Romania

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

2006
- Issuance of first public corporate bond
- CA Immo International AG floats on Vienna Stock Exchange
- Entry to Russian market
- Acquisition of real estate package from the German state of Hesse

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

2008
- Acquisition of Vivico Group in Germany

2009
- Issuance of second public corporate bond
- Issuance of a reverse convertible bond

2010
- Re-Integration CA Immo International AG
- Acceptance of the acquisition of the Europolis Group

INVESTMENTS AND FUNDS

CA Immo has positioned itself as an investor in commercial real estate, focusing on the Central European region through the twin business areas of investment properties and project development. The company's activities are focused in Austria, Germany, Central Eastern Europe (CEE), South Eastern Europe (SEE) and Russia. All CA Immo business in Germany is managed by Vivico Real Estate, the subsidiary company acquired early in 2008. The subsidiary CA Immo International AG, which had handled the Eastern European activities since 2006, merged with the parent company CA Immo in November 2010 with retrospective effect to 31 December 2009. The project development area has essentially been managed by the CA Immo New Europe (CAINE) special fund, in which CA Immo holds a 60 % stake, since 2006. Given that the commitment period during which new projects can be initiated has already ended, all new undertakings will be implemented directly by CA Immo itself (where the fund partner decides against individual realisation). The acquisition early in 2011 of Europolis AG, a subsidiary of the Austrian Volksbank specialising in real estate, has raised the profile of the company in its core region of Eastern Europe. The acquisition will be reflected on the balance sheet on 31 March 2011.

Vivico AG

CA Immo has been investing in Germany since the autumn of 2006. Most of its investment properties in Germany, including the package of properties acquired from the state of Hesse in 2006, are maintained by Vivico AG, in which CA Immo has direct and indirect holdings amounting to 100 %. Vivico AG is fully consolidated in

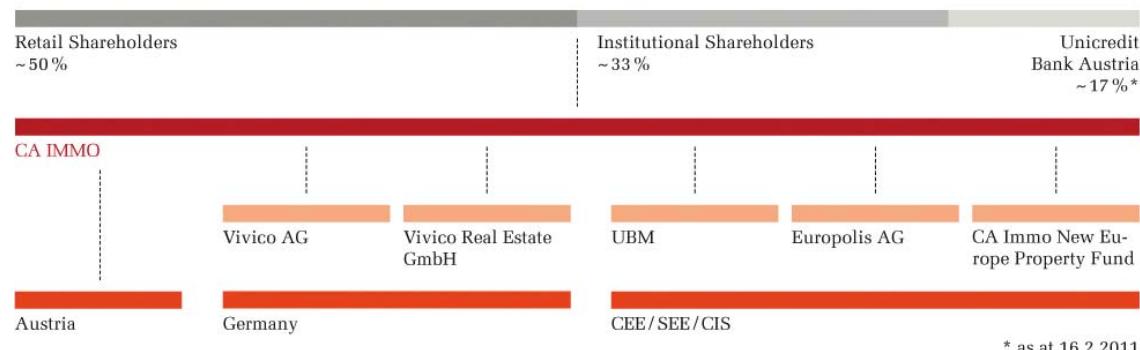
the consolidated financial statements of CA Immo. As at key date 31 December 2010, the market value of its property assets stood at € 879 m.

Vivico Real Estate GmbH

Vivico Real Estate GmbH, the German company that specialises in urban development, has served as the operational platform for the Group's activities in Germany (project development and asset management) since 2008. Vivico, which was previously a collecting society for railway properties owned by the German state, has extensive expertise in developing inner city properties formerly devoted to industrial or railway purposes. Projects on these development sites are at various stages of preparation and will be rapidly progressed to construction readiness over the coming years. This type of urban development – turning brownfield sites without land use plans into completed urban districts – has high potential for added value and ideally complements the more stable core business of managing investment properties. Vivico Real Estate GmbH is also fully consolidated in the consolidated financial statements of CA Immo.

The property assets of Vivico Real Estate GmbH mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale (with a market value of € 1,157 m as at 31 December 2010). On completion, development projects are either sold, transferred to the company's asset portfolio or sold to property developers as construction-ready real estate. More information on the German portfolio is provided in the segment report.

ORGANISATIONAL STRUCTURE OF THE CA IMMO GROUP



At Vivico, all tasks critical to the creation of value are performed by the company's own staff. These include developing urban district concepts, land development (including site planning) and the preparation of sites for sale. With branch offices in Frankfurt/Main, Berlin and Munich, the Vivico organisation meets the requirements of local presence as well as cross-company management and support. Every site functions as a profit centre, generally taking sole responsibility for the implementation of its projects. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by the Vivico subsidiary **omniCon** (acquired in July 2008), which also performs these services for third parties. In 2007 Vivico, in partnership with the Feuring Group, established **Viador**, a company that specialises in concept development for hotels (another element in urban development project work). Its service range includes site inspections, analyses of the hotel market and feasibility studies as well as business planning based on these. External service providers are brought in to carry out certain other activities, which enables the cost structure to be adapted flexibly to varying workloads.

CA Immo New Europe property fund

CA Immo has been managing its development projects through this project development fund since the start of 2007. The investment strategy of the fund, which is structured under Luxembourg law as a SICAR (société d'investissement en capital à risque), is aligned towards real estate development projects in Eastern and South Eastern Europe. Until the merger in November 2010, a 60 % stake in the fund was held by CA Immo International, which was also a listed CA Immo subsidiary at the time. As a result of the merger, this shareholding was transferred to CA Immo under the terms of universal succession; four institutional investors at home and abroad account for the remaining 40 %. The planned lifespan of the fund, which is managed by a CA Immo subsidiary, is seven years in total (with the option to extend). The commitment period (in which new projects can be initiated) ended on 31 December 2009.

The total volume of the fund was originally envisaged at € 1 bn, of which € 400.0 m was to be made available as equity. In view of the changed market conditions, however, investment activity fell far short of the levels originally intended; agreement was reached with the co-partners only to proceed with development projects that were already in progress. As a result, only one third or so of the maximum amount had actually been requested by 31 December 2010. As at the balance sheet date, the market value of the fund portfolio was approximately € 134 m. Three projects are in progress at the present time; another three have been finalised since the fund was set up and will henceforth be held directly by the fund as investment properties. More details are provided in the segment report.

Investment in UBM

CA Immo has a 25 % holding plus four shares (vetoing minority holding) in the listed property developer UBM Realitätenentwicklung AG, which is based in Vienna. Aside from CA Immo, the main shareholder in UBM is the PORR Group with a holding of around 41 %. With its track record of development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. The shared Poleczki Business Park project in Warsaw is being realised under the terms of a 50:50 joint venture between the CA Immo New Europe project development fund and UBM. Following a construction period of just under two years, phase one – comprising two separate buildings with very high occupancy rates – was completed at the end of quarter two 2010. A modern office district with a total effective area of 200,000 sqm is scheduled for completion by 2015. Investment in the first building section amounted to some € 110 m, with the total construction project costed at around € 250 m. Preparations are currently under way for construction phase two. UBM is also involved in the Airport City St. Petersburg project in St. Petersburg, where it is contributing both capital and, in particular, its expertise as a project developer. In 2010, CA Immo received a dividend for 2009 of € 750 K for its holdings in UBM, corresponding to a return of 3 % on the capital invested.

ECONOMIC ENVIRONMENT

THE CYCLICAL TREND

The real estate sector is closely intertwined with the macroeconomic developments on its markets. As regards the demand for commercial real estate in particular, economic growth is proving to be a determining factor. The recent recessionary years have thus been as challenging as might be expected. Not only was the investment market brought to a halt, but companies shelved their expansion plans, significantly cutting the demand for office space.

In 2010, nearly two years after the financial and economic crisis took hold, activity in the global economy picked up pace once again, sparking signs of recovery and renewed growth as the year progressed. Expansion on the global markets was driven by the emerging nations such as China and India in particular. However, the pace of economic recovery varied from one country to another.

Widely divergent economies were also the story of the upturn within the eurozone. Germany took centre stage as the most positive contributor, recording extremely dynamic growth. Austria followed suit, albeit with more moderate expansion figures. By contrast, growth in France – the second largest economy in the eurozone – slowed considerably. On the margins, Greece, Ireland, Portugal and Spain found themselves mired in crisis. GDP rose in the eurozone by an average of 1.7 % during 2010; the inflation rate stood at 2.2 % in December.

AUSTRIA ¹

Evidence of growth was seen in the Austrian economy: economic output expanded by 2.0 %, largely as a result of exports (particularly to Germany, Austria's rapidly growing trading partner; cf. GDP decrease of 3.9 % in 2009). However, domestic demand remained somewhat muted. Given the weak development of actual earnings, consumption by private households remained deeply restrained. Although incomes are set to rise again this year, private consumer spending is not expected to increase accordingly because of government consolidation measures and planned tax rises.

From the outset, the economic crisis impacted only minimally on the Austrian labour market. The unemployment rate, which was 4.3 % in the year preceding the crisis (2007), stood at 5.0 % in December 2010, rising by 0.5 % over the year as a whole. This confirms Austria, along with the Netherlands and Luxembourg, as the country with the lowest unemployment level in the eurozone. The inflation rate was 1.7 % at the end of 2010; the Austrian National Bank (OeNB) is predicting that the rate will break the 2.0 % barrier in 2011.

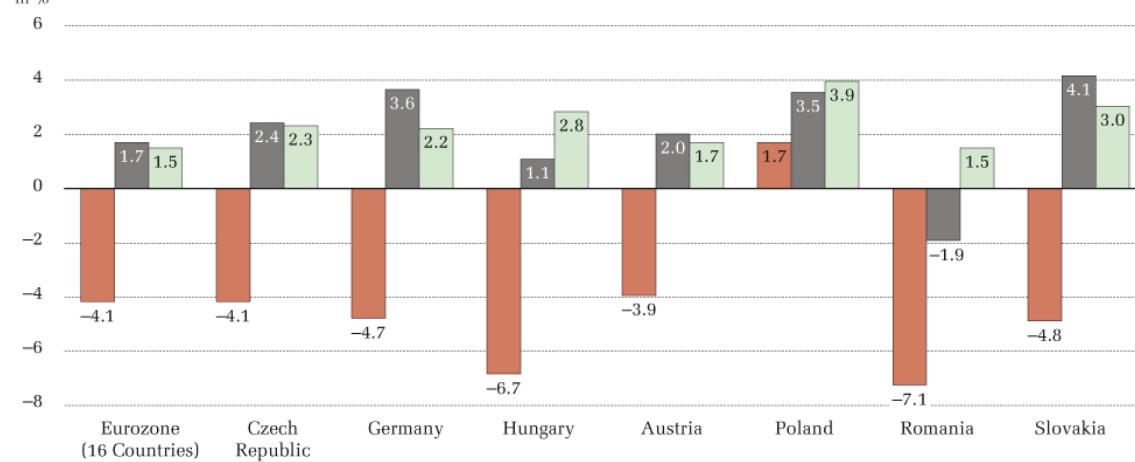
¹ Sources: Eurostat, data request 15.02.2011; Austrian National Bank

REAL-TERMS GDP GROWTH

2009 2010 2011*

Source: Eurostat 2011

in %



GERMANY¹

Germany has recovered from the crisis surprisingly quickly. Although forecasts of GDP growth to the midway point of the year were even more modest than previously, growth picked up speed as the summer progressed. Remarkably, despite a steep GDP fall of 4.7 % in 2009, the economy again expanded by 3.6 % in 2010. The economic recovery was chiefly driven by the country's high export ratio; there was world-wide demand for German high-tech products, for example, especially on the booming markets of Asia.

The upturn in foreign trade also had a positive effect on the domestic economy, as investment again rose substantially. The collapse of the labour market predicted at the start of the year also failed to materialise; the unemployment rate was at 6.7 % at the end of 2010. The improving employment figures for the whole year boosted consumer confidence in turn, and private consumption rose particularly strongly towards the end of 2010.

CEE/SEE²

Economic development was very patchy in the CEE and SEE states during 2010. The Central and Eastern European nations of Poland, the Czech Republic and Slovakia (for whom Germany is a key trading partner) benefited from German economic growth last year in the shape of a higher export volume. In Slovakia, economic power expanded by a total of 4.1 %; GDP rose by 3.5 % in Poland and by 2.4 % in the Czech Republic. The economy broadly stabilised in Bulgaria, Hungary and the Baltic states in 2010; Romania and Croatia remained deep in recession, however, mainly on account of structural factors such as their trade orientation and the composition of export goods, but also because of internal imbalances (high unemployment, low consumption and so on) and problems with debt and refinancing in the public finances.

¹ Sources: Deutsche Bundesbank, Federal Statistical Office, Federal Employment Agency

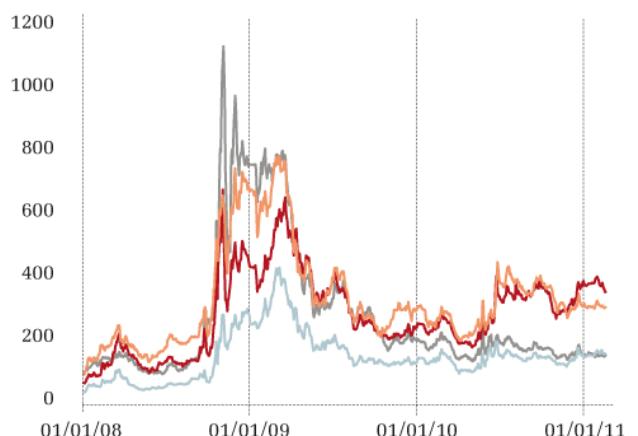
² Sources: Austrian National Bank, Eurostat, ECB Monthly Bulletin, OECD



Interest rate (1.1.2008 = 100)



Country Spreads (in bps)



In the early part of the year, the Russian economy was benefiting from the rise in the oil price around the world; GDP growth, which had been negative in 2009, turned around again during the first six months of 2010. Expansion slowed in the second half of the year, however, partly because raw material prices remained short of expected levels throughout the year, and partly because the moderate expansion in credit held back the economic recovery. The OECD forecast GDP growth of 3.7 % for Russia by the end of the year.

MONEY MARKET AND INTEREST RATE ENVIRONMENT

For most countries, economic stabilisation in 2010 went hand in hand with a sharp rise in national debt; the costs of combating the financial crisis were a significant factor behind these increases. At European level, this development impacted most severely on countries like Greece, Spain, Portugal and Ireland, where growth is low and debt levels were already high. Around the middle of the year, the public finance problems in these nations began to pose a major threat to the stability of the euro as the 'Greek crisis' ballooned into a crisis of the euro. However, government intervention and consolidation measures in the public sector succeeded in reassuring the financial markets. In May 2010 – at the height of the crisis in Greece – the ECB and central banks started buying government bonds from European countries for the first time since the launch of the euro in an attempt to regain the trust of the markets. By the end of the year, however, the ECB had not managed to neutralise the additional liquidity completely.

The value of the euro declined significantly against almost every other currency in 2010, losing around 9 % against the US dollar. In the second year since the onset of the crisis, the base rate of the European Central Bank again stood at 1.0 %. As measured by the three month EURIBOR, the money market rates critical to variable refinancing remained at record low levels throughout most of last year. In the final quarter of 2010, however, they began to rise steadily to the level of the European Central Bank refinancing rates. Long-term interest rates, including the 10 year swap rate which is relevant to CA Immo, remained at their lowest levels in quarter three. Since then, however, they have gradually risen.

OUTLOOK

We expect the European economy as a whole to continue to recover during 2011. However, the upturn will depend on growth engines like Germany, and in particular a sustained revival in its domestic economy. For this reason, economic research institutes are predicting only moderate growth of 2.3 % for 2011. The Austrian National Bank expects the Austrian economy to carry on accelerating this year; at present, GDP is forecast to rise by 2.1 %. Improving growth figures are also expected on the CA Immo markets of Central and Eastern Europe, albeit to strongly varying degrees.

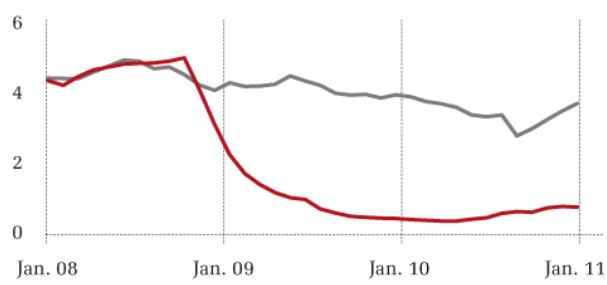
Inflation rates are likely to maintain their upward path in the various countries. The inflation rate in the euro-zone is likely to remain around the 2 % level in 2011 because of the fluctuating prices of crude oil and food. The interest rate trend on CA Immo's markets will continue to be influenced by the political response to the debt crisis in Europe, the interest rate policy of the European Central Bank and the future of the banking sector following implementation of new regulatory requirements such as Basel III.

INTEREST RATE DEVELOPMENT

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

Source: Deutsche Bundesbank

Interest rate in %



PROPERTY MARKET AUSTRIA

The positive effects of the slow but steady upturn in the Austrian economy that has been taking place since the end of last year have also been felt on the real estate market. The transaction market received a boost from the brightening of the economic environment combined with stable rent levels and the continuing appeal of direct property investments. The lettings market was characterised by increasingly predatory competition to the advantage of modern premises and a continual increase in large-scale letting agreements. Despite the encouraging economic signs, however, many market players continue to be highly risk-averse, with efficiency and flexibility emerging as priorities in the choice of location.

The investment market

The Austrian investment market remains stable, maintaining its consistent expansion in 2010. The transaction volume in Vienna had risen to € 560 m by the midpoint of the year, almost 50 % up on the same period of the previous year. Total turnover amounted to approximately € 1.6 bn by year end, a figure largely driven by Austrian-based private foundations and institutional investors buying properties in prime CBD locations. Foreign investors accounted for around a third of the transaction total, focusing their activities on core-standard real estate (long-term rental agreements and tenants with strong credit-worthiness). As the year progressed, a distinct shortage of such properties became apparent, pushing up purchase prices and marginally reducing peak yields in turn: by the end of the year, the peak yield of 5.25 % was well below the previous year's value (5.5 % in the final quarter of 2009). Yields also fell slightly in average locations.

The office property market¹

The office market in Vienna was very slow to gather momentum in the early part of the year. As 2010 progressed, however, turnover for office space began to increase. By the end of the year, lettings performance amounted to some 275,000 sqm of office space, a rise of 4 % on the figure for the end of 2009. The influx and expansion of businesses played a relatively small part in this development: the lettings volume was mainly generated by corporate relocations within the city, generally from older buildings not suited to market needs to more modern and efficient office properties (particularly green buildings and properties with LEED certification). As a result, vacancy was mainly accounted for by older buildings let either with difficulty or not at all. The vacancy rate fell slightly from 5.8 % at the end of 2009 to 5.5 % at the end

of last year. Most leasing activity was in the scale of 1,500 sqm or less in the early part of 2010, but larger-scale lettings came back into the picture as the year progressed.

New office space of between 165,000 and 185,000 sqm was created (including refurbishments), the lowest volume for around nine years. On account of the financial crisis and the associated collapse in demand, scores of planned office projects – most of which involve top quality developments in good locations – have been put on ice for the time being. The levels of pre-letting that would enable such projects to be restarted have not been attained thus far. Only a handful of speculative projects were launched in 2010, which shows that the availability of office premises for clients requiring short-term lets is currently severely restricted. As demand picks up again, therefore, the vacancy rate is expected to decrease and rent levels are likely to rise; this is already apparent from the development in peak rents, which increased on the previous year's values to stand at between € 21/sqm and € 23/sqm at the end of the year. Average rent levels are largely unchanged at € 8/sqm to € 15/sqm, depending on location. The majority of lease contracts were also concluded in this price segment.

Retail²

Rental rates on retail premises in prime (A1) locations also remained stable in 2010, although rates fell in B-class sites as vacancy increased. As they expand, international retailers and chain stores are focusing on commercial areas with high footfall where peak rents of up to € 220/sqm are attainable for retail space. Integrated shopping centres have been well received by the market and weathered the economic storm well; no major changes in vacancy levels or rental rates have been reported. Given that the retail market in Austria is very close to saturation point (partly because of the high number of shopping centres), the trend in recent years has shifted to the restoration, restructuring and expansion of existing portfolios.

The residential property market³

For Austria, 2010 was the year of the residential market. In particular, as the financial crisis has brought about a resurgence of interest in residential property investment, the value of building plots for detached houses and apartment houses in inner cities has increased in all federal states. This has long since more than compensated for the

¹ Sources: EHL Office Marke Report Autumn 2010; CB Richard Ellis, EMEA Yields and Rents Q4 2010

² CB Richard Ellis, Retail Market Austria, Autumn 2010

³ Sources: Rental price comparison list www.immobilienscout24.de; Otto Immobilien Apartment House Report 2010

minor fall in prices experienced in the autumn of 2008. In Vienna especially, demand for apartment houses in good locations has far outstripped supply. Inner city properties in this segment are commanding peak values of € 3,200–5,100/sqm. Rental rates, by contrast, did not develop as strongly: average rents were offered at € 14–16/sqm in central Vienna and in the range of € 8–14/sqm in other areas.

The hotel property market ¹

Vienna achieved 9.1 million overnight stays in the period to October 2010, a figure indicative of record expansion. The main reasons for travel to the capital were leisure, cultural tourism and conference attendance. Central Vienna remains the most sought-after location for international hotel chains, which are already well represented in

the city. However, investors are also showing interest in sites on main access roads and close to transport hubs such as the Westbahnhof and Südbahnhof railway stations, the latter of which is set to reopen as a new and expanded station in 2015.

Travellers remained cost-conscious in 2010, which benefited budget hotels in particular. The average room rate (ARR) in Vienna increased by 13 % on the previous year, reaching 72 % between January and September 2010. However, concessions on rooms rates were needed to bring about the high occupancy level. The revPAR (revenue per available room) averaged € 65 over the first nine months. The greater number of hotel businesses has increased pressure on prices, which will necessitate market adjustments in all segments over the years ahead.

¹ Sources: Christie & Co, Hotel Market Vienna, October 2010; STR Global in Deka Immobilienmotor 2011; Metzger Realitäten Gruppe



Vienna, Wolfganggasse 58-60

PROPERTY MARKET GERMANY

In 2010, the rapid recovery of the German economy combined with the return of investor confidence in the long-term attractiveness of Germany as a place to invest led to an 83 % increase in investment turnover in commercial real estate compared to the previous year. In particular, the restricted supply of low-risk products proved to be the limiting factor in the face of strong demand for core properties.¹ The first signs of recovery also emerged on the rental market, with encouraging levels of turnover and stable or slightly rising rent levels.

The investment market²

The sale of the OpernTurm tower in Frankfurt's banking district for approximately € 550 m, the last big transaction on the German investment market in 2010, symbolised the upturn on the commercial property market in Germany. The transaction volume increased during the fourth quarter in particular, when turnover amounted to € 6 bn; the overall figure for the year (€ 19.6 bn) was some 85 % above the previous year's total. The value of transactions for the six main property centres of Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne and Munich stood at € 11.1 bn, 90 % above the value for 2009. Foreign investors in particular (accounting for 37 % of the total investment volume) returned their attentions to the German market in 2010. With a low interest rate making for favourable investment conditions and substantial levels of economic expansion, German real estate was highly lucrative in 2010, especially for pension funds, open-end and closed-end funds and private equities.

Steep turnover increases were achieved in all asset classes in 2010. Retail properties accounted for most transactions (generating turnover of € 7.8 bn, or 40 % of total sales) followed by office properties (producing turnover of € 7.3 bn, equivalent to 37 % of total sales). Demand was particularly high for buildings almost fully let in prime locations with established and reliable tenant structures (i.e. core properties). The restricted supply of core properties for investors served to suppress property yields, which fell sharply in prime locations within the main office centres (to below the 5 % mark in some cases). Peak yields ranged from 4.85 % in Munich and Hamburg to 5.3 % in Cologne and 4.9 % in Frankfurt.

¹ CB Richard Ellis, Germany Investment Quarterly Q4 2010

² Source: BNP Paribas Real Estate 2011

The office property market³

Given that it always takes time for office sector rental markets to react to economic upturns, demand for office space remained modest in 2010. Rising demand is only expected to become apparent this year: as the economic picture brightens, companies will take on more staff and thus require more office space. Even allowing for this, though, turnover of premises in 2010 was comfortably above the previous year's level. Total office space of more than 2.2 million sqm was let in the CA Immo cities of Berlin, Düsseldorf, Frankfurt, Cologne and Munich. Berlin and Munich accounted for the greater part of the turnover with some 541,000 sqm respectively 505,000 sqm of office space let, followed by Frankfurt (up 34.3 %).

Office premises under construction declined significantly in 2010: around 1,331,000 sqm of office space is currently under construction in the five CA Immo sites, of which some 60 % is still available. At the same time, vacancy levels in properties suited to the market declined significantly, whilst structural vacancy was very slow to decrease. Given the lower completion volumes scheduled for the next few years, the supply of modern office premises will decrease accordingly in the main German office centres. Rent levels are believed to have bottomed out in 2010. The restricted supply of modern office space is expected to drive a rise in peak rents over the next few months; as at year end, they ranged from € 20.90/sqm in Berlin to € 38.50/sqm in Frankfurt.

Retail⁴

The trend towards high quality, inner city locations (which became a feature of the retail property market in Germany in recent years) continued in 2010. Commercial rents in A1 locations increased marginally as a result, bringing the average rate in the top 20 retail sites in Germany to € 125/sqm. The highest rents for retail premises (€ 290/sqm) were charged in prime locations in Munich. As investors were increasingly attracted to retail properties, peak yields in the very best locations fell as 2010 progressed. As regards shopping centres, the average peak yield in the 'big seven' locations was 5.3 % at the end of 2010. Under the terms of a joint venture, CA Immo is developing an integrated shopping centre in Frankfurt, where rental rates on new lettings rose by around 8 %. Clearly, Frankfurt retains significant market potential in this segment.

³ Sources: BNP Paribas Real Estate 2011; gif e.V. Results of the annual survey 2010

⁴ Sources: IVD 2010/2011; Jones Lang LaSalle 2011

DEVELOPMENT OF OFFICE MARKETS FOR CA IMMO PRIME LOCATIONS IN GERMANY 2010

	2010	2009	Change in %
Berlin			
Take-up in sqm	541,000	444,000	21.8%
Vacancy in sqm	1,500,000	1,500,000	0.0%
Vacancy rate in %	8.3	8.4	-1.2%
Peak rent in €/sqm net exclusive	20.9	20.1	4.0%
Average rent in €/sqm net exclusive	12.2	10.7	14.0%
Düsseldorf			
Take-up in sqm	336,600	243,100	38.5%
Vacancy in sqm	829,200	760,000	9.1%
Vacancy rate in %	11.1	10.4	6.9%
Peak rent in €/sqm net exclusive	23.5	22.8	3.1%
Average rent in €/sqm net exclusive	14.3	13.7	4.4%
Frankfurt			
Take-up in sqm	470,000	350,000	34.3%
Vacancy in sqm	1,752,000	1,690,000	3.7%
Vacancy rate in %	14.7	14.3	2.4%
Peak rent in €/sqm net exclusive	38.5	35.0	10.0%
Average rent in €/sqm net exclusive	20.0	20.0	0.0%
Cologne			
Take-up in sqm	218,000	250,000	-12.8%
Vacancy in sqm	625,000	665,000	-6.0%
Vacancy rate in %	8.4	9.0	-6.9%
Peak rent in €/sqm net exclusive	21.6	21.4	0.9%
Average rent in €/sqm net exclusive	11.3	11.5	-1.7%
Munich			
Take-up in sqm	504,900	453,800	11.3%
Vacancy in sqm	1,178,400	1,020,000	15.5%
Vacancy rate in %	8.5	7.7	10.4%
Peak rent in €/sqm net exclusive	33.9	33.9	0.0%
Average rent in €/sqm net exclusive	17.5	16.9	3.5%

Note: All floor space data given as rentable area according to gif, conversion factor: gross floor area x 0.85.

Source: gif e.V., Annual Survey of Office Markets 2009 and 2010; correct as at January 2011.

The residential property market ¹

Demand (and therefore pricing) on the residential market in Germany conform to a clear geographical pattern that was reinforced in 2010: the larger and more economically powerful the city and the better the micro-climate within that city, the greater the price increase. Residential market rates thus tended to rise in the main urban areas of Germany.

Rents for apartments in new buildings in the mid-market segment rose by an average of 2.4 % (to € 6.41/sqm). Good quality new developments increased in value by 2.3 %, with existing apartments rising 1.4 % to 2.2 %; similar rates of increase were reported in the owner-occupied segment. The city with the highest prices is still Munich, where residential rates can reach € 3,900/sqm. The short supply of residential units in central locations, the rise in single-person households and the low construction rate are the factors behind the price trend. Forecasts for the residential market produced by the Federal Institute for Research on Building, Urban Affairs and Spatial Development have indicated that residential construction activity is unlikely to increase in the years ahead. In the growth regions of Germany, this could mean an even tighter situation on the residential market that will force up the price of residential space still further.

¹ Sources: IVD 2010/2011; BBSR 2010

The hotel property market ²

The economic recovery of 2010 was mirrored only to a degree on the German hotel market. Although the number of overnight stays rose again, many companies and private travellers remained cost-conscious, and hotels in the budget segment were the main beneficiaries of the upturn; their encouraging turnover levels established budget hotels in Germany as popular targets for institutional investors as well. Establishments in the four- and five-star segment also gained market share at the expense of the mid-range segment thanks to a more aggressive pricing policy and optimised cost-effectiveness.

The figures for overnight stays increased sharply in Berlin as average occupancy rose by 2.7 % to stand at 68.9 % in September 2010; the average revenue per available room (RevPAR) increased by 11.8 % to € 60.1. With the number of internationally run establishments on the rise, Berlin remains the first choice for international hotel operators seeking to enter the German market. Frankfurt and Munich also reaped the benefit of the upward figures for overnight stays. At the end of quarter three 2010, average occupancy in Frankfurt was up 13.4 % to 64.8 % in total. Given that business trips account for most travel to Frankfurt, this is another clear indicator of economic recovery.

² Source: STR Global in DekaBank Immobilienmotor 2011



FRANKFURT, Skyline Plaza Shopping Centre, Visualization

PROPERTY MARKET EASTERN EUROPE

Although the CEE region was harder hit by the economic crisis than more stable markets such as Germany, real estate investment accelerated at a relatively faster pace in 2010. Given the fact that economic performance varies so widely across Eastern Europe, though, the investment market was also inconsistent. Around three quarters of all property investment was transacted in Poland and Russia, whilst liquidity remains especially severely restricted in South Eastern Europe. The gap between the CEE and SEE is also reflected in the development of peak yields and rental rates.

The investment market¹

Turnover of some € 5 bn was reported on the Central and Eastern Europe (CEE) investment market in 2010, an increase of 90 % on the previous year. Most transactions were concluded in Russia and Poland, which between them contributed 74 % of total turnover. Price increases were most apparent on the Russian investment market. In Moscow as well as St. Petersburg, peak yields fell by 150 and 400 base points in turn to stand at 10.50 % and 12.0 % respectively. In Warsaw and Budapest, peak yields on office properties declined by 50 base points to stand at 6.25 % and 7.50 % respectively. Yields were also down in Prague and Bratislava, standing at 6.75 % and 7.25 % respectively at the end of the year. By contrast, investment

activity virtually ground to a halt on the smaller SEE markets such as Bulgaria, Croatia and Serbia. On these markets, peak yields accordingly remained at the level of the previous year (10.0 % in Belgrade and Sofia); the peak yield in Zagreb fell by 20 base points. With a peak yield of 9.0 %, Romania was alone in reporting a decrease of 50 base points.

The office property market²

The uneven economic development across Eastern Europe was mirrored on the region's office markets in 2010. On the established CEE markets (and especially Warsaw and Prague), lettings performance and thus rental rates started to rise again during 2010, albeit from a low base. At the same time, the mood on the rental markets of South Eastern Europe remained cautious.

The Polish economic recovery was reflected on the office market in Warsaw, where peak rents rose by 9 % on the previous year to stand at € 25/sqm. Similar growth patterns were reported on the Russian markets of Moscow and St. Petersburg. The peak rent level in Moscow rose by 6 % to approximately € 40/sqm (US\$ 673/sqm p.a.), whilst in St. Petersburg the office market also gained momentum in the second half of the year, with rent levels rising by some 7 % to roughly € 37/sqm (US\$ 598/sqm p.a.).

¹ Sources: CB Richard Ellis (CEE Property Investment; EMEA Rents and Yields Q4 2010)

² Source: CB Richard Ellis, EMEA Rents and Yields Q4 2010

OFFICE MARKET TRENDS

	Peak rent in €/sqm	Vacancy rate	Peak yield as at December 2010	Yield Changes	
				Trend	Change
Moscow	40	19%	10.50%	↓	
St. Petersburg	37	23%	12.00%	↓	
Warsaw	25	7%	6.25%	↓	
Prague	21	13%	6.75%	↓	
Budapest	20	21%	7.50%	↓	
Bukarest	19.5	18%	9.00%	↓	
Sofia	14	24%	10.00%	↗	
Belgrade	16.5	25%	10.00%	↗	
Bratislava	17	11%	7.25%	↓	

Correct as at fourth quarter 2010

Sources: Jones LangLaSalle European Office Property Clock, CA Immo, CB Richard Ellis EMEA Rents and Yields Q4 2010

Peak rents remained at around prior year levels in Prague (€ 21/sqm), Bratislava (€ 17/sqm) and Budapest (€ 20/sqm) but fell in Zagreb, Sofia and Belgrade.

Retail¹

The number of shopping centres being built, especially in the CEE and SEE nations, has increased sharply since 2009. However, the density of shopping malls depends heavily on general economic health and varies greatly from one country to another. Poland and the Czech Republic can point to many such centres thanks to the ongoing development of new projects, whereas Russia, Romania and Bulgaria remain under-resourced in overall European terms. Owing to reduced spending capacity, rents on retail premises fell during 2010 on almost all markets of Central and Eastern Europe. Although Hungary was once again particularly severely impacted, the high number of shopping centres meant that the prospects of significant rent rises in the retail area were also small in countries with generally positive economic trends such as the Czech Republic and Poland. As at the end of quarter three

2010, peak rents stood at roughly € 55/sqm in Poland and € 50/sqm in the Czech Republic.

The hotel property market²

Each year, around 90 million people travel to the CEE region. The expansion has been stimulated by low-cost airlines and government investment in infrastructure. Business travellers remained the most important client segment for the CEE region in 2010. Although this group is still much more cost-conscious than it was prior to the crisis, hotel performance indicators point to a slight recovery for the region in 2010. In the CA Immo location of Prague, for example, the occupancy rate increased by 9.3 % to 62.2 % between January and September 2010; to a lesser degree, the average revPAR (revenue per available room) also increased by 2 % to € 65. Over the same period, the same figures also began to rise again in Moscow (occupancy up 10 % to 62 % and revPAR up 9 % to € 87). Although average occupancy rose by 10.5 % to 59 % in Budapest, the average revenue per available room increased only marginally to € 37.

¹ Source: DekaBank Immobilien Monitor 2011

² Source: STR Global in DekaBank Immobilien Monitor 2011



BELGRADE, Sava Business Center

PROPERTY ASSETS

The CA Immo Group is active in Austria, Germany and Eastern Europe. The Group's core business is commercial real estate, with a clear focus on office properties; it deals with both investment properties (76 % of the total portfolio) and development properties (22 % of the total portfolio). Properties intended for trading and property assets held for sale each account for around 1 % of property assets.

In the consolidated statement of financial position for 2010, the CA Immo Group indicates property assets of some € 3.6 bn (against € 3.5 bn on 31.12.2009). Of this total, investment properties (including own used properties and properties intended for trading or sale) accounted for € 2.8 bn (78 % of the total portfolios) and investment properties under development represented € 790.9 m (22 % of the overall portfolio).

As at key date 31 December 2010, the Group's asset portfolio comprised a total rentable effective area of € 1.5 m sqm, of which offices accounted for some 62 % and commercial/storage space represented 24 %. The remainder of the floor space is utilised for business (7 %), hotel (5 %) and residential purposes (2 %). On the basis of market value, around 49 % of investment properties are in Germany, 26 % are in Austria and 25 % are in the CEE/SEE region.

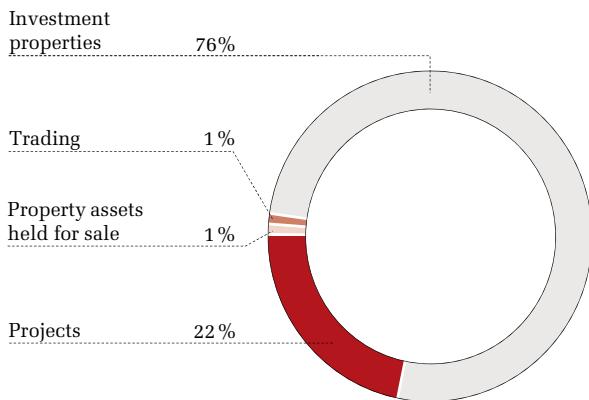
As regards development projects, approximately 3 % of the company's developments and strategic land reserves are in Austria and 94 % are in Germany; projects in CEE and SEE countries as well as the CIS account for the remaining 3 %. Development projects in Germany have a total market value of € 741.6 m. Of this total, projects that are either under construction or have imminent start

dates for construction account for approximately € 282 m; long-term real estate reserves account for € 460 m.

The Group generated rental income of € 164.4 m in 2010, compared to € 177.0 m in 2009. On the basis of annualised rental revenue, the asset portfolio produced a yield of 5.8 % (6.5 % in 2009). Vacancy by surface area was 11.5 % as at 31 December 2010, with the economic occupancy rate at 88 % (91 % on 31.12.2009). The decline in lettings resulted from the vacation of premises by Siemens at the Erdberger Lände site as scheduled, the addition to the portfolio in 2010 of the completed Poleczki Business Park project in Warsaw and the acquisition under the terms of a forward purchase agreement of the Megapark office property in Sofia. In like-for-like comparison (excluding the aforementioned special cases), economic utilisation was virtually unchanged at 90 % as at 31 December 2010.

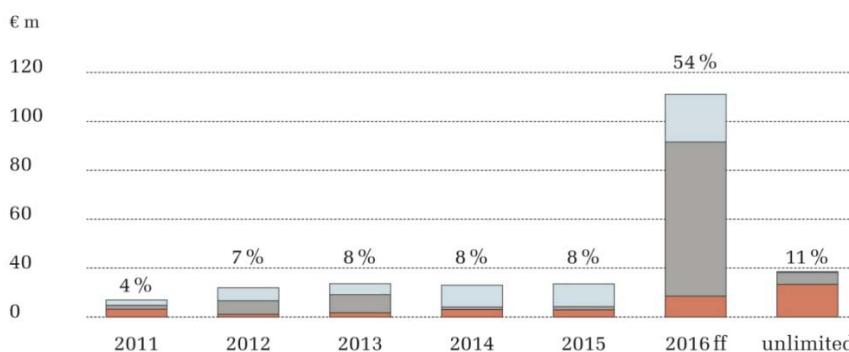
DISTRIBUTION OF BOOK VALUE

BY TYPE



LEASE ANALYSIS based on effective rental income of the expiring lease contract

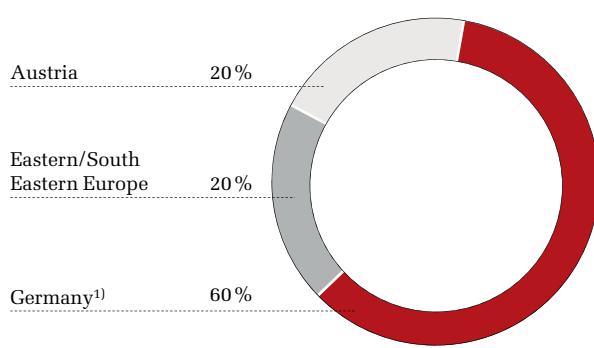
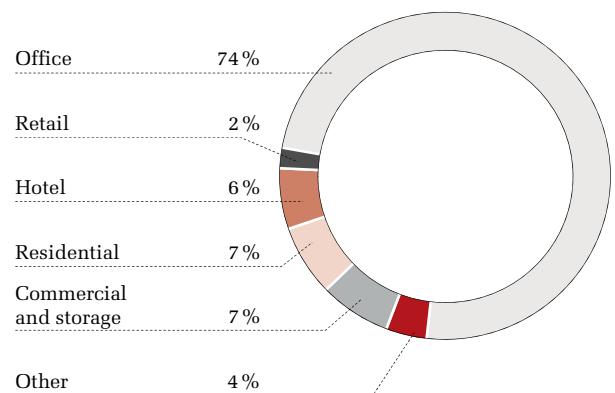
Austria Germany Eastern/South East Europe



OVERALL PORTFOLIO

		Austria	Germany	Eastern and South East Europe	Total
Property assets 31.12.2009	€ m	739.1	2,102.7	674.0	3,515.8
Acquisition of new properties	€ m	0.0	7.0	34.4	41.5
Investments in current projects	€ m	0.6	239.5	18.2	258.4
Investments in the portfolio stock	€ m	14.4	7.1	4.4	25.9
Change from revaluation/impairment	€ m	17.9	39.3	-12.3	44.8
Disposals	€ m	-36.0	-229.8	-8.4	-274.2
Property assets 31.12.2010	€ m	736.0	2,165.9	710.3	3,612.2
Annual rental income ¹⁾	€ m	39.0	79.8	45.5	164.3
Annualised rental income	€ m	36.1	78.9	50.2	165.2
Economic vacancy rate for investment properties	%	18.2	1.8	18.8	11.8
Yield (investment properties)	%	5.1	5.3	7.4	5.8

¹⁾ incl. annual rental income from properties sold in 2009 (€ 8.1 m)

DISTRIBUTION OF BOOK VALUE
BY REGIONDISTRIBUTION OF BOOK VALUE INVESTMENT PROPERTIES
BY MAIN USAGE

¹⁾ The segment Germany includes a property in Switzerland.

PROPERTY ASSETS BY BALANCE SHEET ITEMS

		Austria	Germany	Eastern/South East Europe	Total
Investment properties					
Usable space (excluding parking spaces)	sqm	363,789	751,130	337,377	1,452,296
Number of parking spaces	No.	4,234	8,191	5,922	18,346
book value	€ m	703.7	1,334.9	677.6	2,716.2
Rental income (actual)	€ m	38.9	63.2	45.5	147.6
Rental income (annualised)	€ m	36.1	70.8	50.2	157.1
Economic vacancy rate	%	18.2	1.8	18.8	11.8
Gross yield	%	5.1	5.3	7.4	5.8
Net yield	%	4.7	4.1	5.4	4.6
Investment properties under development					
Usable space (excluding parking spaces)	sqm	5,047	105,049	38,912	149,008
Number of parking spaces	No.	20	639	761	1,420
book value	€ m	21.6	741.3	27.7	790.6
Rental income (actual)	€ m	0.0	8.5	0.0	8.6
Rental income (annualised)	€ m	0.0	7.2	0.0	7.2
Property intended for trading					
Usable space (excluding parking spaces)	sqm	0	20,807	0	20,807
Number of parking spaces	No.	0	200	0	200
book value	€ m	0.0	45.3	0.0	45.3
Rental income (actual)	€ m	0.0	7.9	0.0	7.9
Rental income (annualised)	€ m	0.0	0.9	0.0	0.9
Own used properties					
Usable space (excluding parking spaces)	sqm	2,879	820	0	3,699
Number of parking spaces	No.	40	3	0	43
book value	€ m	10.4	3.2	0.0	13.6
Assets held for sale					
Usable space (excluding parking spaces)	sqm	0	0	0	0
book value	€ m	0.3	41.2	5.0	46.5
Rental income (actual)	€ m	0.1	0.2	0.0	0.3
Rental income (annualised)	€ m	0.0	0.0	0.0	0.0
Total					
Usable space (excluding parking spaces)	sqm	371,715	877,806	376,289	1,625,809
Number of parking spaces	No.	4,294	9,032	6,683	20,009
book value	€ m	736.1	2,165.9	710.3	3,612.2
Rental income (actual)	€ m	39.0	79.8	45.5	164.4
Rental income (annualised)	€ m	36.1	78.9	50.2	165.2
Economic vacancy rate	%	18.2	1.8	18.8	11.8
Gross yield	%	5.1	5.3	7.4	5.8
Net yield	%	4.7	4.1	5.4	4.6

PORTFOLIO STRATEGY

CA Immo has positioned itself as an investor in commercial real estate, focusing on the central European region through the twin business areas of investment properties and project development. The Group's portfolio strategy is tailored to specific market conditions and the general economic circumstances. Regardless of region or asset class, however, the central objectives are to secure the earning power of investment properties whilst realising development projects with the maximum efficiency.

Focused, high quality portfolio

CA Immo focuses its activities on the core markets of Austria, Germany, Poland, the Czech Republic, Hungary, Slovakia and Romania. In all of these countries except Slovakia, the company has its own teams to oversee progress on project development and manage investment properties locally. The acquisition early in 2011 of Europolis AG, a subsidiary of the Austrian Volksbank specialising in real estate, has raised the profile of the company in its core region of Eastern Europe. Over the medium and long term, the objective will be to improve the regional focus of the portfolio, retaining high quality properties and accumulating assets organically on the Group's defined core markets. In particular, given the high priority accorded to sustainability by the CA Immo Group, the company will seek to enhance the average quality of its portfolio – above all, by absorbing completed projects into the stock of assets.

Beyond maintaining current stock and proceeding with current development projects, there are no immediate plans to expand in the secondary markets, and exit strategies will be deployed if necessary. Although current development projects in the CIS region (and especially Russia) will continue, no new projects will be initiated in the short to medium term.

Key asset class: office properties

CA Immo has always positioned itself as an office specialist. In this segment, the company can draw on considerable expertise acquired over years of experience. In both of the company's business areas, the clear operational focus is on high quality office properties, with a strong emphasis on prime locations. As regards stock, much of the organic asset accumulation envisaged for the years ahead will take place in the office segment; offices should make up at least 70 % of the overall portfolio in the medium term. One effect of the Europolis AG acquisi-

tion has been to increase the proportion of logistical properties to 14 % of total assets; over the medium term this category, together with other usage types such as hotels and residential properties, should not account for more than 30 %.

Solid stock, strong development expertise

With a view to largely negating the volatility of project development, CA Immo is aiming to establish a business ratio of 80 % investment properties (to secure a stable cash flow) to 20 % development (based on total investment costs) to generate higher yield. It is a combination with advantages to both business areas: the business of investment properties benefits from access to high quality new real estate, whilst the property management builds up on a steady basis. To release additional capital resources to implement projects in the pipeline, up to 10 % of established income-generating properties or completed developments are sold each year (according to market conditions and the receptiveness of the investment market).



The CA Immo Group markets

SEGMENT REPORT FOR AUSTRIA

THE INVESTMENT PROPERTY AREA

The asset portfolio in Austria comprises rentable effective area of some 363,789 sqm with a market value of around € 703.7 m according to current valuations. This portfolio (taking account of properties sold in 2010) generated rental income of € 38.9 last year (€ 46.0 m in 2009), which is equivalent to an average yield of 5.1 %. Lettings performance in 2010 was stimulated mainly by the large-scale letting to Post AG at the Lände 3 site in Vienna. In total, floor space of approximately 38,700 sqm was newly let last year, and contracts regulating an additional 11,370 sqm were extended by lengthening the termination waiver. Conversely, an area of 67,600 sqm was returned as lease contracts expired (the vacation of premises by Siemens Austria at the Lände 3 site accounted for 61,500 sqm of this figure). The economic vacancy rate in the asset portfolio (measured on the basis of expected annual rental income) stood at 18.2 % in 2010 (8.2 % in 2009). On key date 31 December 2010, vacancy in square metres was equivalent to 23.7 % (8.8 % in 2009). The increase in the vacancy rate was the result of the vacation of premises by Siemens at the Erdberger Lände site in Vienna, which had been scheduled for 2010; the vacancy level will be significantly reduced again as Post AG establishes its tenancy step by step as contractually agreed from early August 2011.

CA Immo invested approximately € 15.4 m in its Austrian portfolio in 2010, compared to € 8.2 m in 2009. Of this, € 9.2 m accounted for the revitalization of the Galleria Landstrasse shopping centre. An additional € 2.4 m or so (€ 3.3 m in 2009) was devoted to maintenance costs with a view to upholding the fabric of buildings and the quality of rental units.

Extensive technical and architectural modernisation work has been under way at the **Galleria** shopping centre on Vienna's Landstrasser Hauptstrasse since mid-2009; the investment volume was approximately € 15 m. In parallel with the structural transformation, the mix of sectors has been expanded. The centre, which offers rentable retail space of around 15,500 sqm on three levels, re-opened on schedule in October 2010. It also provides some 13,500 sqm of office space and a car park with 388 spaces. The shopping centre is around 97 % let; it has 43 shops that include such reputable names as Müller, Spar, Swarovski and Intersport.



VIENNA, Galleria shopping centre

Sales in 2010

Strategic portfolio adjustments were carefully analysed and implemented in 2010. Market placement was particularly profitable for small to medium-sized apartment houses in Vienna and the regional capitals. In total, 13 individual properties were sold in 2010, producing an approximate trading income of € 37.5 m (€ 77.1 m in 2009).

INVESTMENT PROPERTIES IN AUSTRIA: KEY FIGURES

	31.12.2010	31.12.2009	Change
Book value (in € m)	703.7	702.0	0.2%
Annualised rental income (€ m)	36.1	44.4	-18.6%
Yield	5.1%	6.3%	-1.2 pp
Vacancy rate	18.2%	8.2%	+10.0 pp

DEVELOPMENT PROJECTS

Early in 2010, a large-scale development and restoration project known as **Lände 3** was launched on an Erdberger Lände property in Vienna's third municipal district. The present site is made up of several sections, with total existing office space of approximately 82,000 sqm rented in full to Siemens Austria until February 2010. In March 2010 the company, as planned, began relocating in stages to a newly developed site of its own. By key date 31 December, around 61,500 sqm of office space had been returned, with the remaining 20,500 sqm or so let to Siemens until 2014 and to a petrol station operator for the longer term.

Of the returned premises, one section comprising around 18,500 sqm will be extensively redeveloped as part of a modernisation project starting in March 2011. Planning permission has been obtained and negotiations are in progress concerning the letting of the building upon completion.

The remainder of the returned office space was approved for re-letting straight away. Notable success in re-letting has already been achieved, especially with the acquisition of Post AG as a major tenant in December 2010. As from 1 August 2011, the Austrian company will begin the process of amalgamating its main office divisions at the existing office site at Lände 3, which comprises some 32,000 sqm and is let for a period of five years. A Siemens

spin-off organisation also started renting around 6,800 sqm of office space at the site on 1 March 2010.

These substantial new lettings have ensured a very good start as regards the repositioning and redevelopment of the Lände 3 site. At present, legal and organisational arrangements for the division of the site are in progress, in tandem with intensive activities aimed at modernising the office space vacated in 2010. Planning of the infrastructure and other outdoor areas on the site is currently under discussion with the local council and the municipal authority of Vienna. The plans should be implemented by the autumn of 2011. Further investment at the site is planned for the long term. The annual rental revenue for the complex as a whole amounted to € 5.2 m in 2010 (€ 9.7 m in 2009); this year, revenue in the range of € 3 to 4 m is anticipated.

During 2011, **MEININGER hotels** will be established on two CA Immo sites: on Fürbergstrasse in Salzburg (attached to the Zentrum im Berg shopping centre) and on Vienna's Rembrandtstrasse, adjacent to the Augarten park. Ground-breaking took place in October 2010 in both Vienna and Salzburg. The Salzburg hotel will have 101 rooms, while the Vienna establishment will have 132 rooms. CA Immo will be investing around € 16 m in the two properties. CA Immo will complete the hotel in Salzburg in March 2011 and hand it over to the operator, the MEININGER budget hotel chain. The Vienna hotel is scheduled for completion in October 2011. MEININGER will lease both properties for a term of 20 years.



VIENNA, Lände 3, impression of section A

SEGMENT REPORT FOR GERMANY

CA Immo has been investing in Germany since the autumn of 2006. In the years since then, the company has been expanding its portfolio in the country. At the turn of the year 2007/2008, for example, CA Immo acquired the project development company Vivico Real Estate GmbH from the German state. Vivico was formed in 2001, having previously been a collecting society for railway properties. The acquisition provided CA Immo with real estate worth around € 1.3 bn in the heart of major German cities as well as a strong platform for developing the sites. As at the balance sheet date 31 December 2010, CA Immo held property assets amounting to € 2.2 bn in Germany; this is equivalent to some 60 % of the company's overall property assets, confirming Germany as the most important market for the CA Immo Group.

Focus on city district development

In 2010, the CA Immo Group focused its strategic investment activities on major West German cities such as Munich, Frankfurt and Berlin, making progress on (sometimes large-scale) mixed use urban development projects. All CA Immo business is carried out through German subsidiaries: most investment properties in the German portfolio are held by Vivico AG, whilst project development activity is managed by Vivico Real Estate. Details of CA Immo Group participations in Germany are provided in the 'Investments and funds' section.

THE INVESTMENT PROPERTY AREA

Alongside landmark buildings such as the Königliche Direktion in Berlin, the company's investment property assets in Germany include a package of properties in Hesse with a value of € 788 m. These properties are lea-

sed to the state of Hesse on a long-term basis, with average terms of around 26 years still to run on lease contracts. The overall asset portfolio (including properties intended for trading) offers a rentable effective area of approximately 751,130 sqm with a market value on the balance sheet date of around € 1,335 m according to current valuations (compared to € 1,103 m in 2009). Rental income of € 63.2 m was generated in 2010 (including properties sold in 2010; the figure for 2009 was € 69.2 m). The occupancy rate for the properties averaged 98.2 % in 2010 (97.8 % in 2009); as at 31 December 2010, the yield on the portfolio stood at 5.3 % (5.8 % in 2009). CA Immo invested approximately € 5.3 m in maintaining its German portfolio in 2010.

Acquisitions

In June, CA Immo acquired an office block in Berlin for approximately € 6.7 m. The building on Lietzenburger Strasse, south of the Kurfürstendamm, has gross floor space of 3,750 sqm as well as 34 parking spaces and storage areas. Generali Versicherung AG is the main tenant and retail outlets are let on the ground floor.

Sales

Sales of properties in Germany in the amount of € 285 m were transacted as planned in 2010; many of these were included in the balance sheet item 'Investment properties under development'. The disposals yielded a result of € 32.4 m, which boosted capital reserves and the earnings status of the portfolio. Transactions included large land reserves in Berlin, Frankfurt and Basel (after suitably value-enhancing property use approvals had been obtained). Sales were carried out to support the long-term development of extensive sites owned by CA Immo, mostly in inner city areas.

INVESTMENT PROPERTIES GERMANY: OPERATING FIGURES

	31.12.2010	31.12.2009	Change
Book value (in € m)	1,334.9	1,103.1	21.0%
Annualised rental income (€ m)	70.8	63.9	10.7%
Yield	5.3%	5.8%	-0.5 pp
Vacancy rate	1.8%	2.2%	-0.4 pp

During the first quarter of 2010, CA Immo sold a plot spanning around 1,600 sqm in the **Frankfurt Europaviertel**. The buyer, STRABAG Real Estate GmbH, intends to build a three-star hotel on the construction site on Europa-Allee. In the autumn, another plot of approximately 30,000 sqm was sold to Bouwfonds Immobilienentwicklung, a Frankfurt-based residential construction specialist that plans to build around 730 apartments on the site. The sale of the **Nord 1** office building at **Europa-Allee 12-22**, which had been agreed prior to construction, was also concluded at the end of 2010. The property, which will serve as the German headquarters for (amongst other organisations) the international bank BNP Paribas, was sold to an open-end property fund of Union Investment Real Estate under the terms of a forward purchase agreement and handed over to the buyer upon completion.

A construction site spanning some 30,000 sqm was sold in the southeastern part of the **Gleisdreieck area of Berlin**. The buyer was the building cooperative Initiative Möckernkiez, which plans to construct a sustainable residential district with a total of 385 flats over the next few years. At the end of 2010, CA Immo sold a site of around 3,100 sqm in the new **Europacity district in Berlin** (adjacent to the main railway station in Berlin). A combination of hotel accommodation, offices and restaurants will be built on the site. Another Europacity plot of around 2,800 sqm, next to the Hamburger Bahnhof, was sold late in the year. The company plans to construct an office building.

A site spanning approximately 1,300 sqm was sold to CONCEPT BAU-PREMIER in the **Schlossviertel Nymphenburg district of Munich**. The rights have been secured for a mixed use development on the site with approximate gross floor space of 4,200 sqm: 2,200 sqm will be

used for apartments and 2,000 sqm will be devoted to offices and high quality commercial space. In November, CA Immo sold two sites in the **Munich district of Aubing** – spanning some 27,000 sqm in total – to a project development company belonging to Immobilienzentrum AG. The buyer plans to build around 46 detached houses.

Several investors agreed to support the development of the **Basel district of Erlenmatt** in 2010. Several construction sites spanning a total area of around 68,000 sqm were sold in 2010. Various types of usage (but mainly residential) are planned for the area. Land use plans have been drawn up for all sites.

The former **railway authority building in the Altona district of Hamburg** was sold in October. The historic complex, which dates from 1894, was fully renovated in 2002. It now offers around 31,900 sqm of modern office space let to Deutsche Bahn AG.

Lettings

The contract with Bombardier Transportation, principal tenant at the **Königliche Direktion** building in Berlin, was extended by six years in the first quarter and expanded from 15,000 sqm to cover approximately 16,530 sqm. The world leader in the rail transport industry established its head offices at the Königliche Direktion in 2005.

A new rental agreement for **Tower 185**, a high-rise building under construction in Frankfurt, was concluded in May. PricewaterhouseCoopers (PwC) will lease an additional 5,500 sqm over four floors. As a result, the auditing firm will occupy some 66,000 sqm of floor space in the Tower 185 office building, bringing the pre-letting quota to around 68 %.



FRANKFURT, Europa-Allee 12-22

THE PROJECT DEVELOPMENT AREA

As at 31 December 2010, the CA Immo Group had rentable effective area of approximately 147,000 sqm under construction in Germany, along with a total budgeted project volume of around € 708 m. Approximately 27 % of the investment costs have been invested; all outstanding construction costs (roughly € 515 m) have been covered by loan commitments and capital resources. Further projects with a volume of some € 579 m are in planning status. Since part of these projects will be developed with joint venture partners, the CA Immo share of the project volume will be in the range of € 200-250 m. This extensive project pipeline in combination with additional land reserves and projects in status of procuring building approval with an approximate value of € 460 m confirm Germany as the main driver behind the organic asset accumulation envisaged for the years ahead and the CA Immo Group as the biggest project developer in the country. For its reserves of real estate in Germany, the Group will seek to secure building rights in relation to gross floor space of around 1.5 m sqm by 2014; 30-40 % of this is likely to be approved for residential purposes on current estimations. As soon as the sites are ready for building, they will either be sold to property developers, developed by CA Immo for investors or absorbed into the company's asset portfolio following completion. Key development activities in Germany currently include:

Europaviertel, Frankfurt

The Europaviertel – a new city district spanning some 90 hectares, of which 18 hectares are being developed by CA Immo – is one of the Group's biggest development projects. This modern area of residential units, offices, restaurants, retail outlets and a conference centre is directly adjacent to the Frankfurt Exhibition Centre and the banking district. Reputable companies such as BNP Paribas, PricewaterhouseCoopers (PwC), Realgrund and the hotel chain MEININGER have already signed up as tenants, users or investors for the Europaviertel.

The **CITY COLOURS** complex was developed and completed in the Frankfurt Europaviertel in a joint venture between CA Immo and Realgrund AG during the year under review. The structure has 112 rented flats and 51 owner-occupied flats; all of the rented units have been sold to the VBL, the German pension institution of the Federal Republic and states. 100 % of the owner-occupied flats have been sold. The **MEININGER** hotel opened in April following a construction period of just 15 months. CA Immo has concluded a 20-year lease agreement for the

budget hotel with the MEININGER Group. The hotel is conveniently located on Europa-Allee and also benefits from its proximity to the Frankfurt Exhibition Centre.

The **Tower 185** office building, which incorporates sustainability features, reached its final height of 200 metres in February 2011, making it the fourth highest building in Frankfurt. Staff of the principal tenant PwC moved into the lower levels of the building at the end of 2010. Following completion at the end of 2011, Tower 185 will become one of the first high-rise structures in Europe to receive gold LEED certification from the U.S. Green Building Council; it was granted precertification from the German Sustainable Building Council before construction work had started.

A planning application for the **Skyline Plaza** shopping centre in the Frankfurt Europaviertel was submitted in December. The project, which is being realised as a joint venture with ECE, was awarded gold pre-certification by the German Sustainable Building Council (DGNB) in recognition of its sustainable planning before construction work had even begun. The shopping plaza opposite the Tower 185 office building will provide approximately 38,000 sqm of retail space for around 170 shops, a health and fitness zone spanning some 8,500 sqm and a restaurant area of around 4,500 sqm. Recycling systems and only low-pollution and environmentally compatible materials will be in use during the planning and building phases. Negotiations with potential operators are in progress regarding planned conference facilities at the Skyline Plaza.



FRANKFURT, Tower 185

Munich

In the capital of Bavaria, CA Immo owns extensive development space in locations very well linked to the city's infrastructure. **Arnulfpark®** is the first CA Immo city quarter in Germany to be nearing completion. On a site of around 18 hectares close to the city's main rail station, around 1,000 apartments will be built along with hotels, a range of restaurants, convenience stores and cultural facilities; some 4,500 working positions will be created. The topping out ceremony for the **SKYGARDEN** office building in Arnulfpark was held in the spring of 2010. The project, a joint development of CA Immo and OFB, offers around 33,000 sqm of gross floor space above ground. PricewaterhouseCoopers signed a contract for some 17,500 sqm of rentable space before construction work had begun. Around 900 employees of company's Munich branch will take up residence in the SKYGARDEN in 2011.

Construction of the **AMBIGON** office, commercial and medical centre has commenced in the **Schlossviertel Nymphenburg**, a district of quality residential and office units. With a gross floor area of approximately 16,400 sqm, the complex combines a range of usage types under one roof: offices, retail outlets, a medical centre and a rehabilitation/fitness zone. CA Immo had concluded contracts on approximately 47 % of the rental space before building work began; companies agreeing to lease premises include Munich-based asecuram Therapieleistungen GmbH, a REWE supermarket and Aldi.

In partnership with the state capital Munich, CA Immo organised a competition for town planners and landscape architects. Ideas were invited for a new district in the Munich suburb of **Laim am Berg** on the theme of 'urban nature'. The city of Munich will proceed with development of the 135,000 sqm area on the basis of the competition results.

Berlin

Several projects are in the pipeline that will be highly significant for the German capital. These include **Europa-city**, the district north of the city's main station. At 40 hectares in total, the site is around twice as big as Potsdamer Platz; CA Immo is developing approximately half of the site. The first part of the development will be a 17-storey office block on Europaplatz that has been designed as a green building. It will serve as the German base for oil company TOTAL, which plans to lease the entire tower (floor space of around 14,000 sqm). The structure, which will have an approximate height of 69 m, will

mark the entrance to Europacity; tenants will take up residence in the second half of 2012. DGNB certification will be sought for the **TOUR TOTAL** building.

To boost the development of the whole site, Vivico launched a 'sustainability workshop' in 2010. For a period of six months, around 25 experts from the fields of politics, business and research came together to compile a catalogue of proposals on waste, construction materials, energy, open space, social aspects, transport and water. The state government and local council together with the landowner Deutsche Bahn and Vivico presented the results to interested members of the public and representatives of the media at an on-site conference.

Düsseldorf

Reconstruction work to make the site ready for development has been in progress in the **BelsenPark** district of Düsseldorf since January 2011; marketing began last year. The land use plan was approved in summer 2010, thereby securing building rights for the Düsseldorf project. BelsenPark was designed as a mixed use urban district: over the next few years, around 450 flats and a pedestrianised zone of shops and offices will be built around a park of roughly two hectares.

Mainz

In Mainz, a long-term 50:50 joint venture between CA Immo subsidiary Vivico and Stadtwerke Mainz was agreed early in 2010. The project development company **Zollhafen Mainz GmbH & Co. KG** subsequently began work to exploit and market the new city district. Over the next 10 to 15 years, a mixed use urban district will be created across 30 hectares or so of the present Zollhafen area. Including the land, CA Immo will be investing some € 53 m in the project.

Cologne

In the Kunibertsviertel district of Cologne, the **Rhein-Triadem** car park has been expanded from 200 to 600 spaces. It now has seven floors which accommodate mostly public parking.

SEGMENT REPORT FOR EASTERN AND SOUTH EASTERN EUROPE

The CA Immo Group has been investing in Eastern Europe since 1999. Today, the Group maintains a presence in nine countries of Central and Eastern Europe (CEE), South Eastern Europe (SEE) and Russia in the form of investment properties respectively development projects. The subsidiary CA Immo International AG, which had handled Eastern European activities since 2006, merged with the parent company in November 2010 with retrospective effect to 31 December 2009. Since 2006, the project development area has essentially been managed by the CA Immo New Europe (CAINE) special fund, in which CA Immo holds a 60 % stake; projects initiated prior to this date, and those which do not meet the fund prerequisites, are implemented by CA Immo itself.

The acquisition of real estate company Europolis AG on 1 January 2011 has significantly raised the profile of CA Immo on the markets of Eastern Europe. The region now accounts for around 44 %¹ of the company's total portfolio (up from 20 %). The acquisition will be reflected on the balance sheet on 31 March 2011; for this reason, the key indicators below relate only to the CA Immo portfolio and exclude Europolis.

THE INVESTMENT PROPERTY AREA

The asset portfolio of CA Immo essentially comprises high quality, centrally located office properties in capital cities of Eastern and South Eastern Europe. As at the balance sheet date 31 December 2010, investment properties represented an approximate market value of € 678 m (€ 605 m on 31.12.2009). The company has investment properties in Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Slovenia and Serbia, 62 % of which are in the CEE states and 38 % of which are in the SEE region.

The company's Eastern European asset portfolio comprises 337,377 sqm of rentable effective area which generated rental income of € 45.5 m in 2010 (compared to € 40.3 m in 2009). CA Immo has established regional management companies in Poland, Hungary, Romania and Serbia. Local presence enables properties to be managed as efficiently as possible whilst guaranteeing direct contact with tenants and the market. Depending on regional requirements, the local teams are charged with tasks connected to asset management, letting, administration, accounting and project management.

Lettings performance in 2010 totalled 78,136 sqm of rentable effective area, of which 37,883 sqm was re-let or newly let; contract extensions were responsible for 33,746 sqm and expansions of premises by existing tenants accounted for 6,507 sqm. As at 31 December 2010, the asset portfolio had an occupancy rate (according to surface area) of 80 % (81 % in 2009); the economic occupancy rate (measured on the basis of expected annual rental income) stood at 81 % in 2010 (and 82 % in 2009). The overall portfolio produced a yield of 7.4 % (7.4 % in 2009), with the yield for properties in the SEE region standing at 7.6 % (2009: 8.2 %) and 7.3 % (2009: 7.0 %) for those in the CEE region. Full details of the valuation results are provided in the 'Property valuation' section.

Central and Eastern Europe (CEE)

With two thirds of its Eastern European assets in CEE, CA Immo has traditionally maintained a strong representation in the region. The asset portfolio on the core market of **Poland** includes two high quality office properties in Warsaw: the Warsaw Financial Center (WFC, which is 50 % owned by CA Immo) and the Wspólna building in the capital's central business district. Both properties are earning an excellent level of rent by current market standards. When two large rental agreements expired in the WFC, the company rapidly secured a new tenant at a good price level. Vacancy in the Warsaw Financial Center stood at 8 % on the key date; rental agreements already concluded by this date will bring the occupancy level of the building back to 93 % at the beginning of the second quarter 2011. The occupancy level of the Wspólna office building stands at 97 %. The two properties have a total rentable effective area of 32,015 sqm and an approximate market value of € 115.5 m on current valuations (€ 101.5 m in 2009).

In the **Czech Republic**, meanwhile, the company owns the Europort business hotel at Prague Airport and the Diplomat Center in Pilsen (both Marriott Courtyard hotels) as well as a building in Prague housing the English International School. Taken together, the three properties offer rentable effective area of 38,696 sqm and are operating at economic capacity (the economic vacancy rate for 2010 was 2 % compared to 1.6 % in 2009). According to current valuations, the properties had an approximate market value of € 57.9 m (€ 76.1 m in 2009). The low valuation relative to the previous year reflects the tough economic situation for both the hotel sector in Prague generally and, more particularly, our leasing partner.

¹ Estimated value as at 1 January 2011

CA Immo has one property in **Slovakia**: the Bratislava Business Center, acquired in 1999. The building was renovated in 2010 and the vacant floor space was adapted for rent in smaller units. The largest rental agreement concluded in 2010 provided for the leasing of 2,100 sqm of floor space to one of Switzerland's biggest insurance companies. The building was 86 % let as at 31 December 2010. The Bratislava Business Center 1 (BBC 1) has 9,486 sqm of rentable effective area and a market value of € 9.5 m (€ 9.5 m in 2009). To consolidate the importance of this site, an extension to the existing complex – known as BBC 1 Plus – is being developed on an adjacent land reserve held by CA Immo (see 'The project development area').

CA Immo has a total of seven investment properties in **Hungary**, making it the company's biggest regional mar-

ket in Eastern Europe. According to current valuations, the Hungarian properties have an approximate market value of € 192.1 m in total (€ 190.5 m in 2009) and economic vacancy rate of 23 % (31 % in 2009).

Situated in the centre of Budapest, the **Capital Square** office building was erected by Hochtief Development Hungary. Acquired under the terms of a forward purchase agreement, the building was transferred to the asset portfolio of CA Immo in mid-2009. Capital Square, which offers an approximate rentable effective area of 31,767 sqm, is one of the best office buildings in Budapest on account of its high quality architecture, low energy consumption and excellent infrastructural links. The building was around 72 % let as at 31 December 2010, mainly to international tenants such as Ferrero, Spedition Maersk and Bridgestone.

LIKE-FOR-LIKE ANALYSIS OF PROPERTIES THAT WERE ALREADY CORE AS OF 31 DECEMBER 2009

€ m	book values		Annualised rental income		Gross yield		Level of commercial rental	
	2010	2009	2010	2009	2010	2009	2010	2009
Poland	115.5	101.5	7.9	6.7	6.8%	6.6%	93%	85%
Slovakia	9.5	9.5	0.9	0.8	9.4%	8.6%	86%	76%
Hungary	192.1	190.5	12.9	11.8	6.7%	6.2%	77%	69%
Czech Republic	57.9	76.1	6.8	7.1	11.8%	9.3%	98%	98%
CEE	375.0	377.6	28.4	26.4	7.6%	7.0%	86%	79%
Romania	90.3	89.9	8.9	8.9	9.8%	9.9%	97%	99%
Bulgaria	19.7	22.1	2.4	2.4	12.1%	10.7%	100%	100%
Serbia	92.6	91.3	5.7	5.2	6.1%	5.7%	71%	65%
Slovenia	19.9	24.1	1.5	2.2	7.7%	9.2%	90%	100%
SEE	222.5	227.4	18.5	18.7	8.3%	8.2%	87%	87%
Portfolio - Like for Like¹⁾	597.5	605.0	46.9	45.1	7.8%	7.4%	86%	82%
Completions Bulgaria	26.0		0.3		1.3%		13%	
Completions Poland	45.5		2.3		5.0%		56%	
Completions Romania	8.5		0.7		8.2%		100%	
New projects completed	80.1		3.3		4.2%		45%	
Total	677.6		50.2		7.4%		81%	

1) Like for like: comparison of properties which were already part of the stabilized portfolio at 31 December 2009

The **Duna Center**, a specialist retail centre, was constructed under the terms of a 50:50 joint venture between the CA Immo New Europe property fund (CAINE) and a group of private investors. In October 2009 it was transferred to the CAINE portfolio. The 42,500 sqm site includes 16,375 sqm of space rentable to national and international retailers. The utilisation rate has improved only slightly, from 51 % in 2009 to 63 % in 2010, reflecting the tough circumstances on the Hungarian retail market. Despite this, three new tenants were secured in the second half of 2010: Deichmann, a branch of an Hungarian electronics chain and a cut-price clothing company.

South Eastern Europe (SEE)

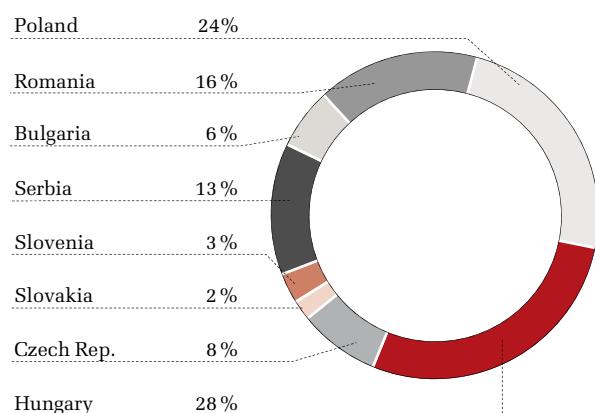
CA Immo invests in Romania, Bulgaria, Slovenia and Serbia, with **Romania** established as the company's main target market in the SEE region. In Bucharest, CA Immo manages three high quality office properties in good locations: the Bucharest Business Park and the Opera Center 1 and 2. The company's properties are generally let to international companies with good credit ratings. In 2010, floor space totalling 21,031 sqm was successfully let within these three buildings. The average term on all rental contracts in the Bucharest Business Park increased to over four years in 2010. The vacancy level created in the Opera Center 1 as the result of a major tenant moving out in the summer of 2010 had been reduced by the end of the year thanks to a series of new lettings. The three properties have a total rentable effective area of

40,712 sqm, an approximate market value on current valuations of € 90.3 m (compared to € 89.9 m in 2009) and an economic occupancy rate of 97 %.

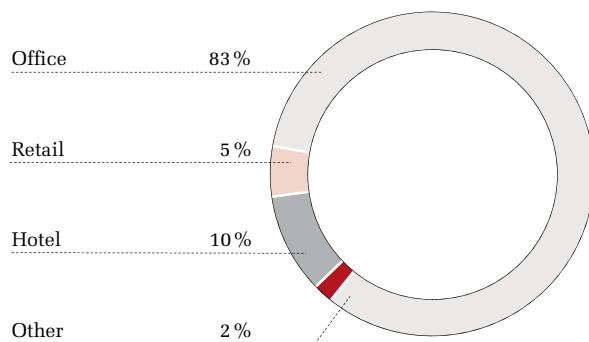
The asset portfolio in **Bulgaria** comprises three office properties in Sofia: the Europark Office Building, the International Business Center (IBC) and the Megapark office complex, in which CA Immo acquired a 35 % stake in the third quarter of 2010. Taken together, the Europark Office Building and the IBC, which are 100 % let, provide a rentable effective area of 11,197 sqm. The largest tenant in the Europark Office Building, an automotive supplier, has agreed a significant contract extension to 2016.

As mentioned above, CA Immo recently acquired a 35 % stake in the **Megapark** office building via the holding company. The building is conveniently located between the airport and the centre of Sofia. Alongside CA Immo with its 35 % holding, the joint venture partners in the property are Soravia, CEE Realty Beteiligungs GmbH and Bank Austria Real Invest. At the current time, 13 % of the 44,000 sqm of office space and 2,700 sqm of retail space (approximate figures) is let. Negotiations are in progress with other potential international tenants. According to the most recent valuation, the total market value of IBC and Europark is approximately € 19.7 m (€ 22.1 m in 2009). The investment share for the Megapark property company stands at € 26.2 m.

DISTRIBUTION OF BOOK VALUE BY REGION
SEGMENT EASTERN EUROPE



DISTRIBUTION OF BOOK VALUE BY MAIN USAGE
SEGMENT EASTERN EUROPE





BUDAPEST, Capital Square

In **Slovenia**, the company owns a hotel in Ljubljana with an effective area of 17,931 sqm and an approximate market value of € 19.9 m (€ 24.1 m in 2009).

In **Serbia**, the Sava Business Center office building was integrated into the portfolio of the CA Immo New Europe property fund upon completion in July 2009. The eight-storey office building, located in the New Belgrade office district, offers a rentable effective area of some 18,500 sqm and 400 parking spaces. It was 62 % let as at the key date to organisations that include the banking group Crédit Agricole, Piraeus Bank, Ericsson and Boehringer Ingelheim. Despite generally critical market assessments at the start of the year, existing contractual rents were sustained at above average levels and additional floor space was newly let. The Group has two high quality office properties in the Serbian capital, including Belgrade Office Park, which is part of the CA Immo portfolio and which reported an occupancy rate of 71 % as at 31 December 2010. In total, these buildings have 39,772 sqm of rentable effective area and a market value of € 92.6 m according to current valuations (€ 91.3 m in 2009).

DEVELOPMENT PROJECTS

The varying speeds of economic recovery in the nations of Eastern Europe during 2010 continued to affect the business of project development across the region. Sharply declining demand for office space on most markets and postponed decisions on the part of potential tenants forced construction schedules to be revised and some development projects to be re-evaluated.

Despite this scenario, CA Immo made significant operational progress last year in certain areas as regards planning permission, construction and project completion. Phase one of the Poleczki Business Park in Warsaw was finalised at the end of June, and the first phase of the Retail Park Sibiu in Romania was subsequently completed in August. Both structures have been incorporated into the asset portfolio of the CA Immo New Europe project development fund. A key step has also been taken as regards the financing of the Airport City St. Petersburg project.

All projects being developed by the CA Immo Group (either directly or through the project development fund) are fully financed, which means they can be realised on a

sound financial footing. The following CA Immo Group development projects are currently being implemented via the CA Immo New Europe (CAINE) property fund:

Poland

Poleczki Business Park: This mixed-use complex made up of offices, commercial space and storage facilities is being built on a site spanning 146,000 sqm close to the airport and the centre of Warsaw. The project, which is being implemented as a 50:50 joint venture between the CA Immo New Europe project development fund and UBM Realitätenentwicklung AG, is currently the largest property development initiative in Poland. Following a construction period of nearly two years, construction phase one – comprising two separate buildings with a rentable effective area of 43,000 sqm (37,000 sqm of office space plus 5,600 sqm of retail and service premises) – was completed at the end of June 2010 and transferred to the asset portfolio of the CA Immo New Europe property fund. The first tenants took up residence in the third quarter of 2010; they included most of the staff members of the principal tenant ARMA, an agency of the Polish Ministry of Agriculture. As at the balance sheet date 31 December 2010, phase one was around 59 % let; substantive negotiations with potential tenants concerning remaining floor space are in progress.

Construction phase two, comprising a pair of buildings with a total rentable effective area of 20,835 sqm, was launched in December 2010. Completion of building sec-

tion two is scheduled for early 2012. A modern office district with a total effective area of 200,000 sqm is scheduled for completion by 2015. Investment in the first building section amounted to € 110 m; overall, the construction project is estimated to cost around € 250 m.

Romania

Arad specialist retail centre: In cooperation with an Austrian joint venture partner, the erection of a specialist retail centre is planned for Arad. When complete, the centre will provide an effective area of roughly 16,700 sqm. Although financing for the project has been secured, the actual commencement of building work has been postponed for the time being owing to the difficult situation in the Romanian retail sector: implementation will only be economically viable when a sufficient level of pre-letting has been attained.

Retail Park Sibiu: In a joint venture with a partner, CA Immo's project development fund completed phase one of the Retail Park Sibiu in August 2010 and transferred it to the portfolio. The structure, which spans around 9,700 sqm, was completed in a construction period of around nine months. It has been let in its entirety to the DIY chain OBI, which opened a new branch in the building at the end of August. The next expansion phases are currently under preparation, and discussions with various retailers are taking place. The total investment cost is estimated at € 100 m.



WARSAW, Poleczki Business Park

Russia

Airport City St. Petersburg: In St. Petersburg, a four-star Crowne Plaza hotel and three modern office buildings with total floor space of 39,000 sqm (comprising construction phase one) are currently being built in a joint venture with Warimpex and UBM adjacent to the city's Pulkovo Airport. CA Immo holds a 25 % stake in the venture through the CA Immo New Europe project development fund. An ongoing source of finance for the project was secured in mid-October 2010 with the signing of a credit agreement worth € 60 m by a Polish banking syndicate. The hotel is scheduled for completion by the end of 2011, with 21,000 sqm of the office space due to open at the same time; the remaining 18,000 sqm of office space is expected to be completed by 2012. Additional land reserves spanning some 20,000 sqm are available for a subsequent construction phase, although no decision on phase two has yet been taken.

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

Russia

Maslov Tower: In the second quarter of 2010, the project company implementing the **Maslov** project in Moscow filed for bankruptcy. The Group companies involved in the project were consequently deconsolidated on 30 June 2010. Furthermore, the CA Immo Group is striving for an economic resolution for this project.

Slovakia

BBC 1 Plus: Construction of the Bratislava Business Center 1 Plus (BBC 1 Plus) office complex began at the start of December 2010. The 13-storey building, which enjoys excellent infrastructural links in the business district of Bratislava, will provide a rentable effective area of approximately 15,900 sqm and a car park with 313 spaces. The structure was designed as an extension to the present Bratislava Business Center 1; a direct link to the original building will be established. Financing for the project has been secured through an Austrian bank, with Bilfinger Berger acting as general contractor. BBC 1 Plus is being constructed as a sustainable building with the environmental standards that implies. An application will be made for LEED certification on the property. As regards the letting situation, it is mainly tenants from BBC 1 that

have expressed an interest in expanding or relocating. Initial pre-letting for 1,000 sqm of floor space has already been agreed; negotiations with other potential tenants are under way.

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

Czech Republic

CITY Deco: The CITY Deco project is a real estate development in Prague realised through a joint venture with ECM Projektentwicklung. The mixed-use property, which has gross floor space of around 18,000 sqm, features offices, a fitness centre and a car park. At the end of 2010, CA Immo announced its intention to withdraw from the project on the grounds that the completion and handover of the property did not comply with the terms of the contract; the mezzanine loan was accelerated.

Estonia

Tallinn: An office building with a small amount of retail space and a gross floor area of around 22,000 sqm is planned for the Estonian capital. A joint venture has been set up to realise the project, in which CA Immo has a 40 % stake. Financing with outside capital was secured in 2008 to acquire the real estate. Given that CA Immo intends to focus on project development on its core markets in future, terms for withdrawal from the project are currently under discussion.



BRATISLAVA, BBC 1 Plus visualization

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 such a company's shares. The crisis afflicting the global financial system has caused real estate prices and values to fluctuate substantially over the past three years, and the situation has also affected the CA Immo Group directly. By mid-2010 at the latest, however, widespread signs of stabilisation had emerged on all of our markets, and for 2010 as a whole, the first positive revaluation result since the start of the financial crisis was recorded (€ 46,716.1 K compared to € – 129,086.5 K in 2009).

As explained in detail below, the valuation result was essentially down to specific events such as the completion of development projects and the sale of real estate. By contrast, the major devaluations of previous years were largely based on sweeping revisions to the assump-

tions of expert appraisers on value-determining factors such as real estate yields and likely rental income.

Austria

Properties sold during the year made up a significant proportion (around 30 %) of upwardly valued investment properties in Austria. The remainder of the revaluation result was accounted for by numerous properties.

The reported decline in the gross initial yield to 5.1 % was essentially linked to the significant fall in annualised rent compared to the previous year owing to the scheduled withdrawal of the principal tenant from the Erdberger Lände property (Lände 3), the biggest property in the Austrian portfolio in value terms with an approximate book value of € 104.6 m. Disregarding this property, the gross initial yield would have been 5.6 %, compared to 5.8 % at the end of 2009.

VALUATION RESULT AUSTRIA¹⁾

	Acquisition costs (€ m) 31.12.2010	Book value (in € m) 31.12.2010	Revaluation/Impairment in € m	Gross initial yield	
				31.12.2009	31.12.2010
Investment properties	773	704	19.6	6.3%	5.1%
investment properties under development	41	22	– 1.8		
Assets held for sale	1	0	0.6		
Total	814	726	18.4		

¹⁾ excluding own use properties

Germany

The valuation result for investment properties in Germany can be explained by two opposing influences. The real estate portfolio leased to the state of Hesse on a long term basis (the 'Hesse package') has increased in value; this was counterbalanced in particular by a devaluation of around € 11.2 m on the Spreebogen property in Berlin. The main factor behind the drop in the initial yield to 5.3 % was the incorporation into the standing portfolio of the first section of Tower 185, which was completed in 2010. While this section is almost fully let, due to the allocation of the book values between the finished section

and the section that is still under construction, the initial yield on this property as at the key date 31 December 2010 of 3.8 % was well below the figure for the rest of the portfolio. The total property value of € 200.2 m indicates significant dilution of the total initial yield.

Sales agreed prior to the balance sheet date but not finalised by that date (whereby the sales price indicated in the contract was used for valuation purposes) made a major contribution to the value increases reported for properties held for sale as well as properties under development.

Transactions of this kind accounted for more than half of upward valuations on properties under development, especially in Düsseldorf and Basel. Another key factor

driving upward valuations on properties under development was the value increase attained by Tower 185 with the completion of section one.

VALUATION RESULT GERMANY ¹⁾

	Acquisition costs (€ m) 31.12.2010	Book value (in € m) 31.12.2010	Revaluation/Impairment in € m	Gross initial yield	
				31.12.2009	31.12.2010
Investment properties	1,375.0	1,334.9	– 2.3	5.8%	5.3%
investment properties under development	723.1	741.3	38.0		
Assets held for sale	38.5	41.2	4.9		
Property intended for trading	52.7	45.3	– 1.2		
Total	2,189.2	2,162.7	39.4		

¹⁾ excl. own used properties

Eastern and South Eastern Europe

Over the past few years, Eastern and South Eastern Europe has been affected much more severely by the turmoil of the financial crisis than other regions in our portfolio. In 2010, however, the valuation factors clearly gained a foothold as some markets started to make up part of the ground lost in the past two years. In this regard, the trend in Poland was especially positive last year, with our properties in the country upwardly valued to the tune of € 17.7 m in total; the Warsaw Financial Center played a particularly important role.

Despite the stabilisation, however, another negative revaluation result was recorded. This was due to two fac-

tors in particular: on the one hand, the values of portfolio hotels in the Czech Republic and Slovenia were again revised sharply downwards, producing total devaluations of € 22.6 m; on the other, the value of a new participation for 2010 – the Megapark office property in Sofia, which will be consolidated proportionately – was adjusted in the amount of € 8.4 m.

As the table below shows, the gross initial yield for properties already in the portfolio as at 31 December 2009 increased from 7.4 % to 7.8 %. The rise was mainly due to an increase of approximately 4.0 % in annualised rents as a result of the lower vacancy rate; devaluations were responsible for the rise only to a lesser degree.

VALUATION RESULT EASTERN AND SOUTH EASTERN EUROPE

	Acquisition costs (€ m)	book value (in € m)	Revaluation/Impairment in € m
	31.12.2010	31.12.2010	
Investment properties	774.7	677.6	- 12.0
investment properties under development	44.8	27.7	- 0.4
Assets held for sale	10.8	5.0	0.0
Total	830.3	710.3	- 12.4

VALUATION RESULT EASTERN AND SOUTH EASTERN EUROPE IN DETAIL

Region	Acquisition costs		Fair Value		Change from		Gross initial yield	
	(€ m)		(in € m)		revaluation/impairment 2010		31.12.2009	
	31.12.2010	in € m	31.12.2010	in € m	in € m	in %	31.12.2009	31.12.2010
Poland	92.9	115.5	13.1	12.8%	6.6%	6.8%		
Slovakia	20.0	9.5	0.3	3.3%	8.6%	9.4%		
Hungary	217.1	192.1	1.3	0.7%	6.2%	6.7%		
Czech Republic	87.4	57.9	- 18.2	- 23.9%	9.3%	11.8%		
CEE	417.4	375.0	- 3.5	- 0.9%	7.0%	7.6%		
Romania	91.5	90.3	0.5	0.6%	9.9%	9.8%		
Bulgaria	25.8	19.7	- 2.5	- 11.4%	10.7%	12.1%		
Serbia	113.5	92.6	2.7	3.0%	5.7%	6.1%		
Slovenia	46.1	19.9	- 4.2	- 17.3%	9.2%	7.7%		
SEE	276.9	222.5	- 3.5	- 1.6%	8.2%	8.3%		
Portfolio - Like for Like¹⁾	694.3	597.5	- 7.0	- 1.2%	7.4%	7.8%		
Bulgaria	26.1	26.0	- 8.4	- 24.3%		1.3%		
Poland	40.8	45.5	4.6	11.4%		5.0%		
Romania	13.6	8.5	- 1.2	- 12.5%		8.2%		
Newly completed projects	80.5	80.1	- 5.0	- 5.8%		4.2%		
Total	774.7	677.6	- 12.0	- 1.7%	7.4%	7.4%		

¹⁾ Like for Like: Comparison of those assets that were already part of the stabilised portfolio as at 31.12.2009

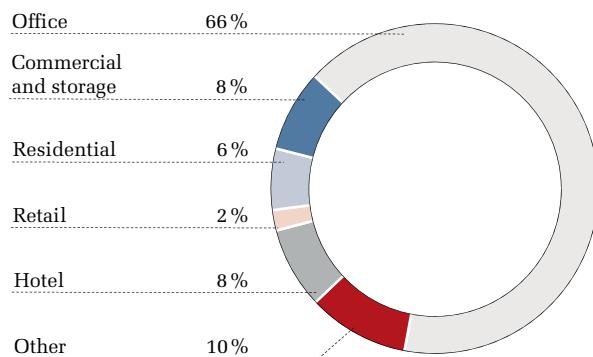


RESULTS

Revenues and net operating income

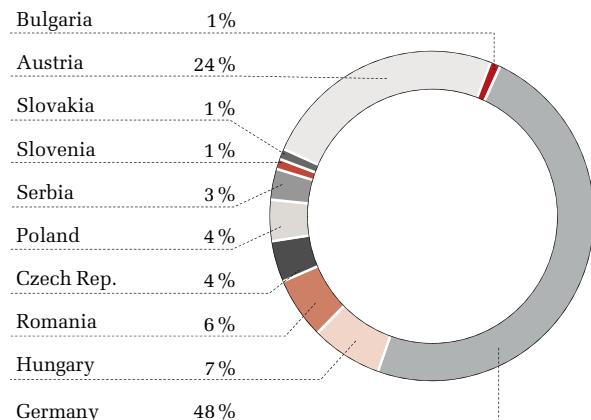
In 2010, rental income amounted to € 164,333.9 K. The regional composition as well as the break down by usage type showed no significant changes compared to the previous year (see diagram). As the table below shows, the decrease in rental income by – 7.1% over the previous year was essentially linked to the loss of rental income as a result of sales. Additionally, decline in rental income in Austria was primarily caused by the withdrawal from the Erdberger Lände property by the former main tenant in 2010.

RENTAL INCOME
BY MAIN USAGE



RENTAL INCOME

BY REGION



Net operating income attributable to letting activities after the deduction of direct management costs fell from € 151,396.2 to € 132,794.0. The main reasons for the fall, which was disproportionate in comparison with the development of rental income, were higher expenditure for bad debt losses and value adjustments, higher property-related taxes and higher brokerage fees, as a result of which expenditure directly attributable to investment properties increased from € – 19,696.1 K to € – 26,196.7 K.

MOVEMENT OF RENTAL INCOME IN DETAIL FROM 2009 TO 2010

€ m	Austria	Germany	Eastern/South East Europe	Total
2009	46.2	90.5	40.3	177.0
Change				
Resulting from indexation	0.8	0.5	1.2	2.4
Resulting from foreign currency conversion	0.0	0.0	0.0	0.0
Resulting from change in vacancy rate or reduced rentals	– 5.7	– 3.2	– 1.0	– 9.9
Resulting from new acquisitions	0.0	0.1	0.0	0.1
Resulting from whole-year rental for the first time	0.0	0.0	4.6	4.6
Resulting from completed projects	0.0	1.3	0.5	1.7
Resulting from sale of properties	– 2.2	– 9.4	0.0	– 11.5
Total change in rental income	– 7.1	– 10.8	5.3	– 12.6
2010	39.0	79.8	45.5	164.3

In connection with the sale of properties held as current assets and intended for trading in Germany, trading income amounted to € 115,657.2 K (2009: € 78,025.5 K). The sales were counteracted by book value deductions of € – 84,766.7 K and other development and material costs amounting to € – 309.7 K.

The trading portfolio thus contributed to the result € 30,016.8 K (2009: € 9,864.3 K), a figure approximately equivalent to 26 % of trading income, i.e. double the level of the previous year. Around two thirds of trading turnover related to undeveloped real estate; this constitutes a major contribution towards the announced reduction in capital tied up in development sites. Gross revenue from development services for third parties (generally rendered by the subsidiary OmniCon) totalled € 2,763.8 K, compared to € 4,518.9 K in the previous year. Income from development services for third parties stood at € 2,138.6 K, just below the previous year's level of € 2,762.9 K.

These developments led to a 0.4 % year-on-year increase in net operating income (NOI) to € 164,949.4 K.

Profit from the sale of long-term properties

Revenue of € 206,745.7 K was generated from the sale of long term properties in 2010. This figure was counteracted by outgoing book values of € – 203,330.4 K; property sales thus delivered a direct contribution to the result in 2010 of € 3,415.3 K (2009: € 9,217.7 K), with sales in Germany accounting for around 70 % of this and sales in Austria contributing approximately 30 %.

In cases where agreement on a sale and the corresponding closing take place in different quarters, revaluation in respect of the agreed sale price is carried out on the key date for the respective quarter; as a result of this, a positive revaluation result of € 14,664.0 K in connection with sales was recorded. Taking these revaluations into consideration, the total economic result from sales of properties in fixed assets was € 18,079.3 K (2009: € 17,706.2 K). The margin (relative to sales proceeds) was 8.7 %, a steep rise on the previous year's value of 5.0 %.

Indirect expenditures

Indirect expenditures decreased by a significant – 8.4 % from € – 51,712.1 K to € – 47,354.5 K. The decrease was

the result of a reduction in internal expenditure (staff, office rents, etc.) of around – 3.4 % to € – 32,502.9 K; furthermore other indirect administrative expenditure for 2009 was also affected by one-time expenses that were not repeated in 2010.

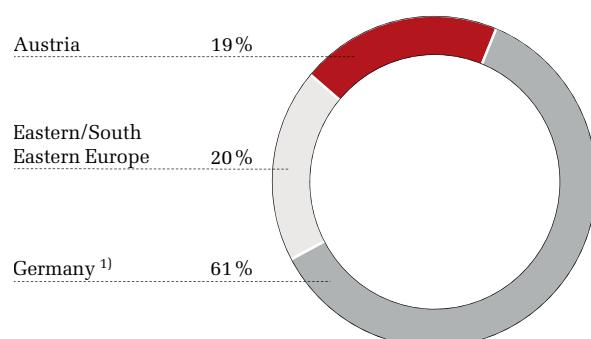
The item 'Capitalised services' in the amount of € 11,856.5 K should be regarded as an offsetting item to the indirect expenditures which counterbalance that portion of internal Vivico expenses that is directly attributable to individual development projects and thus qualifies for capitalisation.

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

The decrease in rental revenue in particular led to a fall of – 1.8 % in earnings before interest, taxes, depreciation and amortisation (EBITDA): The EBITDA decreased to € 139,414.6 K in 2010 from € 141,941.2 K in 2009. The first quarter contribution to this result was € 28,705.5 K; the second contributed € 40,954.0 K, the third € 30,730.1 K and the fourth quarter € 39,025.0 K. The variation between the quarters was mainly the result of an uneven distribution of the profit from the sale of properties.

On a segment basis, Germany accounted for the largest sum, as in the previous year. Sales profits in Austria in 2009 lead to a reversal in the relative weighting between the segments of Austria and South (Eastern) Europe:

EBITDA



¹⁾ Real estate in Switzerland is allocated to the Germany segment

Revaluation result

In 2010, the revaluation result was € 46,716.1 K compared to € – 129,086.5 K in 2009. A significant proportion of the result (€ 14,664.0 K against € 8,488.5 K in the previous year) was accounted for by real estate for which sales had been agreed but which had not been legally finalised by the balance sheet date or an interim balance sheet date (owing to conditions precedent, for example). In such cases, the sales price stated in the contract is applied for the valuation. In economic terms, sales profits are moved to the valuation result; where the sale is executed in the subsequent period, this will produce a neutral sales result by definition.

From a regional viewpoint, the revaluation result comprises total devaluations of € – 12,377.9 K in the Eastern and South Eastern Europe segment as well as positive contributions of € 18,419.4 K in Austria and € 40,674.6 K in Germany. The latter figure was largely down to value increases on development properties under construction, with the greater part thereof stemming from upward valuation linked to completion of the first section of Tower 185.

For an explanation of factors critical to the valuation of properties, see also the 'Property valuation' section.

Earnings before interest and taxes (EBIT)

In overall terms, the factors outlined above brought about a sharp increase in earnings before interest and taxes (EBIT), from € 3,006.4 K in 2009 to € 183,334.3 K in 2010. The Eastern and South Eastern Europe segment is playing a major part in the turnaround, having improved its EBIT from € – 127,112.3 K to € 14,916.4 K, thanks to a much reduced revaluation loss. A rise in EBIT was also achieved in other segments: the figure was € 44,097.4 K in Austria (2009: € 21,213.1 K) and € 124,320.5 K in Germany (2009: € 108,905.7 K).

Financial result

The financial result for 2010 of € – 107,574.9 K reflects an improvement on the previous year's value of € – 137,528.3 K. This overall development is the result of various (and sometimes contrary) effects.

As a result of bonds issued in the final quarter of 2009, financing costs increased by 8.3% to € – 117,446.3 K.

This figure was counterbalanced by a negative result from the valuation of interest-rate hedges that was much improved on the value for the year before (€ – 4,445.9 K in 2010, € – 30,123.2 K in 2009). Overall, these derivative charges constitute largely a non-cash valuation result.

Moreover, in contrast to the previous year, the contribution to the result from associated companies was almost neutral (€ – 328.3 K in 2010 against € – 7,315.7 K in 2009).

The result from financial investments again rose sharply, to € 14,417.9 K in 2010 from € 8,821.7 K in 2009. This was partly due to the significant price recovery in securities held as current assets.

In addition to interest paid as shown in the income statement, interest of € 6,851.3 K was capitalised for development properties under construction.

Taxes on income and earnings

Overall, the developments described above gave rise to earnings before taxes (EBT) for 2010 in the amount of € 75,759.4 K, compared to € – 134,521.9 K in 2009. Of the taxes on income totalling € – 31,940.7 K (2009: € – 198.0 K), current taxes, mainly resulting from sales of real estate in Germany, accounted for € – 25,896.4 K.

Result for the period

At € 43,818.7 K, the result for the period was positive (2009: € – 134,719.9 K). The share attributable to non-controlling interests stood at € – 1,596.6 K, compared to € – 57,804.9 K in 2009. The main factor behind this steep fall was the loss of non-controlling interests in CA Immo International AG as a result of the share purchases and subsequent merger in 2010.

The share attributable to parent company shareholders was € 45,415.3 K in 2010, compared to € – 76,915.0 K in 2009.

Cash flow

Operating cash flow for 2010 was € 120,948.8 K (2009: € 120,519.1 K). The change largely reflects the movement in EBITDA between the periods. Cash flow from operating activities increased from € 130,758.3 K to € 172,032.9 K.

Cash flow from investment activities stood at € – 343,726.3 K in 2010, compared to € 72,767.3 K in 2009. The change was due to higher investment levels in development projects, the downpayment for the acquisition of Europolis AG made in the third quarter of 2010 (€ 136,000.0 K) and the use of funds to acquire shares in CA Immo International AG (€ 99,044.9 K). Income from the sale of long-term property assets also increased last year.

Accordingly, the raising of finance has increased significantly: after taking interest paid into account, the cash flow from financing activities reached € 29,102.1 K (2009: € – 26,501.6 K).

SUMMARISED CASH FLOW STATEMENT

€ m	2010	2009	Change
Cash flow from			
- business activities	172.0	130.8	32%
- Investment activities	– 343.7	72.8	>100%
- financing activities	29.1	– 26.5	>100%
Changes in cash and cash equivalents	– 142.6	177.0	>100%
 Cash and cash equivalents			
- beginning of the business year	497.2	321.4	55%
- changes in the value of foreign currency	0.2	– 1.2	>100%
- the end of the business year	354.8	497.2	– 29%

FFO funds from operations

Funds from operations before taxes (FFO) amounted to € 51,008.0 K in 2010. The decrease of around 7.0% compared to the previous year was largely due to the decline in net operating income attributable to letting activities as outlined above.

As a result of the rise in taxes paid (from € – 12,219.7 K to € – 44,605.0 K) funds from operations after taxes fell to € 6,403.0 K. The rise in taxes paid is linked to the tax burden from sales in Germany. In a number of real estate sales in the past two years, fiscal book values, based on historic values, have been well below fair values or the sales values generated. The sale of such real estate led to realisation of these deferred taxes as a consequence. This problem is expected to diminish over the next few years; in the case of new development projects in particular, there will be greater equivalence between fiscal book values and the fair values critical to accounting.

FUNDS FROM OPERATIONS (FFO)

€ m	31.12. 2010	31.12. 2009
Net income before taxes before minorities 1)	75.8	134.5
Depreciation and amortisation	3.7	10.4
Revaluation results	– 46.7	129.1
thereof result from revaluation of sold properties	14.7	8.5
Foreign currency gain/loss	– 0.7	– 2.6
Corr. At-Equity income	1.2	8.3
Valuation of financial instruments	3.1	28.5
Funds from Operations before taxes	51.0	47.7
Taxes paid	– 44.6	– 12.2
Funds from Operations	6.4	35.5

¹⁾ before minority interests

SUMMARISED CONSOLIDATED BALANCE SHEET

		2010		2009		Change
	€ m	in %	€ m	in %	in %	
Properties	3,520.4	80	3,386.3	79	4	
Prepayments made on properties	0.0	0	0.5	0	- 100	
Prepayments made on investments in properties	136.2	3	0.2	0	>100	
Intangible assets	31.5	1	39.5	1	- 20	
Financial and other assets	79.8	2	77.1	2	4	
Deferred tax assets	14.1	0	24.6	1	- 43	
Long-term assets	3,782.0	86	3,528.3	82	7	
Receivables	147.0	3	149.3	3	- 2	
Assets held for sale	46.5	1	6.0	0	>100	
Property intended for trading	45.3	1	122.9	3	- 63	
Cash equivalents and securities	358.6	8	504.1	12	- 29	
Short-term assets	597.4	14	782.4	18	- 24	
Total assets	4,379.4	100	4,310.6	100	2	
Shareholders' equity	1,659.9	38	1,729.2	40	- 4	
shareholders' equity as a % of statement of financial position						
total	38%		40%			
0	475.6	11	472.5	11	1	
Long term financial liabilities	1,412.7	32	1,379.7	32	2	
Short term financial liabilities	236.9	5	124.3	3	91	
Other liabilities	478.1	11	475.2	11	1	
Deferred tax assets	116.2	3	129.8	3	- 10	
Total liabilities and shareholders' equity	4,379.4	100	4,310.6	100	2	

Balance sheet - Assets

The situation on the assets side changed only slightly during 2010 compared to 31 December 2009. At the end of the year, total property assets (i.e. investment properties, properties under development and properties held as current assets) stood at € 3,612,215.8 K, a rise of around 2.7%. In the case of investment properties, book value deductions resulting from sales were overcompensated by upward valuations as well as the reclassification of properties under the item 'Investment properties under development' as a result of completions. The main additions / reclassifications were the first construction phase of

Tower 185 in Frankfurt (€ 200,180.00 K), the first phase of the Poleczki Business Park in Warsaw (€ 40,870.0 K) and the pro-rata share of the Megapark property in Sofia (€ 34,430.0 K).

A total of € 250,975.7 K was invested in investment properties under development in 2010, with upward valuations accounting for € 49,864.8 K. However, because of the aforementioned reclassifications linked to completions and the sale of the Nord 1 project in Frankfurt, which was finalised at the turn of the year, this balance sheet item declined overall from € 962,459.0 to

€ 790,582.0 K. This conforms with the company's stated strategic objective of reducing the proportion of development sites in the portfolio as a whole.

The item 'Prepayments made on investments in properties' in the amount of € 136,200.0 K is almost entirely attributable to the first instalment for the acquisition of Europolis AG.

Cash and cash equivalents stood at € 354,763.8 K as at 31 December 2010, roughly € 142,435.5 K below the value at the start of the year. The main reasons for the decrease were the first instalment for Europolis (as mentioned above) and the outflow of funds to acquire shares in CA Immo International AG. Total assets rose marginally to € 4,379,462.8 K.

Balance sheet - Equity and liabilities

Shareholders' equity

As a result of the merger with CA Immo International AG, the company's capital stock increased from € 634,370.0 K to the current level of € 638,713.6 K. Under the terms of the merger, 597,460 new shares were issued, raising the number of ordinary shares outstanding to 87,856,060.

According to the company's information, around 88 % of the shares were in free float as at key date 31 December 2010; the remaining 12 % or so are held by UniCredit Bank Austria AG along with four registered shares that entitle the bank to nominate one Supervisory Board member for each share. The voluntary partial takeover bid that took place early in 2011 raised the bank's share to around 16.9 % as at 18 February 2011.

As at key date 31 December 2010, non-utilised authorised capital (article 169 of the Austrian Stock Corporation Act) amounted to € 312.8 m (up to 43,031,840 no-par value shares) which can be utilised against cash or contribution in kind by 8 August 2012 at the latest; contingent capital (article 159 of the Austrian Stock Corporation Act) amounted to € 317.2 m (up to 43,629,300 no-par value shares). The company itself did not hold any treasury shares in 2010

Shareholders' equity (including non-controlling interests) decreased by – 4.0% from € 1,729,160.1 K to € 1,659,938.5 K. Aside from the annual result, two factors in particular contributed to this development:

Increased stake in and subsequent merger with CA Immo International AG

CA Immobilien Anlagen AG increased its shareholding in CA Immo International AG during 2010, from around 63 % at the beginning of the year to approximately 97 % in September 2010 by means of a public offer. Since the price at which shares were acquired was below the book value per share of CA Immo International AG, the acquisition entailed a rise in capital reserves of € 41,428.90 K. The merger of CA Immo International AG with CA Immobilien Anlagen AG, which was entered in the company register in the fourth quarter of 2010, has had only minor implications for the balance sheet. The loss of minority shareholders at CA Immo International AG has also brought about a significant drop in non-controlling interests recognised on the balance sheet (from € 170,155.1 K to € 18,170.6 K).

Hedging

The positive effects of the increased holding in CA Immo International AG were counterbalanced by a sharp decline in the valuation of interest-rate hedges entered in the balance sheet as cash flow hedges (swaps). As at 31 December 2010, the negative valuation result of these cash flow hedges recognised in equity stood at € – 72,716.40 K, a decrease of € – 14,424.80 K on the previous year's figure.

Financial liabilities

Financial liabilities increased by 7.5% to € 2,125,216.4 K. Net debt (financial liabilities less cash and cash equivalents) increased from € 1,472,322.5 K to € 1,766,599.1 K; gearing (ratio of net debt to shareholders' equity) rose from 85.1% as at 31 December 2009 to 106.4% as at 31 December 2010.

The Group also has access to credit facilities for projects under development; payment dates are set by the banks as construction work progresses. The balance of financial liabilities contains the current utilisation of credit; joint ventures are recognised according to the amount of the holding.

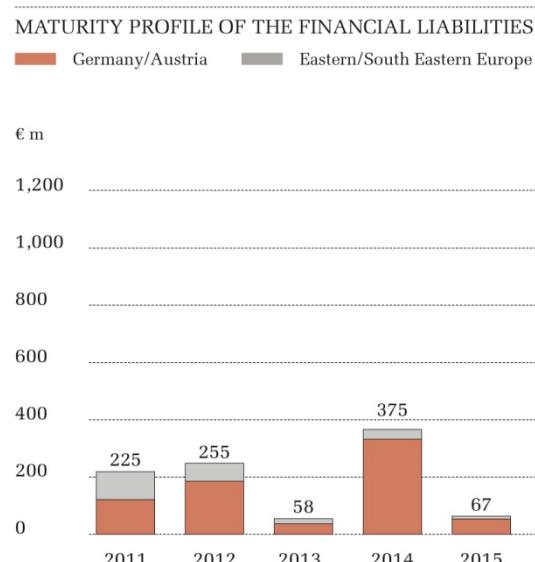
Around 99 % of financial liabilities are in euros. CA Immo has a comprehensive interest rate hedging strategy to hedge against interest rate risk: long-term loan financing is concluded with interest hedge agreements in the form of interest rate swap transactions or fixed rate agreements. As at 31 December 2010, 23.8% of financial liabilities (and in particular the issued bonds) were secured with fixed interest rates. Interest rate hedging in-

struments with a nominal value of € 1,909,316.9 K were also in place as at the balance sheet date. In total, therefore, the net-nominal value hedged by means of fixed rates, swap contracts or caps stood at 98% of the nominal value of financial liabilities. The high ration arises from swap contracts in which the original underlying liability was redeemed early.

The net present value of swap contracts is currently negative on account of the fall in the yield curve over the past two years. The net present value of the interest rate swaps totalled € – 136,942.0 K as at 31 December 2010 (2009: € – 114,958.1K). Where the present value is negative, the figure is entered in the balance sheet under 'Other liabilities'; where it is positive, it is entered under 'Other receivables'.

The average interest rate on bank debt and the bonds (after accounting for directly attributable interest-rate hedges) stood at 4.71 % (2009: 4.74 %).

As at 31 December 2010, the maturity profile of financial liabilities by year was as follows:



FINANCING RATIOS

	€ m	2010	2009
Shareholders' equity		1,659.9	1,729.2
Short term financial liabilities		236.9	124.3
Long term financial liabilities (incl. bond)		1,888.3	1,852.2
Cash equivalents (including short-term securities)		– 358.6	– 504.1
Net debt		1,766.6	1,472.3
Gearing		106%	85%
EBITDA / net interest (factor)		1.4	1.4

Net asset value

The NAV (= (shareholders' equity excluding minority interests under IFRS) stood at € 1,641.8 m as at 31 December 2010 (18.7 € per share), equivalent to an increase of 4.6%. Aside from the annual result, the change reflects the other changes to equity outlined above.

The table below shows the conversion of NAV to NNNAV in compliance with the best practice policy recommendations of the European Public Real Estate Association (EPRA).

As regards calculation of the EPRA NAV, given that the share price of the CA Immo share on the balance sheet date was for the first time above the conversion price of the convertible bond issued in quarter four 2009, the first step was to account for dilution effects of a hypothetical exertion of the conversion option. Calculated in this way, the diluted NAV stood at € 1,772.3 K (17.8 € per share).

The (diluted) NNNAV per share was € 18.1 as at 31 December 2010. Not accounting for dilution effects, the NNNAV as at 31 December 2010 stood at € 1,664.9 K (€ 19.0 per share), roughly 2.6% above the value for 31 December 2009 (€ 18.5).

The number of shares outstanding as at 31 December 2010 was 87,856,060 (31 December 2009: 87,258,600). The increased number of shares led to the merger with CA Immo International AG as described above. When accounting for dilution effects arising from a fictitious full exercising of the convertible bond, the number of shares is 99,513,889.

NET ASSET VALUE (NAV) AND TRIPLE NET ASSET VALUE (NNNAV) AS PER EPRA DEFINITION

€ m	31.12.2010	31.12.2010	31.12.2009
	undiluted	diluted	diluted = undiluted
Equity (NAV)	1,641.8	1,641.8	1,559.0
Computation of NNNAV			
Exercise of options	0.0	130.5	0.0
NAV after exercise of options	1,641.8	1,772.3	1,559.0
NAV/share in €	18.69	17.80	17.87
Value adjustment for			
- own use properties	1.7	1.7	0.6
- properties held as current assets	8.6	8.6	23.4
- financial instruments	72.7	72.7	58.3
deferred taxes	70.6	71.2	65.7
EPRA NAV after adjustments	1,795.4	1,926.6	1,707.0
Value adj. for financial instruments	- 72.7	- 72.7	- 58.3
Value adjustment for liabilities	- 15.4	- 7.3	- 0.2
deferred taxes	- 42.4	- 42.4	- 36.4
EPRA NNNAV	1,664.9	1,804.2	1,612.1
EPRA NNNAV per share in €	19.0	18.1	18.5
Change of NNNAV against previous year	2.6%	n.a	- 9.9%
Price (31.12.) / NNNAV per share - 1	-37.15	-34.31	-57.24
Number of shares	87,856,060	99,513,889	87,258,600

OUTLOOK

Economic indicators for the main markets of the CA Immo Group clearly show the recovery that started in 2010 gathering pace. Against this background, we expect the key factors that drive real estate markets – including demand for rental premises and vacancy rates – to improve steadily.

However, the decisive element in the financial figures for the CA Immo Group in 2011 will be the initial consolidation of Europolis AG, which will significantly expand our property assets to some € 5.1 bn. We expect rental income to increase to approximately € 100 m as a consequence, which in turn will have a highly positive influence on the earnings position of the CA Immo Group.

During 2011, we will once again arrange selective sales from a portfolio now expanded by Europolis, and we will seek to raise the total sales volume in comparison with the figure for 2010. Sales will be counterbalanced by investment of some € 250-300 m, especially in current development projects

On the basis of these activities, and assuming further improvements in property valuations as well as little change in interest rates from the end of 2010, the Management Board anticipates a return on equity of at least 5 % for 2011. A similar increase in the NAV is also a realistic possibility. Provided our targets are reached, the Management Board has every intention of proposing to the Ordinary General Meeting for 2011 the payment of a dividend of around 2 % of NAV for the first time.

Outlook on the capital market

As 2011 began, the public real estate sector appeared to be in much better health than at any time in the past three volatile years. If the more optimistic mood in the field continues, the effects on the CA Immo share price are likely to be positive.

Major risks and uncertainties in respect to the 2011 outlook

Our predictions for 2011 are subject to certain assumptions on general conditions as well as parameters specific to the real estate sector. The economic picture remains unpredictable, which means more uncertainty as to whether we will meet our targets for investment volumes, realisation timeframes and revenue.

We believe the main factors influencing our business plans for 2011 will be

- Trends on international capital markets and the effects of these on economies in the regions in which we operate.
- The extent of the impact of economic developments on demand for rental premises and rental prices across our various regions.
- The accessibility (and cost) of financing with outside capital.
- Developments on the real estate investment market, the associated price trend and the resultant effects on the value of our portfolio.
- The speed at which planned development projects are realised (which will largely depend on the availability of necessary external debt capital and equity).
- Political, fiscal, legal and economic risks; the transparency and development level on our real estate markets.
- The general development of interest rates.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2011:

At the turn of the year, the CA Immo Group acquired **100 % of the shares in Europolis AG**. The date of initial consolidation was 1 January 2011, and the acquisition will be reflected in the interim financial statements for 31 March 2011. For full details on Europolis, please refer to the section 'Profile of Europolis'.

UniCredit Bank Austria AG holds an approximate stake of 16.9 % in CA Immobilien Anlagen

Aktiengesellschaft

On 29 January 2011, UniCredit Bank Austria AG announced a voluntary public takeover bid in accordance with article 4ff of the Austrian Takeover Act to the shareholders of CA Immobilien Anlagen AG ('CA Immo') with a view to acquiring their shares CA Immo. The offer price was € 12.35 per CA Immo share. The takeover bid was open to acceptance until 16 February 2011. At the time of declaring the takeover bid, the bidder held 10,438,224 shares in CA Immo, equivalent to a stake of 11.88 % in the capital stock of CA Immo. During the acceptance period, the bid was accepted in respect of 4,402,326 CA Immo shares, equivalent to a stake of approximately 5.01 % in the total capital stock of CA Immo. With the transfer of the new shares, and taking into account shares held prior to the takeover bid, the bidder will hold 14,840,550 CA Immo shares, equivalent to a stake of around 16.9 % in the total capital stock of CA Immo.

GERMANY

The sale of four construction sites spanning a total of 17,500 sqm in the **Düsseldorf district of BelsenPark** was agreed in January 2011. The investors PANDION AG and PATRIZIA Immobilien AG will develop up to 350 apartments in BelsenPark.

CA Immo plans to construct the new **headquarters of Mercedes-Benz Vertrieb Deutschland** (MBVD) in the Berlin district of Friedrichshain; the approximate investment volume will be € 72.1 m. A corresponding lease contract, which will run for 10 years from 2013 in the first instance, was signed in February 2011. Construction of the building, which will be realised in compliance with DGNB green building standards, is likely to start in the autumn of 2011.

CA Immo will build an InterCity hotel for the Steigenberger hotel group on the **Europacity** site close to Berlin's main rail station; a 20-year lease agreement was concluded in February. The eight-floor property, which will have around 410 rooms and gross floor space of 19,800 sqm, has been designed as an upper-mid-range hotel. The approximate investment volume is some € 54.6 m. Construction of the 30-metre structure will commence in quarter three of this year.

The laying of the foundation stone for the green building in Europacity known as TOUR TOTAL took place in February. Completion of the 69 m tower, which will serve as the new German headquarters of French oil company TOTAL, is scheduled for the third quarter of 2012.

SERBIA

Under the terms of a 2007 cooperation agreement, CA Immo acquired real estate close to a motorway exit near Belgrade with the aim of building a logistics centre (amongst other things) in a project entitled **Novi Banovci**. CA Immo sold its 50 % stake in the project development company at the end of January 2011.

SLOVAKIA

Construction of a multi-level mixed use building with around 34,000 sqm of net effective area (office, retail and residential space) had been planned in Bratislava through a 50:50 joint venture with Sekyra. The project development company owned a plot of land spanning some 7,410 sqm in the centre of Bratislava, close to the old town area. When approval for the project as contractually envisaged failed to materialise, CA Immo's participation in the project company reverted to Sekyra on 25 January 2011. The value of the real estate had been adjusted in 2009 owing to the market situation.

POLAND

In January, additional lease contracts covering some 3,000 sqm were concluded with Kapsch in the first construction zone of the **Poleczki Business Park** complex in Warsaw, which was completed in 2010. As a result, the complex is 74 % let.

PERSONNEL

The CA Immo Group has head offices in Austria and a presence through its subsidiary Vivico Real Estate in Frankfurt, Berlin, Munich and Cologne. The company is also represented in Eastern Europe with subsidiaries in Budapest, Warsaw, Belgrade and Bucharest. As at 31 December 2010, the Group employed a total of 318¹ people (compared to 332 on 31 December 2009).

Re-integration of CA Immo International

For the most part, the business activities of CA Immo are centrally controlled from the head office in Vienna. Until 15 November 2010, the consolidation date of CA Immo International, staff in the functional areas of Investor Relations, Corporate Communications, Finance and Accounting, Controlling, Legal Affairs and Personnel as well as IT and Organisation were employed by CA Immobilien Anlagen AG and performed their tasks for both companies. The associated costs were divided between the two companies according to requirements so that synergy could be utilised cost-effectively. Asset and Investment Management and Holding Management were managed separately by the individual companies and absorbed into CA Immo AG as at 15 November. The areas of property management, project control, bookkeeping and facility management for the Eastern European investment properties are still overseen by local subsidiaries in Poland, Hungary, Serbia and Romania. CA Immo staff also work in a joint executive capacity for CA Immo New Europe where they and their teams provide the expertise necessary for the management of the special fund.

¹ Thereof 5 % part-time employees

Integration of Vivico: functional merger complete

The process of integration into the CA Immo Group for the German subsidiary Vivico Real Estate was completed by means of a functional merger in 2010. The main concern in the process was to identify and utilise synergy at the level of both CA Immo and Vivico, thereby raising efficiency whilst cutting costs through dual structures. The structural changes brought about a fall of roughly 10 % in like-for-like terms in the staffing levels of CA Immo in Austria and Germany. In some cases, individual solutions were applied to support the future career development of affected persons. Further details on Vivico are contained in the sections 'Investments and funds' and 'Segment report for Germany'.

Encouraging entrepreneurship

Wages and salaries at CA Immo correspond to the sector and the market. In addition to the fixed salary, there is a variable component whereby the maximum bonus is set at 10 % of the fixed annual salary for each staff member. The main prerequisite for variable remuneration is positive consolidated net income after minorities. Performance-related bonus arrangements are in place for managerial staff; these are defined in the form of annual operational targets with the consent of the Management Board. From business year 2010 onwards, Management Board members and first-level managers have also had the option (subject to appropriate personal investment) of taking part in a long term incentive (LTI) programme, which will enable them to share in the development of the Group over the medium to long term. For more details on this and the remuneration of the Management Board, please refer to the remuneration report.

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP

	White-collar employees	Blue-collar staff	Men	Women	2010 Total	White-collar employees	Blue-collar staff	2009 Total	Change	
									2009 Total	Absolute in %
Austria	41	5	20	26	46	46	6	52	-6	-12%
Germany	175	0	96	79	175	193	0	193	-18	-9%
Eastern and South Eastern Europe	57	40	61	36	97	59	28	87	10	11%

Total spending on personnel for the CA Immo Group in 2010 is € 25.3 m for white-collar staff and further € 1.5 m is for blue-collar employees. Training costs amounted to € 57,100 in 2010.

Staff provisions and safety at work

CA Immo pays voluntary contributions towards retirement pensions for its staff. In addition, all employees are covered by collective accident insurance that provides permanent coverage, both at work and outside of work.

Serious occupational injuries and absences from work are not recorded across the Group. Health and safety plans are drawn up for construction sites and safety guidance is regularly communicated. A company doctor provides regular medical check-ups for staff of the subsidiary Vivico, and annual flu vaccinations are offered at the head offices of the CA Immo Group.

Women strongly represented

We believe that for our company to be successful, our male and female employees must work together on the basis of trust and equality. This means that all staff members must be treated in accordance with the same principles, with equal opportunities in terms of advancement and remuneration. The aim of our active personnel policy is qualitatively, quantitatively and structurally to increase the proportion of women in the workforce as a whole, in trained positions and at all managerial and executive levels. The proportion of women in the CA Immo Group stands at approximately 44 % as at 31 December 2010. Although the composition of the Management Board is exclusively male, the proportion of female executives at the second level of management (Group manager level) stands at 36 %, which is close to being in compliance with the European Union's much-discussed proposal on introducing a female ratio of 40 % for managerial positions.

Investing in know-how

In a rapidly evolving market environment, maintaining dynamic staff development is absolutely central to ensuring the gainful management of real estate and the efficient realisation of development projects. As part of its requirements-based personnel management, CA Immo

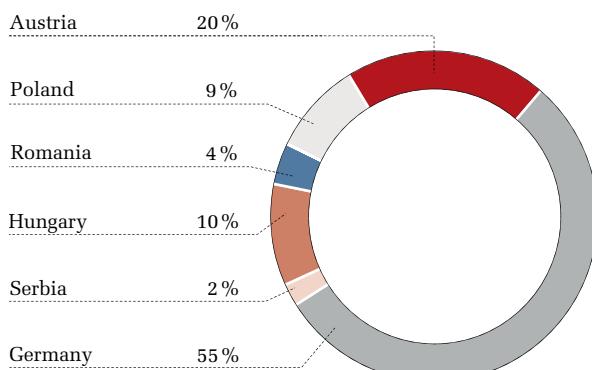
invests as necessary in the further education and training of its international workforce. Employee reviews in which staff from all departments discuss their performance, potential and development prospects are held annually throughout the Group.

Alongside conventional training activities, CA Immo promotes active cooperation and international exchanges of its staff members with research institutions, interest groups and associations, enabling them to remain at the leading edge of new developments in the real estate sector. For more details, please refer to the 'Corporate Social Responsibility' section.

Duty to consolidate corporate culture

The commitment to sustainability at the heart of CA Immo strategy is mirrored in the company's staff policy. With this in mind, managers and individual employees alike are urged to ensure transparent internal communication at every hierarchical and regional level of the company. With regard to the integration of the Europolis Group, various measures are planned for 2011 to promote identification on the part of staff members new to CA Immo with the company's shared aims and values and thereby reconcile the cultures of the two companies.

PERSONNEL DISTRIBUTION
BY COMPANY OFFICE



RESEARCH AND DEVELOPMENT

The main aims of research and development activity at CA Immo are to secure the value of real estate and the quality of life for users for the long term and to control, quantify and communicate these activities through consistent standards and certifications. The trend of the past few years has shown that sustainability is emerging as the decisive competitive factor in the real estate sector.

In order visibly to incorporate long-term effects into the processes of the Group, the Management Board decided to base its financial reporting on the **standards of the global reporting initiative (GRI)**¹, which promotes qualitative measures to support sustainability through transparency, from 2010 onwards. Use of the system rooted in the GRI standards enables each department to group its actions as regards sustainability by means of performance indicators, thereby maximising their effectiveness. Accordingly, the various sections of this report contain information on different aspects of sustainability.

Economic, environmental and social goals of the sustainability mission in the real estate sector

- Minimising the lifecycle costs of buildings
- Minimising maintenance investment in relation to the development of new buildings
- Constructing and managing properties in a way that conserves resources and minimises carbon emissions
- As far as possible, avoiding pollutants in the construction, modification and use of properties and closing the cycle of building materials
- Creating an appropriate living and working environment with social integration rather than ghettos
- Linking work, living and leisure time in the residential scheme, thus creating a stable environment for the long term
- Minimising ‘pioneer risk’ in urban district development

Areas of activity for the business divisions

- Planning, developing and constructing urban districts and individual properties
- Managing stock properties
- Integrating and monitoring performance indicators in all workflows

As regards project development, CA Immo seeks to secure certification, which optimises the intrinsic value of a property for investors and tenants alike. The market availability of certified properties – which are characterised, amongst other things, by low energy consumption and higher comfort – is very limited. For this reason, all development projects across the Group must qualify for certification. Two main certification methods are applied within the CA Immo Group: the American Leadership in Energy and Environmental Design (LEED) certification and the seal of quality from the German Sustainable Building Council (DGNB).

The evaluation criteria for LEED certification (American sustainability standard) include:

- Environmental compatibility of the land (including location)
- Efficiency of water consumption (rainwater use)
- Energy efficiency (operation/installation engineering/energy sources)
- Raw materials and building materials (recycling/regional materials/renewable raw materials)
- Quality of the interior (air/light/climate)

CAST portfolio evaluation tool tested in 2010

Different evaluation systems are used for the management of properties on CA Immo's various markets. Systems such as the Austrian energy performance certificate are not internationally compatible. In 2010, therefore the company decided to develop an in-house instrument for analysing and evaluating the sustainability of existing buildings. The result is CAST, the CA Immo Sustainability Tool. The tool was subjected to feasibility testing in the year under review, with 15 properties in seven countries assessed in accordance with the 62 CAST sustainability criteria. CAST will be implemented throughout the Group in 2011 so that the CA Immo's entire international real estate portfolio can be rated. The planned roll-out across the portfolio will facilitate fast and cost-effective overviews of the condition of properties inspected. 75 % of the group's total office property stock shall be evaluated by CAST in 2011, this quota will be raised up to 100 % in 2012.

More information on the long-term commitment of CA Immo is contained in the ‘Corporate social responsibility’ section.

¹ For more information on GRI, visit www.globalreporting.org

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator in this context is the net income generated with the money shareholders have invested (return on equity, RoE). The aim is to produce a ratio higher than the imputed cost of equity (we assume a medium-term rate of around 7.0 %) and thereby generate shareholder value. The return on equity for 2010 was around 2.8 %, below the target value for the year, which was therefore not attained. Despite this, we remain confident that the measures defined under our strategy will enable us to return to an acceptable return on equity in the medium term.

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

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

VALUE INDICATORS

		2010	2009	2008	2007
Key figures per share					
NAV/share	€	18.70	17.90	18.90	22.00
Change in NAV/share	%	4.5	-5.3	-14.1	6.8
Operating cash flow / share	€	1.38	1.40	1.32	1.07
RoE ¹⁾ in %	%	2.8	-4.8	-13.4	3.3
ROCE ²⁾ in %	%	4.8	0.1	negative	5.2
EVA ³⁾	€ m	negative	negative	negative	2.7

¹⁾ Return on Equity (profit-generating efficiency) = consolidated net income after minority interests / average equity (without minority interests)^R

²⁾ Return On Capital employed (ROCE) = net operating profit after tax (NOPAT) / capital employed

³⁾ EVA (Economic Value Added) is a registered trademark of Stern Stewart & Co; EVA = Capital employed * (ROCE – WACC); WACC 2010 = 5.0

Vacancy rate and average rent

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

Location quality

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

Local presence

Local knowledge and familiarity with markets are key to the effective cultivation of highly diverse regional markets. For this reason, CA Immo maintains branch offices in the company's main markets of Germany and Eastern Europe (the latter have been consolidated by the recent influx of Europolis staff members).

Expertise and synergy

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



RISK MANAGEMENT REPORT

The last business year was characterised by a slow but steady recovery on real estate markets. Compared to recent years, risk factors specific to the market and to real estate have lessened significantly. Real estate yield and the performance of the CA Immo share, both of which have come under severe pressure over the past couple of years, improved to some extent, especially in the second half of the year. Although CA Immo was largely spared from tenant insolvency, vacancy in the portfolio has increased, mainly because of the withdrawal by Siemens from the Erdberger Lände property; some tenants also required less office space on account of staff reductions. Valuations have taken account of current vacancy levels as well as rental agreements that will expire in the future. Generally speaking, CA Immo performed well as regards lettings despite the somewhat subdued market environment. Overall lettings performance of around 175,000 sqm in 2010 was stimulated mainly by significant new lettings and pre-letting in Germany (totalling some 57,000 sqm) as well as the large-scale letting agreement (approximately 32,500 sqm) with Post AG at the Lände 3 site in Vienna.

RISK MANAGEMENT

General

Systematic risk management is a key element of the CA Immo Group's internal controlling process with a direct bearing on strategic and operational decision-making within the company. The Group is exposed to many kinds of risk as an international manager of property stocks and project developer. These risks have the potential to influence current operational business outcomes and progress towards the strategic goals of the company. Therefore, the objective of risk management at CA Immo is to identify at an early stage and continually monitor potentially hazardous developments as well as opportunities so that suitable measures can be implemented as necessary. To be able to evaluate the company's risk position at all times, CA Immo is constantly evaluating the level of risk by means of regular reporting that takes account of the current situation of the company and the market. In these reports, risks are documented in relation to specific properties and projects. Other aspects of risk reporting involve simulations and

depictions of scenarios as regards the value trend for certain properties as well as exit strategies and financial planning. In addition, specific risk types are assessed at regular intervals, with external advisors consulted: new areas of risk not previously appearing in the risk inventory may be identified and included, whilst others may be classed as no longer significant or removed from the inventory altogether. The last inventory of risk types took place in business year 2008; the categorisation of risks defined at the time is still valid today.

Risk management at all levels of the company

CA Immo assesses risk according to substance, effect and the likelihood of occurrence. On that basis, risk management is implemented at every level of the company and is therefore binding on all organisational divisions. From a strategic viewpoint, risk management includes the compilation of compulsory guidelines on investment policy. Operational risk management is concerned with countering property-specific and general business risks. The company circumvents unexpected risk by means of early warning indicators such as rent forecasts and vacancy analyses as well as the continual monitoring of lease agreement periods and the possibility of terminations. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. Clear internal guidelines and strategies, business and investment plans and the introduction of continuous reporting systems have made it possible to monitor and control the economic risks associated with everyday business activity. Measures are applied to all Group subsidiaries. Investment plans are also subject to scrutiny by the Supervisory Board or its investment committee. The Controlling department supports the realisation of risk management by providing structured information and data; individual matters are also spot-checked by the Internal Auditing division. In 2010 potential hazard areas were investigated in connection with the issue of corruption. There was no evidence for the existence of crime. The internal monitoring system (IMS) has been expanded to assist in the early identification and monitoring of risks. The effectiveness of risk management at CA Immo is appraised annually by the auditor, who reports findings to the audit committee, Supervisory Board and Management Board.

STRATEGIC RISKS

Capital market and financing risk

Refinancing on the financial market is an important matter for CA Immo. It has become clear in recent years that the proper functioning of the capital market presupposes adherence to the regulations on the part of its participants, and that breaches of the rules impair the trust of investors and thus make the procurement of capital (both shareholders' equity and loan capital) much more difficult. CA Immo addresses this capital market risk on several levels. The company is highly skilled at planning and securing liquidity, and also covers itself by entering into equity partnerships (joint ventures) at project level as an alternative and supplement to established sources of equity capital procurement. More generally, CA Immo regards capital market compliance as a fixed element of corporate risk management involving not just observance of the applicable regulations, but also

efficient communication that addresses the interests of investors and analysts and builds the trust of investors on the basis of constant transparency. CA Immo's compliance programme comprises internal guidelines (including compliance guidelines), a code of conduct for staff, training and internal counselling for individuals as required as well as the assertion of sanctions under employment law where violations occur.

The risk of (re)financing may remain a latent factor over the years ahead. As regards the raising of loan capital, CA Immo is increasingly seeking to establish or develop business relationships with domestic and foreign banks (in addition to UniCredit Bank Austria, its principal bank). Financial planning for the coming years has thus been carried out in detail, taking particular account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales).

CA IMMO GROUP RISK MANAGEMENT

RISIK MANAGEMENT AT CORPORATE LEVEL

STRATEGIC RISKS

1. Capital market/financing risk
2. Expansion risk

PROPERTY-SPECIFIC RISKS

1. Market risk
2. Profit fluctuation risk
3. Asset management risk

GENERAL BUSINESS RISKS

1. Financial risk
2. Legal risk
3. Tax change risk

RISIK MANAGEMENT AT REAL ESTATE LEVEL

STRATEGIC RISKS

3. Concentration (cluster) risk
4. Political risk

PROPERTY-SPECIFIC RISKS

4. Location risk
5. Vacancy risk
6. Property management risk
7. Tenant/partner risk
8. Re-letting risk
9. Profitability risk
10. Technical risk
11. Project development/investment cost risk

GENERAL BUSINESS RISKS

4. Environmental risk
5. Contract/documentation risk

The expiry profile of financial liabilities for the CA Immo Group is reasonably stable over the next two years. In the years up to 2014, the annual refinancing volume will be below € 150 m, excluding Europolis (or below € 300 m (including Europolis); these figures relate only to financing at property or project level. The refinancing of the 6.125 % CA Immo bond 09-14 (ISIN: AT0000AOEXE6) and the convertible bond are scheduled for 2014, provided conversion rights are not exerted.

Project development also makes up a substantial part of the CA Immo Group's business activity. For these projects to be realised, it is essential that equity or additional loan capital (project financing) is available. Delays in credit lending can lead to delays in construction work, which has a negative knock-on effect on project valuation; where pre-letting has been secured, this can result in the imposition of contractual penalties. Loss of rental revenue can in turn have serious implications for the company's cash flow. Moreover, where construction costs increase, this can mean a danger of financing conditions being tightened. With all of this in mind, CA Immo takes various steps to control the risks associated with project development (cost monitoring, variance analyses, long-term liquidity planning, observance of minimum pre-letting quotas, and so on).

Expansion risk

Over recent years, the portfolio of the CA Immo Group has expanded rapidly. The realisation of investment plans, the assimilation of fully acquired real estate packages and companies and (not least) project development pose major challenges for the company and its employees. Taking account of properties acquired through the take-over of Europolis AG, CA Immo's property assets at the start of 2011 stood at just over € 5 bn, equivalent to an average annual growth rate in excess of 30 % over the last five years. Having come through this period of expansion, the clear priority for CA Immo now is to optimise the existing portfolio rather than aim for further acquisitions. CA Immo is therefore flexibly adapting its pace of growth to global (and especially regional) conditions. Expansion planning is carefully coordinated with the planning of financial and personnel resources. To prevent organisational bottlenecks, service

processes have been developed and are subject to continual adaptation. Staff development is addressed by means of active personnel management.

Concentration (cluster) risk

Concentration risk arises where individual investments lead to a defined upper value in the total portfolio being exceeded as regards location or investment volume. In such cases, the potential market risk is significantly raised and the prospect of selling these properties is diminished (especially where the market environment is constricted). On the other hand, exceptionally small properties raise the danger of excessive administration costs (in relation to rental revenue). For this reason, joint venture partners are sought for large-scale investment initiatives in order to reduce the share of risk borne by CA Immo considerably. To bring about a suitable balance between expenditure and revenue, small properties (which are generally acquired through portfolio purchases) are regularly sold off and the composition of the portfolio is assessed on a quarterly basis.

Concentration risk is created where certain investments lead to over-representation in the overall portfolio for a particular region, country, specific usage type or tenant structure: this is because changes in the market can affect levels of demand which will impact negatively on the company's profitability. Concentration risk as regards tenants generally arises where individual tenants are over-represented in terms of rental revenue and rentable space and thus have a significant bearing on the earnings of the CA Immo Group (as was the case, for example, with the package of investment properties acquired from the state of Hesse in 2006). However, validity terms on existing rental agreements and creditworthy tenants (such as the state of Hesse) will nullify concentration risk and the risk of tenant withdrawal. As a countermeasure, especially on the target markets of Eastern and South Eastern Europe, CA Immo applies regional investment limits according to the size of the overall portfolio and, in the case of individual properties, the size of the respective market. Aside from regional distribution, efforts are made to ensure diversification in the tenant structure and usage types.

PROPERTY-SPECIFIC RISKS

Market and liquidation risk

The real estate sector is closely intertwined with the macroeconomic developments on its markets. As regards the demand for commercial real estate in particular, economic growth is proving to be a determining factor. The recent recessionary years have thus been as challenging as might be expected. Not only was the investment market brought to a halt, but companies shelved their expansion plans, significantly cutting the demand for office space. In 2010, nearly two years after the financial and economic crisis took hold, activity in the global economy picked up pace once again, sparking signs of recovery and renewed growth as the year progressed. However, the pace of economic recovery varied from one country to another. The European economy as a whole is expected to maintain its recovery in 2011, with the upturn driven by growth engines like Germany. Improving growth figures are also expected on the CA Immo markets of Central and Eastern Europe, albeit to strongly varying degrees. Inflation rates are likely to continue rising in the various countries.

Office properties constitute the core business for CA Immo. Given that good quality properties are in short supply, however, the price of more risky value-added investments is also set to increase sharply. With stable growth rates, rising corporate profits and attractive levels of consumption, Western European countries promise consistent growth potential at low risk. Feri Finance (a corporate group specialising in financial and portfolio advice, economic research and rating) is forecasting rental rates to rise by 3.2 % in 2011 and 4.2 % in 2012. Although the development of rental rates in prime locations in Germany can be below average, German cities offer a high level of security, with low volatility of rents and yields. Rent levels bottomed out in 2010 and are likely to start rising again in 2011. Although European locations will offer the best overall investment opportunities in 2011, supply will remain limited as demand, as it did last year, continues to focus on buildings in prime locations with long-term lease contracts ('core' properties). According to recent estimates, however, these properties comprised just 5–15 % of the total market in 2010. The selective stance of investors will therefore be reflected in the price level. Bearing this in mind, CA Immo performs its own

exhaustive market analyses prior to any investment decision and as a regular part of portfolio management; the company also maintains constant contact with leading experts in the sector. To minimise regional risks, the ideal resale times for the largest properties in the portfolio are considered as part of regular discussions concerning location quality, property quality and market changes. In this way, CA Immo reduces the risk of not being able to sell properties, or only being able to sell them at a discount. Through this approach, key early indicators of market risk are systematically applied to evaluations of investment and project plans, and thus to medium-term corporate planning.

Depending on market trends, CA Immo is subject to a certain profit fluctuation risk associated with both resale and vacancy risk: where floor space is not let, income is forfeited, vacancy costs arise and the value of a property falls. The vacancy level for CA Immo in Austria increased enormously last year owing to the withdrawal by Siemens from the Erdberger Lände property; however, a desirable new tenant was secured in the form of Post AG, which will lease around 32,500 sqm of floor space on the site as from 1 August 2011. On account of market conditions, vacancy levels are also very high in (South) Eastern Europe, and particularly Hungary and Serbia. Over the business year ahead, therefore, the focus will switch to lettings activity in these regions as well as properties under construction in Germany. The danger of loss of rent is also a possibility; after all, we still cannot rule out the risk that in spite of the economic upturn, certain tenants will not have come through the recent crisis unscathed. Risk of this nature faces the company at its Pilsen and Prague hotel properties in particular. The potential for risk is generally countered by demanding securities (bank guarantees) in order to offset any rent arrears. The risk of lost rent is also taken into account to a sufficient degree in the valuation of relevant properties. To keep vacancy and rent losses to an absolute minimum, CA Immo screens the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored, and structured quality checks are carried out. Lease agreements generally have a balanced lease expiry profile, but rent reductions in the course of contract extensions remain a risk. The company cooperates with reputable estate agents when seeking new tenants.

Since the location of real estate has a decisive influence on rentability and long-term letting potential as well as the earning power and sales revenue of a property, and therefore represents the greatest risk associated with real estate investment, CA Immo commissions external experts to carry out regular analyses of locations and trends. Locations that are candidates for investment are assessed separately according to additional requirements.

Project development and investment cost risk

Since 2006, the CA Immo Group has significantly increased its involvement in development projects, with the area gaining a boost from the acquisition of Vivico Real Estate GmbH in Germany. In Eastern Europe, these activities are generally managed through the CA Immo New Europe project development fund. The objective is to generate extra income through the addition of value inherent to project development. Project business is, however, associated with higher risk. Risks can arise from imponderables such as delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects and so on. Even with meticulous planning and monitoring, these risks can never be completely eliminated. Project development risk has increased substantially in recent years as capital market risks, financing risks and geopolitical risks have intensified and general conditions have changed. Original project costings have thus had to be revised in the (South) Eastern European portfolio, in some instances considerably. CA Immo is responding to the evolving situation as necessary, adjusting book values clearly and appropriately. In general, CA Immo is countering project development risk by choosing partners and service providers with care whilst maintaining stringent controlling, both internally and externally. Controlling involves regular cost monitoring, variance analyses and appropriate reporting. The start-up losses that typically arise in connection with project development also have a detrimental effect on earnings with the accrual of non-capitalisable costs. Over the project lifecycle, these losses are offset against revenue from lettings and sales; accordingly, projects are only launched after comprehensive and long-term liquidity planning. CA Immo invariably seeks to secure pre-letting (50–60 % in Germany, for example) before actually commencing a project. In Eastern and

South Eastern Europe in particular, however, this may not be achievable (or only possible to a limited degree) on account of the specific market situation. In this region, lease contracts tend to be signed only when there is a sufficient likelihood of project completion and projects are sometimes initiated even with low levels of pre-letting.

Fluctuating building costs also pose a risk to CA Immo. At present, costs are rising in virtually all regions in which CA Immo is involved in project development. The price trend in the raw materials sector (steel, aluminium, copper, etc.) is particularly important. With this in mind, cost pools are formed for large-scale projects and contracts are awarded singly or in batches. All current projects are being implemented within their approved budgetary frameworks.

Another cost factor is the build quality of a property, which has a considerable influence on the costs of its management. A property that does not comply with current standards can generate higher investment costs in connection with restoration and improvement measures, or fail to attract tenants; this in turn adversely affects the earning power of that property. To stop this happening, CA Immo undertakes technical due diligence prior to acquisition in order to determine a property's quality and the compliance of its fixtures and fittings with CO₂ criteria, energy performance certificates and so on. The company also maintains close contact with tenants and property managers so that any hidden construction defects can be remedied quickly and cost-effectively. CA Immo oversees an international portfolio of properties built at different times and in varying conditions, and these properties must be regularly inspected and refurbished as necessary. An instrument for analysing and evaluating the sustainability of portfolio buildings was produced and tested in 2010. The tool was mainly applied to offices, with 15 of these properties from the Group's overall portfolio assessed according to environmental, economic and social criteria. The CA Immo Sustainability Tool (CAST) maps a total of 62 sustainability criteria. When the tool is rolled out as planned to cover the entire portfolio, it will be possible to obtain fast, cost-effective overviews of the condition of assessed properties.

When implementing its own projects, CA Immo seeks to ensure that properties qualify for green building certification. A catalogue of criteria is applied to ensure economic, environmental, technical, social and functional quality. These sustainability standards in the real estate development field will be gradually rolled out to all new CA Immo Group projects: every new project launched by the Group will either be sustainability-certified or, at least, constructed in compliance with certification standards.

Property valuation risk

Real estate prices are subject to considerable fluctuation on account of changing economic conditions (rising and falling interest rates, expanding or contracting economies, imbalance between the supply and demand of real estate and other factors). In common with most companies in the sector, CA Immo opted for the market value method in the conversion of its accounting to IFRS. Changes in market value can lead to major discrepancies in results, and this has produced some very negative outcomes in the past two years. Such value reductions curtail not only results but also equity capital; this in turn adversely affects creditworthiness, with loan-to-value covenants unable to be upheld in some circumstances. To maintain its creditworthiness, CA Immo agrees appropriate leverage in advance and secures appropriate restoration periods in connection with financing. All CA Immo real estate is externally valued once a year.

FINANCIAL RISKS

Risks linked to liquidity, interest rates, credit and currencies make up the main financial risks. Full details of these risks, along with a corresponding liquidity analysis, are also provided in the notes section. The various financial risks facing CA Immo are as follows:

Interest rate risk

For the CA Immo Group, risks associated with changes in interest rates tend to arise in connection with long-term financing with outside capital. CA Immo uses a mix of long-term fixed-rate and floating-rate loans to counter the interest rate risk. Some floating-rate loans are secured by means of derivative financial instruments (interest rate caps/swaps), which without exception are used to hedge

against the risk of interest rate changes arising from underlying transactions. On account of market conditions, it has been necessary over the past three years to set up derivative financial instruments for 100 % of the outstanding amount on new loans. Even these instruments can be subject to changes in value, however.

Interest rate swaps have proved to be particularly inefficient in connection with early loan repayments and property sales (around € 261 m of fair value swaps after netting with offsetting swaps). In the case of contracts classified as fair value derivatives, value changes are directly shown as revenue or expenditure in the income statement and are charged along with additional interest payable from interest rate swaps no longer required for hedging purposes. This generally applies to non-cash valuation results. By contrast, changes in the value of contracts that can be defined as cash flow hedges (and the majority of the swaps used by CA Immo come into this category) are shown as changes in shareholders' equity. In addition to the valuation result, the delta between the interest reference rate and the swap rate is posted as cash expenditure.

To neutralise the interest rate risk associated with these swaps, two new countervailing swaps with a nominal value of € 105.4 m were concluded in business year 2009 and one new countervailing swap with a nominal value of € 65 m was concluded in 2010, thereby producing a fair value hedging relationship in this amount. Following the acquisition of Europolis (which, unlike CA Immo, does not hedge against interest rate risks), the hedging quota was reduced to the reasonable level of around 76 %.

No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all identified risks. A list of all major interest-bearing liabilities and concluded swaps (including maturity dates) appears in the notes.

Currency risk

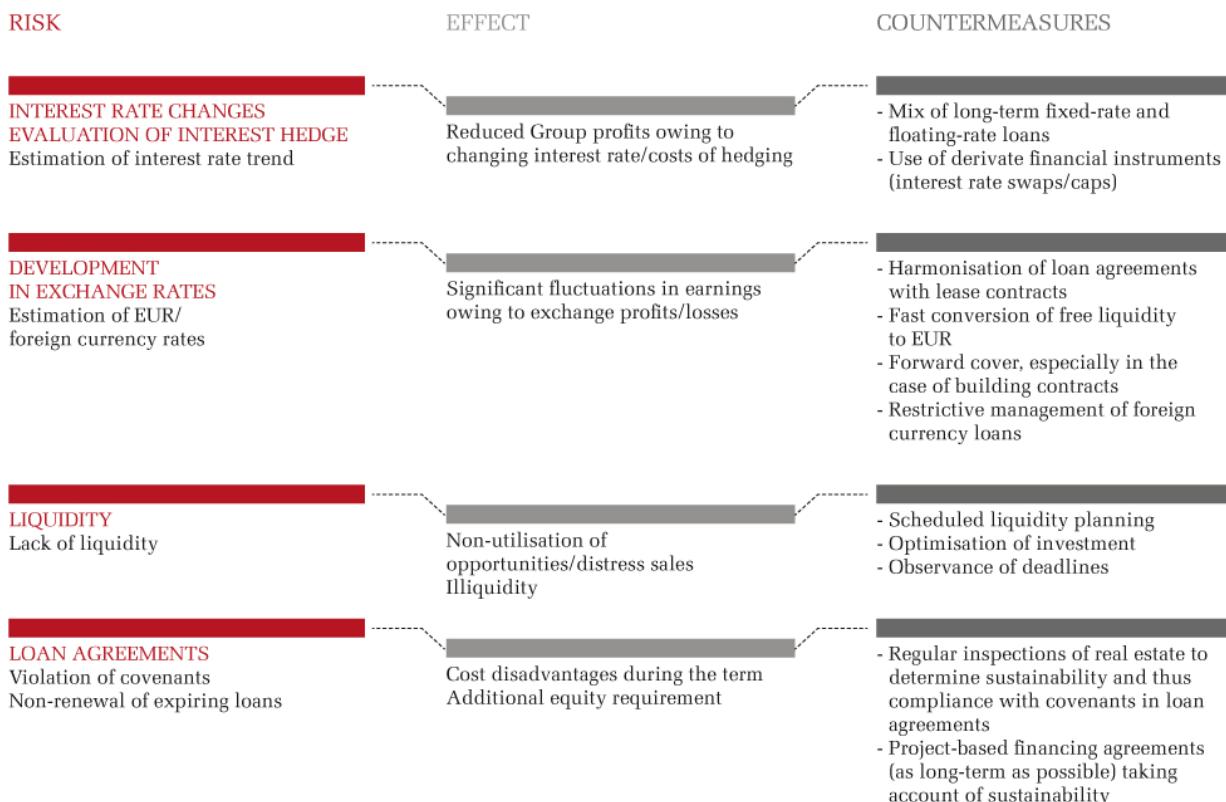
Owing to investment activity abroad, the management of currency risk is an important element of risk management. Currency changes generally affect earnings as a result of rental income and rents receivable in foreign currency (especially BGN, CZK, HUF, PLN, RON and RSD). Non-cash effects on consolidated net income can result from

the translation of individual financial statements of subsidiaries outside the eurozone. CA Immo counters this risk by pegging rents to a hard currency (EUR or USD), and 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. Loans are taken out in the currency underlying the relevant lease (this mainly applies to financing in CZK and USD). Currency risks are rarely secured in connection with construction

projects at present (the Poleczki Business Park is an exception). Liquidity risk

Controlling liquidity means ensuring sufficient financial means are available for the settlement of liabilities as they become due. The company is highly skilled at planning and securing liquidity in order to avoid bottlenecks and thereby circumvent unnecessary potential losses and risks. Loans are usually agreed on a long-term basis in accordance with the investment horizon for real estate.

FINANCIAL RISK MANAGEMENT



Although the acquisition of Europolis and the purchase of CA Immo International shares that preceded the merger of CA Immo International AG with CA Immo served to reduce the liquidity of the CA Immo Group, sufficient liquidity remains to support planned investments and projects under construction. Even with meticulous planning, however, liquidity risk cannot be eliminated, particularly where capital requests linked to joint venture partners are not viable. Moreover, capital commitments are typical in the case of development projects. Given that Vivico, a company forming part of the Group, has a particularly high commitment in the case of the Tower 185 project, the finalising of sales planned for 2011 is of critical importance. To support liquidity, project budgets are continually evaluated as regards the level and urgency of capital required and efforts are made to cut the equity requirement by involving joint venture partners to a greater degree.

GENERAL BUSINESS RISKS

Legal risks

In addition to the usual legal disputes that arise in the sector (especially against tenants), CA Immo faces the risk of disputes with, for example, joint venture and project partners. Disputes can also potentially arise from past and future sales of real estate as well as annulment actions brought by shareholders in connection with resolutions of the Ordinary General Meeting or review of the exchange ratio applied in the merger of CA Immo International AG and CA Immo. At present, however, no lawsuits or arbitration proceedings which could have a material influence on the economic situation of the company are pending or foreseeable. Almost all pending actions relate to conventional operational business activity. Accordingly the partner of a Russian project has signalized to file an arbitral lawsuit (value of the claim € 48.0 m). Sufficient provisions are formed as necessary: as at 31 December 2010, provisions of approximately € 1.8 m had been allocated. In order to minimise legal risks, CA Immo works with lawyers on its relevant target markets, integrating them into decision-making processes at appropriate stages.

Environmental risk

Environmental legislation has a critical bearing as regards investing in real estate. The CA Immo Group can incur significant costs arising from its responsibility to prevent specific damage to the environment; contamination may be established, for example, from toxic substances and materials in built structures. It is also possible that changes in the law may require previously acceptable materials and substances to be subsequently eliminated. It is not possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; negative effects on the company's assets, financial and earnings position are feasible. Moreover, new regulations passed by legislators can have a bearing on existing contracts and thus impact the value trend for real estate significantly. CA Immo therefore incorporates these considerations into its wide-ranging assessments prior to every purchase. Appropriate guarantees are also required from sellers. In its capacity as a project developer, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies wherever possible. In future, environmental risks associated with investment properties, amongst other things, will be assessed by the CA Immo Sustainability Tool (CAST).

Taxation law risk

National taxation systems are subject to ongoing change on the target markets of the CA Immo Group. Working with international consultants, the company monitors all relevant debates and decisions taken by national legislators. Despite this, short- and long-term tax expenditure linked to changing legal frameworks poses a constant risk to revenue. Sufficient financial provisions have been made for established risks.

THE INTERNAL MONITORING SYSTEM (IMS)

The internal monitoring system (IMS) is a conglomeration of systematically structured measures designed to ensure compliance with guidelines and prevent errors; the guidelines include both specific company rules (Group manual, allocation of responsibilities, authority to sign, dual verification principle, regulations for release, etc.) as well as legal provisions. The objectives of the IMS are to preclude (preventive monitoring) and identify (detective monitoring) errors in accounting and financial reporting, thus enabling amendments or countermeasures to be introduced in good time. The operational divisions are involved to ensure a complete overview of the process of financial reporting. CA Immo defines preventive monitoring as those checks undertaken by responsible administrators as they carry out business processes prior to and/or within specific systems (e.g. accounting and consolidation software). Detective monitoring refers in particular to controls carried out by responsible heads of department or the head of finance and accounting on the basis of analyses derived from such systems. In accordance with the organisational structure of the CA Immo Group, responsibility for the implementation and supervision of the internal monitoring system lies with the appropriate local management teams, i.e. the managing directors of the various subsidiaries are required to perform self-checks in order to assess and document compliance with the monitoring measures making up the IMS,

which has been standardised across the Group. As part of a reorganisation process, CA Immo set up an Internal Auditing unit under the control of the full Management Board to consolidate the internal monitoring system alongside the Risk Management division. Both units took up their assigned duties in business year 2010. On the basis of annually compiled auditing plans, or in response to ad-hoc assessments performed as needs dictate, they now oversee compliance across the Group with legal provisions, internal guidelines and rules of conduct. On an operational level, the units review the functioning of (business) processes as regards possible risk and cost-effectiveness and assess the potential for efficiency improvements. The internal auditing unit also supervises the observance of checking procedures by local management teams and determines the dependability of operational information as well as the effectiveness of the internal monitoring system. To achieve this, detailed reporting (EuroSox/SOX documentation) on specific processes and controls as well as accounting and financial reporting is essential. Finally, the results of these assessments are reported to the responsible executive boards as well as the full CA Immo Management Board. The Supervisory Board is informed as to the auditing plan and the assessment results at least once a year. Furthermore, the proper functioning of the risk management system is evaluated annually by the Group auditor, with the findings presented to the Management Board and the Supervisory Board or its audit committee.

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A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2010

€ 1,000	Notes	2010	2009
Rental income	2.1.2.	164,333.9	176,974.5
Income from the sale of properties intended for trading	2.1.3.	115,657.2	78,025.5
Gross revenues from development services	2.1.4.	2,763.8	4,518.9
Operating costs passed on to tenants	2.1.5.	30,204.0	29,133.7
Gross revenues		312,958.9	288,652.6
Operating expenses	2.1.5.	– 35,547.2	– 35,015.9
Other expenses directly related to properties	2.1.5.	– 26,196.7	– 19,696.1
Book value of properties intended for trading ¹⁾	2.1.3.	– 85,640.4	– 68,161.2
Expenditures on development services	2.1.4.	– 625.2	– 1,756.0
Net operating income		164,949.4	164,023.4
NOI as a % of the gross revenues		52.7%	56.8%
Profit from the sale of long-term properties		206,745.7	357,308.8
Book value of long-term properties		– 203,330.4	– 348,091.1
Result from the sale of long-term properties	2.1.6.	3,415.3	9,217.7
Indirect expenditures	2.1.7.	– 47,354.5	– 51,712.1
Capitalised services	2.1.8.	11,856.5	12,148.8
Other operating income	2.1.9.	6,547.9	8,263.4
EBITDA		139,414.6	141,941.2
EBITDA as a % of the gross revenues		44.5%	49.2%
Depreciation and amortisation of long-term properties		– 1,566.7	– 1,837.3
Impairment of properties intended for trading		– 2,155.8	– 8,555.5
Depreciation and amortisation	2.1.10.	– 3,722.5	– 10,392.8
Reversal of write-down of properties intended for trading	2.1.11.	926.1	544.5
Revaluation gain		117,969.5	92,517.1
Revaluation loss		– 71,253.4	– 221,603.6
Result from revaluation	2.1.12.	46,716.1	– 129,086.5
Operating result (EBIT)		183,334.3	3,006.4
EBIT as a % of the gross revenues		58.6%	1.0%
Financing costs	2.1.13.	– 117,446.3	– 108,430.2
Foreign currency gain/loss	2.1.14.	749.3	2,573.5
Result from interest derivative transactions	2.1.15.	– 4,445.9	– 30,123.2
Result from financial investments	2.1.16.	14,417.9	8,821.7
Impairment of financial investments		– 765.8	– 3,121.7
Income from associated companies	2.1.17.	– 328.3	– 7,315.7
Non-controlling interests held by limited partners	2.1.18.	244.2	67.3
Financial result	2.1.19.	– 107,574.9	– 137,528.3
Net result before taxes (EBT)		75,759.4	– 134,521.9
Income tax	2.1.20.	– 31,940.7	– 198.0
Consolidated net income		43,818.7	– 134,719.9
thereof attributable to non-controlling interests		– 1,596.6	– 57,804.9
thereof attributable to the owners of the parent		45,415.3	– 76,915.0
Earnings per share in € (undiluted)		€ 0.52	€ – 0.89
Earnings per share in € (diluted)		€ 0.52	€ – 0.89

¹⁾ The book value of properties intended for trading comprises the book value of stock properties sold, own service costs and other development costs relating to properties intended for trading but not change to stock.

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2010

€ 1,000	Notes	2010	2009
Consolidated net income		43,818.7	– 134,719.9
Other comprehensive income			
Valuation cash flow hedges		– 18,007.8	– 24,630.6
Raclassification cash flow hedges		378.1	19,090.1
Other comprehensive income of associated companies		– 110.0	433.9
Exchange rate differences in equity		– 35.7	– 0.1
Income tax related to other comprehensive income		2,531.9	– 1,628.4
Other comprehensive income for the year, net of tax	2.2.	– 15,243.5	– 6,735.1
Total comprehensive income for the year		28,575.2	– 141,455.0
thereof: attributable to non-controlling interests		– 2,368.3	– 58,627.5
thereof: attributable to the owners of the parent		30,943.5	– 82,827.5

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2010

€ 1,000	Notes	31.12.2010	31.12.2009
ASSETS			
Investment properties	2.3.1.	2,716,211.2	2,409,589.1
Investment properties under development	2.3.1.	790,582.0	962,459.0
Own used properties	2.3.1.	13,574.7	14,247.9
Prepayments made on properties	2.3.1.	0.0	543.6
Office furniture, equipment and other assets	2.3.1.	1,638.3	1,939.4
Intangible assets	2.3.2.	31,467.6	39,529.1
Prepayments made on investments in properties	2.3.3.	136,200.0	200.0
Investments in associated companies	2.3.3.	37,096.0	38,242.1
Loans to joint ventures	2.3.3.	11,142.4	24,983.4
Loans to associated companies	2.3.3.	14,550.9	11,867.8
Other loans	2.3.3.	0.0	40.0
Other financial assets	2.3.3.	8.6	7.3
Receivables and other assets	2.3.4.	15,373.4	0.0
Deferred tax assets	2.3.5.	14,133.3	24,606.3
Long-term assets		3,781,978.4	3,528,255.0
Long-term assets as a % of statement of financial position total		86.4%	81.8%
Assets held for sale	2.3.6.	46,508.9	6,020.1
Property intended for trading	2.3.7.	45,339.0	122,902.4
Receivables from joint ventures	2.3.8.	38,635.9	40,034.4
Receivables and other assets	2.3.8.	108,383.3	109,290.6
Securities	2.3.9.	3,853.5	6,948.2
Cash and cash equivalents	2.3.10.	354,763.8	497,199.3
Short-term assets		597,484.4	782,395.0
Total assets		4,379,462.8	4,310,650.0

€ 1,000	Notes	31.12.2010	31.12.2009
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital		638,713.6	634,370.0
Capital reserves		1,061,464.1	1,013,988.3
Retained earnings (incl. valuation result from hedging and other reserves)		– 58,409.8	– 89,353.3
Non-controlling interests		18,170.6	170,155.1
Shareholders' equity	2.3.11.	1,659,938.5	1,729,160.1
shareholders' equity as a % of statement of financial position total		37.9%	40.1%
Non-controlling interests held by limited partners		1,996.8	2,437.6
Provisions	2.3.12.	6,238.6	522.4
Bonds	2.3.13.	475,564.8	472,525.3
Financial liabilities	2.3.14.	1,412,741.3	1,379,668.4
Trade creditors		37,103.7	40,815.8
Other liabilities	2.3.15.	191,301.5	173,823.1
Deferred tax liabilities	2.3.5.	116,157.5	129,788.0
Long-term liabilities		2,241,104.2	2,199,580.6
Tax provisions	2.3.12.	59,893.5	82,292.0
Provisions	2.3.12.	58,809.3	57,082.6
Financial liabilities	2.3.14.	236,910.3	124,276.3
Liabilities to joint ventures	2.5.5.	1,670.8	15,225.9
Trade creditors		25,025.0	24,901.0
Other liabilities	2.3.15.	90,257.6	78,131.5
Liabilities relating to properties held for sale	2.3.6.2.	5,853.6	0.0
Short-term liabilities		478,420.1	381,909.3
Total liabilities and shareholders' equity		4,379,462.8	4,310,650.0

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2010

€ 1,000	Notes	2010	2009
Cash flow from operating activities			
Net result before taxes		75,759.4	– 134,521.9
Revaluation loss	2.1.12.	– 46,716.1	129,086.5
Depreciation and amortisation	2.1.10.	3,722.5	10,392.8
Reversal of write-down	2.1.11.	– 926.1	– 544.5
Income from the sale of long-term properties (incl. multi-component transactions) and office equipment	2.1.6.	– 11,100.8	– 14,400.2
Loss from asset disposal (incl. multi-component transactions) and office equipment	2.1.6.	7,676.7	5,197.8
Taxes paid excl. for the sale of properties	2.4.2.	– 15,041.7	– 12,219.7
Interest income/expense		103,028.4	99,608.5
Foreign currency gain/loss	2.1.14.	– 749.3	– 2,573.5
Effect on valuation of interest swaps and caps	2.1.15.	4,445.9	30,123.2
Impairment of financial investments	2.1.19.	765.8	3,121.7
Result from investments in associated companies		84.1	7,248.4
Operating cash flow		120,948.8	120,519.1
Property intended for trading	2.3.7.	77,673.2	40,277.2
Receivables and other assets	2.3.4., 2.3.8.	– 19,880.8	– 56,067.6
Trade creditors		9,624.0	13,553.0
Provisions	2.3.12.	– 346.9	2,176.0
Other liabilities	2.3.15.	– 15,985.4	10,300.5
Cash flow from change in net current assets		51,084.1	10,239.1
Cash flow from operating activities	2.4.3.	172,032.9	130,758.2
Cash flow from investment activities			
Acquisition of and investment in properties	2.4.4.	– 300,439.6	– 260,283.4
Acquisition of property companies, less cash and cash equivalents in the amount of € 2,206.2 K (2009: € 35.0 K)	2.4.4.	– 1,316.5	– 1,257.2
Acquisition of office equipment and intangible assets	2.3.1.	– 670.5	– 578.8
Prepayments made on properties	2.3.1.	0.0	– 543.6
Prepayments made on investments in properties	2.3.3.	– 136,000.0	– 110.4
Acquisition of financial assets	2.3.3.	– 7,062.0	– 9,296.0
Disposal of short term securities	2.3.9.	6,013.8	3,438.1
Purchase of own shares (CA Immobilien Anlagen AG)		0.0	14,268.4
Purchase of shares in CA Immo International AG incl. costs of capital increase	2.4.4.	– 99,044.9	– 1,722.3
Disposal of long-term properties and other assets	2.1.6.	216,198.7	325,427.7
Disposal of companies with long-term properties, less cash and cash equivalents in the amount of € 366.0 K (2009: € 49.2 K)	2.1.6.	– 362.1	– 3,731.2
Taxes paid relating to the sale of long-term properties	2.4.2.	– 29,563.3	0.0
Dividend payments of associated companies and securities		857.0	997.1
Interest received from financial investments		7,663.1	6,158.9
Cash flow from investment activities	2.4.4.	– 343,726.3	72,767.3
carry-forward		– 171,693.4	203,525.5

€ 1,000	Notes	2010	2009
carry-forward		- 171,693.4	203,525.5
Cash flow from financing activities			
Cash inflow from financing		280,290.5	132,770.1
Cash inflow from bond issue		0.0	148,725.5
Cash inflow from convertible bond issue		0.0	132,606.0
Cash inflow from non-controlling interests		1,248.0	8,798.7
Cash inflow from related companies		540.0	1,435.5
Dividend payments of subsidiaries to non-controlling interests		- 164.1	- 455.1
Repayment of derivative instruments		0.0	- 1,952.4
Repayment of loans		- 138,831.0	- 347,703.3
Interest paid		- 113,981.3	- 100,726.6
Cash flow from financing activities	2.4.5.	29,102.1	- 26,501.6
Net change in cash and cash equivalents		- 142,591.3	177,023.9
Cash and cash equivalents as at 1.1.		497,199.3	321,380.3
Changes in the value of foreign currency		155.8	- 1,204.9
Net change in cash and cash equivalents		- 142,591.3	177,023.9
Cash and cash equivalents as at 31.12.	2.3.10.	354,763.8	497,199.3

Please refer to Point 2.4. for further details on the cash flow statement.

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2010

€ 1,000	Share capital	Capital reserves	Reserves for own shares
As at 1.1.2009	634,370.0	1,006,970.8	- 11,861.3
Total comprehensive income for the period	0.0	0.0	0.0
Dividend payments	0.0	0.0	0.0
Sale of own shares	0.0	409.2	11,861.3
Purchase of shares in CAIIAG ³⁾	0.0	3,146.5	0.0
Issue of convertible bond	0.0	3,460.1	0.0
Payments from non-controlling companies	0.0	0.0	0.0
Purchase and disposal of non-controlling interests	0.0	1.7	0.0
As at 31.12.2009	634,370.0	1,013,988.3	0.0
Total comprehensive income for the period	0.0	0.0	0.0
Purchase of shares in CAIIAG ³⁾	0.0	41,428.9	0.0
Capital increase as the result of the merger of CA Immo International AG	4,343.6	6,046.7	0.0
Payments from non-controlling companies and purchase of non-controlling interests	0.0	0.2	0.0
As at 31.12.2010	638,713.6	1,061,464.1	0.0

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

²⁾ Company in Switzerland with functional currency CHF

³⁾ CAIIAG = CA Immo International AG, Vienna

Retained earnings	Valuation result (hedging)	Reserves from associates ¹⁾	Reserves from foreign currency translation ²⁾	Shares held by the shareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
45,824.5	– 52,133.2	– 219.2	2.1	1,622,953.7	231,700.4	1,854,654.1
– 76,915.0	– 6,158.4	246.0	– 0.1	– 82,827.5	– 58,627.5	– 141,455.0
0.0	0.0	0.0	0.0	0.0	– 36.4	– 36.4
0.0	0.0	0.0	0.0	12,270.5	0.0	12,270.5
0.0	0.0	0.0	0.0	3,146.5	– 4,868.6	– 1,722.1
0.0	0.0	0.0	0.0	3,460.1	0.0	3,460.1
0.0	0.0	0.0	0.0	0.0	8,798.7	8,798.7
0.0	0.0	0.0	0.0	1.7	– 6,811.5	– 6,809.8
– 31,090.5	– 58,291.6	26.8	2.0	1,559,005.0	170,155.1	1,729,160.1
45,415.3	– 14,424.8	– 11.3	– 35.7	30,943.5	– 2,368.3	28,575.2
0.0	0.0	0.0	0.0	41,428.9	– 140,463.1	– 99,034.2
0.0	0.0	0.0	0.0	10,390.3	– 10,400.9	– 10.6
0.0	0.0	0.0	0.0	0.2	1,247.8	1,248.0
14,324.8	– 72,716.4	15.5	– 33.7	1,641,767.9	18,170.6	1,659,938.5

F. CONSOLIDATED SEGMENT REPORTING FOR THE YEAR ENDED 31.12.2010

Segmentation by regions

€ 1,000	Austria	Germany ¹⁾	Eastern/South East Europe	2010 Total
Rental income	39,049.0	79,760.3	45,524.7	164,333.9
Income from the sale of properties intended for trading	0.0	115,657.2	0.0	115,657.2
Gross revenues from development services	0.0	2,763.8	0.0	2,763.8
Operating costs passed on to tenants	7,995.7	9,369.6	12,838.7	30,204.0
Gross revenues	47,044.7	207,550.8	58,363.4	312,958.9
Operating expenses	– 10,114.6	– 9,708.3	– 15,724.3	– 35,547.2
Other expenses directly related to properties	– 4,265.6	– 15,605.1	– 6,325.9	– 26,196.7
Book value of properties intended for trading	0.0	– 85,640.4	0.0	– 85,640.4
Expenditures on development services	0.0	– 625.2	0.0	– 625.2
Net operating income	32,664.5	95,971.8	36,313.2	164,949.4
NOI as a % of the gross revenues	69.4%	46.2%	62.2%	52.7%
Result from the sale of long-term properties	1,014.3	2,401.0	0.0	3,415.3
Indirect expenditures	– 7,556.1	– 28,529.5	– 11,268.9	– 47,354.5
Capitalised services	0.0	11,856.5	0.0	11,856.5
Other operating income	422.4	3,801.3	2,324.2	6,547.9
EBITDA	26,545.1	85,501.0	27,368.4	139,414.6
EBITDA as a % of the gross revenues	56.4%	41.2%	46.9%	44.5%
Depreciation and amortisation of long-term properties	– 867.2	– 629.6	– 69.9	– 1,566.8
Impairment of properties intended for trading	0.0	– 2,151.6	– 4.2	– 2,155.7
Reversal of write-down of properties intended for trading	0.0	926.1	0.0	926.1
Result from revaluation	18,419.4	40,674.6	– 12,377.9	46,716.1
Operating result (EBIT)	44,097.4	124,320.5	14,916.4	183,334.3
EBIT as a % of the gross revenues	93.7%	59.9%	25.6%	58.6%
Financing costs ²⁾	– 22,579.2	– 62,302.7	– 32,564.4	– 117,446.3
Foreign currency gain/loss	– 2.2	1,247.4	– 495.9	749.3
Result from interest derivative transactions	– 929.5	– 3,347.3	– 169.1	– 4,445.9
Result from financial investments ²⁾	7,224.0	2,643.3	4,550.6	14,417.9
Impairment of financial investments	0.0	0.0	– 765.8	– 765.8
Income from associated companies	0.0	0.0	– 328.3	– 328.3
Non-controlling interests held by limited partners	0.0	244.2	0.0	244.2
Net result before taxes (EBT)	27,810.5	62,805.5	– 14,856.6	75,759.4
Income tax	1,350.4	– 25,584.3	– 7,706.8	– 31,940.7
Consolidated net income	29,160.8	37,221.2	– 22,563.4	43,818.7
				31.12.2010
Segment properties ³⁾	735,745.5	2,124,694.6	705,266.9	3,565,707.0
Assets held for sale	336.0	41,160.0	5,012.9	46,508.9
Other segment assets	40,595.7	367,656.9	307,765.0	716,017.6
Investments in associated companies	0.0	22.3	37,073.7	37,096.0
Deferred tax assets	0.0	14,132.4	0.9	14,133.3
Total assets	776,677.2	2,547,666.1	1,055,119.4	4,379,462.8
Segment liabilities	377,614.6	1,513,429.4	652,429.3	2,543,473.3
Deferred tax liabilities incl. tax provisions	19,019.3	123,771.9	33,259.7	176,051.0
Segment debts	396,633.9	1,637,201.3	685,689.0	2,719,524.2
Capital expenditures⁴⁾	15,394.1	253,931.6	57,341.9	326,667.5
Employees⁵⁾	45	175	97	317

			2009
Austria	Germany ¹⁾	Eastern/South East Europe	Total
46,161.7	90,538.9	40,273.9	176,974.5
0.0	78,025.5	0.0	78,025.5
0.0	4,518.9	0.0	4,518.9
6,661.5	11,394.5	11,077.7	29,133.7
52,823.2	184,477.8	51,351.6	288,652.6
– 8,347.3	– 13,223.3	– 13,445.3	– 35,015.9
– 4,981.2	– 11,499.0	– 3,215.9	– 19,696.1
0.0	– 68,161.2	0.0	– 68,161.2
0.0	– 1,756.0	0.0	– 1,756.0
39,494.7	89,838.3	34,690.4	164,023.4
74.8%	48.7%	67.6%	56.8%
3,042.4	6,259.7	– 84.3	9,217.7
– 6,734.8	– 33,720.5	– 11,256.8	– 51,712.1
0.0	12,148.8	0.0	12,148.8
1,578.7	5,094.8	1,589.9	8,263.4
37,381.0	79,621.1	24,939.2	141,941.2
70.8%	43.2%	48.6%	49.2%
– 870.0	– 890.9	– 76.4	– 1,837.3
0.0	– 8,534.2	– 21.3	– 8,555.5
0.0	544.5	0.0	544.5
– 15,297.9	38,165.2	– 151,953.8	– 129,086.5
21,213.1	108,905.7	– 127,112.3	3,006.4
40.2%	59.0%	–	1.0%
– 28,472.0	– 61,808.0	– 18,150.2	– 108,430.2
0.1	168.6	2,404.8	2,573.5
– 9,209.8	– 18,675.2	– 2,238.2	– 30,123.2
357.9	2,895.7	5,568.1	8,821.7
0.0	0.0	– 3,121.7	– 3,121.7
0.0	13.2	– 7,328.9	– 7,315.7
0.0	67.3	0.0	67.3
– 16,110.7	31,567.3	– 149,978.5	– 134,521.9
2,697.7	– 18,345.2	15,449.5	– 198.0
– 13,413.0	13,222.1	– 134,529.0	– 134,719.9
			31.12.2009
737,149.6	2,098,617.4	673,975.0	3,509,742.0
1,975.1	4,045.0	0.0	6,020.1
303,582.6	263,626.1	164,830.8	732,039.5
0.0	22.2	38,219.9	38,242.1
0.0	24,580.0	26.3	24,606.3
1,042,707.3	2,390,890.7	877,052.0	4,310,650.0
614,452.8	1,325,239.1	429,718.0	2,369,409.9
27,881.0	161,518.1	22,680.9	212,080.0
642,333.8	1,486,757.2	452,398.9	2,581,489.9
8,227.7	175,734.5	90,905.3	274,867.5
49	193	90	332

¹⁾ Incl. a property in Switzerland.

²⁾ Financing costs and result from financial investments are allocated to the segments after eliminations of group interest expenses/income in order to make it comparable with consolidated statement of comprehensive income. Since financing costs and result from financial investments were allocated to the segments before consolidation entries in the annual report 2009, the prior year figures were amended.

³⁾ Segment properties include investment properties, investment properties under development, own used properties, properties intended for trading and prepayments made on properties.

⁴⁾ Capital expenditures include all acquisitions of properties (long-term and short-term), office furniture, equipment, other assets and intangible assets; out of which € 7,383.5K (31.12.2009: € 24,477.4K) in properties intended for trading.

⁵⁾ Situation as at 31.12.2010 (31.12.2009), employees in companies consolidated on a proportional basis are included at 100%.

Segmentation by sectors

€ 1,000	Income producing	Trading	Development ¹⁾	2010 Total
Rental income	147,062.3	7,792.3	9,479.3	164,333.9
Income from the sale of properties intended for trading	0.0	115,657.2	0.0	115,657.2
Gross revenues from development services	0.0	0.0	2,763.8	2,763.8
Operating costs passed on to tenants	28,141.9	1,055.1	1,007.0	30,204.0
Gross revenues	175,204.1	124,504.6	13,250.2	312,958.9
Operating expenses	– 33,144.1	– 977.3	– 1,425.8	– 35,547.2
Other expenses directly related to properties	– 17,962.0	– 2,020.2	– 6,214.5	– 26,196.7
Book value of properties intended for trading	0.0	– 85,640.4	0.0	– 85,640.4
Expenditures on development services	0.0	0.0	– 625.2	– 625.2
Net operating income	124,098.0	35,866.7	4,984.7	164,949.4
NOI as a % of the gross revenues	70.8%	28.8%	37.6%	52.7%
Result from the sale of long-term properties	1,120.2	0.0	2,295.1	3,415.3
Indirect expenditures	– 18,876.5	– 1,830.0	– 26,648.0	– 47,354.5
Capitalised services	237.0	1,083.6	10,535.9	11,856.5
Other operating income	3,159.4	567.1	2,821.4	6,547.9
EBITDA	109,738.1	35,687.4	– 6,010.9	139,414.6
EBITDA as a % of the gross revenues	62.6%	28.7%	–	44.5%
Depreciation and amortisation of long-term properties	– 1,059.9	0.0	– 506.9	– 1,566.8
Impairment of properties intended for trading	0.0	– 2,155.7	0.0	– 2,155.7
Reversal of write-down of properties intended for trading	0.0	926.1	0.0	926.1
Result from revaluation	774.1	0.0	45,942.0	46,716.1
Operating result (EBIT)	109,452.3	34,457.8	39,424.2	183,334.3
EBIT as a % of the gross revenues	62.5%	27.7%	–	58.6%
Financing costs ²⁾	– 90,305.5	– 347.9	– 26,792.9	– 117,446.3
Foreign currency gain/loss	– 504.6	24.5	1,229.4	749.3
Result from interest derivative transactions	– 2,435.0	0.0	– 2,010.9	– 4,445.9
Result from financial investments ³⁾	12,331.6	140.6	1,945.7	14,417.9
Impairment of financial investments	0.0	0.0	– 765.8	– 765.8
Income from associated companies	0.0	0.0	– 328.3	– 328.3
Non-controlling interests held by limited partners	131.0	140.8	– 27.6	244.2
Net result before taxes (EBT)	28,669.8	34,415.8	12,673.8	75,759.4
Income tax	– 11,807.5	– 4,750.5	– 15,382.7	– 31,940.7
Consolidated net income	16,862.3	29,665.3	– 2,708.8	43,818.7
				31.12.2010
Segment properties ³⁾	2,729,785.9	45,339.1	790,582.0	3,565,707.0
Assets held for sale	336.0	1,250.0	44,922.9	46,508.9
Other segment assets	396,947.6	13,436.3	305,633.8	716,017.6
Investments in associated companies	0.0	0.0	37,096.0	37,096.0
Deferred tax assets	2,129.9	763.0	11,240.5	14,133.3
Total assets	3,129,199.4	60,788.3	1,189,475.2	4,379,462.8
Segment liabilities	1,799,018.9	29,557.2	714,897.2	2,543,473.3
Deferred tax liabilities incl. tax provisions	58,296.3	7,980.0	109,774.7	176,051.0
Segment debts	1,857,315.2	37,537.2	824,671.8	2,719,524.2
Capital expenditures⁴⁾	68,308.3	7,383.5	250,975.7	326,667.5

Income producing	Trading	Development ¹⁾	2009
			Total
155,596.2	10,425.5	10,952.8	176,974.5
0.0	78,025.5	0.0	78,025.5
0.0	0.0	4,518.9	4,518.9
24,515.7	2,209.8	2,408.2	29,133.7
180,111.9	90,660.8	17,879.9	288,652.6
– 29,490.8	– 2,468.0	– 3,057.1	– 35,015.9
– 13,157.9	– 296.6	– 6,241.6	– 19,696.1
0.0	– 68,161.2	0.0	– 68,161.2
0.0	0.0	– 1,756.0	– 1,756.0
137,463.2	19,735.0	6,825.2	164,023.4
76.3%	21.8%	38.2%	56.8%
306.8	0.0	8,910.9	9,217.7
– 17,570.7	– 3,042.4	– 31,099.0	– 51,712.1
0.0	914.6	11,234.2	12,148.8
4,263.9	1,470.4	2,529.1	8,263.4
124,463.2	19,077.6	– 1,599.6	141,941.2
69.1%	21.0%	–	49.2%
– 1,229.9	0.0	– 607.4	– 1,837.3
0.0	– 8,555.5	0.0	– 8,555.5
0.0	544.5	0.0	544.5
– 110,175.3	0.0	– 18,911.2	– 129,086.5
13,058.0	11,066.6	– 21,118.2	3,006.4
7.2%	12.2%	–	1.0%
– 77,029.8	– 93.6	– 31,306.8	– 108,430.2
– 63.7	– 0.1	2,637.3	2,573.5
– 16,310.4	0.0	– 13,812.8	– 30,123.2
5,056.6	296.7	3,468.4	8,821.7
0.0	0.0	– 3,121.7	– 3,121.7
0.0	0.0	– 7,315.7	– 7,315.7
– 29.2	58.8	37.7	67.3
– 75,318.5	11,328.4	– 70,531.8	– 134,521.9
10,073.9	– 3,865.7	– 6,406.2	– 198.0
– 65,244.6	7,462.7	– 76,938.0	– 134,719.9
			31.12.2009
2,424,380.5	122,902.4	962,459.1	3,509,742.0
2,155.0	0.0	3,865.1	6,020.1
484,159.3	10,189.4	237,690.8	732,039.5
0.0	0.0	38,242.1	38,242.1
4,155.9	987.3	19,463.1	24,606.3
2,914,850.7	134,079.1	1,261,720.2	4,310,650.0
1,763,643.6	44,133.1	561,633.2	2,369,409.9
56,858.7	17,609.9	137,611.4	212,080.0
1,820,502.3	61,743.0	699,244.6	2,581,489.9
20,808.7	24,477.4	229,581.4	274,867.5

Income and expenses until completion of properties under construction are allocated to the segment “Development”. Assets and liabilities of properties under construction are solely allocated to the segment “Income producing”.

¹⁾ Incl. a property in Switzerland.

²⁾ Financing costs and result from financial investments are allocated to the segments after eliminations of group interest expenses/income in order to make it comparable with consolidated statement of comprehensive income. Since financing costs and result from financial investments were allocated to the segments before consolidation entries in the annual report 2009, the prior year figures were amended.

³⁾ Segment properties include investment properties, investment properties under development, own used properties, properties intended for trading and prepayments made on properties.

⁴⁾ Capital expenditures include all acquisitions of properties (long-term and short-term), office furniture, equipment, other assets and intangible assets; out of which € 7,383.5K (31.12.2009: € 24,477.4K) in properties intended for trading.

G. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2010

1. GENERAL NOTES

1.1. Operating activities

CA Immobilien Anlagen Aktiengesellschaft, together with its subsidiaries (the "CA Immo Group"), is an international-ly active property group. The parent company is CA Immobilien Anlagen Aktiengesellschaft ("CA Immo AG"), which has its head office at Mechelgasse 1, 1030 Vienna. As of 31.12.2010, the CA Immo Group owns property in all the countries encompassed by the scope of consolidation (see Annex I), except the Netherlands and Luxembourg.

1.2. Accounting principles

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

The reporting date of all the companies is 31.12.2010. At the time the statements were prepared, published figures were not available for the listed company UBM Realitätenentwicklung AG, Vienna, so that the consolidated financial statements contain the figures published by this company in its consolidated financial statements as of 30.6.2010.

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

1.3. Scope of consolidation

The companies included in the consolidated financial statements are indicated in Annex I to these statements.

Explanatory notes concerning the Vivico Group refer to the subgroup of Vivico Real Estate GmbH, Frankfurt am Main (or simply Frankfurt), which encompasses Vivico Real Estate GmbH and its subsidiaries (see Annex I).

The scope of consolidation changed as follows in business year 2010:

	Full consolidation	Proportional consolidation	At equity
As at 1.1.2010	122	28	4
Acquisitions	1	4	0
New establishments	4	2	0
Liquidations	- 3	- 4	0
Restructurings	- 3	- 1	0
Sales	0	- 2	0
As at 31.12.2010	121	27	4
thereof foreign companies	100	24	3

In business year 2010, the CA Immo Group acquired:

Company name/domicile	Purpose	Interest %	Purchase price € 1,000	First-time consolidation date
Mainzer Hafen GmbH, Mainz	Property development	50.0	12.5	1.3.2010
Congress Centrum Skyline Plaza Verwaltung GmbH, Hamburg	both for development of a project in Frankfurt	50.0	12.5	30.6.2010
Congress Centrum Skyline Plaza GmbH & Co. KG, Hamburg		50.0	15.0	30.6.2010
Vivico Berlin Lietzenburgerstraße Verwaltungs GmbH, Frankfurt	Acquisition of property	100.0	27.5	30.6.2010
Megapark o.o.d., Sofia	Acquisition of property	35.0 ¹⁾	4,939.8	31.12.2010
		Total purchase price	5,007.3	

¹⁾ common control

The aggregate price in the amount of € 5,007.3K was paid in full.

In addition, the following companies were established and consolidated for the first time in business year 2010:

Company name/domicile	Purpose	Interest held in %	Capital contributions € 1,000
CAII Projektbeteiligungs GmbH, Vienna	Both holding companies, for the acquisition of a property company in Eastern Europe	100.0	17.5
CAII Projektmanagement GmbH, Vienna		100.0	35.0
CA Immo CEE Beteiligungs GmbH, Vienna	Holding company for the acquisition of Europolis AG, Vienna	100.0	35.0
PBP IT-Services Sp.z.o.o., Warsaw	Management company for a project in Poland	50.0	7.9
Vivico Berlin Lietzenburger Straße GmbH & Co. KG, Frankfurt	Company for the acquisition of a property	100.0	5.0
Zollhafen Mainz GmbH & Co. KG, Mainz	Development of investment property	50.1 ¹⁾	0.0
Total capital contributions			100.4

The joint venture interests in Lokhalle München Verwaltungsgesellschaft mbH & Co. KG, Munich, and Lokhalle München GmbH, Munich, were sold. The aggregate selling price of these companies was € 4.0K and was paid in full.

An application for the initiation of insolvency proceedings was made against OOO Business Center Maslovka ("Maslov project"), Moscow. The companies OOO BBM, Moscow, OOO Business Center Maslovka, Moscow, Larico Limited, Nicosia, and Triastron Investments Limited, Nicosia, were therefore deconsolidated as of 30.6.2010. The CA Immo Group remains committed to the Maslov project and consequently neutralised the gain arising from the deconsolidation by way of a corresponding liability.

In business year 2010, CA Immo Office Park d.o.o., Belgrade, CA Immo Projekt d.o.o., Zagreb, and TC Investments Turda S.R.L, Bucharest, were wound up.

By way of a merger agreement of 27.9.2010, CA Immo International AG, Vienna, was merged with CA Immo AG effective 31.12.2009. The merger has no effect on profit or loss (see Point 2.3.11.).

The following additional mergers took place in 2010:

- omniCon Verwaltungs GmbH, Frankfurt, was absorbed by Vivico Real Estate GmbH, Frankfurt,
- H1 Hotelentwicklungs GmbH, Vienna, was absorbed by CEE Hotel Management und Beteiligungs GmbH, Vienna,
- CA Immobilien Anlagen Beteiligungs GmbH, Vienna, was absorbed by CA Immobilien Anlagen Aktiengesellschaft, Vienna.

The acquisition, disposal and deconsolidation of these companies affect the composition of the consolidated financial statements as follows (amounts as of the acquisition or deconsolidation date):

€ 1,000	Acquisition at book values	Adjustment to market values	Adjustment at market values	Deconsolida- tions/sales	Total
Properties	24,352.7	1,694.3	26,047.0	– 5,039.0	21,008.0
Other assets	308.9	0.0	308.9	– 450.6	– 141.7
Cash and cash equivalents	2,206.2	0.0	2,206.2	– 366.0	1,840.2
Deferred tax	484.1	– 484.1	0.0	0.0	0.0
Financial liabilities	– 28,951.4	0.0	– 28,951.4	27,929.1	– 1,022.3
Provisions	– 4.6	0.0	– 4.6	158.8	154.2
Other liabilities	– 1,223.6	0.0	– 1,223.6	627.0	– 596.6
Receivables/payables of affiliated companies	– 1,781.1	0.0	– 1,781.1	– 16,940.8	– 18,721.9
Net assets	– 4,608.8	1,210.2	– 3,398.6	5,918.5	2,519.9

Gross revenues of the acquired companies in 2010 totalled € 0.0K from the time of acquisition (€ 0.0K from 1.1.2010), and the net income came to € – 1,480.6K (€ – 2,025.5K from 1.1.2010). The acquired companies are included in the consolidated statement of financial position with assets of € 27,549.0K and liabilities of € 31,469.1K as of 31.12.2010.

The proportionally consolidated companies are included in the consolidated financial statements with the following proportional values (at 50 % or in case of common control despite distractive shareholding at 51.1 %, 35 % or 33.3 %). The key items are:

€ 1,000	31.12.2010	31.12.2009
Properties as per IAS 40	264,732.6	194,293.9
Property intended for trading	17,983.1	19,748.6
Other short-term assets	29,106.4	44,609.7
Deferred tax assets	645.3	65.9
Total assets	312,467.4	258,718.1
Long-term liabilities	97,071.0	102,914.0
Short-term liabilities	103,213.8	47,653.9
Deferred tax liabilities	21,902.4	15,405.9
Total liabilities	222,187.2	165,973.8

€ 1,000	2010	2009
Rental income	8,189.0	7,463.1
Income from the sale of properties intended for trading	19,021.4	3,145.0
Result from revaluation	6,474.5	- 11,190.8
Other income	1,100.2	1,489.6
Other expenses incl. book value of assets disposed	- 19,293.7	- 7,342.8
Operating result (EBIT)	15,491.4	- 6,435.9
Financial result	- 4,472.9	- 4,364.3
Net income before taxes (EBT)	11,018.5	- 10,800.2
Income tax	- 4,356.7	5,431.9
Net income	6,661.8	- 5,368.3

For the following companies, included in the consolidated financial statements at equity:

- Isargärten Thalkirchen GmbH & Co. KG, Grünwald
- OAO Avielen AG, St. Petersburg
- Soravia Center OÜ, Tallinn
- UBM Realitätenentwicklung AG, Vienna

the following figures reflect their assets, liabilities, rental income and net income:

€ 1,000	31.12.2010	31.12.2009
Properties as per IAS 40	356,145.6	403,047.4
Other long-term assets	120,442.8	0.0
Short-term assets	166,358.5	166,799.8
Long-term liabilities	429,447.4	350,246.8
Short-term liabilities	72,659.0	92,324.5
Group's share in net assets	34,754.2	31,747.6
	2010	2009
Rental income	162,236.7	236,749.8
Net income	16,746.1	10,734.3
Group's share in net income	4,186.9	2,673.9

UBM Realitätenentwicklung AG is based on data as of 30.6. and income statement data from 1.7.2009 to 30.6.

Once the book value of the holder's interests in an associated company has decreased to zero, additional losses are recognised as a liability only to the extent that the holder has incurred legal or constructive obligations or made payments on behalf of the associated company. As of 31.12.2010, the accumulated total amount of unrecognised losses from associated companies is € -196.3K.

1.4. Consolidation methods

All companies under the controlling influence of the parent company are fully consolidated in the consolidated financial statements. A company is first consolidated as of the time at which control passes to the parent. It is deconsolidated when the control lapses. All Group-internal transactions between companies belonging to the scope of full and proportional consolidation, and the relevant income and expenses, receivables and payables, as well as unrealised interim profits are eliminated in full (or pro rata in the case of proportional consolidation).

The first-time inclusion in the consolidated financial statements of a subsidiary that is not a business operation is done in accordance with the purchase method by allocating the acquisition costs to the revalued assets (especially properties) and liabilities of the subsidiary.

If an acquired company is a business operation, it is included in the consolidated financial statements as a subsidiary for the first time by the purchase method, by recognising its identifiable assets and liabilities at fair value. Costs associated with a business combination are to be recognised in profit or loss as they are incurred. A conditional consideration is to be measured at the fair value prevailing at the time of acquisition. Subsequent changes in such fair value are to be corrected by offsetting against the purchase costs, provided that the corrections are made within the 12-month measurement period. All other changes in the fair value of a conditional consideration are to be recognised in profit or loss.

Non-controlling interests are recognised according to the categorisation of the interest as either shareholders' equity or liability, namely under the non-controlling interests in shareholders' equity or under the non-controlling interests in liabilities. The interests of non-controlling shareholders are measured upon recognition at the relevant portion of the acquired company's identifiable net assets. When subsequently measured, the book value of the non-controlling interests is amortised according to the changes in shareholders' equity attributable to the non-controlling interests. The total comprehensive income is attributed to the non-controlling interests even if such interests are then recognised with a negative balance.

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

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

Joint ventures

In the context of property rental and project development partnerships, the CA Immo Group forms joint ventures with one or several partner companies. Joint management of these ventures is established by contract. Interests in such jointly managed ventures are included proportionally in the consolidated financial statements of the CA Immo Group. The Group's interests in the assets, liabilities, income and expenses of jointly managed ventures are assigned to the relevant items of the consolidated financial statements.

Associated companies

An associated company is one on which the Group exerts a significant influence and is neither a subsidiary nor an interest in a joint venture. A significant influence is the ability to contribute to the financial and business policy decisions of the company in which the interest is held. The influence does not, however, encompass either control or joint oversight of financial and business policy.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost, including directly apportionable ancillary costs, as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

1.5. Foreign currency translation

Business operations in foreign currency

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

Translation of individual financial statements denominated in foreign currency

The Group currency is the euro (EUR).

Since the euro is also the functional currency of the companies in Eastern and South East Europe outside the European Monetary Union and included in the consolidated financial statements, the financial statements prepared in foreign currency are translated in accordance with the temporal method. Under this method, investment property (including properties under development) as well as monetary assets and liabilities are translated at closing rates, whereas 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. Any gains and losses resulting from foreign currency translation are recognised in the income statement.

The functional currency for the subsidiary in Switzerland is the Swiss franc (CHF). The figures in the statement of financial position are translated at the middle rate applying on the reporting date. Only the 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 application of the closing rate method are recognised in equity under the reserves from foreign currency translation.

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

		Closing rate 31.12.2010	Closing rate 31.12.2009	Average exchange rate 2010	Average exchange rate 2009
Bulgaria	BGN	1.9558	1.9558	1.9558	1.9557
Croatia	HRK	7.3800	7.3000	7.2985	7.3543
Poland	PLN	3.9670	4.1225	4.0041	4.3475
Romania	RON	4.2890	4.2250	4.2248	4.2438
Russia	RUB	40.9000	43.4000	40.2238	44.3238
Switzerland	CHF	1.2492	1.4876	1.3694	1.5112
Serbia	RSD	105.5000	96.5000	103.5958	94.2500
Czech Republic	CZK	25.0800	26.4000	25.2633	26.5179
Hungary	HUF	278.0000	272.0000	276.7133	281.5375
	CHF				
	Selling	1.2556	1.4940		
	Buying	1.2428	1.4812		
	USD				
	Selling	1.3441	1.4410		
	Buying	1.3341	1.4310		

1.6. Accounting and measurement methods

All IASs, IFRSs and IFRIC and SIC Interpretations (existing standards, amendments to same and new standards) required to be applied in the European Union as of 31.12.2010 have been complied with in the preparation of the consolidated financial statements. The consolidated financial statements of the CA Immo Group are therefore consistent with the International Financial Reporting Standards.

1.6.1. First-time application of new and revised standards and interpretations influencing the consolidated financial statements

The following standards and interpretations, already an integral part of EU law, were to be applied for the first time in business year 2010:

- Amendments to IFRS 3/IAS 27 (Business Combinations)

These standards govern the method of accounting for company acquisitions. In particular, the scope of IFRS 3 and the accounting for step acquisitions have been revised. In addition, IFRS 3 (revised) grants an option to measure any non-controlling interest in the entity acquired either at fair value or at the non-controlling interest's proportionate share of the entity's net identifiable assets.

In the revised version of IAS 27, the IASB in particular amended the accounting provisions for transactions with non-controlling interests in a group. Transactions changing the ownership interest of a parent company in a subsidiary without the parent relinquishing control are to be recognised as equity transactions. The accounting rules concerning the loss of a controlling interest in a subsidiary have also been revised. The standard establishes how a gain on deconsolidation is to be calculated and how a retained non-controlling investment in a former subsidiary is to be measured. The revision of IFRS 3/IAS 27 does not have any effect on the consolidated financial statements of the CA Immo Group because transactions with non-controlling interests are already recognised as equity transactions. The revision of

IFRS 3 does have an effect, however, on the acquisition of Europolis AG, Vienna, and will likewise affect future acquisitions because acquisition-related costs are to be recognised as expenses immediately upon being incurred.

- IFRIC 15 (Agreements for the Construction of Real Estate)

Governs the accounting for property disposals in the event of a contract being brought about with the buyer before completion of the building works. In particular, this interpretation clarifies the conditions that trigger the application of either IAS 11 or IAS 18 and when the revenues from the construction are to be recognised.

The CA Immo Group has examined the existing forward purchase agreements and the agreements concerning the construction of apartments or houses according to the provisions of IFRIC 15. The agreements are formulated to safeguard the CA Immo Group's decision-making authority when developing the buildings. Since the agreements envisage that the significant risks and rewards of ownership are to be transferred as a general rule upon completion, the CA Immo Group, acting pursuant to IFRIC 15.18, applies IAS 18.14 for the purpose of recognising revenue arising from the sale of goods in these cases, and recognises revenue when the power of disposal (control) passes to the buyer.

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

- Amendments to IAS 39 (Financial Instruments: Recognition and Measurement)

The amendments clarify the accounting principles for hedging relationships. They concern the circumstances in which inflation risk can qualify as the hedged item in a hedging relationship, and also clarify issues relating to the hedging of one-sided risks.

- Amendments to IFRS 1 (First-time Adoption of International Financial Reporting Standards)

Restructured version of IFRS 1, in which outdated transitional provisions were deleted and minor amendments were made to the text.

- Amendments to IFRS 2 (Shared-based Payments)

The amendments clarify the scope of IFRS 2 and how an individual subsidiary in a group should account for group cash-settled share-based payment transactions in its own financial statements, by way of which the subsidiary receives goods or services but its parent or another entity in the group assumes the payment obligation.

- IFRIC 12 (Service Concession Arrangements)

Governs the accounting for arrangements whereby a government or other public sector body contracts with a private operator to fulfil the grantor's sovereign duties. In performing the contract, the private operator uses infrastructure assets that remain at the disposal of the public sector body.

- IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)

IFRIC 16 clarifies issues arising in connection with the hedging of the foreign currency exposure of a foreign operation.

- IFRIC 17 (Distributions of Non-cash Assets to Owners)

Governs the accounting for distributions of non-cash assets to the owners of an entity.

- IFRIC 18 (Transfers of Assets from Customers)

Governs the accounting for assets acquired by an entity from a customer, which the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

- (Various) improvements to IFRSs as of 2008 and 2009, in particular in the following standards:

IFRS 2 (Share-based Payment)

Through the improvements to IFRSs, the IASB has clarified that, in addition to business combinations within the scope of IFRS 3, the formation of joint ventures and transactions under common control are also excluded from the scope of IFRS 2.

IAS 38 (Intangible Assets)

The improvements to IFRSs amend IAS 38.36 to clarify that an intangible asset acquired in a business combination may be separable only together with a related contract, identifiable asset or liability.

IFRIC 9 (Reassessment of Embedded Derivatives)

As part of the improvements to IFRSs, it was decided explicitly to exclude from the scope of IFRIC 9 not only contracts acquired in a business combination as defined in IFRS 3, but also contracts transferred in business combinations amongst entities or business operations under common control and on formation of a joint venture.

IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)

By amending IFRIC 16, the improvements to IFRSs remove a restriction that prevented hedging instruments from being held by a foreign operation that itself is being hedged.

1.6.3. New and revised standards and interpretations that are not yet compulsory

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

Standard/interpretations	Content	Endorsement ¹⁾
IAS 24	Related parties disclosure	19.7.2010
IAS 32	Amendments to IAS 32: Classification of rights issues The amendments concern the classification of certain rights issues denominated in a currency other than the issuer's functional currency.	23.12.2009 to be applied for business years commencing after 1.2.2010
IFRIC 14	Prepayments of a minimum funding requirement	19.7.2010
IFRIC 19	Extincting financial liabilities with equity instruments	23.7.2010
IFRS 1	Amendment to IFRS 1: Limited exemptions relating to comparative information according to IFRS 7 for first-time adopters.	30.6.2010
IFRS 7	Notes: Transfer of financial assets The amendments to IFRS 7 enlarge the disclosure requirements on transfers of financial assets. These amendments shall increase the transparency for transactions intending to transfer assets when the transferor retains risks from the financial asset.	scheduled for 2Q 2011
IFRS 9	Financial instruments: Classification and measurement IFRS 9 reflects stage one of the IASB project on replacing IAS 39 and contains the classification and measurement of financial assets as defined in IAS 39. The standard is to be applied for business years commencing on or after 1.1.2013. In further stages the IASB will deal with the classification and measurement of financial liabilities, hedge relationships and derecognition. The application of stage one of IFRS 9 will affect the classification and measurement of CA Immo Group's financial assets. To present a comprehensive view of potential effects, CA Immo Group will quantify the effects only in connection with the other stages as soon as they are published.	postponed
Improvements to IFRS (May 2010)		scheduled for 1Q 2011

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

The forenamed new versions and interpretations are not being applied prematurely by the CA Immo Group. Excepting the anticipated amendments arising from IFRS 9, the standards and interpretations are currently thought unlikely to have a material impact on the presentation of the CA Immo Group's financial and earnings position.

1.6.4. Changes in recognition, accounting and measurement methods

There are no changes as at 31.12.2010.

1.6.5. Material discretionary decisions, assumptions and estimates

When preparing the consolidated financial statements, senior management is required to make discretionary decisions, assumptions and estimates that affect both the recognition and measurement of the assets, liabilities, income and expenses, and the information contained in the Notes. Future actual values can be at variance with the original assumptions.

1.6.5.1. Material discretionary decisions

During the preparation of the consolidated financial statements, senior management made discretionary decisions concerning the application of accounting and measurement methods to the key items set forth below.

Classification of properties

The distinction made by the CA Immo Group between "investment properties" and "property intended for trading" is described below.

The "investment properties" category consists of investment properties and investment 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.

In contrast to the classification of properties according to IAS 40, properties are recognised as held or intended for trading if the property concerned is intended for sale in the ordinary course of business or under construction for subsequent sale in the ordinary course of business.

Business combinations

The CA Immo Group acquires companies that hold property assets. At the time of acquisition, it must be determined whether only assets are being purchased or an entire business operation is being acquired. If an entire business operation is purchased, the acquisition encompasses not only properties and other assets and liabilities, but also an integrated company. In detail, the assessment is performed according to the following criteria:

- Number of properties and sites belonging to the subsidiary
- Other major areas of activity acquired by way of the purchase, such as property or asset management, accounting etc.
- Own employees within the acquired company for managing the properties

If the transaction bringing about the acquisition of a property company is not classified as a "business combination", the purchase encompasses only assets and liabilities. The acquired company's identifiable assets and liabilities are recognised at fair value. Goodwill is not recognised.

Recognition of revenues

If a contract for the construction of a property is recognised as a construction contract, the income arising therefrom is recognised – in compliance with IAS 11 – in proportion to the services performed according to the stage of completion as of the reporting date. The stage of completion of an individual construction contract is established according to the ratio of contract costs incurred for work performed as of the reporting date to the estimated total contract costs as of the reporting date.

1.6.5.2. Material assumptions and estimates

Taxes

All companies with property holdings are, as a general rule, liable in the country concerned for income tax on both rental income and capital gains. Material discretionary decisions must be made concerning the amount of tax provisions that are to be formed. An examination must also be performed to establish the extent to which deferred tax assets are to be recognised.

Income from the disposal of investments in companies in Germany, Switzerland and Eastern/South East Europe is wholly or partially exempt from income tax subject to compliance with certain conditions. Even if it is intended to comply with the conditions, the full amount of deferred tax liabilities is recognised for the properties.

For the purposes of recognising tax provisions, estimates have to be made. An examination must also be performed to establish the extent to which deferred tax assets are to be recognised. The probability that deferred tax assets arising from temporal differences and losses carried forward can be offset against taxable profits is to be assessed. Uncertainties exist concerning the interpretation of complex tax regulations and as regards the amount and effective date of future taxable income. The impairment test applied to deferred tax assets depends on enterprise-specific forecasts concerning, among other things, the future earnings situation in the relevant Group company. In particular against the background of an existing web of diverse international alliances, differences between the actual results and the assumptions

tions on the one hand, and future changes to these assumptions on the other, can influence future tax expenses and refunds. The CA Immo Group forms appropriate provisions for probable charges arising from current tax audits by the relevant national revenue authorities.

Financial instruments

The CA Immo Group uses interest rate swaps in order to counter the risk of interest rate fluctuations. For accounting purposes, the CA Immo Group apportions the interest rate swaps to one of two categories:

- Cash flow hedges: interest rate swaps held as a hedging instrument for the interest rate risk arising from variable interest payments. The hedging relationship between the instrument and the hedged item is documented when the hedge is undertaken and on an ongoing basis.
- Fair value derivatives: interest rate swaps that do not satisfy the conditions of a cash flow hedge.

Interest rate swaps are recognised at fair value. The fair value is the value which the CA Immo Group would receive or pay upon liquidation of the deal on the reporting date. This value was determined by the bank with which the transaction was concluded.

The fair values are calculated by discounting the future cash flows from variable payments on the basis of generally recognised models of financial mathematics. 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.

Property valuation

The relevant fair value of properties is established, if a value is not indicated by binding purchase agreements, largely by external independent experts applying recognised valuation methods. The external valuations are carried out generally in accordance with the standards defined by the Royal Institution of Chartered Surveyors (RICS). The RICS defines the fair value as the estimated amount for which a property could be exchanged on the valuation date, after a reasonable period on the market, between willing parties in an arm's length transaction in the normal course of business in which both the buyer and the seller act knowledgeably, prudently and without compulsion.

The valuation method applied by the expert in an individual case depends, in particular, on the property's stage of development and type of use.

Rented commercial properties, which constitute the largest portion of the CA Immo Group's portfolio, are valued largely by the investment method. In such cases, the fair values are based on capitalised rental income and discounted, expected future cash flows. Alongside the current contractual rents and lease expiration profile, the value appraiser in this context establishes further parameters on the basis of a professional assessment including, in particular, the long-term expected rental value (ERV) based on an estimate of the market rent for new and follow-on tenancies, and the applied discount factors (equivalent yield). In Austria and Germany there were only slight changes in equivalent yields. In Eastern/South East Europe most countries recorded a slight decline in equivalent yields. Poland experienced a particularly distinctive decline by about 0.5 % to 7.0 %. In Hungary yields for office property range between 7.2 % and 9.0 % whereas they are at about 9.0 % in Romania, Serbia and Bulgaria. For the hotel properties held in Slovenia and the Czech Republic yields exceeded 9.0 %.

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

For properties under development and construction, the residual value method is applied. In this case, the fair value is based on the established market value upon completion, giving due consideration to the outstanding anticipated expenditure and the application of an imputed reasonable profit for the developer. Due regard is given to any risks in the future expected rents and/or the capitalisation/discount rates. The interest rates vary, in particular depending on

the general market climate and the 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 figures. It is likewise generally true that the influence exerted by the valuer's assumptions on the established property value is greater, the more distant the scheduled completion date.

Land reserves, consisting of land that is not earmarked for active development 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.

Around 96% of the properties in Germany and about 99% of the properties in Austria and Eastern/South East Europe were subject to an external valuation as of the reporting date 31.12.2010. The values for the other properties were established internally on the basis of the previous year's valuations or binding purchase agreements.

The crisis in the global financial system in recent years has triggered considerable uncertainty in the commercial property markets. For a certain period, prices and values have therefore been subject to significant fluctuation. In particular, restricted liquidity in the capital markets can make it more difficult to sell the properties in the short term.

Sensitivity analysis

The property values established by external valuers depend on an abundance of parameters, some of which influence each other in a complex way. For the purposes of conducting a sensitivity analysis for entire sub-portfolios to establish the effect on the valuation of changes in a parameter, simplified assumptions must therefore be made in order to obtain revealing general results.

The table below, for the investment properties, illustrates the sensitivity of the fair value to a fictitious change in rental income (for the purposes of this model, defined as actual rents plus target rents for vacant premises). It is based on a portfolio that contains the 19 highest-value investment properties of the CA Immo Group, reflecting the make-up of the entire investment property portfolio.

in € m	- 10%	- 5%	Initial rentals	5%	10%
Annual rental income	74.5	78.6	82.8	86.9	91.0
Fair values	1,209.6	1,240.4	1,273.0	1,306.0	1,337.8
Changes to initial value	- 5.0%	- 2.6%	0.0%	2.6%	5.1%
Gross yield ¹⁾	6.2%	6.3%	6.5%	6.7%	6.8%

¹⁾ here defined as: gross annual rental income (actual rents plus target rents for vacant premises) / fair values

The scenarios show that a change in the gross rental income has a disproportionate effect on the fair values. The probability of the illustrated scenarios occurring depends to a great extent on the lease expiration profile because long-term contracts are unlikely to be subject to short-term fluctuations in rental income.

The table below, for the development projects, illustrates the sensitivity of the fair value to an increase or decrease in the calculated outstanding construction costs. It is based on the five largest development projects with planned outcomes that are entirely apportionable to the CA Immo Group. The total investment costs for these projects are estimated at around € 791m.

in € m	Still outstanding capital expenditures				
	- 10%	- 5%	Initial value	5%	10%
Outstanding capital expenditures	361.4	381.4	401.5	421.6	441.7
Fair values	441.6	421.5	401.4	381.3	361.2
Changes to initial value	10.0%	5.0%	0.0%	- 5.0%	- 10.0%

The calculated scenarios indicate that a largely linear relationship exists at present between a change in the outstanding investment costs and the fair values. This linear relationship represents only a snapshot, however, because the book values as of the reporting date were more or less identical to the expected outstanding investment costs. As the stage of completion advances, the relationship will become more disproportionate because the ratio of the outstanding investment costs to the invested capital will gradually diminish.

Estimation of net realisable value for properties intended for trading

Properties intended for trading are initially measured at cost. Thereafter they are measured at the lower of cost and net realisable value as of the relevant reporting date.

The net realisable value is the estimated sales proceeds obtainable in the course of ordinary business, less the estimated cost to completion and the estimated necessary selling costs.

Estimates of the net realisable value of the properties classified as inventories are based on market value reports and/or internal valuations.

1.6.6. Accounting and measurement methods in detail

Investment property (including properties under development)

All investment properties are measured according to the fair value model specified as an option under IAS 40. Under this model, the property assets are measured at the fair value prevailing on the relevant reporting date. Differences compared with the current book value prior to revaluation (fair value of prior year, plus subsequent/additional acquisition or production cost, less subsequent acquisition cost reductions) are recognised in the income statement under "Result from revaluation" (see Points 2.3.1. and 2.1.12.).

Financing costs for property under development are capitalised as production costs according to the conditions set forth in IAS 23. In this respect the CA Immo Group applies an option for investment properties.

Own used properties and office furniture, equipment and other assets

Some properties are held for a dual purpose, namely to generate rental income and/or appreciate in value on the one hand, and for administration purposes on the other. If these portions can be sold separately, the CA Immo Group also recognises them separately. If the portions cannot be sold separately, the properties are classified as investment properties only if the portion held for administration purposes is insignificant (own use totals less than 5 % of the total useful area).

The own used properties and the office furniture, equipment and other assets items are measured in accordance with the cost method; in other words, at acquisition or production cost less regular depreciation and impairments. Investment grants are recognised as reductions of acquisition costs from the time a binding agreement exists.

Regular depreciation of office furniture, equipment and other assets is done on a straight-line basis over the estimated useful life, which is generally 3 to 10 years. The estimated useful life of the own used properties, applying the principle that each part of an item with a significant cost shall be depreciated separately, is 10 to 80 years.

Intangible assets

Intangible assets are recognised in the statement of financial position at acquisition cost less straight-line amortisation and impairments. For the amortisation of computer software, a useful life of 3 to 5 years was assumed.

The other intangible assets item contained in the statement of financial position equals the difference arising from the allocation of acquisition cost to the fair values of the acquired properties and the relevant deferred tax liabilities not discounted in line with IAS 12. This difference represents the benefit resulting from the later maturity of the deferred tax liabilities. It is amortised regularly in accordance with the maturity and derecognised upon disposal. Impairments are recognised because of the fall in the properties' market value. The amortisation and disposals are recognised in the tax expense.

Impairments

If signs of a value impairment are evident, the CA Immo Group determines the recoverable amount for the own used properties, office furniture, equipment and other assets and intangible assets. The recoverable amount is the higher of the fair value less the cost of selling (net realisable value) and the value in use.

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

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.

The calculated impairment is recognised in the income statement under depreciation and amortisation (see Points 2.3.1. and 2.1.10.).

If at a later date a value impairment ceases to exist, the impairment loss is reversed to profit or loss up to the carrying amount of the amortised original acquisition or production cost (see Point 2.1.11.).

Reversal of impairments

In the case of long-term properties, only impairments of own used properties can be reversed because changes in the market value of investment properties and properties under development are recognised in the result from revaluation in compliance with IAS 40.

An impairment loss is reversed up to the carrying amount of the amortised original acquisition or production cost.

Financial assets

The securities recognised under financial assets are attributed to the category "at fair value through profit and loss" because the securities are controlled on the basis of the fair values. The securities are measured as of the acquisition date at fair value excluding transaction costs directly attributable to the securities' acquisition. In subsequent periods they are measured at the fair value as of the reporting date, as indicated by stock market prices. Gains or losses are recognised in profit or loss. The result of the market valuation and realisation is recognised under the result from financial investments. Securities purchases and sales are recognised at the trading date.

Loans granted by the company and prepayments made on investments in properties are carried at fair value upon recognition. They are subsequently measured at amortised cost.

Investments in associated companies are valued at equity. Changes in the shareholders' equity of associates are recognised in profit or loss under the income from associated companies. Changes in shareholders' equity that are not recognised in profit or loss are recognised in the reserves from associates.

The financial assets also contain interests in companies which, owing to a lack of control, are not consolidated and measured at cost (see Point 2.3.3.).

Assets held for sale and disposal groups

Non-current assets and disposal groups are deemed by IFRS 5 to be "held for sale" if they can be sold in their current condition and their sale is highly probable. Disposal groups consist of assets that are to be sold or otherwise disposed of together in a single transaction together with associated liabilities that are also to be transferred by way of the transaction. Non-current assets and disposal groups are classified as held for sale if the relevant book value is to be realised largely from a disposal and not from continued use. This condition is considered satisfied only if the sale is highly probable and the non-current asset is available for immediate sale in its present condition. The management must be committed to a plan to sell. Furthermore, the sale must be highly probable within one year of the classification as held for sale.

The CA Immo Group measures investment properties according to the fair value model envisaged by IAS 40; these properties do not fall within the scope of the measurement requirements of IFRS 5. The measurement rules applicable pursuant to IAS 40 therefore also apply to the assets classified according to IFRS 5. The disclosure requirements of IFRS 5 apply nonetheless.

If the conditions for the classification as held for sale are no longer met, the asset or the assets and liabilities belonging to the disposal group are reclassified to the relevant item.

Property intended for trading

Properties held for sale in the ordinary course of business, or in the process of development or construction for such sale, are recognised as inventories in compliance with IAS 2.

They are measured at the lower of cost and net realisable value as of the relevant reporting date.

The necessity of writing inventories down below cost to net realisable value is examined separately for each property. When the circumstances that previously caused inventories to be written down to the net realisable value no longer exist, the amount of the impairment is reversed so that the new carrying amount is no higher than the historical acquisition or production cost (see Point 2.3.7.).

Financing costs arising during the construction phase are capitalised as production costs in the case of property intended for trading if the criteria of IAS 23 are satisfied.

Receivables and other assets

Receivables, unless from fiscal authorities, are primary financial instruments that are not listed on active markets and not intended for sale.

Trade receivables and other assets are initially recognised at fair value and subsequently measured at amortised cost, applying the effective interest-rate method and allowing for impairments.

Receivables from property sales having a period for payment of greater than one year are recognised as non-current assets at cash value as of the relevant reporting date.

An impairment for trade debtors and other assets is formed depending on the status of the dunning procedure, the past due date, and the individual credit rating of the relevant debtor, paying due regard to the security received, and is recognised if there is an 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 profit and loss under the other operating income.

Contracts for the performance of services directly connected with the construction of an asset are recognised in compliance with IAS 11 and – if the conditions are met – carried under the trade debtors. Pursuant to the applicable percentage of completion method, the contract revenue and costs associated with the construction contract are recognised in proportion to the stage of completion as of the reporting date. The stage of completion is established according to the ratio of contract costs incurred as of the reporting date to the estimated total contract costs as of the reporting date (cost-to-cost method). An expected loss from a construction contract is immediately recognised as an expense (see Point 2.1.4.).

Cash and cash equivalents that are subject to drawing restrictions and have a remaining term of more than three months are recognised under the receivables and other assets.

Deferred expenses are contained in the current receivables and other assets.

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 encompasses bank balances subject to drawing restrictions of not more than 3 months.

Payment obligations to employees

Variable remuneration

In business year 2010, the members of the Management Board were for the first time invited to take part in an LTI (long-term incentive) programme with a term of three years. Participants are required to invest funds of their own, subject to a ceiling of 50 % of their basic salary. This own investment is measured at the closing rate on 31.12.2009, and the number of underlying shares is calculated accordingly. Performance is measured according to several indicators, namely NAV growth, ISCR (interest service coverage ratio) and TSR (total shareholder return). Employees belonging to the first tier of management were also invited to join the LTI scheme. Their own investment is restricted to 35 % of their basic salary. Therefore this is classified as cash-settled share-based payment plan. A provision for the services received from employees is recognised in connection with this LTI programme, the amount of which is measured upon recognition at fair value (see Point 2.3.12.). Until the liability is settled, its fair value is remeasured as of each reporting date and on the settlement date, and all changes in fair value are recognised in profit or loss.

Defined benefit plans upon termination of employment

The CA Immo Group has the legal obligation to make a one-off severance payment to staff employed in Austria before 1.1.2003 in the event of dismissal or retirement. The amount of this payment depends on the number of years of service and the relevant salary at the time the settlement is payable. It varies between two and twelve monthly salary payments. A provision is formed for this defined benefit obligation. The projected cover funds are calculated according to IAS 19 by the projected unit credit method based on the following parameters:

	31.12.2010	31.12.2009
interest rate	4.5%	5.0%
salary increases expected in the future	2.0%	2.0%
accumulation period	25 years	25 years
Forecast income from plan asset	6.0%	6.0%

In addition, obligations arising from defined benefit pension plans exist for four persons in the Vivico Group. The commitments concern four pension expectancies, three of which are for managing directors who have already retired. For the defined benefit pension plans, the pension obligation is calculated according to IAS 19 by the projected unit credit method based on a discount rate of 4.5 % and anticipated increases in entitlement of 2.0 %. For this purpose, external actuarial opinions are obtained annually. In respect of the reinsurance cover obtained in previous years for defined benefit pension obligations, plan assets are recognised according to IAS 19.59 under the non-current receivables and other assets to the extent that the plan assets exceed the present value of the future obligations and the claims are due to the CA Immo Group (see Point 2.3.4.).

The full amount of actuarial gains and losses in connection with the obligation is recognised in profit and loss – in the indirect expenditures – in the year in which such gains and losses arise.

Both actuarial gains and losses in connection with the plan assets and the expected return on the plan assets are fully recognised in profit and loss under the result from financial investments in the year in which they arise.

Defined contribution plans

The 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 other obligations exist. Based on agreements with a pension fund 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.

Other provisions

Other provisions are recognised if the CA Immo Group has legal or actual obligations towards a third party due to a past event and the obligation is likely to lead to an outflow of funds. Such provisions are stated at the value determinable by the best possible estimate at the time the consolidated financial statements are prepared. If a reasonable estimate of the amount is not possible or if it is not probable that there will be an outflow of resources for the entity, a provision is not set up and an explanation of the facts is given in the Notes. If the cash value of the provision determined on the basis of prevailing market interest rates differs substantially from the nominal value, the cash value of the obligation is stated.

Taxes

The income tax expense reported for the business year contains the income tax of the individual subsidiaries calculated from their taxable income and the tax rate applicable in the relevant country ("current tax") and the change in deferred taxes recognised in profit and loss ("deferred tax"), the tax effect arising from equity capital postings not giving rise to temporary differences and recognised in equity (e.g. taxes concerning issuing costs of capital increases and subscription rights to convertible bonds, the measurement and sale of own shares and – in some cases – the measurement of derivative transactions), as well as the amortisation of the item "Other intangible assets" (see Point 2.3.2.).

In line with IAS 12, all temporary differences between the statement of financial position for tax purposes and the consolidated statement of financial position are given consideration in the calculation of deferred taxes. Deferred taxes on losses carried forward are capitalised to the extent that such losses carried forward are likely to be netted against future tax profits within the next five to seven years.

For the calculation of deferred taxes, the tax rates expected to apply at the time of reversing the temporary differences are used. The calculation of deferred taxes was based on the following tax rates:

country	Tax rate	
	2010	2009
Bulgaria	10%	10%
Germany	15.825% to 31.925%	15.825% to 31.79%
Croatia	-	20%
Luxembourg	28.59%	28.59%
Netherlands	20%	20%
Austria	25%	25%
Poland	19%	19%
Romania	16%	16%
Russia	20%	20%
Switzerland	31.925%	31.925%
Serbia	10%	10%
Slovakia	19%	19%
Slovenia	20%	20%
Czech Republic	19%	19%
Hungary	10% to 19%	19%
Cyprus	10%	10%

Income tax is payable in the country concerned as a general rule on both rental income and capital gains from the properties. Income from the disposal of investments in companies in Germany, Switzerland and Eastern/South East Europe is wholly or partially exempt from income tax subject to compliance with certain conditions. Although the CA Immo Group intends to satisfy these conditions, deferred tax liabilities are recognised in the full amount for the property assets.

A group and tax compensation agreement for the formation of a group of companies as defined by Section 9 of the Austrian Corporation Tax Act (KStG) has existed for the CA Immo Group in Austria since business year 2005. The head of the group is CA Immobilien Anlagen Aktiengesellschaft, Vienna. In 2010 the following companies were members of the group:

- CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna
- CA Immo CEE Beteiligungs GmbH, Vienna
- CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna
- CA Immo Germany Holding GmbH, Vienna
- CA Immo International Beteiligungsverwaltungs GmbH, Vienna
- CA Immo International Holding GmbH, Vienna
- CA Immo Investment Management GmbH, Vienna
- CA Immo LP GmbH, Vienna
- CA Immo Projektentwicklungs GmbH, Vienna
- CA Immo Rennweg 16 GmbH, Vienna
- CA Immo - RI - Residential Property Holding GmbH, Vienna
- BIL-S Superädifikatsverwaltungs GmbH, Vienna
- omniCon Baumanagement GmbH, Vienna
- Parkring 10 Immobilien GmbH, Vienna
- SQUARE S Holding GmbH, Vienna

In the Vivico Group, a tax consolidation arrangement for corporate income tax and trade tax purposes exists under German law between the controlling enterprise Vivico Real Estate GmbH, Frankfurt, and the following controlled subsidiaries:

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

The profit-pooling agreements existing since business year 2005 oblige the controlled companies to transfer to the controlling enterprise their entire profit (the annual surplus before the profit transfer, less any loss carried forward from the previous year – excepting the formation or reversal of reserves). Vivico Real Estate GmbH, Frankfurt, is obliged to make good any annual deficit arising for the duration of the agreement to the extent that they are not equalised by drawings on amounts allocated to the retained earnings during the term of the agreement.

Financial liabilities

Financial liabilities are 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 recognised under financing costs or, if the conditions set forth in IAS 23 are met, capitalised as part of the acquisition, construction or production cost.

Trade creditors and other liabilities

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

A fundamental distinction is made between financial and non-financial liabilities in compliance with IAS 32.

Financial liabilities are measured at fair value on initial recognition.

For current trade creditors, the fair value generally corresponds to the estimated sum of all future payments. For non-current creditors, the acquisition cost of the liabilities corresponds to their cash value, determined by discounting the future payments with a reasonable market interest rate giving due consideration to the maturity and risk. Interest rates with matching maturities for bearer debt securities or government bonds, plus a premium, are used as the discount rates.

Other non-financial liabilities are measured on initial recognition at the amount corresponding to the likely outflow of funds. When measured subsequently, value changes arising from new information are recognised in profit or loss. The non-current, deferred payments received in advance (prepayments received) are marked up, when subsequently measured, with a reasonable market interest rate giving due consideration to the maturity and risk. The accrued interest is recognised in profit and loss under the financial result.

Derivative financial instruments

The CA Immo Group uses derivative financial instruments, such as interest rate caps and swaps, and forward foreign exchange transactions, in order to hedge against interest and currency risks. These derivative financial instruments are recognised at fair value at the time the contract is concluded and remeasured at fair value in the following periods.

Derivative financial instruments are recognised as financial assets if their fair value is positive, and as financial liabilities if their fair value is negative. The fair value of the derivative financial instruments corresponds to the amount that would be payable by the CA Immo Group if the position were closed on the reporting date.

A derivative is recognised as a non-current asset or liability if the remaining term of the instrument is more than twelve months and realisation or settlement of the derivative within twelve months is not expected. The other derivatives are recognised as current assets or liabilities. If a reliable separation according to maturities within the remaining term is not possible, the individual derivatives are not divided into short and long-term portions.

The method applied to recognise gains and losses depends on the classification of the derivative financial instrument, as either a cash flow hedge (safeguard against future cash flows) or a fair value hedge (safeguarding the fair value of assets and liabilities), and on the satisfaction of the criteria for hedge accounting.

Cash flow hedges

In the case of derivatives serving the purpose of hedging cash flows and thus qualifying as cash flow hedges, the effective portion of the change in fair value is recognised in the other comprehensive income; in other words, directly in equity (see Point 2.2.). The ineffective portion is immediately recognised as an expense under the item "Result from interest derivative transactions". The measurement gains or losses from cash flow hedges recognised in equity are reclassified into profit or loss in the period in which the hedged underlying is recognised in profit or loss and/or the conditions for (cash flow) hedge accounting are no longer satisfied.

In order to satisfy the conditions governing classification as a cash flow hedge, the CA Immo Group, upon inception of the derivative/transaction, records the hedging relationship between the hedging instrument and the underlying transaction, the aim of its risk management, and the underlying strategy pursued when concluding hedging transactions. The effectiveness of the hedging relationship is regularly assessed by measuring the prospective and retrospective effectiveness.

Fair value derivatives

In order to make a clear distinction from cash flow hedges, the CA Immo Group describes derivatives that do not satisfy or no longer satisfy the criteria for cash flow hedge accounting as "fair value derivatives". The change in the fair value of fair value derivatives is recognised in profit or loss under the item "Result from interest derivative transactions".

Since 2009, interest rate swaps have been used in some cases to hedge derivatives that no longer satisfy the conditions applying to cash flow hedges; these swaps are also classified as fair value derivatives.

Contingent liabilities

These are possible obligations arising from past events, whose existence depends on the occurrence or non-occurrence of one or several uncertain future events that are not entirely within the Group's control. Contingent liabilities also encompass future obligations arising from past events for which provisions have not been formed, either because an outflow of funds is not probable, or because the amount of the obligation cannot be estimated with sufficient reliability.

Contingent liabilities are recognised as soon as a future outflow of funds is not improbable. The stated amounts are measured by applying the methods that apply to measuring provisions.

Segment reporting

Identification of reportable segments is based on information regularly used by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

Operating segments are disclosed by regions and sectors. This approach conforms to the internal reporting used by the CA Immo Group.

Due to Vivico Groups main activity in development, operating segments are additionally disclosed by sectors. The classification to a sector is based on categories of the investment properties or management companies. The allocation differentiates the following categories:

- Income producing: let investment properties, own used properties and investment properties according to IFRS 5
- Development: investment properties under development and land reserves, development services for third parties and investment properties under development in accordance with IFRS 5
- Trading: property intended for trading

Recognition of revenues

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

Revenues and income from the sale of properties are recognised if

- all the material opportunities and risks associated with ownership have passed to the buyer,
- the CA Immo Group does not retain any rights of disposal in respect of the object sold,
- the amount of the revenues and the costs associated with the sale can be reliably determined, and
- it is sufficiently likely that the economic benefit from the sale will accrue to the CA Immo Group.

Income from service contracts is recognised – in compliance with IAS 18 – in proportion to the services performed as of the reporting date.

Income from the sale of properties under construction is assessed according to IFRIC 15 in order to establish whether IAS 11 or IAS 18 applies. The outcome of the assessment determines when the income from a sale during construction is to be recognised.

A first analysis of the agreement for the construction of real estate is the prerequisite for the assessment of facts in accordance with IFRIC 15. The entity has to conclude on this analysis that it will retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the constructed real estate sold.

An entity has effective control, if it can realise the future economic benefit from the real estate. Continuing managerial involvement to the degree usually associated with ownership is the right to use the real estate. This includes the right to retain the revenues attributable to the use of the property (e.g. rent income, see above). It further includes the right to change the property in shape and appearance (influencing design of the property) and the right to sell the property, either entirely or partially, and to retain the gain on the sale (sale of the property).

Property development (where applicable after consideration of the required distinction from other components of the agreement in accordance with IAS 18.13) is further treated in accordance with IFRIC 15.10 et seq.:

A significant characteristic of the accounting in accordance with IAS 11 is the specifically negotiated contract; the construction is carried out specifically for the buyer (under German law, contract for services (Sec. 631 et seq. BGB) or work and delivery contract (Sec. 651 BGB) are the relevant types of contracts). In accordance with IAS 11.5, contracts for the rendering of service are also within the scope.

Under IFRIC 15, an agreement for the construction of real estate meets the definition of a construction contract in accordance with IAS 11 when the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. It is irrespective if this ability is exercised. In contrast, an agreement for the construction of real estate limiting the buyers' influence to the design of the real estate, e.g. to select a design from a range of options specified by the entity or to specify only minor variations to the basic design, is an agreement for the sale of goods within the scope of IAS 18.

When revenues from property transactions are being realised, IAS 18 requires that contracts are separated into individual services if material different services are combined in a single contract (multiple element transactions). A multiple element transaction is deemed to exist if a contract contains several complementary but different elements, such as a service alongside a sale. The revenues from the individual components of a contract are realised separately if both the substance and the value of the components are separable. In such cases, the contractually agreed purchase price is separated into components, for the purchase price of the property on the one hand and the purchase price for the services to be performed on the other. The purchase price of the property is recognised according to the criteria for realising revenues from sales. The revenues arising from the service are realised according to the stage of completion. The portion of the purchase price attributable to services not yet performed is recognised as a prepayment received under other liabilities until it is realised.

Income from property trading

In compliance with IAS 2, properties intended for trading are remeasured as of each quarterly reporting date at the lower of cost and net realisable value. If a write-down is necessary, it is recognised under depreciation and amortisation (impairments). The economic annual result for a property sold in the business year is therefore reflected – if the net realisable value changes during the year – in the depreciation and amortisation, the reversal of write-downs of properties intended for trading, and in the result from property transactions (see Point 2.1.3.).

Result from the sale of long-term properties

In compliance with IAS 40, investment properties are measured at market value as of each quarterly reporting date. The economic annual result for a property sold in the business year is therefore reflected – if the market value changes during the year – in both the result from revaluation (difference between the market value as of the most recent quarterly reporting date and the market value as of the end of the preceding business year) and the result from the sale of long-term properties (the difference between the sales revenue and the market value as of the most recent quarterly reporting date) - see Point 2.1.6.

Financial result

Financing costs comprise interest payable for external funds (if not eligible for capitalisation 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 and expenses similar to interest. Interest is deferred over time.

The foreign currency gains and losses arising chiefly in connection with financing and investment transactions, the changes in the measurement of forward foreign exchange transactions, and the amounts arising from the realisation of such transactions are shown separately in the financial result.

The result from interest derivative transactions consists of gains and losses from the sale or measurement of interest rate swaps and caps unless same are recognised in equity as cash flow hedges. A cash flow hedge relationship does not exist in the case of interest rate swaps and caps without a concurrent credit agreement (recognised directly in equity), so that changes in the measurement of such swaps and caps are recognised in the result from interest derivative transactions. The non-effective portion of the cash flow hedge relationships is also recognised in the result from interest derivative transactions. The fair values of the interest rate swaps and caps are calculated by discounting the future cash flows from variable payments on the basis of generally recognised models of financial mathematics.

The result from financial investments includes interest, dividends and other income from the investment of funds and investments in financial assets, gains and losses from the measurement and sale of securities, actuarial gains and losses in connection with plan assets, and the expected return on plan assets (see Point 2.1.16).

The impairment of financial investments refer to the valuation of loans, prepayments on investments in properties, and the measurement of interests in joint ventures which, owing to a lack of control, are not consolidated and measured at cost.

The income from associated companies encompasses the individual results of companies valued at equity.

Non-controlling interests held by limited partners contain the pro rata net income of non-controlling partners in German limited partnerships, whose capital contribution is recognised as loan capital in the statement of financial position under the non-controlling interests held by limited partners.

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

2.1. Consolidated income statement

2.1.1. Gross revenues and segment reporting

The consolidated income statement adopts the type of expenditure format.

The segments generate gross revenues from letting activities, the sale of properties intended for trading as well as from development services. The gross revenues are attributed to the country in which the investment properties are situated. Most of the revenues are generated in Austria and Germany. None of the countries in the Eastern/South East Europe segment generates more than 10 % of the total rental income; at 6.9 % (2009: 5.1 %), Hungary is the country generating the most revenues in this region.

The CA Immo Group generates rental income from a number of investment property lessees. There is one tenant in Germany (Fed. State Hessen) from whom the CA Immo Group generates more than 10 % of the total rental income. The portion of this tenant in Hessen in the total rental income is as follows:

€ 1,000	2010	2009
Rental income Fed. State Hessen	42,553.1	41,818.1
Rental income total	164,333.9	176,974.5
Principal tenant as a % of the rental income total	25.9%	23.6%
Market value properties leased to Fed. State Hessen	787,600.0	768,203.0
Market value investment properties	2,716,211.2	2,409,589.1
Principal tenant as a % of the investment properties	29.0%	31.9%

The accounting and valuation principles of the reporting segments correspond to those accounting and valuation principles described in section 1.6.

In the segment reporting by regions, transactions among segments are attributed as follows:

- The expenditure relating to the management is attributed based on the actual costs incurred in the individual segments.
- Interest expenses and income are attributed based on the corresponding agreements.
- Financial liabilities in the amount of € 265,090.2 K (31.12.2009: € 261,950.5 K) and the related interest expenses and derivative transactions resulting from the acquisition of the Vivico Group are attributed to the Germany segment. The Austrian segment is credited in the same amount.
- Financial liabilities in the amount of € 216,030.1 K (31.12.2009: € 0.0 K) and the related interest expenses/income relating to the acquisition of Europolis AG, Vienna, as well as the acquisition of CA Immo International AG, Vienna, are attributed to the Eastern/South East Europe segment. The Austrian segment is credited in the same amount.
- Financing costs and result from financing investments after elimination of interest expenses/income from intercompany loans that are attributed to one and the same segment are broken down by and attributed to each segment.

In the segment reporting by sectors, transactions among segments are attributed as follows:

- Management expenses are attributed based on the percentage share in investment properties at the balance sheet date.
- Interest expenses and income are attributed based on the corresponding agreements.
- Financial liabilities in the amount of € 265,090.2 K (31.12.2009: € 261,950.5 K) and the related interest expenses and derivative transactions resulting from the acquisition of the Vivico Group are attributed to the Development segment. The Income producing segment is credited in the same amount.
- Financing costs and result from financing investments after elimination of interest expenses/income from intercompany loans that are attributed to one and the same segment are broken down by and attributed to each segment.

2.1.2. Rental income

The rental income is as follows:

€ 1,000	2010	2009
Rental income	164,333.9	176,974.5
Operating costs passed on to tenants ¹⁾	30,204.0	29,133.7
Gross rental income	194,537.9	206,108.2
Operating expenses	– 35,547.2	– 35,015.9
Other expenses directly related to properties	– 26,196.7	– 19,696.1
Net rental income	132,794.0	151,396.2
Net rental income as a % of the gross rental income	68.3%	73.5%

¹⁾ The operating costs passed on to tenants comprise operating cost advances 2010, additional operating costs from prior years, preliminary service cost accruals 2010 and lump-sum service cost advances.

2.1.3. Result from property transactions

The economic result from property transactions is as follows:

€ 1,000	2010	2009
Income from sales	115,657.2	78,025.5
Book value of properties intended for trading	– 84,766.7	– 66,152.1
Other development expenses/materials expenses	– 309.7	– 1,089.5
Own operating costs (vacancy costs)	– 564.0	– 919.6
Result from property transactions	30,016.8	9,864.3
Result from property transactions as a % of the income from sales	26.0%	12.6%
Reversal of write-down / impairment on sold properties	473.1	– 734.9
Economic result from property transactions	30,489.9	9,129.4

The other development expenses/materials expenses include non-capitalisable project costs at the Vivico Group, in particular advertising and public relations expenses.

For details regarding the reversal of write-down/impairment loss see sections 2.1.11 and 2.1.10.

Due to the separation of realised earnings, the result from property transactions is as follows:

€ 1,000	2010	2009
Result from sales in the current business year	28,851.0	8,634.8
Subsequent result from sales in prior years	863.4	2,638.4
Result from multi-component transactions	1,176.1	600.1
Other development expenses/materials expenses	– 309.7	– 1,089.5
Own operating costs (vacancy costs)	– 564.0	– 919.6
Result from property transactions	30,016.8	9,864.3

2.1.4. Result from development services:

€ 1,000	2010	2009
Gross revenues from commissioned work as per IAS 11	1,609.4	4,152.4
Gross revenues from service contracts	1,154.4	366.5
Other material costs	– 625.2	– 1,756.0
Result from development services	2,138.6	2,762.9
Result from services as a % of the development revenues	77.4%	61.1%
Staff expenses ¹⁾	– 1,574.6	– 1,156.3
Economic result from development services	564.0	1,606.6

¹⁾ Staff expenses are included in indirect expenditures.

The costs incurred for commissioned work as defined in IAS 11 in projects in process at the balance sheet date total € 1,171.9 K (2009: € 1,240.0 K). The prepayments received total € 3,029.2 K (31.12.2009: € 1,938.1 K). Profits registered according to progress of performance in the 2010 financial year amount to € 142.3 K (2009: € 206.3 K).

The receivables recognised using the percentage-of-completion method (PoC) include accumulated order costs, as well as realised earnings; they are disclosed under "Trade debtors (Other)" (see Point 2.3.8.).

2.1.5. Operating result and other expenses directly related to properties

The expenses disclosed relate to expenses incurred from let investment property and non-capitalisable expenses relating to the investment properties under development.

€ 1,000	2010	2009
Operating costs passed on to tenants	30,204.0	29,133.6
Operating expenses	– 35,547.2	– 35,015.9
Own operating costs	– 5,343.2	– 5,882.3
Maintenance costs	– 8,245.0	– 7,960.0
Bad debt losses and reserves for bad debts	– 4,463.6	– 3,412.3
Agency fees	– 1,736.0	– 950.8
Property tax	– 1,533.0	– 983.4
Administrative fees	– 915.3	– 722.2
Claims	– 593.9	– 181.1
Non-deductible property-related input VAT	– 523.3	– 346.4
Other directly related expenses	– 2,474.7	– 1,728.7
Other expenses directly related to investment properties	– 20,484.8	– 16,284.9
Operating expenses related to investment properties under development	– 3,714.5	– 1,653.0
Property advertising costs	– 1,468.7	– 619.2
Project development and project execution	– 528.7	– 1,139.0
Other expenses directly related to investment properties under development	– 5,711.9	– 3,411.2
Other expenses directly related to properties - total	– 26,196.7	– 19,696.1
Total	– 31,539.9	– 25,578.4

The maintenance costs primarily incurred in the Germany segment.

Bad debt losses and reserves for bad debts primarily result from receivables value adjustments in respect of tenants in Slovenia, Germany and the Czech Republic.

The increase in the operating expenses related to investment properties under development mainly result from the Vivico Group and primarily relates to property tax for properties under construction (incl. subsequent charges for previous years in the amount of € 1,004.8 K).

The property advertising costs increased mainly as a result of the intensified marketing activities regarding investment property under development in Germany.

For details regarding the operating costs and other expenses directly related to properties see the segment reporting by regions and sectors.

2.1.6. Economic result from the sale of long-term properties

In this item, the results from sales of long-term investment properties, investment properties under development and properties disclosed in accordance with IFRS 5 are included.

The CA Immo Group compiles interim accounts as at each quarterly reporting date in accordance with the IFRS. During the year, investment property is revalued. However, in the event such investment property is sold during the financial year, but after the balance sheet date of the interim statements in accordance with the IFRS, no changes in the revalued amount are disclosed. Hence, the economic result from the sale is included in the results from the sale of long-

term properties, on the one hand and - from the beginning of the year to the balance sheet date of the most recent interim accounts prior to the sale - in the revalued result, on the other hand.

The result from the sale of long-term properties primarily comprises the sale of investment properties under development in Germany and Austria.

The total economic result from the sale of long-term properties breaks down as follows:

€ 1,000	2010	2009
Result from sale of investment properties	1,004.4	429.2
Result from sale of investment properties under development	– 288.7	7,299.1
Subsequent result from sales in prior years	635.4	160.1
Result from multi-component transactions and realisation of received down-payments	2,064.2	1,329.3
Result from the sale of long-term properties	3,415.3	9,217.7
plus revaluation gains/losses from sold		
- investment properties in Austria	6,900.1	– 4,310.0
- investment properties in Germany	0.0	5,429.2
- properties under development in Germany	7,763.9	2,890.5
- properties under development in Eastern/South East Europe	0.0	4,478.8
Result from revaluation of sold properties	14,664.0	8,488.5
Economic result from property sales	18,079.3	17,706.2

2.1.7. Indirect expenditures

The indirect expenditures break down as follows:

€ 1,000	2010	2009
Internal management		
Staff expenses	– 25,302.9	– 25,610.8
Office rent	– 2,231.7	– 2,332.9
Administrative and management fees	– 1,038.5	– 1,007.0
Travel expenses and transportation costs	– 956.0	– 1,075.7
Telephone fees	– 566.9	– 611.2
Office expenses and other leasing costs	– 551.4	– 499.6
Membership fees and licences	– 435.4	– 901.9
Other vehicle costs	– 341.2	– 316.2
Vehicle leasing	– 253.4	– 246.7
Seminar and training costs	– 57.1	– 41.2
Others	– 768.4	– 1,013.9
	– 32,502.9	– 33,657.1
Legal, auditing and consultancy fees		
Solicitor's fee	– 2,280.0	– 2,509.1
Tax consulting and accounting fees	– 1,636.4	– 975.9
Auditing costs	– 1,523.3	– 1,575.4
Other fees	– 1,320.0	– 634.4
Expert opinions	– 863.7	– 1,197.1
Technical consulting fees	– 632.2	– 208.4
Notary's fee	– 178.2	– 215.4
Staff recruitment and appointment	– 95.8	– 79.0
Group reorganisation	0.0	– 836.0
	– 8,529.6	– 8,230.7
Other indirect expenses		
Value adjustments	– 2,119.7	– 1,025.1
Advertising and representation	– 1,451.1	– 1,169.0
Non-deductible input VAT	– 1,008.2	– 1,724.5
Bank charges and bank guarantee fees	– 592.2	– 2,112.9
Insurance fees	– 385.9	– 389.4
Taxes and duties	– 326.0	– 2,602.7
External project management	– 176.6	– 369.0
Remuneration of the Supervisory Board	– 153.7	– 235.5
Publication costs	– 108.7	– 196.2
	– 6,322.1	– 9,824.3
Total	– 47,354.5	– 51,712.1

The staff expenses in the total amount of € 25,302.9 K (2009: € 25,610.8 K) include staff expenses relating to the Vivico Group in the amount of € 17,902.9 K (2009: € 19,281.5 K), staff expenses in the amount of € 3,827.1 K (2009: € 3,925.1 K) attributable to the Eastern/South East Europe segment, and staff expenses in the amount of € 3,572.9 K (2009: € 2,404.2 K) relating to the Austrian segment. The staff expenses also comprise payments to the staff provision fund in the amount of € 99.3 K (2009: € 62.9 K) and payments to pension and relief funds in the amount of € 253.9 K (2009: € 284.4 K).

The administrative and management fees primarily include management services in Austria, in particular relating to the EDP network, software packages, internet platforms and payroll, as well as the administration of CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg.

The membership fees primarily relate to subscriptions to the Chambers of Commerce.

The legal, auditing and consultancy fees in the total amount of € 8,529.7 K (2009: € 8,230.7 K) relate to the Vivico Group in the amount of € 2,903.5 K (2009: € 2,320.9 K), to the Eastern/South East Europe segment in the amount of € 2,974.7 K (2009: € 2,308.7 K), and to the other companies in the amount of € 2,651.5 K (2009: € 3,601.1 K). The fees attributable to the Eastern/South East Europe segment primarily increased as a result of the expenses incurred for the due diligence in the course of the acquisition of Europolis AG, Vienna.

The increase in value adjustments result from the value adjustments of a short-term loan granted for the acquisition of additional interests in an associated company in Russia.

The non-deductible value-added tax breaks down into € 882.8 K (2009: € 945.5 K) relating to Germany and € 125.4 K (2009: € 779.0 K) attributable to Eastern/South East Europe.

The bank charges in 2009 primarily comprise prepayment penalties for the prepayment of loans in Austria and Germany in the amount of € 1,582.7 K.

2.1.8. Capitalised services and changes to stock

This item includes capitalisable indirect expenditures (mainly staff expenses) that are attributed on a pro rata basis to the investment properties under development and the properties intended for trading.

€ 1,000	2010	2009
Capitalised services on long-term property assets	10,772.9	11,234.3
Changes to stock properties intended for trading	1,083.6	914.5
	11,856.5	12,148.8

2.1.9. Other operating income

The other operating income breaks down as follows:

€ 1,000	2010	2009
Release of provisions	1,280.0	1,549.6
Income from contractual penalties	977.7	0.0
Agency from joint ventures	892.7	1,979.0
Operating costs passed on to tenants	550.6	1,030.7
Release of value adjustments	521.8	295.5
Discharge of lapsed liabilities	418.5	166.5
Property management revenue	129.6	147.2
Settlement from cancellation of rent agreements and compensation	90.4	1,517.2
Insurance compensation	87.1	500.8
Others	1,599.5	1,076.9
	6,547.9	8,263.4

The income from the reversal of provisions primarily relates to the Vivico Group, in particular the modified agreements resulting from the procurement of planning permissions in Berlin.

The income from contractual penalties relates to a construction company of a property company in the Czech Republic.

The income from agency activities includes management services of the Vivico Group rendered to a joint venture in Germany.

The operating costs passed on to tenants and insurance compensations result from expenses incurred in previous years.

In the 2010 financial year, settlement from cancellation of rent agreements and compensation were incurred primarily for 2 property companies in Poland and Romania. In the previous year, the compensations for the premature termination of leases were incurred in Poland, Romania and Germany.

The other operating income primarily comprises income from the adjustment of input-VAT in Germany.

2.1.10. Depreciation and amortisation

The depreciation and amortisation break down as follows:

€ 1,000	2010	2009
Scheduled depreciation	– 1,566.7	– 1,723.6
Impairment for other long-term assets	0.0	– 113.7
Impairment loss for properties intended for trading	– 2,155.8	– 8,555.5
Depreciation and amortisation	– 3,722.5	– 10,392.8

Depreciation was recorded on office furniture, equipment and other assets, software, and own used properties.

The impairment losses of properties intended for trading break down as follows:

€ 1,000	2010	2009
Impairment loss of properties held on balance sheet date	– 1,762.8	– 7,820.6
Impairment loss of properties sold during financial year	– 393.0	– 734.9
Impairment loss of properties intended for trading	– 2,155.8	– 8,555.5

The impairment losses of properties intended for trading mainly result from a decrease in the fair values of properties in Berlin.

2.1.11. Reversal of write-down

In the 2010 financial year, reversal of write-down of properties intended for trading were recorded in the amount of € 926.1 K (2009: € 544.5 K). These reversals were recorded mainly due to the increase in the fair values of properties in Frankfurt and Munich.

The reversal of write-down of properties intended for trading breaks down as follows:

€ 1,000	2010	2009
Reversal of write-down of properties held on balance sheet date	60.0	544.5
Reversal of write-down of properties sold during the business year	866.1	0.0
Reversal of write-down of properties intended for trading	926.1	544.5

Reversals of write-down of own used properties were recorded neither in 2010 nor in 2009.

2.1.12. Result from revaluation

The result from revaluation breaks down as follows:

€ 1,000	2010	2009
Revaluation gain	117,969.5	125,966.9
Revaluation loss	– 71,253.4	– 255,053.4
Result from revaluation	46,716.1	– 129,086.5

In view of the amendment of IAS 40 in respect of investment properties under development, revaluation gains from hidden reserves as at 1 January 2009, inter alia, have been recognised in the result from revaluation of 2009. The revaluation gain / loss considering the amendment of IAS 40 are therefore not comparable with consolidated statement of comprehensive income.

The revaluation gains and losses break down by regions as follows:

	2010	2009
€ 1,000		
Austria	24,162.5	7,087.0
Germany	68,989.3	114,268.0
Eastern/South East Europe	24,817.7	4,611.9
Revaluation gain	117,969.5	125,966.9

	2010	2009
€ 1,000		
Austria	– 5,743.1	– 22,384.9
Germany	– 28,314.7	– 76,102.8
Eastern/South East Europe	– 37,195.6	– 156,565.7
Revaluation loss	– 71,253.4	– 255,053.4

For details regarding the results from revaluation broken down by segments see Point 2.3.1.

2.1.13. Financing costs

The financing costs break down as follows:

	2010	2009
€ 1,000		
Income from bank interest	– 80,777.7	– 85,216.3
Bond interest	– 17,202.8	– 11,836.1
Convertible bonds interest	– 7,803.5	– 1,103.9
Interest expenses of joint venture partners	– 823.5	– 2,175.0
Interest expenses of joint ventures	– 24.4	– 10.7
Other interest and financing costs	– 10,814.4	– 8,088.2
Financing costs	– 117,446.3	– 108,430.2

The bank interest in the total amount of € 80,777.7 K (2009: € 85,216.3 K) relate to the Austrian segment in the amount of € 25,012.1 K (2009: € 29,605.7 K), the Germany segment in the amount of € 37,984.6 K (2009: € 40,231.8 K), and to the Eastern/South East Europe segment in the amount of € 17,781.0 K (2009: € 15,378.8 K). The decrease results from the development of the reference interest and the repayments in particular in the Austrian segment.

The increase in the interest for bonds and convertible bonds results from the bond issued in October 2009 and the convertible bond issued in November 2009.

The other interest and financial costs in the total amount of € 10,814.4 K (2009: € 8,088.2 K) primarily comprise interest on non-current liabilities at € 10,359.7 K (2009: € 8,011.9 K) that are attributable to Austria in the amount of € 3,876.4 K (2009: € 4,310.5 K), to Germany in the amount of € 6,005.9 K (2009: € 3,192.0 K), and to Eastern/South East Europe in the amount of € 477.4 K (2009: € 509.4 K).

2.1.14. Foreign currency gain/loss

The foreign currency gain/loss breaks down as follows:

€ 1,000	2010	2009
Forward foreign exchange transactions realised	317.4	1,360.4
Value change forward foreign exchange transactions	- 910.3	778.1
Foreign currency gain/loss (realised)	328.7	- 1,808.2
Foreign currency gain/loss from valuation	1,013.5	2,243.2
Foreign currency gain/loss	749.3	2,573.5

The completed forward foreign exchange transactions realised include two transactions in Poland at € 1,005.4 K (2009: € 1,360.4 K) and one transaction in Switzerland at € -688.0 K. The change in the value of the forward foreign exchange transactions relates in full to transactions in Poland.

The foreign currency gain/loss from the valuation results from non-realised (non-cash) gains and losses from the valuation of the foreign currency loans designated in USD and CZK at the balance sheet date.

2.1.15. Result from interest derivative transactions

The result from interest derivative transactions breaks down as follows:

€ 1,000	2010	2009
Valuation derivative transactions (not realised)	- 3,963.4	- 8,870.6
Reclassification from prior years valuations recorded in equity	- 378.1	- 19,090.1
Ineffectiveness of swaps	- 104.4	- 210.1
Realised result from interest derivative transactions	0.0	- 1,952.4
Result from interest derivative transactions	- 4,445.9	- 30,123.2

Interest swaps where the cash flow hedge is terminated prematurely during the financial year is disclosed at fair value as at 31 December of the prior year in "Reclassification from prior years valuation recorded in shareholders' equity"; the change in valuation during the financial year is disclosed in item "Valuation derivative transactions (non-realised)".

The item "Valuation derivative (non-realised)" in the amount of € – 3,963.4 K (2009: € – 8,870.6 K) breaks down as follows:

€ 1,000	2010	2009
Valuation cash flow hedges on account of premature termination of cash flow hedge relation	349.6	– 4,942.2
Valuation of interest rate swaps without cash flow hedge relation	– 6,703.9	– 3,322.8
Valuation result from counter-swaps	2,479.3	– 605.6
Valuation of interest rate caps	– 88.4	0.0
Valuation derivative transactions (not realised)	– 3,963.4	– 8,870.6

In order to neutralise the interest risk resulting from interest swaps not based on cash flow hedges, counter-swaps were entered into in the nominal amount of € 105,350.0 K in the 2009 financial year, and in the nominal amount of € 65,000.0 K in the 2010 financial year.

The item "Ineffectiveness of swaps" contains the differences identified in the course of the effectiveness tests as at the balance sheet date where the effectiveness of the cash flow hedges significantly exceeded 100 %.

2.1.16. Result from financial investments

The result from financial investments breaks down as follows:

€ 1,000	2010	2009
Result from securities	3,026.1	– 692.8
Income from bank interest	6,254.8	3,609.7
Interest income from loans to associated companies and joint ventures	3,276.3	3,550.9
Other interest income	1,860.7	2,353.9
Result from securities	14,417.9	8,821.7

For details regarding the recognition of securities see section 2.3.9.

The result from securities in the amount of € 3,026.1 K (2009: € – 692.8 K) breaks down as follows:

€ 1,000	2010	2009
Realised income from securities	1,722.3	– 370.1
Valuation securities (not realised)	1,303.8	– 322.7
Result from securities	3,026.1	– 692.8

2.1.17. Income from associated companies

The income from associated companies breaks down as follows:

€ 1,000	2010	2009
UBM Realitätenentwicklung AG, Vienna	2,751.5	1,760.0
OAO Avielen AG, St. Petersburg	– 3,079.8	– 9,088.9
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	0.0	13.2
	– 328.3	– 7,315.7

2.1.18. Non-controlling interests held by limited partners

This item includes the proportional results for German minority shareholders, whose investments have been recognized in the statement of financial position as liabilities under the item “Non-controlling interest held by limited partners”.



2.1.19. Net results from categories

The net profits and losses of the items of the financial result broken down by categories are as follows:

€ 1,000	Category ¹⁾	2010	2009
Interest expenses	at amortised cost	– 92,440.0	– 95,490.2
	HTM	– 25,006.3	– 12,940.0
Foreign currency gain/loss	Valuation	HFT	103.2
	Realisation	HFT	646.1
Interest rate swaps	Valuation	HFT	– 4,253.1
		CFH	– 104.4
	Realisation	HFT	0.0
Interest rate cap	Valuation	HFT	– 88.4
Securities	Valuation	FV/P&L	1,303.8
	Realisation	FV/P&L	1,722.3
Interest income		L&R	8,115.5
		HTM	3,276.3
Impairment of financial investments		HTM	– 665.8
		L&R	– 100.0
Income from associated companies		AE	– 328.3
Result from non-controlling interests held by limited partners	at amortised cost	244.2	67.3
Financial result		– 107,574.9	– 137,528.3

¹⁾ FV/P&L At fair value through profit or loss; HFT Held for trading; CFH Cash flow hedge; L&R Loans and receivables; AE At equity; HTM Held to maturity

2.1.20. Taxes on income and earnings

The tax expenditure breaks down as follows:

€ 1,000	2010	2009
Corporate income tax (actual tax)	– 15,444.1	– 25,194.4
Trade tax (actual tax)	– 10,452.2	– 13,532.1
Corporate income tax and trade tax (actual tax)	– 25,896.3	– 38,726.5
Tax quota	34.2%	–
Amortisation of adjustment items from intangible assets	– 6,843.6	– 14,341.0
Change in deferred tax liabilities (deferred tax)	658.7	49,438.2
Tax income on valuation of derivative transactions	140.5	1,454.9
Tax expense in relation to issue costs for convertible bonds	0.0	– 21.5
Tax income in relation to sale of own shares	0.0	1,997.9
Tax expense	– 31,940.7	– 198.0

The taxable income of the CA Immo Group in the 2010 financial year broken down by regions is as follows:

€ 1,000	Austria	Germany	Eastern/South East Europe	Total
Taxable income	25,968.5	88,761.0	10,394.6	125,124.0
Tax losses	– 86,151.5	– 25,330.7	– 17,479.2	– 128,961.4
Tax result	– 60,183.1	63,430.3	– 7,084.6	– 3,837.4
Corporate income tax and trade tax (actual tax)	– 219.9	– 23,553.7	– 2,122.8	– 25,896.3
Tax quota	–	37.1%	–	–

In Austria - with the exception of the minimum corporate income tax - because of the formation of a fiscal corporate group essentially no corporate income tax payments occurred. Without the formation of that corporate group the CA Immo Group would have been obliged to pay taxes for the current business year in the amount of € 6,490.5 K (2009: € 11,123.2 K) for taxable income.

The current taxes in the amount of € – 25,896.3 K (2009: € – 38,726.5 K) include taxes on income and earnings relating to previous years in the amount of € 2,600.5 K (2009: € – 2,172.0 K).

The reasons for the difference between the expected tax expenditure (tax refund) and the effective tax expenditure can be derived from the following table:

€ 1,000	2010	2009
Net result before taxes (EBT)	75,759.4	– 134,521.9
Expected tax expense/income (Corporate income tax rate Austria: 25 % / prior year 25 %)	– 18,939.8	33,630.5
Non-usable losses carried forward	– 17,652.0	– 17,760.4
Amortisation of investment affecting tax	9,705.5	7,487.8
Amortisation of other intangible items ¹⁾	– 6,843.6	– 14,341.0
Non-tax deductible expense and permanent differences	– 2,838.9	– 4,872.7
Utilisation of in prior years unrecorded losses carried forward	2,499.8	2,395.0
Differing tax rates abroad	1,749.2	– 9,674.8
Adjustment of preceding periods	1,697.0	120.2
Exchange rate differences not affecting tax	– 1,101.5	531.8
Tax-exempt income	975.2	3,519.9
Change in tax rate	70.6	– 796.7
Trade tax effects	55.3	62.9
Others	– 1,317.4	– 500.5
Effective tax expense	– 31,940.7	– 198.0

¹⁾ Cf. section 2.3.2. Intangible assets

2.2. Other total comprehensive income

The statement of total comprehensive income is - based on the earnings after taxes - reconciled to the total comprehensive income in accordance with IAS 1 and also includes the elements directly recorded in equity.

In the 2010 financial year, the CA Immo Group recorded the following items directly in equity outside profit and loss:

€ 1,000	Valuation result (hedging)	Reserves from associates ¹⁾	Reserves from foreign currency translation	Total 2010	Total 2009
Other income before taxes	– 17,629.7	– 110.0	– 35.7	– 17,775.4	– 5,106.7
Income tax related to other comprehensive income	2,489.7	42.2	0.0	2,531.9	– 1,628.4
Other income	– 15,140.0	– 67.8	– 35.7	– 15,243.5	– 6,735.1
thereof: attributable to the owners of the parent	– 14,424.8	– 11.3	– 35.7	– 14,471.8	– 5,912.5
thereof: attributable to non- controlling interests	– 715.2	– 56.5	0.0	– 771.7	– 822.6

¹⁾ The reserves from associates comprises currency translation effects and cash flow hedge valuations.

The reclassifications in the amount of € 378,1K (2009: € 19.090,1K) relate to the fair values for cash flow hedges recorded in equity at the balance sheet date of the previous year where the loans on which they are based were repaid prematurely during the 2010 financial year.

The item "Reclassification" breaks down as follows:

€ 1,000	2010	2009
Reclassification from prior years valuations recorded in equity	378.1	12,824.4
Cash flow hedges frozen in equity in prior years	0.0	6,265.7
Reclassification	378.1	19,090.1

The reasons for the difference between the expected tax refund and the disclosed refund (tax burden) on the valuation result (hedging) are outlined in the following table:

€ 1,000	2010	2009
Valuation of cash flow hedges	– 18,007.8	– 24,630.6
Reclassification swaps	378.1	19,090.1
Valuation results (hedging)	– 17,629.7	– 5,540.5
Expected tax income (Corporate income tax rate Austria: 25 % / prior year 25 %)	4,407.4	1,385.1
Not considered tax expense on the valuation of negative interest derivative transactions	– 1,010.7	– 1,067.9
Differing tax rates abroad	– 740.2	– 1,969.8
Tax rate changes	– 166.8	62.8
Effective tax income / tax expense	2,489.7	– 1,589.8

2.3. Statement of financial position

2.3.1. Long-term investment properties and office furniture, equipment and other assets

€ 1,000	Investment properties	Long-term properties Under development	Own used	Prepayments received	Office furniture, equipment and other assets	Total
Market values/acquisition costs						
As at 1.1.2009	2,520,674.0	1,176,908.5	22,103.0	20,482.5	3,334.9	3,743,502.9
Additions from property acquisitions	229.9	7,278.5	0.0	0.0	0.0	7,508.4
Additions from company acquisitions	0.0	1,448.7	0.0	0.0	0.0	1,448.7
Regular additions	15,621.7	220,849.3	480.0	543.6	313.6	237,808.2
Disposals	– 179,347.4	– 175,894.5	– 6,532.4	0.0	– 83.3	– 361,857.6
Reclassification	164,741.2	– 242,514.7	621.6	– 20,482.5	– 1.1	– 97,635.6
Reclassification of properties intended for trading	0.0	– 2,840.5	0.0	0.0	0.0	– 2,840.5
Reclassification of assets held for sale	– 2,155.0	– 3,865.1	0.0	0.0	0.0	– 6,020.1
Revaluation	– 110,175.3	– 18,911.2	0.0	0.0	0.0	– 129,086.5
As at 31.12.2009 = 1.1.2010	2,409,589.1	962,459.0	16,672.2	543.6	3,564.1	3,392,828.0
Additions from property acquisitions	7,045.9	0.0	0.0	0.0	0.0	7,045.9
Additions from company acquisitions	34,429.9	0.0	0.0	0.0	0.0	34,429.9
Regular additions	20,723.7	250,974.3	17.2	5,209.9	457.4	277,382.5
Disposals	– 37,900.2	– 148,552.1	0.0	– 7.2	– 42.0	– 186,501.5
Reclassification	281,884.4	– 276,047.8	0.0	– 5,746.3	– 134.2	– 43.9
Reclassification of assets held for sale	– 336.0	– 44,461.9	0.0	0.0	0.0	– 44,797.9
Revaluation	774.4	45,941.7	0.0	0.0	0.0	46,716.1
Foreign currency gains/losses	0.0	268.8	0.0	0.0	0.0	268.8
As at 31.12.2010	2,716,211.2	790,582.0	16,689.4	0.0	3,845.3	3,527,327.9
Accumulated depreciation						
As at 1.1.2009	0.0	– 97,087.1	– 2,653.4	0.0	– 901.2	– 100,641.7
Disposals	0.0	0.0	569.5	0.0	43.9	613.4
Reclassification	0.0	97,087.1	548.3	0.0	0.1	97,635.5
As at 31.12.2009 = 1.1.2010	0.0	0.0	– 2,424.3	0.0	– 1,624.7	– 4,049.0
Disposals	0.0	0.0	0.0	0.0	25.7	25.7
Reclassification	0.0	0.0	0.0	0.0	60.7	60.7
As at 31.12.2010	0.0	0.0	– 3,114.7	0.0	– 2,207.0	– 5,321.7
Book value as at 1.1.2009	2,520,674.0	1,079,821.4	19,449.6	20,482.5	2,433.7	3,642,861.2
Book value as at 31.12.2009 = 1.1.2010	2,409,589.1	962,459.0	14,247.9	543.6	1,939.4	3,388,779.0
Book value as at 31.12.2010	2,716,211.2	790,582.0	13,574.7	0.0	1,638.3	3,522,006.2

The additions from property acquisitions relate to real estate in Berlin.

The additions from company acquisitions include the acquisition of a real estate company in Sofia.

The current capital expenditure for existing investment properties under development primarily relates to the "Tower 185" project (€ 135,033.5 K) and the "Nord 1" project (€ 36,803.4 K) in Frankfurt, as well as projects in Berlin, Frankfurt, Munich, Warsaw and Sibiu. The capital expenditure for existing properties mainly results from the redesign of a shopping centre in Vienna, the remodelling of a parking garage in Cologne, the revitalisation of property in Budapest, and lessees' extensions in Berlin and Warsaw.

The disposals mainly relate to the sale of the completed "Nord 1" project (€ 82,385.0 K) in Frankfurt, the sale of two construction plots in Basle and of several construction plots in Berlin, the deconsolidation of the "Maslov" project in Moscow, and various sales transactions in Austria.

As at 31.12.2010, the CA Immo Group discloses long-term assets classified as "held for sale" in accordance with IFRS 5 (see item 2.3.6).

The book value of the properties assigned as collateral for long-term external financings totals € 2,850,722.8 K (31.12.2009: € 2,280,464.9 K) of which € 180,854.0 K (31.12.2009: € 145,974.2 K) relate to joint ventures.

In the 2010 financial year, a total of € 6,851.3 K (2009: € 4,142.5 K) in borrowing costs were recognised at a weighted average interest rate of 4.12 % (2009: 2.55 %) on the acquisition cost for the construction of properties.

2.3.2. Intangible assets

The item "Other intangible assets" equals the difference from the attribution of the cost to the fair values of the acquired properties and the related non-discounted deferred tax liabilities as per IAS 12. As regards content, it represents the benefit resulting from the later due date of the assumed deferred tax liabilities and is written off based on the maturity or in full upon sale and recorded in tax expense. Due to the decrease in the market values of the properties, impairment losses were recorded in the amount of € -1,001.9 K (2009: € -5,542.0 K) on tax adjustment items.



€ 1,000	Software	Others	Total
Acquisition costs			
As at 1.1.2009	542.3	68,608.7	69,151.0
Additions	303.9	3,320.7	3,624.6
Disposals	0.0	- 3,565.9	- 3,565.9
As at 31.12.2009 = 1.1.2010	846.2	68,363.5	69,209.7
Additions	232.9	237.0	469.9
Disposals	0.0	- 1,497.4	- 1,497.4
As at 31.12.2010	1,079.1	67,103.1	68,182.2
Accumulated depreciation			
As at 1.1.2009	- 317.0	- 15,442.5	- 15,759.5
Depreciation and amortisation	- 181.4	- 14,341.0	- 14,522.3
Disposals	0.0	601.3	601.3
As at 31.12.2009 = 1.1.2010	- 498.4	- 29,182.2	- 29,680.6
Depreciation and amortisation	- 207.6	- 6,843.7	- 7,051.3
Disposals	0.0	17.2	17.2
As at 31.12.2010	- 706.0	- 36,008.7	- 36,714.7
Book value as at 1.1.2009	225.3	53,166.2	53,391.5
Book value as at 31.12.2009 = 1.1.2010	347.8	39,181.3	39,529.1
Book value as at 31.12.2010	373.1	31,094.4	31,467.5

2.3.3. Financial assets

€ 1,000	IAS 39 category ¹⁾	Acquisition costs 31.12.2010	Changes in value - recognised in profit or loss	Changes in the value accumulated 31.12.2010	Book value as at 31.12.2010	Book value as at 31.12.2009
Shares in joint ventures						
Loans to joint ventures	AC	0.9	- 0.9	- 0.9	0.0	0.0
Loans to associated companies	HTM	27,068.2	- 15,925.5	- 15,925.8	11,142.4	24,983.4
Other loans	HTM	18,296.4	1,183.1	- 3,745.5	14,550.9	11,867.8
Total HTM		45,364.6	- 14,742.4	- 19,671.3	25,693.3	36,891.2
Investments in associated companies	AE	59,922.1	- 328.3	- 22,826.1	37,096.0	38,242.1
Other financial assets	AE	7.3	0.0	0.0	7.3	7.3
Total AE		59,929.4	- 328.3	- 22,826.1	37,103.3	38,249.4
Prepayments made on investments in properties						
	L&R	141,422.8	- 100.0	- 5,222.8	136,200.0	200.0
Other financial assets (interest rate caps)	HFT	32.0	- 30.7	- 30.7	1.3	0.0
Total		246,749.7	- 15,202.3	- 47,751.8	198,997.9	75,340.6

¹⁾ HTM Held to maturity; AE At equity; L&R Loans and receivables; HFT Held for trading, AC At cost

The disclosed book value of the financial assets equals their fair value.

The decrease in loans to joint ventures is primarily the result of the deconsolidation of companies in Eastern/South East Europe.

The investments in associated companies break down as follows:

€ 1,000	31.12.2010	31.12.2009
UBM Realitätenentwicklung AG, Vienna	33,739.2	31,805.6
OAO Avielen AG, St. Petersburg	3,334.6	6,414.3
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	22.2	22.2
37,096.0	38,242.1	

The share price of UBM Realitätenentwicklung AG, Vienna, was at € 32.01 as at 31.12.2010 (31.12.2009: € 29.90). Hence, the stock market value of 750,004 shares amounted to € 24,007.6 K (31.12.2009: € 22,425.1 K).

The item "Prepayments made on investments in properties" relates to contracts with the closing to be effected at a later point in time. As at 31.12.2010, this item includes - just like in the previous year - the prepayment made on a project company in Prague (forward purchase), on the one hand; the CA Immo Group has cancelled this contract. On the other hand, this item comprises the first purchase price instalment in the amount of € 136,000.0 K for the acquisition of Europolis AG, Vienna, the closing of which was in January 2011 (see item 2.5.11.1.).

The disclosed interest cap relates to maximum interest contractually agreed-upon in Germany. Since the financial assets could not be broken down reliably by maturities during the remaining term, the financial assets were not broken down into short-term and long-term assets. The interest cap is recognised in the amount equalling the fair value of the financial assets (see item 2.5.1.).

2.3.4. Long-term receivables and other assets

The long-term receivables and other assets break down as follows:

€ 1,000	IAS 39 category ¹⁾	Classes	Book value = market value 31.12.2010	Book value = market value 31.12.2009
Cash and cash equivalents with drawing restrictions	L&R	Other receivables	7,260.1	0.0
Receivables from property sales	L&R	Other receivables	4,000.1	0.0
Positive market value of derivative financial instruments (hedge accounting)	FVD	Derivatives	2,175.3	0.0
Net position plan assets from pensions obligations	L&R	Other receivables	1,937.9	0.0
Receivables and other assets			15,373.4	0.0
of which:				
	L&R		13,198.1	0.0
of which:				
	FVD		2,175.3	0.0

¹⁾ FVD Fair value derivate, L&R Loans and receivables

Cash and cash equivalents that are subject to restrictions of availability and that fall due within more than 12 months are disclosed as long-term receivables.

The receivables from the disposal of real estate relate to receivables from the sale of long-term investment properties that - at the balance sheet date - fall due within more than 12 months.

In 2010, the receivables from derivatives exclusively comprise the positive fair value of the interest swaps entered into in 2009 that serve as a counter-item for the existing interest swaps and are classified as fair value derivatives.

The fair values of the derivative transactions were broken down by maturities based on the expiration date of the derivatives.

Net item plan assets from pension obligations

The CA Immo Group obtained a reinsurance policy for pension obligations (= plan assets).

In the balance sheet, the plan assets are disclosed in long-term receivables and other assets to the extent that the plan assets exceed the present value of the future obligations of the CA Immo Group and the Group, therefore, is entitled to future claims.

€ 1,000	31.12.2010	31.12.2009	31.12.2008
Cash value of obligation	– 4,083.8	– 3,032.8	– 2,343.2
Fair value of plan asset	6,021.7	5,965.9	2,343.2
Net position recorded in consolidated statement of financial position	1,937.9	2,933.1	0.0

In the 2009 financial year, the last contribution to the plan assets was made in order to balance a deficit in the claims of future beneficiaries. No additional contributions are intended in the following financial years.

The pension obligations and plan assets developed as follows:

€ 1,000	2010	2009	2008
Scope of obligation as at 1.1.	3,032.8	2,343.2	2,715.7
Adjustment to obligation	0.0	328.6	0.0
Service cost	64.5	65.9	65.9
Interest expenses (2010: 4.5 %; 2009: 5.87 %, 2008: 5.32 %)	171.4	156.8	144.5
Actuarial gains/losses	815.1	138.3	– 582.9
Scope of obligation as at 31.12.	4,083.8	3,032.8	2,343.2
Plan asset as at 1.1.	5,965.9	2,343.2	2,715.7
Adjustment to plan assets	0.0	3,206.1	0.0
Forecast income from plan asset	358.0	160.3	210.4
Actuarial losses/gains	– 215.7	12.6	– 582.9
Outpayments	– 86.5	0.0	0.0
Payments received	0.0	243.7	0.0
Plan asset as at 31.12.	6,021.7	5,965.9	2,343.2

Due to the changes in the parameters, the pension obligations and plan assets were adjusted in the previous year.

The following expense was recorded in profit and loss:

€ 1,000	2010	2009	2008
Service cost	– 64.5	– 65.9	– 65.9
Interest expenses	– 171.4	– 156.8	– 144.5
Forecast income from plan asset	358.0	160.3	210.4
Actuarial losses/gains from pension obligation	– 815.1	– 138.3	582.9
Actuarial losses/gains from plan asset	– 215.7	12.6	– 582.9
Pensions costs	– 908.7	– 188.1	0.0

The service cost and the actuarial gains and losses related to the pension obligations are recorded in staff expenses, i.e. in indirect expenditures. The interest expense, the actuarial gains and losses related to the plan assets, as well as the expected income from plan assets are included in the financial result.

2.3.5. Deferred tax assets

The deferred taxes on temporary differences between the values in the consolidated balance sheet and the respective values for tax purposes broken down into the individual financial positions as follows:

€ 1,000	31.12.2010	31.12.2009
Deferred tax assets		
Intangible assets	0.8	24.4
Office furniture, equipment and other assets	772.2	901.9
Financial assets	5.5	0.0
Property intended for trading	808.6	0.0
Receivables and other assets	5,163.8	1,388.9
Cash and cash equivalents	72.0	11.9
Trade creditors	37,418.7	25,453.8
	44,241.6	27,780.9
Deferred tax liabilities		
Long-term property assets	150,084.4	147,378.0
Assets held for sale	7,757.0	1,079.0
Property intended for trading	0.0	2,877.9
Provisions	27,341.9	14,509.5
	185,183.3	165,844.4
Value adjustments for deferred tax	– 9,529.0	– 5,977.0
Deferred taxes on losses carried forward	48,446.5	38,858.8
Tax deferral (net)	– 102,024.2	– 105,181.7
thereof deferred tax assets	14,133.3	24,606.3
thereof deferred tax liabilities	116,157.5	129,788.0

The deferred tax assets developed as follows:

€ 1,000	2010	2009
Deferred taxes as at 1 January (net)	– 105,181.7	– 150,196.4
Change due to company acquisitions purchase price arrears	– 237.0	– 4,388.1
Change due to sale of companies	0.0	1,406.7
Change due to exchange rate fluctuations	105.6	– 150.4
Changes recognised in equity	2,630.2	– 1,291.7
Changes recognised in the income statement	658.7	49,438.2
Deferred taxes as at 31 December (net)	– 102,024.2	– 105,181.7

Deferred taxes were recognised on losses carried forward to the extent that it more likely than not that they will be used within the following five to seven years. The basis for the recognised deferred taxes on losses carried forward amounts to € 212,433.0 K (31.12.2009: € 158,172.6 K). The value of the deferred taxes is derived from the available budgeting that shows that the tax loss carryforwards will be used in the near future, on the one hand, and the existence of a sufficient amount of taxable temporary differences that primarily result from investment properties, on the other hand.

The non-capitalised deferred taxes on losses carried forward amount to € 81,345.4 K (31.12.2009: € 60,522.7 K). The loss carryforwards for which no deferred taxes were recognised total € 351,059.8 K (31.12.2009: € 247,087.9 K); they are forfeited after the following periods:

year	2010	2009
2010	0.0	169.0
2011	1,119.0	13,903.5
2012	2,215.1	2,600.6
2013	2,833.4	4,998.6
2014	5,797.4	1,487.6
2015	13,198.2	2,885.4
2016	1,580.3	816.4
2017	4,064.2	276.2
2018	15,283.7	9,894.9
2019	16,173.4	2.9
2020	83.5	0.0
Without limitation in time	288,711.6	210,052.9
Sum total unrecorded losses carried forward	351,059.8	247,087.9
thereof: non-capitalised deferred taxes	81,345.4	60,522.7

The temporary differences related to investments in affiliated companies, joint ventures and associated companies for which no deferred tax liabilities were recorded pursuant to IAS 12.39 are as follows:

The temporary differences related to investments in Austrian affiliated companies, joint ventures and associated companies for which no deferred taxes were recorded pursuant to IAS 12.39 amount to € 7,601.5 K. Loss carryforwards of the Austrian companies that were not recognised amount to € 131,866.1 K (incl. € 36,364.4 K of depreciation of the seventh part that has not yet been recognised for tax purposes).

Temporary differences relating to foreign affiliated companies, joint ventures and associated companies, for which no deferred taxes have been recognised according to IAS 12.39, amount to € 1.253,2 K. Non-capitalized loss carryforwards of foreign entities amount to € 219,193.7 K. When fulfilling special requirements, gains from the disposal of investments in a foreign company are partially or completely exempted from income taxes.

2.3.6. Assets held for sale and liabilities related thereto

The assets held for sale and the liabilities related thereto comprise the individual assets held for sale and groups of assets held for sale.

The actual transfer of risks and rewards to the purchaser is expected to occur within 12 months of reclassification. The respective purchase agreements have already been entered into during the business year or during drawing up the financial statements.

In the individual segments the amount disclosed is broken down by regions and sectors.

2.3.6.1. Individual assets held for sale

As at 31.12.2010, properties at a fair value of € 41,496.0 K (31.12.2009: € 6,020.1 K) were classified as assets held for sale. This includes four properties under development in Germany, one property under development in Switzerland, and two investment properties in Austria.

The individual assets held for sale are as follows:

€ 1,000	31.12.2010	31.12.2009
BelsenPark Oberkassel, Düsseldorf	22,610.0	0.0
Europaallee Süd 1, Frankfurt	13,600.0	0.0
Idsteiner Straße, Frankfurt	2,320.0	0.0
Erlenmatt - Shoppingcenter Multidevelopment, Basle	1,580.0	0.0
Hallesches Ufer 68 - 72, Berlin	1,050.0	0.0
Göss / Kudlichstraße, Leoben	206.0	0.0
Landschachergasse / Wiese, Knittelfeld	130.0	0.0
Praterstraße 10/Ferdinandstraße 1, Vienna	0.0	1,975.1
Süd 7 Europaallee, Frankfurt	0.0	1,890.0
Ämtergebäude Bahnhof, Münster	0.0	1,815.0
Hallesches Ufer, Berlin	0.0	340.0
Properties held for sale	41,496.0	6,020.1

The gain from the sale of the properties classified pursuant to IFRS 5 totals € 764.0 K and is disclosed under "Result from the sale of long-term properties" in the income statement.

€ 130.0 K (31.12.2009: € 0.0 K) of the properties classified pursuant to IFRS 5 are mortgaged as a collateral for loan liabilities.

2.3.6.2. Disposal groups

As at 31.12.2010, the assets and liabilities of two companies in Eastern/South East Europe were reclassified and attributed to groups of assets. The major groups of assets and liabilities classified as held for sale are as follows:

€ 1,000	31.12.2010	31.12.2009
Investment properties under development	3,301.9	0.0
Property intended for trading	1,250.0	0.0
Receivables and other assets	386.8	0.0
Cash and cash equivalents	74.2	0.0
Assets in disposal groups held for sale	5,012.9	0.0
Provisions	55.1	0.0
Financial liabilities	5,611.0	0.0
Trade creditors	6.9	0.0
Other liabilities	180.6	0.0
Liabilities related to disposal groups held for sale	5,853.6	0.0
Net-liabilities included in disposal groups	- 840.7	0.0

Properties under development at a book value of € 1,250.0 K (31.12.2009: € 0.0 K) and properties intended for trading at a book value of € 1,250.0 K (31.12.2009: € 0.0 K) are mortgaged as a collateral for loan liabilities.

2.3.7 Properties intended for trading

	€ 1,000
Acquisition / production cost	
As at 1.1.2009	182,796.1
Additions	24,477.5
Disposals	– 66,263.5
Reclassification	2,840.5
As at 31.12.2009 = 1.1.2010	143,850.6
Additions	7,383.5
Disposals	– 92,192.1
Reclassification ³⁾	– 6,350.4
As at 31.12.2010	52,691.6
Accumulated depreciation	
As at 1.1.2009	– 14,446.0
Impairment ¹⁾	– 8,555.4
Reversal of write-down ²⁾	544.5
Disposals	1,508.8
As at 31.12.2009 = 1.1.2010	– 20,948.2
Impairment ¹⁾	– 2,155.8
Reversal of write-down ²⁾	926.1
Disposals	9,724.9
Reclassification ³⁾	5,100.4
As at 31.12.2010	– 7,352.6
Book value as at 1.1.2009	168,350.1
Book value as at 31.12.2009 = 1.1.2010	122,902.4
Book value as at 31.12.2010	45,339.0

¹⁾ thereof € -393.0 K (2009: € -734.9 K) related to properties intended for trading that were measured during the financial year and had been sold by the balance sheet date (see item 2.1.10.)

²⁾ thereof € 866.1 K (2009: € 0.0 K) related to properties intended for trading that were measured during the financial year and had been sold by the balance sheet date (see item 2.1.11.)

³⁾ The reclassification includes the reclassification of a property in Slovakia to the group of assets pursuant to IFRS 5 (see item 2.3.6.)

This item comprises properties of the Vivico Group in Germany (31.12.2009: incl. one property in Slovakia).

Properties intended for trading in the amount of € 20,909.9 K (31.12.2009: € 20,100.0 K) are expected to be realised within more than 12 months. This applies to 18 real estates in Germany.

€ 8,148.2 K (31.12.2009: € 1,250.0 K) of the properties intended for trading are mortgaged as a collateral for loan liabilities.

In the 2010 financial year, a total of € 89.5 K (2009: € 141.8 K) in borrowing costs were recognised at a weighted average interest rate of 3.51 % (2009: 1.49 %) on the acquisition cost for properties intended for trading.

The properties intended for trading break down by valuation method as follows:

€ 1,000	Acquisition / production cost	Accumulated impairment	Book value as at 31.12.2010
At production costs	30,047.8	0.0	30,047.8
At realisable value	22,643.8	– 7,352.6	15,291.2
Total properties intended for trading	52,691.6	– 7,352.6	45,339.0

Properties intended for trading which are recorded at acquisition/production cost contain undisclosed reserves to the amount of € 8,625.0 K (31.12.2009: € 23,422.6 K).

2.3.8. Short-term receivables and other assets

The short-term receivables and other assets break down as follows:

€ 1,000	IAS 39 category ¹⁾	Classes	book value = market value 31.12.2010	book value = market value 31.12.2009
		Trade debtors, other receivables	38,635.9	40,034.4
Receivables from joint ventures	L&R			
Cash and cash equivalents with drawing restrictions	L&R	Other receivables	36,311.5	24,374.7
Receivables from warranty	L&R	Other receivables	19,774.2	18,040.2
Receivables from fiscal authorities	Non-FI	Other receivables	13,313.3	12,213.0
Receivables from property sales	L&R	Other receivables	11,329.8	26,503.8
Trade debtors	L&R	Trade debtors	8,035.3	8,905.1
Trade debtors from further charging	L&R	Other receivables	6,133.6	385.4
Loans granted	L&R	Other receivables	5,063.5	3,234.5
Trade debtors (Other)	L&R	Trade debtors	3,648.6	8,078.9
Other receivables and assets	L&R, Non-FI, FVD	Other receivables	4,773.5	7,555.0
Receivables and other assets			108,383.3	109,290.6
Total receivables and other assets			147,019.2	149,325.0
	of which: L&R		132,919.5	134,725.4
	of which: FVD		11.6	807.1
	of which: Non-FI		14,088.1	13,792.5

¹⁾ L&R Loans and receivables; FVD Fair value derivative; Non-FI Non-financial instrument

The other trade debtors include receivables from the sale of properties intended for trading and receivables from commissioned work (PoC) and development consulting.

The receivables from the property sales relate to the receivables from the sale of property assets that fall due within one year.

The receivables from warranty include receivables due from sellers of property companies in Germany that are not yet due.

Cash and cash equivalents with drawing restrictions that fall due within three months to one year are disclosed as short-term receivables and other assets.

Aging of short-term receivables and other assets**31.12.2010**

	not due	overdue			Total
		181 - 360	days	> 1 year	
Nominal values of receivables					
Receivables from joint ventures	38,635.9	0.0	0.0	0.0	38,635.9
Trade debtors	4,314.6	2,311.1	4,231.1	1,612.1	15,635.7
Trade debtors (Other)	712.8	1,945.8	385.1	161.8	559.4
Receivables from warranty	19,774.2	0.0	0.0	0.0	19,774.2
Cash and cash equivalents with drawing restrictions	36,311.5	0.0	0.0	0.0	36,311.5
Receivables from fiscal authorities	12,465.6	532.2	404.8	0.0	387.4
Receivables from property sales	10,914.3	0.0	0.0	216.8	915.9
Loans granted	7,162.5	0.0	0.0	0.0	7,162.5
Trade debtors from further charging	5,496.1	695.3	0.0	0.0	0.0
Other receivables and assets	4,544.5	26.5	92.3	26.1	99.3
As at 31.12.2010	140,332.0	5,510.9	5,113.3	2,016.8	5,128.8
					158,101.8
Value adjustment for receivables					
Trade debtors	– 208.1	– 530.2	– 2,462.4	– 1,370.0	– 7,600.4
Trade debtors (Other)	0.0	0.0	0.0	0.0	– 116.3
Receivables from fiscal authorities	– 476.7	0.0	0.0	0.0	– 476.7
Receivables from property sales	0.0	0.0	0.0	0.0	– 717.2
Loans granted	– 2,099.0	0.0	0.0	0.0	– 2,099.0
Trade debtors from further charging	0.0	– 57.8	0.0	0.0	– 57.8
Other receivables and assets	0.0	0.0	0.0	0.0	– 15.2
As at 31.12.2010	– 2,783.8	– 588.0	– 2,462.4	– 1,370.0	– 3,878.4
					– 11,082.6
Book values of receivables					
Receivables from joint ventures	38,635.9	0.0	0.0	0.0	38,635.9
Trade debtors	4,106.5	1,780.9	1,768.7	242.1	137.1
Trade debtors (Other)	712.8	1,945.8	385.1	161.8	443.1
Receivables from warranty	19,774.2	0.0	0.0	0.0	19,774.2
Cash and cash equivalents with drawing restrictions	36,311.5	0.0	0.0	0.0	36,311.5
Receivables from fiscal authorities	11,988.9	532.2	404.8	0.0	387.4
Receivables from property sales	10,914.3	0.0	0.0	216.8	198.7
Loans granted	5,063.5	0.0	0.0	0.0	5,063.5
Trade debtors from further charging	5,496.1	637.5	0.0	0.0	0.0
Other receivables and assets	4,544.5	26.5	92.3	26.1	84.1
As at 31.12.2010	137,548.2	4,922.9	2,650.9	646.8	1,250.4
					147,019.2

31.12.2009

	not due	overdue			Total
	< 30 days	31 - 180 days	181 - 360 days	> 1 year	
Nominal values of receivables					
Receivables from joint ventures	40,034.4	0.0	0.0	0.0	40,034.4
Trade debtors	4,995.2	2,770.8	2,447.8	1,023.9	12,735.5
Trade debtors (Other)	8,074.9	4.3	114.7	0.0	8,194.0
Receivables from warranty	18,040.2	0.0	0.0	0.0	18,040.2
Receivables from property sales	26,494.4	0.0	0.0	925.2	27,419.6
Cash and cash equivalents with drawing restrictions	24,374.7	0.0	0.0	0.0	24,374.7
Receivables from fiscal authorities	12,739.7	9.8	20.3	50.3	12,820.5
Loans granted	3,589.4	0.0	0.0	0.0	3,589.4
Trade debtors from further charging	385.4	0.0	0.0	0.0	385.4
Other receivables and assets	7,087.5	186.2	72.9	159.7	7,563.8
As at 31.12.2009	145,815.8	2,971.1	2,655.7	1,233.9	2,481.0
					155,157.5

	not due	overdue			Total
	< 30 days	31 - 180 days	181 - 360 days	> 1 year	
Value adjustment for receivables					
Trade debtors	- 108.1	- 942.2	- 666.1	- 671.0	- 3,830.4
Trade debtors (Other)	- 40.1	0.0	- 75.0	0.0	- 115.1
Receivables from property sales	- 0.3	0.0	0.0	0.0	- 915.5
Receivables from fiscal authorities	- 590.2	0.0	- 4.8	- 12.5	- 607.5
Loans granted	- 354.9	0.0	0.0	0.0	- 354.9
Other receivables and assets	0.0	0.0	0.0	0.0	- 8.8
As at 31.12.2009	- 1,093.6	- 942.2	- 745.9	- 683.5	- 5,832.5

	not due	overdue			Total
	< 30 days	31 - 180 days	181 - 360 days	> 1 year	
Book values of receivables					
Receivables from joint ventures	40,034.4	0.0	0.0	0.0	40,034.4
Trade debtors	4,887.1	1,828.6	1,781.7	352.9	8,905.1
Trade debtors (Other)	8,034.8	4.3	39.7	0.0	8,078.9
Receivables from warranty	18,040.2	0.0	0.0	0.0	18,040.2
Receivables from property sales	26,494.1	0.0	0.0	0.0	26,503.8
Cash and cash equivalents with drawing restrictions	24,374.7	0.0	0.0	0.0	24,374.7
Receivables from fiscal authorities	12,149.5	9.8	15.5	37.8	12,213.0
Loans granted	3,234.5	0.0	0.0	0.0	3,234.5
Trade debtors from further charging	385.4	0.0	0.0	0.0	385.4
Other receivables and assets	7,087.5	186.2	72.9	159.7	7,555.0
As at 31.12.2009	144,722.2	2,028.9	1,909.8	550.4	113.7
					149,325.0

Change in value adjustments:

€ 1,000	2010	2009
As at 1.1.	5,832.5	2,308.1
Appropriation (value adjustment expenses)	6,470.0	4,130.7
Disposal deconsolidation	– 292.4	0.0
Use	– 432.8	– 307.1
Release	– 525.4	– 283.1
Interest income from impaired financial assets	– 8.5	– 11.4
Foreign currency gains/losses	39.2	– 4.8
As at 31.12.	11,082.6	5,832.5

2.3.9. Securities

As at 31.12.2010 and as at 31.12.2009 the ABS fund represents the only investment of the CA Immo Group in securities. In the current business year shares in the ABS fund were sold, resulting in a gain of € 1,722.3 K (2009: loss of € 370.1 K).

The acquisition cost of the securities as at 31.12.2010 amounted to € 3,948.6 K (31.12.2009: € 10,760.7 K). In 2010 the "Result from financial investments" contains a valuation gain of € 1,303.8 K (31.12.2009: loss of € 322.7 K).

The following securities are held by the CA Immo Group:

	31.12.2010	31.12.2009		
	pcs.	€ 1,000	pcs.	€ 1,000
ABS Dynamic Cash	433	3,853.5	1,180	6,948.2

2.3.10. Cash and cash equivalents

€ 1,000	31.12.2010	31.12.2009
Credit balances with banks	344,035.2	485,104.8
Bank balances subject to drawing restrictions	10,707.8	12,062.5
Cash on hand	20.8	32.0
354,763.8	497,199.3	

Bank balances subject to drawing restrictions comprise bank balances to which the CA Immo Group has limited access only. The bank balances subject to drawing restrictions include an amount of € 10,707.8 K (31.12.2009: € 12,062.5 K) that serves the purpose of securing current loan liabilities (repayment and interest). The Group cannot access the funds any other way without the express approval of the lenders. The amounts fall due within less than three months.

2.3.11. Shareholders' equity

The share capital equals the fully paid in nominal capital of CA Immobilien Anlagen Aktiengesellschaft of € 638,713,556.20 (31.12.2009: € 634,370,022.00). It is divided into 87,856,056 (31.12.2009: 87,258,596) registered shares of no par value and 4 registered bearer shares of no par value. The registered shares are held by UniCredit Bank

Austria AG, Vienna, and grant the right to nominate one member of the Supervisory Board each. This right has not been exercised. All members of the Supervisory Board were elected by the General Meeting.

By way of merger agreement dated 27 September 2010, CA Immo International AG, Vienna, was merged onto CA Immobilien Anlagen Aktiengesellschaft retrospectively 31.12.2009, i.e. the balance sheet date. In order to perform the merger, CA Immobilien Anlagen Aktiengesellschaft increased its share capital from € 634,370,022.00 by € 4,343,534.20 to € 638,713,556.20 by issuing 597,460 new registered shares of no par value. The conversion ratio was 19:10. The shares were issued at a pro rata amount of the share capital of € 7.27. The portion of the assets of CA Immo International AG not related to the shares held by CA Immobilien Anlagen Aktiengesellschaft was credited to the capital increase as a contribution in kind.

Due to the merger of CA Immo International AG, Vienna, onto CA Immobilien Anlagen Aktiengesellschaft, the shares not held by CA Immobilien Anlagen Aktiengesellschaft in CA Immo International AG, Vienna, until that date are no longer disclosed under "Non-controlling interests" after the effective date of the merger. As of that date, they become shareholders of the (merged) CA Immobilien Anlagen Aktiengesellschaft, and thus are disclosed in "Share capital" and "Capital reserves".

In November 2009, a 5-year convertible bond with a volume of € 135,000.0 K was issued. The coupon of the convertible bond payable every six months was fixed at 4.125 %, the conversion price at € 11.5802. Hence, upon exercising of the conversion right, if any, no more than 11,657,829 registered shares of no par value may be issued. According to the terms and conditions applicable to the issuance 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. At the balance sheet date, the share price of the CA Immo share amounted to € 11.91 and thus exceeded the conversion price. No bond had been submitted for conversion by the balance sheet date.

The tied capital reserves disclosed in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft totals € 820,184.3 K (31.12.2009: € 868,545.0 K). In accordance with the resolution of the Management Board dated 23 February 2011 free reserves in the amount of € 6,276.9 K and the tied capital reserves in the amount of € 53,046.1 K were reversed in the order prescribed by law in accordance with Sec. 229 para. 7 Austrian UGB (Austrian Corporate Code) in order to balance out a net loss in the 2010 business year that would otherwise have been shown in the individual financial statements of the parent company.

As at the reporting date of 31.12.2010 there is an unused authorised capital in the amount of € 312,841,476.80 that can be utilised on or before 8 August 2012, as well as a conditional capital in the amount of € 317,185,011.00.

2.3.12. Provisions

€ 1,000	Actual taxes	Staff	Others	Total
As at 1.1.2010	82,292.0	3,771.9	53,833.1	139,897.0
Use	– 43,615.6	– 1,372.4	– 29,666.3	– 74,654.3
Release	– 1,168.7	– 1,151.0	– 6,663.2	– 8,982.9
Allocation	22,385.4	3,735.8	42,593.2	68,714.4
Addition from first-time consolidation	2.5	0.0	32.8	35.3
Disposal from deconsolidation	0.0	0.0	– 157.9	– 157.9
Reclassification ¹⁾	0.0	307.8	– 363.9	– 56.1
Foreign currency gains/losses	– 2.1	0.0	148.0	145.9
As at 31.12.2010	59,893.5	5,292.1	59,755.8	124,941.4
thereof: short-term	59,893.5	4,335.9	54,473.4	118,702.8
thereof: long-term	0.0	956.2	5,282.4	6,238.6

¹⁾ The total reclassification results from the reclassification of debt items into "Debt relating to assets held for sale".

The provision for actual taxes includes the amount of € 58,821.5 K (31.12.2009: € 79,705.1 K) related to the Vivico Group and comprises corporate income tax and trade tax for the years 2008 to 2010 that have not been finally assessed, as well as potential risks from a current tax audit in Germany covering the years 2001 to 2006. A provision for actual taxes was recorded in respect to a tax audit completed in Austria for the years 2004 to 2007 in the amount of € 150.8 K.

The provision for staff primarily comprises the cash value of the long-term obligations for settlement payments to employees in the amount of € 642.2 K (31.12.2009: € 522.4 K), premiums in the amount of € 3,633.1 K (31.12.2009: € 1,413.8 K), compensations in the amount of € 219.5 K (31.12.2009: € 875.5 K), and unused holiday entitlements in the amount of € 687.8 K (31.12.2009: € 953.0 K). The provision for premiums comprises a long-term provision for the LTI-(long-term incentive) programme in the amount of € 314.0 K (31.12.2009: € 0.0 K) that was endowed in the 2010 business year. The LTI-programme sets forth a payment after the expiration of three years.

The cash value of severance payment obligations developed as follows:

€ 1,000	2010	2009
Provisions for severance payments		
Cash value of severance payment obligations as at 1.1	522.4	560.1
Use	0.0	– 99.1
Service cost	96.3	39.0
Interest expenses	23.5	22.4
Cash value of severance payment obligations as at 31.12	642.2	522.4

The service cost is included in the staff expenses and thus in the indirect expenditures. The interest expense is included in the financial result.

There are performance-based pension plans for four persons at the Vivico Group; a reinsurance policy was obtained for the pension obligations. Since the plan assets at the balance sheet date exceed the cash value of the pension obligations, the net item in the amount of € 1,937.9 K (31.12.2009: € 2,933.1 K) is disclosed under long-term receivables and other assets (see Point 2.3.4.).

The following table shows the composition of other significant provisions:

€ 1,000	31.12.2010	31.12.2009
Construction services	26,576.8	25,475.1
Subsequent costs of sold properties	14,459.6	9,519.9
Conveyance duty and registration fees	4,522.3	4,686.9
Warranty and technical risks from sales	3,774.1	4,614.5
Legal consultancy fees	1,863.4	1,089.0
Operating costs and outstanding purchase invoices	1,693.3	1,620.5
Auditing costs	1,141.0	1,089.7
Expert opinions	732.8	780.8
Fees	609.5	83.7
Tax consultancy fees	554.7	543.8
Property tax	125.6	338.5
Annual reports	110.0	203.3
Group reorganisation	98.4	500.0
Other	3,494.3	3,287.4
Total	59,755.8	53,833.1

The provision for construction services was recorded in respect to services not yet billed, as well as maintenance costs, in particular at the Vivico Group.

The subsequent costs relate to expenses and deferred services related to properties sold already that are not classified as multi-component transactions (primarily guarantees).

The sundry other provisions relate to Germany at € 1,569.2 K (31.12.2009: € 966.4 K), to Eastern/South East Europe at € 1,023.3 K (31.12.2009: € 1,559.6 K), and to Austria at € 901.8 K (31.12.2009: € 761.4 K).

2.3.13. Bonds

	Maturity			31.12.2010		31.12.2009	
	up to 1 year	1 - 5 years	more than 5 years	Book value	Total	Book value	Total
Convertible bond	0.0	130,537.7	0.0	130,537.7	128,302.9		
Other bonds	0.0	148,999.4	196,027.7	345,027.1	344,222.4		
	0.0	279,537.1	196,027.7	475,564.8	472,525.3		

Maturities for liabilities from other bonds were allocated on the basis of the debt maturity profile. It has been assumed that the liability for the convertible bond will become due at the time of conversion.

2.3.13.1. Convertible bond

	Nominal value in € 1,000	Book value 31.12.2010 in € 1,000	Nominal interest rate in € 1,000	Effective interest rate	Issue	Repayment	31.12.2010 in €	Price as at 31.12.2009 in €
Convertible bond	135,000.0	130,537.7	4,125%	6,146%	9.11.2009	9.11.2014	106.00	91.79

The conversion price for the convertible bonds was set at € 11.5802, equal to a premium of 27.5 % above the reference price. As at 31.12.2010 the market price for CA Immo shares stood at € 11.91 (31.12.2009: € 7.90). No bonds had been received for conversion by the balance sheet date.

The transaction costs directly attributable to the issuance of a convertible bond are distributed over the term of the convertible bond in the form of an effective interest rate.

2.3.13.2. Other bonds

	Nominal value in € 1,000	Book value 31.12.2010 in € 1,000	Nominal interest rate in € 1,000	Effective interest rate	Issue	Repayment	31.12.2010 in €	Price as at 31.12.2009 in €
Bonds 2006-2016	200,000.0	196,027.7	5,125%	5,530%	22.9.2006	22.9.2016	100.98	94.89
Bonds 2009-2014	150,000.0	148,999.4	6,125%	6,329%	16.10.2009	16.10.2014	103.55	103.23
Total	350,000.0	345,027.1						

The transaction costs directly attributable to the issuance of the other bonds are distributed over the term of the respective bonds in the form of an effective interest rate.

2.3.14. Financial liabilities

	€ 1,000	Maturity			31.12.2010	31.12.2009
		up to 1 year	1 - 5 years	more than 5 years	Book value	Book value
Investment credit	210,353.1	456,726.9	943,126.6	1,610,206.6	1,476,431.8	
Credit from joint venture partners	21,053.2	6,732.9	6,154.9	33,941.0	22,008.9	
Deferred interest on convertible bond	793.4	0.0	0.0	793.4	793.4	
Deferred interest on other bonds	4,710.6	0.0	0.0	4,710.6	4,710.6	
Total	236,910.3	463,459.8	949,281.5	1,649,651.6	1,503,944.7	

As at 31.12.2010 the terms of financial liabilities are as follows:

Type of financing and currency	Effective interest rate as at 31.12.2010 in %	Interest variable/fixed	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value in € 1,000
Investment credit / EUR	2.906%	variable	02/2011	25,017.5	25,007.1	25,007.1
Investment credit / EUR	2.356%	variable	06/2011	15,874.2	15,874.2	15,874.2
Investment credit / EUR	3.891%	variable	07/2011	13,571.7	13,664.3	13,664.3
Investment credit / EUR	5.707%	variable	07/2011	18,309.7	18,492.4	18,492.4
Investment credit / EUR	3.032%	variable	10/2011	21,006.0	21,006.0	21,006.0
Investment credit / EUR	4.325%	variable	11/2011	8,163.7	8,608.4	8,608.4
Investment credit / EUR	5.855%	variable	12/2011	22,926.2	22,829.9	22,829.9
Investment credit / EUR	4.610%	variable	06/2012	50,830.0	50,589.1	50,589.1
Investment credit / EUR	3.106%	variable	09/2012	8,353.4	7,963.9	7,963.9
Investment credit / EUR	4.674%	variable	12/2012	151,506.8	147,688.9	147,688.9
Investment credit / EUR	5.161%	fixed	12/2013	12,212.6	12,265.3	13,314.0
Investment credit / EUR	3.006%	variable	12/2014	7,549.5	7,533.8	7,533.8
Investment credit / EUR	5.935%	variable	12/2014	22,395.0	22,395.0	22,395.0
Investment credit / EUR	4.750%	variable	11/2015	28,662.0	28,662.0	28,662.0
Investment credit / EUR	2.366%	variable	12/2015	7,600.0	7,492.9	7,492.9
Investment credit / EUR	7.714%	variable	03/2016	26,285.5	26,859.2	26,859.2
Investment credit / EUR	5.982%	variable	12/2016	27,612.7	27,067.7	27,067.7
Investment credit / EUR	4.409%	variable	01/2017	520,161.2	522,686.5	522,686.5
Investment credit / EUR	4.904%	variable	12/2017	7,429.6	7,470.7	7,470.7
Investment credit / EUR	5.035%	variable	12/2017	44,440.0	44,740.2	44,740.2
Investment credit / EUR	4.074%	variable	06/2018	76,475.0	76,748.9	76,748.9
Investment credit / EUR	2.632%	variable	11/2018	31,000.0	30,555.3	30,555.3
Investment credit / EUR	5.983%	variable	12/2018	12,633.3	12,370.1	12,370.1
Investment credit / EUR	5.846%	variable	12/2018	91,107.7	89,355.2	89,355.2
Investment credit / EUR	2.627%	variable	06/2019	5,112.8	5,112.8	5,112.8
Investment credit / EUR	5.082%	variable	06/2019	36,000.0	35,595.5	35,595.5
Investment credit / EUR	1.966%	variable	09/2019	6,815.8	6,757.6	6,757.6
Investment credit / EUR	6.564%	variable	09/2019	11,061.5	11,061.5	11,061.5
Investment credit / EUR	4.871%	variable	09/2020	6,107.0	6,053.9	6,053.9
Investment credit / EUR	1.776%	variable	12/2020	14,251.2	14,251.2	14,251.2
Investment credit / EUR	3.856%	variable	03/2021	53,391.6	53,391.6	53,391.6
Investment credit / EUR	5.877%	variable	12/2021	10,657.2	10,393.7	10,393.7
Investment credit / EUR	5.855%	variable	12/2021	48,630.5	47,609.6	47,609.6
Investment credit / EUR	6.506%	variable	06/2022	25,233.0	25,514.8	25,514.8
Investment credit / EUR	5.208%	variable	12/2023	14,344.8	14,344.8	14,344.8
Investment credit / EUR	1.776%	variable	12/2023	19,527.0	19,527.0	19,527.0
Investment credit / EUR	6.681%	variable	03/2024	26,656.6	26,624.0	26,624.0
Investment credit / EUR	4.877%	variable	12/2024	6,319.6	6,307.6	6,307.6
Investment credit / EUR	2.556%	variable	10/2029	5,281.8	5,281.8	5,281.8
Investment credit / EUR	4.271%	variable	12/2030	33,150.0	32,354.9	32,354.9
Investment credit / CZK	5.720%	variable	06/2013	7,675.4	7,675.4	7,675.4
Credit from joint venture partners / EUR	1.532%	variable	12/2011	8,322.4	8,322.4	8,322.4
Credit from joint venture partners / EUR	4.000%	fixed	12/2011	11,469.4	11,469.4	11,913.4
Credit from joint venture partners / EUR	3.506%	variable	12/2016	6,154.9	6,154.9	6,154.9
Other financial liabilities each with a nominal value below € 5,000.0 K				41,901.7	47,920.1	48,497.5
				1,649,187.2	1,649,651.6	1,651,721.7

Other financial liabilities include an USD credit with a book value, or rather fair value, of € 331.1K.

In addition to the nominal values, the book values also take into consideration the apportionment of interest and auxiliary costs as at the relevant effective date. Fair values for fixed-interest investment credits are calculated by discounting future payments on the basis of the current market interest rate.

Taking into account all interest hedging agreements, the average weighted interest rate stands at 4.57 % (31.12.2009: 4.70 %) for all EUR financial liabilities, 2.25 % (31.12.2009: 2.20 %) for all USD financial liabilities and 5.72 % (31.12.2009: 5.72 %) for the CZK financial liability. Financial liabilities include investment credits and credits from joint venture partners.

The CA Immo Group uses interest rate swap and cap agreements to hedge the interest rate risk. Insofar as these hedging transactions meet the requirements for hedge accounting, the effective part of the change in value for the fair values on the relevant recording date is not recognised in profit or loss (see Point 2.5.1). The ineffective portion has an immediate effect on expenses and appears under "Result from interest derivative transactions". The remaining swaps and caps, which do not meet these requirements, are recognised in profit or loss and appear under "Result from interest derivative transactions". Overall, the nominal value for the cash flow hedges directly attributable to the respective credits and concluded as at the balance sheet date stood at 76.3 % of the nominal value of all variable-interest EUR investment credits and 100.0 % of the variable-interest CZK investment credit. No interest rate swap agreements have been concluded for the variable-interest USD investment credit.

2.3.15. Other liabilities

	€ 1,000			31.12.2010	31.12.2009
	up to 1 year	1-5 years	Maturity more than 5 years	Book value Total	Book value Total
Fair value derivative transactions	1,304.1	18,424.5	119,492.1	139,220.7	114,958.1
Prepayments received	32,310.4	33,767.1	9,593.0	75,670.5	73,238.6
Fiscal authorities	29,617.5	0.0	0.0	29,617.5	15,503.4
Deferred income	3,611.4	1,366.1	4,184.7	9,162.2	14,465.1
Outstanding purchase invoices	8,291.0	0.0	0.0	8,291.0	24,005.3
Liabilities from deconsolidation	6,400.0	0.0	0.0	6,400.0	0.0
Rent deposits	685.4	4,317.4	144.2	5,147.0	4,358.0
Settlement of operating costs	4,783.9	0.0	0.0	4,783.9	2,787.8
Other	3,253.9	12.4	0.0	3,266.3	2,638.3
	90,257.6	57,887.5	133,414.0	281,559.1	251,954.6

Fair value maturities for derivative transactions were allocated based on the debt maturity profile for derivative transactions. As it was not possible to separate financial liabilities reliably on the basis of maturities within the remaining period, the individual derivative transactions have not been separated into short- and long-term portions.

Purchase price payments received for property sales (long-term property assets and those intended for trading) and advance payments received from multi-component transactions appear under prepayments received.

Liabilities towards the fiscal authorities are predominantly attributable to VAT in Germany.

Deferred income mainly refers to rental prepayments, which amount to € 7,885.3K (31.12.2009: € 12,831.1K) in Germany, € 899.2K (31.12.2009: € 953.9K) in Austria and € 377.7K (31.12.2009: € 680.1K) in Eastern/South East Europe.

There are liabilities in respect of outstanding purchase invoices for property acquisitions in Germany and for investment and property acquisitions in Eastern/South East Europe.

Liabilities from deconsolidation relate to companies in Eastern/South East Europe ("Project Maslov").

2.4. Cash flow

The consolidated statement of cash flows shows the impact of inflows and outflows on the cash position during the business year.

2.4.1. Fund of cash and cash equivalents

The cash position (fund of cash and cash equivalents) include balances in cash and at the bank. Securities and short-term bank liabilities do not form part of the cash position (see Point 2.3.10).

Restricted credit balances with a term of over 3 months are listed under receivables and other assets. These are made up as follows:

€ 1,000	2010	2009
Maturity > 1 year	7,260.1	0.0
Maturity from 3 to 12 months	36,311.5	24,374.7
Cash and cash equivalents with drawing restrictions	43,571.6	24,374.7

2.4.2. Taxes paid

The total amount of taxes paid is set out in the consolidated statement of cash flows as follows:

€ 1,000	2010	2009
Included in cash flow from operating activities	– 15,041.7	– 12,219.7
Included in cash flow from investment activities	– 29,563.3	0.0
Taxes paid	– 44,605.0	– 12,219.7

The taxes paid in 2010 totalled € 44,605.0K and are allocated on the basis of their primary cause. In the 2008 and 2009 business years, a number of long-term property assets were sold subject to tax, particularly in Germany; tax on profits had been provided for, and this now has an effect on payments. As such, in 2010 taxes paid were not just attributed to operating cash flow, but also appeared for the first time in cash flow from investment activities, amounting to € 29,563.3K (2009: € 0.0K). The remaining taxes paid, totalling € 15,041.7K (2009: € 12,219.7K), appear in the operating result. It is not necessary to adjust the previous year's figures, as no significant tax payments resulting from sales of long-term property assets were due in the previous year.

2.4.3. Cash flow from operating activities

The increase of the cash flow from operating activities is largely due to sales of properties intended for trading in Germany. Compared with the prior year the operating cash flow remained with € 120,948.8K (2009: € 120,519.1K) unchanged.

2.4.4. Cash flow from investment activities

Payments for acquisitions and investments in respect of property assets (asset deal) are as follows:

€ 1,000	2010	2009
Additions resulting from investments in long-term properties	– 276,925.1	– 236,951.0
Additions from property acquisitions	– 7,045.9	– 7,508.4
Capitalised interest	6,851.3	4,142.5
Change in provisions and liabilities	– 23,319.9	– 19,966.5
Acquisition of and investment in properties	– 300,439.6	– 260,283.4

Detailed breakdown of "Acquisition of property companies, less cash and cash equivalents":

€ 1,000	2010	2009
Purchase price including purchase price reductions for acquired companies	– 3,527.2	– 64.1
Change in payments for companies acquired in prior years	4.5	– 1,228.1
Inflow of funds from first-time consolidations	2,206.2	35.0
Acquisition of property companies, less cash and cash equivalents	– 1,316.5	– 1,257.2

In the 2010 business year, prepayments for property investments were made totalling € 136.000,0K (2009: other property investments € 110,4K) to acquire Europolis AG, Vienna. The deal was closed and title transferred in January 2011 (see Point 2.5.11.1).

A total of € 99,044.9K (2009: € 1,722.3K) – including € 10.6K for capital increase costs – was invested to acquire the shares held by non-controlling interests in CA Immo International AG, Vienna.

2.4.5. Cash flow from financing activities

The cash inflow from financing results from the implementation of investment properties under development totaling € 249.236,3K in Germany, € 23.258,0K in Eastern/South East Europe and € 7.796,2K in Austria.

The repayment of loans concerns both current and prepayments, if investment properties are sold, that were served as security for long-term financing. The repayment in the total amount of € 95.541,2K relates to Germany, in the amount of € 15.840,6K to Eastern/South East Europe and in the amount of € 27.449,2K to Austria.

2.5. Other information

2.5.1. Financial instruments

Financial instruments include both primary and derivative financial instruments.

Derivative financial instruments consist of the following:

€ 1,000	Nominal value	Fair value	31.12.2010		Fair value	31.12.2009 Book value
			Book value	Nominal value		
Interest rate swaps	1,857,933.7	- 136,942.0	- 136,942.0	1,699,973.1	- 114,958.1	- 114,958.1
- of which cash flow hedges	1,263,389.2	- 93,761.5	- 93,761.5	1,164,427.7	- 76,183.1	- 76,183.1
- of which fair value derivatives	594,544.5	- 43,180.5	- 43,180.5	535,545.4	- 38,775.0	- 38,775.0
Interest rate caps	50,000.0	12.9	12.9	5,784.9	0.0	0.0
Forward foreign exchange transactions	1,383.2	- 103.4	- 103.4	6,848.3	629.4	629.4
Time options	0.0	0.0	0.0	1,250.0	177.7	177.7
Total	1,909,316.9	- 137,032.5	- 137,032.5	1,713,856.3	- 114,151.0	- 114,151.0
- of which cash flow hedges	1,263,389.2	- 93,761.5	- 93,761.5	1,164,427.7	- 76,183.1	- 76,183.1
- of which fair value derivatives	645,927.7	- 43,271.0	- 43,271.0	549,428.6	- 37,967.9	- 37,967.9

Interest rate swaps

Interest rate swaps, which exchange fixed-interest rates for variable ones, are designated as fair value hedges in relation to interest rates. The effectiveness of the hedge relationship between hedging and underlying transactions is regularly examined using effectiveness measurements. The cash flow hedges, which have a nominal value of € 1,263,389.2K (31.12.2009: € 1,164,427.7K) and an underlying valuation of € -93,761.5K (31.12.2009: € -76,183.1K), include ineffective portions with a nominal value of € 2,921.4K in total (31.12.2009: € 2,282.4K) and a market value of € -103.9K (2009: € -210.1K); as such, these are recognised as an expense.

The fair value derivatives, which have a nominal value of € 594,544.5K (31.12.2009: € 535,545.4K) and an underlying valuation of € -43,180.5K (31.12.2009: € -38,775.0K), include swaps with a nominal value of € 426,344.5K (31.12.2009: € 430,195.4K) and an underlying valuation of € -45,054.3K (31.12.2009: € -38,169.4K), as they do not meet the requirements for cash flow hedges. For swaps with a nominal value totalling € 168,200.0K (31.12.2009: € 105,350.0K) and which do not fulfil the criteria for cash flow hedge accounting there are swap transactions as off-set entries for security purposes concluded; they were also classified as fair value derivatives and as at 31.12.2010 have a market value amounting to € 1,873.7K (31.12.2009: € -605.6K).

The interest rate swap existing as at 31.12.2010 had the following market values and conditions as at 31.12.2010:

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2010	Reference interest rate	Fair value 31.12.2010	Allocation ¹⁾
EUR	13,560.0	07/2007	07/2011	4,720%	3M-Euribor	- 277.1	cfh
EUR	8,190.0	03/2009	12/2011	2,425%	3M-Euribor	- 112.0	cfh
EUR	444.0	07/2007	12/2011	4,695%	3M-Euribor	- 10.1	cfh
EUR	14,741.0	09/2004	12/2011	3,870%	3M-Euribor	- 408.1	cfh
EUR	7,370.5	07/2005	12/2011	2,895%	3M-Euribor	- 131.8	cfh
EUR	14,741.0	09/2004	12/2011	2,990%	3M-Euribor	- 290.5	cfh
EUR	7,262.3	02/2005	04/2012	3,510%	3M-Euribor	- 218.9	cfh
EUR	3,631.1	07/2005	04/2012	3,045%	3M-Euribor	- 87.5	cfh
EUR	50,830.0	06/2009	06/2012	2,310%	3M-Euribor	- 665.7	cfh
EUR	9,047.3	09/2007	12/2012	4,500%	3M-Euribor	- 516.3	cfh
EUR	151,400.0	03/2010	12/2012	1,925%	3M-Euribor	- 2,492.1	cfh
EUR	59,687.5	01/2008	12/2012	4,250%	3M-Euribor	- 3,368.7	fvd
EUR	13,328.3	07/2007	06/2014	4,755%	3M-Euribor	- 1,190.4	cfh
EUR	12,270.0	07/2007	06/2014	4,750%	3M-Euribor	- 1,140.0	cfh
EUR	5,261.5	07/2007	06/2014	4,755%	3M-Euribor	- 489.8	cfh
EUR	4,741.4	07/2007	06/2014	4,760%	3M-Euribor	- 414.5	cfh
EUR	21,905.0	05/2006	12/2014	4,200%	6M-Euribor	- 1,603.2	cfh
EUR	13,875.0	03/2006	12/2014	3,670%	3M-Euribor	- 865.9	cfh
EUR	13,875.0	03/2006	12/2014	3,300%	3M-Euribor	- 774.2	cfh
EUR	28,662.0	12/2008	11/2015	4,000%	3M-Euribor	- 2,312.9	cfh
EUR	16,039.1	12/2008	12/2015	4,010%	3M-Euribor	- 1,308.0	fvd
EUR	29,427.2	06/2008	03/2016	4,505%	3M-Euribor	- 3,014.4	cfh/fvd
EUR	29,600.0	12/2008	09/2016	4,070%	3M-Euribor	- 2,834.8	fvd
EUR	464,461.3	12/2006	01/2017	3,905%	3M-Euribor	- 37,221.5	cfh
EUR	55,700.0	12/2006	01/2017	3,940%	3M-Euribor	- 3,293.9	cfh
EUR	63,030.0	09/2008	03/2017	4,348%	3M-Euribor	- 6,538.8	fvd
EUR	17,291.3	10/2007	07/2017	4,613%	3M-Euribor	- 2,047.6	fvd
EUR	12,555.0	07/2007	10/2017	4,173%	3M-Euribor	- 1,190.4	fvd
EUR	13,724.0	12/2007	10/2017	4,378%	3M-Euribor	- 1,463.1	fvd
EUR	7,410.0	11/2008	12/2017	4,373%	3M-Euribor	- 781.7	cfh
EUR	65,000.0	12/2007	12/2017	4,820%	3M-Euribor	- 9,044.3	fvd
EUR	43,935.0	11/2007	12/2017	4,495%	3M-Euribor	- 4,712.9	cfh
EUR	22,926.2	12/2008	12/2017	4,405%	3M-Euribor	- 2,464.7	cfh
EUR	119,375.0	01/2008	12/2017	4,410%	3M-Euribor	- 12,867.1	cfh/fvd
EUR	53,873.8	12/2008	12/2017	4,405%	3M-Euribor	- 5,791.8	cfh
EUR	43,200.0	01/2008	12/2017	4,405%	3M-Euribor	- 4,628.7	fvd
EUR	50,000.0	07/2008	07/2018	4,789%	3M-Euribor	- 7,036.2	cfh
EUR	59,687.5	01/2008	12/2022	4,550%	3M-Euribor	- 7,382.8	cfh/fvd
EUR	60,000.0	01/2008	12/2022	4,550%	3M-Euribor	- 7,332.2	fvd
CZK	7,675.4	06/2008	06/2013	4,620%	3M-Pribor	- 491.1	cfh
variable in fixed	1,689,733.7					- 138,815.7	
EUR	65,000.0	12/2010	12/2013	1,525%	3M-Euribor	- 301.6	fvd
EUR	43,200.0	10/2009	12/2015	2,730%	3M-Euribor	950.9	fvd
EUR	60,000.0	10/2009	12/2020	3,290%	3M-Euribor	1,224.4	fvd
fixed in variable	168,200.0					1,873.7	
Total	1,857,933.7					- 136,942.0	

¹⁾ cfh Cash flow hedge; fvd Fair value derivative

Both cash flow hedges and fair value derivatives belong in the category HFT – held for trading purposes.

The average weighted interest rate for all EUR interest rate swaps stands at 3.80 % and 4.62 % for the CZK interest rate swap.

Interest rate caps

Interest rate caps are exclusively used to hedge the risk of interest rate changes on existing loans. The item "Other financial assets" contains a contractually-agreed interest rate ceiling of 2.50 % on the basis of the 1M Euribor rate, which matures on 31.12.2011. A second interest rate cap of 1.00 % on the basis of the 1M Euribor rate has been listed separately under short-term liabilities from derivatives, since it matures on 31.10.2011. There were two interest rate caps in the previous year, which expired on 31.01.2010.

Forward foreign exchange transactions

One company in Poland concluded forward foreign exchange transactions to hedge against future currency fluctuations for rental incomes in USD.

The forward foreign exchange transactions existing as at 31.12.2010 had the following market values and conditions as at 31.12.2010:

Currency	Fixed exchange rate as at 31.12.2010	Start	End	Currency	Nominal value	Fair value	Allocation ¹⁾
					in € 1,000	in € 1,000	
USD	1.4236	06/2009	06/2011		825.0	579.5	– 40.0
USD	1.4287	06/2009	12/2011		650.0	455.0	– 34.5
USD	1.4337	06/2009	06/2012		500.0	348.7	– 28.8
					1,975.0	1,383.2	– 103.4

¹⁾ fvd Fair value derivative

Changes recognised directly in equity

€ 1,000	2010	2009
As at 1.1.	– 62,480.3	– 55,350.0
Change in valuation of cash flow hedges	– 18,114.0	– 24,840.7
Change of ineffectiveness cash flow hedges	106.2	210.1
Reclassification cash flow hedges	378.1	19,090.1
Taxes on income on cash flow hedges	2,489.7	– 1,589.8
Reclassification acquisition of non-controlling interests ¹⁾	3,854.4	0.0
As at 31.12.	– 73,765.9	– 62,480.3
thereof: attributable to the owners of the parent	– 72,716.4	– 58,291.6
thereof: attributable to non-controlling interests	– 1,049.5	– 4,188.7

¹⁾ The reclassification affects the valuation of the cash flow hedges including tax on profits on non-controlling interests for capital reserves due to the acquisition of shares in CA Immo International AG, Vienna, and the subsequent merger, which was recorded as an equity transaction without an impact on net income in accordance with IFRS 3/IAS 27 (see Point 1.6.1).

As a result of the premature termination of the underlying transaction during the business year, the interest rate swaps, which were originally shown as cash flow hedges, no longer meet the requirements for a hedge relationship and must, therefore, be reclassified as fair value derivatives; as such, they have to be shown in the income statement. For details of tax on profits on cash flow hedges, please refer to Point 2.2.

Fair values

Fair values for financial assets and financial liabilities are indicated for each item in question. The fair value of the remaining original financial instruments equates to the book value due to daily and/or short-term maturities.

The table below sets out the financial instruments, whose subsequent valuation has been carried out on the basis of their fair value. These are divided into three stages, depending on the extent to which it is possible to observe the fair value.

- Level 1 measurements based on the fair value are ones calculated from the prices noted (unadjusted) in active markets for identical financial assets or liabilities.
- Level 2 measurements based on the fair value are ones that rely on parameters, which do not correspond to the prices noted for assets and liabilities in stage 1 (data); and are, instead, derived directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3 measurements based on the fair value are ones calculated from models, which use parameters to measure assets and liabilities that are not based on observable market data (non-observable parameters, assumptions).

€ 1,000	Level 1	Level 2	Level 3	31.12.2010 Total
Financial assets from category				
"Valued at fair value in income statement"				
Interest rate caps	0.0	12.9	0.0	12.9
Financial liabilities from category				
"Derivative/Hedge-Accounting"				
Interest rate swaps	0.0	– 93,761.5	0.0	– 93,761.5
Financial liabilities from category				
"Valued at fair value in income statement"				
Interest rate swaps	0.0	– 43,180.5	0.0	– 43,180.5
Forward foreign exchange transactions	0.0	– 103.4	0.0	– 103.4
Total	0.0	– 137,032.5	0.0	– 137,032.5

€ 1,000	Level 1	Level 2	Level 3	31.12.2009
Financial assets from category				
"Valued at fair value in income statement"				
Forward foreign exchange transactions	0.0	807.1	0.0	807.1
Financial liabilities from category				
"Derivative/Hedge-Accounting"				
Interest rate swaps	0.0	- 76,183.1	0.0	- 76,183.1
Financial liabilities from category				
"Valued at fair value in income statement"				
Interest rate swaps	0.0	- 38,775.0	0.0	- 38,775.0
Total	0.0	- 114,151.0	0.0	- 114,151.0

No transfers between the levels were made during the 2010 and 2009 reporting periods.

The CA Immo Group divides its liabilities into the following categories in accordance with IAS 39.9:

Category	HFT	at amortised cost	Category ¹⁾	Book value =
				market value
				31.12.2010
				€ 1,000
Liabilities from convertible bonds	0.0	130,537.7	0.0	130,537.7
Liabilities from other bonds	0.0	345,027.1	0.0	345,027.1
Financial liabilities	0.0	1,649,651.6	0.0	1,649,651.6
Trade creditors	0.0	62,128.7	0.0	62,128.7
Non-controlling interests held by limited partners	0.0	1,996.8	0.0	1,996.8
Liabilities to joint ventures	0.0	1,670.8	0.0	1,670.8
Derivative financial liabilities	139,220.7	0.0	0.0	139,220.7
Other liabilities	0.0	103,558.7	38,779.7	142,338.4
Liabilities relating to properties held for sale	0.0	5,853.6	0.0	5,853.6
	139,220.7	2,300,425.0	38,779.7	2,478,425.4

¹⁾ HFT Held for trading; Non-FI Non-financial instrument

Category	HFT	at amortised cost	Non-FI	Book value =
				market value
				31.12.2009 € 1,000
Liabilities from convertible bonds	0.0	128,302.9	0.0	128,302.9
Liabilities from other bonds	0.0	344,222.4	0.0	344,222.4
Financial liabilities	0.0	1,503,944.7	0.0	1,503,944.7
Trade creditors	0.0	65,716.8	0.0	65,716.8
Non-controlling interests held by limited partners	0.0	2,437.6	0.0	2,437.6
Liabilities to joint ventures	0.0	15,225.9	0.0	15,225.9
Derivative financial liabilities	114,958.1	0.0	0.0	114,958.1
Other liabilities	0.0	107,028.0	29,968.5	136,996.5
	114,958.1	2,166,878.3	29,968.5	2,311,804.9

¹⁾ HFT Held for trading; Non-FI Non-financial instrument

2.5.2. Financial risks

Capital market risk

The CA Immo Group manages the capital market risk in several different ways: firstly, the company is highly skilled at liquidity planning and safeguarding measures in order to avoid tight positions. Secondly, the CA Immo Group protects itself by entering into capital partnerships (joint ventures) for project development purposes as an alternative and extension to established sources of equity capital procurement. Outside capital is procured by the CA Immo Group not only from its principal bank, UniCredit Bank Austria AG/UniCredit Group, but also and to a growing extent through new or developing business relationships with other domestic and foreign banks. In order to improve the financing structure and strengthen the liquidity of the CA Immo Group, two bonds and one convertible bond have been issued.

Interest rate risk

Risks resulting from changes in interest rates basically concern long-term loans. A mix of long-term fixed-rate and floating-rate loans are used to reduce the interest rate risk. In the case of floating-rate loans, derivative financial instruments (interest rate caps and interest rate swaps) are also used to hedge against the risk of interest rate changes arising from underlying transactions.

A list of all major interest rate liabilities as well as swap agreements, which have been concluded, and maturity dates can be found under Points 2.3.14 and 2.5.1. No risks which represent a major and permanent danger to the CA Immo Group exist at the present time.

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

in € 1,000	Recognised in profit or loss		Recognised directly in equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
31.12.2010				
Variable rate instruments	– 15,968.6	15,968.6	0.0	0.0
Interest rate swaps (interest)	18,579.3	– 18,579.3	0.0	0.0
Interest rate swaps (valuation)	14,613.1	– 15,650.5	43,342.4	– 45,989.7
	17,223.8	– 18,261.2	43,342.4	– 45,989.7
31.12.2009				
Variable rate instruments	– 14,612.8	14,612.8	0.0	0.0
Interest rate swaps (interest)	16,999.7	– 16,999.7	0.0	0.0
Interest rate swaps (valuation)	25,736.5	– 26,903.5	48,246.0	– 49,646.4
	28,123.4	– 29,290.4	48,246.0	– 49,646.4

The sensitivity analysis is based on the consolidated statement of financial position values as at 31.12.2010 assuming that there is a change in interest rates of 100 basis points. Floating-rate instruments contain floating-rate financial liabilities, loans and financial receivables and do not take into account hedge relationships. In the case of financial derivatives, an interest rate change gives rise to a component that is recognised in profit and 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. The market value of interest rate caps is equal to the book value. The two interest rate cap agreements of the CA Immo Group become due on 31.12.2011 and have not been considered within the sensitivity analysis due to their short term and the low volume.

Currency risk

Currency risks result from rental income and rental receivables in foreign currencies, principally BGN, CHF, CZK, HUF, PLN, RON and RSD. These foreign currency rental earnings are secured through a linkage of rents to EUR and USD, so that on balance no major risk exists. On the liabilities side risks may result from financing in CZK and USD (see Point 2.3.14). This risk mainly applies to rental income in CZK and USD. Loans are taken out in the same currency as the one covering the lease in question.

The following table shows what effect a 10 % increase or decrease in the Euro compared to the respective foreign currency would have. A positive number indicates an increase in the annual result if the Euro were to rise by 10 % compared to the respective foreign currency. If the Euro were to fall by 10 % compared to the relevant foreign currency, this would have a similarly negative effect on the annual result. The outstanding financial liabilities in foreign currencies of the CA Immo Group as at the balance sheet date serve as a basis for the sensitivity analysis assuming a 10 % increase or decrease in the Euro compared to the respective foreign currency.

31.12.2010	€ 1,000	USD	impact	CZK	impact
Exchange rate	1.3341			25.0800	
+10% increase	1.4675		30.1	27.5880	697.8
- 10% decrease	1.2007		- 36.8	22.5720	- 852.8
31.12.2009	€ 1,000	USD	impact	CZK	impact
Exchange rate	1.4310			26.4000	
+10% increase	1.5741		279.0	29.0400	683.8
- 10% decrease	1.2879		- 341.0	23.7600	- 835.8

Forward foreign exchange transactions have been concluded to avoid the risks of currency fluctuations; these should counteract future fluctuations in USD rental income.

A list of all forward foreign exchange transactions that have been concluded as well as maturity dates can be found in Point 2.5.1.

Credit risk

On the assets side, the amounts listed represent the maximum default risk as no major set off-set agreements exist. Trade debtors are off-set against deposits received amounting to € 5,147.0K and bank guarantees. Receivables from property sales have not been secured by guarantees. As far as it can be determined, the risk to receivables from tenants and property purchasers has been taken into consideration as part of the value adjustments. If there are objective indications of a value adjustment (e.g. through defaults in payment, litigation, insolvency), an impairment is recognised. The same applies to financing obtained by joint ventures or associated companies, should it become likely that these companies, following developments in the course of their business, will no longer be able to meet their financial obligations in full. The impairment loss is the difference between the current book value for the asset and the cash value of the future cash flow expected from the receivables. The default risk for other financial instruments listed on the assets side of the balance sheet should be seen as minimal, as the majority of financial instruments used by contractual partners have the highest credit rating scores possible and/or are provided by state authorities. Please refer to Point 2.5.3 for the risks associated with securities and other guarantees.

Liquidity risk

There is a liquidity risk where financial liabilities cannot be settled at the time they are payable. Guaranteeing sufficient monies to pay liabilities due whilst avoiding unnecessary potential losses and risks forms the basis of CA Immo Group's liquidity control. Loans are usually agreed on a long-term basis in accordance with the investment horizon for real estate.

The contractually agreed (non-discounted) interest payments and repayments for original financial liabilities and derivative financial instruments can be seen in the table below.

31.12.2010 € 1,000	Book value 2010	Contractually agreed cash flows	Cash flow 2011	Cash flow 2012-2015	Cash flow 2016 ff
Primary financial liabilities:					
Liabilities from convertible bonds	130,537.7	– 157,275.0	– 5,568.8	– 151,706.3	0.0
Liabilities from other bonds	345,027.1	– 448,250.0	– 19,437.5	– 218,562.5	– 210,250.0
Financial liabilities	1,649,651.6	– 1,982,159.8	– 268,319.2	– 640,208.6	– 1,073,632.0
Trade creditors	62,128.7	– 62,128.7	– 25,025.0	– 37,103.7	0.0
Non-controlling interests held by limited partners	1,996.8	– 1,996.8	0.0	0.0	– 1,996.8
Liabilities to joint ventures (interest-bearing)	1,138.6	– 1,150.3	– 1,150.3	0.0	0.0
Liabilities to joint ventures (interest-free)	532.2	– 532.2	– 532.2	0.0	0.0
Other interest-free liabilities	142,338.5	– 142,338.5	– 88,953.5	– 39,463.0	– 13,921.9
Liabilities relating to properties held for sale	5,853.6	– 5,853.6	– 5,853.6	0.0	0.0
Derivative financial liabilities:					
Interest rate derivatives in connection with cash flow hedges: ¹⁾	93,761.5	– 98,510.2	– 31,533.4	– 60,319.5	– 6,657.2
Interest rate derivatives not connected with hedges: ¹⁾	45,355.8	– 49,456.0	– 13,888.0	– 29,029.3	– 6,538.6
Forward foreign exchange transactions not connected with hedges	103.4	– 103.4	– 74.6	– 28.8	0.0
	2,478,425.4	– 2,949,754.4	– 460,336.0	– 1,176,421.8	– 1,312,996.5

¹⁾ Cash flows for interest rate derivatives are based on assumptions for the underlying forward rates.

31.12.2009 € 1,000	Book value 2009	Contractually agreed cash flows	Cash flow 2010	Cash flow 2011-2014	Cash flow 2015 ff
Primary financial liabilities:					
Liabilities from convertible bonds	128,302.9	– 162,843.8	– 5,568.8	– 157,275.0	0.0
Liabilities from other bonds	344,222.4	– 467,687.5	– 19,437.5	– 227,750.0	– 220,500.0
Financial liabilities	1,503,944.7	– 1,898,016.3	– 145,129.5	– 585,599.6	– 1,167,287.2
Trade creditors	65,716.8	– 65,716.8	– 24,901.0	– 40,815.8	0.0
Non-controlling interests held by limited partners	2,437.6	– 2,437.6	0.0	0.0	– 2,437.6
Liabilities to joint ventures (interest-bearing)	626.3	– 638.9	– 638.9	0.0	0.0
Liabilities to joint ventures (interest-free)	14,599.6	– 14,599.6	– 14,599.6	0.0	0.0
Other interest-free liabilities	136,996.5	– 136,996.5	– 77,831.6	– 50,077.8	– 9,087.1
Derivative financial liabilities: ¹⁾					
Interest rate derivatives in connection with cash flow hedges	76,183.1	– 82,559.3	– 35,326.8	– 46,610.4	– 622.1
Interest rate derivatives not connected with hedges	38,775.0	– 39,718.1	– 17,275.5	– 23,844.0	1,401.4
	2,311,804.9	– 2,871,214.4	– 340,709.2	– 1,131,972.6	– 1,398,532.6

¹⁾ Cash flows for interest rate derivatives are based on assumptions for the underlying forward rates.

2.5.3. Other liabilities and contingent liabilities

Guarantees and other commitments

As at 31.12.2010 the Vivico Group has guarantees and other commitments amounting to € 24,870.3K (31.12.2009: € 22,033.0K) derived from urban development contracts and purchase agreements, which have been concluded to absorb the costs of contaminated sites and/or war damage totalling € 3,374.0K (31.12.2009: € 4,765.3K). Furthermore, rental guarantees have been made for the sum of € 64.0K (31.12.2009: € 211.0K).

In addition comfort letters have been signed for a proportionally consolidated company in Germany amounting to € 2,000.0K (31.12.2009: € 2,285.0K) and a guarantee has been given for € 800.0K (31.12.2009: € 800.0K). The total outflow of funds depends on the company's future business development.

As at 31.12.2010 guarantees and other commitments for € 1,905.0K (31.12.2009: € 1,905.0K) had been made for Eastern/South East Europe in respect of a proportionally consolidated company in Slovakia.

Contingent liabilities

The JV partner from "Project Maslov" has announced an arbitration action for € 48,000.0K. The CA Immo Group considers the chances of this action succeeding as minimal. As a payment in this respect is regarded as not probable, this issue has not been recognized in the statement of financial position.

Other financial obligations

Apart from leasing arrangements (see item 2.5.4. Leases), there are other financial obligations relating to building site liabilities for work carried out in the course of developing real estate in Germany of € 146,570.0K, in Austria of € 10,818.3K and in Eastern/South East Europe of € 23,450.0K. For at equity consolidated companies there are proportionate other financial obligations arising from building site liabilities for work carried out to develop real estate in Eastern/South East Europe amounting to € 3,735.0K.

As at 31.12.2010 the total obligations of the CA Immo Group in respect of equity calls for proportionally consolidated companies amounted to € 178.9K (31.12.2009: € 178.9K).

2.5.4. Leases

CA Immo Group as lessor

All lease contracts concluded by the CA Immo Group, where the company is acting as lessor, are recorded as operating leases in accordance with IFRS. As a rule, these encompass the following essential contractual elements:

- linkage to EUR, USD or CHF
- 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 day the consolidated financial statements were drawn up are as below:

€ 1,000	2010	2009
in following year	152,657.1	140,422.2
thereafter 4 years	520,415.5	434,910.8
more than 5 years	1,214,851.5	1,071,136.2
Total	1,887,924.1	1,646,469.2

All remaining tenancies may be terminated at short notice.

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

CA Immo Group as lessee

All rental obligations undertaken by the CA Immo Group are classified as operating leases.

The lease contracts concluded by the Vivico Group acting as lessee, primarily relate to rented properties in Frankfurt (until 2011), Cologne (until 2011) and Munich (until 2017).

The remaining operating lease agreements of the CA Immo Group relate to office furniture, equipment and other assets. No purchase options have been agreed. Leasing payments of € 2,732.3K were recorded in the income statement as expenses during the business year (2009: € 2,772.8K).

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

€ 1,000	2010	2009
up to 1 year	1,839.9	1,668.5
thereafter 4 years	4,602.0	1,900.1
more than 5 years	4,020.8	634.0
Total	10,462.7	4,202.6

2.5.5. Business relationships with related companies and parties

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

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

As at the balance sheet date, the following significant receivables and liabilities existed towards joint ventures and associated companies in which the CA Immo Group holds an interest:

€ 1,000	31.12.2010	31.12.2009
Loans to joint ventures		
Poleczki Business Park Sp.z.o.o., Warsaw	6,174.5	6,481.6
Megapark o.o.d., Sofia	3,298.8	0.0
Pannonia Shopping Center Kft., Györ	1,669.1	1,180.3
Log Center d.o.o., Belgrade	0.0	1,165.0
Triastron Investments Limited, Nicosia	0.0	16,156.5
Total	11,142.4	24,983.4
Loans to associated companies		
OAO Avielen AG, St. Petersburg	14,550.9	11,867.8
Total	14,550.9	11,867.8
Receivables from joint ventures		
REC Frankfurt Objekt GmbH & Co. KG, Frankfurt	24,618.7	27,701.5
SKYGARDEN Arnulfpark GmbH & Co. KG, Grünwald	8,948.3	8,483.8
Einkaufszentrum Erlenmatt AG, Basel	1,796.0	822.7
Log Center d.o.o., Belgrade	1,127.6	0.0
Starohorska Development s.r.o., Bratislava	1,041.3	0.0
Zollhafen Mainz GmbH & Co. KG, Mainz	444.7	0.0
Congress Centrum Skyline Plaza GmbH & Co. KG, Hamburg	319.8	0.0
Boulevard Süd 4 GmbH & Co. KG, Ulm	191.7	2,060.1
Lokhalle München Verwaltungsgesellschaft mbH & Co. KG, Munich	0.0	781.1
Other	147.8	185.2
Total	38,635.9	40,034.4
Liabilities to joint ventures		
CA Betriebsobjekte Polska Sp.z.o.o., Warsaw	1,138.6	626.3
Zollhafen Mainz GmbH & Co. KG, Mainz	300.0	0.0
Concept Bau Premier Vivico Isargärten GmbH & Co KG, Munich	167.4	1,523.6
Infraplan Vivico Isargärten GmbH & Co KG, Munich	0.5	941.5
SKYGARDEN Arnulfpark GmbH & Co. KG, Grünwald	0.1	7,612.0
REC Frankfurt Objekt GmbH & Co. KG, Frankfurt	0.0	2,846.8
Lokhalle München Verwaltungsgesellschaft mbH & Co. KG, Munich	0.0	1,228.9
Einkaufszentrum Erlenmatt AG, Basel	0.0	319.5
Other	64.2	127.3
Total	1,670.8	15,225.9

Outstanding loans to joint ventures as at the balance sheet date serve to finance property companies. 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 value adjustment of loans to joint ventures is € 18,581.3K and relates to loans to Triastron Investments Limited of Nicosia (Project Maslov), which was recorded solely as expenditure in the business year 2010 (2009: € 0.0K). € 16,940.8K of the impairment expense were taken into account when calculating deconsolidation gain.

Outstanding loans to associated companies as at the balance sheet date serve to finance project development companies. All loans have interest rates in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these loans. The cumulative value adjustment of loans to associated companies is € 5,271.8K. € 343.2K (2009: € 2,614.5K) was recorded as expense during the business year.

Receivables from joint ventures comprise granted short-term loans in the amount of € 22,849.3K (31.12.2009: € 11,579.3K). All receivables have interest rates in line with those prevailing in the market. The remaining receivables are predominantly the result of services performed, particularly in Germany and Switzerland. No guarantees or other forms of security exist in connection with these receivables.

There were no other value adjustments recognised in profit or loss.

The liability towards CA Betriebsobjekte Polska Sp.z.o.o., Warsaw, takes the form of a loan. All liabilities are the result of services performed, particularly in Germany and Switzerland. All liabilities have interest rates in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these liabilities.

Moreover, comfort letters have been signed for two proportionally consolidated companies (see item 2.5.3.).

The executive bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna:

Management Board

Bruno Ettenauer

Wolfhard Fromwald

Bernhard H. Hansen

The Management Board of CA Immobilien Anlagen Aktiengesellschaft is also the board of directors for Vivico Real Estate GmbH, Frankfurt. Despite working for both companies, Bruno Ettenauer and Wolfhard Fromwald, members of the Management Board, only receive remuneration in respect of their contracts of employment with CA Immobilien Anlagen Aktiengesellschaft. The remuneration of Bernhard H. Hansen is settled in its entirety by Vivico Real Estate GmbH, Frankfurt; no charge is made to CA Immobilien Anlagen Aktiengesellschaft.

Total costs for the Management Board consist of the following:

€ 1,000	2010	2009
Payments due at short notice (incl. staff incidentals)	961.9	766.3
Provision for premiums	852.1	0.0
Endowments to severance payments/contributions to pensions funds	199.0	72.9
Variable compensation (LTI) provision	171.5	0.0
Total costs	2,184.5	839.2

Management fees (including ancillary staff expenses, remuneration in kind and pension contributions) for Bruno Ettenauer and Wolfhard Fromwald, members of the Management Board, which were charged to CA Immo International AG, Vienna, prior to its merger with CA Immobilien Anlagen Aktiengesellschaft, totalled € 197.8K (2009: € 243.4K); these were switched to be based on the number of hours and/or amount of work carried out by the individual members of the Management Board.

Please refer to Point 1.6.6. for variable remuneration (LTI).

Supervisory Board

Wolfgang Ruttenstorfer, Chairman
 Helmut Bernkopf, Deputy Chairman
 Detlef Bierbaum
 Reinhard Madlencnik
 Regina Prehofer
 Horst Pöchhacker (until 31.7.2010)

As at 31.12.2010 all positions on the Supervisory Board had been elected.

In 2010 (for the 2009 business year), CA Immobilien Anlagen Aktiengesellschaft paid a total of € 71.2K (2009 for the 2008 business year: € 56.0K) 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 to either Management Board or Supervisory Board members.

Alongside their functions at CA Immobilien Anlagen Aktiengesellschaft, Helmut Bernkopf and Reinhard Madlencnik served on the Supervisory Board of the subsidiary CA Immo International AG, Vienna (previously a listed company as well). Furthermore, Helmut Bernkopf, who serves on the Management Board of UniCredit Bank Austria AG, Vienna, is responsible for corporate clients business and the Investment Banking division, whilst Reinhard Madlencnik heads up 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 shareholder in the company with a stake of over 10 % (as at: 31.12.2010). 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 following is a list of the relationships with UniCredit Bank Austria AG/UniCredit Group:

– Consolidated statement of financial position:

€ 1,000	31.12.2010	31.12.2009
Share of financial liabilities recognised in consolidated statement of financial position	25.3%	26.8%
Outstanding receivables	159,722.7	378,845.4
Outstanding liabilities	– 538,020.8	– 528,812.2
Market value of interest rate swaps	– 95,394.7	– 79,405.5

-Consolidated income statement/equity:

€ 1,000	2010	2009
Net interest expenses (incl. interest income, swap expenses and income and loan processing charges)		
- CA Immo AG	- 17,521.1	- 16,762.8
- CA Immo Group subsidiaries	- 29,867.7	- 30,740.9
Marketing and sales fees	0.0	- 9.0
Issue costs	0.0	- 1,105.5

-Consolidated statement of cash flows:

€ 1,000	2010	2009
Raising of new bank loans	35,310.0	69,971.2
Repayment of bank loans	- 40,710.0	- 176,680.7

Mortgages, share pledges and similar guarantees are used as collateral for bank liabilities. There were no impairments recognised in profit or loss for bank receivables. The terms and conditions governing the business relationship with UniCredit Bank Austria AG/UniCredit Group are in line with those prevailing in the market.

2.5.6. Net profit effect on the income statement of the settlement of transactions within the CA Immo Group and the CAINE Group

The CA Immo Group has a 60.0 % stake in CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg. The individual financial statements of the CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR are shown as fully consolidated in the consolidated financial statements of the CA Immo Group, meaning that the business transactions with CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR and its subsidiaries are not taken into consideration in the individual items of the annual financial statements but are reflected only in the share of net income attributable to non-controlling interest.

Linkage of the non-controlling interest in the individual group company of CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg, (CAINE) is detailed below based on intragroup settlements:

€ 1,000	31.12.2010	31.12.2009
Result of subgroup CAINE after consolidation of CA Immo Group	- 3,732.4	- 24,349.9
of which 40.0 % expected non-controlling interest	- 1,491.8	- 9,732.0
Actual non-controlling interest	- 2,106.3	- 11,166.0
Difference	614.5	1,434.0
Composition of the difference		
Non-controlling interest in respect of asset management fee	489.3	1,358.9
Non-controlling interest in respect of interest income	86.4	38.6
Non-controlling interest in respect of management fees	36.1	36.5
Non-controlling interest in respect of marketing expenses	2.8	0.0
Total	614.5	1,434.0

2.5.7. Capital management

The objective of CA Immo Group's capital management is, firstly, to make the necessary resources for the continuation of the company available at all times, and secondly, to optimise the costs for the capital required for this.

The key parameters for determining the capital structure of the CA Immo Group are, on the one hand, the general relationship of shareholders' equity to liabilities, and on the other, the split within liabilities between that using properties as collateral, which are taken out by special-purpose vehicles, and unsecured liabilities, which are taken out by the group parent company. Equity based on the IFRS accounts is used for management. With regard to the first parameter, the CA Immo Group strives to maintain an equity ratio of at least 35 % to 40 %. As at 31.12.2010, the equity ratio was within this target corridor. As a result of the first-time consolidation of the Europolis Group in 2011, it is likely, though, that this target ratio will not be met. Consequently, the CA Immo Group intends to take active steps to improve the equity ratio, particularly through the sale of properties and the repayment of liabilities associated with this.

With regard to the second parameter, the CA Immo Group is focusing on secured property loans for financing with liabilities, which are usually taken out by special-purpose vehicles that hold the object in question. Generally speaking, secured financing offers more favourable conditions compared to unsecured financing, as these are structurally subordinated to the secured financing. Unsecured financing is only really available in the form of corporate bonds issued on the capital markets. There are no external ratings or explicit requirements, which have been stipulated by a third party, in respect of key parameters for managing the group's capital.

Net debt and the gearing ratio are other key figures for presenting the capital structure of the CA Immo Group; these have developed as follows:

€ 1,000	2010	2009
Interest-bearing liabilities		
Liabilities from convertible bonds	130,537.7	128,302.9
Liabilities from other bonds	345,027.1	344,222.4
Financial liabilities	1,649,651.6	1,503,944.7
Interest-bearing assets		
Securities	– 3,853.5	– 6,948.2
Cash and cash equivalents	– 354,763.8	– 497,199.3
Cash and cash equivalents with drawing restrictions	– 43,571.6	– 24,374.7
Net debt	1,723,027.5	1,447,947.8
Shareholders' equity	1,659,938.5	1,729,160.1
Gearing ratio (Net debt/equity)	103.8%	83.7%

Cash and cash equivalents with drawing restrictions have been taken into account for net debt, as they are used to secure the repayments on financial liabilities.

2.5.8 Key figures per share

Earnings per share

The undiluted earnings per share (as shown in the consolidated income statement) is calculated by dividing the consolidated net income attributable to owners of ordinary shares in the parent company by the weighted average number of ordinary shares that were in circulation during the business year.

As at 31.12.2010 the share capital of CA Immo AG totalled € 638,713,556.20 and is broken down into 87,856,060 ordinary shares.

The undiluted earnings per share is calculated as follows:

		2010	2009
Weighted number of shares in circulation	pcs.	87,333,896	86,141,113
Consolidated net income	€ 1,000	45,415.3	- 76,915.0
Undiluted earnings per share	€	0.52	- 0.89

In calculating the diluted earnings per share, the result attributable to the owners of the parent company is divided by the weighted average number of ordinary shares that were in circulation during the business year, plus the weighted average number of ordinary shares that would arise from the conversion of all financial instruments with a dilution effect into ordinary shares.

The diluted earnings per share is calculated as follows:

		2010	2009
Weighted number of shares in circulation	pcs.	87,333,896	86,141,113
Dilution effect:			
Convertible bond	pcs.	11,657,829	0
Weighted number of shares in circulation	pcs.	98,991,725	86,141,113
Consolidated net income attributable to the owners of the parent	€ 1,000	45,415.3	- 76,915.0
Dilution effect:			
Effective interest rate on convertible bond	€ 1,000	7,803.5	0.0
less taxes	€ 1,000	- 1,950.9	0.0
Consolidated net income attributable to the owners of the parent adjusted by dilution effect	€ 1,000	51,267.9	- 76,915.0
Diluted earnings per share	€	0.52	- 0.89

Due to a negative net income in 2009, the diluted earnings per share in 2009 was equal to the undiluted earnings per share. The net income attributable to shareholders of the parent company adjusted for interest expenditure on the convertible bond was € -75,811.1K in 2009.

Cash flow per share

The cash flow per share is calculated by dividing the operating cash flow and cash flow from operating activities by the weighted number of ordinary shares in circulation during the business year.

		2010	2009
Weighted number of shares in circulation	pcs.	87,333,896	86,141,113
Operating cash flow	€ 1,000	120,948.8	120,519.1
Operating cash flow per share	€	1.38	1.40
Cash flow from operating activities	€ 1,000	172,032.9	130,758.2
Cash flow from operating activities per share	€	1.97	1.52

2.5.9. Payroll

In the 2010 business year, the CA Immo Group engaged an average of 268 employees (2009: 277) and 27 workers (2009: 20), of which on average 182 (2009: 189) were engaged as employees at the Vivico Group. In addition, there were on average 12 employees (2009: 11) and 17 workers (2009: 19) employed at proportionally consolidated companies.

2.5.10. Costs for the auditor

In accordance with article 266 line 11 of the Austrian Commercial Code (UGB), the costs for the group auditor of CA Immo AG, Vienna, incurred during the business year must be disclosed. These are as follows:

€ 1,000	2010	2009
Auditing costs	256.2	289.8
Other consultancy services	132.0	132.0
Tax consultancy services	0.0	22.0
Other review services	107.0	44.0
	495.2	487.8

2.5.11. Events after the close of the business year

2.5.11.1. Company fusions after the close of the business year

In January 2011, the deal to acquire 100 % of shares in Europolis AG, Vienna, was closed.

With the acquisition of the Europolis Group, the CA Immo Group has acquired properties focused on Eastern/South East Europe.

The provisional purchase price for the shares amounted to € 272,000.0K, which is still subject to the usual adjustments that may arise from the statement of financial position as at 31.12.2010. As at the balance sheet date, 50 % of the purchase price has already been paid. The remaining 50 % is deferred for a period of five years. The acquisition costs that have been incurred to date amount to € 545.5K. They appear as expenditure for the business year under legal, auditing and consultancy fees, as well as under indirect expenditure in the consolidated income statement.

On the basis of the information available relating to assets and liabilities acquired, the total assets of the CA Immo Group will increase by around € 1.6bn to € 6.1bn following the first-time consolidation of the Europolis Group. It can be assumed that the desired equity ratio of the CA Immo Group of at least 35 % to 40 % will not be reached as a result of the one-off consolidation of the Europolis Group.

The proximity of the transaction to the balance sheet date and its complexity mean that it will only be possible to identify fully the assets and liabilities acquired, as well as to allocate the purchase price, during the first quarter of 2011. In line with expectations, there will be limited goodwill resulting from the purchase price allocation.

2.5.11.2. Other events

In January 2011, shares in each of the proportionally consolidated companies in Slovakia and Serbia were sold to the previous joint venture partner.

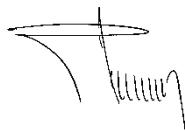
The CA Immo Group signed an agreement to lease a new property in Berlin, which must first be constructed, in January 2011. The tenancy begins in 2013 and runs for 10 years; it covers an area of over 25,000 sqm.

Beginning as at 1.8.2011, Post AG has signed a lease contract for a five-year period for the Erdberger Lände property (over 20,000 sqm).

These consolidated financial statements have been 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 9.3.2011 for their approval.

Vienna, 28 February 2011

The Management Board



Bruno Ettenauer
Chairman



Wolfhard Fromwald



Bernhard H. Hansen

ANNEX I TO THE CONSOLIDATED FINANCIAL STATEMENTS

SCOPE OF CONSOLIDATION

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾
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
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	FC
CA Immo-RI-Residential Property Holding GmbH	Vienna	35,000	EUR	100	FC
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG	Vienna	2,537,600	EUR	100	FC
CAII Projektbeteiligungs GmbH	Vienna	35,000	EUR	100	FC
CAII Projektmanagement GmbH	Vienna	35,000	EUR	100	FC
CEE Hotel Development GmbH	Vienna	70,000	EUR	50	PC
CEE Hotel Management und Beteiligungs GmbH	Vienna	35,000	EUR	50	PC
I.N.A. Handels GmbH	Vienna	37,000	EUR	100	FC
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	FC
Parkring 10 Immobilien GmbH	Vienna	35,000	EUR	100	FC
SQUARE S Holding GmbH	Vienna	35,000	EUR	100	FC
UBM Realitätenentwicklung AG	Vienna	5,450,463	EUR	25	EQ
Blitz F07-neunhundert-sechzig-acht GmbH	Frankfurt	25,000	EUR	100	FC
Blitz F07-neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo Eins GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Zwei GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Drei GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Vier GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Fünf GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Sechs GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Sieben GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Acht GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Neun GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
CA Immo Zehn GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo Elf	Frankfurt	25,000	EUR	100	FC
CA Immo GB GmbH	Frankfurt	25,000	EUR	100	FC
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC
CEREP Allermöhe GmbH	Frankfurt	25,000	EUR	99.7	FC

¹⁾ FC full consolidation, PC proportional consolidation, EQ at equity consolidation

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾
CM Komplementär F07-888 GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC
Vivico AG	Frankfurt	50,000	EUR	100	FC
Vivico Real Estate GmbH	Frankfurt	5,000,000	EUR	99.7	FC
CA Immo d.o.o.	Belgrade	390,500	EUR	100	FC
Log Center d.o.o.	Belgrade	150,000	EUR	50	PC
TM Immo d.o.o.	Belgrade	5,250,000	EUR	100	FC
BA Business Center a.s.	Bratislava	7,503,200	EUR	100	FC
Starohorska Development s.r.o.	Bratislava	6,639	EUR	50	PC
CA Immo Holding Hungary Kft.	Budapest	13,000,000	HUF	100	FC
Canada Square Kft.	Budapest	12,500,000	HUF	100	FC
Casa Property Kft.	Budapest	51,310,000	HUF	100	FC
Kapas Center Kft.	Budapest	772,560,000	HUF	100	FC
Kilb Kft.	Budapest	30,000,000	HUF	100	FC
R 70 Invest Budapest Kft.	Budapest	5,250,000	HUF	100	FC
Skogs Buda Business Center II. Kft.	Budapest	327,000,000	HUF	100	FC
Váci 76 Kft.	Budapest	3,100,000	HUF	100	FC
CA Immobilien S.R.L.	Bucharest	947,100	RON	100	FC
Opera Center One S.R.L.	Bucharest	2,531,150	RON	100	FC
Opera Center Two S.R.L.	Bucharest	4,700,400	RON	100	FC
S.C. BBP Leasing S.R.L.	Bucharest	14,637,711	RON	100	FC
CA Immo Holding B.V.	Hoofddorp	51,200,000	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	139,670,000	EUR	100	FC
CA Immo S.á.r.l.	Luxembourg	33,000	EUR	100	FC
OOO Saimir	Moscow	10,000	RUB	100	FC
2P s.r.o.	Pilsen	240,000	CZK	100	FC
Europort Airport Center a.s.	Prague	14,100,000	CZK	100	FC
FCL Property a.s.	Prague	2,000,000	CZK	100	FC
Megapark o.o.d.	Sofia	5,000	BGN	35 ²⁾	PC
Office Center Mladost EOOD	Sofia	5,000	BGN	100	FC
Office Center Mladost 2 EOOD	Sofia	5,000	BGN	100	FC
Soravia Center OÜ	Tallinn	100,000	EEK	40	EQ
CA Betriebsobjekte Polska Sp.z.o.o.	Warsaw	228,404,000	PLN	50	PC
Doratus Sp.z.o.o.	Warsaw	2,000,000	PLN	100	FC
Mahler Property Services Sp.z.o.o.	Warsaw	50,000	PLN	50	PC
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	PC

¹⁾ FC full consolidation, PC proportional consolidation, EQ at equity consolidation²⁾ common control

As at 31.12.2010, the CA Immo Group held 99.7 % of the shares in Vivico Real Estate GmbH, Frankfurt am Main (or simply Frankfurt). The following subsidiaries, shares in joint ventures, and associated companies of Vivico Real Estate GmbH, Frankfurt, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾
Einkaufszentrum Erlenmatt AG	Basle	100,000	CHF	50	PC
Dorotheenhöfe Grundstücks GmbH & Co. KG	Berlin	255,646	EUR	70	FC
Dorotheenhöfe Grundstücksverwaltungs-GmbH	Frankfurt	25,565	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
VIADOR GmbH	Frankfurt	100,000	EUR	70	FC
Vivico Berlin Europaplatz 01 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Europaplatz 01 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Hallesches Ufer GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 3 Beteiligungs GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 4 Beteiligungs GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 5 Beteiligungs GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 6 Beteiligungs GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 7 Beteiligungs GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 8 Beteiligungs GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lehrter Stadtquartier 9 Beteiligungs GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lietzenburger Straße GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Berlin Lietzenburger Straße Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Schöneberger Ufer Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Schöneberger Ufer GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Schöneberger Ufer Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Unter den Linden Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Berlin Unter den Linden GmbH & Co. KG	Frankfurt	12,500	EUR	100	FC
Vivico Berlin Unter den Linden Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Bauphase I GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Bauphase I Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Nord 1 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Nord 1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Nord 1 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Nord 4 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Nord 4 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower 185 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower 185 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Tower 185 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower- 2-Besitz GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico Frankfurt Tower- 2-Betriebsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower- 2-Geschäftsführungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Frankfurt Tower- 2-Verwaltungsgesellschaft mbH	Frankfurt	25,000	EUR	100	FC
Vivico Köln K1 GmbH	Frankfurt	25,000	EUR	100	FC

¹⁾ FC full consolidation, PC proportional consolidation, EQ at equity consolidation

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾
Vivico Köln K2 GmbH	Frankfurt	25,000	EUR	100	FC
Vivico Köln K3 GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München Ambigon Nymphenburg GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC
Vivico München Ambigon Nymphenburg Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München Lokhalle Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MI 1 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MK 2 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München MK 6 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Vivico München Perlach Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC
Concept Bau Premier Isargärten Verwaltungs GmbH	Grünwald	25,000	EUR	33.3 ²⁾	PC
Concept Bau Premier Vivico Isargärten GmbH & Co. KG	Grünwald	15,000	EUR	33.3 ²⁾	PC
Infraplan Vivico Isargärten GmbH & Co. KG	Grünwald	15,000	EUR	33.3 ²⁾	PC
Infraplan Vivico Isargärten Verwaltungs GmbH	Grünwald	25,000	EUR	33.3 ²⁾	PC
Isargärten Thalkirchen GmbH & Co. KG	Grünwald	30,000	EUR	33.3 ²⁾	EQ
SKYGARDEN Arnulfpark GmbH & Co.KG	Grünwald	100,000	EUR	50	PC
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	PC
Congress Centrum Skyline Plaza GmbH & Co. KG	Hamburg	25,000	EUR	50	PC
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	PC
REC Frankfurt Objekt KG	Hamburg	100,000	EUR	50	PC
REC Frankfurt Objekt Verwaltungsgesellschaft mbH	Hamburg	25,000	EUR	50	PC
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	PC
Zollhafen Mainz GmbH & Co. KG	Mainz	1,200,000	EUR	50.1 ²⁾	PC
EG Vivico MK 3 Arnulfpark GmbH & Co. KG	Oberhaching	100,000	EUR	50	PC
EG Vivico MK 3 Arnulfpark Verwaltungs GmbH	Oberhaching	25,000	EUR	50	PC
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	50	PC
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	PC

¹⁾ FC full consolidation, PC proportional consolidation, EQ at equity consolidation

²⁾ common control

As at 31.12.2010, CA Immobilien Anlagen Aktiengesellschaft held 60 % of shares in CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg. The following subsidiaries, shares in joint ventures and associated companies of CA IMMO NEW EUROPE PROPERTY FUND S.C.A. SICAR, Luxembourg, are therefore also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾
CA Immo Sava City d.o.o.	Belgrade	24,520,000	EUR	100	FC
TC Investments Arad S.R.L.	Bucharest	4,018,560	RON	95.9	FC
Pannonia Shopping Center Kft.	Györ	380,000,000	HUF	50	PC
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC
Pulkovo B.V.	Hoofddorp	25,000	EUR	100	FC
CAINE S.à.r.l.	Luxembourg	12,500	EUR	100	FC
K&K Investments S.R.L.	Sibiu	21,609,000	RON	90	FC
OAO Avielen AG	St. Petersburg	370,000,000	RUB	25	EQ
Poleczki Business Park Sp.z.o.o.	Warsaw	3,936,000	PLN	50	PC

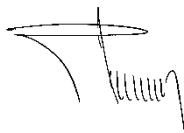
¹⁾ FC full consolidation, PC proportional consolidation, EQ at equity consolidation

DECLARATION OF THE MANAGING BOARD DUE TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT

The managing 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 assets, liabilities, financial position and profit or loss of the CA Immo Group and that the group management report gives a true and fair view of the development and performance of the business and position of the CA Immo Group, together with a description of the principal risks and uncertainties the CA Immo Group faces.

Vienna, 28 February 2011

The Managing Board



Bruno Ettenauer
(Chairman)



Wolfhard Fromwald



Bernhard H. Hansen

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 fiscal year from 1 January 2010 to 31 December 2010. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2010, 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 fiscal year ended 31 December 2010 and notes, comprising a summary of significant accounting policies and other explanatory information.

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 at 31 December 2010 and of its financial performance and its cash flows for the year from 1 January to 31 December 2010 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, 28 February 2011

KPMG
Wirtschaftsprüfungs- und Steuerberatungs GmbH

Mag. Walter Reiffenstuhl
Wirtschaftsprüfer

ppa Mag. Nikolaus Urschler
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

BALANCE SHEET AS AT 31.12.2010

Assets

	31.12.2010	31.12.2009
	€	€ 1,000
A. Fixed assets		
I. Intangible fixed assets		
1. Rights	0.00	0.3
2. EDP software	70,698.92	56.2
3. Goodwill	214,479.75	429.0
	285,178.67	485.5
II. Tangible fixed assets		
1. Property and buildings	263,896,156.25	283,349.1
of which land value: € 52,092,393.33; 31.12.2009: € 57,567.1K		
2. Other assets, office furniture and equipment	1,189,172.52	1,260.0
3. Down payments made and construction in progress	616,650.66	255.2
	265,701,979.43	284,864.3
III. Financial assets		
1. Investments in affiliated companies	1,753,500,562.80	1,629,444.8
2. Loans to affiliated companies	194,630,490.34	111,093.5
3. Down payments made on investments in affiliated companies	200,000.00	0.0
4. Investments in associated companies	124,919.72	7.3
5. Other loans	4,146,771.00	0.0
	1,952,602,743.86	1,740,545.6
	2,218,589,901.96	2,025,895.4
B. Current assets		
I. Receivables		
1. Trade debtors	329,844.33	122.1
2. Receivables from affiliated companies	28,630,412.15	31,995.6
3. Other receivables	3,073,746.94	9,502.3
	32,034,003.42	41,620.0
II. Other securities	3,853,474.84	6,948.2
III. Cash on hand, credit balances with banks	43,554,217.43	231,752.5
	79,441,695.69	280,320.7
C. Deferred expenses	1,418,272.40	1,667.3
	2,299,449,870.05	2,307,883.4

Liabilities and Shareholders' equity

	31.12.2010	31.12.2009
	€	€ 1,000
A. Shareholders' equity		
I. Share capital	638,713,556.20	634,370.0
II. Tied capital reserves	820,184,324.63	868,545.0
III. Retained earnings		
Other reserves (free reserves)	0.00	6,276.9
IV. Net profit	0.00	5,896.7
of which profit carried forward: € 5,896,665.38; 31.12.2009: € 0.0K		
	1,458,897,880.83	1,515,088.6
B. Untaxed reserves		
Other untaxed reserves		
Special item for investment grants	78,627.00	81.0
C. Provisions		
1. Provision for severance payment	611,927.00	489.0
2. Tax provisions	378,562.90	283.7
3. Other provisions	74,654,765.17	49,266.6
	75,645,255.07	50,039.3
D. Liabilities		
1. Bonds	485,000,000.00	485,000.0
of which convertible: € 135,000,000.00; 31.12.2009: € 135,000.0K		
2. Liabilities to banks	144,499,223.66	152,544.4
3. Trade creditors	296,917.30	496.5
4. Payables to affiliated companies	125,369,213.43	95,653.2
6. Other liabilities	8,453,460.53	7,702.1
of which from taxes: € 262,952.4; 31.12.2009: € 2,107.8K		
of which in connection with social security: € 88,129.58; 31.12.2009: € 64.4K		
	763,618,814.92	741,396.2
E. Deferred income	1,209,292.23	1,278.3
	2,299,449,870.05	2,307,883.4
Contingent liabilities from guarantees	259,596,300.00	144,087.0

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2010

	2010	2009
	€	€
	€ 1,000	€ 1,000
1. Gross Revenues	23,933,201.25	28,434.6
2. Other operating income		
a) Income from the sale of fixed assets except of financial assets	103,308.24	9,680.5
b) Income from the reduction of provisions	286,122.16	348.7
c) Other income	4,729,111.77	5,118,542.17
3. Staff expense		
a) Wages	– 13,500.00	– 13.3
b) Salaries	– 6,270,082.70	– 3,317.5
c) Expenses for severance payments and payments into staff welfare funds	– 222,466.17	– 20.8
d) Expenses in connection with pensions	– 153,074.56	– 108.2
e) Payments relating to statutory social security contributions as well as as payments dependent on remuneration and compulsory contributions	– 1,165,621.59	– 699.8
f) Other social expenses	– 28,887.78	– 36.1
4. Depreciation on intangible fixed assets and tangible fixed assets	– 18,223,089.08	– 8,833.9
of which unscheduled depreciation in accordance with § 204 para. 2 Commercial Code: € 10,052,113.76; 2009: € 0.0K		
5. Other operating expenses		
a) Taxes	– 588,035.66	– 389.1
b) Other expenses	– 19,748,122.07	– 20,336,157.73
6. Subtotal from S 1 to 5 (operating result)	– 17,361,136.19	14,493.3
7. Income from investments	1,970,377.83	435,400.0
of which from affiliated companies: € 1,970,377.83; 2009: € 435,400.0K		
8. Income from loans from financial assets	10,458,251.71	5,772.8
of which from affiliated companies: € 8,107,150.82; 2009: € 5,772.8K		
9. Other interest and similar income	9,194,197.34	10,413.5
of which from affiliated companies: € 7,999,084.91; 2009: € 9,621.4K		
10. Income from the disposal and appreciation of financial assets and short-term securities	37,064,785.06	23,729.3
of which from the disposal of own shares: € 0.00; 2009: 7,991.6K		
11. Expenses for financial assets and for short-term securities, thereof	– 55,634,135.60	– 440,357.2
a) Depreciation: € 54,769,305.56; 2009: € 438,940.7K		
b) Expenses from affiliated companies: € 52,410,016.49; 2009: € 439,664.4K		
12. Interest and similar expenses	– 56,297,631.49	– 54,684.4
of which relating to affiliated companies: € 4,061,283.40; 2009: € 10,468.1K		
13. Subtotal from S 7 to 12 (financial result)	– 53,244,155.15	– 19,726.0
14. Result from usual business activity	– 70,605,291.34	– 5,232.7
15. Extraordinary income	5,464,722.79	0.0
16. Extraordinary expenses	– 5,812,841.85	– 899.7
17. Extraordinary result	– 348,119.06	– 899.7
18. Taxes on income	5,731,391.44	11,900.6
19. Annual loss/income	– 65,222,018.96	5,768.2
20. Dissolution of untaxed reserves		
a) Valuation reserve based on special depreciation in accordance with § 10 a para. 3 of the Income Tax Act	0.00	126.2
b) Special item for investment grants	2,333.16	2.4
21. Dissolution of tied capital reserves	53,046,149.80	0.0
22. Dissolution of free reserves	6,276,870.62	0.0
23. Profit carried forward from the previous year	5,896,665.38	0.0
24. Net profit	0.00	5,896.8

NOTES FOR THE BUSINESS YEAR 2010

3. ACCOUNTING AND VALUATION PRINCIPLES AND GENERAL INFORMATION

The financial statements have been drawn up pursuant to the provisions of the Austrian Commercial Code (UGB).

With the merger agreement of 28.6.2010 CA Immobilien Anlagen Beteiligungs GmbH, Vienna, a 100%-owned subsidiary, being the transferor company, was merged with CA Immobilien Anlagen Aktiengesellschaft, the acquiring company, with retrospective effect to 31.12.2009 subject to the application of Section I of the Corporate Restructuring Taxes Act (UmgrStG). The merger results in a merger profit in the amount of € 5,464.7K.

With the merger agreement of 27.9.2010 CA Immo International AG, Vienna, being the transferor company, was merged with CA Immobilien Anlagen Aktiengesellschaft, the acquiring company, with retrospective effect to 31.12.2009 subject to the application of Section I of the Corporate Restructuring Taxes Act (UmgrStG). The merger results in a merger loss in the amount of € 5,812.8K. CA Immobilien Anlagen Aktiengesellschaft owned 97.4 % of the share capital of CA Immo International AG. The free float shareholders of CA Immo International AG received new shares of CA Immobilien Anlagen Aktiengesellschaft with a proportionate amount of the share capital of € 7.27 each; the exchange ratio was 19:10.

CA Immo International AG, Vienna, was a management holding, the balance sheet and income statement of which essentially comprised financial assets and receivables due from affiliated companies and the expenses and income resulting from these. Due to the merger with CA Immo International AG, Vienna, the figures of the previous year are only comparable to a limited degree.

3.1. Fixed assets

Intangible and tangible fixed assets

Intangible and tangible fixed 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 fiscal year are subject to full annual depreciation, additions in the second half are subject to half of annual depreciation.

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments have occurred. In fiscal 2010 unscheduled depreciation on tangible fixed assets are made in the amount of € 10,052.1K (2009: € 0.0K).

In fiscal 2010 appreciation on tangible fixed assets in the amount of € 3,904.8K (2009: € 8,548.0K) were not carried out.

Financial assets

Investments in affiliated companies including down payments and investments in associated companies are stated at acquisition cost reduced by unscheduled depreciation.

The loans to affiliated and associated companies as well as other loans are stated at acquisition cost reduced by repayments made and unscheduled depreciation.

Unscheduled depreciation is only carried out where it is anticipated that permanent value impairments have occurred. In fiscal 2010 unscheduled depreciation in the amount of € 54,769.3K (2009: € 438,940.7K) and appreciation in the amount of € 34,010.7K (2009: € 15,737.7K) were made on the financial assets.

3.2. Current assets

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

Securities are stated including accrued interest attributable to the securities, though not higher than at market value.

3.3. Other untaxed reserves

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

3.4. Provisions and liabilities

Provisions for severance payments amount to 103.52 % (31.12.2009: 134.4 %) 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 4.5 % (31.12.2009: 5.0 %) and future salary increases of 2 % for employees plus an inflation compensation of 2 % and not taking into account a fluctuation discount. The interest rate was reduced by 0.5 % 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 unquantified liabilities.

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

3.5. Note on currency conversion

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

4. EXPLANATORY NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

4.1. Explanatory notes on the balance sheet

4.1.1. Fixed assets

The breakdown and development of the fixed assets can be seen from the assets analyses in appendix 1, where the additions at acquisition cost are shown in a separate column due to the mergers with CA Immobilien Anlagen Beteiligungs GmbH, Vienna, and CA Immo International AG, Vienna.

Intangible fixed assets

The Goodwill is the result of the merger with CA Immo Beteiligungen und Leasing GmbH which took place in fiscal 2002 and is amortised over a period of ten years in accordance with the effective economic life.

Tangible fixed assets

The additions to Property and buildings and to Down payments made and construction in progress relate for the most part to current investments, in particular amalgamation and division of leased premises at the Handelskai and Schubertstraße locations and preconstruction works for the Erdberger Lände. The disposals relate to the sale of two properties. As at the balance sheet date the tangible fixed assets include 28 properties (31.12.2009: 30 properties).

Financial assets

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

The book value of the Investments in affiliated companies is € 1,753,500.6K (31.12.2009: € 1,629,444.8K). The current additions are mainly the result of the acquisition of 15,050,648 shares in CA Immo International AG, Vienna, with a value of € 98,834.8K including incidental costs, a shareholder contribution in the amount of € 136,000.0K for the down payment made for the acquisition of Europolis AG, Vienna, and diverse shareholder contributions in the amount of € 14,857.0K to companies in Eastern Europe. The disposals of financial assets are the result of the companies merged in 2010 and the liquidation of a company in Croatia. The depreciation relates for the most part to shares in Eastern Europe in the amount of € 35,059.0K and in Germany in the amount of € 15,928.7K. The appreciation can be attributed to an Austrian holding with shares in Austria and Germany in the amount of € 28,326.7K.

The Loans to affiliated companies are made up as follows:

€ 1,000	31.12.2010	31.12.2009
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna	117,415.5	111,093.5
R70 Invest Budapest Kft., Budapest	18,003.9	0.0
BA Business Center a.s., Bratislava	11,000.0	0.0
Vaci 76 Kft., Budapest	7,700.0	0.0
S.C. BBP Leasing S.R.L., Bucharest	7,589.7	0.0
CAINE B.V., Hoofddorp	7,000.0	0.0
Europort Airport Center a.s., Prague	5,713.1	0.0
others below € 5,000.0 K	20,208.3	0.0
	194,630.5	111,093.5

All Loans to affiliated companies have a maturity of up to one year.

In the fiscal year, unscheduled depreciation in the amount of € 7.2K (2009: € 0.0K) was made on Investments in associated companies.

All of the Loans to associated companies have a maturity of up to one year and have been value-adjusted by unscheduled depreciation.

The Other loans were added in relation to the merger with CA Immo International AG.

4.1.2. Current assets

Trade debtors to the value of € 329.8K (31.12.2009: € 122.1K) include outstanding rent and operating cost payments.

Receivables from affiliated companies are made up as follows:

€ 1,000	31.12.2010	31.12.2009
Receivables from charging of derivative financial instruments	15,190.6	16,527.5
Receivables from tax compensation	6,209.9	11,445.9
Receivables from interests	5,340.6	3,277.1
Trade debtors (current transfer to affiliated companies)	1,888.6	696.9
Other receivables	0.7	48.2
	28,630.4	31,995.6

In the Other receivables in the amount of € 3,073.7K (31.12.2009: € 9,502.3K) the main items are receivables from short-term loans and receivables from the passing-on of costs. In 2010 the cost of value adjustment amounts to € 6,012.4K (2009: € 0.0 K).

Other securities include 433 shares in ABS Dynamic Cash to the value of € 3,853.5K (31.12.2009: 1,180 shares to the value of € 6,948.2 K).

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

4.1.3. Deferred expenses

Deferred expenses in the amount of € 1,418.3K (31.12.2009: € 1,667.3K) essentially comprise deferred discounts to the value of € 1,340.6K (31.12.2009: € 1,606.7K) for the issuance of a bond in the amount of € 200,000.0K in 2006 and a bond issued in fiscal 2009 to the value of € 150,000.0K.

4.1.4. Shareholders' equity

The stated Share capital is the nominal capital in the amount of € 638,713,556.20 (31.12.2009: € 634,370,022.00), which is fully paid up. It is broken down into 87,856,056 (31.12.2009: 87,258,596) bearer shares and 4 nonpar registered shares. The registered shares are held by UniCredit Bank Austria AG, Vienna, and carry the right to nominate one Supervisory Board member each. This right has not been exercised. All Supervisory Board members have been elected by the General Meeting.

With the merger agreement of 27.9.2010 CA Immo International AG, Vienna, was merged with CA Immobilien Anlagen Aktiengesellschaft with retrospective effect to 31.12.2009. In order to implement the merger, CA Immobilien Anlagen Aktiengesellschaft raised its share capital from € 634,370,022.00 by € 4,343,534.20 to € 638,713,556.20 by issuing 597,460 new bearer shares. The exchange ratio was 19:10. The shares were issued with a proportionate amount of the share capital of € 7.27. The part of the corporate assets of CA Immo International AG which is not attributable to the shares held by CA Immobilien Anlagen Aktiengesellschaft was taken into account as a contribution in kind to the amount of the capital increase. The tied capital reserves of € 868,545.0K were also increased by € 4,685.4K to € 873,230.5K.

In fiscal 2010, tied capital reserves to the value of € 53,046.1K and free reserves to the value of € 6,276.9K were re-versed according to the resolution passed by the Management Board on 23.2.2011. The tied capital reserves thus amount to € 820,184.3K.

In the 21st Ordinary General Meeting of 13.5.2008 the Management Board was authorised with the approval of the Supervisory Board and up to 12.5.2013 to issue convertible bonds to a total nominal value of up to € 317,185.0K on a one-off basis or repeatedly, also under exclusion of the subscription rights of the shareholders, and to grant the bearers of convertible bonds conversion rights on up to 43,629,300 bearer shares of CA Immobilien Anlagen Aktiengesellschaft. In November 2009, on the basis of this authorisation, a five-year convertible bond with a volume of € 135,000.0K was issued. The coupon of the convertible bond (payable semi-annually) was fixed at 4.125 % and the conversion price at € 11.5802 (this corresponds to a premium of 27.5 % over the reference price on the date of issuance). Thus, a maximum of 11,657,829 bearer shares can be issued if the conversion right is exercised. According to the terms and conditions of issuance of the convertible bond, the creditors are entitled to convert their bonds into shares of CA Immobilien Anlagen Aktiengesellschaft at the conversion price at any time (i.e. also before the end of the term of the bond in 2014). As at the balance sheet date of 31.12.2010 the stock exchange price of the CA Immo share was € 11.91 and thus exceeded the conversion price. No bonds were submitted for conversion by the balance sheet date.

As at the reporting date of 31.12.2010 there is authorised but unissued capital in the amount of € 312,841,476.80 which can be made use of up until 8.8.2012 at the latest and conditional capital in the amount of € 317,185,011.00.

4.1.5. Untaxed reserves

The Special item for investment grants relates to construction cost subsidies of the municipality of Linz for the property at Schubertstraße 16-20, Linz, and of the Provincial Government of Vienna for the property at Zimmermannplatz 1, Vienna 9. The subsidies are reversed income statement related in accordance with the remaining useful life of the investments thus financed.

4.1.6. Provisions

The Provision for severance payment in the amount of € 611.9K (31.12.2009: € 489.0K) consists of the severance payment claims of employees of the company.

The Tax provisions in the amount of € 378.6K (31.12.2009: € 283.7K) relate for the most part to provisions for German corporation tax and additional payments resulting from a tax audit for 2004 to 2007.

The Other provisions are made up as follows:

€ 1,000	31.12.2010	31.12.2009
Derivative transactions	54,012.3	46,964.8
Provision for allowances to group companies	15,452.2	723.7
Premiums	1,743.0	0.0
Real property tax and land transfer tax	1,216.9	0.0
Legal, auditing and consultancy fees	662.9	245.5
Commissions	595.0	39.4
Staff (vacation and overtime)	331.7	362.9
Publications and expert opinions	250.8	269.0
Group reorganisation	0.0	350.0
Others	390.0	311.3
	74,654.8	49,266.6

In business year 2010, the members of the Management Board were for the first time invited to take part in an LTI (long-term incentive) programme with a term of three years. Participants are required to invest funds of their own, subject to a ceiling of 50 % of their basic salary. This own investment is measured at the closing rate on 31.12.2009, and the number of underlying shares is calculated accordingly. Performance is measured according to several indicators, namely NAV growth, ISCR (interest service coverage ratio) and TSR (total shareholder return). Employees belonging to the first tier of management were also invited to join the LTI scheme. Their own investment is restricted to 35 % of their basic salary. Therefore this is classified as cash-settled share-based payment plan. A provision for the services received from employees is recognised in connection with this LTI programme, the amount of which is measured upon recognition at fair value. Until the liability is settled, its fair value is remeasured as of each reporting date and on the settlement date, and all changes in fair value are recognised in profit or loss. The payment of the LTI programme will be after the expiry of three years.

4.1.7. Liabilities

31.12.2010	Maturity up to 1 year	Maturity 1-5 years	Maturity more than 5 years	Total
€ 1,000				
Bonds	0.0	285,000.0	200,000.0	485,000.0
Liabilities to banks	33,698.7	51,900.6	58,899.9	144,499.2
Trade creditors	227.6	69.3	0.0	296.9
Payables to affiliated companies	112,627.8	6,039.6	6,701.8	125,369.2
Other liabilities	8,453.5	0.0	0.0	8,453.5
Total	155,007.6	343,009.5	265,601.7	763,618.8

31.12.2009	Maturity up to 1 year	Maturity 1-5 years	Maturity more than 5 years	Total
€ 1,000				
Bonds	0.0	285,000.0	200,000.0	485,000.0
Liabilities to banks	6,745.6	85,812.7	59,986.1	152,544.4
Trade creditors	408.9	87.6	0.0	496.5
Payables to affiliated companies	77,580.6	8,274.6	9,798.0	95,653.2
Other liabilities	7,702.1	0.0	0.0	7,702.1
Total	92,437.2	379,174.9	269,784.1	741,396.2

Bonds comprise the following liabilities:

	Nominal value € 1,000	Nominal interest rate
Bond 2006-2016	200,000.0	5,125%
Bond 2009-2014	150,000.0	6,125%
Convertible bond 2009-2014	135,000.0	4,125%
	485,000.0	

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

The Liabilities to banks mainly comprise investment loans to the value of € 144,499.2K (31.12.2009: € 152,203.9 K) with properties pledged as collateral in the land register.

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

The liabilities shown under the Payables to affiliated companies mainly relate to group-internal loans.

The Other liabilities are essentially made up of accrued interest for bonds and convertible bonds (€ 5,503K) which only become cash-effective in spring or autumn of 2011, unpaid purchase prices for stakes in group companies (€ 2,530.3K) and tax office netting from the advance VAT return for November and December 2010.

4.1.8. Deferred income

The deferred income comprises the following items:

€ 1,000	31.12.2010	31.12.2009
Comprised rent prepayments received for various properties	891.1	936.5
Investment grant from the municipality of Vienna	318.2	336.4
Other	0.0	5.4
	1,209.3	1,278.3

4.1.9. Contingent liabilities

	Maximum amount as at 31.12.2010		Used as at reporting date 31.12.2010	Used as at reporting date 31.12.2009
Irrevocable guarantee for a loan granted to CA Immo Rennweg 16 GmbH, Vienna	10,900.0	EUR	€ 1,000	€ 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 OHG and Vivico Real Estate GmbH	192,478.5	EUR	122,459.9	129,033.0
Guarantee for loans granted to Vivico Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	25,000.0	EUR	19,065.2	0.0
Guarantee for loans granted to Vivico Frankfurt Tower 185 Projekt GmbH & Co KG, Frankfurt	34,000.0	EUR	19,065.2	0.0
Irrevocable guarantee for a loan granted to Opera Center Two S.R.L., Bucharest	440.0	USD	329.8	0.0
Irrevocable guarantee for a loan granted to S.C. BBP Leasing S.R.L., Bucharest	33,150.0	EUR	18,309.7	0.0
Irrevocable guarantee for a loan granted to Kilb Kft., Budapest	21,000.0	EUR	14,344.8	0.0
Irrevocable guarantee for a loan granted to Vaci 76 Kft., Budapest	45,600.0	EUR	36,000.0	0.0
Irrevocable guarantee for a loan granted to Doratus Sp.z.o.o., Warsaw	8,500.0	EUR	7,549.5	0.0
Irrevocable guarantee for a loan granted to Starohorska Development s.r.o., Bratislava	1,905.0	EUR	1,905.0	0.0
Irrevocable guarantee for a loan granted to CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna	7,500.0	EUR	4,015.6	0.0
Irrevocable guarantee for a loan granted to Canada Square Kft., Budapest	8,200.0	EUR	6,319.6	0.0
Irrevocable guarantee for a loan granted to Kapas Kft., Budapest	888.0	EUR	888.0	0.0
Irrevocable guarantee for a loan granted to Officecenter Mladost EOOD, Sofia	1,887.0	EUR	444.0	0.0
			259,596.3	144,087.0

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
 Candada Square Kft., Budapest
 Kapas Center Kft., Budapest
 Kilb Kft., Budapest
 Vaci 76 Kft., Budapest
 BBP Leasing S.R.L. , Bucharest
 Opera Center Two S.R.L., Bucharest
 Europort Airport Center a.s., Prague
 FCL Property a.s., Prague
 2P s.r.o., Pilzen
 Office Center Mladost II EOOD, Sofia

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

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

The partner from a Russian project has announced an arbitration action for € 48,000.0K. The chances of this action are considered succeeding as minimal. As a payment in this respect is regarded as not probable, this issue has not been recognized in the balance sheet.

In 2010, CA Immobilien Anlagen Aktiengesellschaft and CA Immo CEE Beteiligungs GmbH, Vienna, concluded a contract for the acquisition of the shares in Europolis AG, Vienna. CA Immobilien Anlagen Aktiengesellschaft is liable towards the seller for the entire purchase price. As at 31.12.2010, the open purchase price amounts to €136.0 m, which is still subject to the usual adjustments that may arise from the balance sheet as at 31.12.2010 of Europolis AG. The outstanding purchase price is deferred over a period of five years.

4.1.10. Liabilities from utilisation of tangible fixed assets

The lease-related liability from utilisation of tangible fixed assets not reported in the balance sheet is € 690.0K for the subsequent fiscal year and € 3,458.0K for the subsequent five fiscal years.

Of this € 684.9K is attributable to affiliated companies for the subsequent fiscal year and € 3,424.3K for the subsequent five fiscal years.

4.1.11. Details of derivative financial instruments

Interest rate swap (fixed interest payers)	Nominal amount	Fair Value	Balance sheet items	Book value
		€ 1,000		€ 1,000
with positive fair value at balance sheet date	103,200.0	2,175.3	-	0.0
with negative fair value at balance sheet date	585,602.5	54,012.3	Other provisions	54,012.3

The fair value corresponds to the amount that CA Immobilien Anlagen Aktiengesellschaft would receive or pay upon liquidation of the business on the balance sheet date. These values were determined by the financial institution 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.

4.2. Explanatory notes on the Income Statement

4.2.1. Gross revenues

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

	2010	2009
€ 1,000		
Rental income for real estate	19,322.6	24,895.1
Operating costs passed on to tenants	4,610.6	3,539.5
	23,933.2	28,434.6

4.2.2. Other operating income

The other income item of the other operating income of € 4,729.1K (2009: € 3,223.0K) results from management fees invoiced to subsidiaries in the amount of € 2,971.9K (2009: € 2,613.5K), cost allocations and insurance compensations.

4.2.3. Staff expense

This item includes wages, salaries, statutory social welfare contributions and expenses for severance payments and pensions totalling € 7,853.6K (2009: € 4,195.7K) for the 60 staff (2009: 43) employed by the company on average.

The Expenses for severance payments and payments into staff welfare funds are made up as follows:

€ 1,000	2010	2009
Allocation to/release of provision for severance payments to directors and executive employees	117.6	– 24.4
Allocation to provision for severance payments to other employees	5.3	3.0
Severance payments to other employees	0.0	3.0
Pension fund contributions for directors and executive employees	53.5	13.0
Pension fund contributions for other employees	46.1	26.2
	222.5	20.8

The Expenses in connection with pensions are made up as follows:

€ 1,000	2010	2009
Pension fund contributions for directors and executive employees	123.1	98.0
Pension fund contributions for other employees	30.0	10.2
	153.1	108.2

4.2.4. Depreciation

The scheduled depreciation relates to:

€ 1,000	2010	2009
Depreciation of intangible fixed assets	249.4	258.4
Scheduled depreciation of buildings	7,474.2	8,147.5
Unscheduled depreciation of real estate	10,052.1	0.0
Depreciation of other assets, office furniture and equipment	436.5	424.9
Low-value assets	10.9	3.1
	18,223.1	8,833.9

4.2.5. Other operating expenses

Taxes in the amount of € 588.0K (2009: € 389.1K) which do not belong to taxes on income comprise the additional VAT payments for 2004 to 2007 and real estate charges passed on to tenants in the amount of € 331.4K (2009: € 342.2K).

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

€ 1,000	2010	2009
Other expenses directly related to properties		
Operating costs passed on to tenants	4,261.6	3,181.1
Maintenance costs	2,500.0	1,435.9
Own operating costs (vacancy costs)	1,392.9	844.1
Administration and agency fees	436.1	230.1
Losses from the disposal of real estate assets	0.0	12.2
Other	129.3	136.7
Subtotal	8,719.9	5,840.1
General administrative costs		
Legal and consulting fees	2,649.7	1,283.8
Claims and reserves for bad debts of other receivables	4,371.9	0.0
Advertising and representation expenses	904.2	645.5
Office rent including operating costs	731.9	741.8
Administrative and management costs	522.5	564.5
Current expenses of bonds and convertible bond (2009: including issuance)	280.6	2,685.6
Other fees and bank charges	147.5	433.1
Group reorganisation	0.0	686.0
Other	1,419.9	894.4
Subtotal	11,028.2	7,934.7
Total other operating expenses	19,748.1	13,774.8

The other general administrative costs comprise remuneration of the Supervisory Board (including CA Immo International AG for 2010) and publication expenses.

4.2.6. Income from investments

This item comprises dividends paid by affiliated companies from Eastern Europe in the amount of € 1,850.4K and from Austrian companies in the amount of € 120.0K (2009: CA Immo International Holding GmbH in the amount of € 435,400.0K).

4.2.7. Income from loans from financial assets

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

4.2.8. Other interest and similar income

The interest income results from fixed term deposits, investments in securities and cash at bank as well as from loans and swap transfers to affiliated companies.

4.2.9. Income from the disposal and appreciation of financial assets and short-term securities

Due to reversals of impairment losses appreciation of investments in affiliated companies to the value of € 34,010.7K (2009: € 15,737.7K) and of short-term securities from current assets to the value of € 1,303.8K (2009: € 0.0K) were carried out. In addition income from the sale of short-term securities from current assets to the value of € 1,722.3K (2009: of the company's own shares to the value of € 7,991.6K) was generated.

4.2.10. Expenses for financial assets and for short-term securities

The expenses consist of

€ 1,000	2010	2009
Depreciation of financial assets	54,769.3	438,940.7
Provision for contributions to group companies	824.1	723.7
Loss from disposal of investments in related companies	40.7	0.0
Disposal and impairment of other short-term securities	0.0	692.8
	55,634.1	440,357.2
of which due to dividends	603.0	435,400.0

4.2.11. Interest and similar expenses

This item consists of

€ 1,000	2010	2009
Interest costs for bonds	25,006.3	12,940.8
Expenses for derivative transactions	24,115.1	25,505.3
Interest for loans taken up and bank liabilities for the financing of real estate assets	3,100.2	5,759.2
Interest costs in respect of affiliated companies	4,061.3	10,468.0
Other	14.7	11.1
	56,297.6	54,684.4

4.2.12. Extraordinary result

The extraordinary income is the result of the merger of CA Immobilien Anlagen Aktiengesellschaft with CA Immobilien Anlagen Beteiligungs GmbH and the extraordinary expense is the result of the merger with CA Immo International (2009: MI Immobilienverwertungs-Gesellschaft m.b.H.).

4.2.13. Taxes on income

This item essentially comprises the income from tax compensation of group members in the amount of € 5,733.9K (2009: € 11,448.7K).

As at 31.12.2010 CA Immobilien Anlagen Aktiengesellschaft has a tax loss carried forward in the amount of € 254,260.2K (31.12.2009: € 195,329.0K) 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 of financial assets in the amount of € 32,208.2K that have not yet been claimed for tax purposes.

5. OTHER INFORMATION

5.1. Group companies

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

5.2. Fiscal corporate group

In fiscal 2005 a group and tax compensation agreement was concluded for the formation of a fiscal corporate group within the meaning of § 9 Corporation Tax Act (KStG) effective from fiscal 2005, and this was expanded in the subsequent years to include additional group members. The group is headed by CA Immobilien Anlagen Aktiengesellschaft, Vienna.

In 2010 the following companies are group members:

- BIL-S Superädifikatsverwaltungs GmbH, Vienna
- CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna
- CA Immo CEE Beteiligungs GmbH, Vienna
- CA Immo Galleria Liegenschaftsverwaltung GmbH, Vienna
- CA Immo Germany Holding GmbH, Vienna
- CA Immo International Beteiligungsverwaltungs GmbH, Vienna
- CA Immo International Holding GmbH, Vienna
- CA Immo Investment Management GmbH, Vienna
- CA Immo LP GmbH, Vienna
- CA Immo ProjektentwicklungsgmbH, Vienna
- CA Immo Rennweg 16 GmbH, Vienna
- CA Immo – RI – Residential Property Holding GmbH, Vienna
- omniCon Baumanagement GmbH, Vienna
- Parkring 10 Immobilien GmbH, Vienna
- SQUARE S Holding GmbH, Vienna

5.3. Executive bodies and employees

Supervisory Board²¹

Dr. Wolfgang Ruttendorfer, Chairman
Mag. Helmut Bernkopf, Deputy Chairman
Mag. Reinhard Madlencnik
Mag. DDr. Regina Prehofer
Detlef Bierbaum
DI Horst Pöchhacker (until 31.7.2010)

Management Board

Dr. Bruno Ettenauer
Mag. Wolfhard Fromwald
Bernhard H. Hansen

²¹ As at 31.12.2010 all members of the Supervisory Board had been elected by the General Meeting.

In fiscal 2010 remuneration to the total value of € 667.2K (2009: € 581.0K) was paid to the members of the Management Board. Both in 2010 and in 2009, the remuneration of the Management Board members did not include any variable salary components. However, provisions for variable remuneration/bonuses incl. incidental salary costs in the amount of € 609.1K (2009: € 0.0K) and for an LTI (long term incentive) programme in the amount of € 104.8K (2009: € 0.0K) were recognised as expenses in the fiscal year. No loans or advances were paid to Management Board members.

Subject to the adoption of a resolution by the Annual General Meeting the total remuneration of the Supervisory Boards of CA Immobilien Anlagen Aktiengesellschaft and CA Immo International AG for fiscal 2010 (payments will be made in 2011) was € 112.7K (2009: € 79.0K) for CA Immobilien Anlagen Aktiengesellschaft and € 52.7K for CA Immo International AG. No additional fees were paid to Supervisory Board members.

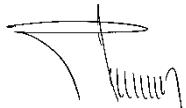
The average number of staff employed by the company during the fiscal year was 60 (2009: 43).

5.4. Auditor's remuneration

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

Vienna, 28 February 2011

The Management Board



Bruno Ettenauer
Chairman



Wolfhard Fromwald



Bernhard H. Hansen

ASSETS ANALYSES FOR THE BUSINESS YEAR 2010

	Acquisition and production costs as of 1.1.2010	Addition	Addition Merger	Disposal	Reclassification	Acquisition and production costs as at 31.12.2010	Depreciation and amortisation (accumulated)	Book value as of 31.12.2010	Depreciation and amortisation in 2010	Appreciation in 2010	Book value as at 31.12.2009
	€	€	€	€	€	€	€	€	€	€	€ 1,000
I. Intangible fixed assets											
1. Rights and EDP software	997,155.62	49,104.85	0.00	812,665.13	0.00	233,595.34	162,896.42	70,698.92	34,926.20	0.00	56.50
2. Goodwill	2,144,798.13	0.00	0.00	0.00	0.00	2,144,798.13	1,930,318.38	214,479.75	214,479.82	0.00	429.00
	3,141,953.75	49,104.85	0.00	812,665.13	0.00	2,378,393.47	2,093,214.80	285,178.67	249,406.02	0.00	485.50
II. Tangible fixed assets											
1. Property and buildings											
a) Land	71,932,894.43	0.00	0.00	922,969.30	0.00	71,009,925.13	18,917,531.80	52,092,393.33	4,585,439.04	0.00	57,567.15
b) Land	326,005,810.66	4,069.26	0.00	2,906,570.32	201,252.10	323,304,561.70	111,500,798.78	211,803,762.92	12,840,815.23	0.00	225,782.00
	397,938,705.09	4,069.26	0.00	3,829,539.62	201,252.10	394,314,486.83	130,418,330.58	263,896,156.25	17,426,254.27	0.00	283,349.15
2. Other assets, office furniture and equipment	3,095,915.38	292,410.87	163,269.12	25,000.00	0.00	3,526,595.37	2,337,422.85	1,189,172.52	436,483.69	0.00	1,260.00
3. Low-value assets	0.00	10,945.10	0.00	10,945.10	0.00	0.00	0.00	0.00	10,945.10	0.00	0.00
4. Down-payments made and construction in progress	255,204.79	677,777.97	0.00	15,080.00	- 201,252.10	716,650.66	100,000.00	616,650.66	100,000.00	0.00	255.10
	401,289,825.26	985,203.20	163,269.12	3,880,564.72	0.00	398,557,732.86	132,855,753.43	265,701,979.43	17,973,683.06	0.00	284,864.25
III. Financial assets											
1. Investments in affiliated companies	2,109,826,318.76	255,285,782.32	531,973,057.91	548,273,952.36	0.00	2,348,811,206.63	595,310,643.83	1,753,500,562.80	52,582,758.49	34,010,696.10	1,629,444.80
2. Loans to related companies	111,093,500.00	34,795,000.00	65,734,990.84	16,993,000.50	0.00	194,630,490.34	0.00	194,630,490.34	0.00	0.00	111,093.50
3. Down payments made on investments in affiliated companies	0.00	100,000.00	5,313,882.39	0.00	0.00	5,413,882.39	5,213,882.39	200,000.00	100,000.00	0.00	0.00
4. Investments in associated companies	7,332.69	0.00	6,252,863.40	0.00	0.00	6,260,196.09	6,135,276.37	124,919.72	7,174.00	0.00	7.30
5. Loans to associated companies	0.00	2,079,373.07	0.00	0.00	0.00	2,079,373.07	2,079,373.07	0.00	2,079,373.07	0.00	0.00
6. Other loans	0.00	902,000.00	30,264,769.00	0.00	0.00	31,166,769.00	27,019,998.00	4,146,771.00	0.00	0.00	0.00
	2,220,927,151.45	293,162,155.39	639,539,563.54	565,266,952.86	0.00	2,588,361,917.52	635,759,173.66	1,952,602,743.86	54,769,305.56	34,010,696.10	1,740,545.6
	2,625,358,930.46	294,196,463.44	639,702,832.66	569,960,182.71	0.00	2,989,298,043.85	770,708,141.89	2,218,589,901.96	72,992,394.64	34,010,696.10	2,025,895.4

INFORMATION ABOUT GROUP COMPANIES

Direct investments¹⁾

Name and registered office	Nominal capital	Share of capital in %	Profit/loss for fiscal	Shareholders' equity		Profit/loss for fiscal	Shareholders' equity
				2010	as at 31.12.2010		
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG, Vienna	4,135,427	EUR	100.00	– 318	TEUR	4,347	TEUR
CA Immo International Beteiligungsverwaltungs GmbH, Vienna	35,000	EUR	100.00	625	TEUR	20,333	TEUR
CA Immo International Holding GmbH, Vienna	35,000	EUR	100.00	25,104	TEUR	1,340,574	TEUR
CA Immo Investment Management GmbH, Vienna	100,000	EUR	100.00	407	TEUR	660	TEUR
CA Immo ProjektentwicklungsgmbH, Vienna	72,500	EUR	100.00	– 1,887	TEUR	– 1,011	TEUR
CA Immo Rennweg 16 GmbH, Vienna	35,000	EUR	100.00	– 2,299	TEUR	1,329	TEUR
CAII Projektmanagement GmbH, Vienna	35,000	EUR	100.00	– 8,297	TEUR	1,788	TEUR
CEE Hotel Development GmbH, Vienna	70,000	EUR	50.00	– 1	TEUR	94	TEUR
CEE Hotel Management und Beteiligungs GmbH, Vienna	35,000	EUR	50.00	– 10	TEUR	46	TEUR
omniCon Baumanagement GmbH, Vienna	100,000	EUR	100.00	– 16	TEUR	91	TEUR
CA Immo d.o.o., Belgrade	390,500	EUR	100.00	– 2,385	TRSD	3,364	TRSD
Starohorska Development s.r.o., Bratislava	6,639	EUR	50.00	– 359	TEUR	628	TEUR
CA Immo Holding Hungary Kft., Budapest	13,000,000	HUF	100.00	122,300	THUF	2,979,449	THUF
Canada Square Kft., Budapest	12,500,000	HUF	100.00	30,188	THUF	161,053	THUF
Casa Property Kft., Budapest	51,310,000	HUF	100.00	72,744	THUF	186,515	THUF
Kilb Kft., Budapest	30,000,000	HUF	100.00	341,857	THUF	761,694	THUF
R70 Invest Budapest Kft., Budapest	5,250,000	HUF	100.00	210,693	THUF	1,287,580	THUF
Skogs Buda Business Center II Kft., Budapest	327,000,000	HUF	100.00	– 72,294	THUF	667,210	THUF
Vaci 76 Kft., Budapest	3,100,000	HUF	100.00	– 799,302	THUF	4,459,735	THUF
CA Immobilien S.R.L., Bukarest	947,100	RON	100.00	133	TRON	443	TRON
VIVICO AG, Frankfurt	50,000	EUR	100.00	– 9,112	TEUR	296,879	TEUR
CA Immo Holding B.V., Hoofddorp	51,200,000	EUR	100.00	– 13,882	TEUR	104,626	TEUR
CA Immoobilien Anlagen d.o.o., Ljubljana	50,075	EUR	100.00	– 4,529	TEUR	– 11,133	TEUR
CA Immo New Europe Property Fund S.C.A. SICAR, Luxembourg	139,670,000	EUR	60.00	– 28,435	TEUR	52,824	TEUR
CA Immo S.a.r.l., Luxembourg	33,000	EUR	100.00	– 5	TEUR	0	TEUR
2P s.r.o., Pilsen	240,000	CZK	100.00	– 86,623	TCZK	85,097	TCZK
Europort Airport Center a.s., Prague	14,100,000	CZK	100.00	– 120,830	TCZK	47,902	TCZK
FCL Property a.s., Prague	2,000,000	CZK	100.00	– 200	TCZK	7,683	TCZK
Office Center Mladost EOOD, Sofia	5,000	BGN	100.00	586	TBGN	6,574	TBGN
Office Center Mladost 2 EOOD, Sofia	5,000	BGN	100.00	916	TBGN	678	TBGN
Mahler Property Services Sp.z.o.o., Warsaw	50,000	PLN	50.00	126	TPLN	635	TPLN
PBT IT-Services Sp.z.o.o., Warsaw	50,000	PLN	50.00	– 30	TPLN	20	TPLN
							Established 2010

¹⁾ Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

Indirect investments¹⁾

Name and registered office	Nominal capital	Share of capital in %	Profit/loss for fiscal		Shareholders' equity		Profit/loss for fiscal		Shareholders' equity	
			2010	as at 31.12.2010	2009	as at 31.12.2009				
BIL-S Superädifikatsverwaltungs GmbH, Vienna	70,000 EUR	100.00	– 2,203 TEUR	– 7,702 TEUR	2,569 TEUR	– 5,499 TEUR				
CA Immo BIP Liegenschaftsverwaltung GmbH, Vienna	3,738,127 EUR	100.00	17,009 TEUR	86,175 TEUR	26,670 TEUR	69,166 TEUR				
CA Immo CEE Beteiligungs GmbH, Vienna	35,000 EUR	100.00	3,072 TEUR	139,107 TEUR						Established 2010
CA Immo Galleria Liegenschaftsverwaltungs GmbH, Vienna	35,000 EUR	100.00	– 7,967 TEUR	24,607 TEUR	60 TEUR	32,574 TEUR				
CA Immo Germany Holding GmbH, Vienna	35,000 EUR	100.00	32,746 TEUR	945,832 TEUR	– 17,630 TEUR	918,586 TEUR				
CA Immo LP GmbH, Vienna	146,000 EUR	100.00	1,862 TEUR	45,931 TEUR	7,445 TEUR	44,068 TEUR				
CA Immo-RI-Residential Property Holding GmbH, Vienna	35,000 EUR	100.00	– 6,366 TEUR	262,529 TEUR	5,166 TEUR	268,890 TEUR				
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna	2,537,600 EUR	100.00	– 32 TEUR	2,295 TEUR	– 186 TEUR	– 203 TEUR				
CAII Projektbeteiligungs GmbH	35,000 EUR	100.00	– 8,291 TEUR	1,777 TEUR						Established 2010
I.N.A. Handels GmbH, Vienna	37,000 EUR	100.00	– 137 TEUR	65 TEUR	– 222 TEUR	– 647 TEUR				
Parkring 10 Immobilien GmbH, Vienna	35,000 EUR	100.00	– 3,137 TEUR	24,922 TEUR	2,990 TEUR	28,060 TEUR				
SQUARE S Holding GmbH, Vienna	35,000 EUR	100.00	– 3 TEUR	30,903 TEUR	– 3 TEUR	30,901 TEUR				
OOO Saimir, Moskau	10,000 RUB	100.00	– 3,718 TRUB	– 189 TRUB	– 924 TRUB	– 914 TRUB				
UBM Realitätenentwicklung AG, Vienna	5,450,463 EUR	25.00	3,460 TEUR	133,567 TEUR	3,004 TEUR	93,795 TEUR				
Einkaufszentrum Erlenmatt AG, Basel	100,000 CHF	49.87	– 1,058 TCHF	– 1,104 TCHF	– 132 TCHF	– 68 TCHF				
CA Immo Sava City d.o.o., Belgrade	24,520,000 EUR	100.00	– 892,387 TRSD	– 869,267 TRSD	– 895,381 TRSD	– 497,594 TRSD				
Log Center d.o.o., Belgrade	150,000 EUR	50.00	– 50,155 TRSD	– 100,620 TRSD	– 32,646 TRSD	– 64,405 TRSD				
TM Immo d.o.o., Belgrade	5,250,000 EUR	100.00	– 293,911 TRSD	– 305,764 TRSD	– 234,548 TRSD	– 11,853 TRSD				
Dorotheenhöfe - Grundstücks GmbH & Co. KG, Berlin	255,646 EUR	99.74	– 18 TEUR	559 TEUR	– 155 TEUR	757 TEUR				
Dorotheenhöfe Grundstücksverwaltungs-GmbH, Frankfurt	25,565 EUR	99.74	– 14 TEUR	29 TEUR	– 3 TEUR	43 TEUR				
BA Business Center a.s., Bratislava	7,503,200 EUR	100.00	– 2,629 TEUR	– 5,415 TEUR	– 6,463 TEUR	– 2,786 TEUR				
Kapas Center Kft, Budapest	772,560,000 HUF	100.00	144,257 THUF	1,601,862 THUF	154,140 THUF	1,446,117 THUF				
Opera Center One S.R.L., Bukarest	2,531,150 RON	100.00	7,540 TRON	41,084 TRON	7,877 TRON	33,544 TRON				
Opera Center Two S.R.L., Bukarest	4,700,400 RON	100.00	820 TRON	8,212 TRON	1,456 TRON	7,392 TRON				
S.C. BBP Leasing S.R.L., Bukarest	14,637,711 RON	100.00	– 3,036 TRON	14,857 TRON	2,366 TRON	16,298 TRON				
TC Investments Arad SRL, Bukarest	4,018,560 RON	57.53	– 2,498 TRON	– 3,371 TRON	– 3,534 TRON	– 873 TRON				
Blitz F07-neunhundert-sechzig-acht GmbH, Frankfurt	25,000 EUR	100.00	– 5 TEUR	27 TEUR	– 4 TEUR	12 TEUR				
Blitz F07-neunhundert-sechzig-neun GmbH, Frankfurt	25,000 EUR	100.00	– 7 TEUR	53 TEUR	– 6 TEUR	60 TEUR				
CA Immo Null Verwaltungs GmbH, Frankfurt	25,000 EUR	100.00	8 TEUR	51 TEUR	12 TEUR	44 TEUR				
CA Immo Eins GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	2,805 TEUR	43,905 TEUR	2,237 TEUR	41,100 TEUR				
CA Immo Zwei GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	8,232 TEUR	59,277 TEUR	3,260 TEUR	51,045 TEUR				
CA Immo Drei GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	– 540 TEUR	17,054 TEUR	910 TEUR	15 TEUR				
CA Immo Vier GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	438 TEUR	847 TEUR	247 TEUR	409 TEUR				
CA Immo Fünf GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	395 TEUR	5,711 TEUR	1,056 TEUR	5,317 TEUR				

¹⁾ Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

Name and registered office	Nominal capital	Share of capital in %	Profit/loss for fiscal	Shareholders' equity		Profit/loss for fiscal	Shareholders' equity
				2010	as at 31.12.2010		
CA Immo Sechs GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	1,399 TEUR	31,327 TEUR	3,214 TEUR	29,928 TEUR	
CA Immo Sieben GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	2,169 TEUR	37,896 TEUR	2,256 TEUR	35,727 TEUR	
CA Immo Acht GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	1,043 TEUR	3,792 TEUR	812 TEUR	2,749 TEUR	
CA Immo Neun GmbH & Co. KG, Frankfurt	25,000 EUR	100.00	1,922 TEUR	21,392 TEUR	4,092 TEUR	19,470 TEUR	
CA Immo Zehn GmbH, Frankfurt	25,000 EUR	100.00	- 534 TEUR	12,561 TEUR	- 1,179 TEUR	12,394 TEUR	
CA Immo Elf GmbH, Frankfurt	25,000 EUR	100.00	159 TEUR	2,817 TEUR	47 TEUR	2,657 TEUR	
CA Immo GB GmbH, Frankfurt	25,000 EUR	100.00	- 65 TEUR	3,856 TEUR	4 TEUR	11 TEUR	
CA Immo GB Eins GmbH & Co. KG, Frankfurt	25,000 EUR	94.90	- 14 TEUR	1,241 TEUR	114 TEUR	1,717 TEUR	
CEREP Allermöhe GmbH, Frankfurt	25,000 EUR	100.00	824 TEUR	22,973 TEUR	611 TEUR	31,049 TEUR	
CM Komplementär F07-888 GmbH & Co. KG, Frankfurt	25,000 EUR	94.90	64 TEUR	38,610 TEUR	- 2,345 TEUR	41,301 TEUR	
REC Frankfurt Objekt KG, Frankfurt	50,000 EUR	49.87	- 1,597 TEUR	- 2,095 TEUR	- 544 TEUR	- 497 TEUR	
VIADOR GmbH, Frankfurt	100,000 EUR	69.82	- 13 TEUR	344 TEUR	- 117 TEUR	357 TEUR	
Vivico Berlin Europaplatz 01 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 87 TEUR	- 163 TEUR	- 80 TEUR	- 75 TEUR	
Vivico Berlin Europaplatz 01 Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	- 4 TEUR	17 TEUR	- 4 TEUR	21 TEUR	
Vivico Berlin Hallesches Ufer GmbH, Frankfurt	25,000 EUR	99.74	393 TEUR	- 1,048 TEUR	- 104 TEUR	- 1,440 TEUR	
Vivico Berlin Lehrter Stadtquartier Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	6 TEUR	55 TEUR	5 TEUR	49 TEUR	
Vivico Berlin Lehrter Stadtquartier 3 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	196 TEUR	3,332 TEUR	430 TEUR	3,136 TEUR	
Vivico Berlin Lehrter Stadtquartier 4 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 238 TEUR	- 477 TEUR	- 261 TEUR	239 TEUR	
Vivico Berlin Lehrter Stadtquartier 5 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 176 TEUR	41 TEUR	- 85 TEUR	217 TEUR	
Vivico Berlin Lehrter Stadtquartier 6 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	475 TEUR	- 1,539 TEUR	874 TEUR	- 2,014 TEUR	
Vivico Berlin Lehrter Stadtquartier 7 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 268 TEUR	- 836 TEUR	- 331 TEUR	- 568 TEUR	
Vivico Berlin Lehrter Stadtquartier 8 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 176 TEUR	987 TEUR	- 190 TEUR	1,163 TEUR	
Vivico Berlin Lehrter Stadtquartier 9 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 2,085 TEUR	- 3,116 TEUR	- 177 TEUR	- 1,031 TEUR	
Vivico Berlin Lietzenburger Straße GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 17 TEUR	- 12 TEUR		Established 2010	
Vivico Berlin Lietzenburger Straße Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	- 4 TEUR	21 TEUR		Acquired 2010	
Vivico Berlin Schöneberger Ufer Beteiligungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	17,617 TEUR	3,372 TEUR	17,617 TEUR	
Vivico Berlin Schöneberger Ufer GmbH & Co. KG, Frankfurt	25,000 EUR	99.74	- 3,807 TEUR	4,736 TEUR	2,794 TEUR	4,398 TEUR	
Vivico Berlin Schöneberger Ufer Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	16 TEUR	- 3 TEUR	16 TEUR	
Vivico Berlin Unter den Linden Beteiligungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	13,147 TEUR	- 2 TEUR	13,147 TEUR	
Vivico Berlin Unter den Linden GmbH & Co. KG, Frankfurt	12,500 EUR	99.74	- 1,760 TEUR	11,413 TEUR	6,542 TEUR	13,173 TEUR	
Vivico Berlin Unter den Linden Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	15 TEUR	- 3 TEUR	15 TEUR	
Vivico Frankfurt Bauphase I GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 325 TEUR	12,945 TEUR	- 2,330 TEUR	13,186 TEUR	
Vivico Frankfurt Bauphase I Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	13 TEUR	- 3 TEUR	13 TEUR	
Vivico Frankfurt Nord 1 Beteiligungs GmbH, Frankfurt	25,000 EUR	99.74	- 116 TEUR	3,438 TEUR	- 51 TEUR	3,554 TEUR	

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Name and registered office	Nominal capital	Share of capital in %	Profit/loss for fiscal		Shareholders' equity		Profit/loss for fiscal		Shareholders' equity	
			2010	as at 31.12.2010	2009	as at 31.12.2009	2009	as at 31.12.2009		
Vivico Frankfurt Nord 1 Projekt GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	7,213 TEUR	1,102 TEUR	- 515 TEUR	- 6,111 TEUR				
Vivico Frankfurt Nord 1 Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	- 3 TEUR	14 TEUR	- 2 TEUR	17 TEUR				
Vivico Frankfurt Nord 4 GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 550 TEUR	- 439 TEUR	- 58 TEUR	111 TEUR				
Vivico Frankfurt Nord 4 Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	- 6 TEUR	15 TEUR	- 3 TEUR	21 TEUR				
Vivico Frankfurt Tower 185 Beteiligungs GmbH, Frankfurt	25,000 EUR	99.74	- 87 TEUR	3,328 TEUR	- 9 TEUR	3,414 TEUR				
Vivico Frankfurt Tower 185 Projekt GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	8,112 TEUR	73,421 TEUR	- 29,744 TEUR	65,309 TEUR				
Vivico Frankfurt Tower 185 Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	- 3 TEUR	14 TEUR	- 2 TEUR	17 TEUR				
Vivico Frankfurt Tower- 2-Besitz GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 53 TEUR	- 80 TEUR	- 13 TEUR	27 TEUR				
Vivico Frankfurt Tower- 2-Geschäftsführungs GmbH, Frankfurt	25,000 EUR	99.74	- 3 TEUR	1 TEUR	- 5 TEUR	4 TEUR				
Vivico Frankfurt Tower- 2-Hotelbetriebsgesellschaft mbH, Frankfurt	25,000 EUR	99.74	- 3 TEUR	18 TEUR	- 5 TEUR	20 TEUR				
Vivico Frankfurt Tower- 2-Verwaltungsgesellschaft mbH, Frankfurt	25,000 EUR	99.74	- 1 TEUR	18 TEUR	0 TEUR	19 TEUR				
Vivico Köln K1 GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	- 703 TEUR	67 TEUR	- 703 TEUR				
Vivico Köln K2 GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	4,252 TEUR	353 TEUR	4,252 TEUR				
Vivico Köln K3 GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	1,097 TEUR	6,607 TEUR	1,097 TEUR				
Vivico München Ambigon Nymphenburg GmbH & Co. KG, Frankfurt	5,000 EUR	99.74	- 242 TEUR	- 523 TEUR	- 286 TEUR	- 281 TEUR				
Vivico München Ambigon Nymphenburg Verwaltungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	13 TEUR	- 8 TEUR	13 TEUR				
Vivico München Lokhalle Beteiligungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	4 TEUR	- 3 TEUR	5 TEUR				
Vivico München MI - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	25,000 EUR	99.74	- 638 TEUR	1,301 TEUR	2,021 TEUR	1,939 TEUR				
Vivico München MK 2 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	7,308 TEUR	- 118 TEUR	7,308 TEUR				
Vivico München MK 6 - Arnulfpark Grundstücksverwertungs GmbH, Frankfurt	25,000 EUR	99.74	0 TEUR	9,006 TEUR	9,132 TEUR	9,006 TEUR				
Vivico München Perlach Grundstücksverwertungs GmbH, Frankfurt	25,000 EUR	99.74	716 TEUR	252 TEUR	- 160 TEUR	- 464 TEUR				
Concept Bau- Premier Vivico Isargärten GmbH & Co. KG, Grünwald	25,000 EUR	33.24	2 TEUR	27 TEUR	- 1,533 TEUR	2,812 TEUR				
Concept Bau- Premier Vivico Isargärten Verwaltungs GmbH, Grünwald	15,000 EUR	33.24	- 903 TEUR	- 965 TEUR	2 TEUR	25 TEUR				
Vivico Real Estate GmbH, Frankfurt	5,000,000 EUR	99.74	53,640 TEUR	662,094 TEUR	66,014 TEUR	660,472 TEUR				
omniCon Gesellschaft für innovatives Bauen mbH, Frankfurt	100,000 EUR	99.74	62 TEUR	396 TEUR	27 TEUR	328 TEUR				
omniPro Gesellschaft für Projektmanagement mbH, Frankfurt	25,000 EUR	99.74	- 5 TEUR	104 TEUR	1 TEUR	109 TEUR				
Infraplan Vivico Isargärten GmbH & Co. KG, Grünwald	15,000 EUR	33.24	- 384 TEUR	437 TEUR	- 567 TEUR	2,322 TEUR				
Infraplan Vivico Isargärten Verwaltungs GmbH, Grünwald	25,000 EUR	33.24	1 TEUR	23 TEUR	- 3 TEUR	22 TEUR				
Isargärten Thalkirchen GmbH & Co. KG, Grünwald	30,000 EUR	33.24	54 TEUR	5 TEUR	166 TEUR	54 TEUR				
SKYGARDEN Arnulfpark GmbH & Co. KG, Grünwald	100,000 EUR	49.87	- 460 TEUR	3,364 TEUR	- 620 TEUR	3,724 TEUR				
SKYGARDEN Arnulfpark Verwaltungs GmbH, Grünwald	25,000 EUR	49.87	- 1 TEUR	14 TEUR	- 2 TEUR	15 TEUR				
Pannonia Shopping Center Kft, Györ	380,000,000 HUF	30.00	- 220,205 THUF	148,176 THUF	- 920,008 THUF	368,381 THUF				
Congress Centrum Skyline Plaza GmbH & Co. KG, Hamburg	25,000 EUR	49.87	- 12 TEUR	1 TEUR		Acquired 2010				
Congress Centrum Skyline Plaza Verwaltung GmbH, Hamburg	25,000 EUR	49.87	- 1 TEUR	24 TEUR		Acquired 2010				

¹⁾ Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

Name and registered office	Nominal capital	Share of capital in %	Profit/loss for fiscal		Shareholders' equity as at 31.12.2010	Profit/loss for fiscal		Shareholders' equity as at 31.12.2009
			2010	2009		2009	2008	
REC Frankfurt Objekt Verwaltungsgesellschaft mbH, Hamburg	50,000 EUR	49.87	– 1 TEUR	13 TEUR	– 3 TEUR	13 TEUR	13 TEUR	
CAINE B.V., Hoofddorp	18,151 EUR	60.00	– 28,727 TEUR	– 11,305 TEUR	– 17,381 TEUR	17,422 TEUR	17,422 TEUR	
Pulkovo B.V., Hoofddorp	25,000 EUR	60.00	– 7 TEUR	2 TEUR	– 6 TEUR	– 11 TEUR	– 11 TEUR	
CAINE S.à.r.l., Luxembourg	12,500 EUR	60.00	– 37 TEUR	2 TEUR	– 58 TEUR	– 71 TEUR	– 71 TEUR	
Mainzer Hafen GmbH, Mainz	25,000 EUR	49.87	4 TEUR	29 TEUR				Acquired 2010
OOO Business Center Maslovka, Moskau	23,500,000 RUB	50.00	Not published	Not published	– 131,389 RUB	– 282,179 RUB	– 282,179 RUB	
OOO BBM, Moskau	10,000 RUB	50.00	Not published	Not published	– 353,091 RUB	– 1,128,837 RUB	– 1,128,837 RUB	
Larico Limited, Nicosia	1,737 EUR	50.00	Not published	Not published	– 559 EUR	– 891 EUR	– 891 EUR	
Triastron Investments Limited, Nicosia	1,438 EUR	50.00	Not published	Not published	– 550 EUR	– 2,735 EUR	– 2,735 EUR	
EG Vivico MK3 Arnulfpark GmbH & Co. KG, Obererhaching	100,000 EUR	99.74	– 57 TEUR	11,868 TEUR	– 38 TEUR	11,424 TEUR	11,424 TEUR	
EG Vivico MK 3 Arnulfpark Verwaltungs GmbH, Oberhaching	25,000 EUR	49.87	– 3 TEUR	23 TEUR	0 TEUR	25,000 TEUR	25,000 TEUR	
K&K Investments Sibiu SRL, Sibiu	21,609,000 RON	54.00	– 7,714 TRON	– 5,902 TRON	– 4,371 TRON	1,813 TRON	1,813 TRON	
Megapark o.o.d., Sofia	5,000 BGN	35.00	0 TGBN	0 TGBN				Acquired 2010
OAO Avielen AG, St. Petersburg	370,000,000 RUB	15.00	98,707 TRUB	315,365 TRUB	– 106,970 TRUB	216,658 TRUB	216,658 TRUB	
Soravia Center OÜ, Tallinn	100,000 EUR	40.00	Not published	Not published	– 2,437 TEEK	– 7,679 TEEK	– 7,679 TEEK	
Boulevard Süd 4 GmbH & Co. KG, Ulm	200,000 EUR	49.87	3,890 TEUR	790 TEUR	4,119 TEUR	1,986 TEUR	1,986 TEUR	
Boulevard Süd 4 Verwaltungs-GmbH, Ulm	25,000 EUR	49.87	– 3 TEUR	7 TEUR	– 3 TEUR	10 TEUR	10 TEUR	
CA Betriebsobjekte Polska Sp.z.o.o., Warsaw	228,404,000 PLN	50.00	12,487 TPLN	303,469 TPLN	7,970 TPLN	291,534 TPLN	291,534 TPLN	
Doratus Sp. z o.o., Warsaw	2,000,000 PLN	100.00	3,638 TPLN	14,666 TPLN	1,885 TPLN	10,864 TPLN	10,864 TPLN	
Poleczki Business Park Sp.z.o.o., Warsaw	3,936,000 PLN	30.00	– 6,061 TPLN	– 2,980 TPLN	16,944 TPLN	1,291 TPLN	1,291 TPLN	
Zollhafen Mainz GmbH & Co. KG	1,200,000 EUR	49.97	– 515 TEUR	– 519 TEUR				Established 2010

¹⁾ Information on participations abroad (excl. Germany) is based exclusively on IFRS financial statements, whereas information on participations in Austria and Germany is according to local accounting standards.

MANAGEMENT REPORT

MANAGEMENT REPORT OF CA IMMOBILIEN ANLAGEN AKTIENGESELLSCHAFT FOR THE PERIOD 1. JANURAY TO 31. DECEMBER 2010

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, Estonia, Luxembourg, the Netherlands, Austria, Poland, Romania, Russia, Switzerland, Serbia, Slovakia, Slovenia, the Czech Republic, Hungary and Cyprus. As of 31 December 2010, the CA Immo Group owned real estate and properties in all of the aforementioned countries except Estonia, Luxembourg, the Netherlands and Cyprus. The company's main activity involves administering and financing the domestic and foreign subsidiaries. It also owns 28 properties in Austria (as of 31 December 2010).

Following the conclusion of the merger agreement on 27 September 2010, CA Immo International AG, Vienna, (the transferring company) merged with CA Immobilien Anlagen AG (the acquiring company) with retroactive effect from 31.12.2009 by applying Article I of the Austrian Company Reorganisation Act (UmgrStG). The merger resulted in losses of € 5,812.8K. CA Immobilien Anlagen AG owned 97.4 % of the share capital of CA Immo International AG. CA Immo International AG's free-float shareholders received new issue shares in CA Immobilien Anlagen AG in proportion to the share capital valued at € 7.27 per share; the exchange ratio was 19:10.

CA Immo International AG, Vienna, was a management holding company whose balance sheet and income statement primarily consisted of financial assets and receivables from affiliated companies and/or the resultant earnings and expenses. Comparisons with the results of the previous year can only be made to a limited extend due to the merger with CA Immo International AG, Vienna.

BUSINESS ACTIVITY IN 2010

THE CYCLICAL TREND

The real estate sector is closely intertwined with the macroeconomic developments on its markets. As regards the demand for commercial real estate in particular, economic growth is proving to be a determining factor. The recent recessionary years have thus been as challenging as might be expected. Not only was the investment market brought to a halt, but companies shelved their expansion plans, significantly cutting the demand for office space.

In 2010, nearly two years after the financial and economic crisis took hold, activity in the global economy picked up pace once again, sparking signs of recovery and renewed growth as the year progressed. Expansion on the global markets was driven by the emerging nations such as China and India in particular. However, the pace of economic recovery varied from one country to another.

Widely divergent economies were also the story of the upturn within the eurozone. Germany took centre stage as the most positive contributor, recording extremely dynamic growth. Austria followed suit, albeit with more moderate expansion figures. By contrast, growth in France – the second largest economy in the eurozone – slowed considerably. On the margins, Greece, Ireland, Portugal and Spain found themselves mired in crisis. GDP rose in the eurozone by an average of 1.7 % during 2010; the inflation rate stood at 2.2 % in December.

Austria ²²

Evidence of growth was seen in the Austrian economy: economic output expanded by 2.0 %, largely as a result of exports (particularly to Germany, Austria's rapidly growing trading partner; cf. GDP decrease of 3.9 % in 2009). However, domestic demand remained somewhat muted. Given the weak development of actual earnings, consumption by private households remained deeply restrained. Although incomes are set to rise again this year, private consumer spending is not expected to increase accordingly because of government consolidation measures and planned tax rises.

From the outset, the economic crisis impacted only minimally on the Austrian labour market. The unemployment rate, which was 4.3 % in the year preceding the crisis (2007), stood at 5.0 % in December 2010, rising by

²² Quellen: Eurostat, Datenabruf 30.12.2010; OeNB

0.5 % over the year as a whole. This confirms Austria, along with the Netherlands and Luxembourg, as the country with the lowest unemployment level in the eurozone. The inflation rate was 1.7 % at the end of 2010; the Austrian National Bank (OeNB) is predicting that the rate will break the 2.0 % barrier in 2011.

Germany²³

Germany has recovered from the crisis surprisingly quickly. Although forecasts of GDP growth to the midway point of the year were even more modest than previously, growth picked up speed as the summer progressed. Remarkably, despite a steep GDP fall of 4.7 % in 2009, the economy again expanded by 3.6 % in 2010. The economic recovery was chiefly driven by the country's high export ratio; there was world-wide demand for German high-tech products, for example, especially on the booming markets of Asia.

The upturn in foreign trade also had a positive effect on the domestic economy, as investment again rose substantially. The collapse of the labour market predicted at the start of the year also failed to materialise; the unemployment rate was at 6.7 % at the end of 2010. The improving employment figures for the whole year boosted consumer confidence in turn, and private consumption rose particularly strongly towards the end of 2010.

CEE/SEE²⁴

Economic development was very patchy in the CEE and SEE states during 2010. The Central and Eastern European nations of Poland, the Czech Republic and Slovakia (for whom Germany is a key trading partner) benefited from German economic growth last year in the shape of a higher export volume. In Slovakia, economic power expanded by a total of 4.1 %; GDP rose by 3.5 % in Poland and by 2.4 % in the Czech Republic. The economy broadly stabilised in Bulgaria, Hungary and the Baltic states in 2010; Romania and Croatia remained deep in recession, however, mainly on account of structural factors such as their trade orientation and the composition of export goods, but also because of internal imbalances (high unemployment, low consumption and so on) and problems with debt and refinancing in the public finances.

In the early part of the year, the Russian economy was benefiting from the rise in the oil price around the world;

GDP growth, which had been negative in 2009, turned around again during the first six months of 2010. Expansion slowed in the second half of the year, however, partly because raw material prices remained short of expected levels throughout the year, and partly because the moderate expansion in credit held back the economic recovery. The OECD forecast GDP growth of 3.7 % for Russia by the end of the year.

MONEY MARKET AND INTEREST RATE ENVIRONMENT

For most countries, economic stabilisation in 2010 went hand in hand with a sharp rise in national debt; the costs of combating the financial crisis were a significant factor behind these increases. At European level, this development impacted most severely on countries like Greece, Spain, Portugal and Ireland, where growth is low and debt levels were already high. Around the middle of the year, the public finance problems in these nations began to pose a major threat to the stability of the euro as the 'Greek crisis' ballooned into a crisis of the euro. However, government intervention and consolidation measures in the public sector succeeded in reassuring the financial markets. In May 2010 – at the height of the crisis in Greece – the ECB and central banks started buying government bonds from European countries for the first time since the launch of the euro in an attempt to regain the trust of the markets. By the end of the year, however, the ECB had not managed to neutralise the additional liquidity completely.

The value of the euro declined significantly against almost every other currency in 2010, losing around 9 % against the US dollar. In the second year since the onset of the crisis, the base rate of the European Central Bank again stood at 1.0 %. As measured by the three month EURIBOR, the money market rates critical to variable refinancing remained at record low levels throughout most of last year. In the final quarter of 2010, however, they began to rise steadily to the level of the European Central Bank refinancing rates. Long-term interest rates, including the 10 year swap rate which is relevant to CA Immo, remained at their lowest levels in quarter three. Since then, however, they have gradually risen.

OUTLOOK

We expect the European economy as a whole to continue to recover during 2011. However, the upturn will depend on growth engines like Germany, and in particular a sustained revival in its domestic economy. For this

²³ Quellen: Deutsche Bundesbank, Statistisches Bundesamt, Bundesagentur für Arbeit

²⁴ Quellen: OeNB, Eurostat, EZB Monatsbericht, OECD

reason, economic research institutes are predicting only moderate growth of 2.3 % for 2011. The Austrian National Bank expects the Austrian economy to carry on accelerating this year; at present, GDP is forecast to rise by 2.1 %. Improving growth figures are also expected on the CA Immo markets of Central and Eastern Europe, albeit to strongly varying degrees.

Inflation rates are likely to maintain their upward path in the various countries. The inflation rate in the euro-zone is likely to remain around the 2 % level in 2011 because of the fluctuating prices of crude oil and food. The interest rate trend on CA Immo's markets will continue to be influenced by the political response to the debt crisis in Europe, the interest rate policy of the European Central Bank and the future of the banking sector following implementation of new regulatory requirements such as Basel III.

THE REAL ESTATE MARKET

Austria

The positive effects of the slow but steady upturn in the Austrian economy that has been taking place since the end of last year have also been felt on the real estate market. The transaction market received a boost from the brightening of the economic environment combined with stable rent levels and the continuing appeal of direct property investments. The lettings market was characterised by increasingly predatory competition to the advantage of modern premises and a continual increase in large-scale letting agreements. Despite the encouraging economic signs, however, many market players continue to be highly risk-averse, with efficiency and flexibility emerging as priorities in the choice of location.

Deutschland

In 2010, the rapid recovery of the German economy combined with the return of investor confidence in the long-term attractiveness of Germany as a place to invest led to an 83 % increase in investment turnover in commercial real estate compared to the previous year. In particular, the restricted supply of low-risk products proved to be the limiting factor in the face of strong demand for core properties.²⁵ The first signs of recovery also emerged on the rental market, with encouraging levels of turnover and stable or slightly rising rent levels.

CEE/SEE

Although the CEE region was harder hit by the economic crisis than more stable markets such as Germany, real estate investment accelerated at a relatively faster pace in 2010. Given the fact that economic performance varies so widely across Eastern Europe, though, the investment market was also inconsistent. Around three quarters of all property investment was transacted in Poland and Russia, whilst liquidity remains especially severely restricted in South Eastern Europe. The gap between the CEE and SEE is also reflected in the development of peak yields and rental rates.

PROPERTY ASSETS

The CA Immo Group is active in Austria, Germany and Eastern Europe. The Group's core business is commercial real estate, with a clear focus on office properties; it deals with both investment properties (76 % of the total portfolio) and development properties (22 % of the total portfolio). Properties intended for trading and property assets held for sale each account for around 1 % of property assets.

In the consolidated statement of financial position for 2010, the CA Immo Group indicates property assets of some € 3.6 bn (against € 3.5 bn on 31.12.2009). Of this total, investment properties (including own used properties and properties intended for trading or sale) accounted for € 2.8 bn (78 % of the total portfolios) and investment properties under development represented € 790.9 m (22 % of the overall portfolio).

As at key date 31 December 2010, the Group's asset portfolio comprised a total rentable effective area of € 1.5 million sqm, of which offices accounted for some 62 % and commercial/storage space represented 24 %. The remainder of the floor space is utilised for business (7 %), hotel (5 %) and residential purposes (2 %). On the basis of market value, around 49 % of investment properties are in Germany, 26 % are in Austria and 25 % are in the CEE/SEE region.

As regards development projects, approximately 3 % of the company's developments and strategic land reserves are in Austria and 94 % are in Germany; projects in CEE and SEE countries as well as the CIS account for the remaining 3 %. Development projects in Germany have a total market value of € 741.6 m. Of this total, projects that are either under construction or have imminent start

²⁵ CB Richard Ellis, Deutschland Investment Quarterly Q4 2010

dates for construction account for approximately € 282 m; long-term real estate reserves account for € 460 m.

The Group generated rental income of € 164.4 m in 2010, compared to € 177.0 m in 2009. On the basis of annualised rental revenue, the asset portfolio produced a yield of 5.8 % (6.5 % in 2009). Vacancy by surface area was 11.5 % as at 31 December 2010, with the economic occupancy rate at 88 % (91 % on 31.12.2009). The decline in lettings resulted from the vacation of premises by Siemens at the Erdberger Lände site as scheduled, the addition to the portfolio in 2010 of the completed Poleczki Business Park project in Warsaw and the acquisition under the terms of a forward purchase agreement of the Megapark office property in Sofia. In like-for-like comparison (excluding the aforementioned special cases), economic utilisation was virtually unchanged at 90 % as at 31 December 2010.

Of the total portfolio, CA Immobilien Anlagen AG itself holds 28 properties with a total lettable space of 231,150 sqm and a recognised value of € 264,512.8 K (2009: € 283,604.3 K). In 2010 the company invested around € 985.2 K (2009: € 1,091.8 K) in properties.

THE BUSINESS TREND OF CA IMMOBILIEN ANLAGEN AG

Gross revenues are derived exclusively from the rental of properties in Austria. Compared to the previous year, a decrease of -15.8 % was recorded from € 28,434.6K to € 23,933.2K. The main cause for this development was the loss of rental income following the sale of properties in 2009. The remainder of other operating income totalled € 4,729.1K (2009: € 3,223.0K) and is primarily derived from management fees charged to subsidiary companies, bills and insurance revenues.

Staff expenses rose by 87.2 % to a total of € 7,853.6K (2009: € 4,195.7K). This is predominantly due to the acceptance of 18 employees (pro rata staff expenses € 1,649.6K) following the merger with CA Immo International AG, but also results from the creation of a new bonus provision for 2010, amounting to € 1,743.0K.

"Amortisation of intangible and fixed assets" increased to € 18,223.1K (2009: € 8,833.9K) due to unscheduled depreciation. Other operating income increased by 43.6 %, from € 14,163.9K in 2009 to € 20,336.2K in 2010, particularly as a result of specific allowances for interest receiv-

able and short-term cash advances in Eastern Europe amounting to € 4,371.9K. The operating result totalled € - 17,361.1K (2009: € 14,493.3K).

Investment earnings decreased to € 1,970.4K (2009: € 435,400.0K) as a result of profit being distributed by CA Immo subsidiaries in Eastern Europe and CA Immo International Holding GmbH. By way of contrast, there are expenses from financial assets and securities held as current assets totalling € - 55,634.1K (2009: € - 440,357.2K), which are predominantly the result of depreciation and amortisation on shares in affiliated companies linked to profit distribution.

Revenues of € 10,458.3K (2009: € 5,772.8K) have been generated through lending. Interest earnings declined from € 10,413.5K in 2009 to € 9,194.2K in 2010. These are derived from fixed deposits, as well as bank deposits and cash advances to affiliated companies. Earnings from the disposal and appreciation in value of financial assets and securities held as current assets amounted to € 37,064.8K (2009: € 23,729.3K) and are due to the appreciation in value of shares in affiliated companies, amounting to € 34,010.7K (2009: € 15,737.7K); however, they are also the result of the sale and appreciation in value of securities held as current assets. Interest and similar expenditure totalled € 56,297.6K (2009: € 54,684.4K) and consists of loan interest to finance property assets, expenditure for derivative transactions, interest payable on convertible bonds and the two bond liabilities, as well as interest expenses for affiliated companies.

As a result of the aforementioned factors, the financial result as at the balance sheet date was € - 53,244.2K, compared to € - 19,726.0K in the previous period. The operating result amounted to € - 70,605.3K (2009: € - 5,232.7K).

Since the start of the 2005 business year, CA Immobilien Anlagen AG has been concluding a number of group and tax compensation agreements with its subsidiary companies. In 2010, the subsidiary companies generated large taxable profits, primarily due to property sales (disclosure of hidden reserves), for which they each had to pay 22 % group tax to CA Immobilien Anlagen AG as at 30 September of the following year.

After the tax proceeds are taken into account (predominantly from group tax), which amount to € 5,731.4K (2009: € 11,900.6K), there remains a net loss of

€ – 65,222.0K (2009: net surplus of € 5,768.2K), and after the release of non-distributable capital reserves and profit reserves are taken into account, the annual result stands at € 0.0K (2009: € 5,896.8K).

Cash flow from operating activities (operating cash flow plus changes in net current assets) for the 2010 business year stood at € 38,641.05K (2009: € 418,100.00K) and cash flow from investment activities at -€ – 270,794.46K (2009: € – 456,600.00K). Cash flow from financing activities totalled € -8,045.20K (2009: € 245,900.00K).

Total assets of CA Immobilien Anlagen AG remained almost unchanged, standing at € 2,299,449.9K (31.12.2009: € 2,307,883.4K). Fixed assets increased from € 2,025,895.4K to € 2,218,589.9K compared to the previous period. The proportion of fixed assets in relation to total assets as at 31.12.2010 stood at around 96.5 % (2009: 87.8 %). As at 31.12.2010, the company's property assets encompassed 28 real estate sites in Austria with a book value of € 264,512.8K (31.12.2009: 30 real estate sites, € 283,604.3K). The total effective area was 233,301 sqm. Intangible assets total € 285.2K (31.12.2009: € 485.5K) at the end of the period and comprise IT software and above all goodwill, which declined in line with planned depreciation and amortisation from € 429.0K in the previous year to € 214.5K as at 31.12.2010. Compared to the previous year, fixed assets decreased to € 265,702.0K (31.12.2009: € 284,864.3K). Accruals for prepayments received and sites under construction predominantly affect on-going investments, particularly consolidation and separation of rentable spaces at Handelskai and Schubertstraße, as well as the preparatory construction works for the Erdberger Lände.

The book value of the shares in affiliated companies is € 1,753,500.6K (31.12.2009: € 1,629,444.8K). Current accruals are mainly due to the acquisition of 15,050,648 shares in CA Immo International AG, Vienna, totalling € 98,834.8K including auxiliary costs, a shareholder contribution of € 136,000.0K as a down payment to acquire Europolis AG, Vienna, as well as various shareholder contributions amounting to € 14,857.0K paid to companies in Eastern Europe. There was a disposal of financial assets as a result of the merger of the companies in 2010 and the liquidation of a company in Croatia. Depreciation and amortisation predominantly affected shares in Eastern Europe and totalled € 35,059.0K; in Germany, the figure stood at € 15,928.7K. Appreciation amounted to € 28,326.7K and affected an Austrian holding company with shares in Austria and Germany.

Lending to affiliated companies comprises a loan to CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG for € 117,415.5K (31.12.2009: € 111,093.5K), with the purpose in each case being to refinance subsidiary companies in Austria and Germany for property investment and various lending to companies in Eastern Europe totalling € 77,215.0 (31.12.2009: € 0.0K). Current assets fell from € 280,320.7K as at 31.12.2009 to € 79,441.7K as at 31.12.2010. The change mainly reflects the acquisition of 15,050,648 shares in CA Immo International AG, Vienna, totalling € 98,834.8K including auxiliary costs and a down payment of € 136,000.0K to acquire Europolis AG, Vienna.

In 2010, shareholders' equity decreased compared to 31.12.2009 by approximately 3.7 %, from € 1,515,088.6K to € 1,458,897.9K. The equity ratio stands at around 63.4 % (31.12.2009: 65.6 %). Fixed assets were funded by 65.8 % (31.12.2009: 74.8 %) equity. Provisions increased by 51.2 % from € 50,039.3K as at 31.12.2009 to € 75,645.3K and take into account liabilities from derivative transactions, as well as provisions for contributions to group companies. The rise in liabilities from € 741,396.2K to € 763,618.8K can be attributed particularly to additional payment liabilities to affiliated companies.

INFORMATION PROVIDED UNDER ARTICLE 243 A OF THE AUSTRIAN COMMERCIAL CODE (UGB)

The following information must be declared according to Section 243a UGB:

Implementation of the merger agreement concluded between CA Immo and CA Immo International AG on 27 September 2010 raised the capital stock of CA Immo by € 4,343,534.20, from an initial figure of € 634,370,022.00 to € 638,713,556.20 through contributions in kind against the issue of 597,460 bearer shares with a proportionate amount of the capital stock of € 7.27 per new share. The new shares (exchange shares) qualified for dividends as at 1 January 2010 and were approved for official trading on the Vienna Stock Exchange. The capital stock of CA Immo was divided into four registered shares and 87,856,056 bearer shares traded on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352). The four registered shares are held by UniCredit Bank Austria AG and each equate to one position on the Supervisory Board, although this right has not been exercised. All members of the Supervisory Board are elected at the General Meeting. As at 31 De-

ember 2010, the company held none of its own shares; this position has not changed from the previous year.

There are no limitations on voting rights. The transfer of registered shares is linked to the company's approval.

Around 11.8 % of the capital stock and the four registered shares are held by UniCredit Bank Austria AG; as the company's largest shareholder, the bank has constituted the majority at each of the last three Ordinary General Meetings 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 88.2 % of the capital stock) are in free float. On 3 December 2010, UniCredit Bank Austria AG of Vienna announced its intention to make a voluntary public partial takeover bid under the terms of article 4ff of the Austrian Takeover Act with a view to acquiring shares in CA Immo. On 29 January 2011, the takeover bid was published simultaneously with the statement of the administrative bodies of CA Immobilien Anlagen AG. The bid proposed the acquisition of up to 15,031,823 free-float, no-par bearer shares of CA Immo approved for official trading on the Vienna Stock Exchange (equivalent to approximately 17.1 % of the capital stock). The acceptance period extended from 31 January up to and including 16 February 2011. The offer price was € 12.35 per share, 18.64 % above the closing price for the CA Immo share (€ 10.41) on 2 December 2010, the final day of trading before the announcement of the intended takeover, and above the average weighted prices for the last one, three, six, 12 and 24 calendar months. Taking account of average figures, the offer price of € 12.35 was also roughly 8.7 % above the average obtainable target prices of the respective investment banks and financial institutions before the announcement of the intended takeover, but below the book values per share as at 30 September 2010 (-31.2 %), 31 December 2009 (-30.9 %), 31 December 2008 (-34.7 %) and 31 December 2007 (-44.0 %). Since the bid was voluntary under the terms of article 4 of the Austrian Takeover Act, the bidder was entitled to determine the offer price freely.

Except for UniCredit Bank Austria AG, no other shareholders had particular controlling rights.

Employees who hold shares may exercise their voting rights directly at the General Meeting. According to the Articles of Association, the company's Management Board must comprise one, two or three people. The age limit for Management Board members is set at 65 and is laid down in the rules of procedure for the Management

Board. The tenure of a company officer on the Management Board ends after the Ordinary General Meeting, which falls after his or her 65th birthday. The Supervisory Board must comprise at least three, and a maximum of twelve, members. Owners of the four registered shares are each entitled to send one member to the Supervisory Board. The members of the Supervisory Board who have been sent by the registered shareholders can be recalled and replaced at any time by the shareholders. The provisions of the Articles of Association do not apply to members sent to the Supervisory Board for the duration of their time in office. The remaining members of the Supervisory Board are elected at the General Meeting. The age limit for members of the Supervisory Board is set at 70 and is laid down in the rules of procedure for the Supervisory Board. Supervisory board members retire from their position on the Supervisory Board after the next Ordinary General Meeting held after their 70th birthday.

As at 31 December 2010, there was a total of € 312,841,476.80 non-exhausted authorised capital (article 169 AktG), which can be utilised until 8 August 2012 at the latest.

At the Ordinary General Meeting on 13 May 2008, the Management Board was authorised to issue convertible bonds, even by excluding shareholder subscription rights, for a maximum nominal amount of up to € 317,185.0K by 12 May 2013 with the approval of the Supervisory Board on single or multiple occasions, and to guarantee conversion rights on up to 43,629,300 bearer shares in the company for convertible bond holders. As a result of this authorisation, a five-year convertible bond was issued in November 2009 with a volume of € 135,000.0K. The half-yearly coupon payable on the convertible bond was set at 4.125 % and the conversion price was set at € 11.5802 (this represents a premium of 27.5 % above the reference price). As such, a maximum of 11,657,829 no-par value shares will be paid out for any conversion rights which may be exercised. In this regard, the same General Meeting approved contingent capital (article 159 AktG) amounting to € 317.2m.

At the 23rd Ordinary General Meeting on 12 May 2010, the Management Board was authorised in accordance with art. 65 subsection 1 line 8 of the AktG to buy back and, where necessary, sequester or sell the maximum proportion of its own shares via alternative means than on the stock market, or even via public offering, as allowed by law (10 % of share capital) for a period of 30

months after the decision was taken. As at 31 December 2010, this right had not been exercised.

There are no substantive agreements, which come into effect, change or cease with a change of control within the company as a result of a takeover offer.

In the case of a public takeover offer, there will be no compensation agreements with members of the Management or Supervisory Boards or employees.

With regards the accounting process, the main features of the internal monitoring and risk management system are: Minimum standards for internal monitoring systems are determined in an internal group directive. In order to monitor whether these standards were being observed, a separate Internal Auditing unit under the control of the full Management Board was set up as part of a reorganisation process alongside the Risk Management department. The unit, which took up its assigned tasks in 2010, will oversee compliance with legal provisions, internal guidelines and rules of conduct on the basis of an auditing plan; it will also monitor the 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 auditing of individual group companies). Reports on the auditing plan and assessment results will be submitted to the Supervisory Board at least once every year. The internal monitoring system (IMS) has been expanded to assist in the early identification and monitoring of risks. An internal group directive also governs uniform regulations for the group for the production of annual financial statements and interim statements. The group has a comprehensive risk management system. The accounting process was analysed with regard to the important subprocesses. The efficiency of subprocess is audited on the basis of a rotating time plan and designed around best practices (e.g. derivatives, accounts receivable management). The risk management system is part of the auditor's regular program. The results of the audits are reported to the audit committee of the Supervisory Board.

Development of shareholders' equity is as depicted below.

€ 1,000	31.12.2009	Capital increase	Dividend payments	Annual result	Release of capital reserves	31.12.2010
Share capital	634,370.0	4,343.6	0.0	0.0	0.0	638,713.6
Tied capital reserves	868,545.0	4,685.4	0.0	0.0	-53,046.1	820,184.3
Retained Earnings	6,276.9	0.0	0.0	0.0	-6,276.9	0.0
Net profit	5,896.7	0.0	0.0	-65,219.7	59,323.0	0.0
Total equity	1,515,088.6	9,029.0	0.0	-65,219.7	0.0	1,458,897.9

COMMITMENT TO OBSERVING THE PROVISIONS OF THE AUSTRIAN CORPORATE GOVERNANCE CODE

Even before the implementation of the Austrian Corporate Governance Code in 2002, the CA Immo Group was determined to ensure that the business activity of CA Immo and the company itself were as transparent and open to external scrutiny as possible. The CA Immo Management and Supervisory Boards attach great importance to compliance with legal provisions applicable in Austria; they are committed to observing the Austrian Corporate Governance Code and thus to transparency and uniform principles of good corporate management. In business year 2010, CA Immo implemented almost in full the regulations and recommendations of the Code as

amended in January 2010. Discrepancies were noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board), 39 (independence of committee members), 45 (executive positions with competitor companies) and 53 (independence of the Supervisory Board). An appropriate statement concerning the deviations is published at http://www.caimmoag.com/investor_relations/corporate_governance/ in the corporate governance report, which listed companies are bound to compile according to Article 243b of the Austrian Commercial Code (UGB). Compliance with the Code is evaluated annually (most recently by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH). The results of the evaluation may be viewed on the website (www.caimmoag.com), whilst the

Austrian Corporate Governance Code itself may be viewed on the website of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

RISK MANAGEMENT

The last business year was characterised by a slow but steady recovery on real estate markets. Compared to recent years, risk factors specific to the market and to real estate have lessened significantly. Real estate yield and the performance of the CA Immo share, both of which have come under severe pressure over the past couple of years, improved to some extent, especially in the second half of the year. Although CA Immo was largely spared from tenant insolvency, vacancy in the portfolio has increased, mainly because of the withdrawal by Siemens from the Erdberger Lände property; some tenants also required less office space on account of staff reductions. Valuations have taken account of current vacancy levels as well as rental agreements that will expire in the future. Generally speaking, CA Immo performed well as regards lettings despite the somewhat subdued market environment. Overall lettings performance of around 175,000 sqm in 2010 was stimulated mainly by significant new lettings and pre-letting in Germany (totalling some 57,000 sqm) as well as the large-scale letting agreement (approximately 32,500 sqm) with Post AG at the Lände 3 site in Vienna.

General

Systematic risk management is a key element of the CA Immo Group's internal controlling process with a direct bearing on strategic and operational decision-making within the company. The Group is exposed to many kinds of risk as an international manager of property stocks and project developer. These risks have the potential to influence current operational business outcomes and progress towards the strategic goals of the company. Therefore, the objective of risk management at CA Immo is to identify at an early stage and continually monitor potentially hazardous developments as well as opportunities so that suitable measures can be implemented as necessary. To be able to evaluate the company's risk position at all times, CA Immo is constantly evaluating the level of risk by means of regular reporting that takes account of the current situation of the company and the market. In these reports, risks are documented in relation to specific properties and projects. Other aspects of risk reporting involve simulations and depictions of scenarios as regards the value trend for certain properties

as well as exit strategies and financial planning. In addition, specific risk types are assessed at regular intervals, with external advisors consulted: new areas of risk not previously appearing in the risk inventory may be identified and included, whilst others may be classed as no longer significant or removed from the inventory altogether. The last inventory of risk types took place in business year 2008; the categorisation of risks defined at the time is still valid today.

Risk management at all levels of the company

CA Immo assesses risk according to substance, effect and the likelihood of occurrence. On that basis, risk management is implemented at every level of the company and is therefore binding on all organisational divisions. From a strategic viewpoint, risk management includes the compilation of compulsory guidelines on investment policy. Operational risk management is concerned with countering property-specific and general business risks. The company circumvents unexpected risk by means of early warning indicators such as rent forecasts and vacancy analyses as well as the continual monitoring of lease agreement periods and the possibility of terminations. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all process levels, decisions are subject to the dual verification principle. Clear internal guidelines and strategies, business and investment plans and the introduction of continuous reporting systems have made it possible to monitor and control the economic risks associated with everyday business activity. Measures are applied to all Group subsidiaries. Investment plans are also subject to scrutiny by the Supervisory Board or its investment committee. The Controlling department supports the realisation of risk management by providing structured information and data; individual matters are also spot-checked by the Internal Auditing division. In 2010 potential hazard areas were investigated in connection with the issue of corruption. There was no evidence for the existence of crime. The internal monitoring system (IMS) has been expanded to assist in the early identification and monitoring of risks. The effectiveness of risk management at CA Immo is appraised annually by the auditor, who reports findings to the audit committee, Supervisory Board and Management Board.

STRATEGIC RISKS

Capital market and financing risk

Refinancing on the financial market is an important matter for CA Immo. It has become clear in recent years that the proper functioning of the capital market presup-

poses adherence to the regulations on the part of its participants, and that breaches of the rules impair the trust of investors and thus make the procurement of capital (both shareholders' equity and loan capital) much more difficult. CA Immo addresses this capital market risk on several levels. The company is highly skilled at planning and securing liquidity, and also covers itself by entering into equity partnerships (joint ventures) at project level as an alternative and supplement to established sources of equity capital procurement. More generally, CA Immo regards capital market compliance as a fixed element of corporate risk management involving not just observance of the applicable regulations, but also efficient communication that addresses the interests of investors and analysts and builds the trust of investors on the basis of constant transparency. CA Immo's compliance programme comprises internal guidelines (including compliance guidelines), a code of conduct for staff, training and internal counselling for individuals as required as well as the assertion of sanctions under employment law where violations occur.

The risk of (re)financing may remain a latent factor over the years ahead. As regards the raising of loan capital, CA Immo is increasingly seeking to establish or develop business relationships with domestic and foreign banks (in addition to UniCredit Bank Austria, its principal bank). Financial planning for the coming years has thus been carried out in detail, taking particular account of the financial consequences of strategic targets (such as the steady depletion of the project pipeline and real estate sales). The expiry profile of financial liabilities for the CA Immo Group is reasonably stable over the next two years. In the years up to 2014, the annual refinancing volume will be below € 150 m, excluding Europolis (or below € 300 m (including Europolis); these figures relate only to financing at property or project level. The refinancing of the 6.125 % CA Immo bond 09-14 (ISIN: AT0000AOEXE6) and the convertible bond are scheduled for 2014, provided conversion rights are not exerted.

Project development also makes up a substantial part of the CA Immo Group's business activity. For these projects to be realised, it is essential that equity or additional loan capital (project financing) is available. Delays in credit lending can lead to delays in construction work, which has a negative knock-on effect on project valuation; where pre-letting has been secured, this can result in the imposition of contractual penalties. Loss of rental revenue can in turn have serious implications for the company's cash flow. Moreover, where construction costs increase, this

can mean a danger of financing conditions being tightened. With all of this in mind, CA Immo takes various steps to control the risks associated with project development (cost monitoring, variance analyses, long-term liquidity planning, observance of minimum pre-letting quotas, and so on).

Expansion risk

Over recent years, the portfolio of the CA Immo Group has expanded rapidly. The realisation of investment plans, the assimilation of fully acquired real estate packages and companies and (not least) project development pose major challenges for the company and its employees. Taking account of properties acquired through the takeover of Europolis AG, CA Immo's property assets at the start of 2011 stood at just over € 5 bn, equivalent to an average annual growth rate in excess of 30 % over the last five years. Having come through this period of expansion, the clear priority for CA Immo now is to optimise the existing portfolio rather than aim for further acquisitions. CA Immo is therefore flexibly adapting its pace of growth to global (and especially regional) conditions. Expansion planning is carefully coordinated with the planning of financial and personnel resources. To prevent organisational bottlenecks, service processes have been developed and are subject to continual adaptation. Staff development is addressed by means of active personnel management.

Concentration (cluster) risk

Concentration risk arises where individual investments lead to a defined upper value in the total portfolio being exceeded as regards location or investment volume. In such cases, the potential market risk is significantly raised and the prospect of selling these properties is diminished (especially where the market environment is constricted). On the other hand, exceptionally small properties raise the danger of excessive administration costs (in relation to rental revenue). For this reason, joint venture partners are sought for large-scale investment initiatives in order to reduce the share of risk borne by CA Immo considerably. To bring about a suitable balance between expenditure and revenue, small properties (which are generally acquired through portfolio purchases) are regularly sold off and the composition of the portfolio is assessed on a quarterly basis.

Concentration risk is created where certain investments lead to over-representation in the overall portfolio for a particular region, country, specific usage type or tenant structure: this is because changes in the market can affect

levels of demand which will impact negatively on the company's profitability. Concentration risk as regards tenants generally arises where individual tenants are over-represented in terms of rental revenue and rentable space and thus have a significant bearing on the earnings of the CA Immo Group (as was the case, for example, with the package of investment properties acquired from the state of Hesse in 2006). However, validity terms on existing rental agreements and creditworthy tenants (such as the state of Hesse) will nullify concentration risk and the risk of tenant withdrawal. As a countermeasure, especially on the target markets of Eastern and South Eastern Europe, CA Immo applies regional investment limits according to the size of the overall portfolio and, in the case of individual properties, the size of the respective market. Aside from regional distribution, efforts are made to ensure diversification in the tenant structure and usage types.

PROPERTY-SPECIFIC RISKS

Market and liquidation risk

The real estate sector is closely intertwined with the macroeconomic developments on its markets. As regards the demand for commercial real estate in particular, economic growth is proving to be a determining factor. The recent recessionary years have thus been as challenging as might be expected. Not only was the investment market brought to a halt, but companies shelved their expansion plans, significantly cutting the demand for office space. In 2010, nearly two years after the financial and economic crisis took hold, activity in the global economy picked up pace once again, sparking signs of recovery and renewed growth as the year progressed. However, the pace of economic recovery varied from one country to another. The European economy as a whole is expected to maintain its recovery in 2011, with the upturn driven by growth engines like Germany. Improving growth figures are also expected on the CA Immo markets of Central and Eastern Europe, albeit to strongly varying degrees. Inflation rates are likely to continue rising in the various countries.

Office properties constitute the core business for CA Immo. Given that good quality properties are in short supply, however, the price of more risky value-added investments is also set to increase sharply. With stable growth rates, rising corporate profits and attractive levels of consumption, Western European countries promise consistent growth potential at low risk. Feri Finance (a corporate group specialising in financial and portfolio advice, economic research and rating) is forecasting rental

rates to rise by 3.2 % in 2011 and 4.2 % in 2012. Although the development of rental rates in prime locations in Germany can be below average, German cities offer a high level of security, with low volatility of rents and yields. Rent levels bottomed out in 2010 and are likely to start rising again in 2011. Although European locations will offer the best overall investment opportunities in 2011, supply will remain limited as demand, as it did last year, continues to focus on buildings in prime locations with long-term lease contracts ('core' properties). According to recent estimates, however, these properties comprised just 5–15 % of the total market in 2010. The selective stance of investors will therefore be reflected in the price level. Bearing this in mind, CA Immo performs its own exhaustive market analyses prior to any investment decision and as a regular part of portfolio management; the company also maintains constant contact with leading experts in the sector. To minimise regional risks, the ideal resale times for the largest properties in the portfolio are considered as part of regular discussions concerning location quality, property quality and market changes. In this way, CA Immo reduces the risk of not being able to sell properties, or only being able to sell them at a discount. Through this approach, key early indicators of market risk are systematically applied to evaluations of investment and project plans, and thus to medium-term corporate planning.

Depending on market trends, CA Immo is subject to a certain profit fluctuation risk associated with both resale and vacancy risk: where floor space is not let, income is forfeited, vacancy costs arise and the value of a property falls. The vacancy level for CA Immo in Austria increased enormously last year owing to the withdrawal by Siemens from the Erdberger Lände property; however, a desirable new tenant was secured in the form of Post AG, which will lease around 32,500 sqm of floor space on the site as from 1 August 2011. On account of market conditions, vacancy levels are also very high in (South) Eastern Europe, and particularly Hungary and Serbia. Over the business year ahead, therefore, the focus will switch to lettings activity in these regions as well as properties under construction in Germany. The danger of loss of rent is also a possibility; after all, we still cannot rule out the risk that in spite of the economic upturn, certain tenants will not have come through the recent crisis unscathed. Risk of this nature faces the company at its Pilsen and Prague hotel properties in particular. The potential for risk is generally countered by demanding securities (bank guarantees) in order to offset any rent arrears. The risk of lost rent is also taken into account to a sufficient degree

in the valuation of relevant properties. To keep vacancy and rent losses to an absolute minimum, CA Immo screens the creditworthiness and reputation of potential tenants. The budgeted and actual revenues generated by all properties are continually monitored, and structured quality checks are carried out. Lease agreements generally have a balanced lease expiry profile, but rent reductions in the course of contract extensions remain a risk. The company cooperates with reputable estate agents when seeking new tenants.

Since the location of real estate has a decisive influence on rentability and long-term letting potential as well as the earning power and sales revenue of a property, and therefore represents the greatest risk associated with real estate investment, CA Immo commissions external experts to carry out regular analyses of locations and trends. Locations that are candidates for investment are assessed separately according to additional requirements.

Project development and investment cost risk

Since 2006, the CA Immo Group has significantly increased its involvement in development projects, with the area gaining a boost from the acquisition of Vivico Real Estate GmbH in Germany. In Eastern Europe, these activities are generally managed through the CA Immo New Europe project development fund. The objective is to generate extra income through the addition of value inherent to project development. Project business is, however, associated with higher risk. Risks can arise from imponderables such as delays in the property use approval or planning permission processes, cost/deadline overruns, construction defects and so on. Even with meticulous planning and monitoring, these risks can never be completely eliminated. Project development risk has increased substantially in recent years as capital market risks, financing risks and geopolitical risks have intensified and general conditions have changed. Original project costings have thus had to be revised in the (South) Eastern European portfolio, in some instances considerably. CA Immo is responding to the evolving situation as necessary, adjusting book values clearly and appropriately. In general, CA Immo is countering project development risk by choosing partners and service providers with care whilst maintaining stringent controlling, both internally and externally. Controlling involves regular cost monitoring, variance analyses and appropriate reporting. The start-up losses that typically arise in connection with project development also have a detrimental effect on earnings with the accrual of non-capitalisable costs. Over the project lifecycle, these losses are offset

against revenue from lettings and sales; accordingly, projects are only launched after comprehensive and long-term liquidity planning. CA Immo invariably seeks to secure pre-letting (50–60 % in Germany, for example) before actually commencing a project. In Eastern and South Eastern Europe in particular, however, this may not be achievable (or only possible to a limited degree) on account of the specific market situation. In this region, lease contracts tend to be signed only when there is a sufficient likelihood of project completion and projects are sometimes initiated even with low levels of pre-letting.

Fluctuating building costs also pose a risk to CA Immo. At present, costs are rising in virtually all regions in which CA Immo is involved in project development. The price trend in the raw materials sector (steel, aluminium, copper, etc.) is particularly important. With this in mind, cost pools are formed for large-scale projects and contracts are awarded singly or in batches. All current projects are being implemented within their approved budgetary frameworks.

Another cost factor is the build quality of a property, which has a considerable influence on the costs of its management. A property that does not comply with current standards can generate higher investment costs in connection with restoration and improvement measures, or fail to attract tenants; this in turn adversely affects the earning power of that property. To stop this happening, CA Immo undertakes technical due diligence prior to acquisition in order to determine a property's quality and the compliance of its fixtures and fittings with CO₂ criteria, energy performance certificates and so on. The company also maintains close contact with tenants and property managers so that any hidden construction defects can be remedied quickly and cost-effectively. CA Immo oversees an international portfolio of properties built at different times and in varying conditions, and these properties must be regularly inspected and refurbished as necessary. An instrument for analysing and evaluating the sustainability of portfolio buildings was produced and tested in 2010. The tool was mainly applied to offices, with 15 of these properties from the Group's overall portfolio assessed according to environmental, economic and social criteria. The CA Immo Sustainability Tool (CAST) maps a total of 62 sustainability criteria. When the tool is rolled out as planned to cover the entire portfolio, it will be possible to obtain fast, cost-effective overviews of the condition of assessed properties.

When implementing its own projects, CA Immo seeks to ensure that properties qualify for green building certification. A catalogue of criteria is applied to ensure economic, environmental, technical, social and functional quality. These sustainability standards in the real estate development field will be gradually rolled out to all new CA Immo Group projects: every new project launched by the Group will either be sustainability-certified or, at least, constructed in compliance with certification standards.

Property valuation risk

Real estate prices are subject to considerable fluctuation on account of changing economic conditions (rising and falling interest rates, expanding or contracting economies, imbalance between the supply and demand of real estate and other factors). In common with most companies in the sector, CA Immo opted for the market value method in the conversion of its accounting to IFRS. Changes in market value can lead to major discrepancies in results, and this has produced some very negative outcomes in the past two years. Such value reductions curtail not only results but also equity capital; this in turn adversely affects creditworthiness, with loan-to-value covenants unable to be upheld in some circumstances. To maintain its creditworthiness, CA Immo agrees appropriate leverage in advance and secures appropriate restoration periods in connection with financing. All CA Immo real estate is externally valued once a year.

FINANCIAL RISKS

Risks linked to liquidity, interest rates, credit and currencies make up the main financial risks. The various financial risks facing CA Immo are as follows:

Interest rate risk

For the CA Immo Group, risks associated with changes in interest rates tend to arise in connection with long-term financing with outside capital. CA Immo uses a mix of long-term fixed-rate and floating-rate loans to counter the interest rate risk. Some floating-rate loans are secured by means of derivative financial instruments (interest rate caps/swaps), which without exception are used to hedge against the risk of interest rate changes arising from underlying transactions. On account of market conditions, it has been necessary over the past three years to set up derivative financial instruments for 100 % of the outstanding amount on new loans. Even these instruments can be subject to changes in value, however.

Interest rate swaps have proved to be particularly inefficient in connection with early loan repayments and prop-

erty sales (around € 261 m of fair value swaps after netting with offsetting swaps). In the case of contracts classified as fair value derivatives, value changes are directly shown as revenue or expenditure in the income statement and are charged along with additional interest payable from interest rate swaps no longer required for hedging purposes. This generally applies to non-cash valuation results. By contrast, changes in the value of contracts that can be defined as cash flow hedges (and the majority of the swaps used by CA Immo come into this category) are shown as changes in shareholders' equity in the consolidated financial statement according to IFRS. In addition to the valuation result, the delta between the interest reference rate and the swap rate is posted as cash expenditure.

To neutralise the interest rate risk associated with these swaps, two new countervailing swaps with a nominal value of € 105.4 m were concluded in business year 2009 and one new countervailing swap with a nominal value of € 65 m was concluded in 2010, thereby producing a fair value hedging relationship in this amount. Following the acquisition of Europolis (which, unlike CA Immo, does not hedge against interest rate risks), the hedging quota was reduced to the reasonable level of around 76 %.

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

Currency risk

Owing to investment activity abroad, the management of currency risk is an important element of risk management. Currency changes generally affect earnings as a result of rental income and rents receivable in foreign currency (especially BGN, CZK, HUF, PLN, RON and RSD). Non-cash effects on consolidated net income can result from the translation of individual financial statements of subsidiaries outside the eurozone. CA Immo counters this risk by pegging rents to a hard currency (EUR or USD), and 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. Loans are taken out in the currency underlying the relevant lease (this mainly applies to financing in CZK and USD). Currency risks are rarely secured in connection with construction projects at present (the Poleczki Business Park is an exception).

Liquidity risk

Controlling liquidity means ensuring sufficient financial means are available for the settlement of liabilities as they become due. The company is highly skilled at planning and securing liquidity in order to avoid bottlenecks and thereby circumvent unnecessary potential losses and risks. Loans are usually agreed on a long-term basis in accordance with the investment horizon for real estate. Although the acquisition of Europolis and the purchase of CA Immo International shares that preceded the merger of CA Immo International AG with CA Immo served to reduce the liquidity of the CA Immo Group, sufficient liquidity remains to support planned investments and projects under construction. Even with meticulous planning, however, liquidity risk cannot be eliminated, particularly where capital requests linked to joint venture partners are not viable. Moreover, capital commitments are typical in the case of development projects. Given that Vivico, a company forming part of the Group, has a particularly high commitment in the case of the Tower 185 project, the finalising of sales planned for 2011 is of critical importance. To support liquidity, project budgets are continually evaluated as regards the level and urgency of capital required and efforts are made to cut the equity requirement by involving joint venture partners to a greater degree.

GENERAL BUSINESS RISKS

Legal risks

In addition to the usual legal disputes that arise in the sector (especially against tenants), CA Immo faces the risk of disputes with, for example, joint venture and project partners. Disputes can also potentially arise from past and future sales of real estate as well as annulment actions brought by shareholders in connection with resolutions of the Ordinary General Meeting or review of the exchange ratio applied in the merger of CA Immo International AG and CA Immo. At present, however, no lawsuits or arbitration proceedings which could have a material influence on the economic situation of the company are pending or foreseeable. Almost all pending actions relate to conventional operational business activity. Accordingly the partner of a Russian project has signalized to file an arbitral lawsuit (value of the claim € 48.0 m). Sufficient provisions are formed as necessary: as at 31 December 2010, provisions of approximately € 1.8 m had been allocated (in the CA Immo Group). Within CA Immobilien Anlagen AG provisions of approximately € 0.7 m had been allocated for legal, auditing and consultancy fees (as of 31.12.2010). In order to minimise legal risks, CA Immo works with lawyers on its relevant target

markets, integrating them into decision-making processes at appropriate stages.

Environmental risk

Environmental legislation has a critical bearing as regards investing in real estate. The CA Immo Group can incur significant costs arising from its responsibility to prevent specific damage to the environment; contamination may be established, for example, from toxic substances and materials in built structures. It is also possible that changes in the law may require previously acceptable materials and substances to be subsequently eliminated. It is not possible to predict changes to legal provisions, case law or administrative practice, or the consequences that such changes will have on the earning power of real estate; negative effects on the company's assets, financial and earnings position are feasible. Moreover, new regulations passed by legislators can have a bearing on existing contracts and thus impact the value trend for real estate significantly. CA Immo therefore incorporates these considerations into its wide-ranging assessments prior to every purchase. Appropriate guarantees are also required from sellers. In its capacity as a project developer, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies wherever possible. In future, environmental risks associated with investment properties, amongst other things, will be assessed by the CA Immo Sustainability Tool (CAST).

Taxation law risk

National taxation systems are subject to ongoing change on the target markets of the CA Immo Group. Working with international consultants, the company monitors all relevant debates and decisions taken by national legislators. Despite this, short- and long-term tax expenditure linked to changing legal frameworks poses a constant risk to revenue. Sufficient financial provisions have been made for established risks.

THE INTERNAL MONITORING SYSTEM (IMS)

The internal monitoring system (IMS) is a conglomeration of systematically structured measures designed to ensure compliance with guidelines and prevent errors; the guidelines include both specific company rules (Group manual, allocation of responsibilities, authority to sign, dual verification principle, regulations for release, etc.) as well as legal provisions. The objectives of the IMS are to preclude (preventive monitoring) and identify (detective monitoring) errors in accounting and financial reporting, thus enabling amendments or countermeasures

to be introduced in good time. The operational divisions are involved to ensure a complete overview of the process of financial reporting. CA Immo defines preventive monitoring as those checks undertaken by responsible administrators as they carry out business processes prior to and/or within specific systems (e.g. accounting and consolidation software). Detective monitoring refers in particular to controls carried out by responsible heads of department or the head of finance and accounting on the basis of analyses derived from such systems. In accordance with the organisational structure of the CA Immo Group, responsibility for the implementation and supervision of the internal monitoring system lies with the appropriate local management teams, i.e. the managing directors of the various subsidiaries are required to perform self-checks in order to assess and document compliance with the monitoring measures making up the IMS, which has been standardised across the Group. As part of a reorganisation process, CA Immo set up an Internal Auditing unit under the control of the full Management Board to consolidate the internal monitoring system alongside the Risk Management division. Both units took up their assigned duties in business year 2010. On the basis of annually compiled auditing plans, or in response to ad-hoc assessments performed as needs dictate, they now oversee compliance across the Group with legal provisions, internal guidelines and rules of conduct. On an operational level, the units review the functioning of (business) processes as regards possible risk and cost-effectiveness and assess the potential for efficiency improvements. The internal auditing unit also supervises the observance of checking procedures by local management teams and determines the dependability of operational information as well as the effectiveness of the internal monitoring system. To achieve this, detailed reporting (EuroSox/SOX documentation) on specific processes and controls as well as accounting and financial reporting is essential. Finally, the results of these assessments are reported to the responsible executive boards as well as the full CA Immo Management Board. The Supervisory Board is informed as to the auditing plan and the assessment results at least once a year. Furthermore, the proper functioning of the risk management system is evaluated annually by the Group auditor, with the findings presented to the Management Board and the Supervisory Board or its audit committee.

FINANCIAL INSTRUMENTS

The company uses interest caps to minimise existing risks resulting from interest rate rises. Furthermore, CA Immo has concluded interest rate swap agreements in order to counteract the risk of fluctuations in interest rates. The interest cap valuation is carried out at amortised costs or at a lower market value as at the balance sheet date. The interest rate swaps are only recognised in the provisions at the fair value for a single loss calculated as at the balance sheet date according to the principle of unrealised gains. The fair value equates to the value, which the company would receive or have to pay when releasing the transaction as at the balance sheet date. The nominal amount and the market value as at 31 December 2010 are set out in the notes. This value is calculated in each case by the bank with whom the transaction was concluded. Risks associated with changes in interest rates only tend to arise in connection with long-term financing with outside capital. CA Immobilien Anlagen AG has accounted for expenses relating to derivative transactions (interest including valuation), which totalled € 24.1m (previous year: € 25.5m), under the item "interest and similar expenses".

BRANCH OFFICES

The CA Immo Group has its head office in Austria and also has a presence in Germany via the subsidiary Vivico Real Estate in Frankfurt, Berlin, Munich and Cologne, as well as in eastern Europe via subsidiaries in Budapest, Warsaw, Belgrade and Bucharest.

INVESTMENTS AND FUNDS

CA Immo has positioned itself as an investor in commercial real estate, focusing on the Central European region through the twin business areas of investment properties and project development. The company's activities are focused in Austria, Germany, Central Eastern Europe (CEE), South Eastern Europe (SEE) and Russia. All CA Immo business in Germany is managed by Vivico Real Estate, the subsidiary company acquired early in 2008. The subsidiary CA Immo International AG, which had handled the Eastern European activities since 2006, merged with the parent company CA Immo in November 2010 with retrospective effect to 31 December 2009. The project development area has essentially been managed by the CA Immo New Europe (CANE) special fund, in

which CA Immo holds a 60 % stake, since 2006. Given that the commitment period during which new projects can be initiated has already ended, all new undertakings will be implemented directly by CA Immo itself (where the fund partner decides against individual realisation). The acquisition early in 2011 of Europolis AG, a subsidiary of the Austrian Volksbank specialising in real estate, has raised the profile of the company in its core region of Eastern Europe. The acquisition will be reflected on the balance sheet on 31 March 2011.

Vivico AG

CA Immo has been investing in Germany since the autumn of 2006. Most of its investment properties in Germany, including the package of properties acquired from the state of Hesse in 2006, are maintained by Vivico AG (and affiliates), in which CA Immo has direct and indirect holdings amounting to 100 %. Vivico AG is fully consolidated in the consolidated financial statements of CA Immo. As at key date 31 December 2010, the market value of its property assets stood at € 879.3 m (consolidated financial statement).

Vivico Real Estate GmbH

Vivico Real Estate GmbH, the German company that specialises in urban development, has served as the operational platform for the Group's activities in Germany (project development and asset management) since 2008. Vivico, which was previously a collecting society for railway properties owned by the German state, has extensive expertise in developing inner city properties formerly devoted to industrial or railway purposes. Projects on these development sites are at various stages of preparation and will be rapidly progressed to construction readiness over the coming years. This type of urban development – turning brownfield sites without land use plans into completed urban districts – has high potential for added value and ideally complements the more stable core business of managing investment properties. Vivico Real Estate GmbH is also fully consolidated in the consolidated financial statements of CA Immo.

The property assets of Vivico Real Estate GmbH mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale (with a market value of € 1,157 m as at 31 December 2010). On completion, development projects are either sold, transferred to the company's asset portfolio or sold to property developers as construction-ready real estate.

At Vivico, all tasks critical to the creation of value are performed by the company's own staff. These include developing urban district concepts, land development (including site planning) and the preparation of sites for sale. With branch offices in Frankfurt/Main, Berlin and Munich, the Vivico organisation meets the requirements of local presence as well as cross-company management and support. Every site functions as a profit centre, generally taking sole responsibility for the implementation of its projects. Construction management – which encompasses project monitoring, tendering, contract awarding, construction supervision and general planning – is carried out by the Vivico subsidiary **omniCon** (acquired in July 2008), which also performs these services for third parties. In 2007 Vivico, in partnership with the Feuring Group, established **Viador**, a company that specialises in concept development for hotels (another element in urban development project work). Its service range includes site inspections, analyses of the hotel market and feasibility studies as well as business planning based on these. External service providers are brought in to carry out certain other activities, which enables the cost structure to be adapted flexibly to varying workloads.

CA Immo New Europe property fund

CA Immo has been managing its development projects through this project development fund since the start of 2007. The investment strategy of the fund, which is structured under Luxembourg law as a SICAR (société d'investissement en capital à risque), is aligned towards real estate development projects in Eastern and South Eastern Europe. Until the merger in November 2010, a 60 % stake in the fund was held by CA Immo International, which was also a listed CA Immo subsidiary at the time. As a result of the merger, this shareholding was transferred to CA Immo under the terms of universal succession; four institutional investors at home and abroad account for the remaining 40 %. The planned lifespan of the fund, which is managed by a CA Immo subsidiary, is seven years in total (with the option to extend). The commitment period (in which new projects can be initiated) ended on 31 December 2009.

The total volume of the fund was originally envisaged at € 1 bn, of which € 400.0 m was to be made available as equity. In view of the changed market conditions, however, investment activity fell far short of the levels originally intended; agreement was reached with the co-partners only to proceed with development projects that were already in progress. As a result, only one third or so of the maximum amount had actually been requested by

31 December 2010. As at the balance sheet date, the market value of the fund portfolio was approximately € 134 m. Three projects are in progress at the present time; another three have been finalised since the fund was set up and will henceforth be held directly by the fund as investment properties.

Investment in UBM

CA Immo has a 25 % holding plus four shares (vetoing minority holding) in the listed property developer UBM Realitätenentwicklung AG, which is based in Vienna. Aside from CA Immo, the main shareholder in UBM is the PORR Group with a holding of around 41 %. With its track record of development expertise in the CEE region, UBM is an ideal partner to the CA Immo Group. The shared Poleczki Business Park project in Warsaw is being realised under the terms of a 50:50 joint venture between the CA Immo New Europe project development fund and UBM. Following a construction period of just under two years, phase one – comprising two separate buildings with very high occupancy rates – was completed at the end of quarter two 2010. A modern office district with a total effective area of 200,000 sqm is scheduled for completion by 2015. Investment in the first building section amounted to some € 110 m, with the total construction project costed at around € 250 m. Preparations are currently under way for construction phase two. UBM is also involved in the Airport City St. Petersburg project in St. Petersburg, where it is contributing both capital and, in particular, its expertise as a project developer.

In 2010, CA Immo received a dividend for 2009 of € 750 K for its holdings in UBM, corresponding to a return of 3 % on the capital invested.

PENDING LAWSUITS

The company is involved in several lawsuits arising from the ordinary course of business. The partner of a Russian project has signalized to file an arbitral lawsuit (value of the claim € 48.0 m). Provisions were formed, depending on the likelihood of a claim being asserted.

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator in this context is the net income generated with the money shareholders have invested (return on equity, RoE). The aim is to produce a ratio higher than the imputed cost of equity (we assume a medium-term rate of around 7.0 %) and thereby generate shareholder value. The return on equity for 2010 was around 2.8 %, below the target value for the year, which was therefore not attained. Despite this, we remain confident that the measures defined under our strategy will enable us to return to an acceptable return on equity in the medium term.

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

VALUE INDICATORS FOR THE CA IMMO GROUP

		2010	2009	2008	2007
Key figures per share					
NAV/share	€	18.70	17.90	18.90	22.00
Change in NAV/share	%	4.5	-5.3	-14.1	6.8
Operating cash flow / share	€	1.38	1.40	1.32	1.07
RoE ¹⁾ in %	%	2.8	-4.8	-13.4	3.3
ROCE ²⁾ in %	%	4.8	0.1	Negativ	5.2
EVA ³⁾	€ m	Negativ	Negativ	Negativ	2.7

¹⁾ Return on Equity (Eigenkapitalrentabilität) = Konzernergebnis nach Minderheiten / Ø Eigenkapital (ohne Minderheitsanteile)

²⁾ Return on Capital Employed (ROCE) = Nettorendite auf das eingesetzte Kapital: 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 2010 = 5,0

The key factors for CA Immo AG include the equity ratio, net debt (bonds and liabilities to bank less cash and cash equivalents) and equity-to-fixed-assets ratio. The equity ratio reflects the portion of the company's financing that is covered by its equity. It

is an important indicator when assessing a company's creditworthiness. The equity-to-fixed-assets ratio indicates the extent to which, measured in percent, equity covers the fixed assets of CA Immo AG.

VALUE INDICATORS FOR CA IMMOBILIEN ANLAGEN AG

		2010	2009	2008	2007
Equity ratio	%	63.4	65.6	59.5	68.8
Net debt	€ m	585.9	405.8	367.5	439.7
Equity-to-fixed-assets ratio	%	65.8	74.8	61.3	85.4

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

Vacancy rate and average rent

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

Location quality

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

Local presence

Local knowledge and familiarity with markets are key to the effective cultivation of highly diverse regional markets. For this reason, CA Immo maintains branch offices in the company's main markets of Germany and Eastern Europe (the latter have been consolidated by the recent influx of Europolis staff members).

Expertise and synergy

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

STAFF

As at 31.12.2010, the Group employed a total of 318²⁶ people (31.12.2009: 332). CA Immobilien Anlagen AG itself employed 58 people (31.12.2009: 46).

Re-Integration CA Immo International

The agendas of CA Immo are largely centrally controlled from the head office in Vienna. Until the merger key date of CA Immo International as at 15.11.2010, staff in the functional areas of Investor Relations, Corporate Communications, Finance and Accounting, Controlling, Legal Affairs and Personnel as well as IT and Organisation, which is employed by CA Immobilien Anlagen AG, performed their tasks for both companies. The associated costs were divided between the two companies according to requirements so that synergies between the two companies could be exploited cost-effectively. Asset and Investment Management and Holding Management were managed separately by the individual companies and absorbed into CA Immo AG as at 15.11. The areas of property management, project control, bookkeeping and facility management for the Eastern European investment properties are still covered by local subsidiaries in Poland, Hungary, Serbia and Romania. CA Immo staff also work in a joint executive capacity for CA Immo New Europe where they and their teams contribute the necessary expertise to the management of the Special Fund.

Vivico Integration: Functional Merger Complete

The process of integrating the German subsidiary company Vivico Real Estate into the CA Immo Group as part of a functional merger was completed in 2010. The main focus was on identifying and realising synergies, both on the CA Immo and Vivico side, in order to increase efficiency and reduce costs as a result of dual structures. During the course of these structural changes, the number of employees at CA Immo in Austria and Germany was reduced by around 10 % on a like-for-like basis, with

individual measures sometimes being taken to support some of those affected in their future careers.

OUTLOOK 2011

Economic indicators for the main markets of the CA Immo Group clearly show the recovery that started in 2010 gathering pace. Against this background, we expect the key factors that drive real estate markets – including demand for rental premises and vacancy rates – to improve steadily.

However, the decisive element in the financial figures for the CA Immo Group in 2011 will be the initial consolidation of Europolis AG, which will significantly expand our property assets to some € 5.1 bn. We expect rental income to increase to approximately € 100 m as a consequence, which in turn will have a highly positive influence on the earnings position of the CA Immo Group.

During 2011, we will once again arrange selective sales from a portfolio now expanded by Europolis, and we will seek to raise the total sales volume in comparison with the figure for 2010. Sales will be counterbalanced by investment of some € 250-300 m, especially in current development projects

On the basis of these activities, and assuming further improvements in property valuations as well as little change in interest rates from the end of 2010, the Management Board anticipates a return on equity of at least 5 % for 2011. A similar increase in the NAV is also a realistic possibility. Provided our targets are reached, the Management Board has every intention of proposing to the Ordinary General Meeting for 2011 the payment of a dividend of around 2 % of NAV for the first time.

Outlook on the capital market

As 2011 began, the public real estate sector appeared to be in much better health than at any time in the past three volatile years. If the more optimistic mood in the field continues, the effects on the CA Immo share price are likely to be positive.

Major risks and uncertainties in respect to the 2011 outlook

Our predictions for 2011 are subject to certain assumptions on general conditions as well as parameters specific to the real estate sector. The economic picture remains unpredictable, which means more uncertainty as to

²⁶ Davon 5 % Teilzeitarbeitskräfte

whether we will meet our targets for investment volumes, realisation timeframes and revenue.

We believe the main factors influencing our business plans for 2011 will be

- Trends on international capital markets and the effects of these on economies in the regions in which we operate.
- The extent of the impact of economic developments on demand for rental premises and rental prices across our various regions.
- The accessibility (and cost) of financing with outside capital.
- Developments on the real estate investment market, the associated price trend and the resultant effects on the value of our portfolio.
- The speed at which planned development projects are realised (which will largely depend on the availability of necessary external debt capital and equity).
- Political, fiscal, legal and economic risks; the transparency and development level on our real estate markets.
- The general development of interest rates.

RESEARCH, DEVELOPMENT AND ENVIRONMENTAL CONSIDERATIONS

The main aims of research and development activity at CA Immo are to secure the value of real estate and the quality of life for users for the long term and to control, quantify and communicate these activities through consistent standards and certifications. The trend of the past few years has shown that sustainability is emerging as the decisive competitive factor in the real estate sector.

In order visibly to incorporate long-term effects into the processes of the Group, the Management Board decided to base its financial reporting on the **standards of the global reporting initiative (GRI)**²⁷, which promotes qualitative measures to support sustainability through transparency, from 2010 onwards. Use of the system rooted in the GRI standards enables each department to group its actions as regards sustainability by means of performance indicators, thereby maximising their effectiveness. Accordingly, the various sections of this report contain information on different aspects of sustainability.

Economic, environmental and social goals of the sustainability mission in the real estate sector

- Minimising the lifecycle costs of buildings
- Minimising maintenance investment in relation to the development of new buildings
- Constructing and managing properties in a way that conserves resources and minimises carbon emissions
- As far as possible, avoiding pollutants in the construction, modification and use of properties and closing the cycle of building materials
- Creating an appropriate living and working environment with social integration rather than ghettos
- Linking work, living and leisure time in the residential scheme, thus creating a stable environment for the long term
- Minimising ‘pioneer risk’ in urban district development

Areas of activity for the business divisions

- Planning, developing and constructing urban districts and individual properties
- Managing stock properties
- Integrating and monitoring performance indicators in all workflows

As regards project development, CA Immo seeks to secure certification, which optimises the intrinsic value of a property for investors and tenants alike. The market availability of certified properties – which are characterised, amongst other things, by low energy consumption and higher comfort – is very limited. For this reason, all development projects across the Group must qualify for certification. Two main certification methods are applied within the CA Immo Group: the American Leadership in Energy and Environmental Design (LEED) certification and the seal of quality from the German Sustainable Building Council (DGNB).

The evaluation criteria for LEED certification (American sustainability standard) include:

- Environmental compatibility of the land (including location)
- Efficiency of water consumption (rainwater use)
- Energy efficiency (operation/installation engineering/energy sources)
- Raw materials and building materials (recycling/regional materials/renewable raw materials)
- Quality of the interior (air/light/climate)

CAST portfolio evaluation tool tested in 2010

Different evaluation systems are used for the management of properties on CA Immo's various markets. Sys-

²⁷ For more information on GRI, visit www.globalreporting.org

tems such as the Austrian energy performance certificate are not internationally compatible. In 2010, therefore the company decided to develop an in-house instrument for analysing and evaluating the sustainability of existing buildings. The result is CAST, the CA Immo Sustainability Tool. The tool was subjected to feasibility testing in the year under review, with 15 properties in seven countries assessed in accordance with the 62 CAST sustainability criteria. CAST will be implemented throughout the Group in 2011 so that the CA Immo's entire international real estate portfolio can be rated. The planned roll-out across the portfolio will facilitate fast and cost-effective overviews of the condition of properties inspected. 75 % of the group's total office property stock shall be evaluated by CAST in 2011, this quota will be raised up to 100 % in 2012.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2011:

At the turn of the year, the CA Immo Group acquired **100 % of the shares in Europolis AG**. The date of initial consolidation was 1 January 2011, and the acquisition will be reflected in the interim financial statements for 31 March 2011. For full details on Europolis, please refer to the section 'Profile of Europolis'.

UniCredit Bank Austria AG holds an approximate stake of 16.9 % in CA Immobilien Anlagen Aktiengesellschaft

On 29 January 2011, UniCredit Bank Austria AG announced a voluntary public takeover bid in accordance with article 4ff of the Austrian Takeover Act to the shareholders of CA Immobilien Anlagen AG ('CA Immo') with a view to acquiring their shares CA Immo. The offer price was € 12.35 per CA Immo share. The takeover bid was open to acceptance until 16 February 2011. At the time of declaring the takeover bid, the bidder held 10,438,224 shares in CA Immo, equivalent to a stake of 11.88 % in the capital stock of CA Immo. During the acceptance period, the bid was accepted in respect of 4,402,326 CA Immo shares, equivalent to a stake of approximately 5.01 % in the total capital stock of CA Immo. With the transfer of the new shares, and taking into account shares held prior to the takeover bid, the bidder will hold 14,840,550 CA Immo shares, equivalent to a stake of around 16.9 % in the total capital stock of CA Immo.

Germany

The sale of four construction sites spanning a total of 17,500 sqm in the **Düsseldorf district of BelsenPark** was agreed in January 2011. The investors PANDION AG and PATRIZIA Immobilien AG will develop up to 350 apartments in BelsenPark.

CA Immo plans to construct the new **headquarters of Mercedes-Benz Vertrieb Deutschland** (MBVD) in the Berlin district of Friedrichshain; the approximate investment volume will be € 72.1 m. A corresponding lease contract, which will run for 10 years from 2013 in the first instance, was signed in February 2011. Construction of the building, which will be realised in compliance with DGNB green building standards, is likely to start in the autumn of 2011.

CA Immo will build an InterCity hotel for the Steigenberger hotel group on the **Europacity** site close to Berlin's main rail station; a 20-year lease agreement was concluded in February. The eight-floor property, which will have around 410 rooms and gross floor space of 19,800 sqm, has been designed as an upper-mid-range hotel. The approximate investment volume is some € 54.6 m. Construction of the 30-metre structure will commence in quarter three of this year.

The laying of the foundation stone for the green building in Europacity known as TOUR TOTAL took place in February. Completion of the 69 m tower, which will serve as the new German headquarters of French oil company TOTAL, is scheduled for the third quarter of 2012.

Serbia

Under the terms of a 2007 cooperation agreement, CA Immo acquired real estate close to a motorway exit near Belgrade with the aim of building a logistics centre (amongst other things) in a project entitled **Novi Banovci**. CA Immo sold its 50 % stake in the project development company at the end of January 2011.

Slovakia

Construction of a multi-level mixed use building with around 34,000 sqm of net effective area (office, retail and residential space) had been planned in Bratislava through a 50:50 joint venture with Sekyra. The project development company owned a plot of land spanning some 7,410 sqm in the centre of Bratislava, close to the old town area. When approval for the project as contractually envisaged failed to materialise, CA Immo's participation in the project company reverted to Sekyra on 25 January

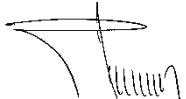
2011. Changes to commercial law are being implemented at present. The value of the real estate had been adjusted in 2009 owing to the market situation.

Poland

In January, additional lease contracts covering some 3,000 sqm were concluded with Kapsch in the first construction zone of the **Poleczki Business Park** complex in Warsaw, which was completed in 2010. As a result, the complex is 74 % let.

Vienna, 28 February 2011

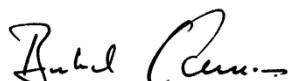
The Management Board



Bruno Ettenauer
Chairman



Wolfhard Fromwald



Bernhard H. Hansen

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 2010 to 31 December 2010. These financial statements comprise the balance sheet as of 31 December 2010, the income statement for the fiscal year ended 31 December 2010, 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 2010 and of its financial performance for the year from 1 January 2010 to 31 December 2010 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, 28 February 2011

KPMG
Wirtschaftsprüfungs- und Steuerberatungs GmbH

Mag. Walter Reiffenstuhl

ppa. Mag. Nikolaus Urschler

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.

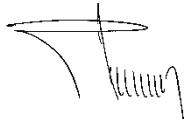
This report is a translation of the original report in German, which is solely valid.

**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, 28 February 2011

The Management Board



Bruno Ettenauer
Chairman



Fromwald
Wolfhard Fromwald



Bernhard H. Hansen

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DISCLAIMER

This Annual Financial 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 Annual Financial Report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.



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

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

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