
ANNUAL FINANCIAL REPORT 2015
I.A.W. ARTICLE 82 (4) OF THE
AUSTRIAN STOCK EXCHANGE ACT

15

CONTENT

GROUP MANAGEMENT REPORT	3
Group structure	4
Economic environment	6
Property markets	8
Property assets	12
Investment properties	15
Investment properties under development	19
Property valuation	24
Financing	27
Results	31
Outlook	39
Financial and non-financial performance indicators	40
Employees	41
Supplementary report	43
Risk report	44
CONSOLIDATED FINANCIAL STATEMENTS	51
A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2015	54
B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2015	55
C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2015	56
D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2015	57
E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2015	58
F. ANHANG NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2015	60
DECLARATION OF THE MANAGING BOARD DUE TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT (CONSOLIDATED FINANCIAL STATEMENTS)	149
AUDITOR'S REPORT (CONSOLIDATED FINANCIAL STATEMENTS)	150
FINANCIAL STATEMENTS AND MANAGEMENT REPORT	152
AUDITOR'S REPORT (FINANCIAL STATEMENTS AND MANAGEMENT REPORT)	192
DECLARATION OF THE MANAGING BOARD DUE TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT (FINANCIAL STATEMENTS AND MANAGEMENT REPORT)	194

GROUP STRUCTURE

The CA Immo Group is an internationally active real estate group. The parent company of the CA Immo Group is **CA Immobilien Anlagen Aktiengesellschaft**, a listed company based in Vienna whose main activity is the strategic and operational management of subsidiary companies at home and abroad. The company has branch offices in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia; the Group also has offices in Cyprus and Ukraine. Each site acts as a largely autonomous profit centre. Other subsidiaries (without separate local teams) are present in Bulgaria, Croatia, the Netherlands, Slovakia and Slovenia. As at key date 31 December 2015, the Group comprised 211 subsidiaries (227 on 31.12.2014) employing an approximate total of 357 people (355 on 31.12.2014) in 16 countries¹⁰⁾.

The CA Immo Group's core field of expertise involves developing and managing modern and spacious office properties in Central and Eastern Europe. In regional terms, the company focuses on Austria, Germany, Poland, Hungary, the Czech Republic, Slovakia and Romania. Business activity in Germany is focused on Munich, Frankfurt and Berlin; in other countries, the main strategic emphasis is on the capital cities. Aside from office properties, the asset portfolio of the Group includes hotels, speciality retail outlets, shopping malls and a small proportion of residential and logistical properties. From the design and development of entire urban districts to the active management of investment properties, value is generated through a comprehensive value chain.

AUSTRIA

The company's domestic properties are overseen in direct holdings of CA Immobilien Anlagen AG. As at 31 December 2015, the parent company also directly held property assets of approximately € 217.2 m (€ 245.3 m on 31.12.2014). As at 31 December 2015, the total Austrian portfolio comprised investment properties with a market value of € 587.6 m (€ 659.3 m on 31.12.2014) along with two development projects.

COMPANIES BY REGION

Number of companies ¹⁾	31.12.2015	31.12.2014
Austria	27	24
- Of which joint ventures	1	0
Germany	94	95
- Of which joint ventures	15	15
Eastern Europe ²⁾	90	108
- Of which joint ventures	8	30
Group-wide	211	227
- Of which joint ventures	24	45

¹⁾ Joint ventures at property or project level

²⁾ Includes holding companies established in connection with Eastern European investments

GERMANY

The operational platform for all Group activities in Germany is **CA Immo Deutschland GmbH**. As a former collecting society for state-owned railway properties in Germany, the company has a wealth of expertise in developing inner city real estate. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local presence is assured. Aside from investment properties, the company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale.

Investment properties are largely held in direct holdings and let and managed by **DRG Deutsche Realitäten GmbH**, a joint venture set up with the Austrian estate agent and property management firm ÖRAG. Construction management – which encompasses construction management, project management and construction supervision – is carried out by CA Immo's German subsidiary **omniCon**, which also performs these services for third parties.

¹⁰⁾ Includes holding companies in Cyprus and the Netherlands and another company in Switzerland.

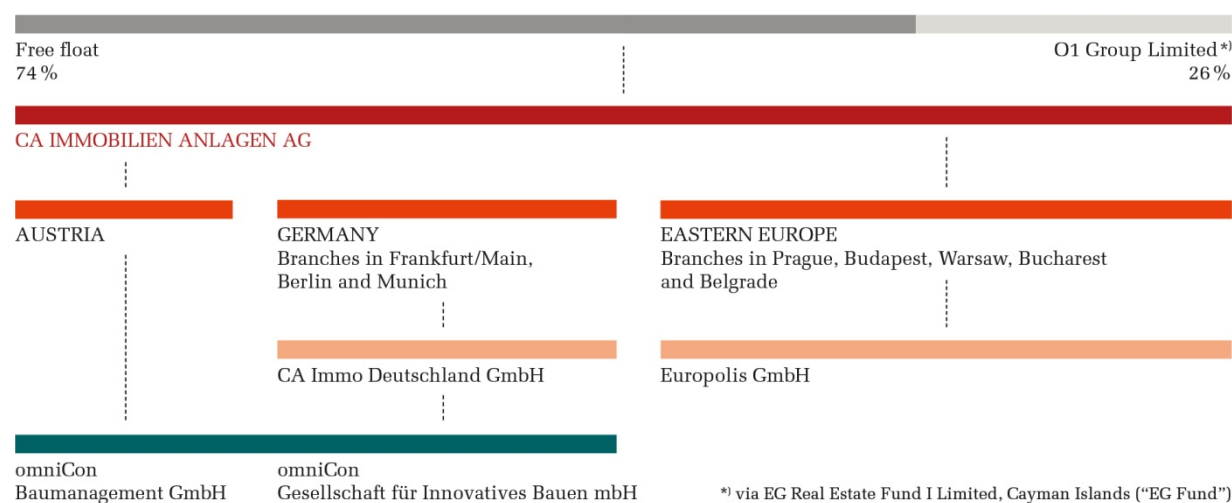
EASTERN EUROPE

The Group's investment property portfolio in Eastern Europe and a small proportion of development projects and undeveloped plots in Poland, Slovakia, Hungary and Ukraine are directly held via CA Immo participating interests and via **Europolis GmbH** (formerly Europolis AG), another wholly owned subsidiary of CA Immo acquired from the Volksbank Group early in 2011. The Europolis Group, which was established in 1990, focuses on class A commercial properties in Eastern Europe. The overall Europolis portfolio is split

into four sub-portfolios. In July 2015 CA Immo acquired the minority share (approximately 35%) of the European Bank for Reconstruction and Development (EBRD) in the 'E-portfolio'. Another partnership was established with Union Invest, which holds a 49% stake in the 'C1 portfolio'. All properties in Eastern Europe are managed by **Europolis Real Estate Asset Management GmbH (EREAM)** of Vienna alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as **CA Immo Real Estate Management**.

GROUP STRUCTURE

As at 31.12.2015



ECONOMIC ENVIRONMENT

THE ECONOMIC TREND¹⁾

In 2015 the global economy was characterised by geopolitical instability, and thus volatility. Growth in emerging markets and developing economies declined for the fifth consecutive year. In particular, the effect of sanctions against Russia was felt by the economies of Western Europe. Here economic woes were intensified by rapid falls in the oil price and the rouble, the gradual slowdown of economic activity in China and the gradual tightening of monetary policy in the United States. According to the International Monetary Fund (IMF), however, the economies of Europe in particular are expected to expand at modest rates in 2016 and 2017. The economic prospects of the eurozone have indeed brightened in 2015. The pressure of the austerity policy should ease in future, leaving greater scope for economic growth.

REVIEW OF THE CA IMMO CORE MARKETS IN 2015²⁾

Growth in the eurozone amounted to 1.5% in 2015, with the EU as a whole achieving 1.8%; both figures are in line with consensus expectations for 2015. The unemployment rate for the EU as a whole was 9.0%, the lowest

rate recorded since 2009. In 2016 eurozone growth should improve marginally to 1.7% and further to 1.9% in 2017; this will depend crucially on a rebound in investment. A budget deficit of 2.7% is expected for the eurozone (2.6% in 2014). The total average national debt for the eurozone stood at 91.6% (EU: 93.2%).

The economy of **Austria** continues to grow at a slow but steady rate, with real GDP rising by 0.7% in 2015. The increase was mainly driven by government spending and positive foreign trade. With improving dynamics in private consumption and investments, GDP growth is expected to double in 2016 and 2017. The inflation rate in Austria decreased to 0.8% in 2015 (1.5% in 2014), and is likely to remain at this low level in 2016 and 2017 owing to the falling oil price. Compared to the general price trend in 2015 for the eurozone (0.5%) and the EU (0.6%), Austria is well above average. The 2015 unemployment rate increased to 6.0% (5.6% in 2014).

The German economy was mainly driven by government spending and private and public consumption. Gross domestic product rose by 1.7%. In EU comparison, **Germany** and the Czech Republic reported the lowest unemployment rates at just 4.5%. The inflation rate in Germany has been moving in and out of negative territory during the course of the year, and has not been at or above 1% since January 2014. Debt as a percentage of GDP fell from 74.8% in 2014 to 70.8% in 2015.

ECONOMIC DATA FOR CA IMMO CORE MARKETS

	Growth rate of real GDP ¹⁾		Annual inflation rates ²⁾	Rate of unemployment ³⁾	Employment rate ⁴⁾	Gross public debt ⁵⁾	Balance of trade ⁶⁾
	2015	2016	in %	in %	in %	as % of GDP 2015	in bn. €
EU –28	1.8	1.9	-0.1	9.0	0.9	86.0	11.6
Euro zone –18	1.5	1.7	-0.1	10.5	1.1	91.8	24.2
AT	0.7	1.7	0.8	6.0	0.8	85.3	0.7
GER	1.7	1.8	-0.2	4.5	0.5	71.9	14.9
PL	3.6	3.6	-0.6	7.1	1.0	51.9	-0.9
CZ	3.9	2.3	0.2	4.5	1.1	41.4	-0.5
HU	3.0	2.1	-0.1	6.3	2.1	78.0	-0.2
RO	3.6	4.2	-1.5	6.7	0.2	37.2	0.0

Source: Eurostat, Bloomberg

¹⁾ Forecast, change versus prior year (in %); ²⁾ by January 2015; ³⁾ by December 2015 (seasonally adjusted); ⁴⁾ by third quarter 2015; ⁵⁾ as a percentage of GDP 2015; by third quarter 2015 ⁶⁾ January to November 2015 (not adjusted for seasonal variation)

Although economic growth in **Hungary** slowed to 3.0% in 2015 compared with the previous year's robust growth of 3.7%, this was still well above the 2.7% expected. The economy of **Romania** also performed well in 2015, recording GDP growth of 3.6% in line with the forecasts. Gross domestic product in **Poland** grew to 3.6% in 2015, continuing its path of strong and stable growth. The **Czech Republic** experienced a fall in GDP between the third and the fourth quarter of 2015, but annual growth still reached 3.9%. Apart from the Czech Republic (4.5%), the unemployment rate in the **CEE** nations is higher than that for the rest of the EU; it stands at 7.1% in Poland, 6.3% in Hungary and 6.7% in Romania.

The inflation rates in most CEE countries turned negative and remained below the respective targets. Main reason for the decrease has been the continual fall in oil prices. The Czech Republic reported a negative inflation rate of -0.1%, while the inflation rate in Romania dropped to a record low in August 2015 and produced an annual value of -0.7%. The interest rate in Poland remained at the record low of 1.50%, yielding annual inflation of -0.5%.

THE MONEY MARKET AND INTEREST ENVIRONMENT¹⁾

Monetary policy was highly expansive in 2015 and characterised by the continuance of historically low interest rates. Throughout 2015 the European Central Bank (ECB) held interest rates at an unchanged level, until the bank decided in December to cut interest rates on deposit facilities for the eurozone from -0.20% to -0.30%. The rate remained negative during the whole year to make lending more attractive to banks.

According to Eurostat, the rate of price increases in the eurozone was just 0.4% at the end of 2015, well below the 2% target set by the ECB. To counter the threat of deflation and support business, the ECB resolved in January 2015 to extend its programme of buying government bonds and other securities from eurozone countries up to a volume of € 60 bn; the programme is expected to continue until September 2016. The 3 month Euribor, the interest reference rate for floating rate bonds, hit records lows between 0.8% and -0.14% in 2015. It entered negative territory for the first time in April 2015. The decline in the second half of the year continued into the first weeks of 2016, with a new low of -0.2% confirmed end of

February. Yields on government bonds from eurozone countries and corporate bonds with good credit ratings also reached historic lows in 2015.

CURRENCIES²⁾

The ECB's monetary policy measures led to a weakening of the single European currency in 2015, especially against the US dollar. The Polish and Hungarian currencies displayed greater volatility around the second quarter of 2015: EUR/PLN was trading between 3.99 and 4.37 in 2015, while the EUR/HUF fluctuated between 296 and 322. The currencies of the CEE nations declined in value after the Swiss National Bank abruptly abandoned its minimum exchange rate of 1.20 francs to the euro on 15 January 2015; the currencies of CEE countries were quickly able to compensate for these losses, however.

OUTLOOK³⁾

In view of the present economic situation and the development of the inflation rate in the eurozone, the base rate is expected to remain at an historic low in 2016. The decision by the ECB to extend its bond purchase programme, together with the investment programme unveiled by the European Commission in November 2014 (which should release investment of at least € 315 bn for strategic infrastructure projects) should further benefit the economy. With the steep fall in the oil price having slowed the rate of price increases in 2015, the EU Commission expects the inflation rate to fall further, although concerns of deflation risks have decreased due to the easing programmes of the ECB.

According to experts, the CEE nations should benefit from more vigorous domestic demand and increased investment activity in years ahead, with growth averaging 3.3% this year (the fastest pace since 2008). With GDP forecast to expand by 4.5% in 2015, the Czech Republic is likely to become the fastest growing member of the CEE region. Growth of 3.6% is expected for Poland in 2015, with Hungary expanding by 3.0%.

²⁾ Sources: European Central Bank, Central Statistical Offices, Bloomberg

³⁾ Sources: European Central Bank, Central Statistical Offices, Bloomberg

¹⁾ Sources: Eurostat, Central Statistical Offices, Bloomberg

PROPERTY MARKETS

THE REAL ESTATE MARKET IN AUSTRIA¹⁾

The investment market

The volume invested in commercial real estate during the fourth quarter of 2015 (€ 1.8 bn) represented the highest ever quarterly total and accounted for almost half of total annual investment. Main reason for the increase was the closing of a number of large-volume deals at the end of the year. In 2015, office properties accounted for 40% of transactions, followed by retail properties with 31%. The total investment volume of € 2.7 bn in 2015 was nearly similar to last year's result of 2.8 bn. The prime yield on office properties stood at 4.20% in quarter four, marginally down on the previous quarter (4.30%). Yields in good locations were very slightly lower (10 bps) than those for quarter three (4.95% compared to 5.05%). The proportion of foreign capital exceeded 50% of the year's total for the first time in 10 years. During the fourth quarter, the proportion of international investors rose from 26% (in Q3) to almost 65%. Domestic investors were responsible for around 35% of investments, with German investors accounting for approximately 21%.

The office property market

The stock of premises on the Viennese office property market expanded by approximately 198,000 sqm, representing an increase of 75% on the last year's value (113,000 sqm). The total office stock was approximately 11.0 m sqm in the fourth quarter, which represented a minor increase on the value of 2014 (10.9 m sqm). The main reason for the overall stability of the stock was the significantly lower volume of new completion. New supply only slightly exceeded 7,000 sqm while no significant office projects were completed in the last quarter. Lettings performance of 61,000 sqm in the fourth quarter of 2015 was 50% above the result for the third quarter (32,000 sqm). However, total lettings performance in 2015 (200,000 sqm) was slightly below the previous year's figure of 210,000 sqm. In 2015, new office space was either fully pre-let or owner occupied, a trend that is expected to continue until 2017 or 2018. The vacancy rate fell to a record low level of 6.3% on account of the low completion volume in 2015 and the continuing demand for office space. The peak monthly rent in Vienna in the final quarter of 2015 rose slightly to € 25.85/sqm as compared to the previous quarter (€ 25.75/sqm). Rents in good and average locations varied somewhat, with both

rising by the fourth quarter to stand at around € 15.50/sqm per month in good locations and € 13.50/sqm per month in average locations.

OFFICE MARKET DEVELOPMENT IN VIENNA

	2015	2014	Change in %
Take up in sqm	200,000	210,000	-4.8
Vacancy rate in %	6.3	6.5	-3.1
Peak rent in €/sqm net exclusive	25.85	25.75	+0.4
Prime yield in %	4.20	4.60	-8.7

Sources: CBRE: Vienna Office MarketView Q4 2015, MarketView EMEA Rents and Yields Q4 2015

Note: floor space turnover includes owner-occupier transactions

THE REAL ESTATE MARKET IN GERMANY²⁾

The investment market

The commercial transaction volume in Germany reached € 55.1 bn in 2015, up almost 40% on last year's value. Over 30% of the annual result (€ 17 bn) was attributed to the fourth quarter of 2015 alone, making this the strongest quarter of the past 5 years. Approximately € 23 bn was invested in office properties in Germany during 2015, followed by € 17 bn invested in retail. Together, these two categories represent approximately 75% of the total German investment market for commercial real estate. In the last quarter of 2015, investment in office properties reached the highest quarterly level since 2007. The proportion of foreign investors in Germany has increased from 39% to almost 50%.

The proportion of investment in office properties in the overall transaction volume doubled between 2010 and 2015. In Berlin, € 4.4 bn was invested in office properties (57% of the total Berlin investment market), while the figure in Munich was € 4.3 bn (73%). The highest proportion of investment in offices was reported in Frankfurt (€ 4.9 bn or 81% of the total volume). In response to high demand for investment, the prime yield in Munich declined on the previous year to 3.65% (compared to 4.0% in Berlin and 4.4% in Frankfurt).

¹⁾ Sources: CBRE: Austria Investment MarketView Q4 2015, Vienna Office MarketView Q4 2015, MarketView EMEA Rents and Yields Q4 2015

²⁾ Sources: Jones Lang LaSalle: German Investment Market Q4 2015; CBRE: MarketView Deutschland Investment Quarterly Q4 2015, Investment Market Overview Berlin, Munich; MarketView European Investment Quarterly Q4 2015

The office property market ¹⁾

In comparison with 2014, office space take-up in Germany increased by 21% to approximately 3.6 m sqm in 2015. Development was variable in the main property centres, however. With floor space turnover at a record high of 879,400 sqm, Berlin recorded a rise of 43% compared to 2014, while turnover in Düsseldorf rose by 46% to 342,500 sqm. Floor space turnover for the five other core cities was between these levels, with Frankfurt, Stuttgart, Munich and Cologne improving on the previous year. The volume of new space decreased by 12% to 870,000 sqm in 2015. Of the floor space completed in 2015, 65% was pre-let or owner-occupied.

Total vacancy decreased by 16% to 5.69 m sqm in 2015, dropping below the six m sqm threshold for the first time since 2012. In 2015, the average vacancy rate across the core cities reached a new low of 6.4%, representing the lowest level since 2002. Vacancies are expected to further fall in 2016 due to high levels of demand. In 2015 there was a rise in prime rents in all cities except for Cologne and Düsseldorf. The aggregate prime rent rose by 3% in

2015; average rents also rose by 4%, with similar results expected for 2016.

Office space take-up in **Munich** totalled 761,000 sqm in 2015, mainly thanks to a strong fourth quarter (248,000 sqm); a total take-up of approximately 700,000 sqm is expected in 2016. In 2015, 178,500 sqm of new or redeveloped office space was completed. The office vacancy level stood at 5.3%, its lowest level since 2003. Compared to the same period of 2014, the peak monthly rent increased by € 1 to € 34.00/sqm in the fourth quarter of 2015 due to excess demand for top quality space. In 2015, 180,000 sqm of newly built offices were completed.

Office space take-up in **Frankfurt** was approximately 391,200 sqm in 2015, below the 400,000 sqm level for the fourth time since 2004 and around 12% below the ten-year average. At the same time, the highest number of new leases for more than a decade was completed in 2015 (although this mainly comprised smaller-scale transactions). Quality is still the primary focus: 63% of all take-up related to top quality properties while four of the 10 largest transactions concerned development projects.

¹⁾ Jones Lang LaSalle: Office Market Overview BIG 7 4Q 2015, Office Market Profile Berlin, Frankfurt, Munich 4Q 2015, CBRE: German Investment Quarterly MarketView Q4 2015, MarketView EMEA Rents and Yields Q4 2015

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN GERMANY

	2015	2014	Change in %
Berlin			
Take up in sqm	879,400	616,000	42.8
Vacancy rate in %	6.3	7.7	-18.2
Peak rent in €/sqm net exclusive	24.0	22.0	9.1
Prime yield in %	4.00	4.50	-11.11
Frankfurt am Main			
Take up in sqm	391,200	378,100	3.5
Vacancy rate in %	9.1	10.4	-12.5
Peak rent in €/sqm net exclusive	35.5	35.0	1.4
Prime yield in %	4.35	4.60	-5.43
Munich			
Take up in sqm	761,000	641,000	18.7
Vacancy rate in %	5.3	6.8	-22.1
Peak rent in €/sqm net exclusive	34.0	33.0	3.0
Prime yield in %	3.65	4.30	-15.12

Sources: Jones Lang LaSalle: Office Market Overview BIG 7 4Q 2014, Office Market Profile Berlin, Frankfurt, Munich 4Q 2015

Note: floor space turnover includes owner-occupier transactions

The vacancy rate fell further to 9.1% in the final quarter of 2015; it is currently at its lowest level for over 10 years. Compared to the previous year, the prime rent increased slightly from € 35/sqm to € 35.5/sqm per month. A further increase in high demand locations is expected in 2016.

Office space take-up in **Berlin** reached the record level of 879,400 sqm in 2015, the highest level achieved in the market. With this volume Berlin ranked first among the Big 7 office locations in Germany for the first time. Floor space turnover was approximately 294,200 sqm in quarter four of 2015. The vacancy rate fell to a low of 6.3% in the final quarter, while the completion volume reached its highest level since 2005 and is expected to continue growing in 2016. The peak monthly rent increased to its highest level since 2002 (€ 24/sqm per month); this is reflected in an increase in the average rent to over € 15/sqm per month.

THE REAL ESTATE MARKET IN EASTERN EUROPE ¹⁾

The investment market

The investment volume in the CEE nations (excluding Russia) amounted to around € 9.5 bn in 2015, equivalent to growth of approximately 25% compared to last year. Poland remained the leading regional market with an approximate share of 46% (€ 4.1 bn), followed by the Czech Republic (30%, € 2.7 bn), Hungary (9%, € 0.7 bn), Romania (7.5%, € 0.6 bn) and Slovakia (4.5%, € 0.3 bn). Driven by transactions in the Czech Republic and Poland, the retail sector reached the record level of € 4.5 bn (+160% or 45% of the total investment volume). In the CEE countries, the office transaction market declined by 17% to € 3.9 bn as compared to the previous year's value of € 4.7 bn. Yields decreased in the CEE regions due to the multitude of transactions closed in 2015, the result of increased interest from investors. Prime yields have also sharpened on the core markets of CA Immo, but remained relatively stable until the end of the year. In quarter four prime yields in Poland and Czech Republic remained stable at 5.75%, while Hungary stood at 7.15% and Romania at 7.50%.

In the second half of 2015, the transaction volume in **Poland** rose to the record level of € 2.88 bn, bringing the total annual volume to € 4.1 bn. Investment activity ex-

ceeded expectations. Some transactions signed in the second half of 2015 are due to be closed in 2016, which is forecast to result in significant transaction volumes in the subsequent quarters. Thanks to solid performance in 2014, Poland retained the primary focus of many institutional investors, even though its share of the total CEE transaction market fell from 70% in 2012 to around 46% in 2015 as other countries of the region attracted higher volumes – a promising trend for the region as a whole. For the first time, the volume of transactions in regional cities exceeded the volume registered in Warsaw. In the second half of 2015 office transactions concluded in regional cities accounted for 61%, while Warsaw's share of the transaction volume for the period was only 39%.

The transaction volume in the **Czech Republic** reached € 1.45 bn in the second half of 2015, resulting in a full-year figure of € 2.65 bn, an increase of 65% on the last year's value. In H2 2015 **Hungary** reached € 500 m, of which 58% represented investments in office. The investment volume in **Romania** was dominated by industrial transactions (41%), followed by office transactions (38%). The property investment volume resulted in approximately € 650 m; Bucharest accounted for more than 80% of the transaction volume.

The office property markets ²⁾

In all four core cities of CA Immo (Warsaw, Prague, Budapest and Bucharest), increasing floor space turnover and decreasing vacancy rates were observed in 2015.

At the end of 2015, total floor space in **Warsaw** stood at approximately 4.7 m sqm. The completion volume was 277,600 sqm in 2015, with a further 400,000 sqm due to follow by 2016. Of the newly constructed space, 46% is located in the central business district. Total take-up activity reached 833,200 sqm in 2015, with 221,140 sqm leased in the final quarter. At the end of 2015, the vacancy rate was recorded at 12.3% (13.3% in 2014); year-on-year, vacancy has fallen by 1%. Due to the extensive pipeline, the prime rent has decreased to € 23.50/sqm (€ 25.00/sqm in 2014).

By the end of 2015, 240,000 sqm of office space had been leased in **Bucharest**, with lettings activity declining by 20% compared to the previous year. The completion volume in 2015 stood at 72,500 sqm. Office space in Bucharest totalled 2.35 m sqm in 2015 and is expected to

¹⁾ Sources: Jones Lang LaSalle: CEE Investment Market Pulse/2015; CBRE: CEE Property Investment MarketView Q4 2015

²⁾ Sources: Jones Lang LaSalle: Prag Office Market Q4 2015; CBRE: Office MarketView Prague, Warsaw, Bucharest and Budapest Q4 2015, EMEA Rents and Yields Q4 2015

expand by 408,000 sqm in 2016. The vacancy rate decreased to 11.9% at year end, mainly due to the low level of new supply in 2015; it is expected to grow in the forthcoming quarters. However, there are big differences between the various submarkets. Vacancy in class A properties was just 5.3% since 58% of the transactions were signed in Class A office buildings, while the rate for B-class properties was 15.9%. The prime monthly rent in Bucharest remained stable at € 18.5/sqm in the fourth quarter of 2015.

Annual take-up in **Budapest** rose by 51% to 364,800 sqm in 2015 compared to last year's value. Lettings performance in the office sector in 2015 exceeded the half-million sqm threshold for the first time to expand by 18%, a similar rate to that reported in 2014. The completion volume in 2015 declined to 50,900 sqm, 25% below the comparable value for last year; supply is expected to increase to approximately 100,000 sqm in 2016, with

57% of the new premises already let. The vacancy rate fell by 4.1% in 2015 to stand at the current level of 12.1%. The fall in vacancy was similar for all building categories, with class A properties registering the lowest average vacancy of 8.8%. The average prime monthly rent in Budapest currently stands at € 19-21/sqm.

In the final quarter of 2015 the office market in **Prague** grew by 32,200 sqm. The portfolio of office space in Prague thus reached 3.22 m sqm. Lettings performance in 2015 reached 449,800 sqm, of which 272,900 sqm is newly leased, resulting in the highest figures in the market's history. The vacancy rate in Prague reached its peak during 2015 before decreasing in the final quarter to 14.6%, mainly due to strong net take-up. Further significant declines in the vacancy rate are not expected in the following year. Prime monthly rents in the city stand at € 18.50-19.50/sqm, with the inner city figure ranging from € 14.50-16.00/sqm and peripheral areas ranging from € 13.00-14.50/sqm.

OFFICE MARKET DEVELOPMENT IN CA IMMO CORE MARKETS IN EASTERN EUROPE

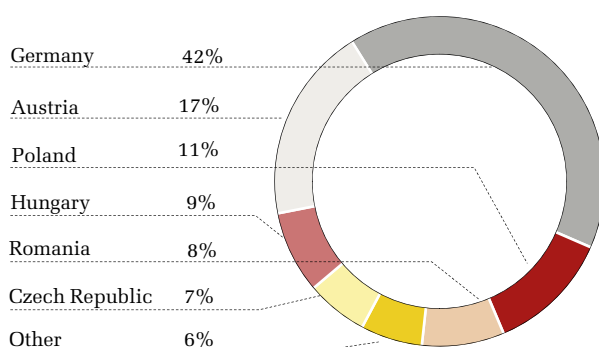
	2015	2014	Change in %
Budapest			
Take up in sqm	536,300	465,000	15.3
Vacancy rate in %	12.1	16.2	-25.3
Peak rent in €/sqm net exclusive	19.0 – 21.0	19.0 – 21.0	0
Prime yield in %	7.15	7.25	-1.38
Bucharest			
Take up in sqm	240,000	315,000	-23.8
Vacancy rate in %	11.9	13.0	-8.5
Peak rent in €/sqm net exclusive	18.5	18.0	2.8
Prime yield in %	7.50	7.75	-3.23
Prague			
Take up in sqm	449,800	331,000	35.9
Vacancy rate in %	14.6	15.3	-4.6
Peak rent in €/sqm net exclusive	19.5	19.5	0.0
Prime yield in %	5.75	6.00	-4.17
Warsaw			
Take up in sqm	832,200	612,000	36.0
Vacancy rate in %	12.3	13.3	-7.5
Peak rent in €/sqm net exclusive	23.5	25.5	-7.8
Prime yield in %	5.75	6.00	-4.17

Sources: CBRE: Budapest Office MarketView Q4 2015, MarketView Bucharest Office Q4 2015, MarketView Prague Office Q4 2015, MarketView Warsaw Office Q4 2015, MarketView EMEA Rents and Yields Q4 2015; Jones Lang LaSalle: Prague Office Market Q4 2014. Note: floor space turnover includes owner-occupier transactions

PROPERTY ASSETS

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

DISTRIBUTION OF PORTFOLIO VALUE BY COUNTRY
(Basis: € 3.7 bn)



€ 3.7 bn property assets

As at key date, the property assets of CA Immo were approximately € 3.7 bn. Of this figure, investment properties account for € 3.2 bn (89% of the total portfolio)¹⁾ and property assets under development represent € 0.4 bn (11% of total portfolio). Eastern Europe is the biggest regional segment with a proportion of 41% of total property assets.

DISTRIBUTION OF PROPERTY ASSETS BY COUNTRY AND TYPE



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

PROPERTY ASSETS OF THE CA IMMO GROUP AS AT 31.12.2015 (PORTFOLIO VALUES)

in € m	Investment properties ²⁾			Investment properties under development			Short-term property assets ³⁾			Property assets			Property assets in %		
	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ	full	at equity	Σ
Austria	592	0	592	16	0	16	1	0	1	609	0	610	19	0	17
Germany	879	182	1,061	355	0	355	72	65	137	1,306	247	1,553	41	55	42
Czech Republic	228	29	257	13	0	13	0	0	0	240	29	269	8	6	7
Hungary	278	35	313	1	0	1	0	0	0	280	35	315	9	8	9
Poland	292	14	306	0	0	0	0	87	87	292	100	392	9	22	11
Romania	258	0	258	13	9	21	0	0	0	271	9	279	8	2	8
Others	194	32	226	11	0	11	0	0	0	205	32	237	6	7	6
Total	2,721	292	3,013	409	9	417	73	152	225	3,203	452	3,656	100	100	100
Share of total portfolio			82%			11%			6%			100%			

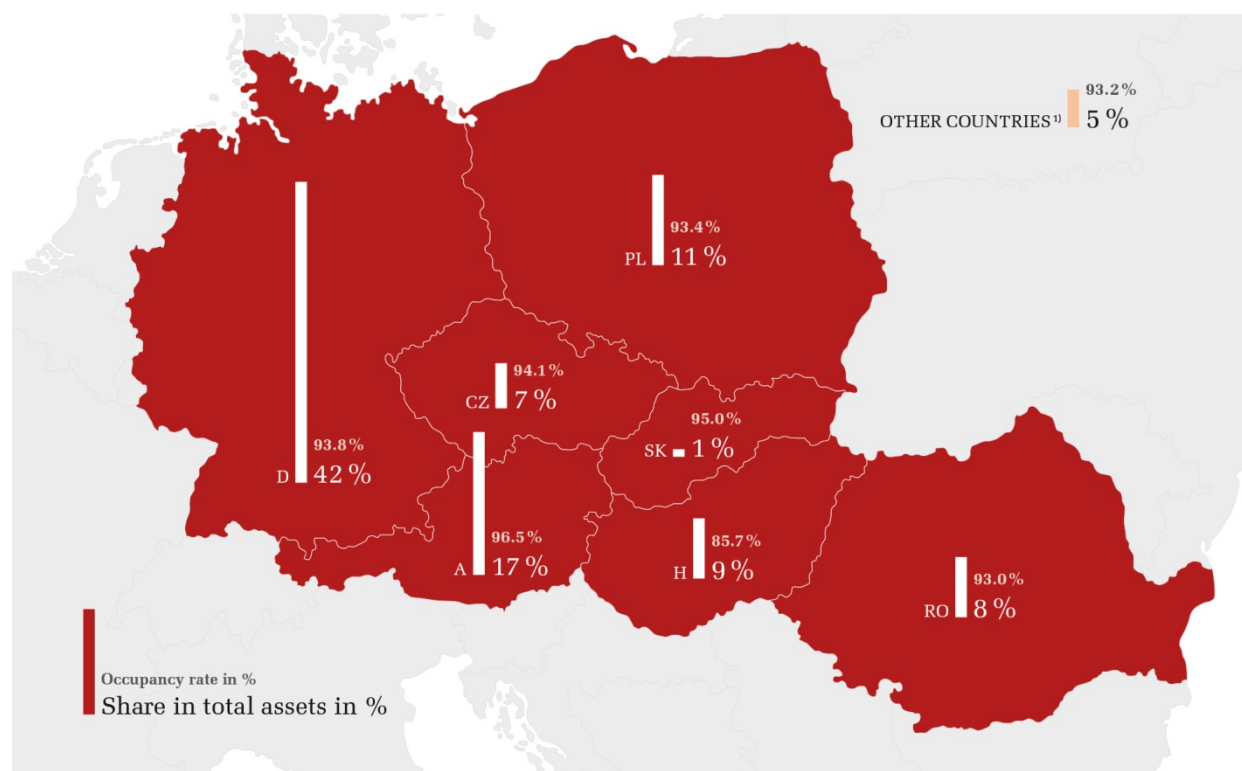
Full: Fully consolidated properties wholly owned by CA Immo

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

²⁾ Excludes properties used for own purposes; includes the project developments Kontorhaus, Monnet 4 and Kennedy-Haus, which were completed in 2015

³⁾ Short-term property assets including properties intended for trading or sale

CA IMMO PROPERTY ASSETS (Basis: € 3.7 bn)



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

Acquisitions

At the start of July CA Immo acquired shares of the joint venture partner EBRD in the Eastern European “E-Portfolio.” With this acquisition, CA Immo’s share in the portfolio of eight yielding office assets (book value approx. € 486 m) as well as four land plots (book value approx. € 23 m) increased from previously between 65% (respectively 75%), to 100%. The portfolio comprises high-quality office buildings in Prague (Amazon Court, Nile House, Kavci Hory), Bucharest (Europe House, River Place), Budapest (City Gate, Infopark West) and Zagreb (Zagrebtower). The occupancy of the “E-Portfolio” stood at 95.3% as at December 31, 2015. The gross yield of the portfolio amounted to 7.7%. The gross purchase price for the EBRD stake amounts to around € 60 m and reflects a discount to the NAV of the portfolio. The loan-to-value ratio of the portfolio stands at around 50%.

Sales

In business year 2015, the strategic policy of focusing on large-scale, modern office properties in the portfolio was upheld across the Group. Accordingly, the majority of sales involved properties not classified as part of core business of CA Immo in regional or sectoral. Property assets sold in 2015 generated total trading income of € 502.1 m and contributed € 53.9 m to the result (compared to € 38.8 m in 2014). Trading income is reinvested in the development of office projects in Germany, amongst other things.

In February CA Immo sold two small-scale office buildings in Sofia (Europark office building, 8,000 sqm of rentable effective area) and Budapest (Buda Business Center, 6,400 sqm) as well as **two hotels in the Czech Republic**: Europort Airport Center, a hotel directly located at the Prague Airport with some 13,800 sqm gross floor area, and Diplomat Center in Pilsen, spanning some 10,000 sqm floor area.

Furthermore, CA Immo continued the **strategic withdrawal from the logistical segment**: the closing for the sale of a logistics portfolio with a total floor space of around 467.000 sqm, held in a joint venture with the EBRD was completed in March; as well as the sale of Europolis Park Budapest M1 with around 69,100 sqm rental area. In September CA Immo sold the H&M logistics centre in Hamburg-Allermöhe with a total effective area of approximately 114,500 sqm. The purchase price of more than € 100 m was well above book value.

In September CA Immo further **reduced the share of minority interests in the portfolio** and sold its 50%-share in Poleczki Business Park located at Warsaw airport to its long-term joint venture partner UBM Development AG. The transaction volume of the sale was more than € 80 m; the transaction was closed in January 2016.

Portfolio adjustments delivered sales proceeds throughout **Austria**. A number of smaller, mixed-used properties, various asset categories and land leases were sold with a total book value of about € 89.1 m. The result of these transactions was around € 2.4 m.

The **sale of building plots** in the course of urban district development projects in Germany (mainly in city centre locations) contributed a total of € 71.3 m to trading income or € 14.57 m to the result. Sales mainly involved residential construction sites in the Berlin district of Europacity; suitably value-enhancing zoning approvals had previously been obtained.

In the end of September, CA Immo sold a planned residential and commercial building in Mainz's Zollhafen in a Forward Sale. The turnkey property measuring around 18,500 sqm will be constructed for a special property funds managed by Aberdeen. Completion of the building is scheduled for mid-2018. The purchase price for the building is around € 66 m.

Investments

In 2015 CA Immo invested a total of € 134.4 m (2014:€ 141.9 m) in its property portfolio. Of this figure, € 25.4 m was earmarked for modernisation and optimisation measures and € 109 m was devoted to the furtherance of development projects.

PROPERTY ASSETS BRIDGE 2014 TO 2015

		Austria	Germany	Eastern Europe	Total
Property assets 31.12.2014	€ m	684.7	1,427.8	1,471.0	3,583.5
Acquisition of new properties	€ m	0.0	0.0	121.2	121.2
Capital expenditure	€ m	5.3	100.5	28.6	134.4
Change from revaluation/impairment/depreciation	€ m	10.0	207.1	71.9	289.0
Changes lease incentive	€ m	-0.1	7.0	-0.4	6.5
Disposals	€ m	-90.2	-189.2	-200.0	-479.3
Other Changes	€ m	0.0	0.0	0.4	0.4
Property assets 31.12.2015	€ m	609.7	1,553.2	1,492.8	3,655.8
Annual rental income ¹⁾	€ m	35.5	57.4	94.9	187.8
Annualised rental income	€ m	33.4	52.0	109.5	194.9
Economic vacancy rate for investment properties	%	3.5	6.2 ²⁾	8.9	7.3
Gross yield (investment properties)	%	5.7	5.3 ²⁾	7.6	6.5

¹⁾ Includes annual rental income from properties sold in 2015 (€ 10.1 m)

²⁾ Excl. properties used for own purposes and the office developments Kontorhaus, Kennedy-Haus and Monnet 4, which were completed in 2015

INVESTMENT PROPERTIES

Contributing around 89%¹⁾ of total property assets, the investment property area is CA Immo's main source of income. The principle objective of the company is the continual optimisation of its portfolio and the retention and acquisition of tenants with a view to securing stable and regular rental revenue. 42% of the rentable office space²⁾ of CA Immo is certified in accordance with LEED, DGNB or BREEAM standard (see also the chapter Sustainability).

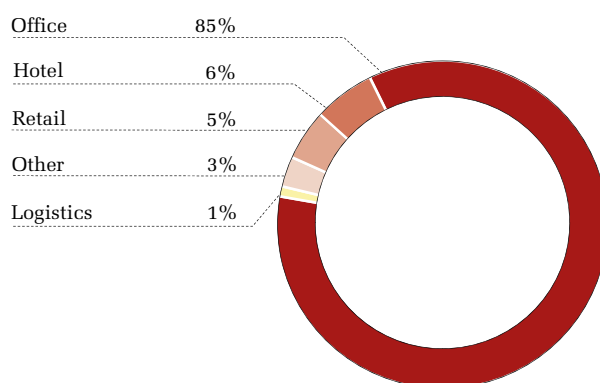
Investment properties: Office share enhanced to 85%

As at key date 31 December 2015, the Group's asset portfolio³⁾ incorporated a total rentable effective area of 1.3 m sqm with an approximate book value of € 2.8 bn (compared to € 2.8 bn in 2014). With 49% of book value, the Eastern Europe segment accounts for the largest proportion of the asset portfolio. In 2015, CA Immo generated total rental income of € 187.8 m (€ 200.4 m in 2014); the Eastern Europe segment accounted for roughly 51% of total rental revenue. On the basis of annualised rental revenue, the asset portfolio produced a yield of 6.3%⁴⁾ (6.6% in 2014). In line with the strategic portfolio focus, the office share in the total portfolio was further increased from 79% (31.12.2014) to 85% as at the reporting date.

Occupancy rate increased to 92.7%

The occupancy rate for the asset portfolio⁵⁾ rose from 90.7% (31.12.2014) to 92.7% on 31 December 2015. In like-for-like comparisons of properties forming part of the portfolio as at 31 December 2014, the economic occupancy rate increased from 90.5% on that date to 92.5% on the balance sheet date for 2015.

PORTFOLIO VALUE INVESTMENT PROPERTIES BY MAIN USAGE (Basis: € 3.0 bn)



¹⁾ Incl. properties used for own purposes and the project completions Kontorhaus, Kennedy-Haus and Monnet 4

²⁾ Basis: office properties with a portfolio value > € 10 m

³⁾ excl. properties used for own purposes and short-term property assets

⁴⁾ excl. the project developments Kontorhaus, Monnet 4 and Kennedy-Haus, which were completed in 2015 and are still in the stabilisation phase

⁵⁾ excl. the project developments Kontorhaus, Monnet 4 and Kennedy-Haus, which were completed in 2015 and are still in the stabilisation phase

INVESTMENT PROPERTIES: KEY FIGURES BY COUNTRY ¹⁾

	Fair value property assets			Rentable area			Occupancy rate			Annualised rental income			Yield		
	full	at equity	in € m	full	at equity	in sqm	full	at equity	in %	full	at equity	in € m	full	at equity	in %
Austria	587.6	0.0	587.6	415,257	0	415,257	96.5	0.0	96.5	33.4	0.0	33.4	5.7	0.0	5.7
Germany	641.0	181.8	822.8	228,528	33,931	262,458	96.0	86.7	93.8	34.5	9.5	44.0	5.4	5.2	5.3
Czech Republic	227.5	29.4	256.9	111,799	10,905	122,704	94.2	93.4	94.1	17.8	1.8	19.6	7.8	6.1	7.6
Hungary	278.3	35.0	313.3	157,846	39,912	197,758	85.9	84.3	85.7	20.5	3.0	23.5	7.4	8.5	7.5
Poland	292.0	13.6	305.6	93,473	5,810	99,283	93.2	96.8	93.4	21.1	0.9	22.0	7.2	7.0	7.2
Romania	258.3	0.0	258.3	106,303	0	106,303	93.0	0.0	93.0	21.1	0.0	21.1	8.2	0.0	8.2
Others	194.0	31.9	225.8	114,495	20,841	135,337	90.9	87.9	90.4	15.1	2.6	17.7	7.8	8.2	7.8
Total	2478.6	291.6	2770.2	1,227,701	111,399	1,339,100	93.3	87.6	92.7	163.4	17.9	181.3	6.6	6.1	6.5

Full: Fully consolidated properties wholly owned by CA Immo

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

¹⁾ Excl. properties used for own purposes and short-term assets; excl. the office projects Monnet 4, Kennedy-Haus and Kontorhaus, which were completed in 2015. Incl. these completed projects, the occupancy rate is 90.4% and the yield is 6.3% ²⁾ Monthly contractual rent as at key date multiplied by 12

LIKE-FOR-LIKE COMPARISON OF PROPERTIES IN THE PORTFOLIO AS AT 31.12.2014

in € m	Book values		Annualised rental income ¹⁾		Gross yield in %		Occupancy rate	
	2015	2014	2015	2014	2015	2014	2015	2014
Austria	587.6	584.6	33.4	33.9	5.7	5.9	96.5	97.2
Germany	822.8	765.4	44.0	41.8	5.3	5.5	93.8	88.9
Eastern Europe	1,179.5	1,165.2	90.2	90.0	7.6	7.7	90.4	89.0
Total	2,589.9	2,515.2	167.5	165.7	6.5	6.6	92.5	90.5

¹⁾ Monthly contractual rent as at key date multiplied by 12

Lettings performance 2015: 13% of usable space newly let or extended

Across the Group, CA Immo let approx. 207,400 sqm of floor space in 2015, of which 15% (about 31,300 sqm) were pre-lettings on development projects. Excluding these pre-lettings, this equates to lettings performance of 13% of the Group's total investment portfolio, which amounts to 1.3 m sqm. New lettings and contract extensions by existing tenants accounted for around 49%, renewals of existing tenants represent 51%. Office space accounted for 91% of total lettings performance.

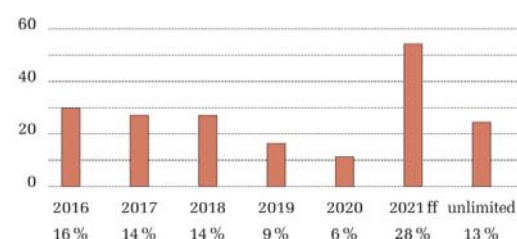
The market with the highest lettings performance 2015 (in terms of regional lettable space) was Hungary with about 30% new lettings or contract extensions, followed by the Czech Republic with 27% lettings performance. The biggest individual new letting was the lease contract with the software company Salesforce in the Kontorhaus in Munich for a total of 6,000 sqm office space. 41% of the lease contracts (in terms of letting volume) are concluded for a term of more than 5 years or for an unlimited term.

LETTINGS PERFORMANCE BY SEGMENT ¹⁾

in sqm	Pre-leases development projects	New leases investment properties	Lease extensions	Total
Germany	31,292	12,589	4,437	48,318
Austria		7,305	6,586	13,891
Eastern Europe		65,703	79,493	145,196
Total	31,292	85,597	90,516	207,406
% of total	15%	41%	44%	100%

¹⁾ Lettings performance in properties consolidated at equity taken into account at 100%

EXPIRY PROFILE OF LEASE AGREEMENTS BASED ON EFFECTIVE RENTAL INCOME



BIGGEST TENANTS

	Sector	Region	Share in % of total rent ¹⁾
PWC	Auditor	Germany	6.7
Verkehrsbüro Hotellerie GmbH	Hotel sector	Austria/Eastern Europe	2.3
Land Berlin c/o Berliner Immobilienmanagement GmbH	Property administration	Germany	2.0
TOTAL Deutschland GmbH	energy supply	Germany	2.0
Österreichische Post AG	Post	Austria	1.9
Robert Bosch Aktiengesellschaft	electrical engineering	Austria	1.8
IBM	IT	Eastern Europe	1.4
InterCityHotel GmbH	Hotel sector	Germany	1.4
Google	IT	Germany	1.4
Deloitte	Auditor	Eastern Europe	1.2

¹⁾ Based on annualised rental revenue

THE AUSTRIA SEGMENT

The asset portfolio in Austria comprises rentable effective area of 415,257 sqm with a market value of around € 588 m according to current valuations. In 2015, this portfolio generated rental income of € 35.5 m (€ 41.8 m in 2014), equivalent to an average yield of 5.7% (5.7% in 2014).

In 2015, CA Immo invested around € 3.2 m in its Austrian real estate portfolio, compared to € 6.3 m in 2014. Moreover, roughly € 2.8 m (€ 2.6 m in 2014) were spent on maintaining the Austrian investment properties in 2015.

Lettings

In Austria around 7,300 sqm of office space was newly let and contracts for approx. 6,600 sqm renewed. On annual comparison, the economic occupancy rate in the asset portfolio is 96.5% (96.9% in 2014).

INVESTMENT PROPERTIES AUSTRIA: KEY FIGURES ¹⁾

in € m	31.12.2015	31.12.2014	Change
Book value	587.6	659.3	-10.9
Annualised rental income ²⁾	33.4	37.3	-10.6
Gross yield in %	5.7	5.7	0.0 pp
Economic vacancy rate in %	3.5	3.1	0.4 pp

¹⁾ Excludes properties used for own purposes

²⁾ Monthly contractual rent as at key date multiplied by 12



2015 completed and transferred to the CA Immo portfolio: The John F. Kennedy-Haus at the Berlin main railway station

THE GERMANY SEGMENT

At the key date, CA Immo held investment properties in Germany with an approximate market value of € 822.8 m (€ 863.5 m in 2014) and rentable effective area of 262,458 sqm. With a share of about 30% of the total CA Immo portfolio (in terms of the portfolio value), Germany is the Group's biggest property market. The German property assets comprise mainly modern office buildings developed by CA Immo in central locations in Berlin, Munich and Frankfurt; 65% of the lettable office space¹⁾ are certified according to DGNB or LEED standard.

Three completed projects transferred to the portfolio

Rental income of € 57.4 m was generated in 2015, compared to € 51.5 m in 2014. The yield on the portfolio was 5.3% as at 31 December 2015 (5.7% in 2014). CA Immo spent some € 1.3 m on maintaining its German investment properties in 2014. In autumn 2015 the office buildings Kontorhaus in the Arnulfpark quarter of Munich (24,400 sqm surface; completely let since February 2016), Monnet 4 (10,000 sqm floor space; occupancy rate approx. 70%) and John F. Kennedy-Haus (17,800 sqm space; occupancy rate 82%), both next to Berlin Main Station, were completed and added to the CA Immo asset portfolio. In September CA Immo sold the H&M logistics centre near Hamburg with a total effective area of approximately 114,500 sqm.

Occupancy rate up from 90% to 94%

The occupancy rate for the asset portfolio in Germany increased from 90.1% on 31 December 2014 to 93.8% on 31 December 2015. In Germany, approx. 48,300 sqm floor space (of which 36,700 sqm is office space) was newly let or extended during 2014. Pre-letting on development projects accounted for almost 31,300 sqm.

INVESTMENT PROPERTIES GERMANY: KEY FIGURES ¹⁾

in € m	31.12.2015	31.12.2014	Change
Book value	822.8	863.4	-4.7
Annualised rental income ²⁾	44.0	48.8	-9.9
Gross yield in %	5.3	5.7	-0.4 pp
Economic vacancy rate in %	6.2	9.9	-3.7 pp

¹⁾ Excl. properties used for own purposes and short-term assets; excl. the office projects Monnet 4, Kontorhaus and Kennedy-Haus, which were completed in 2015. Incl. these completed projects, the economic vacancy rate is 14.6% and the yield is 4.9%

²⁾ Monthly contractual rent as at key date multiplied by 12

¹⁾ Basis: office properties with a portfolio value > € 10 m

THE EASTERN EUROPE SEGMENT

CA Immo has been investing in Eastern Europe since 1999. The company now maintains investment properties in nine countries of Central and Eastern Europe and South Eastern Europe. The acquisition of the minority shares in the “E-Portfolio” hitherto held jointly with the EBRD was closed in July 2015 (see chapter “Property Assets”). This transaction results in an improvement of all performance indicators for the Eastern European CA Immo asset portfolio.

As at key date 31 December 2015, investment properties in Eastern Europe had an approximate market value of € 1,359.8 m (€ 1,237.3 m on 31.12.2014), equivalent to around 45% of the total asset portfolio. In this region, CA Immo concentrates on high quality, centrally located office properties in capital cities of Eastern and South Eastern Europe, which make up 95% of the overall Eastern European portfolio. Approximately 40% of the office surfaces are certified in accordance with the LEED, BREEAM or DGNB standard (see also chapter Sustainability). Following the systematic streamlining of the portfolio in recent years, only 1% of the assets are now logistics properties (31.12.2014: 2%), 3% are retail and 1% are hotel properties. The portfolio is maintained and let by the company's local teams on site.

51% of rental revenue from Eastern Europe

The company's asset portfolio comprises 661,385 sqm of rentable effective area which generated rental income of € 94.9 m in 2015 (compared to € 107.1 m in 2014). This represents 51% of CA Immo's total rental revenue. The overall portfolio produced a gross yield of 7.6% (7.7% in 2014). In early 2015, the **office building AVIA in Krakow**, a project realised by a joint venture between CA Immo and the GD&K Group, one of the leading project developers in Poland, was completed and a share of 50% was transferred to the asset portfolio. The building has an office space of approximately 11,500 sqm, of which 97% are let.

Occupancy rate increased up to 91%

Thanks to its strong local profile and the high (site) quality of its real estate, CA Immo was able to increase the utilisation rate of its portfolio (measured on the basis of expected annual rental income) from 89% (2014) up to 91.1% (as at 31 December 2015). The occupancy rate in the core office segment stood at 91% (90% in 2014). Total lettings performance for the Eastern Europe segment in 2015 stood at roughly 145,200 sqm of rentable effective area; office space accounted for 113,700 sqm and logistical premises accounted for 30,700 sqm.

Information on sustainability aspects of the business area portfolio properties can be found in the chapter Sustainability.

INVESTMENT PROPERTIES IN EASTERN EUROPE: KEY FIGURES ¹⁾

	Fair value property assets			Annualised rental income ²⁾			Occupancy rate			Yield		
	full	at equity	in € m Total	full	at equity	in € m Total	full	at equity	in % Total	full	at equity	in % Total
Poland	292.0	13.6	305.6	21.1	0.9	22.0	93.2	96.8	93.4	7.2	7.0	7.2
Hungary	278.3	35.0	313.3	20.5	3.0	23.5	85.9	84.3	85.7	7.4	8.5	7.5
Romania	258.3	0.0	258.3	21.1	0.0	21.1	93.0	0.0	93.0	8.2	0.0	8.2
Czech Republic	227.5	29.4	256.9	17.8	1.8	19.6	94.2	93.4	94.1	7.8	6.1	7.6
Serbia	86.2	0.0	86.2	6.9	0.0	6.9	92.5	0.0	92.5	8.1	0.0	8.1
Croatia	49.2	0.0	49.2	3.5	0.0	3.5	96.5	0.0	96.5	7.2	0.0	7.2
Bulgaria	5.3	31.9	37.2	1.0	2.6	3.6	100.0	87.9	90.9	18.3	8.2	9.7
Slovenia	11.3	0.0	11.3	0.9	0.0	0.9	95.0	0.0	95.0	8.2	0.0	8.2
Slovakia	41.9	0.0	41.9	2.7	0.0	2.7	77.7	0.0	77.7	6.4	0.0	6.4
Total	1,250.0	109.8	1,359.8	95.6	8.4	103.9	91.3	88.6	91.1	7.6	7.6	7.6

Full: Fully consolidated properties wholly owned by CA Immo

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

¹⁾ Excludes short-term property assets

²⁾ Monthly contractual rent as at key date multiplied by 12

INVESTMENT PROPERTIES UNDER DEVELOPMENT

Project development as a driver of organic growth

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

Information on sustainability aspects of the business area project development can be found in the chapter Sustainability.

85% of development activity in Germany

As at 31 December 2015, the development division represented around 11% (equivalent to approximately € 417.5 m, 2014: € 561.0 m) of CA Immo's total property assets. Accounting for a share of 85.0%, the focus of project development activity is still firmly on Germany. Developments and land reserves in Eastern Europe (11%) and in Austria (4%) account for the remainder of property assets under development. Development projects in

Germany with a total book value of € 355.1 m are divided into projects under construction accounting for around € 65.5 m and plots subject to property use approval and long-term land reserves (€ 289.6 m).

THE AUSTRIA SEGMENT

Development of the **Lände 3 quarter in Vienna** is entering the second phase: Following revitalisation and letting of the office surfaces, CA Immo began exploitation of the remaining construction sites directly at Erdberger Lände in 2015.

In March, the construction of 220 rental housing units was started within the scope of a forward sale for a local end investor. In addition, the construction of a further 250 rental housing units as well as 170 parking spaces at the Lände 3 site is under preparation together with the joint venture partner JP Immobilien; the start of construction on this project with a total investment volume of some € 60 m, which is being marketed under the name "Laendyard Living", is planned for summer 2016.

Another project under preparation in the Lände 3 quarter is the development of the ViE office building, spanning some 14,700 sqm. The total investment amounts to approx. € 38 m. Construction is scheduled to start in the spring of 2016 and should be completed in 2018.

INVESTMENT PROPERTIES UNDER DEVELOPMENT BY COUNTRY

in € m	Book value	Landbank	Projects under development		Total Investment Properties under Development	
		Book value in %	Book value	Book value in %	Book value	Book value in %
Austria	0.0	0.0	16.2	17.4	16.2	3.9
Frankfurt	108.0	33.3	30.2	32.4	138.2	33.1
Berlin	89.3	27.5	13.2	14.2	102.5	24.5
Munich	92.3	28.5	22.1	23.6	114.4	27.4
Germany	289.6	89.3	65.5	70.2	355.1	85.0
Czech Republic	12.6	3.9	0.0	0.0	12.6	3.0
Hungary	1.3	0.4	0.0	0.0	1.3	0.3
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Romania	9.5	2.9	11.6	12.4	21.1	5.1
Ukraine	3.4	1.0	0.0	0.0	3.4	0.8
Slovakia	8.0	2.5	0.0	0.0	8.0	1.9
Eastern Europe	34.6	10.7	11.6	12.4	46.2	11.1
Total	324.2	100.0	93.3	100.0	417.5	100.0

PROJECTS UNDER DEVELOPMENT

in € m	Total investment ¹⁾	Outstanding construction costs	Planned rentable effective area in sqm	Gross yield on cost in %	City	Main usage	Share in %	Pre-letting rate ²⁾ in %	Start of construction	Scheduled completion
Laendyard Living ³⁾	62	49	18,410	n.a.	Vienna	Residential	100%	0	Q1 2016	Q2 2018
ViE	38	34	14,690	6.2	Vienna	Office	100%	0	Q2 2016	Q2 2018
MY.O	96	76	26,814	6.1	Munich	Office	100%	0	Q4 2016	Q3 2018
KPMG property	56	44	12,705	5.8	Berlin	Office	100%	90	Q4 2015	Q4 2017
ZigZag ⁴⁾	16	14	4,389	5.8	Mainz	Office	100%	5	Q1 2016	Q4 2017
Mannheimer Straße										
Steigenberger	54	45	17,247	6.6	Frankfurt	Hotel	100%	94	Q2 2016	Q3 2018
Bus terminal	6	4	0	6.2	Frankfurt	Other	100%	0	Q4 2015	Q3 2018
Car park	17	3	804	6.4	Frankfurt	Parking	100%	100	Q2 2015	Q1 2016
Orhideea Towers	74	63	36,918	8.6	Bucharest	Office	100%	23	Q2 2015	Q3 2017
Total	419	333	131,978							

¹⁾ incl. plot ²⁾ The pre-letting rate is reported as at key date 1 March 2016 ³⁾ After the balance sheet date, 50% of the project was sold to the JV partner JP Immobilien; sale of housing units ⁴⁾ 1st construction phase

THE GERMANY SEGMENT

CA Immo focuses its development activity mainly on the cities of Berlin, Frankfurt and Munich, aiming in particular to realise and establish mixed use urban development projects as rapidly as possible. As at 31 December 2015, CA Immo held rentable effective area under construction amounting to 61,959 sqm in Germany with an expected market value (after completion) of around € 279.2 m.

The main focus of current development activity in Germany

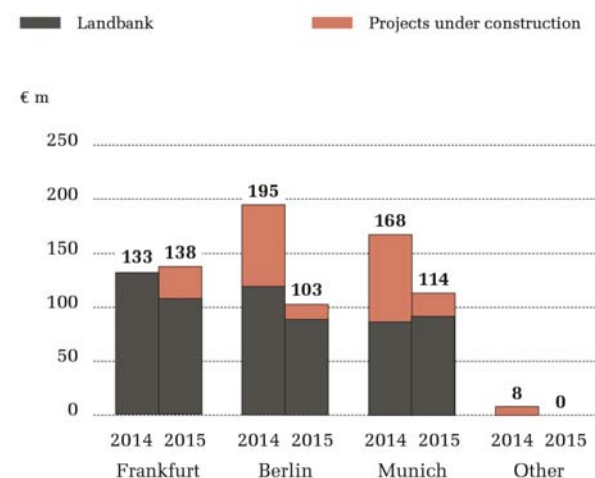
Berlin

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

At the start of May the auditing firm KPMG AG has signed a lease with CA Immo for over 12,000 m² of rental space, for a newly constructed office building in Berlin's Europacity.

The company will be the single tenant of the building situated close to Berlin Central Station. CA Immo's investment amounts to around € 56 m. Construction of the building began in autumn 2015.

GERMANY: BREAKDOWN OF ASSETS UNDER DEVELOPMENT



Munich

560 high-quality housing units and attractive office spaces are expected to be completed by the end of 2018 in the **district development project Baumkirchen Mitte** in the Munich district of Berg am Laim with a surface of about 130,000 sqm. The total investment volume for this district developed in joint venture with Patrizia is about € 300 m. The first construction phase WA 1 comprises a total of 170 condominiums, all of which had already been sold by the end of 2015. The condominiums are to be handed over to the buyers as of the end of May 2016. Realisation of the second construction phase “WA 2” is also on schedule. Construction was started in April 2015 and by the end of December some 90% of the 144 condominiums had already been sold. The pre-selling rate for the 3rd and last construction phase is already at 70%, even before construction has started; the building permit has already been granted.

CA Immo is preparing the development of an office building with some 27,000 sqm in the Munich district Nymphenburg under the name **My.O**. This 7-storey ensemble is being built in a central location close to the city railway. Start of construction is planned for the end of 2016; the investment volume will be some € 96 m.

Frankfurt

Shortly after work started on a multi-storey new car park and bus terminal to augment Frankfurt's main station, construction of a hotel was confirmed for the site Mannheimer Straße at the end of August. Directly adjacent to

the southern exit of the mainline station and very close to the inner city, CA Immo is developing an eight-level hotel with some 400 rooms along with 82 underground parking spaces for the Steigenberger Hotel Group. The hotel's opening is planned for the end of 2018.

Mainz

In the city quarter Zollhafen Mainz jointly developed by CA Immo and Stadtwerke, the construction of the building ensemble ZigZag with a total of some 12,000 sqm lettable office space was started. ZigZag will consist of a half-timbered building (1st construction phase) and a representative, 12-storey high-rise building (2nd construction phase). The start of construction is planned for the spring of 2016; the budgeted investment volume for the 1st phase is € 16 m.

THE EASTERN EUROPE SEGMENT

CA Immo had one current development project in Eastern Europe (in Bucharest) as at 31 December 2015. In total, the Eastern Europe segment accounts for property assets under development (land reserves and building rights) with an approximate market value of € 46.2 m.

In early October CA Immo started the **office project Orhideea Towers in Bucharest** with a lettable surface of 37,000 sqm and a total investment volume of about € 75 m. The construction has started in October 2015 with special foundation works, the entire project will be delivered in 2017.



Visualisation of the office project Orhideea Towers in Bucharest

DEVELOPMENT OF URBAN DISTRICT EUROPACITY IN BERLIN

JOHN F. KENNEDY HAUS

ground floor area in sqm	22,000
main usage	office
opened	2015
status	rented

INTERCITY HOTEL BERLIN

ground floor area in sqm	20,000
main usage	hotel
opened	2013
status	rented

CONSTRUCTION SITE MK 9

ground floor area in sqm	17,500
main usage	office
planned completion	2019
status	under construction



Developed by CA Immo



Plots sold



Plots owned by CA Immo

MONNET 4

ground floor area in sqm	10,000
main usage	office
opened	2015
status	rented

TOUR TOTAL

ground floor area in sqm	18,000
main usage	office
opened	2012
status	rented

KPMG BUILDING

ground floor area in sqm	14,500
main usage	office
planned completion	2018
status	under construction

ABDA OFFICE BUILDING

ground floor area in sqm	9,800
main usage	office
planned completion	2018
status	under construction

PROPERTY VALUATION

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

External valuations to international standards

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

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

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

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

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

An external valuation of over 94% of all property assets was carried out on the key date 31 December 2015. Values for other property assets were updated on the basis of binding purchase agreements or internally in line with the previous year's valuations.

The valuations as at 31 December 2015 were undertaken by the following companies:

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

Market environment in 2015

The market environment for the core markets of Germany, Austria and the CEE nations was positive in 2015 (see also the 'Property markets' section). The positive economic trend in Germany has prompted a boom in investment and generated record high turnover from lettings and sustained yield compression. The encouraging development has also been reflected on the rental market of Germany in improved letting performance, occupancy rates and average rents in the German office cities. The CA Immo Group was able to derive significant benefit from these positive market trends thanks to its strong market positions in the cities of Munich, Frankfurt and Berlin. The Vienna office market also enjoyed greater interest from investors in a stable operating environment. The core Eastern European markets of Prague, Budapest and Bucharest were characterised by stable operating performance in 2015. Extensive building activity is currently taking place on the office market in Warsaw, which also reports record lettings performance and strong interest from international investors. Transaction activity on the investment markets in the CEE region shows a clearly positive trend. For 2015 as a whole, the CA Immo Group recorded a positive revaluation result of € 213.8 m (€ -4.2 m in 2014).

AUSTRIA

A low volume of new office premises coupled with high levels of pre-letting made for a stable office property market in Austria in 2015; accordingly, there were no major value changes in the CA Immo asset portfolio. As at the key date, the revaluation result was € 5.4 m, against € 6.9 m in 2014. The average gross yield on investment properties stood stable at 5.7%.

GERMANY

Strong performance on the German office market resulted in highly positive value development for the real estate portfolio, mainly on account of this positive market trend coupled with successful implementation of development projects and highly profitable sales of non-strategic properties. The revaluation result for the Group as at 31 December 2015 was € 169.4 m (2014: € 14.4 m). The largest contributions to the revaluation gain in terms of amount in the German segment came from the revaluation of the Tour Total investment property, completion of the John F. Kennedy-Haus project and plot sales in Berlin's Europacity district. Revaluation of the Kontorhaus office property (completed in 2015), the Skygarden investment property and a development property also delivered highly positive effects in the core market of Munich. Year on year, the gross yield fell from 5.8% to 4.8%.

VALUATION RESULT FOR AUSTRIA ¹⁾

	Acquisition costs (€ m) ²⁾ 31.12.2015	Book value (in € m) ²⁾ 31.12.2015	Revaluation/ Impairment in € m	Gross yield in %	
				31.12.2014	31.12.2015
Income producing investment properties	644.9	587.6	0.8	5.7	5.7
Investment properties under development	7.6	16.2	4.7		
Assets held for sale	1.2	1.0	-0.1		
Total	653.7	604.8	5.4		

¹⁾ Based on fully consolidated properties

²⁾ Excludes properties used for own purposes

VALUATION RESULT FOR GERMANY ¹⁾

	Acquisition costs (€ m) ²⁾ 31.12.2015	Book value (in € m) ²⁾ 31.12.2015	Revaluation/ Impairment in € m	Gross yield in %	
				31.12.2014	31.12.2015
Income producing investment properties	732.6	876.7	87.9	5.8	4.8
Investment properties under development	291.5	355.1	45.7		
Assets held for sale	13.7	50.1	35.8		
Properties held for trading	24.7	22.1	0.0		
Total	1,062.6	1,303.9	169.4		

¹⁾ Based on fully consolidated properties²⁾ Excludes properties used for own purposes

EASTERN EUROPE

The 2015 revaluation result for the Eastern Europe segment stood at € 39.0 m (2014: € -25.3 m). The result includes a one-time effect posted in quarter three linked to the takeover of EBRD's minority share and subsequent full consolidation of the E-portfolio in the amount of € 32.1 m. This revaluation effect results from the difference between the acquisition costs based on the purchase

price as entered in the balance sheet and the attributable fair value of properties acquired.

The market environment was widely stable across much of CA Immo's core region in 2015. One exception is Warsaw, the most important market in the company's Eastern European portfolio, where the supply of modern office space is likely to outpace demand in the short term owing to vigorous building activity.

VALUATION RESULT FOR EASTERN EUROPE ¹⁾

	Acquisition costs (€ m) ²⁾ 31.12.2015	Book value (in € m) ²⁾ 31.12.2015	Revaluation/ Impairment in € m	Gross yield in %	
				31.12.2014	31.12.2015
Investment properties	1,365.0	1,250.0	35.4	7.8	7.6
Investment properties under development	53.4	37.7	3.6		
Assets held for sale	0.0	0.0	0.0		
Total	1,418.4	1,287.7	39.0		

¹⁾ Based on fully consolidated properties²⁾ Excludes properties used for own purposes

FINANCING

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

Balance sheet profile remains strong

As at 31 December 2015, the total financial liabilities of the CA Immo Group stood at € 1,403,989 K, above the previous year's value of € 1,229,150 K. Net debt after the deduction of the Group's cash and cash equivalents amounted to € 1,191,446 K at year end (2014: € 1,061,291 K). The company thus has an extremely robust balance sheet with a healthy equity ratio of 53.2% (53.2% in 2014), which in conservative debt figures equates to gearing of 56.2% (2014: 54.4%) and a loan-to-value (LTV) ratio of 37.2% (2014: 39.4%).

In addition to financing already secured which is thus reflected on the balance sheet, the CA Immo Group has non-utilised credit lines that will be used to finance development projects under construction in Germany; payment dates will be set by the banks as construction work progresses. This financing framework amounted to € 94,308 K as at the key date, whereby joint ventures are recognised according to the amount of the holding. Continual optimisation of the financing structure has led to a further significant reduction in financing costs in 2015 (€ -60,172 K against € -81,767 K in 2014). The resultant improvement in recurring earnings power continues to enhance the Group's profitability.

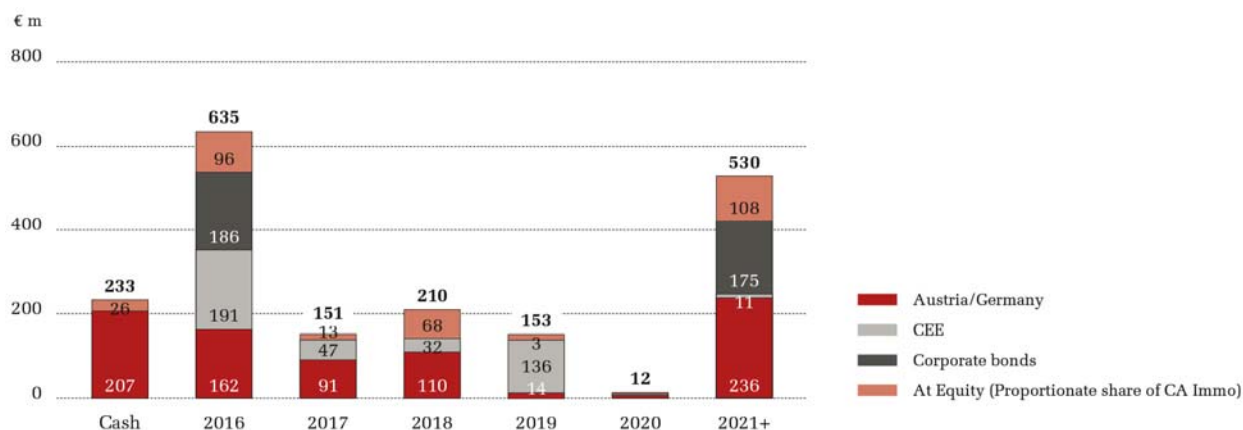
Investment grade rating granted

In December 2015 Moody's Investors Service, the international rating agency, classified CA Immobilien Anlagen AG with a Baa2 investment grade (long-term issuer) rating with stable outlook. The credit report published by Moody's emphasised the high quality and regionally diversified portfolio of office properties, the low tenant concentration risk, the low level of gearing and the conservative financing policy as particularly positive factors. The investment grade rating of CA Immo facilitates greater flexibility and thus further optimisation of the financing structure through improved access to the institutional debt capital market; this means the range of usable financing possibilities can be expanded. The key indicators in retaining and upholding the corporate credit investment grade rating are a strong balance sheet with low gearing, recurring earnings power, an associated solid interest coverage ratio and a sufficiently large quota of unsecured properties.

Expiry profile

The diagram below shows the maturity profile of the financial liabilities of the CA Immo Group as at 31 December 2015 (assuming options to extend are exercised). The due amounts shown for 2016 total approximately € 635 m as at the key date. Of this, loans secured by a mortgage totalled some € 449 m, of which proportionate financing for joint ventures accounted for approximately € 96 m. Of the liabilities of approximately € 539 m fully consolidated by due amounts, a corporate bond falling due in September 2016 accounted for € 186 m; secured loans due in Austria and Germany were approximately € 162 m, with those in Eastern Europe totalling around € 191 m.

MATURITY PROFILE AND FINANCIAL LIABILITIES OF THE CA IMMO GROUP



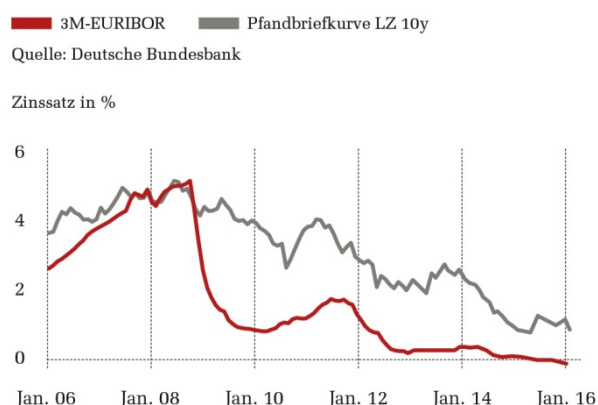
Falling financing costs

As the table shows, average financing costs for the CA Immo Group on the basis of total financial liabilities (i.e. including proportionate joint venture financing) stood at 2.9% as at key date 31 December 2015 and thus just below the annual target of 3.0%. This figure contains derivatives used for interest rate hedging in the form of interest rate swaps and caps. Where the latter are disregarded, the average interest rate is lower at 2.6%.

As a result, average financing costs fell significantly during 2015, as in the previous year (the figure on key date 31 December 2014 was 4.1%). The use of cash and cash equivalents to optimise the financing structure through the repayment of costly loans and the use of derivatives for interest rate hedging were the key drivers. With base rates still at historic lows and even negative in some instances (Euribor), and given the

persistently competitive environment for bank financing (especially in Germany), which entails lower financing margins, the trend on all core markets of CA Immo was for decreasing financing costs.

INTEREST RATE DEVELOPMENT



FINANCING COSTS ¹⁾

in € m	Outstanding nominale value	Nominal value swaps	Ø Cost of debt incl. Derivatives	Ø Cost of debt excl. Derivatives	Ø Debt maturity	Ø Swap maturity
Income producing investment properties						
Austria	172.0	35.7	2.1	2.6	5.8	8.0
Germany	447.1	95.6	1.6	2.2	5.5	2.5
Czech Republic	122.5	55.1	2.2	2.6	1.6	0.8
Hungary	102.6	0.0	3.4	3.4	3.8	0.0
Poland	189.0	23.0	2.6	2.7	2.6	0.5
Romania	67.9	34.1	3.7	3.9	3.4	3.8
Others	54.4	0.0	3.1	3.1	0.9	0.0
Total	1,155.6	243.5	2.6	2.6	4.2	2.9
Development projects	90.6	0.0	2.0	2.0	1.1	0.0
Short-term property assets	44.6	0.0	1.7	1.7	1.3	0.0
Financing on parent company level	400.6	0.0	3.9	3.9	3.1	0.0
Total	1,691.3	243.5	2.6	2.9	3.7	2.9

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

BASIC PARAMETERS OF THE FINANCING STRATEGY

Current emphasis on secured financing

The focus of the current financing structure is on mortgage credit secured with property; credit is taken up in the (subsidiary) companies in which the respective real estate is held. Since financing is provided at subsidiary level, there is no recourse to the parent company or other parts of the Group. Covenants linked to such project financing relate only to the property in question and not to key figures for the Group as a whole.

Raising the proportion of unsecured financing

As at the key date, unsecured financing at Group parent company level was essentially limited to two bonds placed on the capital market with a total volume of approximately € 361 m; this received a boost of € 150 m in February 2015 with the issue of the corporate bond 2016-2023. To secure the Group's investment grade rating, expansion of the volume of unsecured real estate is planned: the use of issue proceeds from unsecured financing instruments should enable the repayment of mortgage credit and thus the release of encumbrances relating to currently secured real estate.

Long-term financial indicators

Upholding a sound balance sheet structure with a strong equity basis is strategically important to the CA Immo Group. As regards financial indicators, long-term objectives fluctuate between 45-50% for the Group's equity ratio and around 45% for the loan-to-value ratio (net financial liabilities to property assets). In the long term, the interest rate hedging ratio (around 57% as at the key date) should stand at around 75% of financial liabilities.

Long-term interest rate hedging

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

Of the derivatives deployed, interest swap agreements account for a nominal value of € 243,227 K. The weighted average term remaining on derivatives used for interest rate hedging is around 2.9 years, compared to a weighted remaining term of 3.7 years on financial liabilities. Interest rate caps represent a nominal value of € 45,277 K.

In terms of the balance sheet, a distinction is drawn between those contracts directly attributable to a loan (thus meeting the criteria for hedge accounting as cash flow hedges) and those for which these preconditions are not met (fair value derivatives). For cash flow hedges, the change in the fair value on the relevant key date is recognised directly in equity; for fair value derivatives, by contrast, the change is recognised as expenditure in the income statement under 'Income from interest rate derivative transactions'. As at key date 31 December 2015, contracts with a nominal value of € 95,555 K and a fair value of € -6,942 K were classified as cash flow hedges. The nominal value of swaps classified as fair value derivatives was € 147,672 K; the negative fair value was € -5,801 K as at 31 December 2015.

Bonds

As at key date 31 December 2015, CA Immo had the following outstanding bonds registered for trading on the unlisted securities market of the Vienna Stock Exchange:

ISIN	Typus	Outstanding Volume	Maturity	Cupon
AT0000A026P5	Corporate Bond	€ 186 m	2006-2016	5,125%
AT0000A1CB33	Corporate Bond	€ 175 m	2015-2022	2,750%
AT0000A1JVU3	Corporate Bond ¹⁾	€ 150 m	2016-2013	2,750%

¹⁾ Issuance in February 2016

The bonds provide unsecured financing at Group parent company level; they are pari-passu to one another and to all other unsecured financing of CA Immobilien Anlagen AG. The two outstanding bonds as at key date 31 December 2015 do not provide for any relevant financial covenants, while the conditions of the bonds issued in February 2016 include a loan-to-value (LTV) covenant.

Issuance of new corporate bonds

Following repayment of the corporate bond for 2009-2014, (with a nominal value of € 150 m) in October 2014, a new corporate bond with a total volume of € 175 m was issued in February 2015. This bond has a term of seven years and an interest rate of 2.75%. The

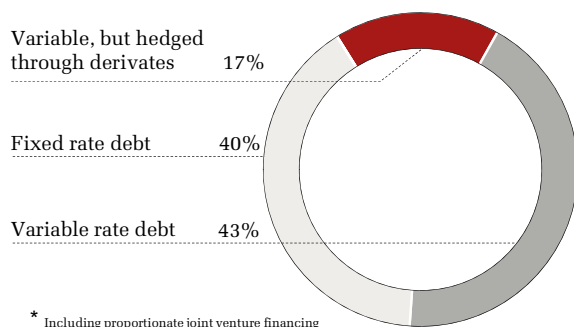
bond, which was mainly subscribed by private investors in Austria, was registered for trading on the unlisted securities market of the Vienna Stock Exchange (ISIN AT0000A1CB33).

After being granted an investment grade rating in December 2015, CA Immo issued another unsecured corporate bond in February 2016 with a volume of € 150 m, a term of seven years and an interest rate of 2.75%. The issue was assessed at Baa2 by the rating agency Moody's, in line with the issuer rating. Proceeds from the issue will mainly serve to refinance the bond 2006-2016 due in September 2016 (€ 186 m). The bond 2016-2023 is registered for trading on the unlisted securities market of the Vienna Stock Exchange and the regulated market of the Luxembourg Stock Exchange (ISIN AT0000A1JVU3). Private and institutional investors in Austria as well as Italy and Germany covered more than two thirds of the placing.

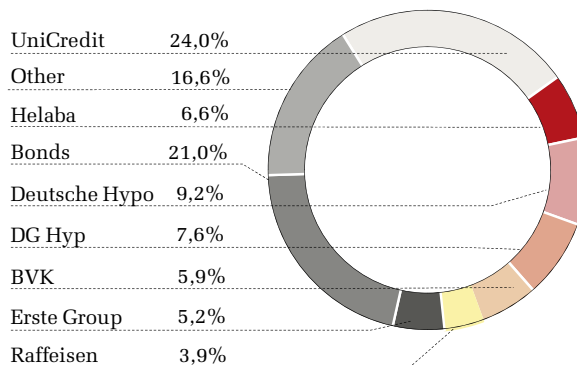
Sources of financing

CA Immo has business relations with a large number of financing partners. With around 24% of total outstanding financial liabilities, the main financing bank is the UniCredit Group. As the diagram shows, Nord LB/Deutsche Hypo, DG Hyp, Helaba, Bayerische Versorgungskammer (BVK) and Erste Group also accounted for significant shares as at the key date. No other financing bank or insurance company provides more than 5% of the financing volume.

FINANCIAL DEBT AS OF 31.12.2015*
(Basis: € 1.71 bn)



FINANCING SPLIT BY BANKS
(Basis: € 1.71 bn)



RESULTS

KEY FIGURES FROM THE INCOME STATEMENT

Recurring income

Rental income for CA Immo increased by 6.6% to € 154,817 K in 2015. This positive trend was essentially made possible by the acquisition of the minority share of the EBRD early in quarter three 2015 and the increase in rent this entailed. As the following table shows, the company was able to more than compensate for the drop in rent of € 10,908 K resulting from property sales thanks to inflows from this acquisition and project completions.

Incentive arrangements from various lease agreements (in particular rent-free periods) are linearised for the total term of the lease contract. Rental income therefore shows the effective economic rent and not the actual cash-relevant rent during the period. Of the rental income for business year 2015, linearisation of this kind accounted for € 4,155 K (€ -168 K in 2014).

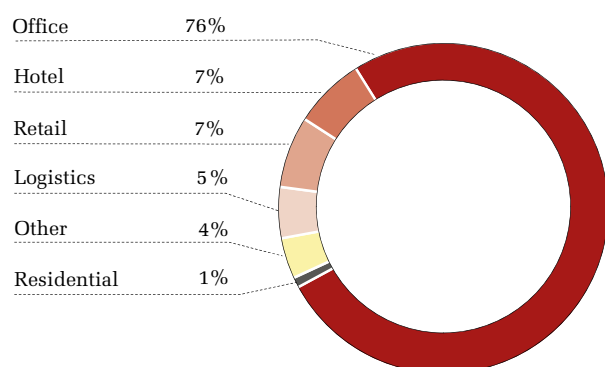
In year-on-year comparison, property expenses directly attributable to the asset portfolio, including own operating expenses, rose by 17.6%, from € -16,350 K to € -19,225 K. The main expenditure items are vacancy costs and operating expenses that cannot be passed on

(€ -6,277 K), maintenance (€ -5,606 K), allowances for bad debt (€ -353 K) and other directly attributable expenses (€ -3,401 K). While bad debt losses, individual value adjustments and other expenses fell, the other items rose compared to the previous year.

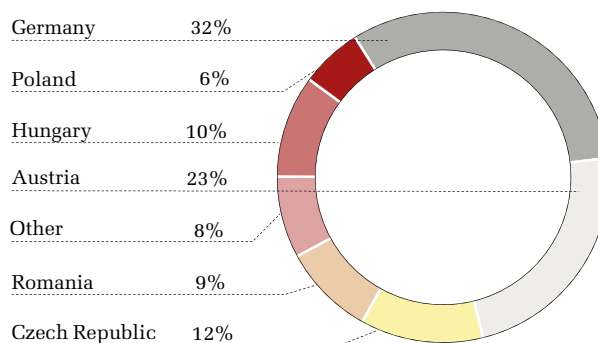
The net result from renting attributable to letting activities rose by 5.2% (from € 128,845 132,250.0K to € 135,592 K) after the deduction of direct management costs. The operating margin on letting activities (net rental income in relation to rental income), an indicator of the efficiency of rental business, fell marginally last year from 88.7% to 87.6%.

Earnings of € 1,681 K were generated from hotel management in business year 2015. This income was counter-balanced by expenditure (excluding depreciation) of € -1,430 K; hotel management thus contributed € 251 K to the result, the fall on last year's value of € 1,756 K resulted from the sale of two independently operating hotels in the Czech Republic. Other expenditure directly attributable to project development stood at € -2,159 K at year end (€ -3,175 K in 2014).

RENTAL INCOME BY MAIN USAGE (Basis: € 154.8 m)



RENTAL INCOME BY COUNTRY (Basis: € 154.8 m)



CHANGE IN RENTAL INCOME FROM 2014 TO 2015

€ m	Austria	Germany	Eastern Europe	Total
2014	41.8	43.7	59.7	145.2
Change				
Resulting from indexation	0.3	0.0	0.0	0.3
Resulting from change in vacancy rate or reduced rentals ¹⁾	-2.0	0.2	-2.1	-3.9
Resulting from whole-year rental for the first time	0.0	1.4	0.0	1.4
Resulting from completed projects	0.0	4.7	0.0	4.7
Acquisition of joint venture partner share EBRD Portfolio	0.0	0.0	17.9	17.9
Resulting from sale of properties	-4.7	-1.1	-5.1	-10.9
Total change in rental income	-6.3	5.3	10.7	9.6
2015	35.5	48.9	70.4	154.8

¹⁾ thereof € -0,7 m related to a new project start on an existing standing investment site

INDIRECT EXPENSES

€ 1,000	2015	2014
Personnel expenses	-31.271	-28.357
Legal, auditing and consulting fees	-6.019	-9.047
Material expenses for services	-4.578	-5.043
Office rent	-1.467	-1.828
Travel expenses and transportation costs	-1.208	-1.266
Other expenses internal management	-2.906	-3.095
Other indirect expenses	-4.231	-2.747
Subtotal	-51.679	-51.383
Own work capitalised in investment property	7.829	6.374
Change in properties held for trading	1.399	623
Indirect expenses	-42.452	-44.386

Property sales result

Trading income of € 9,535 K (previous year: € 14,870 K) was earned in 2015 in connection with the scheduled sale of properties held in current assets. This income was counteracted by book value deductions and other directly attributable expenditure of € -6,446 K. The trading portfolio thus contributed a total of € 3,089 K to the result, compared to € 8,725 K in 2014. As at year end, the remaining volume of properties intended for trading stood at € 22,069 K.

Profit from the sale of investment properties of € 36,547 K exceeded the previous year's value of € 29,827 K. The sale of a logistics property in Hamburg, with closing in the final quarter of 2015, delivered the largest contribution to earnings from property sales. In 2015, sales in Germany accounted for € 34,194 K. The Austria segment contributed € 2,140 K to the result, with sales in Eastern Europe generating earnings of € 0,214 K.

Income from services

Gross revenue from services rose by 1.4% in yearly comparison to stand at € 16,219 K (€ 15,990 K in 2014). Alongside development revenue for third parties via the subsidiary omniCon, this item contains revenue from asset management and other services to joint venture partners.

Indirect expenditures

In 2015 indirect expenditures fell -4.4% from the previous year's figure of € -44,386 K to € -42,452 K. Unlike in previous periods, this item also contains expenditure counterbalancing the aforementioned gross revenue from services. As the above table shows, total indirect expenditure includes the item 'Internal expenditure capitalised', which was 22.8% up on the 2014 figure at € 7,829 K. This item may be regarded as an offsetting item to the indirect expenditures which counterbalance that portion of internal project development expenditure, provided it is directly attributable to individual development projects and thus qualifies for capitalisation.

Other operating income

Other operating income stood at € 1,470 K compared to the 2014 reference value of € 11,469 K. The fall was based on a higher reference value resulting from one-time effects posted in the previous year. These included earnings of € 3,600 K in connection with the repurchase of OEVAG liabilities and the positive effect of the conclusion of the Maslov legal dispute (amounting to € 5,271 K).

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

Earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at € 148,558 K, down -0.3% on the previous year's level of € 149,051 K. As outlined above, the main reason for this development was a lower contribution from other operating income, a more volatile component in the result compared to the previous year.

The contribution of the various regional segments to overall earnings is as follows: with an EBITDA of € 72,093 K, the Germany segment generated the largest share (approximately 49%) while the Eastern Europe segment accounted for € 59,097 K and the Austria segment contributed € 17,367 K.

Revaluation result

The total revaluation gain of € 257,563 K in 2015 was counterbalanced by a revaluation loss of € -43,744 K. The cumulative revaluation result of € 213,818 K was therefore highly positive (€ -4,210 K in 2014).

The boom in investment activity on the German real estate market has continued, leading to a record transaction volume and persistently suppressed yields; this is also reflected in the valuation result of CA Immo for 2015. The largest contributions to the revaluation gain in terms of amount in the German segment came from the revaluation of the Tour Total investment property, completion of the John F. Kennedy-Haus project and plot sales in Berlin's Europacity district. Revaluation of the Kontorhaus office property (completed in 2015), the Skygarden investment property and a development property also delivered highly positive effects in the core market of Munich.

The result also includes a one-time effect posted in quarter three linked to the takeover of EBRD's minority share and subsequent full consolidation of the E-portfolio in the amount of € 32,098 K. This revaluation effect results from the difference between the acquisition costs based on the purchase price as entered in the balance sheet and the attributable fair value of properties acquired.

In regional terms, the revaluation result for Germany totaled € 169,382 K. Eastern Europe and Austria also reported positive results with € 38,999 K and € 5,438 K respectively.

Result from joint ventures

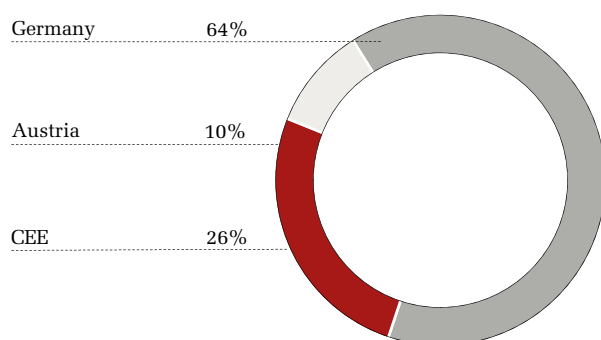
Current results of joint ventures consolidated at equity are reported under 'Result from joint ventures' in the consolidated income statement. In 2015 this contribution totalled € 43,221 K. The result contains another one-time effect connected to full consolidation of the E-portfolio in the amount of € 15,592 K. A positive contribution (€ 8,263 K) from the sale of plots in Berlin's Europacity district was also posted in the fourth quarter.

Earnings before interest and taxes (EBIT)

Earnings before interest and taxes (EBIT) stood at € 402,715 K on key date 31 December 2015, 181.8% above the corresponding figure for last year of € 142,917 K. This significant increase was based on the sharp rise in the revaluation result.

In regional terms, the Germany segment contributed the biggest share to Group EBIT with € 256,352 K, or 64%. On an EBIT basis, Austria generated € 40,602 K in 2015, with Eastern Europe contributing € 105,761 K.

EBIT (Basis: € 402.7 m)



Financial result

The financial result for 2015 was € -86,702 K, compared to € -58,346 K last year. In detail, the elements of the financial result developed as follows:

The Group's financing costs, a key element in long-term earnings, fell sharply to € -60,172 K (2014: -81,767). This item contains one-time expenses of € 1,574 K connected with the optimisation of the financing structure. Loan repayments linked to sales and continual optimisation of

the financing structure had positive effects. Lower costs of floating-rate financing also had a positive impact.

In addition to interest paid as shown in the income statement, financing costs of € 236 K (€ 481 K in 2014) with a weighted average interest rate of 1.66% (2014: 1.72%) were capitalised in business year 2015 in connection with the construction of real estate.

The result from interest rate derivative transactions delivered a negative contribution of € -15,299 K (against € -13,252 K in 2014). This item mainly contains reclassifications of negative cash values of interest rate swaps previously recognised in equity which were realised in the period under review owing to the settlement of contracts.

The result from financial investments of € 12,344 K was lower than that for the reference period (€ 47,402 K in 2014). The value for last year primarily includes accrued interest on loans to joint venture companies repurchased below par by the financing bank.

Other items in the financial result (other financial income/expense, result from other financial assets and result from associated companies and exchange rate differences) totalled € -23,574 K (€ -10,731 K in 2014).

Earnings before taxes (EBT)

On the basis of the earnings performance outlined above, earnings before taxes (EBT) of € 316,013 K rose by a massive 273.7% year-on-year (2014: € 84,571 K).

Taxes on income

Taxes on earnings amounted to € -95,174 K in 2015 (compared to € -13,773 K in 2013). This amount contains a non-periodic expense of € 6.974 K linked to a disputed demand for back taxes in Germany, for which financial provision was made in the third quarter of 2015.

Result for the period

The result for the period was € 220,839 K, 211.9% above the previous year's value of € 70,798 K. Earnings per share amounted to € 2.25 on 31 December 2015 (€ 0.76 per share in 2014).

Cash flow

Gross cash flow stood at € 102,898 K in 2015, compared to 105,725 K in 2014. Cash flow from operating activities takes account of changes in current assets linked to the sale of properties intended for trading and totalled € 113,157 K as at key date 31 December 2015 (€ 99,501 K in 2014).

Cash flow from investment activities, which comprises the net balance between investments and real estate sales, stood at € 101,548 K in 2015 compared to the previous year's value of € -184,200 K. Amongst other things, this item includes the acquisition of EBRD's minority share in the E-portfolio.

Cash flow from financing activities of € -171,372 K (€ -362,962 K in 2014) includes the corporate bond 2015-2022 issued in the first quarter with a volume of € 175 m and reflects the utilisation of cash and cash equivalents for the early repayment of liabilities and closing out interest rate derivatives as part of the process of optimising the financing structure.

CASH FLOW STATEMENT: SHORT VERSION

€ m	2015	2014	Change in %
Cash flow from			
- business activities	113.2	99.5	14
- investment activities	101.5	-184.2	n.m.
- financing activities	-171.4	-363.0	-53
Changes in cash and cash equivalents	43.3	-447.7	n.m.
Cash and cash equivalents			
- Beginning of the business year	163.6	613.4	-73
- Changes in the value of foreign currency	0.1	-1.2	n.m.
- Changes due to classification of disposal group acc. to IFRS 5	0.0	-0.9	n.m.
- The end of the business year	207.1	163.6	27

Funds from operations (FFO)

An FFO I of € 80,766 K was generated in 2015, 15.4% above the previous year's value of € 69,991 K and 1% above the 2015 target of € 80,000 K. FFO I, a key indicator of the Group's long-term earnings power, is reported before taxes and adjusted for the sales result and other non-permanent effects. FFO II, which includes the sales result and applicable taxes and indicates the Group's overall profitability totalled € 121,155 K (€ 135,110 K in 2014).

FUNDS FROM OPERATIONS (FFO)

€ m	2015	2014
Net rental income (NRI)	135.6	128.8
Result from hotel operations	0.3	1.8
Income from services rendered	16.2	16.0
Other expenses directly related to properties under development	-2.2	-3.2
Other operating income	1.5	11.5
Other operating income/expenses	15.8	26.0
Indirect expenses	-42.5	-44.4
Result from investments in joint ventures ¹⁾	14.8	18.6
Finance costs	-60.2	-81.8
Result from financial investments	12.3	47.4
Other adjustment ²⁾	4.8	-24.7
FFO I (excl. Trading and pre taxes)	80.8	70.0
Trading result	3.1	8.7
Result from the sale of investment properties	36.5	29.8
Result from sale of joint ventures	0.7	0
At-Equity result property sales	9.4	8.1
Result from property sales	49.7	46.6
Other financial results	0.2	2.4
Current income tax	-36.6	-7.5
Current income tax of joint ventures	-1.1	-1.2
Other adjustments	-6.0	24.7
Other adjustments FFO II	34.2	0.0
FFO II	121.2	135.1

¹⁾ Adjustment for real estate sales and non-sustainable results

²⁾ Adjustment for other non-sustainable results

BALANCE SHEET ANALYSIS**Assets**

As at the balance sheet date, long-term assets amounted to € 3,457,063 K (86.8% of total assets). The growth of investment property assets on balance sheet to € 2,714,305 K (€ 2,092,917 K in 2014) was mainly the result of full consolidation of the E-portfolio in the third quarter of 2015, which was stated at equity before the EBRD buy-out.

The balance sheet item 'Property assets under development' fell -17.6% to € 408,979 K compared to 31 December 2014. Total property assets (investment properties, hotels and other properties used for own purposes, property assets under development and property assets held as current assets) amounted to € 3,203,435 K on the key date (2014: € 2,693,734 K).

Assets and debts of joint ventures are no longer reported individually in the consolidated balance sheet; instead, the net assets of these companies are shown in the balance sheet item 'Investments in joint ventures', which stood at € 172,286 K on the key date (€ 206,136 K in 2014).

Cash and cash equivalents stood at € 207,112 K on the balance sheet date, well above the level for 31 December 2014 (€ 163,638 K).

Liabilities**Equity**

At year end, the Group's equity stood at € 2,120,450 K, compared to € 1,951,707,815,742 K on 31.12.2014. Mainly because of full consolidation of the E-portfolio, total assets have risen by 8.5% since the start of the year to € 3,983,983 K (€ 3,670,941 K on 31.12.2014). Despite the increase in assets, the equity ratio of 53.2% as at the key date remained stable and within the strategic target range, exactly matching the value for the end of 2014. The number of ordinary shares outstanding was 96,808,332 on key date 31 December 2015.

According to the company's own information, around 74% of the shares were in free float as at key date 31 December 2015; the remaining 26% or so are held by O1 Group Limited along with four registered shares that entitle the bank to nominate one Supervisory Board member for each share. More details on the shareholder structure and the organisation of shares may be found in the section on investor relations and the corporate governance report.

As at key date 31 December 2015, non-utilised authorised capital (article 169 of the Austrian Stock Corporation Act) of € 215.5 m, which can be utilised by 31 August 2018 at the latest, was available along with contingent capital (article 159 of the Austrian Stock Corporation Act) of € 100.0 m to service any future convertible bond issue. As at key date 31 December 2015, the company held 2.0 million treasury shares.

During 2015, shareholders' equity on the balance sheet increased by 8.6%, from € 1,951,707 K to € 2,120,450 K; aside from the result for the period of € 220,839 K, this also reflects the payment of a dividend (€ -44,464 K) and the acquisition of treasury shares (€ -32,306 K). As at 31 December 2015, the negative valuation result of these cash flow hedges recognised in equity stood at € -5,131 K.

Interest-bearing liabilities

As at the key date, interest-bearing liabilities amounted to € 1,403,989 K, 14.2% above the previous year's value of 1,229,150. Net debt (interest-bearing liabilities less cash and cash equivalents) rose from € 1,061,291 K in the previous year to € 1,191,446 K. Gearing (ratio of net debt to shareholders' equity) was 56.2% at year end (31.12.2014: 54.4%). Year on year, the loan-to-value ratio (financial liabilities less cash and cash equivalents to property assets) fell from 39.4% to 37.2%.

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

KEY FINANCING FIGURES

€ m	2015	2014
Shareholders' equity	2,120.5	1,951.7
Short-term interest-bearing liabilities	858.8	202.5
Long-term interest-bearing liabilities	545.2	1,026.6
Cash and cash equivalents	-207.1	-163.6
Restricted cash	-5.4	-4.2
Net debt	1,191.4	1,061.3
Equity ratio	53.2	53.2
Gearing	56.2	54.4
Loan to Value (Net)	37.2	39.4
EBITDA/Net interest expenses ¹⁾ (factor)	3.0	4.3

¹⁾ Net interest expenses: Finance costs minus Result from financial investments

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: SHORT VERSION

	€ m	2015 in %	€ m	2014 in %	Change in %
Properties	3,130.3	79	2,596.7	71	21
Investments in joint ventures	172.3	4	206.1	6	-16
Intangible assets	11.6	0	15.8	0	-27
Financial and other assets	140.5	4	386.8	11	-64
Deferred tax assets	2.4	0	4.3	0	-45
Long-term assets	3,457.1	87	3,209.8	87	8
Assets held for sale	54.0	1	91.5	2	-41
Properties held for trading	22.1	1	18.4	1	20
Receivables and other assets	243.7	6	187.6	5	30
Cash and cash equivalents	207.1	5	163.6	4	27
Short-term assets	526.9	13	461.1	13	14
Total assets	3,984.0	100	3,670.9	100	9
Shareholders' equity	2,120.5	53	1,951.7	53	9
<i>Shareholders' equity as a % of total assets</i>	<i>53.2%</i>		<i>53.2%</i>		
Long-term interest-bearing liabilities	858.8	21	1,026.6	28	-16
Short-term interest-bearing liabilities	545.2	14	202.5	6	>100
Other liabilities	262.2	7	344.1	9	-24
Deferred tax assets	197.4	5	146.0	4	35
Total liabilities and shareholders' equity	3,984.0	100	3,670.9	100	9

Net asset value

NAV (shareholders' equity) stood at € 2,120,450 K on 31 December 2015 (€ 21.90 per share) against € 1,951,707 K at the end of 2014 (€ 19.75 per share); this represents an increase per share of 10.9%. Aside from the annual result, the change reflects the other changes to equity outlined above. Adjusted to account for the dividend payment of € 44,464 K, the growth in NAV per share for business year 2015 was 13.2%.

The table below shows the conversion of NAV to NNNNAV in compliance with the best practice policy

recommendations of the European Public Real Estate Association (EPRA). The EPRA NAV was € 24.32 per share as at the key date (€ 21.74 per share in 2014). The EPRA NNNNAV per share after adjustments for financial instruments, liabilities and deferred taxes, stood at € 22.69 per share as at 31 December 2015 (€ 20.36 per share in 2014). The share buyback programme initiated in the second quarter of 2015 has steadily reduced the number of shares outstanding to 96,808,336 on the key date (98,808,336 on 31.12.2014).

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

€ m	31.12.2015	31.12.2014
Equity (NAV)	2,120.5	1,951.7
Exercise of options	0.0	0.0
NAV after exercise of options	2,120.5	1,951.7
NAV/share in €	21.90	19.75
Value adjustment for ¹⁾		
- own use properties	5.1	4.2
- short-term property assets	24.3	12.3
- financial instruments	5.1	27.5
Deferred taxes	199.4	152.5
EPRA NAV after adjustments	2,354.4	2,148.2
EPRA NAV per share in €	24.32	21.74
Value adj. for financial instruments	-5.1	-27.5
Value adjustment for liabilities	-8.9	-10.7
Deferred taxes	-144.1	-98.5
EPRA NNNNAV	2,196.3	2,011.6
EPRA NNNNAV per share in €	22.69	20.36
Change of NNNNAV against previous year	11.4%	
Price (31.12.) / NNNNAV per share -1	-25.8	-23.9
Number of shares excl. treasury shares	96,808,336	98,808,336

¹⁾ Includes proportionate values from joint ventures

OUTLOOK

LIKELY DEVELOPMENTS AND THE MAIN OPPORTUNITIES AND RISKS

Many forecasts, including that of the International Monetary Fund (IMF), point to positive economic development in Europe in the years 2016 and 2017. We believe the general conditions on CA Immo's core markets should remain conducive to business. With the environment in Germany remaining fundamentally strong, core markets in Eastern Europe are also reporting clear growth trends. The financing and interest environment will continue to define the real estate sector in 2015.

Strategy

The strategic programme for 2012-2015, which was successfully implemented ahead of time, was succeeded last year by a new strategic agenda for 2015-2017. Alongside the finalising of sales of non-strategic properties and further optimisation of the financing structure, the focus for CA Immo now switches back to raising value through growth within the defined core markets. The main aim will be to raise the profitability of the CA Immo Group over the long term. For more information and details, please refer to the 'Strategy' section.

Development

The development of high quality core office properties on the core markets of CA Immo as a driver of organic growth, especially in Germany, will remain critically important in the business years ahead. In 2015 specific efforts will be made to advance development projects under construction in Berlin (KPMG), Frankfurt (Mannheimer Strasse) and Bucharest (Orhideea Towers). Moreover, dates for the commencement of construction work will quickly be assigned to development projects at the preparation stage; at present, this applies to the MY.O project in Munich as well as the ZigZag project in Mainz and the ViE and Laendyard Living projects in Vienna. Investment in ongoing development projects should average € 150-200 m annually. For more information and details, please refer to the 'Project development' section.

Rental business

In like-for-like comparison, rents levels are expected to be generally stable across the portfolio. The increase in rent from development projects completed in 2015 (the Kontorhaus in Munich and the John F. Kennedy-Haus and Monnet 4 in Berlin) together with the acquisition of EBRD's minority share in the E-portfolio should more than make up for losses of rent linked to finalised sales of non-strategic properties as part of portfolio optimisation. The level of portfolio utilisation, which has risen steadily over recent years, is expected to be stable.

Financing

The environment for refinancing from expiring project financing of the CA Immo Group is still assessed as positive. In the property development area, we also expect the availability of bank financing under competitive conditions to remain healthy on our core market of Germany. Provision has been made for the maturity of a corporate bond in September 2016 with the issue of a new bond in February 2016. For more information and details, please refer to the 'Financing' section.

Our expectations are based on certain assumptions regarding general and specific conditions. Key factors that may influence our business plans for 2016 include:

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

FINANCIAL PERFORMANCE INDICATORS

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

The primary financial performance indicator is return on equity or RoE. The aim is to produce a figure higher than the calculatory cost of capital (assuming a medium-term rate of around 7.0%), thus generating shareholder value. At approximately 10.8% in 2015 (2014: 3.8%), this figure was considerable above the target value. On the basis of the implementation of our Strategy 2015-2017 programme, an adequate RoE above the Group's cost of equity is to be generated in the medium term on a sustainable basis (see the "Strategy" section). The other quantitative factors used to measure and manage our shareholders' long-term return include the change in NAV per share, the operating cash flow per share and funds from operations (FFO I) per share (see table "Balance Sheet" and "Key Figures per Share" in the flap of the annual report).

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

The key performance indicators of operational property business are as follows:

- The vacancy rate indicates the quality of the portfolio and our success in managing it. With an occupancy rate of 92.7%, CA Immo is above market average.
- The quality of a location and its infrastructure are critical to the marketability of properties. The majority of CA Immo office properties are situated in CBD- or central business locations of central European cities.
- Sustainability Certificate: As at reporting date, 42%¹⁾ of the CA Immo stock office space is certified according to LEED, DGNB or BREEAM standard.
- Local presence and market knowledge: CA Immo has branch offices on its core markets to ensure efficient management and tenant retention

¹⁾ Basis: Office properties with a value of >10 m

EMPLOYEES

Stable employee structure

As at 31 December 2015 the number of international employees almost remained constant at 357¹⁾ employees across the Group (31.12.2014: 355²⁾). Germany is CA Immo's core market for staff with around 52% working here, followed by Eastern Europe (27%) and Austria (21%). Of a total of 184 employees in Germany, 71 worked for the wholly owned specialist construction subsidiary omniCon as at the key date.

CA Immo has head offices in Vienna, from where the company also oversees local branch offices in Frankfurt, Berlin and Munich as well as Budapest, Warsaw, Prague and Bucharest. The branch offices employ regional staff at both employee and managerial level; new appointments are made by agreement with local branch managers and the Group's Human Resources department.

KEY ASPECTS IN HUMAN RESOURCES MANAGEMENT

The Human Resources (HR) division reports directly to the CEO. Promoting personal career paths, establishing and enhancing professional expertise and management skills, team building measures, organisational development and company health promotion are the cornerstones of human resource management at CA Immo.

¹⁾ Of which around 9% are part-time staff; including 21 employees on unpaid leave across the Group.

²⁾ Of which around 10% are part-time staff; including 5 employees on unpaid leave; excludes 111 employees at two hotel businesses in the Czech Republic.



CA IMMO ACADEMY

BUSINESS • SKILLS • HEALTH

The CA Immo Academy: learning and development

Established in 2015 on the basis of internal staff surveys, the CA Immo Academy will offer modular training and instruction in three core areas from 2016 onwards:

- **Business:** Development and coaching of professional skills for various workplace areas
- **Skills:** Expansion of social skills for personal development
- **Health & Fit:** Promoting and sustaining the capacity to work and perform through a range of health seminars

Great Place to Work staff survey

At the end of 2015, a Group-wide employee survey was conducted in partnership with Great Place to Work. The results will be discussed with all members of staff, with fields of action identified with a view to enhancing specific aspects of workplace quality.

Fit2Work: greater vigour and energy

In the course of a continuous improvement process the fit2work project ensures promoting and maintaining employees' capacity to work and performance levels.

PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP

	31.12.2015		31.12.2014		Change		Joining / Leaving	Fluctuation rate ¹⁾
	Total employees (Headcounts)	Thereof women in %	Total employees (Headcounts)	Absolute	in %			in %
Austria	75	56	77	-2	-3	7/9		9,2
Germany/Switzerland ²⁾	184	43	170	14	8	30/16		n.a.
Eastern Europe	98	78	108	-10	-9	10/20		9,8
Total	357	58	355	2	1	47/45		13,2

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

²⁾ In the framework of the newly established local office of 100%-CA Immo-subsiary omniCon in Basle, 13 employee were hired locally until end of 2015. Owing to the contractual transfers of employees from Germany to Switzerland, it is not possible to specify the fluctuation rate for this segment.

Reducing risks to health and establishing an early warning system (especially for burnout) with a view to preventing long-term sick leave and early retirements are being optimized.

AVERAGE ABSENCES FROM WORK BY REGIONS

in days		Vacation	Illness ¹⁾	Qualification
Austria	Women	22	4	4
	Men	24	4	3
Germany	Women	25	8	3
	Men	23	4	4
Eastern Europe	Women	20	5	4
	Men	23	2	6

¹⁾ Excludes four long-term sick leave cases in Germany and Eastern Europe (thereof one accident): days of absence totalled 304 for the reporting period. Including these long-term sick leaves, the average of sick leaves in Austria would be 6 (women) and 5 (men) days.

Social benefits and safety at work

Depending on taxation and national insurance circumstances, CA Immo employees receive the following social benefits, amongst others: meal and kindergarten allowances, Bahncard 25 or 50, job tickets, support for training,

limited deployment-specific allowances, group health insurance, group accident insurance and company pension (pension fund).

In Germany one work accident and one accident on the way to work have been reported, resulting in absences of not longer than one month in each case. No other serious occupational injuries¹⁾, illnesses or absences by CA Immo employees were reported in 2015. CA Immo employees on construction sites received regular safety guidance along with health and safety plans. Specific companies are tasked with ensuring the safety of subcontractor staff.

Advancement of women at CA Immo

CA Immo ensures equality and balance in the composition of its employee structure, both across the workforce as a whole and at all managerial and executive levels. The proportion of female employees was 58% at the end of 2015, while the proportion of women in managerial positions increased from 26.5% in 2014 to 30% on the key date. Two of the eight Supervisory Board mandates are held by women.

¹⁾ Serious injuries are defined as those requiring the employee to consult a doctor

PERSONNEL DISTRIBUTION BY AGE AND CATEGORIES (Total: 357 employees)¹⁾

Employees²⁾

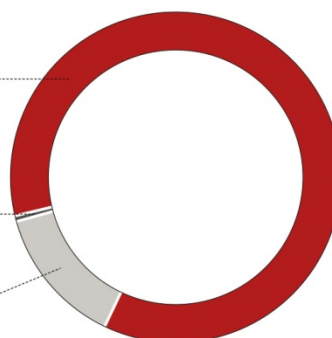
301 employees	< 28	29–48	49 <
F	4 %	47 %	11 %
M	2 %	22 %	13 %

Management Board

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

Executives³⁾

49 employees	< 28	29–48	49 <
F ⁴⁾	0 %	28 %	2 %
M	0 %	50 %	21 %



¹⁾ Excludes 111 employees (as at 31 December 2015) gained through Czech hotel businesses.

²⁾ thereof 1 % with handicap.

³⁾ Executives include Group Managers, Managing Directors of the regional offices, heads of departments, divisional heads, team leaders.

⁴⁾ Share of female executives: 30 %.

SUPPLEMENTARY REPORT

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

In February 2016 CA Immo issued a new **corporate bond** with a total volume of € 150 m and a term of seven years. The coupon rate of the fixed interest bond is 2.75%. For details see chapter “Investor Relations”.

On 8 January 2016 the Management Board decided to implement another buyback programme for up to one million treasury shares (approximately 1% of the current capital stock). In the course of this **share buyback programme**, a total of 1,000,000 bearer shares (ISIN AT0000641352) had been acquired for a total purchase price of approximately € 15.4 m between 13 January 2016 and 19 February 2016, so that the company now holds a total of 3,000,000 treasury shares (approximately 3% of voting shares).

Sales

In January 2016, the sale of CA Immo’s 50%-share in Polecki Business Park located at Warsaw airport to its long-term joint venture partner UBM Development AG was closed. The transaction volume of the sale was more than € 80 m.

Development projects

In February CA Immo concluded a lease agreement covering 8,000 sqm of the **Bucharest office project Orhideea Towers**, which offers 37,000 sqm of gross rentable floor space in total. A global financial software provider will occupy the premises in March 2018, with the lease agreement running for 10 years.

In January 2016, CA Immo decided to develop an office building spanning some 9,500 sqm of gross office space in Europacity, Berlin. A leasing contract with ABDA - Bundesvereinigung Deutscher Apothekerverbände (Federal Union of German Associations of Pharmacists) - concerning some 70% of the office space is already concluded. CA Immo’s investment volume for this property will be around € 35 m; the construction of the building is scheduled to be completed at the beginning of 2019.

RESEARCH AND DEVELOPMENT

In April 2016, CA Immo became a partner to the OFFICE 21® joint research project of the Fraunhofer IAO Institute. The research phase extending from 2016 to 2018 is focusing on the success factors in creating a working environment that promotes innovation while linking analyses of best practice to exclusive research findings.

The cornerstones of the research activity are:

- Devising exemplary working environments and processes to optimise and stimulate the responsiveness and creativity of organisations
- Exploring different working cultures and subsequently producing optimised workplace models
- Developing answers to the changing requirements of office environments through the increasingly hyper-flexible, multi-site and digital workplace

The aim of the partnership is to produce specific research findings to enable the development of innovative new office properties and thereby ensure the competitiveness of the company for the long term.

EPRA REPORTING

To enhance transparency and facilitate comparisons with other listed property companies, CA Immo publishes a range of key performance measures pursuant to EPRA (“European Public Real Estate Association”), the leading interest body for listed property companies, standards. These figures may differ from the values reported under IFRS guidelines. CA Immo applies the latest version of EPRA’s “Best Practices Recommendations” for the figures stated. These recommendations are available on the EPRA website (<http://www.epra.com/regulation-and-reporting/bpr/>).

EPRA KEY PERFORMANCE MEASURES

		31.12.2015
EPRA NAV	€ m	2,354.4
EPRA NAV per share	€	24.32
EPRA NNNNAV	€ m	2,196.3
EPRA NNNNAV per share	€	22.69
EPRA Net Initial Yield ¹⁾	%	5.3
EPRA “topped-up” Net Initial Yield ¹⁾	%	5.4

¹⁾ Incl. fully consolidated real estate (wholly owned by CA Immo) and real estate in which CA Immo holds a proportionate share (at equity); Excl. the project developments Kontorhaus, Monnet 4 and Kennedy-Haus, which were completed in 2015 and are still in the stabilisation phase

RISK REPORT



RISK MANAGEMENT AT CA IMMO

The Group is subject to all risks typically associated with the acquisition, development, management and sale of real estate. These include general market fluctuations linked to the economic cycle, delays and budget overruns in land development, project realisations and redevelopments and risks linked to financing and interest rates. To ensure the success of CA Immo as a business over the long term and enable the company to meet its strategic objectives, effective management of new and existing risks is essential. A commensurate measure of risk must

be accepted if we are to utilise market opportunities and exploit the potential for success they hold. For this reason, risk management and the internal monitoring system (IMS) deliver an important contribution to the Group's corporate governance (defined as the principles of responsible and positive management).

Strategic alignment and tolerance of risk

The Management Board, with the approval of the Supervisory Board, defines the strategic direction of the CA Immo Group as well as the nature and extent of the risk the Group is prepared to accept in pursuit of its stra-

tegic objectives. The Risk Management division supports the Management Board in assessing the risk environment and the development of potential strategies to raise long-term shareholder value. The aim of this is to ensure the company adopts the best possible direction from the alternatives available. CA Immo evaluates the current opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company incorporates early warning indicators such as rent forecasts, vacancy analyses, continual monitoring of lease agreement periods and the possibility of terminations; construction costs are also tracked during project implementation. Scenarios are envisaged regarding the value trend for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions. The company also evaluates specific risks at regular intervals (most recently in 2015), focusing on content, effect and likelihood of occurrence. The Management Board uses this data as the basis for determining the severity and type of risks that it regards as acceptable in pursuing its strategic objectives. Strategies adopted by the Management Board are incorporated into the Group's three-year planning; this assists the Group in communicating its willingness to take risks and its expectations both internally and externally. The risk policy of CA Immo is defined by a range of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is obligatory at all levels of the company. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all levels, decisions are subject to the dual verification principle. Internal Auditing, an independent division, audits operational and business processes; it acts independently in reporting and evaluating the audit results. The audit committee is responsible for overseeing the proper functioning of risk management processes.

KEY FEATURES OF THE INTERNAL MONITORING SYSTEM (IMS)

CA Immo's internal monitoring system covers all principles, procedures and measures designed to ensure the effectiveness, cost-effectiveness and correctness of accounting as well as compliance with relevant legal regulations and company guidelines. The IMS is integrated into individual business processes, taking account of man-

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

STRATEGIC RISKS

CA Immo defines strategic risk as the danger of unexpected losses that can result from management policy decisions on the direction taken by the company. Such risks generally arise from unexpected changes to market and environmental circumstances that have a negative impact on earnings. In this regard, capital market/geopolitical risks, growth, market and liquidation risks and concentration (cluster) risks are especially relevant to CA Immo.

The global **financial market and economic crisis** and the sovereign debt crisis (especially in the eurozone) have in the past had a significant negative impact on the asset, financial and revenue positions of CA Immo. Further worsening of the crisis in future could have considerably negative consequences for CA Immo as long-term recovery remains a distant prospect. A more relaxed **monetary policy** and the possible reintroduction of national currencies by individual eurozone members would have grave consequences for the economies and financial markets of Europe. Moreover, low interest rates are defining the current economic environment; an **interest rate rise** could have a negative impact on the real estate market and, in turn, the disinvestment plans of CA Immo. Procurement

of equity and loan capital could become significantly more difficult, making expansion plans impossible or only partially feasible. There are also **geopolitical factors** which could potentially have negative effects on the capital market; in the event of an excessive concentration of properties in one region, the impact on the earnings of the CA Immo Group could be substantial. Many of these risks are not actively manageable at all times; where they arise, CA Immo has a range of precautions in place to minimise the risk.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment and composition of the portfolio

The level of revenue that the Group can earn from real estate is heavily dependent on the liquidity of real estate investment markets. Under certain conditions, **real estate values** can be subject to substantial fluctuation caused by falling real estate prices, lack of financing, falls in demand and so on. A poor market climate, legal provisions and contractual regulations can impair the ability of CA Immo to sell specific properties with a view to strategically adjusting its real estate portfolio. CA Immo counters **market risk** by spreading its portfolio across various countries. To minimise risk, CA Immo depends on market knowledge, continual evaluation of strategy and monitoring of the portfolio, purposeful portfolio management in the context of strategic decision-making (e.g. defining exit strategies, medium-term planning of sales) and active portfolio management to circumvent **concentration risks**. In the wake of numerous sales over the past few years (partial sale of Tower 185, sale of the Hesse portfolio and non-core properties, and especially the logistics portfolio), regional distribution in the portfolio is approaching the desired levels of 40% for both Eastern Europe and Germany and 20% for Austria. Germany remains the biggest single market of CA Immo. The aim here is to maintain property assets of € 250-300 m per core city to uphold consistent market relevance. For **single investments**, CA Immo defines concentration risk as a limit value of 5% of the total portfolio. At present, no properties in the portfolio exceed this limit value. The concentration risk in respect of **single tenants** is manageable. At present, the top 25 tenants are generating some 36% of rental revenue. Accounting for a share of approximately 7% of total rental income, Price-waterhouseCoopers is the largest single tenant in the portfolio at present. The generally high risk arising from the high capital commitment to **land reserves** and **land development projects** was further reduced in 2015 through the

sale of non-strategic land reserves. In addition, land development will be accelerated and partners involved at an early stage. The future development volume is indicated at approximately 15% of the equity of the CA Immo Group.

The Group's portfolio also includes **special asset classes** such as shopping malls, specialist retail centres and hotels whose operation involves certain risks. Poor running of the centre, inadequate corporate management of tenants, declining footfall and increasing competition can force rental rates down and lead to the loss of key tenants, which leads to rent losses and problems with new lettings. The Group's earnings situation also depends on the quality of hotel management and the development of hotel markets. To minimise risk, CA Immo is continuing its withdrawal from these special asset classes.

CA Immo counters **country-specific risk** by concentrating on defined core regions through local subsidiaries with their own on-site staff, and through appropriate regional allocation within those core markets. Continual monitoring of the portfolio and specific portfolio management enable the company to respond quickly to economic and political events. CA Immo negates **transfer risk** by repatriating liquid assets from investment markets with a low credit standing.

Risks associated with the real estate sector and CA Immo markets

The Group is exposed to numerous general risks associated with real estate investment. The real estate market is determined by macroeconomic development and demand for properties. Economic instability and restricted access to loan capital and equity-based financing can lead to business partners opting out. Where the liquidity of the real estate market is insufficient, there is a risk that properties may prove impossible to sell or only saleable under unacceptable conditions. The general market environment continues to pose the danger of starting yields for commercial real estate being adjusted upwards. Many factors that can lead to unfavourable developments are outside of CA Immo's control. These include changes to available income, economic output, interest rates and tax policy. Economic growth, unemployment rates and consumer confidence also influence the supply and demand of real estate at a local level, which in turn can affect market prices, rents and occupancy rates while adversely affecting the value of properties and associated income. For this reason, highly negative effects on **property valuations** cannot be ruled out.

Political and economic trends in the countries in which CA Immo is active also have a significant impact on **occupancy rates** and rent losses. The market value of a property is affected where the Group is unable to extend a rental agreement due to expire under favourable conditions or find (and retain for the long term) suitably solvent tenants. The creditworthiness of a tenant, especially during an economic downturn, may diminish over the short or medium term, which can affect rental revenue in turn. In critical situations, the Group can opt to cut rents in order to maintain an acceptable occupancy rate. Through careful monitoring and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the Group's **loss of rent risk** has settled at a moderate level. At present, most outstanding rental payments relate to Eastern Europe. All outstanding receivables are evaluated quarterly and adjusted according to the associated level of risk; around 40% of outstanding receivables are adjusted on average. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Many of the Group's lease agreements contain stable value clauses, usually taking account of consumer price indices for particular countries. The level of revenue from such rental contracts and new lettings depends heavily on the inflation trend (**sustainable value risk**).

Competition for reputable tenants is intense on the lettings market; rent levels are coming under pressure on many markets. To remain attractive to tenants, CA Immo could be forced to accept lower rental rates. Moreover, incorrect assessments of the attractiveness of **locations** or potential **usages** can make lettings more difficult or significantly impair desired lease conditions.

Risks associated with the project development area

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

Risks associated with sales transactions

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

Environmental risks

Environmental and safety regulations serve to standardise active and latent obligations to remediate contaminated sites, and complying with these provisions can entail considerable investment expenses and other costs. These obligations may apply to real estate currently or formerly owned by CA Immo, or currently or formerly managed or developed by the company. In particular, the provisions cover **contamination** with undiscovered harmful materials or noxious substances, munitions and other environmental risks such as soil pollution, etc. Several regulations impose sanctions on the discharge of emissions into air, soil and water: this can make CA Immo **liable** to third parties, significantly impact the sale and letting of affected properties and adversely affect the generation of rental revenue from such properties. **Natural disasters** and extreme weather conditions can also cause considerable damage to real estate. Unless sufficient **insurance** is in place to cover such damage, this can have an adverse impact.

To minimise the risk, CA Immo incorporates these considerations into its assessments prior to every purchase and appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification: in this way, stringent specifications regarding green buildings and sustainability are satisfied while the usage of environmentally unsound products is ruled out.

GENERAL BUSINESS RISKS

Operational and organisational risks

Weaknesses in the CA Immo Group's **structural and process organisation** can lead to unexpected losses or additional expenditure. This risk can arise from shortcomings in **EDP** and other **information systems** as well as human error and inadequate internal inspection procedures. Flawed program sequences as well as automated EDP and information systems pose a significant operational risk where their type and scope fails to take account of current and potential business volumes. Human risk factors include an insufficient understanding of corporate strategy, inadequate internal risk monitoring (and especially business process controls) and excessive decision-making authority at an individual level, which can also lead to unconsidered actions or, conversely, a proliferation of decision-making bodies that hinder flexible responses to changes in the market. Moreover, some real estate management tasks and other administrative duties are outsourced to third parties outside the company. In the process of transferring administrative tasks, it is possible that knowledge of managed properties and administrative processes can be lost, and that CA Immo could prove incapable of identifying and contractually committing suitable service providers within the necessary timeframe. Nonetheless, the **expertise** possessed by a company and its workforce constitutes a significant competitive factor and thus a unique point of distinction over competitors.

CA Immo takes various measures to counter these risk factors. In the case of corporate mergers (e.g. the former Vivico and Europolis), CA Immo observes structured processes of organisational integration. Process organisation (i.e. system/process integration) is firmly established; activities to ensure the long-term implementation of operational processes are ongoing. The Group structure is regularly scrutinised and examined to ensure predefined structures take account of the size of the company. CA Immo counters risks linked to individual expertise (which can arise with the resignation of key knowledge holders) through regular transfers of knowledge (in training courses) and by documenting know-how (in manuals, etc.) as well as far-sighted staff planning.

Legal risks

In the course of normal business activity the companies of the Group become involved in **legal disputes**, both as plaintiffs and as defendants. Such cases are heard in various jurisdictions. In each case, different procedural

law means that competent courts are not always equally efficient; moreover, in certain cases the complexity of issues in dispute can make for protracted proceedings or lead to other delays. CA Immo believes it has made sufficient financial provisions for legal disputes. At present, no lawsuits or arbitration proceedings that could threaten the company's survival are imminent or pending.

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

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

Taxation risk

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

Partner risks

Since CA Immo undertakes numerous development projects as **joint ventures**, the company depends on partners to some extent (partner risks). Part of the portfolio of investment properties in Eastern Europe is jointly held with Union Investment Real Estate GmbH. CA Immo is party to a **co-investment agreement** here, whereby various obligations and restrictions are imposed on investors. This can influence the value of investments; moreover, the Group is exposed to **credit risk** in respect of its counterparties. Depending on the agreement in question, CA Immo could also bear joint liability for costs, taxes and other third-party claims with its co-investors and, where a co-investor **opts out**, be forced to accept liability for their credit risk or share of costs, taxes or other liabilities.

FIANCIAL RISKS, LIQUIDITY, INVESTMENT AND REFINANCING RISK

(Re)financing on the financial and capital markets is one of the most important considerations for real estate companies. CA Immo requires loan capital to refinance existing loans and to finance development projects and acquisitions in particular. In effect, therefore, the company is dependent on the readiness of banks to provide additional loan capital and extend existing financing agreements under acceptable terms. Market conditions for real estate financing are constantly changing. The attractiveness of financing alternatives depends on a range of factors, not all of which can be influenced by the Group (market interest rates, level of necessary financing, taxation aspects, required securities and so on). This can significantly impair the ability of the Group to raise the completion level of its development portfolio, invest in suitable acquisition projects or meet its obligations arising from financing agreements. Although the CA Immo Group has a sufficient level of liquidity as things stand, we must take account of restrictions at individual subsidiary level; access to cash and cash equivalents is limited owing to obligations to current projects and a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices lower than expected. Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area. Where these requirements are violated or default occurs, the relevant contractual partners are entitled to accelerate financing and demand immediate repayment. This could impel the Group to sell real estate or arrange refinancing under unfavourable terms.

CA Immo has fluctuating stocks of cash and cash equivalents which the company invests according to its particular operational and strategic needs and objectives. In some cases, an **investment** may take the form of listed securities or funds, which are subject to a higher risk of loss. Sufficient equity capitalisation will be required for the company to retain its Baa2 investment grade (long-term issuer) **rating** (granted by Moody's in December 2015).

CA Immo counters risk of this kind by continually monitoring covenant agreements and effectively planning and securing liquidity. The financial consequences of strategic aims are also taken into account. This also ensures the Group can meet unexpected cash flow requirements. To

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

Interest rate risk

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

Currency risk

Since CA Immo is active on a number of markets outside the eurozone, the company is subject to various currency risks. Where rents are payable in currencies other than the euro on these markets and cannot be fully adjusted to current exchange rates in time, **incoming payments may be reduced** by exchange rate changes. Where expenses and investments are not transacted in euros, exchange rate fluctuations can impair the **payment capacity** of Group companies and adversely affect the Group's profits and earnings situation. CA Immo generally counters such risk in that foreign currency inflows are secured by pegging rents to the euro; no significant and

direct currency risk exists at present. The pegging of rents affects the **creditworthiness of tenants** and thus produces an indirect currency risk that can result in payment bottlenecks and loss of rent. Since incoming payments are mainly received in local currency, however, free liquidity (rental revenue less operating costs) is converted into euros upon receipt. This process is continually overseen by the responsible country coordinators. There is no currency risk on the liabilities side. Currency risks linked to construction projects are hedged according to need on a case-by-case basis, taking account of the currency underlying the order and lease agreement, likely exchange rate development and the calculation rate.

FINANCIAL RISK MANAGEMENT

RISK	EFFECT	COUNTERMEASURE
UNFORESEEABLE LIQUIDITY REQUIREMENT <ul style="list-style-type: none"> - Lack of liquidity - Capital requests linked to joint venture partners not viable 	<ul style="list-style-type: none"> - Non-utilisation of opportunities - Distress sales - Insolvency 	<ul style="list-style-type: none"> - Continual analysis, planning and monitoring of liquidity - Optimisation of investment - Cash pooling
FINANCING <ul style="list-style-type: none"> - Breach of covenants - Non-extension of expiring credit - Follow-up financing not secured after project phase 	<ul style="list-style-type: none"> - Cost disadvantages during credit term - Additional requirement for equity or liquidity 	<ul style="list-style-type: none"> - Continual monitoring of the viability of real estate and the fulfilment of covenants from loan agreements - Conclusion of project-related loan agreements, ideally for the long term - Establishment of a liquidity reserve
DEVELOPMENT OF EXCHANGE RATES <ul style="list-style-type: none"> - Evaluation of EUR/foreign currency relations 	<ul style="list-style-type: none"> - Significant fluctuation in earnings owing to exchange rate gains/losses 	<ul style="list-style-type: none"> - Harmonising of loan and rental agreements - Rapid conversion of free liquidity into EUR - Forward cover, especially for construction contracts - Restrictive approach to foreign currency loans
INTEREST RATE CHANGES/ EVALUATION OF INTEREST RATE HEDGING <ul style="list-style-type: none"> - Evaluation of interest rate developments 	<ul style="list-style-type: none"> - Significant fluctuation in earnings and change in equity ratio due to changing interest level (financing costs, evaluation of interest-rate hedges) 	<ul style="list-style-type: none"> - Mix of long-term fixed-rate and floating-rate loans - On-schedule use of derivatives (swaps/swaptions) - Continuous monitoring of interest rate forecasts

CONTENT

CONSOLIDATED FINANCIAL STATEMENTS

CONTENT	52
A. Consolidated income statement for the year ended 31.12.2015	54
B. Consolidated statement of comprehensive income For The year ended 31.12.2015	55
C. consolidated statement of financial position as at 31.12.2015	56
D. Consolidated cash flow statement for the year ended 31.12.2015	57
E. consolidated statement of changes in equity for the year ended 31.12.2015	58
F. Notes to the consolidated financial statements as at 31.12.2015	60

GENERAL NOTES	60
1. Information concerning the Company	60
2. Accounting principles	60
3. Scope of consolidation	60
4. Summarized presentation of accounting methods	63
a) Changes in the accounting methods	63
b) Consolidation methods	64
c) Foreign currency translation	65
d) Properties	66
e) Intangible assets	71
f) Impairment losses	71
g) Financial assets and liabilities (FI - financial instruments)	72
h) Services and construction contracts	74
i) Other non-financial instruments (Non-FI – non financial instrument)	75
j) Assets held for sale and disposal groups	75
k) Payment obligations to employees	75
l) Provisions and contingent liabilities	77
m) Taxes	77
n) Leases	78
o) Operating segments	78
p) Revenue recognition	79
q) Result from the sale of investment properties	81
r) Indirect expenses	81
s) Financial result	81
t) Significant judgments, assumptions and estimates	81
u) Fair value measurement	85
v) New and revised standards and interpretations	89

NOTES TO THE CONSOLIDATED INCOME STATEMENT, CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED CASH FLOW STATEMENT	91
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1. Segment reporting	91
2. Rental income	96
3. Result from operating costs and other expenses directly related to properties rented	97
4. Result from hotel operations	97
5. Other expenses directly related to properties under development	98
6. Result from trading and construction works	98
7. Result from sale of investment properties	99
8. Result from development services	100
9. Indirect expenses	100
10. Other operating income	100
11. Depreciation and impairment losses/reversal	101
12. Joint ventures result	101
13. Finance costs	101
14. Other financial result	101
15. Result from interest rate derivatives	102
16. Result from financial investments	102

17.	Result from other financial assets	102
18.	Result from associated companies	103
19.	Financial result	103
20.	Income tax	104
21.	Other comprehensive income	105
22.	Long-term assets	106
23.	Intangible assets and office furniture and equipment	108
24.	Investments in joint ventures	109
25.	Investments in associated companies	111
26.	Financial assets	112
27.	Deferred taxes	113
28.	Assets and liabilities held for sale	115
29.	Properties held for trading	116
30.	Receivables and other assets	117
31.	Cash and cash equivalents	118
32.	Shareholders' equity	118
33.	Provisions	119
34.	Interest bearing liabilities	121
35.	Other liabilities	124
36.	Income tax liabilities	124
37.	Financial instruments	125
38.	Derivative financial instruments and hedging transactions	127
39.	Risks from financial instruments	129
40.	Other liabilities and contingent liabilities	133
41.	Leases	134
42.	Transactions with related parties	135
43.	Key figures per share	139
44.	Employees	140
45.	Costs for the auditor	140
46.	Events after the close of the business year	141
	ANNEX I TO the consolidated financial statements	142
	DECLARATION OF THE MANAGEMENT BOARD PURSUANT TO SECTION 82 (4) OF THE AUSTRIAN STOCK EXCHANGE ACT	149
	AUDITOR'S REPORT	150

A. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31.12.2015

€ 1,000	Note	2015	2014
Rental income	2	154,817	145,195
Operating costs charged to tenants	3	38,290	33,471
Operating expenses	3	– 44,567	– 39,261
Other expenses directly related to properties rented	3	– 12,948	– 10,560
Net rental income		135,592	128,845
Revenues hotel operations		1,681	7,379
Expenses related to hotel operations		– 1,430	– 5,623
Result from hotel operations	4	251	1,756
Other expenses directly related to properties under development	5	– 2,159	– 3,175
Income from the sale of properties and construction works		9,535	14,870
Book value of sold properties incl. ancillary and construction costs		– 6,446	– 6,145
Result from trading and construction works	6	3,089	8,725
Result from the sale of investment properties	7	36,547	29,827
Income from services rendered	8	16,219	15,990
Indirect expenses	9	– 42,452	– 44,386
Other operating income	10	1,470	11,469
EBITDA		148,558	149,051
Depreciation and impairment of long-term assets		– 2,915	– 10,285
Changes in value of properties held for trading		32	204
Depreciation and impairment/reversal	11	– 2,882	– 10,081
Revaluation gain		257,563	34,121
Revaluation loss		– 43,744	– 38,331
Result from revaluation		213,818	– 4,210
Result from joint ventures	12	43,221	8,157
Result of operations (EBIT)		402,715	142,917
Finance costs	13	– 60,172	– 81,767
Other financial results	14	178	2,408
Foreign currency gains/losses	19	– 4,191	– 640
Result from interest rate derivative transactions	15	– 15,299	– 13,252
Result from financial investments	16	12,344	47,402
Result from other financial assets	17	– 13,264	– 9,351
Result from associated companies	18	– 6,297	– 3,146
Financial result	19	– 86,702	– 58,346
Net result before taxes (EBT)		316,013	84,571
Current income tax		– 36,639	– 7,452
Deferred taxes		– 58,535	– 6,321
Income tax expense	20	– 95,174	– 13,773
Consolidated net income		220,839	70,798
thereof attributable to the owners of the parent		220,839	70,798
Earnings per share in € (basic)	43	€ 2.25	€ 0.76
Earnings per share in € (diluted) restated	43	€ 2.25	€ 0.73

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2015

€ 1,000	Note	2015	2014
Consolidated net income		220,839	70,798
Other comprehensive income			
Cash flow hedges - changes in fair value		1,756	403
Reclassification cash flow hedges		25,931	7,729
Foreign currency gains/losses		597	2,236
Assets available for sale - changes in fair value		2,164	398
Income tax related to other comprehensive income		– 6,074	– 728
Other comprehensive income for the period (realised through profit or loss)	21	24,373	10,038
Actuarial gains/losses IAS 19		870	– 1,941
Income tax related to other comprehensive income		– 284	620
Other comprehensive income for the period (not realised through profit or loss)	21	585	– 1,321
Other comprehensive income for the period	21	24,958	8,717
Comprehensive income for the period		245,798	79,515
thereof attributable to the owners of the parent		245,798	79,515

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2015

€ 1,000	Note	31.12.2015	31.12.2014	1.1.2014
ASSETS				
Investment properties	22	2,714,305	2,092,917	2,139,564
Investment properties under development	22	408,979	496,252	400,095
Hotels and owner-occupied properties	22	7,016	7,533	32,813
Office furniture and other equipment	23	5,710	1,399	1,700
Intangible assets	23	11,567	15,845	20,054
Investments in joint ventures	24	172,286	206,136	219,224
Investments in associated companies	25	0	18	38,744
Financial assets	26	134,824	385,410	299,652
Deferred tax assets	27	2,376	4,301	4,300
Long-term assets		3,457,063	3,209,811	3,156,146
Long-term assets as a % of total assets		86.8%	87.4%	78.1%
Assets held for sale and relating to disposal groups	28	54,048	91,481	114,467
Properties held for trading	29	22,069	18,445	20,566
Receivables and other assets	30	243,691	187,566	136,006
Cash and cash equivalents	31	207,112	163,638	613,426
Short-term assets		526,920	461,130	884,465
Total assets		3,983,983	3,670,941	4,040,611
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		718,337	718,337	638,714
Capital reserves		921,746	998,839	1,000,536
Other reserves		– 3,746	– 28,704	– 37,423
Retained earnings		484,074	263,235	192,439
Attributable to the owners of the parent		2,120,410	1,951,707	1,794,266
Non-controlling interests		40	0	0
Shareholders' equity	32	2,120,450	1,951,707	1,794,266
Shareholders' equity as a % of total assets		53.2%	53.2%	44.4%
Provisions	33	15,980	7,726	8,116
Interest-bearing liabilities	34	858,776	1,026,620	1,102,119
Other liabilities	35	84,911	162,352	203,739
Deferred tax liabilities	27	197,365	145,991	140,304
Long-term liabilities		1,157,032	1,342,689	1,454,278
Current income tax liabilities	36	16,382	11,372	12,480
Provisions	33	69,177	51,259	61,074
Interest-bearing liabilities	34	545,214	202,530	608,823
Other liabilities	35	75,728	84,841	109,690
Liabilities relating to disposal groups	28	0	26,543	0
Short-term liabilities		706,501	376,545	792,067
Total liabilities and shareholders' equity		3,983,983	3,670,941	4,040,611

D. CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12.2015

€ 1,000	2015	2014 restated
Operating activities		
Net result before taxes	316,013	84,571
Revaluation result incl. change in accrual and deferral of rental income	– 217,973	4,378
Depreciation and impairment/reversal	2,882	10,081
Result from the sale of long-term properties and office furniture and other equipment	– 36,562	– 29,833
Taxes paid excl. taxes for the sale of long-term properties	– 4,943	– 4,755
Finance costs, result from financial investments and other financial result	47,651	31,957
Foreign currency gains/losses	4,191	640
Result from interest rate derivative transactions	15,299	13,252
Result from other financial assets and non-cash income from investments in associated companies	– 23,660	4,340
Other non-cash income	0	– 6,766
Cash flow from operations	102,898	107,865
Properties held for trading	– 3,592	2,325
Receivables and other assets	13,497	– 10,552
Provisions	171	– 185
Other liabilities	183	48
Cash flow from change in net current assets	10,259	– 8,364
Cash flow from operating activities	113,157	99,501
Investing activities		
Acquisition of and investment in properties incl. prepayments	– 92,603	– 110,462
Acquisition of property companies, less cash and cash equivalents of € 26,080 K (2014: € 5,665 K)	– 34,913	– 136,024
Acquisition of office equipment and intangible assets	– 1,342	– 1,164
Acquisition of financial assets	– 36,300	0
Acquisition of assets available for sale	– 94,365	– 24,149
Investments in joint ventures	– 4,051	– 9,830
Disposal of long-term properties and other assets	164,001	182,934
Disposal of investment property companies, less cash and cash equivalents of € 1,094 K (2014: € 868 K)	58,135	1,698
Disposal of joint ventures and associated companies	24,292	23,187
Loans made to joint ventures	– 4,633	– 147,101
Loan repayments made by joint ventures	119,340	16,410
Taxes refunded/paid relating to the sale of long-term properties and loans granted	– 26,120	– 3,466
Dividend distribution/capital repayment from associated companies and securities	14,359	14,085
Interest paid for investment in properties	– 236	– 746
Interest received from financial investments	15,984	10,428
Cash flow from investing activities	101,548	– 184,200
Financing activities		
Cash inflow from loans received	218,586	193,485
Cash inflow from the issuance of bonds	174,387	0
Cash inflow/outflow of loans received from joint ventures	0	14,573
Acquisition of treasury shares	– 32,306	0
Dividend payments to shareholders	– 44,464	– 35,142
Acquisition of non-controlling interests	– 3,130	0
Repayment of loans incl. interest rate derivatives	– 433,017	– 457,069
Repayments of convertible bonds	0	– 1,100
Other interest paid	– 51,428	– 77,709
Cash flow from financing activities	– 171,372	– 362,962
Net change in cash and cash equivalents	43,333	– 447,661
Cash and cash equivalents as at 1.1.	163,638	613,426
Changes in the value of foreign currency	141	– 1,191
Changes due to classification of disposal group acc.	0	– 936
Cash and cash equivalents as at 31.12.	207,112	163,638

E. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2015

€ 1,000	Note	Share capital	Capital reserves - Others	Capital reserves - Treasury share reserve
As at 1.1.2014		638,714	1,000,536	0
Valuation / reclassification cash flow hedges	21	0	0	0
Revaluation of assets available for sale		0	0	0
Foreign currency gains/losses	21	0	0	0
Actuarial gains/losses IAS 19	21	0	0	0
Consolidated net income		0	0	0
Comprehensive income for 2014		0	0	0
Dividend payments to shareholders		0	– 35,142	0
Reclassification (other comprehensive income, not realised through profit or loss)		0	0	0
Conversion of bonds		79,623	33,445	0
As at 31.12.2014	32	718,337	998,839	0
As at 1.1.2015		718,337	998,839	0
Valuation / reclassification cash flow hedges	21	0	0	0
Foreign currency gains/losses	21	0	0	0
Actuarial gains/losses IAS 19	21	0	0	0
Revaluation of assets available for sale	21	0	0	0
Consolidated net income		0	0	0
Comprehensive income for 2015		0	0	0
Dividend payments to shareholders	32	0	– 44,464	0
Addition of non-controlling interests		0	0	0
Subsequent adjustment for acquisition of shares in non-controlling interests		0	– 323	0
Acquisition of treasury shares	32	0	0	– 32,306
As at 31.12.2015	32	718,337	954,052	– 32,306

Retained earnings	Valuation result (hedging - reserve)	Other reserves	Attributable to shareholders of the parent company	Non-controlling interests	Shareholders' equity (total)
192,439	- 34,907	- 2,516	1,794,266	0	1,794,266
0	7,404	0	7,404	0	7,404
0	0	398	398		398
0	0	2,236	2,236	0	2,236
0	0	- 1,321	- 1,321	0	- 1,321
70,798	0	0	70,798	0	70,798
70,798	7,404	1,313	79,515	0	79,515
0	0	0	- 35,142	0	- 35,142
- 2	0	2	0		0
0	0	0	113,068	0	113,068
263,235	- 27,503	- 1,201	1,951,707	0	1,951,707
263,235	- 27,503	- 1,202	1,951,707	0	1,951,707
0	22,372	0	22,372	0	22,372
0	0	597	597	0	597
0	0	585	585	0	585
0	0	1,405	1,405	0	1,405
220,839	0	0	220,839	0	220,839
220,839	22,372	2,587	245,798	0	245,798
0	0	0	- 44,464	0	- 44,464
0	0	0	0	40	40
0	0	0	- 323	0	- 323
0	0	0	- 32,306	0	- 32,306
484,075	- 5,131	1,385	2,120,411	40	2,120,450

F. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2015

GENERAL NOTES

1. Information concerning the Company

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

2. Accounting principles

The consolidated financial statements of CA Immo AG were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and thereby fulfil the additional requirements of §245a par. 1 of the Austrian Commercial Code (UGB). The consolidated financial statements are based on the acquisition cost method, with the exception of investment properties (including properties under development), properties held for sale, available-for-sale financial assets, derivative financial instruments and provisions for cash-settled share-based payment plans, which are measured at fair value. The net item from pension obligations is presented as a provision, comprising the present value of the obligations less the fair value of the plan asset.

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

3. Scope of consolidation

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

Changes in scope

	Full consolidation	Joint ventures at equity	Associated companies at equity
As at 1.1.2015	136	90	2
Acquisition of shares in companies	33	-32	0
New establishment of companies	11	4	0
Disposal of companies due to liquidation or restructuring	-9	-5	-1
Sales of entities	-6	-9	0
As at 31.12.2015	165	48	1
thereof foreign companies	141	45	1

Acquisitions and disposals of companies

CA Immo Group acquired the EBRD stake in the E-Portfolio during 2015.

Company name/domicile	Purpose	Interest in %	Purchase price in € 1,000	Initial consolidation date
EBRD - E-Portfolio (previously 65%/75%)	Property- and Holdingcompanies	35/ 25	7,531	01.07.2015
SEG Kontorhaus Arnulfpark Beteiligungsgesellschaft mbH	Property company	99	3,130	31.12.2015
Total			10,661	

Following the acquisition of remaining stake from the former joint venture partner European Bank for Reconstruction and Development (EBRD) at the beginning of July 2015, CA Immo Group increased its share in the so called “E-Portfolio” from 65% respectively 75% to 100%. At the acquisition date the E-Portfolio consists of eight office properties (fair value of approximately € 486 m) as well as four land banks (fair value of approximately € 23 m) held via 32 property- and holding companies. The investment into the E-Portfolio was consolidated as joint venture due to the lack of control at equity at the date of acquisition. Since the acquisition, the E-Portfolio is fully consolidated. This transaction is an acquisition of assets and liabilities and not a business combination according to IFRS 3.

The purchase price for the E-Portfolio stake amounts to € 7,531 K and was paid in full. The acquisition of the E-Portfolio led to a revaluation of the before held investment of € 15,592 K that is presented in the result from joint ventures in the consolidated income statement

Net assets acquired are represented below (purchase price for 35%/25% amounting to € 7,531 K, as well as the investment in joint ventures held until now 65%/75% amounting to € 45,389 K, totalling € 52,920 K):

€ 1,000	Total
Properties	476,632
Office equipment	4,640
Intangible assets	11
Financial assets	2,266
Other assets	3,410
Cash and cash equivalents	26,080
Deferred taxes	2,741
Financial liabilities	–291,962
Provisions	–5,872
Other liabilities	–6,682
Receivables from/payables to affiliated companies	–158,344
Net assets acquired	52,920

At once with the acquisition of the remaining stake in the E-Portfolio CA Immo Group also acquired financings from EBRD provided to the acquired entities in the amount of € 53,462 K. The immediate revaluation after the acquisition of the investment properties - in the amount of the difference between acquisition costs and fair value of the investment properties at acquisition date - amounts to € 32,098 K.

For all newly founded companies equity in the amount of € 180 K was paid.

CA Immo Group disposed the following interests in entities in the business year 2015:

Company name/domicile	Interest held in %	Consolidation type	Sales price € 1,000	Deconsolidation date
2P s.r.o., Plzen	100	FC	2,092	31.5.2015
Hotel Operations Plzen Holding s.r.o., Plzen	100	FC	4	31.5.2015
Europort Airport Center a.s., Prague	100	FC	0	31.1.2015
Hotel Operations Europort s.r.o., Prague	100	FC	0	31.1.2015
Cerep Allermöhe GmbH, Frankfurt	100	FC	47,557	30.11.2015
CA Immo GB GmbH, Frankfurt	100	FC	2,563	30.11.2015
Total affiliated entities			52,216	
EUROPOLIS M1 Ingatlanberuházási Kft, Budapest	51	AEJV	7,635	17.3.2015
CONCEPT BAU - PREMIER CA Immo Isargärten GmbH & Co. KG, Grünwald	33	AEJV	200	31.12.2015
CONCEPT BAU - PREMIER Isargärtner Verwaltung, Grünwald	33	AEJV	0	31.12.2015
Total joint ventures			7,835	
Europolis Park Bucharest Alpha SRL, Bucharest	65	AEJV		29.1.2015
Europolis Park Bucharest Beta SRL, Bucharest	65	AEJV		29.1.2015
Europolis Park Bucharest Gamma SRL, Bucharest	65	AEJV		29.1.2015
Europolis Park Bucharest Delta SRL, Bucharest	65	AEJV		29.1.2015
Europolis Park Bucharest Infrastructura SRL, Bucharest	65	AEJV		29.1.2015
Phönix Logistics d.o.o, Belgrade	65	AEJV		29.1.2015
Total sales in joint ventures				
Total			60,051	

The sales prices were fully cashed in. The fully consolidated entities comprised the following net assets as of the date of the sale:

€ 1,000	Total
Properties	-148,585
Other assets	-4,603
Cash and cash equivalents	-1,093
Deferred taxes	8,635
Financial liabilities	93,764
Provisions	528
Other liabilities	8,236
Receivables from/payables to affiliated companies	5,269
Net change	-37,849
thereof proportional net assets sold	-37,849

Investments in unconsolidated structured entities

As at 31.12.2015 – as in the previous year – there are no investments in unconsolidated structured entities.

4. Summarized presentation of accounting methods

a) Changes in the accounting methods

With the exception of the following changes the applied presentation and accounting methods remain unchanged compared with the previous year.

During the preparation of segment reporting for 2015, following the implementation of a new consolidation software, two circumstances in the segment reporting for 2014 were identified, which led to an adjustment of the previous year's amounts. The following changes have been considered:

- In the segment Germany Development capitalized services amounting to € 6,256 K were not recognized and therefore not included in the segment's EBIT. This decreases the indirect expenses of the segment from € -21,745 K (according to the published financial statements for 2014) to € -15,489 K.
- In the segments Eastern Europe "core regions" and "other regions" group financings between these segments in the amount of € 42,919 K were erroneously already eliminated. Due to the adjustments the other assets in the segment Eastern Europe core regions (income producing) increase from € 236,698 K (according to published financial statements 2014) to € 279,617 K and the interest-bearing liabilities in the segment Eastern Europe other regions (Income producing) rise from € 164,789 K (according to the published financial statements for 2014) to € 207,708 K.
- The transition column (consolidation) has been adjusted accordingly.

In course of a check of the consolidated cash flow statement for 2014 classification and calculation errors were detected and the prior year figures were restated. The following table shows all restated line items:

€ 1,000	2014 (as reported)	Adjustment	2014 restated
Operating activities			
Taxes paid excl. taxes for the sale of long-term properties	-6,895	2,140	-4,755
Cash flow from operations	105,725	2,140	107,865
Receivables and other assets	-5,444	-5,108	-10,552
Other liabilities	-2,834	2,882	48
Cash flow from change in net current assets	-6,138	-2,226	-8,364
Cash flow from operating activities	99,587	-86	99,501
Investing activities			
Disposal of long-term properties and other assets	166,934	16,000	182,934
Disposal of investment property companies, less cash and cash equivalents of € 868 K	6,698	-5,000	1,698
Taxes refunded/paid relating to the sale of long-term properties and loans granted	-1,326	-2,140	-3,466
Cash flow from investing activities	-193,060	8,860	-184,200
Financing activities			
Cash inflow from loans received	207,336	-13,851	193,485
Repayment of loans incl. interest rate derivatives	-462,146	5,077	-457,069
Cash flow from financing activities	-354,188	-8,774	-362,962

b) Consolidation methods

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

CA Immo Group determines at the time of acquisition of companies (legal entities) whether the acquisition is a business or a group of assets and liabilities. The following indicators are used for the assessment of business units:

- The acquired entity comprises a number of properties
- The acquired entity conducts major processes, apart from owning and letting properties
- The entity has own employees carrying out major processes

If the acquired company (legal entity) is not a business, the acquisition is not a business combination according to IFRS 3. Correspondingly, the acquisition is only an acquisition of assets and liabilities, which are recognised with their proportional acquisition cost. The acquisition cost is allocated to the acquired assets (especially properties) and liabilities as well as the non-controlling interests, based on their relative fair value at the date of acquisition of the subsidiary.

If a business is acquired, the acquisition is classified as a business combination according to IFRS 3. The subsidiary is consolidated for the first time using the acquisition method, by recognising its identifiable assets and liabilities at fair value as well as goodwill and non-controlling interests, if applicable. The goodwill represents any amount by which the fair value of the transferred amount (usually the purchase price for the acquired business) and (if applicable) for the non-controlling interest, exceeds the fair value of the identifiable assets and liabilities, including any deferred taxes.

Non-controlling interests are initially recognized proportionally at the fair value of the identifiable net assets of the acquired entity and subsequently measured according to the changes in shareholders' equity attributable to the non-controlling interests. Total comprehensive income is attributed to the non-controlling interests even if this results in a negative balance of non-controlling interests. According to the classification of capital interest as shareholders' equity or liabilities, the non-controlling interests are recognized within shareholders' equity respectively as other liabilities.

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

Joint ventures

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

Associated companies

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

Equity method

According to the equity method, investments in joint ventures and associates are initially recognised at the date of acquisition in the consolidated statement of financial position at cost, including directly attributable ancillary costs. The subsequent measurement is affected by any increase/ decrease of this value, based on the Group's share in the period profit or loss and the other comprehensive income (corrected by interim gains and losses resulting from transactions with the Group), dividends, contributions and other changes in the equity of the associated company, as well as by impairment.

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

c) Foreign currency translation**Transactions in foreign currencies**

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

The currency translation of business transactions is based on the following exchange rates:

	Bid	Ask	Bid	Ask
	31.12.2015	31.12.2015	31.12.2014	31.12.2014
CHF	1.0675	1.0751	1.1936	1.2064
USD	1.0768	1.0848	1.2111	1.2211

Translation of subsidiaries' individual financial statements denominated in foreign currencies

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

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

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

		Closing rate 31.12.2015	Closing rate 31.12.2014	Average exchange rate 2015	Average exchange rate 2014
Bulgaria	BGN	1.9558	1.9558	1.9558	1.9558
Croatia	HRK	7.6352	7.6615	7.6186	7.6325
Poland	PLN	4.2615	4.2623	4.1810	4.1893
Romania	RON	4.5245	4.4821	4.4422	4.4378
Russia	RUB	80.6736	69.1315	68.7681	51.6654
Serbia	RSD	121.6261	120.9583	120.7636	117.3674
Czech Republic	CZK	27.0250	27.7250	27.2688	27.5500
Ukraine	UAH	26.2231	19.2329	24.4147	16.0213
Hungary	HUF	313.1200	314.8900	309.3217	309.6975

d) Properties

Classification

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

Properties under development are reclassified to investment properties upon completion of the main construction services. Properties are recognised as held for trading if the property concerned is intended for sale in the ordinary course of business or is under construction for subsequent sale in the ordinary course of business.

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

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

Valuation

Investment properties are measured according to the fair value model. Changes in the current book value before revaluation (fair value of previous year plus subsequent/ additional acquisition or production cost less subsequent acquisition cost reductions as well as the impact from the deferral of rent incentives) are recognised in the income statement under “result from revaluation”.

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

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

Investment grants are accounted for as deduction of production costs.

Office furniture, equipment and other assets are depreciated on a straight-line basis over their estimated useful life, which generally ranges from 3 to 15 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 70 to 75 years for the structural work, 15 to 70 years for the facade, 20 years for the building equipment and appliances, 15 to 20 years for the roof, and 10 to 20 years for the tenant's finishing works.

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

Determination of fair value

Around 99.8% (31.12.2014: 97.7%) of the properties in Austria, about 95.6% (31.12.2014: 97.9%) of the properties in Germany, and about 90.6 % (31.12.2014: 87.7%) of the properties in Eastern Europe were subject to an external valuation as of the reporting date 31.12.2015. The values of the other properties were determined internally on the basis of the previous year's valuations or binding purchase agreements.

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

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

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

For properties under development and construction, the residual method is applied. Under this method, the market value is based on the estimated market value upon completion, less expected outstanding expenses and after applying a reasonable developer profit in the range of 3% to 25% of the market value upon completion (31.12.2014: 2% to 15%). Developer profit for properties under development, which are nearly completed, ranges at the bottom of the margin according to their reduced risk. Among possible potential risks that are considered are, the estimated future rents and initial yields in the range from 3.6 % to 10% and financing interest rates in the range from 3.7% to 7.5%. The rates vary in particular depending on the general market climate, location and type of use. The nearer a project is to completion, the greater the portion of parameters that are based on actual or contractually fixed amounts. After completion or immediately before completion, the properties are valued by applying the investment method (see above), adjusted for outstanding work.

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

Classification investment properties Valuation technique investment method	Fair value 31.12.2015 € 1,000	Fair value 31.12.2014 € 1,000	Inputs	Range 2015	Range 2014
Office Austria	319,030	327,650	Actual-rent €/m ² p. m.	7.51 – 22.97	6.4 – 22.61
			Market-rent €/m ² p. m.	6.79 – 22.99	6.33 – 22.96
			average remaining lease term in years	7.79	7.84
			average vacancy %	6.93	4.06
			Yield Term min/max/weighted average %	4.15 / 6.25 / 5.39	4.25 / 8.00 / 5.41
			Yield Reversion min/max/weighted average %	4.15 / 6.25 / 5.39	4.55 / 8.00 / 5.52
Office Germany	753,544	471,040	Actual-rent €/m ² p. m.	9.27 – 21.52	9.13 – 19.02
			Market-rent €/m ² p. m.	9.24 – 21.39	9.19 – 19.42
			average remaining lease term in years	7.54	8.24
			average vacancy %	7.7	9.11
			Yield Term min/max/weighted average %	3.25 / 5.75 / 4.43	4.25 / 6.00 / 5.11
			Yield Reversion min/max/weighted average %	4.40 / 5.75 / 4.86	5.00 / 6.00 / 5.29
Office Eastern Europe	1,201,280	690,550	Actual-rent €/m ² p. m.	7.64 – 22.37	7.58 – 22.58
			Market-rent €/m ² p. m.	7.87 – 20.76	7.87 – 20.74
			average remaining lease term in years	2.95	2.64
			average vacancy %	8.75	13.67
			Yield Term min/max/weighted average %	6.20 / 9.25 / 7.54	6.45 / 9.00 / 7.77
			Yield Reversion min/max/weighted average %	6.20 / 9.50 / 7.59	6.45 / 9.50 / 7.79
Office total	2,273,854	1,489,240			
Retail Austria	107,300	112,740	Actual-rent €/m ² p. m.	9.16 – 13.54	4.98 – 13.76
			Market-rent €/m ² p. m.	9.00 – 14.63	4.37 – 14.66
			average remaining lease term in years	5.12	8.00
			average vacancy %	2.85	5.57
			Yield Term min/max/weighted average %	4.85 / 6.00 / 5.01	5.00 / 9.50 / 5.32
			Yield Reversion min/max/weighted average %	4.85 / 6.75 / 5.10	5.00 / 9.00 / 5.35
Retail Eastern Europe	37,700	44,900	Actual-rent €/m ² p. m.	4.37 – 11.32	4.31 – 11.92
			Market-rent €/m ² p. m.	6.51 – 8.08	6.61 – 8.96
			average remaining lease term in years	3.80	4.50
			average vacancy %	13.97	15.47
			Yield Term min/max/weighted average %	9.00 / 9.00 / 9.00	8.80 / 9.00 / 8.84
			Yield Reversion min/max/weighted average %	9.00 / 9.00 / 9.00	8.35 / 9.00 / 8.55
Retail total	145,000	157,640			

Classification investment properties	Fair value 31.12.2015 € 1,000	Fair value 31.12.2014 € 1,000	Inputs	Range 2015	Range 2014
Valuation technique investment method					
Hotel Austria	85,200	86,900	Actual-rent €/m² p. m.	8.89 – 10.40	9.06 – 10.85
			Market-rent €/m² p. m.	9.15 – 11.00	9.27 – 11.00
			average remaining lease term in years	11.65	8.55
			average vacancy %	1.79	1.69
			Yield Term min/max/weighted average %	4.75 / 5.75 / 5.08	4.75 / 5.75 / 5.45
			Yield Reversion min/max/weighted average %	5.00 / 5.75 / 5.29	5.25 / 5.75 / 5.51
Hotel Germany	73,800	72,600	Actual-rent €/m² p. m.	12.95 – 15.86	12.95 – 15.86
			Market-rent €/m² p. m.	13.16 – 15.86	13.16 – 15.86
			average remaining lease term in years	17.09	18.09
			average vacancy %	1.61	1.61
			Yield Term min/max/weighted average %	5.50 / 5.90 / 5.57	5.60 / 6.00 / 5.67
			Yield Reversion min/max/weighted average %	5.50 / 5.90 / 5.57	5.60 / 6.00 / 5.67
Hotel Eastern Europe	11,300	11,600	Actual-rent €/m² p. m.	4.63 – 4.63	4.88 – 4.88
			Market-rent €/m² p. m.	4.54 – 4.54	4.90 – 4.90
			average remaining lease term in years	6.99	10.00
			average vacancy %	7.51	14.25
			Yield Term min/max/weighted average %	7.50 / 7.50 / 7.50	8.00 / 8.00 / 8.00
			Yield Reversion min/max/weighted average %	8.00 / 8.00 / 8.00	8.50 / 8.50 / 8.50
Hotel total	170,300	171,100			
Other Austria	84,630	139,498	Actual-rent €/m² p. m.	4.81 – 11.30	0.06 – 11.15
			Market-rent €/m² p. m.	8.22 – 11.34	0.06 – 11.34
			average remaining lease term in years	4.37	7.00
			average vacancy %	6.44	0.38
			Yield Term min/max/weighted average %	4.00 / 6.35 / 5.56	3.75 / 12.00 / 6.28
			Yield Reversion min/max/weighted average %	4.00 / 6.25 / 5.45	4.50 / 8.50 / 5.59
Other Germany	52,540	149,590	Actual-rent €/m² p. m.	3.24 – 3.51	3.40 – 5.19
			Market-rent €/m² p. m.	3.06 – 6.00	3.24 – 6.03
			average remaining lease term in years	2.96	7.63
			average vacancy %	19.23	7.80
			Yield Term min/max/weighted average %	4.00 / 8.50 / 6.12	5.00 / 8.50 / 6.65
			Yield Reversion min/max/weighted average %	5.25 / 8.50 / 6.36	5.25 / 8.50 / 6.98
Other total	137,170	289,088			

Classification investment properties under development	Fair value 31.12.2015 € 1,000	Fair value 31.12.2014 € 1,000	Inputs	Range 2015	Range 2014
Valuation technique residual value					
Office Austria	16,200	10,500	Expected-rent €/m ² p. m.	11.00 – 15.50	12.00 – 16.50
			Construction cost €/m ²	1,000 – 1,600	1,400
			Related cost in % of Constr. cost	15.00	16.50
Office Germany	28,290	150,500	Expected-rent €/m ² p. m.	8.5 – 19.5	17.58 – 21.25
			Construction cost €/m ²	1,000 – 1,800	1,600 – 2,100
			Related cost in % of Constr. cost	17.00 – 24.00	22.00 – 31.00
Office Eastern Europe	11,600	0	Expected-rent €/m ² p. m.	8.00 – 15.00	-
			Construction cost €/m ²	844.00	-
			Related cost in % of Constr. cost	20.00	-
Office total	56,090	161,000			

The contractual sales price is used as input factor for assets held for sale.

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

Classification investment properties under development	Fair value 31.12.2015	Fair value 31.12.2014	Inputs	Range 2015	Range 2014
Comparative, liquidation or residual method					
Landbank Germany	326,770	327,305	Valuation approach / m ² plot area	3.48 – 14,611.59	3.48 – 13,378.55
Landbank Eastern Europe	26,119	10,817	Valuation approach / m ² plot area	4.2 – 947.42	5.10 – 292.75
Landbank total	352,889	338,122			

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

Interdependencies between the input factors

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

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

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

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

Valuation Process

For the major part of the real estate portfolio, every fiscal year end CA Immo Group commissions independent, external real estate experts to issue a market valuation and provides the appraisers with all the necessary documents. After clarification of any queries the experts create drafts valuation. These drafts are checked for credibility and integrity and finally approved for issuance.

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

e) Intangible assets

The goodwill represents the amount by which the fair value of the transferred amount (usually the purchase price for the acquired business) and (if applicable) for the non-controlling interest, exceeds the fair value of the identifiable assets and liabilities, including any deferred taxes. Mainly, it represents the benefit resulting from the fact that the acquired deferred tax liabilities will become due only in a future period. Goodwill is not amortised, but is tested for impairment at each period end.

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

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

f) Impairment losses

If an indication exists that a long term non-financial asset (own used properties, office furniture, equipment and other assets as well as intangible assets) might be impaired, CA Immo Group performs an impairment test. CA Immo calculates the recoverable amount for the asset or smallest identifiable group of assets.

The recoverable amount is the higher of the fair value less the cost to sell (net realisable value) and the value in use of the corresponding asset (or group of assets). 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 (or group of assets) and its retirement at the end of its useful life.

If this recoverable amount is lower than the carrying value of the asset (or group of assets), the asset is written down to the lower value. These write-offs are reported in the consolidated income statement under “depreciation and impairment/reversal”.

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

Goodwill is tested for impairment at each balance sheet date, with individual properties representing the cash generating units. Due to the specific nature of the recognised goodwill, the recoverable amount for the cash generating unit cannot be determined without taking into account the expected tax charge. Hence, the book value of the cash generating unit includes, in addition to the allocated goodwill, the directly attributable deferred taxes of the single properties. The recoverable amount is determined on the basis of fair value. The fair value of a property is mainly determined on the basis of external valuation reports. The present value of the income tax payments is determined considering after-tax yield (which represents the yield of the property after tax effects of the relevant country) on the expected income tax payments.

The impairment test assumes, based on experience, an average retention period for properties held by CA Immo Group of 3 to 17 years for investment properties. Due to the assumption of the retention period decreasing each year and thus of a reduced discounting period each year, further impairment losses of the goodwill corresponding to the reduction in the present value benefit are expected in future periods.

The following sensitivity analysis shows the impact in goodwill impairment of changes in significant parameters for the impairment test.

Goodwill impairment in € K				
Change in yield (in % of initial yield)	+5%	+5%	+10%	+10%
Change in market rent	– 5%	– 10%	– 5%	– 10%
Impact on the profit and loss statement	– 419.4	– 754.6	– 762.1	– 1,377.2

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

Interests in companies (Available for sale investments) and securities

Interests in companies which are not consolidated due to lack of control, and which are neither significantly influenced by the Group are assigned to the category “available for sale” (AFS – available for sale). The valuation of the purchased stake is made at fair value. Subsequent changes in value – as long as there are no impairments – are presented in other comprehensive income and reclassified in profit and loss upon the sale of the investment. If a listed price on an active market is not available, the fair value will be updated based on internal valuation, which is mostly based on external professional opinion regarding investment property.

Securities are primary financial instruments that are quoted on an active market and available for sale. They are classified as “available for sale” (AFS-available for sale). The initial recognition is at fair value including any transaction costs and the subsequent valuation is at fair value (stock market quotation).

In case of impairments of available-for-sale financial assets, the difference between acquisition costs and the lower fair value is recognized in profit or loss. Changes in value previously recognized in equity, are transferred from equity to profit or loss. A subsequent appreciation in value is shown in the other comprehensive income. CA Immo Group recognizes securities at the conclusion of the transaction agreement.

Loans

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

Receivables and other financial assets

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

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

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

Cash and cash equivalents

Cash and cash equivalents include cash, deposits in banks, as well as fixed-term deposits with an original term of up to three months. This item also includes cash in banks subject to drawing restrictions for a period of less than 3 months which is used for securing outstanding loans (principal and interests) as well as current investments in development projects. Cash in banks subject to drawing restrictions up to 12 months is presented in caption “receivables and other assets”. Restricted cash with a longer lock-up period (over 12 months), is presented under financial assets.

Interest-bearing liabilities

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

Other liabilities

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

For other current liabilities, the fair value generally corresponds to the estimated sum of all future payments.

Other non-current liabilities are measured at fair value on initial recognition and are compounded with a timely and risk adequate market rate.

Derivative financial instruments

CA Immo Group recognizes derivative financial instruments upon the conclusion of the transaction agreement.

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

Derivative financial instruments are presented in non-current financial assets or liabilities if their remaining term exceeds twelve months and realisation within twelve months is not expected. All other derivative financial instruments, whose remaining term is below twelve months, are presented in current assets or liabilities.

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

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

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

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

h) Services and construction contracts

The recognition of revenues from services and construction contracts (e.g. project management engineering, interior work, site development, decontamination, building construction) is made in accordance with the “percentage of completion” method. The contract revenues are recognised based on the proportion of costs incurred to date and total contract costs (cost-to-cost method) and presented as receivables and revenues. An expected loss from a contract is immediately recognised as an expense.

i) Other non-financial instruments (Non-FI – non financial instrument)

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

Other non-financial liabilities refer to liabilities to fiscal authorities, short-term rent prepayments and advance payments. They are recognized at the date of acquisition at the amount corresponding to the expected outflow of resources and the cost of acquisition. Changes in value arising from updated information are recognised in profit or loss.

j) Assets held for sale and disposal groups

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

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

k) Payment obligations to employees

Variable remuneration

As a part of their variable remuneration components, Management Board members and managerial staff of the company are invited to participate in a long term incentive scheme (LTI) since business year 2010. LTI is a revolving programme with a term (vesting period) of three years per tranche; it presupposes a personal investment limited to 50% of the fixed annual salary for Management Board members, respectively 35% of the basic salary for managerial staff. The investment is evaluated at the closing rate on 31 December, with the number of associated shares determined on the basis of this evaluation. At the end of each three-year performance period, a target/actual comparison is applied to define target attainment. The LTI programme takes account of value creation at CA Immo over the medium to long term. The critical factor is the value generated within the Group in terms of NAV growth, ICR (interest coverage ratio, to 2013) and TSR (total shareholder return) and, from 2014, growth of FFO (funds from operations). The weighting for NAV growth and the ICR (and FFO growth from 2014) is 30%, and 40% for the TSR. Payments are made in cash. Within the remuneration system for the Management Board, the LTI programme was dissolved in 2015 and replaced by bonus payments based on phantom shares. The LTI programme remains effective for managerial staff.

Starting in 2015, performance-related payments to the Management Board were restricted to 200% of the gross annual salary. The bonus payment is linked to long-term operational and quality-based targets and also takes account of non-financial performance criteria. Of the variable remuneration, 50% is linked to the attainment of short-term targets defined annually (annual bonus); the other half of the performance-related components depends on the exceeding of annually defined indicators such as return on equity (ROE), funds from operations (FFO) and NAV growth. The level of the bonus actually paid depends on the degree of target attainment: the values agreed and actually achieved at the end of each business year are compared and confirmed by the Supervisory Board. Half of performance-related remuneration takes the form of immediate payments (short term incentive); the remaining 50% is converted into phantom shares on the basis of the average rate for the last quarter of the business year relevant to target attainment. The payment of phantom shares is made in cash in three parts after 12 months, 24 months (mid term incentive) and 36 months (long term incentive) at the average rate for the last quarter of the payment year.

For this kind of share-based remuneration, which is settled in cash, the liability incurred is recognised as a provision in the amount of the attributable fair value. Until the debt is settled, the attributable fair value is determined afresh on every closing date and settlement date. All changes are recognised in the income statement in the relevant business year.

Defined benefit plans upon termination of employment

Obligations arising from defined benefit pension plans exist for four persons in the CA Immo Germany Group. The commitments relate to three pension benefits for already retired managing directors, as well as one ongoing pension benefit. In accordance with IAS 19.63, reinsurance contracts in respect of defined benefit pension obligations are presented as a net debt (asset).

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

	31.12.2015	31.12.2014
Interest rate	2.01%	1.56%
Salary increases expected in the future	2.0%	2.0%
Accumulation period	25 years	25 years
Expected income from plan asset	2.01%	1.56%

The actual return on plan assets for 2015 is 1.56% (31.12.2014: 2.82 %).

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

CA Immo Group has the legal obligation to make a one-time severance payment to staff employed in Austria before 1.1.2003 in the event of dismissal or retirement. The amount of this payment depends on the number of years of service and the relevant salary at the time the settlement is payable. It varies between two and twelve monthly salary payments. According to IAS 19, a provision is recognised for this defined benefit obligation. The interest rate used for the computation of this provision amounts to 0.49% (2014: 1.56%).

Defined contribution plans

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

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

l) Provisions and contingent liabilities

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

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

m) Taxes

The income tax expense reported for the business year contains the income tax on the taxable income (current and for other periods) of the individual subsidiaries calculated at the tax rate applicable in the relevant country ("current tax"), and the change in deferred taxes recognised in profit and loss ("deferred tax"), as well as the tax effect arising from amounts recognised in equity. Changes in deferred taxes resulting from foreign currency translation are included in deferred income tax expense.

In line with IAS 12, the calculation of deferred taxes is based on all temporary differences between the tax base of assets or liabilities and their book values in the consolidated statement of financial position. Deferred tax assets on tax losses carried forward are recognised taking into account the fact whether they can be carried forward indefinitely or only up to a certain time as well as the extent of their expected use in the future. The amount of the deferred tax asset recognised is determined based on projections for the next 3 to 5 years which show the expected use of the tax losses carried forward in the near future and on the existence of sufficient taxable temporary differences, mainly resulting from investment property.

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

Country		Tax rate	Country		Tax rate
	2015	2014		2015	2014
Bulgaria	10.0%	10.0%	Russia	20.0%	20.0%
Germany	15.8% to 31.9%	15.8% to 31.9%	Serbia	15.0%	15.0%
Croatia	20.0%	20.0%	Slovakia	22.0%	22.0%
Luxembourg	-	29.2%	Slovenia	17.0%	17.0%
Netherlands	20.0% / 25.0%	20.0% / 25.0%	Czech Republic	19.0%	19.0%
Austria	25.0%	25.0%	Ukraine	18.0%	16.0%
Poland	19.0%	19.0%	Hungary	10.0% / 19.0%	10.0% / 19.0%
Romania	16.0%	16.0%	Cyprus	12.5%	12.5%

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

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

n) Leases

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

According to IAS 17 the allocation of a leased asset to the lessor or lessee is based on the criterion of accountability of all significant risks and rewards associated with ownership of the leased asset. The characteristics of the CA Immo Group as lessor of investment properties corresponds to an operating lease because the economic ownership remains with CA Immo for the rented properties and thus the significant risks and rewards are not transferred.

o) Operating segments

The segments were identified on the basis of the information regularly used by the company's principal decision makers when deciding on the allocation of resources and assessing profitability. The principal decision-making body of CA Immo Group is the Management Board. It controls the individual properties that are aggregated into reportable business segments by regions, and within the regions by income producing property and property under development.

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

- Income producing properties: Investment properties rented, own used properties and investment properties pursuant to IFRS 5

- Development: Properties under development and land banks, completed development properties (investment properties) until the second annual reporting date after completion (depending on the tenancy rate or beginning of the sales process), development services for third parties, properties under development pursuant to IFRS 5, and properties held for trading
- Holding: general management and financing activities of CA Immo Group

The reporting Eastern Europe core regions segment comprises the Czech Republic, Slovakia, Hungary, Poland and Romania. The reporting Eastern Europe other regions segment consists of Bulgaria, Croatia, Serbia, Slovenia as well as Ukraine. Joint ventures are included with 100% of the assets and liabilities as well as revenues and expenses of the entities in the segment, irrespective of the method of consolidation into the financial statements. Adjustments in accordance with the consolidation method in CA Immo Group are shown in the column Consolidation.

p) Revenue recognition

Rental revenues

Rental revenues are recognised on a straight-line basis over the term of the lease unless a different recognition method is more appropriate. Lease incentive agreements, such as rent-free periods, reduced rents for a certain period or one-off payments are included in rental income. Therefore, the lease incentives are allocated on a straight-line basis over the entire expected contractual lease term accordingly. In the case of leases with constant rent adjustment over the term (graduated rents), such adjustments are likewise recognised on a straight-line basis over the term of the lease. Any adjustments attributable to inflation, in contrast, are not spread over the underlying term of the lease. The term of a lease over which rental income is allocated on a straight-line basis comprises the non-terminable period as well as any further periods for which the tenant can exercise an option, with or without making additional payments, provided that the exercise of the option is estimated as being probable at the inception of the lease.

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

Rental income is measured at the fair value of the consideration received or outstanding, less any directly related reductions.

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

Service charge income

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

Revenues from hotel operations and service contracts

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

Revenues from the sale of investment properties

Income from the sale of properties is recognised when

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

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

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

Revenues from construction contracts

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

Given there is no customized project planning which means that the purchaser has only limited options to influence the specification of the property, it is an agreement for the sale of goods and the revenue is recognized according to the forenamed criteria for the sale of real estate properties. For the purpose of revenue recognition in accordance with IAS 18, contracts are separated into their individual components if materially different services are combined into a single arrangement. Such a multi-component transaction is assumed to exist when a contract contains several complementary but different elements, such as a service provided alongside a sale of an investment property. In such cases, revenue is recognised separately for each of these different elements. The purchase price of the property is recognised according to the revenue recognition criteria applicable to sales. Service revenue is recognised in accordance with the stage of completion. The following have been identified as material components of investment properties: procurement of planning permission, site development, surface construction and interior works. The allocation of the total revenues to the individual components is done by residual value method. The fair value of the components already delivered is obtained by deducting the fair value of the components not yet delivered.

q) Result from the sale of investment properties

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

r) Indirect expenses

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

s) Financial result

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

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

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

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

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

The result from other financial investments mainly relates to the valuation of loans as well as impairments of securities available for sale.

t) Significant judgments, assumptions and estimates

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

Property valuation

The global financial system is subject to considerable fluctuations. Especially in commercial real estate markets these fluctuations may have significant effects on prices and values. In particular, restricted liquidity in the capital markets can make it more difficult to successfully sell the properties in the short term.

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

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

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

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

Office Austria					Change in market
Change in Yield (in % of initial yield)					rent of
	- 10%	- 5%	0%	5%	10%
- 10%	2.68%	6.99%	11.30%	15.61%	19.92%
- 5%	- 2.68%	1.34%	5.35%	9.37%	13.38%
0%	- 7.50%	- 3.75%	0.00%	3.75%	7.50%
+5%	- 11.87%	- 8.36%	- 4.84%	- 1.33%	2.18%
+10%	- 15.84%	- 12.54%	- 9.25%	- 5.95%	- 2.65%

Office Germany					Change in market
Change in Yield (in % of initial yield)					rent of
	- 10%	- 5%	0%	5%	10%
- 10%	2.49%	6.93%	11.36%	15.79%	20.22%
- 5%	- 2.89%	1.25%	5.38%	9.51%	13.64%
0%	- 7.73%	- 3.86%	0.00%	3.86%	7.73%
+5%	- 12.11%	- 8.49%	- 4.86%	- 1.24%	2.38%
+10%	- 16.09%	- 12.69%	- 9.29%	- 5.89%	- 2.48%

Office Eastern Europe					Change in market
Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	rent of 10%
– 10%	1.91%	6.71%	11.51%	16.31%	21.11%
– 5%	– 3.55%	0.95%	5.45%	9.96%	14.46%
0%	– 8.48%	– 4.24%	0.00%	4.24%	8.48%
+5%	– 12.93%	– 8.93%	– 4.93%	– 0.94%	3.06%
+10%	– 16.98%	– 13.20%	– 9.42%	– 5.64%	– 1.86%

Retail Austria					Change in market
Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	rent of 10%
– 10%	1.73%	6.61%	11.48%	16.36%	21.23%
– 5%	– 3.69%	0.88%	5.44%	10.00%	14.57%
0%	– 8.57%	– 4.28%	0.00%	4.28%	8.57%
+5%	– 12.98%	– 8.95%	– 4.92%	– 0.89%	3.14%
+10%	– 17.00%	– 13.19%	– 9.39%	– 5.59%	– 1.79%

Retail Eastern Europe					Change in market
Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	rent of 10%
– 10%	3.17%	7.13%	11.10%	15.06%	19.02%
– 5%	– 2.12%	1.57%	5.26%	8.95%	12.63%
0%	– 6.88%	– 3.44%	0.00%	3.44%	6.88%
+5%	– 11.20%	– 7.98%	– 4.76%	– 1.54%	1.68%
+10%	– 15.12%	– 12.11%	– 9.09%	– 6.07%	– 3.05%

Hotel Austria					Change in market
Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	rent of 10%
– 10%	4.31%	7.89%	11.48%	15.06%	18.64%
– 5%	– 1.15%	2.14%	5.43%	8.73%	12.02%
0%	– 6.07%	– 3.04%	0.00%	3.04%	6.07%
+5%	– 10.52%	– 7.72%	– 4.91%	– 2.10%	0.71%
+10%	– 14.57%	– 11.97%	– 9.37%	– 6.76%	– 4.16%

Hotel Germany					Change in market
Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	rent of 10%
– 10%	6.14%	8.65%	11.16%	13.67%	16.18%
– 5%	0.74%	3.01%	5.29%	7.56%	9.83%
0%	– 4.13%	– 2.07%	0.00%	2.07%	4.13%
+5%	– 8.55%	– 6.67%	– 4.78%	– 2.90%	– 1.02%
+10%	– 12.57%	– 10.85%	– 9.13%	– 7.42%	– 5.70%

Hotel Eastern Europe					Change in market
Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	rent of 10%
– 10%	3.78%	7.43%	11.08%	14.73%	18.38%
– 5%	– 1.50%	1.88%	5.25%	8.62%	11.99%
0%	– 6.25%	– 3.12%	0.00%	3.12%	6.25%
+5%	– 10.55%	– 7.65%	– 4.75%	– 1.84%	1.06%
+10%	– 14.46%	– 11.76%	– 9.06%	– 6.36%	– 3.65%

Other Austria					Change in market
Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	rent of 10%
– 10%	1.62%	6.87%	12.12%	17.38%	22.63%
– 5%	– 4.11%	0.82%	5.74%	10.67%	15.59%
0%	– 9.27%	– 4.63%	0.00%	4.63%	9.27%
+5%	– 13.93%	– 9.56%	– 5.20%	– 0.83%	3.54%
+10%	– 18.17%	– 14.05%	– 9.92%	– 5.79%	– 1.66%

Other Germany					Change in market
Change in Yield (in % of initial yield)	– 10%	– 5%	0%	5%	rent of 10%
– 10%	0.15%	6.04%	11.93%	17.81%	23.70%
– 5%	– 5.43%	0.11%	5.65%	11.19%	16.73%
0%	– 10.45%	– 5.23%	0.00%	5.23%	10.45%
+5%	– 15.00%	– 10.05%	– 5.11%	– 0.16%	4.78%
+10%	– 19.12%	– 14.44%	– 9.75%	– 5.06%	– 0.37%

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

in € m	Still outstanding capital expenditures				
	– 10%	– 5%	Initial value	+5%	+10%
Still outstanding capital expenditures	466.5	492.4	518.3	544.2	570.2
Fair value	266.5	240.6	214.7	188.7	162.8
Changes to initial value	24.1%	12.1%	0.0%	– 12.1%	– 24.1%

The calculated amounts indicate only a balance sheet date scenario, where the expected outstanding investment costs correspond to an average percentage of completion of approximately 22%. As the stage of completion of the buildings and procurement of building approval advances – under similar conditions – the value percentage will successively change in the fair value's favour.

Taxes

All companies are subject to local income tax on rental income, capital gains and other incomes in their respective countries. Significant estimates are required in respect of the amount of income tax provisions to be recognised. More-

over, it needs to be determined to which extent the deferred tax assets should be recognised in the Group's consolidated financial statements.

Income from the disposal of investments in real estate companies in Germany and Eastern Europe is wholly or partially exempt from income tax when certain conditions are met, even if the group intended to meet these conditions, the full amount of deferred taxes according to IAS 12 is recognised for investment properties.

Material assumptions also need to be assessed if temporary differences and losses carried forward can be offset against taxable profits in the future and if the deferred tax assets can be capitalised. Uncertainties exist concerning the amount and effective date of future taxable income and the interpretation of complex tax regulations. In case of uncertainty over income tax treatments of transactions an assessment is required in order to evaluate whether it is probable or not that the tax authority will accept the tax treatment. Based on this judgement CA Immo Group recognizes the tax obligations with their most likely classified amount. These uncertainties and complexities can cause that future tax payments are much higher or lower than those currently estimated and recognised in the balance sheet as liabilities or assets.

Measurement of interest rate derivatives

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

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

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

u) Fair value measurement

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

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

Hierarchy of the fair values

31.12.2015		Measurement hierarchy acc. to IFRS 13		
€ 1,000	Level 1	Level 2	Level 3	Total
Investment properties	0	0	2,714,305	2,714,305
investment properties under development	0	0	408,979	408,979
Investment property	0	0	3,123,284	3,123,284
Financial assets HFT	0	238	0	238
Financial assets available for sale	0	0	58,660	58,660
Financial instruments by category (assets)	0	238	58,660	58,898
Securities AFS	105,250	0	0	105,250
Securities AFS	105,250	0	0	105,250
Assets held for sale and relating to disposal groups	0	0	54,048	54,048
Assets held for sale and relating to disposal groups	0	0	54,048	54,048
Financial liabilities HFT	0	– 5,801	0	– 5,801
Financial liabilities CFH	0	– 6,942	0	– 6,942
Financial instruments by category (liabilities)	0	– 12,743	0	– 12,743
Total	105,250	– 12,505	3,235,993	3,328,738

31.12.2014		Measurement hierarchy acc. to IFRS 13		
€ 1,000	Level 1	Level 2	Level 3	Total
Investment properties	0	0	2,092,917	2,092,917
investment properties under development	0	0	496,252	496,252
Investment property	0	0	2,589,169	2,589,169
Financial assets HFT	0	64	0	64
Financial assets available for sale	0	0	56,654	56,654
Financial instruments by category (assets)	0	64	56,654	56,718
Securities AFS	24,547	0	0	24,547
Securities AFS	24,547	0	0	24,547
Assets held for sale and relating to disposal groups	0	0	91,481	91,481
Assets held for sale and relating to disposal groups	0	0	91,481	91,481
Financial liabilities HFT	0	– 43,922	0	– 43,922
Financial liabilities CFH	0	– 33,689	0	– 33,689
Financial instruments by category (liabilities)	0	– 77,611	0	– 77,611
Total	24,547	– 77,547	2,737,304	2,684,304

Reclassifications between levels did not occur.

Hierarchy classification

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

2015 € 1,000	Office Austria	Office Germany	Office Eastern Europe	Retail Austria	Retail Eastern Europe	Hotel Austria
As at 01.01.	327,650	471,040	690,550	112,740	44,900	86,900
Additions	1,703	35,746	11,825	1,424	478	53
Disposals	– 13,894	– 7,653	0	– 7,980	0	0
Purchase of real estate companies	0	0	455,651	0	0	0
Valuation	3,540	82,791	42,939	1,024	– 7,660	– 1,741
Reclassification IFRS 5	0	0	0	0	0	0
Reclassification	0	167,217	0	0	0	0
Change in lease incentives	31	4,403	316	92	– 18	– 13
Foreign currency gains/losses	0	0	0	0	0	0
As at 31.12.	319,030	753,544	1,201,280	107,300	37,700	85,200

2015 € 1,000	Hotel Germany	Hotel Eastern Europe	Others Austria	Others Germany	Others Eastern Europe	IFRS 5 all
As at 01.01.	72,600	11,600	139,498	149,590	0	78,586
Additions	– 418	6	3,101	– 3	0	107
Disposals	0	0	– 49,182	– 124,278	0	– 78,678
Purchase of real estate companies	0	0	0	0	0	
Valuation	1,642	– 306	4,698	29,421	0	
Reclassification IFRS 5	0	0	– 995	0	0	51,065
Reclassification	0	0	– 12,280	– 3,030	0	
Change in lease incentives	– 24	0	– 210	839	0	– 15
Foreign currency gains/losses	0	0	0	0	0	
As at 31.12.	73,800	11,300	84,630	52,540	0	51,065

2015 € 1,000	Development Austria	Development Germany	Development Eastern Europe	Land banks Germany	Land banks Eastern Europe
As at 01.01.	10,500	150,500	0	327,305	10,817
Additions	0	16,717	1,983	18,460	80
Disposals	0	0	0	– 30,243	0
Purchase of real estate companies	0	0	9,024	0	11,958
Valuation	– 6,580	12,060	593	74,518	3,037
Reclassification IFRS 5	0	0	0	– 50,070	0
Reclassification	12,280	– 150,987	0	– 13,200	0
Change in lease incentives	0	0	0	0	0
Foreign currency gains/losses	0	0	0	0	227
As at 31.12.	16,200	28,290	11,600	326,770	26,119

	Financial assets available for sale
€ 1,000	2015
As at 01.01.	56,655
Valuation (OCI)	2,566
Distributions	– 561
As at 31.12.	58,660

2014 € 1,000	Office Austria	Office Germany	Office Eastern Europe	Retail Austria	Retail Eastern Europe	Hotel Austria
As at 01.01.	359,585	447,130	720,650	111,440	54,930	88,870
Additions	5,507	22,241	6,421	139	135	0
Disposals	– 23,944	– 3,790	– 17,367	0	0	0
Purchase of real estate companies	0	0	0	0	0	0
Valuation	1,814	4,763	– 19,657	1,249	– 6,479	– 1,970
Reclassification IFRS 5	– 15,800	0	0	0	– 3,548	0
Reclassification	0	0	0	– 88	0	0
Change in lease incentives	488	696	503	0	– 138	0
As at 31.12.	327,650	471,040	690,550	112,740	44,900	86,900

2014 € 1,000	Hotel Germany	Hotel Eastern Europe	Others Austria	Others Germany	Others Eastern Europe	IFRS 5 all
As at 01.01.	71,500	39,907	133,888	162,225	8,550	114,467
Additions	0	24	51	- 7	0	0
Disposals	0	0	- 10,264	- 10,345	- 8,500	- 111,388
Purchase of real estate companies	0	0	0	0	0	23,924
Valuation	1,124	- 4,070	10,924	- 1,612	- 50	192
Reclassification IFRS 5	0	- 24,198	- 4,680	0	0	51,531
Reclassification	0	- 63	9,588	0	0	
Change in lease incentives	- 24	0	- 8	- 671	0	- 140
As at 31.12.	72,600	11,600	139,498	149,590	0	78,586

2014 € 1,000	Development Austria	Development Germany	Land banks Germany	Land banks Eastern Europe
As at 01.01.	14,300	36,600	315,260	12,520
Additions	626	47,919	10,563	17
Disposals	0	0	- 6,593	0
Purchase of real estate companies	0	63,240	0	0
Valuation	5,074	6,046	8,075	- 1,720
Reclassification IFRS 5	0	- 3,305	0	0
Reclassification	- 9,500	0	0	0
Change in lease incentives	0	0	0	0
As at 31.12.	10,500	150,500	327,305	10,817

v) New and revised standards and interpretations

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

The following standards and interpretations, already adopted by the EU, were applicable for the first time in the business year 2015:

standard / interpretation	Content	entry into force ¹⁾
IFRIC 21	Levies	1.7.2014
Annual improvement (cycle 2011– 2013)	Miscellaneous	1.1.2015

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

Applying IFRIC 21 “Levies” leads to the recognition of land taxes and related property levies at the date, when the obligation for those levies arise. This results for interim financial reportings in a generally (earlier) point in time recognition of land taxes and related property levies as well as accrued work in progress from these taxes and levies.

New and revised standards and interpretations that are not yet compulsory

standard / Interpretation	Content	entry into force ¹⁾
Changes in IAS 19	Defined benefit plans: employees contributions	1.2.2015
Annual improvement (cycle 2010– 2012)	Miscellaneous	1.2.2015
Changes to IFRS 11	Accounting for acquisitions of interests in joint operations	1.1.2016 ²
Changes to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	1.1.2016 ²
Changes to IAS 16 and IAS 41	Agriculture: bearer plants	1.1.2016 ²
Changes to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	1.1.2016 ²
Changes to IAS 27	Equity method in separate financial statements	1.1.2016 ²
Annual improvement (cycle 2012– 2014)	Miscellaneous	1.1.2016 ²
IFRS 14	Regulatory deferral accounts	1.1.2016 ²
IAS 1	Disclosure initiative	1.1.2016 ²
IFRS 10, 12 and IAS 28	Investment entities: applying the consolidation exception	1.1.2016 ²
IFRS 15	Revenue from contract with customers	1.1.2018 ²
IFRS 9	Financial instruments	1.1.2018 ²
IFRS 16	Leasing	1.1.2019 ²

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

²⁾ Not yet adopted by the EU as of the reporting date. The effective date envisaged by an EU Regulation may differ from the date indicated by the IASB.

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

The effects of the changes in IFRS 9, IFRS 15 and IFRS 16 on CA Immo Group have not yet been analyzed.

The first time adoption of all other new standards is not likely to have any material impact on consolidated financial statements.

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

1. Segment reporting

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

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

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

Transactions between operating segments are allocated as follows:

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

€ 1,000			Austria			Germany	
2015	Income producing	Development	Total	Income producing	Development	Total	Income producing
Rental income	35,507	0	35,507	60,181	13,856	74,037	95,364
Rental income with other operating segments	520	0	520	616	0	616	0
Operating costs charged to tenants	8,890	0	8,890	12,405	2,105	14,510	31,644
Operating expenses	– 9,785	0	– 9,785	– 14,215	– 2,984	– 17,199	– 35,024
Other expenses directly related to properties rented	– 3,271	0	– 3,271	– 3,699	– 2,781	– 6,480	– 7,567
Net rental income	31,861	0	31,861	55,288	10,196	65,484	84,418
Result from hotel operations	0	0	0	0	0	0	251
Other expenses directly related to properties under development	0	0	0	0	– 3,354	– 3,354	0
Trading result	0	245	245	0	4,396	4,396	0
Result from the sale of investment properties	2,967	– 827	2,140	39,944	11,211	51,155	895
Income from services rendered	84	0	84	614	11,270	11,884	535
Indirect expenses	– 995	– 460	– 1,454	– 4,777	– 15,885	– 20,662	– 9,677
Other operating income	54	0	54	565	1,931	2,496	680
EBITDA	33,971	– 1,043	32,928	91,634	19,764	111,398	77,102
Depreciation and impairment/reversal	– 1,115	0	– 1,115	– 135	– 169	– 305	– 380
Result from revaluation	710	4,728	5,438	47,050	135,571	182,621	10,007
Result from joint ventures	0	0	0	0	0	0	0
Result of operations (EBIT)	33,566	3,685	37,251	138,548	155,165	293,714	86,729

31.12.2015

Property assets ¹⁾	593,142	16,958	610,100	1,090,654	891,437	1,982,090	1,361,708
Other assets	50,266	2,528	52,795	185,431	400,617	586,048	215,034
Deferred tax assets	0	0	0	1,165	433	1,598	1,223
Segment assets	643,408	19,486	662,894	1,277,250	1,292,487	2,569,736	1,577,966
Interest-bearing liabilities	264,694	1,214	265,908	623,127	336,002	959,129	925,850
Other liabilities	14,520	2,548	17,068	26,374	245,628	272,001	35,797
Deferred tax liabilities incl. current income tax liabilities	50,030	3,724	53,754	102,089	79,128	181,218	46,961
Liabilities	329,244	7,486	336,731	751,590	660,759	1,412,348	1,008,608
Shareholders' equity	314,164	12,000	326,164	525,660	631,728	1,157,388	569,357
Capital expenditures ²⁾	3,181	2,489	5,670	72,237	113,458	185,695	16,376

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

²⁾ Capital expenditures include all acquisitions of properties (long-term and short-term) including additions from initial consolidation, office furniture and other equipment and intangible assets; thereof € 6,610 K (31.12.2014: € 2,078 K) in properties held for trading.

	Eastern Europe core regions			Eastern Europe other regions	Total segments		Transition	Total
Development	Total	Income producing	Development	Total		Holding	Consolidation	
2,131	97,495	17,060	0	17,060	224,099	0	– 69,282	154,817
0	0	0	0	0	1,137	0	– 1,137	0
1,776	33,420	5,334	0	5,334	62,153	0	– 23,863	38,290
– 1,765	– 36,788	– 5,839	0	– 5,839	– 69,611	0	25,044	– 44,567
– 441	– 8,008	– 963	0	– 963	– 18,723	0	5,774	– 12,948
1,701	86,119	15,592	0	15,592	199,055	0	– 63,464	135,592
0	251	0	0	0	251	0	0	251
– 105	– 105	0	– 29	– 29	– 3,488	0	1,329	– 2,159
0	0	0	0	0	4,640	0	– 1,551	3,089
– 24	871	– 9	148	139	54,304	0	– 17,757	36,547
1	536	18	0	18	12,522	3,356	342	16,219
– 1,037	– 10,714	– 1,456	– 95	– 1,551	– 34,381	– 15,120	7,050	– 42,452
126	807	250	3	253	3,609	289	– 2,428	1,470
662	77,764	14,396	26	14,422	236,512	– 11,475	– 76,480	148,558
24	– 356	– 1	0	– 1	– 1,777	– 611	– 495	– 2,882
2,092	12,099	– 886	– 1,427	– 2,313	197,846	0	15,973	213,818
0	0	0	0	0	0	0	43,221	43,221
2,779	89,508	13,509	– 1,401	12,108	432,581	– 12,085	– 17,780	402,715
106,967	1,468,675	225,340	3,400	228,740	4,289,605	0	– 1,086,172	3,203,434
12,841	227,876	10,000	9,055	19,054	885,773	689,650	– 797,249	778,173
128	1,351	0	31	31	2,980	50,900	– 51,504	2,376
119,937	1,697,903	235,340	12,485	247,825	5,178,358	740,550	– 1,934,925	3,983,983
107,774	1,033,623	180,880	13,136	194,015	2,452,676	449,022	– 1,497,708	1,403,989
5,428	41,225	6,561	6	6,567	336,862	9,847	– 100,912	245,796
3,294	50,256	7,348	1	7,349	292,577	12,648	– 91,478	213,747
116,496	1,125,104	194,789	13,142	207,932	3,082,115	471,517	– 1,690,099	1,863,533
3,441	572,799	40,550	– 657	39,893	2,096,243	269,033	– 244,826	2,120,450
19,224	35,600	2,825	0	2,825	229,790	590	– 137,871	92,508

€ 1,000							
2014 restated	Income producing	Development	Austria Total	Income producing	Development	Germany Total	Income producing
Rental income	41,761	72	41,833	55,387	11,698	67,085	116,157
Rental income with other operating segments	515	0	515	230	0	230	0
Operating costs charged to tenants	9,224	0	9,224	12,271	1,090	13,361	40,573
Operating expenses	- 9,895	0	- 9,895	- 15,609	- 1,601	- 17,210	- 45,832
Other expenses directly related to properties rented	- 3,688	0	- 3,688	- 3,713	- 1,507	- 5,220	- 9,172
Net rental income	37,917	72	37,989	48,566	9,680	58,246	101,726
Result from hotel operations	0	0	0	0	0	0	1,798
Other expenses directly related to properties under development	0	- 11	- 11	0	- 5,115	- 5,115	0
Trading result	0	0	0	0	8,844	8,844	0
Result from the sale of investment properties	1,144	- 8	1,136	4,015	33,688	37,703	- 118
Income from services	98	0	98	0	11,493	11,493	826
Indirect expenses	- 1,135	- 187	- 1,322	- 5,884	- 15,489	- 21,373	- 16,651
Other operating income	52	0	52	1,556	590	2,146	4,262
EBITDA	38,076	- 134	37,942	48,253	43,691	91,944	91,843
Depreciation and impairment/reversal	- 3,049	0	- 3,049	- 171	- 554	- 725	- 6,227
Result from revaluation	6,940	0	6,940	35,614	22,635	58,249	- 71,543
Result from joint ventures	0	0	0	0	0	0	0
Operating result (EBIT)	41,967	- 134	41,833	83,696	65,772	149,468	14,073

31.12.2014 restated

Property assets ¹⁾	684,678	0	684,678	1,054,585	778,026	1,832,611	1,574,364
Other assets	80,234	6	80,240	198,028	292,798	490,826	279,617
Deferred tax assets	0	0	0	965	2,534	3,499	3,156
Segment assets	764,912	6	764,918	1,253,578	1,073,358	2,326,936	1,857,137
Interest-bearing liabilities	328,951	0	328,951	628,549	411,816	1,040,365	1,092,001
Other liabilities	34,179	5	34,184	90,021	67,434	157,455	183,896
Deferred tax liabilities incl. current income tax liabilities	59,580	0	59,580	77,387	48,529	125,916	65,228
Liabilities	422,710	5	422,715	795,957	527,779	1,323,736	1,341,125
Shareholders' equity	342,202	1	342,203	457,621	545,579	1,003,200	516,012
Capital expenditures ²⁾	6,323	0	6,323	9,504	147,746	157,250	14,360

	Eastern Europe core regions			Eastern Europe other regions	Total segments		Transition	
Development	Total	Income producing	Development	Total		Holding	Consolidation	Total
4,910	121,067	16,851	0	16,851	246,836	0	– 101,641	145,195
0	0	0	0	0	745	0	– 745	0
1,091	41,664	5,120	0	5,120	69,369	0	– 35,898	33,471
– 1,319	– 47,151	– 6,002	0	– 6,002	– 80,258	0	40,997	– 39,261
– 625	– 9,797	– 1,311	0	– 1,311	– 20,016	0	9,456	– 10,560
4,057	105,783	14,658	0	14,658	216,676	0	– 87,831	128,845
0	1,798	0	0	0	1,798	0	– 42	1,756
– 103	– 103	0	– 32	– 32	– 5,261	0	2,086	– 3,175
0	0	0	0	0	8,844	0	– 119	8,725
669	551	– 107	0	– 107	39,283	0	– 9,456	29,827
0	826	0	0	0	12,417	3,663	– 90	15,990
– 1,460	– 18,111	– 1,475	– 299	– 1,774	– 42,580	– 14,689	12,883	– 44,386
615	4,877	4	5,332	5,336	12,411	322	– 1,264	11,469
3,778	95,621	13,080	5,001	18,081	243,588	– 10,704	– 83,833	149,051
– 14	– 6,241	– 2	– 11	– 13	– 10,028	– 556	503	– 10,081
9,677	– 61,866	– 10,580	– 3,130	– 13,710	– 10,387	0	6,177	– 4,210
0	0	0	0	0	0	0	8,157	8,157
13,441	27,514	2,498	1,860	4,358	223,173	– 11,260	– 68,996	142,917
101,154	1,675,518	223,739	5,802	229,541	4,422,348	0	– 1,715,720	2,706,628
11,108	290,725	5,556	3,319	8,875	870,666	691,122	– 601,776	960,012
0	3,156	0	0	0	6,655	51,498	– 53,852	4,301
112,262	1,969,399	229,295	9,121	238,416	5,299,669	742,620	– 2,371,348	3,670,941
96,570	1,188,571	207,708	28,461	236,169	2,794,056	311,812	– 1,876,717	1,229,151
6,867	190,763	8,098	36	8,134	390,536	48,486	– 106,301	332,721
2,683	67,911	9,690	2	9,692	263,099	1,375	– 107,111	157,363
106,120	1,447,245	225,496	28,499	253,995	3,447,691	361,673	– 2,090,129	1,719,235
6,142	522,154	3,799	– 19,378	– 15,579	1,851,978	380,947	– 281,219	1,951,706
14,490	28,850	2,924	32	2,956	195,379	528	– 11,904	184,003

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

Segment Eastern Europe core regions before consolidation	€ 1,000	2015	€ 1,000	2014
		Share in %		Share in %
Rental income				
Poland	32,156	33.0	37,784	26.0
Romania	19,890	20.4	32,960	22.7
Czech Republic / Slovakia	21,974	22.5	24,363	16.8
Hungary	23,475	24.1	25,960	17.9
Fair value of investment properties IAS 40				
Poland	492,736	33.5	537,027	19.8
Romania	280,270	19.1	397,599	14.7
Czech Republic / Slovakia	347,519	23.7	366,754	13.6
Hungary	348,150	23.7	374,138	13.8

2. Rental income

€ 1,000	2015	2014
Basic rental income	148,824	143,011
Conditional rental income	1,347	1,794
Change in accrued rental income related to lease incentive agreements	4,155	– 168
Settlement from cancellation of rent agreements	490	558
Rental income	154,817	145,195

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

2015	Austria		Germany		Eastern Europe core regions		Eastern Europe other regions		Total	
	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %	€ 1,000	Share in %
Offices	18,756	52.8%	33,365	68.2%	55,890	93.0%	9,378	91.2%	117,389	75.8%
Hotels	5,416	15.3%	4,372	8.9%	213	0.4%	903	8.8%	10,903	7.0%
Retail	6,209	17.5%	310	0.6%	3,845	6.4%	0	0.0%	10,365	6.7%
Logistics	0	0.0%	7,074	14.5%	156	0.3%	0	0.0%	7,230	4.7%
Residential	1,451	4.1%	247	0.5%	0	0.0%	0	0.0%	1,698	1.1%
Other properties	3,674	10.3%	3,555	7.3%	2	0.0%	0	0.0%	7,232	4.7%
Rental income	35,507	100%	48,923	100%	60,106	100%	10,281	100%	154,817	100%

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

CA Immo Group generates rental income from a multitude of tenants. No single tenant generates more than 10 % of total rental income of CA Immo Group.

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

€ 1,000	2015	2014
Operating costs charged to tenants	38,290	33,471
Operating expenses	– 44,567	– 39,261
Own operating costs	– 6,277	– 5,790
Maintenance costs	– 5,606	– 4,671
Agency fees	– 3,589	– 1,167
Bad debt losses and reserves for bad debts	– 353	– 1,091
Other directly related expenses	– 3,401	– 3,631
Other expenses directly related to properties rented	– 12,948	– 10,560
Total	– 19,225	– 16,350

4. Result from hotel operations

CA Immo Group operated two hotels in Czech Republic. Other expenses from hotel operations mainly include expenses for food and beverages, catering, hotel rooms, licence and management fees, personnel expenses, advertising costs, bad debts, operating costs, maintenance costs and other costs related to properties. In 2015, the two hotels in the Czech Republic and their related management and operating companies (Hotel Operation Plzen Holding s.r.o. and Hotel Operations Europort s.r.o.) were sold.

In 2014 the depreciation and impairment of hotels operated by CA Immo Group, included in the line “depreciation and impairment of long-term assets“, amounted to € 5,663 K.

5. Other expenses directly related to properties under development

€ 1,000	2015	2014
Operating expenses related to investment properties under development	– 728	– 1,362
Property advertising costs	– 56	– 80
Project development and project execution	– 866	– 1,110
Operating expenses related to investment properties under development long-term assets	– 1,651	– 2,552
Operating expenses related to investment properties under development short-term assets	– 508	– 622
Other expenses directly related to properties under development	– 2,159	– 3,175

6. Result from trading and construction works

€ 1,000	2015	2014
Income from the sale of properties and construction works	9,535	14,870
Book value of sold properties incl. ancillary and construction costs	– 6,446	– 6,145
Result from trading and construction works	3,089	8,725
Result from trading and construction works in % from revenues	32.4%	58.7%

Costs incurred for contract work in accordance with IAS 11 for construction work projects in progress at the reporting date total € 947 K (2014: € 0 K) so far, the related accumulated revenues amount to € 1,191 K (2014: € 0 K). There are no prepayments.

7. Result from sale of investment properties

€ 1,000	Austria	Germany	Eastern Europe other regions	Eastern Europe other regions	2015	Austria	Germany	Eastern Europe other regions	Eastern Europe other regions	2014
Sales prices for interests in property companies	0	48,862	2,095	0	50,957	0	0	2,709	4,857	7,566
Book value of net assets sold excl. goodwill	0	- 36,352	- 1,497	0	- 37,849	0	0	- 2,833	- 4,455	- 7,288
Goodwill of sold properties	0	0	0	0	0	0	0	0	- 76	- 76
Revaluation result for the year	0	26,160	- 1	0	26,158	0	0	- 50	- 405	- 455
Subsequent costs and ancillary costs	0	- 2,666	- 429	- 9	- 3,104	0	0	- 89	- 28	- 117
Results from the sale of investment property (share deals)	0	36,003	168	- 9	36,162	0	0	- 263	- 107	- 370
Income from the sale of investment properties	90,312	66,279	24,087	0	180,678	35,515	57,068	113,061	0	205,644
Book value of properties sold	- 88,966	- 42,286	- 24,022	0	- 155,274	- 34,149	- 24,589	- 111,315	0	- 170,053
Goodwill of sold properties	- 2,673	- 737	0	0	- 3,410	- 590	- 273	- 369	0	- 1,232
Revaluation result for the year	4,984	- 1	0	0	4,983	837	9,121	- 37	0	9,921
Subsequent costs and ancillary costs	- 1,517	- 25,065	- 10	0	- 26,592	- 477	- 12,907	- 699	0	- 14,083
Results from the sale of investment property (asset deals)	2,140	- 1,810	55	0	385	1,136	28,420	641	0	30,197
Result from the sale of investment properties	2,140	34,194	223	- 9	36,547	1,136	28,420	378	- 107	29,827

The book value of net assets sold (= equity) include investment property in the amount of € 148,585 K (2014: € 19,500 K), for which selling prices totaling to € 153,200 K (2014: € 19,263 K) were agreed.

8. Result from development services

€ 1,000	2015	2014
Revenues from contract work according to IAS 11	2,256	1,466
Revenues from service contracts	9,226	8,335
Income from management	4,459	5,740
Property management revenues and other fees	279	449
Income from services rendered	16,219	15,990

Costs incurred for contract work in accordance with IAS 11 for development services projects in progress at the reporting date total € 4,614 K (2014: € 3,020 K) so far and the related accumulated revenues amount to € 5,723 K (2014: € 3,606 K). In 2015, losses recognised by reference to the stage of completion of the contract amount to € 173 K (2014: € 15 K loss). Prepayments amount to € 5,336 K (2014: € 3,068 K).

9. Indirect expenses

€ 1,000	2015	2014
Personnel expenses	– 31,271	– 28,357
Legal, auditing and consulting fees	– 6,019	– 9,047
Material expenses for services	– 4,578	– 5,043
Office rent	– 1,467	– 1,828
Travel expenses and transportation costs	– 1,208	– 1,266
Other expenses internal management	– 2,906	– 3,095
Other indirect expenses	– 4,231	– 2,747
Subtotal	– 51,679	– 51,383
Own work capitalised in investment property	7,829	6,374
Change in properties held for trading	1,399	623
Indirect expenses	– 42,452	– 44,386

Personnel expenses include contributions to staff welfare funds in the amount of € 99 K (2014: € 74 K) and to pension and relief funds in the amount of € 319 K (2014: € 551 K).

10. Other operating income

€ 1,000	2015	2014
Discharge of lapsed liabilities	114	7,846
Income from taxes	0	476
Other income	1,357	3,147
Other operating income	1,470	11,469

In 2014, the other operating income contained € 5.2 mio resulting from the termination of the Maslov proceedings as well as € 3.5 mio resulting from guarantees and purchase price reductions.

11. Depreciation and impairment losses/reversal

€ 1,000	2015	2014
Regular depreciation	– 2,013	– 3,924
Impairment loss on goodwill	– 902	– 2,831
Impairment own used properties	0	– 3,530
Impairment loss on properties held for trading	0	– 41
Reversal of impairment loss previously recognised on properties held for trading	32	245
Depreciation and impairment/reversal	– 2,882	– 10,081

12. Joint ventures result

€ 1,000	2015	2014
At equity consolidation of investments in joint ventures	42,524	8,816
Result from sale of joint ventures	697	– 659
Result from joint ventures	43,221	8,157

The result of at equity consolidation of joint ventures contains the increase of the fair values of the E-Portfolio related to the buy-out of the former joint venture partner, amounting to € 15,592 K at first-time consolidation date.

13. Finance costs

€ 1,000	2015	2014
Interest expense banks	– 40,074	– 58,334
Interest expense bonds	– 14,490	– 17,749
Interest expense convertible bond	0	– 2,536
Other interest and finance costs	– 5,609	– 3,148
Finance costs	– 60,172	– 81,767

14. Other financial result

In 2015, CA Immo Group repurchased three loans from the financing bank. The difference between the outstanding loan amount and the purchase price for consolidated subsidiaries amounts to € 178 K (2014: € 2,408 K).

15. Result from interest rate derivatives

€ 1,000	2015	2014
Valuation interest rate derivative transactions	10,614	– 5,537
Ineffectiveness of cash-flow hedges	19	14
Reclassification of valuation results recognised in equity	– 25,931	– 7,729
Result from interest rate derivative transactions	– 15,299	– 13,252

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

The item "Valuation interest rate derivative transactions" includes the following items:

€ 1,000	2015	2014
Valuation of interest rate swaps without cash flow hedge relation	10,780	– 3,493
Valuation Swaption	– 110	– 2,054
Valuation of interest rate caps	– 57	10
Valuation interest rate derivative transactions	10,614	– 5,537

16. Result from financial investments

€ 1,000	2015	2014
Interest income from loans to associated companies and joint ventures	8,159	44,645
Interest income on bank deposits	524	346
Income from investments	1,169	684
Other interest income	2,492	1,727
Result from financial investments	12,344	47,402

17. Result from other financial assets

The result from other financial assets for the year 2015 amounts to € – 13,264 K (2014: -9,351 K) and refers to impairments of available for sale securities as well as valuations of loans granted to joint ventures and other loans.

18. Result from associated companies

€ 1,000	2015	2014
UBM Realitätenentwicklung AG, Vienna	0	– 2,091
ZAO „Avielen A.G.“, St. Petersburg	– 6,297	– 1,055
	– 6,297	– 3,146

In 2014, the loss resulting from the sale of the associated company UBM Realitätenentwicklung AG, amounting to € 5,606 K, is shown in the result from associated companies.

19. Financial result

€ 1,000		Category ¹⁾	2015	2014
Interest expense	Interest	FLAC	– 60,172	– 81,767
Other financial results	Valuation	L&R	178	2,408
Foreign currency gains/losses	Valuation		– 8,914	– 5,912
	Realisation		4,723	5,517
Forward foreign exchange transactions	Realisation	HFT	0	– 246
Interest rate swaps	Valuation	HFT	10,780	– 3,493
	Ineffectiveness	CFH	19	14
	Reclassification	CFH	– 25,931	– 7,729
Swaption	Valuation	HFT	– 110	– 2,054
Interest rate caps and floors	Valuation	HFT	– 57	10
Interest income	Interest	L&R	11,174	46,718
Financial investments	Dividends	AFS	1,169	684
Other financial assets	Valuation	L&R	0	– 9,351
	Valuation	AFS	– 13,264	0
Net result of financial instruments			– 80,405	– 55,200
Result from associated companies	Valuation	AEA	– 6,296	– 1,055
	Realisation	AEA	0	– 2,091
Result from associated companies			– 6,296	– 3,146
Financial result			– 86,702	– 58,346

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

20. Income tax

€ 1,000	2015	2014
Current income tax (current year)	– 9,248	– 18,944
Current income tax (previous years)	– 27,392	11,492
Current income tax	– 36,639	– 7,452
Change in deferred taxes	– 58,633	– 8,621
Tax benefit on valuation of derivative transactions and assets available for sale in equity	99	2,300
Income tax	– 95,174	– 13,773
Effective tax rate (total)	30.1%	16.3%

Current income tax (current year) arises mainly from Germany and Austria. The change in current income tax (previous years) results from a tax audit for the period 2008 – 2010 and follow-up effects until 2013 in relation to the tax deductibility of interest expenses in Germany, amounting to € 34.2 m. CA Immo Group contests the findings of the tax audit and is pursuing further legal steps in this respect. This effect in current income tax in turn resulted in a partial decrease in deferred taxes due to not claiming tax benefits amounting to € 27.2 m.

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

€ 1,000	2015	2014
Net result before taxes	316,013	84,571
Expected tax expenses (tax rate Austria 25.0% / prior year 25.0%)	– 79,003	– 21,143
Tax-effective impairment and reversal of impairment losses of investments in affiliated entities	995	15,222
Non-usable tax losses carried forward	– 6,503	– 10,223
Non tax-deductible expense and permanent differences	– 1,153	– 6,937
Differing tax rates abroad	– 957	– 6,468
Relief of temporary differences	0	4,527
Capitalisation of prior years non-capitalised tax losses	765	2,837
Tax-exempt income	2,275	2,669
Adjustment of prior periods	– 14,489	2,487
Utilization of prior years non-capitalised tax losses	264	1,634
Trade tax effects	– 706	1,633
Amortisation/Reversal of amortisation of deferred tax assets	– 4,943	– 421
At equity consolidation of investments in joint ventures	8,143	359
Exchange rate differences not affecting tax	– 135	– 332
Others	274	383
Effective tax expense	– 95,174	– 13,773

21. Other comprehensive income

2015					
€ 1,000	Valuation result/ Reclassification (Hedging)	Currency translation reserve	Reserves for available for sale valuation	Reserve according to IAS 19	Total
Other comprehensive income before taxes	27,687	597	2,164	870	31,317
Income tax related to other comprehensive income	- 5,315	0	- 759	- 284	- 6,359
Other comprehensive income for the period	22,372	597	1,405	585	24,958
thereof: attributable to the owners of the parent	22,372	597	1,405	585	24,958

2014					
€ 1,000	Valuation result/ Reclassification (Hedging)	Currency translation reserve	Reserves for available for sale valuation	Reserve according to IAS 19	Total
Other comprehensive income before taxes	8,132	2,236	398	- 1,941	8,825
Income tax related to other comprehensive income	- 728	0	0	620	- 108
Other comprehensive income for the period	7,404	2,236	398	- 1,321	8,717
thereof: attributable to the owners of the parent	7,404	2,236	398	- 1,321	8,717

The reclassification of € 25,931 K (2014: € 7,729 K) relates to the fair values of cash flow hedges recorded in equity as at previous year's reporting date, for which the underlying loans were repaid in advance during business year.

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

22. Long-term assets

€ 1,000	Income producing investment properties	Investment properties under development	Hotel and other own used properties	Total
Book values				
1.1.2014	2,139,564	400,095	32,813	2,572,472
Purchase of real estate companies	0	63,240	0	63,240
Current investment/construction	17,098	76,539	0	93,637
Disposals	- 61,220	- 19,583	0	- 80,803
Depreciation and amortisation	0	0	- 6,161	- 6,161
Reclassification to assets held for sale	- 29,705	- 3,279	- 18,547	- 51,531
Other reclassifications	39,241	- 38,732	- 572	- 63
Revaluation	- 12,909	17,972	0	5,063
Currency translation adjustments	0	0	0	0
Change in lease incentives	846	0	0	846
As at 31.12.2014 = 1.1.2015	2,092,917	496,252	7,533	2,596,702
Purchase of real estate companies	455,651	20,981	0	476,632
Current investment/construction	50,210	40,947	0	91,156
Disposals	- 191,988	- 41,223	0	- 233,210
Depreciation and amortisation	0	0	- 517	- 517
Reclassification to assets held for sale	- 995	- 50,070	0	- 51,065
Other reclassifications	147,217	- 147,217	0	0
Revaluation	155,892	89,068	0	244,961
Currency translation adjustments	0	227	0	227
Change in lease incentives	5,401	14	0	5,416
As at 31.12.2015	2,714,305	408,979	7,016	3,130,301

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

€ 1,000	Income producing investment properties	Investment properties under development	Hotel and other own used properties	Total
1.1.2014				
Acquisition costs				
Fair value of properties	2,137,990	400,095	40,398	2,578,483
Accumulated depreciation	0	0	– 7,585	– 7,585
Net book value	2,137,990	400,095	32,813	2,570,898
Incentives agreements	1,574	0	0	1,574
Fair value/book value	2,139,564	400,095	32,813	2,572,472
As at 31.12.2014 = 1.1.2015				
Acquisition costs				
Fair value of properties	2,090,524	496,252	11,880	2,598,656
Accumulated depreciation	0	0	– 4,347	– 4,347
Net book value	2,090,524	496,252	7,533	2,594,309
Lease incentive agreements	2,393	0	0	2,393
Fair value/book value	2,092,917	496,252	7,533	2,596,701
As at 31.12.2015				
Acquisition costs				
Fair value of properties	2,706,511	408,965	11,880	3,127,356
Accumulated depreciation	0	0	– 4,864	– 4,864
Net book value	2,706,511	408,965	7,016	3,122,491
Lease incentive agreements	7,793	13	0	7,806
Fair value/book value	2,714,305	408,979	7,016	3,130,300

The current capital expenditures (construction costs) for investment properties under development mainly relate to John F. Kennedy House (€ 5,086 K), Europaplatz Berlin (€ 20,389 K) and other projects in Germany. The capital expenditures in income producing investment properties relate mainly to the completion of the properties John F. Kennedy House (€ 10,102 K) and Kontorhaus Arnulfpark (€ 15,567 K) in Germany, as well as capital expenditures in other core regions.

The acquisitions of real estate companies refer exclusively to the real estate properties of the E-Portfolio.

The disposals for the current year relate to the sale of H&M Logistik Centre in Hamburg and various other disposals in Germany and Austria. Previous year disposals relate to the sale of Europolis Lipow Office Park in Poland, the sale of “Englische Schule” in Prague, the sale of “Mladost Office Center 2” in Sofia, and several disposals in Germany and Vienna.

The fair value of the properties assigned as collateral for external financings totals € 2,229,600 K (31.12.2014: € 1,966,678 K).

In 2015, borrowing costs relating to the construction of properties totaling € 236 K (2014: € 481 K) were capitalised at a weighted average interest rate of 1.66 % (2014: 1.72%).

In 2015 government grants amounted to € 0 K (2014: € 2,579 K).

23. Intangible assets and office furniture and equipment

€ 1,000	Goodwill	Software	Total	Office furniture and Equipment
Book values				
1.1.2014	18,850	1,205	20,055	1,700
Purchase of real estate companies	0	0	0	1
Currency translation adjustments	0	- 3	- 3	29
Current additions	0	750	750	344
Disposals	- 1,308	- 11	- 1,319	- 3
Depreciation and amortisation	0	- 771	- 771	- 526
Impairment	- 2,831	0	- 2,831	0
Reclassification	0	- 36	- 36	- 147
As at 31.12.2014 = 1.1.2015	14,711	1,135	15,846	1,399
Purchase of real estate companies	0	11	11	4,640
Currency translation adjustments	0	3	3	- 44
Current additions	0	854	854	489
Disposals	- 3,410	- 13	- 3,423	- 98
Depreciation and amortisation	0	- 821	- 821	- 675
Impairment	- 902	0	- 902	0
As at 31.12.2015	10,399	1,168	11,567	5,710

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

€ 1,000	Goodwill	Software	Total	Office furniture and Equipment
1.1.2014				
Acquisition costs	37,173	2,823	2,823	4,726
Accumulated impairment/amortisation	- 18,323	- 1,618	- 1,618	- 3,026
Book values	18,850	1,205	20,054	1,700
As at 31.12.2014 = 1.1.2015				
Acquisition costs	34,736	3,456	38,192	4,686
Accumulated impairment/amortisation	- 20,025	- 2,323	- 22,346	- 3,287
Book values	14,711	1,135	15,845	1,399
As at 31.12.2015				
Acquisition costs	28,153	3,118	31,271	9,770
Accumulated impairment/amortisation	- 17,754	- 1,950	- 19,704	- 4,060
Book values	10,399	1,168	11,567	5,710

24. Investments in joint ventures

CA Immo Group is engaged in the following material joint ventures:

Name	Project Partner	Share of CA Immo Group (Prior Year)	Registered office	Region/Country Investment	Type of investment	Aggregation	Number entities (Prior Year)
Tower 185	PPG						
	Partnerpensiongesellschaft, WPI Fonds	33.33% (33.33%)	Frankfurt	Germany	Income producing	Sum of entities	3 (3)
E-Fonds	European Bank for Reconstruction and Development	100% (65% – 75%)	Vienna	Eastern Europe	Income producing / Development	Sum of entities	32 (39)

The joint venture “Tower 185“ holds the Tower 185 in Frankfurt.

The main focus of the E-Portfolio, whose shares amounting to 25% and respectively 35% were acquired on 1.7.2015 by CA Immo Group, is on office buildings in the Czech Republic, Romania, Hungary, Croatia, and Slovakia.

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

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

The new control concept of IFRS 10 leads to joint ventures existing in CA Immo Group that are consolidated at equity in accordance with IFRS 11 for contractual reason, even though the Group’s holding is greater than 50%.

As at 31.12.2015, there are no unrecognized losses from joint ventures (31.12.2014: € 2,530 K). There are no unrecognized contractual obligations for the CA Immo Group concerning the acquisition or disposal of shares in joint ventures or for assets that are not accounted for.

The following table shows material interests in joint ventures:

€ 1,000	2015		2014	
	E-Fonds	Tower 185	E-Fonds	Tower 185
Rental income	18,217	25,425	47,731	23,461
Depreciation and impairment/reversal	- 139	- 11	- 1,027	- 12
Finance costs	- 8,096	- 15,748	- 22,060	- 14,711
Income tax expense	- 29	- 2,728	- 1,136	- 237
Consolidated net income	5,704	4,328	- 22,588	43,949
Total comprehensive income	- 4,886	0	2,353	0
Comprehensive income for the period	817	4,328	- 20,235	43,949
Long-term assets	0	556,103	522,205	538,728
Other short-term assets	0	20,438	185,061	22,931
Cash and cash equivalents	0	22,817	17,081	26,435
Total assets	0	599,358	724,346	588,094
Other long-term liabilities	0	15,981	33,688	13,113
Interest-bearing liabilities	0	294,848	417,596	299,186
Long-term liabilities	0	310,829	451,284	312,300
Other short-term liabilities	0	3,417	107,324	11,115
Interest-bearing liabilities	0	4,390	127,306	0
Short-term liabilities	0	8,322	234,629	11,115
Shareholders' equity	0	280,208	38,433	264,680
Proportional equity as at 1.1.	25,520	88,190	36,221	71,583
Proportional profit of the period	3,801	1,443	- 14,056	14,644
Proportional other income	- 3,181	0	1,532	0
Capital in- decrease	273	5,644	1,822	1,964
Dividends received	0	- 1,909	0	0
Transition consolidation	- 26,413	0	0	0
Proportional equity as at 31.12.	0	93,366	25,520	88,191
Goodwill	0	0	3,469	0
Book value investments into joint ventures 31.12	0	93,366	28,989	88,191

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

The following table shows immaterial interests in joint ventures:

€ 1,000	2015	2014
Proportional equity as at 1.1.	74,373	82,387
Proportional profit of the period	20,179	7,365
Proportional other income	0	0
Capital in- decrease	– 23,921	4,815
Dividends received	– 1,349	– 10,917
Proportional equity as at 31.12.	69,283	83,651
Goodwill	2,034	2,034
Intercompany profit elimination	616	– 612
Addition / Disposal / Transition consolidation / Deconsolidation / Reclassification IFRS 5	– 10,872	– 16,200
Allowance of loans/ receivables and payables	17,860	17,553
Not recognized losses	-	2,530
Book value investments into joint ventures 31.12	78,920	88,956

25. Investments in associated companies

In 2014 the shares in the associated company UBM Realitätenentwicklung AG, Vienna, were sold.

As at 31.12.2015 there are no unrecognised losses from associated companies (31.12.2014: € 0 K).

UBM Realitätenentwicklung AG	2014
€ 1,000	
Gross revenues	87,225
Consolidated net income	6,768
Total comprehensive income	0
Comprehensive income for the period	6,838
thereof attributable to non-controlling interests	234
thereof attributable to the owners of the parent	6,604
Proportional equity as at 1.1.	38,726
Proportional profit of the period	3,515
Proportional other income	296
Disposals	– 41,606
Dividends received	– 930
Book value 31.12.	0

The following table shows the immaterial interests in associated companies:

€ 1,000	2015	2014
Proportional equity as at 1.1.	- 11,455	- 8,375
Proportional profit of the period	- 9,515	- 3,081
Deconsolidation	- 18	0
Allowance of loans	20,989	11,474
Not recognized losses	0	0
Book value 31.12.	0	18

The information displayed includes no consolidation within the CA Immo Group .

26. Financial assets

€ 1,000	31.12.2015	31.12.2014
Other financial assets	114,526	382,694
Long-term receivables and other assets	20,299	2,716
	134,824	385,410

€ 1,000	Acquisition costs incl. interest as at 31.12.2015	Changes in value recognised in profit or loss 2015	Changes in the value through OCI 2015	Changes in value accumulated until 31.12.2015	Book values as at 31.12.2015
Loans to joint ventures	18,277	- 301	0	- 12,114	6,162
Loans to associated companies	22,402	- 6,296	0	- 9,575	12,827
Other loans	27,249	0	0	- 27,249	0
Loans and receivables	67,927	- 6,598		- 48,938	18,990
Long-term receivables	36,638	0	0	0	36,638
Long-term receivables	36,638	0	0	0	36,638
Investments available for sale	56,094	0	2,566	2,566	58,660
Financial assets available for sale	56,094	0	2,566	2,566	58,660
Interest rate caps	107	- 57	0	- 58	49
Swaption	245	- 167	0	- 56	189
Derivative financial instruments	352	- 224	0	- 114	238
Total other financial assets	161,011	- 6,822	0	- 46,485	114,526

€ 1,000	Acquisition costs incl. interest as at 31.12.2014	Changes in value recognised in profit or loss 2014	Changes in the value through OCI 2014	Changes in the value accumulated 31.12.2014	Book values as at 31.12.2014
Loans to joint ventures	323,952	– 9,301	0	– 18,500	305,452
Loans to associated companies	29,971	– 1,055	0	– 9,447	20,524
Other loans	27,760	– 50	0	– 27,760	0
Loans and receivables	381,683	– 10,405	0	– 55,706	325,976
Investments available for sale	56,655	0	0	0	56,655
Financial assets available for sale	56,655	0	0	0	56,655
Interest rate caps	245	10	0	– 235	10
Swaption	1,311	– 2,055	0	– 1,257	54
Derivative financial instruments	1,556	– 2,045	0	– 1,492	64
Total other financial assets	439,894	– 12,450	0	– 57,198	382,694

The amount to be recognised in profit and loss for the difference between the book value and nominal value of loans to joint ventures as at 31.12.2015 amounts to € 0 K (31.12.2014: € 2,933 K).

Long-term receivables and other assets

€ 1,000	31.12.2015	31.12.2014
Cash and cash equivalents with drawing restrictions	9,026	2,709
Receivables from property sales	11,250	0
Other receivables and assets	22	7
Long-term receivables and other assets	20,299	2,716

27. Deferred taxes

€ 1,000	2015	2014
Deferred taxes as at 1.1. (net)	– 141,690	– 136,004
Change from IFRS 5 transfer	0	– 120
Changes from sale of companies	8,665	707
Changes from first consolidation	2,842	0
Changes due to exchange rate fluctuations	1	30
Changes recognised in equity	– 6,263	2,318
Changes recognised in profit or loss (incl. in disposal groups)	– 58,633	– 8,622
Changes in disposal groups	90	0
Deferred taxes as at 31.12. (net)	– 194,989	– 141,690

€ 1,000	31.12.2014 restated				31.12.2015		
Type	Net amount	Consolidated Income Statement	Other income	Addition / Disposal / IFRS 5 / exchange rate fluctuations	Net amount	deferred tax asset	Deferred tax liabilities
Revaluation of investment property held as financial asset	- 215,896	- 35,397	0	10,489	- 240,804	1,042	- 241,846
Difference in depreciation of own used properties	356	56	0	0	411	533	- 122
Difference in acquisition costs for assets held for trading	- 2,474	1,356	0	0	- 1,118	0	- 1,118
Difference in useful life for intangible assets	85	- 20	0	0	65	65	0
Difference in useful life for equipment	180	37	0	0	217	218	- 1
Investments in joint ventures	- 8,537	- 1,676	0	0	- 10,214	128	- 10,342
Loans and assets available for sale	- 18,853	5,278	- 662	0	- 14,238	0	- 14,238
Assets held for sale	- 1,792	- 10,163	0	0	- 11,955	0	- 11,955
Revaluation of receivables and other assets	- 725	633	0	0	- 92	759	- 850
Revaluation of derivatives assets	2	- 4	0	0	- 2	0	- 2
Revaluation of cash and cash equivalents	98	- 155	0	0	- 57	1	- 58
Revaluation of derivatives liabilities	12,636	- 5,170	- 5,317	0	2,149	2,149	0
Liabilities	6,162	450	0	257	6,868	8,570	- 1,702
Provisions	6,095	514	- 285	0	6,323	6,333	- 10
Tax losses	80,975	- 14,280	0	760	67,455	67,455	0
Deferred tax assets/liabilities before offset	- 141,690	- 58,543	- 6,263	11,507	- 194,989	87,255	- 282,244
Computation of taxes	0				0	- 84,878	84,878
Deferred tax assets/liabilities net	- 141,690				- 194,989	2,376	- 197,365

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

€ 1,000	2015	2014
In the following year	10,790	10,849
Thereafter 4 years	77,459	39,241
More than 5 years	22,608	16,252
Without limitation in time	324,518	342,264
Total unrecorded tax losses carried forward	435,375	408,606
thereupon non-capitalised deferred tax assets	86,908	91,333

The total taxable temporary differences related to investments in Austrian affiliated companies, joint ventures and associated companies for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 271,060 K (31.12.2014: € 227,475 K). Tax loss carryforwards of the Austrian companies that were not recognised amount to € 183,017 K (31.12.2014: € 150,601 K).

The total taxable temporary differences related to investments in foreign affiliated companies, joint ventures and associated companies for which no deferred taxes were recognised pursuant to IAS 12.39 amount to € 30,692 K (31.12.2014: € 16,767 K). Not-recognised tax loss carry forwards of foreign entities amount to € 252,359 K (31.12.2014: € 258,006 K) were not recognised. Subject to specific requirements, gains from the disposal of investments in foreign entities are partially or completely exempt from income tax.

28. Assets and liabilities held for sale

As at 31.12.2015, the share in seven joint ventures and several properties with a fair value of € 54,048 K (31.12.2014: € 86,000 K) were classified as held for sale. For these assets and disposal groups, the disposal was agreed by the appropriate level of management of CA Immo Group and a contract of sale was concluded or assigned by the time the consolidated financial statements were prepared.

Properties held for sale € 1,000	31.12.2015	31.12.2014
Austria - investment properties	995	20,480
Germany - Properties under development	50,070	6,350
Eastern Europe core regions - investment properties	0	31,213
Eastern Europe core regions - properties under development	0	1,996
Eastern Europe core regions - hotel and other own used properties	0	18,547
Assets held for sale	51,065	78,586
Eastern Europe core regions - participation in joint ventures	2,983	7,414
Financial assets held for sale	2,983	7,414
Assets held for sale and relating to disposal groups	54,048	86,000

The result from revaluation includes an amount of € – 1 K (2014: € 192 K) related to investment properties after their reclassification as properties held for sale.

Assets and liabilities held for sale		
€ 1,000		
	31.12.2015	31.12.2014
Assets held for sale	54,048	86,000
Receivables and other assets	0	4,424
Cash and cash equivalents	0	936
deferred tax asset	0	120
Assets in disposal groups held for sale	54,048	91,481
Provisions	0	877
Interest-bearing liabilities	0	24,833
Other liabilities	0	833
Liabilities relating to disposal groups	0	26,543
Net-assets/liabilities included in disposal groups	54,048	64,938

Of the investment properties classified as per IFRS 5, an amount of € 0 K (31.12.2014: € 44,800 K) is encumbered by mortgage charges representing security for loan liabilities.

29. Properties held for trading

€ 1,000			31.12.2015			31.12.2014
	Acquisition / production costs	Accumulated impairment	Book values	Acquisition / production costs	Accumulated impairment	Book values
At acquisition/production costs	21,759	0	21,759	14,665	0	14,665
At net realisable value	2,989	– 2,679	310	6,495	– 2,715	3,780
Total properties held for trading	24,748	– 2,679	22,069	21,160	– 2,715	18,445

The fair value of the properties held for trading which are recognised at acquisition/production costs amounts to € 37,605 K (31.12.2014: € 24,398 K), and correspond to level 3 of the fair value hierarchy.

Properties held for trading amounting to € 19,688 K (31.12.2014: € 15,428 K) are expected to be realised within a period of more than 12 months. This applies to 15 properties (31.12.2014: 17 properties) in Germany.

In 2015 and 2014, no borrowing costs were capitalised on properties held for trading. Interest bearing liabilities in connection with certain properties defined as held for sale total € 0 K (31.12.2014: € 0 K).

30. Receivables and other assets

€ 1,000	Book values as at 31.12.2015	Book values as at 31.12.2014
Receivables from joint ventures	39,718	17,002
Receivables from property sales	14,707	55,583
Rental and trade debtors	9,464	20,363
Cash and cash equivalents with drawing restrictions	9,322	1,512
Other accounts receivable	15,208	13,648
Receivables and other financial assets	88,419	108,109
Receivables from income taxes	37,882	40,700
Other receivables from fiscal authorities	9,598	13,240
Receivables PoC	1,572	545
Other non financial receivables	969	426
Other non financial assets	50,022	54,910
Available-for-sale securities	105,250	24,547
Receivables and other assets	243,691	187,566

Receivables PoC (Percentage of Completion), in accordance with IAS 11, includes a receivable from joint ventures amounting to € 61 K (31.12.2014: € 0 K).

The carrying amounts of receivables and other assets are based on nominal value and bad debt allowance, as follows:

€ 1,000	Nominal value 31.12.2015	Bad debt allowance 31.12.2015	Book value 31.12.2015	Nominal value 31.12.2014	Bad debt allowance 31.12.2014	Book value 31.12.2014
Receivables and other financial assets without bad debt allowance	86,229	0	86,229	105,546	0	105,546
Receivables and other financial assets with bad debt allowance	7,210	– 5,020	2,190	8,292	– 5,729	2,563
Receivables and other financial assets	93,439	– 5,020	88,420	113,838	– 5,729	108,109
Other non financial assets	52,768	– 2,747	50,022	58,072	– 3,162	54,910
	146,208	– 7,767	138,441	171,910	– 8,891	163,019

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

€ 1,000	2015	2014
As at 1.1.	8,891	10,483
Appropriation (value adjustment expenses)	1,398	2,436
Use	– 2,081	– 654
Reversal	– 468	– 2,736
Disposal deconsolidation	0	– 1
Reclassification	0	– 558
Foreign currency gains/losses	26	– 79
As at 31.12.	7,767	8,891

The reclassification in 2014 refers to financial assets within disposal groups. The corresponding nominal values of receivables and other financial and non-financial assets included in the disposal group, amounted to € 3,601 K in 2014.

The aging of receivables and other financial assets, for which no allowance has been recognised is as follows:

	not due	< 30 days	31 – 180 days	181 – 360 days	overdue > 1 year	Total
31.12.2015	81,373	3,426	1,145	126	159	86,229
31.12.2014	101,626	1,958	1,232	323	407	105,546

31. Cash and cash equivalents

€ 1,000	31.12.2015	31.12.2014
Cash in banks	198,917	148,763
Restricted cash	8,178	14,857
Cash on hand	16	18
	207,112	163,638

32. Shareholders' equity

The share capital equals the fully paid in nominal capital of CA Immobilien Anlagen Aktiengesellschaft of € 718,336,602.72 (31.12.2014: € 718,336,602.72). It is divided into 98,808,332 (31.12.2014: 98,808,332) bearer shares and 4 registered shares of no par value. The registered shares are held by O1 Group Limited, Cyprus, each granting the right to nominate one member of the Supervisory Board. The Supervisory Board currently consists only of members elected by the Ordinary General Meeting.

At the 27th Ordinary General Meeting held on 8.5.2014, the Management Board was authorised to acquire treasury shares to the maximum extent admissible by law (10 % of the capital stock, article 65 section 1 line 8 of the Stock Corporation Act) for a period of 30 months, and if necessary to withdraw or sell treasury shares via the stock exchange, or by other means, or via a public offer. On the basis of this enabling resolution, the company acquired a total of 2,000,000 bearer shares (ISIN AT0000641352) in the company for a total purchase price of approximately € 32,306 K between 12.5.2015 and 9.12.2015. The weighted equivalent value was approximately € 16.14 per share. The highest/lowest equivalent value per share in the buyback programme was € 17.00/€ 14.93 respectively. As at 31.12.2015,

CA Immobilien Anlagen AG had acquired a total of 2,000,000 treasury shares through the 2015 share buyback programme (around 2 % of the voting shares).

The appropriated capital reserve as reported in the individual financial statements of CA Immobilien Anlagen Aktiengesellschaft totals € 854,842 K (31.12.2014: € 854,842 K). Profits can only be distributed up to the amount of the net profit of the parent company disclosed in the individual financial statements in accordance with the Austrian Commercial Code (UGB), subject to the existence of any legal dividend payment constraints. In 2015, a dividend amount of € 0.45 (2014: € 0.40) for each share entitled to dividend, totalling € 44,464 K (31.12.2014: € 35,142 K), was distributed to the shareholders. An amount of € 185,583 K (31.12.2014: € 3,580 K) of the total net profit of CA Immobilien Anlagen Aktiengesellschaft as at 31.12.2015 in the amount of € 448,068 K (31.12.2014: € 235,953 K), is subject to dividend payment constraints. The Management Board of CA Immo AG proposes to use part of the retained earnings as at 31.12.2015, amounting to € 448,068 K, to distribute a dividend of € 0.50 per share, so that a total of € 48,404 K is to be distributed to shareholders. The remaining retained earnings of € 399,664 K are to be carried forward.

As at 31.12.2015 authority exists for the issue of additional capital in the amount of € 215,500,975 in the period until 31.8.2018 and for the issue of capital in the amount of € 100,006,120 earmarked for the specified purpose of servicing a convertible bond that may be issued in the future.

33.Provisions

€ 1,000	Staff	Construction services	Subsequent costs of sold properties	Others	Total
As at 1.1.2015	11,351	16,372	14,749	16,513	58,985
Use	– 6,890	– 14,678	– 4,141	– 7,404	– 33,112
Reversal	– 776	– 221	– 4,039	– 2,354	– 7,391
Addition	5,742	16,123	24,121	14,942	60,928
Addition from initial consolidation	0	240	300	5,144	5,684
Disposal from deconsolidation	0	0	0	– 78	– 78
Accumulated interest	45	0	97	16	158
Foreign currency gains/losses	4	– 9	0	– 10	– 16
As at 31.12.2015	9,475	17,826	31,088	26,769	85,158
thereof: short-term	6,461	17,826	18,120	26,769	69,177
thereof: long-term	3,013	0	12,968	0	15,980

Provision for employees

The provision for employees primarily comprises the present value of the long-term severance obligation of € 639 K (31.12.2014: € 784 K), bonuses of € 6,171 K (31.12.2014: € 6,441 K), and unused holiday entitlements of € 803 K (31.12.2014: € 973 K).

The provision for bonuses comprises a long-term provision for the LTI-(long-term incentive) programme amounting to € 895 K (31.12.2014: € 1,262 K) as well as a short-term provision of € 940 K (31.12.2014: € 964 K)

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

€ 1,000	2015	2014
Present value of severance obligations as at 1.1	784	696
Use	– 228	– 19
Current service costs	95	105
Interest cost	8	8
Revaluation	– 21	– 6
Present value of severance obligations as at 31.12	639	784

The empirical adjustments of the present value of the obligation in respect of changes in projected employee turnover, early retirement or mortality rates are negligible.

Net plan assets from pension obligations

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

€ 1,000	31.12.2015	31.12.2014
Present value of obligation	– 8,356	– 8,965
Fair value of plan asset	6,878	6,629
Net position recorded in consolidated statement of financial position	– 1,479	– 2,336
Financial adjustments of present value of the obligation	734	– 1,922
Experience adjustments of present value of the obligation	– 7	29

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

€ 1,000	2015	2014
Present value of obligation as at 1.1.	– 8,965	– 6,878
Current Payment	21	0
Interest cost	– 140	– 194
Revaluation	727	– 1,893
Present value of obligation 31.12	– 8,356	– 8,965
Plan asset as at 1.1.	6,629	6,497
Expected income from plan asset	103	183
Revaluation	166	– 51
Current Payment	– 21	0
Plan asset as at 31.12	6,878	6,629

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

€ 1,000	2015	2014
Interest cost	– 140	– 194
Expected income from plan asset	103	183
Pensions costs	– 36	– 11

The following result was recognised in the other comprehensive income:

€ 1,000	2015	2014
Actuarial gains/losses from pension obligation	727	– 1,893
Actuarial gains/losses from plan asset	166	– 51
IAS 19 reserve	893	– 1,944

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

€ 1,000	– 0.25%	+0.25%
change interest rate of 0.25 percent point	– 415	391
change pension trend of 0.25 percentage point	295	– 311

34. Interest bearing liabilities

€ 1,000	Short-term	Long-term	31.12.2015 Total	Short-term	Long-term	31.12.2014 Total
Bonds	192,238	174,268	366,506	2,616	184,759	187,376
Bonds	192,238	174,268	366,506	2,616	184,759	187,376
Investment loans	313,612	684,508	998,120	186,063	788,288	974,350
Loans due to joint venture partners	39,300	0	39,300	13,851	39,000	52,851
Liabilities to joint ventures	63	0	63	0	14,573	14,573
Other interest-bearing liabilities	352,975	684,508	1,037,483	199,913	841,861	1,041,774
	545,214	858,776	1,403,989	202,530	1,026,620	1,229,150

The euro is the contract currency of all interest bearing liabilities (31.12.2014: 100% in EUR).

Bonds

31.12.2015	Nominal value in € 1,000	Book value excl. interests € 1,000	Deferred interest in € 1,000	Nominal interest rate	Effective interest rate	Issue	Repayment
Bond 2006– 2016	185,992	185,462	2,618	5.13%	5.53%	22.09.2006	22.09.2016
Bond 2015– 2022	175,000	174,268	4,159	2.75%	2.83%	17.02.2015	17.02.2022
Total	360,992	359,730	6,776				

31.12.2014	Nominal value in € 1,000	Book value excl. interests € 1,000	Deferred interest in € 1,000	Nominal interest rate	Effective interest rate	Issue	Repayment
Bond 2006– 2016	185,992	184,759	2,616	5.13%	5.53%	22.09.2006	22.09.2016
Total	185,992	184,759	2,616				

Other interest-bearing liabilities

As at 31.12.2015 and 31.12.2014, the terms of other interest-bearing liabilities are as follows:

Type of financing and currency	Effective interest rate as at 31.12.2015 in %	Interest variable /fixed / hedged	Maturity	Nominal value in € 1,000	Book value in € 1,000	Fair value of liability in € 1,000
Investment loans	0.63 % – 4 %	variable	06/2016 – 12/2029	616,323	610,268	610,268
Investment loans	0.54 % – 2.7 %	hedged	06/2016 – 09/2019	288,801	292,620	292,620
Investment loans	1.95 % – 3.95 %	fix	12/2018 – 12/2024	95,666	95,232	95,642
Investment loans (total)				1,000,790	998,120	998,530
Loans due to joint venture partners	3.40 % – 3.5 %	fix	12/2016	39,300	39,300	39,065
Liabilities to joint ventures	5.00%	fix	12/2016	63	63	63
				1,040,153	1,037,483	1,037,658

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

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

Other interest-bearing liabilities, for which the relevant financial covenants were not met as at 31.12.2015, are presented in short-term interest-bearing liabilities regardless of their maturity, because breaches of the financial covenants generally entitle the lender to early termination of the loan agreement. This applies irrespective of the state of negotiations with the banks regarding a continuation or amendment of the loan agreements. As at 31.12.2015 no loans were in breach of covenants (31.12.2014: no breaches).

Taking into account all interest hedging agreements, the average weighted interest rate for all other interest bearing liabilities denominated in EUR is 2.9% (31.12.2014: 4.1%).

35. Other liabilities

€ 1,000			31.12.2015			31.12.2014
	Short-term	Long-term	Total	Short-term	Long-term	Total
Fair value derivative transactions	602	12,142	12,743	1,648	75,963	77,611
Trade payables	10,568	1,564	12,131	13,176	2,035	15,211
Liabilities to joint ventures	14,646	0	14,646	17,785	7,789	25,574
Rent deposits	1,442	8,929	10,371	3,442	4,408	7,850
Outstanding purchase invoices	965	0	965	4,961	0	4,961
Settlement of operating costs	2,400	0	2,400	2,021	0	2,021
Other	2,849	7,978	10,827	4,840	15,308	20,148
Financial liabilities	32,870	18,471	51,341	46,225	29,540	75,765
Operating taxes	6,493	0	6,493	4,051	0	4,051
Prepayments received	31,275	53,382	84,657	31,233	56,171	87,404
Prepaid rent and other non financial liabilities	4,488	917	5,404	1,684	678	2,362
Non-financial liabilities	42,256	54,298	96,555	36,968	56,849	93,817
	75,728	84,911	160,639	84,841	162,352	247,193

36. Income tax liabilities

This caption includes an amount of € 7,994 K (31.12.2014: € 9,337 K) related to CA Immo Germany Group and comprises corporate income tax and trade tax for the years 2012 to 2015, which have not been finally assessed by tax authorities.

37. Financial instruments

Financial assets by categories

Category	IAS 39 category ¹⁾			No financial instruments	Book value	Fair value
	HFT	AFS	L&R		31.12.2015	31.12.2015
€ 1,000						
Cash and cash equivalents with drawing restrictions	0	0	9,026	0	9,026	9,026
Derivative financial instruments	238	0	0	0	238	238
Primary financial instruments	0	0	66,900	0	66,900	
Investments available for sale	0	58,660	0	0	58,660	58,660
Financial assets	238	58,660	75,926	0	134,824	
Cash and cash equivalents with drawing restrictions	0	0	9,322	0	9,322	9,322
Other receivables and assets	0	0	79,097	50,022	129,118	
Receivables and other assets	0	0	88,419	50,022	138,441	
Securities	0	105,250	0	0	105,250	105,250
Cash and cash equivalents	0	0	207,112	0	207,112	
	238	163,910	371,457	50,022	585,627	

Category	IAS 39 category ¹⁾			No financial instruments	Book value	Fair value
	HFT	AFS	L&R		31.12.2014	31.12.2014
€ 1,000						
Cash and cash equivalents with drawing restrictions	0	0	2,709	0	2,709	2,709
Derivative financial instruments	64	0	0	0	64	64
Primary financial instruments	0	0	325,983	0	325,983	
Investments available for sale	0	56,654	0	0	56,654	56,654
Financial assets	64	56,654	328,692	0	385,410	
Cash and cash equivalents with drawing restrictions	0	0	1,512	0	1,512	1,512
Other receivables and assets	0	0	106,597	54,910	161,507	
Receivables and other assets	0	0	108,109	54,910	163,019	
Securities	0	24,547	0	0	24,547	24,547
Cash and cash equivalents	0	0	163,638	0	163,638	
	64	81,201	600,439	54,910	736,614	

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

The fair value of the receivables and other assets essentially equals the book value, restricted cash as well as the primary financial instruments in the category of loans and amounts receivable due to daily and/or short-term maturities. Securities in the category AFS are recognized with their market value and are therefore classified as level 1 of the fair value hierarchy. Valuation of investments of AFS category corresponds to level 3 of the fair value hierarchy.

Financial assets are partially given as securities for financial liabilities.

Financial liabilities by categories

Category	IAS 39 category ¹⁾			No financial instruments	Book value	Fair value
€ 1,000	HFT	CFH	FLAC		31.12.2015	31.12.2015
Other bonds	0	0	366,506	0	366,506	369,876
Other interest-bearing liabilities	0	0	1,037,483	0	1,037,483	1,037,658
Interest-bearing liabilities	0	0	1,403,989	0	1,403,989	
Derivative financial instruments	5,801	6,942	0	0	12,743	12,743
Other primary liabilities	0	0	51,341	96,555	147,895	
Other liabilities	5,801	6,942	51,341	96,555	160,639	
	5,801	6,942	1,455,330	96,555	1,564,628	

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

Category	IAS 39 category ¹⁾			No financial instruments	Book value	Fair value
€ 1,000	HFT	CFH	FLAC		31.12.2014	31.12.2014
Other bonds	0	0	187,376	0	187,376	195,291
Other interest-bearing liabilities	0	0	1,041,774	0	1,041,774	1,042,353
Interest-bearing liabilities	0	0	1,229,150	0	1,229,150	
Derivative financial instruments	43,922	33,689	0	0	77,611	77,611
Other primary liabilities	0	0	75,766	93,816	169,582	
Other liabilities	43,922	33,689	75,766	93,816	247,193	
	43,922	33,689	1,304,916	93,816	1,476,343	

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

Hierarchy of fair values

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

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

38. Derivative financial instruments and hedging transactions

€ 1,000	Nominal value	Fair value	31.12.2015 Book value	Nominal value	Fair value	31.12.2014 Book value
Interest rate swaps	243,227	– 12,743	– 12,743	637,687	– 77,611	– 77,611
Swaption	139,600	189	189	100,000	54	54
Interest rate caps	45,277	48	48	21,585	10	10
Total	428,104	– 12,506	– 12,505	759,272	– 77,547	– 77,547
- thereof hedging (cash flow hedges)	95,555	– 6,942	– 6,942	251,723	– 33,689	– 33,689
- thereof stand alone (fair value derivatives)	332,549	– 5,563	– 5,563	507,549	– 43,858	– 43,858

As at the balance sheet date 28.12% (31.12.2014: 74.72%) of the nominal value of all investment loans have been turned into fixed interest rates (or into ranges of interest rates with a cap) by means of interest rate swaps or interest rate caps.

Interest rate swaps

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

€ 1,000	Nominal value	Fair value	31.12.2015 Book value	Nominal value	Fair value	31.12.2014 Book value
- Cash flow hedges (effective)	94,484	– 6,846	– 6,846	247,568	– 33,180	– 33,180
- Cash flow hedges (ineffective)	1,071	– 96	– 96	4,155	– 510	– 510
- Fair value derivatives (HFT)	147,672	– 5,801	– 5,801	385,964	– 43,922	– 43,922
Interest rate swaps	243,227	– 12,743	– 12,743	637,687	– 77,611	– 77,611

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2015	Reference interest rate	Fair value 31.12.2015 in € 1,000
EUR (nominal value each below 100 m EUR) - CFH	95,555	11/2007	9/2018	2.253%– 4.789%	3M-Euribor	– 6,942
EUR (nominal value each below 100 m EUR) - stand alone	147,672	9/2013	12/2023	0.460%– 2.279%	3M-Euribor	– 5,801
Total = variable in fixed	243,227					– 12,743

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2014	Reference interest rate	Fair value 31.12.2014 in € 1,000
EUR (nominal value each above 100 m EUR) - CFH	109,375	1/2008	12/2017	4.405%	3M-Euribor	– 13,809
EUR (nominal value each below 100 m EUR) - CFH	309,844	6/2008	12/2022	1.295%– 4.789%	3M-Euribor / 6M-Euribor	– 43,122
EUR (nominal value each below 100 m EUR) - stand alone	218,468	7/2007	12/2023	2.279%– 4.820%	6M-Euribor	– 20,679
Total = variable in fixed	637,687					– 77,611

Swaption

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2015	Reference interest rate	Fair value 31.12.2015 in € 1,000
Swaption	139,600	6/2013 – 11/2015	6/2016 – 11/2017	1.250%– 2.500%	3M-Euribor / 6M-Euribor	189
Total	139,600					189

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2014	Reference interest rate	Fair value 31.12.2014 in € 1,000
Swaption	100,000	6/2013	6/2016	2.500%	6M-Euribor	54
Total	100,000					54

Interest rate caps/interest rate floors

Currency	Nominal value in € 1,000	Start	End	Fixed interest rate as at 31.12.2015	Reference interest rate	Fair value 31.12.2015 in € 1,000
Interest rate caps	45,277	3/2014	6/2019	1.500%– 2.000%	3M-Euribor	48
Total	45,277					48

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

Gains and losses in other comprehensive income

€ 1,000	2015	2014
As at 1.1.	– 27,503	– 34,907
Change in valuation of cash flow hedges	1,775	417
Change of ineffectiveness cash flow hedges	– 19	– 14
Reclassification cash flow hedges	25,931	7,729
Income tax cash flow hedges	– 5,315	– 728
As at 31.12.	– 5,131	– 27,503
thereof: attributable to the owners of the parent	– 5,131	– 27,503

39. Risks from financial instruments**Interest rate risk**

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

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

€ 1,000	recognised in Profit/Loss Statement		recognised in other comprehensive income	
	at 50 bps Increase	at 100 bps Increase	at 50 bps Increase	at 100 bps Increase
31.12.2015				
Interest on variable rate instruments	– 3,885	– 7,770	0	0
Valuation result from fixed rate instruments (Swaps)	3,398	6,698	0	0
Valuation result from derivative financial instruments	2,282	4,485	1,115	2,213
	1,795	3,413	1,115	2,213
31.12.2014				
Interest on variable rate instruments	– 4,125	– 8,250		
Valuation result from fixed rate instruments (Swaps)	3,188	6,377		
Valuation result from derivative financial instruments	11,565	23,663	1,679	3,359
	10,628	21,790	1,679	3,359

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

Currency risk

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

Credit risk

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

Tenants provided deposits amounting to € 10,371 K (31.12.2014: € 7,850 K) as well as bank guarantees of € 31,076 K (31.12.2014: € 18,724 K) and Group guarantees in the amount of € 45,497 K (31.12.2014: € 0 K)

The credit risk for liquid funds with banks is monitored according to internal guidelines.

Liquidity risk

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

The CA Immo Group manages liquidity risk in several different ways: firstly, by means of distinct liquidity planning and securing to avoid possible liquidity shortages. Secondly, CA Immo Group takes safeguarding measures by entering into capital partnerships (joint ventures) for project development purposes as an alternative and extension to established sources of raising equity capital. External capital is raised by CA Immo Group from a wide variety of domestic and foreign banks. The contractually agreed (undiscounted) interest payments and repayments for primary financial liabilities and derivative financial instruments are presented in the table below.

31.12.2015	Book value	Contractually	Cash-flow	Cash-flow	Cash-flow
€ 1,000	2015	agreed cash	2016	2017– 2020	2021 ff
		flows			
Other bonds	366,506	– 404,212	– 200,337	– 19,250	– 184,625
Other interest-bearing liabilities	1,037,483	– 1,119,897	– 373,332	– 478,442	– 268,123
Trade payables	12,131	– 12,131	– 10,568	– 1,564	0
Non-controlling interests held by limited partners	2,320	– 2,320	0	0	– 2,320
Liabilities to joint ventures	14,646	– 14,646	– 14,646	0	0
Other liabilities	22,243	– 22,243	– 7,656	– 13,677	– 910
Primary financial liabilities	1,455,330	– 1,575,450	– 606,538	– 512,933	– 455,978
Interest rate derivatives in connection with cash flow hedges	6,942	– 6,997	– 2,983	– 4,015	0
Interest rate derivatives not connected with hedges	5,801	– 5,842	– 1,289	– 2,778	– 1,774
Derivative financial liabilities	12,743	– 12,839	– 4,272	– 6,793	– 1,774
	1,468,073	– 1,588,289	– 610,810	– 519,726	– 457,753

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

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

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

Price risk

The CA Immo Group holds available for sale securities in its portfolio. This financial instrument is quoted in an active market (level 1 of the fair value hierarchy), thus it can constantly be influenced by the price (price risk). If a supposed change, i.e. an increase/decrease of 10% in the price of securities above the actual level occurs, this change will impact current comprehensive income of CA Immo Group by +/- € 10,525 K.

Capital management

The objective of CA Immo Group's capital management is to ensure that the Group achieves its goals and strategies, while optimising the costs of capital effectively and in the interests of shareholders, employees and other stakeholders. In particular, it focuses on achieving of minimum return on invested capital required by the capital market and increasing the return on equity. Furthermore, the external rating should be supported by adequate capitalisation and by raising equity for the growth targets in the upcoming fiscal years.

The key parameters in determining the capital structure of the CA Immo Group are:

1. the general ratio of equity to debt and
2. within outside capital, the optimal ratio between the debt secured with real estate, which is recorded at the level of individual property companies, and the unsecured debt at the level of the parent company

Regarding the first parameter, the CA Immo Group aims to maintain an equity ratio of 45%-50%. As at 31.12.2015 the ratio remained unchanged at 53.2% compared to previous year.

With respect to the second parameter, the focus of debt financing in the Group is on secured property loans, which are usually taken directly by the project company in which the property is held.

The advantage of secured financing is that it usually offers more favourable conditions than unsecured loans, since these are structurally subordinated compared to secured financing. Unsecured financing exists basically only in the form of corporate bonds placed on the capital markets. There are no explicit requirements by third parties in respect of the achievement of capital management ratios.

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

€ 1,000	31.12.2015	31.12.2014
Interest-bearing liabilities		
Long-term interest-bearing liabilities	858,776	1,026,620
Short-term interest-bearing liabilities	545,214	202,530
Interest-bearing assets		
Cash and cash equivalents	– 207,112	– 163,638
Cash at banks with drawing restrictions	– 5,432	– 4,221
Net debt	1,191,446	1,061,291
Shareholders' equity	2,120,450	1,951,707
Gearing ratio (Net debt/equity)	56.2%	54.4%

Restricted cash was included in the calculation of net debt, as it is mainly used to secure the repayments of interest bearing liabilities.

40. Other liabilities and contingent liabilities

Guarantees and other commitments

As at 31.12.2015 CA Immo Germany Group is subject to guarantees and other commitments amounting to € 120 K (31.12.2014: € 120 K) resulting from urban development contracts and purchase agreements for decontamination costs and war damage costs amounting to € 491 K (31.12.2014: € 1,461 K). Furthermore, comfort letters and securities have been issued for one joint venture in Germany amounting to € 2,000 K (31.12.2014: € 9,000 K for three Joint Ventures). As a security for the liabilities of the three joint ventures loan guarantees, letters of comfort and declarations were issued in an extent of € 12,150 K. Furthermore as security for warranty risks of a German at equity company a guarantee was issued in an amount of € 6,066 K (31.12.2014: € 6,066 K).

CA Immo Group has agreed to adopt a guarantee in connection with the project "Airport City St. Petersburg" in the extent of € 13,483 K (31.12.2014: € 15,461 K).

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

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

Following the disposal of Tower 185, Frankfurt, as at 31.12.2013 CA Immo Group granted a guarantee for compensation of rent-free periods as well as rent guarantees for which adequate provisions have been recognised in the balance sheet. The shares in CA Immo Frankfurt Tower 185 GmbH & Co KG as well as the shares in CA Immo Frankfurt 185 Betriebs GmbH were pledged as security for loans of two joint ventures.

CA Immo Group issued guarantees for bank liabilities of six joint ventures in Poland in the amount of € 44,269 K.

In connection with a tax audit in Eastern Europe, there is uncertainty in respect of the possibility of imposing late interest penalties. CA Immo Group considers the probability of the effective charge for this penalty as low.

Mortgages, pledges of rental receivables, bank accounts and share pledges as well as similar guarantees are used as collateral for bank liabilities.

Other financial obligations

Furthermore, other financial obligations relate to building site liabilities for work carried out in the course of developing real estate in Austria, in the amount of € 2,103 K (31.12.2014: € 1,223 K), in Germany, in the amount of € 32,922 K (31.12.2014: € 26,520 K) and in Eastern Europe in the amount of € 10,381 K (31.12.2014: € 1,237 K). In addition as at 31.12.2015 CA Immo Group is subject to other financial liabilities resulting from construction costs from urban development contracts which can be capitalised in the future in an amount of € 52,943 K (31.12.2014: € 34,974 K).

The amount of contingent liabilities for CA Immo Group as at 31.12.2015 for contributions of equity, and loans to the E-Fonds amount to € 0 K (31.12.2014: € 106,935 K). As at 31.12.2015 the contingent liability in connection with the equity contribution in case of one joint venture in Germany stands at € 5,021 K (31.12.2014: € 6,271 K). The contingent liability as at 31.12.2015 in connection with the equity contribution in case of one joint venture in Bulgaria amounts to € 450 K (31.12.2014: € 500 K). As at 31.12.2015 the contingent liability for contributions of equity in respect of construction cost overrun of one joint venture in Poland amounts to € 0 K. Besides the above mentioned contingencies, no further obligations exist in connection with joint ventures.

41. Leases

CA Immo Group as lessor

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

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

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

€ 1,000	2015	2014
In the following year	157,482	114,668
Thereafter 4 years	349,402	281,990
More than 5 years	233,198	247,083
Total	740,081	643,741

All remaining rental agreements may be terminated at short notice.

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

CA Immo Group as lessee

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

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

The remaining operating lease agreements of CA Immo Group relate to office furniture, equipment and other assets. No purchase options have been agreed. Leasing payments of € 2,052 K were recognised as expenses in 2015. (2014: € 2,406 K).

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

€ 1,000	2015	2014
In the following year	1,830	1,916
Thereafter 4 years	4,257	5,339
More than 5 years	101	641
Total	6,188	7,896

42. Transactions with related parties

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

- joint ventures, in which CA Immo Group holds an interest
- associated companies, in which CA Immo Group holds an interest
- the executive bodies of CA Immobilien Anlagen Aktiengesellschaft
- UniCredit Bank Austria AG, Vienna, and its affiliated UniCredit Group until 28.10.2014
- O1 Group Limited, Cyprus, and its affiliated O1 Group since 28.10.2014

Transactions with joint ventures

€ 1,000	31.12.2015	31.12.2014
Investments in joint ventures	172,286	206,136
Investments in joint ventures held for sale	2,982	7,414
Loans	6,162	305,452
Receivables	39,779	17,004
Liabilities	37,637	39,973
Provisions	19,528	6,703
	2015	2014
Joint ventures result	42,524	8,816
Result from sale of joint ventures	697	– 659
Result from joint ventures	43,221	8,157
Other income	5,382	6,979
Other expenses	– 1,357	– 2,342
Interest income	5,363	11,788
Interest expense	– 696	– 484
Interest income present value financial investments	2,772	30,214
Impairment of loans	0	– 9,301

Outstanding loans to joint ventures and the majority of the receivables from joint ventures as at the reporting date serve to finance the properties. The interest rates are in line with those prevailing on the market. Partly guarantees or other forms of securities exist in connection with these loans. The cumulative impairment loss on loans to joint ventures amounts to € 12,114 K (31.12.2014: € 18,500 K). Receivables from joint ventures comprise short-term loans in the amount of € 34,580 K (31.12.2014: € 9,993 K). Liabilities against joint ventures include long-term loans amounted to € 0 K (31.12.2014: € 14,573 K). All receivables and liabilities have interest rates in line with those prevailing on the market. The remaining receivables and liabilities are predominantly the result of services performed in Germany. No guarantees or other forms of security exist in connection with these receivables and liabilities.

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

Transactions with associated companies

€ 1,000	31.12.2015	31.12.2014
Investments in associated companies	0	18
Loans	12,827	20,524
	2015	2014
Expenses due to associated companies	– 6,297	– 3,146
Result from associated companies	– 6,297	– 3,146

Loans to associated companies outstanding as at the reporting date relate to the project “Airport City St. Petersburg”. All loans have interest rates in line with those prevailing in the market. No guarantees or other forms of security exist in connection with these loans. The cumulative impairment loss recognised on loans to associated companies amounts to € 9,575 K (31.12.2014: € 9,447 K).

The executive bodies of CA Immobilien Anlagen Aktiengesellschaft, Vienna
Management Board

Frank Nickel (Chief Executive Officer from 1.1.2016)

Dr. Bruno Ettenauer (Chief Executive Officer to 31.12.2015)

Florian Nowotny

In business year 2015, total salary payments to active Management Board members stood at € 1,485 K (€ 1,326 K in 2014). Of this amount € 101 K (2014: € 93 K) were salary-related deductions. Management Board remuneration contains € 545 K in short term incentives (€ 541 K in 2014) and € 175 K from the LTI tranche for 2012-2014 (€ 74 K in 2014). Fixed salary components made up 52% of Management Board remuneration (54% in 2014), with variable salary components accounting for 48% (46% in 2014). Provisions of € 467 K (including incidental charges) were allocated at Management Board level for variable salary components payable in 2016 on the basis of targets agreed in business year 2015. Provisions totalling € 1,835 K (including incidental charges; € 2,226 K on 31.12.2014) had been formed in connection with the LTI programme as at 31.12.2015; of this, the Management Board accounted for € 206 K (€ 483 K in the previous year). During business year 2015, contributions to pension funds for Management Board members (defined contribution plan) totalled € 60 K (€ 56 K in 2014). Following early termination of his Management Board contract by mutual agreement, Dr. Bruno Ettenauer received a severance payment of € 2,490 K in business year 2015; appropriate provision was made on the balance sheet date for payment of an additional € 150 K on 30 June 2016. Corresponding salary-based deductions amounted to € 197 K (2014: € 0 K). There are no further obligations. Payments to form a reserve for severance payment claims (defined benefit plan) amounted to € 65 K in the last business year (compared to € 97 K in 2014). As at 31 December 2015, severance payment provisions totalled € 189 K (€ 337 K on 31.12.2014). No loans or advances were paid to Management Board members.

Payments have been made to former members of the Management Board as follows: A total of € 320 K was paid to former Management Board members from maturity of the LTI tranche for 2012-2014. After resigning his mandates as a member of the CA Immo Management Board and Chief Executive Officer of CA Immo Deutschland GmbH, Bernhard H. Hansen continued to receive a salary (including variable components) until the expiry of his contracts in September 2015, which were reflected in the consolidated financial statements for 2013. In total, therefore, € 320 K was paid to former members of the Management Board (€ 393 K in 2014).

PAYMENTS TO THE MANAGEMENT BOARD

€ 1,000	Bruno Ettenauer		Florian Nowotny		Total	
	2015	2014	2015	2014	2015	2014
Fixed salary	343	320	246	225	589	545
Salary-based deductions	63	58	37	35	101	93
Remuneration in kind, company car	9	9	4	4	13	13
Expense allowances	1	1	1	2	2	4
Total fixed salaries	416	388	290	267	706	655
<i>Total fixed salaries as % (including contributions to pension funds)</i>	<i>50%</i>	<i>53%</i>	<i>53%</i>	<i>55%</i>	<i>52%</i>	<i>54%</i>
Short-term variable payments ('ZVB bonuses')	320	318	225	223	545	541
Mid-term variable payments (LTI programme)	126	62	49	12	175	74
Total variable payments	446	380	274	235	720	615
<i>Total variable payments as %</i>	<i>50%</i>	<i>47%</i>	<i>47%</i>	<i>45%</i>	<i>48%</i>	<i>46%</i>
Contributions to pension funds	35	33	25	23	60	56
Total salary payments	896¹⁾	801	589	525	1,485	1,326

1) Exclusiv severance payment of € 2,490 K following early termination of the Management Board contract and corresponding salary-based deductions of € 197 K.

Supervisory Board

Dr. Wolfgang Ruttendorfer, Chairman

Dimitry Mints, Vice Chairman

MMag. Dr. Maria Doralt

Richard Gregson (from 28.4.2015)

Barbara A. Knoflach

John Nacos (from 28.4.2015)

Michael Stanton

Mag. Franz Zwickl (to 17.2.2016)

In the business year 2015, total expenditure for the Supervisory Board was € 215 K (against € 135 K in 2014). Of this amount, fixed salaries for business year 2014 totalled approximately € 198 K (previous year: € 122 K; the figure includes attendance fees of € 19 K, as against € 10 K in the previous year), cash outlays for travel expenses stood at € 13 K (2014: € 12 K), and other expenditure came to € 4 K (2014: € 1 K). No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members.

All business transactions conducted between the company and members of the Supervisory Board which oblige such members to perform services for the CA Immo Group outside of their Supervisory Board activities in return for remuneration of a not inconsiderable value (L Rule no. 48 and article 228 section 3 of the Austrian Commercial Code) must conform to industry standards and be approved by the Supervisory Board. The same applies to contracts with companies in which a Supervisory Board member has a significant business interest. In this specific case, the conclusion of agreements with, and award of assignments to, the global law office DLA Piper and its international partner firms is particularly relevant because Maria Doralt, who is a member of the Supervisory Board of CA Immo is also a partner in DLA Piper. A letter of engagement has existed with DLA Piper UK LLP since the end of 2012 concerning advice relating to the letting of the Kontorhaus office building in Munich. On behalf of the refinancing banks DLA Piper Weiss-Tessbach Rechtsanwälte GmbH acted in an advisory capacity in connection with two refinancing operations in Hungary. The relevant fees correspond to usual hourly rates for the sector and totalled € 164 K for business year 2015 (€ 59 K in 2014). No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members. No loans or advances were granted.

O1 Group Limited, Cyprus/O1 Group

In Q4 2014, UniCredit Bank Austria AG – with a share of 16% of the capital stock the biggest shareholder of CA Immo – sold its 15,954,891 CA Immo shares (among them four registered shares, each granting the right to nominate one member of the supervisory board) to O1 Group Limited (“O1”).

Following the conclusion of a voluntary public takeover bid, O1 Group Limited has directly or indirectly held 25,690,163 bearer shares and four registered shares since 20.2.2015. This corresponds to about 26.54% of the voting rights.

CA Immo and O1 are also parties acting in concert under the terms of the Austrian Takeover Act in connection with the voluntary public partial offer made to the shareholders of IMMOFINANZ AG in 2015. A joint declaration of intent was made with O1.

As the result of a competitive process, a purchase agreement for a site earmarked for residential construction in Berlin (Kunstbus, Europacity) was concluded in Q2 2015 with Vesper Real Estate (Cyprus) Limited, a company indirectly controlled by Boris Mints (beneficial owner of O1). The agreed purchase price was € 7 m. The customary arm’s length nature of the transaction, which contributed significantly to a positive result for CA Immo, was confirmed by an external fairness opinion.

UniCredit Bank Austria AG/UniCredit Group

UniCredit Bank Austria AG is the principal bank of the CA Immo Group and was until 28.10.2014. the largest single shareholder in the Company with a stake of about 16% including four registered shares. CA Immo Group processes most of its payment transactions and arranges much of its credit financing and financial investment through the bank.

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

– Consolidated income statement:

€ 1,000	2014
Finance costs	– 32,217
Result from interest rate derivative transactions incl. Reclassification	– 11,916
Result from financial investments	217
Transaction fees	– 327

– Other comprehensive income (equity):

€ 1,000	2014
Valuation result of period (Hedging)	6,022

–Consolidated statement of cash flows:

€ 1,000	2014
Raising of new bank loans	5,947
Repayment of bank loans	– 71,195
Realisation and acquisition of interest rate derivative transactions	– 9,249
Interest paid	– 31,189
Interest received	217

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

43.Key figures per share

Earnings per share

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

		2015	2014
Weighted average number of shares outstanding	pcs.	97,941,735	92,907,093
Consolidated net income	€ 1,000	220,839	70,798
basic earnings per share	€	2.25	0.76

		2014
Weighted average number of shares outstanding	pcs.	92,907,093
Dilution effect:		
Convertible bond	pcs.	5,992,363
Weighted average number of shares	pcs.	98,899,456
Consolidated net income attributable to the owners of the parent	€ 1,000	70,798
Dilution effect:		
Effective interest on convertible bond	€ 1,000	2,413
less taxes	€ 1,000	– 603
Consolidated net income attributable to the owners of the parent adjusted by dilution effect	€ 1,000	72,608
Diluted earnings per share restated	€	0.73

Due to corrected calculation of dilution effect of convertible bond, the diluted earnings per share for 2014 were restated.

44. Employees

In 2015 CA Immo Group had an average of no blue-collar worker (2014: 1) and 331 white-collar workers (2014: 413) of whom on average 66 (2014: 64) were employed in Austria, 158 (2014: 155) in Germany, 22 (2014: 101) in hotel operations in Czech Republic and 85 (2014: 93) in subsidiaries in Eastern Europe.

45. Costs for the auditor

The expenses presented in the table below refer to fees for KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

€ 1,000	2015	2014
Auditing costs	433	420
Other review services	155	150
Other consultancy services	118	105
Total	706	675

In the course of the issue of the corporate bond 2016-2023 additional € 90 K for other review services were paid to the auditor.

In consolidated income statement, the audit expenses, including review amount to € 1,356 K (2014: € 1,319 K). Out of this, the amount for KPMG entities amounts to € 1,335 K.

46.Events after the close of the business year

In February 2016 CA Immobilien Anlagen AG issued a corporate bond with a total volume of € 150 m and a term of seven years. The coupon rate of the fixed interest bond is 2.75%.

On 8.1.2016 the Management Board adopted another share buyback programme with a volume of up to one million shares (representing approx. 1% of the current share capital). In the course of this share buyback programme a total of 1,000,000 bearer shares (ISIN AT0000641352) in the company were acquired in the period between 13.1.2016 and 19.2.2016 for a total price of € 15,392,916.72, so that the company currently holds a total of 3,000,000 treasury shares (corresponding to approx. 3%).

These consolidated financial statements were prepared by the Management Board on the date below. The individual and consolidated financial statements for CA Immobilien Anlagen Aktiengesellschaft will be presented to the Supervisory Board on 22.3.2016 for approval.

Vienna, 17.03.2016

The Management Board



Frank Nickel
(Chairman)



Florian Nowotny
(Management Board Member)

ANNEX I TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation / First time consolidation in 2015 ²⁾
Europolis Holding B.V.	Amsterdam	2	EUR	100	FC	
CA Immo d.o.o.	Belgrade	32,523,047	RSD	100	FC	
CA Immo Sava City d.o.o.	Belgrade	3,374,057,189	RSD	100	FC	
TM Immo d.o.o.	Belgrade	1,307,825,923	RSD	100	FC	
BA Business Center a.s.	Bratislava	7,503,200	EUR	100	FC	
Europolis D61 Logistics s.r.o.	Bratislava	1,500,000	EUR	100	FC	
Europolis Harbour City s.r.o.	Bratislava	23,629,211	EUR	100	FC	A
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	FC	
CA Immo Real Estate Management Hungary K.f.t.	Budapest	54,510,000	HUF	100	FC	
Canada Square Kft.	Budapest	126,010,000	HUF	100	FC	
COM PARK Ingatlanberuházási Kft	Budapest	3,030,000	HUF	100	FC	A
EUROPOLIS ABP Ingatlanberuházási Kft	Budapest	21,410,000	HUF	51	AEJV	
EUROPOLIS City Gate Ingatlanberuházási Kft	Budapest	13,000,000	HUF	100	FC	A
Europolis Infopark Ingatlanüzemeltető Kft	Budapest	4,140,000	HUF	51	AEJV	
EUROPOLIS IPW Ingatlanberuházási Kft	Budapest	54,370,000	HUF	100	FC	A
Europolis Park Airport Kft.	Budapest	19,900,000	HUF	100	FC	
Europolis Tárnok Ingatlanberuházási Kft	Budapest	5,400,000	HUF	100	FC	A
Kapas Center Kft.	Budapest	772,560,000	HUF	100	FC	
Kilb Kft.	Budapest	30,000,000	HUF	100	FC	
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	FC	
Skogs Buda Business Center II. Kft.	Budapest	654,110,000	HUF	100	FC	
Váci 76 Kft.	Budapest	3,100,000	HUF	100	FC	
CA Immo Real Estate Management Romania S.R.L.	Bucharest	985,000	RON	100	FC	
EUROPOLIS ORHIDEEA B.C. S.R.L.	Bucharest	92,932,536	RON	100	FC	A
EUROPOLIS SEMA PARK S.R.L.	Bucharest	112,243,130	RON	100	FC	A
INTERMED CONSULTING & MANAGEMENT S.R.L.	Bucharest	330	RON	100	FC	A
Opera Center One S.R.L.	Bucharest	27,326,150	RON	100	FC	
Opera Center Two S.R.L.	Bucharest	7,310,400	RON	100	FC	
S.C. BBP Leasing S.R.L.	Bucharest	14,637,711	RON	100	FC	
TC Investments Arad S.R.L.	Bucharest	4,018,560	RON	100	FC	
VICTORIA INTERNATIONAL PROPERTY S.R.L.	Bucharest	216	RON	100	FC	A

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation / First time consolidation in 2015 ²⁾
Blitz F07-neunhundert-sechzig-acht GmbH	Frankfurt	25,000	EUR	100	FC	
Blitz F07-neunhundert-sechzig-neun GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Deutschland GmbH	Frankfurt	5,000,000	EUR	99.7	FC	
CA Immo Elf GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünfzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Fünfzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo GB Eins GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
CA Immo GB Eins Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	F
CA Immo Invest GmbH	Frankfurt	50,000	EUR	100	FC	
CA Immo Null Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechzehn Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Sechzehn GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo Spreebogen Betriebs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Zehn GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Zwölf Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CM Komplementär F07– 888 GmbH & Co. KG	Frankfurt	25,000	EUR	94.9	FC	
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49 ³⁾	AEJV	
Pannonia Shopping Center Kft.	Győr	3,020,000	HUF	100	FC	
CA Immo Holding B.V.	Hoofddorp	51,200,000	EUR	100	FC	
CAINE B.V.	Hoofddorp	18,151	EUR	100	FC	
Pulkovo B.V.	Hoofddorp	25,000	EUR	100	FC	
TzoV "Europolis Logistics Park II"	Kiev	123,680,006	UAH	100	FC	
TzoV "Europolis Property Holding"	Kiev	205,843,887	UAH	100	FC	A
TzoV"Corma Development"	Kiev	209,286,179	UAH	100	FC	A
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	FC	
ALBERIQUE LIMITED	Limassol	1,100	EUR	100	FC	
BEDELLAN PROPERTIES LIMITED	Limassol	12,346	EUR	100	FC	A
EPC KAPPA LIMITED	Limassol	11,741	EUR	100	FC	
EPC LAMBDA LIMITED	Limassol	457,938	EUR	100	FC	A
EPC LEDUM LIMITED	Limassol	13,685	EUR	100	FC	
EPC OMIKRON LIMITED	Limassol	56,772	EUR	100	FC	A

¹⁾ FC full consolidation, AEJV at equity consolidaton joint ventures, AEA at equity consolidaton associates companies

²⁾ F foundation, A acquisition

³⁾ common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation / First time consolidation in 2015 ²⁾
EPC PI LIMITED	Limassol	2,210	EUR	100	FC	A
EPC PLATINUM LIMITED	Limassol	2,556	EUR	100	FC	
EPC RHO LIMITED	Limassol	2,190	EUR	100	FC	A
EPC THREE LIMITED	Limassol	2,491,617	EUR	100	FC	A
EPC TWO LIMITED	Limassol	969,912	EUR	100	FC	A
EUROPOLIS REAL ESTATE ASSET MANAGEMENT LIMITED	Limassol	2,500	EUR	100	FC	
OPRAH ENTERPRISES LIMITED	Limassol	3,211	EUR	100	FC	
HARILDO LIMITED	Nicosia	1,400	EUR	50	AEJV	
VESESTO LIMITED	Nicosia	1,500	EUR	50	AEJV	
4P - Immo. Praha s.r.o.	Prague	200,000	CZK	100	FC	A
CA Immo Real Estate Management Czech Republic s.r.o.	Prague	1,000,000	CZK	100	FC	
RCP Alfa, s.r.o.	Prague	1,000,000	CZK	51	AEJV	
RCP Amazon, s.r.o.	Prague	1,000,000	CZK	100	FC	A
RCP Beta, s.r.o.	Prague	73,804,000	CZK	100	FC	A
RCP Delta, s.r.o.	Prague	1,000,000	CZK	100	FC	A
RCP Gama, s.r.o.	Prague	96,931,000	CZK	100	FC	A
RCP ISC, s.r.o.	Prague	1,000,000	CZK	100	FC	A
RCP Residence, s.r.o.	Prague	5,000,000	CZK	100	FC	
RCP Zeta s.r.o	Prague	200,000	CZK	100	FC	F
TK Czech Development IX s.r.o.	Prague	100,000	CZK	100	FC	
K&K Investments S.R.L.	Sibiu	21,609,000	RON	90	AEJV	
Megapark o.o.d.	Sofia	5,000	BGN	43.5 ³⁾	AEJV	
Office Center Mladost EOOD	Sofia	5,000	BGN	100	FC	
ZAO "Avielen A.G."	St. Petersburg	370,001,000	RUB	35	AEA	
ALLIANCE MANAGEMENT COMPANY Sp.z o.o.	Warsaw	971,925	PLN	100	FC	A
CA Immo Bitwy Warszawskiej Sp. z o.o.	Warsaw	64,245,367	PLN	100	FC	
CA Immo Saski Crescent Sp. z o.o.	Warsaw	80,948,015	PLN	100	FC	
CA Immo Saski Point Sp. z o.o.	Warsaw	45,542,870	PLN	100	FC	
CA Immo Sienna Center Sp. z o.o.	Warsaw	78,522,297	PLN	100	FC	
CA Immo Real Estate Management Poland Sp. z o.o.	Warsaw	565,000	PLN	100	FC	
CA Immo Warsaw Towers Sp. z o.o.	Warsaw	76,897,474	PLN	100	FC	
CA Immo Wspólna Sp. z o.o.	Warsaw	25,771	PLN	100	FC	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition

³⁾ common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation / First time consolidation in 2015 ²⁾
Camari Investments Sp.z o.o.	Warsaw	10,000	PLN	50	AEJV	
Camari Investments Sp.z.o.o. WFC S.K.A.	Warsaw	56,068,106	PLN	50	AEJV	
CENTER PARK Sp.z o.o.	Warsaw	84,000	PLN	100	FC	A
EUROPOLIS PARK BŁONIE Sp.z o.o.	Warsaw	1,102,314	PLN	100	FC	A
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	AEJV	
Poleczki Amsterdam Office Sp. Z o.o.	Warsaw	5,000	PLN	50	AEJV	
POLECZKI Berlin Office Sp. Z o.o.	Warsaw	5,000	PLN	50	AEJV	
Poleczki Business Park Sp.z.o.o.	Warsaw	6,135,200	PLN	50	AEJV	
Poleczki Development Sp.z.o.o.	Warsaw	5,000	PLN	50	AEJV	
Poleczki Lisbon Office Sp.z.o.o.	Warsaw	5,000	PLN	50	AEJV	F
POLECZKI Warsaw Office Sp. z o.o.	Warsaw	5,000	PLN	50	AEJV	
Poleczki Vienna Office Sp. Z o.o.	Warsaw	5,000	PLN	50	AEJV	
POLAND CENTRAL UNIT 1 Sp.z o.o.	Warsaw	11,801,000	PLN	100	FC	
SOFTWARE PARK KRAKÓW Sp.z o.o.	Warsaw	50,000	PLN	50	AEJV	
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	FC	
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,226,550	EUR	100	FC	
BIL-S Superädfikatsverwaltungs GmbH	Vienna	70,000	EUR	100	FC	
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	100	FC	
CA Immo Galleria Liegenschaftsverwaltung GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Germany Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo LP GmbH	Vienna	146,000	EUR	100	FC	
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	FC	
CA Immo Investement Management GmbH in Liqu.	Vienna	100,000	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	147,817,600	EUR	100	FC	
EBL Nord 2 Immobilien GmbH	Vienna	35,000	EUR	50	AEJV	F
EBL Nord 2 Immobilien Eins GmbH & Co KG	Vienna	10,000	EUR	50	AEJV	F
EBL Nord 2 Immobilien Zwei GmbH & Co KG	Vienna	10,000	EUR	50	AEJV	F
Erdberger Lände 26 Projekt GmbH	Vienna	35,000	EUR	100	FC	F
EUROPOLIS CE Alpha Holding GmbH	Vienna	36,336	EUR	100	FC	A
EUROPOLIS CE Amber Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Istros Holding GmbH	Vienna	35,000	EUR	100	FC	
EUROPOLIS CE Lambda Holding GmbH	Vienna	35,000	EUR	100	FC	A
EUROPOLIS CE My Holding GmbH	Vienna	35,000	EUR	100	FC	A
EUROPOLIS CE Rho Holding GmbH	Vienna	35,000	EUR	100	FC	A
EUROPOLIS GmbH	Vienna	5,000,000	EUR	100	FC	
Europolis Real Estate Asset Management GmbH	Vienna	35,000	EUR	100	FC	
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	FC	
PHI Finanzbeteiligungs und Investment GmbH	Vienna	35,000	EUR	100	FC	
Europolis Zagrebtower d.o.o.	Zagreb	15,347,000	HRK	100	FC	A

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition

³⁾ common control

As at 31.12.2015, CA Immo Group held 99,7% of shares in CA Immo Deutschland GmbH, Frankfurt am Main (or simply Frankfurt). The following subsidiaries, shares in joint ventures and associated companies of CA Immo Deutschland GmbH, Frankfurt, are therefor also included in the consolidated financial statements:

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation / First time consolidation in 2015 ²⁾
CA Immo 13 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo 14 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Europaplatz 01 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 01 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Hallesches Ufer GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 7 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 8 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier 9 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lehrter Stadtquartier Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Lietzenburger Str GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Lietzenburger Straße Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Europaplatz 03 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Berlin Europaplatz 03 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer GmbH & Co. KG	Frankfurt	25,000	EUR	100	FC	
CA Immo Berlin Schöneberger Ufer Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
Stadthafenquartier Europacity Berlin GmbH & Co. KG	Frankfurt	5,000	EUR	50	AEJV	
Stadthafenquartier Europacity Berlin Verwaltungs GmbH	Frankfurt	25,000	EUR	50	AEJV	
CA Immo Düsseldorf BelsenPark MK 2.1 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark MK 3 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Düsseldorf BelsenPark Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Bauphase I GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Bauphase I Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 GmbH & Co. KG	Frankfurt	5,000	EUR	100	FC	
CA Immo Frankfurt Nord 4 Verwaltungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo Frankfurt Tower 185 Beteiligungs GmbH	Frankfurt	25,000	EUR	100	FC	
Tower 185 Betriebs GmbH	Frankfurt	25,000	EUR	33.3 ³⁾	AEJV	
Tower 185 Projekt GmbH & Co. KG	Frankfurt	5,000	EUR	33.3 ³⁾	AEJV	
Tower 185 Verwaltungs GmbH	Frankfurt	25,000	EUR	33.3 ³⁾	AEJV	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition

³⁾ common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation / First time consolidation in 2015 ²⁾
CA Immo Köln K 1 GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München MI 1 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC	
CA Immo München MK 6 - Arnulfpark Grundstücksverwertungs GmbH	Frankfurt	25,000	EUR	100	FC	
omniCon Gesellschaft für innovatives Bauen mbH	Frankfurt	100,000	EUR	100	FC	
Baumkirchen MK GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen MK Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 1 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 1 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 2 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 2 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Baumkirchen WA 3 GmbH & Co. KG	Grünwald	10,000	EUR	50	AEJV	
Baumkirchen WA 3 Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
CA Immo Bayern Betriebs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Berlin DGSB Projekt GmbH & Co KG	Grünwald	5,000	EUR	100	FC	
CA Immo Berlin DGSB Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Berlin Mitte 01 GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	F
CA Immo Berlin Mitte 01 Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	F
CA Immo Berlin Mitte 02 GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	F
CA Immo Berlin Mitte 02 Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	F
CA Immo Frankfurt Karlsruher Straße Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	F
CA Immo Frankfurt Karlsruher Straße GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	F
CA Immo München Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	F
CA Immo München Nymphenburg Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
CA Immo München Ambigon Nymphenburg Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
CA Immo Projektentwicklung Bayern Verwaltungs GmbH	Grünwald	25,565	EUR	100	FC	
CA Immo Projektentwicklung Bayern GmbH & Co. KG	Grünwald	255,646	EUR	100	FC	
CA Immo Stuttgart Heilbronner Straße GmbH & Co. KG	Grünwald	5,000	EUR	100	FC	
Isargärten Bauträger GmbH & Co. KG	Grünwald	15,000	EUR	33.3 ³⁾	AEJV	
Isargärten Bauträger Verwaltungs GmbH	Grünwald	25,000	EUR	33.3 ³⁾	AEJV	
Kontorhaus Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	99.9	FC	
Kontorhaus Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	100	FC	
SKYGARDEN Arnulfpark GmbH & Co. KG	Grünwald	100,000	EUR	100	FC	
SKYGARDEN Arnulfpark Verwaltungs GmbH	Grünwald	25,000	EUR	50	AEJV	
Congress Centrum Skyline Plaza Beteiligung GmbH	Hamburg	25,000	EUR	50	AEJV	
Congress Centrum Skyline Plaza Verwaltung GmbH	Hamburg	25,000	EUR	50	AEJV	
CongressCentrum Skyline Plaza GmbH & Co. KG	Hamburg	25,000	EUR	50	AEJV	
REC Frankfurt Objektverwaltungsgesel. mbH	Hamburg	25,000	EUR	50	AEJV	
Mainzer Hafen GmbH	Mainz	25,000	EUR	50	AEJV	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition

³⁾ common control

Company	Registered office	Nominal capital	Currency	Interest in %	Consolidation method ¹⁾	Foundation / First time consolidation in 2015 ²⁾
Zollhafen Mainz GmbH & Co. KG	Mainz	1,200,000	EUR	50.1 ³	AEJV	
CA Immo Mainz Reihnallee III GmbH&Co KG	Mainz	5,000	EUR	100	FC	
CA Immo Mainz Reihnallee III Verwaltungs GmbH	Mainz	25,000	EUR	100	FC	
CA Immo Mainz Hafenspitze GmbH	Mainz	25,000	EUR	100	FC	
SEG Kontorhaus Arnulfpark Beteiligungsgesellschaft mbH	Munich	3,161,616	EUR	99	FC	
Skyline Plaza Generalübernehmer GmbH & Co. KG	Oststeinbek	25,000	EUR	50	AEJV	
Skyline Plaza Generalübernehmer Verwaltung GmbH	Oststeinbek	25,000	EUR	50	AEJV	
Boulevard Süd 4 Verwaltungs-GmbH	Ulm	25,000	EUR	50	AEJV	
Boulevard Süd 4 GmbH & Co. KG	Ulm	200,000	EUR	50	AEJV	

¹⁾ FC full consolidation, AEJV at equity consolidation joint ventures, AEA at equity consolidation associated companies

²⁾ F foundation, A acquisition

³⁾ common control

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

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

Vienna, 17 March 2016

The Management Board



Frank Nickel
(Chairman)



Florian Nowotny
(Management Board Member)

AUDITOR'S REPORT**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of

**CA Immobilien Anlagen Aktiengesellschaft,
Vienna,**

for the fiscal year from **1 January 2015 to 31 December 2015**. These consolidated financial statements comprise consolidated statement of financial position as of 31 December 2015, the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year 2015 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to § 245a UGB (Austrian Commercial Code) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing – ISA. In accordance with International Standards on Auditing, we are required to comply with ethical requirements and 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 our 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, we consider 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, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on 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, 17 March 2016

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Helmut Kerschbaumer
Wirtschaftsprüfer
(Austrian Chartered Accountants)

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

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

FINANCIAL STATEMENTS AND
MANAGEMENT REPORT

CONTENT

FINANCIAL STATEMENTS AND MANAGEMENT REPORT

Annex

- I Annual Financial Statements as at 31.12.2015
 - Balance Sheet as at 31.12.2015
 - Income Statement for the year ended 31.12.2015
 - Notes for the business year 2015
- II Management Report

AUDITOR'S REPORT

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

CONTACT

DISCLAIMER

IMPRINT

BALANCE SHEET AS AT 31.12.2015

Assets	31.12.2015	31.12.2014
	€	€ 1,000
A. Fixed assets		
I. Intangible fixed assets		
EDP software	679,711.32	633
	679,711.32	633
II. Tangible fixed assets		
1. Property and buildings	217,167,877.07	244,286
of which land value: € 39,398,223.55; 31.12.2014: € 44,395 K		
2. Other assets, office furniture and equipment	517,947.73	694
3. Prepayments made and construction in progress	934,481.26	1,011
	218,620,306.06	245,991
III. Financial assets		
1. Investments in affiliated companies	1,922,568,499.69	1,571,946
2. Loans to affiliated companies	336,107,979.74	206,625
3. Investments in associated companies	280,686.19	253
4. Loans to associated companies	380,000.00	67
5. Derivative financial instruments	139,056.23	54
6. Other loans	12,593,605.44	136,905
	2,272,069,827.29	1,915,850
	2,491,369,844.67	2,162,474
B. Current assets		
I. Receivables		
1. Trade debtors	407,668.52	64
2. Receivables from affiliated companies	29,273,063.63	26,294
3. Receivables from associated companies	51,483.08	25
4. Other receivables	12,190,840.29	8,725
	41,923,055.52	35,108
II. Other securities and investments		
1. Treasury shares	32,306,228.60	0
2. Other securities	13,657,800.00	13,658
	45,964,028.60	13,658
III. Cash on hand, cash at banks	19,870,766.02	27,693
	107,757,850.14	76,459
C. Deferred expenses	702,591.56	222
	2,599,830,286.37	2,239,155

[illegible]

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2015

	€	2015 €	€ 1,000	2014 € 1,000
1. Gross revenues		22,978,848.27		26,509
2. Other operating income				
a) Income from the sale and reversal of impairment losses of fixed assets except of financial assets	35,628,848.92		3,097	
b) Income from the reversal of provisions	92,972.63		5,432	
c) Other income	4,166,377.90	39,888,199.45	5,257	13,786
3. Staff expense				
a) Wages	-13,143.64		-14	
b) Salaries	-6,468,203.65		-6,747	
c) Expenses for severance payments and payments into staff welfare funds	-2,445,794.43		-180	
d) Expenses in connection with pensions	-189,710.99		-176	
e) Payments relating to statutory social security contributions as well as payments dependent on remuneration and compulsory contributions	-1,585,184.04		-1,232	
f) Other social expenses	-94,717.50	-10,796,754.25	-98	-8,447
4. Depreciation on intangible fixed assets and tangible fixed assets		-7,508,280.11		-8,355
5. Other operating expenses				
a) Taxes	-579,392.60		-1,463	
b) Other expenses	-15,479,225.36	-16,058,617.96	-26,531	-27,994
6. Subtotal from lines 1 to 5 (operating result)		28,503,395.40		-4,501
7. Income from investments		57,312,136.01		322,808
of which from affiliated companies: € 57,165,136.01; 2014: € 322,710 K				
8. Income from loans from financial assets		13,616,629.39		21,112
of which from affiliated companies: € 10,618,448.90; 2014: € 10,580 K				
9. Other interest and similar income		23,860,963.70		8,684
of which from affiliated companies: € 23,118,918.03; 2014: € 5,294 K				
10. Income from the disposal and revaluation of financial assets		219,997,219.06		10,466
11. Expenses for financial assets and interest receivables in current assets, thereof		-17,601,537.89		-263,022
a) Impairment: € 15,310,269.13; 2014: € 258,982 K				
b) Bad debt allowance of interest receivables 1,992,256.17 €, 2014: € 3,844 K				
c) Expenses from affiliated companies: € 15,474,139.60; 2014: € 257,679 K				
12. Interest and similar expenses		-41,808,257.12		-50,660
of which relating to affiliated companies: € 887,229.11; 2014: € 5,909 K				
13. Subtotal from lines 7 to 12 (financial result)		255,377,153.15		49,388
14. Result from usual business activity		283,880,548.55		44,887
15. Taxes on income		5,003,774.33		4,234
16. Net profit for the year		288,884,322.88		49,121
17. Allocation to treasury share reserve		-32,306,228.60		0
18. Profit carried forward from the previous year		191,489,651.18		186,833
19. Net profit		448,067,745.46		235,954

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2015

ACCOUNTING AND VALUATION PRINCIPLES AND GENERAL INFORMATION

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

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

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

The income statement is presented by nature of expenses.

1. Fixed assets

Intangible and tangible fixed assets

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

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

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

Financial assets

Investments in affiliated companies, investment in associated companies and derivative financial instruments (swap-tion) are stated at acquisition costs less unscheduled depreciation.

Loans to affiliated companies, associated companies and other loans are stated at acquisition costs less repayments made and unscheduled depreciation.

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

2. Current assets

Receivables are stated at nominal value. Identifiable defaults risks are considered by carrying out individual value adjustments. Income from investments is recognised on the basis of shareholder resolutions.

Other securities and investments are stated at acquisition cost, though not higher than share price. Accrued interest attributable to securities is included in the item "other receivables".

3. Deferred expenses and deferred income

Prepaid expenses are accrued under deferred expenses. Additionally the disagio for bonds is capitalised in this item and distributed over the redemption period according to the principals of financial mathematics.

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

4. Grants from public funds

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

5. Provisions and liabilities

Provisions for severance payments amount to 188.06 % (31.12.2014: 165.68 %) of the imputed statutory severance payment obligations 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 0.49 % (31.12.2014: 1.56 %) and future salary increases of 2 % for employees plus an inflation rate of 2 % and not taking into account a fluctuation discount. The interest rate decreased by 1.07 % compared to the previous year, otherwise the same parameters were applied for calculation of the provisions as in the previous year.

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

Where possible in specific cases, derivative financial instruments (in this case interest rate swaps) were designated as hedging instruments for an underlying contract (a receivable from reimbursement to another affiliated company (back-to-back)). Positive fair values of derivative financial instruments were not considered at all. The derivative financial instruments from 31.12.2014 were terminated in 2015 before maturity.

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

6. Note on currency translation

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

EXPLANATORY NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

7. Explanatory notes on the balance sheet

a) Fixed assets

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

Tangible assets

Additions to property and buildings and to prepayments made and construction in progress mainly relate to current investments, and in particular the amalgamation and division of leased premises and preconstruction works for Erdberger Lände and Storchengasse. Disposals mainly relate to the sale of 6 properties and a section of a plot of land. As at the balance sheet date the tangible assets comprise 7 properties (31.12.2014: 13 properties).

In 2015 – as in the previous year – no unscheduled depreciation on tangible assets was made. In business year 2015, reversals of impairment losses on tangible assets in the amount of € 955 K (2014: € 879 K) were made.

Financial assets

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

Impairment losses in the amount of € 15,310 K (2014: € 258,982 K) and reversals of impairment losses in the amount of € 184,627 K (2014: € 2,701 K) on financial assets were recognised in 2015.

The book value of investments in affiliated companies is € 1,922,568 K (31.12.2014: € 1,571,946 K). Current additions are mainly the result of various shareholder contributions. Disposals mainly consist of the liquidation of subsidiaries and the sale of investments in affiliated companies.

Loans to affiliated companies are made up as follows:

€ 1,000	31.12.2015	31.12.2014
CAINE B.V., Hoofddorp	58,266	56,949
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG, Vienna	49,204	20,350
CA Immo Holding B.V., Hoofddorp	45,904	17,200
CA Immo Invest GmbH, Frankfurt	37,000	0
BA Business Center s.r.o., Bratislava	29,700	28,000
RCP Amazon, s.r.o., Prague	19,352	0
TK Czech Development IX s.r.o., Prague	16,564	17,564
EUROPOLIS SEMA PARK SRL, Bucharest	12,100	0
R70 Invest Budapest Kft, Budapest	12,004	12,004
COM PARK Ingatlanberuházási Kft, Budapest	11,436	0
Kapas Center Kft., Budapest	10,430	10,430
POLAND CENTRAL UNIT 1 Sp.z o.o., Warsaw	0	18,703
Other below € 10 m	34,148	25,425
	336,108	206,625

Loans to affiliated companies to the value of € 104,573 K (31.12.2014: € 71,311 K) have a remaining term of up to one year.

Additions to investments in associated companies include the formation of three companies.

The item derivative financial instruments include a swaption in this particular case.

Other loans are made up as follows:

€ 1,000	31.12.2015	31.12.2014
EUROPOLIS PARK BUCHAREST ALPHA S.R.L., Bucharest	0	44,491
RCP Amazon, s.r.o., Prague	0	19,552
EUROPOLIS SEMA PARK S.R.L., Bucharest	0	12,439
COM PARK Ingatlanberuházási Kft, Budapest	0	12,436
EUROPOLIS PARK BUCHAREST BETA S.R.L., Bucharest	0	11,151
EUROPOLIS PARK BUCHAREST S.R.L., Bucharest	0	6,540
Office Center Mladost 2 EOOD, Sofia	0	5,000
Other below € 5 m	12,594	25,296
	12,594	136,905

Other loans to the value of € 8,562 K (31.12.2014: € 103,112 K) have a remaining term of up to one year.

b) Current assets

Trade debtors to the value of € 408 K (31.12.2014: € 64 K) include outstanding rent and operating cost payments.

Receivables from affiliated companies are made up as follows:

€ 1,000	31.12.2015	31.12.2014
Receivables from interest	16,514	17,219
Receivables from tax compensation	7,419	5,217
Trade debtors (current charging to affiliated companies)	5,340	3,858
	29,273	26,294

Other receivables in the amount of € 12,191 K (31.12.2014: € 8,725 K) mainly include receivables from interest, unpaid purchase prices, receivables from the passing-on of costs and receivables from tax authorities. In 2015 the change for bad debt allowances amounted to € 389 K (2014: € 2,306 K).

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

Other securities and investments include own 2006-2016 bonds redeemed from the market in 2011 with a book value of € 13,658 K and a nominal value of € 14,008 K as well as 2,000,000 own bearer shares of CA Immobilien Anlagen Aktiengesellschaft. At the balance sheet date the share price of the CA Immo share was € 16.83 and above the acquisition costs. As the own securities and investments should not be kept permanently, they are shown as current assets.

c) Deferred expenses

Deferred expenses in the amount of € 703 K (31.12.2014: € 222 K) essentially comprise deferred discounts to the value of € 612 K (31.12.2014: € 161 K) for the issuance of bonds.

d) Shareholders' equity

Share capital is equivalent to the fully paid in nominal capital of € 718,336,602.72 (31.12.2014: € 718,336.602.72). It is divided into 98,808,332 bearer shares and four registered shares of no par value. The registered shares are directly or indirectly held by O1 Group Limited, Cyprus, each granting the right to nominate one member to the Supervisory Board. This right has currently not been exercised to date. All members of the Supervisory Board were elected by the Ordinary General Meeting.

At the 27th Ordinary General Meeting held on 8.5.2014, the Management Board was authorised to acquire treasury shares to the maximum degree admissible by law (10 % of the capital stock, article 65 section 1 line 8 of the Stock Corporation Act) for a period of 30 months, and if necessary to withdraw or sell treasury shares via the stock exchange, or by other means, or via a public offer. On the basis of this enabling resolution, the company acquired a total of 2,000,000 bearer shares (ISIN AT0000641352) in the company for a total purchase price of approximately € 32,306K between 12.5.2015 and 9.12.2015. The weighted equivalent value was approximately € 16.14 per share. The highest/lowest equivalent value per share in the buyback programme was € 17.00/€ 14.93 respectively. As at 31.12.2015, CA Immobilien Anlagen AG had acquired a total of 2,000,000 treasury shares through the 2015 share buyback programme (around 2 % of the voting shares).

For compensation of the book value shown under current assets a reserve for treasury shares was allocated in the same amount.

In 2015 a dividend of € 0.45 (2014: € 0.40) for each entitled share, in total € 44,464 K (2014: € 35,142 K) was distributed to the shareholders.

As at 31.12.2015 there is unused authorised capital amounting to € 215,500,975.00 that may be drawn on or before 31.8.2018, as well as conditional capital in the total amount of € 100,006,120.00 for the conversion of possible future convertible bonds.

The net profit for 2015 includes the reversal of impairment losses for fixed assets in the amount of € 185,583 K. According to section 235 para 1 of the Austrian Commercial Code (UGB), the net profit is subject to a limitation on profit distribution in this amount.

e) Grants from public funds

A public grant was requested for the rebuilding of section A of the Erdberg building. A grant of € 320 K was duly provided because of the innovative nature of construction work. The allowance will be reversed over the remaining useful life of the building.

f) Provisions

Provisions for severance payment amount to € 274 K (31.12.2014: € 410 K) and include severance payment entitlements of company employees and Management Board member.

Tax provisions in the amount of € 2,648 K (31.12.2014: € 196 K) mainly relate to provisions for corporation tax in 2015.

The other provisions are made up as follows:

€ 1,000	31.12.2015	31.12.2014
Premiums	2,691	2,928
Real property tax and land transfer tax	1,548	1,368
Construction services	1,495	720
Legal, auditing and consultancy fees	724	470
Staff (vacation and overtime)	504	558
Annual report and expert opinions	159	114
Derivative transactions	0	15,195
Provision for contributions to group companies	0	7,131
Other	654	492
	7,775	28,976

As a part of their variable remuneration components, Management Board members and managerial staff of the company are invited to participate in a long term incentive scheme (LTI) since business years 2010. LTI is a revolving programme with a term (vesting period) of three years per tranche; it presupposes a personal investment limited to 50% of the fixed annual salary for Management Board members, respectively 35% of the basic salary for managerial staff. The investment is evaluated at the closing rate on 31 December, with the number of associated shares determined on the basis of this evaluation. At the end of each three-year performance period, a target/actual comparison is applied to define target attainment. The LTI programme takes account of value creation at CA Immo over the medium to long term. The critical factor is the value generated within the Group in terms of NAV growth, ICR (interest coverage ratio, to 2013) and TSR (total shareholder return) and, from 2014, growth of FFO (funds from operations). The weighting for NAV growth and the ICR (and FFO growth from 2014) is 30%, and 40% for the TSR. Payments are made in cash. Within the remuneration system for the Management Board, the LTI programme was dissolved in 2015 and replaced by bonus payments based on phantom shares. The LTI programme remains effective for managerial staff.

Starting in 2015, performance-related payments to the Management Board were restricted to 200% of the gross annual salary. The bonus payment is linked to long-term operational and quality-based targets and also takes account of non-financial performance criteria. Of the variable remuneration, 50% is linked to the attainment of short-term targets defined annually (annual bonus); the other half of the performance-related components depends on the exceeding of annually defined indicators such as return on equity (ROE), funds from operations (FFO) and NAV growth. The level of the bonus actually paid depends on the degree of target attainment: the values agreed and actually achieved at the end of each business year are compared and confirmed by the Supervisory Board. Half of performance-related remuneration takes the form of immediate payments (short term incentive); the remaining 50% is converted into phantom shares on the basis of the average rate for the last quarter of the business year relevant to target attainment. The payment of phantom shares is made in cash in three parts after 12 months, 24 months (mid term incentive) and 36 months (long term incentive) at the average rate for the last quarter of the payment year.

For this kind of share-based remuneration, which is settled in cash, the liability incurred is recognised as a provision in the amount of the attributable fair value. Until the debt is settled, the attributable fair value is determined afresh on every closing date and settlement date. All changes are recognised in the income statement in the relevant business year.

g) Liabilities

31.12.2015 € 1,000	Maturity up to 1 year	Maturity 1– 5 years	Maturity more than 5 years	Total
Bonds	200,000	0	175,000	375,000
Liabilities to banks	23,099	46,078	44,264	113,441
Trade creditors	591	309	0	900
Payables to affiliated companies	33,309	0	0	33,309
Other liabilities	10,311	0	0	10,311
Total	267,310	46,387	219,264	532,961

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

The bonds item for 31.12.2015 comprises the following liabilities:

	Nominal value € 1,000	Nominal interest rate	Issue	Repayment
Bond 2006–2016	200,000	5.125%	22.09.2006	22.09.2016
Bond 2015–2022	175,000	2.750%	17.02.2015	17.02.2022
	375,000			

Liabilities to banks comprise investment loans to the value of € 113,441 K (31.12.2014: € 137,784 K), which are mainly secured by filed claims to entry in the land register, by pledge of bank credits and rental receivables.

The trade creditors item essentially comprises liabilities for construction services and liability guarantees as well as general administrative costs.

The liabilities shown under payables to affiliated companies mainly relate to internal cash advances.

Other liabilities are essentially made up of accrued interest for bonds (€ 6,972 K) which only become cash-effective in February and September 2016, unpaid liabilities to the property management company, liabilities arising from payroll-accounting and tax charge.

h) Deferred income

This item mainly shows rent prepayments for some buildings and investment allowances from tenants.

i) Contingent liabilities

	Maximum amount as at 31.12.2015 1,000		Outstanding on reporting date 31.12.2015 € 1,000	Outstanding on reporting date 31.12.2014 € 1,000
Guarantees and letters of comfort in connection with sales by affiliated companies	274,676	€	143,966	113,535
Guarantees for loans granted to affiliated companies	132,154	€	81,369	174,122
Guarantees for loans granted to other group companies	54,318	€	52,738	23,893
Letter of comfort in connection with construction contracts of affiliated companies	32,720	€	32,720	0
Guarantees in connection with sales by other group companies	5,014	€	5,014	6,992
Letter of comfort in connection with acquisitions by affiliated companies	0	€	0	4,900
Other guarantees for affiliated companies	0	€	0	1,000
			315,807	324,442

In connection with sales guarantees regular market conditions are granted for possible warranty and liability claims in favour of buyers. A sales contract for a plot of land with a sales price of € 9,161 K includes a withdrawal in case that a planning permission is not settled legally effective until 30.6.2016.

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

Kilb Kft., Budapest
Váci 76 Kft., Budapest
BBP Leasing S.R.L., Bucharest

j) Liabilities from the utilisation of tangible assets

The lease-related liability from the utilisation of tangible assets not reported in the balance sheet is € 641 K for the subsequent business year and € 3,203 K for the subsequent five business years.

Of this € 609 K is attributable to affiliated companies for the subsequent business year and € 3,043 K for the subsequent five business years.

k) Details of derivative financial instruments – interest rate swaps

In 2015 all interest rate swaps as at 31.12.2014 were terminated and an amount of € 34,005 K was paid, of which € 20,661 K was charged to affiliated companies.

€ 1,000		Nominal value	Fixed interest rate as at	Interest reference rate	Fair value	thereof considered as provisions	thereof not considered as provisions	thereof charged derivatives to affiliated companies
Start	End	31.12.2014	31.12.2014		31.12.2014	31.12.2014	31.12.2014	31.12.2014
12/2007	12/2017	109,375	4.41%	3M-EURIBOR	– 13,809	– 13,436	– 373	– 373
12/2007	12/2022	54,688	4.55%	3M-EURIBOR	– 16,315	– 1,759	– 14,556	– 14,556
12/2008	12/2017	70,400	4.41%	3M-EURIBOR	– 8,879	0	– 8,879	– 8,879
		234,463			– 39,003	– 15,195	– 23,808	– 23,808

l) Details of derivative financial instruments – swaption

€ 1,000		Nominal value	Fixed interest rate as at	Interest reference rate	Fair value	Book value
Start	End	31.12.2015	31.12.2015		31.12.2015	31.12.2015
06/2016	06/2021	50,000	2.50%	6M-EURIBOR	0	0
06/2016	06/2021	50,000	2.50%	6M-EURIBOR	0	0
11/2017	11/2022	10,000	1.25%	6M-EURIBOR	70	70
11/2017	11/2022	10,000	1.25%	6M-EURIBOR	69	69
		120,000			139	139

€ 1,000		Nominal value	Fixed interest rate as at	Interest reference rate	Fair value	Book value
Start	End	31.12.2014	31.12.2014		31.12.2014	31.12.2014
06/2016	06/2021	50,000	2.50%	6M-EURIBOR	20	20
06/2016	06/2021	50,000	2.50%	6M-EURIBOR	34	34
		100,000			54	54

The fair value corresponds to the amount that CA Immobilien Anlagen Aktiengesellschaft would receive upon termination of the contract on the balance sheet date. These values were determined by the financial institute with which the transactions were concluded. The book value corresponds to the acquisition costs or the lower fair value.

8. Explanatory notes on the income statement

Gross revenues

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

€ 1,000	2015	2014
Rental income for real estate	17,304	20,426
Operating costs passed on to tenants	5,675	6,083
	22,979	26,509

Income from the reversal of provisions

This item mainly results from the reversal of provisions for maintenance.

Other operating income

Other income of € 4,166 K (2014: € 5,257 K) results from management fees charged to subsidiaries in the amount of € 3,383 K (2014: € 3,668 K) as well as cost re-charging and insurance revenues.

Staff expense

This item includes wages, salaries, statutory social welfare contributions and expenses for severance payments and pensions totalling € 10,797 K (2014: € 8,447 K) for the 56 staff members (2014: 54) employed by the company on average.

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

€ 1,000	2015	2014
Change of provision for severance payments to Management Board members and senior executives	- 147	97
Allocation to provision for severance payments to other employees	11	14
Severance payments to Management Board members and senior executives	2,490	0
Pension fund contributions for Management Board members and senior executives	59	41
Pension fund contributions for other employees	33	28
	2,446	180

Expenses in connection with pensions are made up as follows:

€ 1,000	2015	2014
Pension fund contributions for Management Board members and senior executives	146	136
Pension fund contributions for other employees	44	40
	190	176

Depreciation

€ 1,000	2015	2014
Depreciation of intangible fixed assets	483	430
Scheduled depreciation of buildings	6,698	7,579
Depreciation of other assets, office furniture and equipment	322	343
Low-value assets	5	3
	7,508	8,355

Other operating expenses

Where they do not fall under taxes on income, the taxes in the amount of € 579 K (2014: € 1,463 K) mainly comprise the adjustment of real estate tax for a merger in previous years in the amount of € 177 K (2014: € 0 K), real estate charges passed on to tenants in the amount of € 257 K (2014: € 296 K) and the non-deductible input VAT (2014: capital transaction tax in the amount of € 1,134 K).

Other expenses are made up as follows:

€ 1,000	2015	2014
Other expenses directly related to properties		
Operating costs passed on to tenants	5,401	5,769
Maintenance costs	2,205	3,772
Own operating costs (vacancy costs)	449	267
Administration and agency fees	13	115
Asset disposal based on demolition of a building	0	6,390
Other	514	550
Subtotal	8,582	16,863
General administrative costs		
Legal and consulting fees	2,472	4,426
Advertising and representation expenses	951	777
Office rent including operating costs	629	609
Expenses of bonds and convertible bond	376	357
Other fees and bank charges	112	926
Claims and reserves for bad debts of other receivables	3	141
Other	2,354	2,432
Subtotal	6,897	9,668
Total other operating expenses	15,479	26,531

Income from investments

This item comprises dividends paid from companies in Austria in the amount of € 56,762 K (2014: € 321,343 K) and as well as companies in Germany and Eastern Europe in the amount of € 550 K (2014: € 1,465 K).

Income from loans from financial investments

This item comprises interest income from loans.

Other interest and similar income

The interest income originates from investments in securities and cash at bank, accrued interest for acquired bonds, realised swap income as well as from swap interest transfers to affiliated companies.

Income from the sale and revaluation of financial assets

In the business year 2015 reversals of impairment losses of investment in affiliated companies and other loans to the value of € 184,627 K were carried out (2014: € 2,701 K). The profit from the disposal of financial assets results mainly from the repayment of loans above the book value in the amount of € 34,159 K.

Expenses for financial assets and interest receivables in the current assets

€ 1,000

	2015	2014
Depreciation of financial assets	15,310	258,982
Bad debt allowance for interest receivables	1,993	3,844
Loss from disposal of investments in affiliated companies	299	196
	17,602	263,022

Interest and similar expenses

€ 1,000

	2015	2014
Interest costs for bonds	14,409	20,752
Expenses for derivative transactions	23,346	20,072
Interest for loans taken up and bank liabilities for the financing of real estate assets	3,159	3,925
Interest costs in respect of affiliated companies	887	5,909
Other	7	2
	41,808	50,660

Taxes on income

This item essentially comprises the income from tax compensation of group members in the amount of € 7,762 K (2014: € 4,499 K) and corporate income tax 2015 in the amount of € 2,675 K.

As at 31.12.2015 CA Immobilien Anlagen Aktiengesellschaft has tax losses carried forward in the amount of € 311,089 K (31.12.2014: € 352,125 K) for which, pursuant to the provisions of the Austrian Commercial Code (UGB), no deferred taxes were shown in the financial statements. Furthermore, no deferred tax assets were recognised for depreciation on financial assets in the amount of € 53,076 K (31.12.2014: € 62,107 K) that have not yet been claimed for tax purposes.

OTHER INFORMATION**9. Affiliated companies**

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

10. Tax group

In business year 2005 a group and tax compensation agreement was concluded for the formation of a tax group within the meaning of section 9 of the Austrian Corporation Tax Act (KStG) effective from business year 2005. In the subsequent years this was expanded to include additional group members. The group is headed by CA Immobilien Anlagen Aktiengesellschaft, Vienna. In business year 2015 the tax group comprised 20 Austrian group companies (2014: 20) beside the head of the group.

The allocation method used by the CA Immo tax group is the distribution method where tax profits of a group member are offset against pre-group tax losses carried forward. Forwarded losses of a group member are retained. In case of termination of the tax group or the withdrawal of a tax group member, CA Immobilien Anlagen Aktiengesellschaft is obliged to pay a final compensation payment for unused tax losses that have been allocated to the head of the group. These compensation payments are based on the fair value of all (notional) prospective tax reductions, which the group member could potentially realise if it had not joined the tax group. Upon withdrawal of a tax group member or termination of the tax group the final compensation payment will be determined through the professional opinion of a mutually appointed chartered accountant. As at 31.12.2015 the possible obligations against group companies from a possible termination of the group were estimated at € 14,926 K (31.12.2014: € 13,279 K). As at 31.12.2015 no group company has left the tax group, so no provision was made.

11. Executive bodies and employees**Supervisory Board**

Dr. Wolfgang Ruttenstorfer, Chairman
Dmitry Mints, Deputy Chairman
MMag. Dr. Maria Doralt
Richard Gregson (from 28.4.2015)
Barbara A. Knoflach
John Nacos (from 28.4.2015)
Michael Stanton
Mag. Franz Zwickl (to 17.2.2016)

As at 31.12.2015 all members of the Supervisory Board had been elected by the Ordinary General Meeting.

The remuneration of the Supervisory Board paid in 2015 (for business year 2014) amounts to € 196 K (2014 for business year 2013: € 122 K). Additionally, cash outlays for travel expenses in the amount of € 13 K (2014: € 12 K) and other expenditures in the amount of € 4 K (2014: € 1 K) were paid to the Supervisory Board. No other consultancy fees were paid to members of the Supervisory Board.

Management Board

Frank Nickel (CEO from 1.1.2016)
Dr. Bruno Ettenauer (CEO to 31.12.2015)
Mag. Florian Nowotny

In business year 2015, total salary payments to active Management Board members stood at € 1,485 K (€ 1,326 K in 2014). Of this amount € 101 K (2014: € 93 K) were related to salary-based deductions. Management Board remuneration contains € 545 K in short term incentives (€ 541 K in 2014) and € 175 K from the LTI tranche for 2012-2014 (€ 74 K in 2014). Fixed salary components made up 52% of Management Board remuneration (54% in 2014), with variable salary components accounting for 48% (46% in 2014). Provisions of € 467 K (including incidental charges) were allocated at Management Board level for variable salary components payable in 2016 on the basis of targets agreed in business year 2015. Provisions totaling € 1,835 K (including incidental charges; € 2,226 K on 31.12.2014) had been formed in connection with the LTI programme as at 31.12.2015; of this, the Management Board accounted for € 206 K (€ 483 K in the previous year). During business year 2015, contributions to pension funds for Management Board members (defined contribution plan) totalled € 60 K (€ 56 K in 2014). Following early termination of his Management Board contract by mutual agreement, Dr. Bruno Ettenauer received a severance payment of € 2,490 K in business year 2015; appropriate provision was made on the balance sheet date for payment of an additional € 150 K on 30 June 2016. Corresponding salary-based deductions amounted to € 197 K (2014: € 0 K). There are no further obligations. Payments to form a reserve for severance payment claims (defined benefit plan) amounted to € 65 K in the last business year (compared to € 97 K in 2014). As at 31 December 2015, severance payment provisions totalled € 189 K (€ 337 K on 31.12.2014). No loans or advances were paid to Management Board members. A total of € 137 K was paid to former Management Board members from maturity of the LTI tranche for 2012-2014.

Employees

The average number of staff employed by the company during the business year was 56 (2014: 54).

12. Auditor's remuneration

There is no indication of the auditor's remuneration for the business year pursuant to section 237 para 14 of the Austrian Commercial Code (UGB), as this information is contained in the consolidated financial statements of CA Immobilien Anlagen Aktiengesellschaft.

13. Proposal for the appropriation of net earnings

It is proposed to use part of the net retained earnings of € 448,067,745.46 to pay a dividend of € 0.50 per share, i.e. a total of € 48,404,168.00, to the shareholders. The remainder of the net retained earnings in the amount of € 399,663,577.46 is intended to be carried forward to new account.

Vienna, 17 March 2016

The Management Board



Frank Nickel
(Chairman)



Florian Nowotny
(Member of the Management Board)

ASSET ANALYSES FOR THE BUSINESS YEAR 2015

	Acquisition and production costs as at 1.1.2015	Addition	Disposal	Transfer	Acquisition and production costs as at 31.12.2015	Depreciation and amortisation (accumulated)	Book value as of 31.12.2015	Depreciation and amortisation in 2015	Reversal of impairment losses in 2015	Book value as at 31.12.2014
	€	€	€	€	€	€	€	€	€	€ 1,000
I. Intangible fixed assets										
Rights and EDP software	1,526,254.37	541,180.45	11,000.00	0.00	2,056,434.82	1,376,723.50	679,711.32	483,120.45	0.00	633
	1,526,254.37	541,180.45	11,000.00	0.00	2,056,434.82	1,376,723.50	679,711.32	483,120.45	0.00	633
II. Tangible fixed assets										
1. Property and buildings										
a) Land value	59,374,260.86	0.00	4,996,816.90	0.00	54,377,443.96	14,979,220.41	39,398,223.55	0.00	0.00	44,395
b) Building value	304,552,475.19	894,527.66	35,278,097.03	692,678.87	270,861,584.69	93,091,931.17	177,769,653.52	6,697,513.85	955,300.16	199,891
	363,926,736.05	894,527.66	40,274,913.93	692,678.87	325,239,028.65	108,071,151.58	217,167,877.07	6,697,513.85	955,300.16	244,286
2. Other assets, office furniture and equipment	3,334,060.47	162,774.03	640,992.62	0.00	2,855,841.88	2,337,894.15	517,947.73	327,645.81	0.00	694
3. Prepayments made and construction in progress	1,010,834.44	1,393,799.53	777,473.84	– 692,678.87	934,481.26	0.00	934,481.26	0.00	0.00	1,011
	368,271,630.96	2,451,101.22	41,693,380.39	0.00	329,029,351.79	110,409,045.73	218,620,306.06	7,025,159.66	955,300.16	245,991
III. Financial assets										
1. Investments in affiliated companies	2,405,380,931.41	187,467,911.68	63,437,891.32	159,445.24	2,529,570,397.01	607,001,897.32	1,922,568,499.69	12,142,502.00	184,423,141.08	1,571,946
2. Loans to related companies	223,738,412.05	200,836,000.00	133,617,427.99	52,798,611.68	343,755,595.74	7,647,616.00	336,107,979.74	2,389,928.01	0.00	206,625
3. Investments in associated companies	262,178.33	27,500.00	0.00	0.00	289,678.33	8,992.14	280,686.19	0.00	0.00	253
4. Loans to associated companies	67,000.00	350,000.00	37,000.00	0.00	380,000.00	0.00	380,000.00	0.00	0.00	67
5. Derivative financial instruments	1,311,250.00	176,300.00	0.00	0.00	1,487,550.00	1,348,493.77	139,056.23	91,451.56	0.00	54
6. Other loans	163,261,485.67	1,800,000.00	73,349,017.96	– 52,958,056.92	38,754,410.79	26,160,805.35	12,593,605.44	686,387.56	204,352.00	136,905
	2,794,021,257.46	390,657,711.68	270,441,337.27	0.00	2,914,237,631.87	642,167,804.58	2,272,069,827.29	15,310,269.13	184,627,493.08	1,915,850
	3,163,819,142.79	393,649,993.35	312,145,717.66	0.00	3,245,323,418.48	753,953,573.81	2,491,369,844.67	22,818,549.24	185,582,793.24	2,162,474

INFORMATION ABOUT GROUP COMPANIES

Direct investments

Company	Registered office	Share capital		Interest in %	Profit/loss for fiscal 2015		Shareholders' equity as at 31.12.2015		Profit/loss for fiscal 2014		Shareholders' equity as at 31.12.2014	
					in 1,000		in 1,000		in 1,000		in 1,000	
CA Immo d.o.o.	Belgrad	32,523,047	RSD	100	–3,375	RSD	2,278	RSD	2,780	RSD	5,653	RSD
CA Holding Szolgáltató Kft	Budapest	13,000,000	HUF	100	9,353	HUF	650,159	HUF	99,333	HUF	640,806	HUF
Canada Square Kft., Budapest	Budapest	12,500,000	HUF	100	31,079	HUF	411,312	HUF	–13,262	HUF	380,233	HUF
Kapas Center Kft., Budapest	Budapest	772,560,000	HUF	50	323,147	HUF	1,676,960	HUF	47,201	HUF	1,401,014	HUF
Kilb Kft.	Budapest	30,000,000	HUF	100	494,958	HUF	2,515,627	HUF	315,387	HUF	2,020,670	HUF
R 70 Invest Budapest Kft.	Budapest	5,270,000	HUF	100	–87,491	HUF	2,207,666	HUF	–144,342	HUF	2,295,157	HUF
Skogs Buda Business Center II. Kft.	Budapest	327,010,000	HUF	100	–13,642	HUF	209,197	HUF	–121,122	HUF	222,839	HUF
Váci 76 Kft.	Budapest	3,100,000	HUF	100	428,359	HUF	4,702,154	HUF	–343,180	HUF	4,273,796	HUF
CA Immo Invest GmbH, Frankfurt	Frankfurt	50,000	EUR	50.5	–28,194	EUR	8,863	EUR	21,677	EUR	39,557	EUR
DRG Deutsche Realitäten GmbH	Frankfurt	500,000	EUR	49	243	EUR	829	EUR	337	EUR	886	EUR
Pannonia Shopping Center Kft.	Győr	3,020,000	HUF	50	47,585	HUF	74,052	HUF	–204,795	HUF	–73,553	HUF
CAINE B.V., Hoofddorp	Hoofddorp	18,151	EUR	100	10,725	EUR	–33,970	EUR	–9,984	EUR	–47,293	EUR
CA Immo Holding B.V., Hoofddorp	Hoofddorp	51,200,000	EUR	100	13,693	EUR	113,748	EUR	4,521	EUR	103,352	EUR
Pulkovo B.V.	Hoofddorp	25,000	EUR	100	–10	EUR	–11	EUR	Acquisition	2015	Acquisition	2015
CA Immobilien Anlagen d.o.o.	Ljubljana	50,075	EUR	100	–658	EUR	3,848	EUR	–2,621	EUR	–13,994	EUR
Office Center Mladost EOOD	Sofia	5,000	BGN	100	654	BGN	659	BGN	539	BGN	652	BGN
PBP IT-Services Sp.z.o.o.	Warsaw	50,000	PLN	50	174	PLN	382	PLN	108	PLN	199	PLN
Avielen Beteiligungs GmbH	Vienna	35,000	EUR	100	–1,375	EUR	–6,906	EUR	–428	EUR	–5,531	EUR
Betriebsobjekte Verwertung Gesellschaft m.b.H. & Co. Leasing OG	Vienna	4,135,427	EUR	100	–1,422	EUR	4,791	EUR	–83	EUR	6,213	EUR
CA Immobilien Anlagen Beteiligungs GmbH & Co Finanzierungs OG	Vienna	147,817,600	EUR	100	4,268	EUR	156,022	EUR	4,557	EUR	151,754	EUR
CA Immo BIP Liegenschaftsverwaltung GmbH	Vienna	3,738,127	EUR	38.9	–1,743	EUR	4,879	EUR	2,911	EUR	8,582	EUR
CA Immo International Holding GmbH	Vienna	35,000	EUR	100	237,372	EUR	1,570,058	EUR	92,185	EUR	1,219,964	EUR
CA Immo Investment Management GmbH in liquidation	Vienna	100,000	EUR	100	–1	EUR	34	EUR	–32	EUR	35	EUR
CA Immo Rennweg 16 GmbH	Vienna	35,000	EUR	100	367	EUR	–5,511	EUR	–4,776	EUR	–5,878	EUR
EBL Nord 2 Immobilien GmbH	Vienna	35,000	EUR	50	2	EUR	37	EUR	Founded	2015	Founded	2015
EBL Nord 2 Immobilien Eins GmbH & Co KG	Vienna	10,000	EUR	50	–73	EUR	–63	EUR	Founded	2015	Founded	2015
EBL Nord 2 Immobilien Zwei GmbH & Co KG	Vienna	10,000	EUR	50	–15	EUR	–5	EUR	Founded	2015	Founded	2015
omniCon Baumanagement GmbH	Vienna	100,000	EUR	100	11	EUR	105	EUR	16	EUR	94	EUR

Information on participations for 2015 is based on preliminary figures in financial statements prepared according to local accounting standards.

MANAGEMENT REPORT

GROUP STRUCTURE

The CA Immo Group is an internationally active real estate group. The parent company of the CA Immo Group is **CA Immobilien Anlagen Aktiengesellschaft**, a listed company based in Vienna whose main activity is the strategic and operational management of subsidiary companies at home and abroad. The company has branch offices in Austria, Germany, Hungary, the Czech Republic, Romania, Poland and Serbia; the Group also has offices in Cyprus and Ukraine. Each site acts as a largely autonomous profit centre. Other subsidiaries (without separate local teams) are present in Bulgaria, Croatia, the Netherlands, Slovakia and Slovenia. As at key date 31 December 2015, the Group comprised 211 subsidiaries (227 on 31.12.2014) employing an approximate total of 357 people (355 on 31.12.2014) in 16 countries¹⁾. The CA Immo Group's core field of expertise involves developing and managing modern and spacious office properties in Central and Eastern Europe. In regional terms, the company focuses on Austria, Germany, Poland, Hungary, the Czech Republic, Slovakia and Romania. Business activity in Germany is focused on Munich, Frankfurt and Berlin; in other countries, the main strategic emphasis is on the capital cities. Aside from office properties, the asset portfolio of the Group includes hotels, speciality retail outlets, shopping malls and a small proportion of residential and logistical properties. From the design and development of entire urban districts to the active management of investment properties, value is generated through a comprehensive value chain.

Austria

The company's domestic properties are overseen in direct holdings of CA Immobilien Anlagen AG. As at 31 December 2015, the parent company also directly held property assets of approximately € 217.2 m (€ 245.3 m on 31.12.2014). As at 31 December 2015, the total Austrian portfolio comprised investment properties with a market value of € 587.6 m (€ 659.3 m on 31.12.2014) along with two development projects.

¹⁾ Includes holding companies in Cyprus and the Netherlands and another company in Switzerland.

COMPANIES BY REGION

Number of companies ¹	31.12.2015	31.12.2014
Austria	27	24
- Of which joint ventures	1	0
Germany	94	95
- Of which joint ventures	15	15
Eastern Europe ²	90	108
- Of which joint ventures	8	30
Group-wide	211	227
- Of which joint ventures	24	45

¹ Joint ventures at property or project level

² Includes holding companies established in connection with Eastern European investments

Germany

The operational platform for all Group activities in Germany is **CA Immo Deutschland GmbH**. As a former collecting society for state-owned railway properties in Germany, the company has a wealth of expertise in developing inner city real estate. With subsidiaries in Frankfurt, Berlin and Munich, an appropriate local presence is assured. Aside from investment properties, the company's property assets mainly comprise properties under construction and undeveloped plots alongside a portfolio of properties intended for trading or sale. Investment properties are largely held in direct holdings and let and managed by **DRG Deutsche Realitäten GmbH**, a joint venture set up with the Austrian estate agent and property management firm ÖRAG. Construction management – which encompasses construction management, project management and construction supervision – is carried out by CA Immo's German subsidiary **omniCon**, which also performs these services for third parties.

Eastern Europe

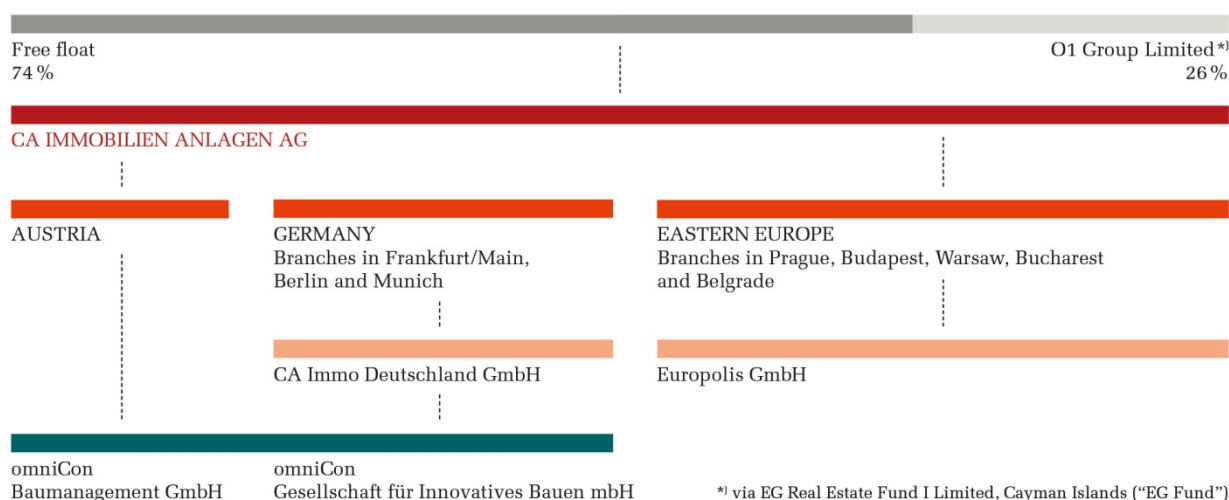
The Group's investment property portfolio in Eastern Europe and a small proportion of development projects and undeveloped plots in Poland, Slovakia, Hungary and Ukraine are directly held via CA Immo participating interests and via **Europolis GmbH** (formerly Europolis AG), another wholly owned subsidiary of CA Immo acquired from the Volksbank Group early in 2011. The Europolis Group, which was established in 1990, focuses on class A commercial properties in Eastern Europe. The overall Europolis portfolio is split into four sub-portfolios. In July 2015 CA Immo acquired the minority share (approximately 35%) of the European Bank for Reconstruction and Development

(EBRD) in the 'E-portfolio'. Another partnership was established with Union Invest, which holds a 49% stake in the 'C1 portfolio'. All properties in Eastern Europe are managed by **Europolis Real Estate Asset**

Management GmbH (EREAM) of Vienna alongside a group of regional companies in Prague, Budapest, Warsaw, Bucharest and Belgrade trading as **CA Immo Real Estate Management**.

GROUP STRUCTURE

As at 31.12.2015



ECONOMIC ENVIRONMENT

The economic trend¹⁾

In 2015 the global economy was characterised by geopolitical instability, and thus volatility. Growth in emerging markets and developing economies declined for the fifth consecutive year. In particular, the effect of sanctions against Russia was felt by the economies of Western Europe. Here economic woes were intensified by rapid falls in the oil price and the rouble, the gradual slow-down of economic activity in China and the gradual tightening of monetary policy in the United States. According to the International Monetary Fund (IMF), however, the economies of Europe in particular are expected to expand at modest rates in 2016 and 2017. The economic prospects of the eurozone have indeed brightened in 2015. The pressure of the austerity policy will ease in future, leaving greater scope for economic growth.

¹⁾ Sources: International Monetary Fund (IMF), World Economic Outlook, January 2016

Review of the CA Immo core markets in 2015²⁾

Growth in the eurozone amounted to 1.5% in 2015, with the EU as a whole achieving 1.8%; both figures are in line with consensus expectations for 2015. The unemployment rate for the EU as a whole was 9.0%, the lowest rate recorded since 2009. In 2016 eurozone growth should improve marginally to 1.7% and further to 1.9% in 2017; this will depend crucially on a rebound in investment. A budget deficit of 2.7% is expected for the eurozone (2.6% in 2014). The total average national debt for the eurozone stood at 91.6% (EU: 93.2%).

The economy of **Austria** continues to grow at a slow but steady rate, with real GDP rising by 0.7% in 2015. The increase was mainly driven by government spending and positive foreign trade. With improving dynamics in private consumption and investments, GDP growth is expected to double in 2016 and 2017. The inflation rate in Austria decreased to 0.8% in 2015 (1.5% in 2014), and is likely to remain at this low level in 2016 and 2017 owing to the falling oil price. Compared to the general price

²⁾ Sources: Eurostat Eurostatistics 01/2015 edition, EU Commission forecast (04.02.2016)

trend in 2015 for the eurozone (0.5%) and the EU (0.6%), Austria is well above average. The 2015 unemployment rate increased to 6% (5.6% in 2014), mainly on account of the increased inflow of asylum seekers, a trend that is expected to continue in 2016.

The German economy was mainly driven by government spending and private and public consumption. Gross domestic product rose by 1.7%. In EU comparison, **Germany** and the Czech Republic reported the lowest unemployment rates at just 4.5%. The inflation rate in Germany has been moving in and out of negative territory during the course of the year, and has not been at or above 1% since January 2014. Debt as a percentage of GDP fell from 74.8% in 2014 to 70.8% in 2015.

Although economic growth in Hungary slowed to 3.0% in 2015 compared with the previous year's robust growth of 3.7%, this was still well above the 2.7% expected. The Romanian economy also performed well in 2015, recording GDP growth of 3.6% in line with the forecasts. Gross domestic product in Poland grew to 3.6% in 2015, continuing its path of strong and stable growth. The Czech Republic experienced a fall in GDP between the third and the fourth quarter of 2015, but annual growth still reached 3.9%. Apart from the Czech Republic, the unemployment rate in the **CEE** nations is higher than that for the rest of the EU; it stands at 7.1% in Poland, 7.3% in Hungary and 6.7% in Romania.

The inflation rates in most CEE countries turned negative and remained below the respective targets. Main reason for the decrease has been the continual fall in oil prices. The Czech Republic reported a negative inflation rate of -0.1%, while the inflation rate in Romania dropped to a record low in August 2015 and produced an annual value of -0.7%. The interest rate in Poland remained at the record low of 1.50%, yielding annual inflation of -0.5%.

The money market and interest environment¹⁾

Monetary policy was highly expansive in 2015 and characterised by the continuance of historically low interest rates. Throughout 2015 the European Central Bank (ECB) held interest rates at an unchanged level, until the bank decided in December to cut interest rates on deposit facilities for the eurozone from -0.20% to -0.30%. The rate remained negative during the whole year to make lending more attractive to banks. According to Eurostat, the rate of price increases in the eurozone was just 0.4% at the end of 2015, well below the 2% target set by the ECB. To counter the threat of deflation and support business, the ECB resolved in January 2015 to extend its programme of buying government bonds and other securities from eurozone countries up to a volume of € 60 bn; the programme is expected to continue until September 2016. The 3 month Euribor, the interest reference rate for floating rate bonds, hit records lows between 0.6% and -0.15% in 2015. It entered negative territory for the first time in April 2015.

The decline in the second half of the year continued into the first weeks of 2016, with a new low of -0.2% confirmed. Yields on government bonds from eurozone countries and corporate bonds with good credit ratings also reached historic lows in 2015.

Currencies²⁾

The ECB's monetary policy measures led to a weakening of the single European currency in 2015, especially against the US dollar. The Polish and Hungarian currencies displayed greater volatility around the second quarter of 2015: EUR/PLN was trading between 3.96 and 4.36, while the EUR/HUF fluctuated between 296 and 323. The currencies of the CEE nations declined in value after the Swiss National Bank abruptly abandoned its minimum exchange rate of 1.20 francs to the euro on 15 January 2015; countries were quickly able to compensate for these losses, however.

¹⁾ Sources: Eurostat, Central Statistical Offices, Bloomberg

²⁾ Sources: European Central Bank, Central Statistical Office, Bloomberg

Outlook¹⁾

In view of the present economic situation and the development of the inflation rate in the eurozone, we expect the base rate to remain at an historic low in 2016. The decision by the ECB to extend its bond purchase programme, together with the investment programme unveiled by the European Commission in November 2014 (which should release investment of at least € 315 bn for strategic infrastructure projects) should further benefit the economy. With the steep fall in the oil price having slowed the rate of price increases in 2015, the EU Commission expects the inflation rate to fall further, although concerns of deflation risks have decreased due to the easing programmes of the ECB.

According to experts, the CEE nations should benefit from more vigorous domestic demand and increased investment activity in years ahead, with growth averaging 3.3% this year (the fastest pace since 2008). With GDP forecast to expand by 4.5% in 2015, the Czech Republic is likely to become the fastest growing member of the CEE region. Growth of 3.6% is expected for Poland in 2015, with Hungary expanding by 3.0%. With government expenditure likely to decrease, the Hungarian economy might grow at a slower rate.

THE REAL ESTATE MARKET IN AUSTRIA²⁾

The investment market

The volume invested in commercial real estate during the fourth quarter of 2015 (€ 1.8 bn) represented the highest ever quarterly total and accounted for almost half of total annual investment. Main reason for the increase was the closing of a number of large-volume deals at the end of the year. In 2015, office properties accounted for 40% of transactions, followed by retail properties with 31%. The total investment volume of € 2.7 bn in 2015 was nearly similar to last year's result of 2.8 bn. The prime yield on office properties stood at 4.20% in quarter four, marginally down on the previous quarter (4.30%). Yields in good locations were very slightly lower (10 bps) than those for quarter three (4.95% compared to 5.05%). The proportion of foreign capital exceeded 50% of the year's total for the first time in 10 years. During the fourth

quarter, the proportion of international investors rose from 26% (in Q3) to almost 65%. Domestic investors were responsible for around 35% of investments, with German investors accounting for approximately 21%.

The office property market

The stock of premises on the Viennese office property market expanded by approximately 198,000 sqm, representing an increase of 75% on the last year's value (113,000 sqm). The total office stock was approximately 11.0 m sqm in the fourth quarter, which represented a minor increase on the value of 2014 (10.9 m sqm). The main reason for the overall stability of the stock was the significantly lower volume of new completion. New supply only slightly exceeded 7,000 sqm while no significant office projects were completed in the last quarter. Lettings performance of 61,000 sqm in the fourth quarter of 2015 was 50% above the result for the third quarter (32,000 sqm). However, total lettings performance in 2015 (200,000 sqm) was slightly below the previous year's figure of 210,000 sqm. In 2015, new office space was either fully pre-let or owner occupied, a trend that is expected to continue until 2017 or 2018. The vacancy rate fell to a record low level of 6.3% on account of the low completion volume in 2015 and the continuing demand for office space. The peak monthly rent in Vienna in the final quarter of 2015 rose slightly to € 25.85/sqm as compared to the previous quarter (€ 25.75/sqm). Rents in good and average locations varied somewhat, with both rising by the fourth quarter to stand at around € 15.50/sqm per month in good locations and € 13.50/sqm per month in average locations.

THE REAL ESTATE MARKET IN GERMANY³⁾

The investment market

The commercial transaction volume in Germany reached € 55.1 bn in 2015, up almost 40% on last year's value. Over 30% of the annual result (€ 17 bn) was attributed to the fourth quarter of 2015 alone, making this the strongest quarter of the past 5 years. Approximately € 23 bn was invested in office properties in Germany during 2015, followed by € 17 bn invested in retail. Together, these two categories represent approximately 75%

¹⁾ Sources: European Central Bank, Central Statistical Office, Bloomberg

²⁾ Sources: CBRE: Austria Investment MarketView Q4 2015, Vienna Office MarketView Q4 2015, MarketView EMEA Rents and Yields Q4 2015

³⁾ Sources: Jones Lang LaSalle: German Investment Market Q4 2015; CBRE: MarketView Deutschland Investment Quarterly Q4 2015, Investment Market Overview Berlin, Munich; MarketView European Investment Quarterly Q4 2015

of the total German investment market for commercial real estate. In the last quarter of 2015, investment in office properties reached the highest quarterly level since 2007. The proportion of foreign investors in Germany has increased from 39% to almost 50%.

The proportion of investment in office properties in the overall transaction volume doubled between 2010 and 2015. In Berlin, € 4.4 bn was invested in office properties (57% of the total Berlin investment market), while the figure in Munich was € 4.3 bn (73%). The highest proportion of investment in offices was reported in Frankfurt (€ 4.9 bn or 81% of the total volume). In response to high demand for investment, the prime yield in Munich declined on the previous year to 3.65% (compared to 4.0% in Berlin and 4.4% in Frankfurt).

The office property market¹⁾

In comparison with 2014, office space take-up in Germany increased by 21% to approximately 3.6 m sqm in 2015. Development was variable in the main property centres, however. With floor space turnover at a record high of 879,400 sqm, Berlin recorded a rise of 43% compared to 2014, while turnover in Düsseldorf rose by 46% to 342,500 sqm. Floor space turnover for the five other core cities was between these levels, with Frankfurt, Stuttgart, Munich and Cologne improving on the previous year. The volume of new space decreased by 12% to 870,000 sqm in 2015. Of the floor space completed in 2015, 65% was pre-let or owner-occupied.

Total vacancy decreased by 16% to 5.69 m sqm in 2015, dropping below the six million sqm threshold for the first time since 2013. In 2015, the average vacancy rate across the core cities reached a new low of 6.4%, representing the lowest level since 2002. Vacancies are expected to further fall in 2016 due to high levels of demand. In 2015 there was a rise in prime rents in all cities except for Cologne and Düsseldorf. The aggregate prime rent rose by 3% in 2015; average rents also rose by 4%, with similar results expected for 2016.

Office space take-up in **Munich** totalled 761,000 sqm in 2015, mainly thanks to a strong fourth quarter (248,000 sqm); a total take-up of approximately 700,000 sqm is expected in 2016. In 2015, 178,500 sqm of

new or redeveloped office space was completed. The office vacancy level stood at 5.3%, its lowest level since 2003. Compared to the same period of 2014, the peak monthly rent increased by € 1 to € 34.00/sqm in the fourth quarter of 2015 due to excess demand for top quality space. In 2015, 180,000 sqm of newly built offices were completed.

Office space take-up in **Frankfurt** was approximately 391,200 sqm in 2015, below the 400,000 sqm level for the fourth time since 2004 and around 12% below the ten-year average. At the same time, the highest number of new leases for more than a decade was completed in 2015 (although this mainly comprised smaller-scale transactions). Quality is still the primary focus: 63% of all take-up related to top quality properties while four of the 10 largest transactions concerned development projects. The vacancy rate fell further to 9.1% in the final quarter of 2015; it is currently at its lowest level for over 10 years. Compared to the previous year, the prime rent increased slightly from € 35/sqm to € 35.5/sqm per month. A further increase in high demand locations is expected in 2016.

Office space take-up in **Berlin** reached the record level of 879,400 sqm in 2015, the highest level achieved in the market. With this volume Berlin ranked first among the Big 7 office locations in Germany for the first time. Floor space turnover was approximately 294,200 sqm in quarter four of 2015. The vacancy rate fell to a low of 6.3% in the final quarter, while the completion volume reached its highest level since 2005 and is expected to continue growing in 2016. The peak monthly rent increased to its highest level since 2002 (€ 24/sqm per month); this is reflected in an increase in the average rent to over € 15/sqm per month.

THE REAL ESTATE MARKET IN EASTERN EUROPE²⁾

The investment market

The investment volume in the CEE nations (excluding Russia) amounted to around € 9.5 bn in 2015, equivalent to growth of approximately 25% compared to last year. Poland remained the leading regional market with an approximate share of 46% (€ 4.1 bn), followed by the Czech Republic (30%, € 2.7 bn), Hungary (9%, € 0.7 bn),

¹⁾ Sources: Jones Lang LaSalle: Office Market Overview BIG 7 4Q 2015, Office Market Profile Berlin, Frankfurt, Munich 4Q 2015, CBRE: German Investment Quarterly MarketView Q4 2015, MarketView EMEA Rents and Yields Q4 2015

²⁾ Sources: Jones Lang LaSalle: CEE Investment Market Pulse/2015; CBRE: CEE Property Investment MarketView Q4 2015

Romania (7.5%, € 0.6 bn) and Slovakia (4.5%, € 0.3 bn). Driven by transactions in the Czech Republic and Poland, the retail sector reached the record level of € 4.5 bn (+160% or 45% of the total investment volume). In the CEE countries, the office transaction market declined by 17% to € 3.9 bn as compared to the previous year's value of € 4.7 bn. Yields decreased in the CEE regions due to the multitude of transactions closed in 2015, the result of increased interest from investors. Prime yields have also sharpened on the core markets of CA Immo, but remained relatively stable until the end of the year. In quarter four prime yields in Poland and Czech Republic remained stable at 5.75%, while Hungary stood at 7.15% and Romania at 7.50%.

In the second half of 2015, the transaction volume in **Poland** rose to the record level of € 2.88 bn, bringing the total annual volume to € 4.1 bn. Investment activity exceeded expectations. Some transactions signed in the second half of 2015 are due to be closed in 2016, which is forecast to result in significant transaction volumes in the subsequent quarters. Thanks to solid performance in 2014, Poland retained the primary focus of many institutional investors, even though its share of the total CEE transaction market fell from 70% in 2012 to around 46% in 2015 as other countries of the region attracted higher volumes – a promising trend for the region as a whole. For the first time, the volume of transactions in regional cities exceeded the volume registered in Warsaw. In the second half of 2015 office transactions concluded in regional cities accounted for 61%, while Warsaw's share of the transaction volume for the period was only 39%.

The transaction volume in the **Czech Republic** reached € 1.45 bn in the second half of 2015, resulting in a full-year figure of € 2.65 bn, an increase of 65% on the last year's value. In H2 2015 **Hungary** reached € 500 m, of which 58% represented investments in office. The investment volume in **Romania** was dominated by industrial transactions (41%), followed by office transactions (38%). The property investment volume resulted in approximately € 650 m; Bucharest accounted for more than 80% of the transaction volume.

The office property markets¹⁾

In all four core cities of CA Immo (Warsaw, Prague, Budapest and Bucharest), increasing floor space turnover and decreasing vacancy rates were observed in 2015.

At the end of 2015, total floor space in **Warsaw** stood at approximately 4.7 m sqm. The completion volume was 277,600 sqm in 2015, with a further 400,000 sqm due to follow by 2016. Of the newly constructed space, 46% is located in the central business district. Total take-up activity reached 833,200 sqm in 2015, with 221,140 sqm leased in the final quarter. At the end of 2015, the vacancy rate was recorded at 12.3% (13.3% in 2014); year-on-year, vacancy has fallen by 1%. Due to the extensive pipeline, the prime rent has decreased to € 23.50/sqm (€ 25.00/sqm in 2014).

By the end of 2015, 240,000 sqm of office space had been leased in **Bucharest**, with lettings activity declining by 20% compared to the previous year. The completion volume in 2015 stood at 72,500 sqm. Office space in Bucharest totalled 2.35 m sqm in 2015 and is expected to expand by 408,000 sqm in 2016. The vacancy rate decreased to 11.9% at year end, mainly due to the low level of new supply in 2015; it is expected to grow in the forthcoming quarters. However, there are big differences between the various submarkets. Vacancy in class A properties was just 5.3% since 58% of the transactions were signed in Class A office buildings, while the rate for B-class properties was 15.9%. The prime monthly rent in Bucharest remained stable at € 18.5/sqm in the fourth quarter of 2015.

Annual take-up in **Budapest** rose by 51% to 364,800 sqm in 2015 compared to last year's value. Lettings performance in the office sector in 2015 exceeded the half-million sqm threshold for the first time to expand by 18%, a similar rate to that reported in 2014. The completion volume in 2015 declined to 50,900 sqm, 25% below the comparable value for last year; supply is expected to increase to approximately 100,000 sqm in 2016, with 57% of the new premises already let. The vacancy rate fell by 4.1% in 2015 to stand at the current level of 12.1%. The fall in vacancy was similar for all building categories, with class A properties registering the lowest average vacancy of 8.8%. The average prime monthly rent in Budapest currently stands at € 19-21/sqm.

¹⁾ Sources: Jones Lang La Salle: Prag Office Market Q4 2015; CBRE: Office MarketView Prague, Warsaw, Bucharest and Budapest Q4 2015, EMEA Rents and Yields Q4 2015

In the final quarter of 2015 the office market in **Prague** grew by 32,200 sqm. The portfolio of office space in Prague thus reached 3.22 m sqm. Lettings performance in 2015 reached 449,800 sqm, of which 272,900 sqm is newly leased, resulting in the highest figures in the market's history. The vacancy rate in Prague reached its peak during 2015 before decreasing in the final quarter to 14.6%, mainly due to strong net take-up. Further significant declines in the vacancy rate are not expected in the following year. Prime monthly rents in the city stand at € 18.50-19.50/sqm, with the inner city figure ranging from € 14.50-16/sqm and peripheral areas ranging from € 13.00-14.50/sqm.

PROPERTY ASSETS

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

CA Immo Group's property assets

As at key date 31 December 2015, CA Immo Group held property assets of approx. € 3.7 bn (31.12.2014: € 3.6 bn). Of this figure, investment properties account for € 3.2 bn (89% of the total portfolio)¹⁾ and property assets under development represent € 0.4 bn (11% of the total portfolio). Germany is the biggest regional segment with a proportion of 41% of total property assets.

Portfolio of CA Immobilien Anlagen AG

Property assets directly held by CA Immobilien Anlagen AG represent a rentable effective area of 141,475 sqm (2014: 160,935 sqm). As at the balance sheet date, these assets comprised 7 properties (13 in 2014) and two project developments in Austria with a market value (including prepayments made and construction in progress)

of € 218,102 K (€ 245,296 K on 31.12.2014). This portfolio generated rental income of € 17,304 K in 2015 (€ 20,426 K in 2014).

Lettings

An approximate total of 5,915 sqm of floor space newly let or extended in 2015. Contracts were also concluded for another 1,490 sqm or so of floor space that will be occupied in 2016. The economic occupancy rate in the asset portfolio rose to approximately 95% in yearly comparison (96% in 2014). The biggest tenants of CA Immobilien Anlagen AG are Österreichische Post AG and Robert Bosch AG.

Investments

The company invested € 2.288 K in its asset portfolio in 2015 (€ 4,438 K in 2014). Of this figure, € 2.205 K was earmarked for modernisation and optimisation measures (especially for tenant fit-out and reconstruction of Erdberger Lände, Wolfganggasse, Erlachgasse and Storchengasse and of Donau Business Center at Handelskai) (€ 3,772 K in 2014); € 364 K (€ 361 K in 2014) was devoted to the furtherance of development projects.

Disposals

As part of its portfolio streamlining, 6 investment properties of various asset classes in Vienna, Lower Austria, Salzburg and Tirol with a value of € 23,751 K were sold in 2015 (compared to 3 investment properties with a value of € 14,492 K in 2014). These sales generated total income of € 35,629 K (compared to € 3,097 K in 2014).

Development projects

As at key date 31 December 2015, two development projects were in progress.

COURSE OF BUSINESS FOR CA IMMOBILIEN ANLAGEN AG

Results

As a result of sales during the previous year **rental income** decreased by – 15.3% (from € 20,426 K to € 17,304 K). **Operating expenses** passed on to tenants declined in line from € 6,083 K to € 5,675 K. Overall this led to a – 13 decrease in **gross revenues** from € 26,509 K to € 22,979 K.

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

From property sales **other operating income** of € 39,888 K had been gained (€ 13,786 K in 2014). Other operating income of € 4,166 K (2014: € 5,257 K) results from management fees charged to subsidiaries in the amount of € 3,383 K (2014: € 3,668 K) as well as cost re-charging and insurance revenues.

Following early termination of his Management Board contract by mutual agreement, Dr. Bruno Ettenauer received a severance payment of € 2,490 K in business year 2015; appropriate provision was made on the balance sheet date for payment of an additional € 150 K on 30 June 2016. Corresponding salary-based deductions amounted to € 197 K (2014: € 0 K). Hence, **staff expenses** increased by 28% from € 8,447 K in 2014 to € 10,797 K as of 31.12.2015 for the 56 staff members (2014: 54) employed by the company on average.

Comparing the two periods, **depreciation of tangible assets** decreased by – 10% to € 7,508 K (€ 8,355 K in 2014).

Primarily caused by a significant reduction of operating expenses charged to the tenants (from € 16,863 K in 2014 to € 8,582 K in 2015; – 49%) and of general administrative expenses (particularly legal, auditing and consultancy costs) from € 9,668 K to € 6,897 K (– 29%), other **operating expenditures** dropped by – 43% to € – 16,059 K (€ – 27,994 K in 2014). Taxes (also included in this item) mainly comprise the adjustment of real estate tax for mergers in previous years, real estate charges passed on to tenants and the non-deductible input VAT (2014: capital transaction tax in the amount of € 1,134 K for the contingent capital increase owing to the exercising of conversion rights by owners of the 4.125% convertible bond for 09-14).

In overall terms, the developments outlined above resulted in an **operating profit** of € 28,503 K as at 31 December 2015 (€ – 4,501 K on 31 December 2014).

The company received total **income from investments** of € 57,312 K (€ 322,808 K in 2014) via subsidiary dividend payouts. Of this figure, € 56,762 K (2014: € 321,343 K) was generated in Austria and € 550 K stems from Germany, Eastern Europe (2014: € 1,465 K). In 2015, this item was counterbalanced by expenses linked to financial assets and interest receivables on current assets of € – 17,602 K compared to € – 263,022 K in 2014. Loans granted mainly to subsidiary companies produced revenue of € 13,617 K (€ 21,112 K in 2014). As of 31 December

2015, **other interest and similar income** stood at € 23,861 K (compared to € 8,684 K in 2014). The interest income originates from investments in securities and cash at bank, accrued interest for acquired bonds, realised swap income as well as from swap interest transfers to affiliated companies.

Income from financial investments stood at € 219,997 K (€10,466 K in 2014) and include investment appreciations in an amount of € 184,423 K (€ 2,701 K in 2014) and revenues from the repayment and the disposal of loans above book value in an amount of € 34,159 K. This item is offset by write-offs of participations in an amount of € 12,143 K (2014: € 247,413 K).

As a consequence of the reduction in the debt ratio and optimisation of the financing structure, **interest and similar expenditure** fell in 2015. Other interest and similar expenditures accounted for € – 41,808 K versus € – 50,660 K in 2014. Interest for bank loans or **real estate financing** fell by 20% to € – 3,159 K (€ – 3,925 K in 2014). In contrast, expenses for derivative transactions rose by 16% to € – 23,346 K (€ – 20,072 K in 2014). Interest costs in respect of affiliated companies decreased significantly from € – 5,909 K as of 31.12.2014 to € – 887 K as of 31.12.2015. Moreover, repayment of corporate bond 2009-2014 (CA Immo's most expensive financing instrument with a coupon of 6.125%) in the fourth quarter positively influenced the average financing costs of the company. **Interest expenses for bonds** decreased by 31% from € – 20,752 K in 2014 to € – 14,409 K on 31 December 2015. As of 31 December 2015, the company has two outstanding bonds, registered for trading on the unlisted securities market of the Vienna Stock Exchange. The bonds provide unsecured financing for CA Immobilien Anlagen AG; they are on equal footing to one another and to all other unsecured financing of CA Immobilien Anlagen AG. The conditions of the bonds do not provide for any relevant financial covenants.

Overall, the factors outlined above led to a significant increase in the **financial result**, from € 49,388 K in 2014 to € 255,377 K in 2015. **Earnings before interest and taxes** stood at € 283,881 K (against € 44,887 K in 2014). After taking account of **tax revenue** of € 5,004 K (2014: € 4,234 K), the annual **net profit** as at 31 December 2015 stands at € 288,884 K, compared to € 49,121 K on 31 December 2014. Taking into consideration the allocation to revenue reserve of € – 32,306 (€ 0 in 2014) for 2,000,000 treasury shares held by the company as of the

balance sheet date as well as the profit brought forward from the previous year of € 191,490 K (€ 186,833 K in the previous year), the annual financial statements of CA Immobilien Anlagen AG show **net retained earnings** of € 448,068 K (€ 235,954 K in 2014).

Proposed dividend

At the Ordinary General Meeting to be held on 3 May 2016, the Management Board will propose payment of a dividend for business year 2015 of 50 cents per share, payable on 10 May 2016 (Ex-date: 6 May 2016, record date dividend: 9 May 2016). This equates to a dividend yield of around 3% in relation to the closing rate for 2015 (€ 16.83).

Cash-flow

Cash flow from operating activities (operating cash flow plus changes in net working capital) stood at € 39,455 K in the past business year (€ 266,883 K in 2014). Cash flow from investment activities was € – 131,790 K (2014: € – 226,430 K) and cash flow from financing activities was € 84,513 K (2014: € – 191,945 K).

Balance sheet: assets

Compared to the previous year, the **total assets** of CA Immobilien Anlagen AG increased from € 2,239,155 K as at 31 December 2014 to € 2,599,830 K as at 31 December 2015.

Fixed assets rose by 15.2% from € 2,162,474 K as at 31 December 2014 to € 2,491,370 K on 31 December 2015. As a proportion of total assets, the share of fixed assets amounted to 96% on 31 December 2015 (31.12.2014: 97%). Intangible assets, which solely comprise EDP software, increased to € 680 K (31.12.2014: € 633 K). **Tangible fixed assets** fell by 11.1% on the previous year's total to € 218,620 K (€ 245,991 K on 31.12.2014) owing to

property sales closed in 2015. As at the balance sheet date, the company's **property assets** comprised 7 properties in Austria with a market value (including prepayments made and construction in progress) of € 218,620 K (compared to 13 properties with market value of € 245,991 K on 31.12.2014). **Financial assets** increased by 18.6% to € 2,272,070 K (31.12.2014: € 1,915,850 K). The book value of investments in affiliated companies stood at € 1,922,568 K (31.12.2014: € 1,571,946 K); current additions were mainly the result of positive valuation results.

Current assets increased from € 76,459 K as at 31 December 2014 to € 107,758 K on 31 December 2015. Trade receivables of € 408 K (31.12.2014: € 64 K) include outstanding rental and operating expense payments. The item 'Other securities' contains own bonds repurchased from the market in 2011 with a book value of € 13,658 K and a nominal value of € 14,008 K as well as 2,000,000 treasury shares of the company with a book value of € 32,306 K. On 31 December 2015 the company has cash holdings of € 19,871 K (2014: € 27,693 K).

Balance sheet: liabilities

Shareholders' equity rose to € 2,053,552 K as at the balance sheet date (€ 1,809,132 K on 31.12.2014). The equity ratio on the key date was approximately 79% (31.12.2014: 81%). Equity covered 82% of fixed assets (31.12.2014: 84%). **Provisions** amounted to € 10,697 K (31.12.2014: € 29,582 K). As a result of the issuance of the 2.75% corporate bond 2015-2022 with a nominal value of € 175 m, **liabilities** increased from € 397,562 K at the end of 2014 to € 532,961 K as at 31 December 2015. In contrast, bank liabilities as well as payables to affiliated companies and other liabilities could have been reduced significantly.

DEVELOPMENT OF SHAREHOLDERS' EQUITY

€ 1,000	31.12.2014	Capital increase	Dividend payments	Annual result	Appropriation to reserves	31.12.2015
Share capital	718,337	0	0	0	0	718,337
Tied capital reserves	854,842	0	0	0	0	854,842
Retained Earnings	0	0	0	0	32,306	32,306
Net profit	235,953	0	-44,464	288,884	-32,306	448,067
Total equity	1,809,132	0	-44,464	288,884	0	2,053,552

SHAREHOLDER STRUCTURE AND CAPITAL DISCLOSURES (INFORMATION PROVIDED UNDER SECTION 243A UGB (AUSTRIAN COMMERCIAL CODE))

The company's capital stock amounted to € 718,336,602.72 on the balance sheet date. This was divided into four registered shares and 98,808,332 bearer shares each with a proportionate amount of the capital stock of € 7.27. The bearer shares trade on the prime market segment of the Vienna Stock Exchange (ISIN: AT0000641352). With a holding of 26% indirectly held via the EG Real Estate Fund I Limited of O1 Group Limited ('O1 Group'), the O1 Group is the largest shareholder of CA Immo. The remaining shares of CA Immo (approximately 74% of the capital stock) are in free float with both institutional and private investors. The second largest shareholder is AXA S.A. with a holding of approximately 4%, held in turn via various mutual funds. The company is not aware of any other shareholders with a stake of more than 4% or 5%.

The registered shares, which are held by O1 Group Limited of Cyprus, confer the right of nominating up to four Supervisory Board members. The Supervisory Board currently only comprises members elected by the Ordinary General Meeting. Transfer of registered shares requires the approval of the company. There are no preference shares or restrictions on issued ordinary shares of the company. Apart from O1 Group, there are no holders of shares with special inspection rights. Employees who hold shares directly exercise their rights to vote at the Ordinary General Meeting.

At the 28th Ordinary General Meeting of 28 April 2015, the Management Board was authorised to increase the capital stock by up to € 215,500,975 (approximately 30% of current capital stock) by 31 August 2018 through cash

or contribution in kind against the issue of up to 29,642,500 bearer shares (in several tranches if required), thereby observing the statutory subscription right (article 153 section 6 of the Austrian Stock Corporation Act) and determining the issue price and conditions by agreement with the Supervisory Board.

At the 27th Ordinary General Meeting held on 8 May 2014, the Management Board was authorised to acquire treasury shares to the maximum degree admissible by law (10% of the capital stock, article 65 section 1 line 8 of the Stock Corporation Act) for a period of 30 months, and if necessary to withdraw or sell treasury shares via the stock exchange, or by other means, or via a public offer. On the basis of this enabling resolution, the company acquired a total of 2,000,000 bearer shares (ISIN AT0000641352) in the company for a total purchase price of approximately € 32.3 m between 12 May 2015 and 9 December 2015. The weighted equivalent value was approximately € 16.14 per share. The highest/lowest equivalent value per share in the buyback programme was € 17.00/€ 14.93 respectively. As at 31 December 2015, CA Immobilien Anlagen AG had acquired a total of 2,000,000 treasury shares through the 2015 share buyback programme (around 2% of the voting shares).

At the 26th Ordinary General Meeting, the Management Board, with the approval of the Supervisory Board, was again authorised to issue by 6 May 2018, in several tranches if required, convertible bonds associated with conversion or subscription rights on up to 13,756,000 bearer shares of the company with a proportionate amount of the capital stock of up to € 100,006,120, up to a total amount of approximately € 100 m, and to stipulate all other conditions, the issue itself and the conversion procedures for the convertible bonds. The subscription

rights of shareholders (article 174 section 4 of the Stock Corporation Act in conjunction with article 153 of the Act) were excluded.

According to the articles of association, the Management Board of CA Immo comprises one, two or three persons. The age limit for Management Board members is defined as 65 in the Articles of Association. The final term of office for Management Board members concludes at the end of the Ordinary General Meeting that follows the 65th birthday of a Board member. The Supervisory Board comprises no less than three and no more than 12 members. At any time, Supervisory Board members appointed through registered shares may be asked to step down by the person entitled to nominate and replaced by another. The provisions of the Articles of Association regarding terms of office and elections to appoint replacements do not apply to them. The other Supervisory Board are elected by the Ordinary General Meeting. The age limit for Supervisory Board members is defined as 70 in the Articles of Association. Supervisory Board members must step down from the Board at the end of the Ordinary General Meeting that follows their 70th birthday.

A change-of-control clause was added to the employment contracts of Management Board members in September 2015. Otherwise there are no significant agreements in place that would become effective, change or terminate in the event of a change of control in the company resulting from a takeover bid.

We now turn our attention to the key features of the internal monitoring and risk management systems in terms of the financial reporting process. Minimum standards for internal monitoring systems are defined in a set of internal Group guidelines. To oversee compliance with these standards, CA Immo set up an Internal Auditing unit under the control of the full Management Board alongside the Risk Management division. On the basis of an auditing plan and by agreement with the Compliance division, it monitors the observance of legal provisions, internal guidelines and rules of conduct as well as potential for risk in operational processes (upholding the dual verification principle in all organisational entities, continual reporting and so on) while assessing the potential for efficiency improvements (regular audits of individual Group companies). Reports on the auditing plan and assessment results will be submitted to audit committee and the Supervisory Board at least once every year. The internal monitoring system (IMS) is also being continual-

ly expanded to assist in the early identification and monitoring of risks. Standard Group regulations for compiling annual and interim financial statements are also defined in internal Group guidelines. The Group employs a comprehensive risk management system. The financial reporting process was analysed to define key sub-processes; the effectiveness of the sub-processes thereby identified will be evaluated and they will be aligned with best practice (e.g. derivatives, claims management) on the basis of a rotating schedule. The risk management system is subject to regular appraisal by the auditor. The results of audits are reported to the Supervisory Board's audit committee.

For details of the development of equity, please refer to the section 'Course of business for CA Immobilien Anlagen AG'.

COMMITTED TO OBSERVING THE AUSTRIAN CORPORATE GOVERNANCE CODE

Compliance with legal provisions applicable in the CA Immo Group's target markets is a high priority for the company. We organise our business in such a way that we are able to comply with all applicable compliance standards in our everyday business dealings. The Management Board and Supervisory Board are committed to observing the Austrian Corporate Governance Code¹⁾ and thus to transparency and uniform principles of good corporate management. The rules and recommendations of the version of the Corporate Governance Code applicable in business year 2015 (January 2015 amendment) are implemented almost in full. Discrepancies are noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board), no. 38 (appointment of management board) and no. 45 (executive positions with competitor companies). The evaluation carried out by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft concerning compliance with rules 1 to 76 of the Austrian Corporate Governance Code for business year 2015 found that declarations of conformity submitted by CA Immo with regard to compliance with the C and R Rules of the Code were correct.

¹⁾The Austrian Corporate Governance Code may be viewed on the web site of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

RISK MANAGEMENT AT CA IMMO

The Group is subject to all risks typically associated with the acquisition, development, management and sale of real estate. These include general market fluctuations linked to the economic cycle, delays and budget overruns in land development, project realisations and redevelopments and risks linked to financing and interest rates. To ensure the success of CA Immo as a business over the long term and enable the company to meet its strategic objectives, effective management of new and existing risks is essential. A commensurate measure of risk must be accepted if we are to utilise market opportunities and exploit the potential for success they hold. For this reason, risk management and the internal monitoring system (IMS) deliver an important contribution to the Group's corporate governance (defined as the principle of responsible and positive management).

Strategic alignment and tolerance of risk

The Management Board, with the approval of the Supervisory Board, defines the strategic direction of the CA Immo Group as well as the nature and extent of the risk the Group is prepared to accept in pursuit of its strategic objectives. The Risk Management division supports the Management Board in assessing the risk environment and the development of potential strategies to raise long-term shareholder value. The aim of this is to ensure the company adopts the best possible direction from the alternatives available. CA Immo evaluates the current opportunity/threat situation through quarterly reporting. Risk is assessed in relation to specific properties and projects as well as (sub)portfolios. The company incorporates early warning indicators such as rent forecasts, vacancy analyses, continual monitoring of lease agreement periods and the possibility of terminations; construction costs are also tracked during project implementation. Scenarios are envisaged regarding the value trend for the real estate portfolio, exit strategies and liquidity planning; these supplement risk reporting and promote reliable planning. CA Immo observes the precautionary principle by applying the full investment horizon to long-term planning and investment decisions. The company also evaluates specific risks at regular intervals (most recently in 2015), focusing on content, effect and likelihood of occurrence. The Management Board uses this data as the basis for determining the severity and type of risks that it regards as acceptable in pursuing its strategic objectives. Strategies adopted by the Management Board are incorporated into the Group's three-year planning; this assists the Group in communicating its willingness to take risks

and its expectations both internally and externally. The risk policy of CA Immo is defined by a range of guidelines, observance of which is continually monitored and documented by controlling processes. Risk management is obligatory at all levels of the company. The Management Board is involved in all risk-relevant decisions and bears overall responsibility for such decisions. At all levels, decisions are subject to the dual verification principle. Internal Auditing, an independent division, audits operational and business processes; it acts independently in reporting and evaluating the audit results. The audit committee is responsible for overseeing the proper functioning of risk management processes.

KEY FEATURES OF THE INTERNAL MONITORING SYSTEM (IMS)

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

STRATEGIC RISKS

CA Immo defines strategic risk as the danger of unexpected losses that can result from management policy decisions on the direction taken by the company. Such risks generally arise from unexpected changes to market and environmental circumstances that have a negative impact on earnings. In this regard, capital market/geopolitical risks, growth, market and liquidation risks and concentration (cluster) risks are especially relevant to CA Immo.

The global **financial market and economic crisis** and the sovereign debt crisis (especially in the eurozone) have in the past had a significant negative impact on the asset, financial and revenue positions of CA Immo. Further worsening of the crisis in future could have considerably negative consequences for CA Immo as long-term recovery remains a distant prospect. A more relaxed **monetary policy** and the possible reintroduction of national currencies by individual eurozone members would have grave consequences for the economies and financial markets of Europe. Moreover, low interest rates are defining the current economic environment; an **interest rate rise** could have a negative impact on the real estate market and, in turn, the disinvestment plans of CA Immo. Procurement of equity and loan capital could become significantly more difficult, making expansion plans impossible or only partially feasible. There are also **geopolitical factors** which could potentially have negative effects on the capital market; in the event of an excessive concentration of properties in one region, the impact on the earnings of the CA Immo Group could be substantial. Many of these risks are not actively manageable at all times; where they arise, CA Immo has a range of precautions in place to minimise the risk.

PROPERTY-SPECIFIC RISKS

Risks linked to the market environment and composition of the portfolio

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

ket risk by spreading its portfolio across various countries. To minimise risk, CA Immo depends on market knowledge, continual evaluation of strategy and monitoring of the portfolio, purposeful portfolio management in the context of strategic decision-making (e.g. defining exit strategies, medium-term planning of sales) and active portfolio management to circumvent **concentration risks**. In the wake of numerous sales over the past few years (partial sale of Tower 185, sale of the Hesse portfolio and non-core properties, and especially the logistics portfolio), regional distribution in the portfolio is approaching the desired levels of 40% for both Eastern Europe and Germany and 20% for Austria. Germany remains the biggest single market of CA Immo. The aim here is to maintain property assets of € 250-300 m per core city to uphold consistent market relevance. For **single investments**, CA Immo defines concentration risk as a limit value of 5% of the total portfolio. At present, no properties in the portfolio exceed this limit value. The concentration risk in respect of **single tenants** is manageable. At present, the top 25 tenants are generating some 36% of rental revenue. Accounting for a share of approximately 7% of total rental income, PricewaterhouseCoopers is the largest single tenant in the portfolio at present. The generally high risk arising from the high capital commitment to **land reserves** and **land development projects** was further reduced in 2015 through the sale of non-strategic land reserves. In addition, land development will be accelerated and partners involved at an early stage. The future development volume is indicated at approximately 15% of the equity of the CA Immo Group.

The Group's portfolio also includes **special asset classes** such as shopping malls, specialist retail centres and hotels whose operation involves certain risks. Poor running of the centre, inadequate corporate management of tenants, declining footfall and increasing competition can force rental rates down and lead to the loss of key tenants, which leads to rent losses and problems with new lettings. The Group's earnings situation also depends on the quality of hotel management and the development of hotel markets. To minimise risk, CA Immo is continuing its withdrawal from these special asset classes.

CA Immo counters **country-specific risk** by concentrating on defined core regions through local subsidiaries with their own on-site staff, and through appropriate regional allocation within those core markets. Continual monitoring of the portfolio and specific portfolio management enable the company to respond quickly to economic and political events. CA Immo negates **transfer**

risk by repatriating liquid assets from investment markets with a low credit standing.

Risks associated with the real estate sector and CA Immo markets

The Group is exposed to numerous general risks associated with real estate investment. The real estate market is determined by macroeconomic development and demand for properties. Economic instability and restricted access to loan capital and equity-based financing can lead to business partners opting out. Where the liquidity of the real estate market is insufficient, there is a risk that properties may prove impossible to sell or only saleable under unacceptable conditions. The general market environment continues to pose the danger of starting yields for commercial real estate being adjusted upwards. Many factors that can lead to unfavourable developments are outside of CA Immo's control. These include changes to available income, economic output, interest rates and tax policy. Economic growth, unemployment rates and consumer confidence also influence the supply and demand of real estate at a local level, which in turn can affect market prices, rents and occupancy rates while adversely affecting the value of properties and associated income. For this reason, highly negative effects on **property valuations** cannot be ruled out.

Political and economic trends in the countries in which CA Immo is active also have a significant impact on **occupancy rates** and rent losses. The market value of a property is affected where the Group is unable to extend a rental agreement due to expire under favourable conditions or find (and retain for the long term) suitably solvent tenants. The creditworthiness of a tenant, especially during an economic downturn, may diminish over the short or medium term, which can affect rental revenue in turn. In critical situations, the Group can opt to cut rents in order to maintain an acceptable occupancy rate. Through careful monitoring and proactive measures (such as demanding securities and screening the creditworthiness and reputation of tenants), the Group's **loss of rent risk** has settled at a moderate level. At present, most outstanding rental payments relate to Eastern Europe. All outstanding receivables are evaluated quarterly and adjusted according to the associated level of risk; around 40% of outstanding receivables are adjusted on average. The risk of lost rent was taken into account to a sufficient degree in the estimation of property values. Many of the Group's lease agreements contain stable value clauses, usually taking account of consumer price indices for particular countries. The level of revenue from such

rental contracts and new lettings depends heavily on the inflation trend (**sustainable value risk**).

Competition for reputable tenants is intense on the lettings market; rent levels are coming under pressure on many markets. To remain attractive to tenants, CA Immo could be forced to accept lower rental rates. Moreover, incorrect assessments of the attractiveness of **locations** or potential **usages** can make lettings more difficult or significantly impair desired lease conditions.

Risks associated with the project development area

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

Risks associated with sales transactions

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

Environmental risks

Environmental and safety regulations serve to standardise active and latent obligations to remediate contaminated sites, and complying with these provisions can entail considerable investment expenses and other costs. These obligations may apply to real estate currently or formerly owned by CA Immo, or currently or formerly managed or developed by the company. In particular, the provisions cover **contamination** with undiscovered harmful materi-

als or noxious substances, munitions and other environmental risks such as soil pollution, etc. Several regulations impose sanctions on the discharge of emissions into air, soil and water: this can make CA Immo **liable** to third parties, significantly impact the sale and letting of affected properties and adversely affect the generation of rental revenue from such properties. **Natural disasters** and extreme weather conditions can also cause considerable damage to real estate. Unless sufficient **insurance** is in place to cover such damage, this can have an adverse impact. To minimise the risk, CA Immo incorporates these considerations into its assessments prior to every purchase and appropriate guarantees are required from sellers. Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification: in this way, stringent specifications regarding green buildings and sustainability are satisfied while the usage of environmentally unsound products is ruled out.

GENERAL BUSINESS RISKS

Operational and organisational risks

Weaknesses in the CA Immo Group's **structural and process organisation** can lead to unexpected losses or additional expenditure. This risk can arise from shortcomings in **EDP** and other **information systems** as well as human error and inadequate internal inspection procedures. Flawed program sequences as well as automated EDP and information systems pose a significant operational risk where their type and scope fails to take account of current and potential business volumes. Human risk factors include an insufficient understanding of corporate strategy, inadequate internal risk monitoring (and especially business process controls) and excessive decision-making authority at an individual level, which can also lead to unconsidered actions or, conversely, a proliferation of decision-making bodies that hinder flexible responses to changes in the market. Moreover, some real estate management tasks and other administrative duties are outsourced to third parties outside the company. In the process of transferring administrative tasks, it is possible that knowledge of managed properties and administrative processes can be lost, and that CA Immo could prove incapable of identifying and contractually committing suitable service providers within the necessary timeframe. Nonetheless, the **expertise** possessed by a company and its workforce constitutes a significant com-

petitive factor and thus a unique point of distinction over competitors.

CA Immo takes various measures to counter these risk factors. In the case of corporate mergers (e.g. the former Vivico and Europolis), CA Immo observes structured processes of organisational integration. Process organisation (i.e. system/process integration) is firmly established; activities to ensure the long-term implementation of operational processes are ongoing. The Group structure is regularly scrutinised and examined to ensure predefined structures take account of the size of the company. CA Immo counters risks linked to individual expertise (which can arise with the resignation of key knowledge holders) through regular transfers of knowledge (in training courses) and by documenting know-how (in manuals, etc.) as well as far-sighted staff planning.

Legal risks

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

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

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

Taxation risk

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

provisions are made for known risks linked to tax audits and fiscal or extra-judicial proceedings.

Partner risks

Since CA Immo undertakes numerous development projects as **joint ventures**, the company depends on partners to some extent (partner risks). Part of the portfolio of investment properties in Eastern Europe is jointly held with Union Investment Real Estate GmbH. CA Immo is party to a **co-investment agreement** here, whereby various obligations and restrictions are imposed on investors. This can influence the value of investments; moreover, the Group is exposed to **credit risk** in respect of its counterparties. Depending on the agreement in question, CA Immo could also bear joint liability for costs, taxes and other third-party claims with its co-investors and, where a co-investor **opts out**, be forced to accept liability for their credit risk or share of costs, taxes or other liabilities.

FINANCIAL RISKS

Liquidity, investment and refinancing risk

(Re)financing on the financial and capital markets is one of the most important considerations for real estate companies. CA Immo requires loan capital to refinance existing loans and to finance development projects and acquisitions in particular. In effect, therefore, the company is dependent on the readiness of banks to provide additional loan capital and extend existing financing agreements under acceptable terms. Market conditions for real estate financing are constantly changing. The attractiveness of financing alternatives depends on a range of factors, not all of which can be influenced by the Group (market interest rates, level of necessary financing, taxation aspects, required securities and so on). This can significantly impair the ability of the Group to raise the completion level of its development portfolio, invest in suitable acquisition projects or meet its obligations arising from financing agreements. Although the CA Immo Group has a sufficient level of liquidity as things stand, we must take account of restrictions at individual subsidiary level; access to cash and cash equivalents is limited owing to obligations to current projects and a liquidity requirement to stabilise loans exists in certain instances. There is also a risk that planned sales will be prevented, delayed or transacted at prices lower than expected. Other risks arise from unforeseen **additional funding obligations** in relation to project financing and breaches of covenant in the property financing area. Where these requirements are violated or default occurs, the relevant

contractual partners are entitled to accelerate financing and demand immediate repayment. This could impel the Group to sell real estate or arrange refinancing under unfavourable terms.

CA Immo has fluctuating stocks of cash and cash equivalents which the company invests according to its particular operational and strategic needs and objectives. In some cases, an **investment** may take the form of listed securities or funds, which are subject to a higher risk of loss. Sufficient equity capitalisation will be required for the company to retain its Baa2 investment grade (long-term issuer) **rating** (granted by Moody's in December 2015).

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

Interest rate risk

Market-led fluctuations in the interest rate affect both the level of financing costs and the fair value of interest hedging transactions concluded. In its financing, CA Immo opts for a mix of long-term fixed-rate and floating-rate loans; the latter are not entirely secured by means of derivative financial instruments. However, CA Immo continually undertakes hedging transactions, particularly to hedge against **interest rate changes** and associated fluctuations in its financing costs. Hedging transactions of this kind may prove to be inefficient or unsuitable for achieving targets; they may also result in

losses that affect earnings. Moreover, the **valuation of derivatives** can impact negatively on profits and shareholders' equity. The extent to which the Group utilises derivative instruments is guided by assumptions and market expectations in respect of the future interest level, and especially the 3 month Euribor rate. Should these assumptions prove incorrect, the result can be a significant rise in interest expenditure. Continual monitoring of the interest rate risk is therefore essential. No risks constituting a serious and permanent threat to the company exist at the present time. Sufficient provisions have been formed for all risks identified.

Currency risk

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

LIKELY DEVELOPMENTS AND THE MAIN OPPORTUNITIES AND RISKS

Many forecasts, including that of the International Monetary Fund (IMF), point to positive economic development in Europe in the years 2016 and 2017. We believe the general conditions on CA Immo's core markets should remain conducive to business. With the environment in Germany remaining fundamentally strong, core markets in Eastern Europe are also reporting clear growth

trends. The financing and interest environment will continue to define the real estate sector in 2015.

Strategy

The strategic programme for 2012-2015, which was successfully implemented ahead of time, was succeeded last year by a new strategic agenda for 2015-2017. Alongside the finalising of sales of non-strategic properties and further optimisation of the financing structure, the focus for CA Immo now switches back to raising value through growth within the defined core markets. The main aim will be to raise the profitability of the CA Immo Group over the long term.

Development

The development of high quality core office properties on the core markets of CA Immo as a driver of organic growth, especially in Germany, will remain critically important in the business years ahead. In 2015 specific efforts will be made to advance development projects under construction in Berlin (KPMG), Frankfurt (Mannheimer Strasse) and Bucharest (Orhideea Towers). Moreover, dates for the commencement of construction work will quickly be assigned to development projects at the preparation stage; at present, this applies to the MY.O project in Munich as well as the ZigZag project in Mainz and the ViE and Laendyard Living projects in Vienna. Investment in ongoing development projects should average € 150-200 m annually.

Rental business

In like-for-like comparison, rents levels are expected to be generally stable across the portfolio. The increase in rent from development projects completed in 2015 (the Kontorhaus in Munich and the John F. Kennedy Haus and Monnet 4 in Berlin) together with the acquisition of EBRD's minority share in the E-portfolio should more than make up for losses of rent linked to finalised sales of non-strategic properties as part of portfolio optimisation. The level of portfolio utilisation, which has risen steadily over recent years, is expected to be stable.

Financing

The environment for refinancing from expiring project financing of the CA Immo Group is still assessed as positive. In the property development area, we also expect the availability of bank financing under competitive conditions to remain healthy on our core market of Germany. Provision has been made for the maturity of a corporate bond in September 2016 with the issue of a new bond in February 2016.

Our expectations are based on certain assumptions regarding general and specific conditions. Key factors that may influence our business plans for 2016 include:

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

RESEARCH AND DEVELOPMENT

In April 2016, CA Immo became a partner to the OF-FICE 21® joint research project of the Fraunhofer IAO Institute. The research phase extending from 2016 to 2018 is focusing on the success factors in creating a working environment that promotes innovation while linking analyses of best practice to exclusive research findings.

The cornerstones of the research activity are:

- Devising exemplary working environments and processes to optimise and stimulate the responsiveness and creativity of organisations
- Exploring different working cultures and subsequently producing optimised workplace models
- Developing answers to the changing requirements of office environments through the increasingly hyper-flexible, multi-site and digital workplace

The aim of the partnership is to produce specific research findings to enable the development of innovative new office properties and thereby ensure the competitiveness of the company for the long term.

SUPPLEMENTARY REPORT

The following activities are reported for the opening months of business year 2016:

In February 2016, CA Immobilien Anlagen AG issued a **corporate bond** with a volume of € 150 m and a term of seven years. The coupon rate of the fixed interest bond is 2.75%.

On 8 January 2016 the Management Board decided to implement another buyback programme for up to one million treasury shares (approximately 1% of the current capital stock). In the course of this **share buyback programme**, a total of 1,000,000 bearer shares (ISIN AT0000641352) had been acquired for a total purchase price of approximately € 15.4 m between 13 January 2016 and 19 February 2016, so that the company now holds a total of 3,000,000 treasury shares (approximately 3% of voting shares).

Sales

In January 2016, the sale of CA Immo's 50%-share in **Poleczki Business Park** located at Warsaw airport to its long-term joint venture partner UBM Development AG was closed. The transaction volume of the sale was more than € 80 m.

Development projects

In February CA Immo concluded a lease agreement covering 8,000 sqm of the **Bucharest office project Orhideea Towers**, which offers 37,000 sqm of gross rentable floor space in total. The global financial software provider Misys will occupy the premises in March 2018, with the lease agreement running for 10 years.

In January 2016, CA Immo decided to develop an office building spanning some 9,500 sqm of gross office space in **Europacity**, Berlin. A leasing contract with ABDA - Bundesvereinigung Deutscher Apothekerverbände (Federal Union of German Associations of Pharmacists) concerning some 70% of the office space is already concluded. CA Immo's investment volume for this property will be around € 35 m; the construction of the building is scheduled to be completed at the beginning of 2019.

Vienna, 17 March 2016

The Management Board



Frank Nickel
(Chairman)



Florian Nowotny
(Member of the Management Board)

AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of

CA Immobilien Anlagen Aktiengesellschaft,

Vienna, Austria,

that comprise the statement of financial position as of 31 December 2015, the income statement for the fiscal year then ended, and the notes.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing – ISA. In accordance with International Standards on Auditing, we are required to comply with ethical requirements and 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 our 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, we consider internal control relevant to the entity'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 entity'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, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31 2015, and its financial performance for the year then ended 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, 17 March 2016

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Helmut Kerschbaumer

Wirtschaftsprüfer

(Austrian Chartered Accountants)

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

The financial statements together with our auditor's opinion may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

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

The managing board confirms to the best of their knowledge that the financial statements of CA Immobilien Anlagen Aktiengesellschaft, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the CA Immobilien Anlagen Aktiengesellschaft and that the management report gives a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties the CA Immobilien Anlagen Aktiengesellschaft faces.

Vienna, 17 March 2016

The Management Board



Frank Nickel
(Chairman)



Florian Nowotny
(Member of the Management Board)

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DISCLAIMER

This Report contains statements and forecasts which refer to the future development of CA Immobilien Anlagen AG and their companies. The forecasts represent assessments and targets which the Company has formulated on the basis of any and all information available to the Company at present. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or the risks set out in the risk management report materialise, then the actual results may deviate from the results currently anticipated. This Report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.

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

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

