



FY 2016 RESULTS

ANALYST AND INVESTOR UPDATE

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# Business Year 2016

## Highlights



### Accelerated crystallisation of development pipeline values

- Start of construction for development projects ViE (office), Laendyard Living (residential) and Wohnbau Süd (residential) in Vienna, Steigenberger (hotel) in Frankfurt, Rheinallee III (residential/retail) in Mainz and Rieck I (offices) in Berlin
- Completion of first building section for Baumkirchen residential development in Munich
- Preparation for construction start of projects My.O, Eggartensiedlung and NEO in Munich
- Sale of the trophy office project Cube in Berlin

### External growth target delivered by acquisition in CEE

- Purchase of Millennium Towers core office complex
- Buy-out of joint venture partner Union Investment in CEE portfolio (closing in 1Q 2017)

### Sales programme of non-strategic properties concluded

- Sale of non-strategic land in Germany
- Sale of Šestka shopping centre in Prague
- Sale of small-scale properties in Austria and Eastern Europe

### Further optimisation of financing profile

- Optimisation of financing structure (repayment of corporate bond 2006-2016, issue of corporate bonds 2016-2023 and 2016-2021)
- Significant reduction in average financing costs
- Baa2 investment grade rating from Moody's confirmed

### Solid increase in shareholder value

- Recurring earnings target (FFO I) exceeded
- Significant dividend increase to be proposed
- Buy-back of ~ 3.4 m shares in 2016 (total number of treasury shares ~ 5.5 m)

# Business Year 2016

## Highlights



Net rental income per share

**1.55** (2015: 1.38) **+12%**

- Solid top line growth by 12% per share despite rental income losses linked to non-strategic asset sales
- Acquisition of EBRD minority shares in CEE portfolio in previous year major growth driver

FFO I per share

**0.97** (2015: 0.82) **+18%**

- Strong recurring earnings uplift by 18% per share driven by rental income growth, financing cost reduction and share buy-back
- FY 2016 guidance of > € 0.90 per share solidly exceeded by more than 7%

FFO II per share

**1.20** (2015: 1.24)

- Profitable disposals of non-strategic properties add to earnings
- Highly lucrative sale of Cube office project in Berlin not reflected in 2016 result

NAV per share

**23.60** (2015: 21.90) **+8%**

- Strong NAV growth momentum maintained (+8%, adjusted for dividend payout + 10%)
- EPRA NAV up 10% at € 26.74 per share (2015: € 24.32 per share)

Net profit per share

**1.94** (2015: 2.25)

- Second highest net profit in CA Immo's history after 2015 record result
- Rental income growth and substantial revaluation gains in Germany key earnings driver

ROE

**8.5%** (2015: 10.8%)

- Solid return on equity
- Own property development key contributor

# Profit and Loss

## Second Highest Net Profit in CA Immo's History after Record Result 2015

P&L Key Metrics	FY 2016	FY 2015	+/-	4Q 2016	4Q 2015	+/-
Rental income	165.6	154.8	7.0%	43.0	43.1	-0.4%
<b>Net rental income</b>	<b>147.1</b>	<b>135.6</b>	<b>8.5%</b>	<b>38.3</b>	<b>37.5</b>	<b>2.2%</b>
Property sales result*	32.8	39.7	-17.4%	8.5	39.0	-78.1%
Indirect expenses	-44.1	-42.5	4.0%	-14.2	-11.7	21.5%
<b>EBITDA</b>	<b>147.6</b>	<b>148.6</b>	<b>-0.7%</b>	<b>35.8</b>	<b>68.1</b>	<b>-47.5%</b>
Revaluation result	138.3	213.8	-35.3%	38.0	135.4	-72.0%
Result from joint ventures	11.4	43.2	-73.6%	4.2	12.6	-66.9%
<b>EBIT</b>	<b>293.8</b>	<b>402.7</b>	<b>-27.0%</b>	<b>76.0</b>	<b>215.2</b>	<b>-64.7%</b>
Financing costs	-41.6	-60.2	-30.8%	-9.4	-13.5	-30.2%
Financial result	-56.2	-86.7	-13.1%	-11.0	-33.7	-67.3%
<b>EBT</b>	<b>237.6</b>	<b>316.0</b>	<b>-24.8%</b>	<b>65.0</b>	<b>181.5</b>	<b>-64.2%</b>
<b>Net profit</b>	<b>183.9</b>	<b>220.8</b>	<b>-16.7%</b>	<b>57.5</b>	<b>132.1</b>	<b>-56.5%</b>
<b>Earnings per share</b>	<b>1.94</b>	<b>2.25</b>	<b>-14.0%</b>	<b>0.62</b>	<b>1.35</b>	<b>-54.2%</b>

### P&L Earnings Driver 2016

- EBRD buy-out major **rental income** driver
- **Operating margin** (net rental income/rental income) FY 2016 at 88.9% (FY 2015: 87.6%)
- **Profitable non-core disposals** (major contribution by a property sale in Stuttgart)
- Strong **revaluation result** reflects strong operations in the extremely positive market environment specifically in Germany (biggest contribution by undeveloped properties in Frankfurt and Munich and investment properties in Munich and Berlin)
- **Result from investments in JV** down due to the sale or full takeover of shares in joint ventures (full consolidation)
- **Financing costs** substantially reduced by 31%
- Second highest **net profit** in CA Immo's history after record result 2015

\* Result from trading and construction works + Result from the sale of investment properties

# Revaluation Result

## High-Quality Assets in Germany Driver of Valuation Surplus

Revaluation result (€ m)

**138.3** (2015: 213.8)

Revaluation result of own developments (€ m)

**88.6**

▪ **Germany**

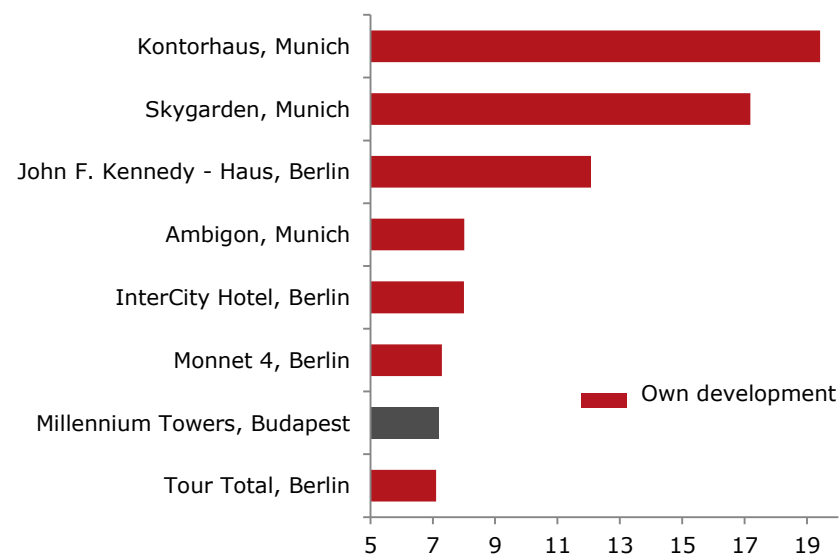
- Strong result reflects the extremely positive market environment in most important core market
- Booming investment activity and further yield compression continued in 2016, which is captured by CA Immo's prime exposure in Munich, Frankfurt and Berlin
- Own developments major value driver

▪ **Eastern Europe**

- Challenging market environment reflected in devaluation of Warsaw properties
- Positive impact from yield compression in Prague

Revaluations (€ m)	Austria	Germany	CEE	Total
<b>Assets held for sale</b>	1.7			1.7
<b>Investment properties</b>	0.3	94.6	-8.2	86.7
<b>Projects under construction</b>	0.4	8.8	1.6	10.9
<b>Landbank</b>		40.6	-1.5	39.0
<b>Total</b>	<b>2.4</b>	<b>144.0</b>	<b>-8.2</b>	<b>138.3</b>

### Revaluation gains > € 5 m (Investment properties)



# Funds from Operations (FFO)

FY 2016 FFO I per Share at € 0.97 (+18% yoy)



FFO	FY 2016	FY 2015	+/-	4Q 2016	4Q 2015	+/-
Net rental income	147.2	135.6	8.5%	38.3	37.5	2.2%
Other operating income/expenses	11.8	15.8	-25.2%	3.1	3.4	-6.5%
Indirect expenses	-44.1	-42.5	4.0%	-14.2	-11.7	21.5%
Result from joint ventures	7.9	14.8	-46.8%	1.1	4.2	-74.9%
Financing costs	-41.6	-60.2	-30.8%	-9.4	-13.5	-30.2%
Result from financial investments	7.2	12.3	-41.4%	1.3	1.8	-28.1%
Non-recurring adjustments	3.4	4.8	-29.9%	1.7	3.3	-49.2%
<b>FFO I</b>	<b>91.7</b>	<b>80.8</b>	<b>13.6%</b>	<b>21.8</b>	<b>25.0</b>	<b>-12.5%</b>
<b>FFO I per share</b>	<b>0.97</b>	<b>0.82</b>	<b>18.3%</b>	<b>0.23</b>	<b>0.25</b>	<b>-8.1%</b>
Property sales result	37.6	49.7	-24.4%	10.0	49.0	-79.7%
Other financial result	0.0	0.2	n.m.	0.0	0.0	n.m.
Non-recurring readjustments	-3.9	28.2	n.m.	-1.3	29.8	n.m.
<b>FFO II</b>	<b>113.7</b>	<b>121.2</b>	<b>-6.2%</b>	<b>27.1</b>	<b>104.7</b>	<b>-74.1%</b>
<b>FFO II per share</b>	<b>1.20</b>	<b>1.24</b>	<b>-3.5%</b>	<b>0.29</b>	<b>0.73</b>	<b>-60.3%</b>

## FFO Earnings Driver 2016

- EBRD buy-out major **rental income** driver
- **Other operating income** decline mainly on lower income from services
- **Result from investments in JV** down due to the sale or full takeover of shares in joint ventures (full consolidation)
- **Financing costs** substantially reduced by 31%
- Lower **result from financial investments** on the back of accrued interest on loans to joint venture companies repurchased below par by the financing bank in the previous year

# Strong Increase in Shareholder Value

## FFO I Record Result; Significant Dividend Hike per Share by 30%

FFO I per share

**0.97** (2015: 0.82) **+18%**

FFO II per share

**1.20** (2015: 1.24)

Dividend guidance (FFO I payout)

**70%** (2015: 60%)

Dividend per share proposal

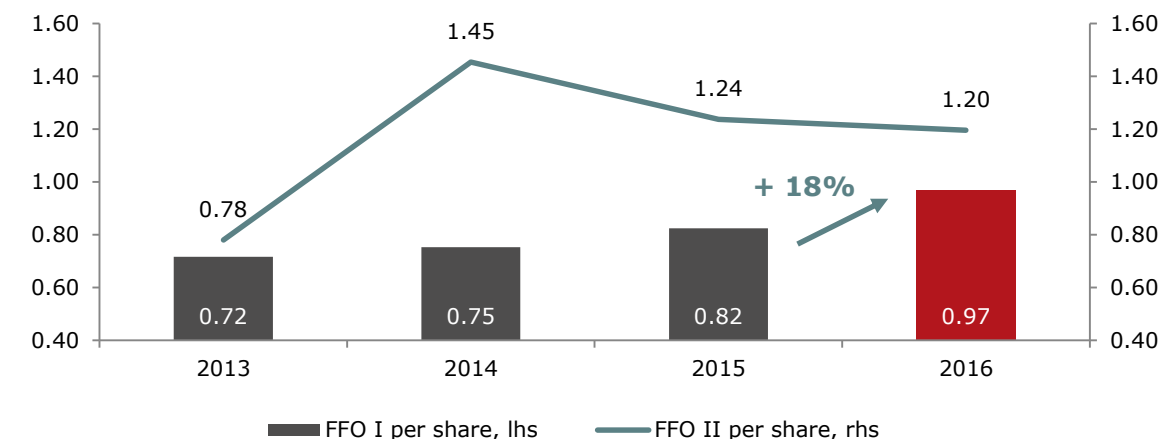
**0.65** (2015: 0.50) **+30%**

Solid FFO dividend cover

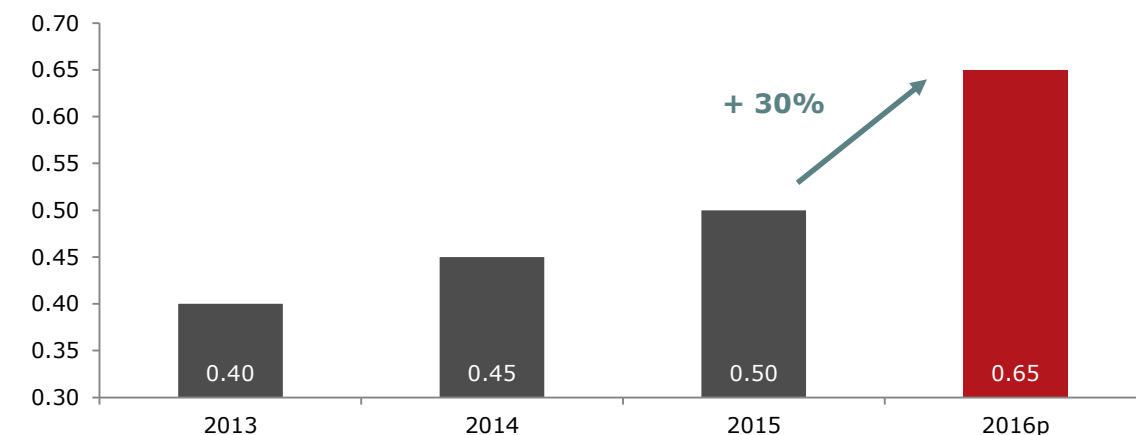
**149%** (FFO I)

**185%** (FFO II)

FFO per share



Dividend per share



# Balance Sheet as at December 31, 2016

## Strong Equity Base Secures Growth

Balance Sheet	31.12.16	31.12.15	+/-
Investment properties	2,923.7	2,714.3	7.7%
Properties under development	433.0	409.0	5.9%
Short-term property assets	60.9	76.1	-19.9%
Cash and cash equivalents	395.1	207.1	90.8%
Other long-term assets	303.1	333.8	-9.2%
Other short-term assets	193.3	243.7	-20.7%
<b>Total assets</b>	<b>4,309.1</b>	<b>3,984.0</b>	<b>8.2%</b>
Shareholders' equity	<b>2,204.5</b>	<b>2,120.5</b>	<b>4.0%</b>
Long-term financial liabilities	1,412.6	858.8	64.5%
Short-term financial liabilities	153.0	545.2	-71.9%
Other long-term liabilities	100.4	100.9	-0.5%
Deferred tax liabilities	240.0	197.4	21.6%
Other short-term liabilities	198.6	161.3	23.1%
<b>Liabilities + Equity</b>	<b>4,309.1</b>	<b>3,984.0</b>	<b>8.2%</b>

- Rock solid balance sheet metrics comfortably within strategic target range despite balance sheet extension
- Growth of **investment properties** was among other factors driven by the acquisition of the Millennium Towers office complex in Budapest
- **Short-term properties** mainly include non-strategic land plots in Germany
- **Other short-term assets** include shares held in Immofinanz
- **Equity** increase of 4.0% despite dividend payment (€ 47.9 m) and investment in own shares (€ 54.8 m)
- **Financial liabilities** reflect improved maturity profile
  - Issue of corporate bond 2016-2023 (€ 150 m)
  - Issue of corporate bond 2016-2021 (€ 140 m)
  - Repayment of corporate bond 2006-2016 (€ 186 m)



# Balance Sheet as at December 31, 2016

## Rock Solid Ratios to be Maintained

Equity ratio

**51.2%** (2015: 53.2%)

Gearing (net)

**53.0%** (2015: 56.2%)

Loan-to-value (net)

**34.2%** (2015: 37.2%)

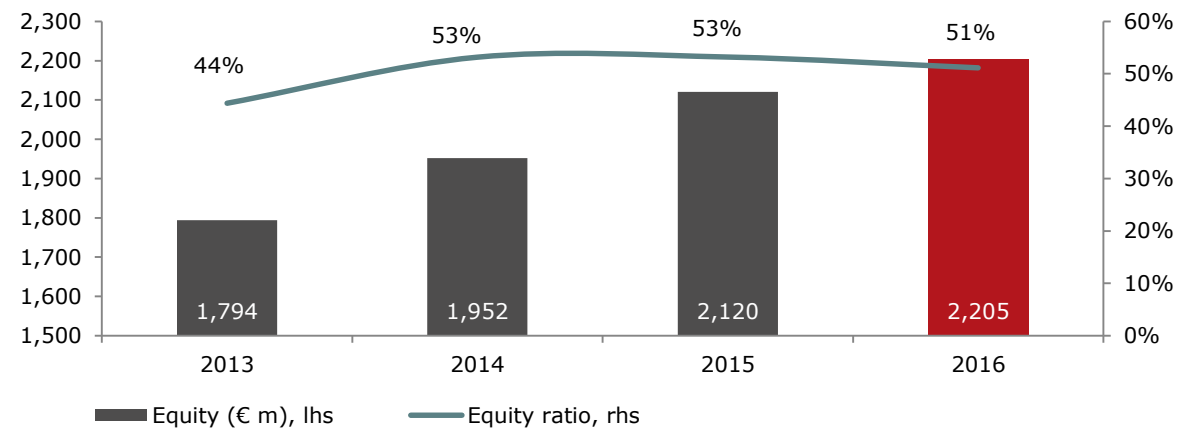
EBITDA net interest coverage

**4.3** (2015: 3.1)

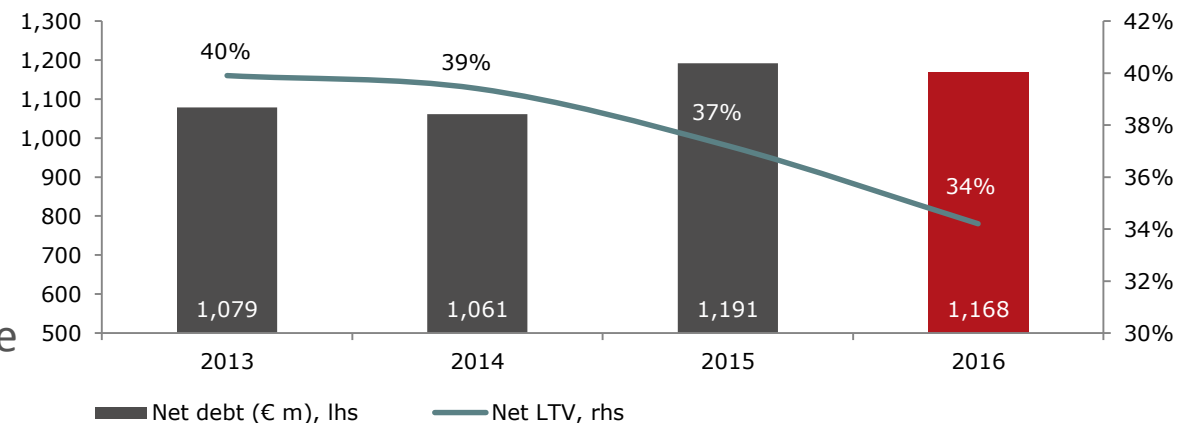
EBITDA recurring net interest coverage

**3.3** (2015: 2.3)

### Equity



### Net debt



# Financing

## Declining Cost of Debt; Rising Hedging Ratio

Average weighted cost of debt

**2.3%** (2015: 2.9%)

Interest rate hedging ratio

**77%** (2015: 57%)

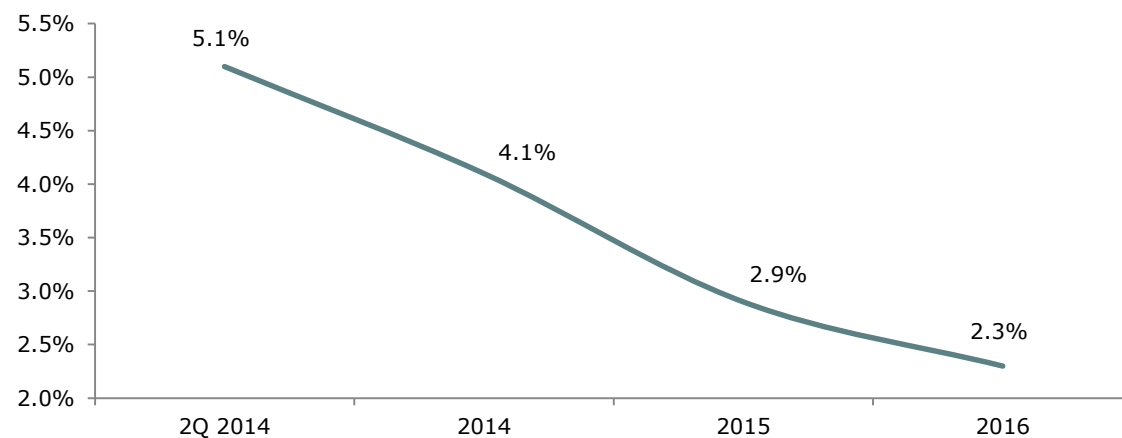
Average debt maturity (years)

**4.4** (2015: 3.7)

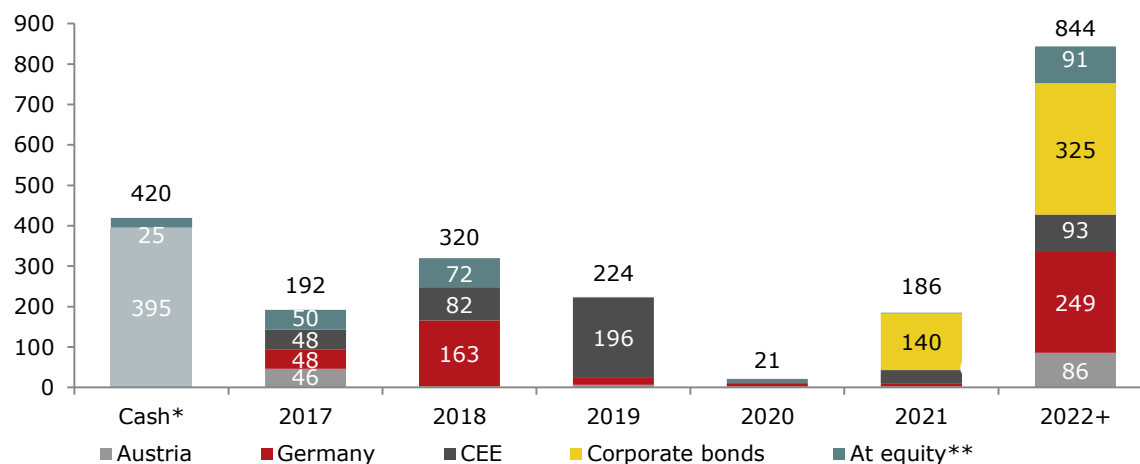
Unencumbered properties (€ bn)

**1.0** (2015: 1.0)

Cost of debt



Debt maturities (€ m)



# Investment Portfolio

## Portfolio Performance Remains Strong

Occupancy rate

**92.4%** (2015: 90.4%)

Gross initial yield

**6.1%** (2015: 6.3%)

Like-for like rental income (€ m)\*

**182.5** (2015: 179.1) **+2%**

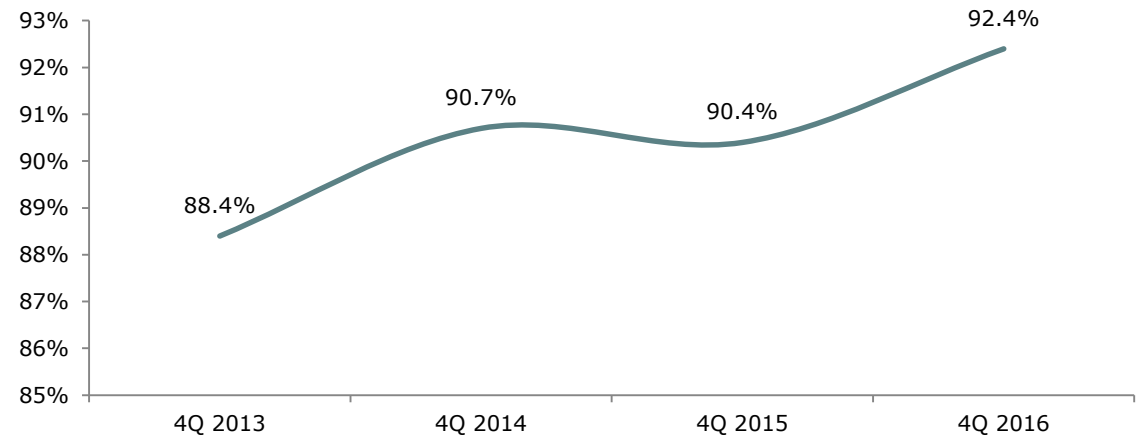
Weighted average lease term (years)

**4.3** (2015: 4.5)

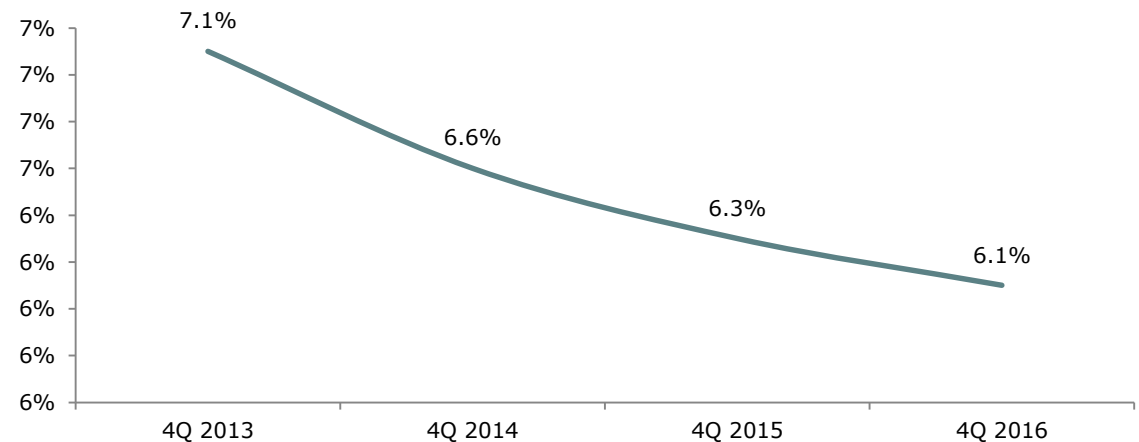
Investment portfolio size (€ bn)

**3.2** (2015: 3.0)

Portfolio occupancy



Portfolio yield



# Non-core Property Disposals Concluded

## Profitable Earnings Contribution in 2016

2012-2016

Non-core sales volume (€ bn)

1.0

Austria

Germany

CEE

20%

69%

11%

- **Non-strategic sales programme concluded**

- Disposal volume of ~ € 1.0 bn since initiation in 2012 (profit margin > 10%)
- 2016\*: Sales volume of € 336 m ⇒ positive earnings contribution in 2016 of ~ € 38 m

- **Remaining non-core assets**

- Property volume < ~ € 50 m
- Focus on the disposal of non-strategic land reserves
- Number of deal conclusions expected in 1H 2017



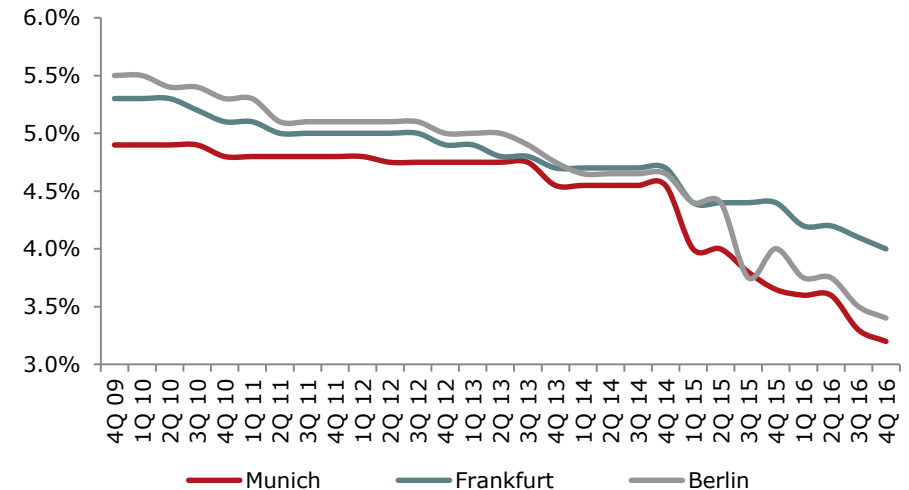
# Market Environment

## Germany

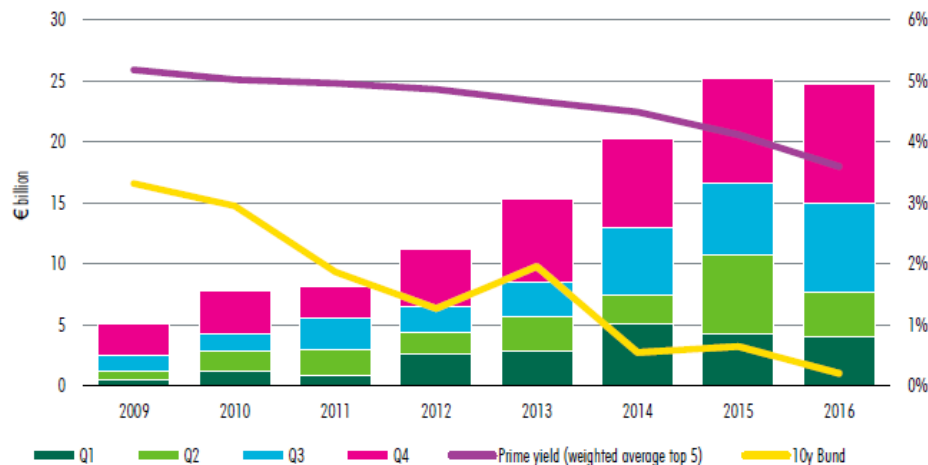
### Property boom continues

- German economy is enjoying a robust upswing
- High investment demand from domestic and international investors
- Limited availability of core properties ⇒ accelerated yield compression
- Strong office letting market fundamentals
  - Employment numbers continue to increase
  - Record letting take-up volumes in 2016
- High-quality office space is currently in short supply in central locations of top cities ⇒ rising rental prices

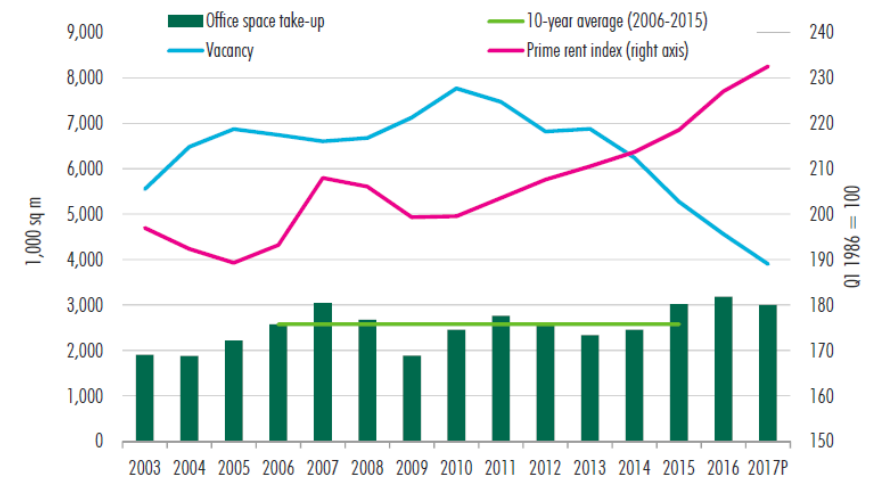
### Prime office yields



### Office investment volume Germany and yield spread



### Office market



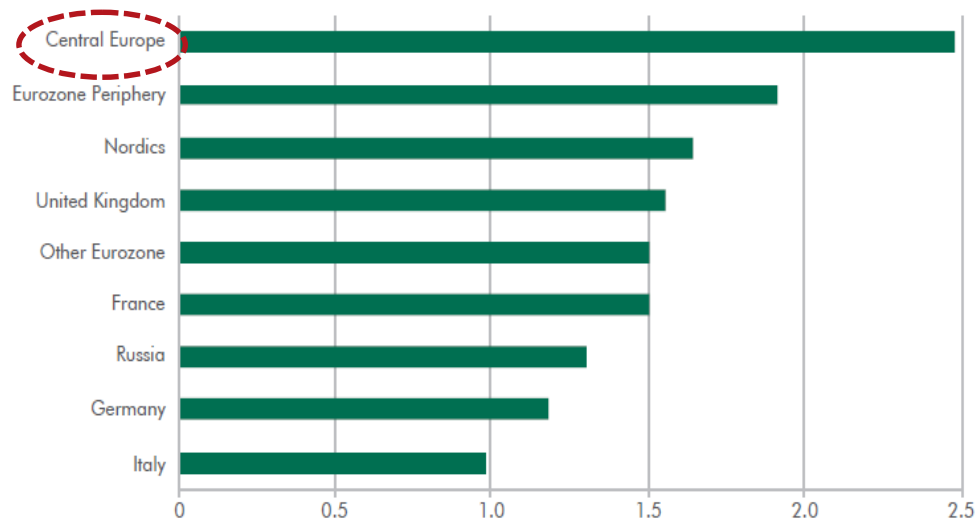
# Market Environment

## Eastern Europe

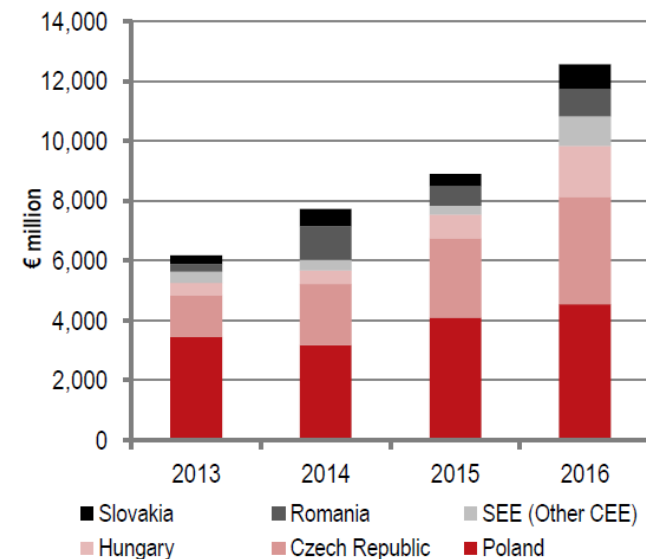
### Substantially improved market conditions

- **Favourable growth prospects** ⇒ CEE remains among regions with highest economic growth potential in Europe
- **Market liquidity has increased across all major CEE markets**
  - Increasing competition for core assets
  - Yield compression in Warsaw and Prague
- **Improving office letting market conditions**
  - Strong take-up numbers in 2016 with record highs in Prague and Bucharest
  - Downward vacancy trajectories across core markets except Warsaw

Economic growth in Europe (average annual rate %, 2017-2020)



Commercial real estate transaction volume CEE



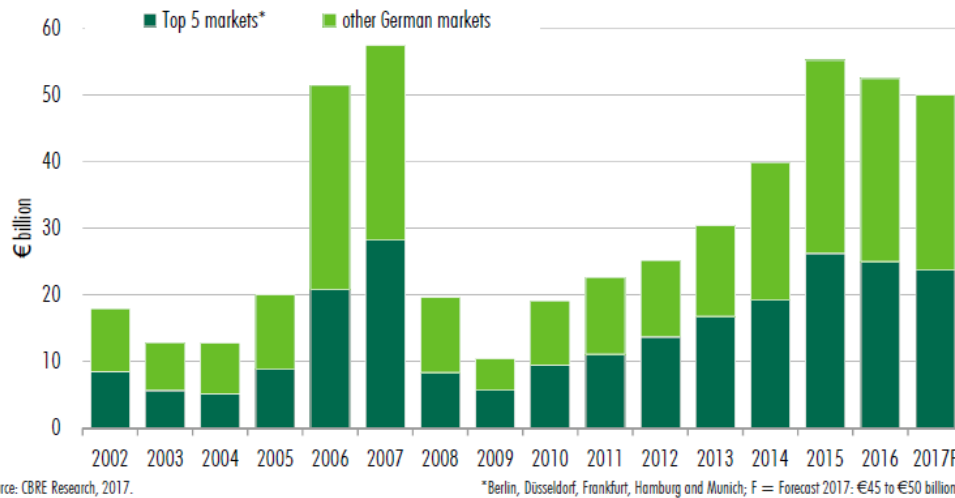
# Market Environment

## Historic Interest Rate Lows and ECB Policy Fuels Property Investments

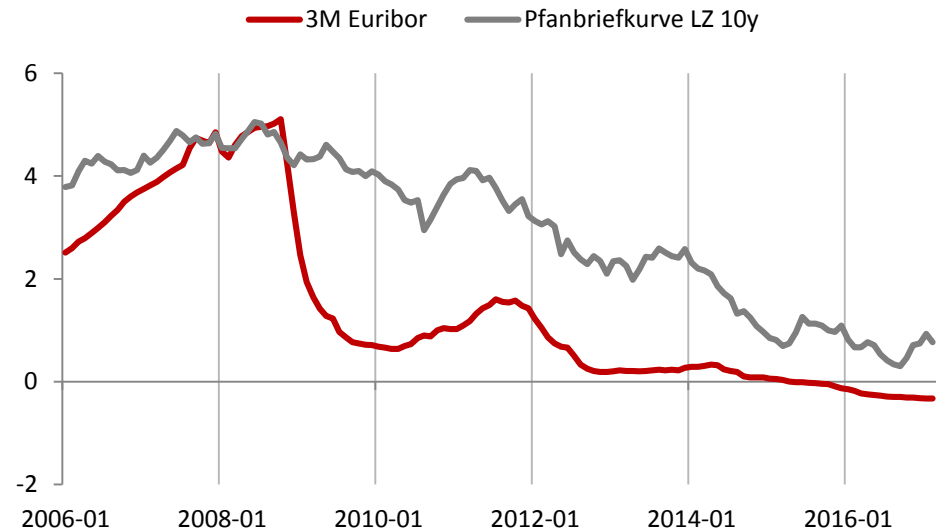
### Exceptional market conditions

- Booming investment markets with fierce competition driving up prices
- Property yields on record low
- Historically low interest rate environment
- Market stimulus by European Central Bank

### Commercial real estate transaction volume Germany



### Interest rate environment



**Core office portfolio with resilient cash flow / Strong balance sheet**

## Strategic Framework in Exceptional Market Environment

### Portfolio strategy

#### 1 Core markets / assets

- Expansion of existing core cities
- Portfolio focus on high-quality large-scale office assets in central locations

#### 2 External portfolio growth

- No engagement in fierce competition for core assets in Austria and Germany
- Selective property acquisitions in CEE
- Focus on opportunities where CA Immo's expertise can add value

#### 3 Internal portfolio growth

- Leverage of strong development platform
- Monetization of existing high-quality landbank in prime locations
- Significant organic growth potential disconnected from heated investment markets
- Yield on cost generation above market
- Quality portfolio with low average building age and state of the art space

#### 4 Property trading

- Disposal of fully valued assets with limited value-creation potential
- Redeployment of proceeds to fuel internal portfolio growth

Core office portfolio with resilient cash flow

### Financing strategy

#### 1 Financing structure

- Maintain conservative financing structure with healthy equity base
- Avoid structural complexities
- Focus on secured project debt and corporate bonds

#### 2 Balance sheet targets

- Equity ratio 45-50%
- Net LTV ~ 40%
- Gradual LTV increase towards target level by
  - Start of new development projects (equity/debt financed)
  - Acquisition of investment properties (equity/debt financed)
- Hedging ratio > 75%

#### 3 Investment grade rating

- Retention and safeguarding of investment grade rating
- Conservative balance sheet ratios
- Solid recurring interest coverage
- Unencumbered property pool

Strong balance sheet with sufficient cushion secures growth by developments and acquisitions

Strong market position beyond current property cycle



## Development Major Competitive Advantage and Growth Driver

### Prime-quality landbank with high optionality as key competitive advantage

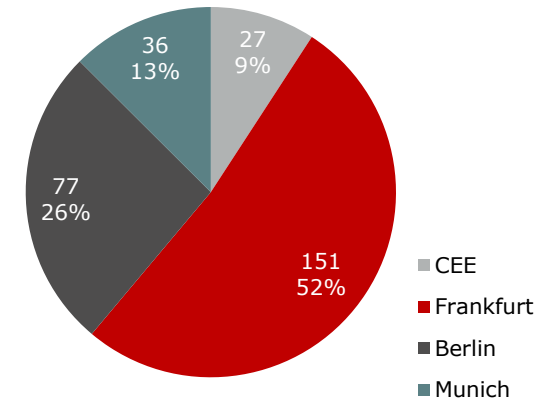
- Major organic growth driver
- Focus on prime locations German cities Munich, Frankfurt and Berlin
- Expansion of additional core hubs (e.g. Vienna, Bucharest, Prague)
- Committed development pipeline fully financed

#### Develop to own

- 1 Internalized business**
  - Ownership of construction management subsidiary omniCon
  - omniCon's deep expertise ensures high quality standards
- 2 Execution excellence**
  - On time delivery / No cost over-runs
  - Quality control
  - Successful development track record of ~ € 1.7 bn
- 3 Tenant-driven approach**
  - Long established relationships
  - Blue chip tenant base
  - High pre-letting levels before construction completion
- 4 Leverage of asset management platform**
  - Close ties to relevant market participants
  - Close ties to tenants

**Profitable NAV and FFO I growth (yield on cost above market level)  
Quality portfolio with low average building age and state of the art space**

Landbank (€ 290 m)\*



#### Develop to sell

- 1 Disposal of development land**
  - Non-core with respect to location
  - Non-core with respect to future development
  - Value added by zoning / building right obtainment
- 2 Disposal of developed projects**
  - Non-core with respect to asset class (e.g. residential)
  - Value added by realized development profit

**Significant property sales and development profits  
FFO II and NAV growth**

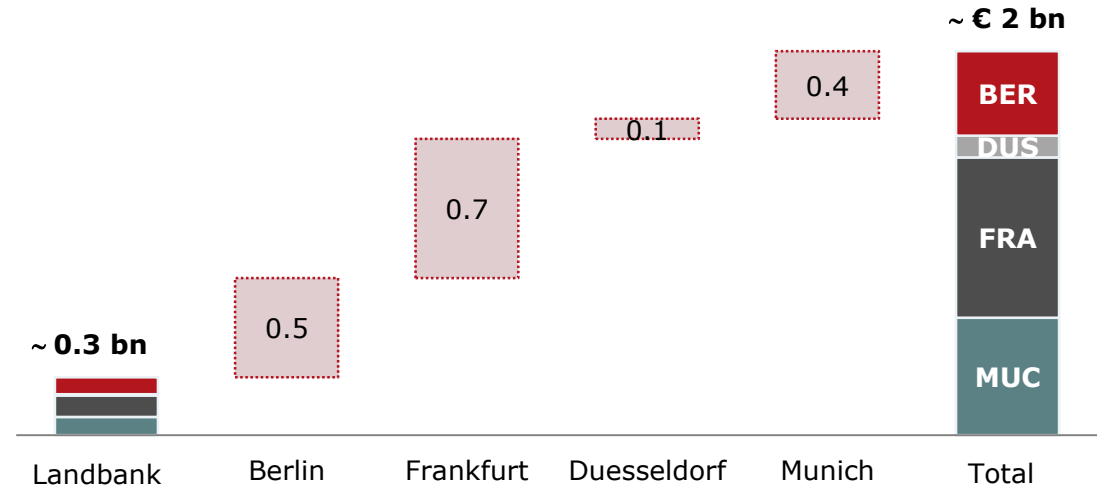
# Value Crystallisation of Development Pipeline

## Significant Embedded Value of German Landbank

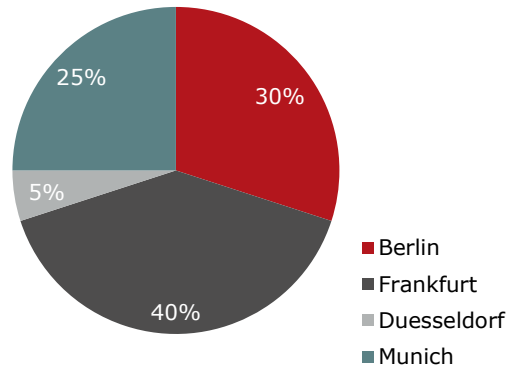
### Development potential Germany

- Existing landbank reserves in inner city prime locations offer significant value creation potential
- Landbank development secures organic growth strategy over the next decade
- Major progress on numerous projects in recent months**
- Monetization potential is currently under review**
- Update along with 1Q 2017 earnings in May 2017**

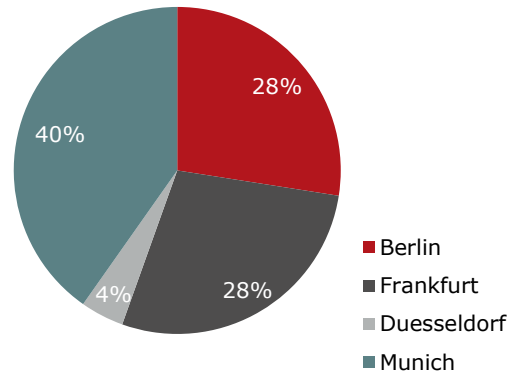
Development potential (~ € 2 bn)



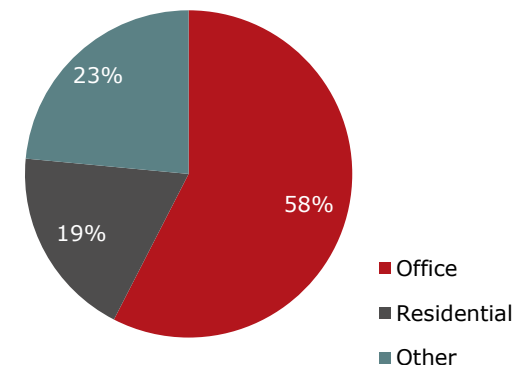
Development volume (~ € 2 bn)



Development volume (~ 800 k sqm)



Development volume (~ 800 k sqm)



# Value Crystallisation of Development Pipeline

## Construction Starts in 2016

### Baumkirchen WA3, Munich

Residential; € 66 m; 110 apartments

### ViE, Vienna

Office; € 38 m; 14,700 sqm

### Laendyard Living, Vienna

Residential; € 57 m; 500 apartments

### Wohnbau Süd, Vienna

Residential; € 34 m; 220 apartments

### Steigenberger, Frankfurt

Hotel; € 56 m; 400 rooms

### Rheinallee III, Mainz

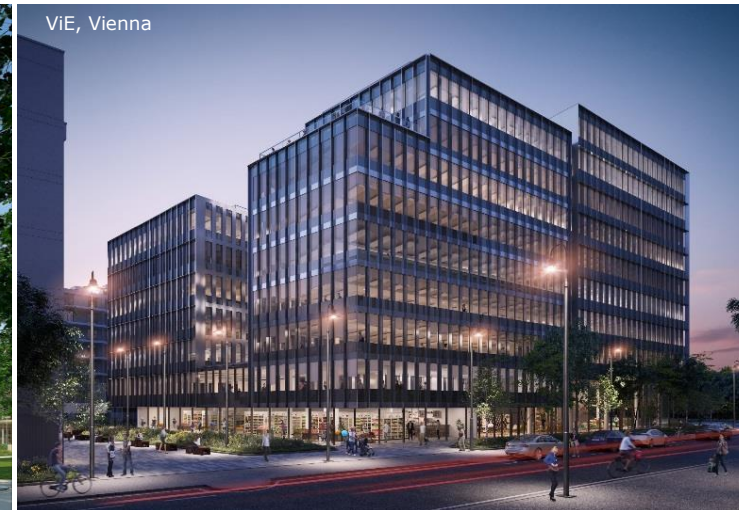
Residential/retail; € 59 m; 19,700 sqm

### Rieck I, Berlin

Office; € 36 m; 8,000 sqm

### Cube, Berlin

Office; € 98 m; 17,000 sqm



# Value Crystallisation of Development Pipeline

## Sale of Cube Office Project in Berlin

### Deal parameters

Trophy asset transaction generates significant profit

- Highly profitable forward sale of office property development to institutional investor Henderson
- Trophy asset deal terms reflect booming market conditions in Berlin
- Development and initial letting by CA Immo on behalf of buyer
- ~ 17,000 sqm gross floor area
- Total investment volume of approx. € 98 m (incl. plot)
- Construction start in 4Q 2016



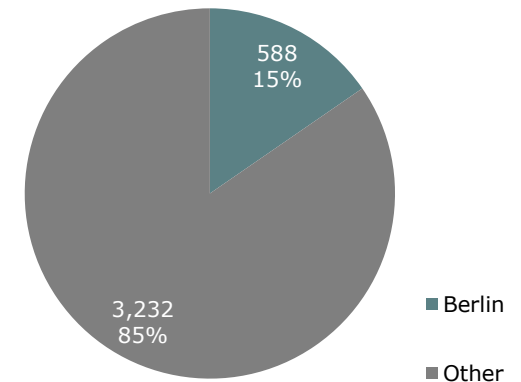
# Value Crystallisation of Development Pipeline

## Sale of Cube Office Project in Berlin

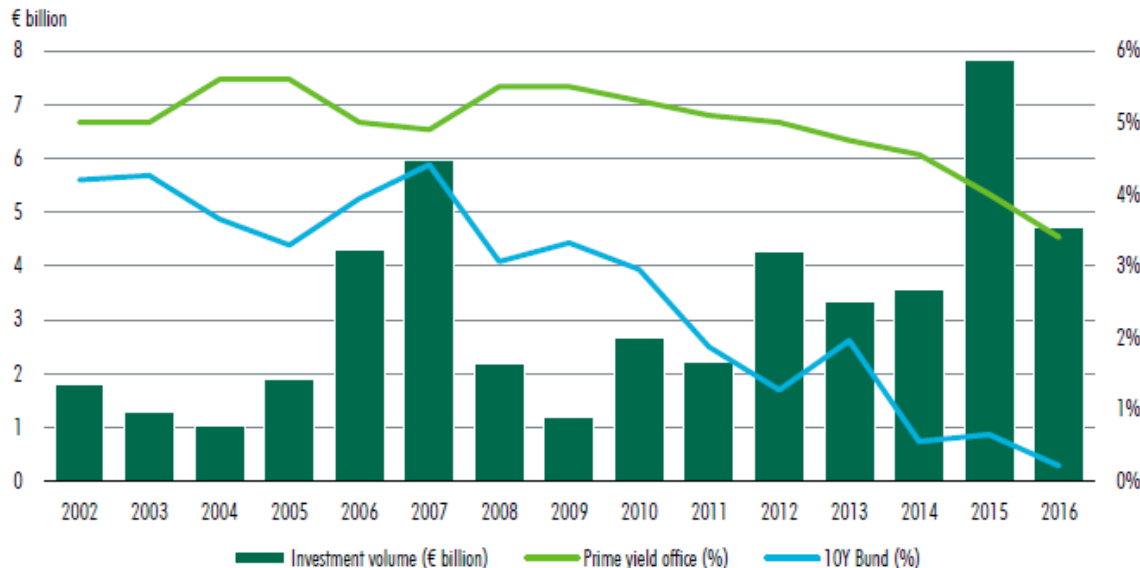
### Deal rationale

- **Global run on trophy assets in Berlin**
  - Scarcity of top products has created strong pricing momentum
  - Substantial prime yield drop in recent quarters to ~ 3.4%
- **Record office letting market performance in 2016**
  - All-time high take up in 2016 ⇒ vacancy drop below 5% (2015: 6.4%)
  - Highest rental price growth in Top 5 German office markets
- **CA Immo has significant exposure to adjacent plots for core developments**

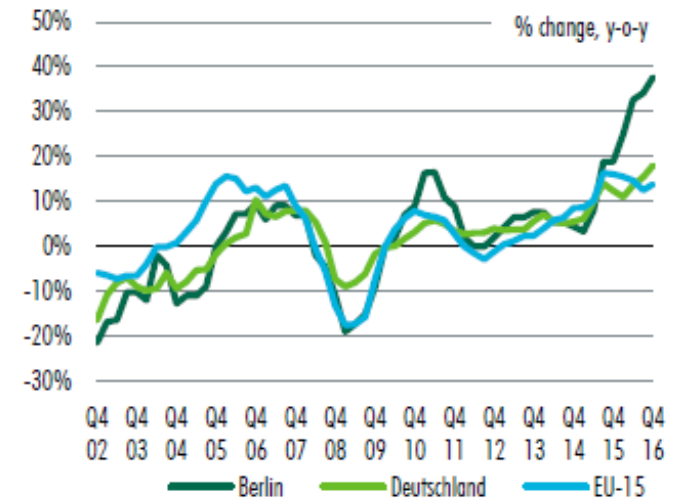
Portfolio exposure Berlin (€ m)



Commercial real estate investment volume



Capital values office properties



# Value Crystallisation of Development Pipeline

## Berlin Europacity Exposure

### Sweet spot in development landscape Berlin

- Europacity area around central train station has become major business hub in Berlin
- Prime location in close proximity to government quarter and German Chancellery
- CA Immo has significant property exposure and operates a large core office pipeline
  - Investment properties of ~ € 240 m (Berlin total ~ € 440 m)
  - Projects under construction of ~ € 190 m (incl. Cube)
  - Significant project volume in planning stage



#### ■ CA IMMO Investment Properties

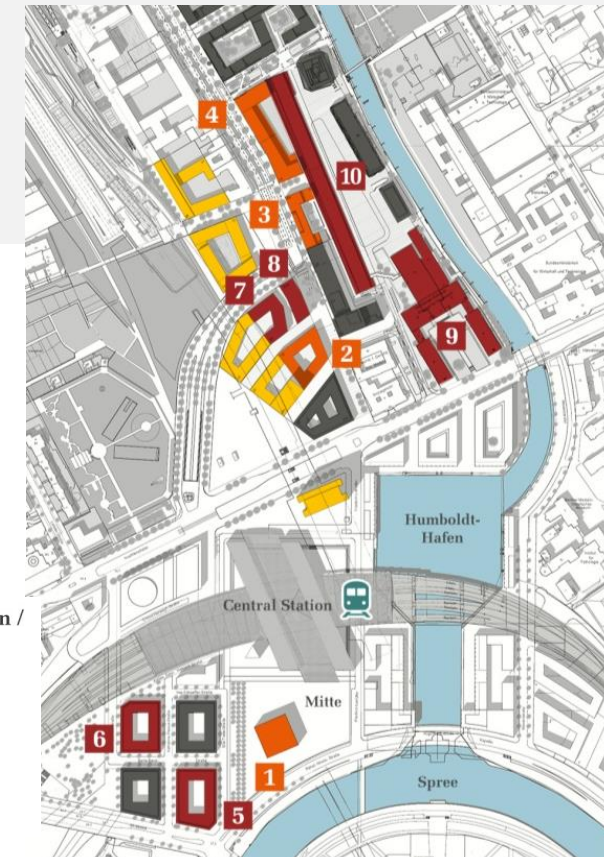
- 5 John F. Kennedy Haus
- 6 InterCity Hotel
- 7 Monnet 4
- 8 Tour Total
- 9 Hamburger Bahnhof
- 10 Rieck Halle

#### ■ Plot sold

#### ■ CA IMMO-Projects under construction / in preparation

- 1 Cube
- 2 KPMG
- 3 Rieck 1 (ABDA)
- 4 Rieck 2

#### ■ CA IMMO land reserve



# Delivery of External Growth Target

## Acquisition of Millennium Towers in Budapest

### Deal parameters

### Core asset with blue chip tenant base

- Office complex Millenium Towers consists of four fully let buildings with 70,400 sqm
- Located along the Pest riverside of the Danube with panoramic views of the Buda Hills (9th district)
- Acquisition price of € 172 m (~ 7.0% gross initial yield)
- Annual rental income addition of ~ € 12 m ⇒ major FFO driver in 2017
- Well-diversified high-quality tenant base (incl. Morgan Stanley, K&H, Vodafone, Lexmark, Nestlé, etc.)
- WALT > 4 years



# Delivery of External Growth Target

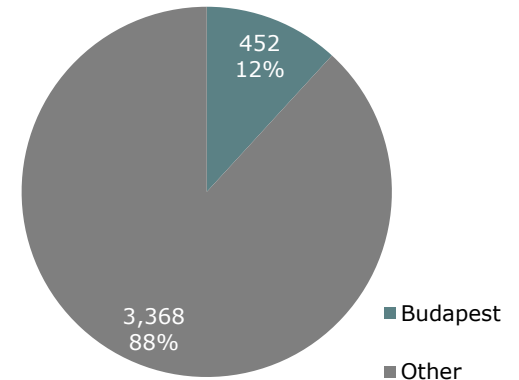
## Acquisition of Millennium Towers in Budapest

### Deal rationale

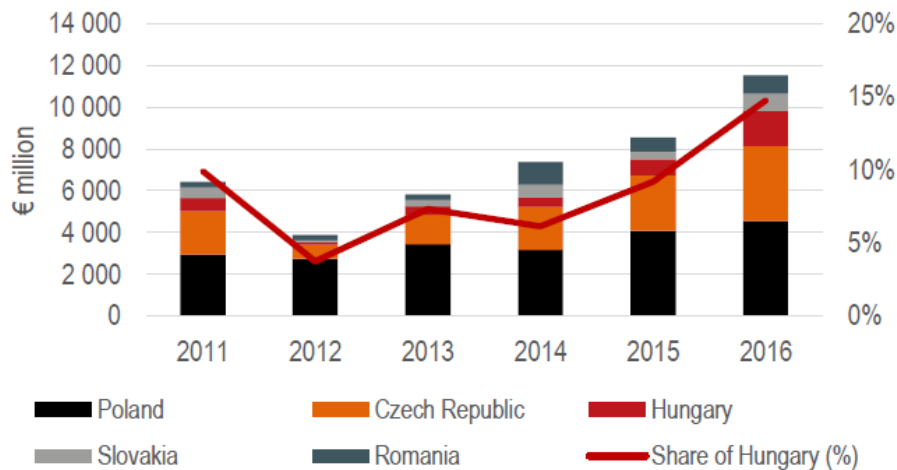
Promising stage in Budapest office market cycle

- Strong economic recovery in the past 2 years
  - Increasing occupier demand
  - Declining market vacancy rate (below 10% in 2016 ⇒ lowest recorded rate)
  - Relatively constrained office development pipeline
- Transaction market pick-up (2016 highest volume since 2007 peak)
  - Budapest office yields and capital values remain below their regional peers
  - Expected yield compression

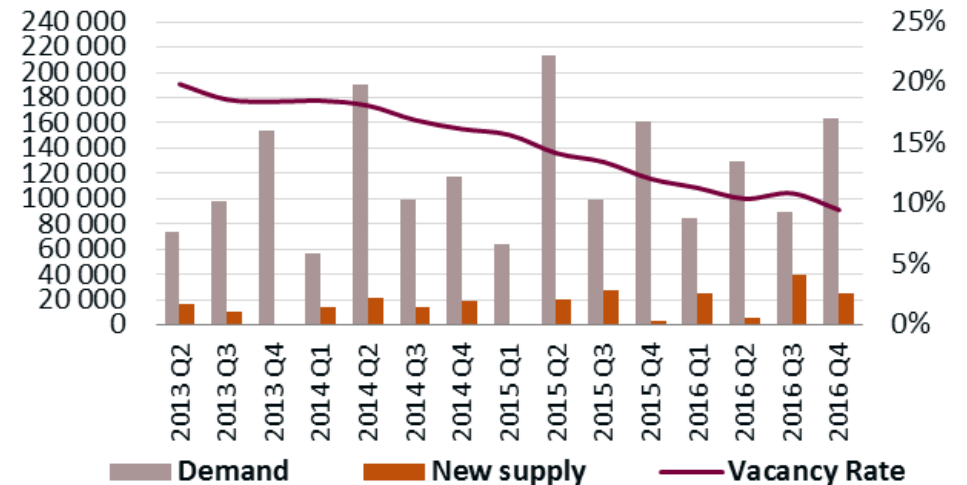
Portfolio exposure Budapest (€ m)



CEE investment volume and share of Hungarian market



Budapest office market





# Agenda and Targets 2017

## FFO I of at least € 100 m as Key Financial Target

### Investment portfolio Growth

- Buy-out of joint venture partner Union Investment in CEE portfolio ✓
- Expansion of CEE portfolio through property acquisition
- Sale of non-strategic land plots and redeployment of equity into income-producing use

### Development Value realization

- Buy-out of JV partner Patrizia and construction start of mixed use hotel/office project NEO (Munich) ✓
- Construction start of development projects with a total investment volume of ~ € 170 m
- Advancement of additional project preparations in Germany

### Financing Optimization

- Corporate bond issue ✓
- Use of corporate bond proceeds to optimize financing structure ✓
- Further cost of funding reduction < 2.3% ✓
- Extension of average debt maturity > 6 years ✓
- Early prolongation/refinancing of 2017/2018 debt maturities in Austria and Germany ✓
- Increase and maintain fixed/hedged share of financial liabilities > 75% ✓

### Recurring earnings Growth

- FFO I of at least € 100 m
- Dividend payout ~ 70% of FFO I

# CA Immo and Immofinanz

## Chronology and Status quo



### Chronology

- **April 2016**
  - Acquisition of a 26% holding in CA Immo from O1 Group by Immofinanz at a purchase price of € 23.50 per share and announcement of the intended merger of Immofinanz and CA Immo
- **May 2016**
  - CA Immo appoints JP Morgan and Ithuba Capital as advisors (IMMOFINANZ: Deutsche Bank and Victoria Partners)
- **July 2016**
  - Moody's downgrades the outlook for CA Immo's Baa2 investment grade rating to 'negative'
- **August 2016**
  - Closing of transaction
  - IMMOFINANZ makes use of its right of appointment conferred by its four registered shares ⇒ CEO Oliver Schumy and CFO Stefan Schönauer join CA Immo's supervisory board
- **September/October 2016**
  - Workstreams on core topics with working groups from both companies defined and initiated
- **December 2016**
  - Prof. Klaus Hirschler and Prof. Sven Bienert join CA Immo's supervisory board (delegated by registered shares)
  - IMMOFINANZ announced an adjustment to the timetable based on a decision "to allow a longer period than originally envisaged for the process of separating the Russian properties"

### Status quo

- **The process was suspended directly after the announcement ⇒ CA Immo abandoned its consultancy mandates to enable appropriate cost savings**

## Transaction Parameters for a Possible Merger

### Transaction parameters

- **Fair and transparent process to conclude in 2018**
  - CA Immo shareholders will have a sound basis for making a decision on such a transaction at an Ordinary General Meeting to take place in 2018 (75% approval requirement in both meetings)
- **Strategic rationale**
  - Strategic positioning of an amalgamated entity and identification of strategic added value with a view to raising shareholder value
  - Sale or spin-off of Immofinanz activities in Russia without residual liabilities or securities connected with the sale for a merged entity
- **Financial rationale**
  - Ensuring the financial robustness of a combined entity
  - Retention and safeguarding of investment grade rating
  - Securing membership of the most important European index for property shares (EPRA Europe Developed Index)
- **Economic rationale**
  - Determination of an exchange ratio based on a combination of recognised valuation methods
  - The exchange ratio must factor in the following parameters of CA Immo, amongst others: 1) the economic stability of the company, 2) the quality of the real estate portfolio and the reliability of its valuation, 3) organic growth capacity on the basis of reliable planning and historic track record
  - Strategic orientation and organisational structure of a potentially amalgamated entity as the key precondition for identifying synergies still to be defined



APPENDIX

# Property Portfolio (€ 3.8 bn)\*

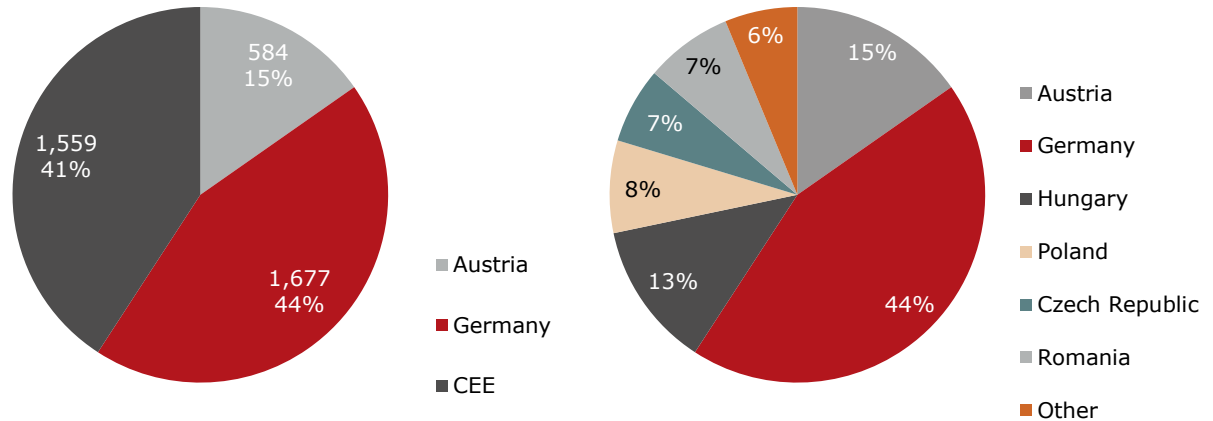


Germany Accounts for ~ 44% of Portfolio Value

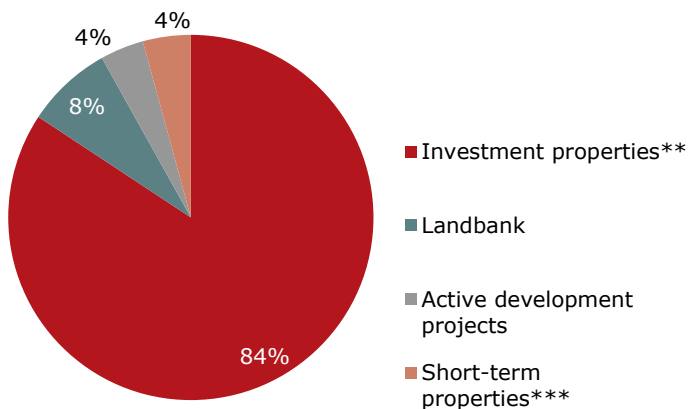
## PORTFOLIO STRUCTURE

- **Total property asset base of € 3.8 bn**
  - Germany largest single core market
  - Income- producing investment portfolio of € 3.2 bn
- **Development assets**
  - Landbank and projects under construction account for ~ 12% of total properties
  - ~ 90% of landbank value located in Germany

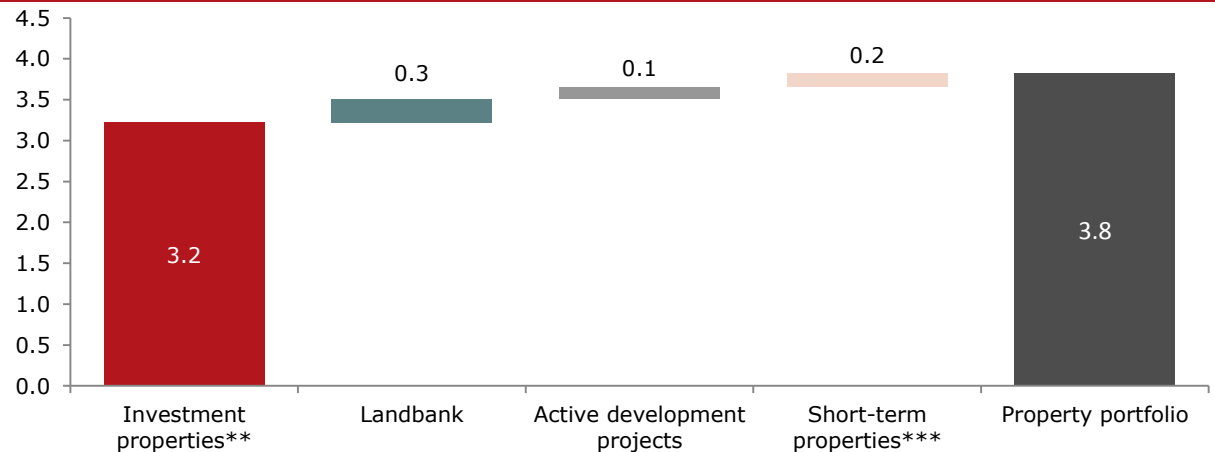
## PORTFOLIO SPLIT BY REGION AND COUNTRY (€ M)



## PORTFOLIO BY PROPERTY TYPE (€ M)



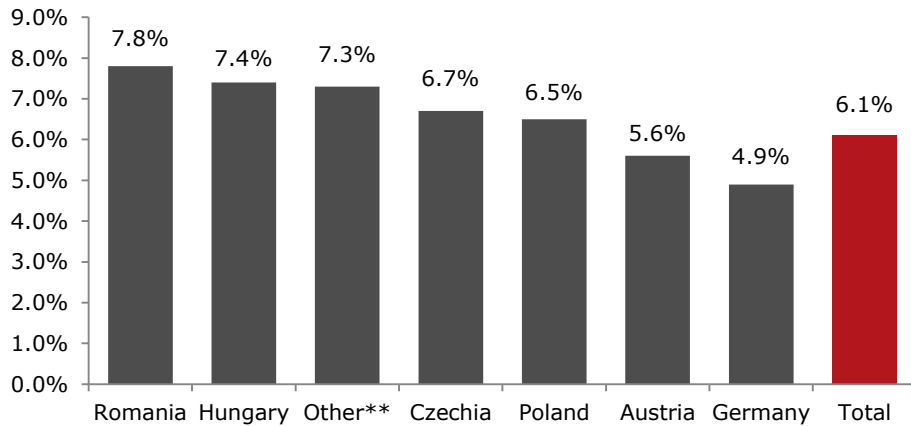
## PORTFOLIO BRIDGE (€ BN)



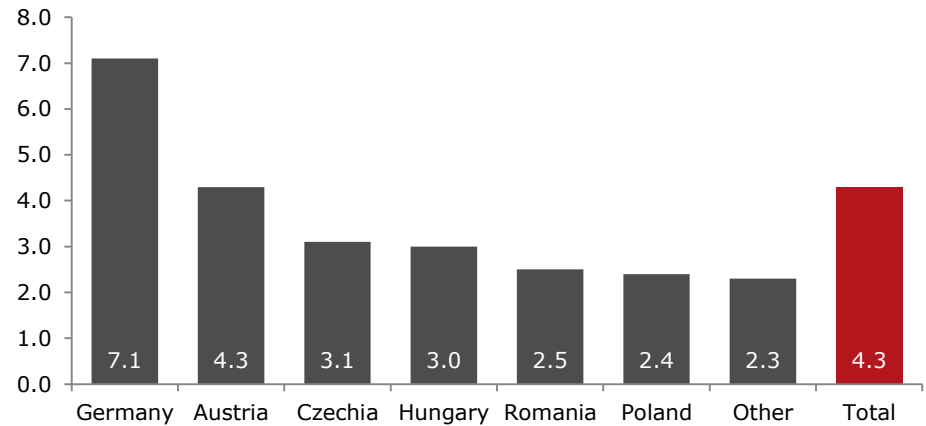
# Investment Portfolio (€ 3.2 bn)

## Portfolio Metrics

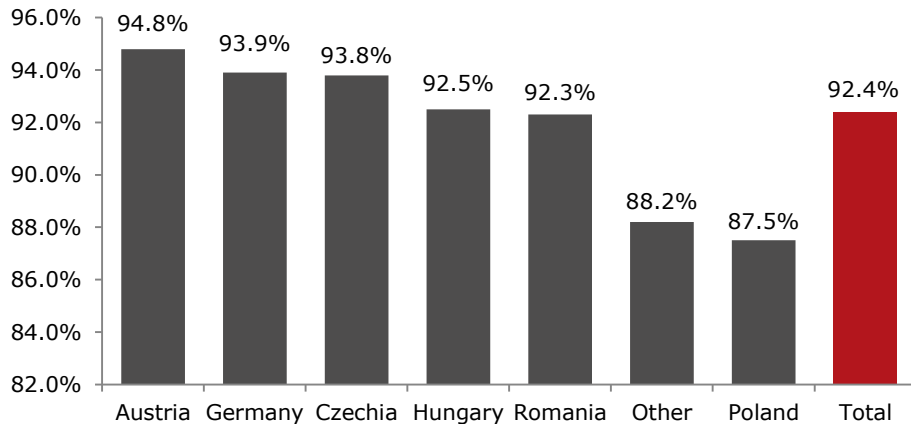
### GROSS INITIAL YIELDS\*



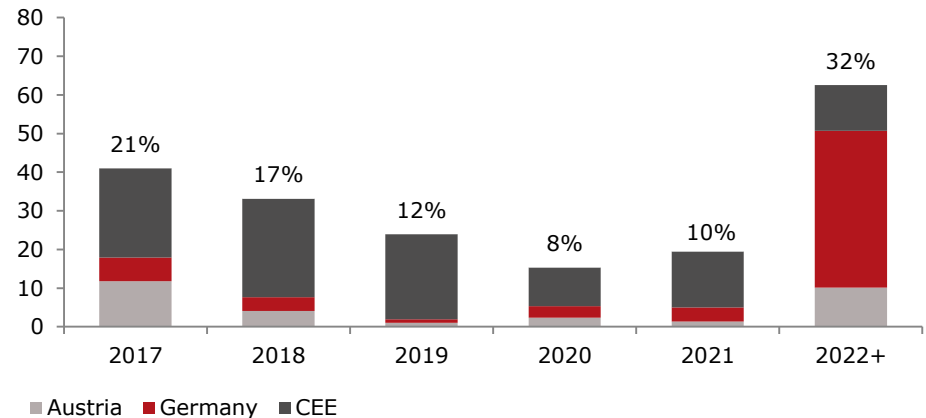
### WEIGHTED AVERAGE LEASE TERM (WALT) IN YEARS BY COUNTRY



### ECONOMIC OCCUPANCY\*



### LEASE EXPIRY PROFILE (€ M)



\* Excluding the recently completed office projects Kontorhaus/Munich, John F. Kennedy – Haus/Berlin and Monnet 4/Berlin (handover of rented space not fully completed yet), the portfolio occupancy stood at 92.9% and the gross initial yield at 6.3% \*\* Slovakia, Serbia, Croatia, Slovenia, Bulgaria

# Development



CA IMMO

## High-quality Development Pipeline Major Growth Driver (1)

INVESTMENT PORTFOLIO (€ m)	Investment volume*	Outstanding investment	Planned rentable area	Gross yield on cost	Main usage	Share	Pre-letting ratio	Construction phase
KPMG, Berlin	56	27	12,700	5.8%	Office	100%	100%	4Q 15 – 2Q 18
Steigenberger, Frankfurt	56	42	17,300	6.4%	Hotel	100%	93%	3Q 16 – 3Q 18
Orhideea Towers, Bucharest	74	58	36,900	8.3%	Office	100%	22%	4Q 15 – 4Q 17
ZigZag, Mainz	16	13	4,400	5.7%	Office	100%	-	2Q 17 – 3Q 18
MY.O, Munich	96	85	26,100	6.0%	Office	100%	-	1Q 17 – 3Q 19
ViE, Vienna	38	33	14,700	6.3%	Office	100%	-	3Q 16 – 3Q 18
Rieck 1 – Phase 2, Berlin	10	9	2,800	6.4%	Office	100%	-	4Q 16 – 2Q 19
<b>Total</b>	<b>347</b>	<b>266</b>	<b>115,000</b>	<b>6.2%</b>				

# Development

## High-quality Development Pipeline Major Growth Driver (2)

TRADING PORTFOLIO (€ m)*	Investment volume**	Outstanding investment	Planned rentable area	Main usage	Share	Construction phase	Status
Cube, Berlin	98	76	17,000	Office	100%	4Q 16 – 4Q 19	Forward sale to Henderson
Rieck I – Phase 1, Berlin	26	22	5,200	Office	100%	4Q 16 – 1Q 19	Forward sale to ABDA
Baumkirchen, Munich							
Baumkirchen WA 2	65	17	11,200	Residential	50%	2Q 15 – 3Q 17	Sale of freehold apartments
Baumkirchen WA 3	66	40	13,600	Residential	50%	1Q 16 – 3Q 18	Sale of freehold apartments
Baumkirchen NEO	86	65	18,100	Mixed use	50%	1Q 17 – 2Q 19	
Laendyard Living, Vienna	57	45	19,400	Residential	100%	3Q 16 – 3Q 18	Sale of freehold apartments
Wohnbau Süd, Vienna	34	18	14,100	Residential	100%	2Q 16 – 2Q 18	Forward sale to Austrian investor
Rheinallee III, Mainz	59	44	19,700	Mixed use	100%	3Q 16 – 3Q 18	Forward sale to Aberdeen Asset Management for ~ € 66 m
<b>Total</b>	<b>492</b>	<b>327</b>	<b>118,400</b>				



# Net Asset Value (NAV)

EPRA NAV per Share € 26.74

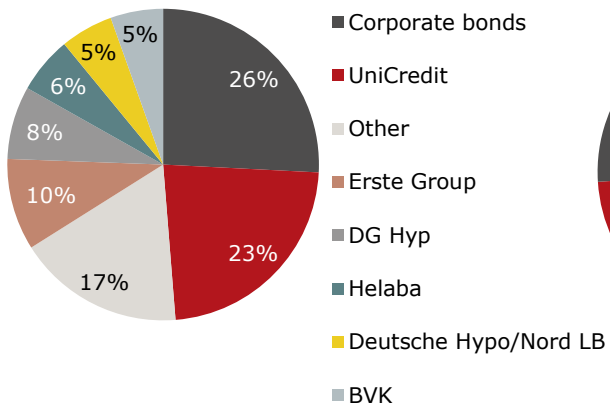


€ m (diluted = undiluted)	31.09.2016	31.12.2015	+/-
NAV (IFRS equity)	2,204.4	2,120.5	
Exercise of options	0.0	0.0	
<b>NAV after exercise of options</b>	<b>2,204.5</b>	<b>2,120.5</b>	<b>4.0%</b>
<b>NAV per share</b>	<b>23.60</b>	<b>21.90</b>	<b>7.8%</b>
Value adjustment for*			
Own use properties	6.0	5.1	
Properties held as current assets	39.9	24.3	
Financial instruments	3.2	5.1	
Deferred taxes**	243.9	199.4	
<b>EPRA NAV</b>	<b>2,497.5</b>	<b>2,354.4</b>	<b>6.1%</b>
<b>EPRA NAV per share</b>	<b>26.74</b>	<b>24.32</b>	<b>9.9%</b>
Value adjustment for*			
Financial instruments	-3.2	-5.1	
Liabilities	-24.2	-8.9	
Deferred taxes***	-175.7	-144.1	
<b>EPRA NNAV</b>	<b>2,294.4</b>	<b>2,196.3</b>	<b>4.5%</b>
<b>EPRA NNAV per share</b>	<b>24.56</b>	<b>22.69</b>	<b>8.3%</b>
P/NAV	-28.9%	-25.8%	
Number of shares outstanding (excl. treasury shares)	93,405,017	96,808,336	-3.5%

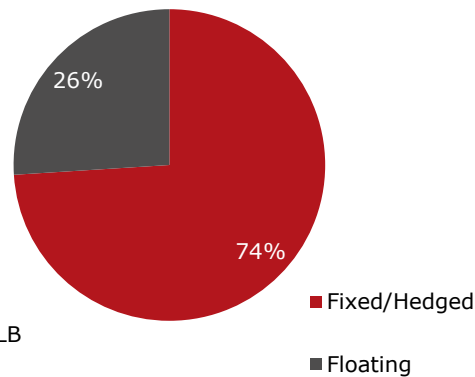
# Financing

Average Cost of Funding Further Reduced to 2.3%

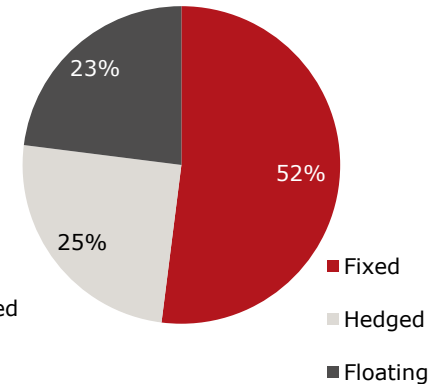
## FINANCING SPLIT (€ M)



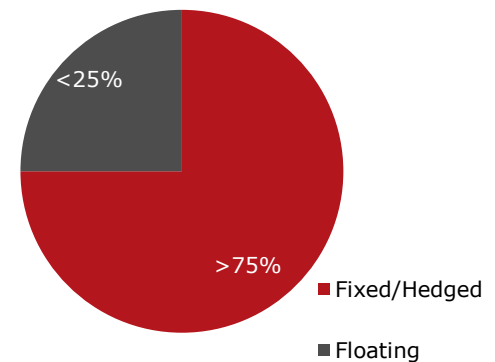
## DEBT STRUCTURE



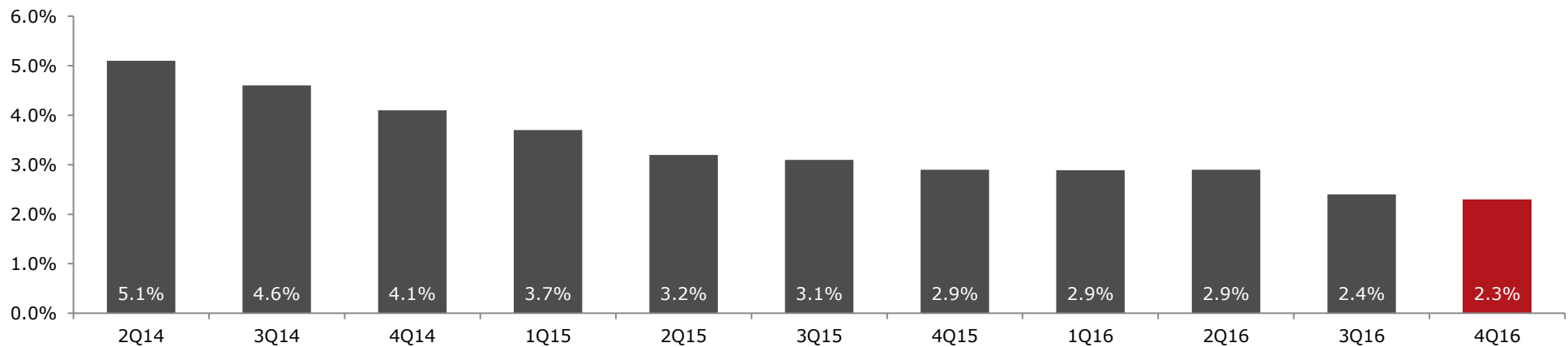
## HEDGING RATIO (4Q 16)



## HEDGING RATIO (TARGET)



## AVERAGE COST OF DEBT



## Weighted Average Cost of Debt and Maturities\*

€ m	Outstanding debt nominal value	Nominal value swaps	Ø Cost of debt incl. derivatives	Ø Cost of debt excl. derivatives	Ø Debt maturity	Ø Swap maturity
Austria	146.9	47.4	2.8%	2.2%	5.5	7.2
Germany	574.1	119.6	1.9%	1.4%	5.0	2.5
Czechia	116.4	51.2	2.2%	2.3%	2.6	1.8
Hungary	182.4	86.9	3.0%	2.9%	4.8	7.0
Poland	130.7	60.0	2.0%	2.0%	2.3	2.5
Romania	49.0	32.9	4.0%	3.7%	3.0	2.7
Other	36.2	0.0	3.5%	3.5%	1.1	0.0
<b>Investment portfolio</b>	<b>1,235.7</b>	<b>398.1</b>	<b>2.3%</b>	<b>2.0%</b>	<b>4.3</b>	<b>4.0</b>
Development projects	46.3	6.3	1.4%	1.4%	2.1	2.2
Short-term properties	38.8	0.0	1.7%	1.7%	0.8	0.0
Group financing	466.5	0.0	2.5%	2.5%	5.3	0.0
<b>Total group</b>	<b>1,787.2</b>	<b>404.4</b>	<b>2.3%</b>	<b>2.1%</b>	<b>4.4</b>	<b>4.0</b>

# Investor Relations

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