

DEAR SHAREHOLDERS AND READERS,



Management Board:
Mag. Wolfhard Fromwald, Dr. Bruno Ettenauer

In spite of a market environment shaped by the impact of the global crisis in finance and banking, operational business in the first quarter of 2009 was broadly encouraging; in particular, rental income was up by 4.6% compared to the same period last year. Implementation of the announced cost cutting measures also made a difference, with indirect expenditure down 18.4% on the previous year's value. However, the EBITDA fell by 8.0% on account of lower profits from sales. Operational development was counteracted by significantly higher negative non-cash-related changes in market value of € -51.6 m, principally arising in eastern and southeastern Europe. Overall, there was a negative result for the period of € -54.4 m and a result after minority interests of € -33.6 m.

The result was determined by the continuing slide in property prices. In the current property cycle, real estate values across western Europe have already dropped from anywhere between roughly 10% (in Frankfurt) to 50% (in London's West End). So far, this has been a consequence of rising gross yields, which are affecting all categories of

commercial real estate; the impact of actual rental price changes has not had such a significant impact on the development of property values. From the current standpoint, even if we could assume that gross initial yields will not rise much further, the risk of falling rent levels because of general economic developments remains, as does therefore the risk of additional falls in property values.

Significant operational achievements were reported in the first three months of 2009 despite the tough market environment. However, these were not yet reflected in the current quarterly figures. In March, the sale of the ATMOS project in Munich was agreed for in excess of € 100 m; the sale of a property package in Austria was also finalised. These transactions will be reflected in a positive contribution to the result in the second quarter of 2009. In addition, considerable progress was made on what is currently the CA Immo Group's most strategically important development project when loan financing was secured for the planned € 450 m Tower 185 project in

Frankfurt. A consortium of banks headed by Eurohypo AG is to finance construction of the building (60% of which has been let before construction work even starts) by providing a development loan of € 254 m.

These achievements prove that even in the current tough climate, quality and prime locations can generate both demand and financing for our projects.

In 2009, the clear operational priorities for the CA Immo Group will be preparations for further sales, measures aimed at upholding and boosting operating cash flow and the selective implementation of key strategic development projects. With the measures we are implementing now taking effect, we are confident of making robust operational progress in 2009.



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