

8 April 2008

**REPORT OF THE MANAGEMENT BOARD OF CA IMMO
INTERNATIONAL ON AGENDA ITEM 6 AT THE 4th ANNUAL
GENERAL MEETING ON 6 MAY 2008**

- **In accordance with § 153 para. 4 in conjunction with § 65 para. 1b**

At the 4th Annual General Meeting of CA Immo International AG on 6 May 2008, the Management Board is to be authorised to dispose of the company's own shares, previously acquired in accordance with § 65 para. 1 of the Austrian Companies Act (AktG), by other means than via the stock exchange or in the course of public offers.

Since the provisions of the exclusion of pre-emptive rights must be applied analogously in the course of authorisation for buying back and resale of the company's own shares, the Management Board of CA Immo International AG is meeting the requirements of the pertinent statutory regulations by making the following

Report.

The proposed authorisation for the exclusion of pre-emptive rights of disposal by other means than via the stock exchange or in the course of public offers is in the interests of the company and the shareholders.

- a. When disposing of the company's own shares, it should be possible to offer shares preferentially, within the framework of employee share option schemes, to employees, senior executives and members of the Management Board of the company or of the companies associated with the company. To this end, pre-emptive rights should be excluded to the extent required for this to be achieved. The group of entitled persons, the number of shares to be issued in each case, the issue price and the other conditions of issue will be established by the

Management Board with the agreement of the Supervisory Board. The issue price must be established in accordance with the current stock market price of the shares in each case, taking into account an appropriate discount. It should be possible for all of the company's own shares to be disposed of within the framework of employee share option schemes. Insofar as the Management Board is affected, the conditions of issue will be established by the Supervisory Board. In accordance with § 153 para. 5 of the Austrian Companies Act (AktG), the priority issue of shares to the group of persons listed above shall constitute sufficient grounds for the exclusion of pre-emptive rights.

- b. In the past, the company has consistently implemented its strategic goal of expanding into the countries of Central and Eastern Europe. Continuing this expansion and opening up new markets will also be a fundamental cornerstone of the company's strategy in the future. This can only be achieved by means of acquisition of relevant holdings in the countries of Central and Eastern Europe. The application made at the same time for authorisation to exclude pre-emptive rights in the disposal of the company's own shares must also be seen in connection with this goal. Authorisation of the exclusion of pre-emptive rights is intended to provide the Management Board with the necessary flexibility in implementing its acquisition strategy, by using the company's own shares if required as whole or part of the purchase price for business transactions. The precise organisation of transactions of this type will be laid down for each individual case in accordance with the Articles of Association and internal rules of procedure for the Supervisory Board and Management Board, in agreement with the Supervisory Board.
- c. The sales authorisation will also be of use in servicing convertible bonds being issued by CA Immo International AG on the basis of the decision by the Annual General Meeting on 22 May 2007.

In summary, if all the circumstances listed above are weighed up, it can be stated that authorisation of the exclusion of pre-emptive rights within the limits described is necessary, appropriate and reasonable, and is objectively justified and advisable in the predominant interest of the company. Acquisition of holdings or other property assets, or specific transaction structures that are in the interest of the company and the shareholders might make it necessary to dispose of the company's own shares with the exclusion of pre-emptive rights. Should the Management Board utilise the authorisation granted to it to exclude pre-emptive rights, the Management Board must draw up a further written report on the reason for the exclusion of pre-emptive rights and publish this report in accordance with § 171 para. 1 of the Austrian Companies Act (AktG).

According to § 169 para. 2 of the Austrian Companies Act (AktG), this authorisation must be restricted to a maximum period of 5 years. The period is fully utilised in the proposed decision.

The Management Board