

CA Immo Anlagen AG
Mr Torsten Hollstein, Head of Supervisory Board
Mechelgasse 1
1030 Vienna

London, 27 November 2017

Dear Mr. Hollstein,

On 14 March 2017, we publicly rejected a merger with Immofinanz („IIA“) and said that a combination should only take place by means of a cash acquisition of CA Immo („CAI“) for at least Euro 23.50 per share. As significant shareholders of both CAI and IIA we want value creation in both companies. We applaud Frank Nickel and Hans Volckens – their focus on growth and cashflow has established CAI as the leading German office real estate company. This good work has exceeded our best expectations.

Petrus Advisers now demand the following:

- 1) Immediate termination of all merger talks:** Should investor roadshows not signal 75% shareholder support for a merger any resource allocation to the merger process would be a waste of time and money - for which we will sue for damages. We do not know any international or independent shareholder in favour of a merger.
- 2) Fair accounting of CAI's landbank:** The increase of CAI's own development programme from Euro 2.1bn to Euro 4.1bn proves the enormous hidden reserves but also the significant growth options of CAI in the current market environment. We model the necessary revaluation at an additional IFRS book value of Euro 3-5 per share.
- 3) Efficient capital structure and use of funds:** The sale of the PwC tower in Frankfurt and the fair valuation of CAI's assets uncovers its low degree of indebtedness. We demand dynamic investing of the available reserves in cash flow generating projects beyond the existing development pipeline and a share buyback up to the economic IFRS book value of Euro 27-29.

We were unimpressed by IIA management's deal for Russia. It is high time for a value centric approach. A cash offer for CAI would address the inefficiently low debt levels of both companies and according to our model result in a share price potential for IIA of Euro 2.9 per share, approximately 40% above the current level. A sale of the CAI stake, the accompanying tax-free distribution of around Euro 1bn combined with running IIA independently with around Euro 5bn in real estate assets results in similar upside potential at Euro 2.8 per share. It is imperative that IIA continue to improve its own FFO and finally gain the confidence of the capital market.

We request that all managers involved focus on creating maximum value for us shareholders.

Yours sincerely,



Klaus Umek
Managing Partner



Till Hufnagel
Partner