Q3 INTERIM REPORT
AS AT 30 SEPTEMBER 2012

We bring properties to life.

S IMMO

KEY FIGURES

		01.01. – 30.09. 2012	01.01.–30.09. 2011
Revenues	EUR m	146.3	151.9
whereof rental income and revenue from hotel operations	EUR m	119.0	121.1
EBITDA	EUR m	75.3	76.6
EBIT	EUR m	73.9	74.0
EBT	EUR m	22.7	23.9
Net income for the period	EUR m	20.4	20.3
Total assets	EUR m	2,014.7	2,157.2
Shareholders' equity	EUR m	500.1	517.4
Liabilities	EUR m	1,514.7	1,639.8
Equity ratio (incl. participating certificate capital)	in %	36	36
Investments	EUR m	7.1	25.1
Operating cash flow	EUR m	68.0	74.0
Cash flow from investing activities	EUR m	120.5	8.7
Cash flow from financing activities	EUR m	-224.1	-153.5
Cash and cash equivalents as at 30 September	EUR m	72.7	47.8
NOI margin	in %	50	49
Loan to value ratio (excluding valuation of derivatives)	in %	54	58
FFO	EUR m	24.9	32.9
Earnings per share	EUR	0.29	0.24
EPRA NAV per share	EUR	9.02	8.64
Share price discount from EPRA NAV	in %	47	54
Balance sheet NAV per share	EUR	7.01	7.11
Share price discount from balance sheet NAV	in %	32	44
Cash flow from operations per share	EUR	1.00	1.09
Property portfolio	EUR m	1,855.7	1,988.2
whereof properties under construction	EUR m	56.6	57.3

Contents

LETTER FROM THE MANAGEMENT 2

INVESTOR RELATIONS 4

INTERIM MANAGEMENT REPORT 6

Economic overview 6

Real estate market overview 7

Business performance and results 9

Opportunities and risks 11

Outlook 12

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2012 13

FINANCIAL CALENDAR 29

CONTACT / PUBLICATION DETAILS 29

Dear Shareholders,

For the third quarter of the current financial year, we again have successful progress to report – S IMMO AG has achieved increases in key indicators such as consolidated net income and funds from operations. All results are in line with our targets for the year, performance is as planned and the capital markets are showing encouraging signs of recovery.

Friedrich Wachernig MBA

Profitable disposals and successful asset management

Our operating results for the last months are very satisfactory. During the period under review, S IMMO took advantage of the excellent climate in the property markets and disposed of 20 properties profitably in Germany and Austria. The total sales proceeds were EUR 130.1m, which means that by the end of the third quarter, we have already surpassed our target for the whole year – to sell 5% of our portfolio with total proceeds of around EUR 100m – by a significant margin.

In asset management, we also have progress to report. In Romania and Bulgaria – still the two most challenging markets – we were thrilled to welcome well-known companies such as Atos, Merck and Abbott as new tenants in our office developments. Sun Offices in Bucharest was awarded a Green Building Certificate by BREEAM, one more step towards our strategy of sustainability. BREEAM (BRE Environmental Assessment Method) is the leading international voluntary certification method for properties. We also disposed of more freehold apartments in our Viennese office and residential property Neutor 1010 at very favourable prices. The extensive refurbishment activities of the past few years have had a positive effect on the German portfolio: In Munich and Berlin, approximately 2,200 m² have been let to renowned tenants such as the Konrad-Adenauer-Stiftung. These are just a few selected examples illustrating our commitment to quality, to responsible management and to increasing the value of your investment on a daily basis.

Our operating successes during the period under review are reflected in the very satisfactory quarterly results. S IMMO's key indicators remained more or less at last year's levels, and in some cases even improved. Net income for the first three quarters of 2012 amounted to EUR 20.4m, a slight increase on the very successful first three quarters of 2011. At the same time, funds from operations increased by nearly 8% to EUR 24.9m. Despite a reduction in portfolio value as a result of property disposals, the FFO yield was a very satisfactory 10.2% with a market capitalisation of EUR 324.9m. These results reflect the ongoing enhancement of our earnings power and provide a solid basis for the quarters to come.

Upwards trend in the capital markets

Our claim to have been making good progress over the past months extends to our activities in the capital markets as well. At numerous road shows and conferences, as well as on the telephone and in one-on-one meetings, we were continually in contact with our investors. After a few challenging quarters, we have identified signs of a definite upwards trend in the capital markets over the past few months. The closing price of the S IMMO Share at the end of the third quarter was EUR 4.77, an improvement of 6.0% since the beginning of the year. The share stood at EUR 4.94 at the time of going to press on 19 November 2012. This rise in share price went hand in hand with an increase in volumes traded.

In excellent shape for 2013

S IMMO expects the good performance to continue. For 2013, we have again set ourselves the goal of disposing of approximately 5% of our portfolio. We will use the proceeds of sale, among other things, to further reduce the loan to value ratio from its current level of around 55% to under 50%.

In the capital markets, the repurchase programmes for the S IMMO Share and the S IMMO INVEST participating certificate will continue until the end of June 2013 as planned. S IMMO's distribution of a dividend in June 2012 represents a change in long-term strategy, and the intention is to continue to pay dividends in the years to come. The most important development project for the Group's near future is the Quartier Belvedere Central project around Vienna's new Central Station. Over the next few years, S IMMO and its partners will be constructing a mixture of office, hotel and retail properties with gross floor space of around 130,000 m².

Holger Schmidtmayr MRICS

We will continue to put all of our efforts into sustaining the successes of the current financial year in the years to come. Enhancing our earnings power and ensuring that our strategy of success stays on track will remain the focus of our daily efforts. We are well prepared for the work of the coming months and quarters and are optimistic about the future.

We should like to close by inviting you to join us in looking back on 25 years of S IMMO on our website. Many of our colleagues in the industry and our business partners and associates have sent us congratulations and recorded their impressions of our Group. We are looking forward to your message: www.simmoag.at/en/25

The Management Board

Ernst Vejdovszky

Holger Schmidtmayr

Ernst Vejdovszky

Friedrich Wachernig

Our Share

Although "Sell in May and go away" is a popular rule of thumb, if too many investors follow this advice it can leave the stock markets becalmed in the dog days of summer. At times like this, stock market prices tend to move sideways, and trading volumes are vanishingly small. This summer, however, proved a heartening exception to the trend. The global economic crisis is not yet over, but real economic indicators and a glut of cash led to a true summer rally on the stock markets.

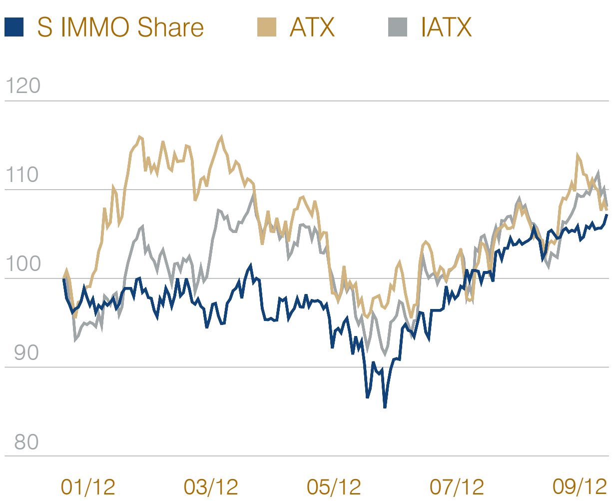
Investors had grown tired of doomsday scenarios and gloomy predictions about currencies, and they increased their investments in real assets. The fact that not all investors were actively engaged in the stock markets combined with the low quantities of stock on offer meant that these purchases resulted in significant share price increases. The comments given by the President of the European Central Bank (ECB) on the rescue of the euro also led to increased optimism among investors all around the world.

At 30 September 2012, stock markets were looking good: In September alone, the Dow Jones Industrial Index (DJII) – the world's most important stock market index – put on 2.6%. During the whole period under review, the DJII increased by 9.7% and ended the third quarter at 13,437.13 points. The leading German index, the DAX, performed even better, and was up by 3.5% in September. Since the beginning of the year, the DAX has put on 22.3%, and at 30 September 2012, it closed at 7,216.15 points.

The leading Austrian index, the ATX, and Austria's property share index, the IATX, joined in the rally. Over the summer months, the ATX climbed 5.8% to close at 2,089.74 points. Over the first three quarters of 2012, the ATX put on a total of 10.5%, a positive signal for Austrian quality shares. In comparison, in 2011 the ATX dropped by 34.9% over the course of the year. In the third quarter of 2012, the IATX was up 6.6% and closed at 152.17 points. Over the first nine months, the index put on 9.9%. At the end of 2011, the IATX closed 26.4% down on the beginning of the year. The GPR 250 Europe Index, made up of Europe's largest real estate companies, grew by 5.1% in the third quarter of 2012 and by 17.2% over the first nine months.

Share price development

indexed (01.01.2012 to 30.09.2012)



Share indicators		2012	2011
Closing price (as at 30 September)	EUR	4.770	3.970
Average daily turnover	shares	81,000	75,000
Earnings per share (EPS)	EUR	0.29	0.24
EPRA NAV per share	EUR	9.02	8.64
Share price discount from EPRA NAV	%	47	54
Balance sheet NAV per share	EUR	7.01	7.11
Share price discount from balance sheet NAV	%	32	44
Operating cash flow per share	EUR	1.00	1.09
Price/operating cash flow	EUR	3.55	2.74

S IMMO Share performance

ISIN	AT0000652250
One year	20.15%
Three years, p.a.	-2.98%

S IMMO INVEST participating certificate performance

ISIN	AT0000795737	AT0000630694
One year	6.40%	1.20%
Three years, p.a.	6.00%	6.00%

S IMMO Share information	
ISIN	AT0000652250/SPI
Ticker symbols	Reuters: SIAG.VI Bloomberg: SPI:AV
Market	Vienna Stock Exchange
Market segment	Prime Market
Index	IATX
Market capitalisation (30.09.2012)	EUR 324.94m
Number of shares (30.09.2012)	68,118,718
Market maker	Erste Group/ Silvia Quandt & Cie. AG
Initial listing	28 June 2002

Participating certificate information	
ISIN	AT0000795737 (initial listing 1996) AT0000630694 (initial listing 2004)
Ticker symbols	Reuters: SIMIg.VI Bloomberg: SIIG:AV
Market	Vienna Stock Exchange
Market segment	other securities.at
Market capitalisation (30.09.2012)	EUR 203.92m
Number of participating certificates (30.09.2012)	1,808,499 (tranche I) 1,096,927 (tranche II)

In this environment, the S IMMO Share also performed well. The closing price of the stock at the end of the third quarter was EUR 4.77, an improvement of 6.0% since the beginning of the year. This positive development went hand in hand with an increase in traded volumes.

Investor relations activities

In the third quarter, Management and S IMMO's IR team were again in close contact with investors. Activities in which they took part included the SRC Forum in Frankfurt, the Baader Bank Investment Conference in Munich and a Raiffeisen Centro Bank road show in London. S IMMO also met numerous investors at the Erste Group Investment Conference in Stegersbach. Investors from Poland, Switzerland and Austria expressed interest in the Group's future development and strategy. At the end of November, S IMMO will take part in Auerbach-Grayson's annual investment conference, which is organised for Erste Group in New York. SRC Research and Erste Group also commented positively on S IMMO's strategy in their analysis updates, and subsequently corrected their target price for the S IMMO Share upwards.

The established and permanently available standard information package for branches of Erste Bank and Sparkassen was also distributed during the third quarter. The Group provides this service as the best possible way to support its partners in advising S IMMO's largest investor group, Austrian private shareholders. Additionally, information events were organised for private investors. The Group will continue to use all its efforts to convince particularly investors with a long-term perspective of the soundness of its strategy.

in EUR	S IMMO Share price AT0000652250	S IMMO INVEST price AT0000795737	S IMMO INVEST price AT0000630694	ATX	IATX
30.09.2011	3.970	69.600	69.000	1,943.74	139.74
31.12.2011	4.500	67.500	67.800	1,891.68	138.49
30.09.2012	4.770	70.000	70.500	2,089.74	152.17

Interim Management Report

Economic overview

After a positive start to the year, the global economy stumbled in the second quarter of 2012, with both developed and emerging countries experiencing negative developments. The debt crisis in the eurozone is only partly to blame for this, as many developed countries outside of the euro area also struggled with macroeconomic imbalances and were forced to deal with economic setbacks similar to those seen in the countries of Southeastern Europe.

In the US, economic growth decelerated again compared to the end of 2011. The main risk factor is the drastic fiscal consolidation mandated in the current legislation, which could even lead to economic stagnation in 2013. However, the consolidation plan may still be toned down in order to avoid jeopardising growth. In contrast, the US real estate market has been issuing positive signals for several months now.

According to a forecast published recently by the International Monetary Fund (IMF), the eurozone will once again be the region with the lowest growth in 2013 and will only gradually start to emerge from the recession in mid-2013. The reason for the weak economic growth of 0.2% in 2012 is the unexpectedly meagre development in the first half of the year. Nearly all Western governments implemented their austerity measures at the same time, which led to a more pronounced decline in global demand. Sentiment has improved in recent weeks due to the plan announced by the President of the European Central Bank (ECB) allowing the bank to buy unlimited volumes of government bonds. At the same time, however, the concerns about whether Spain will require a rescue package and the uncertainty about whether the resources of the European Stability Mechanism (ESM) may be used for the capitalisation of banks are once again causing anxiety on the markets. The IMF forecasts moderate growth for Southeastern Europe: Romania's economy is expected to grow by 0.9% this year and Bulgaria's by 0.5%.

Despite the recession in Europe, Austria's economy is among the leaders in the eurozone, with an expected increase in economic output of 0.6%. Conditions on the Austrian labour market remain very good in international comparison. According to EuroStat, Austria had the lowest unemployment rate by far in the entire European Union in July at 4.5%.

In conclusion, it is safe to say that, aside from a brief period of improvement in 2011, the problems in the global economy have deepened again this year. The recovery has faltered, and if the economy gains much momentum at all next year, it will probably not be until the second half.

Sources: Austrian Federal Economic Chamber (WKO), Austrian Institute of Economic Research (WIFO), CBRE, Cushman & Wakefield, Das Handelsblatt, Das Wirtschaftsblatt, Der Standard, EHL, EuroStat, findmyhome.at, Forton, Hospitalitynet.org, HotStats.com by TRI Hospitality Consulting, Institute for Advanced Studies (IHS), IMX September 2012 – The property index of ImmobilienScout24, International Monetary Fund (IMF), Oesterreichische Nationalbank (OeNB), Raiffeisenbank, Vienna Tourist Board, World Bank

Real estate market overview

AUSTRIA

In Q3 2012, rents on the Viennese residential market saw an increase of 3%. The average rent in Vienna amounted to EUR 13.89/m²/month, and to EUR 15.34/m²/month in the central districts. Freehold flats are still in demand as a secure investment since prices in Vienna are still favourable when compared internationally.

In 2012, there were considerably more large-scale lettings on the Viennese office market than in the years before. Demand has started to recover: For the first time in five years, take-up will increase slightly in 2012. Deliveries, however, reached a record low and are expected to decrease further in 2013. As lettings were primarily the result of relocations into premium new buildings accompanied by a reduction of space, the vacancy rate rose to 6.4%. Pressure therefore increased especially on landlords of older properties.

The Viennese hotel market saw a 7.5% year-on-year increase in overnight stays in the first three quarters of 2012, with domestic and foreign tourism posting equal gains. Room revenues increased by 6.4% year-on-year in the period from January to July 2012. The average occupancy rate for the first nine months of the year was 71%. This is an increase of 1.7% compared to 2011. The average room rate rose by 2.5% to approximately EUR 138. Roughly 1,200 new hotel rooms have come onto the market since January 2012, but according to experts, these rooms have been absorbed for the most part. Additional hotel rooms in the mid-class and luxury segment will come onto the market in the coming years. Although the number of overnight stays is rising, it can be assumed that this will also put increased investment pressure on existing, older hotels as a result of greater competition.

GERMANY

The demand for German residential properties, especially in Berlin, is unabated. Demand and prices are being boosted further by the fear of inflation and the historically low interest rates. At the moment, German residential portfolios are one of the most popular asset classes among institutional investors.

The vacancy rate in the five most important German office markets, Berlin, Hamburg, Frankfurt, Düsseldorf and Munich, fell to 9.4% in the third quarter of 2012 – a decrease of 0.9 percentage points when compared with the same period last year. This decline is attributable on the one hand to the low level of speculative completions in 2011 and 2012, and on the other hand to the change in use of vacant space. However, for the next two years, an increase of new office space coming to the market is expected.

CENTRAL EUROPE (CEE)

Gross take-up on the Prague office market decreased by 38% in Q3 2012 compared to the previous quarter and amounted to 44,400 m². The vacancy rate rose slightly by 0.3 percentage points to 11.8%. At 780 m², net absorption in Q3 was close to zero. However, the market has taken on 73,100 m² so far in 2012. By the end of the year, almost 20,000 m² of new space will have been completed.

More than half of the 95,000 m² of Q3 total letting volume on the Budapest office market can be attributed to renewed or renegotiated contracts. Tenants are cautious and are looking for the best possible lease terms. The vacancy rate is still high because of expansions and new leases being limited and excess space being released back to the market. In the near future, the market will remain tenant-driven, and a recovery is expected to be slow.

Demand on the Bratislava office market improved slightly in Q3. Nevertheless, occupiers are very cost-sensitive, which led to renewals and renegotiations accounting for 45% of all transactions. New office space with a total of 41,400 m² was brought to the market in the third quarter and increased the overall vacancy rate to 12%. A further rise is likely as new speculative completions are expected in Q4. Retailers are currently only expanding in prime locations and shopping centres. Occupier demand is low but stable, with the market currently favouring tenants.

The chain hotel segment in Prague has been struggling with major declines in occupancy and room rates over the last three years due to a substantial surplus of hotel rooms. According to market reports, the hotel industry experienced a marked recovery this summer and posted impressive growth rates. The average room rate increased by 4.2% to roughly EUR 82 from January to July. RevPAR, the average revenue per available room, saw even stronger growth of 5.4% due to slightly higher occupancy. The gross operating profit (GOP) per available room showed a remarkable gain of 15.5% year-on-year. The surplus appears to have been absorbed now, and the growing demand is once again allowing for significant increases in room rates. Industry experts also expect positive development in other Central European markets. Budapest's hotel market is stable despite the country's economic and financial challenges. In the first half of 2012, RevPAR remained at a level similar to that seen in the same period of the previous year. The situation was similar in Bratislava, where the occupancy rate increased by 16 percentage points in August to roughly 55.5% compared with August 2011.

SOUTHEASTERN EUROPE (SEE)

In the third quarter of 2012, new supply on the Sofia office market fell by 20% when compared to Q2 and amounted to 19,100 m². Absorption, however, gained momentum at the end of the quarter. Nevertheless, relocations still account for most of the leasing activity. Prime-quality office buildings are profiting from this development by gradually increasing their occupancy level as many companies move from lower-quality offices to grade-A-buildings. Several larger leasing deals are close to completion at the moment, which will have a positive impact on the absorption in Q4.

Like most of the markets in CEE and SEE, the Bucharest office market is currently tenant-led. Flexible lease terms and incentive packages are daily fare. In Q3, leasing activity amounted to 37,000 m², while 61,500 m² of new space was delivered to the market. There is still an overhang of supply, especially because

	Prime rents (EUR/m²/month)		Prime yields (%)		Take-up Q1 – Q3 2012 (m²)	Vacancy rate (%)
	Office	Retail	Office	Retail	Office	Office
Berlin	22.00[1]	290.00[1]	5.10[1]	4.75[1]	405,500[2]	8.5[2]
Bratislava	17.00[1]	80.00[1]*	7.25[1]	7.00[1]*	77,650[7]	12.0[7]
Bucharest	20.00[1]	100.00[1]*	7.50[1]	7.00[1]*	244,079[8]	13.2[9]
Budapest	19.00[1]	50.00[1]*	8.25[1]	8.75[1]*	159,900[9]	21.5[11]
Hamburg	24.00[1]	250.00[1]	4.75[1]	4.40[1]	303,500[10]	8.2[10]
Prague	21.00[1]	85.00[1]*	6.50[1]	6.25[1]*	195,000[4]	11.8[4]
Sofia	13.00[1]	25.00[1]*	9.00[1]	9.00[1]*	71,100[6]	21.4[12]
Vienna	24.50[1]	300.00[1]	5.05[1]	4.30[1]	195,000[3]	6.4[3]
Zagreb	15.00[1]	22.50[1]*	8.30[1]	8.25[1]*	41,400[5]	15.0[5]

* Data for shopping centres. Data for the remainder of the locations is for high street retail.

1 CBRE, Market View, EMEA Rents and Yields, Q3 2012
2 CBRE, Market View, Office Market Berlin, Q3 2012
3 CBRE, Market View, Office Market Vienna, Q3 2012
4 CBRE, Market View, Office Market Prague, Q3 2012
5 CBRE, Market View, Office Market Zagreb, Q3 2012
6 Forton, Bulgarian Office Market, Q3 2012
7 Cushman & Wakefield, Marketbeat Office Snapshot Slovakia, Q3 2012
8 Cushman & Wakefield, Marketbeat Office Snapshot Hungary, Q3 2012
9 Cushman & Wakefield, Marketbeat Office Snapshot Romania, Q3 2012
10 CBRE, Market View, Office Market Hamburg, Q3 2012
11 Budapest Research Forum, Office Market, Q3 2012
12 MBL, Market Overview, Office Space Sofia, Q3 2012

occupiers are discarding excess space. In 2013, lower levels of speculative development and increased leasing activity are expected to help establish a balance between supply and demand.

Despite stronger leasing activity, the overall vacancy rate on the Zagreb office market increased to almost 15%. The main reasons were the delivery of new stock and relocations to smaller units. Currently, there is 135,000 m² of new office space under construction, of which 53% is planned to be delivered by the end of the year and the rest in 2013.

Prime retail rents and yields in Sofia remained unchanged in Q3. The four shopping malls due to open in Sofia by the end of 2013 are expected to put some downward pressure on rental levels.

Activity on the Bucharest retail market is still driven by the expansion of large retailers and international brands focusing on prime shopping centres. Consumer spending and economic growth are forecasted to improve in 2013.

Business performance and results

Property portfolio

As at 30 September 2012, S IMMO Group owned a total of 218 properties, with total usable space of some 1,300,000 m² and a book value of EUR 1,855.7m. The properties are primarily located in European capitals – Vienna, Berlin, Prague, Bratislava, Budapest, Bucharest, Sofia and Zagreb.

S IMMO's portfolio is diversified by property type and region. The breakdown by property use type was as follows: 36.8% office property, 27.9% retail property, 20.8% residential property and 14.5% hotels. By region, 32.5% of the properties were in Austria, followed by Germany with 25.8%, SEE with 21.4% and CEE with 20.3%. This includes the Vienna Marriott and Budapest Marriott Hotels, which are operated under management agreements. The occupancy rate at 30 September 2012 was 93.2%, and the overall rental yield for the quarter came to 6.9%.

Overview of rental yields

in %	30.09.2012
Germany	6.6
Austria	5.8
SEE	8.5
CEE	7.5
Total	6.9

Performance

S IMMO's performance over the first nine months of 2012 was very satisfactory. The net income for the period of EUR 20.4m was up again compared to the same period last year. This is attributable to increased efficiency, cost savings and successful property disposals. Important indicators such as the FFO yield and the net asset value (NAV) were also higher.

Gross profit

Total revenues for the first three quarters of 2012 amounted to EUR 146.3m. Rental income continued to develop at a satisfactory level in spite of the successful property sales – while the property portfolio decreased by 5.8%, rental income dropped by only 2.5% to EUR 89.5m as compared with EUR 91.8m in the third quarter 2011. Revenues from hotel operations (revenues from the Vienna and Budapest Marriott Hotels, both operated under management agreements) increased slightly, from EUR 29.3m in the same period of 2011 to EUR 29.5m. The gross profit from hotel operations in the third quarter of 2012 came to EUR 6.2m, compared with EUR 6.9m for the same period last year.

The largest part of the rental income came from Germany, which contributed 27.8%, followed by Austria with 26.0%, SEE with 25.8% and CEE with 20.4%. Rental income for the third quarter by property type was as follows: Retail properties contributed 36.0%, followed by offices with 34.6%, residential properties with 22.7% and hotels with 6.7%.

In total, gross profit for the first three quarters dropped slightly by 2.9% to EUR 77.8m, compared with EUR 80.1m in the same period last year. This decrease was most of all a consequence of the property disposals as mentioned before.

Successful property disposals

In the first three quarters of 2012, S IMMO took advantage of the excellent climate in the property market and disposed of 14 properties in Germany at a profit. Six properties in Austria were also sold. The disposals were made up as follows:

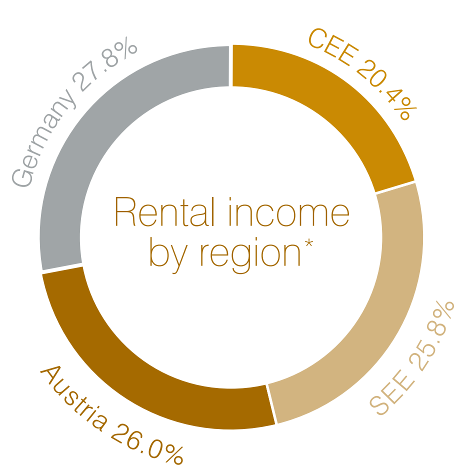
- one office building in Munich
- one office building in Hamburg
- nine residential properties in Berlin
- three residential properties in Hamburg
- three office buildings in Vienna
- one residential property in Vienna
- two apartments in the office and residential complex Neutor 1010 in Vienna

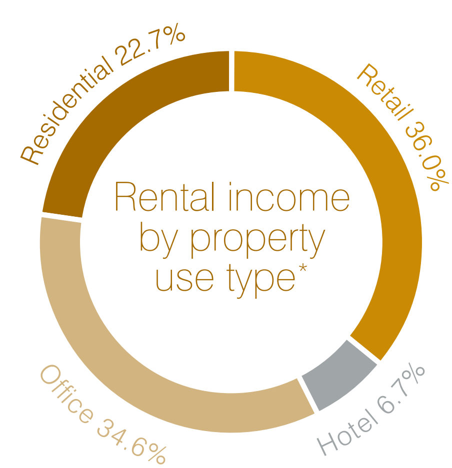
At 30 September 2012, the sale proceeds for the year to date totalled EUR 130.1m, compared with EUR 40.5m for the same period last year. This means that by the end of the third quarter, S IMMO had already surpassed its goal of disposing of properties to the value of EUR 100m in 2012. The resulting gains on disposal amounted to EUR 9.7m. Despite the disposals, EBITDA fell by only 1.8% to EUR 75.3m, compared with EUR 76.6m for the first nine months of 2011. Gains from property valuations in the first three quarters of 2012 came to EUR 5.5m (Q3 2011: EUR 4.3m), and were entirely attributable to the German property portfolio. At EUR 73.9m (Q3 2011: EUR 74.0m), EBIT for the period remained more or less unchanged.

Financing costs for the first three quarters of 2012 amounted to EUR 41.8m, compared with EUR 40.3m for the same period last year. The difference was partly due to a non-cash foreign exchange loss of EUR 2.0m, as opposed to a foreign exchange gain of EUR 3.3m for the first three quarters of 2011. The loss was the result of the appreciation of the Hungarian forint, the Czech crown and the Croatian kuna against the euro. The Romanian leu declined in value against the euro.

Further increase in net profit for the period

In total, the Group's consolidated net income for the third quarter came to a very satisfactory EUR 20.4m, compared with EUR 20.3m for the same period last year, a slight increase of 0.7% despite the smaller portfolio.





* Not including Vienna Marriott Hotel and Budapest Marriott Hotel

Funds from operations (FFO)

FFO climbed 7.7% in the first three quarters of 2012 to EUR 24.9m. The corresponding figure last year was EUR 23.1m. In calculating FFO, the results for the period are adjusted for non-cash items such as depreciation and amortisation, valuation gains and losses on interest rate hedges, and exchange rate differences. With S IMMO's market capitalisation at EUR 324.9m as at 30 September 2012, the FFO yield was a very satisfactory 10.2%.

Net operating income (NOI)

Because of property disposals, NOI fell slightly by 3.1% to EUR 72.7m, compared with EUR 75.0m for the same period last year. However, the NOI margin improved by 0.3 percentage points and was nearly on a par with the same period last year. This is attributable to increases in efficiency and a reduction in property related costs.

Net operating income as at 30 September

	2012	2011	Change
NOI (EUR m)	72.7	75.0	-3.1%
NOI margin (%)	49.7	49.4	0.3 pp

Cash flow

For the first three quarters of 2012, operating cash flow came to EUR 68.0m (Q3 2011: EUR 74.0m). This reduction is due to the fact that less apartments were sold in the Viennese office and residential building Neutor 1010 in the period under review compared with the third quarter 2011. The net cash inflow from investing activities came to EUR 120.5m, compared with EUR 8.7m for the first nine months of 2011. The net cash outflow from financing activities totalled EUR 224.1m, compared with EUR 153.5m for the same period last year.

Consolidated balance sheet

The property sales meant that S IMMO Group's total assets as at 30 September 2012 were down compared with nine months earlier, from EUR 2,175.4m to EUR 2,014.7m. As at 30 September 2012, S IMMO's cash and cash equivalents totalled EUR 72.7m (31 December 2011: EUR 115.3m).

Net asset value (NAV)

As at 30 September 2012, balance sheet NAV stood at EUR 7.01 per share (31 December 2011: EUR 6.96 per share). The EPRA NAV, the inner value of the share calculated in accordance with the guidelines of the European Public Real Estate Association, was EUR 9.02 per share (31 December 2011: EUR 8.70 per share). EPRA NAV represents the value of equity minus effects that do not have a long-term impact on the business activities of the Group, such as valuations of derivatives and deferred taxes.

Opportunities and risks

The overall assessment of potential opportunities and possible risks for S IMMO Group is explained in detail in the Annual Report 2011 (pages 49–53). Since the economic and business climate has hardly changed since the publication of the Annual Report, the discussion in this section concentrates mainly on possible risks in the coming months.

The economic environment in the EU continues to present challenges, with the third quarter of 2012 also contributing only limited growth. For the whole of 2012, the German Institute for Economic Research (DIW) is forecasting growth of only 0.9% for the German economy. The Greek economy will shrink for the fifth year in succession, and there is virtually no improvement to be seen in Southeastern Europe either. Both the International Monetary Fund (IMF) and the EU Commission agreed that the Romanian economy grew by 1.4% in the second quarter, but in mid-August the IMF revised its forecast for the whole year down from 1.5% to 0.9%. The reasons it gives are the internal political struggles and the resulting loss of confidence. The picture is similar in Bulgaria, where economic growth of 0.5% is forecasted. These bleak prospects could affect both property valuations and lettings in Southeastern Europe. We believe that the bottom has been reached, but we are not expecting a sustained recovery in the immediate future. We are therefore anticipating higher default risks for financially weaker tenants in the region, and increased letting risks.

Under the present economic circumstances, we are unable to exclude a general deterioration in the ability of business partners to meet their financial obligations. This could make higher provisions against trade receivables necessary.

Stricter capital adequacy requirements for banks could lead to more restrictive lending policies in the future, which would affect the refinancing of maturing loans in the coming years. There is no more exposure to refinancing risks for S IMMO in the current year, because all necessary refinancing has been successfully completed. S IMMO Group uses derivative financial instruments (caps, collars and swaps) to minimise interest rate risks on external borrowing. There is also hardly any exposure to cash-effective foreign exchange rate risks, since loans are almost entirely denominated in euro, and rental agreements are almost without exception linked to the euro. Non-cash exchange rate exposures can, however, result from fluctuations in SEE and CEE currencies against the euro.

Outlook

The European Union continues to struggle with the debt crises of several of its member states, even though the European Stability Mechanism (ESM) is a powerful step towards stabilising the eurozone. The ESM was officially launched in Luxembourg on 08 October 2012 with a lending capacity of EUR 500bn to provide emergency loans to eurozone states facing financial difficulties. There is an additional, unused amount of EUR 200bn still available from the European Financial Stability Facility (EFSF), which was created in 2010. Nonetheless, the economic forecasts for the eurozone are still as grim as ever. The Organisation for Economic Co-operation and Development (OECD) expects economic activity in the eurozone to weaken, and the International Monetary Fund (IMF) also reduced its growth forecast for the eurozone for 2013 to 0.2%. In fact, in 2012 the economies are expected to shrink by 0.4%. Even for core countries such as Germany, the forecasts have been revised downwards – Europe's biggest economy is projected to grow by only 0.9% in both 2012 and 2013. The member states with the most intractable problems continue to be Greece and Spain. Markit's purchasing managers index for the eurozone fell from 46.3 points in August to 46.1 points in September, its lowest level in roughly three years and even further below the 50-point mark that signifies growth.

In this difficult environment, S IMMO benefits from the diversification of its portfolio by both region and property type. In Germany, our most profitable market at present, we are taking advantage of the current buoyancy of residential property. Our goal to dispose of around 5% of our portfolio a year for at least EUR 100m has already been achieved for this year. The plan for 2013 is to do the same. Among other things, we will use the proceeds of sale to reduce the loan-to-value ratio from its current level of around 55% to under 50%. Overall, S IMMO is anticipating a highly satisfactory financial year 2012.

In the capital markets, we are continuing with our share repurchase programme and our S IMMO INVEST participating certificate repurchase programme until both expire at the end of June 2013. S IMMO's distribution of a dividend in June 2012 represents a change in long-term strategy, and the intention is to continue to pay dividends in the years to come.

Development activities in the medium term will be concentrated on the inner city Quartier Belvedere Central project around Vienna's new Central Station. In the coming years, S IMMO and its partners will be constructing a mixture of office, hotel and retail properties with gross floor space of around 130,000 m².

Consolidated interim financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONSOLIDATED INCOME STATEMENT For the nine months ended 30 September 2012	16
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME For the nine months ended 30 September 2012	17
CONSOLIDATED INCOME STATEMENT For the three months ended 30 September 2012	18
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME For the three months ended 30 September 2012	19
CONSOLIDATED CASH FLOW STATEMENT	20
CHANGES IN CONSOLIDATED EQUITY	20
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	21

Consolidated statement of financial position

as at 30 September 2012

Assets EUR '000	NOTES	30 September 2012	31 December 2011
NON-CURRENT ASSETS			
Properties held as financial investments			
Investment properties	3.1.1.	1,669,955	1,716,899
Properties under development and undeveloped land	3.1.1.	56,597	55,480
		1,726,552	1,772,379
Owner-operated properties	3.1.2.	129,189	134,321
Other plant and equipment		6,614	7,472
Intangible assets		152	165
Goodwill		10	10
Interests in associated companies		8,024	8,266[1]
Group interests		744	730[1]
Deferred tax assets		36,981	33,532
		1,908,266	1,956,875
CURRENT ASSETS			
Properties held for sale	3.1.3.	0	62,800
Inventories	3.1.4.	5,320	7,097
Trade receivables		8,798	9,943
Other accounts receivable		12,466	15,987
Other assets		7,231	7,416
Cash and cash equivalents	3.1.5.	72,660	115,260
		106.475	218,503
		2,014,741	2,175,378

[1] Adjusted

Equity and liabilities

EUR '000

	NOTES	30 September 2012	31 December 2011
SHAREHOLDERS' EQUITY			
Share capital		245,449	246,341
Capital reserves		73,248	73,416
Other reserves		154,927	154,285
		473,624	474,042
Non-controlling interests	3.1.6.	26,436	29,088
		500,060	503,130
NON-CURRENT LIABILITIES			
Subordinated participating certificate capital	3.1.7.	229,016	230,797
Financial liabilities	3.1.8.	1,066,784	1,103,371
Provisions		7,756	7,892
Other liabilities		9,597	9,717
Deferred tax liabilities		62,012	62,600
		1,375,165	1,414,377
CURRENT LIABILITIES			
Financial liabilities	3.1.8.	97,170	208,888
Trade payables		6,256	9,900
Other liabilities		36,091	39,083
		139,517	257,871
		2,014,741	2,175,378

Consolidated income statement

for the nine months ended 30 September 2012

EUR '000	NOTES	01–09/2012	01–09/2011
Revenues			
Rental income	3.2.1.	89,451	91,755
Revenues from operating costs		27,319	30,847
Revenues from hotel operations		29,529	29,312
		146,299	151,923
Other operating income		5,066	5,064
Expenses directly attributable to properties	3.2.2.	-50,297	-54,468
Hotel operating expenses	3.2.2.	-23,312	-22,458
Gross profit		77,756	80,061
Income from property disposals		130,106	40,480
Carrying value of property disposals		-120,448	-31,280
Gains on property disposals	3.2.3.	9,658	9,200
Management expenses		-12,158	-12,637
Earnings before interest, tax, depreciation and amortisation (EBITDA)		75,256	76,624
Depreciation and amortisation		-6,802	-6,951
Gains on property valuation		5,450	4,340
Operating result (EBIT)		73,904	74,013
Financing costs	3.2.4.	-41,785	-40,263
Participating certificates' result	3.1.7.	-9,404	-9,826
Net income before tax (EBT)		22,715	23,924
Taxes on income	3.2.5.	-2,332	-3,673
Consolidated net income for the period		20,383	20,251
of which attributable to shareholders in parent company		19,296	16,669
of which attributable to non-controlling interests		1,087	3,582
Earnings per share			
undiluted = diluted		0.29	0.24

Consolidated statement of total comprehensive income

for the nine months ended 30 September 2012

EUR '000	01–09/2012	01–09/2011
Consolidated net income for the period	20,383	20,251
Change in value of cash flow hedges	-19,111	-13,835
Income tax related to other comprehensive income	3,777	3,313
Foreign exchange rate differences	2,007	-3,559
Total comprehensive income for the period	7,056	6,170
of which attributable to shareholders in parent company	7,409	2,871
of which attributable to non-controlling interests	-353	3,299

Consolidated income statement

for the three months ended 30 September 2012

EUR '000	NOTES	07–09/2012	07–09/2011
Revenues			
Rental income	3.2.1.	28,847	30,016
Revenues from operating costs		7,958	9,835
Revenues from hotel operations		10,895	9,744
		47,700	49,595
Other operating income		1,342	750
Expenses directly attributable to properties	3.2.2.	-16,426	-17,763
Hotel operating expenses	3.2.2.	-8,027	-7,057
Gross profit		24,589	25,525
Income from property disposals		32,722	22,116
Carrying value of property disposals		-28,905	-16,865
Gains on property disposals	3.2.3.	3,817	5,251
Management expenses		-4,067	-3,693
Earnings before interest, tax, depreciation and amortisation (EBITDA)		24,339	27,083
Depreciation and amortisation		-2,271	-2,121
Gains/losses on property valuation		800	-2,260
Operating result (EBIT)		22,868	22,702
Financing costs	3.2.4.	-13,146	-8,225
Participating certificates' result	3.1.7.	-2,913	-3,053
Net income before tax (EBT)		6,809	11,424
Taxes on income	3.2.5.	-1,524	-1,288
Consolidated net income for the period		5,285	10,136
of which attributable to shareholders in parent company		5,034	9,350
of which attributable to non-controlling interests		251	786
Earnings per share			
undiluted = diluted		0.07	0.14

Consolidated statement of total comprehensive income

for the three months ended 30 September 2012

EUR '000	07–09/2012	07–09/2011
Consolidated net income for the period	5,285	10,136
Change in value of cash flow hedges	-6,495	-23,567
Income tax related to other comprehensive income	1,337	5,944
Foreign exchange rate differences	-120	-5,656
Total comprehensive income for the period	7	-13,143
of which attributable to shareholders in parent company	308	-13,479
of which attributable to non-controlling interests	-301	336

Consolidated cash flow statement

for the nine months ended 30 September 2012

EUR '000	01–09/2012	01–09/2011
Operating cash flow	67,961	73,997
Changes in net current assets	-7,003	-11,109
Cash flow from operating activities	60,959	62,888
Cash flow from investing activities	120,492	8,710
Cash flow from financing activities	-224,050	-153,470
Total	-42,600	-81,872
Cash and cash equivalents at 01 January	115,260	129,721
Cash and cash equivalents at 30 September	72,660	47,849
Net change in cash and cash equivalents	-42,600	-81,872

Changes in consolidated equity

EUR '000	Share capital	Capital reserves	Foreign currency translation reserve	Hedge accounting reserve	Other reserves	Sub-total S IMMO shareholders	Non-controlling interests	Total
At 01 January 2012	246,341	73,416	-22,040	-55,627	231,952	474,042	29,088	503,130
Net income for the period	0	0	0	0	19,296	19,296	1,087	20,383
Other comprehensive income	0	0	2,007	-13,894	0	-11,887	-1,440	-13,327
Repurchase of treasury shares	-892	-169	0	0	0	-1,061	0	-1,061
Disposals	0	0	0	0	0	0	-2,299	-2,299
Distribution	0	0	0	0	-6,767	-6,767	0	-6,767
At 30 September 2012	245,449	73,248	-20,033	-69,521	244,481	473,624	26,436	500,060
At 01 January 2011	247,509	73,578	-13,398	-38,335	211,918	481,272	31,426	512,698
Net income for the period	0	0	0	0	16,669	16,669	3,582	20,251
Other comprehensive income	0	0	-3,559	-10,355	0	-13,914	-283	-14,197
Disposals	0	0	0	0	0	0	-1,331	-1,331
At 30 September 2011	247,509	73,578	-16,957	-48,690	228,587	484,027	33,394	517,421

Notes to the consolidated interim financial statements
(condensed)

1. THE GROUP

S IMMO Group (S IMMO AG and its subsidiaries) is an international real estate group. The parent company of the Group, S IMMO AG, has its registered office and headquarters at Friedrichstrasse 10, 1010 Vienna, Austria. The Company has been listed on the Vienna Stock Exchange since 1992, since 2007 in the Prime Segment. It has subsidiaries in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Romania, Bulgaria, Denmark and Cyprus. At 30 September 2012, S IMMO Group owned properties in all of the above mentioned countries except Denmark and Cyprus. The Company's principal business is the acquisition, letting and sale of properties in different regions and market segments in order to achieve a balanced investment portfolio. Another business activity is the development and construction of properties in cooperation with project development partners.

2. ACCOUNTING AND VALUATION POLICIES

2.1. Accounting policies

The consolidated interim financial statements for the nine months ended 30 September have been prepared in accordance with IAS 34 and do not contain all the information required to be disclosed in a full set of IFRS consolidated financial statements. The interim financial statements should therefore be read in conjunction with the IFRS consolidated financial statements for the year ended 31 December 2011.

In preparing the consolidated interim financial statements for the nine months ended 30 September 2012, the accounting and valuation policies applied in the consolidated financial statements for the year ended 31 December 2011 have been applied substantially unchanged.

The financial statements for the nine months ended 30 September 2012 have neither been audited nor reviewed by independent auditors.

The accounting policies of all companies included in consolidation are based on the uniform accounting regulations of S IMMO Group. The financial year for all companies is the year ending on 31 December. There has been no change in the companies included in consolidation as compared with the consolidated financial statements for the year ended 31 December 2011.

The consolidated interim financial statements are presented rounded to the nearest 1,000 euro (EUR '000). The totals of rounded amounts and the percentages may be affected by rounding differences caused by the use of computer software.

2.2. Reporting currency and currency translation

The Group's reporting currency is the euro. The functional currencies of Group companies are determined by the business environment in which they operate. In the case of S IMMO Group companies, the functional currencies are the respective national currencies. Functional currencies are translated into the reporting currency in accordance with IAS 21, as follows:

(a) Assets and liabilities at closing rates
(b) Income and expenses at the average rate for the period
(c) All resulting exchange differences are recognised in the foreign currency translation reserve under equity.

3. NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.1. Statement of financial position

3.1.1. Properties held as financial investments

EUR '000	Investment properties	Properties under development and undeveloped land
As at 01 January 2011	1,810,322	55,989
Additions	12,053	1,991
Disposals	-25,316	0
Changes in fair value	-17,360	-2,500
Reclassifications	-62,800	0
As at 31 December 2011	1,716,899	55,480
whereof pledged as security	1,684,951	0
Additions	3,575	1,117
Disposals	-55,969	0
Changes in fair value	5,450	0
Reclassifications	0	0
As at 30 September 2012	1,669,955	56,597
whereof pledged as security	1,617,734	0

Consisting of:

Investment properties

EUR '000	30.09.2012	31.12.2011
Austria	554,790	568,390
Germany	478,577	513,385
Central Europe	307,218	305,855
Southeastern Europe	329,370	329,269
	1,669,955	1,716,899

Properties under development and undeveloped land

EUR '000	30.09.2012	31.12.2011
Austria	0	0
Germany	0	0
Central Europe	6,386	6,322
Southeastern Europe	50,211	49,158
	56,597	55,480

3.1.2. Owner-operated properties

Owner-operated properties are hotels operated for the S IMMO Group by international hotel chains under management agreements. Both income and expenses of hotel operations are subject to seasonal fluctuations.

3.1.3. Properties held for sale

Properties are treated as held for sale if it is the intention of the Group's Management to dispose of them in the near future (if, for example, negotiations for sale are already well advanced). This is currently not intended for any properties.

EUR '000	30.09.2012	31.12.2011
Germany	0	46,550
Austria	0	16,250
	0	62,800

3.1.4. Inventories

Inventories essentially consist of freehold apartments under construction (in Austria) and are measured at cost of acquisition and construction. The carrying values in the consolidated financial statements as at 30 September 2012 amounted to EUR 5,320,000 (2011: EUR 7,097,000). External construction finance directly attributable to such inventories is capitalised as acquisition and construction costs.

3.1.5. Cash and cash equivalents

EUR '000	30.09.2012	31.12.2011
Bank balances	72,443	115,033
Cash in hand	217	227
	72,660	115,260

3.1.6. Non-controlling interests

The non-controlling interests of EUR 26,436,000 (2011: EUR 29,088,000) consisted principally of Einkaufscenter Sofia G.m.b.H. & Co KG (35% interest).

3.1.7. Participating certificates (subordinated)

The terms of the agreement for S IMMO INVEST participating certificates were changed retroactively with effect from 01 January 2007 and the S IMMO INVEST Participating Certificates Fund was dissolved (resolution of the meeting of the holders of the participating certificates of 11 June 2007 and resolution of the Annual General Meeting of 12 June 2007).

Under the amended agreement, the holders of the participating certificates receive an annual income entitlement (interest) calculated as follows:

$$\text{(Participating certificate capital + profit brought forward)} * \frac{\text{Consolidated EBIT}}{\text{Average property portfolio (not including development projects)}}$$

To the extent that the income entitlement under the terms of the Participating Certificates Agreement is not paid out, it is added to the profit carried forward into the next year.

For the nine months ended 30 September 2012, the total share of earnings was EUR 8,620,000 (2011: EUR 10,595,000).

As at 30 September 2012, there were 2,905,426 participating certificates in issue. The total entitlements of participating certificate holders as of that date were EUR 78.82 per certificate (2011: EUR 79.44) and made up as follows:

EUR '000	Participating certificate capital	Profit brought forward	Profit for the period	Share of undisclosed reserves on property portfolio	Total
Participating certificates capital – 01 January 2012	211,137			1,720	212,857
Profit brought forward 01 January 2012		7,345			7,345
Income entitlements of participating certificate holders from 2011			10,595		10,595
Distribution – 18 May 2012			-11,186		-11,186
Change in profit brought forward pursuant to Clause 5(6), Participating Certificates Agreement		-591	591		0
Income entitlements of participating certificate holders			8,620		8,620
Allocation of undisclosed reserves on property portfolio				784	784
Participating certificates capital as at 30 September 2012	211,137	6,755	8,620	2,504	229,016
Per participating certificate (EUR)	72.67	2.32	2.97	0.86	78.82

EUR '000	Participating certificate capital	Profit brought forward	Profit for the period	Share of undisclosed reserves on property portfolio	Total
Participating certificate capital – 01 January 2011	234,352			1,254	235,606
Profit brought forward 01 January 2011		12,762			12,762
Income entitlements of participating certificate holders from 2010			9,452		9,452
Distribution – 28 April 2011			-13,869		-13,869
Change in profit brought forward pursuant to Clause 5(6), Participating Certificates Agreement		-4,417	4,417		0
Repurchase and retirement of 319,458 participating certificates	-23,215	-999		-124	-24,339
Income entitlements of participating certificate holders			10,595		10,595
Allocation of undisclosed reserves on property portfolio				590	590
Participating certificates capital as at 31 December 2011	211,137	7,345	10,595	1,720	230,797
Per participating certificate (EUR)	72.67	2.53	3.65	0.59	79.44

The participating certificates mature on 31 December 2029. With effect from 31 December 2017, both the holders and the company may annually give notice of redemption of the participating certificates in whole or in part.

3.1.8. Financial liabilities

The short-term and long-term financial liabilities amounted to EUR 1,163,954,000 (2011: EUR 1,312,259,000) in total, made up as follows:

EUR '000	30.09.2012	31.12.2011
Remaining maturity less than 1 year	97,170	208,888
Remaining maturity between 1 and 5 years	370,293	328,918
Remaining maturity over 5 years	696,491	774,453
	1,163,954	1,312,259

3.1.9. Derivatives

S IMMO Group uses caps, collars and swaps to hedge interest rate risks. EUR 52,000 of these derivatives were disclosed under other financial assets (31.12.2011: EUR 259,000), and EUR 95,388,000 under non-current financial liabilities (31.12.2011: EUR 76,786,000). The fair value measurement of derivatives is based on estimates made by banks. In the first nine months of 2012 an expense of EUR 19,111,000 was recognised under equity without affecting the income statement, and EUR 302,000 were recognised as financial income in the consolidated income statement.

30.09.2012

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	459,371	0	-73,854
Caps	454,529	52	-2,649
Collars	200,000	0	-18,885
Total	1,113,900	52	-95,388

31.12.2011

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	461,493	0	-57,919
Caps	474,506	259	-1,878
Collars	200,000	0	-16,988
Total	1,135,999	259	-76,786

3.2. Consolidated income statement

3.2.1. Rental income

Rental income by property use type was as follows:

EUR '000	01–09/2012	01–09/2011
Office	30,949	31,886
Residential	20,279	21,123
Retail	32,201	31,902
Hotels	6,022	6,844
	89,451	91,755

3.2.2. Operating costs and expenses from properties and hotel operations

These expenses arise in connection with non-current property assets, consisting mainly of operating costs, provisions for doubtful debts, maintenance expenses and commissions.

The expenses of hotel operations are largely made up of expenses for food, beverages, catering supplies, hotel rooms, licences and management fees, maintenance, operating costs, commissions, personnel expenses and advertising. Both income and expenses of hotel operations are subject to seasonal fluctuations.

The average number of employees in the Group was 532, including hotel staff (Q3 2011: 541). Personnel expenses for the hotels are disclosed under hotel operations.

3.2.3. Gains on property disposals

In the third quarter of 2012, one residential and three office buildings in Vienna, nine residential properties in Berlin, three residential and one office building in Hamburg as well as one office building in Munich were sold. Moreover two freehold flats in the Viennese property Neutor 1010 were sold.

EUR '000	01–09/2012	01–09/2011
Disposal proceeds		
Properties held as financial investments	62,475	26,485
Properties held for sale	64,570	6,300
Inventories	3,061	7,695
	130,106	40,480
Carrying value of property disposals		
Properties held as financial investments	-55,969	-20,615
Properties held for sale	-62,800	-6,000
Inventories	-1,679	-4,665
	-120,448	31,280
Gains on property disposals		
Properties held as financial investments	6,506	5,870
Properties held for sale	1,770	300
Inventories	1,382	3,030
	9,658	9,200

3.2.4. Financing costs

Net financing costs were made up as follows:

EUR '000	01–09/2012	01–09/2011
Financing expense	-43,049	-44,574
Financing income	1,264	4,311
	-41,785	-40,263

In the third quarter of 2012, financing costs included a non-cash foreign exchange loss of EUR 1,972,000.

3.2.5. Taxes on income

EUR '000	01–09/2012	01–09/2011
Current tax expense	-2,768	-1,122
Deferred tax income/expense	436	-2,551
	-2,332	-3,673

4. OPERATING SEGMENTS

Segment reporting for S IMMO Group is based on geographical regions. The four regions are as follows.

Austria: This operating segment includes all the Group's Austrian subsidiaries.

Germany: This operating segment includes the German subsidiaries and also the subsidiaries in Denmark, which are property ownership companies holding properties in Germany.

Central Europe: This operating segment comprises the subsidiaries in Slovakia, the Czech Republic and Hungary.

Southeastern Europe: This operating segment includes the subsidiaries in Bulgaria, Croatia and Romania. The subsidiaries in Cyprus are also treated as part of this segment, which are related to the Group companies in Romania.

In preparing and presenting the segment information, the same accounting and valuation policies are applied as for the consolidated financial statements.

5. OTHER OBLIGATIONS AND CONTINGENT LIABILITIES

In S IMMO Group there were a number of open legal disputes at 30 September 2012, however in Management's opinion neither the individual amounts involved nor the total were material.

6. RELATED PARTY DISCLOSURES

For S IMMO Group related parties are as follows:

- S IMMO Group's managing bodies
- Erste Group
- Vienna Insurance Group
- Arealis Liegenschaftsmanagement GmbH

S IMMO Group's managing bodies are as follows:

S IMMO AG Management Board
Holger Schmidtmayr MRICS, Vienna
Ernst Vejdovszky, Vienna
Friedrich Wachernig MBA, Vienna

S IMMO AG Supervisory Board
Martin Simhandl, Vienna (Chairman)
Gerald Antonitsch, Vienna
(first deputy chairman)
Franz Kerber, Graz
(second deputy chairman)
Christian Hager, Krems
Erwin Hammerbacher, Vienna
Michael Matlin MBA, New York
Wilhelm Rasinger, Vienna
Ralf Zeitlberger, Vienna

	Austria	
EUR '000	2012	2011
Rental income	23,220	23,397
Revenues from operating costs	5,748	6,309
Revenues from hotel operations	17,244	17,231
Total revenues	46,212	46,937
Other operating income	2,906	3,602
Property operating expenses	-9,855	-10,341
Hotel operating expenses	-14,511	-13,556
Gross profit	24,752	26,642
Gains on property disposals	4,315	3,268
Management expenses	-7,620	-7,165
EBITDA	21,447	22,745
Depreciation and amortisation	-2,716	-2,717
Gains/losses on property valuation	0	-2,090
EBIT	18,731	17,938
	30.09.2012	31.12.2011
Non-current assets	648,926	663,372
Non-current liabilities (incl. participating certificates in Austria)	679,338	706,434

There were the following receivables and payables with Erste Group and Vienna Insurance Group at the reporting date:

EUR '000	30.09.2012	31.12.2011
Other receivables	1,356	1,292
Bank balances	36,067	92,289
Receivables	37,423	93,581

EUR '000	30.09.2012	31.12.2011
Non-current liabilities to banks	403,647	425,658
Non-current financial liabilities	45,869	61,593
Current bank and financial liabilities	45,617	103,150
Trade payables	168	668
Other liabilities	992	963
Liabilities	496,292	592,032

Germany		Central Europe		Southeastern Europe		Total	
2012	2011	2012	2011	2012	2011	2012	2011
24,857	26,802	18,261	19,973	23,113	21,583	89,451	91,755
8,071	10,008	5,477	5,341	8,023	9,189	27,319	30,847
0	0	12,285	12,090	0	0	29,529	29,321
32,928	36,810	36,023	37,404	31,136	30,772	146,299	151,923
1,645	1,200	350	202	165	60	5,066	5,064
-18,127	-22,667	-6,690	-6,490	-15,625	-14,970	-50,297	-54,468
0	0	-8,801	-8,902	0	0	-23,312	-22,458
16,446	15,343	20,881	22,214	15,676	15,862	77,756	80,061
5,343	5,932	0	0	0	0	9,658	9,200
-2,985	-3,631	-819	-774	-734	-1,067	-12,158	-12,637
18,804	17,644	20,063	21,440	14,942	14,795	75,256	76,624
-128	-125	-3,113	-3,272	-846	-837	-6,802	-6,951
5,450	1,730	0	700	0	4,000	5,450	4,340
24,126	19,249	16,950	18,868	14,096	17,958	73,904	74,013

30.09.2012	31.12.2011	30.09.2012	31.12.2011	30.09.2012	31.12.2011	30.09.2012	31.12.2011
479,951	513,956	380,417	381,382	398,972	398,165	1,908,266	1,956,875
254,425	290,974	239,525	245,136	201,877	171,833	1,375,165	1,414,377

There were the following material expenses and income in connection with Erste Group and Vienna Insurance Group in the first nine months of the year:

EUR '000	01–09/2012	01–09/2011
Management fees – Erste Group Immorent AG	1,075	1,278
Bank loan interest, other interest and charges	20,788	23,922
Other expenses	1,667	1,162
Expenses	23,531	26,362

EUR '000	01–09/2012	01–09/2011
Rent and revenues from operating costs	551	815
Bank interest	116	131
Other interest income	67	104
Income	735	1,050

7. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

At the time of going to press, another 30,727 shares as well as 111,528 participating certificates were repurchased in the fourth quarter of 2012.

As of Q4 2012 and in accordance with the stipulations of IAS 21 the functional currency of multiple group-entities in Romania, Bulgaria, Hungary and the Czech Republic had to be changed from local currency to euro due to a change in the underlying conditions. This change is a prospective change in line with the stipulations of IAS 21. Therefore, neither the currency translation adjustment shown in equity as at the end of Q3 2012 nor the cumulative foreign exchange adjustments in the profit-and-loss statement of Q3 2012 will be changed retroactively in S IMMO's year-end financial statements. Generally, this change is expected to lead to an improvement as regards the true and fair view of S IMMO's consolidated financial statements.

Vienna, 21 November 2012

Management Board

Holger Schmidtmayr MRICS, m.p.

Ernst Vejdovszky m.p.

Friedrich Wachernig MBA, m.p.

Financial calendar 2013

26 March 2013	Publication of preliminary results 2012
25 April 2013	Publication of annual results 2012 (press conference)
23 May 2013	Results first quarter 2013
12 June 2013	Annual General Meeting
17 June 2013	Dividend ex day
19 June 2013	Dividend payment day
27 August 2013	Results first half 2013
21 November 2013	Results first three quarters 2013

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