Q2 INTERIM REPORT AS AT 30 JUNE 2012

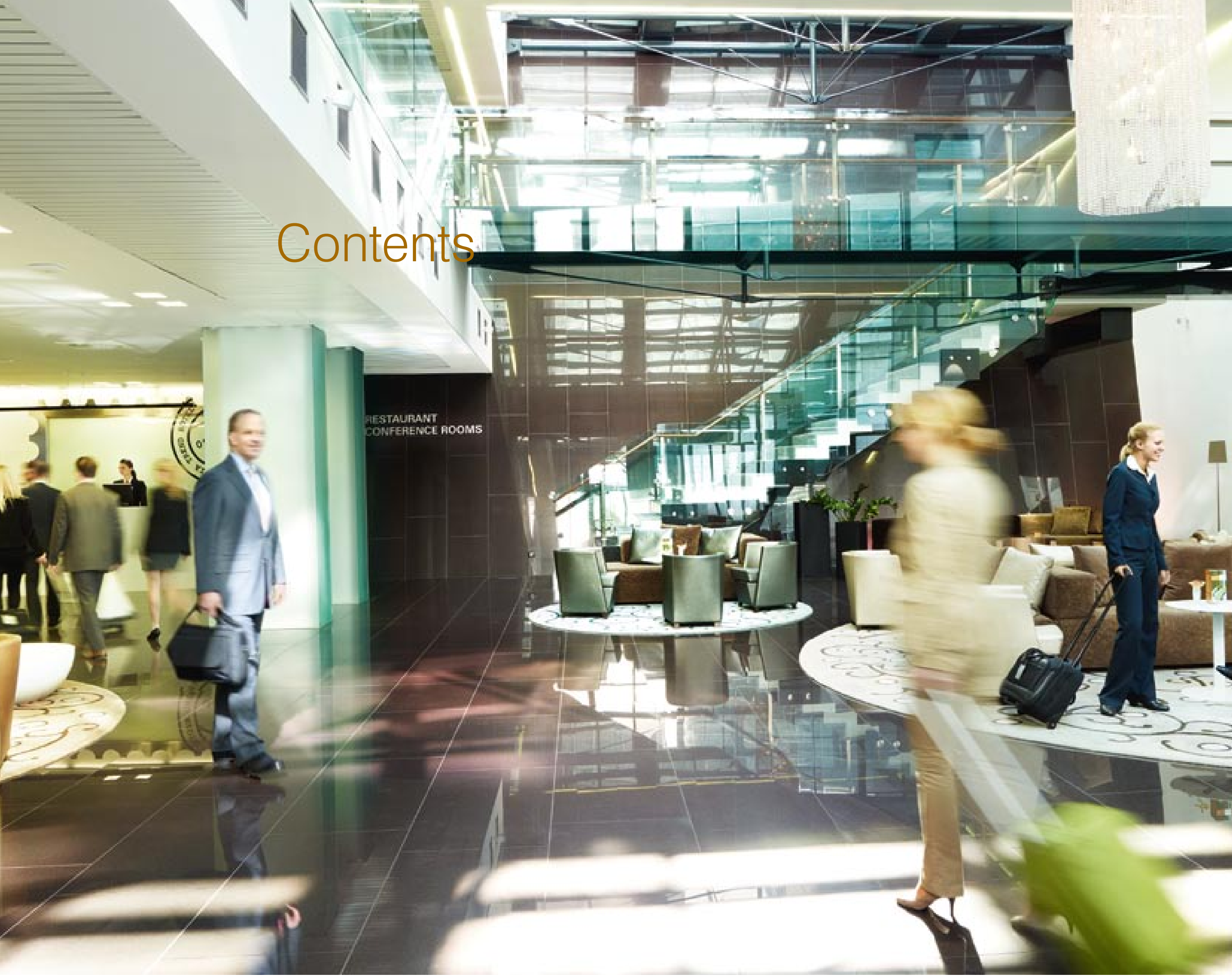
We bring properties to life.

S IMMO

KEY FIGURES

		01.01. – 30.06. 2012	01.01. – 30.06. 2011
Revenues	EUR m	98.6	102.3
whereof rental income and revenue from hotel operations	EUR m	79.2	81.3
EBITDA	EUR m	50.9	49.5
EBIT	EUR m	51.0	51.3
EBT	EUR m	15.9	12.5
Net income for the period	EUR m	15.1	10.1
Total assets	EUR m	2,026.8	2,172.8
Shareholders' equity	EUR m	501.1	530.4
Liabilities	EUR m	1,525.6	1,642.4
Equity ratio (incl. participating certificate capital)	in %	36	36
Investments	EUR m	7.4	17.9
Operating cash flow	EUR m	46.2	51.3
Cash flow from investing activities	EUR m	88.3	-5.8
Cash flow from financing activities	EUR m	-182.8	-118.3
Cash and cash equivalents as at 30 June	EUR m	54.5	58.3
NOI margin	in %	50	49
Loan to value ratio	in %	60	60
FFO	EUR m	16.2	11.0[1)]
Earnings per share	EUR	0.21	0.11
EPRA NAV per share	EUR	8.88	8.54
Share price discount from EPRA NAV	in %	52	46
Balance sheet NAV per share	EUR	7.00	7.31
Share price discount from balance sheet NAV	in %	39	37
Cash flow from operations per share	EUR	0.68	0.75
Property portfolio	EUR m	1,883.6	2,005.9
whereof properties under construction	EUR m	56.5	56.8

[1)] Adjusted



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Dear Shareholders,

In business life just as in sports or cultural events, halftime offers an opportunity to look back on what has been achieved and to review the objectives for the second half. With respect to the first six months of this financial year, we would like to emphasise that S IMMO AG's success story continues: We are making excellent progress, performance is as planned and the key indicators are on target.

Friedrich Wachernig MBA

Our operating results for the first half year were very satisfactory: We have been successful in renewing existing agreements with major tenants in Hungary and in signing new rental agreements in Southeastern Europe. We have signed a contract with another international tenant for the Eurocenter office building in Zagreb so that the property is now fully let. Our asset management team has notched up some impressive achievements in Austria as well, which include signing a 10-year rental agreement with the City of Vienna for nearly 4,000 m² of office and warehouse space in Arcade Meidling. Serdika Center, our shopping centre in Sofia, was awarded a further prize – SEE Green Building of the Year. These are only a few selected examples demonstrating the quality of our portfolio and the hard work and devotion our staff put into their day-to-day commitments in order to bring S IMMO's properties to life.

During the period under review, we sold 16 properties in Austria and Germany at a profit. The income from these sales came to EUR 97.4m, ensuring that at the halfway point we have already nearly achieved our target for the whole year – to sell 5% of our portfolio with total proceeds of around EUR 100m. The current business climate offers favourable opportunities for property disposals at above the most recent estimated values, particularly in Germany and Austria, and we shall continue to profit from these opportunities.

The results for the first half of 2012 show a very positive picture, even compared with the exceptionally successful situation last year. S IMMO's key indicators remained more or less at last year's levels, and in some cases improved. Even though the total number of properties was reduced by the sales, rental income was very satisfactory, with only a minimal decline to EUR 60.6m. It is impressive that the bottom line – the net profit for the half year – increased remarkably by 49.3% to EUR 15.1m. Funds from operations were also up by 46.9% to EUR 16.2m. These results reflect the ongoing enhancement of our earnings power and provide a solid basis for the quarters to come.

In recent weeks, an upward trend has been observed in the capital markets in spite of generally high levels of volatility and low liquidity on the Vienna Stock Exchange. The S IMMO Share stood at EUR 4.62 at the time of going to press on 20 August 2012. Towards the end of July, we were informed that Erste Group Bank AG had increased its holding in S IMMO AG to more than 10%. We see this increased interest as an expression of long-term confidence by our core shareholder, and also as confirmation that, in light of the current gap between the share price and its inner value, S IMMO Share is an attractive investment opportunity. The networks, the size, the knowledge and also the experience of our two main shareholders, Erste Group and Vienna Insurance Group, continue to be key strategic components of the Group's success.

The distribution of a dividend of EUR 0.10 per share, resolved in the 23rd Annual General Meeting, took the form of a repayment of capital without the deduction of capital gains tax (KESt) on 15 June 2012. The AGM also authorised the Management Board to carry out a further repurchase programme for the S IMMO Share. The resolution proposing the discharge of the Management and Supervisory Board Members from liability was passed unanimously and without abstention, which we see as a continuing vote of confidence on the part of our shareholders. Fully conscious of our responsibilities, we do our utmost in our day-to-day work to continue to justify that confidence.

Holger Schmidtmayr MRICS

Our agenda for the coming months is to continue our work on optimising the earnings potential of our portfolio, with a clear focus on sustainable and stable value growth. Over the coming years, S IMMO's loan to value ratio will be reduced to under 55%. In the capital market we are continuing with our share repurchase and our S IMMO INVEST participating certificate repurchase programmes until both expire in June 2013. S IMMO's first ever distribution of a dividend in June 2012 represents a change in long-term strategy, and the intention is to continue to pay a dividend in the years to come. In the medium term, we will concentrate on the successive phases of the Quartier Belvedere Central development project in Vienna where, together with our partners, we will construct a mixture of office, hotel and retail properties with gross floor space of around 130,000 m².

Ernst Vejdovszky

With the competence of S IMMO's staff, our lean organisational structures and the high quality of our portfolio, we are well prepared for the work in the coming months, which is why we are optimistic about the second half of the current financial year.

The Management Board

Holger Schmidtmayr | Ernst Vejdovszky | Friedrich Wachernig

Our Share

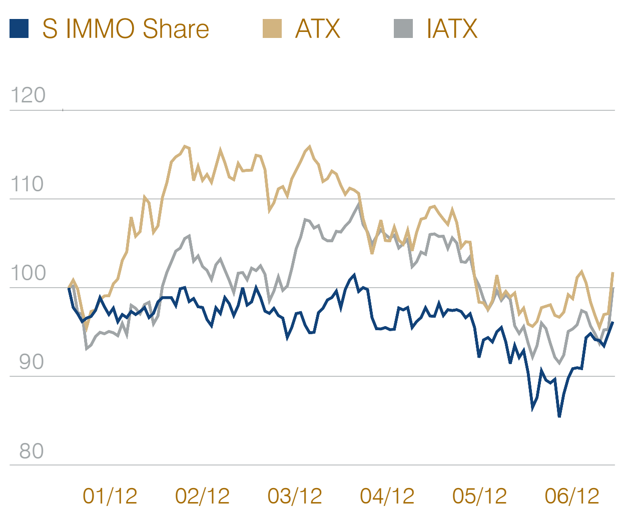
Events in Europe over the past few months have continued to be dominated by the euro crisis. Even though Greece has had a new pro-EU government since June, and although at the EU summit, countries that are willing to reform were promised aid without additional adjustment programmes, the situation in the affected countries has hardly improved. This summer, the European Stability Mechanism (ESM) is expected to come into effect. It will replace the European Financial Stability Facility (EFSF), the current euro bailout fund, and aims to provide stability for the eurozone as a whole. In early July, the European Central Bank (ECB) reduced the refinancing rate to a historical low of 0.75%. In March 2012, European banks took up a total of EUR 530bn in the ECB's second long-term refinancing operation.

At the end of the first half of 2012, stock markets performed positively. During the first six months of 2012, the Dow Jones Industrial Index (DJII) put on 5.4% and closed at 12,880.09 points. Germany's leading index, the DAX, performed even better and closed at 6,416.28 points, an improvement of 8.8% compared with 31 December 2011.

In Vienna, the leading index, the ATX, gained 4.4%, closing at 1,975.35 points. On the Vienna Stock Exchange, there was a renewed drop in volumes traded, following the already low volumes of last year. Any recovery in trading volumes was made more difficult by negative factors such as the capital gains tax on securities. Just how much volumes have dropped on the Vienna Stock Exchange is made clear by the following comparison: The volumes traded in one month in 2007 were the same as those traded over six months in 2012. In the second quarter of 2012, the Austrian property share index, the IATX, improved by 1.6% and closed at 140.79 points. The GPR Europe Index, made up of Europe's largest real estate companies, also increased by 1.6%. The S IMMO Share was not immune to the overall weak performance of the Vienna Stock Exchange in the second quarter and closed the period at EUR 4.28.

Share price development

indexed (01.01.2012 to 30.06.2012)



Share indicators		2012	2011
Closing price (as at 30 June)	EUR	4.279	4.632
Average daily turnover	shares	45,000	60,000
Earnings per share (EPS)	EUR	0.21	0.11
EPRA NAV per share	EUR	8.88	8.54
Share price discount from EPRA NAV	%	52	46
Balance sheet NAV per share	EUR	7.00	7.31
Share price discount from balance sheet NAV	%	39	37
Operating cash flow per share	EUR	0.68	0.75
Price/operating cash flow	EUR	3.13	3.08

S IMMO Share performance

	ISIN AT0000652250
One year	-7.62%
Three years, p.a.	-0.09%

S IMMO INVEST participating certificate performance

ISIN	AT0000795737	AT0000630694
One year	-5.50%	0.50%
Three years, p.a.	10.80%	12.30%

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 June 2012)	EUR 291.5m
Number of shares (30 June 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 June 2012)	EUR 196.86m
Number of participating certificates (30 June 2012)	1,808,499 tranche I 1,096,927 tranche II

Annual General Meeting and IR activities

On 01 June 2012, S IMMO AG's 23rd Annual General Meeting was held once again in the Vienna Marriott Hotel, a standing property belonging to the Group. For the first time, a resolution proposing the distribution of a dividend was on the agenda. The agreed upon dividend payment of EUR 0.10 per share was made on 15 June 2012. For tax purposes, this was in the form of a repayment of capital without deduction of capital gains tax. The resolutions discharging the Management and Supervisory Board Members from liability were approved unanimously. There were also resolutions approving the appointment of auditors for 2012 and authorising an increase in share capital and the issue of a convertible bond.

The AGM also authorised the repurchase of treasury shares. With the Supervisory Board's approval, a further share repurchase programme was approved subsequently. The repurchase programme, which started on 27 June 2012 and will run for one year, authorises the repurchase of up to 3% of the share capital. By the end of June 2012, 13,000 S IMMO Shares had been repurchased. Under the previous share repurchase programme, which concluded at the end of May 2012, a total of 498,398 shares with a value of about EUR 2.1m were repurchased. A new repurchase programme for S IMMO INVEST participating certificates was also approved, authorising the Company to repurchase and cancel up to 10% of the 2,905,426 certificates still in circulation. The programme will run until 21 June 2013.

In addition to the AGM, there were informational events for private investors organised in cooperation with the Austrian Sparkassen and other partners. The main theme of the presentations by the Management Board and the Investor Relations Team was the paradox between the rising property prices in Austria and the low prices of local property shares when comparing their price to their inner value. On the international stage, S IMMO AG also met many potential investors at the investment conference organised by Raiffeisen Centro Bank in Zürs.

in EUR	S IMMO Share price AT0000652250	S IMMO INVEST price AT0000795737	S IMMO INVEST price AT0000630694	ATX	IATX
30.06.2011	4.632	74.99	76.00	2,611.32	175.49
31.12.2011	4.500	67.50	67.80	1,891.68	138.49
30.06.2012	4.279	67.00	69.00	1,975.35	140.79

Interim Management Report

Economic overview

The global economy gained momentum again in the first quarter of 2012, with production improving particularly in developing countries. However, the sentiment indicators suggest that the pace of expansion of the global economy has decelerated in recent months. In the eurozone, economic policymakers face major challenges as the escalation of the sovereign debt crisis continues to weigh down the economy. However, according to the Institute for Advanced Studies (IHS) in Vienna, this crisis of confidence will gradually start to diminish. The expansive monetary policy and falling oil prices should stimulate economic output.

Economic developments in the US are positive in general, but a slight downturn has begun to set in. While private domestic demand has been the main economic driver in the last several quarters, public consumption, particularly that of the state and local governments, has been sending negative signals. Weaker equity markets and the continuing decline in housing prices led to a slight drop in consumer sentiment. Despite the strong domestic demand and persistently expansive monetary policy, the US Federal Reserve Bank does not see any risk to price stability.

Within Europe, the divergence in economic development is becoming increasingly obvious. The countries of Central, Eastern and Southeastern Europe are experiencing a noticeable recovery, with Russia (3.7%) and Poland (2.5%) emerging as the growth leaders this year. In contrast, many countries in the eurozone are struggling with the effects of the sovereign debt crisis: Neither the election results nor the quick formation of the new government in Greece helped to ease the troubled financial markets, and France's new president Hollande has found himself confronted with increasingly negative economic forecasts at the beginning of his term of office. Spain is not only battling a recession, but also struggling with an ailing banking sector that is planned to be recapitalised with a multi-billion-euro aid payment from the euro bailout facility. The key question is whether the financial markets will see this facility as sufficient. The situation is escalating in Italy as well.

In Austria, the economy has been recovering since the beginning of 2012. The Oesterreichische Nationalbank (OeNB) expects this growth to further solidify on the back of a slight acceleration in the development of global demand. Real private consumption shall increase by 0.9% this year thanks to the favourable development of the labour market in international comparison and falling price pressure. However, employment growth will weaken somewhat in 2013 and 2014.

The European debt crisis continues to hinder the entire global economy. The World Bank expects the eurozone economy to contract by 0.3% this year and expand by 0.7% next year.

Sources: Across Shopping Climate Index, Austrian Institute of Economic Research (WIFO), Austrian Federal Economic Chamber (WKO), Budapest Research Forum, CBRE, Colliers, Cushman & Wakefield, Das Wirtschaftsblatt, Der Standard, Die Presse, European Central Bank (ECB), EuroStat, Format, Forton, Handelsblatt, HotStats.com by TRI Hospitality Consulting, IMX June 2012 – The property index of ImmobilienScout24, Oesterreichische Nationalbank (OeNB), Raiffeisenbank, Salzburger Nachrichten, Vienna Institute for Advanced Studies (IHS), Vienna Tourist Board, World Bank

Real estate market overview

AUSTRIA

Due to the strong increase in prices in recent years, a possible real estate bubble on the Austrian residential market has become a recurring subject of discussion. Most experts are indeed observing unrealistic price developments in some parts of the country, but this is not a bubble, as the rise in prices is attributable more to a redeployment of private capital and is not credit driven.

In Q2, 80,000 m² were let on the Viennese office market – a rise of 23% compared to Q1 2012. While prime rents saw a slight increase of roughly 1%, rents in good and medium locations remained mostly stable. The current vacancy rate of 6% is expected to increase to around 6.7% by the end of the year due to the considerable increase in new space and to take-up being rather limited.

Prime rents on the Viennese retail market rose from EUR 232.00 in Q1 2012 to EUR 300.00 in Q2. Prime yields, however, saw a slight decline to 4.30%. With the opening of several railway station shopping areas and a shopping centre in Gerasdorf, by the end of 2012, the development of shopping centres in Vienna will be finished for the next few years.

The Viennese hotel market saw an 8.4% year-on-year increase in overnight stays in the first half of 2012, with both domestic and foreign tourism posting similar gains. Over the first five months of 2012, turnover grew by 5.1% compared to the prior year. Vienna's chain hotel segment also experienced an increase in the occupancy rate, which rose by around 1.5% to 68.1%. This is particularly encouraging in light of the fact that roughly 2,500 new beds have come onto the market since June 2011. However, the average room rate dropped slightly in the first half of the year, falling by roughly 3.2% to EUR 134.10. It remains to be seen how the hotel projects that are currently under construction will affect the development of Vienna's hotel market.

GERMANY

The sharp increase in prices for freehold flats on the German residential market continued in Q2. However, average rents only rose by roughly 0.7 percentage points. Further price gains are considered likely on both fronts.

Berlin, Düsseldorf, Frankfurt, Hamburg and Munich saw a drop of 13% in take-up of office space in the first half of 2012. Nevertheless, the vacancy rate decreased from 10.9% to 10.1%. The Berlin office market showed an especially convincing performance owing to a strong take-up.

CENTRAL EUROPE (CEE)

Five new buildings with a total of about 60,000 m² were completed on the Prague office market in Q2, and 90% of this space is already let. Total leasing activity amounted to approximately 71,000 m², which is a 19% decrease year-on-year. Nevertheless, the vacancy rate fell to 11.5%. Currently, there is about 135,000 m² of office space under construction, with the majority planned to be delivered in 2013.

Total leasing activity on the Budapest office market amounted to 96,000 m² in Q2, representing an increase of 80% compared with Q1. The share of renewals has gone up to 51.1%. One of the largest transactions in Q2 was a lease renewal of 9,700 m² in S IMMO's River Estates building. Despite the high leasing activity and the limited new supply, the vacancy rate on the whole Budapest office market rose to 21.3%.

The Q2 take-up on the Bratislava office market was slightly behind Q1 figures. Occupiers remained highly cost aware, which resulted in demand being dominated mainly by space rationalisations. Renegotiations are common and are putting pressure on landlords to continue offering more favourable conditions. The vacancy rate is expected to increase due to a large volume of completions during the second half of 2012.

Regarding the retail market, occupier demand was low but stable. Consumer spending is anticipated to remain weak but gradually improve during the second half of the year.

The Prague hotel market was able to carry the positive momentum seen in the first three months of the year into the second quarter of 2012. During the period from January to May, the occupancy rate at chain hotels rose by 2.6% to roughly 62.2%. The average room rate saw an even bigger improvement, climbing by 4.8% to about EUR 83. Overall, the chain hotel segment posted an increase of around 9.4% in RevPar, the average revenue per available room. The gross operating profit (GOP) per available room grew by an impressive 25%. Following three extremely difficult years, it appears that the market has finally bottomed out and that the excess supply has been absorbed, making price increases possible once again. In the first six months of the year, the chain hotel segment in Budapest saw a slight decline in the occupancy rate, which dropped by 2.8% to 68.7% year-on-year. However, the average room rate advanced by roughly 7.2% to EUR 91. Overall, RevPar improved marginally, with an increase of about 2.8% compared to the prior year.

SOUTHEASTERN EUROPE (SEE)

Relocations were the main driver of the increased leasing activity on the Sofia office market in Q2. When compared with the year-end, the vacancy rate dropped by 3 percentage points to 23%. However, supply is still considerably higher than demand. Forecasts are slightly positive as absorption is expected to increase due to the lack of new office space in the pipeline.

Business sentiment and labour market conditions are improving in Romania, which is lending support to prime rents and helping to sustain take-up levels on the office market. Demand is driven not only by relocations, but also by new requirements. Nevertheless, grade A office space remains the clear focus at the expense of grade B and C space.

The Zagreb office market saw a small decline in prime rents in Q2. Prime yields showed no change and stood at 8.30%.

The Across Shopping Climate Index, which indicates the current retail prospects of all CEE and SEE countries, showed a quarter-on-quarter increase of 2.6 points in Q2 for the Bulgarian retail market. Looking at the coming months, a further gentle upward movement is expected.

In the first half of 2012, no shopping centres were completed in Bucharest. Currently, there are three properties under construction at this location, which are all due to open in 2012. One further centre is to follow in 2013. Prime retail rents and yields have remained unchanged since Q3 2011 – a development that is expected to continue given the present economic situation.

In Bucharest, the hotel market stabilised further. However, a return to pre-2009 room rates remains unlikely in the near future. It remains to be seen how economic developments in Europe will affect the hotel market in Bucharest.

	Prime rents (EUR/m²/month)		Prime yields (%)		Take-up H1 2012 (m²)	Vacancy rate (%)
	Office	Retail	Office	Retail	Office	Office
Berlin	22.00[1]	270.00[1]	5.10[1]	4.75[1]	256,000[3]	9.0[3]
Bratislava	17.00[1]	80.00[1]*	7.25[1]	7.00[1]*	46,650[9]	10.7[9]
Bucharest	19.50[1]	50.00[1]*	8.00[1]	8.75[1]*	122,400[8]	17.0[8]
Budapest	20.00[1]	100.00[1]*	7.50[1]	7.00[1]*	149,079[5]	21.3[5]
Hamburg	24.00[1]	250.00[1]	4.75[1]	4.40[1]	205,500[3]	8.3[3]
Prague	21.00[1]	85.00[1]*	6.50[1]	6.25[1]*	150,500[4]	11.5[4]
Sofia	13.00[1]	25.00[1]*	9.00[1]	9.00[1]*	53,200[6]	23.0[7]
Vienna	24.50[1]	300.00[1]	5.20[1]	4.30[1]	145,000[2]	6.0[2]
Zagreb	15.15[1]	22.50[1]*	8.30[1]	8.25[1]*	21,000[10]	13.0[10]

* Data for shopping centres

1 CBRE, Market View, EMEA Rents and Yields, Q2 2012
2 CBRE, Market Report, Vienna Office Market, H1 2012
3 CBRE, Press release: German office market very stable in Q2; 19 July 2012
4 CBRE, Market View, Prague Offices, Q2 2012
5 Budapest Research Forum, Office Market, Q2 2012
6 Forton, Bulgarian Office Market, H1 2012
7 Colliers, Bulgaria, Office Real Estate Market Overview, July 2012
8 Jones Lang LaSalle, on.point, Bucharest City Report, Q2 2012
9 CBRE, Market View, Bratislava Offices, Q2 2012
10 Jones Lang LaSalle, on.point, Zagreb City Report, Q2 2012

Business performance and results

Property portfolio

S IMMO Group's portfolio as at 30 June 2012 comprised 221 properties in Austria, Germany and six other countries in Central and Southeastern Europe. At the balance sheet date, it had a value of EUR 1,883.6m and comprised total lettable space of around 1,320,000 m². The regional distribution was as follows: 32.5% of the portfolio in Austria, 26.4% in Germany, 21.1% in SEE and 20.0% in CEE. The focus is still on European Union capital cities.

As well as being regionally diversified, the portfolio is made up of different property use types: At 30 June 2012, 39.3% was office space, 27.0% retail space, 20.0% residential space and 13.7% hotels. The occupancy rate at that date was approximately 93.4%, and the overall rental yield was 6.9%.

Overview of rental yields

in %	30 June 2012
Germany	6.5
Austria	5.8
SEE	8.5
CEE	7.6
Total	**6.9**

PERFORMANCE

S IMMO was able to continue the positive trend from 2011 and the first quarter of 2012 into the second quarter. Operating results in the first half of 2012 were satisfactory: Net profit for the period in comparison with the first half of 2011 was boosted by an impressive 49.3%, to EUR 15.1m, and funds from operations by 46.9% to EUR 16.2m.

Gross profit

Despite a reduction in the property portfolio by EUR 97.4m as a result of profitable property sales, rental income performed very satisfactorily and only decreased by a minimal amount – the total came to EUR 60.6m, as compared with EUR 61.7m for the same period last year.

Rental income by region for the first half of 2012 was made up as follows: The largest part came from Germany, which contributed 28.0%, followed by SEE with 26.2%, Austria with 25.7% and CEE with 20.1%.

Rental income by property use type showed retail property contributing 36.4%, followed by offices with 35.1%. Residential property made up 21.8%, and hotels 6.7%. Results from the Vienna and Budapest Marriott Hotels, both operated under management agreements, are recognised as revenues from hotel operations.

Gross profit from hotel operations amounted to EUR 3.3m in the first half of 2012 (first half of 2011: EUR 4.2m).

The effect of the property sales reduced overall gross profit by 2.5%, to EUR 53.2m, as compared with EUR 54.5m for the same period last year.

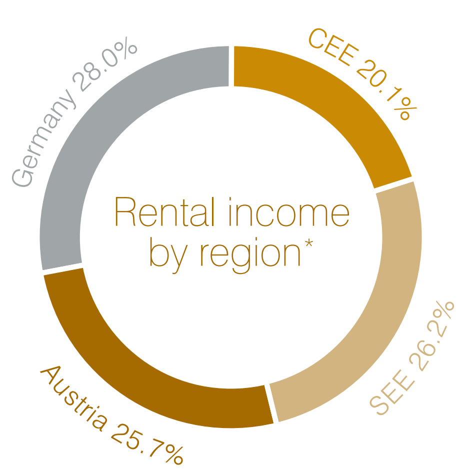
Increase in net profit for the period

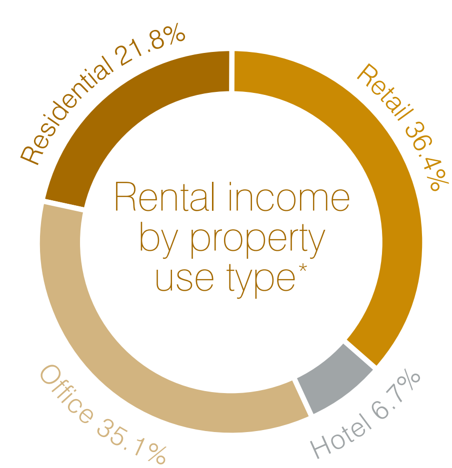
In the first half of 2012, S IMMO sold 16 properties at an overall profit. The sales were made up as follows:

- one office building in Munich
- eleven residential properties in Germany (eight in Berlin and three in Hamburg)
- two office buildings in Vienna
- one residential property in Vienna
- one apartment in the office and residential building Neutor 1010 in Vienna

The income from property disposals came to EUR 97.4m, compared with EUR 18.4m in the same period last year. The gains on property disposals were EUR 5.8m. Compared with the fair values as at 30 September 2011, the gains on property disposals came to EUR 10.8m. The result was that EBITDA rose by 2.8% to EUR 50.9m (first half of 2011: EUR 49.5m).

Gains from property valuation in the first half of 2012 came to EUR 4.7m, compared with EUR 6.6m for the same period last year, and were entirely attributable to the German portfolio. The overall result was a slight reduction in EBIT of 0.5% to EUR 51.0m, as compared with EUR 51.3m a year earlier.





* Not including Vienna Marriott Hotel and Budapest Marriott Hotel

For the six months ended 30 June 2012, net financing costs totalled EUR -28.6m (first half of 2011: EUR -32.0m), including a non-cash foreign exchange loss of EUR 1.8m. The loss was attributable to the appreciation of the Hungarian forint and the Czech koruna against the euro. The Romanian leu lost value in relation to the euro.

The Group's consolidated net income for the period came to EUR 15.1m, as compared to EUR 10.1m for the first half of 2011. This was a marked increase of 49.3% compared with the same period last year.

Funds from operations (FFO)

FFO climbed 46.9% in the first half of 2012 to EUR 16.2m. The corresponding figure last year was EUR 11.0m. In calculating FFO, the results for the period are adjusted for various non-cash items such as depreciation and amortisation, valuation gains and losses on interest rate hedges, and exchange rate differences.

Net operating income (NOI)

The profit on property sales combined with the lower gross profit from hotel operations resulted in a slight reduction in NOI by 1.6% to EUR 49.4m for the first half of 2012 (first half of 2011: EUR 50.2m).

Net operating income as at 30 June

	2012	2011	Change
NOI (EUR m)	49.4	50.2	-1.6%
NOI margin (%)	50.2	49.1	1.1 pp

Cash flow

For the first half of 2012, the operating cash flow stood at EUR 46.2m. As a result of the nearly completed apartment sales in the office and residential building Neutor 1010 in Vienna, this was 9.8% lower than the EUR 51.3m achieved for the same period last year. The net cash inflow from investing activities was EUR 88.3m (first half of 2011: net cash outflow of EUR 5.8m) and contains the successful property sales. The net cash outflow from financing activities totalled EUR 182.8m (first half of 2011: net cash outflow of EUR 118.3m).

Consolidated balance sheet

S IMMO Group's total assets were reduced by the successful property sales from EUR 2,175.4m at the end of the financial year 2011 to EUR 2,026.8m as at 30 June 2012. At this date, S IMMO's cash and cash equivalents totalled EUR 54.5m (31 December 2011: EUR 115.3m).

Net asset value (NAV)

Following the dividend distribution, balance sheet NAV stood at EUR 7.00 per share at the end of the half year (31 December 2011: EUR 6.96 per share). EPRA NAV, the inner value of the share calculated in accordance with the guidelines of the European Public Real Estate Association, was EUR 8.88 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 (on pages 49–53). The discussion in this section is focused mainly on possible risks in the coming months.

The difficult economic situation in the European Union could have a negative impact on the property market in general and S IMMO Group in particular. Weak economic activity has the potential to affect both property valuations and lettings in South-eastern Europe. The Group is therefore expecting higher default risks with financially weaker local tenants. But this may also result in opportunities – as lettable space becomes available, it can be relet to international tenants with better credit standings who are already achieving increases in turnover.

Of course, it is always possible that the ability of customers and business partners to meet their financial obligations may decline in the present economic environment. Provisions against trade receivables may become necessary.

S IMMO Group uses hedging instruments (caps, collars and swaps) to reduce the interest rate risk on variable-rate loans. In light of the recent reduction of the European Central Bank's base lending rate to a historic low of 0.75%, the Group does not expect any increase in its cost of funding in the short term. However, the new capital adequacy requirements for banks could lead to more restrictive lending policies and a squeeze on new lending. This would have a negative impact on S IMMO's refinancing.

S IMMO Group's direct exposure to exchange rate risk is minimal because the bulk of rental income is either generated in the eurozone or is tied to the euro. Non-cash exchange rate exposures can, however, result from fluctuations in SEE and CEE currencies against the euro. The performance of the euro against the various local currencies in the first half of 2012 was very mixed, and how exchange rates will behave in future is dependent on a wide variety of macroeconomic factors. Hence it is hardly predictable.

Outlook

In Europe, the economic situation continues to be difficult. For instance, the Institute for Economic Research at the University of Munich (ifo) is expecting the eurozone economy to shrink. In the first quarter of 2012, eurozone GDP stagnated, in the second quarter it dropped by 0.2% and in the third quarter it is expected to fall by 0.1%. After bottoming out in the third quarter, GDP is expected to gradually recover again, supported by the stabilisation of the US economy and growing demand in China. Economists currently consider austerity programmes and unemployment to be the greatest difficulties facing the eurozone economy. In particular, the southern countries of the European Union continue to be destabilising factors. Despite having elected a new government in June which supports continued membership in the eurozone, it remains to be seen whether Greece can implement the drastic savings required of it. After securing several billion euros in aid, Spain can breathe easier for the time being. High hopes are being placed in the European Stability Mechanism (ESM), which is designed to stabilise the entire eurozone. However, the constitutionality of the ESM is still being examined and its ratification by some countries is still pending.

In this unstable economic environment, S IMMO's operational activities are going well. Some key indicators are up on budget, and our targets for 2012 remain unchanged. Our primary objective is to take advantage of the excellent climate in the German residential property market and to dispose of approximately 5% of our portfolio for a total of at least EUR 100m. Our letting activities will remain focused on the office buildings in Sofia and Bucharest – in the second quarter, we successfully concluded new rental agreements for both properties. Promising negotiations with well-known multinationals in the pharmaceuticals, IT and food industries are also under way. If these can be concluded successfully, there will be a gradual and sustainable improvement in the occupancy rate by the end of 2012. At Sun Offices in Bucharest, a rental agreement has been concluded with a local software company. This brings the occupancy rate up to roughly 67%, and we are expecting it to rise to 80% by the end of the year.

In the capital markets, we are continuing with our share repurchase and S IMMO INVEST participating certificate repurchase programmes until both expire in June 2013. In addition, in June 2012, S IMMO paid a dividend for the first time, which marks a change in our long-term strategy.

Consolidated interim financial statements

Consolidated statement of financial position

as at 30 June 2012

Assets

EUR '000

	NOTES	30 June 2012	31 December 2011
NON-CURRENT ASSETS			
Properties held as financial investments			
Investment properties	3.1.1.	1,675,264	1,716,899
Properties under development and undeveloped land	3.1.1.	56,544	55,480
		1,731,808	1,772,379
Owner-operated properties	3.1.2.	130,844	134,321
Other plant and equipment		6,970	7,472
Intangible assets		131	165
Goodwill		10	10
Interests in associated companies		8,024	8,266[1]
Group interests		758	730[1]
Deferred tax assets		35,900	33,532
		1,914,445	1,956,875
CURRENT ASSETS			
Properties held for sale	3.1.3.	20,900	62,800
Inventories	3.1.4.	5,886	7,097
Trade receivables		10,183	9,943
Other accounts receivable		13,997	15,987
Other assets		6,804	7,416
Cash and cash equivalents	3.1.5.	54,537	115,260
		112,307	218,503
		2,026,752	2,175,378

[1] Adjusted

Equity and liabilities

EUR '000

	NOTES	30 June 2012	31 December 2011
SHAREHOLDERS' EQUITY			
Share capital		245,698	246,341
Capital reserves		73,299	73,416
Other reserves		154,619	154,285
		473,616	474,042
Non-controlling interests	3.1.6.	27,529	29,088
		501,145	503,130
NON-CURRENT LIABILITIES			
Subordinated participating certificate capital	3.1.7.	226,102	230,797
Financial liabilities	3.1.8.	1,106,895	1,103,371
Provisions		8,546	7,892
Other liabilities		9,859	9,717
Deferred tax liabilities		59,503	62,600
		1,410,905	1,414,377
CURRENT LIABILITIES			
Financial liabilities	3.1.8.	76,400	208,888
Trade payables		4,794	9,900
Other liabilities		33,508	39,083
		114,702	257,871
		2,026,752	2,175,378

Consolidated income statement

for the six months ended 30 June 2012

EUR '000	NOTES	01–06/2012	01–06/2011
Revenues			
Rental income	3.2.1.	60,604	61,739
Revenues from operating costs		19,361	21,012
Revenues from hotel operations		18,634	19,577
		98,599	102,328
Other operating income		3,724	4,314
Expenses directly attributable to properties	3.2.2.	-33,871	-36,705
Hotel operating expenses	3.2.2.	-15,285	-15,401
Gross profit		53,167	54,536
Income from property disposals		97,384	18,364
Carrying value of property disposals		-91,543	-14,415
Gains on property disposals	3.2.3.	5,841	3,949
Management expenses		-8,091	-8,944
Earnings before interest, tax, depreciation and amortisation (EBITDA)		50,917	49,541
Depreciation and amortisation		-4,531	-4,830
Gains/losses on property valuation		4,650	6,600
Operating result (EBIT)		51,036	51,311
Financing costs	3.2.4.	-28,639	-32,038
Participating certificates result	3.1.7.	-6,491	-6,773
Net income before tax (EBT)		15,906	12,500
Taxes on income	3.2.5.	-808	-2,385
Consolidated net income for the period		15,098	10,115
of which attributable to shareholders in parent company		14,262	7,319
of which attributable to non-controlling interests		836	2,796
Earnings per share			
undiluted = diluted		0.21	0.11

Consolidated statement of total comprehensive income

for the six months ended 30 June 2012

EUR '000	01–06/2012	01–06/2011
Consolidated net income for the period	15,098	10,115
Change in value of cash flow hedges	-12,616	9,732
Income tax related to other comprehensive income	2,440	-2,631
Foreign exchange rate differences	2,127	2,097
Total comprehensive income for the period	7,049	19,313
of which attributable to shareholders in parent company	7,101	16,350
of which attributable to non-controlling interests	-52	2,963

Consolidated income statement

for the three months ended 30 June 2012

EUR '000	NOTES	04–06/2012	04–06/2011
Revenues			
Rental income	3.2.1.	30,501	31,448
Revenues from operating costs		10,295	11,473
Revenues from hotel operations		10,892	11,156
		51,688	54,077
Other operating income		649	700
Expenses directly attributable to properties	3.2.2.	-17,590	-19,766
Hotel operating expenses	3.2.2.	-8,277	-8,207
Gross profit		26,470	26,804
Income from property disposals		57,899	14,068
Carrying value of property disposals		-52,710	-10,696
Gains on property disposals	3.2.3.	5,189	3,372
Management expenses		-4,351	-4,688
Earnings before interest, tax, depreciation and amortisation (EBITDA)		27,308	25,488
Depreciation and amortisation		-2,185	-2,389
Gains/losses on property valuation		800	1,600
Operating result (EBIT)		25,923	24,699
Financing costs	3.2.4.	-12,365	-14,404
Participating certificates result	3.1.7.	-3,298	-3,323
Net income before tax (EBT)		10,260	6,972
Taxes on income	3.2.5.	-1,566	-2,273
Consolidated net income for the period		8,694	4,699
of which attributable to shareholders in parent company		8,271	4,559
of which attributable to non-controlling interests		423	140
Earnings per share			
undiluted = diluted		0.12	0.07

Consolidated statement of total comprehensive income

for the three months ended 30 June 2012

EUR '000	04–06/2012	04–06/2011
Consolidated net income for the period	8,694	4,699
Change in value of cash flow hedges	-7,205	-4,789
Income tax related to other comprehensive income	1,469	824
Foreign exchange rate differences	-530	-1,519
Total comprehensive income for the period	2,428	-785
of which attributable to shareholders in parent company	2,590	-900
of which attributable to non-controlling interests	-162	115

Consolidated cash flow statement

for the six months ended 30 June 2012

EUR '000	01–06/2012	01–06/2011
Operating cash flow	46,231	51,267
Changes in net current assets	-12,478	1,345
Cash flow from operating activities	33,753	52,612
Cash flow from investing activities	88,335	-5,778
Cash flow from financing activities	-182,811	-118,285
Total	-60,723	-71,451
Cash and cash equivalents at 01 January	115,260	129,721
Cash and cash equivalents at 30 June	54,537	58,270
Net change in cash and cash equivalents	-60,723	-71,451

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/loss for the period	0	0	0	0	14,262	14,262	836	15,098
Other comprehensive income	0	0	2,127	-9,288	0	-7,161	-888	-8,049
Repurchase of treasury shares	-643	-117	0	0	0	-760	0	-760
Disposals	0	0	0	0	0	0	-1,507	-1,507
Distribution	0	0	0	0	-6,767	-6,767	0	-6,767
At 30 June 2012	245,698	73,299	-19,913	-64,915	239,447	473,616	27,529	501,145
At 01 January 2011	247,509	73,578	-13,398	-38,335	211,918	481,272	31,426	512,698
Net income/loss for the period	0	0	0	0	7,319	7,319	2,796	10,115
Other comprehensive income	0	0	2,097	6,934	0	9,031	167	9,198
Disposals	0	0	0	0	0	0	-1,605	-1,605
At 30 June 2011	247,509	73,578	-11,301	-31,401	219,237	497,622	32,784	530,406

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 June 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 six months ended 30 June 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 six months ended 30 June 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 six months ended 30 June 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	2,223	1,064
Disposals	-27,608	0
Changes in fair value	4,650	0
Reclassifications	-20,900	0
As at 30 June 2012	1,675,264	56,544
whereof pledged as security	1,630,348	0

Consisting of:

Rental properties

EUR '000	30 June 2012	31 December 2011
Austria	562,247	568,390
Germany	477,135	513,385
Central Europe	306,601	305,855
Southeastern Europe	329,281	329,269
	1,675,264	1,716,899

Properties under development and undeveloped land

EUR '000	30 June 2012	31 December 2011
Austria	0	0
Germany	0	0
Central Europe	6,350	6,322
Southeastern Europe	50,194	49,158
	56,544	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). It is currently intended to dispose of two properties in Germany.

EUR '000	30 June 2012	31 December 2011
Germany	20,900	46,550
Austria	0	16,250
	20,900	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 June 2012 amounted to EUR 5,886,000 (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 June 2012	31 December 2011
Bank balances	54,315	115,033
Cash in hand	221	227
	54,537	115,260

3.1.6. Non-controlling interests

The non-controlling interests of EUR 27,529,000 (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 six months ended 30 June 2012, the total share of earnings was EUR 5,954,000 (2011: EUR 10,595,000).

As at 30 June 2012, there were 2,905,426 participating certificates in issue. The total entitlements of participating certificate holders as of that date were EUR 77.82 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			5,954		5,954
Allocation of undisclosed reserves on property portfolio				537	537
Participating certificates capital as at 30 June 2012	211,137	6,754	5,954	2,257	226,102
Per participating certificate (EUR)	72.67	2.32	2.05	0.78	77.82

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 1,183,295,000 (2011: EUR 1,312,259,000) in total, made up as follows:

EUR '000	30 June 2012	31 December 2011
Remaining maturity less than 1 year	76,400	208,888
Remaining maturity between 1 and 5 years	337,657	328,918
Remaining maturity over 5 years	769,238	774,453
	1,183,295	1,312,259

3.1.9. Derivatives

S IMMO Group uses caps, collars and swaps to hedge interest rate risks. EUR 112,000 of these derivatives were disclosed under other financial assets (31.12.2011: EUR 259,000), and EUR 88,805,000 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 six months of 2012 an expense of EUR 12,616,000 was recognised under equity without affecting the income statement, and EUR 448,000 were recognised as financial income in the consolidated income statement.

30 June 2012

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	459,371		-68,175
Caps	454,529	112	-2,448
Collars	200,000		-18,182
Total	1,113,900	112	-88,805

31 December 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	01–06/2012	01–06/2011
Office	21,282	21,073
Residential	13,237	14,319
Retail	22,042	21,630
Hotels	4,043	4,717
	60,604	61,739

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 519, including hotel staff (Q2 2011: 541). Personnel expenses for the hotels are disclosed under hotel operations.

3.2.3. Gains on property disposals

In the second quarter of 2012, one residential and two office buildings in Vienna, eight residential properties in Berlin and three in Hamburg as well as one office building in Munich were sold. Moreover one freehold flat in the property Neutor 1010 was sold.

EUR '000	01–06/2012	01–06/2011
Disposal proceeds		
Properties held as financial investments	30,708	5,427
Properties held for sale	64,570	6,300
Inventories	2,106	6,637
	97,384	18,364
Carrying value of property disposals		
Properties held as financial investments	-27,608	-4,556
Properties held for sale	-62,800	-6,000
Inventories	-1,135	-3,859
	-91,543	-14,415
Gains on property disposals		
Properties held as financial investments	3,100	871
Properties held for sale	1,770	300
Inventories	971	2,778
	5,841	3,949

3.2.4. Financing costs

Net financing costs were made up as follows:

EUR '000	01–06/2012	01–06/2011
Financing expense	-29,124	-32,708
Financing income	485	670
	-28,639	-32,038

In the second quarter of 2012, financing costs included a non-cash foreign exchange loss of EUR 1,831,000.

3.2.5. Taxes on income

EUR '000	01–06/2012	01–06/2011
Current tax expense	-3,828	-962
Deferred tax income	3,020	-1,423
	-808	-2,385

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 June 2012, however in Management's opinion neither the individual amounts involved nor the total were material.

	Austria		Germany		Central Europe	
EUR '000	2012	2011	2012	2011	2012	2011
Rental income	15,621	15,640	16,944	18,023	12,175	13,476
Revenues from operating costs	4,074	4,245	5,809	6,612	3,691	3,649
Revenues from hotel operations	11,085	11,473	0	0	7,549	8,104
Total revenues	30,780	31,358	22,753	24,635	23,415	25,229
Other operating income	2,718	3,440	920	643	111	211
Property operating expenses	-6,418	-6,231	-12,274	-15,274	-4,163	-4,457
Hotel operating expenses	-9,667	-9,331	0	0	-5,618	-6,070
Gross profit/loss	17,413	19,236	11,399	10,004	13,745	14,913
Gains on property disposals	2,575	2,782	3,266	1,167	0	0
Management expenses	-5,068	-4,847	-1,891	-2,675	-533	-543
EBITDA	14,920	17,171	12,774	8,496	13,212	14,370
Depreciation and amortisation	-1,813	-1,809	-83	-80	-2,087	-2,510
Gains/losses on property valuation	0	0	4,650	1,900	0	700
EBIT	13,107	15,362	17,341	10,316	11,124	12,560
	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011
Non-current assets	656,791	663,372	477,688	513,956	380,651	381,382
Non-current liabilities (incl. participating certificates in Austria)	696,561	706,434	277,777	290,974	239,391	245,136

Southeastern Europe		Total	
2012	2011	2012	2011
15,864	14,600	60,604	61,739
5,787	6,506	19,361	21,012
0	0	18,634	19,577
21,651	21,106	98,599	102,328
-25	20	3,724	4,314
-11,016	-10,743	-33,871	-36,705
0	0	-15,285	-15,401
10,610	10,383	53,167	54,536
0	0	5,841	3,949
-599	-879	-8,091	-8,944
10,012	9,504	50,917	49,541
-548	-431	-4,531	-4,830
0	4,000	4,650	6,600
9,464	13,073	51,036	51,311
30.06.2012	31.12.2011	30.06.2012	31.12.2011
399,315	398,165	1,914,445	1,956,875
197,176	171,833	1,410,905	1,414,377

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

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

EUR '000	30 June 2012	31 December 2011
Other receivables	1,277	1,292
Bank balances	24,867	92,289
Receivables	26,144	93,581

EUR '000	30 June 2012	31 December 2011
Non-current liabilities to banks	403,726	425,658
Non-current financial liabilities	51,371	61,593
Current bank and financial liabilities	46,258	103,150
Trade payables	220	668
Other liabilities	952	963
Liabilities	505,528	592,032

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

EUR '000	01–06/2012	01–06/2011
Management fees – Erste Group Immorent AG	676	833
Bank loan interest, other interest, and charges	13,862	16,188
Other expenses	1,198	1,055
Expenses	15,736	18,076

EUR '000	01–06/2012	01–06/2011
Rent and revenues from operating costs	372	545
Bank interest	98	87
Other interest income	66	68
Income	536	700

7. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

At the time of going to press, another 33,444 shares as well as 613 participating certificates were repurchased in the third quarter of 2012. Furthermore, a residential property in Hamburg and one in Berlin were sold.

Vienna, 22 August 2012

Management Board

Holger Schmidtmayr MRICS, m.p.
Ernst Vejdovszky m.p.
Friedrich Wachernig MBA, m.p.

Declaration

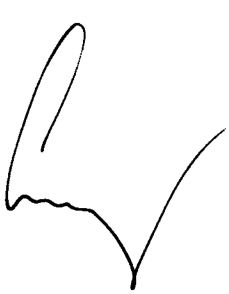
pursuant to Section 87 (1) (3) Austrian Stock Exchange Act (Börsegesetz)

“STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.”

Vienna, 22 August 2012

The Management Board



Holger Schmidtmayr

Ernst Vejdovszky

Friedrich Wachernig

Financial calendar 2012

23 August 2012	Results first half year 2012
22 November 2012	Results first three quarters 2012

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