



Key figures

		01.01.–30.09.2018	01.01.–30.09.2017
Revenues	EUR m	139.6	144.2
of which rental income and revenues from hotel operations	EUR m	114.9	118.8
EBITDA	EUR m	62.8	71.3
EBIT	EUR m	102.9	133.0
EBT	EUR m	95.4	93.3
Net income for the period	EUR m	79.7	77.0
Total assets	EUR m	2,611.7	2,222.4
Equity	EUR m	1,021.2	883.7
Liabilities	EUR m	1,590.6 ¹	1,338.7
Equity ratio	in %	39	40
Operating cash flow	EUR m	59.4	59.8
Cash flow from investing activities	EUR m	-255.0	166.2
Cash flow from financing activities	EUR m	194.5	-122.8
Cash and cash equivalents as of 30 September	EUR m	67.6	171.2
NOI ratio	in %	54	50
FFO I	EUR m	47.7	36.8
FFO II	EUR m	50.0	73.2
Earnings per share	EUR	1.20	1.12
Book value per share	EUR	15.39	13.29
Share price premium to book value per share	in %	12	13
Operating cash flow per share	EUR	0.90	0.90
Property assets ¹	EUR m	1,978.6	1,770.5
whereof properties under construction	EUR m	56.1	30.1

¹ Including held for sale

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Dear Shareholders,

We are in the middle of the final spurt of the current financial year. Shortly before the finish line, all forces will be joined together and the tempo will be increased. This applies to our project developments in particular, two of which are nearing completion. The first tenants have already moved into the Einsteinova Business Center in Bratislava. The property was almost fully let before completion – a strong sign of the positive trend on the office market in this city.

We are also on the home straight at our office property The Mark in Bucharest. The property will be completed this year, letting is also very good – well-known international tenants have already been obtained for more than 75% of the space.

At the same time, we continue to be active on the purchasing side – in particular in emerging German cities such as Leipzig, Rostock and Kiel. We are also currently exploring exciting investment opportunities in other markets and hope to report news as soon as possible.

Both these acquisitions and the completed projects will make a significant contribution to offset the sales in the last two years. As we have already emphasised several times, 2018 is a year of transition for us. Naturally, the large-volume sales we made in 2016 and 2017 have an impact on the development of key figures. Nevertheless, we were able to increase the net income for the period to EUR 79.7m (Q3 2017: 77.0m). As a result, earnings per share increased to EUR 1.20 (Q3 2017: EUR 1.12).

Capital market

Our share was listed at EUR 17.20 as of 30 September 2018. October and November brought strong uncertainty to the international capital markets, which our share could also not escape. The liquidity of the share developed positively – on average, more than 150,000 shares were traded daily in the third quarter (double counting).



Ernst Vejdovszky, Friedrich Wachernig

Outlook

The end of the year is quickly approaching and we are very confident about it. We continue to benefit from a strong upswing in all our markets, persistent low interest rates and generally positive economic momentum. All of this makes us extremely optimistic for the coming financial year. Because after the final spurt of 2018, we will enter the next year with great commitment and continue to work hard to create sustainable value for you, our respected investors. We are looking forward to it.

The Management Board

Ernst Vejdovszky

Friedrich Wachernig

S IMMO in the capital market

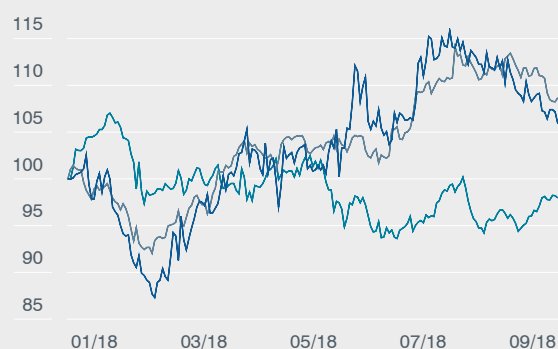
The United States posted good economic data in the third quarter, which prompted the US Fed to raise the benchmark rate to a range of 2.0% to 2.25%. In addition, economic activity in the US was shaped by the trade disputes with China and the not unproblematic relations with North Korea and Iran. The US stock market performed positively in the reporting period. At the end of the quarter, the Dow Jones Industrial Index (DJII) stood at 26,458.31 points and the S&P 500 at 2,913.98 points – thus delivering quarter-on-quarter growth of 9.0% and 7.2% respectively.

In contrast to the US, the European Central Bank (ECB) is adhering to its zero interest-rate policy. An increase of the benchmark rate is expected in autumn 2019 at the earliest. Moreover, the Brexit preparations are still under way in the European Union (EU). Germany saw slight economic growth in the third quarter, but the German benchmark index DAX fell by 0.5% in the reporting period and was listed at 12,246.73 points at the end of the quarter. In

Share price development

indexed 01 January 2018 to 30 September 2018

■ S IMMO share ■ ATX ■ IATX



contrast, the Austrian benchmark index ATX gained 2.7% in the reporting period and closed the third quarter at 3,344.04 points. As a result, the ATX is a top performer among established European indices.

The domestic real estate industry continued its stable upward trend, which was also reflected in the positive price performance of the IATX index for Austrian property shares. Compared to the previous quarter, the IATX advanced by 6.1% and ended the third quarter at 358.48 points.

Price performance of the S IMMO share

On 31 July 2018, the S IMMO share reached its all-time high of EUR 18.60. The share dropped in the subsequent weeks and was listed at EUR 17.20 at the end of the quarter. This equates to a year-to-date performance of 6.5% (not including dividend distribution). Over the last twelve months, the price has risen by 14.9%.

The S IMMO share's liquidity also developed positively. On average, approximately 152,000 S IMMO shares (double counting) were traded daily in the third quarter.

Share data

		30 September 2018	30 September 2017
Closing price	EUR	17.200	14.975
Average daily turnover in the last 100 days	shares ¹	152,434	103,074
Earnings per share (EPS) for the first three quarters	EUR	1.20	1.12
Book value per share	EUR	15.39	13.29
Share price premium to book value per share	in %	12	13
EPRA NAV per share	EUR	19.20	16.06
Share price discount from EPRA NAV per share	in %	-10	-7
EPRA NNAV per share	EUR	16.36	13.81
FFO I per share for the first three quarters	EUR	0.72	0.56
FFO II per share for the first three quarters	EUR	0.76	1.10
Dividend per share ²	EUR	0.40	0.40

¹ Double counting

² The dividend distributed in 2018 and 2017 corresponds to the respective preceding financial year.

Performance

as of 30 September 2018

S IMMO share ISIN AT0000652250/SPI	
One year	14.86%
Three years, p.a.	31.29%
Ticker symbols	Reuters: SIAG.VI/Bloomberg: SPI:AV
Market	Vienna Stock Exchange
Market segment	Prime Market
Index	ATX/IATX/GPR General
Market capitalisation (30 September 2018)	EUR 1,150.98m
Number of securities (30 September 2018)	66,917,179
Market maker	Erste Group/Hauck & Aufhäuser/Baader Bank/Raiffeisen Centrobank

S IMMO share price in EUR	ATX	IATX
30 September 2017	14.975	3,315.97
31 December 2017	16.150	3,420.14
30 September 2018	17.200	3,344.04

S IMMO bonds

ISIN	Maturity	Coupon	Total nominal value in kEUR
AT0000A19SB5	02 October 2019	3.00%	100,000.00
AT0000A177D2	16 June 2021	4.50%	89,739.50
AT0000A1DBM5	08 April 2025	3.25%	33,993.50
AT0000A1DWK5	20 April 2027	3.25%	65,000.00
AT0000A1Z9D9	06 February 2024	1.75%	100,000.00
AT0000A1Z9C1	06 February 2030	2.875%	50,000.00

Investor relations activities

The Management Board and the Investor Relations team attended numerous investor conferences and roadshows in the third quarter of 2018, including the annual SRC Forum in Frankfurt, the Erste Group Conference in London and the Baader Bank Investment Conference in Munich. In Vienna, the Börsianer Messe was held for the first time, and S IMMO took part with a stand and a presentation.

The numerous discussions with Austrian and international investors went very well. Interest in S IMMO and the S IMMO share remains very high.

Shareholder structure

On 18 April 2018, IMMOFINANZ AG announced that it had agreed to acquire a stake of 29.14% in S IMMO from member companies of RPR Group (approximately 14.6 million shares) and SIGNA Group (approximately 4.9 million shares) by way of share purchase agreements. Once the relevant antitrust approvals were granted, the transaction was closed and the acquired S IMMO shares were transferred to IMMOFINANZ AG on 21 September 2018.

EPRA key figures

	30 September 2018	31 December 2017
EPRA NAV per share in EUR	19.20	17.63
Share price discount from EPRA NAV per share in %	-10	-8
EPRA NNNAV per share in EUR	16.36	15.13
EPRA net initial yield in %	4.9	4.6

in kEUR	30 September 2018	30 September 2017
EPRA earnings and EPRA earnings per share (EPRA-EPS)		
Consolidated net income for the period attributable to shareholders according to IFRS	79,640	73,837
Results from property valuation	-45,789	-68,220
Income from property disposals including transaction costs	0	-10,343
Tax on income from disposals	804	10,980
Changes in market value of derivatives	-1,332	12,682
Deferred taxes in respect of EPRA adjustments	8,911	1,375
Minority interests in respect of the above	0	4,695
EPRA earnings	42,234	25,006
EPRA earnings per share (EPRA EPS) in EUR	0.64	0.38

in kEUR	30 September 2018	31 December 2017
EPRA NAV		
Consolidated shareholders' equity net of non-controlling interests	1,018,839	940,815
Revaluation of other non-current investments	82,229	77,525
Fair value of derivative financial instruments	13,854	15,960
Deferred taxes on derivative financial instruments	-3,341	-3,977
Other deferred taxes	159,344	136,828
EPRA NAV	1,270,925	1,167,151
EPRA NAV per share in EUR	19.20	17.63

in kEUR	30 September 2018	31 December 2017
EPRA NNNAV		
EPRA NAV	1,270,925	1,167,151
EPRA NAV per share in EUR	19.20	17.63
Fair value of derivative financial instruments	-13,854	-15,960
Deferred taxes on derivative financial instruments	3,341	3,977
Other deferred taxes	-159,344	-136,828
Fair value of liabilities	-24,397	-22,663
Deferred taxes on debt adjustment	6,099	5,666
EPRA NNNAV	1,082,770	1,001,343
EPRA NNNAV per share in EUR	16.36	15.13

Calculation of FFO I

in kEUR	30 September 2018	30 September 2017
Net income	79,706	77,041
Non-cash taxes	12,305	15,082
Adjusted net income	92,011	92,123
Non-cash revaluation result	-45,789	-68,220
Non-cash depreciation and amortisation	5,712	6,553
Sales result	0	-10,343
Other non-cash/non-recurring effects	-5,036	3,842
Non-cash valuation of derivatives	-1,332	12,682
Non-cash FX result	2,121	190
FFO (without results from disposals)	47,687	36,827
FFO I per share in EUR	0.72	0.56

Interim Management Report

Economic overview

In the third quarter of 2018, gross domestic product (GDP) expanded by 0.2% quarter-on-quarter in the euro area and by 0.3% quarter-on-quarter in the European Union (EU) according to Eurostat. In year-on-year terms, GDP increased by 1.7% in the euro area and 1.9% in the EU. GDP growth is expected to come in at 1.9% in both 2019 and 2020.

The available data suggest that economic output has decelerated slightly for the economies of Central and Eastern Europe (CEE). According to FocusEconomics, GDP growth came to 3.8% in the third quarter, which is above the prior-year figure but below the 4.2% expansion seen in the second quarter.

Based on the most recent data of the Austrian Institute of Economic Research (WIFO), the Austrian economy grew by 0.5% quarter-on-quarter in the third quarter of 2018. However, it has lost a bit of momentum recently. Foreign trade once again made a positive contribution to economic development. In its medium-term forecast, WIFO projects average annual growth of 1.7% for the Austrian economy for the period from 2019 to 2023.

Real estate market overview

Austria

The Viennese office market recorded a total take-up of around 37,200 m², which is 90% more than in the prior year and 29% less than in the previous quarter. With regard to the breakdown of leasing activity, new leases accounted for 92% and pre-lets for 8%. The vacancy rate increased slightly to 4.8%.

Vienna's hotel industry continues to develop extremely well. Within the first nine months of 2018, around 12 million overnight stays were registered, which represents an increase of 3.7% compared with the prior year. For the period between January and August 2018, net room revenues grew by 6.1% to EUR 525m.

Germany

In major German cities, the purchase prices for new flats increased more slowly than prices for existing flats. However, a stagnation is not expected. Residential rents grew by 5% compared with the prior year. A significant increase in prices was also observed in secondary cities.

There is still a lack of space in Berlin's office market. Prime rents are climbing in almost every sub-market and currently amount to EUR 32.50/m²/month. This corresponds to an increase of 12% compared with the prior year. An area of 69,800 m² was delivered to the market in the third quarter. A total of 614,300 m² of office space is currently scheduled to be completed by the end of 2019, of which only 25% is still available. The vacancy rate most recently amounted to 2.4%. Due to the persistently strong demand, the tense situation is not expected to end in the near future.

CEE

During the third quarter of 2018, the total demand on the Budapest office market decreased by 32% compared with the prior year, amounting to an area of 111,430 m². New leases accounted for roughly 50% of the total leasing activity. Overall, 145 lease agreements with an average size of 768 m² were concluded. Four new office buildings encompassing an area of 110,970 m² were completed during the third quarter. The vacancy rate decreased further to 6.4% and reached the lowest rate ever recorded.

The hotel industry in the CEE region stayed on its successful path. Prague remained in the strongest position, closely followed by Budapest. The plan to convert office buildings into hotels is proving difficult as there are not very many vacant properties in central locations that would be suitable for a larger hotel development or conversion.

The office market in Bratislava is benefiting from strong employment and an increase in exports, which is keeping the demand for office space high. Prime rents remained stable at a level of EUR 16.50/m²/month. The vacancy rate dropped again and reached 5.1%. Currently, there are 199,200 m² of office space under construction.

The office market in Bucharest turned in a solid performance. Within the first nine months of 2018, a total area of 110,000 m² was delivered to the market. This is an increase of 6% in comparison to the previous year. An additional 60,000 m² will be delivered this year. However, the completion of some projects is being delayed until as far off as 2022 in some cases. As a result, companies are having difficulties finding the required space. Demand decreased by 18% to 210,000 m². The vacancy rate dropped to a historical low of 8%.

The Romanian retail market remains a major destination for international retailers in light of consumers' growing purchasing power. Retail sales in Romania saw a 1.5% year-on-year increase in August 2018. Food courts and entertainment areas in shopping centres have become increasingly important. Consequently, these areas are being expanded. There are currently no new projects scheduled in Bucharest. The vacancy rate amounts to approximately 7%.

Business and earnings development

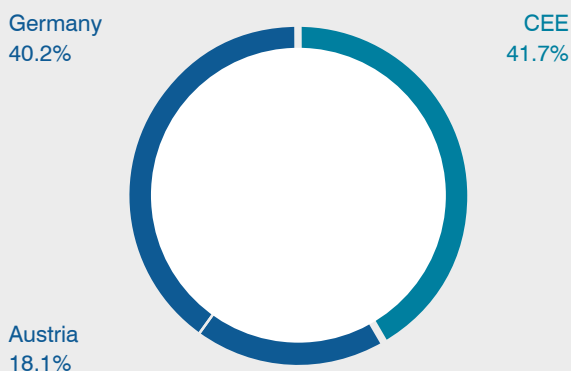
Property portfolio

As of 30 September 2018, S IMMO's property portfolio consisted of 275 (31 December 2017: 241) properties with a book value of EUR 1,978.6m including properties held for sale (31 December 2017: EUR 1,839.7m) and a total area of around 1.2 million m² (31 December 2017: 1.2 million m²). The occupancy rate of the portfolio in the reporting period was 95.8% (31 December 2017: 94.8%). The overall rental yield was 6.1% (31 December 2017: 6.1%).

The properties are located in Austria, Germany and in the CEE region. Based on book value, properties in Austria made up 22.8% (31 December 2017: 23.9%), while properties in Germany were 44.0% (31 December 2017: 42.0%) of the portfolio. The properties in CEE accounted for 33.2% (31 December 2017: 34.1%).

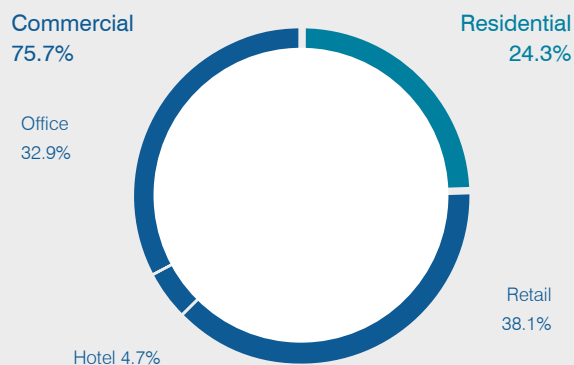
Based on the main type of use, the portfolio broke down into 38.5% office buildings (31 December 2017: 39.3%), 19.4% retail properties (31 December 2017: 21.4%), 27.2% residential properties (31 December 2017: 27.0%) and 14.9% hotels (31 December 2017: 12.3%).

Rental income by region ¹



¹ Not including Vienna Marriott Hotel and Budapest Marriott Hotel

Rental income by type of use ¹



¹ Not including Vienna Marriott Hotel and Budapest Marriott Hotel

Summary of earnings development

The first three quarters of the financial year 2018 were very successful for S IMMO: Significant key figures increased compared with the previous year. EBT hence rose to EUR 95.4m (Q3 2017: EUR 93.3m). Net income for the period increased to EUR 79.7m (Q3 2017: EUR 77.0m) and earnings per share amounted to EUR 1.20 (Q3 2017: EUR 1.12). This is a plus of 7.1%.

The group is very pleased with this result as the financial year 2018 represents a year of transition for S IMMO. In the years 2016 and 2017, S IMMO made profit-generating disposals – including the Viertel Zwei in Vienna and the Serdika Shopping Centre and office in Sofia – totalling EUR 700m. These disposals naturally affected among other things the reduced rental income, the EBITDA and the EBIT.

Increase in gross profits

In the first three quarters, S IMMO's total revenues amounted to EUR 139.6m (Q3 2017: EUR 144.2m) and rental income to EUR 76.5m (Q3 2017: EUR 86.0m). The decrease in rental income was countered by a positive like-for-like performance of rents and acquisitions in the amount of EUR 69.2m. The focus was on properties in medium-sized German cities such as Kiel and Leipzig. In the third quarter of 2018, rental income of EUR 26.1m was almost at the same level as in the previous year of EUR 27.5m.

Broken down by region, rental income in the first three quarters was as follows: Austria and Germany contributed 58.3% (Q3 2017: 54.7%) and CEE 41.7% (Q3 2017: 45.3%). In terms of main type of use, commercial properties contributed 75.7% (Q3 2017: 81.4%) and residential properties 24.3% (Q3 2017: 18.6%) of the rental income.

In the first three quarters of 2018, revenues from hotel operations increased to EUR 38.3m (Q3 2017: EUR 32.8m). This positive development is attributable to the completion of renovation work at the Vienna Marriott Hotel in the first halves of 2016 and 2017.

Property management expenses significantly decreased to EUR -38.8m (Q3 2017: EUR -47.2m). Overall, gross profits increased to EUR 76.2m (Q3 2017: EUR 74.2m).

Development of EBITDA, property valuations and EBIT

In the first three quarters, the EBITDA amounted to EUR 62.8m (Q3 2017: EUR 71.3m). This is primarily attributable to the fact that gains on property disposals amounted EUR 0 (Q3 2017: EUR 10.3m).

In the first three quarters, income from property valuations achieved a pleasing level of EUR 45.8m (Q3 2017: EUR 68.2m). As a consequence, EBIT exceeded the EUR 100m mark, but was lower than in the previous year and came to EUR 102.9m (Q3 2017: EUR 133.0m).

Significantly improved financial results

In the first three quarters, the financial result improved year-on-year by more than EUR 32m and came to EUR -7.4m (Q3 2017: EUR -39.7m). This positive development is primarily attributable to dividend income of EUR 14.3m (Q3 2017: EUR 4.3m) from the shareholdings in CA Immobilien Anlagen AG and IMMOFINANZ AG. The very good result was also due to lower loan and derivative costs, which are partly related to disposals in the previous year. Another positive effect was achieved with the elimination of participating certificate expenses (participating certificate expenses Q3 2017: EUR 3.5m).

Furthermore, the cost of funding (financing costs excluding bonds and participating certificate costs) was reduced from 2.32% as of 30 September 2017 to 2.25%.

Increase in EBT, net income for the period and earnings per share

Higher gross profits and the significantly improved financial result offset the lower property valuations. As a result, EBT increased to EUR 95.4m (Q3 2017: EUR 93.3m). As a further consequence, net income for the period increased to EUR 79.7m (Q3 2017: EUR 77.0m) in the first three quarters. Earnings per share increased accordingly to EUR 1.20 (Q3 2017: EUR 1.12).

Consolidated statement of financial position

S IMMO Group's total assets increased from EUR 2,272.3m as of 31 December 2017 to EUR 2,611.7m as of 30 September 2018. The stake in IMMOFINANZ AG was increased to approximately 12%, while the holdings in CA Immobilien Anlagen AG were expanded to a much lesser extent in the first three quarters. This means "other financial assets" increased overall to EUR 493.8m as of 30 September 2018 (31 December 2017: EUR 300.2m). In terms of real estate, properties were acquired in Germany and progress was made on the development of the office building The Mark.

Cash and cash equivalents as of the end of the third quarter totalled EUR 67.6m (31 December 2017: EUR 73.4m). In the first quarter of 2018, two additional bonds were issued with a volume of EUR 100m for the six-year bond and a volume of EUR 50m for the twelve-year bond. Both bonds have coupons with a fixed interest rate: 1.75% p.a. for the six-year bond and 2.875% p.a. for the twelve-year bond.

Equity not including minority shares increased to EUR 1,018.8m in the first three quarters of 2018 (31 December 2017: EUR 940.8m). Thus, despite the dividend distribution in the second quarter, the book value per share improved to EUR 15.39 (31 December 2017: EUR 14.21). The equity ratio amounted to 39.1% as of 30 September 2018 (31 December 2017: 41.6%).

Financing

A key figure for the assessment of the financing structure is the loan-to-value ratio (LTV ratio). S IMMO distinguishes between two types of this key figure: the LTV ratio for financing secured with properties (mortgages) and the LTV ratio for unsecured financing. Most of the latter are bonds issued by S IMMO AG.

S IMMO's reported property investments including properties held for sale amounted to EUR 2,470.9m as of 30 September 2018 (31 December 2017: EUR 2,138.2m). The LTV ratio for financing secured with properties came to 38.0% (31 December 2017: 36.6%).

S IMMO has unsecured financing as well. The LTV ratio for unsecured financing less cash and cash equivalents increased in the reporting period to 14.9% (31 December 2017: 12.7%), due primarily to bond issues in the first quarter. In total, the company's LTV ratio is 52.9% (31 December 2017: 49.3%). The calculation method for both key figures is described in detail in the 2017 Annual Report.

Risk management report

S IMMO AG is exposed to all industry-specific risks in connection with its business activities (purchase, letting, development and sale of properties across various regions and types of use). These include strategic, property-specific, financial and other risks. By identifying, analysing, managing and monitoring risks and opportunities, the company strives to detect potential success factors and negative developments in good time and take them into account in decision-making processes.

Potential risks for the current financial year and the risk management of S IMMO AG are set out in detail in the 2017 Annual Report (starting on page 67).

The probability of occurrence of the stated risks depends on a large number of factors such as economic development in the markets in which the company operates or the cyclical fluctuations to which the property industry is exposed. S IMMO invests in properties and property companies within the European Union (EU), and its portfolio is diversified by region and type of use.

As far as economic development in the EU is concerned, the International Monetary Fund (IMF) revised its forecast for the current year from 2.9% to 2%. The reason for this revision is the increase in uncertainty factors and negative effects. International trade disputes, political and economic instability in Italy and the uncertain consequences of Brexit, scheduled for the end of March 2019, are among the greatest risks for the European economy.

The Austrian Institute of Economic Research (WIFO) reported GDP growth of 0.5% for Austria in the third quarter of 2018. An increase of 3% is expected for 2018 as a whole. However, WIFO estimates that the Austrian economy has reached its peak and forecasts a slowdown in growth to 2% for the coming year.

In terms of property markets, the company expects the properties completed in the current year to attract high demand, and sale and rental prices to remain stable. If the economic situation in the markets were to deteriorate unexpectedly, the Group would have to expect an increase in industry, property portfolio, property valuation, letting and rental default risk.

In addition to the risks associated with its operating activities, S IMMO is exposed to the market risk in the capital markets as a listed company. Moreover, S IMMO holds a significant amount of shares in IMMOFINANZ AG and CA Immobilien Anlagen AG. As property investment companies and property developers, both of these companies are exposed to similar risks to those of S IMMO. The shares of IMMOFINANZ and CA Immo are listed in the Austrian ATX benchmark index and are subject to market price risks that could have a negative impact on S IMMO's equity.

In addition to internal regulations and guidelines, risk management at S IMMO comprises ongoing reports to the Management Board in the context of regular meetings. Furthermore, there are control measures for the purpose of the early detection, management and monitoring of risks. The Management Board takes the key risk-relevant decisions. An Internal Control System (ICS) is in place for all key business processes. In addition, accounting provisions are made for potential risks.

Potential risks are also countered by opportunities: S IMMO is currently benefiting from the dynamic growth on the German property market and the strong economic development in CEE. Against this backdrop, the company is carrying out development projects and making opportunistic purchases and sales.

Outlook

Taking advantage of property cycles is a key part of S IMMO AG's strategy. In this context, regions and types of use are combined with the aim of generating sustainable income and securing it for the years ahead. S IMMO continues to benefit from the positive economic developments in its markets, the low-interest environment and the high price levels in many property markets.

S IMMO currently has attractive acquisition opportunities, particularly in emerging German cities such as Leipzig, Kiel and Rostock. The potential for growth and the demographic development of these cities ensure sustainable cash flow and offer attractive upside potential.

In CEE, the two office projects Einsteinova Business Center in Bratislava and The Mark in Bucharest are being finalised. The Einsteinova Business Center is already fully leased – including to tenants such as IBM and UNIQA. More than 75% of the office property The Mark has already been leased before the planned completion. Well-known companies such as Deloitte, Dentons, WPP and Starbucks have signed on as tenants. Both office buildings have excellent ecological data, so S IMMO is aiming for a BREEAM sustainability certificate with an 'excellent' rating for both properties.

Consolidated interim financial statements

Consolidated statement of financial position

as of 30 September 2018

Assets	EUR '000	Notes	30 September 2018	31 December 2017
Non-current assets				
Investment properties				
Rented properties		3.1.1.	1,717,934	1,668,405
Properties under development and undeveloped land		3.1.1.	56,100	37,100
			1,774,034	1,705,505
Owner-operated properties		3.1.2.	126,106	127,875
Other plant and equipment			5,685	4,655
Intangible assets			224	230
Interests in companies measured at equity			13,060	12,237
Group interests			2,848	842
Loans to companies measured at equity			13,243	10,946
Other financial assets		3.1.3.	493,790	300,175
Deferred tax assets			1,821	2,277
			2,430,811	2,164,742
Current assets				
Inventories		3.1.4.	507	530
Trade receivables			8,895	8,447
Other financial assets			14,396	6,607
Other assets			10,909	12,239
Cash and cash equivalents		3.1.5.	67,602	73,390
			102,309	101,213
Assets held for sale		3.1.6.	78,601	6,300
			180,910	107,513
			2,611,721	2,272,255

Equity and liabilities	Notes	30 September 2018	31 December 2017
EUR '000			
Shareholders' equity			
Share capital		240,544	240,544
Capital reserves		68,832	68,832
Other reserves		709,463	631,439
		1,018,839	940,815
Non-controlling interests			
		2,326	3,611
		1,021,165	944,426
Non-current liabilities			
Issued bonds	3.1.8.	436,692	287,518
Other financial liabilities	3.1.9.	870,439	686,589
Provisions		1,389	2,334
Other liabilities		8	7
Deferred tax liabilities		155,584	135,128
		1,464,112	1,111,576
Current liabilities			
Subordinated participating certificate capital	3.1.7.	0	56,717
Financial liabilities	3.1.9.	76,868	113,398
Income tax liabilities		4,023	4,666
Trade payables		8,550	7,363
Other liabilities		29,006	34,109
		118,447	216,253
Liabilities in connection with assets held for sale			
	3.1.6.	7,997	0
		126,444	216,253
		2,611,721	2,272,255

Consolidated income statement

for the nine months ended on 30 September 2018

EUR '000	Notes	01-09/2018	01-09/2017
Revenues			
Rental income	3.2.1.	76,533	86,044
Revenues from operating costs		24,696	25,389
Revenues from hotel operations	3.1.2.	38,345	32,751
		139,574	144,184
Other operating income			
		1,445	1,431
Property operating expenses	3.2.2.	-38,822	-47,200
Hotel operating expenses	3.2.2.	-25,976	-24,208
Gross profit		76,221	74,207
Income from property disposals		6,641	461,253
Book value of property disposals		-6,641	-450,910
Gains on property disposals	3.2.3.	0	10,343
Management expenses		-13,424	-13,228
Earnings before interest, tax, depreciation and amortisation (EBITDA)		62,797	71,322
Depreciation and amortisation		-5,712	-6,553
Results from property valuation	3.2.4.	45,789	68,220
Operating income (EBIT)		102,874	132,989
Financing costs	3.2.5.	-25,711	-42,527
Financing income ¹	3.2.5.	15,998	5,921
Results from companies measured at equity	3.2.5.	2,283	355
Participating certificates result	3.1.7.	0	-3,468
Net income before tax (EBT)		95,444	93,270
Taxes on income	3.2.6.	-15,738	-16,229
Consolidated net income for the period		79,706	77,041
of which attributable to shareholders in parent company		79,640	73,837
of which attributable to non-controlling interests		66	3,204
Earnings per share			
undiluted = diluted		1.20	1.12

¹ of which dividend income from shareholdings in listed real estate companies: 30 September 2018: EUR 14.3m, 30 September 2017: 4.3m

Consolidated statement of comprehensive income

for the nine months ended on 30 September 2018

EUR '000	01-09/2018	01-09/2017
Consolidated net income for the period	79,706	77,041
Change in value of cash flow hedges	-431	-161
Income taxes on cash flow hedges	58	13
Reclassification of derivatives valuation effects	935	13,679
Reserve for foreign exchange rate differences	1,698	142
Valuation of financial instruments available for sale	0	33,022
Income taxes from measurement of financial instruments available for sale	0	-8,255
Other comprehensive income for the period (realised through profit or loss)	2,260	38,440
Valuation of financial instruments available for sale	31,293	0
Income taxes from measurement of financial instruments available for sale	-10,166	0
Other comprehensive income for the period (realised not through profit or loss)	21,127	0
Total comprehensive income for the period	103,093	115,481
of which attributable to shareholders in parent company	103,027	110,026
of which attributable to non-controlling interests	66	5,455

Consolidated income statement

for the three months ended on 30 September 2018

EUR '000	Notes	07-09/2018	07-09/2017
Revenues			
Rental income	3.2.1.	26,130	27,500
Revenues from operating costs		8,230	6,096
Revenues from hotel operations	3.1.2.	14,204	13,133
		48,564	46,729
Other operating income			
Property operating expenses	3.2.2.	-12,647	-17,285
Hotel operating expenses	3.2.2.	-8,936	-8,219
Gross profit		27,468	21,772
Income from property disposals		0	437,512
Book value of property disposals		0	-427,169
Gains on property disposals	3.2.3.	0	10,343
Management expenses		-4,246	-4,596
Earnings before interest, tax, depreciation and amortisation (EBITDA)		23,222	27,519
Depreciation and amortisation		-1,966	-2,291
Results from property valuation	3.2.4.	27,225	-1,111
Operating income (EBIT)		48,481	24,117
Financing costs	3.2.5.	-6,493	-17,770
Financing income	3.2.5.	468	196
Results from companies measured at equity	3.2.5.	-153	297
Participating certificates result	3.1.7.	0	-805
Net income before tax (EBT)		42,303	6,035
Taxes on income	3.2.6.	-10,471	-1,370
Consolidated net income for the period		31,832	4,665
of which attributable to shareholders in parent company		31,814	5,371
of which attributable to non-controlling interests		18	-706
Earnings per share			
undiluted = diluted		0.48	0.08

Consolidated statement of comprehensive income

for the three months ended on 30 September 2018

EUR '000	07–09/2018	07–09/2017
Consolidated net income for the period	31,832	4,665
Change in value of cash flow hedges	720	82
Income taxes on cash flow hedges	-108	-33
Reclassification of derivatives valuation effects	312	7,337
Reserve for foreign exchange rate differences	-517	241
Valuation of financial instruments available for sale	0	16,055
Income taxes from measurement of financial instruments available for sale	0	-4,014
Other comprehensive income for the period (realised through profit or loss)	407	19,668
Valuation of financial instruments available for sale	41,309	0
Income taxes from measurement of financial instruments available for sale	-10,327	0
Other comprehensive income for the period (not realised through profit or loss)	30,982	0
Total comprehensive income for the period	63,222	24,333
of which attributable to shareholders in parent company	63,204	23,020
of which attributable to non-controlling interests	18	1,314

Consolidated cash flow statement

for the nine months ended on 30 September 2018

EUR '000	01-09/2018	01-09/2017
Operating cash flow	59,364	59,832
Changes in net current assets	-4,592	1,974
Cash flow from operating activities	54,772	61,806
Cash flow from investing activities	-255,028	166,172
Cash flow from financing activities	194,504	-122,788
Total	-5,752	105,190
Cash and cash equivalents as of 01 January	73,390	66,029
Reclassification of cash and cash equivalents to "assets held for sale"	-36	0
Cash and cash equivalents as of 30 September	67,602	171,219
Net change in cash and cash equivalents	-5,752	105,190

Changes in consolidated equity

EUR '000	Share capital	Capital reserves	Foreign currency translation reserve	Hedge accounting reserve	Equity instruments reserve ²	Other reserves	Subtotal S IMMO shareholders	Non-controlling interests	Total
As of 01 January 2018	240,544	68,832	-17,200	-6,022	25,053	629,608	940,815	3,611	944,426
Changeover effects of first-time application of IFRS 9	0	0	0	0	0	1,478	1,478	0	1,478
Total after adjustment due to first-time application of IFRS 9	240,544	68,832	-17,200	-6,022	25,053	631,086	942,293	3,611	945,904
Consolidated net income for the period	0	0	0	0	0	79,640	79,640	66	79,706
Other comprehensive income	0	0	1,698	562	21,127	0	23,387	0	23,387
Repurchase of treasury shares	0	0	0	0	0	0	0	0	0
Change in non-controlling interests	0	0	0	0	0	0	0	-1,351	-1,351
Other changes	0	0	0	0	-54	54	0	0	0
Distribution ¹	0	0	0	0	0	-26,481	-26,481	0	-26,481
As of 30 September 2018	240,544	68,832	-15,502	-5,460	46,126	684,299	1,018,839	2,326	1,021,165
As of 01 January 2017	240,544	68,832	-17,365	-17,585	-3,858	525,037	795,605	28,737	824,342
Consolidated net income for the period	0	0	0	0	0	73,837	73,837	3,204	77,041
Other comprehensive income	0	0	142	11,280	24,767	0	36,189	2,251	38,440
Repurchase of treasury shares	0	0	0	0	0	0	0	0	0
Change in non-controlling interests	0	0	0	0	0	977	977	-30,604	-29,627
Distribution	0	0	0	0	0	-26,481	-26,481	0	-26,481
As of 30 September 2017	240,544	68,832	-17,223	-6,305	20,909	573,370	880,127	3,588	883,715

¹ The dividend distribution of kEUR 26,481 in 2018 corresponds to a dividend of EUR 0.40 (2017: EUR 0.40) per share and was effected on 16 May 2018.

² See notes 3.1.3.

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 ultimate 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 1987 and in the Prime Market segment since 2007. S IMMO was included in the Austrian ATX benchmark index for the first time on 18 September 2017. As of 30 September 2018, it had subsidiaries in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Romania and Bulgaria. As of 30 September 2018, S IMMO Group owned properties in all the above countries. S IMMO Group is an international real estate group that engages in buying, selling, real estate project development, letting, asset management, and operating hotels and shopping centres as well as in revitalising and renovating properties in Austria, Germany and CEE (Slovakia, Czech Republic, Hungary, Romania, Bulgaria and Croatia).

2. Accounting and valuation policies

2.1. Accounting policies

The consolidated interim financial statements for the nine months ended on 30 September 2018 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 on 31 December 2017.

In preparing the consolidated interim financial statements for the nine months ended on 30 September 2018, the accounting and valuation policies applied in the consolidated financial statements for the year ended on 31 December 2017 have been applied substantially unchanged.

The financial statements for the nine months ended on 30 September 2018 have neither been audited nor reviewed by independent auditors.

The accounting policies of all companies included in the 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.

In the second quarter of 2018, S IMMO Property Neun GmbH (Austria) and S IMMO Property Zehn GmbH (Austria) were fully consolidated in the consolidated financial statements of S IMMO AG for the first time. A business combination as per IFRS 3 did not occur for the two newly consolidated companies.

In the third quarter of 2018 H.W.I. I ApS, Denmark; H.W.I. IV ApS, Denmark; GPI I ApS, Denmark; GPI II ApS, Denmark and GPI III ApS, Denmark were dissolved.

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

2.2. New mandatory accounting regulations

For the preparation of these consolidated interim financial statements, IFRS 9 – Financial Instruments, IFRS 15 – Revenue from Contracts with Customers, a clarification to IFRS 15 and amendments to IFRS 1 and IAS 28 (AIP 2014–2016) were applicable from 01 January 2018 onwards. For a more detailed description of these, and future changes and their impact on the consolidated financial statements, please refer to the 2017 consolidated financial statements. None of the new standards to be applied had any significant impact on these interim financial statements. For one equity investment previously measured at amortised cost less impairment, the book value was adjusted by kEUR 1,970 on the basis of IFRS 9. The change was recognised with an adjustment to the opening balance of retained earnings.

Type of financial asset	Original valuation category according to IAS 39	New valuation category according to IFRS 9	Original book value according to IAS 39	New book value according to IFRS 9
Group interests	Financial assets available for sale	Financial assets measured at fair value not recognised in profit or loss (OCI option)	kEUR 535	kEUR 2,505

New standards and interpretations which have been approved for application in the EU, but are not yet required to be applied for the financial year 2018 were not applied (additional information can be found in the consolidated financial statements for the financial year 2017).

IFRS 16 “Leases” will be applied for the first time as of 01 January 2019, whereby the new standard will primarily affect the accounting for operating leases.

The standard stipulates a single accounting model for lessees. Under this model, lessees must recognise all assets and liabilities from leases in the statement of financial position, unless the term is twelve months or less or the asset in question is a low-value asset. In these cases, the standard explicitly foresees an accounting option.

Lessors continue to distinguish between finance and operating leases for accounting purposes. The accounting model in IFRS 16 does not differ significantly from that in IAS 17 Leases. The S IMMO Group is a lessee as per IFRS 16, particularly in connection with construction rights and car leases. Right-of-use assets are to be capitalised for these leases in the future. Leasing liabilities need to be recognised in line with these right-of-use assets. The right-of-use assets in relation to vehicle leases are depreciated over the respective useful life. In the future, right-of-use assets for construction rights as per IFRS 16.34 should be measured at fair value via property valuations in the profit and loss statement, since they meet the definition of investment property. In line with the right-of-use assets on the assets side, leasing liabilities should be recognised on the liabilities side. The latter’s ongoing accounting in future periods will result in additional interest expenses in the financing result.

For short-term leases and leases where the underlying asset is of low value, the S IMMO Group will apply the option of not recognising an asset and a corresponding liability in accordance with IFRS 16.5.

Due to the application of IFRS 16, there are not expected to be any significant changes to the accounting as a lessee for the S IMMO Group.

The specific effects are currently being evaluated; however, it is not yet possible to estimate the amount of the right-of-use assets and corresponding leasing liabilities.

2.3. Reporting currency and currency translation

The Group’s reporting currency is the euro. The functional currency is determined as per the criteria of IAS 21, and has been identified as being the euro for the majority of S IMMO Group’s companies.

3. Selected notes to the consolidated interim financial statements

3.1. Statement of financial position

3.1.1. Investment properties

EUR '000	Rented properties	Properties under development and undeveloped land
As of 01 January 2017	1,917,303	20,801
Additions	90,941	17,168
Disposals	-1,741	0
Other changes	-2,148	0
Changes in fair value (realised through profit or loss)	128,316	-869
Reclassifications as properties held for sale	-464,266	0
As of 31 December 2017	1,668,405	37,100
whereof pledged as security	1,606,715	31,670
Additions	87,121	13,544
Disposals	-8	-341
Other changes	0	0
Changes in fair value (realised through profit or loss)	40,126	5,797
Reclassifications as properties held for sale	-77,710	0
As of 30 September 2018	1,717,934	56,100
whereof pledged as security	1,671,700	53,400

Consisting of:

Rented properties

EUR '000	30.09.2018	31.12.2017
Austria	346,710	379,470
Germany	837,691	765,855
CEE	533,533	523,080
	1,717,934	1,668,405

Properties under development and undeveloped land

EUR '000	30.09.2018	31.12.2017
Austria	0	0
Germany	0	0
CEE	56,100	37,100
	56,100	37,100

Appraisals are generally obtained from independent experts once a year to measure the fair value of all investment properties. The measurement methods are the same as those used for the 2017 annual financial statements and correspond to level 3 of the IFRS 13.86 fair value hierarchy. The valuation results for the investment properties in the first three quarters of 2018 are based on internal calculation models with input parameters that have changed since the preparation of the 2017 annual financial statements but with the same valuation methods as applied for the 2017 annual financial statements or on external purchase price indication. The valuations of the first three quarters of 2018 apply to all segments.

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. Other financial assets

Other financial assets include mainly shares in the companies IMMOFINANZ AG and CA Immobilien Anlagen AG that were accounted for as available-for-sale securities according to IAS 39 until the initial application of IFRS 9. At the time of the initial application of IFRS 9 (01 January 2018), the Management Board took the decision to recognise these equity instruments at fair value through other comprehensive income. As a result, the cumulative historical gains and losses from the previous measurement at fair value were reclassified from other comprehensive income (realised through profit or loss) to other comprehensive income (not realised through profit or loss) as of 01 January 2018. In contrast to IAS 39, IFRS 9 no longer permits recycling from other comprehensive income to the income statement. In the first three quarters of the year, S IMMO acquired a package of shares in IMMOFINANZ AG over the counter, thus increasing its stake in IMMOFINANZ AG

to approximately 12%. Dividend income totalling kEUR 14,332 was realised through profit or loss in the reporting period (30 September 2017: kEUR 4,302).

3.1.4. Inventories

Inventories exist to a minor extent and are measured at cost. The net realisable value of inventories does not exceed their book values.

3.1.5. Cash and cash equivalents

EUR '000	30.09.2018	31.12.2017
Bank balances	67,365	73,114
Cash in hand	237	276
	67,602	73,390

3.1.6. Assets held for sale and liabilities relating to assets 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. Overall, this is currently intended for six properties in Germany and Austria.

Assets held for sale

EUR '000	30.09.2018	31.12.2017
Rented properties	78,475	6,300
Intangible assets	0	0
Other plant and equipment	0	0
Deferred taxes	0	0
Inventories	0	0
Trade receivables	1	0
Other financial assets	25	0
Other assets	64	0
Cash and cash equivalents	36	0
	78,601	6,300

Liabilities relating to assets held for sale

EUR '000	30.09.2018	31.12.2017
Deferred taxes	2,240	0
Financial liabilities	5,550	0
Income tax liability	13	0
Trade payables	8	0
Other liabilities	186	0
	7,997	0

3.1.7. Participating certificates (subordinated)

In the second quarter of 2017, S IMMO exercised the cancellation right and cancelled all participating certificates it had issued effective from 31 December 2017. As a result, income entitlements and hidden reserves were allocated for the financial year 2017 for the last time.

The participation certificate liability determined in this way as of 31 December 2017 was approved by the Supervisory Board at the meeting on 04 April 2018. All payments have been made in accordance with the contract within one month from this date.

3.1.8. Issued bonds

In February 2018, S IMMO AG issued two bonds. A bond (ISIN AT0000A1Z9D9) with a total nominal value of kEUR 100,000 divided into 200,000 shares with a nominal value of EUR 500 each and a second bond (ISIN AT0000A1Z9C1) with a total nominal value of kEUR 50,000 divided into 100,000 shares with a nominal value of EUR 500 each. As of 30 September 2018, the book values of the corresponding bond liabilities accounted for kEUR 99,223 and kEUR 49,721 respectively.

The following table shows the key data for the corporate bonds issued:

ISIN	Total nominal value in EUR '000	Coupon	Effective interest rate	Maturity
AT0000A177D2	89,739.5	4.500%	4.66%	16 June 2021
AT0000A19SB5	100,000	3.000%	3.13%	02 October 2019
AT0000A1DBM5	33,993.5	3.250%	3.36%	08 April 2025
AT0000A1DWK5	65,000	3.250%	3.31%	20 April 2027
AT0000A1Z9D9	100,000	1.750%	1.90%	06 February 2024
AT0000A1Z9C1	50,000	2.875%	2.93%	06 February 2030

All of the bonds are listed in the Corporates Prime segment of the Vienna Stock Exchange.

3.1.9. Other financial liabilities

Other current and non-current financial liabilities, including the financial liabilities reported in liabilities relating to assets held for sale, amounted to kEUR 952,857 (31 December 2017: kEUR 799,987).

3.1.10. Derivatives

The S IMMO Group currently uses swaps and caps to manage the interest rate risk in connection with property financing at variable interest rates. These derivatives were disclosed under other financial assets (30 September 2018: kEUR 1,068; 31 December 2017: kEUR 1,170) and under other financial liabilities (30 September 2018: kEUR 14,923; 31 December 2017: kEUR 17,130). The fair value measurement of derivatives is based on estimates made by external experts. There were no changes to the applied measurement methods or key input parameters compared with the 2017 annual financial statements. The measurement falls under level 2 of the IFRS 13 fair value hierarchy. CVAs/DVAs were applied for the measurement of derivatives in analogy to the methods as of 31 December 2017.

In the first nine months of 2018, this resulted in expenses of kEUR 431 (30 September 2017: expenses kEUR 161) recognised directly in equity. Overall, valuation and OCI recycling effects had a positive effect in the consolidated income statement for the first nine months of 2018 in the amount of kEUR 1,332 (30 September 2017: negative effect in the consolidated income statement of kEUR 12,682).

30 September 2018

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	577,581	475	-14,923
Caps	190,000	593	0
Total	767,581	1,068	-14,923

31 December 2017

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	414,035	322	-17,130
Caps	195,000	848	0
Total	609,035	1,170	-17,130

3.2. Consolidated income statement

3.2.1. Rental income

Rental income by properties' type of use was as follows:

EUR '000	01-09/2018	01-09/2017
Office	25,197	32,673
Residential	18,564	16,056
Retail	29,182	33,643
Hotel	3,590	3,672
	76,533	86,044

The decrease in rental income is primarily due to disposals of the properties Viertel Zwei and Serdika Shopping Center with its accompanying office property in the third quarter of 2017. The reduction was partially offset by acquisitions and a positive like-for-like performance.

3.2.2. Operating costs and expenses from properties and hotel operations

These expenses are almost exclusively expenses related to investment properties. They consist mainly of operating costs, valuation allowances for rents receivable, maintenance expenses and commissions.

The expenses of hotel operations are made up largely 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 number of employees in the Group in the first three quarters of 2018 averaged 592 (30 September 2017: 570), including hotel staff. Personnel expenses for the hotels are disclosed under hotel operations.

3.2.3. Gains on property disposals

A property in Berlin, Germany was sold in the first three quarters of 2018.

EUR '000	01-09/2018	01-09/2017
Income from property disposals		
Investment properties	341	1,741
Properties held for sale	6,300	459,512
Inventories	0	0
	6,641	461,253
Book value of property disposals		
Investment properties	-341	-1,741
Properties held for sale	-6,300	-449,169
Inventories	0	0
	-6,641	-450,910
Gains on property disposals		
Investment properties	0	0
Properties held for sale	0	10,343
Inventories	0	0
	0	10,343

3.2.4. Results from property valuation

The Germany segment accounted for kEUR 24,732 (30 September 2017: kEUR 35,515) of the revaluation results, the Austria segment for kEUR 10,960 (30 September 2017: kEUR 24,610) and the CEE segment for kEUR 10,097 (30 September 2017: kEUR 8,095).

3.2.5. Financing result

Net financing costs consisted of the following:

EUR '000	01-09/2018	01-09/2017
Financing expense	-25,711	-42,527
Financing income	15,998	5,921
Results from companies measured at equity	2,283	355
	-7,430	-36,251

3.2.6. Taxes on income

EUR '000	01-09/2018	01-09/2017
Current tax expense	-3,428	-12,628
Deferred tax expense	-12,310	-3,601
	-15,738	-16,229

4. Operating segments

Segment reporting for S IMMO Group is based on geographical regions. The assessment and analysis of the regional structure follows the strategic direction, which differentiates between Austria, Germany and CEE. The regions are as follows:

Austria: This operating segment includes all of the Group's Austrian subsidiaries, apart from those with properties in Germany.

Germany: This operating segment includes the German subsidiaries and also subsidiaries in Denmark (deconsolidated as of 30 September 2018) and Austria holding properties in Germany.

CEE: The CEE segment includes the subsidiaries in Slovakia, the Czech Republic, Hungary, Bulgaria, Croatia and Romania.

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

Each division operates independently of every other division. The chief operating decision maker for the divisions is the CEO.

EUR '000	Austria		Germany		CEE		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Rental income	13,825	20,053	30,762	26,992	31,946	38,999	76,533	86,044
Revenues from operating costs	3,449	5,282	9,056	8,252	12,191	11,855	24,696	25,389
Revenues from hotel operations	19,213	14,921	0	0	19,132	17,830	38,345	32,751
Total revenues	36,487	40,256	39,818	35,244	63,269	68,684	139,574	144,184
Other operating income	733	456	600	527	112	448	1,445	1,431
Property operating expenses	-5,421	-9,385	-18,164	-17,180	-15,237	-20,636	-38,822	-47,200
Hotel operating expenses	-14,534	-13,208	0	0	-11,442	-11,000	-25,976	-24,208
Gross profit	17,265	18,119	22,254	18,591	36,702	37,496	76,221	74,207
Gains on property disposals	0	0	0	0	0	10,342	0	10,342
Management expenses	-7,835	-6,839	-4,118	-3,732	-1,471	-2,656	-13,424	-13,227
EBITDA	9,430	11,280	18,136	14,859	35,231	45,182	62,797	71,322
Depreciation and amortisation	-3,281	-3,579	-138	-75	-2,293	-2,900	-5,712	-6,553
Results from property valuation	10,960	24,610	24,732	35,515	10,097	8,094	45,789	68,220
EBIT	17,109	32,311	42,729	50,300	43,036	50,377	102,874	132,989

	30.09.2018	31.12.2017	30.09.2018	31.12.2017	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Non-current assets	920,369	759,947	838,955	766,720	671,487	638,075	2,430,811	2,164,742
Non-current liabilities	719,029	512,973	373,999	275,996	371,084	322,607	1,464,112	1,111,576

5. Other obligations and contingent liabilities

In S IMMO Group there were a number of open legal disputes as of 30 September 2018. However, in Management's opinion, neither the individual amounts involved nor the total are material.

6. Related party disclosures

S IMMO Group's related parties are as follows:

- S IMMO Group's managing bodies
- Vienna Insurance Group (until 09 April 2018)
- RPR Privatstiftung (until 21 September 2018)
- Familie Benko Privatstiftung (until 21 September 2018)
- IMMOFINANZ AG (since 21 September 2018)
- Associated companies and joint venture companies of the Group

S IMMO Group's managing bodies are as follows:

S IMMO AG Management Board

- Ernst Vejdovszky, Vienna (CEO)
- Friedrich Wachernig, MBA, Vienna

S IMMO AG Supervisory Board

- Martin Simhandl, Vienna (Chairman)
- Franz Kerber, Graz
(First Deputy Chairman since 03 May 2018)
- Wilhelm Rasinger, Vienna
(Second Deputy Chairman since 03 May 2018)
- Andrea Besenhofer, Vienna
- Hanna Bomba, Vienna (since 03 May 2018)
- Christian Hager, Krems
- Manfred Rapf, Vienna
- Karin Rest, MBA, Vienna (since 03 May 2018)
- Ralf Zeitlberger, Vienna (until 03 May 2018)
(First Deputy Chairman until 03 May 2018)

As of 30 September 2018, there were no receivables or payables due to related parties of the S IMMO Group.

The following receivables and payables were due to Vienna Insurance Group and Erste Group as of 31 December 2017:

EUR '000	30.09.2018	31.12.2017
Other receivables	0	3,830
Bank balances	0	60,405
Receivables	0	64,235

EUR '000	30.09.2018	31.12.2017
Non-current bank and financial liabilities	0	346,095
Current bank and financial liabilities	0	49,368
Trade payables	0	61
Other liabilities	0	1,224
Liabilities	0	396,748

There were the following expenses and incomes in connection with Vienna Insurance Group (until 09 April 2018) and accordingly Vienna Insurance Group and Erste Group (2017) in the first nine months of the year and the same period last year:

EUR '000	01-09/2018	01-09/2017
Management fees	0	-212
Bank loan interest, other financing expenses and service charges	-1,004	-13,638
Other expenses	-244	-973
Expenses	-1,248	-14,823

EUR '000	01-09/2018	01-09/2017
Rent and operating costs	0	431
Bank interest	0	150
Other interest income	9	172
Income	9	753

Vienna, 27 November 2018

Management Board

Ernst Vejdovszky m. p.

Friedrich Wachernig, MBA m. p.

Financial calendar 2018/2019

27 November 2018	Results for the first three quarters 2018
03 April 2019	Annual results 2018 (press conference)
27 May 2019	Results for the first quarter 2019
04 June 2019	Record date Annual General Meeting
14 June 2019	Annual General Meeting
21 June 2019	Dividend ex day
24 June 2019	Record date dividend
25 June 2019	Dividend payment day
27 August 2019	Results for the first half year 2019
26 November 2019	Results for the first three quarters 2019

Contact

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Should the assumptions on which the forecasts are based prove to be unfounded, or should events of the kind described in the risk report occur, then the actual outcomes may differ from those currently expected. This Interim Report neither contains nor implies a recommendation either to buy or to sell shares or other financial instruments of S IMMO AG. Past events are not a reliable indicator of future developments. This Interim Report has been prepared in the German language, and only the German language version is authentic. The Interim Report in other languages is a translation of the German Report.

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