

Q3

INTERIM REPORT
AS AT 30 SEPTEMBER 2011

OMV Head Office (Hoch Zwei), Vienna, Austria



Closeness is our strength.



KEY FIGURES

		01.01. – 30.09. 2011	01.01. – 30.09. 2010
Revenues	EUR m	151.9	126.2
whereof rental income and revenue from hotel operations	EUR m	121.1	102.6
EBITDA	EUR m	76.6	55.0
EBIT	EUR m	74.0	45.5
EBT	EUR m	23.9	4.5
Net income for the period	EUR m	20.3	1.3
Total assets	EUR m	2,157.2	2,075.7
Shareholders' equity	EUR m	517.4	513.3
Liabilities	EUR m	1,639.8	1,562.3
Equity ratio (including participation certificate capital)	in %	36	37
Investments	EUR m	25.1	99.0
Operating cash flow	EUR m	74.0	52.8 ¹⁾
Cash flow from investing activities	EUR m	8.7	-33.4
Cash flow from financing activities	EUR m	-153.5	-107.5
Cash and cash equivalents as at 30 September	EUR m	47.8	112.2
NOI margin	in %	49.4	45.6
Loan to value ratio	in %	61	56
FFO	EUR m	32.9	22.6 ¹⁾
FFO including participating certificate	EUR m	23.1	14.5
Earnings per share	EUR	0.24	0.02
EPRA NAV per share	EUR	8.64	8.27
Share price discount from EPRA NAV	in %	54	33
Balance sheet NAV per share	EUR	7.11	6.81
Share price discount from balance sheet NAV	in %	44	19
Cash flow from operations per share	EUR	1.09	0.78 ¹⁾
Property portfolio (fair value)	EUR m	1,988.2	1,850.8
whereof properties under construction	EUR m	57.3	76.7

¹⁾ Adjusted



Hotel Zwei / Hoch Zwei / Plus Zwei (f.l.t.r.), Vienna, Austria

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Dear Shareholders,

The financial year 2011 is turning out to be very successful for S IMMO AG. Despite the challenging economic environment, we can look back on an outstanding third quarter; all key indicators are up and once again we have good news to report from our asset management. In addition, at the start of October we sent an important signal to the capital market by initiating the share repurchase programme.

The Group has continued to perform as positively as in the first half of the year: For the first three quarters, rental income was up to EUR 91.8m, income from hotel operations rose to EUR 29.3m and EBITDA showed an impressive gain of nearly 40%, to EUR 76.6m. Overall, S IMMO AG's net income for the period increased to EUR 20.3m.

Other key figures we use in monitoring the Group's progress convey the same positive message: Funds from operations (FFO) increased by more than 45% to EUR 32.9m. Operating cash flow was up to EUR 74.0m, gaining a very satisfactory 40% compared with the same period last year. This positive earnings performance is largely attributable to the contributions to earnings made by the development projects opened last year and the acquisitions in Viertel Zwei in Vienna. By the end of the third quarter of 2011, EPRA NAV, the net asset value of our Share, increased once again and currently stands at EUR 8.64 per share. In order to make the Group's performance more readily comparable and thus increase transparency, from this quarter on we will also publish the balance sheet NAV (EUR 7.11 per share as at 30 September 2011) together with FFO adjusted for current participating certificate expenses (EUR 23.1m for the nine months ended 30 September 2011).



The Members of S IMMO AG's Management Board:
Friedrich Wachernig, Ernst Vejdovszky and Holger Schmidtmayr (f.l.t.r.)

Start of share repurchase programme

The performance of our share price in this volatile market environment gives us no cause for satisfaction. Therefore, during the third quarter, we made some important decisions for the capital market. At the balance sheet date, the stock price stood at a discount of more than 50% to the Share's net asset value. The year-to-date performance showed a drop of 24.8% – thoroughly disappointing to both us as Management and to you as investors. To improve the liquidity of the S IMMO Share and also to attract new investors, we have been working with a second market maker since August 2011. At the start of October, we also launched a share repurchase programme, which was very well received by analysts, investors and the media alike. In view of the current difference between share price and net asset value per share, Management at present considers share repurchases to be the most sensible investment possible. As this report went to press on 18 November 2011, the S IMMO Share price stood at EUR 4.189.

Outlook: boosting earnings potential

In all of S IMMO's business activities, the focus is on enhancing the Group's earnings performance. As the results show, we have passed a major milestone to this end in 2011. In order to further improve our earnings performance we are focusing on several key areas. Our buildings refurbishment programme in Germany is a total success and will be completed on schedule at the end of 2012. This will mean the end of ongoing investment activities and related

costs, while at the same time the occupancy rate will continue to improve. As we have stated in the past, we plan on taking advantage of opportunities to dispose of properties at above their estimated values, and we aim to turn over approximately 5% of our portfolio every year. Due to our extensive diversification, we can again take advantage of the various real estate cycles. We will also continue to pay particular attention to active asset management. Our successes here include new rental agreements with renowned companies such as H&M, PepsiCo and Uniqo. We have optimised the tenant mix in our shopping centres and are proud of the constructive nature of our partnerships with over 6,800 existing tenants.

For our Quartier Belvedere Central project at the new Vienna Central Station, which we will develop together with Erste Group Immorent and PORR Solutions, we are expecting to receive zoning permission at the beginning of 2012. The development of the various parts of the project will proceed in stages, most likely starting in 2013.

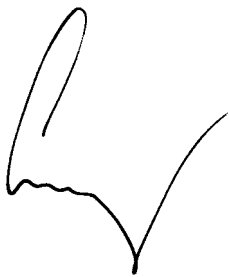
Current economic climate favours property companies

After an economic upswing at the beginning of the year accompanied by cautious optimism, the majority of current forecasts predict an economic downturn or even a recession. The sovereign debt crises in Europe and the USA, the deterioration of employment prospects in the Eurozone and the gloomy economic forecasts are already leaving their

mark on the real economy. The European Central Bank recently lowered the base rate to 1.25% on the grounds that we are confronted with the possibility of a moderate recession. For real estate companies, however, the economic outlook for the coming years promises better conditions than for other sectors due to low interest rates and thus lower financing costs as well as moderate inflation, which in turn will bring higher rents. In the near future, we expect a general trend in European economies towards reducing debt levels and more modest growth rates overall. This means a reversal of the emphasis on value growth and a return to a focus on capital preservation.

With our business model based on diversification, the substantial strength of our Group, our top-notch property portfolio, and the accumulated know how and expertise of our staff, we are ideally positioned to meet the challenges of the coming years. In 2012, the year in which S IMMO AG will celebrate its 25th anniversary, we will continue to do our utmost to achieve the best possible results for you, our shareholders.

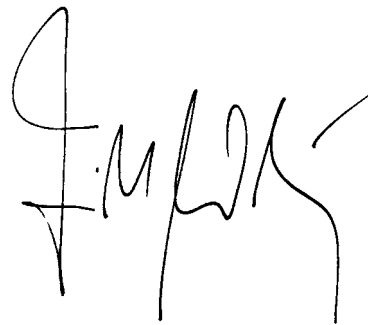
The Management Board



Holger Schmidtmayr



Ernst Vejdovsky



Friedrich Wachernig

Our Share

Uncertainties in international markets impact performance of S IMMO Share

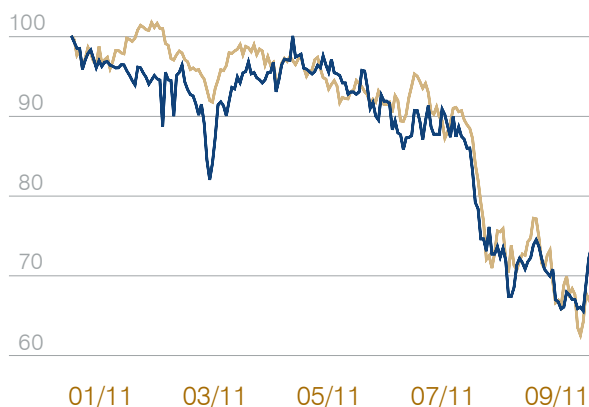
The troubled economic outlook, fear of a recession and numerous uncertainties within the European Union led to nervousness in the capital markets in the third quarter of 2011. After an economic upturn at the beginning of the year accompanied by

cautious optimism, the majority of current forecasts predict a double-dip recession – a recession followed by a short-lived recovery, then followed by another recession. The first effects on the real economy are already noticeable: companies are reluctant to make large investments or take on employees. Industrial orders and forecasts for private consumption are down.

Share price development

indexed (01.01.2011 to 30.09.2011)

■ S IMMO Share ■ ATX



S IMMO Share performance

(ISIN AT0000652250)

One year	-28.34%
Three years, p.a.	-6.20%

S IMMO INVEST participating certificate performance

ISIN AT0000795737 AT0000630694

One year	-1.50%	10.40%
Three years, p.a.	10.60%	6.10%

in EUR	S IMMO Share price AT0000652250	S IMMO INVEST price AT0000795737	S IMMO INVEST price AT0000630694	ATX	IATX
31.12.2010	5.280	70.310	72.000	2,904.47	188.26
31.03.2011	5.046	72.670	72.680	2,882.18	196.18
30.06.2011	4.632	75.000	74.000	2,766.73	186.44
30.09.2011	3.970	69.600	69.000	1,943.74	139.74

Developments in the USA parallel those in the Eurozone. All trend indicators – such as consumer confidence barometers – dropped significantly over the summer. In September alone, the Dow Jones Industrial Index (DJII) dropped by 6% and closed the quarter at 10,913.38 points. This represents an increase of 125.38 points year-on-year, but the index peaked at 12,810.50 points on 29 April 2011 and since then has lost 14.8%. All other major American indices also dropped, making the third quarter of 2011 the worst since 2008. During the third quarter, Standard & Poor's S&P 500 Index registered a drop of 14.3%, closing at 1,131.42 points on 30 September 2011. The performance of the Nasdaq Composite Index, the metric for tech stocks, showed an almost identical picture. On 30 June 2011, the index stood at 2,773.52 points, and three months later it dropped to 2,415.40 points, a decline of 12.9%.

The EURO STOXX 50 Index, made up of the 50 largest European public companies, closed the third quarter of 2011 at 2,179.66 points, a loss of 20.2% over a period of 12 months. The leading German stock index, DAX, suffered much the same fate: On 30 September 2011, it closed at 3,121.22 points – a year-on-year drop of 530.78 points or 14.5%.

Against this background, it is not surprising that the leading Austrian index, ATX, and the Austrian property index, IATX, did not perform positively. Since the beginning of the year, the ATX has lost more than 33.0% and it also fell below the psychologically important level of 2,000 points. Outstripped only by the Greek stock index (Athex Composite Share Price Index), the ATX produced the second-worst performance in Europe and closed the third quarter of 2011 at 1,943.74 points. The IATX also dropped and closed at 139.74 points on 30 September 2011 – a decline of 25.8% compared with the end of 2010.

Share indicators		01 - 09 / 2011	01 - 09 / 2010
Closing price as at 30 September	EUR	3.970	5.540
Average daily turnover	shares	75,000	69,000
Earnings per share (EPS)	EUR	0.24	0.02
EPRA NAV per share	EUR	8.64	8.27
Balance sheet NAV per share	EUR	7.11	6.81
Operating cash flow per share	EUR	1.09	0.78 ¹⁾
Price/operating cash flow	EUR	2.74	5.36 ¹⁾
Share price discount to EPRA NAV as at 30 September	in %	54	33
Share price discount to balance sheet NAV as at 30 September	in %	44	19

¹⁾ Adjusted

Property shares were not immune to the global downwards trend either, which was reflected in the performance of the GPR 250 Index – an index composed of the 250 largest and most liquid listed property securities in the world. European property shares lost 17.9% of their value in the third quarter of this year, 8.7% of that in the month of September alone. Austrian property stocks dropped by 24.2%.

The S IMMO Share shows a similar performance, with a year-to-date loss in value of 24.8%. The Share's performance is naturally as great a disappointment to the Group's Management as it is to shareholders, which is why in the third quarter of this year, Management came to an important decision to start working with a second market-maker, Silvia Quandt & Cie. AG, in August 2011. This has improved S IMMO Share's liquidity while at the same time providing access to new investor

markets in Germany. In addition, a share repurchase programme was launched on 06 October 2011, under which up to 3% of the issued shares may be repurchased before 31 May 2012. Given the present difference between share price and net asset value per share, Management currently considers a share repurchase programme to be the most sensible investment.

In the third quarter, Management and S IMMO's IR team continued to maintain their contacts to investors, and among other things took part in the following national and international events: the annual EPRA conference in London, SRC Forum Financials & Real Estate in Frankfurt, Silvia Quandt & Cie. AG Real Estate Conference in London and Erste Group investor conference in Stegersbach. There were also the usual teleconferences and one-on-one meetings with analysts as well as potential and existing investors.

Research house	Target price / Fair value	Recommendation	Last update
CA Cheuvreux	EUR 5.50	Underperform	10 May 2011
Edge Capital	EUR 5.30	Outperform	31 August 2011
Erste Group	EUR 5.20	Buy	14 November 2011
HSBC Global Research	EUR 6.50	Overweight	25 October 2011
KBC Securities	EUR 3.90	Hold	29 September 2011
SRC Research	EUR 7.50	Buy	31 August 2011

Interim Management Report

Market Overview

The recent developments seen across the Eurozone have worried economists and analysts, as the financial crisis appears to be worsening and there is little sense of political leadership. With the threat of a double-dip recession, it is now looking increasingly likely that the European Central Bank will need to intervene and support some of the largest economies within the European Union to stave off the serious threat that financial contagion poses.

However, despite this rather gloomy picture, property investment activity in the CEE region continues to grow. Investment in the region has more than doubled last year's nine-month total to reach EUR 8bn by the end of September 2011. The Czech Republic has overtaken Russia as the most active country in terms of investment volume in the third quarter of 2011. The reason behind this rally by the Czech Republic is mainly down to large transaction closings.

AUSTRIA

Prime office rents in Vienna rose marginally in Q3, growing by 1.0% on the previous quarter, but posted stronger year-on-year growth of 5.6% and stood at EUR 23.75/m²/month. Prime office yields in Vienna were unchanged on Q2, at 5.25%, but fell by 15 bps year-on-year.

The retail market in Vienna offered a mixed display in Q3. Prime rents rose slightly by 0.9% on the previous quarter and by 2.2% year-on-year to EUR 228.00/m²/month. Prime yields in Vienna's high streets stood at 4.45%, a drop of just 5 bps on the previous quarter and 10 bps year-on-year.

Sources:

CBRE Market View, CEE Property Investment, Q3 2011; CBRE Market View, EMEA Rents and Yields, Q3 2011; CBRE Market View, German Investment Quarterly, Q3 2011; Cushman & Wakefield, Hungary Marketbeat, Q3 2011; DTZ Property Times, Budapest Office, Q3 2011; DTZ Property Times, Czech Republic, Q3 2011; Erste Group Research, Is CEE better prepared for the new storm? 14 October 2011; Property Investor Europe, Morgan Stanley said looking to invest €1bn on German housing, October 2011; Haufe.Immobiliien, Run to housing investment continues to grow, October 2011; The Wall Street Journal, Eastern Europe Faces Bleak Outlook, 18 October 2011; TRI Hospitality Consulting (www.hotstats.com), Vienna Tourist Board

GERMANY

Germany continues to reinforce its position as a secure investment location in the European Union in times of increasing market and financial turmoil. In Q3 2011, a total of approximately EUR 5.7bn was invested in German commercial properties, a rise of 56% compared with Q3 2010. This takes the total year-to-date investment volume for German commercial properties to approximately EUR 16.8bn.

Overall, investors continued to focus on retail properties in Q3, with the retail sector alone accounting for nearly 50% of the overall transaction volume. Investments in office stock amounted to around 33%. This figure includes large transactions such as the sale of the Deutsche Bank towers in Frankfurt to a DWS closed-end fund. The top five largest German investment centres (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) recorded approximately EUR 7.2bn in investments by the end of Q3 2011.

The office rates in the five main investment markets remained unchanged on the previous quarter. In terms of prime retail rents, the German market was static on the previous quarter. Demand for German residential property remains high: Morgan Stanley is looking to spend around EUR 1bn on German residential property in the near future.

The strong demand for residential properties in Berlin is particularly prominent. Of the total investment volume, 38% was concentrated in the capital, which is a key city for German business and industry.

CENTRAL AND EASTERN EUROPE (CEE)

The consequences for the CEE region of the economic uncertainty sweeping across Europe should be less severe, with the region being better protected than other parts of the Eurozone. This is largely due to the fact that CEE economies are in a different stage of their economic cycle compared with the 2008 financial crisis and have made strong progress since then in reducing their sovereign debts.

Prime rents for office space in Budapest remained static for the third successive quarter, at EUR 20.00/m²/month. Prime yields dropped by 25 bps on the previous quarter, coming in at 7.25% for Q3.

Prime rents for retail property in Budapest varied by district and type: In Váci útca, prime rents for high street shops stand at EUR 100.00/m²/month, with rents in Andrásy útca at EUR 50.00/m²/month. Looking at retail warehouses, prime rents in Budapest stood at EUR 8.00/m²/month. Prime yields for shopping centres across Hungary now stand at 6.50%, a drop from 7.00% year-on-year.

By the end of Q3 2011, several larger transactions boosted rental activity. However, the vacancy rate remains high. Development activity has stagnated, and no completions were announced in Q3, although several projects are close to completion, with estimates of around 80,000 m² of new office space to be delivered in Q4 2011.

Prime office rents in Bratislava again remained at EUR 17.00/m²/month, staying steady on the previous two quarters and year-on-year. Prime yields were also stationary at 7.25% but fell by 25 bps compared with the same period last year.

Rents in Bratislava's retail market grew by 13.3% year-on-year, but showed no change on the last quarter, remaining at EUR 85.00/m²/month. Yields stood at 7.00%, a minor decrease of 25 bps year-on-year but flat compared with the previous quarter.

The prime office rental market in Prague remained unchanged both year-on-year and on the previous quarter. Prime rents stood at EUR 21.00/m²/month. Prime office yields fell by 35 bps year-on-year to 6.50%.

Prime retail rents in Prague were also unchanged year-on-year and against Q2, at EUR 85.00/m²/month, whereas prime yields fell by 25 bps on the previous quarter and by 60 bps year-on-year to 6.25%.

In Q3 2011, the investment volume exceeded EUR 1bn in the Czech Republic, the largest quarterly volume ever recorded on the market. This was mainly due to three large acquisitions in the retail sector. There are still several large investment deals in the pipeline, which could ensure that the total investment volume passes the EUR 2bn mark by the end of Q4. The Czech Republic is now the number one CEE target market.

SOUTHEASTERN EUROPE (SEE)

Unlike CEE, the SEE region is more exposed to the financial crisis due to its close trade and financial links with Greece. According to the EBRD, growth among countries in SEE will be slower than previously expected as a result of Greece's debt problems and the effect on its banks.

Prime office rents in Sofia fell by 3.6% on the previous quarter and by 5.3% year-on-year to EUR 13.50/m²/month. Prime yields remained strong, coming in at 9.35% for Q3, unchanged on the previous quarter but a drop of 65 bps year-on-year.

Prime rents for shopping centres in Sofia stood at EUR 65.00/m²/month, a fall on the same time last year but static on the previous quarter. Prime yields stood at 9.00%, unchanged from the last quarter and on the previous year.

Prime office rents in Bucharest remained unchanged year-on-year and on the previous quarter, at EUR 19.50/m²/month. In terms of prime yields, Bucharest saw a drop of 100 bps year-on-year to 8.50%.

Prime rents for shopping centres in Bucharest saw no change year-on-year or against the previous quarter, and stood at EUR 75.00/m²/month. Prime yields for retail property came in at 9.00%, a drop of 50 bps year-on-year but steady on the last quarter.

In Zagreb, prime office rents stood at EUR 15.90/m²/month, a drop of 2.2% year-on-year but unchanged on the previous quarter. Prime yields stood at 8.30%, showing no change either year-on-year or on the last quarter.

	Prime rents EUR/m ² /month	Take-up 2011 (m ²)	Vacancy (%)	Prime yields (%)	
	Office	Office	Office	Office	Retail
Vienna	23.75 ^a			5.25 ^a	4.45 ^a
Berlin	22.00 ^a	135,000 ^c	8.4 ^c	5.10 ^a	4.75 ^a
Hamburg	23.00 ^a	380,000 ^c	7.8 ^c	4.90 ^a	4.40 ^a
Prague	21.00 ^a	50,000 ^d	11.8 ^d	6.50 ^a	6.25 ^a
Bratislava	17.00 ^a	12,000 ^e	8.3 ^e	7.25 ^a	7.00 ^a
Budapest	20.00 ^a	113,900 ^b	20.7 ^b	7.25 ^a	7.00 ^a
Bucharest	19.50 ^a			8.50 ^a	9.00 ^a
Sofia	13.50 ^a			9.35 ^a	9.00 ^a
Zagreb	15.90 ^a			8.30 ^a	8.25 ^a

Sources:

^a CBRE Market View, EMEA Rents and Yields, Q3 2011

^b DTZ Property Times, Budapest Office, Q3 2011

^c DTZ Property Times, Berlin, Q3 2011

^d Cushman & Wakefield, Czech Republic Office Marketbeat, Q3 2011

^e Cushman & Wakefield, Slovakia Office Marketbeat, Q3 2011

HOTELS

The positive development of the hotel markets seen in the first half of the year continued into the third quarter of 2011: The majority of the European markets benefited from an increase in demand and therefore saw slight, and in some cases even significant, increases in room rates.

In Vienna, the number of overnight stays rose by 4.7% in the first nine months of the year. This increase can primarily be attributed to higher-than-average growth in overnight stays by foreign guests, at 7.8%. A positive aspect here is that the increased occupancy allowed for higher room rates: Chain hotels posted a 5.2% increase in average net room

rates, which is primarily a result of double-digit growth in room rates in the segment of conference business and corporate customers.

The Budapest hotel market developed very well in the first half of the year due to the Hungarian EU presidency, and this positive trend continued into the third quarter. During the period from January to August 2011, the occupancy rate increased by roughly 5.9% year-on-year, and RevPAR, the average revenue per available room, rose by 11.9%. The moderate upward trend continued in Prague as well: As at July, RevPAR had risen by 9.5% year-on-year.

Business Performance and Results

Property portfolio

S IMMO Group owns a total of 239 properties in Austria, Germany and six other countries in Central and Southeastern Europe. It has concentrated its investments mainly in European Union capitals and large German cities. The value of the Group's property portfolio as at 30 September 2011 was EUR 1,988.2m, with a total floor space of approximately 1,400,000 m² (properties under construction and undeveloped land not included).

The portfolio is diversified by region and by property use type: At the balance sheet date, around 60% of the property portfolio was in Western Europe and roughly 40% in Central and Southeastern Europe. A detailed breakdown by region shows that 31.7% of the properties were in Austria, 27.8% in Germany, 21.3% in SEE and 19.2% in CEE.

According to property use type, the breakdown was as follows: 36.0% office property, 26.7% retail property, 23.3% residential property and 14.0% hotels. The occupancy rate is stable at 91.8% and the overall rental yield stands at 6.6%.

Overview of rental yields

in %	30 September 2011
Germany	6.4
Austria	5.7
SEE	7.8
CEE	7.4
Total	6.6

In the first three quarters of 2011, eight freehold apartments in Neutor 1010 and Stuckgasse in Vienna were successfully disposed of. Additionally, one retail and seven residential properties in Berlin were sold, all above their previous estimated values. Total proceeds from property disposals came to EUR 40.5m, with gains on sale amounting to EUR 9.2m.

PERFORMANCE

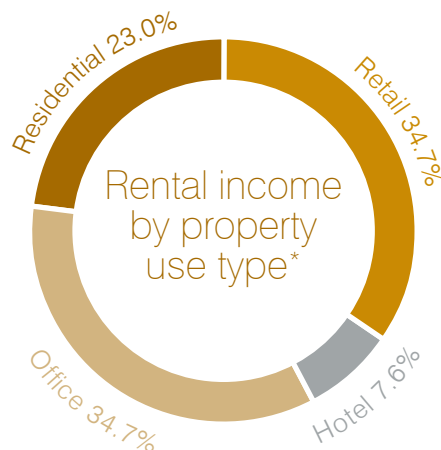
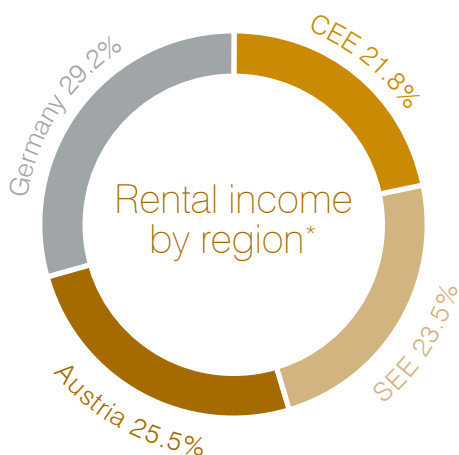
Improvement in gross profit

The satisfactory performance in the first half of 2011 continued in the third quarter of this year. Rents were more than satisfactory at EUR 91.8m (Q3 2010: EUR 75.5m). A large part of the rental income came from the buildings on the Viennese Viertel Zwei site that were acquired last December, and from the development projects completed in the previous financial year.

The continuing positive trend in the hotel industry in Vienna and Budapest was also reflected in the performance of S IMMO's hotels. Income from hotel operations for the first three quarters climbed from EUR 27.1m in 2010 to EUR 29.3m this year. Profits from hotel operations were up 16.7% to EUR 6.9m.

Rental income for the first three quarters of 2011 by region was made up as follows: Germany contributed 29.2% and Austria 25.5%, while 23.5% came from SEE and 21.8% from CEE.

The breakdown by property use type was as follows: Retail properties and offices each contributed 34.7%, followed by residential properties with 23.0% and hotels with 7.6%. Results from the Vienna Marriott Hotel and the Budapest Marriott Hotel, both leased to hotel operators, are recognised as revenues from hotel operations.



* not including Vienna Marriott Hotel and Budapest Marriott Hotel

Overall, in the first nine months of 2011, S IMMO Group improved its gross profit by an impressive 30.9% to EUR 80.1m (Q3 2010: EUR 61.2m).

Growth in earnings

Successful sales of properties resulted in gains on disposal amounting to EUR 9.2m. This pushed EBITDA up by a significant amount to EUR 76.6m (Q3 2010: EUR 55.0m), an increase of 39.4% compared with the same period last year.

For the nine months to 30 September 2011, the net financing result amounted to EUR -40.3m, including a non-cash foreign exchange gain of EUR 3.3m. The gain was attributable to the rise of the EURO against currencies in Central and Southeastern Europe (Romanian leu, Hungarian forint, Czech crown and Croatian kuna).

Overall, net income for the first three quarters of 2011 was a very satisfactory EUR 20.3m, compared with EUR 1.3m for the same period last year.

Funds from operations (FFO)

S IMMO's FFO improved markedly – by 45.7% – to EUR 32.9m, compared with EUR 22.6m for the same period last year. In calculating FFO, the results for the period are adjusted for non-cash items, which include depreciation and amortisation, valuation gains and losses on interest rate derivatives, exchange rate differences, and all effects of servicing the participating certificates. When including the participating certificates expenses, FFO for the first nine months of 2011 was EUR 23.1m, compared with EUR 14.5m in 2010.

Net operating income (NOI)

S IMMO's excellent business performance was also reflected in the NOI, which increased from EUR 57.5m to EUR 75.0m.

NOI as at 30 September

	2011	2010	Change
NOI (EUR m)	75.0	57.5	30.4%
NOI margin in %	49.4	45.6	3.8 pp

Cash flow

The operating cash flow for the first three quarters of 2011 was EUR 74.0m, an impressive 40.0% increase compared with the same period last year. Cash flow from investing activities totalled EUR 8.7m (first three quarters of 2010: EUR -33.4m), and from financing activities EUR -153.5m (first three quarters of 2010: EUR -107.5m).

Consolidated balance sheet

Because of successful disposals, S IMMO Group's total assets as at 30 September 2011 were down slightly compared with nine months earlier, from EUR 2,256.2m to EUR 2,157.2m. Cash and cash equivalents amounted to EUR 47.8m (31 December 2010: EUR 129.7m).

During the first repurchase programme for S IMMO INVEST participating certificates, which ended on 08 April 2011, 51,399 participating certificates worth EUR 3.7m were repurchased. S IMMO started another repurchase programme for S IMMO INVEST participating certificates on 20 June 2011. By the end of September 2011, 234,583 participating certificates had been repurchased. Approximately 10% of the participating certificates in circulation have been repurchased so far this year.

This year's distribution of profits of EUR 4.36 per participating certificate took place on 28 April 2011. As a result, the participating capital as at 30 September 2011 stood at EUR 250.3m (31 December 2010: EUR 257.8m).

Net asset value (NAV)

As at 30 September 2011, the balance sheet NAV was EUR 7.11 per share (31 December 2010: EUR 7.07 per share). The EPRA NAV, the value of the share calculated in accordance with the guidelines of the European Public Real Estate Association, was EUR 8.64 per share (31 December 2010: EUR 8.34 per share).

Risk Report

The overall assessment of S IMMO AG's potential opportunities and risks is described in detail in the Annual Report 2010 (on page 68 et seqq.). The opportunities and risks of S IMMO Group have changed compared to the first half of 2011, particularly in light of the overall economic conditions.

The focus in the coming weeks will be on the economies and debt situations of individual EU countries as well as the closely related development of the banks. If a significant economic downturn materialises, it will also have a corresponding impact on the European real estate industry. Investors are already taking a cautious approach, although due to its strategic long-term orientation, the real estate sector as a whole is generally less influenced by economic developments than other economic sectors are.

Europe's largest real estate market, Germany, remains attractive despite the financial market crisis. This is especially true for the residential property segment. According to estimates, premium properties in good locations are still considered to be stable and offer a positive market scenario. Encouraging developments are also being seen on the Austrian residential market, where demand is still going strong despite low yields. However, the economic forecasts for Austria indicate a slowdown. The International Monetary Fund revised its 2012 forecast for Austria down to 1.6%. Austrian economists expect growth to come in even lower. For example, the Austrian Institute of Economic Research (WIFO) predicts GDP growth of 0.8% in 2012, and the Institute for Advanced Studies (IHS) expects 1.3% growth. The Oesterreichische

Nationalbank's forecast calls for GDP to increase by 0.1% in quarter-on-quarter terms in Q3 2011 and to stagnate in Q4. This could mean continued demand for real assets in the Austrian real estate industry, especially in the residential property segment. For the commercial property segment, the result may be a reserved stance towards development projects.

Overall, the Central European market is stable, especially in Poland and the Czech Republic. The Hungarian market is currently difficult and conditions are being exacerbated by the political situation, which is driving away international investors. The situation in the rental segment is significantly better than in the investment segment. S IMMO Group was able to extend several of its long-term rental agreements with renowned international companies.

The economic recovery in Southeastern Europe is still progressing very slowly. The EBRD forecasts a GDP growth of 2.3% for Bulgaria and 1.1% for Romania in 2012. The slowdown in economic growth will affect purchasing power and, in turn, the earnings situation of the shopping centres. From a long-term perspective, however, the SEE region will deliver higher growth rates than Western Europe.

S IMMO Group continues to reduce real estate risks in relation to market developments through the very balanced diversification of its real estate portfolio by region and by property use type.

The current situation in the PIIGS countries (Portugal, Italy, Ireland, Greece and Spain) has no direct effect on the operating business of S IMMO Group because it is not invested in these countries. However, the Group could be affected indirectly by a deterioration of the situation in the banking sector.

Roughly 70% of S IMMO Group's rental income comes from the Eurozone. The remaining 30% of rental income is largely linked to the EURO, which minimises the foreign exchange risk.

S IMMO Group uses hedging instruments (caps, collars and swaps) to minimise interest rate risk. In light of the recent decrease in the European Central Bank's base lending rate, the Group does not expect an increase in its costs of funding in the short term. No new long-term borrowing is planned before the end of the year.

Outlook

The first three quarters of 2011 went very well for S IMMO Group. We expect operating income to remain stable through to the end of the year. However, if the economic situation in the European Union deteriorates further and the debt crisis remains unresolved, this could have a corresponding impact on the European real estate markets.

In the coming months, our focus will be on increasing the profitability of our portfolio. To this end, we will continue the revitalisation of our buildings in Germany. The modernisation measures that have been taken, which include investments in the roof and framework (e.g. the facade and stairwells) and direct investments in flats, will help to increase rental income and property values as well as to reduce vacancy rates. The revitalisation programme will be completed on schedule at the end of 2012.

In Austria, we are concentrating on the urban development project Quartier Belvedere. In the coming years, this one-of-a-kind office, residential and business district will be built on a site encompassing over 550,000 m² at Vienna Central Station. In the course of this urban development project – one of the largest in Europe – S IMMO will work together with its partners to realise the prominent sub-project Quartier Belvedere Central with a gross floor space of 136,000 m² and a mix of use types including offices, hotels and retail properties. We are currently working on obtaining the zoning rights, which are expected to be received at the beginning of 2012. The individual building elements will be developed in several phases, most likely starting in 2013.

In Central and Southeastern Europe, our focus remains on rental activities. Our goal is to further increase rental income and to maintain the occupancy rate at a consistently high level through successful asset management. We will continue to optimise the tenant mix in our shopping centres in Sofia and Bucharest: For example, the Swedish fashion chain H&M will open its shop at Sun Plaza in November, with 1,600 m² spanning two floors.

Another issue on our agenda is the acquisition of additional tenants for the office buildings Sun Offices and Serdika Offices. In this regard, we successfully rented 2,100 m² in the Sun Offices building to the international beverage manufacturer PepsiCo and a further area to the insurance company Uniqa. The pharmaceutical company Siepcofar will also move into its new office space in the Sun Offices building soon. Negotiations are currently under way with additional potential tenants for a total area of roughly 4,000 m² in both office buildings.

With regard to the capital market, we are focusing on gradually buying back our participating certificates and on the share repurchase programme, which will run until 31 May 2012. In light of the current development of the share price and the resulting difference compared to the net asset value of the S IMMO Share, repurchasing is the most sensible investment at the moment.



Serdika Center, Sofia, Bulgaria

Consolidated Interim Financial Statements

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Consolidated Statement of Financial Position

as at 30 September 2011

Assets	NOTES	30.09.2011	31.12.2010
EUR '000			
NON-CURRENT ASSETS			
Properties held as financial investments			
Investment properties	3.1.1.	1,760,287	1,810,322
Development projects and undeveloped land	3.1.1.	57,251	55,989
		1,817,538	1,866,311
Owner-operated properties	3.1.2.	135,498	140,755
Other plant and equipment		7,970	9,069
Intangible assets		176	179
Goodwill		10	100
Interests in associated companies		5	5
Group interests	3.1.3.	3,354	3,117
Deferred tax assets		32,030	28,455
		1,996,581	2,047,991
CURRENT ASSETS			
Properties held for sale	3.1.4.	35,161	6,000
Inventories	3.1.5.	6,872	12,029
Trade receivables		10,183	10,324
Other accounts receivable		49,515	42,287
Other assets		11,015	7,811
Cash and cash equivalents	3.1.6.	47,849	129,721
		160,595	208,172
		2,157,176	2,256,163

Equity and liabilities

EUR '000

	NOTES	30.09.2011	31.12.2010
SHAREHOLDERS' EQUITY			
Share capital		247,509	247,509
Capital reserves		73,578	73,578
Other reserves		162,940	160,185
		484,027	481,272
Non-controlling interests	3.1.7.	33,394	31,426
		517,421	512,698
NON-CURRENT LIABILITIES			
Subordinated participating certificate capital	3.1.8.	250,258	257,820
Financial liabilities	3.1.9.	1,114,007	1,228,786
Provisions		8,357	8,770
Other liabilities		9,856	10,955
Deferred tax liabilities		58,573	55,981
		1,441,051	1,562,312
CURRENT LIABILITIES			
Financial liabilities	3.1.9.	154,772	124,123
Trade payables		5,940	16,479
Other liabilities		37,992	40,551
		198,704	181,153
		2,157,176	2,256,163

Consolidated Income Statement

for the nine months ended 30 September 2011

EUR '000	NOTES	01 - 09 / 2011	01 - 09 / 2010
Revenues			
Rental income	3.2.1.	91,755	75,540
Revenues from service charges		30,847	23,615
Revenues from hotel operations		29,321	27,050
		151,923	126,205
Other operating income		5,064	3,646
Expenses directly attributable to properties	3.2.2.	-54,468	-47,528
Hotel operating expenses	3.2.2.	-22,458	-21,171
Gross profit		80,061	61,152
Income from property disposals		40,480	81,204
Carrying value of property disposals		-31,280	-74,384
Gains on property disposals	3.2.3.	9,200	6,820
Management expenses		-12,637	-12,990
Earnings before interest, tax, depreciation and amortisation (EBITDA)		76,624	54,982
Depreciation and amortisation		-6,951	-7,222
Gains / losses on property valuation		4,340	-2,230
Operating result (EBIT)		74,013	45,530
Financing costs	3.2.4.	-40,263	-32,871
Participating certificates result	3.1.8.	-9,826	-8,122
Net income before tax (EBT)		23,924	4,537
Taxes on income	3.2.5.	-3,673	-3,270
Net income for the period		20,251	1,267
of which attributable to shareholders in parent company		16,669	1,638
of which attributable to non-controlling interests		3,582	-371
Earnings per share			
Undiluted = diluted		0.24	0.02

Consolidated Statement of Total Comprehensive Income

for the nine months ended 30 September 2011

EUR '000	01 - 09 / 2011	01 - 09 / 2010
Net income for the period	20,251	1,267
Change in value of cash flow hedges	-13,835	-20,812
Income tax related to other comprehensive income	3,313	5,252
Foreign exchange rate differences	-3,559	-1,470
Total income / loss for the period	6,170	-15,763
of which attributable to shareholders in parent company	2,871	-15,392
of which attributable to non-controlling interests	3,299	-371

Consolidated Income Statement

for the three months ended 30 September 2011

EUR '000	NOTES	07-09/2011	07-09/2010
Revenues			
Rental income	3.2.1.	30,016	27,312
Revenues from service charges		9,835	9,533
Revenues from hotel operations		9,744	10,004
		49,595	46,849
Other operating income		750	590
Expenses directly attributable to properties	3.2.2.	-17,763	-20,622
Hotel operating expenses	3.2.2.	-7,057	-7,464
Gross profit		25,525	19,354
Income from property disposals		22,116	23,534
Carrying value of property disposals		-16,865	-19,324
Gains on property disposals	3.2.3.	5,251	4,210
Management expenses		-3,693	-5,367
Earnings before interest, tax, depreciation and amortisation (EBITDA)		27,083	18,197
Depreciation and amortisation		-2,121	-2,252
Gains / losses on property valuation		-2,260	-500
Operating result (EBIT)		22,702	15,446
Financing costs	3.2.4.	-8,225	-14,345
Participating certificates result	3.1.8.	-3,053	-3,121
Net income before tax (EBT)		11,424	-2,021
Taxes on income	3.2.5.	-1,288	-1,728
Net income / loss for the period		10,136	-3,749
of which attributable to shareholders in parent company		9,350	-4,577
of which attributable to non-controlling interests		786	828
Earnings per share			
Undiluted = diluted		0.14	-0.07

Consolidated Statement of Total Comprehensive Income

for the three months ended 30 September 2011

EUR '000	07 - 09 / 2011	07 - 09 / 2010
Net income / loss for the period	10,136	-3,749
Change in value of cash flow hedges	-23,567	-2,554
Income tax related to other comprehensive income	5,944	820
Foreign exchange rate differences	-5,656	740
Total income / loss for the period	-13,143	-4,743
of which attributable to shareholders in parent company	-13,479	-5,571
of which attributable to non-controlling interests	336	828

Consolidated Cash Flow Statement

for the nine months ended 30 September 2011

EUR '000	01 - 09 / 2011	01 - 09 / 2010 ¹⁾
Operating cash flow	73,997	52,839
Changes in net current assets	-11,109	-9,854
Cash flow from operating activities	62,888	42,985
Cash flow from investing activities	8,710	-33,396
Cash flow from financing activities	-153,470	-107,537
Total	-81,872	-97,948
Cash and cash equivalents at 01 January	129,721	210,151
Cash and cash equivalents at 30 September	47,849	112,203
Net change in cash and cash equivalents	-81,872	-97,948

¹⁾ Adjusted

Changes in Consolidated Equity

EUR '000	Share capital	Capital reserves	Foreign currency translation reserve	Hedge accounting reserve	Other reserves	Sub-total S IMMO share-holders	Non-controlling interests	Total
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	16,669	16,669	3,582	20,251
Other comprehensive income	0	0	-3,559	-10,355	0	-13,914	-283	-14,197
Acquisitions / disposals	0	0	0	0	0	0	-1,331	-1,331
At 30 September 2011	247,509	73,578	-16,957	-48,690	228,587	484,027	33,394	517,421
At 01 January 2010	247,509	147,110	-13,491	-38,668	136,543	479,003	44,832	523,835
Net income / loss for the period	0	0	0	0	1,638	1,638	-371	1,267
Other comprehensive income	0	0	-1,470	-15,560	0	-17,030	0	-17,030
Acquisitions	0	0	0	0	0	0	5,261	5,261
At 30 September 2010	247,509	147,110	-14,961	-54,228	138,181	463,611	49,722	513,333

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 1992, since 2007 in the Prime Segment. It has subsidiaries in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Romania, Bulgaria, Denmark, Cyprus and Ukraine (in liquidation). At 30 September 2011, S IMMO Group owned properties in all the above countries except Denmark, Cyprus and Ukraine. The Company's principal business is the acquisition, letting and sale of properties in different regions and market segments in order to achieve a balanced investment portfolio. Another business activity is the development and construction of properties in cooperation with project development partners.

2. ACCOUNTING AND VALUATION POLICIES

2.1. Accounting policies

The consolidated interim financial statements for the nine months ended 30 September 2011 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 last IFRS consolidated financial statements – those for the year ended 31 December 2010.

There has been a change in the method of calculating cash flow as compared with that used for the financial year 2010. In the consolidated interim financial statements for the nine months ended 30 September 2011, the cash flow from the sale of inventories has been included in the operating cash flow rather than as changes in working capital. The comparative figures for the nine months ended 30 September 2010 have been adjusted accordingly. In preparing the consolidated interim financial statements for the nine months ended 30 September 2011, the other accounting and valuation policies applied in the consolidated financial statements for the year ended 31 December 2010 have been applied substantially unchanged.

The financial statements for the nine months ended 30 September 2011 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 2010.

The consolidated 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 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	Development projects and undeveloped land
At 01 January 2010	1,253,432	445,784
Additions (including initial consolidations)	200,167	9,007
Disposals	-21,733	-191
Changes in fair value	-7,153	-7,000
Reclassifications	385,610	-391,610
At 31 December 2010	1,810,322	55,989
whereof pledged as security	1,767,758	0
Additions	6,311	1,262
Disposals	-20,615	0
Changes in fair value	-570	0
Reclassifications	-35,161	0
At 30 September 2011	1,760,287	57,251
whereof pledged as security	1,711,895	0

Consisting of:

Investment properties

EUR '000	30.09.2011	31.12.2010
Austria	560,397	579,914
Germany	533,781	565,857
Central Europe	311,109	308,640
Southeastern Europe	355,000	355,911
	1,760,287	1,810,322

Development properties and undeveloped land

EUR '000	30.09.2011	31.12.2010
Austria	0	0
Germany	0	0
Central Europe	6,240	6,175
Southeastern Europe	51,011	49,814
	57,251	55,989

3.1.2. Owner-operated properties

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

3.1.3. Group interests

EUR '000	Interest in %	30.09.2011	31.12.2010
BGM-IMMORENT Aktiengesellschaft & Co KG	22.8	2,286	2,286
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	11.5	621	621
Other		447	210
		3,354	3,117

3.1.4. 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 (for example, if negotiations for sale are already well advanced). It is currently intended to dispose of four properties located in Germany and of two in Austria.

EUR '000	30.09.2011	31.12.2010
Germany	18,181	6,000
Austria	16,980	0
	35,161	6,000

3.1.5. Inventories

Inventories consist of freehold apartments under construction (in Austria) and are measured at cost of acquisition and construction. The carrying values at 30 September 2011 amounted to EUR 6,872,000 (2010: EUR 12,029,000). External construction finance directly attributable to such inventories is capitalised as acquisition and construction costs.

3.1.6. Cash and cash equivalents

EUR '000	30.09.2011	31.12.2010
Bank balances	47,636	129,464
Cash in hand	213	257
	47,849	129,721

3.1.7. Non-controlling interests

The minority interests of EUR 33,394,000 (2010: EUR 31,426,000) consisted principally of Hansa Immobilien EOOD/Einkaufszentrum Sofia G.m.b.H. & Co KG (35% interest).

3.1.8. Participating certificates (subordinated)

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

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

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

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

For the nine months ended 30 September 2011, the total share of earnings was EUR 9,259,000 (2010: EUR 9,452,000).

In the first quarter of 2011 a repurchase programme for the S IMMO INVEST participating certificates was launched. By 31 March 2011, 44,024 certificates had been repurchased and retired. By the end of the repurchase programme on 08 April 2011, a total of 51,399 certificates had been repurchased.

A further repurchase programme began on 20 June 2011. By 30 September 2011, 234,583 certificates had been repurchased.

As in 2010, the distribution was EUR 4.36 per certificate and took place on 28 April 2011.

At 30 September 2011 there were 3,180,860 participating certificates in issue. The total entitlements of participating certificate holders at 30 September 2011 were EUR 78.68 per certificate (2010: EUR 79.95), made up as follows:

EUR '000	Participating certificate capital	Profit brought forward	Profit for the period	Share in undisclosed reserves on property portfolio	Total
Participating certificates 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 cancellation of 44,024 participating certificates	-3,199	-303		-17	-3,519
Income entitlements of participating certificate holders			9,259		9,259
Allocation of undisclosed reserves on property portfolio				567	567
Participating certificates capital as at 30 September 2011	231,153	8,042	9,259	1,804	250,258
Per participating certificate (EUR)	72.67	2.53	2.91	0.57	78.68

EUR '000	Participating certificate capital	Profit brought forward	Profit for the period	Share in undisclosed reserves on property portfolio	Total
Participating certificates capital – 01 January 2010	234,352			484	234,836
Profit brought forward 01 January 2010		36,788			36,788
Income entitlements of participating certificate holders from 2009			-9,966		-9,966
Distribution – 21 May 2010		-14,060			-14,060
Change in profit brought forward pursuant to Clause 5(6), Participating Certificates Agreement		-9,966	9,966		0
Income entitlements of participating certificate holders			9,452		9,452
Allocation of undisclosed reserves on property portfolio				770	770
Participating certificates capital as at 31 December 2010	234,352	12,762	9,452	1,254	257,820
Per participating certificate (EUR)	72.67	3.96	2.93	0.39	79.95

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.

3.1.9. Financial liabilities

The short-term and long-term financial liabilities amounted to EUR 1,268,779,000 (2010: EUR 1,352,909,000) in total, consisting of the following:

EUR '000	30.09.2011	31.12.2010
Remaining term less than 1 year	154,772	124,123
Remaining term between 1 and 5 years	326,672	409,438
Remaining term over 5 years	787,335	819,348
	1,268,779	1,352,909

3.1.10. Derivatives

S IMMO Group uses caps, collars and swaps to hedge interest rate risks. EUR 3,901,000 of these derivatives was disclosed under other financial assets (2010: EUR 5,204,000), and EUR 67,757,000 under non-current financial liabilities (2010: EUR 54,212,000). The fair value measurement of derivatives is based on estimates made by banks. In the first nine months of 2011 expenses of EUR 13,835,000 were recognised under equity without affecting the income statement, and EUR 1,012,000 was recognised as financial expenses in the consolidated income statement.

As at 30 September 2011

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	545,464	2,808	-51,418
Caps	474,506	1,093	0
Collars	200,000	0	-16,339
Total	1,220,890	3,901	-67,757

As at 31 December 2010

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	482,417	3,338	-39,782
Caps	365,746	1,866	0
Collars	200,000	0	-14,430
Total	1,048,163	5,204	-54,212

3.2. Consolidated income statement

3.2.1. Rental income

Rental income by property use type was as follows:

EUR '000	01-09/2011	01-09/2010
Office	31,886	22,848
Residential	21,123	20,782
Commercial	31,902	28,218
Hotels	6,844	3,692
	91,755	75,540

3.2.2. Operating costs and expenses from properties and hotel operations

These costs and expenses are expenses in connection with non-current property assets, consisting in the main 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 expenses and income of hotel operations are subject to seasonal fluctuations.

The average number of employees was 542, including hotel staff (first nine months of 2010: 533). Personnel expenses in the hotels are disclosed under hotel operations.

3.2.3. Gains on property disposals

Gains on property disposals reflect the sale of eight apartments in the building Neutor 1010 and on Stuckgasse in Vienna. In Berlin, seven residential and one commercial property were also sold.

EUR '000	01-09/2011	01-09/2010
Disposal proceeds		
Properties held as financial investments	26,485	11,470
Properties held for disposal	6,300	56,050
Inventories	7,695	13,684
	40,480	81,204
Carrying value of property disposals		
Properties held as financial investments	-20,615	-9,519
Properties held for disposal	-6,000	-54,300
Inventories	-4,665	-10,565
	31,280	-74,384
Gains on property disposals		
Properties held as financial investments	5,870	1,951
Properties held for disposal	300	1,750
Inventories	3,030	3,119
	9,200	6,820

3.2.4. Financing costs

Net financing costs were made up as follows:

EUR '000	01-09/2011	01-09/2010
Financing expense	-44,574	-33,335
Financing income	4,311	464
	-40,263	-32,871

In the third quarter of 2011, financing income included a non-cash foreign exchange profit of EUR 3,320,000.

3.2.5. Taxes on income

EUR '000	01-09/2011	01-09/2010
Current tax expense	-1,122	-1,407
Deferred tax expense	-2,551	-1,863
	-3,673	-3,270

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 subsidiary in Ukraine is also treated as part of this segment, as are the subsidiaries in Cyprus, which are related to the Group companies in Romania and Ukraine.

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 several open legal disputes at balance sheet date, however the amounts involved were not significant and even in total the amount was not material according to the Management's estimation.

EUR '000	Austria	
	2011	2010
Rental income	23,397	15,639
Revenues from service charges	6,309	3,497
Revenues from hotel operations	17,231	16,320
Total revenues	46,937	35,456
Other operating income	3,602	1,562
Property operating expenses	-10,341	-8,905
Hotel operating expenses	-13,556	-13,247
Gross profit / loss	26,642	14,866
Gains on property disposals	3,268	6,300
Management expenses	-7,165	-6,677
EBITDA	22,745	14,489
Depreciation and amortisation	-2,717	-2,794
Gains / losses on property valuation	-2,090	2,300
EBIT	17,938	13,995
	30.09.2011	31.12.2010
Non-current assets	649,587	661,387
Non-current liabilities (including participating certificates in Austria)	695,501	776,680

6. RELATED PARTY DISCLOSURES

S IMMO Group's managing bodies are as follows:

For S IMMO Group related parties are as follows:

- S IMMO Group's managing bodies
- Erste Group
- Vienna Insurance Group

S IMMO AG Management Board

Holger Schmidtmayr, MRICS, Vienna

Ernst Vejdovszky, Vienna

Friedrich Wachernig, MBA, Vienna

Germany		Central Europe		Southeastern Europe		Total	
2011	2010	2011	2010	2011	2010	2011	2010
26,802	26,374	19,973	15,306	21,583	18,220	91,755	75,540
10,008	8,840	5,341	5,178	9,189	6,100	30,847	23,615
0	0	12,090	10,730	0	0	29,321	27,050
36,810	35,214	37,404	31,214	30,772	24,320	151,923	126,205
1,200	1,232	202	238	60	614	5,064	3,646
-22,667	-20,880	-6,490	-6,475	-14,970	-11,267	-54,468	-47,528
0	0	-8,902	-7,924	0	0	-22,458	-21,171
15,343	15,566	22,214	17,053	15,862	13,667	80,061	61,152
5,932	520	0	0	0	0	9,200	6,820
-3,631	-3,701	-774	-862	-1,067	-1,750	-12,637	-12,990
17,644	12,385	21,440	16,191	14,795	11,917	76,624	54,982
-125	-135	-3,272	-3,522	-837	-771	6,951	-7,222
1,730	5,470	700	0	4,000	-10,000	4,340	-2,230
19,249	17,720	18,868	12,669	17,958	1,146	74,013	45,530
30.09.2011	31.12.2010	30.09.2011	31.12.2010	30.09.2011	31.12.2010	30.09.2011	31.12.2010
534,429	566,341	387,308	388,564	425,257	431,699	1,996,581	2,047,991
301,568	334,867	245,608	246,459	198,374	204,306	1,441,051	1,562,312

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	30.09.2011	31.12.2010
Other receivables	762	1,903
Bank balances	14,946	40,479
Receivables	15,708	42,382

EUR '000	30.09.2011	31.12.2010
Non-current liabilities to banks	431,576	416,314
Non-current financial liabilities	61,191	83,607
Current bank and financial liabilities	55,401	86,901
Trade payables	430	1,103
Other liabilities	374	623
Payables	548,973	588,548

There were the following material expenses and income in connection with Erste Group and Vienna Insurance Group in the period under review:

EUR '000	01-09/2011	01-09/2010
Management fees – Erste Group Immorent AG	1,278	1,742
Bank loan interest, other interest and charges	23,922	10,753
Other expenses	1,162	1,173
Expenses	26,362	13,668

EUR '000	01-09/2011	01-09/2010
Rent and service charges	815	230
Bank interest	131	95
Other interest income	104	103
Income	1,050	428

7. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 03 October 2011 the Management Board of S IMMO AG decided to repurchase the Company's own shares as authorised by the 21st Annual General Meeting on 21 May 2010: Up to 3% of the issued shares, i.e., a maximum of 2,043,561 shares, will be acquired as part of a share repurchase programme. The repurchase programme began on 06 October 2011 and will end at the latest on 31 May 2012.

A residential property in Vienna, an office property in Munich and seven residential properties in Berlin have been sold in the fourth quarter of 2011.

Vienna, 23 November 2011

Management Board

Holger Schmidtmayr, MRICS m.p.

Ernst Vejdovszky m.p.

Friedrich Wachernig, MBA m.p.

Financial Calendar 2012

22 March 2012	Publication of preliminary results 2011
20 April 2012	Publication of annual results 2011 (press conference)
24 May 2012	Results first quarter 2012
01 June 2012	Annual General Meeting
23 August 2012	Results first half 2012
22 November 2012	Results first three quarters 2012



This Interim Report has been prepared and proofread with the greatest possible care, and the information in it has been checked. Nevertheless, the possibility of rounding errors, errors in transmission and typesetting or printing errors cannot be excluded. Apparent arithmetical errors may be the result of rounding errors caused by software. In the interests of simplicity and readability, the language of this Interim Report is as far as possible gender neutral. Therefore, the terms used refer to people of both genders. This Interim Report contains information and forecasts relating to the future development of S IMMO AG and its subsidiaries. These forecasts are estimates, based on the information available to us at the time the

Interim Report was prepared. 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 in 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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Our network on Xing:

<https://www.xing.com/companies/simmo>



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