

ANNUAL FINANCIAL REPORT
2010

Closeness is our strength.



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Declaration

pursuant to section 82(4)(3)
Austrian Stock Exchange Act (BÖRSEG)

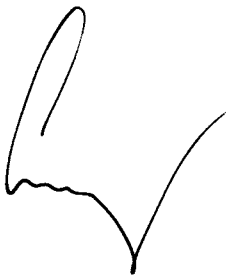
“STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group

faces. We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.”

Vienna, 18 March 2011

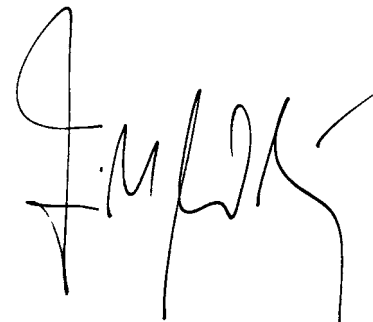
The Management Board



Holger Schmidtmayr, MRICS m.p.



Ernst Vejdovsky m.p.



Friedrich Wachernig, MBA m.p.

Management Report

Sparkassen Immobilien AG's broadly diversified portfolio performed very well in 2010. In spite of perturbations in the market environment, the Group brought its development projects to a successful close, and the purchase of the new OMV head office was one of the biggest property transactions in Austria during the year.

Group structure and strategy

GROUP STRUCTURE

S IMMO Group is an international real estate group headquartered in Vienna, Austria. The parent company, Sparkassen Immobilien AG, is Austria's first property investment company and has been listed on the Vienna Stock Exchange since 1987. Sparkassen Immobilien AG's strategic core shareholders, Erste Group and Vienna Insurance Group, are two of the largest providers of financial services in Central and Southeastern Europe. In addition to institutional investors both in Austria and abroad, roughly 30,000 private investors hold S IMMO Shares in their portfolios.

The Group has offices in Berlin (S IMMO Germany) and Budapest (S IMMO Hungary), and owns a property management company, Maior Domus in Germany. As at 31 December 2010, the Group employed 85 people in these three countries.

It also owns numerous property holding companies in countries including the Czech Republic, Slovakia, Hungary, Croatia, Romania and Bulgaria. A detailed list of all S IMMO Group's direct and indirect holdings is shown in the notes on pages 87 et seqq.

S IMMO Group

Sparkassen Immobilien AG (Vienna)			
S IMMO Germany GmbH (Berlin)	S IMMO Hungary Kft. (Budapest)	Maior Domus Verwaltungs GmbH (Berlin)	Other project and property holding companies

All major management functions are directed from the Group's headquarters in Vienna, while the subsidiaries in Germany and Hungary are responsible for asset management locally. At the end of 2010, further parts of asset management were brought in-house. Only in the Czech Republic and Slovakia it is still carried out by external providers. This enables S IMMO Group to make an even more attractive package of its real estate skills and expertise, and helps to standardise its market identity while reducing costs. For reasons of cost effectiveness, some aspects of operations such as IT services and cash management were still managed by Immorent AG under a service agreement.

MANAGEMENT AND CONTROL

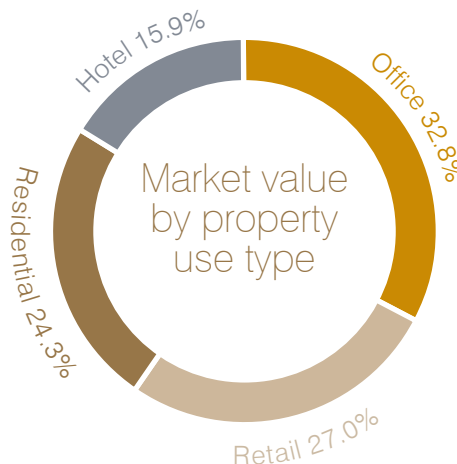
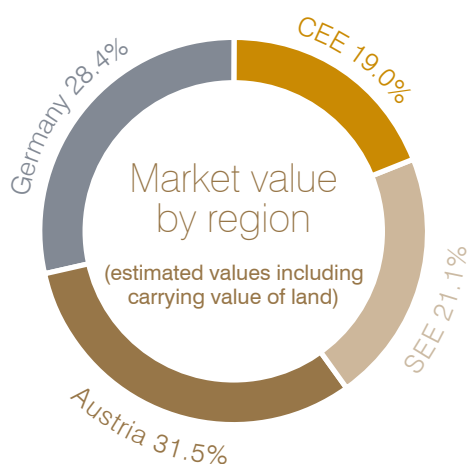
Sparkassen Immobilien AG's Management Board consists of three members, who are jointly responsible for directing the Group's affairs. The responsibilities are determined by statutory provisions and are shared in accordance with the articles of incorporation and the Group's internal rules and procedures. In the exercise of its duties, the Management Board is guided by the principles of responsible management and its long-term objective is to permanently increase the Company's

profitability and asset value. The Supervisory Board, which currently consists of eight members, works closely with the Management Board to promote the interests of the Company in accordance with the principles of corporate governance. Sparkassen Immobilien AG has committed to the Austrian Corporate Governance Code since 2007. More information and complete details about the managing bodies are shown on pages 9 et seqq.

BUSINESS ACTIVITIES AND PORTFOLIO STRUCTURE

Since 1987, Sparkassen Immobilien AG has stood for all-around property expertise. In collaboration with its business partners, it also engages in development projects of its own.

The Group maintains a diversified property portfolio focused on sustainable value with widespread investments in different property types and geographical locations. The Group owns a total of 248 properties, with total usable space of some 1,500,000 m² and a market value of EUR 2,013.1m. At 31 December 2010, the portfolio was made up of office (32.8%), retail (27.0%), residential properties (24.3%) as well as hotels (15.9%). The occupancy rate is at an exceptional 91.7%.



S IMMO Group attaches great importance to long-term tenancy agreements, tenants with excellent credit ratings, a balanced mix of tenants, and stable contractual terms and conditions. More than 95% of all tenancy agreements are tied to the EURO and commercial rentals are also linked to the Eurostat consumer price index.

S IMMO Group has investments in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Bulgaria and Romania. The largest share of the property portfolio by market value is contributed by Austria, with 31.5%, followed by Germany, with 28.4%. Properties in SEE make up 21.1% and properties in CEE, 19.0%.

STRATEGY AND TARGETS

With its tried and tested combination of completed properties and development projects held for the longer term, S IMMO Group achieves an optimal mix of risks and benefits, balancing the established German and Austrian markets with growth markets such as Romania and Bulgaria. Our dynamic investment strategy means that we invest the capital entrusted to us responsibly and are committed to a balanced portfolio and sustainable growth.

The overarching objective of all our activities is to permanently increase the value of the business for the benefit of our shareholders. We are concentrating on increasing the profitability of the Group's operations. In the medium and long term, the focus will be on acquisition and development.



The primary measure we use as an indicator of enterprise value is the inner value of the share. Net asset value calculated in accordance with European Public Real Estate Association standards (EPRA NAV) rose from EUR 8.13 per share at the end of 2009 to EUR 8.34 per share at the end of 2010. It is to be expected continue to grow steadily. Non-financial performance indicators such as occupancy rates, property expertise, local market knowledge and quality of location also contribute to the success of the Group's operations.

PORTFOLIO STRATEGY

A major pillar of S IMMO Group's business success is its balanced property portfolio. The combination of properties from mature markets such as Austria and Germany and properties in the growth markets of Central and Southeastern Europe has proved a recipe for success, particularly in recent years. Within these markets our focus is principally on investments in Vienna, Berlin and Hamburg along with other capital cities in the European Union. Our strategy of portfolio diversification helps us to ride out the cycles and fluctuations typical of the real estate industry.

Germany

S IMMO Group's German portfolio consists mainly of residential apartment buildings in Berlin and Hamburg. In 2010, the refurbishment measures that were gradually introduced over the past one and a half years began to bear fruit. Some of these measures represented investments in structural work, such as repairs to facades and stairways, and others are direct investments in individual apartments. The success of the programme was demonstrated by the improvement in the occupancy rate from 87.0% to 89.0% and by increases in the value of the properties, which were also reflected in disposals at significantly higher values than previously estimated. In 2011, we intend to take

advantage of market opportunities by selling properties in Germany to the tune of at least EUR 30m. Portfolio sales are not presently under consideration because individual sales command higher prices at the moment. There is, however, increasing interest being shown in portfolio acquisitions as well.

Austria

In December 2010, Sparkassen Immobilien AG completed the purchase of the properties Hoch Zwei and Plus Zwei developed by IC Projektentwicklung GmbH and located close to Messe Wien in Vienna's new urban district Viertel Zwei. The two buildings are being used by OMV AG as its head office. The neighbouring Hotel Zwei, which is being operated as a Courtyard by Marriott, was acquired at the same time. This acquisition was one of the largest transactions in the Vienna property market during 2010.

During the year, we also took advantage of favourable market conditions to dispose of three residential and two office properties at prices well above current estimated values. We will continue to monitor the market closely in 2011 and make the most of sales opportunities, especially in the residential property sector.

Central and Eastern Europe (CEE)

In this region, all the properties S IMMO Group owns are either office or commercial properties and we intend to retain this focus in the coming years. For 2011, the forecast for the Czech Republic and Slovakia is for economic growth of 2.2% and 4.3%, respectively. In comparison, the Hungarian property market is somewhat more difficult. In spite of the challenging market conditions, we were successful in letting 3,800 m² of office space in Budapest, thereby increasing the occupancy rate from 87% to 91.2% in 2010

Southeastern Europe (SEE)

Recovery from the economic crisis in Romania and Bulgaria is lagging behind the rest of the European Union. In 2010, the economies were still shrinking slightly. In addition, domestic demand and purchasing power were adversely affected by government measures such as the increase in VAT tax from 19% to 24%, redundancies as well as wage and salary cuts of 25% in the public sector. These negative factors have had a noticeable impact on sales in our two shopping centres, Sun Plaza in Bucharest and Serdika Center in Sofia. In Romania, the situation is improving, but in Sofia in particular, it continues to be difficult. Letting office property in Sofia continues to be challenging at the moment. Therefore, we are anticipating delays in letting of a little over two years.

In the medium to long term, however, the projections for Southeastern European countries show the highest overall rates of growth. Economic growth in Romania is expected to be 4–4.5% in the next year. In the long run, experts are predicting even larger jumps, which will in turn lead to the strengthening of domestic demand. Bucharest is the sixth biggest capital city in the European Union, and both it and Sofia have the highest purchasing power in their respective countries.

Our portfolio strategy makes it clear that S IMMO Group's investment focus has changed – increasingly, we are concentrating on office and commercial properties, and will continue to do so in the future. The residential property portfolio in Germany constitutes an exception, where we still see significant potential for further increases in value.

Regionally, our principal interests will be in Vienna, Berlin and Hamburg together with Bratislava, Budapest, Bucharest, Prague and Sofia. The combination of properties from stable markets such as Austria and Germany and properties in the growth markets of Central and Southeastern Europe has also proven successful during the financial crisis.

Development land

S IMMO Group owns six plots of development land in EU capital cities in Central and Southeastern Europe. Currently, we are working on obtaining the necessary zoning and construction permits, after which construction will begin on individual projects as soon as local market conditions permit.

FINANCING STRATEGY

In its finances, S IMMO Group follows a considered, risk-aware strategy. We maintain an appropriate balance between the amounts of loans and the market values of the properties to which they are related (loan to value ratio), adequate liquid funds and long-term repayment reserves. Debt financing is typically in the form of traditional mortgage loans. Following the successful completion of our development projects in 2010, with total investment volumes of around EUR 500m, the Group has refinancing requirements of about EUR 290m over the next five years. Derivative financial instruments are used to hedge interest payments.

Business performance and results

PROPERTY PORTFOLIO

Top-quality properties in high-end locations

In 2010, S IMMO Group successfully completed development projects with a total investment volume of EUR 500m. Amongst them were the two biggest development projects in the Group's history, the shopping centres Sun Plaza in Bucharest and Serdika Center in Sofia.

In the past financial year, the Company also acquired the buildings Hoch Zwei and Plus Zwei as well as the neighbouring Hotel Zwei, which is being operated as a Courtyard by Marriott. All buildings are located in the new urban development Viertel Zwei near Messe Wien.

Including these new acquisitions and the completed development projects, S IMMO Group's portfolio at 31 December 2010 amounted to EUR 2,013.1m, and was made up of 248 properties with about 1,500,000 m² of lettable area in total.

The portfolio at that point comprised office properties (32.8%), retail properties (27.0%), residential properties (24.3%) and hotels (15.9%). The majority of the properties is located in Vienna, Berlin and Hamburg, Prague, Bratislava, Budapest, Sofia, Bucharest and Zagreb. Based on market value, the largest parts of the portfolio were made up of properties in Austria (31.5%) and Germany (28.4%), followed by SEE (21.1%) and CEE (19.0%).

S IMMO Group attaches great importance to long-term relationships with tenants, which is reflected in the length of the remaining terms on tenancy agreements and in an exceptional occupancy rate of 91.7%.

Rental yields by region

in %	2010	2009
Germany	6.2	6.4
Austria	5.7	6.2
SEE	8.2	9.2
CEE	7.1	7.3
Total	6.6	6.7

Higher revenues and gross profits

S IMMO Group's rental income in 2010 improved considerably, and for the year as a whole amounted to approximately EUR 104.0m (2009: EUR 87.6m). This 18.8% increase was mainly attributable to the successful completion and letting of the shopping centres Sun Plaza in Bucharest and Serdika Center in Sofia. Rental income also includes the first rents from letting the newly opened residential and office building Neutor 1010, the office property Galvaniho 4 in Bratislava and the newly acquired properties Hoch Zwei and Plus Zwei in Vienna, used by OMV AG as its head office.

Income from hotel operations reflected the improving market environment: The European hotel market began to pick up again in mid-2010 and continued its recovery throughout the rest of the year. For 2010 as a whole, there was a significant increase in demand compared with 2009. S IMMO Group's income from hotel operations was up by 3.8%, from EUR 36.9m in 2009 to EUR 38.3m in the year under review. Hotel operating expenses remained unchanged compared with the previous year, at EUR 29.6m, so that net income from hotel operations totalled EUR 8.7m (2009: EUR 7.2m).

Broken down by region, rental income was as follows: Germany contributed 34.0% (2009: 38.8%), followed by SEE with 25.1% (2009: 5.4%), Austria with 20.9% (2009: 28.6%) and CEE with 20% (2009: 27.1%).

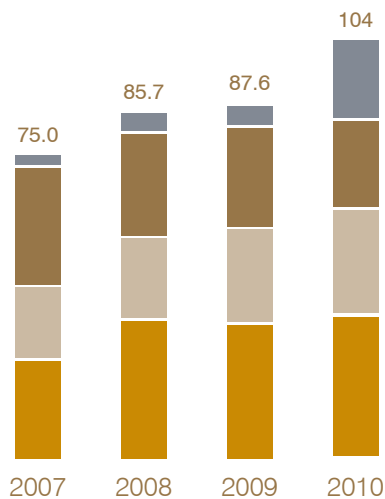
Rental income by property use type showed retail responsible for 37.9% (2009: 22.3%), followed by offices with 30.2% (2009: 42.1%) and residential properties with 26.9% (2009: 32.2%). The hotels' share in 2010 was 5% (2009: 3.4%). The results from the Vienna Marriott Hotel and the Budapest Marriott Hotel, both leased to hotel operators, are recognised as income and expenses from hotel operations.

For 2010 as a whole, S IMMO Group was able to improve gross profit by 13.1% to EUR 80.2m (2009: EUR 70.9m).

Total rental income*

in EUR m

- Germany
- Austria
- SEE
- CEE



* not including Vienna Marriott Hotel and Budapest Marriott Hotel
 Sparkassen Immobilien AG | Annual financial report 2010

Earnings performance

In the financial year 2010, S IMMO Group took advantage of several attractive opportunities to dispose of properties. During the year, a total of eleven properties were sold; nine residential properties in Vienna and Berlin and two office buildings in Vienna.

Gains on property disposals amounted to EUR 9.9m (2009: EUR 1.9m), which boosted EBITDA by a significant 34.1% to EUR 71.4m (2009: EUR 53.3m).

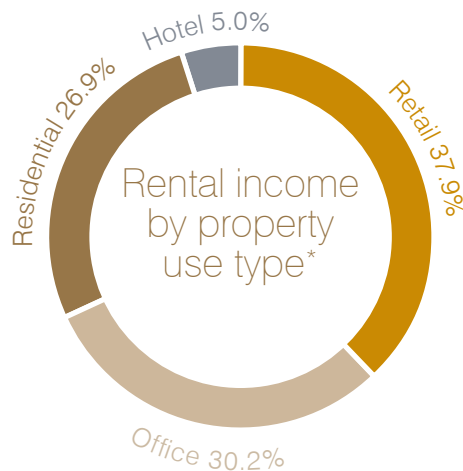
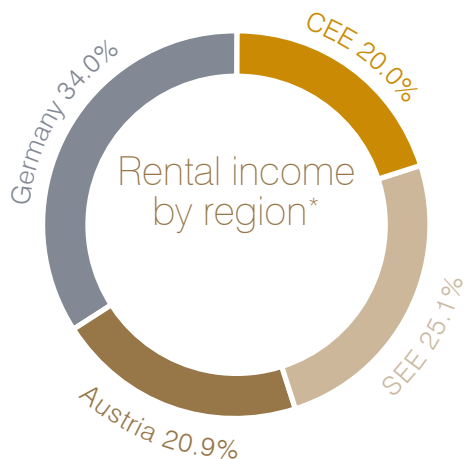
Advantageous property disposals

Vienna

- 1150 Vienna, Meiselstrasse 8 (residential)
- 1160 Vienna, Lobmeyrgasse 5–7 (residential)
- 1220 Vienna, Am Kaisermühlendamm 87 (residential)
- 1040 Vienna, Theresianumgasse 7 (office)
- 1060 Vienna, Windmühlgasse 22–24 (office)

Berlin

- 13349 Berlin, Barfussstrasse 13 (residential)
- 10965 Berlin, Yorckstrasse 17 (residential)
- 10965 Berlin, Willibald-Alexis-Strasse 34 (residential)
- 10585 Berlin, Nithackstrasse 4 (residential)
- 13359 Berlin, Koloniestrasse 70 (residential)
- 10999 Berlin, Admiralstrasse 18 (residential)



* not including Vienna Marriott Hotel and Budapest Marriott Hotel

Property valuations

The revaluation results reflect the differing speed of economic recovery in the various regions. Properties in Austria and Germany grew in value thanks to the positive performance of the real estate markets and both countries' recovering economies. In comparison, Romania and Bulgaria are taking longer to recover from the economic crisis, and in 2010 their economic growth was still slightly negative. This made necessary a small overall writedown of EUR 0.8m, which corresponds to approximately 0.04% of the portfolio's total value. When compared with the previous year's writedown of EUR 97.2m, this is a distinctly encouraging trend, and one which will continue in the current financial year.

Revaluation results

EUR m	2010	2009
Germany	13.7	2.1
Austria	22.3	3.8
Central Europe	-8.5	-49.2
Southeastern Europe	-28.3	-53.9
Total	-0.8	-97.2

Operating results (EBIT) improved by more than EUR 110m, from a loss of EUR 53.1m in 2009 to earnings of EUR 60.5m for 2010.

The largest tenants



Net financing costs increased to EUR 41.2m, reflecting higher financing volumes. In 2010, income entitlements of participating certificate holders resulted in expenses of EUR 10.2m, compared with earnings of EUR 11.2m in 2009. After a loss before taxes of EUR 77.5m in 2009, the financial year 2010 generated a profit before taxes (EBT) of EUR 9.1m – a highly satisfactory result considering the state of the market. For 2010 the Group reported a consolidated net income of EUR 2.1m (2009: EUR -78.9m).

Funds from operations (FFO)

Funds from operations show S IMMO Group's results in cash terms for the year under review. The consolidated results are adjusted for non-cash items, which include revaluation results, depreciation and amortisation, gains and losses on interest rate hedges, exchange rate differences and all effects of servicing the participating certificates.

Cumulative cash flow in 2010

EUR m	31.03.	30.06.	30.09.	31.12.
Operating cash flow	15.3	33.2	46.8	59.2

Funds from operations in 2010 amounted to EUR 28.9m (2009: EUR 22m). This encouraging outcome is directly attributable to the completion of the development projects.

Net operating income (NOI)

Net operating income improved from EUR 62.7m in 2009 to EUR 75.2m in 2010.

Net operating income as of 31 December

	2010	2009	Change
NOI (EUR m)	75.2	62.7	20.1%
NOI margin (%)	43.0	40.8	+2.2 pp

Cash flow

Operating cash flow for the year rose from EUR 49.4m in 2009 to EUR 59.2m in 2010. This improvement was closely related to the completion of development projects made in the past financial year.

Assets and finances

As at 31 December 2010, S IMMO Group's total assets amounted to EUR 2.3bn (2009: EUR 2.2bn), of which – in line with its business activities – the lion's share was attributable to the property portfolio. S IMMO Group's long-term property assets at the end of the year amounted to approximately EUR 2.0bn, an increase of 8.7%. Following the successful completion and opening of the development projects, the carrying value of rental properties in the balance sheet increased by 44.4% to EUR 1.8bn (2009: EUR 1.3bn). The amount disclosed under investment properties under development and land fell correspondingly, to EUR 56m (2009: EUR 445.8m).

Cash and cash equivalents

At the balance sheet date, S IMMO Group's cash and cash equivalents totalled EUR 129.7m (2009: EUR 210.2m). The relatively large balance at the end of financial 2009 was attributable to the development projects which were not yet completed at the time. The final accounts for these projects were agreed and settled during the past financial year.

Shareholders' equity

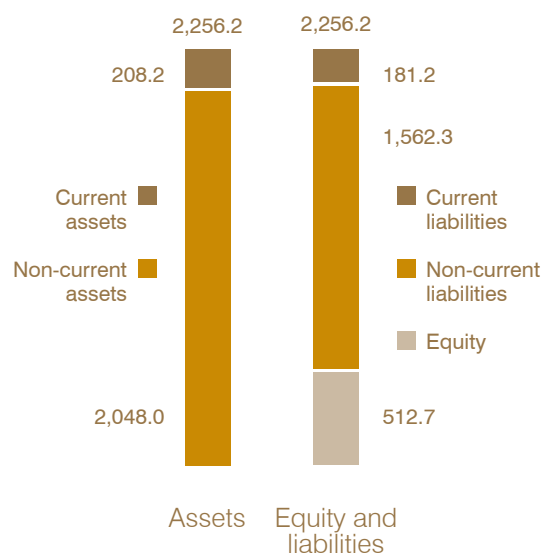
During the past financial year, equity (excluding minorities) increased from EUR 479.0m to EUR 481.3m. The minority interests disclosed under equity were almost exclusively attributable to ECE Projektmanagement GmbH & Co KG's interest in Serdika Center. After completion of the shopping centre, the interest dropped to EUR 31.4m (2009: EUR 44.8m).

Finance management

In 2010, S IMMO Group was successful in refinancing all maturing loans as planned. In spite of the banks' very restrictive lending policies, in particular for foreign real estate projects, numerous long-term property investments and completed development projects were refinanced according to plan. S IMMO Group's non-current financial liabilities increased accordingly from EUR 978.9m to EUR 1,228.8m. In connection with the completion of the development projects, current financial liabilities during the period under review fell from EUR 303.4m to EUR 124.1m.

Balance sheet structure 2010

EUR m



The financial liabilities were matched by a property portfolio worth EUR 2,013.1m. The loan-to-value ratio at balance sheet date was 61% (2009: 56%). The increase comes from the successful refinancing of the two shopping centres, Sun Plaza and Serdika Center.

The financial liabilities had the following terms:

Terms of financial liabilities	
Less than 1 year	EUR 124.1m
1 to 5 years	EUR 409.4m
More than 5 years	EUR 819.3m

To minimise foreign exchange risks, S IMMO Group finances itself exclusively in EURO. About 90% of the financial liabilities are at variable interest rates pegged to the EURIBOR, and roughly 10% are at fixed interest rates. Possible changes in interest rates are hedged with interest derivatives.

Net asset value (NAV)

NAV is calculated in accordance with EPRA guidelines and represents the value of equity minus the effects that do not have a long-term influence on the business activities of S IMMO Group, such as valuations of derivatives and deferred taxes. At 31 December 2010, EPRA NAV had risen to EUR 8.34 per share (31 December 2009: EUR 8.13 per share). Based on the year-end closing price of EUR 5.28, the share's potential for appreciation is 57.9%.

Calculation of EPRA NAV

EUR m	2010	2009
Capital and reserves (without minorities)	481.3	479.0
Revaluation of other assets	9.0	1.8
Fair value of financial instruments (with no effect on income)	50.0	50.9
Deferred taxes	27.5	22.1
EPRA NAV	567.8	553.8
EPRA NAV in EUR per share	8.34	8.13



Neutor 1010, Vienna, Austria

Development projects update

COMPLETED DEVELOPMENT PROJECTS

With a total volume of EUR 500m, almost all projects were completed in 2010.

Neutor 1010, Vienna, Austria

On 12 October 2010, Sparkassen Immobilien AG celebrated the opening of the Neutor 1010 residential and office building in Vienna's first district. The project has 11,000 m² of total floor space and was developed in collaboration with Immorent AG. Neutor 1010 was one of the three finalists for the 2010 DIVA Award, a real estate prize for outstanding innovative concepts. As this report goes to press nearly all of the 34 luxury apartments on the top storeys had already been sold. A majority of the 5,000 m² of office space has been rented by the top

office furniture manufacturer Bene, which is using the ground floor as a modern showroom. Other tenants include the companies Hermes Pharma and E-Control.

Galvaniho 4, Bratislava, Slovakia

Most of the tenants already moved into their offices in the autumn of 2010. Sparkassen Immobilien AG officially opened its third office project at the Galvaniho site between Bratislava's city centre and its airport on 31 March 2011. The highest-profile tenants in the building, which is fully let out, include Bosch-Siemens, Oracle and Samsung, as well as a number



Galvaniho 4, Bratislava, Slovakia

of leading Slovakian IT companies. The six-storey Galvaniho 4 has 23,700 m² of lettable floor space for offices, shops and restaurants, and plenty of parking, with 400 spaces in the garage and 350 outside the building. The architectural style of Galvaniho 4 revolves around art, as the building offers a number of national artists a venue to present their works, with regular exhibitions and pieces on permanent display.

Serdika Center, Sofia, Bulgaria

Sparkassen Immobilien AG opened its largest development project to date, Serdika Center, in the spring of 2010. The centre offers 51,000 m² of space and 210 shops with top international brands such as Peek & Cloppenburg, Mango, Reserved, Esprit and Swarovski. The fact that the centre has achieved

96% occupancy under difficult market conditions proves the outstanding quality of the location and the excellent tenant mix. The highly important Christmas shopping season brought a new visitor record in December 2010. ECE Projektmanagement, Europe's market leader in the development and management of inner-city shopping centres, was Sparkassen Immobilien AG's development partner for the project and is responsible for the facility's centre management.

The roughly 30,000 m² of office space in Serdika Offices were nearly completed at the beginning of 2011. Colliers International and Forton have been commissioned to find tenants. The class A office units range in size from 200–4,000 m², meet the highest standards and can be tailored to fulfil the



Serdika Center, Sofia, Bulgaria

tenant's individual wishes. Suspended ceilings, flexible room partitions and reversible false floors are just some of the practical features. A particular focus was placed on sustainability in the construction of Serdika Center and the offices above it. All workplaces are flooded with daylight, which significantly reduces electricity consumption for artificial lighting. The office windows in the standard facade can be opened to admit fresh air, and a sun shading system in the facade shortens the amount of time that the ventilation and cooling systems need to be run. The heating system is supplied from the city's central district heating plant. The building is currently being assessed by the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB) for green building certification.

Sun Plaza, Bucharest, Romania

The Sun Plaza shopping centre has also seen a steadily increasing number of visitors since it opened in February 2010. Attractions such as the largest interior Christmas light installation in the world and a wide range of unique events drew many people to the centre and resulted in a new visitor record in December 2010. Sun Plaza offers 130 shops plus restaurants, cafés, a food court with 1,200 seats, a bowling centre and a cinema centre. Another highlight is the direct access to the metro via a passage, an absolutely unique feature in Bucharest.

Sun Offices offer roughly 10,000 m² of office space on three levels above the shopping centre. The first tenant is Centrul Medical Unirea (CMU), an operator of numerous polyclinics in Romania.



Sun Plaza, Bucharest, Romania

The units in Sun Offices can be adapted to meet the individual needs of the tenants and offer state-of-the-art heating and ventilation systems along with comprehensive security systems.

With 80,000 m² of lettable space and a current occupancy rate of 97%, Sun Plaza is an important local employer and source of tax revenue. With these two properties, Sparkassen Immobilien AG has made a sustainable improvement to the infrastructure at both sites and is helping to push the development of the region.

PURCHASE OF A COMPLETED INNER-CITY PROJECT

Hoch Zwei / Plus Zwei / Hotel Zwei, Vienna, Austria

In December 2010, Sparkassen Immobilien AG successfully completed the purchase of the buildings Hoch Zwei and Plus Zwei, which were developed by IC Projektentwicklung GmbH and are located in the new urban centre of Viertel Zwei. Both properties are being used by OMV AG as its head office. In addition, the adjacent Hotel Zwei, which is being operated as a Courtyard by Marriott, was purchased.

Hoch Zwei, which is 80 metres high and has 23 storeys, features an unusual concave-convex shape. The dominant elements are glass and steel, ensuring that the building is naturally lit. The neighbouring



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

Plus Zwei also features transparent architecture and eye-catching shapes. In total, OMV AG has some 41,000 m² of state-of-the-art office space at its disposal. Hotel Zwei has 251 rooms and suites and together with the OMV AG head office, it forms the gateway to the new quarter Viertel Zwei.

The grounds of Viertel Zwei are located between Vorgartenstrasse and the Krieau racing track, directly next to the Messe Wien convention centre. The city centre is just a few metro stations away and the motorway is in the immediate vicinity. On 40,000 m² of land that was previously overlooked for the most part, a modern world of residential buildings, workplaces and lifestyle with an international flair has been created on a so far nearly unknown site. The area was designed as a traffic-free zone and offers the necessary parking spaces in several under-

ground garages. The comprehensive concept for green spaces with a lake measuring over 5,000 m² also increases the quality of the residential, leisure and working space.

Development properties

S IMMO Group owns roughly 12 hectares of development land in EU capitals in Central and South-eastern Europe. The properties are located in Bratislava, Bucharest, Prague and Sofia and are intended for different use types. Specialists on site are currently obtaining approval for zoning changes and building permits. Preparations for subsequent building work are at different stages for each property. Construction on individual projects can begin as soon as the preconditions have been met and the local market conditions are right.

Staff and responsibility

Sparkassen Immobilien AG attaches special importance to maintaining a close dialogue with its shareholders, tenants and partners. To achieve this goal, the Company relies on its most valuable asset: qualified and dedicated staff who directly interacts with all stakeholders. To secure know-how, expertise and contacts over the long-term, Sparkassen Immobilien AG invests actively in the professional and personal skills of its employees. As a real estate investor, the Company is deeply involved economically and socially. Sparkassen Immobilien AG actively shapes the environment in which it does business through a wide range of projects and individual measures. The cornerstones of its corporate social responsibility programme are acting and doing business in a responsible way, maintaining its properties in accordance with high standards, and social and cultural commitment.

EMPLOYEES

Achieving more together

Teamwork and interdepartmental know-how transfer are core values in Sparkassen Immobilien AG's working culture, as are mutual support and lean structures. The Company takes active measures to promote and enhance this culture and to encourage effective collaboration between its employees. The Management Board members and department heads regularly inform the staff of new developments, current projects and strategic decisions.

The Company also facilitates the exchange of experiences outside of the office and arranges events to build a strong community amongst its staff. One such event is the annual team-building workshop, where current topics of relevance for the Company are discussed and examined with a qualified trainer.

In 2010, the agenda focused on the Company's strategic orientation and rebranding project. Beyond that, cross-border networking with staff in Germany and Hungary is aimed to be intensified further in the future.

Improving employee qualifications

In order for Sparkassen Immobilien AG to continue conducting its business successfully in the future, it must continuously invest in the training of its employees. To this end, the Company offers a variety of seminars, courses and academic training programmes. After consulting with their supervisors, employees can choose from a wide range of training offers. In 2010, an average of EUR 900 was spent per person on training.

The primary goal of all of these qualification measures is to develop industry-specific expertise. Therefore, Sparkassen Immobilien AG assists its employees in completing industry-specific training programmes, for example attaining membership in the Royal Institution of Chartered Surveyors (RICS) in Great Britain, or obtaining an MBA or other master's degree programmes.

The Company also attaches considerable importance to annual performance reviews, which facilitate the professional and personal growth of each individual employee. Supervisors and employees can take this opportunity to provide each other with feedback and agree on goals for the coming year. Sparkassen Immobilien AG also works actively to foster future talent, giving young professionals an opportunity to build upon their knowledge and gain practical experience through internships or work-study agreements.

Motivation through a good work-life balance

Providing for a healthy balance between career and spare time motivates employees to realise their full potential and also protects their health. Sparkassen Immobilien AG takes a proactive approach to this with offerings ranging from flexible working times and free health check-ups to medical care, meal vouchers and supported sporting activities.

Internalising asset management

Certain asset management functions were integrated into the Company and the associated external management contracts terminated in 2010. In this way, Sparkassen Immobilien AG is strengthening its internal real estate expertise and is more closely involved with its properties and the tenants using them. Moreover, in the long run costs will be reduced and the S IMMO brand will be strengthened with a uniform international brand presence.

Due to the internalisation of asset management, the number of employees at Sparkassen Immobilien AG in Austria rose from 27 in 2009 to 32 at the end of 2010. The number of employees at the subsidiaries in Berlin and Budapest amounted to 43 and 10, respectively.

In total, 92% of S IMMO Group's employees work full time and the average employee age is 38. Women make up 41% of the staff in Vienna, 53% in Germany and 90% in Hungary.

Doing business internationally, the Company has employees from different countries including Austria, Germany, Hungary, Croatia, Great Britain and the United States. The Company and its staff profit equally from this diversity of languages and cultures, and the different viewpoints are a wellspring of creativity and innovation.

	2010	2009
Headquarters staff* (as of 31 December)	32	27
Staff abroad* (as of 31 December)	53	46

* not including employees of the Marriott hotels

Conducting business responsibly

As a listed company, Sparkassen Immobilien AG has a particular obligation to its shareholders. In line with this, the Company strives to secure sustainable earnings. Its portfolio of high-quality properties forms the basis for this and is diversified in terms of usage type, investment volume and geographical location. The Company focuses on prime locations in capitals in the European Union and major German cities with a population of one million or more. Sparkassen Immobilien AG strives to conclude long-term leases and seeks to maintain an active dialogue with its tenants so as to be able to account for their needs as effectively as possible.

The Company engages in open communication with its tenants as well as with its investors and partners. Comprehensive and transparent information, mutual respect and frank, honest communication form the foundation for constructive and lasting relationships. To this end, the Company website is being revised this year to provide all dialogue partners with easier access to relevant information.

Respectful interaction also includes compliance with guidelines that guarantee fair competition and preclude ethically questionable business practices. These internal guidelines include strict rules about awarding contracts and accepting gifts, among other things, and are binding for all employees.

Real estate standards for tomorrow

Sparkassen Immobilien AG acts in a responsible manner by enforcing the highest standards in terms of materials and construction methods for its existing buildings and development projects. The use of energy-saving, sustainable building materials, advanced climate control and heating systems, and state-of-the-art thermal and acoustic insulation materials can substantially lower a building's life cycle costs. This future-oriented approach benefits tenants and investors alike. Sparkassen Immobilien AG also applies Austrian or equivalent EU standards in Central and Southeastern Europe whenever possible.

Case study: Serdika Center and Serdika Offices

A particular focus was placed on sustainability in the construction of Serdika Center and especially the associated office spaces on the upper storeys. The centre is currently being assessed by the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB) for green building certification.

A key aspect of the shopping centre's sustainability is its inner-city location with direct access to public transport. Sun shading systems on the outside of the building lower the energy needed for cooling, and the double-shell facade ensures that the sun shades can be used under all wind conditions. Environmental criteria were also taken into account in the design of the roof, large portions of which are greened to compensate for the soil sealed off beneath the building and paving and to improve the microclimate.

The office sections were planned according to Western European standards with an average depth of roughly 14.5 metres to ensure that they will remain attractive for tenants well into the future. This depth is the same as for the office projects that have enjoyed the greatest success over time and offers

attractive workplaces with good options for different layouts, from open plan or cubicle arrangements to combined solutions. All rooms have suspended ceilings and flexible room partitions to permit better adaptability in accommodating tenant wishes. The technical office and communication systems can also be expanded or refitted at any time thanks to the reversible false floor.

All workplaces are flooded with daylight, which significantly reduces electricity consumption for artificial lighting. The office windows in the standard facade can be opened to ensure a sufficient supply of fresh air so that the ventilation and air-conditioning systems do not have to be unnecessarily run as long. The heating system is supplied by the city's central district heating plant.

CORPORATE SOCIAL RESPONSIBILITY

Sparkassen Immobilien AG has been basing its social and cultural support activities on long-term cooperation agreements for many years. In 2010, the Company again provided funding and support for architecture and art projects and social projects with the theme of providing shelter. Cooperation projects were completed with the Turn On architecture festival, the Stotoons exhibition, the Wiener KunstsUPERMARKT art sales project, Caritas Socialis, Österreichische Wachkomagesellschaft (Austrian Society for Patients in a Persistent or Permanent Vegetative State) and Caritas Austria during the reporting period. The proceeds from the annual employee raffle, during which Christmas presents from partners are distributed among the staff, were donated to Animal Care Austria.

Visit our new website
www.simmoag.at

Employees of Sparkassen Immobilien AG are included in the Company's social and cultural commitment. The activities range from information presentations and donation collections to participation in the exhibitions and concerts of the supported organisations. The Company also implements suggestions from employees for the further development of its CSR activities when possible.

The following projects were supported during the financial year:

Architecture and art	Social
Turn On architecture festival	Caritas Socialis benefit concert
Wiener Kunstsupermarkt art sales project	Caritas projects for children, youths and elderly persons in Romania, Bulgaria and Ukraine
Stotoons exhibition	Österreichische Wachkoma-gesellschaft (Austrian Society for Patients in a Persistent or Permanent Vegetative State)
	Animal Care Austria

Caritas Socialis benefit concert

Sparkassen Immobilien AG has provided support to the Caritas Socialis benefit concert for many years. Last year, the concert was held in the main hall of the Musikverein in Vienna on 14 March. The audience was treated to a performance of A German Requiem by Johannes Brahms. The proceeds from the event went to the project Der Rote Anker by the hospice organisation CS Hospiz Rennweg, which offers professional psychotherapeutic assistance to children and young people who have lost a loved one. Der Rote Anker is also a school programme that seeks to eliminate the taboos associated with dying, death and grieving.

Wiener Kunstsupermarkt art sales project

Sparkassen Immobilien AG supported the Wiener Kunstsupermarkt project for the fourth time in a row in 2010. This project offers original works from national and international contemporary artists at reasonably set prices under the motto of "making art affordable for everyone". Sparkassen Immobilien AG provides the shop space at Mariahilfer Strasse 103 in Vienna for the project every year.

In 2010, the 75 artists from twelve countries whose works were on sale included both established as well as new and young artists. Over 4,000 pieces of art were on display for viewing and purchase for several weeks. The offerings ranged from acrylic and oil paintings to drawings, watercolours and sculptures. Sparkassen Immobilien AG has some of these on permanent display at its headquarters.

Caritas cooperation 2010

The Company has maintained a long-term cooperation project with Caritas Austria since 2008. Because it is present on many different markets, Sparkassen Immobilien AG actively assumes social responsibility in numerous countries. The Caritas projects enable the Company to provide effective assistance, especially in countries where social standards are not yet at the same level as in Austria. Sparkassen Immobilien AG is involved in the following projects, among others:

Hope House in Romania

Sparkassen Immobilien AG is financing a Caritas Hope House in Ciumbrud, Romania, which provides a temporary home for youths. Social workers help them find work and a permanent place to live, and also assist with official business and individual problems. After their stay in the Hope House, the youths are given support for at least six more months. Caritas also provides employment, social, legal and psychological advice and assistance to children and youths via mobile units and at the counselling centre in Alba Iulia.

A future for children in Ukraine

The Caritas Children's Centre in Kiev has 30 places for street children, social orphans and disadvantaged youths as well as 15 temporary places for children who are being taken in by foster families. Children and youths can spend their free time off the street in the connected day centre. Caritas operates a vocational training centre in Kiev where roughly 70 young people learn about different occupations every year. Young people can also take computer and English courses and job aptitude tests.

Ageing with dignity in Bulgaria

Over 70% of the inhabitants of Pokrovan in Bulgaria are over the age of 70. They must live on very small minimum pensions that are often not even enough to cover the barest necessities. For this reason, Caritas operates a day centre and a soup kitchen in this village and arranges medical care for the elderly population, all with the support of Sparkassen Immobilien AG. Mobile teams provide assistance to ill or bedridden persons.

Outlook 2011

Sparkassen Immobilien AG will be extending its cooperation projects with Caritas Austria, Caritas Socialis and the Kunstsupermarkt art sales project in 2011, and will also provide financing or know-how for other individual projects. The Company is also seeking to attain membership in the Austrian Business Council for Sustainable Development (respACT) to expand its competence in this area. respACT is Austria's leading corporate platform for CSR and sustainable development and provides important impetuses and contacts to leading companies in this area.

Contacts

If you have any questions about our CSR activities, please contact the Corporate Communications team by phone on +43 (0)50 100-27522 or by e-mail at media@simmoag.at.

Information about our CSR partners can be found at:
www.caritas-socialis.or.at
www.kunstsupermarkt.at
www.caritas.at
www.nextroom.at/turn-on_11
www.stotoons.info
www.wachkoma.at
www.animalcare-austria.at

Risk management

The goal of S IMMO Group's proactive risk policies and strategy is the long-term, sustainable optimisation of the balance between risks and rewards. A standardised risk management process is used to identify, analyse, monitor and manage the risks to which the Group is exposed.

As an international real estate investment company, S IMMO Group invests in a portfolio of investment properties and development projects in Austria, Germany and six countries in Central and South-eastern Europe. The Group's business activities therefore require risk management policies adapted to different regions and types of property use – the deliberate diversification of risk through investments in a wide variety of regions combined with the maximisation of opportunities from a wide range of property uses.

The function of S IMMO Group's uniform risk management system is to identify, assess, control and manage strategic and operational risks and to recognise and take advantage of the corresponding opportunities. Internal guidelines, regular written and oral reports to the Management Board, and standardised control measures serve to support the timely identification, monitoring and control of risks.

S IMMO Group uses a variety of internal and external data sources (ratios and benchmarks, industry-specific valuations etc.) to identify potential risks. Risk measurement and assessment is based on statistical probabilities and the financial impacts on the Group's goals of loss events in different exposure bands. There is an internal process of continuous review that enables the risk manager together with the Management Board to review risks and to assess risks in different areas on a regular basis.

The overall responsibility for all risk-related decisions lies with the Management Board. Investment projects above a certain volume also require approval by the Supervisory Board. Risk Management is a staff unit that reports directly to the Management Board and the Audit Committee of the Supervisory Board at regular intervals. It reports on the risk management system and the functioning of the internal control system that is in place for all business processes.

STRATEGIC RISKS

S IMMO Group engages proactively with strategic risks by taking them into account already in the planning process.

A major factor of this policy of forward-looking risk management is the deliberate concentration on markets inside the European Union, so as to minimise **market risk**. Extensive use is made of the networks, technical expertise and local knowledge of the Group's business partners and core shareholders. Every investment is reviewed by Risk Management for possible risks, and must meet the strategic requirements with respect to location, property use type and minimum standards. There are also predetermined thresholds specifying which investments require approval by the Supervisory Board. The Group avoids excessive concentrations of risk in the investment portfolio by stipulating a broad spread of investments by use type and geographical region.

Another major element of the Group's strategy aims to minimise potential **investment risks** in the selection of properties. In the preparatory phases of investment decisions, S IMMO Group attaches great importance to the comprehensive analysis of locations and trends by its specialist staff together with external experts. As an example, when acquiring the properties Hoch Zwei and Plus Zwei last December, the attractive location with its excellent infrastructure and the first-class credit rating of the major long-term tenant were all part of the basis for the decision.

S IMMO Group manages **capital market risks** on the basis of ongoing analysis of appropriate means of raising capital. Longer-term financial projections are used to plan borrowing and repayment as well as capital investments. To counter the present general lack of investor confidence in the capital markets, S IMMO Group makes every effort to communicate transparently, on a timely basis and efficiently with its investors, analysts and other interested parties. To ensure compliance with the requirements of capital markets, S IMMO Group has introduced compliance regulations with a code of good conduct for staff and clearly defined roles for the compliance officer. His responsibilities include monitoring compliance-relevant situations, submission of statutory reports to regulatory authorities and the organisation of periodic training courses for staff and of continuing professional education for compliance specialists.

REAL ESTATE RISKS

The economic crisis has had a major impact on the real estate industry. The risks of falling credit ratings, increasing arrears of rent, rising vacancy rates, tenant defaults and macroeconomic or local environmental factors affecting individual properties have become more prominent.

Location risk is reduced by S IMMO Group's strategy of broad diversification in terms of regions and property use types. In 2010, this risk was not the same in all segments and countries. Residential construction made good progress, which led to a reduction in the corresponding risks. This benefited S IMMO's residential portfolio in Germany and Austria. Additionally, the focus of business activities on countries with long-term development potential and on European Union capital cities and large metropolitan areas in Germany has contributed materially to the stable performance of the portfolio as a whole. Frequent analysis of property locations and clearly defined standards for investment decisions are other features that the Group uses to counteract location risk.

Letting risks are closely linked with the general economic environment in the various markets. Current economic developments in Romania and Bulgaria, for instant have resulted in riskier situations there than in other EU countries of Central and South-eastern Europe. For this reason, asset management activities and the detailed, ongoing monitoring of risk-related indicators, vacancy rates and tenant turnover have been stepped up. In the financial year 2010, the emphasis on long-term letting to tenants with high credit ratings proved its worth as a way of minimising risk. As a consequence, the Company had a stable occupancy rate of 91.7%.

Development risks were substantially reduced in the financial year 2010: Development projects with a total value of some EUR 500m – equivalent to roughly a quarter of the Group's portfolio – were successfully completed. In the pre-development phase, all development projects are subjected to an exhaustive due diligence review and sensitivity analysis, which also includes the selected development partners. To be eligible for selection, partners must have convincing reference projects to their credit. Risk Management monitors project development throughout the process, so that risks can be identified and neutralised as soon as they appear. Appropriate risk sharing arrangements with development partners are also an integral part of the relevant contracts and agreements.

Property valuation risk is the risk of impairment losses that not only affect profits but also have a negative effect on the Group's equity. S IMMO Group's annual property valuations are carried out by well-known, international, external professional experts in order to ensure that reliable, soundly based valuations are obtained. S IMMO Group's valuation policies are prudent – the proof is that properties sold during the year realised more than their estimated values.

FINANCIAL RISKS

For S IMMO Group, the management of financial risks is principally related to the effects of liquidity risks, interest rates risk, credit risks and currency risks.

In order to minimise **liquidity risks**, the Group ensures that a balanced relationship is maintained between the amounts of loans and the market values of the individual properties (loan to value ratio). In past years, the loan to value ratio was less than 60%. The Group's payment streams are controlled and managed on an ongoing basis by Finance, in coordination with Project Development and Asset Management. As part of a separate process, Risk Management performs its own analyses of payment flows. The successful completion and letting of the shopping centres in Bulgaria and Romania, the biggest development projects in the history of the Group to date, will lead to an increase in internal financing in the coming years, as rental income is expected to grow gradually.

S IMMO Group's **interest rate risk** is reduced over the long term with a variety of interest rate hedges (caps, collars and swaps). These derivative financial instruments are used only as interest rate hedges and neither for trading nor for other speculative purposes. Further details about these instruments and the results of the relevant stress tests are shown on page 121 et seq. of the notes.

S IMMO Group reduces risks with respect to external financing by spreading its borrowing across a variety of lenders (at the balance sheet date, 20 individual banks), and by requiring loans to be approved by the Supervisory Board. The bulk of the financing (63%) is long-term oriented and has an average weighted residual maturity of eleven years. The long-term orientation is specific for real estate business activities. All loan liabilities without exception, together with any associated liabilities, were satisfied on time.

All S IMMO Group's borrowings are denominated in EURO. Since nearly all rental agreements are also linked to the EURO, foreign exchange risk is minimal.

INTERNAL CONTROL SYSTEM (ICS)

The internal control system comprises all the processes designed and implemented by S IMMO Group's Management Board in order to monitor and control

- The effectiveness and economic efficiency of operating activities (e.g., the protection of assets against loss, damage or misappropriation)
- The reliability of financial reporting and
- Compliance with applicable statutory provisions.

The internal control system is based on the internationally recognised standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Together with internal audit and the compliance systems, it constitutes the Company's internal monitoring system.

The core processes, in particular those of accounting and financial reporting, are recorded in the internal processes database. This includes a risk management matrix in which the relevant processes, the potential individual risks and the pertinent control procedures are defined.

The major ICS features built into the accounting process are as follows:

Control environment:

- Clear, written division of responsibilities between Finance and Accounting as well as other areas (e.g., Treasury)
- Guidelines for the application of uniform accounting and valuation approaches within the Group (IFRS)
- IT systems that are adequately protected against unauthorised access

Risk assessment:

Assessment of risks that could lead to a material misstatement of transactions in the financial statements

Control measures:

- Mandatory independent validation of invoices for payment
- Appropriate control mechanisms built into the automated preparation of the consolidated financial statements

Information and communication:

Internal reporting (Management and Supervisory Boards) and external reporting (e.g., investors, analysts), including quarterly reports, segment and liquidity reports, and individual property reports (occupancy, vacancy and outstanding rents)

Monitoring:

Process-oriented control activities include regular control of the correctness and completeness of accounting information and analysis of results not in line with estimates. The accounting system is also subject to internal auditing.

The implementation and control of the internal control system is the responsibility of the Company's Management Board or of the management of the individual subsidiaries. The responsible management bodies are required on a regular basis to document and review internally the implementation of the Group's standardised ICS with operational controls at the level of individual processes and higher level management controls. Risk Management checks the efficiency and effectiveness of the controls at regular intervals and introduces modifications where appropriate after discussion with the responsible managers.

The Group's Internal Audit works with international auditing firms to check compliance with statutory requirements, internal guidelines and the code of good conduct, and also the functional effectiveness of internal control procedures with respect to business processes. The basis of its work is the strategic three-year audit plan and the yearly operational audit plans, which are both approved by the Management Board. The results of the audits are submitted to S IMMO Group's Management Board. The audit plan and the results of the audits are also regularly communicated to the Audit Committee of the Supervisory Board.

Outlook for 2011

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

The German residential property market has continued to perform positively in 2011, which allowed S IMMO Group to make some advantageous property disposals: In the first quarter, the Group sold one retail and three residential properties at prices above their estimated values.

On 31 March 2011, Sparkassen Immobilien AG officially opened its Galvaniho 4 office building in Bratislava. The building was already fully let before the opening ceremony took place. The tenants – companies like Bosch-Siemens, Oracle and Samsung – have moved into their new offices in the complex.

EXPECTED CHANGES IN THE BUSINESS ENVIRONMENT

Confidence in the eurozone economy is on the rise again: According to a survey commissioned by the European Central Bank (ECB), experts are predicting GDP growth of 1.5% in 2011, together with moderate inflation and improvement in the job market. By 2012, economic growth is expected to increase to 1.7% and by 2015 to 1.8%.

Germany is the principle motor driving the positive development of the eurozone. According to a survey by eight economic research institutes published in the autumn of 2010, Germany's GDP will grow by 2% in 2011. This growth will no longer be fuelled mainly by exports, but will also be fed by domestic demand and corporate capital investments.

The European Commission also expects German domestic demand to be the driving force behind European economic development in 2011.

Thanks to the dynamic growth of exports, Austria has also made a good recovery from the crisis. For 2011 through 2015, the Austrian Institute of Economic Research (WIFO) is predicting average yearly economic growth of 2.2% based largely on Austria's export performance.

For 2011, economic growth rates of 2.2% and 4.3% are predicted for the Czech Republic and Slovakia, respectively. This year, the growth rate of the Slovak economy is expected to be the fastest in the eurozone, mostly because of the revival of exports. Predicted economic growth for Hungary is 2%; however, the country still has its large budget deficit to contend with.

Compared with the rest of the European Union, Romania and Bulgaria are taking longer to recover from the economic crisis. In 2010, their economies were still contracting slightly. In the medium to long term, the countries of Southeastern Europe are expected to have the highest economic growth rates. Economic growth in Romania is expected to reach 4–4.5% next year.

The European property market is recovering nicely, but it is too early to talk about a fundamental change in the trend. According to a study by PwC, developments differ from region to region. While yields are increasing again in Western Europe – particularly in large German cities – property markets in countries such as Greece and Ireland are still under consider-

able pressure. In all likelihood, European real estate markets will continue to see a smaller influx of capital in 2011 than in the years before the crisis.

EXPECTED BUSINESS DEVELOPMENTS

In 2010, Sparkassen Immobilien AG completed all its current development projects. Under extraordinarily challenging economic circumstances, all projects – with minor exceptions – were finished. The successful asset management of the new properties and the satisfactory occupancy rates promise an increase in rental income. Over the coming months, we will also focus on plots earmarked for development in European Union capital cities. Currently, we are working on securing zoning and building permits. As soon as these are available and local market climates are favourable, construction work on the various projects will start.

In Germany, we will continue with the refurbishment of our buildings so as to further increase the properties' value. In the months to come, we also intend to make use of favourable opportunities for property disposals as the market allows. We are aiming to realise total proceeds from sales of at least EUR 30m.

In Austria, too, we are seeking to take advantage of favourable disposal opportunities, especially in the residential sector. We are also looking at potentially attractive and profitable new development projects.

In Central Europe, we are intensifying our asset management and extending our marketing activities.

In Southeastern Europe (SEE), the focus of our business activities reflects the countries' present economic situation. It is assumed that the situation in Sofia will remain difficult in 2011. A delay of at least two years in new letting can be expected, especially in the office sector. In contrast to Sofia, the situation in Bucharest is already improving gradually. In the long run these regions are expected to see the highest growth rates.

The overarching goal of all our activities is to add lasting value to the Group for the benefit of our shareholders. For the next year or two, we shall concentrate on increasing profitability. Growth through acquisition and development will be our main focus in the medium to long term.

Our primary benchmark for corporate value is net asset value (NAV). EPRA NAV is expected to grow continuously. With regard to EPRA NAV, Sparkassen Immobilien AG will again be working very hard this year to close the gap between NAV and the current share price. The share has a potential appreciation of 57.9% as at year-end. Another Company goal is to simplify the capital structure further with the aim of being listed in various indices. A first step has already been taken with the repurchase of participating certificates.

Disclosure pursuant to section 243a Uniform Commercial Code (UGB)

The following information must be provided to satisfy section 243a Uniform Commercial Code (UGB):

- 1.) The share capital totals EUR 247,509,361.86 and is divided into 68,118,718 bearer shares. All shares are of the same class.
- 2.) The voting rights of each shareholder at the Annual General Meeting are limited to 15% of the issued shares.
- 3.) On 24 September 2009, the Management Board received a notice pursuant to section 91 paragraph 1 Stock Exchange Act from Tri-Star Capital Ventures Ltd., an international investment firm, stating that this company had increased its holdings in Sparkassen Immobilien AG to 11.15% of the share capital with voting rights. The Company was also informed by s Versicherung AG, a member company of Vienna Insurance Group, that its holdings in Sparkassen Immobilien AG exceeded the notice threshold of 10% pursuant to section 91 paragraph 1 Stock Exchange Act and amount to 10.27%.
- 4.) There are no shares with special control rights.
- 5.) Employees who hold shares directly exercise their voting rights at the Annual General Meeting.
- 6.) The Management Board of the Company consists of two, three or four members. Persons must be younger than 64 years of age to be appointed to the Management Board. The Supervisory Board consists of up to ten members to be elected by the Annual General Meeting.
- 7.) a) At the Annual General Meeting on 21 May 2010, the Management Board was authorised to purchase shares in the Company up to a total amount of 10% of the share capital of the Company in accordance with the provisions of section 65 paragraph 1 line 8 Austrian Companies Act (AktG) for a period of thirty months from the date on which the motion was adopted. The Management Board was authorised, subject to the approval of the Supervisory Board and for a period of five years after the adoption of the motion, to sell these shares in the Company (treasury shares) in a manner other than through the stock exchange or through a public offer, including under exclusion of the right of certain parties to purchase the treasury shares, when the treasury shares are transferred as consideration for property or property interests sold to the Company or a subsidiary, when the treasury shares are awarded to shareholders of companies merged into the Company or a subsidiary, or when the treasury shares are transferred to satisfy the conversion or subscription rights of holders of shares in convertible bonds or of profit participation certificates with conversion rights (S IMMO INVEST AT0000795737 and/or S IMMO INVEST AT0000630694).

b) At the Annual General Meeting on 28 May 2008, the Management Board was authorised pursuant to section 174 paragraph 2 AktG, within a period of five years after the adoption of the motion, in other words until 28 May 2013, and subject to the approval of the Supervisory Board, to issue convertible bonds granting the right of conversion or subscription for up to 34,059,359 bearer shares in the Company, being equivalent to up to EUR 123,754,680.93 of the share capital in the Company, in one or more tranches and with the authority to specify the further terms of the convertible bonds.

c) The share capital is conditionally increased pursuant to section 159 paragraph 2 line 1 Austrian Companies Act (AktG) to a maximum of EUR 123,754,680.93 through the issue of up to 34,059,359 bearer shares with voting rights. This conditional capital increase shall only be completed to the extent that holders of convertible bonds issued under the authorisation granted by the motion of the Annual General Meeting on 28 May 2008 exercise their right of conversion or subscription. The issue price and the conversion ratio shall be determined on the basis of recognised mathematical methods and the share price of shares in the Company using a recognised price calculation method. The issue price may not be lower than the portion of the share capital represented by the share. The Management Board is authorised, subject to the approval of the Supervisory Board, to specify the further terms of the conditional capital increase (in particular the issue price, the object

of a contribution in kind, the scope of the rights granted by the shares, and the time at which dividend entitlements come into force). The Supervisory Board is authorised to adopt changes to the articles of incorporation as required by the issue of shares on the basis of the conditional capital.

8.) No agreements have been made in which the Company is involved and under which control of the Company will change hands as a result of a takeover offer.

9.) No compensation agreements are in force between the Company and the members of its Management Board or Supervisory Board or its employees that would come to bear in the event of a public takeover offer.

Consolidated Financial Statements

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Consolidated statement of financial position

as at 31 December 2010

ASSETS	NOTES	31.12.2010	31.12.2009
EUR '000			
NON-CURRENT ASSETS			
Properties held as financial investments			
Investment properties	3.1.1.	1,810,322	1,253,432
Investment properties under development and land	3.1.1.	55,989	445,784
		1,866,311	1,699,216
Properties used by owner	3.1.2.	140,755	147,296
Other plant and equipment	3.1.2.	9,069	13,074
Intangible assets	3.1.2.	179	223
Goodwill	3.1.3.	100	0
Interests in associated companies		5	5
Group interests	3.1.5.	3,117	3,101
Deferred tax assets	3.1.14.	28,455	25,532
		2,047,991	1,888,446
CURRENT ASSETS			
Properties held for sale	3.1.4.	6,000	54,300
Inventories	3.1.6.	12,029	20,476
Trade receivables	3.1.7.	10,324	9,185
Other accounts receivable	3.1.7.	42,287	49,672
Other assets		7,811	2,963
Cash and cash equivalents	3.1.8.	129,721	210,151
		208,172	346,747
		2,256,163	2,235,193

EQUITY AND LIABILITIES	NOTES	31.12.2010	31.12.2009
EUR '000			
SHAREHOLDERS' EQUITY			
	3.1.9.		
Share capital		247,509	247,509
Capital reserves		73,578	147,110
Other reserves		160,185	84,384
		481,272	479,003
Non-controlling interests	3.1.10.	31,426	44,832
		512,698	523,835
NON-CURRENT LIABILITIES			
Subordinated participating certificate capital	3.1.11.	257,820	261,658
Financial liabilities	3.1.13.	1,228,786	978,860
Provisions	3.1.12.	8,770	16,020
Other liabilities		10,955	10,839
Deferred tax liabilities	3.1.14.	55,981	47,588
		1,562,312	1,314,965
CURRENT LIABILITIES			
Financial liabilities	3.1.13.	124,123	303,390
Trade payables		16,479	28,954
Construction costs and tenants' financing, and housing construction subsidies on properties held for sale		0	9,835
Other liabilities		40,551	54,214
		181,153	396,393
		2,256,163	2,235,193

Consolidated income statement

for the year ended 31 December 2010

EUR '000	NOTES	2010	2009
Revenues	3.2.1.		
Rental income		103,992	87,553
Revenues from service charges		32,640	29,105
Revenues from hotel operations		38,311	36,897
		174,943	153,555
Other operating income		4,973	8,246
Expenses directly attributable to properties	3.2.2.	-70,095	-61,192
Hotel operating expenses	3.2.2.	-29,617	-29,701
Revenues less direct expenses		80,204	70,908
Income from property disposals		102,690	152,173
Carrying values of property disposals		-92,811	-150,273
Gains on property disposals	3.2.3.	9,879	1,900
Management expenses	3.2.4.	-18,650	-19,533
Earnings before interest, tax, depreciation and amortisation (EBITDA)		71,433	53,275
Depreciation and amortisation	3.2.5.	-10,054	-9,113
Gain/loss on property valuation	3.2.6.	-833	-97,238
Operating result (EBIT)		60,546	-53,076
Financing costs	3.2.7.	-41,201	-35,541
Participating certificates result	3.1.11.	-10,222	11,161
Net income before tax (EBT)		9,123	-77,456
Taxes on income	3.1.14.	-6,989	-1,412
Consolidated net income		2,134	-78,868
of which attributable to shareholders in parent company		1,843	-78,559
of which attributable to non-controlling interests		291	-309
Earnings per share			
Undiluted = diluted	3.2.8.	0.03	-1.15

Consolidated statement of total comprehensive income

for the year ended 31 December 2010

EUR '000	2010	2009
Consolidated net income	2,134	-78,868
Change in value of cash flow hedges	1,235	-16,604
Income tax related to other comprehensive income	149	4,300
Foreign exchange rate differences	288	-7,239
Total comprehensive income	3,806	-98,411
of which attributable to shareholders in parent company	2,269	-97,995
of which attributable to non-controlling interests	1,537	-416

Consolidated cash flow statement

for the year ended 31 December 2010

EUR '000	2010	2009
Net income before tax (EBT)	9,123	-77,456
Gain/loss on property valuation	833	97,238
Depreciation and amortisation	10,054	9,113
Gains/losses on property disposals	-9,879	-1,900
Taxes on income paid	-2,358	-1,993
Participating certificates result	10,222	-11,161
Net interest	41,201	35,541
Operating cash flow	59,196	49,382
Changes in net current assets		
Receivables and other assets	6,689	-20,523
Provisions and other non-current liabilities	-16,217	-19,953
Current liabilities	-26,138	48,751
Cash flow from operating activities	23,530	57,657
Cash flow from investing activities		
Investments in property portfolio	-107,620	-296,052
Investments in tangible and intangible assets	-2,069	-2,076
Disposals of/investments in financial investments	0	-18
Net cash flow from initial consolidations	-6,263	0
Disposals of properties and property holding companies	92,855	85,962
Interest received and other financial income	1,590	6,783
Cash flow from investing activities	-21,507	-205,401

EUR '000	2010	2009
Consolidated cash flow statement (cont.)		
Cash flow from financing activities		
Cash flows from increases / decreases in non-controlling interests	-14,943	19,160
Increase/decreases in financing	-10,197	142,373
Distribution to S IMMO INVEST participating certificate	-14,060	-14,060
Interest paid	-45,240	-33,119
Cash flow from financing activities	-84,440	114,354
Cash and cash equivalents at 01 January		
Cash and cash equivalents at 01 January	210,151	243,541
Cash inflow from initial consolidation	1,987	0
Net change in cash and cash equivalents	-82,417	-33,390
Cash and cash equivalents at 31 December	129,721	210,151

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 2010	247,509	147,110	-13,491	-38,668	136,543	479,003	44,832	523,835
Consolidated net income	0	0	0	0	1,843	1,843	291	2,134
Other comprehensive income	0	0	93	333	0	426	1,246	1,671
Decrease	0	0	0	0	0	0	-14,943	-14,943
Reclassifications	0	-73,532	0	0	73,532	0	0	0
At 31 December 2010	247,509	73,578	-13,398	-38,335	211,918	481,272	31,426	512,698
At 01 January 2009	247,509	241,301	-6,359	-26,364	120,911	576,998	26,088	603,086
Consolidated net income	0	0	0	0	-78,559	-78,559	-309	-78,868
Other comprehensive income	0	0	-7,132	-12,304	0	-19,436	-107	-19,543
Acquisitions	0	0	0	0	0	0	19,160	19,160
Reclassifications	0	-94,191	0	0	94,191	0	0	0
At 31 December 2009	247,509	147,110	-13,491	-38,668	136,543	479,003	44,832	523,835

Notes to the consolidated financial statements

for the year ended 31 December 2010

1. THE GROUP

S IMMO Group (Sparkassen Immobilien AG and its subsidiaries) is an international real estate group. Sparkassen Immobilien AG as an ultimate parent company of the S IMMO Group 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 31 December 2010 S IMMO Group owned properties in all of 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 financial statements comply with all International Financial Reporting Standards (IFRS), including those interpretations of the International Financial Reporting Interpretations Committee ("IFRIC", formerly "SIC"), for which the application in the European Union was mandatory at balance sheet date.

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.

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 utilization of computer software.

2.2. Consolidation group and basis of consolidation

The consolidated financial statements include all the companies over which the parent company has a controlling influence (subsidiaries). A controlling interest exists where the parent company is in a position, directly or indirectly, to determine the financial and business policies of the subsidiary and to benefit from its activities. A subsidiary consolidated from the time when the controlling influence is acquired, and deconsolidated when that influence ceases to exist.

Companies over which the parent company directly or indirectly exercises a significant influence are included at equity. A significant influence is assumed to exist where Sparkassen Immobilien AG holds between 20% and 50% of the voting rights.

Subsidiaries are first consolidated using the acquisition method, under which the identifiable assets (mainly properties) and liabilities of the companies acquired, and the minority interests in them, are recognised at fair value.

As a general rule, S IMMO Group recognises non-controlling interests as the proportionate share of identifiable net assets of the subsidiary. Goodwill is measured as the difference between the aggregate of the fair value of the consideration given together with the amount recognised for non-controlling interests, and the fair value of the identifiable assets and liabilities (net assets) of the company acquired. The amount in excess of net assets is recognised as goodwill. If the amount is negative, a further critical review of the recognition and measurement of the assets and liabilities is performed and the amount, if appropriate, recognised in profit or loss. In the financial year 2010 negative goodwill amounting to EUR 7,916,000 was identified.

The acquisition date is the date on which control of the new acquisition is acquired. Costs incurred by S IMMO Group in the course of acquisition, such as fees for due diligence reviews, valuations and other consulting services are recognised as expenses in the period in which they are incurred.

For associated companies accounted under the equity method differences arising from capital consolidation are calculated in the same way as for consolidated companies. The proportionate share of the profit or loss for the year is included in the carrying value of the holding. In the event of distributions, the carrying value is reduced by the proportionate amount.

In addition to the accounts of S IMMO Group, the consolidated financial statements include the accounts of 69 companies (property holding and intermediary holding companies), which are directly or indirectly owned by Sparkassen Immobilien AG, and two companies included at equity.

In the second quarter of 2010 ISP Immobilienentwicklungs- und verwertungsgesellschaft m.b.H. was consolidated for the first time.

In the fourth quarter the companies VIERTEL ZWEI Entwicklung GmbH & Co HOCH ZWEI KG, VIERTEL ZWEI Entwicklung GmbH & Co PLUS ZWEI KG and VIERTEL ZWEI Entwicklung GmbH & Co HOTEL ZWEI KG were consolidated for the first time.

In the fourth quarter of 2010 WO Immobilienbeteiligungs GmbH was merged into CEE PROPERTY-INVEST Immobilien GmbH retroactively with effect from 30 September 2010.

Company	Location	Country	Nominal capital	%	Currency	Consolidation type
CEE Immobilien GmbH	Vienna	A	35,000	100	EUR	full
CEE PROPERTY-INVEST Immobilien GmbH	Vienna	A	48,000,000	100	EUR	full
CEE CZ Immobilien GmbH	Vienna	A	35,000	100	EUR	full
German Property Invest Immobilien GmbH	Vienna	A	35,000	100	EUR	full
Hotel DUNA Beteiligungs Gesellschaft m.b.H.	Vienna	A	145,346	100	EUR	full
AKIM Beteiligungen GmbH	Vienna	A	35,000	100	EUR	full
IMMIN Beteiligungen GmbH	Vienna	A	35,000	100	EUR	full
SO Immobilienbeteiligungs GmbH	Vienna	A	35,000	100	EUR	full
CEE Beteiligungen GmbH	Vienna	A	35,000	100	EUR	full
E.V.I. Immobilienbeteiligungs GmbH	Vienna	A	35,000	100	EUR	full
SIAG Berlin Wohnimmobilien GmbH	Vienna	A	3,982,500	99.74	EUR	full
E.I.A. eins Immobilieninvestitionsgesellschaft m.b.H.	Vienna	A	36,336	100	EUR	full
PCC-Hotelerrichtungs- und Betriebsgesellschaft m.b.H. & Co. KG	Vienna	A	5,562,182	70	EUR	full
PCC-Hotelerrichtungs- und Betriebsgesellschaft m.b.H.	Vienna	A	36,336	100	EUR	full
Neutorgasse 2-8 Projektverwertungs GmbH	Vienna	A	35,000	100	EUR	full
H.S.E. Immobilienbeteiligungs GmbH	Vienna	A	35,000	100	EUR	full
A.D.I. Immobilien Beteiligungs GmbH	Vienna	A	35,000	100	EUR	full
ISP Immobilienentwicklungs- und Verwertungsgesellschaft m.b.H.	Vienna	A	35,000	25	EUR	equity
VIERTEL ZWEI Entwicklung GmbH & Co HOCH ZWEI KG	Vienna	A	100,000	100	EUR	full
VIERTEL ZWEI Entwicklung GmbH & Co PLUS ZWEI KG	Vienna	A	100,000	100	EUR	full
VIERTEL ZWEI Entwicklung GmbH & Co HOTEL ZWEI KG	Vienna	A	100,000	100	EUR	full
Hansa Immobilien EOOD	Sofia	BG	5,000	77	BGN	full
CEE PROPERTY BULGARIA EOOD	Sofia	BG	20,000	100	BGN	full
Washington Project EOOD	Sofia	BG	20,000	50	BGN	equity
SIAG HOLDING LIMITED	Nicosia	CY	3,000	100	EUR	full
Areal CZ spol. s.r.o.	Prague	CZ	100,000	100	CZK	full
Eltima Property Company s.r.o.	Prague	CZ	100,000	100	CZK	full
REGA Property Invest s.r.o.	Prague	CZ	200,000	100	CZK	full
Tolleson a.s.	Prague	CZ	200,000	100	CZK	full
SIAG Burstah Immobilien GmbH	Berlin	D	25,000	100	EUR	full
Lützw-Center GmbH	Berlin	D	25,000	100	EUR	full
Ikaruspark GmbH	Berlin	D	25,000	100	EUR	full

Company	Location	Country	Nominal capital	%	Currency	Consolidation type
S IMMO Germany GmbH	Berlin	D	25,000	100	EUR	full
S Immo Geschäftsimmobilien GmbH	Berlin	D	25,000	100	EUR	full
S Immo Wohnimmobilien GmbH	Berlin	D	25,000	100	EUR	full
Markt Carree Halle Immobilien GmbH	Berlin	D	25,000	100	EUR	full
Tölz Immobilien GmbH	Berlin	D	25,000	100	EUR	full
Einkaufs-Center Sofia G.m.b.H. & Co KG	Hamburg	D	87,000,000	65	EUR	full
SIAG Deutschland Beteiligungs-Verwaltungs GmbH	Berlin	D	25,000	100	EUR	full
SIAG Deutschland Beteiligungs GmbH & Co. KG	Berlin	D	100,000	99.74	EUR	full
SIAG Leipzig Wohnimmobilien GmbH	Berlin	D	750,000	99.74	EUR	full
Maior Domus Hausverwaltung GmbH	Berlin	D	25,000	100	EUR	full
SIAG Property I GmbH	Berlin	D	25,000	100	EUR	full
K.J. Ejendomme Syd APS	Århus	DK	134,000	100	EUR	full
H.W.I. I ApS	Århus	DK	939,000	100	EUR	full
H.W.I. III ApS	Århus	DK	4,023,000	100	EUR	full
H.W.I. IV ApS	Århus	DK	134,000	100	EUR	full
GERMAN PROPERTY INVESTMENT I APS (GPI I APS)	Århus	DK	17,000	99.71	EUR	full
GERMAN PROPERTY INVESTMENT II APS (GPI II APS)	Århus	DK	17,000	99.71	EUR	full
GERMAN PROPERTY INVESTMENT III APS (GPI III APS)	Århus	DK	17,000	99.71	EUR	full
Bank-garázs Ingatlanfejlesztési és Vagyonhasználó Kft.	Budapest	H	500,000	100	HUF	full
CEE Property-Invest Ingatlan Kft.	Budapest	H	100,000,000	100	HUF	full
Maros utca Építési és Ingatlanhasznosítási Kft.	Budapest	H	500,000	100	HUF	full
Buda Kereskedelmi Központ Kft.	Budapest	H	3,000,000	100	HUF	full
Duna Szálloda Zrt.	Budapest	H	5,000,000	100	HUF	full
S IMMO Hungary Kft.	Budapest	H	98,600,000	100	HUF	full
Szegedi út Ingatlankezelő Kft.	Budapest	H	500,000	100	HUF	full
Nagymező utcai Projektfejlesztési Kft.	Budapest	H	462,590,000	100	HUF	full
CEE Property-Invest Hungary 2003 Ingatlan Kft.	Budapest	H	3,000,000	100	HUF	full
CEE PROPERTY INVEST ROMANIA SRL	Bucharest	RO	1,000	100	RON	full
Societate Dezvoltare Comercial Sudului (SDCS) S.R.L.	Bucharest	RO	212,326,000	100	RON	full
VICTORIEI BUSINESS PLAZZA S.R.L.	Bucharest	RO	18,852,144	100	RON	full
DUAL Construct Invest S.R.L.	Bucharest	RO	2,000	82	RON	full
ROTER INVESTITII IMOBILIARE S.R.L.	Bucharest	RO	4,472,020	100	RON	full
Galvaniho Business Centrum s.r.o.	Bucharest	SK	7,000	100	EUR	full

Company	Location	Country	Nominal capital	%	Currency	Consolidation type
Galvaniho 2 s.r.o.	Bratislava	SK	7,000	100	EUR	full
IPD - International Property Development s.r.o.	Bratislava	SK	33,000	100	EUR	full
SIAG Fachmarktzentren s.r.o.	Bratislava	SK	7,000	100	EUR	full
SIAG Hotel Bratislava s.r.o.	Bratislava	SK	7,000	100	EUR	full
Galvaniho 4 s.r.o.	Bratislava	SK	33,000	100	EUR	full
Eurocenter d.o.o.	Zagreb	HR	20,000	100	HRK	full

2.3. Business combinations

The following companies were acquired in 2010:

Company	Location	Country	Interest (%)	Purchase price EUR '000	Initial consolidation date
VIERTEL ZWEI Entwicklung GmbH & Co HOCH ZWEI KG	Vienna	A	100	9,263	07 December 2010
VIERTEL ZWEI Entwicklung GmbH & Co PLUS ZWEI KG	Vienna	A	100	8,967	07 December 2010
VIERTEL ZWEI Entwicklung GmbH & Co HOTEL ZWEI KG	Vienna	A	100	266	07 December 2010

The disclosed purchase prices were paid fully in cash. The buildings owned by VIERTEL ZWEI Entwicklung GmbH & Co HOCH ZWEI KG and VIERTEL ZWEI Entwicklung GmbH & Co PLUS ZWEI KG are used by OMV AG as head office in Vienna and are therefore treated as a single unit. The hotel owned by VIERTEL ZWEI Entwicklung GmbH & Co HOTEL ZWEI KG is run as a Courtyard by Marriott Hotel.

The fair value of the assets and liabilities acquired was made up as follows:

EUR '000	Purchases			Total
	VIERTEL ZWEI Entwicklung GmbH & Co HOCH ZWEI KG	VIERTEL ZWEI Entwicklung GmbH & Co PLUS ZWEI KG	VIERTEL ZWEI Entwicklung GmbH & Co HOTEL ZWEI KG	
Assets	163,406		34,371	197,777
Liabilities	-137,260		-36,401	-173,661
Fair value of identifiable assets and liabilities acquired	26,146		-2,030	24,116
Purchase price of shares	18,230		266	18,496
Goodwill	-7,916		2,296	-5,620

The goodwill of EUR 2,296,000 acquired with VIERTEL ZWEI Entwicklung GmbH & Co HOTEL ZWEI KG was capitalised as an asset and subjected to an annual impairment test in accordance with IAS 36. This resulted in an impairment of EUR 2,196,000.

The effects of the acquisition of VIERTEL ZWEI Entwicklung GmbH & Co HOCH ZWEI KG and VIERTEL ZWEI Entwicklung GmbH & Co PLUS ZWEI KG, amounting to EUR 7,916,000, have been reflected in profit or loss in the financial year 2010.

The profits of the three companies since the time of acquisition amounted to EUR 931,000.

2.4. 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 foreign exchange rate differences are recognised in the foreign currency translation reserve in equity.

Foreign currencies have been translated using the following exchange rates:

	Czech Republic CZK	Hungary HUF	Bulgaria BGN	Romania RON	Croatia HRK
Closing rate 31 December 2010	25.061	277.950	1.956	4.262	7.383
Average rate 2010	25.356	276.039	1.956	4.218	7.295
Closing rate 31 December 2009	26.473	270.420	1.956	4.236	7.300
Average rate 2009	26.525	280.304	1.956	4.225	7.345

2.5. Newly applicable accounting regulations

2.5.1. New Standards and Interpretations

The following amendments or revised versions of Standards and Interpretations have been applied for the first time in financial 2010.

Standard	Contents	Effective date ¹⁾
New Interpretations		
IFRIC 12	Service concession arrangements	30 March 2009
IFRIC 15	Agreements for the construction of real estate	01 January 2010
IFRIC 16	Hedges for a net investment in a foreign operation	01 July 2009
IFRIC 17	Distributions of non-cash assets to owners	01 November 2009
IFRIC 18	Transfer of assets from customers	01 November 2009
Revised Standards		
IFRS 1 (2008)	First-time adoption of IFRS	01 January 2010
IFRS 3 (2008)	Business combinations	01 July 2009
IAS 27 (2008)	Consolidated and separate financial statements according to IFRS	01 July 2009
Amendments to Standards		
IFRS 1	Additional exemptions for first-time users	01 January 2010
IFRS 2	Group cash-settled share-based payment transactions	01 January 2010
IAS 39 and IFRS 7	Date of entry into force of changes in classification	13 September 2009
IAS 39	Eligible hedged items	01 July 2009
Various	Improvements to IFRS 2009	01 January 2010

¹⁾ These Standards are to be applied for financial years beginning on or after the date the applicable European Union Regulation comes into force.

The major changes associated with the first-time application of IFRS 3 (2008) – Business Combinations – are:

- that the option of measuring non-controlling interests at fair value (full goodwill method) has been included in the Standard,
- that transaction costs will no longer be capitalised as incidental acquisition costs but will be treated as expenses instead,
- that no adjustment of goodwill is possible in the event of subsequent adjustments of the purchase price,
- that in the case of step acquisitions the assets and liabilities already acquired are revalued and the adjustments recognised in profit and loss.

The first-time application of IFRS 3 (2008) had no material effects on S IMMO Group's consolidated financial statements. The full goodwill method is not applied.

In accordance with IAS 27 (2008) Consolidated and Separate Financial Statements, all transactions with non-controlling shareholders are recognised directly in equity. If the losses attributable to non-controlling shareholders exceed their share of equity, the losses are nonetheless to be so treated even though this results in a negative balance. The changes resulting from the first-time application of this revised Standard have no material effects on the assets, finances and earnings of the Group.

IFRIC 15 Agreements for the Construction of Real Estate deals with accounting for property developers who sell units, such as apartments or houses, before they are complete. IFRIC 15 provides guidance on whether the accounting should follow IAS 11 Construction Contracts or IAS 18 Revenue. The first-time application of IFRIC 15 has no impact on the consolidated financial statements of S IMMO Group, as the Group is not engaged in the business activities in question.

The annual amendments to IFRS 2009 consist of changes to 12 standards and interpretations. These changes have no effect on the assets, finances and earnings of the Group.

The first time application of other Standards and Interpretations newly applicable in 2010 had no effects on the consolidated financial statements of S IMMO Group.

2.5.2. New Standards not yet mandatorily applicable

The following amendments or revised versions of Standards and Interpretations had at balance sheet date already been adopted by the European Union but were not mandatorily or otherwise applicable in 2010.

Standard	Contents	Effective date ¹⁾
New Interpretations		
IFRIC 19	Extinguishing financial obligations with equity instruments (new)	01 July 2010
Revised Standards		
IAS 24 (2009)	Disclosures of relationships with related parties	01 January 2011
Amendments to Standards and Interpretations		
IFRS 1	Exemption from IFRS 7 disclosures of comparative figures	01 July 2010
IAS 32	Classification of rights issues	01 February 2010
IFRIC 14	Prepaid contributions in relation to minimum funding requirements	01 January 2011

¹⁾ These Standards are to be applied for financial years beginning on or after the date the applicable European Union Regulation comes in force.

There has been no voluntary early application of the above amendments and revisions of standards and interpretations. First-time application has had no material effects on the consolidated financial statements of S IMMO Group.

Additionally, the following Standards and Interpretations have been issued by the International Accounting Standards Board (IASB), but have not yet been adopted by the European Union and are therefore not applicable.

Standard	Contents	Effective date ¹⁾
New Standards		
IFRS 9	Financial instruments	01 January 2013
Amendments to Standards		
IFRS 1	Fixed transition dates and severe hyperinflation	01 July 2011
IFRS 7	Transfers of financial assets	01 July 2011
IAS 12	Recovery of underlying assets	01 July 2012
various	Improvements to IFRS 2010	01 July 2011

¹⁾ This is the date of coming into force as determined by IASB. The date of coming into force under the relevant European Union Regulation may differ.

S IMMO Group's Management is currently considering the possible effects of these changes and amendments to Standards on the consolidated financial statements.

2.6. Changes in accounting and valuation policies

In the financial year 2010 there were changes neither in accounting and valuation policies nor in the presentation of the financial statements.

2.7. Accounting and valuation policies

2.7.1. Investment properties

Investment properties are measured using the fair value model, as per IAS 40. Investment properties are properties leased or rented out for the purpose of generating income or held for capital appreciation, together with undeveloped land. Properties intended for sale in the ordinary course of business or in the process of construction for such sale and owner-occupied property are not within the scope of IAS 40.

The application of the fair value model means that investment properties and undeveloped land are measured at fair value at the balance sheet date. The resulting changes in carrying values before revaluation are recognised as a profit or loss under revaluations.

Properties are recognised as assets of the company in question, in the relevant functional currency.

The diversity of the properties to which the fair value model is applied necessitates a careful choice of appropriate valuation models and different parameters for each individual property, so that factors such as location, use type, market environment, building quality, etc., are taken into account. As a general rule, valuations are based on earnings value, or use the discounted cash flow method.

2.7.2. Properties used by owner, other plant and equipment

Properties used by owner consist principally of hotels operated by S IMMO Group. The business of these hotels includes the rental of rooms and catering activities. These hotels are for the most part operated under management agreements, and consequently the risks associated with occupancy rates are borne by S IMMO Group. Hotels of this kind are outside the scope of IAS 40 (properties held as financial investments) and are to be treated as tangible non-current assets under IAS 16.

Under IAS 16, properties used by the owner (including owner-operated hotels) and other non-current tangible assets are valued at cost. The properties are recognised on initial acquisition at costs of acquisition or construction and are written down in subsequent years to reflect scheduled depreciation and any impairment losses.

Where construction finance can be directly associated with these properties, the borrowing costs of qualifying properties during the period of construction are capitalised as part of acquisition and construction cost.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, as follows:

	Expected useful lives (years)	
	from	to
Owner-operated hotels	25	33
Other plant and equipment	3	10

2.7.3. Goodwill

The goodwill disclosed in the balance sheet is the result of applying the acquisition method of accounting for the acquisition of companies. In accordance with IAS 36, the value of goodwill is based on the value of the company at the time of acquisition less accumulated amortisation. For interests in associated companies, goodwill is included in the carrying amounts of the interests.

2.7.4. Intangible assets

Intangible assets for the purpose of IAS 38 are identifiable non-monetary assets without physical substance. To qualify for recognition, an intangible asset must be identifiable and be subject to control by the enterprise. There must be future economic benefits attributable to the intangible asset, and its acquisition or production costs must be capable of being measured reliably.

Intangible assets with a limited useful life are subject to scheduled amortisation, calculated on the basis of the following useful lives:

	Expected useful lives (years)	
	from	to
Software	3	6

As required under IAS 36, the carrying values are also reviewed for impairment.

Intangible assets acquired for consideration are recognised at acquisition cost less scheduled straight-line amortisation and provision for any impairment losses.

S IMMO Group has not capitalised any internally generated intangible assets.

2.7.5. Properties held for disposal

Property held for disposal is not considered to be investment property within the scope of IAS 40 if it is Management's intention to dispose of the property in the near future and the negotiations for sale are already well advanced.

In accordance with IFRS 5, property held for disposal is as a general rule measured at the lower of carrying value and net realisable value.

IFRS 5 provides an exception with respect to the measurement of properties held as financial investments: they are measured at market value. The special disclosure requirements under IFRS 5 are however applicable, so that properties held for disposal must be shown under current assets.

It is intended to dispose of one property located in Berlin, the carrying value of which at 31 December 2010 amounted to EUR 6,000,000.

2.7.6. Financial instruments

2.7.6.1. Primary financial instruments

In accordance with IAS 39, S IMMO Group as a general rule classifies its financial instruments as follows:

- Financial assets and liabilities measurable at fair value through profit and loss
- Loans and receivables
- Financial assets held to maturity
- Available-for-sale financial assets
- Financial liabilities at amortised cost

Classification is based on the purpose for which the individual instrument is acquired and takes place at the time of acquisition.

For the purposes of disclosure in the consolidated statement of financial position, S IMMO Group as a general rule classifies financial instruments into the following categories:

- Interests in associated companies
- Group interests
- Trade receivables
- Other financial assets
- Cash and cash equivalents
- Subordinated participating certificates
- Non-current financial liabilities
- Other non-current liabilities
- Current financial liabilities
- Trade payables
- Other current liabilities

The category *financial instruments and liabilities measurable at fair value through profit and loss* includes financial instruments held for trading purposes, financial instruments classified as such at the time of acquisition and all derivative financial instruments except those serving as hedges.

The assets classified under *loans and receivables* are financial instruments with fixed or determinable payments flows not traded in an active market. They include in particular trade and other receivables. Where their remaining terms are less than twelve months they are disclosed under current assets, and otherwise under non-current assets.

Financial assets with fixed or determinable payments flows traded in an active market are disclosed under *financial assets held to maturity*. At balance sheet date, S IMMO Group held no such instruments.

Available-for-sale financial assets comprise all financial assets not included in any other of the above categories or deliberately classified as available for sale. These financial instruments are disclosed as non-current assets unless it is Management's intention to dispose of them within the next twelve months.

The category *financial liabilities at amortised cost* comprises trade and other financial liabilities.

Additions to and disposals of financial instruments are recognised as of the applicable settlement dates. Financial assets in all categories are measured at fair value at the time of acquisition and – with the exception of those *recognised at fair value through profit and loss* – including transaction costs.

Where no fair value for financial instruments can reliably be established, they are disclosed at acquisition costs net of any impairment. Other liabilities-side financial instruments are measured at amortised acquisition cost.

The fair value of stock market listed financial instruments is their market price at balance sheet date. For financial assets for which there is no active market the fair value is calculated with the aid of valuation models. This can involve the derivation of fair value from current transactions in similar financial instruments or from present values of future payments streams (*discounted cash flow models*), or the use of mathematical models.

2.7.6.2. Derivatives

S IMMO Group uses derivative financial instruments – interest rate caps, collars and swaps – to reduce the risks attendant on interest rate increases. These are measured at fair value. The fair value measurement of derivatives is based on estimates made by banks.

S IMMO Group's objects include the acquisition and development of property for rental or subsequent sale with the aim of generating positive net cash flows. Business activities are financed out of equity, and also by long-term borrowings in the form of mortgage loans and other financial liabilities. The bulk of the external financing consists of variable rate borrowings, with interest rates linked to 3-month, 6-month or 12-month EURIBOR as base rate. In line with S IMMO Group's risk strategy, agreed lines of credit that will be called down as construction of development projects progresses are fully hedged with derivatives from the time the agreements are signed.

S IMMO Group's fundamental risk management strategy is to hedge interest rate risk (i.e., the variability of the base rate) using countervailing hedges, in order to ensure fixed payment streams and to make property project forecasts more reliable. The purpose of cash flow hedging at S IMMO Group is to reduce the risk on existing variable rate borrowings, future reinvested funds and transactions expected to be very probable in the future (*forecast transactions*) by using countervailing derivatives. Cash flow hedging arrangements are used for this purpose.

Hedged risk

The interest rate risk hedged is a market interest rate, the EURIBOR, which is an identifiable component of the interest rate risk on interest-bearing financial liabilities that can be separately assessed.

Hedging instruments

S IMMO Group uses as hedging instruments only derivatives that, because they move in the opposite direction to the underlying transactions, convert the potential changes in cash flows from increases in interest rates into fixed payments streams. The hedging instruments used are interest rate derivatives such as interest rate swaps, caps and collars. For the non-linear interest rate options used as hedges, only the inner value is designated as a hedge. The time value, as ineffective, is recognised in the income statement. For the collars, care is taken to ensure that there is no net short position.

2.7.7. Impairment of assets

2.7.7.1. Non-financial assets

For properties used by the owner (at present these are mostly hotels) and for other tangible assets and intangible assets, where there is evidence of impairment the recoverable amount is ascertained, in accordance with IAS 36. The recoverable amount is the higher of the fair value less costs to sell (net realisable value) and the value in use.

Fair value is the amount that could be obtained by the sale of the asset in an arm's length transaction between knowledgeable, willing and independent parties.

The value in use is the present value of the estimated future payment flows that can be expected from the continued use of an asset and its disposal at the end of its useful life.

If the recoverable amount is less than the carrying value of the asset, there is an impairment writedown to the recoverable amount through profit and loss.

In principle the recoverable amount should be calculated for each individual asset for which the value is to be measured. However, since payment flows cannot always be attributed to each asset directly, for the purpose of impairment tests assets are grouped into cash generating units (CGUs). The Group's hotels are treated as individual CGUs.

The impairment test for hotels is a two-stage process. The carrying value is first compared with the independent assessment of the hotel's fair value. If the carrying value exceeds the fair value, the question is then whether the value in use differs substantially from the fair value. If this is not the case, then the carrying value is written down to correspond to the fair value.

If the impairment subsequently disappears, the impairment loss is reversed through profit and loss, up to the lower of the new recoverable amount or the depreciated original cost of acquisition or construction. The Group had no such reversals of impairment losses in 2010 or in the previous year.

Goodwill carried in the balance sheet is subjected to an impairment test on a yearly basis, in accordance with IAS 36.

2.7.7.2. Financial instruments

S IMMO Group reviews all its financial assets, with the exception of those measured at fair value through profit and loss, at every balance sheet date for any objective indications that any asset or group of assets may have suffered impairment.

For debt instruments of all kinds except those measured at fair value through profit and loss, an impairment is recognised if as a result of one or more events taking place after the initial recognition of the asset there is evidence that S IMMO Group will no longer be in a position to collect the payments relating to the asset. The amount of the impairment is calculated as the difference between the carrying value of the financial asset and the present value of the future cash flows, calculated using the original rate of interest on the asset. A subsequent disappearance of the factors causing the impairment and a consequent recovery in value entails a reversal of the impairment loss.

2.7.8. Other assets

Other assets are measured at acquisition cost less any impairment losses, which are recognised through profit and loss.

2.7.9. Cash and cash equivalents

Cash and cash equivalents comprises cash and credit balances with banks at call, together with bank deposits with a maturity of up to three months at the time of the original deposit.

2.7.10. Other provisions

Other provisions are made where S IMMO Group has legal or constructive obligations to other parties arising from past events, where it is probable that the obligation will lead to an outflow of resources and where the amount of the obligation can reliably be estimated.

Provisions are made in the amounts representing the best possible estimates of the expense of meeting the obligations. Where the present value of the provision calculated using a market rate of interest differs materially from the nominal value, the present value is recognised.

Appropriate provisions have been raised for unresolved legal disputes and other legal proceedings.

A provision is made for onerous contracts (provision for project and transaction risks) when the expected revenues from a contract are exceeded by the unavoidable costs of meeting the obligations under the contract. The amount of the provision is the lower of the cost of withdrawing from the contract and the net cost of completing it. Before separate provision for an onerous contract is made, impairment expenses on assets connected with the contract are recognised.

2.7.11. Taxes

Tax provisions show both the taxes on current taxes due for the individual companies, together with all deferred taxes.

In accordance with IAS 12, deferred taxes are recognised on all temporary differences between the carrying value of an asset or liability in the consolidated financial statements and the carrying value for tax purposes in the individual accounts of the Group's subsidiaries. Additionally, tax credits from tax loss carryforwards that are expected to be realisable are recognised as deferred tax assets.

Deferred taxes are calculated using the applicable tax rates at balance sheet date, or where changes in tax law have already been adopted, at the rates applicable in future.

Deferred tax assets are recognised in connection with tax loss carryforwards to the extent that it is probable that the losses can be offset against future taxable profits in the foreseeable future.

Deferred tax assets and deferred tax liabilities within an individual company are only netted off where the company in question has a legally enforceable right to set tax assets and liabilities against each other, and where the deferred taxes relate to taxes on income assessable by the same tax authority on that company.

2.7.12. Revenues

2.7.12.1. Rental income

Rental income is recognised evenly over the term of the rental agreement. One-time payments and waivers of rent are spread over the lifetime of rental agreements.

2.7.12.2. Revenues from hotel operations

Revenues from hotel operations largely consist of room rental income and catering income. Income is recognised in proportion to the services rendered at balance sheet date.

2.7.13. Income and costs from financial instruments

Income from financial investments includes interest, dividends and capital gains from the investment of funds and from investments in financial assets, together with reversals of impairment losses. Dividends are recognised at the time the resolutions authorising the dividend distribution are passed.

Financial expenses include interest and similar expenses on external borrowings, incidental costs, losses on disposals of financial assets, impairment losses, current hedging results and exchange rate gains and losses on the valuation of monetary assets and liabilities at individual company level.

Interest is accrued using the effective interest rate method.

The valuation of derivatives reflects gains and losses on the disposal or revaluation of interest caps, collars and swaps, which have been recognised in equity through profit and loss.

Where applicable, short-term exchange gains or losses on the valuation of financial instruments are disclosed here.

2.7.14. Estimation and assumption uncertainties

The preparation of consolidated financial statements in accordance with IFRS requires estimates and assumptions by Management about future developments. These can have a material influence on the recognition and measurement of assets and liabilities, on information about other obligations at balance sheet date and on disclosure of income and expenses during the financial year.

In the case of the following assumptions there is a not inconsiderable risk that they may result in a material adjustment of assets and liabilities in the next financial year.

■ The fair values of investment properties is generally based on expert valuations by internationally recognised appraisers such as CB Richard Ellis and PriceWaterhouseCoopers. The valuations have been prepared in compliance with International Valuation Standards. The values of these properties depend to a significant extent on present estimates of future rental trends and vacancy levels, and on interest rates used for discounting purposes.

■ Estimates of the long-term value of tangible and intangible assets are based on assumptions about the future. The calculation of recoverable amounts for the purpose of impairment tests is based on several assumptions, for example, about future net cash flows and discount rates.

■ In estimating the value of financial instruments (in particular, derivatives) for which no active market exists, alternative valuation methods based on investment mathematics are employed. The parameters on which estimates of fair value are based depend in part on assumptions about the future.

■ The recognition of deferred tax assets for tax loss carryforwards is based on the assumption that sufficient taxable income will be earned to enable existing loss carryforwards to be utilised.

■ Obligations arising from sureties, guarantees and similar liabilities not included in the consolidated statement of financial position are regularly reviewed to ensure that they do not require to be so recognised and included.

Estimates and underlying assumptions are subject to ongoing review. Actual outcomes may differ from the assumptions and estimates made if developments in the business environment turn out differently to expectations. Changes are reflected in profit or loss as soon as the altered circumstances become known, and the assumptions are adjusted accordingly.

3. NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED INCOME STATEMENT

3.1. Statement of financial position

3.1.1. Properties held as financial investments

EUR '000	Rental properties	Investment properties under development and land
As at 01 January 2009	1,377,997	281,389
Additions	9,085	352,847
Disposals	-150,273	-17,101
Changes in fair value	-41,626	-49,250
Reclassifications	58,249	-122,101
As at 31 December 2009	1,253,432	445,784
whereof pledged as security	1,204,280	21,446
Additions (incl. initial consolidations)	200,167	9,007
Disposals	-21,733	-191
Changes in fair value	-7,153	-7,000
Reclassifications	385,610	-391,610
As at 31 December 2010	1,810,322	55,989
whereof pledged as security	1,767,758	0

Made up of:

Rental properties			Investment properties under development and undeveloped land		
EUR '000	31.12.2010	31.12.2009	EUR '000	31.12.2010	31.12.2009
Austria	579,914	417,243	Austria	0	35,446
Germany	565,857	492,824	Germany	0	2,317
Central Europe	308,640	311,545	Central Europe	6,175	6,075
Southeastern Europe	355,911	31,820	Southeastern Europe	49,814	401,946
	1,810,322	1,253,432		55,989	445,784

In the financial year 2010 borrowing costs amounting to EUR 6,511,000 have been capitalised. These capitalisations were effected for properties that were under construction during the financial year 2010 for borrowing costs incurred before completion.

3.1.2. Owner-operated properties, other plant and equipment and intangible assets

Changes in the acquisition costs of owner-operated properties, other plant and equipment and intangible assets were as follows:

EUR '000	Owner-operated hotels	Other plant and equipment	Intangible assets	Total
Acquisition costs as at 01 January 2009	157,116	14,438	437	171,990
Additions	3,393	4,759	7	8,159
Disposals	-1,254	-2,646	-44	-3,943
Reclassifications	11,472	0	0	11,472
As at 31 December 2009	170,727	16,551	400	187,678
Additions	1,260	713	96	2,069
Disposals	0	-2,602	-10	-2,612
As at 31 December 2010	171,987	14,662	486	187,135

Changes in the accumulated depreciation and amortisation of owner-operated properties, other plant and equipment and intangible assets were as follows:

EUR '000	Owner-operated hotels	Other plant and equipment	Intangible assets	Total
Accumulated amortisation and depreciation as at 01 January 2009	8,839	3,315	141	12,295
Depreciation and amortisation	7,797	1,262	54	9,113
Impairment losses	6,794	0	0	6,794
Disposals	0	-1,100	-18	-1,118
As at 31 December 2009	23,430	3,477	177	27,084
Depreciation and amortisation	7,802	2,116	136	10,054
Disposals	0	0	-6	-6
As at 31 December 2010	31,232	5,593	307	37,132
Carrying value as at 01 January 2009	148,276	11,123	296	159,695
Carrying value as at 31 December 2009	147,296	13,074	223	160,593
Carrying value as at 31 December 2010	140,755	9,069	179	150,003

In the financial year 2010 there were no impairment losses on owner-occupied properties (2009: EUR 6,794,000).

3.1.3. Goodwill

Development of Goodwill was as follows:

EUR '000	Goodwill
As at 01 January 2010	0
Additions – initial consolidation	2,296
Impairment losses	-2,196
As at 31 December 2010	100

The goodwill of EUR 2,296,000 arose on initial consolidation of VIERTEL ZWEI Entwicklung GmbH & Co HOTEL ZWEI KG. Because the Courtyard by Marriott Hotel operated by this company is treated as a cash generating unit, it was necessary to sub-

ject the value of the goodwill to an impairment test. Due to the fact that the expected benefits from synergies will be significantly lower than the initially recognised goodwill, an impairment of EUR 2,196,000 (2009: EUR 0) was accounted for under gain/loss on property valuation in the consolidated income statement.

3.1.4. Properties held for sale

EUR '000	31.12.2010	31.12.2009
Austria	0	54,300
Germany	6,000	0
	6,000	54,300

As at 31 December the amount of EUR 6,000,000 for 2010 refers to a residential property in Berlin.

3.1.5. Group interests

EUR '000	Interest in %	31.12.2010	31.12.2009
BGM-IMMORENT Aktiengesellschaft & Co KG	22.8	2,286	2,286
ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	11.5	621	621
Other		210	194
		3,117	3,101

3.1.6. Inventories

Inventories consist in the mainly of freehold apartments under construction in Austria and are measured at cost.

3.1.7. Trade receivables and other financial assets

Trade receivables include rents receivable from tenants less any specific provisions required. These consist in the main of provisions against receivables in Southeastern Europe (EUR 6,058,000) and in Germany (EUR 2,546,000).

3.1.7.1. Overdue receivables

EUR '000	2010		2009	
	Trade receivables	Other financial assets	Trade receivables	Other financial assets
Less than 3 months overdue	10,051	36,201	5,871	41,265
3 to 12 months overdue	104	5,056	3,197	8,215
More than 1 year overdue	169	1,030	117	192
Total	10,324	42,287	9,185	49,672

3.1.7.2. Other financial assets

EUR '000	31.12.2010	31.12.2009
Current tax credits	11,080	21,442
Receivables from disposals of interests	9,983	13,377
Accrued interest and interest rate caps and collars	5,204	1,402
Property management agents clearing accounts	2,371	1,259
Present value of rental guarantee	1,154	1,385
Construction loan subsidies outstanding	347	465
Other assets	12,148	10,342
	42,287	49,672

3.1.8. Cash and cash equivalents

EUR '000	31.12.2010	31.12.2009
Bank balances	129,464	149,918
Short-term deposits with banks	0	60,000
Cash in hand	257	233
	129,721	210,151

3.1.9. Shareholders' equity

The issued share capital of the Group's parent company was unchanged from the previous year and amounted to EUR 247,509,000. The share capital is fully paid up. The Management Board is authorised to increase the issued share capital by up to EUR 123,755,000 by the issue of new bearer shares for contributions in cash or in kind (authorised capital).

Details of share capital

EUR '000	31.12.2010	31.12.2009
Total share capital	247,509	247,509
Treasury shares (nominal)	0	0
	247,509	247,509

Changes in share capital

As in the previous year, the issued share capital is divided into 68,118,718 ordinary bearer shares of no par value, as follows:

Number of shares:	31.12.2010	31.12.2009
Issued share capital 01 January	68,118,718	68,118,718
Issue of new shares	0	0
Treasury shares sold	0	0
Issued share capital 31 December	68,118,718	68,118,718

The shares are listed in the Prime Market Segment of the Vienna Stock Exchange.

The shares are bearer shares and confer on the shareholders the usual rights provided for under the Austrian Companies Act (AktG). These include the right to payment of the dividend approved by the Annual General Meeting and the right to vote at the Annual General Meeting.

The capital reserves of EUR 73,578,000 (31.12.2009: EUR 147,110,000) are restricted reserves in the meaning of section 229(5) UGB.

The restricted capital reserves of EUR 73,578,000 (31.12.2009: EUR 147,110,000) disclosed in the individual financial statements of the parent company are based on section 229(5) UGB.

Additional information on capital management

S IMMO Group manages its capital with the aim of maximising its returns by optimising the relationship between equity and debt. At the same time, care is taken to ensure that all Group companies can operate on a going concern basis.

The Group's capital consists of bank and financial liabilities, equity provided by the shareholders in the parent company, and subordinated participating bonds, described in more detail in Note 3.1.11. There are no provisions in the articles of incorporation concerning capital structure.

The shareholders' equity consists of the shares in issue, capital and revenue reserves and the consolidated net profit, as shown in the statement of Changes in Consolidated Equity.

The capital structure is under constant review, and the costs of capital and the risks attaching to each type of capital are taken into account. The Group will continue to ensure that the capital structure is optimal, by issuing and repaying debt and as appropriate issuing and repurchasing shares.

The Group's overall strategy generally remains the same as in 2009.

3.1.10. Non-controlling interests

The minority interests of EUR 31,426,000 (2009: EUR 44,832,000) consisted principally of Hansa Immobilien EOOD/Einkaufscenter Sofia G.m.b.H. & Co KG (35% interest).

3.1.11. Subordinated participating certificates

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:

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

To the extent that the interest 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 financial year 2010 the total share of earnings was EUR 9,452,000 (2009: EUR -9,966,000).

At 31 December 2010 there were 3,224,884 participating certificates in issue. The total entitlements of participating certificate holders (principal and interest) as of that date were EUR 79.95 (2009: EUR 81.14) per certificate, made up as follows:

EUR '000	Participating certificates capital	Profit brought forward	Profit for 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 certificate capital as at 31 December 2010	234,352	12,762	9,452	1,254	257,820
Per participating certificate in EUR	72,67	3.96	2.93	0.39	79.95

Previous year:

EUR '000	Participating certificates capital	Profit brought forward	Profit for period	Share in undisclosed reserves on property portfolio	Total
Participating certificates capital – 01 January 2009	234,352			1,679	236,031
Profit brought forward 01 January 2009		46,305			46,305
Income entitlements of participating certificate holders from 2008			4,543		4,543
Distribution – 22 May 2009			-14,060		-14,060
Change in profit brought forward pursuant to Clause 5(6), Participating Certificates Agreement		-9,517	9,517		0
Income entitlements of participating certificate holders			-9,966		-9,966
Allocation of undisclosed reserves on property portfolio				-1,195	-1,195
Participating certificate capital as at 31 December 2009	234,352	36,788	-9,966	484	261,658
Per participating certificate (EUR)	72.67	11.41	-3.09	0.15	81.14

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.

3.1.12. Provisions

EUR '000	01.01.2010	Utilised / released	Raised	31.12. 2010
Project and transaction risks	10,200	-8,000	2,000	4,200
Taxes on income	1,615	-1,484	231	362
Other provisions	4,205	-1,912	1,915	4,208
	16,020	-11,396	4,146	8,770

The provision for project and transaction risks relates to risks in respect of projects currently being carried out.

Other provisions consisted mainly of personnel provisions and provisions for management fees.

3.1.13. Financial liabilities

The short-term and long-term financial liabilities amounted to EUR 1,352,909,000 in total (2009: EUR 1,282,250,000, made up as follows:

EUR '000	31.12.2010	31.12.2009
Remaining term less than 1 year	124,123	303,390
Remaining term between 1 and 5 years	409,438	258,773
Remaining term over 5 years	819,348	720,087
	1,352,909	1,282,250

3.1.14. Taxes on income

3.1.14.1. Current and deferred taxes on income

Tax expense was made up as follows:

EUR '000	2010	2009
Current tax expenses	-2,239	-2,468
Deferred tax expenses	-4,750	1,056
	-6,989	-1,412

Taxes on income comprise income tax on the taxable income of the individual companies included in consolidation for the financial year, adjustments to prior years' tax, and changes in deferred taxes.

The reconciliation of income tax at the standard rate to the income tax disclosed in the financial statements is as follows:

EUR '000	01-12/2010	01-12/2009
Profit before taxes	9,123	-77,456
Income tax expense of the financial year at the standard Austrian tax rate (25%)	-2,281	-19,364
Effects of differing foreign tax rates	-476	-1,969
Reductions in tax relating to tax neutral income	3,779	565
Increases in tax relating to non-deductible expenses	-9,209	-26,123
Tax credit in respect of prior years	1,198	6,750
Tax expense as disclosed	-6,989	-1,412

3.1.14.2. Deferred tax

In accordance with IAS 12, the provision for deferred taxes is calculated using the balance sheet liability method: for all temporary differences between the values for balance sheet purposes in the IFRS consolidated statement of financial position and the current values for tax purposes for the individual companies, deferred tax must be provided. Temporary differences can be either:

- *taxable temporary differences*, which will result in taxable amounts in the calculation of taxable income or tax losses in future, when the carrying value of the asset is realised or the liability is settled, or
- *deductible temporary differences*, which will result in tax deductible amounts in the calculation of taxable income or tax loss in future, when the carrying value of the asset is realised or the liability is settled.

As a general principle, a deferred tax asset or liability must be recognised for all taxable temporary differences. There are exceptions for the recognition of goodwill in an initial consolidation or the initial recognition of an asset or liability in a business transaction which

- is not a business combination and
- at the time of the transaction does not affect the profit or loss either under IFRS or for tax purposes.

Temporary differences between values in the IFRS consolidated statement of financial position and the corresponding values for tax purposes had the following effects on deferred taxes as shown in the consolidated statement of financial position.

EUR '000	2010		2009	
	Assets	Liabilities	Assets	Liabilities
Properties held as financial investments	933	-58,487	219	-48,633
Financial instruments	13,077	-359	12,594	0
Other items	596	-1,253	321	-2,512
Loss carryforwards	17,967	0	15,955	0
	32,573	-60,099	29,089	-51,145
Netting	-4,118	4,118	-3,557	3,557
Deferred tax assets (+) / liabilities (-)	28,455	-55,981	25,532	-47,588

For loss carryforwards in the amount of EUR 58,212,000 no deferred tax assets have been considered.

3.1.14.3. Measurement

Deferred taxes are calculated on the basis of the tax rates in force or expected to apply in the relevant countries at the time of realisation. Changes in tax legislation in force or approved at balance sheet date are taken into account. The tax rates used in calculating deferred taxes were as follows:

	Tax rate for 2010	Tax rate for 2011
Austria	25.00%	25.00%
Germany	29.40% ¹	29.40% ¹
Czech Republic	19.00%	19.00%
Slovakia	19.00%	19.00%
Hungary	19.00% ²	19.00% ²
Croatia	20.00%	20.00%
Romania	16.00%	16.00%
Bulgaria	10.00%	10.00%

¹ The tax rate in Germany can vary, depending on whether the company is liable to business tax or not. An average tax rate has therefore been used.

² Taxation in Hungary is progressive. Taxable income up to HUF 500,000,000 is taxed at 10%, thereafter at 19%.

Deferred taxes are only recognised for the property subsidiaries to the extent that a tax burden is expected to arise on the rental or sale of the properties involved.

3.2. Income statement

3.2.1. Revenues

EUR '000	2010	2009
Rental income – office property	31,382	36,827
Rental income – residential property	27,919	28,198
Rental income – commercial property	39,459	19,533
Rental income – hotels	5,232	2,995
	103,992	87,553

3.2.2. Operating costs and expenses from properties and hotel operations

These costs and expenses are expenses in connection with long-term property assets.

EUR '000	2010	2009
Expenses directly attributable to properties		
Operating costs	-40,591	-32,685
Specific provisions on receivables	-7,427	-2,320
Repairs and maintenance	-12,964	-14,208
Commissions	-2,847	-10,154
Other	-6,266	-1,825
	-70,095	-61,192

Expenses of EUR 200,000 were attributable to properties not yet generating income (2009: EUR 8,462,000).

The expenses of hotel operations mainly consist of expenses for food, beverages, catering supplies, hotel rooms, licences and management fees, maintenance, operating costs, commissions, personnel expenses and advertising.

3.2.3. Gains on property disposals

EUR '000	2010	2009
Disposal proceeds		
Properties held as financial investments	24,041	152,173
Properties held for disposal ¹⁾	56,050	0
Inventories	22,599	0
	102,690	152,173

Carrying value of property disposals

Properties held as financial investments	-21,733	-150,273
Properties held for disposal	-54,300	0
Inventories	-16,778	0
	-92,811	-150,273

Gains on property disposals

Properties held as financial investments	2,308	1,900
Properties held for disposal	1,750	0
Inventories	5,821	0
	9,879	1,900

¹⁾ Including the no longer necessary amounts for construction costs, tenants' financing and housing construction subsidies on properties held for sale.

3.2.4. Management expenses

Management expenses are expenses not directly attributable to properties; they were made up as follows:

EUR '000	2010	2009
Personnel expenses	-5,726	-4,517
Advertising and promotional expenses	-1,425	-1,077
Service fees and administration expenses	-2,816	-4,291
Legal, audit, valuation and consultancy costs	-4,537	-4,375
Project cancellation fees	0	-3,443
Other taxes and charges	-737	-704
Other	-3,409	-1,126
	-18,650	-19,533

Fees invoiced by the Group's auditors in 2010 totalled EUR 263,000 (2009: EUR 237,000), of which EUR 173,000 (2009: EUR 180,000) was the cost of the annual audit and EUR 90,000 (2009: EUR 57,000) was for tax consulting services.

The average number of employees in 2010 was 540, including hotel staff (2009: 512). Personnel expenses in the hotels are disclosed under hotel operations.

3.2.5. Depreciation and amortisation

This item comprises depreciation and amortisation on owner-occupied properties, other plant and equipment, and intangible assets, and was made up as follows:

EUR '000	2010	2009
Owner-occupied properties	-7,802	-7,797
Other plant and equipment	-2,116	-1,262
Intangible assets	-136	-54
	-10,054	-9,113

3.2.6. Gains/losses on property on revaluation

Gains and losses on revaluation include all increases and decreases in value on investment properties, and were made up as follows:

EUR '000	2010	2009
Changes in fair values		
Increases	37,799	24,398
Decreases	-51,952	-114,842
Changes in valuations		
Owner-occupied properties	0	-6,794
Goodwill	-2,196	0
Changes in provisions for contingent losses	7,600	0
Other	7,916	0
	-833	-97,238

Other revaluation gains on property consist of the negative goodwill from the acquisition of the VIERTEL ZWEI project companies.

Revaluation results by region were made up as follows:

EUR '000	2010	2009
Austria	22,286	3,835
Germany	13,716	2,046
Central Europe	-8,488	-49,247
Southeastern Europe	-28,347	-53,872
	-833	-97,238

3.2.7. Financing costs

EUR '000	2010	2009
Bank interest expenses (incl. settled derivatives)	-38,729	-32,725
Other financing and interest expenses	-3,130	-3,065
Exchange differences	-1,569	-3,225
Valuation of derivatives	637	-401
Bank interest income	539	2,434
Other finance and interest income	459	785
Income from investments	592	656
	-41,201	-35,541

The income from investments in the financial year 2010 came from the interest in BGM-IMMORENT Aktiengesellschaft & Co KG.

3.2.8. Earnings per share

The earnings per share ratio compares the consolidated net profit with the average number of shares in circulation during the year.

		2010	2009
Equity share of consolidated net profit	EUR '000	1,843	-78,559
Average number of shares in circulation	units	68,118,718	68,118,718
Undiluted earnings	EUR	0.03	-1.15
Diluted earnings	EUR	0.03	-1.15

Diluted and undiluted earnings per share are the same, since there are no potentially dilutive financial instruments in issue.

4. OPERATING SEGMENTS

An operating segment is defined as having the following characteristics:

- It engages in business activities from which it may earn revenue and incur expenses
- Its operating results are reported regularly to the enterprise's chief operating decision maker, who uses the information to allocate resources to it and review its performance.
- Separate financial information is available for the segment.

For S IMMO Group, therefore, segmentation is on the basis of regions. The four regions selected 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 latter segment, as are the subsidiaries in Cyprus, which are related to the Group companies in Romania and Ukraine.

Each segment is operationally independent of the others, since each must take the local market and business environment into account. The Group's CFO (board level) has been nominated as the chief operating decision maker with responsibility for segment operations. He is responsible for allocation of resources to the individual segments and for reviewing their performance. Quarterly management reports are prepared for each operating segment and submitted to the CFO.

EUR '000	Austria	
	2010	2009
Rental income	21,719	25,062
Revenues from service charges	5,276	6,648
Revenues from hotel operations	23,466	22,375
Total revenues	50,461	54,085
Other operating income	1,820	6,879
Property operating expenses	-11,676	-8,935
Hotel operating expenses	-18,506	-18,275
Gross profit/loss	22,099	33,754
Gains/losses on property disposals	9,155	1,688
Management expenses	-10,609	-8,495
EBITDA	20,646	26,947
Depreciation and amortisation	-3,740	-3,159
Gains/losses on property valuation	22,288	3,835
EBIT	39,194	27,623
Non-current assets as at 31 December	661,387	486,055
Non-current liabilities (incl. participating certificates in Austria) as at 31 December	776,680	679,269

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

Major customers

Due to the large number of customers, no single customer is responsible for more than 10% of S IMMO Group's total revenues.

Germany		Central Europe		Southeastern Europe		Total	
2010	2009	2010	2009	2010	2009	2010	2009
35,383	34,007	20,767	23,728	26,123	4,757	103,992	87,553
12,263	15,023	6,918	6,881	8,182	552	32,640	29,105
0	0	14,845	14,522	0	0	38,311	36,897
47,646	49,030	42,530	45,131	34,305	5,309	174,943	153,555
1,406	932	419	280	1,328	155	4,973	8,246
-30,023	-27,849	-8,761	-10,771	-19,635	-13,637	-70,095	-61,192
0	0	-11,110	-11,426	0	0	-29,617	-29,701
19,029	22,113	23,078	23,214	15,998	-8,173	80,204	70,908
737	0	0	212	-13	0	9,879	1,900
-4,480	-5,532	-1,309	-2,419	-2,252	-3,087	-18,650	-19,533
15,286	16,581	21,768	21,007	13,733	-11,260	71,433	53,275
-201	-124	-5,050	-4,645	-1,063	-1,185	-10,054	-9,113
13,814	2,046	-8,588	-49,247	-28,347	-53,872	-833	-97,238
28,899	18,503	8,130	-32,885	-15,677	-66,317	60,546	-53,076
566,341	550,060	388,564	398,273	431,699	454,058	2,047,991	1,888,446
334,867	348,719	246,459	241,987	204,306	44,990	1,562,312	1,314,965

5. OTHER INFORMATION

5.1. Financial instruments

5.1.1. Categories

S IMMO Group classifies its financial instruments as follows:

31 December 2010							Financial liabilities at amortised cost	Total
EUR '000	Derivatives	Available for sale	Held to maturity	Loans and receivables	Other			
ASSETS								
Group interests		3,117					3,117	
Trade receivables				10,324			10,324	
Other financial assets	5,204			11,755	25,328		42,287	
TOTAL ASSETS	5,204	3,117	0	22,079	25,328	0	55,728	
EQUITY AND LIABILITIES								
Subordinated participating capital						257,820	257,820	
Long-term borrowings								
Financial liabilities	54,212					1,174,574	1,228,786	
Other liabilities						10,955	10,955	
Short-term borrowings								
Financial liabilities						124,123	124,123	
Trade payables						16,479	16,479	
Construction costs and tenants' financing, construction subsidies on properties held for disposal						0	0	
TOTAL EQUITY AND LIABILITIES	54,212	0	0	0	0	1,583,951	1,638,163	

31 December 2009							
EUR '000	Derivatives	Available for sale	Held to maturity	Loans and receivables	Other	Financial liabilities at amortised cost	Total
ASSETS							
Group interests		3,101					3,101
Trade receivables				9,185			9,185
Other financial assets	1,402			24,978	23,292		49,672
TOTAL ASSETS	1,402	3,101	0	34,163	23,292	0	61,958
EQUITY AND LIABILITIES							
Subordinated participating capital						261,658	261,658
Long-term borrowings							
Financial liabilities	52,281					926,579	978,860
Other liabilities						10,839	10,839
Short-term borrowings							
Financial liabilities						303,390	303,390
Trade payables						28,954	28,954
Construction costs and tenants' financing, construction subsidies on properties held for disposal						9,835	9,835
TOTAL EQUITY AND LIABILITIES	52,281	0	0	0	0	1,541,255	1,593,536

5.1.2. Measurement of fair values

The following analysis classifies financial instruments measured at fair value on the basis of the method of valuation, for which purpose a hierarchy of three levels is used:

Level 1:	Quoted prices for similar assets or liabilities listed on an active market (without adjustment)
Level 2:	Market inputs for assets or liabilities that are observable either directly (e.g., prices) or indirectly (e.g., derived from prices) other than Level 1 inputs
Level 3:	Inputs for assets or liabilities not based on observable market data

31 December 2010

EUR '000	Level 1	Level 2	Level 3	Total
Other financial assets				
Derivatives	0	5,204	0	5,204
Financial liabilities				
Derivatives	0	-54,212	0	-54,212

31 December 2009

EUR '000	Level 1	Level 2	Level 3	Total
Other financial assets				
Derivatives (hedging instruments)	0	1,402	0	1,402
Financial liabilities				
Derivatives (hedging instruments)	0	-52,281	0	-52,281

5.1.3. Derivatives

S IMMO Group's financial instruments are measured at fair value and disclosed under other financial assets EUR 5,204,000 as at 31 December 2010 (31 December 2009: EUR 1,402,000), and non-current financial liabilities EUR 54,212,000 as at 31 December 2010 (31 December 2009: EUR 52,281,000).

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

31 December 2009

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	415,087	0	-38,456
Caps	245,000	1,402	0
Collars	200,000	0	-13,825
Total	860,087	1,402	-52,281

In financial 2010 there was resulting income of EUR 1,235,000 (2009: expenses of EUR 16,604,000) which was recognised under equity with no effect on profit and loss, and income of EUR 637,000 (2009: expenses of EUR 401,000), which was recognised in the income statement as part of the financial results.

5.2. Risk management

5.2.1. Exchange and interest rate risk

Most of S IMMO Group's rental contracts and all of its loans are linked to the EURO, therefore the foreign currency risk is low.

At 31 December 2010, 90% of the Group's borrowings consisted of variable rate loans and 10% were fixed rate loans. The variable rate loans are protected by interest hedging instruments such as caps, collars and swaps.

The stress test (based on the position at 31 December 2010) shows that increases in the base rate (EURIBOR) have only a roughly 30% impact on the Group's financing costs. For example, a 100 BP increase in EURIBOR increases financing costs by only 34 BP.

Stress test (parallel shift in interest curve)	3-month EURIBOR	Cost of funding	Differential cost of funding	Interest sensitivity
Interest shift + 400 bps	5.01%	6.17%	159 bps	40%
Interest shift + 300 bps	4.01%	5.69%	111 bps	37%
Interest shift + 200 bps	3.01%	5.28%	70 bps	35%
Interest shift + 100 bps	2.01%	4.92%	34 bps	34%
Interest shift + 50 bps	1.51%	4.75%	17 bps	34%
Interest shift - 50 bps	0.51%	4.39%	-19 bps	-38%

5.2.2. Liquidity and credit risks

S IMMO Group manages liquidity and credit risks actively. As part of managing and monitoring liquidity, all maturities are subject to continual review, and where required to appropriate adjustment in the rolling budget process. The Company places value on a balance between the amount of loans and the property values of the individual properties to reduce liquidity risk. In previous years the loan-to-value-ratio was less than 60%. To keep credit risks to a minimum, S IMMO Group works with a total of 20 different, well-known financial institutions in Austria and Germany.

	Percentage of bank liabilities
Erste Bank Group	38.2%
Other Austrian banks	46.3%
Insurance companies	7.5%
German banks	8.0%

As mentioned in Chapter 3.1.13., a majority of the financial liabilities have a maturity of more than five years.

5.3. Other obligations and contingent liabilities

5.3.1. Rental agreements

The tenancy agreements concluded by the Group generally contain provisions specifying that the majority of the rents and other fees are

- tied to the EURO
- with capital values linked to international indexes.

5.3.2. Pending litigation

In S IMMO Group there were a number of open legal disputes at balance sheet date, however both the individual amounts involved were not significant and also the total amount was insignificant as evaluated by Management.

5.4. Related party disclosures

For S IMMO Group related parties are as follows:

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

S IMMO Group's managing bodies are as follows:

Management Board of Sparkassen Immobilien AG

Holger Schmidtmayr, MRICS, Vienna

Ernst Vejdovsky, Vienna

Friedrich Wachernig, MBA, Vienna

Supervisory Board of Sparkassen Immobilien AG

Martin Simhandl, Vienna (Chairman)

Gerald Antonitsch, Vienna (first deputy chairman from 21 May 2010, previously member)

Richard Wilkinson, Vienna (first deputy chairman until 21 May 2010)

Franz Kerber, Vienna (second deputy chairman)

Christian Hager, Krems

Erwin Hammerbacher, Vienna

Michael Matlin, New York (from 21 May 2010)

Peter Nemschak, Vienna (until 21 May 2010)

Wilhelm Rasinger, Vienna (from 21 May 2010)

Reinhold Schürer-Waldheim, Vienna

(until 21 May 2010)

Ralf Zeitlberger, Vienna (from 21 May 2010)

In 2010 the remuneration received by members of the Management Board totalled EUR 775,000 (2009: EUR 985,000). For 2010 this included expenses for pensions of EUR 136,000 (2009: EUR 163,000), and contributions to the employee severance pay and pensions fund of EUR 9,000 (2009: EUR 12,000). Compensation paid to Supervisory Board members (including members of supervisory boards of Group companies) amounted to EUR 110,000 (2009: EUR 112,000). Neither members of the Management Board nor Supervisory Board members received either loans or advances, and no guarantees have been given on their behalf.

Erste Group mainly provides for S IMMO Group administrative, agent and financial services, whereas Vienna Insurance Group mostly provides financial services. There were the following receivables and payables with Erste Group and Vienna Insurance Group at the end of the year:

EUR '000	31.12.2010	31.12.2009
Other receivables	1,903	432
Bank balances	40,479	166,458
Receivables	42,382	166,890

EUR '000	31.12.2010	31.12.2009
Non-current liabilities to banks	416,314	404,700
Non-current financial liabilities	83,607	71,169
Current bank and financial liabilities	86,901	76,000
Trade payables	1,103	1,687
Other liabilities	623	592
Payables	588,548	554,148

During the financial years 2010 and 2009 there were the following material income and expenses in connection with Erste Group and the Vienna Insurance Group:

EUR '000	2010	2009
Commissions	602	3,226
Consultancy fees	0	541
Management fees – Immorent AG	2,365	3,977
Bank loan interest, other interest and charges	21,295	17,598
Other expenses	1,575	492
Expenses	25,837	25,834

EUR '000	2010	2009
Rent and service charges	789	998
Bank interest	140	868
Other interest income	162	53
Income	1,091	1,919

Under an agreement dated 14 January 2003, Immorent AG has given S IMMO Group a rental guarantee for the property at Gasgasse 1–7, 1150 Vienna, Austria. The fee charged for this guarantee was EUR 3,000,000.

Properties management for the majority of the Austrian properties is provided by Arealis Liegenchaftsmanagement GmbH, Vienna, in which Erste Bank Group has a 50% interest.

5.5. Significant events after balance sheet date

During the first quarter of 2011, a residential property in Berlin was sold at a price over its valuation. In addition, contracts for the sale of two residential properties and one commercial property were concluded.

The Management Board of S IMMO Group resolved on 18 January 2011 after approval of the Supervisory Board to enact a program for the repurchase of S IMMO INVEST participation certificates. The Company may repurchase up to 5% of the certificates, or a total of 161,244 units, on stock exchange. The program for the repurchase began on 19 January 2011 and ended on 08 April 2011.

Vienna, 18 March 2011

The Management Board

Holger Schmidtmayr, MRICS m.p.

Ernst Vejdovszky m.p.

Friedrich Wachernig, MBA m.p.

Auditors' Report

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated financial statements of Sparkassen Immobilien AG, Vienna, for the year ended 31 December 2010. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2010, and the consolidated income statement and statement of total comprehensive income, the statement of changes in stockholders' equity and the cash flow statement, all for the year ended 31 December 2010, together with the notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for group accounting and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with the International Standards on Auditing (ISAs) published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

These standards require that we comply with ethical requirements and that we perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements.

An audit involves the performance of procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

In making these risk assessments the auditor considers internal controls relevant to the preparation and fair presentation of consolidated financial statements in order to design audit procedures appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

An audit also includes evaluating the appropriateness of the accounting and valuation policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2010 and of its financial performance and its cash flows for the fiscal year from January 1, 2010 to December 31, 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

COMMENTS ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate. In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 18 March 2011

Deloitte Audit Wirtschaftsprüfungs GmbH

Walter Müller m.p.
Auditor

p.p. Wolfgang Arndorfer m.p.
Auditor

This English translation of the audit report was prepared for the client's convenience only. It is no legally relevant translation of the German audit report.

Dear Shareholders,



Martin Simhandl

For Sparkassen Immobilien AG, 2010 was the year in which substantial development projects were brought to a successful conclusion. Despite the – at times – challenging economic conditions, in particular in Southeastern Europe, all current projects were completed and opened on schedule. The Group has succeeded in further strengthening the foundations on which its future will be built. The Supervisory Board advised and assisted the Company and the Management Board in all the Group's projects during the financial year 2010. Throughout the year, we carried out our duties under the law and the Company's articles of incorporation, supported the Management Board in its management of the Group and monitored it in the performance of its duties.

The Supervisory and Management Boards of Sparkassen Immobilien AG met six times during the year to discuss the Group's economic situation and strategic development in detail, especially in light of the persistent weakness of some markets. At each meeting the Management Board reported to the Supervisory Board in full on the state of the Group's affairs and its finances. Individual topics of current interest were also the subject of separate discussions between the Management Board and the Supervisory Board. Major issues discussed

were the Group's strategic direction and how to optimise the Group's potential and further its strategy of creating sustainable, long-term added value. The Management Board reported regularly on development projects in Austria and in Central and Southeastern Europe, as well as on the occupancy situation with respect to the permanent portfolio. The Supervisory Board discussed and approved several property disposals.

Between five and seven Board members were present at each of the six Supervisory Board meetings, representing an average attendance rate of 75%.

In line with our commitment to strong corporate governance, we advocate transparent business reporting. Sparkassen Immobilien AG has subscribed to the Austrian Corporate Governance Code since 2007. The obligations in the Code go beyond the statutory requirements applicable to public limited companies; they are adopted voluntarily and are designed to ensure even greater transparency in reporting.

The Supervisory Board has formed three committees: the Management Board Committee, the Audit Committee and the Working Committee. The Management Board Committee deals with the remuneration and details of employment contracts for Management Board members.

The Working Committee held two meetings to consider property disposals and acquisitions planned during the year and to discuss development projects. The Audit Committee met twice in the financial year 2010. It monitors the accounting process and Group auditing activities, the effectiveness of the internal control and risk management system, the audit systems, and the compliance report.

In preparation for the Supervisory Board's nomination of auditors for the Company's individual and consolidated annual financial statements, the Audit

Committee reviewed the documentation submitted by Deloitte Audit Wirtschaftsprüfungs GmbH (formerly Eidos Deloitte Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH) evidencing their right to practise as auditors. A written report confirmed that there were neither grounds for exclusion, nor any circumstances that could give rise to concerns about conflicts of interest. A schedule of the total remuneration paid to Deloitte Audit Wirtschaftsprüfungs GmbH by Sparkassen Immobilien AG relating to the preceding financial year, itemised by categories of services, was requested and inspected. A review confirmed that Deloitte Audit Wirtschaftsprüfungs GmbH complies with the legally required quality assurance measures for maintaining audit quality. The Audit Committee reported to the Supervisory Board on its work and its findings in these matters. At the Annual General Meeting, the Supervisory Board therefore proposed the appointment of Deloitte Audit Wirtschaftsprüfungs GmbH as auditors of the Company's individual and consolidated annual financial statements.

The Audit Committee accepted the submission of the annual financial statements for 2010 by the Management Board together with the management report and the corporate governance report. They inspected these documents, and on the basis of the audit reports by Deloitte Audit Wirtschaftsprüfungs GmbH, approved them.

The Audit Committee also reviewed the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS)

together with the Group management report. On the basis of its review and discussions, the Audit Committee unanimously resolved to recommend to the Supervisory Board the acceptance without reservation of the statements, report and reviews. The Supervisory Board discussed in detail and reviewed the annual financial statements for 2010 together with the management report and corporate governance report and the consolidated financial statements prepared in accordance with IFRS together with the Group management report. The audit reports prepared by Deloitte Audit Wirtschaftsprüfungs GmbH on the annual financial statements for 2010 together with the management report and the consolidated financial statements together with the Group management report were also examined by the Audit Committee and the full Supervisory Board. Later these were discussed in detail together with Deloitte Audit Wirtschaftsprüfungs GmbH. The audit conclusions gave no grounds for objection. The Supervisory Board declared that it had nothing to add to the audit reports by the auditors. The Supervisory Board therefore unanimously resolved to accept the annual financial statements and management report prepared by the Management Board and had no objections to the consolidated financial statements and Group management report prepared in accordance with IFRS. In accordance with section 96(4) Austrian Companies Act (AktG), the annual financial statements for 2010 were therefore adopted.

In the financial year, there were changes in the members of the Supervisory and Management Boards. During the Annual General Meeting on 21 May 2010, the Supervisory Board appointments of Martin Simhandl, Gerald Antonitsch and Franz Kerber were extended. Michael Matlin, Wilhelm Rasinger and Ralf Zeitlberger were elected as new members of the Supervisory Board. During the financial year, the appointments of Reinhold Schürer-Waldheim and Richard Wilkinson to the Supervisory Board expired. Peter Nemschak resigned his appointment. We would like to use this opportunity to thank them for their commitment. In addition, the Supervisory Board decided to extend the Management Board appointment of Friedrich Wachernig until 14 November 2013.

The Supervisory Board would like to thank the Management Board and staff of S IMMO Group for their daily hard work and dedication and their contribution to increase the Group's value during the past year.

Vienna, 06 April 2011

The Supervisory Board



Martin Simhandl
Chairman

Corporate Governance Report

The Austrian Corporate Governance Code contains rules for the management and control of an enterprise and is part of the basis of responsible management. Sparkassen Immobilien AG's goal is to successfully increase the value of the Company over the long-term, and in 2010 it again fully complied with the requirements of the Code.

CLEAR COMMITMENT TO THE AUSTRIAN CORPORATE GOVERNANCE CODE

The fundamental principles underlying good corporate governance have been an integral part of what Sparkassen Immobilien AG has stood for since its inception 23 years ago. Responsible corporate management has always been the basis of our strategy for sustainably increasing the value of the enterprise over the long-term, which is why the Management and Supervisory Boards work so efficiently together. Our corporate communication is based on openness and transparency. For this reason, Sparkassen Immobilien AG commits to the rules and recommendations contained in the Austrian Corporate Governance Code (ÖCGK). The

full rules and regulations for responsible management and leadership of enterprises can be viewed on the Austrian Working Group for Corporate Governance's website.

The key elements of corporate governance at Sparkassen Immobilien AG are described on page 16 et seq. Additional information on the subject is contained in the Supervisory Board's report. To avoid repetition, some topics which are discussed in other parts of the Annual Report will just be referenced.

Updated information on corporate governance is posted on Sparkassen Immobilien AG's website on a regular basis: www.simmoag.at

Information about
corporate governance:
www.simmoag.at
www.corporate-governance.at

COMPLIANCE STATEMENT

Sparkassen Immobilien AG was founded 23 years ago. The fundamental principles of its business strategy have been both sustainability and long-term growth from the start. Since 2007, it has been expressly committed to complying with the provisions of the Austrian Corporate Governance Code in order to ensure maximum transparency for all its stakeholders.

The rules of the Austrian Corporate Governance Code are as follows:

1. L Rules (legal requirements): L Rules are based on mandatory statutory requirements.
2. C Rules (comply or explain): C Rules should be complied with; according to the Code, any deviations must be explained and justified.
3. R Rules (recommendations): R Rules are recommendations. Non-compliance need neither be disclosed nor justified.

Sparkassen Immobilien AG complies with all the L Rules.

It also complies with almost all of the C Rules, with the exceptions explained below:

C Rule 16: "The management board shall consist of more than one person, and shall have a chairperson."

The Supervisory Board has not appointed a chairperson of the Management Board because it is of the opinion that the duties and responsibilities of all three members of the Management Board are of equal importance, and because it believes that the

Company is adequately represented by individual Management Board members with collective authority.

C Rule 31: "The fixed and performance-related compensation of each member of the management board shall be disclosed separately in the annual report."

The total remuneration of the Management Board is disclosed in this report. The disclosure of their individual remuneration is the personal decision of each Management Board member. In the Management Board's opinion, such disclosure does not provide important information for investors.

C Rule 45: "Members of the Supervisory Board may not exercise managing body functions at other companies that are in competition with the company."

Certain members of the Supervisory Board of Sparkassen Immobilien AG also serve on the boards of similar companies or perform executive functions at Erste Group Bank AG, its wholly owned subsidiary Erste Group Immorent AG or Vienna Insurance Group.

All members of the Supervisory Board are obliged to disclose any conflicts of interest arising from their activities as members of the Supervisory Board without delay. In any event, the Company considers the extensive knowledge of the industry and the contacts of certain Supervisory Board members to be an advantage from which it can benefit.

C Rule 49: "The company shall disclose in its annual report details of the objects and remuneration of contracts and agreements requiring approval under L Rule 48. Summary disclosure of agreements of similar kinds is permissible."

The Company may enter into contractual relationships with individual members of the Supervisory Board. To the extent that such contractual agreements require the approval of the Supervisory Board under section 95 Austrian Companies Act (AktG) and L Rule 48, approval has been sought and obtained. The details of such contracts and agreements are not disclosed for reasons of competition. All such contracts and agreements are concluded on normal market conditions.

C Rule 51: "The remuneration of Supervisory board members for the financial year is to be reported in the corporate governance report for each individual

member of the supervisory board. Generally, there are no stock option plans for members of supervisory boards. Should stock option plans be granted in exceptional cases, then all details of these must be approved by resolution at the Annual General Meeting."

The total remuneration of the Supervisory Board is disclosed in this report. The disclosure of individual remuneration is the personal decision of each Supervisory Board member. In the Supervisory Board's opinion, such disclosure does not provide important information for investors.

TRANSPARENT, PROMPT COMMUNICATION

Sparkassen Immobilien AG has identified the provision of transparent, prompt information to shareholders, analysts and other interested parties as a major element of its brand essence. In its communications, it observes the regulations of stock corporation and stock exchange law. Important business events and information relevant to the Company's performance are made public without delay. To ensure consistency in communication, all important releases, reports and presentations are published on Sparkassen Immobilien AG's website immediately. This applies in particular to ad hoc-releases, press releases as well as annual and quarterly financial reports. Interested investors can also contact the Investor Relations and Corporate Communications department directly via the Company's website, by e-mail or by calling the shareholder hotline.

As a member of the European Public Real Estate Association (EPRA), Sparkassen Immobilien AG has adopted the guidelines and standards of that organisation. These cover the disclosure of information, ethical principles and industry standards. EPRA's guidelines are based on International Financial Reporting Standards (IFRS) and provide specific accounting recommendations for listed real estate companies. In the interests of transparent and comparable reporting, Sparkassen Immobilien AG implements these recommendations in the detailed notes to the consolidated financial statements.

European Public Real
Estate Association (EPRA):
www.epra.com

COMPOSITION, ACTIVITIES AND PROCEDURES OF THE MANAGEMENT AND SUPERVISORY BOARDS

The Management and Supervisory Boards pursue a common goal: They are fully conscious of their responsibility for ensuring long-term, sustainable value creation and the continuing success of the Group. The two Boards collaborate closely in the interests of the business. The intensive, ongoing dialogue between the Management Board and Supervisory Board is the basis of efficient and competent management.

The Management Board consists of three members, who are jointly responsible for managing the Company's day-to-day affairs. More detailed information about the individual members and their responsibilities is shown in the overview of the management bodies on page 9 of this report. The Management Board meets several times a week to discuss current business developments and to make necessary decisions. There is an ongoing exchange of information with the responsible managers.

The Management Board also provides the Supervisory Board with regular and comprehensive information about all material aspects of the progress of business and all strategic considerations. Collaboration between the two Boards is governed by the rules of the Stock Corporation Act as well as by the statute and procedures established by the Supervisory Board.

As at 31 December 2010, the Supervisory Board consisted of eight members. Information about the individual members of the Supervisory Board is shown in the overview of management bodies on page 10 et seq.

The Supervisory Board regularly reviews the management of the Company's affairs. In its meetings, the Supervisory Board monitors the management of the business, the finances, the strategy, the development and the risk management of the Company. It is responsible for decision-making as provided by statute, the Company's articles of incorporation and its internal rules and procedures. The Supervisory Board has formed committees, which are listed below. During the year under review, there were a total of six Supervisory Board meetings. Between five and seven Board Members were present at each of the six Supervisory Board meetings, representing an average attendance rate of 75%.

SUPERVISORY BOARD COMMITTEES

Audit Committee

The functions of the Audit Committee include monitoring the accounting and reporting process and the work of the auditors, monitoring the effectiveness of the internal control system and the risk management system, and monitoring the process of auditing the Group's financial statements. Since the Supervisory Board meeting on 21 May 2010, the Audit Committee has consisted of the following members: Martin Simhandl (Chairman), Gerald Antonitsch, Erwin Hammerbacher, Ralf Zeitlberger and Wilhelm Rasinger (alternate member). Until the 2010 Annual General Meeting, Reinhold Schürer-Waldheim and Richard Wilkinson were members of the Committee and Erwin Hammerbacher was the alternate member. By virtue of their experience and specialist knowledge of finance and accounting,

Martin Simhandl and Ralf Zeitlberger are the Committee's financial experts. The Audit Committee met twice during the year under review.

Management Board Committee

The Management Board Committee deals with the remuneration of Management Board members and the details of employment contracts for Management Board members. It is also responsible for submitting proposals to the Supervisory Board for the appointment of Management Board members when positions become vacant, and for succession planning.

Since the Supervisory Board meeting on 21 May 2010, the Committee has consisted of Martin Simhandl (Chairman), Gerald Antonitsch and Franz Kerber. Peter Nemschak was a member of the Committee until the 2010 Annual General Meeting.

Working Committee

The Working Committee attended to the purchase and disposal of properties and land, the renovation of buildings and development projects. Since the Supervisory Board meeting on 21 May 2010, the members of the Working Committee have been Gerald Antonitsch (Chairman), Erwin Hammerbacher, Franz Kerber and Ralf Zeitlberger. Peter Nemschak and Richard Wilkinson were members of the Working Committee until the 2010 Annual General Meeting. Reinhold Schürer-Waldheim was an alternate member then. The Working Committee met twice during the year under review.

STATEMENT OF INDEPENDENCE

Sparkassen Immobilien AG's Supervisory Board has established the following criteria for the independence of its members as required under C Rule 53 of the Austrian Corporate Governance Code:

- A Supervisory Board member should not in the preceding five years have been a member of the Management Board or executive officer of Sparkassen Immobilien AG or one of its subsidiaries.
- A Supervisory Board member should not maintain, or in the preceding year have maintained, a business relationship of material importance to that Supervisory Board member with Sparkassen Immobilien AG or one of its subsidiaries. This applies also to business relationships with enterprises in which the Supervisory Board member has a material interest. The approval of individual transactions by the Supervisory Board in accordance with L Rule 48 does not automatically mean that a member is not independent.
- A Supervisory Board member should not in the preceding three years have served as statutory auditor to Sparkassen Immobilien AG, or have had an interest in, or been an employee of the auditing firm.
- A Supervisory Board member should not be a member of the management board of another company where a member of the Management Board of Sparkassen Immobilien AG is a member of that company's supervisory board.
- A Supervisory Board member should not be a close family member (direct descendant, spouse, lifetime partner, parent, uncle, aunt, sibling, nephew, niece) of a member of the Management Board or of persons in any of the positions described above.

For the financial year 2010, the following members of the Supervisory Board, who together constitute a majority of the Supervisory Board, are independent in the meaning of C Rule 53 of the Corporate Governance Code. These members satisfy the Supervisory Board's criteria for independence.

Current independent members of the Supervisory Board:

Martin Simhandl
Franz Kerber
Christian Hager
Erwin Hammerbacher
Michael Matlin
Wilhelm Rasinger
Ralf Zeitlberger

Former independent member of the Supervisory Board (until Annual General Meeting 2010):
Reinhold Schürer-Waldheim

Their posts, principal occupations and other supervisory board appointments are shown in the overview of management bodies on page 10 et seq.

DIRECTORS' DEALINGS

Under section 48d(4) Austrian Stock Exchange Act (BörseG), Sparkassen Immobilien AG is required to report all share purchases and sales by members of management bodies or persons in close relationships with them. In the financial year 2010, the sale

of participating certificates by one person in a close relationship to a person with management responsibilities was reported to the Financial Market Authority: A total of 5,150 participating certificates were sold. There were no purchases or sales of shares. In accordance with the requirements of the Code, dealings by members of the Management and Supervisory Boards (directors' dealings) are disclosed on Sparkassen Immobilien AG's website (www.simmoag.at) under Investor Relations/Corporate Governance/Directors' Dealings.

D&O INSURANCE

Pursuant to a resolution of the Annual General Meeting 2009 a directors and officers liability insurance policy has been in force since 01 September 2009. Under this policy, claims by the Company, the shareholders or third parties against members of managing bodies or executive officers of the Company for damages arising from breaches of the duty of care by members of managing bodies or executive officers are insured. The costs of the insurance are borne by the Company.

REMUNERATION OF THE SUPERVISORY BOARD

Members of the Supervisory Board received remuneration amounting to EUR 110,000 (2009: EUR 112,000). Supervisory Board members received neither loans nor advances, and no guarantees have been given on their behalf.

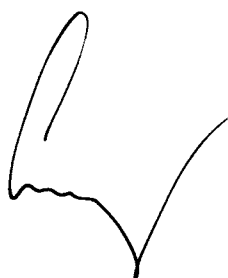
REMUNERATION OF THE MANAGEMENT BOARD

The remuneration of the members of the Management Board usually consists of a fixed and a profit-related variable component. Profit participation is dependent on the achievement of quantitative and qualitative targets, such as EBIT, cash flow and occupancy rate. During the financial year 2010, the remuneration of the Management Board amounted to EUR 775,000 (2009: EUR 985,000). This includes expenses for pensions of EUR 136,000 (2009: EUR 163,000) and contributions to the employee severance pay and pensions fund of EUR 9,000 (2009: EUR 12,000).

Sparkassen Immobilien AG has no stock option plan at present.

AUDITORS

By resolution of the Annual General Meeting 2010 Deloitte Audit Wirtschaftsprüfungs GmbH (formerly Eidos Deloitte Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH) were appointed as statutory auditors. The auditors assist the Supervisory Board in assessing whether appropriate accounting policies have been applied, and whether the accounts and financial statements conform with the applicable statutory regulations and are reasonable and reliable. The auditors must immediately report to the Supervisory Board on any deficiencies revealed by the audit. This also applies to any discrepancies in the compliance statement made by the Supervisory and Management Boards in connection with the Austrian Corporate Governance Code.



Holger Schmidmayr



Ernst Vejdovsky



Friedrich Wachernig

Jahresabschluss

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Lagebericht für das Geschäftsjahr 2010

Geschäftstätigkeit der Sparkassen Immobilien AG

Die Sparkassen Immobilien AG ist eine international tätige Immobilieninvestment- und Entwicklungsgesellschaft mit Notiz an der Wiener Börse. Sie ist Muttergesellschaft der S IMMO Gruppe. In ihrem Portfolio hält die Gesellschaft unmittelbar bzw. mittelbar über Tochterunternehmen Büro-, Geschäfts- und Wohnflächen sowie Hotels. Das Unternehmen verfolgt das Ziel, den Unternehmenswert im Sinne ihrer Aktionäre nachhaltig zu steigern. Unter dieser Prämisse entwickelt sie das Portfolio beständig weiter und optimiert es durch aktives Asset Management. Das dichte Netzwerk der Kernaktionäre und Entwicklungspartner sowie der Mitarbeiter und lokalen Partner ermöglicht der Sparkassen Immobilien AG, Marktchancen optimal zu nutzen.

Management

Alle wesentlichen Steuerungsfunktionen werden direkt von der Zentrale in Wien wahrgenommen. Ergänzend werden einige Unternehmensfunktionen über Dienstleistungsverträge geregelt. Dies betrifft einige administrative Bereiche wie IT und Cash Management.

Zweigniederlassungen

Der Firmensitz der Sparkassen Immobilien AG ist in Wien. Es bestehen keine Zweigniederlassungen.

Geschäftsverlauf

Die Umsatzerlöse sind im Geschäftsjahr von TEUR 30.162 auf TEUR 24.013 gesunken, was im Wesentlichen auf den Verkauf von fünf Immobilien zurückzuführen ist. Die sonstigen betrieblichen Erträge sind mit TEUR 26.911 (2009: TEUR 28.838) konstant hoch geblieben.

Die sonstigen betrieblichen Aufwendungen sind von TEUR 12.609 auf TEUR 9.049 gesunken.

Das Finanzergebnis beträgt TEUR -101.395 (2009: TEUR -16.315), was insbesondere auf im Geschäftsjahr 2010 erstmals gebildete Rückstellungen für Drohverluste im Zusammenhang mit derivativen Finanzinstrumenten in Höhe von TEUR 47.677, auf gestiegene Abschreibungen aus Finanzanlagen (2010: TEUR 40.753; 2009: TEUR 25.957) sowie auf die Ergebniszuzuweisung an die Genussscheininhaber zurückzuführen ist.

Die Bilanzsumme ist von TEUR 1.080.300 auf TEUR 964.763 zum Bilanzstichtag 31.12.2010 zurückgegangen. Das Grundkapital beträgt unverändert zum Vorjahr TEUR 247.509. Das Eigenkapital hat sich zum Bilanzstichtag von TEUR 398.267 auf TEUR 321.087 vermindert. Die Eigenkapitalquote betrug zum 31.12.2010 33% (31.12.2009: 37%).

Die Verbindlichkeiten gegenüber Kreditinstituten haben sich im laufenden Geschäftsjahr von TEUR 247.694 auf TEUR 200.052 verringert. Davon haben TEUR 70.001 eine Restlaufzeit von bis zu einem Jahr.

Immobilienportfolio in Österreich – wesentliche Ereignisse 2010

In Österreich konnte die Sparkassen Immobilien AG ihr bestehendes Portfolio weiter optimieren. So konnten im Geschäftsjahr 2010 folgende Objekte mit Gewinn veräußert werden: Meiselstraße 8, Lobmeyergasse 5-7, Am Kaisermühlendamm 87, Theresianumgasse 7 und Windmühlgasse 22-24 (alle in Wien).

Voraussichtliche Entwicklung

Die Strategie der Sparkassen Immobilien AG umfasst die Optimierung der Erträge aus dem bestehenden Immobilienportfolio, die Optimierung der Zusammensetzung des Immobilienportfolios und die plangemäße Fertigstellung der Entwicklungsprojekte.

Grundsätzlich prüft die Sparkassen Immobilien AG auch kontinuierlich Ankaufsmöglichkeiten, die das Portfolio sinnvoll ergänzen. Im vergangenen Jahr gab es keine passenden Angebote die den Preisvorstellungen und Investitionskriterien der Gesellschaft entsprochen hätten.

Für das Geschäftsjahr 2011 erwartet die Sparkassen Immobilien AG eine positive Entwicklung und gegenüber 2010 einen Wegfall von einmaligen Belastungen.

Risikomanagement

Als internationale Immobilien-Investmentgesellschaft besitzt die Sparkassen Immobilien AG sowohl Bestandsobjekte in Österreich, Deutschland und sechs Ländern Zentral- und Südosteuropas als auch Entwicklungsprojekte. Daher erfordert die Geschäftstätigkeit des Unternehmens eine nach Regionen und Nutzungsarten ausgerichtete Risikomanagementpolitik. Diese umfasst einerseits breite Risikostreuung durch gezielte regionale Diversifizierung, andererseits die Chancenoptimierung durch unterschiedliche Nutzungsarten.

Das für die gesamte S IMMO Gruppe einheitliche Risikomanagementsystem umfasst die Identifizierung, Messung und Kontrolle von sowohl strategischen als auch operationalen Risiken und daraus abgeleiteter Maßnahmen sowie das Nutzen von entsprechenden Chancen. Interne Richtlinien, regelmäßige schriftliche und mündliche Berichte an den Vorstand sowie standardisierte Kontrollmaßnahmen dienen der Früherkennung, Steuerung und Überwachung von Risiken.

Zur Risikoidentifizierung nutzt die Sparkassen Immobilien AG diverse interne und externe Datenquellen (Kennzahlen, branchenspezifische Expertisen etc.). Die Risikomessung und Risikobewertung erfolgt anhand von Eintrittswahrscheinlichkeiten und finanziellen Auswirkungen auf die Konzernziele innerhalb bestimmter Bandbreiten. Dazu ist intern ein kontinuierlicher Überprüfungszyklus eingerichtet, anhand dessen der Risikomanager gemeinsam mit dem Vorstand regelmäßig Risikobereiche und Risikobewertungen überprüft.

Die Gesamtverantwortung bei allen risikorelevanten Entscheidungen liegt beim Vorstand. Investitionsvorhaben unterliegen ab einer bestimmten Größenordnung zudem der Genehmigung durch den Aufsichtsrat. Das Risikomanagement berichtet als Stabsstelle direkt dem Vorstand und dem Prüfungsausschuss des Aufsichtsrats in regelmäßigen Intervallen über das Risikomanagementsystem und die Funktionen des Internen Kontrollsystems, das für alle Geschäftsprozesse eingerichtet wurde.

STRATEGISCHE RISIKEN

Die Sparkassen Immobilien AG begegnet strategischen Risiken aktiv, indem diese bereits im Planungsprozess berücksichtigt werden.

Ein wesentlicher Bestandteil dieser vorausschauenden Risikopolitik besteht darin, sich auf Märkte innerhalb der Europäischen Union zu beschränken und damit das Marktrisiko zu minimieren. Dabei wird auch auf die Netzwerke und die Expertise der Partner und Kernaktionäre zurückgegriffen. Jede Investition wird vom Risikomanagement auf mögliche Risiken untersucht und muss den strategischen Vorgaben in Bezug auf Lage, Art und Mindeststandards entsprechen. Darüber hinaus sind klare Limits festgelegt, ab wann eine Genehmigung des Aufsichtsrats erforderlich ist. Die Gesellschaft vermeidet

überproportionale Konzentrationen innerhalb des Gesamtportfolios. Dies wird sowohl durch nutzungsspezifische als auch durch regionale Streuung sichergestellt.

Ein wesentlicher Bestandteil der Unternehmensstrategie zielt darauf ab, bei der Auswahl von Immobilien potenzielle Investitionsrisiken zu minimieren. Vor diesem Hintergrund setzt die Sparkassen Immobilien AG im Vorfeld einer Investitionsentscheidung auf umfassende Standort- und Trendanalysen der einzelnen Fachabteilungen sowie externer Experten.

Dem Kapitalmarktrisiko begegnet die Sparkassen Immobilien AG mit laufenden Analysen geeigneter Kapitalbeschaffungsmaßnahmen. Mittels längerfristiger Liquiditätsplanung werden Kreditaufnahmen und –rückzahlungen sowie Investitionen geplant. Um dem allgemeinen Vertrauensverlust der Anleger in den Kapitalmarkt zu begegnen, setzt die Sparkassen Immobilien AG auf eine transparente, zeitnahe und effiziente Kommunikation mit ihren Investoren, Analysten und anderen Dialoggruppen. Zur Sicherstellung der Kapitalmarkt-Compliance verfügt die Sparkassen Immobilien AG über eine Compliance-Ordnung mit klar definierten Wohlverhaltensregeln für Mitarbeiter und Funktionen des Compliance-Verantwortlichen. Seine Aufgaben umfassen unter anderem die Überwachung compliancerelevanter Tatbestände, die Erfüllung der aufsichtsrechtlichen Meldepflichten sowie das Abhalten regelmäßiger Schulungen der Mitarbeiter und Weiterbildungsmaßnahmen für den Compliance-Verantwortlichen selbst.

IMMOBILIENSPEZIFISCHE RISIKEN

Die Wirtschaftskrise hatte auch auf die Immobilienbranche starke Auswirkungen. So sind Risiken wie Bonitätsverschlechterungen, erhöhte Mietrückstände, gestiegene Leerstandsrate, Mietausfälle sowie Aspekte der Mikro- und Makrolage einer Immobilie verstärkt in den Vordergrund getreten.

Dem Lagerisiko begegnen wir durch unsere Strategie der breiten Streuung nach Regionen und Nutzungsarten. Dieses Risiko war im Berichtsjahr nicht in allen Segmenten und Ländern gleichermaßen ausgeprägt: Der Wohnbau etwa hat sich positiv entwickelt, was zu einer Reduktion entsprechender Risiken geführt hat. Davon profitierte die Sparkassen Immobilien AG mit ihrem Wohnportfolio in Deutschland und Österreich. Darüber hinaus hat aus Risikosicht die Ausrichtung der Geschäftstätigkeit auf Länder mit langfristigem Entwicklungspotenzial sowie auf Hauptstädte der Europäischen Union und

deutsche Millionenstädte wesentlich zu einem stabilen Verlauf im Gesamtportfolio beigetragen. Laufende Standortanalysen und klar definierte Standards bei Investitionsentscheidungen sind weitere Maßnahmen, mit denen das Unternehmen dem Lagerisiko begegnet.

Das Vermietungsrisiko ist stark mit der allgemeinen wirtschaftlichen Lage in den Märkten verknüpft. So weist zum Beispiel derzeit die wirtschaftliche Entwicklung in Rumänien und Bulgarien eine höhere Risikolage im Vergleich zu den übrigen EU-Ländern Zentral- und Südosteuropas auf. Aus diesem Grund wurden die Aktivitäten des Asset Managements wie die permanente Überwachung von risikorelevanten Kennzahlen und Leerstandsdaten sowie die genaue Beobachtung der Mieterfluktuation intensiviert. Im abgelaufenen Geschäftsjahr hat sich der Fokus auf langfristige Vermietung an bonitätsstarke Mieter als risikominimierend erwiesen.

Das Entwicklungsrisiko hat sich durch den erfolgreichen Abschluss der Entwicklungsprojekte im Geschäftsjahr 2010 im abgelaufenen Geschäftsjahr deutlich reduziert. Alle Entwicklungsprojekte werden in der Vorentwicklungsphase tiefgehenden Due-Diligence-Prüfungen sowie Sensitivitätsanalysen unterzogen, die auch die Auswahl der Entwicklungspartner miteinbezieht. Eine mögliche Kooperation mit Partnern wird nur dann in Betracht gezogen, wenn sie entsprechend überzeugende Referenzprojekte vorweisen können. Während der gesamten Projektentwicklungsphase erfolgt eine Begleitung durch das Risikomanagement, um zeitnah auf Risiken hinzuweisen und diesen gegenzusteuern. Darüber hinaus ist eine entsprechende Risikoteilung zwischen den Parteien integraler Bestandteil der Verträge.

Das Immobilienbewertungsrisiko beschreibt das Risiko von Wertreduktionen, die sich nicht nur auf das Ergebnis, sondern auch auf das Eigenkapital der Gesellschaft negativ auswirken können. Um eine seriöse, fachlich fundierte Bewertung sicher zu stellen, lässt die Sparkassen Immobilien AG ihre jährliche Immobilienbewertung von renommierten externen Gutachtern durchführen. Ein Beweis für die umsichtige Bewertungspolitik der Sparkassen Immobilien AG sind die Verkäufe im Berichtsjahr, die in Summe über Schätzwert getätigt wurden.

FINANZIELLE RISIKEN

Die Steuerung von finanziellen Risiken umfasst für die Sparkassen Immobilien AG vor allem die Auswirkungen der Liquiditäts-, Zinsänderungs-, Kredit- und Währungsrisiken.

Um Liquiditätsrisiken zu minimieren, legt die Gesellschaft großen Wert auf ein ausgewogenes Verhältnis zwischen Kreditbetrag und Verkehrswert bei den einzelnen Objekten (Loan-to-Value Ratio). Die Zahlungsströme des Unternehmens werden von der Finanzierungsabteilung laufend in Zusammenarbeit mit den Bereichen Projektentwicklung und Asset Management koordiniert und kontrolliert. Unabhängig davon überwacht das Risikomanagement zusätzlich die Zahlungsaktivitäten mittels eigener Analysen.

Das Risiko aus der Veränderung des Zinsniveaus (Zinsänderungsrisiko) wird bei der Sparkassen Immobilien AG durch eine Reihe von Zinsabsicherungsinstrumenten (Caps, Collars, Swaps) langfristig abgesichert. Diese derivativen Finanzinstrumente werden ausschließlich als Zinsabsicherungsinstrumente genutzt und weder für Handelszwecke noch andere spekulative Zwecke eingesetzt.

Das Kreditrisiko bei der Fremdkapitalaufbringung minimiert die Sparkassen Immobilien AG durch Streuung ihrer Kreditgeber. Ausnahmslos wurden die Kreditverbindlichkeiten gemäß den Vertragsbedingungen sowie alle damit verbundenen Auflagen termingerecht erfüllt.

Kreditfinanzierungen der Sparkassen Immobilien AG sind ausschließlich in EURO denominated, sodass das Fremdwährungsrisiko ausgeschlossen werden kann.

Finanzielle und nicht-finanzielle Leistungsindikatoren

Strategisches Ziel ist die nachhaltige Steigerung des Unternehmenswertes. Zentrale finanzielle Leistungsindikatoren (Kennzahlen) sind dabei für den Gesamtkonzern u.a. der NAV pro Aktie, die Loan to Value Ratio sowie der FFO (Funds from Operations).

Für die Sparkassen Immobilien AG wurden folgende finanzielle Leistungsindikatoren identifiziert:

		2010	2009
Eigenkapitalquote	%	33	37
EBIT	TEUR	22.741	19.615

Diese Finanzkennzahlen werden zur Steuerung des operativen Geschäfts durch mehrere nicht finanzielle Leistungsindikatoren (Leerstandsrate, Portfoliostreuung, Standortqualität) ergänzt.

Informationen gemäß § 243a Unternehmensgesetzbuch (UGB)

Gemäß § 243a Unternehmensgesetzbuch (UGB) sind die folgenden Informationen anzugeben:

1.) Das Grundkapital beträgt EUR 247.509.361,86 und ist in 68.118.718 auf Inhaber lautende Stückaktien zerlegt. Es gibt keine unterschiedlichen Aktiengattungen.

2.) Das Stimmrecht jedes Aktionärs in der Hauptversammlung ist mit 15% der ausgegebenen Aktien beschränkt.

3.) Der Vorstand hat am 24. September 2009 von der Tri-Star Capital Ventures Ltd., einer internationalen Investmentgesellschaft, eine Mitteilung gemäß § 91 Absatz 1 Börsegesetz erhalten, wonach das Unternehmen die Beteiligung an der Sparkassen Immobilien AG auf 11,15% des stimmberechtigten Grundkapitals aufgestockt hat.

Die Gesellschaft wurde weiters von der s Versicherung AG, einem Konzernunternehmen der Vienna Insurance Group, informiert, dass deren Beteiligung an der Sparkassen Immobilien AG mit 10,27% die Meldegrenze von 10% gemäß § 91 Absatz 1 Börsegesetz überschritten hat.

4.) Es gibt keine Aktien mit besonderen Kontrollrechten.

5.) Arbeitnehmer, die im Besitz von Aktien sind, üben bei der Hauptversammlung ihr Stimmrecht unmittelbar aus.

6.) Der Vorstand der Gesellschaft besteht aus zwei, drei oder vier Mitgliedern. Eine Bestellung zum Vorstand ist letztmalig vor Erreichung des 65. Lebensjahres möglich. Der Aufsichtsrat besteht aus bis zu zehn von der Hauptversammlung gewählten Mitgliedern.

7.)

a) In der ordentlichen Hauptversammlung vom 21. Mai 2010 wurde dem Vorstand die neuerliche Ermächtigung erteilt, nach den Bestimmungen des § 65 Abs 1 Z 8 AktG für die Dauer von dreißig Monaten ab dem Datum der Beschlussfassung eigene Aktien bis zu 10 % des Grundkapitals der Gesellschaft zu erwerben.

Der Vorstand wurde ermächtigt, für die Dauer von 5 Jahren ab Beschlussfassung, mit Zustimmung des Aufsichtsrates für die Veräußerung der eigenen Aktien eine andere Art als über die Börse oder durch ein öffentliches Angebot zu beschließen, auch unter Ausschluss der allgemeinen Kaufmöglichkeit, wenn die Veräußerung der eigenen Aktien den Zweck hat, als Gegenleistung für an die Gesellschaft oder Tochtergesellschaft übertragenen Immobilien oder Immobilienbeteiligungen zu dienen oder Aktien bei Verschmelzungen an Gesellschafter oder Aktionäre der übertragenden Gesellschaft gewährt oder Umtausch- und/oder Bezugsrechte von Inhabern von Wandelschuldverschreibungen oder von den mit einem Wandlungsrecht ausgestatteten Genussscheinen S-IMMO-INVEST GS AT0000795737 und/oder S-IMMO-INVEST GS AT0000630694 bedient werden.

b) In der ordentlichen Hauptversammlung vom 28. Mai 2008 wurde der Vorstand gemäß § 174 Abs 2 Aktiengesetz ermächtigt, innerhalb von fünf Jahren ab dem Datum der Beschlussfassung, sohin bis 28. Mai 2013, mit Zustimmung des Aufsichtsrates Wandelschuldverschreibungen, mit denen ein Umtausch- oder Bezugsrecht auf bis zu 34.059.359 Stück auf Inhaber lautende Stammaktien der Gesellschaft mit einem anteiligen Betrag am Grundkapital von bis zu EUR 123.754.680,93 verbunden ist, in einer oder mehreren Tranchen auszugeben und alle weiteren Bedingungen der Wandelschuldverschreibungen festzusetzen.

c) Das Grundkapital ist gemäß § 159 Absatz 2 Z 1 Aktiengesetz um bis zu EUR 123.754.680,93 durch Ausgabe von bis zu 34.059.359 Stück auf Inhaber lautende Stückaktien mit Stimmrecht bedingt erhöht. Die bedingte Kapitalerhöhung wird nur insoweit durchgeführt, als Inhaber von auf der Grundlage des Hauptversammlungsbeschlusses vom 28. Mai 2008 ausgegebenen Wandelschuldverschreibungen von dem ihnen eingeräumten Umtausch- oder Bezugsrecht Gebrauch machen. Der Ausgabebetrag und das Umtauschverhältnis sind nach Maßgabe anerkannter finanzmathematischer Methoden und des Kurses der Aktien der Gesellschaft in einem anerkannten Preisfindungsverfahren zu ermitteln. Der Ausgabebetrag darf nicht unter dem anteiligen Betrag des Grundkapitals liegen. Der Vorstand ist ermächtigt, mit Zustimmung des Aufsichtsrates die weiteren Einzelheiten der Durchführung der bedingten Kapitalerhöhung (insbesondere Ausgabekurs, Gegenstand einer Sacheinlage, Inhalt der

Aktienrechte und Zeitpunkt der Dividendenberechtigung) festzusetzen. Der Aufsichtsrat ist ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien auf Grundlage des bedingten Kapitals ergeben, zu beschließen.

8) Es gibt keine getroffenen Vereinbarungen, an denen die Gesellschaft beteiligt ist und die bei einem Kontrollwechsel in der Gesellschaft in Folge eines Übernahmeangebots wirksam werden.

9) Es gibt keine Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Vorstands- und Aufsichtsratsmitgliedern oder Arbeitnehmern für den Fall eines öffentlichen Übernahmeangebots.

Ereignisse nach dem Bilanzstichtag

Der Vorstand der Sparkassen Immobilien AG hat am 18.01.2011 nach Genehmigung durch den Aufsichtsrat ein Rückkaufprogramm für S IMMO INVEST Genussscheine beschlossen. In diesem Zusammenhang kann die Gesellschaft bis zu 5 % der Genussscheine, also max. 161.244 Stück, über die Börse zurückkaufen. Das Rückkaufprogramm hat am 19.01.2011 begonnen und war zu Redaktionsschluss noch nicht beendet.

Darüber hinaus gab es keine weiteren wesentlichen Ereignisse nach dem Bilanzstichtag.

Wien, am 18. März 2011

Der Vorstand:

MMag. Holger Schmidtmayr e.h.

Mag. Ernst Vejdovszky e.h.

Mag. Friedrich Wachernig e.h.

Bilanz zum 31. Dezember 2010
(Beträge in EUR)

Aktiva

			Vorjahr in TEUR	
A. Anlagevermögen				
I. Immaterielle Vermögensgegenstände				
1. ähnliche Rechte	79.854,18		73	
2. Geschäfts-(Firmen)wert	<u>705.615,76</u>	785.469,94	<u>882</u>	955
II. Sachanlagen				
1. Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund (davon Verschmelzungsmehrwert: EUR 10.253.083,86 i. Vj.: TEUR 10.445)	232.172.242,26		287.676	
2. andere Anlagen, Betriebs- und Geschäftsausstattung	226.129,24		285	
3. geleistete Anzahlungen und Anlagen in Bau	<u>0,00</u>	232.398.371,50	<u>0</u>	287.961
III. Finanzanlagen				
1. Anteile an verbundenen Unternehmen (davon Verschmelzungsmehrwert: EUR 369.528,03 i. Vj.: TEUR 370)	272.197.949,75		246.275	
2. Ausleihungen an verbundene Unternehmen	302.380.873,41		270.015	
3. Beteiligungen	<u>2.906.417,60</u>	577.485.240,76	<u>2.906</u>	519.196
B. Umlaufvermögen				
I. Forderungen und sonstige Vermögensgegenstände				
1. Forderungen aus Lieferungen und Leistungen	515.396,81		241	
2. Forderungen gegenüber verbundenen Unternehmen (davon aus Lieferungen und Leistungen EUR 42.139,68 i. Vj.: TEUR 414)	83.443.965,89		156.198	
3. Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	1.832.185,84		1.534	
4. sonstige Forderungen und Vermögensgegenstände	<u>3.897.774,03</u>	89.689.322,57	<u>13.146</u>	171.119
II. Kassenbestand, Guthaben bei Kreditinstituten		61.027.484,54		97.018
C. Rechnungsabgrenzungsposten		3.377.096,68		4.051
	<u>964.762.985,99</u>		<u>1.080.300</u>	

Passiva

			Vorjahr in TEUR	
A. Eigenkapital				
I. Grundkapital	247.509.361,86			247.509
II. Kapitalrücklagen				
1. gebundene	73.578.054,06			147.110
III. Gewinnrücklagen				
1. andere Rücklagen (freie Rücklagen)	<u>0,00</u>	321.087.415,92	<u>3.648</u>	398.267
B. Unversteuerte Rücklagen				
1. Bewertungsreserve auf Grund von Sonderabschreibungen		8.965.227,40		9.995
C. Genussscheinkapital		257.819.699,90		261.658
D. Rückstellungen				
1. Rückstellungen für Abfertigungen	80.423,00			57
2. Rückstellungen für Pensionen	793.389,00			678
3. Steuerrückstellungen	91.410,17			788
4. sonstige Rückstellungen	<u>51.821.749,67</u>	52.786.971,84	<u>4.720</u>	6.243
E. Verbindlichkeiten				
1. Verbindlichkeiten gegenüber Kreditinstituten	200.052.321,91			247.694
2. Verbindlichkeiten aus Lieferungen und Leistungen	1.350.913,29			2.310
3. Verbindlichkeiten gegenüber verbundenen Unternehmen (davon aus Lieferungen und Leistungen EUR 0,00 i. Vj.: TEUR 0)	59.547.501,78			62.004
4. sonstige Verbindlichkeiten (davon aus Steuern: EUR 1.878.562,91; i.Vj.: TEUR 9) (davon im Rahmen der sozialen Sicherheit: EUR 88.094,92; i.Vj.: TEUR 78)	57.709.691,84			79.161
5. Baukosten- bzw. Finanzierungsbeiträge gemäß § 69 Wr. WWFSG 1989	<u>3.986.252,80</u>	322.646.681,62	<u>11.381</u>	402.550
F. Rechnungsabgrenzungsposten		1.456.989,31		1.587
	<u>964.762.985,99</u>		<u>1.080.300</u>	
Haftungsverhältnisse		513.613.821,68		421.913

Gewinn- und Verlustrechnung für das Geschäftsjahr 2010
(Beträge in EUR)

		Vorjahr in TEUR
1. <u>Umsatzerlöse</u>	24.013.019,09	30.162
2. <u>sonstige betriebliche Erträge</u>		
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	25.658.045,43	980
b) Erträge aus der Auflösung von Rückstellungen	435.134,31	1.028
c) übrige	<u>817.484,81</u>	26.830
3. <u>Aufwendungen für sonstige bezogene Herstellungsleistungen</u>	-8.215.563,22	-10.474
4. <u>Personalaufwand</u>		
a) Gehälter	-2.504.140,18	-2.360
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-56.915,01	-43
c) Aufwendungen für Altersversorgung	-165.908,67	-163
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-529.800,02	-441
e) sonstige Sozialaufwendungen	<u>-48.422,27</u>	-39
5. <u>Abschreibungen</u>		
a) auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen (davon außerplanmäßig: EUR 0,00; i.Vj.: TEUR 4.673)	-6.969.813,33	-13.256
b) auf Gegenstände des Umlaufvermögens, soweit diese die im Unternehmen üblichen Abschreibungen überschreiten	<u>-643.161,26</u>	0
6. <u>sonstige betriebliche Aufwendungen</u>		
a) Steuern, soweit sie nicht unter Z 18 fallen	-204.582,33	-659
b) übrige	<u>-8.844.211,68</u>	-11.950
7. <u>Zwischensumme aus Z 1 bis 6</u>	<u>22.741.165,67</u>	<u>19.615</u>
8. <u>Erträge aus Beteiligungen</u> (davon aus verbundenen Unternehmen: EUR 4.088.076,61; i.Vj.: TEUR 645)	4.680.115,59	1.302
9. <u>Erträge aus Ausleihungen des Finanzanlagevermögens</u> (davon aus verbundenen Unternehmen: EUR 12.536.849,39; i.Vj.: TEUR 14.206)	9.213.986,47	14.206
10. <u>sonstige Zinsen und ähnliche Erträge</u> (davon aus verbundenen Unternehmen: EUR 7.548.131,93; i.Vj.: TEUR 7.223)	8.091.772,39	8.101
11. <u>Erträge aus dem Abgang von Finanzanlagen und Wertpapieren des Umlaufvermögens</u>	0,00	85
12. <u>Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens</u> davon: a) Abschreibungen: EUR 40.753.401,00; i.Vj.: TEUR 25.957 b) Aufwendungen aus verbundenen Unternehmen: EUR 40.753.401,00; i.Vj.: TEUR 26.250	-40.753.401,00	-26.250
13. <u>Zinsen und ähnliche Aufwendungen</u> (davon betreffend verbundene Unternehmen: EUR 1.654.048,08; i.Vj.: TEUR 1.588)	-72.405.193,41	-24.919
14. <u>Ergebniszuweisung Genussscheine</u>	-9.451.955,00	9.966
15. <u>Zuweisung anteilige stille Reserven im Immobilienvermögen für die Genussscheine</u>	<u>-770.000,00</u>	<u>1.195</u>
16. <u>Zwischensumme aus Z 8 bis 15</u>	<u>-101.394.674,96</u>	<u>-16.314</u>
17. <u>Ergebnis der gewöhnlichen Geschäftstätigkeit</u>	<u>-78.653.509,29</u>	<u>3.301</u>
18. <u>Steuern vom Einkommen</u> (davon Ertrag aus Steuerumlage: EUR 396.000,00, i.Vj.: TEUR 768)	<u>444.521,01</u>	<u>127</u>
19. <u>Jahresfehlbetrag/-überschuss</u>	<u>-78.208.988,28</u>	<u>-3.428</u>
20. <u>Auflösung unverteilter Rücklagen</u>	1.029.635,65	220
21. <u>Auflösung von Kapitalrücklagen</u>	73.531.533,77	0
22. <u>Auflösung von Gewinnrücklagen</u>	3.647.818,86	0
23. <u>Zuweisung zu Gewinnrücklagen</u>	<u>0,00</u>	<u>-3.648</u>
24. <u>Bilanzgewinn</u>	<u>0,00</u>	<u>0</u>

	Stand 01.01.2010	Zugänge	Abgänge	Umgliederungen	Stand 31.12.2010	kumulierte Abschreibungen	Restbuchwert 31.12.2010	Restbuchwert 01.01.2010	Abschreibungen des Geschäftsjahres <i>außerplanmäßig</i>
I. Immaterielle Vermögensgegenstände									
1. Internetplattform, Nutzungsrechte	90.884,49	21.147,57	0,00	0,00	112.032,06	32.177,88	79.854,18	73.003,93	14.297,32
2. Firmenwert	1.764.039,40	0,00	0,00	0,00	1.764.039,40	1.058.423,64	705.615,76	882.019,70	176.403,94
	<u>1.854.923,89</u>	<u>21.147,57</u>	<u>0,00</u>	<u>0,00</u>	<u>1.876.071,46</u>	<u>1.090.601,52</u>	<u>785.469,94</u>	<u>955.023,63</u>	<u>190.701,26</u>
II. Sachanlagen									
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grund									
Grundwert (unbebaut)	1.007.000,00	0,00	0,00	0,00	1.007.000,00	0,00	1.007.000,00	1.007.000,00	0,00
Grundwert (bebaut)	70.813.667,79	208.443,00	7.310.309,11	0,00	63.711.801,68	3.001.060,86	60.710.740,82	67.812.606,93	0,00
im Zustand der Bebauung befindliche Grundstücke	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Baurecht	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gebäudewert	305.916.265,88	331.887,10	62.763.716,87	0,00	243.484.436,11	69.305.857,00	174.178.579,11	222.674.016,25	6.801.247,91
Investitionszuschuss aus öffentlichen Mitteln	-4.686.173,43	0,00	0,00	0,00	-4.686.173,43	-962.095,76	-3.724.077,67	-3.817.319,94	-93.242,27
	<u>373.050.760,24</u>	<u>540.330,10</u>	<u>70.074.025,98</u>	<u>0,00</u>	<u>303.517.064,36</u>	<u>71.344.822,10</u>	<u>232.172.242,26</u>	<u>287.676.303,24</u>	<u>6.708.005,64</u>
2. Andere Anlagen, Betriebs- und Geschäftsausstattung									
eigene	316.456,13	27.107,27	0,00	0,00	343.563,40	134.033,94	209.529,46	221.125,33	38.703,14
vermietete Mobilien	210.666,08	0,00	108.866,59	0,00	101.799,49	85.199,71	16.599,78	63.865,85	17.420,08
geringwertige Wirtschaftsgüter	0,00	14.983,21	14.983,21	0,00	0,00	0,00	0,00	0,00	14.983,21
	<u>527.122,21</u>	<u>42.090,48</u>	<u>123.849,80</u>	<u>0,00</u>	<u>445.362,89</u>	<u>219.233,65</u>	<u>226.129,24</u>	<u>284.991,18</u>	<u>71.106,43</u>
	<u>373.577.882,45</u>	<u>582.420,58</u>	<u>70.197.875,78</u>	<u>0,00</u>	<u>303.962.427,25</u>	<u>71.564.055,75</u>	<u>232.398.371,50</u>	<u>287.961.294,42</u>	<u>6.779.112,07</u>
III. Finanzanlagen									
1. Anteile an verbundenen Unternehmen	325.461.249,82	50.222.500,00	39.385.000,00	0,00	336.298.749,82	64.100.800,07	272.197.949,75	246.275.450,75	24.300.001,00
2. Ausleihungen an verbundene Unternehmen	280.886.245,10	48.820.033,32	0,00	0,00	329.706.278,42	27.325.405,01	302.380.873,41	519.196.108,44	16.453.400,00
3. Beteiligungen	2.906.417,60	0,00	0,00	0,00	2.906.417,60	0,00	2.906.417,60	2.906.417,60	0,00
	<u>609.253.912,52</u>	<u>99.042.533,32</u>	<u>39.385.000,00</u>	<u>0,00</u>	<u>668.911.445,84</u>	<u>91.426.205,08</u>	<u>577.485.240,76</u>	<u>768.377.976,79</u>	<u>40.753.401,00</u>
	<u>984.686.718,86</u>	<u>99.646.101,47</u>	<u>109.582.875,78</u>	<u>0,00</u>	<u>974.749.944,55</u>	<u>164.080.862,35</u>	<u>810.669.082,20</u>	<u>1.057.294.294,84</u>	<u>6.969.813,33</u>
									<u>40.753.401,00</u>

Anhang zum Jahresabschluss 31. Dezember 2010

I. Bilanzierungs- und Bewertungsmethoden

Der Jahresabschluss zum 31. Dezember 2010 wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, erstellt. Die Bilanzierung, die Bewertung und der Ausweis der einzelnen Posten des Jahresabschlusses wurden nach den allgemeinen Bestimmungen der §§ 196 bis 211 UGB unter Berücksichtigung der Sondervorschriften für Kapitalgesellschaften der §§ 221 bis 235 UGB vorgenommen.

Bei der Aufstellung des Jahresabschlusses wurden die Grundsätze der Vollständigkeit und der ordnungsmäßigen Bilanzierung eingehalten. Bei der Bewertung wurde von der Fortführung des Unternehmens ausgegangen.

Bei Vermögensgegenständen und Schulden wurde der Grundsatz der Einzelbewertung angewendet. Dem Vorsichtsgrundsatz wurde Rechnung getragen, indem insbesondere nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohende Verluste, die im Geschäftsjahr oder in einem der früheren Geschäftsjahre entstanden sind, wurden berücksichtigt.

1. Anlagevermögen

1.1 Immaterielles Anlagevermögen

Erworbene immaterielle Vermögensgegenstände werden zu Anschaffungskosten bewertet, vermindert um planmäßige Abschreibungen entsprechend der Nutzungsdauer. Die planmäßigen Abschreibungen werden linear angenommen. Als Nutzungsdauer wird ein Zeitraum von 4 Jahren zugrunde gelegt. Die Abschreibung des Firmenwertes erfolgt auf die Geschäftsjahre, in denen er voraussichtlich genutzt wird.

1.2 Sachanlagevermögen

Das Sachanlagevermögen wurde zu Anschaffungs- und Herstellungskosten abzüglich Investitionszuschüssen und bisher aufgelaufenen und im Berichtsjahr planmäßig fortgeführten Abschreibungen bewertet. Zur Ermittlung der Abschreibungssätze wird generell die lineare Abschreibungsmethode gewählt. Der Rahmen der Nutzungsdauer beträgt für die einzelnen Anlagengruppen:

Gebäude: 33 bis 50 Jahre
Hardware: 4 Jahre
Betriebs- und Geschäftsausstattung 5 bis 10 Jahre

Im Geschäftsjahr 2010 mussten keine außerplanmäßigen Abschreibungen vorgenommen werden.

Geringwertige Vermögensgegenstände (Wirtschaftsgüter gemäß § 13 EStG 1988) werden im Jahr der Anschaffung sofort voll abgeschrieben. Bilanziell wurde diese Abschreibung gemäß § 226 Abs 3 UGB als Abgang dargestellt.

1.3 Finanzanlagen

Die Finanzanlagen sind zu Anschaffungskosten abzüglich außerplanmäßiger Abschreibungen unter Beachtung des gemilderten Niederstwertprinzips bewertet. Im Geschäftsjahr wurde eine außerplanmäßige Abschreibung an einem verbundenen Unternehmen in Höhe von T€ 24.300 sowie an einer Ausleihung in Höhe von T€ 16.453 vorgenommen.

2. Umlaufvermögen

2.1 Forderungen und sonstige Vermögensgegenstände

Die Forderungen wurden zum Nennwert bzw. Barwert bewertet. Bei der Bewertung von Forderungen wurden erkennbare Risiken durch individuelle Abwertungen berücksichtigt. Soweit erforderlich, wurde die späte Fälligkeit durch Abzinsung berücksichtigt.

Die Bewertung der Guthaben bei Kreditinstituten erfolgte mit dem Nennwert.

2.2. Rechnungsabgrenzungsposten

Die aktiven und passiven Rechnungsabgrenzungsposten wurden mit dem Nennwert bewertet.

3. Rückstellungen

3.1. Abfertigungsrückstellungen

Die Rückstellung für die Abfertigungen wurde nach der finanzmathematischen Methode mit einem Rechnungszinssatz von 4% auf Basis eines Pensionsantrittsalters von 63,0 Jahren für Männer und 60,0 Jahren für Frauen ermittelt.

3.2 Pensionsrückstellungen

Die Berechnung der Pensionsrückstellungen erfolgte nach den anerkannten Regeln der Versicherungsmathematik und unter Beachtung der Vorschriften gemäß der International Financial Reporting Standards.

3.3 Sonstige Rückstellungen

Die Steuer- und sonstigen Rückstellungen berücksichtigen unter Beachtung des Imparitäts- und Höchstwertprinzips alle erkennbaren Risiken und ungewissen Verbindlichkeiten in Höhe jenes Betrages, der nach vernünftiger kaufmännischer Beurteilung hierfür notwendig ist.

4. Verbindlichkeiten

Die Verbindlichkeiten sind mit dem Rückzahlungsbetrag unter Bedachtnahme auf den Grundsatz der Vorsicht bewertet.

5. Änderungen von Bilanzierungs- und Bewertungsmethoden

Im September 2010 wurde vom Austrian Financial Reporting and Auditing Committee (AFRAC) die Stellungnahme "Die unternehmensrechtliche Bilanzierung von Derivaten und Sicherungsinstrumenten" verabschiedet. Darin werden u.a. auch Anwendungsvoraussetzungen und -kriterien für die Absicherung von Vermögensgegenständen, Verbindlichkeiten und schwebenden Geschäften durch Derivate sowie für die Absicherung zukünftiger Zahlungsströme durch Derivate festgelegt. Die verpflichtende Anwendung wurde für Geschäftsjahre die am oder nach dem 1. Jänner 2011 beginnen festgelegt, wobei eine vorzeitige Anwendung zulässig ist.

Der Vorstand hat beschlossen, diese AFRAC Stellungnahme bereits auf den vorliegenden Jahresabschluss zum 31.12.2010 erstmals anzuwenden. Zu den Auswirkungen wird auf die Erläuterungen unter V.4. Derivative Finanzinstrumente, V.8.4 Sonstige Rückstellungen sowie V.12. Zinsen und ähnliche Aufwendungen verwiesen.

II. Allgemeine Erläuterungen zur Bilanz und Gewinn- und Verlustrechnung

Die Erstellung der Bilanz sowie der Gewinn- und Verlustrechnung wurde den gesetzlichen Vorschriften entsprechend vorgenommen.

III. Erläuterungen der Konzernverhältnisse

Die Gesellschaft erstellt einen Konzernabschluss nach IFRS, welcher beim Firmenbuch des Handelsgerichts Wien hinterlegt wird.

IV. Erläuterungen zur Gruppenbesteuerung

Die Gesellschaft ist Gruppenträger einer steuerlichen Unternehmensgruppe gemäß § 9 Abs. 1 KStG.

Zwischen Gruppenträger und Gruppenmitgliedern besteht ein Vertrag zur Regelung des Steuerausgleichs. Die Ermittlung des Steuerausgleichs erfolgt demnach nach der Belastungsmethode: weist ein inländisches Gruppenmitglied ein positives steuerliches Ergebnis aus, dann ist eine positive Steuerumlage in Höhe von 25% an den Gruppenträger zu entrichten. Im Falle eines negativen steuerlichen Ergebnisses erhält das inländische Gruppenmitglied keine sofortige Zahlung, vielmehr werden die negativen Ergebnisse als interner Verlustvortrag des jeweiligen Gruppenmitgliedes in Evidenz gehalten, welcher mit zukünftigen positiven Ergebnissen verrechnet werden kann.

V. Erläuterungen zur Bilanz

AKTIVA

1. Anlagevermögen

Die Entwicklung der einzelnen Posten des Anlagevermögens und die Aufgliederung der Jahresabschreibung nach einzelnen Posten sind aus dem Anlagenspiegel ersichtlich.

1.2 Finanzanlagen

Angabe gem.§ 238 Z2 UGB für Beteiligungen ab 20 %:

	Anteil in %	Stichtag	Währun g	Eigenkapital per 31.12.	Ergebnis des Geschäftsjahres
CEE PROPERTY-INVEST Immobilien GmbH	100	31.12.2010	T€	262.179	-9.271
German Property Invest Immobilien GmbH	100	31.12.2010	T€	39.023	-3.065
IMMIN Beteiligungen GmbH	100	31.12.2010	T€	11.611	181
A.D.I. Immobilien Beteiligungs GmbH	100	31.12.2010	T€	3.190	-1

Typisch stille Beteiligung an der PCC-Hotelerrichtungs- und Betriebsgesellschaft m.b.H. & Co KG:
Einlage € 3.633.641,71 zuzüglich Verschmelzungsmehrwert € 369.528,03.

Sämtliche Gesellschaften haben ihren Sitz in Wien.

Ausleihungen an verbundene Unternehmen

Diese betreffen Darlehen an zahlreiche Konzernunternehmen.

Beteiligungen

Hierunter werden die Kommanditbeteiligung an der BGM-IMMORENT Aktiengesellschaft & Co KG und die Beteiligung an der ERSTE Immobilien Kapitalanlagegesellschaft m.b.H. ausgewiesen.

2. Umlaufvermögen

2.1 Forderungen und sonstige Vermögensgegenstände

Die Fälligkeiten der Forderungen stellen sich folgendermaßen dar:

		Restlaufzeit		
		Summe	bis 1 Jahr	über 1 Jahr
		T€	T€	T€
Forderungen aus Lieferungen und Leistungen	2010	515	515	0
	VJ	241	241	0
Forderungen gegenüber verbundenen Unternehmen	2010	83.444	83.444	0
	VJ	156.198	156.198	0
Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	2010	1.832	1.832	0
	VJ	1.534	1.534	0
sonstige Forderungen	2010	3.898	3.665	233
	VJ	13.146	12.799	347

2.1.1 Forderungen aus Lieferungen und Leistungen

Die Forderungen aus Lieferungen und Leistungen beinhalten Mieten und Betriebskostenforderungen. Einzelwertberichtigungen in Höhe von T€ 358 (i.Vj. T€ 382) sind bereits abgezogen.

2.1.2 Forderungen gegenüber verbundenen Unternehmen

Die Forderungen gegenüber verbundenen Unternehmen betreffen im Wesentlichen Barvorlagen an zahlreiche Konzerngesellschaften.

2.1.3 Sonstige Forderungen

Die sonstigen Forderungen beinhalten im Wesentlichen mit T€ 1.993 (i.Vj. T€ 0) eine offene Kaufpreisforderung, mit T€ 347 (i.Vj. T€ 465) Forderungen aus Annuitätenzuschüssen, mit T€ 926 (i.Vj. T€ 1.248) die Betriebskostenverrechnung und mit T€ 0 (i.Vj. T€ 10.327) Termineinlagen.

3. Rechnungsabgrenzungsposten

Die Rechnungsabgrenzungsposten gliedern sich wie folgt:

	2010 T€	2009 T€
Garantieprovisionen	1.384	1.662
Zinsoptionsprämien	1.903	2.359
Sonstiges	90	30
Gesamt	3.377	4.051

4. Derivative Finanzinstrumente

Derivate werden grundsätzlich zur Reduzierung des Zinsänderungsrisikos eingesetzt. Zinsänderungsrisiken ergeben sich vor allem aufgrund bestehender variabel verzinslicher Finanzierungsverbindlichkeiten. Grundsätzlich wird versucht, die Sicherungsinstrumente auf die Laufzeit der abzusichernden Zahlungsströme aus den Finanzierungsverbindlichkeiten abzuschließen; für den Fall, dass Sicherungsinstrumente beispielsweise nicht für die gesamte Laufzeit der Finanzierungsverbindlichkeiten verfügbar sind kommen auch rollierende Sicherungsstrategien zum Einsatz.

Die Gesellschaft hatte zum Bilanzstichtag Swap-, Cap- und Collar-Verträge abgeschlossen:

	Volumen in T€	Marktwert in T€
Swaps	405.880	-39.492
Caps	200.000	1.071
Collars	200.000	-14.430
Summe	805.880	-52.851

Für Swaps und Collars mit zum Bilanzstichtag negativen Marktwerten wurde eine Rückstellung für drohende Verluste in Höhe von TEUR 47.677 dotiert. Die Dotierung erfolgte in Hinblick auf die im Jahr 2010 erstmals anwendbare AFRAC Stellungnahme zu „Die unternehmensrechtliche Bilanzierung von Derivaten und Sicherungsinstrumenten“ vom September 2010. Für Derivate mit negativen Marktwerten in Höhe von TEUR 6.245 wurde keine Rückstellung für drohende Verluste gebildet, da aufgrund bestehender Vereinbarungen mit verbundenen Unternehmen mit an Sicherheit grenzender Wahrscheinlichkeit und nachweislich von einem gegenläufigen, erfolgswirksamen Cash Flow aus mit den Derivaten unmittelbar kausal verknüpften Geschäften ausgegangen werden kann.

PASSIVA

5. Eigenkapital

Das Grundkapital wird unverändert mit T€ 247.509 ausgewiesen und zerfällt in 68.118.718 Stück auf Inhaber lautende Stückaktien. Die Aktien notieren an der Wiener Börse.

5.1 Kapitalrücklagen

Die Kapitalrücklagen setzen sich wie folgt zusammen:

	T€
<u>gebundene</u>	
Agio	73.578
	73.578
<u>nicht gebundene</u>	0
	73.578

Der Vorstand ist mit Zustimmung des Aufsichtsrates ermächtigt, bis 28. Mai 2013 Wandelschuldverschreibungen, mit denen ein Umtausch- oder Bezugsrecht auf bis zu 34.059.359 Stück auf Inhaber lautende Stammaktien der Gesellschaft mit einem anteiligen Betrag am Grundkapital von bis zu T€ 123.755 verbunden ist, auszugeben. Das Grundkapital ist gem. § 159 Abs. 2 Z 1 AktG um bis zu T€ 123.755 bedingt erhöht.

6. Unversteuerte Rücklagen

6.1 Sonstige unversteuerte Rücklagen

Die Rücklage gemäß § 12 EStG zeigt folgende Entwicklung:

	Stand am 1.1.2010 T€	Dotierung T€	Auflösung T€	Stand am 31.12.2010 T€
Sachanlagen	9.995	0	1.030	8.965

7. Genussscheinkapital

Die Genussscheinbedingungen für die obligationenähnlichen Genussscheine s IMMO INVEST wurden rückwirkend ab 1. Jänner 2007 geändert und der s IMMO INVEST-Genussscheinfonds aufgelöst (Beschluss der Versammlung der Genussscheininhaber vom 11. Juni 2007 und Beschluss der Hauptversammlung vom 12. Juni 2007).

Die Genussscheininhaber erhalten nach den geänderten Genussscheinbedingungen einen jährlichen Ergebnisanspruch (Zinsen), welcher sich wie folgt errechnet:

$$(\text{Genussscheinkapital} + \text{Ergebnisvortrag}) * \frac{\text{Konzern EBIT}}{\text{durchschnittliches Immobilienvermögen}}$$

Soweit der Ergebnisanspruch entsprechend den Genussscheinbedingungen nicht ausbezahlt wird, wird dieser dem Ergebnisvortrag des nächsten Jahres zugeschlagen.

Für den Zeitraum Jänner bis Dezember 2010 ergibt sich ein Ergebnisanspruch von T€ 9.452 (i.Vj. T€ -9.966)

8. Rückstellungen

8.1 Rückstellung für Abfertigungen

	1.1.2010 T€	Verbrauch T€	Auflösung T€	Dotierung T€	31.12.10 T€
Rückstellung für Abfertigungen	57	0	0	23	80

8.2 Rückstellung für Pensionen

	1.1.2010 T€	Verbrauch T€	Auflösung T€	Dotierung T€	31.12.10 T€
Rückstellung für Pensionen	678	0	0	115	793

8.3 Steuerrückstellungen

	1.1.2010 T€	Verbrauch T€	Auflösung T€	Dotierung T€	31.12.10 T€
Eintragungsgebühren	82	0	0	0	82
Körperschaftsteuer 2007	66	0	66	0	0
Körperschaftsteuer 2009	640	640	0	0	0
Körperschaftsteuer 2010	0	0	0	9	9
Gesamt	788	640	66	9	91

8.4 Sonstige Rückstellungen

Im Geschäftsjahr 2010 haben sich die sonstigen Rückstellungen wie folgt entwickelt:

	1.1. T€	Verbrauch T€	Auflösung T€	Dotierung T€	31.12.10 T€
Rechts-, Prüfungs-, Beratungs-, Schätz-, Veröffentlichungskosten	1.330	895	435	695	695
Entschädigungsleistungen	2.700	0	0	0	2.700
Genussscheinrestrukturierung	400	0	0	0	400
Personalkosten	98	0	0	109	207
Vermietungsgarantie	192	49	0	0	143
Drohverluste aus Derivaten	0	0	0	47.677	47.677
Gesamt	4.720	944	435	48.481	51.822

9. Verbindlichkeiten

Die Aufgliederung der Verbindlichkeiten gemäß § 225 Abs 6 und § 237 Z 1a und b UGB stellt sich folgendermaßen dar:

		Restlaufzeit			
		Summe	bis 1 Jahr	> 1 Jahr und < 5 Jahre	über 5 Jahre
		T€	T€	T€	T€
Verbindlichkeiten gegenüber Kreditinstituten	2010	200.052	70.001	71.697	58.354
	VJ	247.694	96.896	52.698	98.100
Verbindlichkeiten aus Lieferungen und Leistungen	2010	1.351	1.351	0	0
	VJ	2.310	2.310	0	0
Verbindlichkeiten gegenüber verbundenen Unternehmen	2010	59.548	59.548	0	0
	VJ	62.004	62.004	0	0
Sonstige Verbindlichkeiten	2010	57.710	8.110	21.343	28.257
	VJ	79.161	16.201	23.863	39.097
Baukosten- bzw. Finanzierungsbeiträge gem. § 69 WWFG 1989	2010	3.986	0	0	3.986
	VJ	11.381	7.374	0	4.007

9.1 Verbindlichkeiten gegenüber Kreditinstituten

Vom Gesamtbetrag der Verbindlichkeiten gegenüber Kreditinstituten sind € 111.052 (Vorjahr T€ 143.540) dinglich gesichert (Grundpfandrecht).

9.2 Verbindlichkeiten gegenüber verbundenen Unternehmen

Die Verbindlichkeiten gegenüber verbundenen Unternehmen betreffen Barvorlagen von mehreren Konzerngesellschaften.

9.3 Sonstige Verbindlichkeiten

Die sonstigen Verbindlichkeiten beinhalten im Wesentlichen mit T€ 1.986 Investitionszuschüsse aus öffentlichen Mitteln (Wohnbauförderung), welche bei Verletzung der Förderungsbestimmungen zurückzuzahlen sind, mit T€ 50.480 Barvorlagen, mit T€ 839 Kautionen sowie mit T€ 1.879 Verbindlichkeiten an das Finanzamt.

9.4 Baukosten- bzw. Finanzierungsbeiträge gem. § 69 WWFSG 1989

Die Baukosten- bzw. Finanzierungsbeiträge gemäß § 69 des Wiener Wohnbauförderungs- und Sanierungsgesetzes 1989 wurden von den Mietern des Objekts Kreuzgasse geleistet. Die Baukosten- bzw. Finanzierungsbeiträge unterliegen einer Wertanpassung und sind bei Beendigung des Mietverhältnisses an den jeweiligen Mieter zurückzuzahlen, wobei sich der Rückzahlungsbetrag für jedes Jahr der Laufzeit des Mietvertrages um 2% („Verwohung“) vermindert. Diese Verminderung stellt einen zusätzlichen Mieterlös dar.

10. Rechnungsabgrenzungsposten

Unter dieser Position werden im Wesentlichen die Erlöse aus dem Verkauf eines Mietrechtes (T€ 1.211), Zuschüsse des Magistrats (T€ 222) sowie Mietvorauszahlungen (T€ 16) ausgewiesen. Die Auflösung erfolgt entsprechend der Laufzeiten der Mietverträge.

VI. Erläuterungen zur Gewinn- und Verlustrechnung

1. Umsatzerlöse

Die Umsatzerlöse setzen sich wie folgt zusammen:

	2010 T€	2009 T€
Erlöse aus Vermietung	19.072	23.645
Betriebskostenverrechnung	4.905	6.448
Sonstige Mieten	36	69
Gesamt	24.013	30.162

2. Sonstige betriebliche Erträge

	2010 T€	2009 T€
Erträge aus dem Abgang von Anlagevermögen	25.658	980
Erträge aus der Auflösung von Rückstellungen	435	1.028
Anteilige Auflösung der Wohnbauförderung	199	489
Erlöse aus der Verwaltungstätigkeit und Beratung für ausländische Töchter	77	280
Zuschreibung zu Immobilien	0	15.575
Erlöse aus Abschlagszahlungen	0	4.633
Kursgewinne	0	2.515
Provisionserträge	0	247
Andere	542	1.091
Gesamt	26.911	28.838

3. Aufwendungen für sonstige bezogene Herstellungsleistungen

	2010 T€	2009 T€
Betriebskosten und laufende öffentliche Abgaben gemäß § 21 Abs 1 und 2 MRG	5.536	6.742
Instandhaltungsaufwendungen	2.680	3.732
Gesamt	8.216	10.474

4. Personalaufwand

Aufwendungen für Abfertigungen gem. § 231 Abs 2 Z 6 lit c UGB sind in Höhe von T€ 23 enthalten.

Die Gesellschaft beschäftigte im Jahresdurchschnitt 30 Angestellte (einschließlich 3 Vorstandsmitglieder) und keine Arbeiter. (Im Vorjahr 26 Angestellte einschließlich 3 Vorstandsmitglieder und keine Arbeiter.)

Die Bezüge der Vorstandsmitglieder betragen insgesamt T€ 775 (i.Vj.: T€ 985). Davon entfallen auf Aufwendungen für Altersversorgung T€ 136 (i.Vj.: T€ 163) und auf Beiträge zur Mitarbeitervorsorgekasse T€ 9 (i.Vj.: T€ 12).

5. Abschreibungen

Hierunter werden planmäßige Abschreibungen auf immaterielle Vermögensgegenstände und Sachanlagen (abzüglich der aliquoten Auflösung des Investitionszuschusses) von T€ 6.970 (i.Vj. T€ 8.583) und außerplanmäßige Abschreibungen auf das Umlaufvermögen (Darlehensforderungen) von T€ 643 (i.V.j. T€ 0) ausgewiesen

6. Sonstige betriebliche Aufwendungen

a) Steuern, soweit sie nicht unter Z 18 fallen

Die Steuern betreffen im Wesentlichen nicht abzugsfähige Vorsteuern sowie Kredit- und Pfandrechtsgebühren.

b) Übrige

	2010 T€	2009 T€
Verwaltungskosten	6.011	6.865
Verkaufs- und Vertriebskosten	2.212	1.050
Garantieprovisionen	231	231
Vergütungen an Aufsichtsratsmitglieder	110	112
Aufwendungen für Forderungsausfälle und Dotierung von Wertberichtigungen zu Forderungen	80	320
Wertanpassungsaufwand für erhaltene Baukosten- und Finanzierungsbeiträge gemäß § 69 Wr. WWFSG 1989	75	64
Schadensfälle	0	3.030
Sonstiges	125	278
Gesamt	8.844	11.950

Bezüglich der Angabe gemäß § 237 Z 14 UGB verweisen wir auf den Konzernabschluss zum 31.12.2010, welcher beim Firmenbuch des Handelsgerichts Wien hinterlegt ist.

8. Erträge aus Beteiligungen

Hierunter werden die phasengleiche Ausschüttung aus der CEE Property Invest GmbH (T€ 4.000), der Beteiligungsertrag aus der typisch stillen Beteiligung an der PCC-Hotelerrichtungs- und Betriebsgesellschaft m.b.H. & Co KG (T€ 88) und jener der im Anlagevermögen gehaltenen Kommanditbeteiligung an der BGM – IMMORIENT Aktiengesellschaft & Co KG (T€ 592) ausgewiesen.

9. Erträge aus Ausleihungen des Finanzanlagevermögens

Hierunter gelangen die Zinserträge von Ausleihungen an verbundene Unternehmen zum Ausweis.

10. Sonstige Zinsen und ähnliche Erträge

Die sonstigen Zinsen und ähnlichen Erträge resultieren mit T€ 291 (i.Vj. T€ 809) aus Bankzinsen und mit T€ 7.548 (i.Vj. T€ 7.223) aus Barvorlagen und mit T€ 253 (i.Vj. T€ 69) aus sonstigen Zinsen.

11. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens

Hierunter gelangen die außerplanmäßigen Abschreibungen auf den 100%igen Anteil an der WO Immobilienbeteiligungs GmbH (T€ 24.300) sowie auf Ausleihungen an die CEE Property Bulgaria EOOD (T€ 16.453) zum Ausweis.

12. Zinsen und ähnliche Aufwendungen

Der Zinsenaufwand resultiert mit T€ 21.229 (i.Vj. T€ 20.619) aus Bankzinsen, mit T€ 1.654 (i.Vj. T€ 1.588) aus Barvorlagen, mit T€ 1.845 (i.Vj. T€ 2.712) aus sonstigen Zinsen und mit T€ 47.677 (i.Vj. T€ 0) aus einer Dotierung für Drohverluste aus Derivaten.

13. Ergebnisanspruch der Genussscheininhaber

Als Ergebnisanspruch der Genussscheininhaber werden für das Jahr 2010 T€ 9.452 (i.Vj. ein Ertrag von T€ 9.966) ausgewiesen.

14. Zuweisung anteilige stille Reserven im Immobilienvermögen für die Genussscheine

Gemäß § 6 Abs 4 der Genussscheinbedingungen haben die Genussscheininhaber bei Laufzeitende, bei Kündigung und im Falle der Auflösung Anspruch auf einen Anteil an den in der Konzernbilanz (nach IFRS) nicht bilanzierten stillen Reserven. Zum 31. Dezember 2010 errechnete sich dieser Anteil mit T€ 1.254 (i.Vj. T€ 484). Die Veränderung zum Vorjahr von T€ 770 wird als Aufwand ausgewiesen.

15. Steuern vom Einkommen

Dieser Posten beinhaltet mit T€ 18 den Körperschaftsteuer-Aufwand (Mindestkörperschaftsteuer) der Unternehmensgruppe nach § 9 KStG für das Jahr 2010. Weiters gelangen Erträge aus Steuerumlagen von zur Unternehmensgruppe gehörenden Gruppenmitgliedern in Höhe von T€ 396

sowie der Ertrag aus der Auflösung der Körperschaftsrückstellung aufgrund der Veranlagung 2007 mit T€ 66 zum Ausweis.

Unterlassene Zuschreibungen gem. § 208 Abs. 2 UGB

Im Berichtsjahr wurden Zuschreibungen an Anteile an verbundenen Unternehmen in Höhe von T€ 27.956 unterlassen.

Haftungsverhältnisse

Unter dieser Position gelangen Verpflichtungen aus abgegebenen Bürgschaften und Garantien (T€ 294.066) sowie Patronatserklärungen (T€ 219.548) für Konzerngesellschaften zum Ausweis.

Sonstige finanzielle Verpflichtungen

Die Gesellschaft hat zu Gunsten einiger Konzerngesellschaften Patronatserklärungen abgegeben, mit denen sie sich verpflichtet hat, diese Gesellschaften stets so mit finanziellen Mitteln auszustatten, dass diese jederzeit in der Lage sind, alle Zahlungsverpflichtungen zeitgerecht erfüllen zu können.

VII. Sonstige Angaben

Die Organe der Gesellschaft setzten sich wie folgt zusammen:

Aufsichtsrat :

Dr. Martin SIMHANDL, Wien (Vorsitzender)

Dipl.Ing. Dr. Gerald ANTONITSCH, Wien (1. Vorsitzender-Stellvertreter ab 21.5.2010, vorher Mitglied)

Richard WILKINSON, Wien (1. Vorsitzender-Stellvertreter) bis 21.5.2010

Mag. Franz KERBER, Wien (2. Vorsitzender-Stellvertreter)

Christian HAGER, Krems

Mag. Erwin HAMMERBACHER, Wien

Michael MATLIN, MBA, New York (ab 21.5.2010)

Mag. Peter NEMSCHAK , Wien (bis 21.5.2010)

Mag. Dr. Wilhelm RASINGER, Wien (ab 21.5.2010)

Dr. Reinhold SCHÜRER-WALDHEIM, Wien (bis 21.5.2010)

Dr. Ralf ZEITLBERGER, Wien (ab 21.5.2010)

Vorstand:

MMag. Holger SCHMIDTMAYR

Mag. Ernst VEJDOVSZKY

Mag. Friedrich WACHERNIG

Die Mitglieder des Vorstandes und des Aufsichtsrates erhielten weder Kredite noch Vorschüsse, es bestehen auch keine zugunsten dieser Personen eingegangenen Haftungsverhältnisse.

Wien, am 18. März 2011

MMag. Holger SCHMIDTMAYR

Mag. Ernst VEJDOVSZKY

Mag. Friedrich WACHERNIG

4. Bestätigungsvermerk

Tz 15 Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der Sparkassen Immobilien Aktiengesellschaft, Wien, für das Geschäftsjahr vom 1. Jänner 2010 bis zum 31. Dezember 2010 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2010, die Gewinn- und Verlustrechnung für das am 31. Dezember 2010 endende Geschäftsjahr sowie den Anhang.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und für die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung und den Inhalt eines Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Sparkassen Immobilien Aktiengesellschaft zum 31. Dezember 2010 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Jänner 2010 bis zum 31. Dezember 2010 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

Aussagen zum Lagebericht

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, am 18. März 2011

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Walter Müller
Wirtschaftsprüfer

ppa. Mag. DDr. Wolfgang Arndorfer
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.