

ANNUAL FINANCIAL REPORT
2011

We bring properties to life.



Content

DECLARATION PURSUANT TO SECTION 82(4)(3) AUSTRIAN STOCK EXCHANGE ACT (BÖRSEG)	3
MANAGEMENT REPORT	4
Economic overview	4
Real estate market overview	5
Group structure and strategy	10
Business performance and results	13
Staff and responsibility	17
Risk and opportunity management	19
Outlook	23
Disclosure pursuant to section 243a Uniform Commercial Code (UGB)	25
CONSOLIDATED FINANCIAL STATEMENTS	27
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	35
AUDITORS' REPORT	71
REPORT OF THE SUPERVISORY BOARD	73
CORPORATE GOVERNANCE REPORT	75
EINZELABSCHLUSS S IMMO AG	79

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

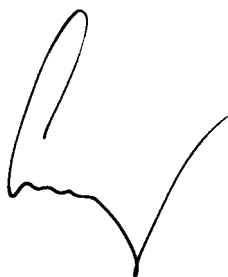
„STATEMENT OF ALL LEGAL REPRESENTATIVES

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, 29 March 2012

The Management Board



Holger Schmidmayr MRICS m.p.



Ernst Vejdovsky m.p.



Friedrich Wachernig MBA m.p.

Management Report

Economic overview

After a strong start to the year characterised by an ongoing recovery from the economic and financial crisis of 2008/2009, the economic upswing in Europe and the US decelerated over the course of 2011. While the Arab Spring caused oil prices to skyrocket at the beginning of 2011, a significant portion of Japan's economy was brought to a temporary standstill following the earthquake in March 2011. In Europe, the extreme indebtedness of some Eurozone countries – first and foremost Greece – led to severe uncertainty and a destabilisation of the European Union. The faith in the euro was subjected to an extreme stress test. International rating agencies downgraded the credit ratings of numerous Eurozone countries, and the capital markets experienced a slide that was reminiscent of the previous financial crisis. The Eurozone countries adopted a permanent safety net in the amount of EUR 500bn in order to stabilise the debt situation of individual member countries. In addition, the European Central Bank lowered the key interest rate several times, bringing it to a historic low of 1% in mid-January 2012.

Germany was the economic powerhouse in Europe in the crisis year of 2011, with economic growth of roughly 3%. Austria also showed a strong performance, delivering a growth rate of around 3%. The real estate sector was moderately affected by the weaker investment activity in industry. Although there was higher demand for residential property, especially among private investors, the commercial real estate sector experienced a slight decline. The average government debt of the EU member states (EU 27) rose to 82.2% of GDP at the end of the third quarter. Greece, Italy and Portugal had the highest levels of debt. Germany was right in line with the EU average, while Austria was slightly below it. The unemployment rate for the EU as a whole came to 10% at the end of the year. Austria had the lowest unemployment rate in the EU, at roughly 4%.

In Central and Southeastern Europe, the crisis year of 2011 primarily left its mark on the labour market, investment activity and the debt situation. However, the year was generally characterised by growth in Central and Southeastern Europe, albeit not at the usual level. Bulgaria, for example, saw a persistent boom in exports, but domestic demand was weak. The large share of the country's financial sector held by Greek banks could pose a problem for Bulgaria in 2012. Romania's economy is coming out of a long phase of stagnation. In 2011, it saw a slight recovery – driven by exports, agriculture and industrial production. The elections in 2012 could serve as an additional driver of growth. The political situation in Hungary led to considerable uncertainty among foreign investors. In the past, growth was largely driven by foreign demand, but investment activity and consumption are currently suffering due to the legal and economic uncertainties. There were positive economic developments in Slovakia, which once again proved to be an economically stable country in 2011. However, the country's dependence on the European economy could have a negative influence on developments there in the coming year. The Czech Republic also delivered a positive economic performance last year. The moderate growth was driven by automobile production and machine building. However, in light of the Czech Republic's rejection of the fiscal package that was adopted by the EU, it remains uncertain how the country will develop in 2012. Croatia is expected to see a recovery of growth provided that the situation in the tourism industry improves. In addition, Croatia is set to join the EU as the 28th member on 01 July 2013.

In summary, it is safe to say that the decrease of growth will continue in Central and Southeastern Europe in 2012. The EBRD forecasts a decline to 1.4% for the CEE region and 1% for the SEE region. Generally speaking, however, the effects of the euro crisis on the countries of Central and Southeastern Europe will be less drastic than in the crisis years of 2008/2009.

Sources: Austrian Institute of Economic Research, Budapest Research Forum, CBRE, Colliers, Cushman & Wakefield, Das Wirtschaftsblatt, Die Presse, DTZ Research, ECB, EHL, EuroStat, Forton, HotStats.com by TRI Hospitality Consulting 2011, Kohl & Partner, Report Plus, STR Smith Travel Research, Trend, Vienna Tourist Board, WKO (Austrian Economic Chambers)

For the European economy, 2012 will likely be a year of consolidation. The Eurozone economic performance is expected to shrink by 0.3%, and it will not start to expand again until 2013, when forecasts call for a moderate growth rate of roughly 1%. The Austrian economy is also likely to slowly get back into gear. In 2012, growth is expected to total 1.6%, and a more robust

increase is not anticipated until sometime after that. In addition, experts are forecasting an increase in unemployment to 10.1% for the Eurozone in 2012. The inflation rate for the region is expected to come in at 1.7% and the debt ratio at 90.4%.

Real estate market overview

AUSTRIA

The investment volume in Austria amounted to EUR 1.7bn in 2011 – an increase of 7% year-on-year. In terms of real estate transactions, office buildings made up 27%, hotels accounted for a further 24%, 18% went to retail properties and residential buildings made up 13%.

Office Market

2011 was a difficult year for the Viennese office market. Rental demand decreased during the fourth quarter and the major part of take-up was driven by cost-cutting and consolidation efforts. On an annual basis, take-up in Vienna fell by 5%, amounting to 260,000 m². The number of new office space rose by 14% in 2011 (including general refurbishments). The vacancy rate increased to 6.1%. 2012 is expected to be markedly influenced by the austerity programme implemented by the government in March 2012.

Retail Market

In the fourth quarter of 2011, demand for retail space continued to exceed supply. Nevertheless, retailers are still cautious in terms of expansions or new openings and therefore carefully appraise markets and offers. Interest is focused on large units in prime locations – a trend that is expected to continue in 2012.

Residential Market

91,000 residential properties were sold in Austria in 2011. Prices for freehold flats in prime locations reached a record level as they increased by 9%. The minimum price in Vienna already amounted to EUR 3,000/m². This development is mainly attributable to the constant strong demand. Especially high-end

projects are sought after by customers who are not yield-sensitive. New-built flats in Vienna's city centre, for example, cost EUR 6,200/m² on average. Rents for prime sites rose by an average of 5–7% during the previous year. Residential market prospects for 2012 are bright since prices are expected to increase further. Regarding the market for rentable apartment buildings (Viennese "Zinshäuser"), demand from private investors and trusts also remained strong.

In February 2012, the Austrian government introduced changes in real estate taxation within the frame of the austerity package. The most fundamental adjustment is the introduction of a 25% capital gains tax on realised sales profits.

Hotel Market

Vienna's tourism industry had a record year in 2011: The 5% increase in overnight stays compared to 2010 resulted not only in the highest number of overnight stays ever for the Austrian hotel industry, but also in a record turnover, with a gain of roughly 9%. This is especially encouraging in light of the fact that the number of hotels grew by 9% in the previous year. Current benchmark figures also confirm this trend in the chain hotel segment, which saw a 5.6% rise in the average room rate and thus real turnover growth. Occupancy remained nearly unchanged (-0.2% compared to 2010), which led to an overall increase of 5.4% in RevPAR, average revenue per available room.

Viennese hoteliers feel optimistic about 2012, especially because several major events have once again been booked for this year. However, it remains to be seen how the economy will develop in Europe as a whole and how these conditions will affect the hotel industry.

GERMANY

The 2011 transaction volume for commercial properties in Germany recorded an increase of 18% year-on-year, amounting to EUR 22.62bn. With the best result after the boom years of 2006/2007, the German commercial real estate market underpinned its position as one of the most stable investment markets worldwide. In terms of use types, retail properties made up 47% of the transaction volume. Office properties accounted for 36%, followed by 17% invested in other types such as hotels or logistic assets.

Office Market

In the six most important office markets in Germany (Berlin, Munich, Hamburg, Stuttgart, Düsseldorf and Frankfurt), take-up amounted to nearly 3,100,000 m² in 2011 – an increase of 16% year-on-year. Berlin and Hamburg saw an increase in take-up of 12% and 7%, respectively. Prime rents rose in many of the city centres in 2011, with Stuttgart, Munich and Berlin recording the most significant gains. As a result of strong leasing activities, limited new completions and high pre-leasing rates, the vacancy rate in all cities continued to fall in the fourth quarter and amounted to 8.9% for the six most important locations. Office investment volumes in 2011 were only a little behind those of 2010. Investor demand should remain high in 2012.

More than 500,000 m² of new office space are expected to come onto the market in 2012. Robust demand and reduced supply of premium space in Central Business Districts should lead to an increase in prime rents. The 2012 take-up of space is expected to be lower than in 2011 due to the current economic situation.

Retail Market

Supported by increasing employment, consumer sentiment in Germany was rather strong in 2011. Rents for some top high street locations further increased in the fourth quarter due to their limited availability. Prime shopping centre rents went up by an average of 5% year-on-year. Retail investment volume amounted to EUR 10.9bn in 2011.

Residential Market

The European sovereign debt crisis caused a flight to tangible assets, which was especially noticeable on the German residential market. Berlin once more underlined its position as Europe's most important local transaction market for residential properties. In the capital, 37% of all residential units and 37% of Germany's total investment volume in 2011 were traded. The city has recorded a considerable increase in rents during the past few years. The German residential market is expected to be as strong in 2012 as it was in the previous year.

CEE

Transaction volumes in Hungary, Slovakia and the Czech Republic all recorded substantial increases in 2011. The latter even rose from EUR 479m to EUR 2.2bn year-on-year. The strong performance in all three markets reflects international investors' improved attitude towards these countries.

Office Market

After two years of rather weak demand, the Czech office market recovered in 2011 – with the vacancy rate in Prague falling to 12.0%. Furthermore, the highest annual gross take-up ever was recorded in the market, amounting to 325,600 m². Volumes for office investments were two times higher than in 2010. Especially prime assets are sought after, which should help prime yields to remain stable in 2012. Supply continues to be very limited, with approximately 110,000 m² coming onto the market in 2012. The office market is likely to remain stable due to the limited pipeline. As in 2011, the focus will lie on lease renewals and renegotiations.

In 2011, the Budapest office stock increased by 87,425 m², – which is 49% less than in 2010. At 397,333 m², annual leasing activity reached a record level, coming in 28% higher than in the previous year. More than half of the agreements were expansions and renewals. Vacancy stood at 19.2% at the end of December. The very limited pipeline should help to further decrease this rate.

In the fourth quarter of 2011, the office market in Slovakia was held back by the reduced economic growth and political uncertainties. The lack of new supply kept prime rents in the

Central Business District of Bratislava stable. Demand decreased significantly compared to 2010 and a shift towards renegotiations was noticeable. As a result of the current difficult financing situation, there will only be a few new projects coming onto the market in 2012.

Retail Market

In 2011, the Czech retail market recorded the lowest level of new supply since the late 1990s. The Prague high street market remained stable, although consumer spending decreased. Rents and turnover stayed steady on the Hungarian retail market during 2011. Two new shopping centres were opened successfully. Slower economic growth and dampened consumer spending are expected to affect the retail market in 2012.

In 2011, take-up on the Slovakian retail market was mostly driven by renegotiations and relocations. Two projects were opened in 2011. Given the number of new developments during the last two years and the various upcoming projects, pressure on shopping centres in less attractive locations will increase and cause their rents to decline further.

Hotel Market

The Budapest hotel market developed very well in the first half of the year due to the Hungarian EU presidency and the strong conference segment. This positive trend also continued in the second half of the year. The chain hotel segment saw an increase of roughly 5% in occupancy and an improvement of around 10% year-on-year in RevPAR from January to November 2011. The Prague hotel market also achieved growth once again in 2011, and RevPAR improved by 5.2%. While the figures are still below the record levels achieved in 2008, Prague appears to be overcoming the low following the difficult years of 2009 and 2010 and to have entered into a recovery phase. The development of the Budapest and Prague hotel markets is very dependent on economic conditions in Europe. As a result, it is difficult to make any predictions for 2012, especially for Budapest. The hotel market in Bratislava continues to be marked by oversupply, which results in low capacity and continued strong pressure on room prices.

SEE

In 2011, both Romania and Bulgaria saw an increase in investment activity. The latter had a good 2011 due to greater macroeconomic stability. The tightening of the financing conditions is expected to significantly limit investment market activities in the first half of 2012, especially in Romania.

Office Market

In the fourth quarter of the previous year, 71,000 m² of new office space were added to Sofia's office market. Despite being the best performing quarter in terms of take-up, vacancy increased further to 30.7% as new supply is still higher than demand. The development pipeline slowed down markedly. Nevertheless, approximately 120,000 m² are expected to be completed in 2012. Demand is likely to remain stable, primarily driven by lease renewals.

In 2011, the Romanian office market saw a drop in good available space. Gross take-up was 19% higher than in 2010. Nevertheless, absorption remains low as lease renewals account for most of the activity. The vacancy rate for Bucharest decreased to 14.2%. In 2012, there will be limited new supply and take-up is expected to stay at the same level as in 2011.

In 2011, the Zagreb office market had to deal with five new buildings. Demand was mainly driven by lease renewals and cost reduction efforts, which resulted in a net absorption close to zero. New deliveries consequently led to an increase in vacancy to almost 11.0%. Average office rents decreased by 5.5–7.0% during 2011. In 2012, eight new buildings – bringing additional 100,000 m² on Zagreb's office market – will put rents under further downward pressure.

Retail Market

In 2011, there were no shopping centre openings in Sofia. The average vacancy rate in shopping centres was 6.0% in the second half of 2011 and is expected to stay at this level until the opening of new schemes in 2012. In 2012/2013, three new shopping centres (Sofia Ring Mall, Paradise Centre and Bulgaria Mall) will be delivered to Sofia's retail market, offering approximately 180,000 m² of GLA. Rental levels are expected to fall. Consumer spending is also unlikely to improve, causing retailers to expect a challenging year.

The 2011 supply level of the retail market in Romania was similar to the one in the thriving years of 2007 and 2009. Due to the low number of new projects, gross letting area delivered in 2012 will only be half the size of 2011. Demand is expected to grow in 2012 due to improved economic conditions, attractive pricing and looser monetary policies. Rents and vacancies are expected to remain stable, with small rent increases in the top performing malls.

Hotel Market

The development of occupancy and room rates in Bucharest in 2011 compared to the two prior years suggests that this market has bottomed out. Nevertheless, it is far below the figures achieved prior to 2009. As in CEE, the overall economic conditions in Europe will be decisive for the development of the hotel market in Bucharest in the coming year.

CEE/SEE

	Prime rents (EUR/m ² /month)	Prime yields (%)	Gross take-up 2011 (m ²)	Vacancy rate (%)
Office Q4				
Bratislava	17.00 ^{1,2}	7.25 ^{1,2}	99,200 ⁸	11.2 ⁸
Bucharest	18.50 ² –19.50 ¹	8.25 ¹ –9.00 ²	262,000 ⁹	14.1 ⁹
Budapest	20.00 ^{1,2}	7.25 ^{1,2}	397,333 ⁶	19.2 ⁶
Prague	21.00 ^{1,2}	6.25 ² –6.50 ¹	325,600 ³	12.0 ³
Sofia	12.00 ² –13.00 ¹	9.35 ¹ –9.50 ²	120,000 ⁷	30.7 ²
Zagreb	15.75 ¹	8.30 ¹	31,000 ¹¹	11.0 ¹
Retail Q4				
Bratislava*	85.00 ¹	7.00 ¹ –7.25 ²		
Bucharest*	50.00 ¹	8.75 ¹		
Budapest*	100.00 ¹	6.50 ² –7.00 ¹		
Prague*	85.00 ¹	5.75 ² –6.25 ¹		
Sofia*	25.00 ¹ –27.00 ¹⁰	9.00 ^{1,2}		
Zagreb*	23.50 ¹	8.25 ¹		

* Data for shopping centres

¹ CBRE, Market View EMEA Rents and Yields Q4 2011

² Cushman & Wakefield, Marketbeat Snapshots Q4 2011

³ CBRE, Market View Snapshot Czech Republic 2011

⁴ CBRE, Market View Vienna Office Market

⁵ Colliers International, Office and Investment Market Report Germany Q4 2011

⁶ Budapest Research Forum, press release on the Budapest office market Q4 2011

⁷ Colliers International, Eastern Europe Market Snapshot 2012

⁸ CBRE, Market View Bratislava Offices Q4 2011

⁹ CBRE, Market View Bucharest Offices Q4 2011

¹⁰ Forton, Bulgarian Retail Market Q4 2011

¹¹ CBRE, Market View Zagreb Office Market 2011

Austria/Germany

	Prime rents (EUR/m ² /month)	Prime yields (%)	Gross take-up 2011 (m ²)	Vacancy rate (%)
Office Q4				
Vienna	23.50 ² –23.75 ¹	5.20 ¹ –5.35 ²	260,000 ⁴	6.14 ⁴
Berlin	21.50 ² –22.00 ¹	5.00 ² –5.10 ¹	607,300 ⁵	7.95 ⁵
Hamburg	23.00 ¹ –23.50 ²	4.90 ¹ –4.95 ²	540,000 ⁵	8.05 ⁵
Retail Q4				
Vienna*	229.00 ¹ –275.00 ²	4.25 ² –4.40 ¹		
Berlin*	260.00 ¹ –280.00 ²	4.70 ² –4.75 ¹		
Hamburg*	250.00 ¹ –290.00 ²	4.40 ^{1,2}		

* Data for high street retail

¹ CBRE, Market View EMEA Rents and Yields Q4 2011

² Cushman & Wakefield, Marketbeat Snapshots Q4 2011

³ CBRE, Market View Snapshot Czech Republic 2011

⁴ CBRE, Market View Vienna Office Market

⁵ Colliers International, Office and Investment Market Report Germany Q4 2011

Macroeconomic Information for S IMMO Investment Countries (forecast)

in %	GDP growth (real, y/y)		Budget deficit (% GDP)		Debt/GDP	
	2011f	2012f	2011f	2012f	2011f	2012f
Austria	2.9 – 3.3	0.9 – 1.3	-3.4 – -3.1	-2.9	72.5	74.0
Bulgaria	2.0 – 3.0	2.2 – 3.5	-2.5 – -0.8	-1.7 – -0.3	17.5 – 20	19.7
Croatia	0.3	-1.0	-5.5	-4.5	62.9	66.0
Czech Republic	1.6 – 2.0	0.0 – 1.0	-4.1 – -3.7	-4.0 – -3.5	42.7	44.8
Germany	3	0.6	-1.7 – -1.1	-1.1	82.6	81.9
Hungary	1.6	-0.5	3.8	-3.4 – -2.8	75.9 – 80.2	77.0
Romania	1.7 – 2.3	1.2 – 1.4	-4.8	-3.4	33.2	34.7
Slovakia	3.0	1.0	-5.8 – -5.0	-4.8	44.1	47.6
EU	1.6	0.5 – 1.4	-4.5	-3.9 – -3.5	82.3	83.4
Eurozone	1.5 – 1.6	0.5 – 0.6	-4.1	-3.4	88.0	90.4

Sources: Cushman & Wakefield, Erste Group, IMF, WKO

in %	Unemployment (average)		CPI (y/y, average)		Current account balance (% GDP)	
	2011f	2012f	2011f	2012f	2011f	2012f
Austria	4.1	4.3	3.3	2.2 – 2.4	2.5	0.0 – 2.8
Bulgaria	8.0 – 12.2	6.7 – 12.1	3.6 – 5.3	2.4 – 3.3	-1.5 – 1.6	-2.0 – 1.4
Croatia	14.5	14.5	3.2	2.5	-0.5	-0.7
Czech Republic	6.8 – 8.5	7.0 – 8.7	1.9	2.4 – 2.9	-3.6 – -1.9	-4.0 – -1.5
Germany	6.1 – 7.1	5.9 – 6.9	2.3	1.8	5.0	4.4 – 4.9
Hungary	10.9	11.2	3.9	4.6 – 5.2	1.4 – 2.0	2.9 – 4.0
Romania	5.1 – 8.2	4.9 – 7.8	5.8	3.1	-3.9	-5.0 – -4.1
Slovakia	13.3	14.1	3.9	1.7 – 3.0	-0.8	-1.5
EU	9.7	9.8	3.0	1.8	-0.2	0.0
Eurozone	10.0	9.8	2.6	1.7	-0.6	-0.5

Sources: Cushman & Wakefield, Erste Group, IMF, WKO

Group structure and strategy

BUSINESS ACTIVITIES AND CORPORATE STRUCTURE

S IMMO Group is an international real estate group headquartered in Vienna, Austria. The parent company, S IMMO AG, is Austria's first property investment company and has been listed on the Vienna Stock Exchange since 1987. Its long-term strategic core shareholders are Erste Group and Vienna Insurance Group, two of the largest financial services providers in Central and Southeastern Europe.

In addition to its headquarters in Vienna, S IMMO Group also has offices in Berlin and Budapest, and during the year under review employed a total of 56 people in these three countries. In Germany, S IMMO Group also owns a property management company, Maior Domus. There are also numerous project and property holding companies in Central and Eastern Europe that are directly or indirectly part of the Group (pages 36–38 in the notes).

S IMMO Group

S IMMO AG (Vienna)			
S IMMO Germany GmbH (Berlin)	S IMMO Hungary Kft. (Budapest)	Maior Domus Hausverwaltungs GmbH (Berlin)	Various project and property holding companies

The Company focuses on long-term income-producing property investments (property acquisition, property letting, asset management and property sales) and property project developments in Austria, Germany and six countries in Central and Southeastern Europe.

S IMMO Group's network of subsidiaries is managed centrally. All major management functions as well as the asset management for the Austrian, Romanian, Bulgarian and Croatian properties are provided by the parent company in Vienna. The subsidiaries in Germany and Hungary are responsible for the local asset management and letting activities.

Portfolio structure

A major pillar of S IMMO AG's business success is its balanced property portfolio, which is diversified by region and property use type. The Group owns a total of 236 properties, with total usable space of some 1.4m m² and a carrying value of EUR 1,969.5m. As at 31 December 2011, the portfolio was comprised of office (37.8%), retail (24.1%) and residential properties (24.6%) as well as hotels (13.5%). S IMMO Group owns buildings 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 32.3% and Germany with 28.4%. Properties in SEE

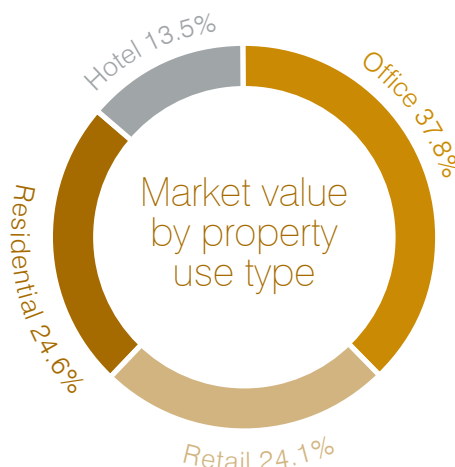
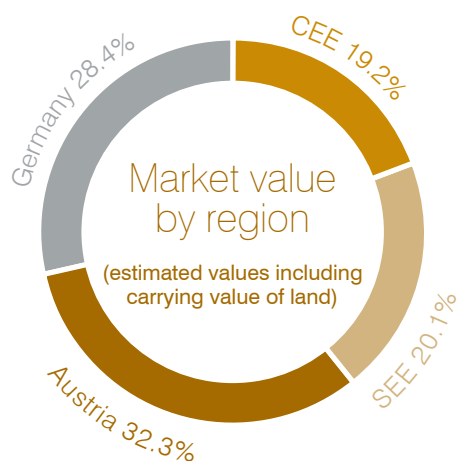
make up 20.1% and 19.2% come from CEE. Within these markets, our focus is principally on investments in Vienna, Berlin and Hamburg as well as other European Union capital cities.

The overall occupancy rate is a highly satisfactory 92.5% and the overall rental yield stands at 6.7%.

Overview of rental yields

in %	31 December 2011
Germany	6.2
Austria	5.6
SEE	8.5
CEE	7.6
Total	6.7

The Company currently has over 6,800 differently-sized tenants. More than 95% of all rental agreements are tied to the euro, and commercial rentals are also linked to the EuroStat consumer price index. The average length of the rental agreements of our top 25 tenants is around 9.4 years.



Selection of new tenants 2011



DIESEL



ORACLE®

STRATEGY AND TARGETS

In 2010 and 2011, S IMMO successfully developed and opened properties worth more than EUR 500m. After project completions and the portfolio expansion phase, the focus over the coming quarters will be on holding high-quality standing properties over the long term and increasing earnings performance. We will take advantage of the currently challenging market environment and create sustainable added value for our shareholders.

In order to achieve our goals, we will continue to rely on our proven diversification strategy, optimising opportunities and risks by investing in both the established markets of Austria and Germany and growth markets such as Romania and Bulgaria. We intend to maintain the portfolio's diversification by country while focusing on European Union capitals. This will give us the balanced portfolio that will allow us to use the advantages of the various regions and property cycles for the benefit of our investors. The German residential property market, for example, is currently enjoying an upswing, which is reflected in gains on property disposals above their estimated values. In Berlin, we disposed of rental apartment buildings at a price of over EUR 2,000/m² for the first time. Over the coming years, we are planning to dispose of approximately 5% of our portfolio each year at a profit.

We monitor our investments very carefully, using established criteria and processes. Given the present market climate, we will not begin construction on new development projects over the short term. Over the medium term, we shall be focusing on the Quartier Belvedere development, one of Europe's largest inner-city construction projects centred at Vienna's future Central Station. Together with partners, we will realise the prominent sub-project Quartier Belvedere Central with a gross floor space of approximately 136,000 m² and a mix of use types including office, hotel and retail properties. The development of the various parts of the project will take place in stages.

In the interest of sustainability and recognising our social responsibilities, we pay close attention to the need for the highest standards in materials and construction techniques in both standing properties and development projects. The outstanding quality of our properties has been recognised with top awards: For example, Serdika Center in Bulgaria was awarded the DGNB Gold Certificate by the Bulgarian Green Building Council. The use of energy-saving and sustainable building materials, state-of-the-art construction methods and modern thermal and acoustic insulation materials lowers operating costs. This benefits both tenants and investors.

In 2012, we will reduce administrative expenses by a further 10% as compared with 2010.

In the capital markets, the participating certificate and share repurchase programmes will be continued in the first half of 2012, with the former running until 20 June 2012 and the latter ending on 31 May 2012. The difference between the net asset value of the S IMMO Share and its current market price makes the share repurchase programme one of the most sensible investments we can make at present. By repurchasing the participating certificates (also for less than their inner value), we are making an important step towards further simplifying our capital structure and increasing our Group's value for our shareholders.

Additional factors such as 25 years of experience in property investment, extensive knowledge of properties and regional markets, a strong network of partners and well established contacts to equity capital providers and lenders will continue to contribute to the success of the Group's operations in the coming years.

Business performance and results

S IMMO's operating results for the financial year 2011 were excellent. In particular, rental income, cash flow and funds from operations (FFO) all increased sharply compared with the previous year.

Gross profit up 33.4%

The increase in S IMMO Group's rental income in 2011 was remarkably strong: it grew to EUR 125.9m (2010: EUR 104.0m), an increase of 21.1%. A large part of the increase was attributable to the development projects and acquisitions completed in 2010. Despite a generally challenging economic environment, gross profit from hotel operations also increased by 3.9% to EUR 9.0m (2010: EUR 8.7m).

Broken down by region, rental income was as follows: the largest share came from Germany, with 28.9% (2010: 34.0%), followed by SEE with 25.2% (2010: 25.1%), Austria with 24.6% (2010: 20.9%) and CEE with 21.3% (2010: 20.0%).

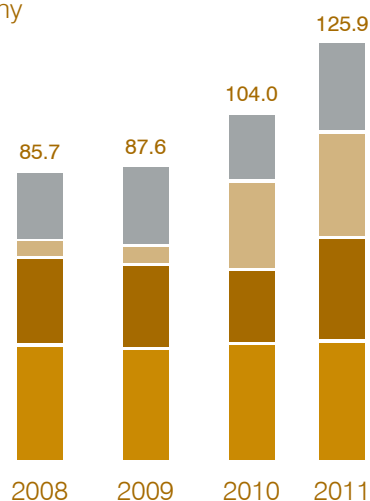
MANAGEMENT AND CONTROL

The Management Board of S IMMO AG consists of three members who are jointly responsible for managing the Company's day-to-day affairs. The responsibilities are determined by statutory provisions, the articles of incorporation and the Group's internal rules and procedures. The Management Board is guided by the principles of responsible management, and its objective is to increase earnings performance and the value of the Group. In this, professional control and management based on general business and property-related indicators are of material importance. In the best interests of the Group and in line with our commitment to good corporate governance, the Management Board works closely with the Supervisory Board. At year-end, the Supervisory Board consisted of eight members. The details of compliance with the Austrian Corporate Governance Code are given on pages 75–78.

Total rental income*

in EUR m

- CEE
- SEE
- Austria
- Germany



* not including Vienna Marriott Hotel and Budapest Marriott Hotel

Retail contributed the most to rental income by property use type, with 35.7% (2010: 37.9%), followed by offices with 34.7% (2010: 30.2%), residential with 22.2% (2010: 26.9%) and hotels with 7.4% (2010: 5.0%). Results from the Vienna Marriott Hotel and the Budapest Marriott Hotel, both leased to hotel operators, are recognised as revenues from hotel operations.

Gross profit was up an impressive EUR 26.8m to EUR 107.0m (2010: EUR 80.2m), an increase of 33.4%.

EBITDA up 42.0%

In the financial year 2011, eight freehold apartments in the Neutor 1010 and Stuckgasse properties as well as an apartment building – all in Vienna – were sold. In Berlin, one retail and nine residential buildings as well as eight freehold apartments in the residential property Sächsische Strasse were sold. These disposals are in line with the company's strategy of selling parts of the portfolio where a profit can be realised. Overall, the properties were disposed of at above their most recent estimated values. Gains from disposals came to EUR 11.6m (2010: EUR 9.9m). In addition, management expenses were reduced by EUR 1.5m from EUR 18.7m to EUR 17.2m. This led to a marked increase in EBITDA of 42.0%, or EUR 30.0m, to EUR 101.4m (2010: EUR 71.4m).

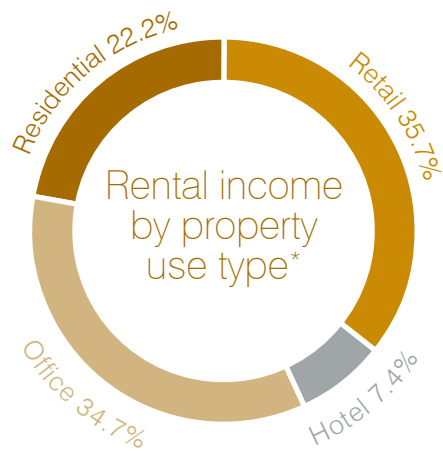
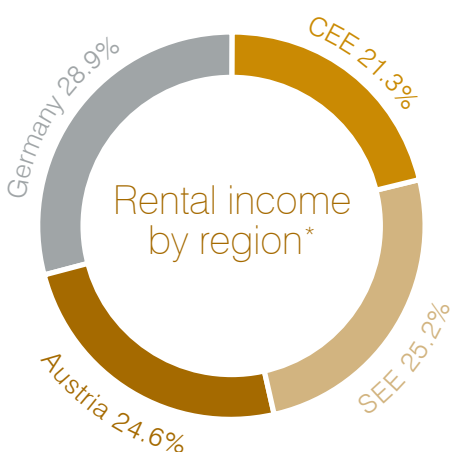
Advantageous property disposals

Vienna

- 1010 Vienna, Neutorgasse 4 – 8 (residential)
- 1070 Vienna, Stuckgasse 9 (residential)
- 1190 Vienna, Heiligenstädter Strasse 181 (residential)

Berlin

- 10629 Berlin, Mommsenstrasse 60 (residential)
- 10551 Berlin, Waldenserstrasse 32 (residential)
- 10437 Berlin, Gaudystrasse 10 (residential)
- 13405 Berlin, Scharnweberstrasse 72–74 (residential)
- 12059 Berlin, Werrastrasse 11 – 14a, Weserstrasse 133 – 137, Treptower Strasse 84 (residential)
- 12059 Berlin, Ederstrasse 7 (residential)
- 10715 Berlin, Weimarische Strasse 15 (residential)
- 10961 Berlin, Fürbringer Strasse 27 (residential)
- 10707 Berlin, Sächsische Strasse 15 – 16 und 19 (residential)
- 10999 Berlin, Reichenbergstrasse 58 (residential)
- 13359 Berlin, Koloniestrasse 23 – 24 (retail)



* not including Vienna Marriott Hotel and Budapest Marriott Hotel

Property valuations

As in the previous year, the revaluation results demonstrate different developments by region, which correlate with each region's economic recovery. In total, the real estate assets slightly increased in value by approximately EUR 0.1m.

Revaluation results

EUR m	2011	2010
Germany	6.0	13.7
Austria	9.3	22.3
Central Europe	-4.6	-8.5
Southeastern Europe	-10.6	-28.3
Total	0.1	-0.8

The operating profit (EBIT) grew by EUR 31.7m to EUR 92.3m (2010: EUR 60.5m), an impressive increase of 52.4%.

Consolidated net income up to EUR 21.2m

Net financing costs totalled EUR 51.5m (2010: EUR 41.2m), including a non-cash foreign exchange gain of EUR 7.3m. The gain was attributable to the rise of the euro against functional currencies in Central and Southeastern Europe (Romanian leu, Hungarian forint, Czech crown and Croatian kuna). The income entitlements of participating certificate holders for 2011 resulted in expenses of EUR 11.2m (2010: EUR 10.2m).

Consolidated net profit for the financial year 2011 came to EUR 21.2m (2010: EUR 2.1m). This represents a tenfold increase in value compared to the same period last year.

Funds from operations (FFO)

The development projects and acquisitions completed in 2010 – in particular the Galvaniho IV property in Bratislava and the OMV headquarters in Vienna – resulted in a considerable increase in income, which in turn led to an increase in FFO. S IMMO's FFO rose markedly in 2011 – by 54.6% – to EUR 28.9m (2010: EUR 18.7m). This gives a very respectable FFO yield related to the share price of 9.4%. FFO before participating certificate expenses was EUR 40.1m, compared with EUR 28.9m in 2010. In calculating FFO before participating

certificate expenses, the results for the period are adjusted for non-cash items, which include depreciation and amortisation, valuation gains and losses on interest rate hedges, exchange rate differences, and all effects of servicing the participating certificates.

Net operating income (NOI)

The Group's excellent performance was also reflected in the improved NOI, which rose from EUR 75.2m to EUR 99.3m. This increase is also a result of the projects completed in 2010.

Net operating income as of 31 December

	2011	2010	Change
NOI (EUR m)	99.3	75.2	31.9%
NOI margin (%)	47.8	43.0	4.8 pp

Cumulative cash flow in 2011

EUR m	31.03.	30.06.	30.09.	31.12.
Operating cash flow	27.5	51.3	74.1	96.0

Operating cash flow for the year was also very satisfactory, and rose from EUR 74.2m in 2010 to EUR 96.0m in 2011. Cash flow from investing activities totalled EUR 4.5m (2010: EUR -36.5m), and from financing activities EUR -124.9m (2010: EUR -84.4m).

ASSETS AND FINANCES

As at 31 December 2011, S IMMO Group's total assets amounted to EUR 2.2bn (2010: EUR 2.3bn), of which – in line with its business activities – the bulk was attributable to the property portfolio. Long-term property assets amounted to EUR 1.9bn (2010: EUR 2.0bn) and short-term property assets amounted to EUR 62.8m (2010: EUR 6.0m).

Cash and cash equivalents

At balance sheet date, S IMMO Group's cash and cash equivalents totalled EUR 115.3m (2010: EUR 129.7m).

Shareholders' equity

During the past financial year, equity (excluding minorities) decreased from EUR 481.3m to EUR 474.0m. This also reflects the valuation of derivative financial instruments and treasury shares not through profit or loss. The minority interests in equity decreased from EUR 31.4m to EUR 29.1m and for the most part relate to partners in the Serdika Center project.

Finance management

In spite of the banks' very restrictive lending policies, in particular for foreign real estate projects, S IMMO succeeded as planned in refinancing several standing properties with long-term borrowings in 2011. S IMMO Group's non-current financial liabilities decreased from EUR 1,228.8m to EUR 1,103.4m. The current financial liabilities increased from EUR 124.1m to EUR 208.9m during the period under review.

The non-current financial liabilities were matched by property assets of EUR 1,969.5m. The loan-to-value ratio at 31 December 2011 was 61% (2010: 61%).

The financial liabilities had the following terms:

Less than 1 year	EUR 208.9m
1 – 5 years	EUR 328.9m
More than 5 years	EUR 774.5m

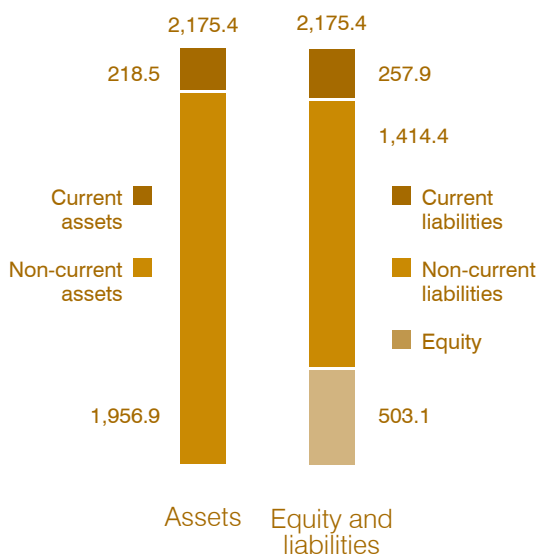
To minimise foreign exchange risks, S IMMO Group finances itself almost exclusively in euro. About 92% of the non-current financial liabilities are at variable interest rates pegged to the Euribor and 8% are at fixed interest rates. Possible changes in interest rates are hedged with interest derivatives (caps, swaps, collars).

Net asset value (NAV)

As at 31 December 2011, the balance sheet NAV stood at EUR 6.96 per share (31 December 2010: EUR 7.07 per share). The EPRA NAV, the value of the share calculated in accordance with the guidelines of the European Public Real Estate Association, was EUR 8.70 per share (31 December 2010: EUR 8.34 per share). EPRA NAV represents the value of equity minus the effects that do not have a long-term effect on the business activities of the Group, such as valuations of derivatives and deferred taxes.

Balance sheet structure 2011

EUR m



EUR m	2011	2010
Capital and reserves (without minorities)	474.0	481.3
Revaluation of other assets	15.5	9.0
Fair value of financial instruments (not through profit or loss)	73.5	50.0
Deferred taxes	29.1	27.5
EPRA NAV	592.1	567.8
EPRA NAV (EUR per share)	8.70	8.34

Staff and responsibility

S IMMO's properties cater to one of the fundamental human needs – for somewhere to live and to work. As a result, the Group has a close and very special involvement with society in many regards. This closeness forms the basis for S IMMO's responsible approach to business, the environment and social issues that far exceeds the requirements mandated by law. With its corporate social responsibility strategy, the Group focuses on capital preservation and sustainable growth in value, while taking into account the interests of the most important stakeholders – tenants, business partners, shareholders and staff.

EMPLOYEES

Lifelong learning a key factor

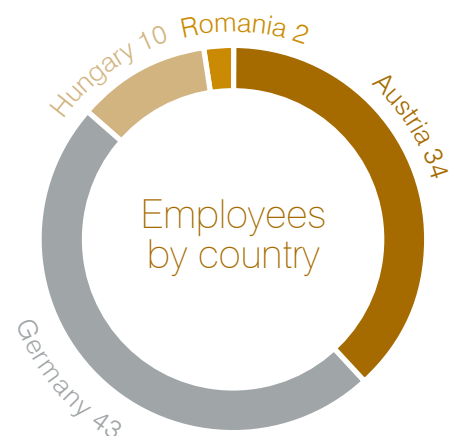
S IMMO's corporate culture is built around lean and very efficient structures and relies on productive collaboration across departmental boundaries. However, this performance-oriented environment also provides the scope for individual growth. After all, highly qualified and motivated employees are S IMMO's most important asset. The Group therefore encourages and supports the personal and professional development of all its employees.

The principal focus is on expanding industry-related skills and expertise. S IMMO assists its employees in obtaining sector-specific master's degree qualifications or in becoming members of the Royal Institution of Chartered Surveyors (RICS), the pre-eminent professional body for real estate specialists located in the UK. In 2011, average expenditures per employee for professional training and continuing education came to EUR 900.

Promoting a healthy work-life balance

To a very large extent, S IMMO's success depends on the dedication, commitment and continuing good health of every individual employee. The Group is aware of its responsibilities in this respect and sponsors a range of measures designed to encourage a healthy work-life balance. These include extensive medical services, such as medical screenings, general check-ups and flu vaccinations, as well as sports activities.

Employee statistics*



* Total number of employees: 89

Highest property standards

For S IMMO, corporate social responsibility starts with the Group's core business. This means applying the most exacting standards with respect to construction techniques and materials, both in development projects and when refurbishing existing properties or enhancing their energy efficiency, thus reducing operating costs and contributing significantly to environmental protection.

In 2011, S IMMO continued to focus, among other things, on its extensive refurbishment programme in Germany, including investments in structural work such as repairs to facades and stairways, and direct investments in individual apartments. These activities helped raise the occupancy rate in Germany to 90%, and rental income grew by 3.3%. Additionally, since the end of 2011, all the common areas of properties in the German portfolio have been powered by 100% renewable energy. This change will save over 1,100 tons of CO₂ per year, equivalent to the CO₂ binding capacity of over 58,000 beech trees.

Case study: refurbishment of residential complex in Berlin

In the annual report for 2009, S IMMO announced the renovation of a 22,355 m² residential complex in the Marzahn district in Berlin to improve thermal efficiency. The work was successfully completed in March 2011 with the insulation of the building shell and the basement ceiling. The energy efficiency of the six buildings is now 30% better than required even under the strict German standards. The benefits of this investment are reduced heating costs for the tenants and reduced CO₂ emissions into the environment. Moreover, the previous vacancy has been almost completely reduced.

Green buildings – the way of the future

In recent years, public awareness of the importance of sustainable building practices has increased significantly, and as a consequence, green building certification is growing in importance. Green buildings are easier to market, and they fulfil tenants' and investors' requirements for lower life-cycle costs. Sustainability is becoming a more and more integral part of corporate philosophies and thus influences potential customers' choice of premises.

In 2011, S IMMO was awarded three green building certificates. The shopping centre Serdika Center in Sofia and the office space located above it, Serdika Offices, were awarded a DGNB certificate by the Bulgarian Green Building Council. Sun Offices in Bucharest was awarded certification under the British green building standard, BREEAM. S IMMO will continue to aim for internationally recognised certifications in future development projects.

Responsible management

Long-term and sustainable capital growth is a part of S IMMO's strategy based on its high-quality property portfolio, diversified by property use type, investment volume and location. The Group invests in prime locations in European Union capitals.

For S IMMO, responsible management means, on the one hand, observing the strict internal guidelines for all its work processes from awarding contracts through to accepting gifts. On the other hand, the Group has been clearly committed to the Austrian Corporate Governance Code since 2007. S IMMO also attaches great importance – within legal framework – to transparent and open communication with all its stakeholders, and provides a wide range of information services, such as the redesigned and considerably improved website brought online in 2011 or the toll-free shareholder hotline.

S IMMO is also involved in industry associations. As a member of the Austrian Association of Institutional Real Estate Investors (Verband der Institutionellen Immobilieninvestoren), the Group is, among other things, campaigning for the modernisation of tenancy law, thereby helping to shape the future framework of the industry responsibly.

CORPORATE SOCIAL RESPONSIBILITY

S IMMO's social and cultural activities are inspired by the motto of providing shelter: It supports organisations that provide care and accommodation to people in need as well as various art and culture projects. In all these activities, the Group places a high value on long-term collaboration.

The following are some of the projects supported in 2011:

- Caritas cooperations
 - Youth and day centre in Kiev, Ukraine
 - House of hope and counselling, Romania
 - Day centre and mobile care in Pokrovan, Bulgaria
- Sonnenmond children's hospice, Austria
- Fifth Viennese Arts Supermarket, Austria
- Turn On Architecture Festival in Vienna, Austria

For further information on S IMMO's social projects, please visit our website.

Outlook for 2012

In 2012, S IMMO is planning to continue its collaboration with the mentioned institutions and also to support smaller projects financially or with specialist expertise. For the first time, staff will be offered the opportunity to participate directly in CSR activities through corporate volunteering. The Group is also investigating various options for optimising energy and water consumption at corporate headquarters in Vienna. In 2011, S IMMO joined respACT, Austria's leading corporate platform for CSR and sustainable development, and in 2012 the Group plans to make use of more of respACT's offers.

Additional information about our CSR partners can be found at:
www.kunstsupermarkt.at
www.caritas.at
www.nextroom.at/turn-on_12
www.sonnenmond.at

Contacts

For more information on our CSR activities, please contact S IMMO's Corporate Communications team, by phone on +43 (0)50 100-27522 or by e-mail at media@simmoag.at.

Risk and opportunity management

As an international real estate investment company, S IMMO Group sees itself confronted by a large number of risks that can influence both its operational business activities and its strategic corporate management. Through the ongoing identification, analysis, management and monitoring of risks, the Company tries to recognise dangerous developments and potential opportunities in due time and take them into account in its decision-making processes.

The Company's business model includes a portfolio strategy adapted to different regions and property use types. The purpose of this two-dimensional diversification is the deliberate diversification of risk and the maximisation of opportunities.

Opportunities result from the different real estate cycles of the individual property use types, but also from regional differentiation.

Along with internal guidelines, risk management comprises regular reports to the Management Board and control measures that are established for the entire Company, which serve to support the timely identification, monitoring and control of risks. The Management Board makes the key risk-related decisions. Investment projects above a certain volume also require approval by the Supervisory Board. Both managing bodies are informed about risks and the Internal control system at regular intervals.

Internal Control System

The Internal Control System (ICS) was implemented for key business processes. It monitors and controls

- 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) and together with Internal Audit and the compliance systems constitutes the Company's internal monitoring system. Key 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:

- 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 consolidated financial statements (IFRS)
- Assessment of risks that could lead to a material misstatement of transactions in the financial statements
- Appropriate control mechanisms built into the automated preparation of the consolidated financial statements
- Internal reporting (Management and Supervisory Boards) including quarterly reports, segment and liquidity reports, and if necessary individual property reports
- Process-oriented control activities including regular monitoring of the correctness and completeness of accounting information and analysis of results not in line with estimates

Internal Audit

S IMMO's Internal Audit develops strategic multi-year plans and yearly operational audit plans that are subject to approval by the Management Board. Further, it coordinates audits that are normally carried out by external experts. The results of the audits are submitted to the Management Board. The audit plan and the results of the audits are also regularly communicated to the Audit Committee of the Supervisory Board.

EXPLANATION OF INDIVIDUAL RISKS

Group strategy risks

Strategic risks are closely connected to S IMMO's business strategy and may also influence it heavily. These include environmental and sector risks, investment risks and capital market risks.

Environmental and sector risks

The economic conditions in S IMMO's particular markets influence the development of the real estate industry in the respective region. From a current perspective, the Company's main expectation is that demand for residential property in Austria and Germany will increase further. However, the property market in Southeastern Europe – especially in Bulgaria – will continue to present a challenge. This could have a negative impact both on the letting situation in the office buildings and on the expected results in the two shopping centres, Sun Plaza in Bucharest and Serdika Center in Sofia.

Investment risks

Another major element of the Group's strategy aims to recognise potential investment risks in the selection of properties. In the preparatory phases of investment decisions, S IMMO Group attaches great importance to comprehensive internal and external analyses. Here, factors such as the attractiveness of a location, infrastructure and the credit rating of the tenants are taken into consideration. There are also predetermined thresholds specifying which investment volumes require approval by the Supervisory Board or the Supervisory Board Working Committee. In the short term, no new large-scale investments are planned.

Capital market risks

The capital market is particularly important to S IMMO as a potential source of refinancing. However, due to the current volatility of the stock markets and the low price of the S IMMO Share, further financial arrangements on the stock market are not planned at the moment. Nevertheless, S IMMO is constantly analysing appropriate means of raising capital on the financial market. Longer-term financial projections are used to plan borrowing and repayment as well as capital investments. S IMMO endeavours to build investors' trust in the S IMMO Share by communicating transparently, on a timely basis and efficiently with its investors, analysts and other interested parties. To ensure compliance with the requirements of the capital markets, S IMMO Group has introduced compliance regulations with a code of good conduct for staff and managing bodies as well as clearly defined roles for the compliance officer.

Real estate risks

Economically challenging times can lead to falling credit ratings for tenants, increasing arrears of rent, rising vacancy rates and tenant defaults.

Property portfolio risks

S IMMO Group reduces property portfolio risks with a broad diversification in terms of regions and property use types. In 2011, 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 in particular. Additionally from a risk management perspective, the focus of business activities on countries with long-term development potential and on European Union capital cities has contributed materially to a stable portfolio as a whole.

Letting risks

Letting risks are closely linked with the general economic environment in the individual markets. Current political and economic developments in Hungary, Romania and Bulgaria, for instance, have resulted in a higher risk there than in other EU countries. In the last financial year, the emphasis on long-term letting proved its worth as a way of minimising risk. As a consequence, the Company had a stable occupancy rate across the entire portfolio of 92.5%. Due to the economic situation and the published economic forecasts, a severe

realisation risk remains in the current year as well. This particularly concerns the Serdika Offices building in Sofia. In both shopping centres in Southeastern Europe, we continue to be confronted by an above-average number of tenant defaults.

Development risks

Development risks were substantially reduced with the completion of the development projects in the financial year 2010. New development projects are not planned for the current year. In the medium term, we are concentrating on the Quartier Belvedere Central project – part of one of the biggest urban development projects in Europe, at the new Central Station in Vienna. In this project, the development of the individual building components is planned in several phases. The building work and the related significant use of capital for the existing development land in Central and Southeastern Europe will begin as soon as local market conditions allow.

Property valuation risk

Property valuation risk is the risk of negative value fluctuations of the property portfolio, which can result from changes in the macroeconomic environment and real estate factors. These changes in the market value can then have a negative effect not only on profits but also on the Group's equity and thus also its creditworthiness.

Financial risks

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

Liquidity risks

To secure liquidity, the Group's cash flows are managed, tested for plausibility and continuously adapted by Finance in coordination with Project Development and Asset Management on the basis of ongoing financial projections. However, due to tightened equity regulations for banks and the euro crisis, difficulties may arise in terms of refinancing. Despite its mainly long-term loan agreements, S IMMO may be affected in particular when it comes to loan extensions (see also financing risks).

Interest rate risk

Risks can arise in debt financing as a result of interest rate changes. However, it is currently expected that the European Central Bank will leave the base lending rate largely unchanged for the time being. Nevertheless, the possibility of banks raising their margins due to the strained situation cannot be excluded. S IMMO reduces the interest rate risk in the long term by hedging interest payments on its variable-rate loans. As of 31 December 2011, 8% of loan liabilities had fixed rates and 92% of loan liabilities had variable rates (mostly based on the three-month Euribor). To hedge variable-rate loans, S IMMO uses derivative financial instruments (swaps, caps and collars) and reached a hedge ratio of 95% as of the end of the year. The stress tests (see pages 67–68 for details) show that S IMMO Group is exposed to approximately one-third of potential interest rate changes. This means that despite hedging through derivative financial instruments, the Group would be exposed to higher financing costs in the case of rises in interest rates.

Financing risks

The strained situation of the banking sector could lead to a restrictive lending policy on the part of banks and thus make refinancing difficult. S IMMO Group reduces these financing risks by spreading its borrowing across a variety of lenders (at the balance sheet date: 26 individual banks) and through long-term external financing, whereby loans must be approved by the Management Board or the Supervisory Board based on a system in which loans are graded according to amount. As of 31 December 2011, the non-current liabilities to banks had an average weighted residual maturity of more than 10.1 years. This long-term orientation is customary practice in the sector. Compliance with the contractual conditions is continuously monitored by S IMMO Group in close contact with the lending financial institutions. However, in the current economic environment, there is a rising risk of covenant violations (clauses in loan agreements that are based, for example, on the loan to value ratio). 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). During the year, the Group-wide loan to value ratio was 61%. The mid-term aim is to reduce the loan to value ratio to below 55% and thus to lower the cash flow burden on the financing side. Despite precise

monitoring of the financing instruments and of relevant parameters, in case of a correspondingly negative development of the financing environment, the possibility of S IMMO being confronted with considerable risks in the area of refinancing cannot be excluded.

Foreign exchange risk

Almost all of S IMMO Group's borrowings are denominated in euro and almost all the rental agreements are linked to the euro. For this reason, direct cash foreign exchange risk is minimal. However, in the balance sheet, short-term non-cash foreign currency effects are also important. In the financial year 2011, these effects resulted in an income of EUR 7.3m, which is shown in S IMMO Group's financial results. The indirect, mid-term foreign exchange risk through changes in value in certain affected markets cannot be excluded.

Other risks

Risk of amendments to tax legislation

As an internationally operating real estate investment group, S IMMO Group is confronted with a large number of different local tax systems. Changes to local (property-related) general tax conditions can occur, for example. S IMMO tries to recognise possible consequences early on through cooperation with local experts and take them into account when making decisions.

Risk to the environment

Risks to the environment can arise both in connection with standing properties and with development projects. For example, amended laws can make the removal or exchange of materials necessary. The removal of dangerous substances on a piece of development land can likewise be required. This, in turn, can lead to additional costs. S IMMO guards against such risks by carrying out precise analyses of property locations and, if necessary, obtaining guarantees when acquisitions and investments are made. Further, S IMMO acts in a responsible manner by enforcing the highest standards in terms of materials and construction methods for its existing buildings and development projects.

Legal risk

Due to its business activities, S IMMO is exposed to a large number of legal risks. These can result, for example, from legal disputes with tenants or project partners or from the acquisition of property or property disposals. Especially in Germany, legal disputes whose outcome is uncertain are open. However, these have no significant influence on the Company and are covered by corresponding accounting measures.

OVERALL STATEMENT ON THE RISK SITUATION

In summary, it can be said that the financial year 2012 will be marked by an economic environment that remains difficult as well as volatile capital markets and the euro crisis. These factors will also affect S IMMO Group, particularly in terms of letting

risks, property valuation risk, tenant default risk, liquidity risks, financing risks, interest rate risk and capital market risks. In addition, there are risks resulting from the individual properties. With targeted risk management, S IMMO tackles these risks and tries to implement measures to minimise possible negative effects on the financial position and the operational business activities of the Group. The potential risks are additionally counteracted through a targeted diversification according to countries and property use types as well as through careful monitoring of relevant parameters for each property. The most important risk factors from the worsening solvency of customers and business partners, possible interest rate rises, worsening micro- and macroeconomic conditions in the markets in which S IMMO is active as well as possible refinancing problems resulting from the increased requirements for banks.

Outlook

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

The demand for German residential real estate properties continues to be strong. S IMMO took advantage of these sales opportunities and sold six residential buildings in Berlin and one office building in Munich in the first quarter of 2012.

Furthermore, in the first quarter of 2012, a further 128,198 shares were repurchased in the amount of EUR 554,000. The repurchase programme for S IMMO INVEST participating certificates resolved in the previous year will continue until 20 June 2012 at the latest. At the time of going to press no further participating certificates were repurchased.

EXPECTED DEVELOPMENTS IN THE BUSINESS ENVIRONMENT

Overall, 2011 was a difficult year, and in 2012 the global economy's recovery will continue to be influenced in particular by uncertainties regarding future developments in the eurozone. Provided the euro crisis does not escalate further, the International Monetary Fund predicts a growth rate of approximately 3.3% for the world economy as a whole. For the eurozone, the forecasts are for a mild recession. According to the EBRD, the region's economy performance will shrink by approximately 0.3%. A moderate amount of growth is predicted for 2013 again. A slowdown of economic growth is also expected for Central and Southeastern Europe, but the decline is unlikely to be as dramatic as in the previous crisis.

In the real estate market, we expect demand in Germany to remain high, in particular in the residential sector. In Austria, we expect vacancy rates to rise for office properties, while demand for residential properties in top locations will continue to be high. The real estate market in Central Europe should slowly gather momentum again. This recovery will be fuelled by growth in demand for modern office space. The market in Hungary is somewhat more difficult. In spite of this, the total vacancy rate for office space has dropped below 20% for the first time in two years, because hardly any new projects have been added to the market. The property market in Southeastern Europe remains challenging, but in Bulgaria and Romania a drop in vacancy rates for high-end office space can be expected. We are anticipating another difficult year for retailers, particularly in Bulgaria, because of the decline in economic growth. More information on the property markets is given on pages 5–10 of this report.

EXPECTED BUSINESS DEVELOPMENTS

After reporting an operating success for 2011, S IMMO Group is exceptionally well positioned to meet the challenges of the current and coming years. From today's perspective, we expect 2012 to be equally satisfactory for the Group. Irrespective of developments in individual markets, many factors contribute to S IMMO's solid operating performance:

Our high-quality property portfolio is diversified by region – around 60% of standing properties are in Western Europe and roughly 40% in Central and Southeastern Europe – and by property use type. This makes it possible to take advantage of the opportunities presented by different regions and real estate cycles.

In Germany, the revitalisation programme will largely be completed by the end of the year. This revitalisation consists both of investment in structural work, such as the renewal of facades and stairways, and also of direct investments in improving individual apartments. These measures are a major

factor in reducing vacancy rates, increasing rental income and further enhancing the properties' values. In 2012, we shall continue to take advantage of opportunities for profitable disposals – the plan is to realise approximately 5% of our portfolio.

Despite an, in part, very difficult market environment – in Hungary and Southeastern Europe in particular – we achieved a satisfactory occupancy rate of 92.5% last year, with over 6,800 renowned tenants. Our letting activities will focus principally on the office buildings belonging to our shopping centres. Our Sun Offices building in Bucharest has already reached an occupancy rate of over 50%, with well-known international tenants such as PepsiCo, Uniq and Siepcofar. Other negotiations are in progress, which means that we can expect a further improvement in occupancy levels with considerable certainty.

We measure our operating performance using various key accounting indicators, and our main objective in 2012 is to further improve them all. In the coming months, we will also focus on the ongoing improvement of the portfolio's earnings performance. Moreover, in the current year we will reduce our administrative costs by a further 10% compared to 2010. In our finances, we intend to reduce our overall debt. With an average residual maturity of 10.1 years on our liabilities to banks, we are excellently positioned for the future. Our goal in this context is to bring our loan-to-value ratio down to under 55%.

We will continue our repurchase programmes for shares and participating certificates until they come to their respective ends in the first half-year, with the aim of further increasing our attractiveness in the capital markets. Moreover, at the Annual General Meeting on 01 June 2012, the Management Board will propose to the shareholders a dividend distribution of EUR 0.10 per share and it also plans to adjust the annual distribution of EUR 4.36 per certificate on the S IMMO INVEST participating certificates to bring it into line with current earnings.

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 (BörseG) from Tri-Star Capital Ventures Ltd., an international investment firm, stating that this company had increased its holdings in Sparkassen Immobilien AG (henceforth S IMMO AG) to 11.15% of the share capital with voting rights. On 20 April 2009, the Company was also informed by s Versicherung AG, a member company of Vienna Insurance Group, that its holdings in Sparkassen Immobilien AG (henceforth S IMMO AG) exceeded the notice threshold of 10% pursuant to section 91 paragraph 1 Stock Exchange Act and amount to 10.27%. Furthermore, the company announced the receipt of voting rights notifications pursuant to article 91 (1) Austrian Stock Exchange Act (BörseG) from Erste Asset Management GmbH. These voting rights notifications disclose that RINGTURM Kapitalanlagegesellschaft m.b.H. and ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. are subsidiaries of Erste Asset Management GmbH, these three companies pursue a joint voting rights policy and therefore voting rights notifications of the fund assets are made cumulatively. The total voting interest exceeded the 10% threshold necessary to report on 29 November 2011 to reach an amount of 11.94%.
- 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 again 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 (conditional capital). 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 or due to the expiration or utilisation of conditional capital.

8.) No significant agreements have been made in which the Company is involved and under which control of the Company will change hands, be modified or cease 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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	28
CONSOLIDATED INCOME STATEMENT	30
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME	31
CONSOLIDATED CASH FLOW STATEMENT	32
CHANGES IN CONSOLIDATED EQUITY	34
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	35

Consolidated statement of financial position

as at 31 December 2011

Assets	NOTES	31 December 2011	31 December 2010
EUR '000			
NON-CURRENT ASSETS			
Properties held as financial investments			
Investment properties	3.1.1.	1,716,899	1,810,322
Investment properties and undeveloped land	3.1.1.	55,480	55,989
		1,772,379	1,866,311
Owner-operated properties	3.1.2	134,321	140,755
Other plant and equipment	3.1.2	7,472	9,069
Intangible assets	3.1.2	165	179
Goodwill	3.1.3	10	100
Interests in associated companies		5	5
Group interests		8,991	3,117
Deferred tax assets	3.1.12	33,532	28,455
		1,956,875	2,047,991
CURRENT ASSETS			
Properties held for disposal	3.1.4	62,800	6,000
Inventories	3.1.5	7,097	12,029
Trade receivables	3.1.6	9,943	10,324
Other accounts receivable	3.1.6	15,987	42,287
Other assets		7,416	7,811
Cash and cash equivalents	3.1.7	115,260	129,721
		218,503	208,172
		2,175,378	2,256,163

Equity and liabilities

EUR '000

NOTES

31 December 2011

31 December 2010

		31 December 2011	31 December 2010
SHAREHOLDERS' EQUITY			
	3.1.8		
Share capital		246,341	247,509
Capital reserves		73,416	73,578
Other reserves		154,285	160,185
		474,042	481,272
Non-controlling interests	3.1.9	29,088	31,426
		503,130	512,698
NON-CURRENT LIABILITIES			
Subordinated participating certificate capital	3.1.10	230,797	257,820
Financial liabilities	5.2.2	1,103,371	1,228,786
Provisions	3.1.11	7,892	8,770
Other liabilities		9,717	10,955
Deferred tax liabilities	3.1.12	62,600	55,981
		1,414,377	1,562,312
CURRENT LIABILITIES			
Financial liabilities	5.2.2	208,888	124,123
Trade payables		9,900	16,479
Other liabilities		39,083	40,551
		257,871	181,153
		2,175,378	2,256,163

Consolidated income statement

for the year ended 31 December 2011

EUR '000	NOTES	2011	2010
Revenues	3.2.1		
Rental income		125,943	103,992
Revenues from service charges		41,257	32,640
Revenues from hotel operations		40,612	38,311
		207,812	174,943
Other operating income		7,737	4,973
Expenses directly attributable to properties	3.2.2	-76,982	-70,095
Hotel operating expenses	3.2.2	-31,576	-29,617
Gross profit		106,991	80,204
Income from property disposals		46,500	102,690
Carrying value of property disposals		-34,916	-92,811
Gains on property disposals	3.2.3	11,584	9,879
Management expenses	3.2.4	-17,169	-18,650
Earnings before interest, tax, depreciation and amortisation (EBITDA)		101,406	71,433
Depreciation and amortisation	3.2.5	-9,266	-10,054
Gains/losses on property valuation	3.2.6	146	-833
Operating result (EBIT)		92,286	60,546
Financing costs	3.2.7	-51,458	-41,201
Participating certificates result	3.1.10	-11,185	-10,222
Net income before tax (EBT)		29,643	9,123
Taxes on income	3.1.12	-8,398	-6,989
Consolidated net income		21,245	2,134
of which attributable to shareholders in parent company		20,034	1,843
of which attributable to non-controlling interests		1,211	291
Earnings per share			
Undiluted = diluted	3.2.8.	0.29	0.03

Consolidated statement of total comprehensive income

for the year ended 31 December 2011

EUR '000	2011	2010
Consolidated net income	21,245	2,134
Change in value of cash flow hedges	-24,224	1,235
Income tax related to other comprehensive income	5,049	149
Foreign exchange rate differences	-8,758	288
Total comprehensive income	-6,688	3,806
of which attributable to shareholders in parent company	-5,900	2,269
of which attributable to non-controlling interests	-788	1,537

Consolidated cash flow statement

for the year ended 31 December 2011

EUR '000	2011	2010 ¹⁾
Net income before tax (EBT)	29,643	9,123
Gains/losses on property valuation	-146	833
Depreciation and amortisation	9,266	10,054
Gains/losses on property disposals	-11,584	-9,879
Cash flow from sale of inventories	7,714	14,999
Taxes on income paid	-1,546	-2,358
Participating certificates result	11,185	10,222
Net interest	51,458	41,201
Operating cash flow	95,990	74,195
Changes in net current assets		
Receivables and other assets	20,102	6,689
Provisions and other non-current liabilities	-2,162	-16,217
Current liabilities	-8,047	-26,138
Cash flow from operating activities	105,883	38,529
Cash flow from investing activities		
Investments in property portfolio	-30,876	-100,020
Investments in tangible and intangible assets	-1,226	-2,069
Net cash flow from initial consolidations	0	-6,263
Disposals of/investments in financial investments	-3,895	0
Disposals of properties and property holding companies	38,786	70,256
Interest received and other financial income	1,736	1,590
Cash flow from investing activities	4,525	-36,506

EUR '000	2011	2010 ¹⁾
Consolidated cash flow statement (cont.)		
Cash flow from financing activities		
Purchase of own participating certificates	-23,684	0
Purchase of own shares	-1,330	0
Cash flows from increases/decreases in non-controlling interests	-1,550	-14,943
Increases/decreases in financing	-28,348	-10,197
Distribution to S IMMO INVEST participating certificates	-13,869	-14,060
Interest paid	-56,088	-45,240
Cash flow from financing activities	-124,869	-84,440
Cash and cash equivalents at 01 January		
	129,721	210,151
Cash inflow from initial consolidation	0	1,987
Net change in cash and cash equivalents	-14,461	-82,417
Cash and cash equivalents at 31 December²⁾	115,260	129,721

¹⁾ Adjusted

²⁾ The effects of exchange translation differences on cash and cash equivalents are not material and are therefore not disclosed separately.

Changes in consolidated equity

EUR '000	Share capital	Capital reserves	Foreign currency translation reserves	Hedge accounting reserves	Other reserves	Sub-total S IMMO shareholders	Non-controlling interests	Total
At 01 January 2011	247,509	73,578	-13,398	-38,335	211,918	481,272	31,426	512,698
Consolidated net income	0	0	0	0	20,034	20,034	1,211	21,245
Other comprehensive income	0	0	-8,642	-17,292	0	-25,934	-1,999	-27,933
Repurchase of own shares	-1,168	-162	0	0	0	-1,330	0	-1,330
Decrease	0	0	0	0	0	0	-1,550	-1,550
Reclassifications	0	0	0	0	0	0	0	0
At 31 December 2011	246,341	73,416	-22,040	-55,627	231,952	474,042	29,088	503,130
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
Repurchase of own shares	0	0	0	0	0	0	0	0
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

Notes to the consolidated financial statements

for the year ended 31 December 2011

1. THE GROUP

S IMMO Group (S IMMO AG and its subsidiaries) is an international real estate group. The parent company of the Group, S IMMO AG, has its registered office and headquarters at Friedrichstrasse 10, 1010 Vienna, Austria. The Company has been listed on the Vienna Stock Exchange since 1992, since 2007 in the Prime Segment. It has subsidiaries in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Romania, Bulgaria, Denmark and Cyprus. At 31 December 2011, S IMMO Group owned properties in all the above countries except Denmark and Cyprus. The Company's principal business is the acquisition, letting and sale of properties in different regions and market segments in order to achieve a balanced investment portfolio. Another business activity is the development and construction of properties in cooperation with project development partners.

2. ACCOUNTING AND VALUATION POLICIES

2.1. Accounting policies

The consolidated financial statements comply with all International Financial Reporting Standards, including the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC", formerly "SIC"), the application of which was mandatory in the European Union at the balance sheet date.

The accounting policies of all consolidated companies 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 use of computer software.

2.2. Consolidation group and basis of consolidation

The consolidated financial statements include all the companies (subsidiaries) over which the parent company has a controlling influence. 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 is 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 S IMMO AG holds between 20% and 50% of the voting rights.

The acquisition method is applied for initial consolidation, which means that 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 minority 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, and remains negative even after a further critical review of the recognition and measurement of the assets and liabilities acquired, it is recognised in profit or loss.

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 of the period in which they are incurred.

For associated companies included at equity, differences on 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 AG, the consolidated financial statements include the accounts of 70 companies (property holding and intermediary holding companies), which are directly or indirectly owned by S IMMO AG, and three companies included at equity.

In the fourth quarter, Immin Beteiligungen GmbH was merged into CEE PROPERTY-INVEST Immobilien GmbH.

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
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	8,299,237	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
BGM-IMMORENT Aktiengesellschaft & Co KG	Vienna	A	4,360,370	20.3	EUR	equity
VIERTEL ZWEI Hoch GmbH & Co KG	Vienna	A	100,000	100	EUR	full
VIERTEL ZWEI Plus GmbH & Co KG	Vienna	A	100,000	100	EUR	full
VIERTEL ZWEI Hotel GmbH & Co KG	Vienna	A	100,000	100	EUR	full
S IMMO Property Invest GmbH	Vienna	A	35,000	100	EUR	full
Hansa Immobilien EOOD	Sofia	BG	10,175	77	BGN	full

Company	Location	Country	Nominal capital	(%)	Currency	Consolidation type
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
Lützow-Center GmbH	Berlin	D	25,000	100	EUR	full
Ikaruspark GmbH	Berlin	D	25,000	100	EUR	full
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	60,000	99.71	EUR	full
GERMAN PROPERTY INVESTMENT III APS (GPI III APS)	Århus	DK	17,000	99.71	EUR	full
Bank-garázs Ingatlanfejlesztési és Vagyonghasznosító 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	245,674,000	100	RON	full
VICTORIEI BUSINESS PLAZZA S.R.L.	Bucharest	RO	18,852,144	100	RON	full

Company	Location	Country	Nominal capital	(%)	Currency	Consolidation type
DUAL Construct Invest S.R.L.	Bucharest	RO	2,000	82	RON	full
ROTAR INVESTITII IMOBILIARE S.R.L.	Bucharest	RO	4,472,020	100	RON	full
Galvaniho Business Centrum s.r.o.	Bratislava	SK	7,000	100	EUR	full
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

In the fourth quarter of 2011, S IMMO Property Invest GmbH was included in consolidation for the first time.

The following companies were acquired in 2010:

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

At date of initial consolidation in 2010, the fair value of the assets and liabilities acquired was made up as follows:

EUR '000	Purchases			Total
	VIERTEL ZWEI Hoch GmbH & Co KG	VIERTEL ZWEI Plus GmbH & Co KG	VIERTEL ZWEI Hotel GmbH & Co KG	
Assets	163,406		34,371	197,777
Equity and liabilities	-137,260		-36,401	-173,661
Net balance	26,146		-2,030	24,116
Purchase price of shares	18,230		266	18,496
Goodwill	-7,916		2,296	-5,620

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 exchange differences are recognised in the foreign currency translation reserve under 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 2011	25.787	314.580	1.956	4.323	7.537
Average rate 2011	24.635	280.460	1.956	4.242	7.444
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

2.5. Newly applicable accounting regulations

2.5.1. New Standards and Interpretations

The following amendments or revised versions of Standards and Interpretations became applicable for the first time in the financial year 2011, but had no material effects on the consolidated financial statements.

- Revised version of IAS 24 – *Related Party Disclosures*: the aim of the changes is to simplify disclosure requirements for government-related entities and to clarify the definition of a related party.

- Revised version of IAS 32 – *Financial instruments: Presentation – Classification of Rights Issues*: the amendment makes it clear that rights are still to be classified as equity where the exercise price of the rights is defined in a currency other than the functional currency of the issuer, provided the rights are issued pro rata to existing shareholders for a fixed price.

- Improvements to IFRS (published in May 2010): this is the third of the annually appearing improvements standards. It contains eleven amendments, to six Standards and one Interpretation, namely IFRS 1, 3 and 7; IAS 1, 27 and 34; and IFRIC 13.

- Amendment to IFRIC 14, *Prepayments in relation to Minimum Funding Requirements*: the amendment applies under special circumstances, when an entity subject to a minimum funding requirement makes a prepayment of contributions satisfying certain conditions. Under the amendment an entity is now permitted to treat the benefits accruing from such a prepayment as an asset.

- IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments*: this interpretation clarifies the requirements under IFRS when an entity renegotiates the terms of a financial liability with the creditor, and the creditor in the process accepts shares or other equity instruments of the entity in full or partial satisfaction of the financial liability.

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 for the financial year 2011.

- Amendments to IFRS 7, *Financial instruments: Disclosures* (applicable for financial years beginning on or after 1 July 2011): the amended Standard requires additional disclosures for transferred financial assets that are not derecognised in their entirety, or that are entirely derecognised, but with respect to which certain risks remain with the transferring entity.

At the balance sheet date, the following additional Standards and Interpretations had been issued by the International Accounting Standards Board (IASB), but had not yet been adopted by the European Union and were therefore not applicable.

- IFRS 9, *Financial Instruments*, (effective date per IASB: 1 January 2015)

- IFRS 10, *Consolidated Financial Statements*, and IAS 27, *Separate Financial Statements*, (effective date per IASB: 1 January 2013)

- IFRS 11, *Joint Arrangements*, and IAS 28, *Investments in Associates and Joint Ventures*, (effective date per IASB: 1 January 2013)

- IFRS 12, *Disclosure of Interests in Other Entities* (effective date per IASB: 1 January 2013)

- IFRS 13, *Fair Value Measurement* (effective date per IASB: 1 January 2013)

- Amendments to IAS 1, *Presentation of Financial Statements – Disclosure of Items Presented in Other Comprehensive Income*, (effective date per IASB: 1 July 2012)

- Amendments to IAS 12, *Taxes on Income – Deferred Taxes: Recovery of Underlying Assets*, (effective date per IASB: 1 January 2012)

- Amendments to IAS 19, *Employee Benefits*, (effective date per IASB: 1 January 2013)
- Amendments to IFRS 7, *Financial Instruments: Disclosures*, and amendments to IAS 32, *Financial Instruments: Presentation*, concerning the offsetting of financial assets and financial liabilities (effective date per IASB: 1 January 2013 and 1 January 2014 respectively)
- IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*, (effective date per IASB: 1 January 2013)

The date of coming into force under the relevant EU Regulation may differ from the date of coming into force as determined by the IASB. There is no voluntary early application of the above revisions and interpretations. Management is currently analysing the possible consequences of the revised Standards and Interpretations in the applicable years of initial application.

2.6. Changes in accounting and valuation policies

There has been a change in the method of calculating cash flow as compared with that used for the financial year 2010. In the consolidated financial statements for the year ended 31 December 2011 the cash flow from the sale of inventories has been included in the operating cash flow rather than as changes in working capital. The comparative figures for the year ended 31 December 2010 have been adjusted accordingly. In financial 2011, there were no other changes in accounting and valuation policies or in the presentation of the financial statements.

2.7. Accounting and valuation policies

2.7.1. Properties held as financial investments

Properties held as financial investments are measured using the fair value model, under the option available in IAS 40. Properties held as financial investments are properties leased or rented out for the purpose of generating income or held for capital appreciation, together with undeveloped land. Properties acquired or being developed for disposal and properties used by the Group 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. The valuations generally use the earnings value method or the discounted cash flow method.

2.7.2. Owner-operated properties, other plant and equipment

Owner-operated properties consist mainly 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 in part borne by S IMMO Group. Hotels of this kind are outside the scope of IAS 40 (properties held as financial investments) and are therefore to be treated as tangible non-current assets under IAS 16.

Under IAS 16, owner-operated properties (including owner-managed hotels) and other non-current tangible assets are valued at cost of acquisition. The properties are recognised on initial capitalisation at costs of acquisition or construction and in subsequent years written down 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 in 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 for 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 Vienna, one in Hamburg, one in Munich and seven in Berlin. The carrying value of these at 31 December 2011 amounted to EUR 62,800,000.

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 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.

S IMMO Group as a general rule classifies financial instruments into the following categories:

- Interests in associated companies
- Group interests
- Trade receivables
- Other accounts receivable
- Cash and cash equivalents
- Subordinated participating certificate capital
- Non-current financial liabilities
- Other non-current liabilities
- Current financial liabilities
- Trade payables
- Other current liabilities

The category *financial instruments and liabilities 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 payment flows not traded in an active market. They include in particular trade and other receivables. Where their remaining maturities are less than 12 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. Such financial instruments are disclosed as non-current assets unless it is Management's intention to dispose of them within the next 12 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 the 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 objectives 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 offsetting 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 loans, future reinvested funds and transactions expected to be very probable in the future (forecast transactions) by using offsetting 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, in particular 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. The effective part of the change in fair value of these derivatives is recognised not through profit and loss, but under other comprehensive income, the ineffective portion is recognised through profit and loss as part of the financing results. 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 as part of financing costs. For the collars, care is taken to ensure that there is no net short position.

The changes in the valuation of cash flow hedges recognised under equity are transferred to the income statement in the period in which the hedged underlying transaction affects profit and loss or when the requirements for recognition as a cash flow hedge are no longer met.

In order to meet the requirements for recognition as a cash flow hedge, S IMMO Group documents the hedging relationship between the hedging instrument and the underlying transaction, and the underlying hedging strategy at the time of the derivative transaction. The effectiveness of the hedge is regularly assessed using both a priori and a posteriori tests.

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 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.

The fair value is the amount that would 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 2011 or 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 objective 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 recovery in value entails a reversal of the impairment loss.

Trade receivables

Where there are objective indications that individual receivables cannot be recovered in full, specific provisions are made against the amounts expected to be irrecoverable. S IMMO Group also makes general provisions for doubtful individual debts on the basis of experience, generally applying the following principles:

- Receivables overdue by more than 3 months:
50% provision
- Receivables overdue by more than 1 year:
100% provision

The outstanding balances are constantly monitored by the responsible asset managers, so that appropriate measures can be taken in good time.

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 provision has been made 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 include both current taxes payable by the individual companies and 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. Where it can with reasonable certainty be expected that a property can be disposed of without giving rise to a tax liability, no deferred tax is provided. 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 the balance sheet date, or where changes in tax law have already been adopted, at the rates applicable in future.

Deferred taxes assets are recognised in connection with tax loss carryforwards only where in the Management's estimation it is probable that the losses can be offset against future taxable profits of the relevant company 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 the same 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 consist largely of room rental income and catering income. Income is recognised in proportion to the services rendered at balance sheet date.

2.7.12.3. 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 and similar expenses, incidental costs, losses on disposal 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.

2.7.13. 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 the balance sheet date and on disclosure of income and expenses during the financial year.

In 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 calculation of the fair value of properties held as financial investments has mostly been based on expert valuations by internationally recognised valuers such as CBRE 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. The valuations apply the earnings value method, on the basis of expected sustainable future rental yields and market interest rates (Austria: 3.0%–6.0%; foreign countries: 4.8%–10.0%). Properties held as financial assets have a carrying value of EUR 1,772,379,000 (31.12.2010: EUR 1,866,311,000).

■ 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. The carrying value of intangible assets amounted to EUR 165,000 (31.12.2010: EUR 179,000), that of other non-current assets to EUR 7,472,000 (31.12.2010: EUR 9,069,000). Owner-operated properties have a carrying value of EUR 134,321,000 (31.12.2010: EUR 140,755,000).

■ 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 carrying values of financial instruments are detailed in note 5.1.

■ 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 in future. Deferred tax assets for tax loss carryforwards of EUR 21,425,000 (31.12.2010: EUR 17,967,000) have been recognised.

■ 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	Investment properties	Investment properties and undeveloped land
As at 01 January 2010	1,253,432	445,784
Additions (including initial consolidations)	200,167	9,007
Disposals	-21,733	-191
Changes in fair value	-7,153	-7,000
Reclassifications	385,610	-391,610
As at 31 December 2010	1,810,322	55,989
whereof pledged as security	1,767,758	0
Additions ¹⁾	12,053	1,991
Disposals	-25,316	0
Changes in fair value	-17,360	-2,500
Reclassifications	-62,800	0
As at 31 December 2011	1,716,899	55,480
whereof pledged as security	1,684,951	0

¹⁾ Additions as a result of initial consolidations in the financial year 2011: EUR 0 (31.12.2010: EUR 180,700,000)

Additions by country were as follows:

Rental properties

EUR '000	31.12.2011	31.12.2010
Austria	324	179,762
Germany	9,827	14,575
Central Europe	1,766	5,583
Southeastern Europe	136	247
	12,053	200,167

Investment properties and undeveloped land

EUR '000	31.12.2011	31.12.2010
Austria	0	8,432
Germany	0	0
Central Europe	147	137
Southeastern Europe	1,844	438
	1,991	9,007

Made up of:

Rental properties

EUR '000	31.12.2011	31.12.2010
Austria	568,390	579,914
Germany	513,385	565,857
Central Europe	305,855	308,640
Southeastern Europe	329,269	355,911
	1,716,899	1,810,322

Investment properties and undeveloped land

EUR '000	31.12.2011	31.12.2010
Austria	0	0
Germany	0	0
Central Europe	6,322	6,175
Southeastern Europe	49,158	49,814
	55,480	55,989

In financial 2011, borrowing costs totalling EUR 395,000 (2010: EUR 6,511,000) were capitalised. These amounts related to properties still under construction and properties completed during 2011 for the time prior to their completion.

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

Changes in the acquisition costs of owner-operated hotels, 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 2010	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
Additions	524	645	57	1,226
Disposals	0	0	-5	-5
As at 31 December 2011	172,511	15,307	538	188,356

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

EUR '000	Owner-operated hotels	Other plant and equipment	Intangible assets	Total
Accumulated depreciation and amortisation as at 01 January 2010	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
Depreciation and amortisation	6,958	2,242	66	9,266
Disposals	0	0	0	0
As at 31 December 2011	38,190	7,835	373	46,398
Carrying value as at 01 January 2010	147,296	13,074	223	160,593
Carrying value as at 31 December 2010	140,755	9,069	179	150,003
Carrying value as at 31 December 2011	134,321	7,472	165	141,958

In the financial year 2011, there were no impairment losses on owner-occupied properties.

3.1.3. Goodwill

Changes in goodwill were 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
Additions/Disposals	0
Impairment losses	-90
As at 31 December 2011	10

The goodwill of EUR 2,296,000 arose on initial consolidation in the financial year 2010 of VIERTEL ZWEI Hotel GmbH & Co KG, which forms part of the Austrian business segment. Because the Courtyard by Marriott Hotel, which is operated by this company is treated as a cash generating unit, the value of the goodwill was subjected to an impairment test. Since the synergy effects to be expected fall significantly short of the goodwill that arose on initial consolidation, an impairment writedown of EUR 90,000 was made in the financial year 2011 (2010: EUR 2,196,000) as part of the gains/losses on property valuation.

3.1.4. Properties held for disposal

EUR '000	Austria	Germany	Total
As at 01 January 2010	54,300	0	54,300
Reclassifications	0	6,000	6,000
Decrease	-54,300	0	-54,300
As at 31 December 2010	0	6,000	6,000
Reclassifications	16,250	46,550	62,800
Decrease	0	-6,000	-6,000
As at 31 December 2011	16,250	46,550	62,800

The amount of EUR 62,800,000 relates to one residential property in Vienna, seven residential properties in Berlin, one residential property in Hamburg and one office property in Munich.

3.1.5. Inventories

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

3.1.6. Trade receivables and other accounts receivable

Trade receivables include rents receivable from tenants less any specific provisions required. These consist mainly of provisions against receivables in Southeastern Europe of EUR 10,750,000 (2010: EUR 6,058,000) and in Germany of EUR 2,705,000 (2010: EUR 2,546,000).

3.1.6.1. Receivables – due dates

EUR '000	2011		2010	
	Trade receivables	Other accounts receivable	Trade receivables	Other accounts receivable
Not yet due	4,869	11,268	5,359	31,908
Less than 3 months overdue	3,757	1,323	4,692	4,293
3 to 12 months overdue	1,045	2,186	104	5,056
More than 1 year overdue	272	1,210	169	1,030
Total	9,943	15,987	10,324	42,287

3.1.6.2. Other financial assets

EUR '000	31.12.2011	31.12.2010
Current tax credits	4,629	11,080
Receivables from property disposals	2,583	9,983
Property management agents clearing accounts	1,484	2,371
Present value of rental guarantee	923	1,154
Construction loan subsidies outstanding	233	347
Accrued interest and interest rate caps and collars	259	5,204
Other assets	5,876	12,148
	15,987	42,287

3.1.7. Cash and cash equivalents

EUR '000	31.12.2011	31.12.2010
Bank balances	115,033	129,464
Cash on hand	227	257
	115,260	129,721

3.1.8. Shareholders' equity

The nominal 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.

In October 2011, a share repurchase programme was decided on, which will end on or before 31 May 2012. As of 31 December 2011, 321,550 shares had been repurchased for a total of EUR 1,330,000.

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	31.12.2011	31.12.2010
Total share capital	247,509	247,509
Treasury shares (nominal)	-1,168	0
	246,341	247,509

Changes in share capital

Number of shares	31.12.2011	31.12.2010
Authorised share capital as at 01 January	68,118,718	68,118,718
Repurchase of own shares	-321,550	0
Issue of new shares	0	0
Treasury shares sold	0	0
Authorised share capital as at 31 December	67,797,168	68,118,718

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

The nominal share capital is divided into 68,118,718 ordinary bearer shares of no par value.

The bearer shares provide the shareholders the usual rights given 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 73,416,000 (31.12.2010: EUR 73,578,000) are restricted reserves in the meaning of section 229(5) UGB.

The other reserves of EUR 231,952,000 (31.12.2010: EUR 211,918,000) shown in the statement of changes in consolidated equity consist in the main of released capital reserves together with accumulated retained profits or losses. The foreign currency reserve of EUR -22,040,000 (31.12.2010: EUR -13,398,000) is made up of the currency translation differences in accordance with IAS 21. The hedge accounting reserve of EUR -55,627,000 (31.12.2010: EUR -38,335,000) comprises the valuation differences on cash flow hedges recognised in equity.

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 certificates, described in more detail in note 3.1.10. 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 attached 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 is the same as in 2010.

3.1.9. Non-controlling interests

The minority interests of EUR 29,088,000 (31.12.2010: EUR 31,426,000) consisted principally of Einkaufscenter Sofia G.m.b.H. & Co KG (35% interest).

3.1.10. 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:

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

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 2011, the total share of earnings was EUR 10,595,000 (2010: EUR 9,452,000).

As at 31 December 2011, there were 2,905,426 participating certificates in issue. The total entitlements of participating certificate holders as of that date were EUR 79.44 per certificate (2010: EUR 79.95), made up as follows:

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

Previous year:

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

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

3.1.11. Provisions

EUR '000	01 January 2011	Released	Utilised	Increased	31.12.2011
Project and transaction risks	4,200	0	0	1,000	5,200
Taxes on income	362	-179	-80	171	274
Other provisions	4,208	0	-2,565	775	2,418
	8,770	-179	-2,645	1,946	7,892

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

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

3.1.12. Taxes on income

3.1.12.1 Current and deferred taxes on income

Tax expense was made up as follows:

EUR '000	2011	2010
Current taxes	-1,546	-2,239
Deferred taxes	-6,852	-4,750
	-8,398	-6,989

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 taxation.

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

EUR '000	01 – 12/2011	01 – 12/2010
Profit before taxes	29,643	9,123
Income tax expense at the standard Austrian tax rate of 25%	-7,411	-2,281
Effects of differing foreign tax rates	268	-476
Reductions in tax relating to tax neutral income	9,296	3,779
Increases in tax relating to non-deductible expenses	-10,550	-9,209
Tax credit in respect of prior years	0	1,198
Tax expense as disclosed	-8,398	-6,989

3.1.12.2 Deferred tax liabilities

In accordance with IAS 12, the provision for deferred taxation is calculated using the balance sheet liability method: For all temporary differences between the balance sheet values 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 loss 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	2011		2010	
	Assets	Liabilities	Assets	Liabilities
Properties held as financial investments	1,326	-69,478	933	-58,487
Financial instruments	17,792	-40	13,077	-359
Other items	974	-1,067	596	-1,253
Tax loss carryforwards	21,425	0	17,967	0
	41,517	-70,585	32,573	-60,099
Netting	-7,985	7,985	-4,118	4,118
Deferred tax assets (+) / liabilities (-)	33,532	-62,600	28,455	-55,981

No deferred tax assets have been recognised for tax loss carryforwards totalling EUR 89,543,000.

3.1.12.3. 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 2011	Tax rate for 2012
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⁾ The tax rate in Hungary is progressive: up to a taxable amount of HUF 500,000,000, the tax rate is 10%, thereafter 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	2011	2010
Rental income – office property	43,691	31,382
Rental income – residential property	28,022	27,919
Rental income – retail property	44,937	39,459
Rental income – hotels	9,293	5,232
	125,943	103,992

3.2.2. Operating costs and expenses from properties and hotel operations

These costs and expenses are expenses in connection with non-current property assets.

EUR '000	2011	2010
Expenses directly attributable to properties		
Operating costs	-45,988	-40,591
Repairs and maintenance	-14,071	-12,964
Provisions on trade receivables	-8,051	-7,427
Commissions	-3,808	-2,847
Other	-5,064	-6,266
	-76,982	-70,095

Expenses of EUR 729,000 were attributable to properties not yet generating income (2010: EUR 200,000).

The expenses of hotel operations are largely made up of expenses for food, beverages, catering supplies, hotel rooms, licences and management fees, repairs and maintenance, operating costs, commissions, personnel expenses and advertising.

3.2.3. Gains on property disposals

EUR '000	2011	2010
Disposal proceeds		
Properties held as financial investments	32,486	24,041
Properties held for disposal	6,300	56,050
Inventories	7,714	22,599
	46,500	102,690
Carrying value of property disposals		
Properties held as financial investments	-25,316	-21,733
Properties held for disposal	-6,000	-54,300
Inventories	-3,600	-16,778
	-34,916	-92,811
Gains on property disposals		
Properties held as financial investments	7,170	2,308
Properties held for disposal	300	1,750
Inventories	4,114	5,821
	11,584	9,879

3.2.4. Management expenses

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

EUR '000	2011	2010
Personnel expenses	-6,581	-5,726
Legal, audit, valuation and consultancy costs	-4,077	-4,537
Service fees and administration expenses	-1,582	-2,816
Advertising and promotional expenses	-1,205	-1,425
Other taxes and charges	-932	-737
Other	-2,792	-3,409
	-17,169	-18,650

Fees invoiced by the Group's auditors totalled EUR 219,000 (2010: EUR 263,000) in 2011. Of this, EUR 160,000 (2010: EUR 173,000) was the cost of the annual audit and EUR 59,000 (2010: EUR 90,000) was for tax consulting services.

The average number of employees in 2011 was 532 (2010: 540), including hotel staff. Personnel expenses for the hotels are disclosed under hotel operations.

The personnel expenses disclosed here are salaries of the Group's employees other than the hotel staff. The amount also includes performance related premiums paid to certain employees under individual agreements.

Defined contribution plans

As required by law, S IMMO Group pays 1.53% of the relevant monthly salaries into an employees' severance pay and pensions fund for all employees who joined the Group after 31 December 2002. Personnel expenses in 2011 included contributions of EUR 40,000 (2010: EUR 34,000) paid into the fund.

They also included expenses for pensions in the amount of EUR 131,000 (2010: EUR 136,000).

Defined benefit plans following termination of employment

For persons employed before 01 January 2003, S IMMO Group is obliged under the statutory provisions to make a one-time severance payment to any employee, whose employment is terminated by the employer or who reaches the age of retirement while employed. The benefit entitlements are dependent on the number of years of service and the level of remuneration at the time of the entitlement arising, and amount to between two and 12 months' salary. Provision is made for these obligations. Personnel expenses in 2011 included expenses of EUR 27,000 (2010: EUR 23,000) for this purpose.

3.2.5. Depreciation and amortisation

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

EUR '000	2011	2010
Owner-operated properties	-6,958	-7,802
Other plant and equipment	-2,242	-2,116
Intangible assets	-66	-136
	-9,266	-10,054

3.2.6. Gains/losses on property valuation

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

EUR '000	2011	2010
Changes in fair value		
Increases	37,861	37,799
Decreases	-57,721	-51,952
Impairment losses		
Owner-operated properties	0	0
Goodwill	-90	-2,196
Other	20,096	15,516
	146	-833

Other operating income from property valuations for the year 2011 consists of the release of provisions. In 2010, this included negative goodwill from the acquisition of VIERTEL ZWEI project companies as well as the release of provisions.

Gains and losses on revaluation by region were as follows:

EUR '000	2011	2010
Austria	9,286	22,286
Germany	5,981	13,716
Central Europe	-4,551	-8,488
Southeastern Europe	-10,570	-28,347
	146	-833

3.2.7. Financing costs

EUR '000	2011	2010
Bank interest expenses (incl. settled derivatives)	-56,088	-38,729
Other financing and interest expenses	-1,455	-3,130
Exchange differences	7,328	-1,569
Valuation of derivatives	-3,295	637
Income from investments	447	592
Bank interest income	681	539
Other financing and interest income	924	459
	-51,458	-41,201

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.

		2011	2010
Equity share of consolidated net profit	EUR '000	20,034	1,843
Average number of shares in circulation	Units	68,072,797	68,118,718
Undiluted earnings	EUR	0.29	0.03
Diluted earnings	EUR	0.29	0.03

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 in 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 subsidiaries in Cyprus are also treated as part of this segment, 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

EUR '000	Austria	
	2011	2010
Rental income	31,029	21,719
Revenues from service charges	8,204	5,276
Revenues from hotel operations	23,885	23,466
Total revenues	63,118	50,461
Other operating income	5,430	1,820
Property operating expenses	-15,319	-11,676
Hotel operating expenses	-19,109	-18,506
Gross profit	34,120	22,099
Gains/losses on property disposals	5,026	9,155
Management expenses	-9,959	-10,609
EBITDA	29,187	20,646
Depreciation and amortisation	-3,631	-3,740
Gains/losses on property valuation	9,286	22,288
EBIT	34,842	39,194
Non-current assets as at 31 December	663,372	661,387
Non-current liabilities (incl. participating certificates in Austria) as at 31 December	706,434	776,680

the individual segments and for reviewing their performance. Quarterly management reports are prepared for each operating segment and submitted to the CFO.

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

Major customers

Because of 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	
2011	2010	2011	2010	2011	2010	2011	2010
36,337	35,383	26,793	20,767	31,784	26,123	125,943	103,992
13,335	12,263	7,186	6,918	12,532	8,182	41,257	32,640
0	0	16,727	14,845	0	0	40,612	38,311
49,672	47,646	50,706	42,530	44,316	34,305	207,812	174,943
1,834	1,406	321	419	152	1,328	7,737	4,973
-29,104	-30,023	-9,843	-8,761	-22,716	-19,635	-76,982	-70,095
0	0	-12,467	-11,110	0	0	-31,576	-29,617
22,402	19,029	28,717	23,078	21,752	15,998	106,991	80,204
6,558	737	0	0	0	-13	11,584	9,879
-4,545	-4,480	-1,206	-1,309	-1,459	-2,252	-17,169	-18,650
24,415	15,286	27,511	21,768	20,293	13,733	101,406	71,433
-164	-201	-4,350	-5,050	-1,121	-1,063	-9,266	-10,054
5,981	13,814	-4,551	-8,588	-10,570	-28,347	146	-833
30,232	28,899	18,610	8,130	8,602	-15,677	92,286	60,546
513,956	566,341	381,382	388,564	398,165	431,699	1,956,875	2,047,991
290,974	334,867	245,136	246,459	171,833	204,306	1,414,377	1,562,312

5. OTHER INFORMATION

5.1. Financial instruments

5.1.1. Categories

S IMMO Group classifies its financial instruments as follows:

31 December 2011							Financial liabilities at amortised cost	Total
Carrying values EUR '000	Derivatives	Available for sale	Held to maturity	Loans and receivables	Other			
ASSETS								
Group interests		8,991					8,991	
Trade receivables				9,943			9,943	
Other financial assets	259			3,534	12,194		15,987	
TOTAL ASSETS	259	8,991	0	13,477	12,194	0	34,921	
EQUITY AND LIABILITIES								
Non-current liabilities								
Subordinated participating certificate capital						230,797	230,797	
Financial liabilities	76,786					1,026,585	1,103,371	
Other liabilities						9,717	9,717	
Current liabilities								
Financial liabilities						208,888	208,888	
Trade payables						9,900	9,900	
TOTAL EQUITY AND LIABILITIES	76,786	0	0	0	0	1,485,887	1,562,673	

31 December 2010

Carrying values EUR '000	Derivatives	Available for sale	Held to maturity	Loans and receivables	Other	Financial liabilities at amortised cost	Total
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							
Non-current liabilities							
Subordinated participating certificate capital						257,820	257,820
Financial liabilities	54,212					1,174,574	1,228,786
Other liabilities						10,955	10,955
Current liabilities							
Financial liabilities						124,123	124,123
Trade payables						16,479	16,479
TOTAL EQUITY AND LIABILITIES	54,212	0	0	0	0	1,583,951	1,638,163

For the most part the carrying values are measured at fair value. The non-current and current financial liabilities contain fixed interest loans amounting to EUR 92,787,000 (2010: EUR 120,650,000).

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 2011

EUR '000	Level 1	Level 2	Level 3	Total
Other financial assets				
Derivatives	0	259	0	259
Financial liabilities				
Derivatives	0	-76,786	0	-76,786

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

5.1.3. Derivatives

S IMMO Group's derivative financial instruments are measured at fair value. As at 31 December 2011, derivatives disclosed under other receivables amounted to EUR 259,000 (2010: EUR 5,204,000) and derivatives disclosed under non-current financial liabilities totalled EUR 76,786,000 (2010: EUR 54,212,000).

EUR '000	31 December 2011				31 December 2010			
	Nominal	Positive fair value	Negative fair value	Maturity	Nominal	Positive fair value	Negative fair value	Maturity
Swaps	0	0	0	more than 1 year	84,891	0	-1,024	more than 1 year
	78,813	0	-8,840	1 to 5 years	3,926	0	-244	1 to 5 years
	382,680	0	-49,079	more than 5 years	393,600	3,338	-38,513	more than 5 years
Caps	85,000	51	0	more than 1 year	0	0	0	more than 1 year
	280,746	208	0	1 to 5 years	365,746	1,866	0	1 to 5 years
	108,760	0	-1,878	more than 5 years	0	0	0	more than 5 years
Collars	200,000	0	-16,988	1 to 5 years	100,000	0	-9,227	1 to 5 years
	0	0	0	more than 5 years	100,000	0	-5,202	more than 5 years
Total	1,135,999	259	-76,786		1,048,163	5,204	-54,212	

In the financial year 2011, an expense of EUR 24,224,000 (2010: income of EUR 1,235,000) was recognised under equity with no effect on profit and loss, and an expense of EUR 3,295,000 (2010: income of EUR 637,000) was recognised in the income

statement as part of the financial results. In the financial year 2011, there were no reclassifications from equity to the income statement.

5.2. Risk management

5.2.1. Exchange and interest rate risk

Since S IMMO Group's rental contracts are mostly linked to the euro and almost all of its loans are denominated in euro, the exchange rate risk is considered to be low.

At 31 December 2011, 92% of the Group's borrowings consisted of variable rate loans and 8% were fixed rate loans.

The variable rate loans are protected with hedging instruments such as caps, collars and swaps.

The stress test (based on the position at 31 December 2011) shows that increases in the base rate (Euribor) have only an effect of roughly one third on the Group's financing costs. For example, a 100 BP increase in Euribor increases financing costs by only 37 BP.

Stress test (parallel shift in interest curve)	3-month Euribor	Cost of funding	Differential cost of funding	Interest sensitivity
Interest shift + 400 BP	5.36%	6.13%	148 BP	37%
Interest shift + 300 BP	4.36%	5.78%	113 BP	38%
Interest shift + 200 BP	3.36%	5.42%	77 BP	39%
Interest shift + 100 BP	2.36%	5.02%	37 BP	37%
Interest shift + 50 BP	1.86%	4.83%	18 BP	37%
Interest shift – 50 BP	0.86%	4.43%	-22 BP	-43%

5.2.2. Liquidity and lender risks

S IMMO Group manages liquidity and lender risks actively. As part of managing and monitoring liquidity, all maturities are subject to continual review, and where required appropriate adjustments are made as part of the rolling budget process. 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. In past years the loan to value ratio was about 60%. To keep lender risks to a minimum, S IMMO Group works with a total of 26 different, well-known financial institutions in Austria and Germany.

	Percentage of bank liabilities
Erste Group	38.5%
Other Austrian banks	45.5%
Insurance companies	9.5%
German banks	6.5%

5.2.2.1. Maturity analysis of financial liabilities

31 December 2011

EUR '000	Subordinated participating certificate capital	Financial liabilities	Trade payables	Other liabilities
Remaining maturity less than 1 year	0	208,888	9,900	39,083
Remaining maturity between 1 and 5 years	0	328,918	0	9,717
Remaining maturity over 5 years	230,797	774,453	0	0
	230,797	1,312,259	9,900	48,800

31 December 2010

EUR '000	Subordinated participating certificate capital	Financial liabilities	Trade payables	Other liabilities
Remaining maturity less than 1 year	0	124,123	16,479	40,551
Remaining maturity between 1 and 5 years	0	409,438	0	10,955
Remaining maturity over 5 years	257,820	819,348	0	0
	257,820	1,352,909	16,479	51,506

5.2.3. Borrower risks

The amounts disclosed as assets represent the maximum default risk since there are no significant netting agreements.

Default risks on receivables from tenants and purchasers of properties are – to the extent recognised – the subject of provisions, the basis of which is explained in note 2.7.7.2.

5.3. Other obligations and contingent liabilities

5.3.1. Rental agreements

The tenancy agreements concluded by S IMMO Group are classified as operating leasing under IFRS. These tenancy agreements generally contain provisions specifying that rents and other fees are

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

Total future minimum leasing payments from operating leasing agreements are as follows:

EUR '000	2011	2010
Following year	91,607	85,553
Following 2 to 5 years	264,433	260,097
More than 5 years	293,487	336,770
	649,527	682,420

5.3.2. Pending litigation

In S IMMO Group there were a number of open legal disputes at the balance sheet date, however the amounts involved were not significant individually, and even in total the amount was not material in Management's estimation.

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
- Arealis Liegenschaftsmanagement GmbH

Erste Group and Vienna Insurance Group are S IMMO AG's strategic core shareholders. Arealis Liegenschaftsmanagement GmbH is a subsidiary of Erste Group and Vienna Insurance Group.

S IMMO Group's managing bodies were as follows:

Management Board of S IMMO AG

Holger Schmidtmayr MRICS, Vienna
Ernst Vejdovsky, Vienna
Friedrich Wachernig MBA, Vienna

Supervisory Board of S IMMO AG

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

In 2011, the remuneration received by members of the Management Board totalled EUR 934,000 (2010: EUR 775,000). This included expenses for pensions of EUR 117,000 (2010: EUR 136,000) and contributions to the employee severance pay and pensions fund of EUR 9,000 (2010: EUR 9,000). Members of the Supervisory Board received remunerations amounting to EUR 123,000 (2010: EUR 110,000). Members of subsidiaries' supervisory boards received no remuneration. 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 provides S IMMO Group mainly with administrative, commission and financial services, while Vienna Insurance Group mostly provides financial and insurance services.

There were the following receivables and payables with Erste Group and Vienna Insurance Group at the end of the year:

EUR '000	31 December 2011	31 December 2010
Other receivables	1,292	1,903
Bank balances	92,289	40,479
Receivables	93,581	42,382

Bank balances consist mainly of current accounts balances and time deposits at interest rates of between 0.3% and 1.5%.

EUR '000	31 December 2011	31 December 2010
Non-current liabilities to banks	425,658	416,314
Non-current financial liabilities	61,593	83,607
Current bank and financial liabilities	103,150	86,901
Trade payables	668	1,103
Other liabilities	963	623
Liabilities	592,032	588,548

The financial liabilities and liabilities to banks were at interest rates of between 1.5% and 7.0% and for the most part with residual maturities of more than 5 years.

There were the following material expenses and income in connection with Erste Group and Vienna Insurance Group in the financial years 2010 and 2011:

EUR '000	2011	2010
Commissions	60	602
Management fees	1,383	2,365
Bank loan interest and other interest and bank charges	29,125	21,295
Other expenses	2,183	1,575
Expenses	32,751	25,837

EUR '000	2011	2010
Rent and service charges	1,081	789
Bank interest	261	140
Other interest income	267	162
Income	1,609	1,091

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

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

5.5. Significant events after balance sheet date

In the first quarter of 2012, a further 128,198 shares were repurchased in the amount of EUR 554,000. The repurchase programme for S IMMO INVEST participating certificates resolved in the previous year will continue until 20 June 2012 at the latest. At the time of going to press no further participating certificates were repurchased.

Furthermore, six residential properties in Berlin and one office property in Munich were sold.

Vienna, 29 March 2012

Management Board

Holger Schmidtmayr MRICS m.p.

Ernst Vejdovsky m.p.

Friedrich Wachernig MBA m.p.

Auditors' Report

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated financial statements of S IMMO AG, Vienna, for the year ended 31 December 2011. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2011, 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 2011, 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 31 December 2011 and of its financial performance and its cash flows for the fiscal year from 01 January 2011 to 31 December 2011 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, 29 March 2012

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,

In an economically challenging environment, the financial year 2011 went well for S IMMO AG. On the one hand, important key figures for S IMMO Group improved. On the other hand, the Group also looks back at successful leases. In addition, S IMMO held its own in the highly turbulent and volatile capital markets, with the S IMMO Share ending the year better than the industry average. For the current financial year 2012, in which S IMMO AG has its 25th anniversary, the Company is very well positioned.



Martin Simhandl

In the past year, the Supervisory Board assisted the Company and the Management Board in all the Group's projects. Throughout the year, we carried out our duties under the law, the Company's articles of incorporation and its internal rules and procedures at the Supervisory Board and Supervisory Board committee meetings. We also 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 S IMMO AG met four times during the year to discuss the Group's economic situation, risk management, strategic development and business development, especially in light of the persistent weakness of the 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 as well as on strategic considerations. Individual topics of current interest were also the subject of separate discussions between the Management Board and the Supervisory Board.

Between six and eight Board Members were present at each of the four Supervisory Board meetings, representing an average attendance rate of 87.5%.

S IMMO 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. In this context, it should be mentioned that the Supervisory Board will carry out a self-evaluation from 2012 onwards.

The Supervisory Board has formed three committees: the Management Board Committee, the Audit Committee and the Working Committee. The duties and composition of the committees are detailed in the corporate governance part of this report (pages 75–78). In the Supervisory Board and in the committee meetings, no agenda items were discussed without the participation of Management Board members. In addition, a circular resolution was approved in writing.

The Working Committee held two meetings to consider property disposals planned during the year. The Audit Committee met twice in the financial year 2011 to monitor the accounting process, Group auditing activities, the effectiveness of the internal control and risk management system, the audit system and the compliance report. The Management Board Committee did not meet in 2011.

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 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 conflicts of interest. A schedule of the total remuneration paid to Deloitte by S IMMO AG relating to the preceding financial year, itemised by categories of services, was requested and inspected. It was confirmed that Deloitte 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. The Supervisory Board therefore proposed to the Annual General Meeting the appointment of Deloitte Audit Wirtschaftsprüfungs GmbH as auditors of the Company's individual and consolidated annual financial statements for the financial year 2011.

The Audit Committee received the submission of the annual financial statements for 2011 by the Management Board together with the management report and the corporate governance report. They inspected these documents, and approved them on the basis of the audit reports by Deloitte Audit Wirtschaftsprüfungs GmbH.

The Audit Committee also reviewed the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) together with the Group management report. In the course of this review, the Management Board's proposal for profit distribution was also discussed. On the basis of its review and discussions, the Audit Committee 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 2011 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 2011 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 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. It also declared itself in agreement with the Management Board's proposal for the appropriation of profit. In accordance with section 96(4) Austrian Companies Act (AktG), the annual financial statements for 2011 were therefore adopted.

The Supervisory Board proposes for the Annual General Meeting to decide on profit distribution in accordance with the Management Board's proposal and discharge the Management Board and Supervisory Board from liability.

The Supervisory Board would like to thank the Management Board and staff of S IMMO AG for their daily hard work and dedication and congratulate them on the 25th anniversary of the Company.

Vienna, April 2012

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 therefore forms the basis of responsible management. In 2011, S IMMO AG again complied with the requirements of the Code.

CLEAR COMMITMENT TO THE AUSTRIAN CORPORATE GOVERNANCE CODE

The fundamental principles underlying good corporate governance are an integral part of what S IMMO AG stands for. From its beginnings 25 years ago, the main principles of S IMMO

AG's business strategy have been sustainability and long-term growth, which is why the Management and Supervisory Boards work so efficiently together. The corporate

communications and investor relations activities are based on openness and transparency.

Information about corporate governance:

www.simmoag.at/en/cgk

www.corporate-governance.at

TRANSPARENT COMMUNICATION AND REPORTING

The provision of transparent, prompt information to shareholders, analysts and all other interested parties – while observing the provisions of company law and stock exchange regulations – is a cornerstone of S IMMO AG's corporate strategy. Important business events and information relevant to the Company's performance are made public without delay. This applies in particular to ad hoc and press releases as well as annual and quarterly financial reports. Additionally, all important announcements, releases, reports and presentations are published on S IMMO AG's website immediately.

COMPLIANCE STATEMENT

Since 2007, S IMMO AG has been expressly committed to complying with the provisions and recommendations of the Austrian Corporate Governance Code (ÖCGK). The full rules and regulations for responsible management and leadership of enterprises can be found on the website of the Austrian Working Group for Corporate Governance.

The key elements of corporate governance at S IMMO AG are explained on pages 75–78. Additional information is contained in the Supervisory Board's report. To avoid repetition, some aspects are discussed in other parts of the Annual Report, to which reference is then made.

Updated information on corporate governance is posted on S IMMO AG's website on a regular basis: www.simmoag.at/en/cgk

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 non-compliance must be explained and justified.
3. R Rules (recommendations): R Rules are recommendations. Non-compliance needs neither be disclosed nor justified.

S IMMO AG fully complies with all the L Rules.

Referring to L Rule 60, S IMMO AG is fully committed to the advancement of women in management positions. Around 55% of the staff are women, and in leading management positions, roughly 21% of the employees are women. S IMMO AG has taken specific measures to ensure that in filling senior managerial positions, the advancement of women will also be given greater emphasis in future. Given the existing long-term appointments, specific measures to appoint women to the Management and Supervisory Boards are not currently under consideration. With the Group's best interests in mind, the emphasis when making appointments to the Boards has been on the maximum possible degree of professional skill and international experience. Considerations such as gender are only taken into account as a secondary factor. Where appropriate, however, when men and women are equally qualified and experienced, S IMMO AG will give preference to women in order to encourage their participation in the Management and Supervisory Boards.

S IMMO AG also complies with almost all 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

As a member of the European Public Real Estate Association (EPRA), S IMMO 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 the International Financial Reporting Standards (IFRS) and provide specific accounting recommendations for listed real estate companies. In the interests of transparent and comparable reporting, S IMMO AG implements these recommendations in the detailed notes to the consolidated financial statements.

COMPOSITION, ACTIVITIES AND PROCEDURES OF THE MANAGEMENT AND SUPERVISORY BOARDS

The Management and Supervisory Boards are fully conscious of their responsibility for ensuring long-term sustainable value creation and the continuing success of the Group. The intensive, ongoing dialogue between the two Boards 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. The Management Board discusses current business developments several times a week and holds regular Management Board meetings. There is an ongoing exchange of information with the managers responsible for the various departments.

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

The Management Board also provides the Supervisory Board with information about all material aspects of the progress of business and all strategic considerations. Collaboration between the two Boards is governed by the Austrian Companies Act, the Company's articles of incorporation as well as the rules and procedures established by the Supervisory Board.

As at 31 December 2011, the Supervisory Board consisted of eight members.

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 36: "The supervisory board shall discuss the efficiency of its activities annually, in particular, its organisation and work procedures (self-evaluation)."

The Supervisory Board has already discussed the self-evaluation and will implement it from 2012.

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 S IMMO AG also serve on the boards of similar companies or perform executive functions at Erste Group Bank AG, its wholly owned subsidiary Erste Group Immo 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 networks 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, or with businesses in which Supervisory Board members have an interest or exercise a management body function. 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.

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, strategy, performance and risk management of the Company. It is responsible for decision making as provided by statute, Company articles of incorporation as well as internal rules and procedures. The Supervisory Board has formed committees, which are listed below. During the year under review, there were a total of four Supervisory Board meetings. At each of the Supervisory Board's meetings, between six and eight Board members were present, representing an average attendance rate of 87.5%.

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 processes of auditing the Group's financial statements. The Audit Committee consisted of the following members: Martin Simhandl (Chairman), Gerald Antonitsch, Erwin Hammerbacher, Ralf Zeitlberger and Wilhelm Rasinger (alternate). In 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 (appointments and remuneration)

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. The Committee consisted of the following members: Martin Simhandl (Chairman), Gerald Antonitsch and Franz Kerber. The Management Board Committee did not meet during the year under review.

Working Committee

The Working Committee is responsible for authorising on behalf of the full Supervisory Board transactions for the acquisition and disposal of businesses, business interests or properties up to a maximum value of EUR 60m in cases where seeking the approval of the full Supervisory Board would be impractical due to lack of time or other organisational constraints. The members of the Working Committee were Gerald Antonitsch (Chairman),

Erwin Hammerbacher, Franz Kerber and Ralf Zeitlberger. The Working Committee met twice during the year under review.

STATEMENT OF INDEPENDENCE

S IMMO 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 S IMMO 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 S IMMO 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 person is not independent.
- A Supervisory Board member should not have served as statutory auditor to S IMMO AG, or have had an interest in, or been an employee of the auditing firm in the preceding three years.
- A Supervisory Board member should not be a member of the management board of another company where a member of the Management Board of S IMMO AG is a member of that company's supervisory board.
- A Supervisory Board member should not be a close family member (direct descendant, spouse, domestic 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 2011, the following members of the Supervisory Board, who together constitute the majority of the Supervisory Board, are independent in the meaning of C Rule 53 and C Rule 54 of the Corporate Governance Code. These members satisfy the Supervisory Board's criteria for independence.

Current independent members of the Supervisory Board:

Martin Simhandl (in the meaning of C Rule 53)
 Franz Kerber (in the meaning of C Rules 53 and 54)
 Christian Hager (in the meaning of C Rules 53 and 54)
 Erwin Hammerbacher (in the meaning of C Rule 53)
 Michael Matlin (in the meaning of C Rule 53)
 Wilhelm Rasinger (in the meaning of C Rules 53 and 54)
 Ralf Zeitlberger (in the meaning of C Rules 53 and 54)

DIRECTORS' DEALINGS

Under section 48d(4) Austrian Stock Exchange Act (BörseG), S IMMO 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 2011, the purchase of 2,000 shares by a member of the Management Board was reported to the Financial Market Authority. In accordance with the requirements of the Code, dealings by members of the Management and Supervisory Boards (directors' dealings) are disclosed on S IMMO AG's website (www.simmoag.at/en) 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

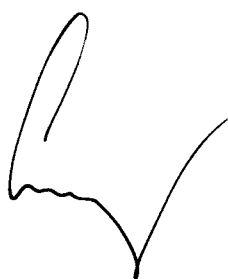
Members of the Supervisory Board received remuneration amounting to EUR 123,336 (2010: EUR 110,000). Pursuant to a resolution of the Annual General Meeting on 23 June 2009, the annual remuneration is EUR 15,000 for the Chairman of the Supervisory Board, EUR 12,000 for the Deputy Chairmen and EUR 9,000 for each member of the Supervisory Board. Additionally, there is an attendance fee of EUR 500 for every Supervisory Board or Committee meeting attended. 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 component and a variable, profit-related component of up to a maximum of 75% of the fixed remuneration. Profit participation is dependent on the achievement of quantitative and qualitative targets, such as consolidated earnings, cash flow and occupancy rate. In the financial year 2011, there were no variable bonus payments to members of the Management Board. During the financial year 2011, the total remuneration of the Management Board amounted to EUR 934,000 (2010: EUR 775,000). This included expenses for pensions of EUR 117,000 (2010: EUR 136,000) and contributions to the employee severance pay and pensions fund of EUR 9,000 (2010: EUR 9,000). S IMMO AG has no stock option plan at present and no separate dismissal entitlements for Management Board members.

AUDITORS

By resolution of the Annual General Meeting 2011, Deloitte Audit Wirtschaftsprüfungs GmbH was 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 Vejdovszky



Friedrich Wachernig

Einzelabschluss

LAGEBERICHT 2011 (EINZELABSCHLUSS)	80
JAHRESABSCHLUSS	92
Bilanz	92
Gewinn- und Verlustrechnung	93
Anhang	94
BESTÄTIGUNGSVERMERK (EINZELABSCHLUSS)	110

Lagebericht für das Geschäftsjahr 2011

Geschäftstätigkeit der S IMMO AG

Die S IMMO AG ist eine international tätige Immobilieninvestment- und entwicklungsgesellschaft mit Sitz in Wien und Notierung an der Wiener Börse. Sie ist als Konzernleitgesellschaft der S-IMMO-Gruppe direkt bzw. über Tochterunternehmen indirekt in den Segmenten Österreich, Deutschland, Zentral- und Südosteuropa tätig. 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 durch langfristige, ertragreiche Immobilieninvestments bzw. Immobilienprojektentwicklungen 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 S IMMO AG, Marktchancen optimal zu nutzen.

Management

Alle wesentlichen Steuerungsfunktionen sowie das Asset Management für die österreichischen bzw. südosteuropäischen Immobilien 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 S IMMO AG ist in Wien. Es bestehen keine Zweigniederlassungen.

Geschäftsverlauf

Die Umsatzerlöse sind im Geschäftsjahr mit TEUR 22.959 (2010: TEUR 24.013) wegen des Verkaufes von zwei Objekten leicht gesunken. Die sonstigen betrieblichen Erträge hingegen sind mit TEUR 5.741 (2010: TEUR 26.911) deutlich gesunken, da in 2011 – anders als in den Vorjahren – keine gleichwertigen Erträge aus Immobilienveräußerungen erzielt wurden.

Die sonstigen betrieblichen Aufwendungen sind von TEUR 9.049 auf TEUR 6.727 gesunken.

Das Finanzergebnis beträgt TEUR 11.655 (2010: TEUR -101.395), was einerseits auf die höheren Beteiligungserträge im Geschäftsjahr 2011 in Höhe von TEUR 20.447 (2010: TEUR 4.680) und andererseits auf die das Ergebnis des Geschäftsjahres 2010 belastenden Effekte der erstmaligen Bildung von Rückstellungen für Drohverluste im Zusammenhang mit derivativen Finanzinstrumenten in Höhe von TEUR 47.677 sowie auf Abschreibungen aus Finanzanlagen (2011: TEUR 0; 2010: TEUR 40.754) zurückzuführen ist.

Die Bilanzsumme ist von TEUR 964.762 auf TEUR 1.059.433 zum Bilanzstichtag 31.12.2011 gestiegen. Das Grundkapital beträgt unverändert zum Vorjahr TEUR 247.509. Das Eigenkapital hat sich zum Bilanzstichtag von TEUR 321.087 auf TEUR 337.062 erhöht. Die Eigenkapitalquote betrug zum 31.12.2011 32% (31.12.2010: 33%).

Die Verbindlichkeiten gegenüber Kreditinstituten haben sich im laufenden Geschäftsjahr von TEUR 200.052 auf TEUR 241.861 erhöht. Davon haben TEUR 112.727 eine Restlaufzeit von bis zu einem Jahr.

Auf dem Kapitalmarkt wurden durch das Genussschein- bzw. Aktienrückkaufprogramm wichtige Akzente gesetzt, die im ersten Halbjahr 2012 fortgesetzt werden. Auf Grund der Differenz zwischen innerem Wert unserer Aktie und dem aktuellen Kurs sehen wir den Rückkauf der Aktien als derzeit bestes Investment. Durch den Erwerb der Genussscheine (ebenfalls unter seinem inneren Wert) setzen wir einen wichtigen Schritt zur weiteren Vereinfachung der Kapitalstruktur und zur Steigerung des Unternehmenswerts für unsere Aktionäre.

Immobilienportfolio in Österreich – wesentliche Ereignisse 2011

In Österreich konnte die S IMMO AG ihr bestehendes Portfolio weiter optimieren. So konnten im Geschäftsjahr 2011 folgende Objekte mit Gewinn veräußert werden: Stuckgasse 9, Heiligenstädter Straße 181 (beide in Wien).

Daneben konzentriert sich S IMMO auf das Entwicklungsprojekt Quartier Belvedere, eines der größten innerstädtischen Bauvorhaben Europas rund um den zukünftigen Hauptbahnhof in Wien, welches gemeinsam mit namhaften Partnern realisiert wird.

Voraussichtliche Entwicklung

Nach der Phase der Projektfertigstellungen und des Vermögensaufbaus der vergangenen Jahre liegt der Fokus derzeit auf dem langfristigen Halten von hochwertigen Bestandsimmobilien und der Ertragssteigerung des Portfolios.

Grundsätzlich prüft die S IMMO 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 2012 erwartet die S IMMO AG eine weitere positive Entwicklung.

Risikomanagement

Als internationaler Immobilien-Investmentkonzern sieht sich die S IMMO mit einer Vielzahl von Risiken konfrontiert, die einerseits Einfluss auf die operative Geschäftstätigkeit und andererseits auf die strategische Unternehmensführung haben können. Durch die laufende Identifizierung, Analyse, Steuerung und Überwachung der Risiken versucht die Gesellschaft gefährdende Entwicklungen und potenzielle Chancen rechtzeitig zu erkennen und in den Entscheidungsprozessen zu berücksichtigen.

Das Geschäftsmodell des Unternehmens sieht grundsätzlich eine nach Regionen und Nutzungsarten ausgerichtete Portfoliostrategie vor. Diese zweidimensionale Diversifizierung dient einerseits der breiten Risikostreuung, andererseits der Chancenoptimierung. Die Chancen ergeben sich durch die verschiedenen Immobilienzyklen der einzelnen Nutzungsarten, aber auch durch regionale Differenzierung.

Das Risikomanagement umfasst neben internen Richtlinien auch regelmäßige Berichte an den Vorstand sowie Kontrollmaßnahmen, die im gesamten Unternehmen etabliert sind und der Früherkennung, Steuerung sowie Überwachung von Risiken dienen. Der Vorstand trifft die wesentlichen risikorelevanten Entscheidungen. Investitionsvorhaben unterliegen ab einer bestimmten Größenordnung zudem der Genehmigung durch den Aufsichtsrat. Beide Organe werden in regelmäßigen Intervallen über Risiken sowie über das interne Kontrollsystem informiert.

Unternehmensstrategische Risiken

Strategische Risiken sind sehr eng mit der Geschäftsstrategie der S IMMO verbunden und können diese auch gegebenenfalls stark beeinflussen. Dazu zählen das Umfeld- und Branchenrisiko, das Investitionsrisiko und das Kapitalmarktrisiko.

Investitionsrisiko

Ein wesentlicher Bestandteil der Unternehmensstrategie zielt darauf ab, bei der Auswahl von Immobilien potenzielle Investitionsrisiken zu erkennen. Vor diesem Hintergrund setzt die S-IMMO-Gruppe im Vorfeld einer Investitionsentscheidung auf umfassende interne und externe Analysen. Dabei werden Faktoren wie Attraktivität des Standorts, Infrastruktur und Bonität der Mieter herangezogen. Darüber hinaus sind

klare Limits festgelegt, ab welchem Investitionsvolumen eine Genehmigung des Aufsichtsrats oder des Arbeitsausschusses des Aufsichtsrats erforderlich ist. Kurzfristig sind keine neuen Investitionen in höherem Ausmaß geplant.

Kapitalmarktrisiko

Der Kapitalmarkt ist für die S IMMO als Refinanzierungsmöglichkeit von besonderer Wichtigkeit. Allerdings ist auf Grund der aktuellen Volatilität der Aktienmärkte und dem niedrigen Kurs der S-IMMO-Aktie eine Refinanzierung auf dem Aktienmarkt derzeit nicht angedacht. Dennoch analysiert die S IMMO laufend geeignete Kapitalbeschaffungsmaßnahmen am Finanzmarkt. Mittels längerfristiger Liquiditätsplanung werden Kreditaufnahmen und -rückzahlungen sowie Investitionen geplant. Die S IMMO bemüht sich, das Vertrauen der Anleger in die S-IMMO-Aktie durch transparente, zeitnahe und effiziente Kommunikation mit ihren Investoren, Analysten und anderen Dialoggruppen, zu stärken. Zur Sicherstellung der Kapitalmarkt-Compliance verfügt die S IMMO AG über eine Compliance-Ordnung mit klar definierten Wohlverhaltensregeln für Mitarbeiter und Organe sowie einer Definition der Funktionen des Compliance-Verantwortlichen.

Immobilienpezifische Risiken

Wirtschaftlich herausfordernde Zeiten können zu Bonitätsverschlechterungen von Mietern, erhöhten Mietrückständen, steigenden Leerstandsdaten und Mietausfällen führen.

Immobilienportfoliorisiko

Dem Immobilienportfoliorisiko begegnet die S-IMMO-Gruppe mit einer 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. Darüber hinaus hat aus Risikosicht die Ausrichtung der Geschäftstätigkeit auf Länder mit langfristigem Entwicklungspotenzial sowie auf Hauptstädte der Europäischen Union wesentlich zu einem stabilen Gesamtportfolio im Konzern beigetragen.

Vermietungsrisiko

Das Vermietungsrisiko ist stark mit der allgemeinen wirtschaftlichen Lage verknüpft. Der Fokus auf langfristige Vermietung hat sich im vergangenen Geschäftsjahr als risikominimierend erwiesen. Auch im

laufenden Jahr bleibt auf Grund der wirtschaftlichen Situation und der veröffentlichten Wirtschaftsprognosen ein Verwertungsrisiko akut bestehen.

Entwicklungsrisiko

Das Entwicklungsrisiko hat sich durch Abschluss der Entwicklungsprojekte im Geschäftsjahr 2010 deutlich reduziert. Im laufenden Jahr ist der Bau neuer Entwicklungsprojekte nicht geplant. Mittelfristig konzentrieren wir uns auf das Projekt Quartier Belvedere Central – eines der größten Stadtentwicklungsprojekte Europas rund um den Hauptbahnhof in Wien. Bei diesem Projekt ist die Entwicklung der einzelnen Bauteile in mehreren Phasen vorgesehen.

Immobilienbewertungsrisiko

Das Immobilienbewertungsrisiko beschreibt das Risiko von negativen Wertschwankungen des Immobilienportfolios, die sich auf Grund von Änderungen des makroökonomischen Umfelds und immobilienpezifischen Faktoren ergeben können. Diese Marktwertänderungen können in weiterer Folge nicht nur das Ergebnis, sondern auch das Eigenkapital und somit auch die Kreditwürdigkeit der Gesellschaft negativ beeinflussen.

Finanzielle Risiken

Die Steuerung von finanziellen Risiken beinhaltet für die S-IMMO-Gruppe vor allem den Umgang mit Liquiditäts-, Zinsänderungs-, Finanzierungs- und Währungsrisiken.

Liquiditätsrisiko

Zur Sicherstellung der Liquidität werden die Zahlungsströme des Unternehmens von der Finanzierungsabteilung auf Basis einer laufenden Liquiditätsplanung in Zusammenarbeit mit den Bereichen Projektentwicklung und Asset Management koordiniert, auf Plausibilität geprüft und laufend angepasst. Auf Grund von verschärften Eigenkapitalbestimmungen für Banken und der Euro-Krise könnte es allerdings zu Schwierigkeiten bei Refinanzierungen kommen. Die S-IMMO kann dadurch trotz überwiegend langfristig abgeschlossener Kreditverträge vor allem bei Kreditverlängerungen betroffen sein (siehe auch Finanzierungsrisiko).

Zinsänderungsrisiko

Bei Fremdfinanzierungen können Risiken durch die Veränderung der Zinsniveaus auftreten. Derzeit wird allerdings erwartet, dass die Europäische Zentralbank den Leitzins vorerst weitgehend unverändert lässt. Dennoch kann auch nicht ausgeschlossen werden, dass Banken auf Grund der angespannten Situation ihre Margen anheben. Das Zinsänderungsrisiko reduziert die S-IMMO-Gruppe langfristig durch Zinsabsicherungen ihrer variabel verzinsten Kredite. Zur Absicherung variabel verzinsten Kredite verwendet die S IMMO derivative Finanzinstrumente (Swaps, Caps und Collars). Die durchgeführten Stresstests zeigen, dass die S IMMO an Änderungen des Zinsniveaus mit etwa einem Drittel partizipiert, was zur Folge hat, dass die Gesellschaft im Falle von Zinssteigerungen – trotz Absicherung durch derivative Finanzinstrumente – höheren Finanzierungskosten ausgesetzt wäre.

Finanzierungsrisiko

Die angespannte Situation des Bankensektors könnte zu einer restriktiven Kreditvergabepolitik von Banken führen und somit die Refinanzierung erschweren. Dieses Finanzierungsrisiko minimiert die S IMMO AG durch Streuung ihrer Kreditgeber sowie langfristige Fremdkapitalaufbringung, wobei eine Kontrolle der Kreditaufnahmen mittels nach Beträgen gestaffelter Genehmigungspflichten des Vorstands bzw. Aufsichtsrats erfolgt. Per 31.12.2011 hatten die langfristigen Bankverbindlichkeiten eine durchschnittlich gewichtete Restlaufzeit von mehr als 8,6 Jahren. Die Langfristigkeit der Finanzierung entspricht der branchenüblichen Praxis. Die Einhaltung der Vertragsbedingungen wird von der S IMMO AG – in engem Kontakt mit kreditvergebenden Finanzinstituten – laufend überwacht. Trotz eines genauen Monitorings der Finanzierungsinstrumente und der relevanten Parametern kann es bei entsprechender negativer Entwicklung des Finanzierungsumfelds nicht ausgeschlossen werden, dass die S IMMO mit erheblichen Gefahren im Bereich der Refinanzierung konfrontiert werden könnte.

Fremdwährungsrisiko

Kreditfinanzierungen der S IMMO AG sind ausschließlich in Euro denominated und die Mietverträge sind ausschließlich an den Euro gebunden. Daher besteht kein unmittelbares Fremdwährungsrisiko.

Sonstige Risiken

Umweltrisiko

Umweltrisiken können sowohl in Zusammenhang mit Bestandsimmobilien als auch mit Entwicklungsprojekten auftreten. Beispielsweise können geänderte Gesetze das Entfernen oder den Austausch von Materialien notwendig machen. Ebenso kann die Entsorgung gefährlicher Substanzen auf einem Entwicklungsgrundstück erforderlich sein. Das wiederum kann zu zusätzlichen Kosten führen. Die S IMMO sichert sich gegen dieses Risiko dadurch ab, dass bei Akquisitionen und Investitionen genaue Standortanalysen durchgeführt und gegebenenfalls Garantieerklärungen eingeholt werden. Weiters agiert die S IMMO verantwortungsvoll sowohl bei Bestandsimmobilien als auch bei Entwicklungsprojekten, indem auf höchste Standards bei Materialien und Bauweisen geachtet wird.

Rechtsrisiko

Die S IMMO ist auf Grund ihrer Geschäftstätigkeit einer Vielzahl von rechtlichen Risiken ausgesetzt, die sich beispielsweise aus Rechtsstreitigkeiten mit Mietern oder Projektpartnern oder aus dem Erwerb bzw. der Veräußerung von Immobilien ergeben können. Diese haben allerdings keinen wesentlichen Einfluss auf die Gesellschaft und sind durch entsprechende bilanzielle Maßnahmen abgedeckt.

Gesamtaussage zur Risikosituation

Zusammenfassend kann gesagt werden, dass das Geschäftsjahr 2012 von einem noch immer schwierigen Wirtschaftsumfeld und volatilen Kapitalmärkten sowie der Euro-Krise geprägt sein wird. Das hat auch Auswirkungen auf die S IMMO. Besonders betroffen sind das Vermietungs-, Immobilienbewertungs-, Mietausfalls-, Liquiditäts-, Finanzierungs-, Zinsänderungs- und Kapitalmarktrisiko. Zusätzlich ergeben sich Risiken aus den einzelnen Immobilien. Mit einem gezielten Risikomanagement begegnet die S IMMO den genannten Risiken und versucht mit den gesetzten Maßnahmen mögliche negative Auswirkungen auf die Ertragslage und die operative Geschäftstätigkeit zu minimieren. Die bedeutendsten Risikofaktoren ergeben sich aus der Verschlechterung der Zahlungsfähigkeit von Kunden und Geschäftspartnern, möglichen Zinserhöhungen, einer Verschlechterung von mikro- und makroökonomischen Marktbedingungen in den von der S IMMO bearbeiteten Märkten sowie möglichen Refinanzierungsproblemen, die aus den verschärften Auflagen für Banken resultieren.

Finanzielle und nichtfinanzielle 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 (LTV) Ratio sowie der FFO (Funds from Operations).

Für die S IMMO AG wurden folgende finanzielle Leistungsindikatoren identifiziert:

		2011	2010
Eigenkapitalquote	%	32	33
EBIT	TEUR	3.726	22.741

Diese Finanzkennzahlen werden zur Steuerung des operativen Geschäfts durch mehrere nichtfinanzielle 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 24.09.2009 von der Tri-Star Capital Ventures Ltd., einer internationalen Investmentgesellschaft, eine Mitteilung gemäß § 91 Abs. 1 BörseG erhalten, wonach das Unternehmen die Beteiligung an der Sparkassen Immobilien AG (nunmehr S IMMO 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 (nunmehr S IMMO AG) mit 10,27 % die Meldegrenze von 10 % gemäß § 91 Abs. 1 BörseG überschritten hat. Weiters hat das Unternehmen von der Erste Asset Management GmbH eine Mitteilung gemäß § 91 Abs. 1 BörseG erhalten, wonach die RINGTURM Kapitalanlagegesellschaft m.b.H. und die ERSTESPARINVEST Kapitalanlagegesellschaft m.b.H. Tochtergesellschaften der Erste Asset Management GmbH sind, diese drei Gesellschaften eine gemeinsame Stimmrechtspolitik verfolgen und daher Stimmrechtsmitteilungen der Fondsbestände kumuliert erfolgen. Der gemeinsame Stimmrechtsanteil habe per 29.11.2011 die meldepflichtige Schwelle von 10% überstiegen und betrug 11,94%.
- 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 letztmals vor Erreichen des 65. Lebensjahres möglich. Der Aufsichtsrat besteht aus bis zu zehn von der Hauptversammlung gewählten Mitgliedern.

7.) a) In der ordentlichen Hauptversammlung vom 21.05.2010 wurde dem Vorstand die neuerliche Ermächtigung erteilt, nach den Bestimmungen des § 65 Abs. 1 Z 8 AktG für die Dauer von 30 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 fünf Jahren ab Beschlussfassung, mit Zustimmung des Aufsichtsrats 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 übertragene 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 AT0000795737 und/oder S IMMO INVEST AT0000630694 bedient werden.

b) In der ordentlichen Hauptversammlung vom 28.05.2008 wurde der Vorstand gemäß § 174 Abs. 2 AktG ermächtigt, innerhalb von fünf Jahren ab dem Datum der Beschlussfassung, somit bis 28.05.2013, mit Zustimmung des Aufsichtsrats 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 Abs. 2 Z 1 AktG 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 (bedingtes Kapital). Die bedingte Kapitalerhöhung wird nur insoweit durchgeführt, als Inhaber von auf der Grundlage des Hauptversammlungsbeschlusses vom 28.05.2008 ausgegebenen Wandelschuldverschreibungen von dem ihnen ein geräumten 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 mit Zustimmung des Aufsichtsrats ermächtigt, 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 oder aufgrund des Ablaufs der Frist zur Ausnutzung des bedingten Kapitals ergeben, zu beschließen.

8.) Es gibt keine bedeutenden Vereinbarungen, an denen die Gesellschaft beteiligt ist und die bei einem Kontrollwechsel in der Gesellschaft infolge eines Übernahmeangebots wirksam werden, sich ändern oder enden.

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

Im ersten Quartal 2012 wurden 128.198 Aktien zu einem Preis von rd. TEUR 554 rückgekauft. Das im Jahr 2011 beschlossene Rückkaufprogramm für S-IMMO-INVEST-Genussscheine läuft noch bis längstens 20.06.2012. Bis Redaktionsschluss wurden keine weiteren Genussscheine rückgekauft.

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

Wien, am 29. März 2012

Der Vorstand:

MMag. Holger Schmidtmayr e.h.

Mag. Ernst Vejdovszky e.h.

Mag. Friedrich Wachernig e.h.

Gewinn- und Verlustrechnung für das Geschäftsjahr 2011
(Beträge in EUR)

	2011	Vorjahr (in TEUR)
1. Umsatzerlöse	22.958.640,53	24.013
2. sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	2.352.780,77	25.658
b) Erträge aus der Auflösung von Rückstellungen	720.891,75	435
c) übrige	<u>2.667.565,33</u>	<u>818</u>
3. Aufwendungen für sonstige bezogene Herstellungsleistungen	-7.376.921,35	-8.216
4. Personalaufwand		
a) Gehälter	-3.260.003,15	-2.504
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-66.771,78	-57
c) Aufwendungen für Altersversorgung	-131.493,62	-166
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-627.880,31	-530
e) sonstige Sozialaufwendungen	<u>-45.559,36</u>	<u>-48</u>
5. Abschreibungen		
a) auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-6.738.508,49	-6.970
b) auf Gegenstände des Umlaufvermögens, soweit diese die im Unternehmen üblichen Abschreibungen überschreiten	<u>-</u>	<u>-643</u>
6. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 17 fallen	-141.865,18	-205
b) übrige	<u>-6.584.821,31</u>	<u>-8.844</u>
7. Zwischensumme aus Z 1 bis 6	<u>3.726.053,83</u>	<u>22.741</u>
8. Erträge aus Beteiligungen (davon aus verbundenen Unternehmen: EUR 20.000.000,00; i.Vj.: TEUR 4.088)	20.447.373,94	4.680
9. Erträge aus Ausleihungen des Finanzanlagevermögens (davon aus verbundenen Unternehmen: EUR 13.971.712,46; i.Vj.: TEUR 12.537)	9.984.551,54	9.214
10. sonstige Zinsen und ähnliche Erträge (davon aus verbundenen Unternehmen: EUR 2.406.466,26; i.Vj.: TEUR 7.548)	10.957.833,41	8.092
11. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens davon: a) Abschreibungen b) Aufwendungen aus verbundenen Unternehmen	-	-40.754
12. Zinsen und ähnliche Aufwendungen (davon betreffend verbundene Unternehmen: EUR 2.544.340,68; i.Vj.: TEUR 1.654)	-18.549.092,47	-72.405
13. Ergebniszuweisung Genussscheine	-10.595.239,00	-9.452
14. Zuweisung anteilige stille Reserven im Immobilienvermögen für die Genussscheine	<u>-590.000,00</u>	<u>-770</u>
15. Zwischensumme aus Z 8 bis 14	<u>11.655.427,42</u>	<u>-101.395</u>
16. Ergebnis der gewöhnlichen Geschäftstätigkeit	<u>15.381.481,25</u>	<u>-78.654</u>
17. Steuern vom Einkommen (davon Ertrag aus Steuerumlage: EUR 287.815,00; i.Vj.: TEUR 396)	389.690,00	445
18. Jahresüberschuss/-fehlbetrag	<u>15.771.171,25</u>	<u>-78.209</u>
19. Auflösung unverteilter Rücklagen	203.078,16	1.029
20. Auflösung von Kapitalrücklagen	-	73.532
21. Auflösung von Gewinnrücklagen	-	3.648
22. Zuweisung zu Gewinnrücklagen	<u>-6.974.249,41</u>	<u>-</u>
23. Bilanzgewinn	<u>9.000.000,00</u>	<u>-</u>

Anhang zum Jahresabschluss 31.12.2011

I. Bilanzierungs- und Bewertungsmethoden

Der Jahresabschluss zum 31. Dezember 2011 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 Vorsichtsprinzip 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 2011 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 waren keine außerplanmäßigen Abschreibungen erforderlich.

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 Geschäftsjahr 2011 wurden keine Abweichungen von bislang gewählten Bilanzierungs- und Bewertungsmethoden vorgenommen.

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 (Anlage zum Anhang) ersichtlich.

1.2 Finanzanlagen

Angabe gem. § 238 Z 2 UGB für Beteiligungen ab 20%

	Anteil in %	Stichtag	Währung	Eigenkapital per 31.12.	Ergebnis des Geschäftsjahres
CEE PROPERTY-INVEST Immobilien GmbH	100	31.12.2011	T€	236.255	-14.210
German Property Invest Immobilien GmbH	100	31.12.2011	T€	67.016	69
A.D.I. Immobilien Beteiligungs GmbH	100	31.12.2011	T€	7.084	-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 – IMMORANT 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	2011	424	424	0,00
	VJ	515	515	0,00
Forderungen gegenüber verbundenen Unternehmen	2011	52.076	52.076	0,00
	VJ	83.444	83.444	0,00
Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	2011	1.979	1.979	0,00
	VJ	1.832	1.832	0,00
sonstige Forderungen	2011	1.955	1.836	119
	VJ	3.898	3.665	233

2.1.1 Forderungen aus Lieferungen und Leistungen

Die Forderungen aus Lieferungen und Leistungen beinhalten Mieten und Betriebskostenforderungen. Einzelwertberichtigungen in Höhe von T€ 281 (i.Vj. T€ 358) sind bereits abgezogen.

2.1.2 Forderungen gegenüber verbundenen Unternehmen

Die Forderungen gegenüber verbundenen Unternehmen betreffen im Wesentlichen Barvorlagen und weiterverrechnete Zinsabsicherungskosten an zahlreiche Konzerngesellschaften sowie eine Dividendenforderung.

2.1.3 Sonstige Forderungen

Die sonstigen Forderungen beinhalten im Wesentlichen mit T€ 233 (i.Vj. T€ 347) Forderungen aus Annuitätzuschüssen, mit T€ 375 (i.Vj. T€ 354) angespartes Pensionskassenkapital, mit T€ 264 (i.Vj. T€ 16) Zins- und Leistungsabgrenzungen und mit T€ 972 (i.Vj. T€ 926) die Betriebskostenverrechnung.

2.1.4 Wertpapiere und Anteile des Umlaufvermögens

Die Gesellschaft hält zum Bilanzstichtag 321.550 Stück eigene Aktien. Dies entspricht 0,47 Prozent des Grundkapitals (das sind EUR 1.168.351,93). Diese Aktien wurden im Geschäftsjahr 2011 im Rahmen eines Rückkaufprogrammes erworben.

3. Rechnungsabgrenzungsposten

Die Rechnungsabgrenzungsposten gliedern sich wie folgt:

	2011 T€	2010 T€
Garantieprovisionen	1.107	1.384
Zinsoptionsprämien	1.447	1.903
Sonstiges	30	90
Gesamt	2.584	3.377

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	404.960	-51.406
Caps	200.000	144
Collars	200.000	-16.988
Summe	804.960	-68.250

Für Swaps und Collars mit zum Bilanzstichtag negativen Marktwerten besteht eine Rückstellung für drohende Verluste in Höhe von T€ 40.122 (im Hinblick auf die AFRAC-Stellungnahme zu „Die unternehmensrechtliche Bilanzierung von Derivaten und Sicherungsinstrumenten“ vom September 2010). Für Derivate mit negativen Marktwerten in Höhe von T€ 28.272 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€
gebundene Agio	73.578
	73.578
nicht gebundene	0
	73.578

Der Vorstand ist mit Zustimmung des Aufsichtsrats 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.

5.2 Gewinnrücklagen

Hier werden die Rücklage für eigene Anteile und eine freie Rücklage ausgewiesen.

6. Unversteuerte Rücklagen

6.1 Sonstige unversteuerte Rücklagen

Die Bewertungsreserve gemäß § 12 EStG zeigt folgende Entwicklung:

	Stand am 1.1.2011 T€	Dotierung T€	Auflösung T€	Stand am 31.12.2011 T€
Sachanlagen	8.965	0	203	8.762

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 2011 ergibt sich ein Ergebnisanspruch von T€ 10.595 (i.Vj. T€ 9.452)

8. Rückstellungen

8.1 Rückstellung für Abfertigungen

	1.1. T€	Verbrauch T€	Auflösung T€	Dotierung T€	31.12.11 T€
Rückstellung für Abfertigungen	80	0	0	19	99

8.2 Rückstellung für Pensionen

	1.1. T€	Verbrauch T€	Auflösung T€	Dotierung T€	31.12.11 T€
Rückstellung für Pensionen	793	0	0	43	836

8.3 Steuerrückstellungen

	1.1. T€	Verbrauch T€	Auflösung T€	Dotierung T€	31.12.11 T€
Eintragungsgebühren	82	0	0	0	82
Körperschaftsteuer 2010	9	9	0	0	0
Gesamt	91	9	0	0	82

8.4 Sonstige Rückstellungen

Im Geschäftsjahr 2011 haben sich die sonstigen Rückstellungen wie folgt entwickelt:

	1.1. T€	Verbrauch T€	Auflösung T€	Dotierung T€	31.12.11 T€
Rechts-, Prüfungs-, Beratungs-, Schätz-, Veröffentlichungskosten	695	474	221	778	778
Entschädigungsleistungen	2.700	0	0	0	2.700
Genussscheinrestrukturierung	400	0	400	0	0
Personalkosten	207	0	100	436	543
Vermietungsgarantie	143	38	0	0	105
Drohverluste aus Derivaten	47.677	0	7.555	0	40.122
Gesamt	51.822	512	8.276	1.214	44.248

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	über 1 Jahr	über 5 Jahre
		T€	T€	T€	T€
Verbindlichkeiten gegenüber Kreditinstituten	2011	241.861	112.727	71.127	58.007
	VJ	200.052	70.001	71.697	58.354
Verbindlichkeiten aus Lieferungen und Leistungen	2011	918	918	0	0
	VJ	1.351	1.351	0	0
Verbindlichkeiten gegenüber verbundenen Unternehmen	2011	136.684	136.684	0	0
	VJ	59.548	59.548	0	0
Sonstige Verbindlichkeiten	2011	52.676	9.406	21.527	21.743
	VJ	57.710	8.110	21.343	28.257
Baukosten- bzw. Finanzierungsbeiträge gem. § 69 WWFSG 1989	2011	4.078	0	0	4.078
	VJ	3.986	0	0	3.986

9.1 Verbindlichkeiten gegenüber Kreditinstituten

Vom Gesamtbetrag der Verbindlichkeiten gegenüber Kreditinstituten sind T€ 151.018 (Vorjahr T€ 111.052) dinglich gesichert (Grundpfandrecht).

9.2 Verbindlichkeiten gegenüber verbundenen Unternehmen

Die Verbindlichkeiten gegenüber verbundenen Unternehmen betreffen im Wesentlichen Barvorlagen von mehreren Konzerngesellschaften.

9.3 Sonstige Verbindlichkeiten

Die sonstigen Verbindlichkeiten beinhalten im Wesentlichen, mit T€ 1.788 (i.Vj.: T€ 1.879) Investitionszuschüsse aus öffentlichen Mitteln (Wohnbauförderung), welche bei Verletzung der Förderungsbestimmungen zurückzuzahlen sind, mit T€ 45.657 (i.Vj.: T€ 50.480) Barvorlagen, mit T€ 979 (i.Vj.: T€ 839) Kauttionen, mit T€ 3.539 (i.Vj.: T€ 0) einen noch nicht ausbezahlten Zuschuss an eine sonstige Beteiligung sowie mit T€ 24 (i.Vj.: 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€ 1.098; i.Vj.: T€ 1.211) und Zuschüsse des Magistrats der Stadt Wien (T€ 222; i.Vj.: T€ 222) ausgewiesen.

VI. Erläuterungen zur Gewinn- und Verlustrechnung

1. Umsatzerlöse

Die Umsatzerlöse setzen sich wie folgt zusammen:

	2011 T€	2010 T€
Erlöse aus Vermietung	18.150	19.072
Betriebskostenverrechnung	4.781	4.905
Sonstige Mieten	28	36
Gesamt	22.959	24.013

2. Sonstige betriebliche Erträge

	2011 T€	2010 T€
Erträge aus dem Abgang von Anlagevermögen	2.353	25.658
Erträge aus der Auflösung von Rückstellungen	721	435
Erträge aus dem Wegfall von Verbindlichkeiten	1.428	0
Anteilige Auflösung der Wohnbauförderung	199	199
Erlöse aus der Verwaltungstätigkeit und Beratung für ausländische Tochtergesellschaften	222	77
Erträge aus Schadenersatzleistungen	264	0
diverse	554	542
Gesamt	5.741	26.911

3. Aufwendungen für sonstige bezogene Herstellungsleistungen

	2011 T€	2010 T€
Betriebskosten und laufende öffentliche Abgaben gemäß § 21 Abs 1 und 2 MRG	5.645	5.536
Instandhaltungsaufwendungen	1.732	2.680
Gesamt	7.377	8.216

4. Personalaufwand

Aufwendungen für Abfertigungen gem. § 231 Abs 2 Z 6 lit c UGB sind in Höhe von T€ 26 enthalten.

Die Gesellschaft beschäftigte im Jahresdurchschnitt 34 Angestellte (einschließlich 3 Vorstandsmitglieder) und keine Arbeiter. (Im Vorjahr 30 Angestellte einschließlich 3 Vorstandsmitglieder und keine Arbeiter.)

Die Bezüge der Vorstandsmitglieder betragen insgesamt T€ 934 (i.Vj.: T€ 775). Davon entfallen auf Aufwendungen für Altersversorgung T€ 117 (i.Vj.: T€ 136) und auf Beiträge zur Mitarbeitervorsorgekasse T€ 9 (i.Vj.: T€ 9).

5. Abschreibungen

Hierunter werden planmäßige Abschreibungen auf immaterielle Vermögensgegenstände und Sachanlagen (abzüglich der aliquoten Auflösung des Investitionszuschusses) von T€ 6.739 (i.Vj. T€ 6.970) ausgewiesen

6. Sonstige betriebliche Aufwendungen

a) Steuern, soweit sie nicht unter Z 17 fallen

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

b) Übrige

	2011 T€	2010 T€
Verwaltungskosten	4.284	6.011
Verkaufs- und Vertriebskosten	1.524	2.212
Garantieprovisionen	231	231
Vergütungen an Aufsichtsratsmitglieder	123	110
Aufwendungen für Forderungsausfälle und Dotierung von Wertberichtigungen zu Forderungen	125	80
Wertanpassungsaufwand für erhaltene Baukosten- und Finanzierungsbeiträge gemäß § 69 Wr. WWFSG 1989	107	75
diverse	191	125
Gesamt	6.585	8.844

Bezüglich der Angabe gemäß § 237 Z 14 UGB verweisen wir auf den Konzernabschluss zum 31.12.2011, welcher beim Firmenbuch des Handelsgerichts Wien hinterlegt ist.

8. Erträge aus Beteiligungen

Hierunter werden die Ausschüttung aus der CEE PROPERTY-INVEST Immobilien GmbH (T€ 20.000) sowie der Beteiligungsertrag aus der im Anlagevermögen gehaltenen Kommanditbeteiligung an der BGM – IMMORIENT Aktiengesellschaft & Co KG (T€ 447) ausgewiesen.

9. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens

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

10. Sonstige Zinsen und ähnliche Erträge

Die sonstigen Zinsen und ähnlichen Erträge resultieren im Wesentlichen mit T€ 7.555 aus Erträgen aus der Teilauflösung der Rückstellung für Drohverluste aus Derivaten, mit T€ 2.406 (i.Vj. T€ 7.548) aus Barvorlagen und mit T€ 646 aus dem Ertrag aus dem Rückkauf und Einzug von Genussscheinen.

12. Zinsen und ähnliche Aufwendungen

Der Zinsenaufwand resultiert mit T€ 14.446 (i.Vj. T€ 21.229) aus Bankzinsen, mit T€ 2.544 (i.Vj. T€ 1.654) aus Barvorlagen und mit T€ 1.559 (i.Vj. T€ 1.845) aus sonstigen Zinsen.

13. Ergebnisanspruch der Genussscheininhaber

Als Ergebnisanspruch der Genussscheininhaber werden für das Jahr 2011 T€ 10.595 (i.Vj. T€ 9.452) 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 2011 errechnete sich dieser Anteil mit T€ 1.720 (i.Vj. T€ 1.254).

15. Steuern vom Einkommen

Dieser Posten beinhaltet mit T€ 18 den Körperschaftsteuer-Aufwand (Mindest-KöSt.) der Unternehmensgruppe nach § 9 KStG für das Jahr 2011. Weiters gelangen Erträge aus Steuerumlagen von zur Unternehmensgruppe gehörenden Gruppenmitgliedern in Höhe von T€ 288 sowie Erträge aus der Veranlagung 2008 und 2009 (T€ 87 bzw. T€ 33) zum Ausweis.

Unterlassene Zuschreibungen gem. § 208 Abs. 2 UGB

Im Berichtsjahr wurden Zuschreibungen an Anteile an verbundenen Unternehmen in Höhe von T€ 32.114 (i.Vj. T€ 27.956) unterlassen.

Haftungsverhältnisse

Unter dieser Position gelangen Verpflichtungen aus abgegebenen Bürgschaften und Garantien (T€ 266.040, i.Vj.: T€ 294.066) sowie Patronatserklärungen (T€ 255.954, i.Vj.: 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.

Änderung der Firma

Die Firma der Gesellschaft wurde im Geschäftsjahr 2011 von „Sparkassen Immobilien AG“ in „S IMMO AG“ abgeändert.

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)
Mag. Franz KERBER, Wien (2. Vorsitzender-Stellvertreter)
Christian HAGER, Krems
Mag. Erwin HAMMERBACHER, Wien
Michael MATLIN, MBA, New York
Mag. Dr. Wilhelm RASINGER, Wien
Dr. Ralf ZEITLBERGER, Wien

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 29. März 2012

MMag. Holger SCHMIDTMAYR e.h.

Mag. Ernst VEJDOVSZKY e.h.

Mag. Friedrich WACHERNIG e.h.

	Stand 1.1.2011	Zugänge	Abgänge	Umgliederungen	Stand 31.12.2011	kumulierte Abschreibungen	Restbuchwert 31.12.2011	Restbuchwert 1.1.2011	Abschreibungen des Geschäftsjahres außerplanmäßig
I. Immaterielle Vermögensgegenstände									
1. ähnliche Rechte	112.032,06	39.067,38	0,00	0,00	151.099,44	58.598,87	92.500,57	79.854,18	26.420,99
2. Geschäfts- (Firmen)wert	1.764.039,40	0,00	0,00	0,00	1.764.039,40	1.234.827,58	529.211,82	705.615,76	176.403,94
	1.876.071,46	39.067,38	0,00	0,00	1.915.138,84	1.293.426,45	621.712,39	785.469,94	202.824,93
II. Sachanlagen									
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremdem 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)	63.711.801,68	0,00	584.798,17	0,00	63.127.003,51	3.001.060,86	60.125.942,65	60.710.740,82	0,00
Gebäudewert	243.484.436,11	322.891,01	3.067.990,68	0,00	240.739.336,44	74.393.771,88	166.345.564,56	174.178.579,11	6.572.117,05
Investitionszuschuss aus öffentlichen Mitteln	-4.686.173,43	0,00	0,00	0,00	-4.686.173,43	-1.055.338,03	-3.630.835,40	-3.724.077,67	-93.242,27
	303.517.064,36	322.891,01	3.652.788,85	0,00	300.187.166,52	76.339.494,71	223.847.671,81	232.172.242,26	6.478.874,78
2. Andere Anlagen, Betriebs- und Geschäftsausstattung									
eigene	343.563,40	15.761,11	441,85	0,00	358.882,66	174.969,51	183.913,15	209.529,46	41.244,87
vermietete Mobilien	101.799,49	0,00	0,00	0,00	101.799,49	91.217,46	10.582,03	16.599,78	6.017,75
geringwertige Wirtschaftsgüter	0,00	14.983,21	14.983,21	0,00	0,00	0,00	0,00	0,00	9.546,16
	445.362,89	30.744,32	15.425,06	0,00	460.682,15	266.186,97	194.495,18	226.129,24	56.808,78
	0,00	11.870,00	0,00	0,00	11.870,00	0,00	11.870,00	0,00	0,00
3. geleistete Anzahlungen und Anlagen in Bau									
	303.962.427,25	365.505,33	3.688.213,91	0,00	300.659.718,67	76.605.681,68	224.054.036,99	232.398.371,50	6.535.683,56
III. Finanzanlagen									
1. Anteile an verbundenen Unternehmen	336.298.749,82	39.755.882,56	0,00	0,00	376.054.632,38	64.100.800,07	311.953.832,31	272.197.949,75	0,00
2. Ausleihungen an verbundene Unternehmen	329.706.278,42	131.111.645,03	36.532.306,34	0,00	424.285.617,11	27.325.405,01	396.960.212,10	302.380.873,41	0,00
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
	668.911.445,84	170.867.527,59	36.532.306,34	0,00	803.246.667,09	91.426.205,08	711.820.462,01	577.485.240,76	0,00
	974.749.944,55	171.272.100,30	40.200.520,25	0,00	1.105.821.524,60	169.325.313,21	936.496.211,39	810.669.082,20	6.738.508,49
									0,00

4. Bestätigungsvermerk

Tz 14 Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der S IMMO AG, Wien, für das Geschäftsjahr vom 1. Jänner 2011 bis zum 31. Dezember 2011 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 31. Dezember 2011, die Gewinn- und Verlustrechnung für das am 31. Dezember 2011 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 S IMMO AG zum 31. Dezember 2011 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Jänner 2011 bis zum 31. Dezember 2011 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 29. März 2012

Deloitte Audit Wirtschaftsprüfungs GmbH

 Mag. Robert Pejnovsky Wirtschaftsprüfer	 Renngasse 1 Freyung 1010 Wien	 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.