

Sparkassen Immobilien AG

An Investment for Life



Interim Report for the three months
ended 31 March 2006

Interim report for the three months ended 31 March 2006

Dear shareholders and investors,

Sparkassen Immobilien AG made an extremely promising start to 2006: the interim report for the first quarter of the new year clearly shows that we have carried on where we left off in 2005, the most successful year in the company's history. All financial indicators are up, typically by around 50%.

We have also significantly expanded our property portfolio and now have our sights set on further dynamic growth. In accordance with our long-term strategy, which is geared towards generating sustainable and reasonable profits, this means maintaining a well-balanced property portfolio and an equity base sufficient to ensure maximum stability. Which means that we are on the right track: Sparkassen Immobilien AG recently commissioned IMAS, a respected market research institute, to survey some 506 securities owners. The results show that – faced with the choice between high yields/earnings or high levels of security – over half of respondents opted for the latter. Second most important was a well-balanced portfolio, and only then were they willing to accept significantly higher risk.

Our investors benefited from our low-risk, high quality investment strategy in the first quarter: over the last year (March 05 – March 06), s IMMO Aktie gained 8.0%, s IMMO Invest 7.5% and 6.6% (second tranche). Market capitalisation at the end of the quarter rose to EUR 819m, up 61% year on year.

A DETAILED LOOK AT THE COMPANY'S PERFORMANCE IN THE FIRST QUARTER OF 2006

Property portfolio increased by 66% – entry into Romanian market

In December 2005 we expanded into the German property market, which we see as highly attractive. We continued our investment in Germany in the first quarter of 2006. We acquired three properties with a total of 35,000 m² lettable space: two office buildings in Munich and a large retail property in Halle on the Saale, with Metro Group as the long-term tenant. The acquisition of a 3,100 m² plot of land in the centre of Bucharest marked our entry into the high-yield Romanian property market. In Budapest we acquired another office property with about 8,000 m² lettable space which takes our total to about 100,000 m²

in the Hungarian capital. At 31 March 2006 total lettable space was 578,100 m², and the value of the portfolio rose year-on-year by 66%, to EUR 784m. The average occupancy rate was 92.9%. Currently, we are 55% invested in Austria, 38% in CEE countries (Czech Republic, Hungary, Romania and Slovakia) and 7% in Germany.

Sustainable improvements in earnings: revenues up 58%, profit up 54%

First quarter revenues were up 58% year-on-year, to EUR 16.1m. Rental income for the period was also up 57%, to EUR 12.8m. The increases are attributable to the judicious expansion of our property portfolio and the efficient management of existing portfolios in Austria, Germany and CEE countries. Operating profit (EBIT) of EUR 8.3m was at a record high, up 50% on the first quarter of 2005. Profit before tax for the period (EBT) was up 59%, to EUR 4.7m. Consolidated net profit of EUR 3.7m was up 54% on the same period last year.

We shall make every effort to ensure that these excellent results continue unabated throughout the current year by posting outstanding revenues and earnings. We intend to achieve this by promoting the dynamic growth of our portfolio. To this end, we have planned acquisitions to a value of some EUR 500m in existing investment areas in 2006. This will enable us to realise our objective of expanding our property portfolio significantly beyond the one billion euro mark this year.

Some 20,000 shareholders have already shown their trust in us, and we hope to attract further investors in the future with our low-risk investment strategy geared towards quality and long-term growth. Based on cash/earnings and net asset value (NAV) indicators, s IMMO Aktie is today one of the most attractive property shares listed on the Vienna Stock Exchange. For investors this means more property for less money.

Your Management Board team



Holger Schmidtmayr



Ernst Vejdovsky

Consolidated balance sheet as at 31 March 2006

EUR '000	31.03.2006	31.03.2005	Change
ASSETS			
A. Non-current assets			
I. Intangible assets	49	26	
II. Property, plant and equipment	748,915	471,592	+59%
III. Financial assets	6,084	6,006	
IV. Non-current receivables	1,972	1,205	
	757,020	478,829	+58%
B. Current assets			
I. Receivables and other assets	41,030	23,623	
II. Securities and investments	28,466	11,880	
III. Cash and cash equivalents	134,331	5,134	
	203,827	40,637	
C. Accrued and deferred assets	378	425	
	961,225	519,891	+85%
EQUITY AND LIABILITIES			
A. Equity	367,018	226,886	+62%
B. Minority interests	23,948	0	
C. Non-current liabilities			
1. Participation certificates	275,506	166,214	+66%
2. Non-current liabilities to banks	209,084	58,930	+255%
3. Provisions	10,855	6,349	
4. Other liabilities	22,850	21,330	
	518,295	252,823	
D. Current liabilities	47,143	37,831	
E. Accrued and deferred liabilities	4,821	2,350	
	961,225	519,891	+85%

Consolidated income statement for the three months ended 31 March 2006

EUR '000	01.01.-31.03.2006	01.01.-31.03.2005	Change
Revenues	16,116	10,172	+58%
thereof rental income	12,842	8,176	+57%
Other operating income	1,069	253	
Income from the sale of property	1,132	2,108	
Total operating income	18,317	12,533	+46%
Depreciation and amortisation	-4,982	-3,018	
Other operating expenses	-4,998	-3,951	
Operating profit / EBIT	8,338	5,564	+50%
Financial expenses	-3,657	-2,629	
Profit for the period before taxes (EBT)	4,680	2,935	+59%
Taxes on income	-912	-524	
Net profit for the period before minorities	3,767	2,411	+56%
Minority interests	-64	0	
Consolidated net profit	3,703	2,411	+54%

Consolidated segment reporting as at 31 March 2006

EUR '000	Austria	%	Hungary	%	Czech Republic	%
Revenues	9,887	61	2,574	16	1,713	11
Operating profit (EBIT)	5,571	66	915	11	1,070	13
EUR '000	Germany	%	Slovakia	%	Romania	%
Revenues	1,122	7	820	5	0	
Operating profit (EBIT)	545	6.5	294	3.5	-57	

Summarised consolidated cash flow statement for the three months ended 31 March 2006

EUR '000	01.01.-31.03.2006	01.01.-31.03.2005	Change
Profit before taxes	4,680	2,935	
Depreciation and amortisation	4,982	3,018	
Income from the sale of property	-1,132	-2,108	
Taxes paid	-88	-35	
Net interest payable	3,657	2,629	
Consolidated cash flow	12,099	6,439	+88%

Sparkassen Immobilien AG products

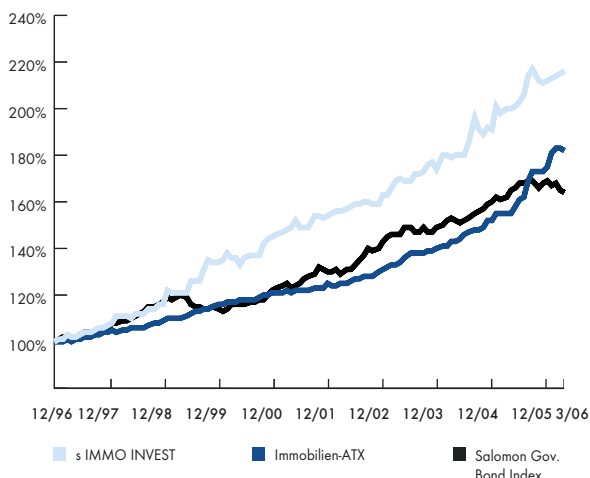
Sparkassen Immobilien AG has two attractive property investments to offer:

- s IMMO Aktie – the accumulating share
- s IMMO INVEST – the distributing participation certificate.

Sparkassen Immobilien AG keeps the two products legally distinct: the assets and associated income of the two groups of investors are accounted for separately.

s IMMO INVEST

s IMMO INVEST: performance compared to IATX and Sal. Austrian Gov. Bond Index EUR '000



Performance incl. annual distributions. In recent years the s IMMO INVEST participation certificate has significantly outperformed the benchmark index, the IATX.

Stock exchange information

ISIN code	AT000 079573 7/AT000 063069 0
Income	Annual distribution
Legal form	Participation certificates (section 174, AktG)
Stock exchange listing	Official market
Market segment	Other Listings
Reuters	SIMlg.VI

Performance data

Initial listing	29 December 1996	
Market price 31 March 2006	96.85	95.90
One-year performance	7.5 %	6.6 %
Three-year performance (p.a.)	8.3 %	
Since initial listing (p.a.)	8.6 %	9.2 %

s IMMO INVEST – key figures

EUR '000

Market price 31 March 2006	
Number of certificates in issue	
Market capitalisation (EUR m)	
Cash flow per certificate (weighted)	
Price/cash flow ratio	

s IMMO INVEST (participating capital) – assets

Book value (EUR '000)

Properties/non-current assets	
Group interests	
Receivables	
Securities	
Cash and cash equivalents	
Accrued and deferred assets	

Total assets

Liabilities to banks	
Other liabilities	
Total liabilities	

Participating capital

s IMMO INVEST (participating capital) – earnings

EUR '000

Revenues	
thereof rental income	
Operating profit (EBIT)	
Profit before taxes (EBT)	
Profit after taxes (EAT)	

	31.03.2006	31.03.2005	
Market price 31 March 2006	96.85	94.40	
Number of certificates in issue	3,883,398	2,468,398	
Market capitalisation (EUR m)	379.6	183.6	
Cash flow per certificate (weighted)	1.2	1.1	
Price/cash flow ratio	19	20	
Total assets	468,194	245,618	+91%
Total liabilities	192,027	79,405	+142%
Participating capital	276,167	166,214	+66%
Revenues	7,854	4,244	+85%
thereof rental income	6,345	3,441	+84%
Operating profit (EBIT)	3,673	2,459	+49%
Profit before taxes (EBT)	3,184	2,275	+40%
Profit after taxes (EAT)	2,978	2,111	+41%

Sparkassen Immobilien AG's Markets



■ Current Investments

■ Prospective Investments

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