

INTERIM REPORT

Q3



AS AT 30 SEPTEMBER 2010



Sparkassen Immobilien AG's head office

SIMMO

KEY FIGURES

		01.01.-30.09. 2010	01.01.-30.09. 2009 ¹
Revenues	EUR m	126.2	112.1
whereof rental income and revenue from hotel operations	EUR m	102.6	92.7
EBITDA	EUR m	55	49.4
EBIT	EUR m	45.5	-54.1
EBT	EUR m	4.5	-73.5
Net income for the period	EUR m	1.3	-71.6
Total assets	EUR m	2,075.7	2,133.7
Shareholders' equity	EUR m	513.3	532.2
Liabilities	EUR m	1,562.3	1,601.5
Equity ratio (incl. participation certificate capital)	in %	37	37
Investments	EUR m	99	168.7
Operating cash flow	EUR m	46.8	48.2
Cash flow from investing activities	EUR m	-27.3	-141.2
Cash flow from financing activities	EUR m	-107.5	57.8
Cash and cash equivalents at 30 September	EUR m	112.2	187.6
NOI margin	in %	46	48
Loan to value ratio	in %	56	54
FFO	EUR m	14.5	7.7
Earnings per share	EUR	0.02	-1.05
NAV per share	EUR	8.27	8.31
NAV discount to share price	in %	33	37
Cash flow from operations per share	EUR	0.69	0.71
Property portfolio (market value)	EUR m	1,850.8	1,838.8
whereof properties under construction	EUR m	76.7	369.9

¹ adjusted

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INTERIM REPORT AS AT 30 SEPTEMBER 2010

LETTER FROM THE MANAGEMENT

DEAR SHAREHOLDERS,

The purpose of this report is to review Sparkassen Immobilien AG's performance for the first three quarters of 2010. However, we first would like to draw your attention to something you may well already have spotted on the cover – the new S IMMO logo. The Group's brand is now more easily recognisable and we can build up a uniform brand image internationally. S IMMO is shorter and more memorable: we want everyone to know who we are – instantly. Our strengths remain the same as they have been in past decades: a balanced portfolio, a sustainable strategy, our corporate values, and our solid partnership with Erste Group and Vienna Insurance Group. The new logo will draw attention to these values and help to communicate them to the outside world more clearly, reinforcing our corporate success internationally.

Now returning to the Group's performance and our achievements over the past nine months: we opened our two shopping centres – Sun Plaza in Bucharest and Serdika Center in Sofia – in the spring of this year. Our "Jewel in the City", the office and residential property Neutor 1010 in the heart of Vienna, opened in the autumn. Of the 34 luxury apartments, we have already sold 27 at top prices, and the majority of the office space has been let. The recently completed Galvaniho 4 office building in Bratislava, which is also already nearly fully let, is another success story – the tenants include famous companies such as Samsung, Oracle and Bosch-Siemens.

The economic trends we noted in the first half year remained largely unchanged during the last three months. The road to European post-crisis recovery varies from country to country – Austria, Germany and most of the CEE countries have successfully left recession behind

them, while economic revival in Romania and Bulgaria has been markedly slower than elsewhere in Europe. Government measures – such as raising VAT and cutting public sector wages and salaries – have seriously impacted domestic demand and purchasing power. However,

our shopping centres in both countries are immensely popular even though sales still lag expectations as a result of the difficult economic climate. In the run-up to Christmas, targeted marketing activities in cooperation with our shopping centre operators will provide shopping incentives and attractions to boost sales.

Economic trends in Germany and Austria are encouraging as the economy in general and the real estate market in particular are doing well and numerous forecasts confirm a promising outlook. In the first three quarters of 2010, we sold seven properties in Austria and Germany. Of these, six were residential properties in Vienna and Berlin and one was an office building in Vienna. All of the properties were sold for more than their previously estimated market value, proving our portfolio's quality. The sale proceeds came to EUR 81.2m, with gains on disposal totalling EUR 6.8m.





**Members of the Board
Holger Schmidtmayr,
Ernst Vejdovszky and
Friedrich Wachernig
(from left)**

Compared to the same period last year, our key indicators are up. Including rental income from the two large shopping centres, rental income has grown by 13.4% to EUR 75.5m. Operating results grew from a loss of EUR 54.1m to a profit of EUR 45.5m. EPRA NAV, the inner value of our stock, is up again to EUR 8.27 per share.

Our successfully completed projects and our development land bank in several EU capitals in Central and Eastern Europe are the basis for our further growth. These regions have greater potential than the established markets and will yield the highest growth rates in the long run. Our current predictions are for continuing stable growth in Austria and Germany where

market developments promise excellent opportunities, especially in the residential segment.

We are confident that the capital markets will recognise the success of our operations. In the first nine months of 2010, the market value of the S IMMO Share improved by more than 10%. We are working hard to close the current gap of 32% between the current price of our stock (share price as we went to press on 22 November 2010: EUR 5.62) and the net asset value.

Vienna, November 2010

The Management Board

A stylized, handwritten signature in black ink, consisting of a large loop at the top and a sharp downward stroke at the bottom.

Holger Schmidtmayr

A stylized, handwritten signature in black ink, featuring a large, vertical loop and a smaller loop to the left.

Ernst Vejdovszky

A complex, handwritten signature in black ink, with multiple loops and a long, sweeping horizontal stroke at the bottom.

Friedrich Wachernig

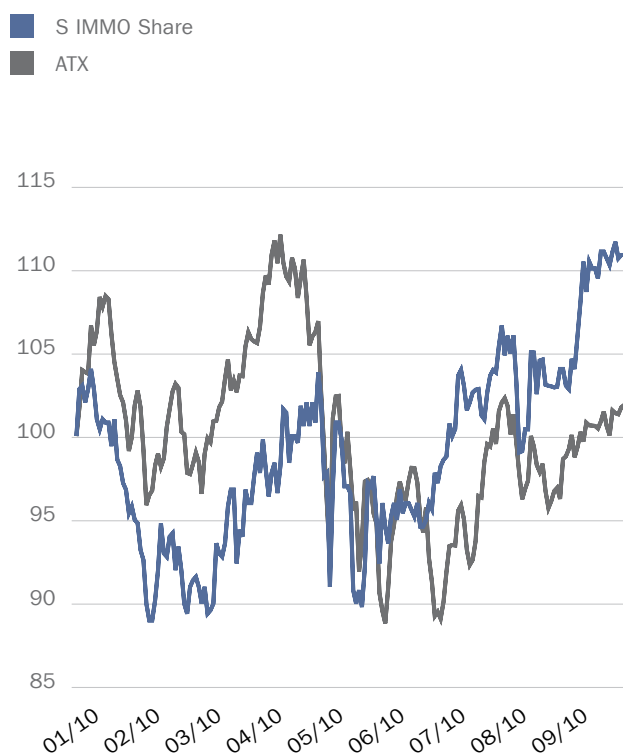
Optimism returns to capital markets

In the first half of 2010, stock markets were adversely affected by the debt crises threatening several European economies. In the third quarter, the capital markets recovered for the most part. In the period from July to September 2010, the concerted efforts of central banks and governments started to take effect. Both in the Eurozone and the USA measures were introduced to stabilise exchange rates and the interbank market – in the third quarter they began to bear fruit.

For the first time since the beginning of the economic crisis Austrian bonds were issued not merely intended to counteract liquidity problems, but designed to give companies more room for manoeuvre during the economic recovery. Bond issuers took advantage of the favourable conditions resulting from the European Central Bank's (ECB) prolonging its provision of liquidity to the banks. These measures are expected to keep interest rates in the Eurozone at present levels for a further six to nine months from which bond issuers would benefit.

SHARE PRICE DEVELOPMENT

indexed (01.01.2010 to 30.09.2010)



S IMMO Share performance

ISIN	AT0000652250
One year	6.10%
Three years, p.a.	-12.25%

S IMMO INVEST participating certificate performance

ISIN	AT0000795737	AT0000630694
One year	13.50%	12.60%
Three years, p.a.	-2.80%	-3.00%

in EUR	S IMMO Share price (AT0000652250)	S IMMO INVEST price (AT0000795737)	S IMMO INVEST price (AT0000630694)	ATX	IATX
31.12.2009	5.00	71.60	71.01	2,495.56	137.53
30.09.2010	5.54	75.00	75.25	2,541.63	171.79

The worldwide recovery of the capital markets also had a positive impact on the performance of the Austrian stock market. The Vienna stock index (ATX) registered an increase of 1.85% over the first three quarters of 2010. The S IMMO Share showed a significantly better performance and closed at EUR 5.54 on 30 September 2010, an increase of 10.80% during the first nine months.

The Austrian property share index (IATX) showed an increase of 24.91% over the same period, reflecting the restructuring process that was taking place in the sector. Following several mergers, the IATX is now made up of six real estate stocks.

Global presence at investor conferences

Maintaining existing contacts with investors and establishing new contacts was also a high priority activity in the third quarter of 2010. Sparkassen Immobilien AG's Management and IR team attended numerous investor conferences with the aim of further increasing awareness of the Group and highlighting the advantages of investing in the S IMMO Share. In addition to ongoing informational events in Austria's Landeshauptsparkassen (savings banks) and individual events within Erste Group, the company also attended international investor conferences.

Together with its banking partner Credit Suisse, Sparkassen Immobilien AG visited investors in the Benelux countries and Great Britain and intensified its contacts to institutional investors. Management also took part in HSBC's investor conference in London. The broker Cheuvreux and the investment bank KBC accompanied the Management Board to New York and Boston. On the occasion of the Austrian Capital Day in Canada, Management held detailed discussions with institutional investors in both Toronto and Montreal. Additionally, Sparkassen Immobilien AG participated in the EPRA Annual Conference in Amsterdam, the SRC Forum Financials & Real Estate in Frankfurt and a road show in Bahrain.

Stock indicators		Q3 2010	Q3 2009 ¹
Closing price as at 30 September	EUR	5.54	5.22
Average daily turnover	shares	69,000	150,000
Earnings per share (EPS)	EUR	0.02	-1.05
NAV per share	EUR	8.27	8.31
Operating cash flow per share	EUR	0.69	0.71
Price/operating cash flow	EUR	6.05	5.53
Share price discount to NAV as at 30 September	%	33	37

¹ adjusted

MARKET OVERVIEW*

6

Europe is recovering from the economic crisis faster than predicted in spring of this year, but the pace of recovery varies from country to country. According to the forecasts of the European Union, Europe's economy will grow by 1.8% overall in comparison with 2009.

Several of the new EU member states experienced some of the deepest contractions in output last year. But these nations are now set to see stronger growth rates in the recovery with GDP increases of 5% a year predicted over the longer term.

In terms of the commercial real estate markets, activity across Europe slowed in the summer months with the total volume of transactions in the third quarter falling by nearly 7% quarter-on-quarter, from EUR 24.6 billion to EUR 23.1 billion at the end of Q3. However, this is still 24% higher than at the end of Q3 2009 and is indicative of a continuing upswing.

The reduced volumes of activity in the third quarter are actually a reflection of recent trends in property pricing, combined with austerity measures and the fact that large numbers of European governments decided to replace fiscal stimulus packages with government spending cuts. Although the full impact of policy changes is still to be realised, it is likely that many investors will continue to wait and see how the individual markets develop over the coming months.

Austria

The Austrian economy posted positive growth in the first half of the year, and both prime rents and yields have remained balanced. While completions in the office market will remain low in the short term, with only 20,000 m² of speculative space expected to come to market during the remainder of 2010, volumes are expected to rise in 2011 and increasing demand will support investment. At the end of Q3, prime office rents in Vienna were at EUR 22.25/m²/month and yields stood at 5.40%. However, demand remained largely focused on modern space as tenants continued to take advantage of the possibility to optimise space under flexible lease terms.

The retail markets are continuing to exhibit a gradual upward trend. Prime rents increased marginally by 0.45% in the last quarter to EUR 223.00/m²/month, and yields have remained essentially stable falling by just 5 bps quarter-on-quarter to 4.55%. In terms of new development, Austria has emerged as one of the most active Western European markets with over 200,000 m² of shopping centre space expected to come on stream in the second half of 2010 and in 2011. This equates to an 8% increase in supply. Demand for prime space remains high and leasing continues to go well. For example, the 28,000 m² extension of the Donauzentrum in Vienna, which was opened at the end of October, achieved pre-let figures of nearly 100%.

Residential real estate in Vienna remains an attractive investment option with rising demand and limited supply of flats helping to drive prices and rents upwards. Demand for properties in prime locations and for rental properties with good occupancy levels, especially those with a good tenant structure, is also on the increase.

* Sources: CB Richard Ellis, Jones Lang LaSalle, Cushman & Wakefield, Deutsche Bank, King Sturge, Roubini Global Economics, TRI Hospitality Consulting, WienTourismus, www.tourism.info, Prague Daily Monitor

Germany

The German property market is considered to be one of the most stable in Europe with activity at the end of Q3 having doubled within the last 12 months reaching EUR 12.3 billion. Although this is still slightly down on Q2 levels, it can in part be attributed to shortages in supply and the limited number of quality investment opportunities available at the moment.

The four main investment centres of Berlin, Frankfurt, Munich and Hamburg accounted for 38% of all transactions, registering more than EUR 4.7 billion at the end of Q3. This is an increase of 64% compared to the previous year with Berlin, in particular, having the most buoyant market and accounting for EUR 1.73 billion of transactions. This is followed by Frankfurt where transaction volumes increased by 129% to reach EUR 1 billion, of which EUR 700 million were achieved in the third quarter alone.

Retail and office properties accounted for 48% and 34% of total transaction volumes, respectively, with prime retail rents ranging between EUR 220/m²/month in Hamburg to EUR 300/m²/month in Munich. In both cases yields remained stable at 4.50%. The office markets have seen slightly more movement, with prime rents falling by 2.2% to EUR 22.50/m²/month in Hamburg, but increasing by 5% in Berlin to EUR 21.00/m²/month. Overall, prime yields have fallen by 10 bps year-on-year to 5.40% in Berlin, 5.00% in Hamburg and 4.90% in Munich, but remain consistent with the levels recorded during the previous quarter.

Unlike many other European countries, the residential markets in Germany remained broadly stable despite the impacts of recession. Over the next two years prices are predicted to increase gradually by 1.5% p.a.

Central and Eastern Europe (CEE)

The CEE regions have experienced the strongest overall growth in real estate activity with investment turnover increasing by 60% from Q2 to reach EUR 1.5 billion by the end of Q3. This is 120% higher than the same period in 2009 and brings year-to-date turnover close to EUR 3.3 billion. This is compared with a total turnover of EUR 2.6 billion achieved during the whole of 2009.

Despite increasing investment levels, the number of transactions is actually down on Q2 figures reflecting the continuing focus on prime assets. The average transaction size has increased to EUR 70 million.

In spite of these positive trends, however, prime yield compression has been largely restricted to Eastern Europe (particularly Poland and Russia) and recovery in other CEE regions is not yet as well established. Softer rent conditions have prevailed in most markets. Prime office rents in Budapest, for example, averaged EUR 20.00/m²/month and yields stand at 7.75%. This is a drop of 25 bps year-on-year. Conditions are marginally better in the Czech Republic, where prime rents were recorded in Prague of EUR 21.00/m²/month and yields of 6.85%.

In terms of retail assets, the CEE market has shown the greatest percentage increases in Europe in terms of available floor space. Slovakia, for example, has experienced a growth up to 10%. Yields in Bratislava remained at 8.50%. In Budapest prime yields were standing at 7.25% and in Prague at 6.75%.

The residential markets across the CEE remain depressed with little sign of an upswing in the short to medium term.

South Eastern Europe (SEE)

In contrast to the CEE region, growth forecasts for the SEE economies remained subdued in Q3 with faltering domestic demand being dragged down by the weaker consumer markets and a reversal in capital inflows posing a downside risk for the region. Romania's economic recovery, for example, will be delayed further and is likely to be weaker than originally anticipated, with full-year GDP predicted to fall by 1.8%. However, the economy in 2011 is still expected to post a positive level of growth, driven by a recovery in domestic demand. Similarly, although Bulgaria's economy has started to pick up, a return to positive annual growth is not expected before 2011. Full-year GDP for 2010 is predicted to fall by 0.7%.

This is reflected in subdued levels of demand for office space in the region which continues to put strong downward pressure on rents in a number of locations. Sofia, for example, saw a correction of minus 1.72% in Q3 with rents down to EUR 14.25/m²/month and yields standing at 10.00%. Rents in Zagreb and Bucharest eased to EUR 16.25/m²/month and EUR 19.50/m²/month, respectively, but are expected to remain stable until the end of 2010.

Former development hotspots have also seen new retail starts come to a virtual standstill. In Romania for example, where the first half of the year saw the opening of three new shopping centres, only one further project is expected to open between now and 2012. Vacancy rates in Romania have also risen in both new and existing properties, partly as a result of store closures by retailers seeking to cut costs. On the back of deteriorating consumer sentiment, VAT increases and public sector wage cuts, prime yields in Bucharest have softened to 11.00%.

However, many SEE markets may arguably benefit from these lower levels of development in order to maintain a healthy balance of supply and demand. In Bulgaria, the completion of four new shopping centres this year added just under 200,000 m² of GLA to the market. These developments are the first of a large number of shopping centres initiated before the recession. Prime rents in Sofia have fallen by 27% year-on-year and are now as low as EUR 40.00/m²/month.

Hotels

The positive development of the European hotel markets seen in the first half of the year continued over the summer and throughout the third quarter as well. During the first nine months of the year, Prague, Budapest, Bratislava and Vienna saw increases in overnight stays compared to the previous year. In Vienna, the increase in overnight stays for the period from January to September 2010 was substantial at around 12%, while Budapest posted a respectable gain of roughly 8%.

The increase in demand is also reflected in higher room occupancy rates. In Vienna, occupancy at four and five-star hotels rose by roughly 12% and 9%, respectively. Budapest and Prague also saw encouraging development as the rising number of tourist visits caused occupancy rates at hotels to increase slightly compared to the crisis year of 2009.

However, the increase in demand is not yet strong enough to sustain increases in average room prices on a long-term basis. In some cases, prices even declined slightly in comparison to the previous year.

BUSINESS PERFORMANCE AND RESULTS

Property portfolio

Sparkassen Immobilien AG's property portfolio at 30 September 2010 consisted of 249 properties with a market value of EUR 1,850.8m; the portfolio is diversified by property use type and region. At the balance sheet date, the portfolio was made up of 31.1% office space, 30.3% retail space, 25.1% residential space and 13.5% hotels.

Sparkassen Immobilien AG has investments in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Bulgaria and Romania. The properties in Germany and Austria made up the largest part of the property portfolio at 30.2% and 24.8%, respectively. The properties in SEE (Bulgaria, Romania and Croatia) contributed 23.9%, while CEE (the Czech Republic, Slovakia and Hungary) constituted 21.1%.

The German part of Sparkassen Immobilien AG's portfolio is located mainly in Berlin and Hamburg while properties in Austria, CEE and SEE are predominantly situated in the countries' capitals. The occupancy rate is a stable 90%.

During the first three quarters of 2010, a total of seven properties were sold, all for more than their previously estimated value. Six were residential properties in Vienna and Berlin and one was an office building in Vienna. Proceeds from the successful sales amounted to EUR 81.2m, generating gains on disposal amounting to EUR 6.8m. The sale proceeds of apartments from the Neutor 1010 project are included.

Rental yields

%	30.09.2010
Germany	6.5
Austria	6.1
SEE	7.7
CEE	6.9
Total	6.7

The portfolio's overall rental yield for the three quarters ended 30 September 2010 was 6.7%.

Gross profit performance

Rental income for the first three quarters of 2010 amounted to EUR 75.5m, an increase of EUR 8.9m compared with EUR 66.6m in the same period last year. The increase of 13.4% was mainly attributable to the additional rental income from the Group's new shopping centres, Sun Plaza in Bucharest and Serdika Center in Sofia, which both opened in the spring. Despite the difficult economic climate in the region, both properties continue to show high occupancy rates of 99% (Serdika Center) and 97% (Sun Plaza).

The excellent performance of the European hotel market had a positive effect on Sparkassen Immobilien AG's revenues from hotel operations, which increased by 3.7% to EUR 27.1m for the first three quarters of 2010 (Q3 2009: EUR 26.1m). Compared with the same period last year, expenses for hotel operations were unchanged at EUR 21.2m. In consequence, earnings from hotel operations amounted to EUR 5.9m (Q3 2009: EUR 4.9m).

Rental income by region was made up as follows: the largest segment was Germany at 34.9%, followed by SEE at 24.1%, Austria at 20.7% and CEE at 20.3%.

By property use type, commercial properties made up the largest share of rental income at 37.4%, followed by offices at 30.2% and residential properties at 27.5%. The share contributed by hotels was 4.9%. Income from the Marriott Hotels in Vienna and Budapest, operated under management agreements, is disclosed as income from hotel operations.

Overall, Sparkassen Immobilien AG increased its gross profit in the first three quarters of 2010 by 1.3% to EUR 61.2m, following EUR 60.4m in the same period last year.

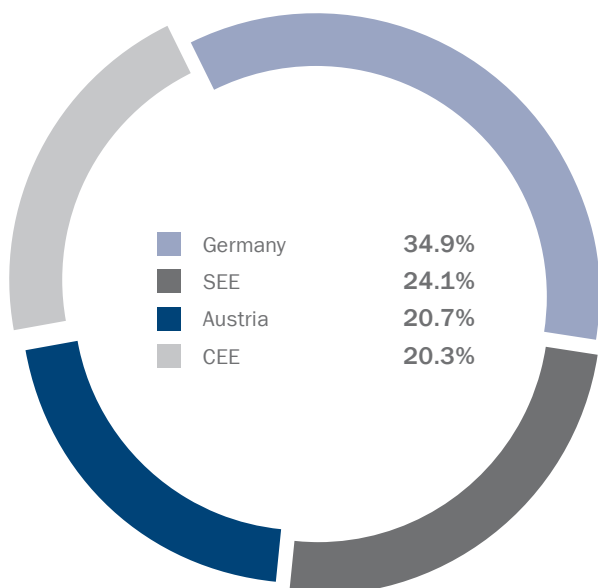
Earnings performance

During the period under review a total of seven properties were sold, all for more than the previous estimated value. Of these, six are residential properties in Vienna and Berlin, and one is an office building in Vienna. EBITDA for the first three quarters was significantly higher at EUR 55m. This was an increase of 11.4% as compared with the same period last year.

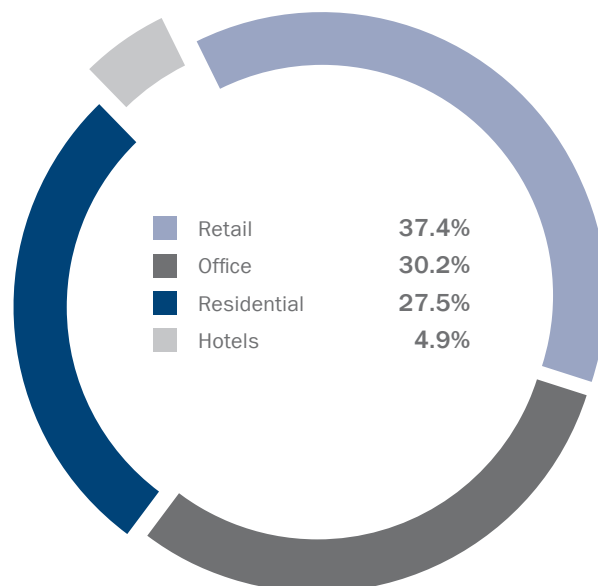
Writedowns on property valuations for the first three quarters of 2010 amounted to EUR 2.2m, compared with writedowns of EUR 96.5m for the same period last year.

The results of the property valuation reflect the regional differences in the speed of economic recovery. Properties in Austria and Germany increased in value due to the positive performance of property markets as the economies of both countries revived. The German real estate market has proven to be one of the most stable and most liquid throughout all of Europe, with transaction volumes nearly doubling in the first three

RENTAL INCOME BY REGION*



RENTAL INCOME BY PROPERTY USE TYPE*



* not including Vienna Marriott Hotel and Budapest Marriott Hotel

quarters. In line with the overall economic improvement, the Austrian property market has also shown positive growth. In contrast, the prospects for the Bulgarian and Romanian economies are more muted. This and the marked weakness in domestic demand required the value of the SEE portfolio to be marked down.

The operating profit (EBIT) turned completely within the last year and amounted to EUR 45.5m for the first three quarters of 2010 (Q3 2009: EUR -54.1m).

Higher borrowings meant that net financial expense rose from EUR 30.8m to EUR 32.9m. Earnings before tax (EBT) of EUR 4.5m for the period were significantly better than the losses of EUR 73.5m reported for the same period last year. The net profit for the period amounted to EUR 1.3m compared with losses of EUR 71.6m for the first three quarters of 2009.

Funds from operations (FFO) for the first nine months were a very satisfactory EUR 14.5m, almost double the EUR 7.7m achieved in the same period last year. In calculating FFO, the underlying net profit has been adjusted for non-cash items arising from the valuation of interest hedging instruments and from exchange rate differences.

In the first three quarters of 2010, net operating income (NOI) also increased to EUR 57.5m as a result of the higher rental income. This was an increase of 5.6% compared with the EUR 54.4m achieved in the first nine months of 2009.

NOI for the three quarters ended 30 September 2010

		1 – 9/ 2010	1 – 9/ 2009	Change
NOI	in EUR m	57.5	54.4	5.6%
NOI margin	in %	45.6	48.4	-2.8 pp

Cash flow

The operating cash flow for the first quarter of 2010 was EUR 15.3m and for the first half EUR 33.2m. By the end of the third quarter it reached EUR 46.8m. This continuing positive performance reflects the fact that the bulk of the investment activities has been completed successfully.

Liquid assets

As at 30 September 2010 Sparkassen Immobilien AG's cash and cash equivalents totalled EUR 112.2m (31.12.2009: EUR 210.2m). The relatively high balances at the end of 2009 were in connection with the major projects uncompleted at the time: the final invoices have in the meantime been received and paid.

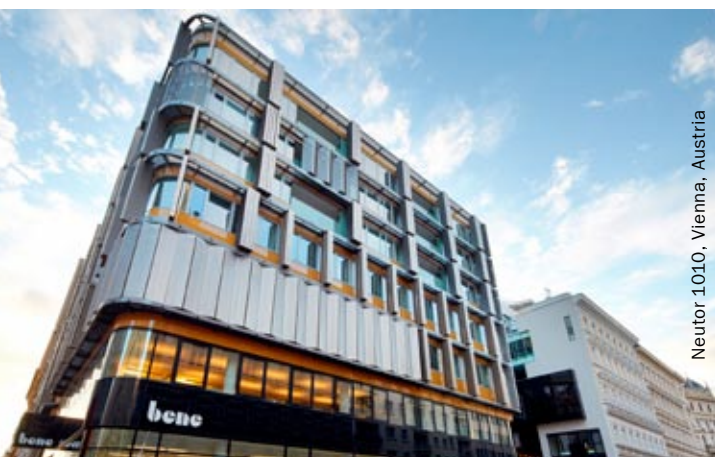
Consolidated balance sheet

Sparkassen Immobilien AG's total assets at 30 September 2010 amounted to EUR 2,075.7m. Equity (including minority interests) fell slightly to EUR 513.3m as a result of decreases in the value of interest hedging instruments for loans which reflected the continuing decline in medium-term interest rates.

At the end of the third quarter participating capital was EUR 255.7m, down by 2.3% compared with the end of September last year. A dividend distribution of EUR 4.36 per participating certificate took place on 21 May 2010.

Net asset value (NAV)

EPRA NAV, the inner value of the share calculated in accordance with standards established by the European Public Real Estate Association, rose once again in the third quarter and stood at EUR 8.27 per share (31.12.2009: EUR 8.13 per share).



Neutor 1010, Vienna, Austria



Galvaniho 4, Bratislava, Slovakia



Sun Plaza, Bucharest, Romania



Serdika Center, Sofia, Bulgaria

Update on development projects

By the end of 2010, Sparkassen Immobilien AG will have completed its existing development projects under construction and will have invested most of its planned investment capital. The remaining outstanding work will be completed in 2011.

Neutor 1010, Vienna, Austria

On 12 October 2010 Sparkassen Immobilien AG and Immorent AG opened their recently completed residential and office property, Neutor 1010. The project was under the three finalists for this year's DIVA Award, an honour given to the most innovative office and commercial property.

Situated in Vienna's town centre, the "Jewel in the City" provides a total of 11,000 m² usable space, together with 133 underground parking spaces. The total investment amounted to around EUR 55m.

The ground floor and the next three floors house the retail and office premises with 5,000 m² of available space. A large part of the office space is let to Bene, an office furniture specialist, which uses the ground floor as a contemporary flagshipstore for its products and has fitted out the floors above as modern office space. Other tenants include Hermes Pharma and E-Control.

The upper floors contain 34 luxury apartments with generous terraces or balconies; 27 of the apartments had already been sold before the building was com-

pleted. Neutor 1010 is located between the Vienna Stock Exchange building, Freyung and Salzgies in the heart of Vienna's Inner City with underground lines U2 and U4 in the immediate vicinity. The airport is only 20 minutes away.

Galvaniho 4, Bratislava, Slovakia

The office building Galvaniho 4 is next to Galvaniho 1 and 2, two fully-let properties in Bratislava forming part of Sparkassen Immobilien AG's permanent portfolio. It was completed in the autumn 2010. Galvaniho 4 is nearly fully let and constitutes another chapter in Sparkassen Immobilien AG's ongoing success story in Slovakia.

The six-floor building has 23,700 m² of space for offices, shops and restaurants, together with 700 outside and inside parking spaces. Renowned companies such as Samsung, Oracle and Bosch-Siemens are among the tenants that have already moved into their offices for the most part. The other tenants will open their offices in March 2011.

Galvaniho 4 is located in a well established office and commercial district and has excellent transport links. The centre of the city is ten minutes away by car, and Bratislava airport is only a five minute drive away. The motorway is in the immediate vicinity. The total investment amounted to around EUR 45m.

Sun Plaza, Bucharest, Romania

Sun Plaza opened in February 2010 and already boasted an occupancy of 97% at that time. With its lettable space of 80,000 m², it is Romania's biggest shopping centre. It is home to 130 shops, together with restaurants, cafes and a food court seating 1,200 people. There is also an attractive assortment of leisure activities including a bowling centre, a sports hall and the most modern cinema centre of Bucharest that attracts up to 100,000 visitors to the shopping centre at weekends. Another unique feature is its individual direct access to the city's underground system.

Sun Offices are on three levels above the shopping centre and have about 10,000 m² of office space available. Centrul Medical Unirea (CMU) was the first tenant to sign up: this Romanian operator of a number of polyclinics will be renting over 1,000 m² of office space that has been handed over for final installation.

Premises at Sun Offices can be individually tailored to customers' requirements and are available in open plan layouts or as small units. The ceiling heights of up to 3.10 m allow the natural light to fill the rooms and the offices are equipped with the latest in heating and ventilation facilities and comprehensive security systems. The Sun Offices' exceptional location means that tenants there have direct access to the underground network and the excellent infrastructure provided by the shopping centre.

Serdika Center, Sofia, Bulgaria

Serdika Center, which opened in March 2010, is the largest development project in Sparkassen Immobilien AG's history. Its 51,000 m² of lettable space have attracted a total of 210 businesses. There are many internationally renowned brand names such as Peek & Cloppenburg, Mango, Reserved, Esprit, New Yorker, Marc O'Polo and Swarovski, some of them entering the Bulgarian market for the very first time. A food court offering Bulgarian and international cuisine is an invitation to visitors to relax and refresh themselves. Even in the difficult economic circumstances, the centre is 99% let, convincing evidence of the excellent location and the exceptional tenant mix.

The development is centrally situated in the inner city district of Oborishte with more than a million people living in the catchment area. There are numerous bus and tram stops in the immediate neighbourhood as well as parking space for 1,600 vehicles. Above the shopping centre there are roughly 30,000 m² of top quality Category A office space, which will be completed in spring 2011. The building is in the process of acquiring its Sustainable Building Certificate from the German Sustainable Building Council (Deutsche Gesellschaft für nachhaltiges Bauen).

Development land bank

Sparkassen Immobilien AG's roughly 12 hectare land bank includes several plots of land in the capital cities of Central and South Eastern Europe. An office development is planned for Bratislava. A property in the centre of Prague will be the site of a 150-room hotel. Bulgaria and Romania will continue to be interesting markets for Sparkassen Immobilien AG. An office building is planned in the centre of Sofia in conjunction with Immorent AG, Erste Group's property specialist. There are several

plots of land available in Bucharest. On two of them a hotel and office complex is planned in the inner city district of Grivitei. The zoning for the project was recently approved so that architectural planning can now begin. A 40,000 m² specialist retail centre is planned in the south of Bucharest.

As soon as the market and other local conditions permit, construction of individual projects will begin.

OPPORTUNITIES AND RISKS

The comprehensive risk assessment for Sparkassen Immobilien AG is set out in detail in the Annual Report 2009 (pp 52 and 90 et seqq). As discussed in the Property Market Overview, the European economy is recovering well from the financial crisis. However, the speed of recovery is subject to regional variations – Bulgaria and Romania, especially, are recovering at a significantly slower pace than other European Union countries. Government measures – such as increases in VAT and cuts in public sector wages and salaries – have had an adverse effect on domestic demand and purchasing power, and the effects on sales in the two shopping centres Sun Plaza and Serdika Center are already noticeable. Further negative repercussions

cannot be completely ruled out, however the upcoming Christmas season, the time of year with the highest sales, should boost turnover. In long-term projections, SEE countries show the highest overall rates of growth. Economic and structural reforms, such as public sector reforms instituted by Romania with the encouragement of the IMF, herald a rapid return to growth.

Austria, Germany and some CEE countries have successfully shaken off the recession and will show economic growth for 2010. Sparkassen Immobilien AG still sees high potential in Germany, a country described by many economic experts as the motor of the economic recovery.

OUTLOOK

For Sparkassen Immobilien AG, 2010 is the year of completing large development projects. We will have nearly finished all our projects, some under exceptionally challenging macroeconomic conditions.

In the two largest shopping centres we will create additional consumer incentives in cooperation with the shopping centre operators on a regular basis, with the aim of rekindling dampened domestic demand. In Serdika Center, for instance, there have been Formula 1 weeks, prize drawings and many other attractive events which will continue to take place. Sun Plaza hosts Disney events, Halloween events and themed sales offers. During the holiday season marketing activities in both shopping centres will be focused on Christmas, including special Christmas decorations and seasonal promotions.

The first tenant agreements have been signed for the office space still under construction. One of the future tenants of Sun Offices is Centrul Medical Unirea, a Romanian operator of several health care centres. On 12 October 2010 we celebrated a festive opening for the office and residential building Neutor 1010, a prime location in Vienna's Inner City. The office building Galvaniho 4 in Bratislava, also recently completed, is nearly fully let and has already been handed over to most of the tenants for final installation. A special opening event will be held early in 2011.

During the coming quarters, Sparkassen Immobilien AG will focus on the transfer of completed properties to the permanent property portfolio and on completing the outstanding work in the office space above the shopping centres. Six plots of land in EU capitals in Central and Eastern Europe provide an excellent basis for Sparkassen Immobilien AG's future development. At the moment, zoning and construction permits are being procured, and architecture competitions are being organised so that work on individual projects can begin as soon as local economic conditions allow. Further projects and opportunities in various locations are under consideration.

A well balanced portfolio and a corporate strategy geared towards sustainability ensure that Sparkassen Immobilien AG is excellently positioned for the future. At present we foresee stable and continuing growth in Austria and Germany, where market developments are opening up excellent opportunities in the residential sector in particular. Long-term, Sparkassen Immobilien AG expects the highest growth rates in new EU member states' markets, which still have enormous catch-up potential.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30.09.2010

ASSETS EUR '000	Note	30.09.2010	31.12.2009
Non-current assets			
Properties held as financial investments			
Investment properties	3.1.1.	1,624,645	1,253,432
Investment properties under development and land	3.1.1.	76,683	445,784
		1,701,328	1,699,216
Properties used by owner		141,505	147,296
Other plant and equipment		9,132	13,074
Intangible assets		207	223
Interests in associated companies		5	5
Group interests	3.1.4.	3,137	3,101
Deferred taxes		31,175	25,531
		1,886,489	1,888,446
Current assets			
Properties held for disposal	3.1.3.	7,954	54,300
Inventories	3.1.5.	18,144	20,476
Trade receivables		10,004	9,185
Other accounts receivable		33,019	49,672
Other assets		7,848	2,963
Cash and cash equivalents	3.1.6.	112,203	210,151
		189,172	346,747
		2,075,661	2,235,193

EQUITY AND LIABILITIES EUR '000		Note	30.09.2010	31.12.2009
Shareholders' equity				
Share capital			247,509	247,509
Capital reserves			147,110	147,110
Other reserves			68,992	84,384
			463,611	479,003
Minority interests		3.1.7.	49,722	44,832
			513,333	523,835
Non-current liabilities				
Subordinated participating certificate capital		3.1.8.	255,720	261,658
Financial liabilities			945,918	978,860
Provisions			23,146	16,020
Other liabilities			10,913	10,839
Deferred taxes			50,493	47,588
			1,286,190	1,314,965
Current liabilities				
Financial liabilities			211,226	303,390
Trade payables			16,526	28,954
Construction costs, tenants' financing and housing construction subsidies on properties held for sale			0	9,835
Other liabilities			48,386	54,214
			276,138	396,393
			2,075,661	2,235,193

CONSOLIDATED INCOME STATEMENT

FROM 01.01.2010 TO 30.09.2010

EUR '000	Notes	1 - 9/2010	1 - 9/2009 ¹
Revenues	3.2.1.		
Rental income		75,540	66,618
Revenues from service charges		23,615	19,399
Revenues from hotel operations		27,050	26,095
		126,205	112,112
Other operating income		3,646	6,084
Expenses directly attributable to properties	3.2.2.	-47,528	-36,619
Hotel operating expenses	3.2.2.	-21,171	-21,227
Revenues less directly attributable expenses		61,152	60,350
Income from property disposals		81,204	26,459
Carrying values of property disposals		-74,384	-25,630
Gains on property disposals	3.2.3.	6,820	829
Management expenses		-12,990	-11,821
Earnings before interest, tax, depreciation and amortisation (EBITDA)		54,982	49,358
Depreciation and amortisation		-7,222	-6,948
Gains/losses on property valuation		-2,230	-96,475
Operating result (EBIT)		45,530	-54,065
Finance costs	3.2.4.	-32,871	-30,845
Participating certificates result		-8,122	11,370
Net income before tax (EBT)		4,537	-73,540
Taxes on income	3.2.5.	-3,270	1,925
Net income/loss for the period		1,267	-71,615
of which attributable to shareholders of parent company		1,638	-71,569
of which attributable to minority interests		-371	-46
Earnings per share			
diluted = undiluted		0.02	-1.05

¹ adjusted

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

FROM 01.01.2010 TO 30.09.2010

EUR '000	1 - 9/2010	1 - 9/2009 ¹
Net income/loss for the period	1,267	-71,615
Changes in fair value of derivatives	-20,812	-16,349
Income tax related to other comprehensive income	5,252	4,224
Exchange differences	-1,470	0
Total comprehensive income for the period	-15,763	-83,740
of which attributable to shareholders of parent company	-15,392	-83,694
of which attributable to minority interests	-371	-46

¹ adjusted

CONSOLIDATED INCOME STATEMENT

FROM 01.07.2010 TO 30.09.2010

EUR '000	Notes	7 - 9/2010	7 - 9/2009 ¹
Revenues	3.2.1.		
Rental income		27,312	21,937
Revenues from service charges		9,533	6,809
Revenues from hotel operations		10,004	9,885
		46,849	38,631
Other operating income		590	-972
Expenses directly attributable to properties	3.2.2.	-20,622	-9,414
Hotel operating expenses	3.2.2.	-7,464	-7,967
Revenues less directly attributable expenses		19,354	20,278
Income from property disposals		23,534	2,399
Carrying values of property disposals		-19,324	-1,860
Gains on property disposals	3.2.3.	4,210	539
Management expenses		-5,367	-4,909
Earnings before interest, tax, depreciation and amortisation (EBITDA)		18,197	15,908
Depreciation and amortisation		-2,252	-2,220
Gains/losses on property valuation		-500	-91,575
Operating result (EBIT)		15,446	-77,887
Finance costs	3.2.4.	-14,345	-15,869
Participating certificates result		-3,121	16,429
Net income before tax (EBT)		-2,021	-77,327
Taxes on income	3.2.5.	-1,728	2,528
Net income/loss for the period		-3,749	-74,799
of which attributable to shareholders of parent company		-4,577	-74,785
of which attributable to minority interests		828	-14
Earnings per share			
diluted = undiluted		-0.07	-1.10

¹ adjusted

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

FROM 01.07.2010 TO 30.09.2010

EUR '000	7 - 9/2010	7 - 9/2009 ¹
Net income/loss for the period	-3,749	-74,799
Changes in fair value of derivatives	-2,554	-7,701
Income tax related to other comprehensive income	820	1,885
Exchange differences	740	0
Total comprehensive income for the period	-4,743	-80,615
of which attributable to shareholders of parent company	-5,571	-80,601
of which attributable to minority interests	828	-14

¹ adjusted

CONSOLIDATED CASH FLOW STATEMENT

EUR '000	30.09.2010	30.09.2009 ¹
Operating cash flow	46,775	48,236
Changes in net current assets	-9,854	-20,779
Cash flow from operating activities	36,901	27,457
Cash flow from investing activities	-27,312	-141,203
Cash flow from financing activities	-107,537	57,773
Total	-97,948	-55,973
Cash and cash equivalents at 01 January 2010	210,151	243,541
Cash and cash equivalents at 30 September 2010	112,203	187,568
Total net cash flow	-97,948	-55,973

¹ adjusted

CHANGES IN CONSOLIDATED EQUITY

EUR '000	Share capital	Capital reserves	Foreign currency translation reserve	Hedge accounting	Revenue reserves	Subtotal	Minority interests	Total
At 01 January 2010	247,509	147,110	-13,491	-38,668	136,543	479,003	44,832	523,835
Net income/loss for the period	0	0	0	0	1,638	1,638	-371	1,267
Other comprehensive income	0	0	-1,470	-15,560	0	-17,030	0	-17,030
Acquisitions	0	0	0	0	0	0	5,261	5,261
Disposals	0	0	0	0	0	0	0	0
At 30 Sept. 2010	247,509	147,110	-14,961	-54,228	138,181	463,611	49,722	513,333
At 01 January 2009	247,509	241,301	-6,252	-26,364	120,804	576,998	26,088	603,086
Net income/loss for the period	0	0	0	0	-71,569	-71,569	-46	-71,615
Other comprehensive income	0	0	0	-12,125	0	-12,125	0	-12,125
Acquisitions	0	0	0	0	0	0	12,860	12,860
Disposals	0	0	0	0	0	0	0	0
At 30 Sept. 2009	247,509	241,301	-6,252	-38,489	49,235	493,304	38,902	532,206

DETAILS OF SHARE CAPITAL

EUR '000	30.09.2010	31.12.2009
Total share capital	247,509	247,509
Treasury shares (nominal)	0	0
	247,509	247,509

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CHANGES IN NUMBER OF SHARES

Number of shares	30.09.2010	31.12.2009
Issued share capital – 1 January 2010	68,118,718	68,118,718
Issue of new shares from capital increase	0	0
Treasury shares sold	0	0
Issued share capital – 30 September 2010	68,118,718	68,118,718
Treasury shares	0	0
Total shares in issue	68,118,718	68,118,718

The shares are listed on the Vienna Stock Exchange.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BUSINESS

Sparkassen Immobilien AG Group (Sparkassen Immobilien AG and its subsidiaries) is an international real estate group. The ultimate parent company of the Group is Sparkassen Immobilien AG. It has its registered head office at Friedrichstrasse 10, 1010 Vienna, Austria, and has been listed on the Vienna Stock Exchange since 1992, and in the Prime Segment since 2007. It has subsidiaries in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Romania, Bulgaria, Denmark, Cyprus and Ukraine (in liquidation). At 30 September 2010, Sparkassen Immobilien AG Group owned properties in all of the countries mentioned above except Denmark, Cyprus and Ukraine. The Company's principal business is the acquisition, letting and sale of properties in different regions and market segments in order to achieve a balanced investment portfolio. Another business activity is the development and construction of properties in cooperation with project development partners.

2. ACCOUNTING AND VALUATION POLICIES

2.1. Accounting policies

The consolidated interim financial statements as at 30 September 2010 have been prepared in accordance with IAS 34 and do not contain all the information requiring to be disclosed in a full set of IFRS consolidated financial statements. The interim financial statements should therefore be read in conjunction with the last IFRS consolidated financial statements – those for the year ended 31 December 2009.

In preparing the consolidated interim financial statements for the first nine months ended 30 September 2010, the accounting and valuation policies applied in the consolidated financial statements for the year ended 31 December 2009 have been applied essentially unchanged.

There are changes in the presentation of the consolidated interim financial statements for the nine months ended 30 September 2010 as compared with the consolidated interim financial statements for the same period last year.

The main purpose of the changes was to bring the Group's financial statements and accounting policies as closely as possible into line with the Best Practice Policy Recommendations of the European Public Real Estate Association (EPRA, www.epra.com). The EPRA is the association of European stock exchange listed real estate investment companies. It was founded in 1999 and has around 200 members.

The changes, which in all cases take circumstances particular to the Group into account, affect the following areas:

- Presentation of the statement of financial position and income statement in accordance with EPRA recommendations
- Presentation of information in the Notes in accordance with EPRA recommendations

The comparative figures have been correspondingly adjusted.

The financial statements for the nine months ended 30 September 2010 have neither been audited nor reviewed by independent auditors.

The accounting policies of the companies included in consolidation are based on the uniform accounting regulations of Sparkassen Immobilien AG Group. The financial year for all companies ends yearly on 31 December. There has been no change in the companies included in consolidation as compared with the consolidated financial statements for the year ended 31 December 2009.

The consolidated interim financial statements are presented rounded to the nearest EUR 1,000. The totals of rounded amounts and the percentages may be affected by rounding differences caused by software.

2.2. Reporting currency and currency translation

The Group's reporting currency is the EURO. The functional currencies of Group companies are determined by the business environment in which they operate. Functional currencies are translated into the reporting currency in accordance with IAS 21 as follows:

- (a) Assets and liabilities at closing rates
- (b) Income and expenses at the average rate for the period
- (c) All resulting exchange differences are recognised in the foreign currency translation reserve under equity

3. NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3.1. Statement of financial position

3.1.1. Properties held as financial investments

Changes in properties held as financial investments as at 30 September were as follows:

Rental properties

	EUR '000
As at 01 January 2009	1,377,997
Additions	9,085
Disposals	-150,273
Changes in fair value	-41,626
Reclassification	58,249
As at 31 December 2009	1,253,432
whereof pledged as security	1,204,280
Additions	13,669
Disposals	-9,474
Changes in fair value	-2,230
Reclassification	369,248
As at 30 September 2010	1,624,645
whereof pledged as security	1,149,572

Development projects and undeveloped land

The market value of development projects and undeveloped land by region was as follows:

EUR '000	30.09.2010	31.12.2009
Austria	14,000	35,446
Germany	0	2,317
Central Europe	6,173	6,075
South Eastern Europe	56,510	401,946
	76,683	445,784

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 costs.

3.1.2. Owner-occupied hotels

The owner-occupied properties within the Sparkassen Immobilien AG Group are generally hotels operated by internationally known hotel chains for the Group under corresponding management agreements. Both income and expenses of hotel operations are subject to seasonal fluctuations.

3.1.3. Properties held for disposal

Properties are treated as held for disposal if it is the intention of the Group's Management to dispose of them in the near future (e.g., if negotiations for sale are already under way). It is currently intended to dispose of four properties in Germany.

EUR '000	30.09.2010	31.12.2009
Germany	7,954	0
Austria	0	54,300
	7,954	54,300

3.1.4. Investments

EUR '000	Interest %	30.09.2010	31.12.2009
BGM-IMMORENT Aktiengesellschaft & Co KG	22.8	2,286	2,286
ERSTE Immobilien Kapitalanlagegesellschaft mbH	11.5	621	621
Other		230	194
		3,137	3,101

3.1.5. Inventories

Inventories consist mainly of freehold apartments under construction in Austria and are measured at cost of acquisition and construction. The consolidated carrying values as at 30 September 2010 amounted to EUR 18,144,000 (2009: EUR 20,476,000). External construction finance directly attributable to such inventories is capitalised as acquisition and construction costs.

3.1.6. Cash and cash equivalents

EUR '000	30.09.2010	31.12.2009
Bank balances	72,131	149,918
Short-term deposits with banks	40,000	60,000
Cash in hand	72	233
	112,203	210,151

3.1.7. Minority interests

The minority interests of EUR 49,722,000 (2009: EUR 44,832,000) consisted principally of Hansa Immobilien EOOD/Einkaufscenter Sofia G.m.b.H. & Co KG (35% interest).

3.1.8. Participating certificates (subordinated)

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

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

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

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

For the nine months ended 30 September 2010, the total share of earnings was EUR 7,338,000 (2009: EUR -9,966,000).

As at 30 September 2010, there were 3,224,884 participating certificates in issue. The total entitlements of participating certificate holders (principal and interest) as of that date were EUR 79,3 (2009: EUR 81.14) per certificate, made up as follows:

EUR '000	Participating certificate capital	Attributable profit brought forward	Attributable profit for the period	Share in undisclosed reserves in property portfolio	Total
Participating certificate capital – 01 January 2010	234,352			484	234,836
Profit brought forward – 1 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 of profit brought forward pursuant to Clause 5 (6), Participating Certificates Agreement		-9,966	9,966		0
Income entitlements of participating certificate holders			7,338		7,338
Allocation of undisclosed reserves in property portfolio				784	784
Participating certificate capital as at 30 September 2010	234,352	12,762	7,338	1,268	255,720
Per participating certificate (in EUR)	72.67	3.96	2.28	0.39	79.3

As in 2009, the annual distribution per certificate was EUR 4.36.

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

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

3.1.9. Financial liabilities

Current and non-current financial liabilities amounted to EUR 1,157,144,000. As at 30 September 2010, the maturities of financial liabilities to banks were as follows:

EUR '000	30.09.2010
Up to 1 year	211,226
Between 1 and 5 years	254,020
More than 5 years	691,898
	1,157,144

3.1.10. Derivative financial instruments

Sparkassen Immobilien AG uses caps, collars and swaps to hedge interest rate risks.

These are disclosed under other financial assets EUR 867,000 as at 30 September 2010 (2009: EUR 1,402,000) – and non-current financial liabilities EUR 72,837,000 as at 30 September 2010 (2009: EUR 52,281,000). The fair value measurement of derivatives is based on estimates made by banks. In the first nine months of 2010, there was resulting expense of EUR 20,812,000 recognised in equity with no effect on income, and expense of EUR 280,000 that was recognised in the consolidated income statement as part of the financial results.

As at 30 September 2010

EUR '000	Nominal	Fair value	Negative fair value
Swaps	413,817		54,068
Caps	295,746	867	
Collars	200,000		18,769
Total	909,563	867	72,837

As at 31 December 2009

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

3.2. Consolidated income statement

3.2.1. Revenues

Revenues were as follows:

EUR '000	1 - 9/2010	1 - 9/2009
Rental income	75,540	66,618
Revenues from service charges	23,615	19,399
Revenues from hotel operations	27,050	26,095
	126,205	112,112

Rental income by property use type was as follows:

EUR '000	1 - 9/2010	1 - 9/2009
Office	22,848	28,051
Residential	20,782	21,775
Commercial	28,218	14,415
Hotels	3,692	2,377
	75,540	66,618

3.2.2. Operating costs and expenses from properties and hotel operations

These are expenses in connection with non-current property assets which consist in the main of operating costs, maintenance expenses, commissions, provisions for bad and doubtful debts.

The expenses of hotel operations mainly consist of expenses for food, beverages, catering supplies, hotel rooms, licenses and management fees, maintenance, operating costs, commissions, personnel expenses and advertising. Both income and expenses of hotel operations are subject to seasonal fluctuations.

Including staff in hotel operations, the Group employed an average of 548 people (2009: 512 people) during the period. Personnel expenses for hotel staff are shown under expenses of hotel operations.

3.2.3. Gains on property disposals

In the first nine months of 2010, a total of six residential properties were sold, three in Vienna and three in Berlin, as well as an office property in Vienna all at a price above the estimated value at the time.

EUR '000	1 – 9/2010	1 – 9/2009
Disposal proceeds		
Properties held as financial investments	11,470	0
Properties held for disposal	56,050	26,459
Inventories	13,684	0
	81,204	26,459
Carrying value of property disposals		
Properties held as financial investments	-9,519	0
Properties held for disposal	-54,300	-25,630
Inventories	-10,565	0
	-74,384	-25,630
Gains on property disposals		
Properties held as financial investments	1,951	0
Properties held for disposal	1,750	829
Inventories	3,119	0
	6,820	829

3.2.4. Finance costs

Net finance costs were made up as follows:

EUR '000	1 – 9/2010	1 – 9/2009
Finance expense	-33,335	-33,110
Finance income	464	2,265
	-32,871	-30,845

3.2.5. Taxes on income

EUR '000	1 – 9/2010	1 – 9/2009
Current tax expenses	-1,407	-293
Deferred tax expenses	-1,863	2,218
	-3,270	1,925

4. OPERATING SEGMENTS

Segment reporting for Sparkassen Immobilien AG Group is based on geographical regions. The four regions are as follows:

Austria: This operating segment includes all the Group's Austrian subsidiaries.

Germany: This operating segment includes the German subsidiaries and also the subsidiaries in Denmark, which are property ownership companies holding properties in Germany.

EUR '000
Rental income
Revenues from service charges
Revenues from hotel operations
Total revenues
Other operating income
Property management expenses
Hotel operating expenses
Net revenues
Gains on property disposals
Management expenses
EBITDA
Depreciation and amortisation
Gains/losses on property valuations
EBIT
Non-current assets
Non-current liabilities (including participating certificates in Austria)

Central Europe: This operating segment comprises the subsidiaries in Slovakia, the Czech Republic and Hungary.

South Eastern Europe: This operating segment includes the subsidiaries in Bulgaria, Croatia and Romania. The subsidiary in Ukraine is also treated as part of this latter segment, as are the subsidiaries in Cyprus which are related to the Group companies in Romania and Ukraine.

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

5. OTHER OBLIGATIONS AND CONTINGENT LIABILITIES

At the balance sheet date, the Group was involved in a number of open legal disputes. However, the amounts involved were not significant and even in total the amount was not material in comparison with the Group's total assets.

Austria		Germany		Central Europe		South Eastern Europe		Total	
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
15,639	18,955	26,374	25,851	15,306	18,299	18,220	3,513	75,540	66,618
3,497	4,378	8,840	9,626	5,178	4,963	6,100	432	23,615	19,399
16,320	16,041	0	0	10,730	10,054	0	0	27,050	26,095
35,456	39,374	35,214	35,478	31,214	33,316	24,320	3,945	126,205	112,112
1,562	6,466	1,232	1,331	238	-1,827	614	114	3,646	6,084
-8,905	-9,088	-20,880	-20,055	-6,475	-6,369	-11,267	-1,108	-47,528	-36,619
-13,247	-13,564	0	0	-7,924	-7,663	0	0	-21,171	-21,227
14,866	23,188	15,566	16,754	17,053	17,457	13,667	2,951	61,152	60,350
6,300	829	520	0	0	0	0	0	6,820	829
-6,677	-5,146	-3,701	-3,540	-862	-2,130	-1,750	-1,005	-12,990	-11,821
14,489	18,871	12,385	13,214	16,191	15,328	11,917	1,945	54,982	49,358
-2,794	-2,599	-135	-163	-3,522	-3,288	-771	-898	-7,222	-6,948
2,300	-250	5,470	-1,900	0	-37,450	-10,000	-56,875	-2,230	-96,475
13,995	16,022	17,720	11,151	12,669	-25,411	1,146	-55,828	45,530	-54,065
30.09.2010	31.12.2009	30.09.2010	31.12.2009	30.09.2010	31.12.2009	30.09.2010	31.12.2009	30.09.2010	31.12.2009
495,500	486,055	551,762	550,060	395,778	398,273	443,449	454,058	1,886,489	1,888,446
649,468	679,269	330,985	348,719	259,087	241,987	46,649	44,990	1,286,190	1,314,965

6. SIGNIFICANT RELATED PARTY DISCLOSURES

For the Sparkassen Immobilien AG Group, related parties are as follows:

- Sparkassen Immobilien AG's managing bodies
- Erste Group
- Vienna Insurance Group

Sparkassen Immobilien AG's managing bodies are as follows:

Management Board of Sparkassen Immobilien AG

Holger SCHMIDTMAYR, Vienna

Ernst VEJDOVSZKY, Vienna

Friedrich WACHERNIG, Vienna

Supervisory Board of Sparkassen Immobilien 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, New York

Wilhelm RASINGER, Vienna

Ralf ZEITLBERGER, Vienna

There were the following receivables and payables with Erste Group and Vienna Insurance Group at the balance sheet date:

EUR '000	30.09.2010	31.12.2009
Other receivables	621	432
Bank balances	67,688	166,458
Receivables	68,309	166,890

EUR '000	30.09.2010	31.12.2009
Non-current liabilities to banks	360,425	404,700
Other non-current financial liabilities	64,098	71,169
Current bank and financial liabilities	100,000	76,000
Trade payables	613	1,687
Other liabilities	237	592
Payables	525,373	544,148

For the nine months ended 30 September 2010, there were the following material income and expenses in connection with Erste Group and Vienna Insurance Group:

EUR '000	1 - 9/2010
Management fees IMMORENT AG	1,742
Bank loan interest, other interest and bank charges	10,753
Other expenses	1,173
Expenses	13,668

EUR '000	1 - 9/2010
Rent and service charges	230
Bank interest	95
Other interest income	103
Income	428

7. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In the fourth quarter of 2010 a contract for the sale of a residential property in Berlin for a price above its most recent estimated value was signed. Furthermore, on 12 October 2010 the object Neutor 1010 was opened.

Vienna, 25 November 2010

The Management Board

Holger Schmidtmayr m.p.

Ernst Vejdovszky m.p.

Friedrich Wachernig m.p.

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FINANCIAL CALENDAR 2011

14 April 2011	Publication of Annual Report 2010 (press conference)
19 May 2011	Results first quarter 2011
31 May 2011	Annual General Meeting
30 August 2011	Results first half 2011
24 November 2011	Results first three quarters 2011

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

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



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