visionary | individual | beneficial

2008

Annual Report

VIB Vermögen AG

VIB Vermögen AG

visionary | individual | beneficial

- *High-margin real estate holding company*
  for commercial real estate ("Buy-and-hold" strategy)
- *Focus*
  on high-growth region of Southern Germany
- *Core competences*
  acquisition and management of own properties and investment in companies with real estate assets
- *Rapid growth in real estate assets with sustainable value*
  and application of clearly defined investment criteria
- *Diversified portfolio comprising 81 properties*
  with total lettable area of approximately 600.000 m²
- *Solid financial structure*
  combined with high earnings strength



Index

| Letter to shareholders

Dear shareholders,

We are very pleased to be able to report on our company's positive growth despite the significantly deteriorated market.

Compared to the previous year, we have lifted our revenues, which mostly stem from rental income, from € 22.2 million to € 56.4 million. This is due to the further operational increase in our business, and also to a change in the group of consolidated companies. BBI Bürgerliches Brauhaus Immobilien AG was carried at equity last year, including its long-standing brewery subsidiary Herrnbräu GmbH & Co. KG, and this year the increased participating interest meant that these companies were fully integrated in the VIB Group's consolidated financial statements. That is why the Real Estate segment provides an adequate picture of the VIB Group's operating strength. This segment's revenues grew to 74.8 % or € 42.2 million, accounting for the lion's share. This shows the VIB Group's operational success last fiscal year – as we were able to almost double our income in our core business.

However, the current crisis on the financial markets has made itself felt in the company's results in the form of extraordinary factors. For example, we had to write down the properties in our real estate portfolio in a total amount of € 7.0 million as a result of changes in the market value. However, as we simultaneously recorded positive earnings of € 6.5 million, primarily in our own real estate project development, the valuation result of the VIB Group was thus mostly stable on balance at € -0.5 million. In addition, the difficult market in the beverages segment meant that extraordinary amortization/depreciation at Herrnbräu GmbH & Co. KG in the amount of € 5.0 million was necessary at the end of the fiscal year.

As a result, the VIB Group recorded EBIT totaling around € 23.7 million in fiscal year 2008. Compared to the previous year's figure of € 20.1 million, this is thus an improvement of 17.9 % or € 3.6 million. Broken down into the two segments, Real Estate accounted for around € 28.2 million, with the Beverages segment accounting for EBIT of € -4.5 million. Despite the one-off extraordinary charges, which were mostly due to the economy, we are still working profitably and were able to record earnings of around € 5.4 million for the group's shareholders. This corresponds to earnings per share of € 0.32.

We pursue a consistent strategy which forms the foundations for our operating success. Our positive business growth in 2008 was thus primarily based on two factors: Our financial stability meant that we were able to continue to invest, despite the current market. The properties we acquired in 2008 will increase our annualized rental income by € 9 million in future, generating a rental return of 7.5 %. In addition, we have set up excellent asset management. VIB Group's portfolio comprises 81 properties with a rental area of around 600,000 m², with a vacancy rate of around 1.3 %. That clearly shows: We understand our business!

In addition to increasing our portfolio, we have also done the organizational groundwork to continue our company's positive growth. Peter Schropp, a real estate expert with many years of

To our shareholders
Group management report
Group financial statements
Consolidated Notes

experience, joined our team on the Managing Board at the start of the current fiscal year, thus adding extra expertise to our team. In future, in addition to his activities as the sole member of the Managing Board for BBI Immobilien AG, he will be responsible for the Real Estate segment in the VIB Group. This addition to our Managing Board is the right response to the strong growth we have enjoyed in the past. This competent addition to our team will allow us to successfully continue our on-track growth in future.

At present, our economic environment is very difficult and is characterized by insecurity. We will continue to continue the course we have taken – carefully and one step at a time. During the current fiscal year, the VIB Group will thus primarily improve its market position by acquiring the properties already secured in previous years by BBI Immobilien AG, by making select purchases and via target-oriented optimization of the portfolio. In addition, the stronger cooperation within the group will offer additional synergies, which we intend to make more use of.

Despite the current economic situation, we are confident that we will be able to successfully meet the challenges that the current fiscal year will pose. Our solid financing structure, high earnings strength and the broadly diversified risks in our portfolio mean that our company has the best possible conditions – and that we are excellently equipped to face our coming tasks. In addition, our company is of excellent quality – which is clearly shown by our stable net asset value (NAV) of € 11.06 per share (previous year: € 11.17). Even though our shares are listed at a significant discount on this intrinsic value, we are optimistic that the VIB Group's strengths will once again be reflected in our share price once the current crisis ends – thanks to our excellent quality and our earnings strength.

As was also the case in previous years, we want to allow our shareholders to participate in VIB Group's positive overall growth thanks to our positive results. That is why the Managing Board will propose a dividend in the unchanged amount of € 0.20 to the General Meeting.

We would like to thank you, our shareholders, for the trust you have placed in our company.

Yours sincerely,

Neuburg/Danube, April 29, 2009

Ludwig Schlosser | Peter Schropp

Report of the Supervisory Board of VIB Vermögen AG for fiscal year 2008

Dear shareholders,

During the period under review, the Supervisory Board performed the consulting and controlling tasks as specified by the law and the company's articles of incorporation:

Supervision of management and cooperation with the Managing Board

In addition to its ongoing monitoring of the company's management, the Supervisory Board regularly advised the Managing Board on its management of the company. The Supervisory Board was always involved in decisions of significant importance. The Managing Board's activities gave no grounds for complaint.

The Managing Board regularly provided the Supervisory Board with prompt, in-depth information on all of the issues which affect the company's business, in particular its financial position and results of operations as well as the various opportunities for investment. The Chairman of the Supervisory Board was in regular contact with the Managing Board and was briefed in detail on current, key transactions.

Supervisory Board, meetings and resolutions

Six meetings of the Supervisory Board were held in the period under review, each of which was attended by all of the members of the Supervisory Board. At the meetings, the Supervisory Board received comprehensive information from the Managing Board on the company's business. In addition, individual projects were discussed at the meetings, in particular possible real estate transactions and the resolutions required by law or the articles of incorporation were passed.

The resolution for decision by the General Meeting on June 25, 2008 was passed at the meeting on April 29, 2008.

Given the size of the company, the Supervisory Board did not form any committees in fiscal year 2008.

2008 annual financial statements and consolidated financial statements

The Supervisory Board reviewed the annual financial statements prepared by the Managing Board in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) as of December 31, 2008 and discussed them at the meeting on April 28, 2009 together with the report by S&P GmbH Wirtschaftsprüfungsgesellschaft, Augsburg, on the voluntary review of the 2008 annual financial statements. The audit of the 2008 annual financial statements did not lead to any changes. An unqualified auditor's opinion was issued. The annual financial statements as of December 31, 2008 were approved with no objections and are thus adopted. The Supervisory Board has endorsed the proposal for the appropriation of distributable profit submitted by the Managing Board.

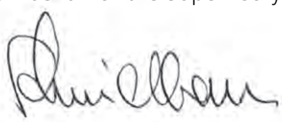
In addition, the 2008 consolidated financial statements (IFRS) prepared by the Managing Board together with the report by S&P GmbH Wirtschaftsprüfungsgesellschaft, Augsburg, on the review conducted were discussed at the meeting on April 28, 2009. The audit of the 2008 annual financial statements did not lead to any changes. An unqualified auditor's opinion was issued. The consolidated financial statements as of December 31, 2008 were approved by the Supervisory Board. In addition, at the meeting on April 28, 2009 the Supervisory Board agreed the resolution for decision by the General Meeting on July 07, 2009.

The Supervisory Board is very pleased with VIB Group's economic growth and supports the Managing Board in its strategy of further expanding the portfolio of commercial properties.

We would like to thank the Managing Board and all employees of the VIB Group for their tremendous commitment and successful work during the past fiscal year.

Neuburg/Danube, April 28, 2009

On behalf of the Supervisory Board



Franz-Xaver Schmidbauer, Chairman

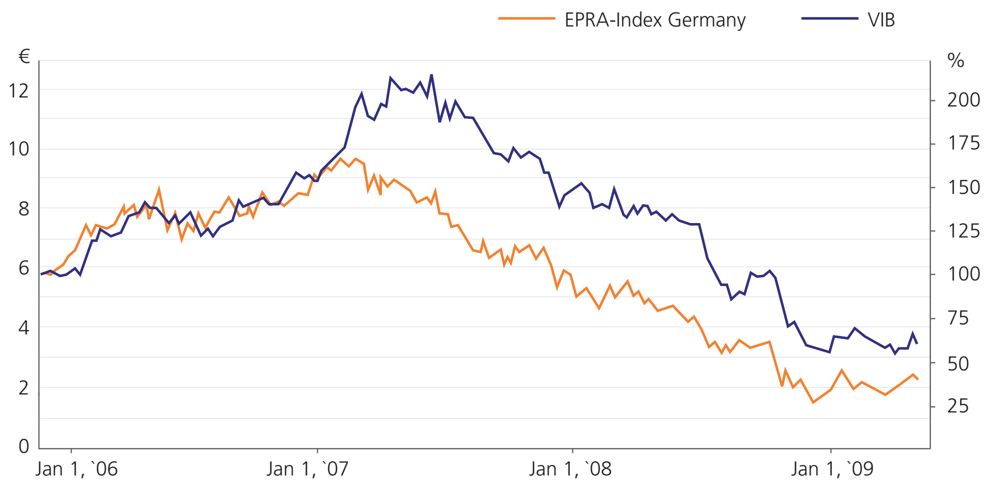
| The share of VIB Vermögen AG

Master data

Ordinary shares	
German Securities Code (WKN)	245751
ISIN	DE0002457512
Symbol	VIH
Number of shares in circulation	17,084,000 shares
Sector	Real Estate
Market places/Market segment	Munich/M:access/Open market Frankfurt/Open market
Share type	No-par value bearer shares
Subscribed capital	€ 17,084,000
Theoretical interest per share	€ 1.00
Net asset value (NAV) per share	€ 11.06
Balance sheet equity (consolidated)	€ 185,457 thousand
Undiluted earnings per share (consolidated)	€ 0.32
Dividends per ordinary share *	€ 0.20

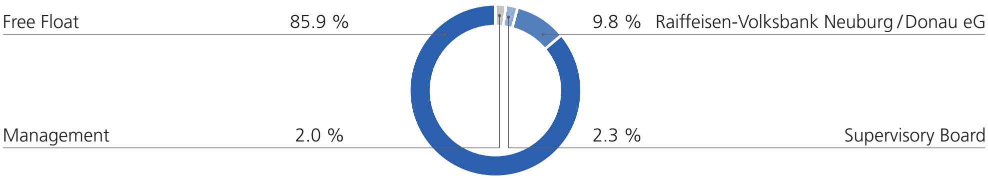
* Proposal by management

Share chart



As a result of the murkier economy, the past fiscal year was characterized by a negative climate on the stock markets, in particular for real estate companies. In spite of this, however, VIB Vermögen AG's shares enjoyed stable performance at the start of the year, before they started to fall in line with the general trend on the stock market and in the industry during the remainder of the year. In particular at the end of the year, after the impact of the bankruptcy of the US investment bank Lehman Brothers had a more profound effect, VIB Vermögen AG's shares also came under pressure. The shares closed at € 3.80 at the end of the fiscal year. As a result, the share price was 65.6 % lower than their intrinsic value (NAV) of € 11.06 per share. The share has been able to stay above the € 3 mark since the start of 2009, however without being able to recover significantly from its low.

Shareholder structure



VIB Vermögen AG's shareholder structure is characterized by a high free float, a major shareholder whose investment is geared to the long term and an increasing proportion of voting rights held by the management. The majority of the total of 17,084,000 shares in circulation (86 %) are held in free float. This means that the share is highly liquid, as can be seen in the average trading volume of 14,500 shares per day (XETRA) in the past twelve months. In addition, the company has a shareholder who has held a participating interest in the company from the very outset – Raiffeisen-Volksbank eG Neuburg/Danube. In December 2008, the Managing and Supervisory Boards both increased their respective shareholdings in VIB Vermögen AG. The percentage of shares held by management increased by around 100,000 shares from 1.4 % to a current total of around 2 % of the total shares in circulation. The Supervisory Board also increased its shareholding from a previous 1.6 % to a current 2.3 % – or the acquisition of around 120,000 shares.

Investor relations

A high level of transparency, extensive reporting and the company's ongoing dialog with the financial community are accorded top priority at VIB Vermögen AG. The company, whose shares are included in the Open Market and M:access, publishes detailed annual and six-month reports, based on IFRS accounting, and provides information on recent developments in regular press releases. Reporting is in both German and English, in order to also transparently present VIB Vermögen AG to an international audience. These activities are also reinforced by regular roadshows in Germany and abroad.

In addition, the Managing Board was in constant dialog with investors, analysts and financial journalists. It attended several investor conferences such as the HSBC Conference or the M:access Conference in Frankfurt. Intensive dialog with analysts for regular updates of studies of the company and meetings with the financial press also form a key part of the company's investor relations activities. In the current fiscal year, the company is also focusing on increasing its analyst coverage, in order to thus be able to reach additional groups of investors.

Financial calendar

April 29, 2009	Publication of Annual Report 2008
July 7, 2009	Ordinary General Meeting
August 27, 2009	Publication of Half-Year Report 2009
November 25, 2009	22. Baader Small and Mid Cap Conference

| Acquisition of BBI Bürgerliches Brauhaus Immobilien AG

BBI Immobilien AG – portrait

In 2006, BBI Bürgerliches Brauhaus Immobilien AG (BBI Immobilien AG) was spun off from Bürgerliches Brauhaus Ingolstadt AG with its time-honored subsidiary Herrnbräu, a wheat beer specialist based in Ingolstadt. Since its reorientation, BBI Immobilien AG has acted as a portfolio manager for consumer-oriented commercial properties. These include, in particular, specialist stores, retail centers and self-service stores.

The transaction

Share prices for listed real estate companies slumped in the second half of 2007, and in December 2007 VIB Vermögen AG grasped the opportunity, using the low valuation to increase its interest in BBI Bürgerliches Brauhaus Immobilien AG from around 29 % to 70 %. Exceeding the 30 % threshold required a disclosure on the company's shareholding in accordance with the Wertpapierübernahmegesetz (WpÜG – German Securities Acquisition and Takeover Act), which VIB Vermögen AG distributed to the shareholders of BBI Immobilien AG at the end of January 2008. BBI's shareholders were offered a price of € 11.70 per share. The offer ended on February 21, 2008. The successful conclusion of the takeover bid and further additional purchases on the equities market meant that VIB Vermögen increased its shareholding to 82.01 % (as of December 31, 2008).

On April 4, 2008, the executive bodies of VIB Vermögen AG and BBI Bürgerliches Brauhaus Immobilien AG then met a fundamental agreement on the intended conclusion of a profit and loss transfer agreement between VIB Vermögen AG as the controlling company and BBI Bürgerliches Brauhaus Immobilien AG as the controlled company.

On May 6, 2008, after a careful review by the companies, the Managing Boards of VIB Vermögen AG and BBI Bürgerliches Brauhaus Immobilien AG signed the agreement. This activity aimed to provide solid contractual foundations for the relationship between the two companies. In a joint report by the Managing Boards on the profit and loss transfer agreement and the audit report by the court-appointed, independent auditor for the contract, the details of the agreement were presented to the shareholders and the general public together with the invitation to the General Meeting. This thus allowed the shareholders, who had thus been duly informed, to approve the profit and loss transfer agreement with a large majority at VIB Vermögen AG's General Meeting on June 25, 2008.

After approval by both companies' General Meetings, the existence of the profit and loss transfer agreement was entered in the commercial register at BBI Immobilien AG's registered office on July 10, 2008 and it thus became legally valid. Three minority shareholders of

BBI Immobilien AG raised litigation objecting to the resolution to approve the profit and loss transfer agreement at Munich Regional Court. This litigation was ended via a settlement dated November 6, 2008. There are currently legal procedures against VIB Vermögen AG with regard to the level of the exchange ratio as well as the level of the compensation payment.

Aims and content of the profit and loss transfer agreement

Concluding the profit and loss transfer agreement offers both BBI Bürgerliches Brauhaus Immobilien AG and also VIB Vermögen AG a wide range of advantages, in particular in terms of costs. The one-time conclusion of the profit and loss transfer agreement between BBI Immobilien AG and VIB Vermögen AG means that these companies no longer have to prepare a dependant company report each year within the meaning of Section 312 of the AktG. This reduces administrative activities within the group, and also the associated costs. In addition, there are tax reasons for this agreement, for example creating a pooling of corporation tax interests. This allows positive and negative results at the companies in the tax pool to be offset against each other, thus possibly resulting in lower taxable total income. In addition, it also reduces the probability of being affected by the "interest rate threshold" introduced as part of the 2008 reform of corporate taxation. A comprehensive and careful review of all of the available alternatives thus showed that the conclusion of a profit and loss transfer agreement is the most sensible way to reach our common aims. Integrating BBI Immobilien AG has thus allowed the VIB Group to lay the organizational foundations required to reinforce its position as one of the leading listed real estate companies in the high-growth southern German region.

The agreement includes VIB Vermögen AG taking over BBI Immobilien AG's results. BBI Immobilien AG has undertaken to transfer all of its profits to VIB Vermögen AG, which, in turn, also undertakes to take over BBI Immobilien AG's losses. In addition, VIB Vermögen has also undertaken to pay the outstanding shareholders of BBI Immobilien AG reasonable monetary compensation (guaranteed dividend) of € 0.64 (gross) per share as a repeat annual payment for the duration of the profit and loss transfer agreement. As an alternative to the compensation payment, VIB Vermögen AG has undertaken, at the shareholder's request, to acquire the shareholder's no-par value shares of BBI Bürgerliches Brauhaus Immobilien AG with an exchange ration of 8.02 to 11.62, i.e., against compensation in shares of 1.45 no-par value shares of VIB Vermögen AG for each no-par value share of BBI Bürgerliches Brauhaus Immobilien AG. The compensation payment and the offer for the compensation are based on an evaluation of BBI Immobilien AG and VIB Vermögen AG, which was performed using well-founded, recognized methods and based on statutory requirements, which was also approved by the auditor appointed by court.

The deadline for acceptance of the compensation offer (exchange of shares) is in principle two months after publication of the compensation offer. The compensation offer was published on March 3, 2009. There are currently legal procedures with regard to the level of the exchange ratio as well as the compensation offer taking place. The conversion deadline will thus not end before these legal procedures have been concluded. A precise date cannot currently be foreseen. To date, five shareholders of BBI Bürgerliches Brauhaus Immobilien AG have exchanged a total of 95,484 shares.

| Real estate portfolio

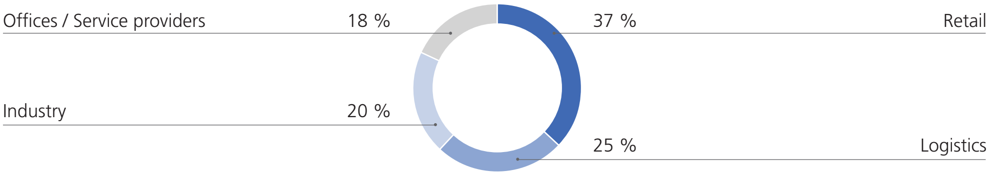
Overview

As of December 31, 2008 VIB Vermögen AG had a broadly diversified real estate portfolio comprising a total of 81 properties. Types of use include logistics, industry, retail and offices, and the rental area totaled around 600,000 m². The exceptionally low vacancy rate compared to the remainder of the sector of around 1.3 % underscores the quality of both the properties and the company's asset management. Based on the annualized rental income of around € 43 million, the portfolio thus generated an attractive rental return of around 7.2 % compared to the properties' market values.

Rental return by segment based on market values (December 31, 2008)

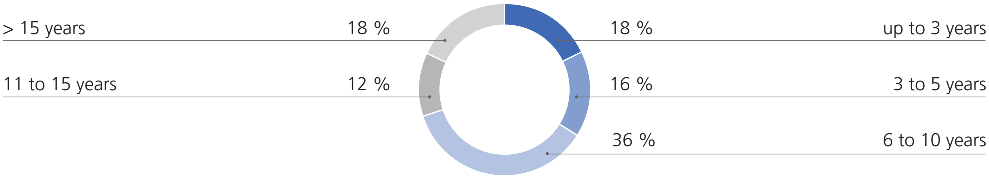
In addition, the real estate portfolio is characterized by relatively even weightings for the individual sectors. The retail sector accounted for around 37 % of the annual net rental income, 18 % was due to office and service-sector properties, 20 % stemmed from industrial properties. Logistics properties accounted for 25 % of the total rental income. As a result, VIB Group has reasonably diversified risks and is comparatively independent of developments in individual sectors.

VIB Group's real estate portfolio by net rental income/segment
(December 31, 2008)



Based on net rental income, VIB Group's portfolio is characterized by the long remaining terms of the rental agreements: As of December 31, 2008 these had an average remaining term of 8.3 years. Around 66 % of agreements have a term of more than 5 years. The company mostly concludes long-term agreements, thus ensuring that its rental income is highly forecastable, which means that the future income can thus be reliably forecast.

VIB Group's real estate portfolio by remaining rental period
(December 31, 2008)



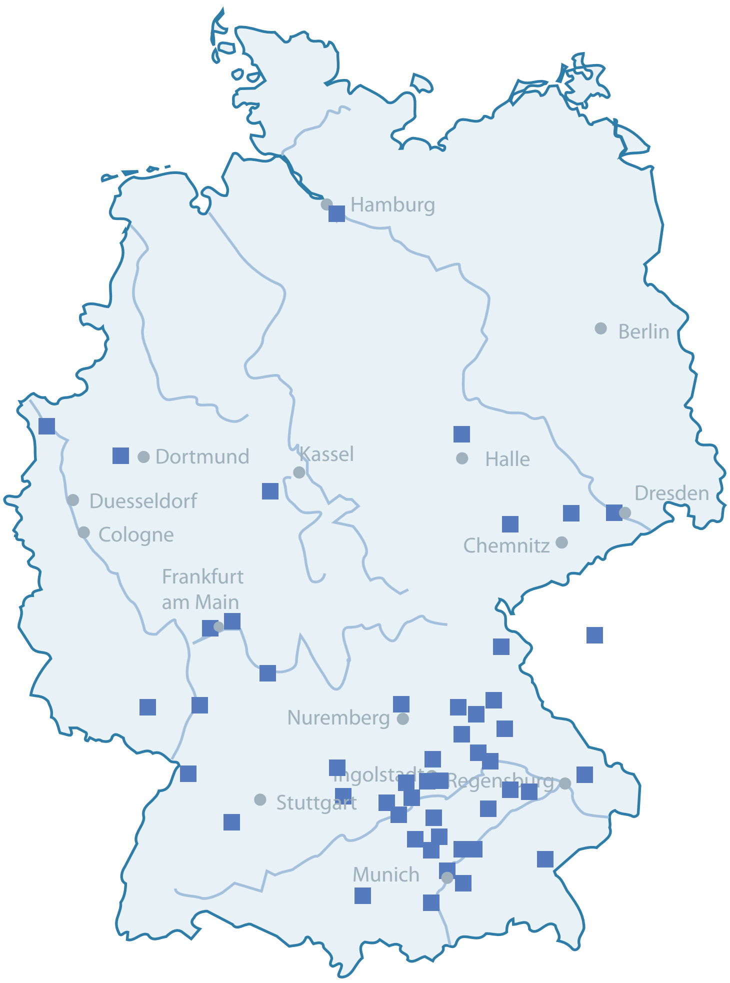
This is underscored by the fact that almost all of the tenants have an excellent credit rating. Careful reviews of the potential contractual partners when negotiations for the tenancies are being conducted mean that the later rental income is very stable. VIB Group's tenants include the following companies:

- Aldi GmbH & Co. KG
- AWG Mode Center
- Birkart Systemverkehre GmbH
- BMW AG
- Bosch-Rexrodt Group
- Ciba Vision Vertriebs GmbH (Novartis Group)
- Citibank
- Continental Automotive GmbH
- dm-Drogeriemarkt
- EDEKA-Südbayern GmbH
- Faurecia Autositze GmbH
- GEHE Pharma Handel GmbH
- Gillhuber Logistik GmbH
- Loxxess-Gruppe
- Media-Markt
- Metawell GmbH
- Norma Lebensmittel
- Praktiker Bau- und Heimwerkermärkte
- RENO Schuhcenter
- REWE Group
- Richter + Frenzel Logistik GmbH & Co. KG
- Rudolph Logistik
- Scherm Tyre & Projekt Logistik GmbH
- Schott Rohrglas
- Thimm Schertler Verpackungssysteme GmbH
- Takko
- Vögele Mode-Center

Real estate locations

Properties in (examples):

- Aalen
- Dingolfing
- Dresden
- Gersthofen
- Großostheim
- Günzburg
- Hamburg
- Herten
- Ingolstadt
- Memmingen
- Neuburg/Donau
- Neufahrn
- Neumarkt
- Nuremberg
- Regensburg



VIB Vermögen AG's investments focus on the southern German region. There are many good reasons for this: Very attractive for business in a pan-German comparison, coupled with economic stability, a healthy mix in its economic structure and a strong management network in the region. In addition, the company makes select investments in the remainder of Germany and in neighboring foreign countries.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

New investments 2008

The VIB Group already constantly grew its portfolio in previous years, thus constantly increasing its potential to record attractive rental returns. The application of strict investment criteria has constantly improved the company's earnings strength, and at the same time it has further diversified risks. In the case of individual investments, the maximum investment volume is € 40 million, which thus means that the risk remains transparent in terms of the total portfolio. The company pays particular attention to economically sustainable locations for its respective properties, thus ensuring secure rental income over the long term. In addition, the portfolio properties must have excellent opportunities for other uses, to thus allow rapid follow-on rentals at low costs in the event of a change of tenant. And last but not least, profitability is a key factor for investments: The respective properties should generate an annual rental return of 7.0 % or more based on the acquisition costs.

The VIB Group also further pursued its target-oriented growth strategy during 2008. It added at total of 14 properties with a rental area of around 100,000 m² to its portfolio. Once again, most of the investments were made in Southern Germany, however the company also acquired select properties in other parts of Germany. During the past fiscal year, in terms of types of use the focus was on retail properties – primarily as a result of the subsidiary BBI Immobilien AG's investment activities. In addition, the properties acquired also included logistics, industrial and office properties.

In total, in 2008 investments totaled around € 120.0 million including incidental costs. On an annualized basis, the newly acquired commercial properties generated rental income of around € 9.0 million, and thus recorded a rental return of around 7.5 % based on acquisition costs. During the current fiscal year, the newly acquired properties will contribute to an increase in rental income for the first time for a full year, and will further increase the portfolio's earnings strength.

New investments 2008*

*All properties are practically fully let (as of: March 31, 2009)

Nuremberg, Nicolaistr. 14+16

Takeover	01/2008
Type of use	Service provider
Rental area	4.625 m²

Neuburg, Ruhrstr. 7

Takeover	01/2008
Type of use	Industry
Rental area	9.495 m²

Ingolstadt, Donau CityCenter II

Completion	04/2008
Type of use	Retail and services
Rental area	3.885 m²

Pfaffenhofen, Max-Weinberg-Str. 9

Takeover	04/2008
Type of use	Retail
Rental area	6.772 m²

Grafenau, Bahnhofstr. 12

Takeover	05/2008
Type of use	Retail
Rental area	3.768 m²

Mitterteich

Takeover	05/2008
Type of use	Logistics
Rental area	10.500 m²

Goch, Klever Straße 20

Takeover	05/2008
Type of use	Retail
Rental area	2.011 m²

Baunatal, Fehrenberger Straße

Completion	06/2008
Type of use	Truck parking lot
Rental area	open area

Unterschleißheim, Carl-von-Linde-Str. 12a

Takeover	08/2008
Type of use	Logistics
Rental area	16.495 m²

Olching, Feursstraße 56

Takeover	08/2008
Type of use	Retail
Rental area	5.056 m²

Simbach, Kreuzweg 4

Takeover	08/2008
Type of use	Retail
Rental area	8.250 m²

Landshut, Stethaimer Straße

Takeover	09/2008
Type of use	Retail
Rental area	1.981 m²

Haiming, Soldatenmais 5

Completion	10/2008
Type of use	Logistics hall
Rental area	38.405 m²

Ötigheim, Heinrich-Hertz-Str. 4

Completion	12/2008
Type of use	Logistics
Rental area	10.666 m²

Neuburg, Sudetenlandstr. 38

Completion	12/2008
Type of use	Retail
Rental area	1.602 m²

Investments in fiscal year 2009 and further portfolio optimization

To date in the current fiscal year 2009 the VIB Group has made two new investments in commercial properties. In January it increased the size of its business park in Regensburg – this property now has an additional rental area of 19,865 m². The investment totaled € 18.9 million (for the acquisition and completion), and in future this property will contribute an additional € 1.6 million to the company's rental income. In addition, a property in Sangerhausen (Saxony Anhalt) was completed. This is a truck service station with a rental area of around 1,900 m². The property is fully let, the rental agreement has a term of 22 years. The investment totaled € 2.5 million, and the property will generate annualized rental income of around € 0.2 million. The property thus generates an annual rental return of around 7.95 % based on acquisition costs.

In addition, in the current and in the coming fiscal years, addition properties will be included in BBI Immobilien AG's portfolio, thus increasing the VIB Group's portfolio. In order to increase the growth of rental income, BBI Immobilien AG already secured the so-called Bavaria Portfolio at the end of 2006. As a rule, there are still eight properties in this portfolio to be transferred. These are currently being developed and have a total volume of approx. € 73 million – including incidental costs – and a rental area totaling around 45,900 m². These new properties, which are mostly all already let to well-known anchor tenants, are to be transferred to the company's portfolio between 2009 and 2010, as soon as all of the requirements that the project developer has to fulfill have been met. BBI Immobilien AG will thus increase the VIB Group's annualized rental income by a further around € 4.8 million.

At the same time, BBI Immobilien AG has shown prudence and fine judgment given the current situation on the market. Just € 11 million of the Bavaria-Westfalia Portfolio has been implemented, for which the total investment amount had originally been put at € 29 million (including incidental costs). As a result, BBI Immobilien AG was able to cut its borrowing by € 18 million. The lower project volume is due to the fact that the project developer could not fulfill contractual requirements for three of the properties, and in the case of a further property a conscious decision was taken not to acquire the property.

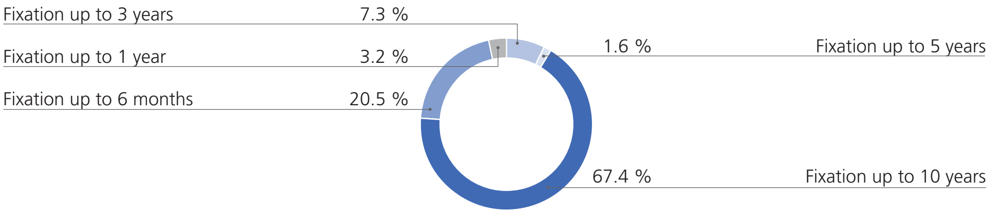
During the course of its ongoing portfolio optimization, the VIB Group also sold a hotel in Ingolstadt (1,828 m²) in February 2009. Together with the sale of an office property (3,172 m²) in Regensburg which was completed at the end of 2008, the company thus generated total income from divestitures of € 5.13 million, which was thus only slightly lower than the IFRS carrying amount for the two properties.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Real estate portfolio financing

The VIB Group finances the expansion of its real estate portfolio based on three principles: geared to the long-term, security and stability. In addition to using equity, when procuring borrowing, the company uses so-called "annuity loans", and its constantly repays these financial liabilities. In addition, credit agreements of the VIB Group are practically free of covenants. As a result, there are no financing risks for the VIB Group in this context, even given the current situation on the markets.

Structure of loans by remaining period of interest rate fixation



The VIB Group also pursues a sustainable approach when agreeing terms for fixed interest rates. As a result, around 69.0 % of its total financial liabilities have long-term fixed interest rates. Around 67.4 % even have fixed interest rates for more than five years. In contrast, just 23.7 % have fixed interest rates for periods of less than one year. The average interest rate for all of the loans is 4.8 % as of the end of 2008. In addition, the loan to value ratio of 65.6 % clearly shows the company's solid financing structure. In the current fiscal year, interest expenses of around € 20 million are offset by anticipated rental income of € 43 million – this ratio clearly shows the VIB Group's earnings strength and long-term stability.

Segment overview

Consolidated income statement by segments

in € thousand	Note	2008 Total	2008 Beverage	2008 Real estate	2007
Revenues	1	**56,365**	**14,220**	**42,145**	**22,172**
Increase in finished products		91	91	0	0
Changes in value for investment properties	2	-476	0	-476	906
Other operating income	3	990	121	869	3,629
Total operating income		**56,970**	**14,432**	**42,538**	**26,707**
Expenses for investment properties	4	-9,195	0	-9,195	-3,857
Cost of materials	5	-4,911	-4,911	0	-239
Personnel expenses	6	-6,131	-4,553	-1,578	-1,273
Other operating expenses	7	-6,175	-2,662	-3,513	-1,156
EBITDA – earnings before interest, taxes, depreciation and amortization		**30,558**	**2,306**	**28,252**	**20,182**
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	8	-6,836	-6,747	-89	-79
Profit from operating activities (EBIT)		**23,722**	**-4,441**	**28,163**	**20,103**
Net income from investments accounted for using the equity method	9	104	0	104	1,064
Income from participating interests		0	0	0	23
Other interest and similar income	10	549	94	455	619
Interest and similar expenses	11	-17,305	-372	-16,933	-7,140
Expenses from guaranteed dividend		-505	0	-505	0
Pre-tax earnings (EBT)		**6,565**	**-4,719**	**11,284**	**14,669**
Income taxes	12	-1,564	1,379	-2,943	-2,244
Consolidated earnings		**5,001**	**-3,340**	**8,341**	**12,425**

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Group indicators (IFRS)

€ thousand	2008	2007
Balance sheet total	620,655	515,814
Equity	185,457	194,372
Equity ratio	29.9%	37.7%
Net debt	389,151	280,119
Gearing	235%	166%
Net Asset Value (NAV)	188,988	190,894
NAV per share	11.06 €	11.17 €
Cash flow from operating activities	30,195	17,598
Net retained profits (VIB Vermögen AG)	3,417	3,417
Consolidated net income	5,001	12,425
Undiluted earnings per share	0.32 €	0.78 €
Dividend per ordinary share*	0.20 €	0.20 €

* Proposal by management

Real estate segment by indicators

in € thousand	2008 Total	2008 Real estate	2007 Total
Revenues	56,365	42,145	22,172
Operating income	56,970	42,538	26,707
EBIT	23,722	28,163	20,103
EBIT margin	41.6%	66.2%	75.3%
Pre-tax earnings (EBT)	6,565	11,284	14,669
EBT margin	11.5%	26.5%	54.9%
Consolidated net income	5,001	8,341	12,425

VIB Vermögen AG's acquisition of a majority interest in BBI Immobilien AG in December 2007 meant that the BBI Group including its subsidiary Herrnbräu GmbH & Co. KG, which is specialized in production and distribution of beers and beverages, was already consolidated in fiscal year 2007 and included in the VIB Group's consolidated financial statements. However, the BBI Group's earnings were included in the investment result at equity. In the past fiscal year 2008, BBI Immobilien AG was included in both VIB Vermögen AG's consolidated balance sheet as well as in the consolidated income statement as part of full consolidation. As a result, it is only possible to compare the figures disclosed for fiscal year 2008 with the previous year's figures to a limited extent. In order to ensure the highest level of transparency possible under these circumstances, the table shown above depicts the results of the Real estate as well as the Beverage segment separately.

Compared to the previous year, the VIB Group increased its revenues significantly. In total, revenues increased by € 34,193 thousand year-on-year to € 56,365 thousand, with the Beverage segment accounting for € 14,220 thousand. The inclusion of Herrnbräu GmbH & Co. KG becomes especially obvious when looking at the costs of material and personnel expenses. The increase of cost of material results completely from developments in the Beverage segment. At the same time personnel expenses grew due to the inclusion of the brewery, which employed 84 employees as of the balance sheet date.

The difficult market in the beverages segment meant that extraordinary depreciation for property, plant and equipment at Herrnbräu GmbH & Co. KG in the amount of € 5.0 million was performed at the end of the fiscal year. Taking scheduled depreciations to the amount of € 1,747 thousand into account, the Beverage segment achieved a negative result of € 3,340 thousand. Without taking one-off depreciations into account the Beverage segment would have generated positive operative result. Combined with the positive result to the amount of € 8,341 thousand achieved in the Real estate segment the VIB Group accomplished a consolidated net income of € 5,001 thousand in fiscal year 2008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| Business report

1. Business activities and underlying conditions

a. Business activities

VIB Vermögen AG is the parent company of the VIB Group and is a medium-sized real estate holding company, whose investments focus on commercial properties in Southern Germany. Formed as a partnership in 1993, VIB was transformed to become an Aktiengesellschaft (German public limited company) in 2000. Since then, the company and the other companies in the VIB Group have developed core competences in the acquisition and management of its own properties and participating interests in companies with real estate portfolios.

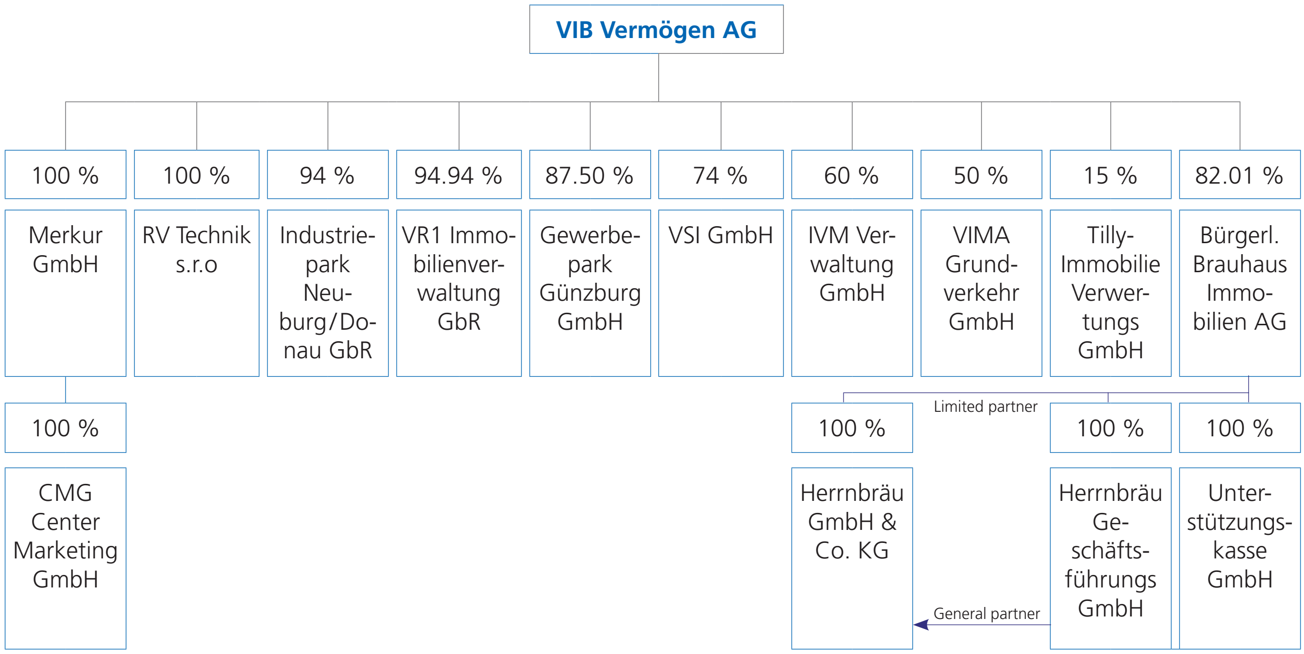
The VIB Group pursues a buy-and-hold strategy. It acquires portfolio properties and also develops properties for its own portfolio, in order to include these as portfolio properties over the long term. The VIB Group's portfolio has a total rental area of approx. 600,000 m², including various logistics properties and industrial facilities, shopping centers and specialist stores as well as commercial centers and service complexes. VIB Vermögen AG manages and administers the real estate portfolio via its wholly owned subsidiaries Merkur GmbH and BBI Bürgerliches Brauhaus Immobilien AG (BBI Immobilien AG).

VIB Vermögen acquired a majority interest in BBI Immobilien AG in 2007. Its wholly owned subsidiary Herrnbräu GmbH & Co. KG, a specialist in producing and selling beers and soft drinks (Beverages segment) is included in BBI Immobilien AG's consolidated financial statements. The Beverages segment is thus also included in VIB Vermögen AG's consolidated financial statements as a result of the full consolidation of BBI Immobilien AG.

b. Corporate structure and participating interests

VIB Vermögen AG, based in Neuburg/Danube is the Group's parent company. VIB Vermögen AG held direct and indirect interests in a total of 17 companies at the end of 2008. Three of these companies were not fully consolidated as a result of the participating interest held. The group structure has not changed year on year, it was possible to increase the participating interest in BBI Immobilien AG to 82.01 %. The BBI Immobilien AG Group including its subsidiary Herrnbräu GmbH & Co. KG prepares its own consolidated financial statements and was included in the VIB Vermögen AG consolidated financial statements as of December 31, 2008 as part of full consolidation. In fiscal year 2007, the earnings of the BBI Immobilien AG Group were included in VIB Vermögen AG’s consolidated financial statements at equity. In the past fiscal year 2008, BBI Immobilien AG (including Herrnbräu GmbH & Co. KG) was included in both the consolidated balance sheet as well as in the consolidated income statement as part of full consolidation.

Company structure as of December 31, 2008



Comments:

"Unterstützungskasse der Bürgerliches Brauhaus Ingolstadt GmbH" (in short: Unterstützungskasse GmbH) is a minor subsidiary of BBI Immobilien AG without any notable business activities.

BBI Immobilien AG holds an indirect 100 % interest in Mittelbayerischer Getränke Vertrieb GmbH & Co. KG, Ingolstadt and Herrnbräu Gaststättenbetriebs GmbH, Ingolstadt via Herrnbräu GmbH & Co. KG. These are also subsidiaries with no notable business operations and only minor revenues.

In addition, Herrnbräu GmbH & Co. KG holds a 40 % interest in Tre Effe S.R.L., Forli (Italy). This company processes the sale of beverages in Italy. This company is included in BBI Immobilien AG's consolidated financial statements and is thus also included in VIB Vermögen AG's consolidated financial statements at equity.

VIB Vermögen AG and BBI Immobilien AG concluded a profit and loss transfer agreement in fiscal year 2008. VIB Vermögen AG has undertaken to pay reasonable compensation ("guaranteed dividend") to the outstanding shareholders of BBI Immobilien AG for the duration of this agreement as a repeat annual payment. The guaranteed dividend totals € 0.64 (gross) per no-par value share of BBI Immobilien AG, less German corporation tax and solidarity surcharge on the proportion subject to corporation tax, in each case according to the tax rate which applies for this taxes for the respective fiscal year.

As an alternative, VIB granted the outstanding shareholders the opportunity to exchange shares of BBI Immobilien AG for shares of VIB Vermögen AG. In this regard, a resolution by the General Meeting on June 26, 2008 created conditional capital totaling € 1,356,114.00.

c. Employees, staff changes and executive bodies

At the end of 2008, the VIB Group had a total of 114 employees (previous year: 118 employees including industrial employees) in the following companies:

- Real Estate segment
  17 commercial employees (incl. Managing Board);
  (previous year: 17 employees)
  13 industrial employees
  (previous year: 13 employees)
- Beverages segment (Herrnbräu GmbH & Co. KG)
  84 employees incl. managing directors
  (previous year: 88 employees)

The VIB Group has secured a lean, cost-efficient organizational structure by keeping the number of commercial employees for the real estate segment constant while simultaneously expanding its portfolio. The industrial employees in the real estate segment are mostly caretakers and cleaners (mostly part-time employees), who are hired to manage individual properties. The resulting expenses are oncharged to the respective tenants as part of the settlement of incidental costs.

Through to the end of fiscal year 2008, VIB Vermögen AG was represented by Ludwig Schlosser, the sole member of the company's Managing Board. Peter Schropp joined the Managing Board on January 1, 2009. He is responsible for the real estate segment. The former sole member of the Managing Board Ludwig Schlosser will be the CEO. The company has thus reacted to the increase in its operating business and has thus also ensured an efficient organizational structure for the future. There was non change in the members of the Supervisory Board during the year under review. The Board comprises Franz-Xaver Schmidbauer (Chairman), Rolf Klug (Deputy Chairman) and Jürgen Wittmann.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

d. Real Estate Segment

Real estate portfolio growth

As of December 31, 2008, the VIB Group's real estate portfolio comprised a total of 81 commercial properties with a rental area of around 600,000 m². The properties are located practically nationwide, however there is a clear focus on Southern Germany. The portfolio was almost fully let on the balance sheet date, the vacancy rate totaled approx. 1.3 %. Properties in the retail segment accounted for around 37 % of the total portfolio in terms of net rental income. Logistics properties accounted for a further 25 %, with industrial properties accounting for around 20 %. Offices, service providers and other recorded around 18 %. The fact that the portfolio is widely spread over various sectors means that growth in rental income is comparatively independent of the economic situation in individual sectors. Based on market values as of December 31, 2008, the portfolio generated an average rental return of around 7.2 %.

This means that that it was once again possible to significantly increase the portfolio of properties in the period under review. The VIB Group included a further 14 commercial properties in its portfolio in fiscal year 2008. Compared to the previous year's figure, the rental area thus increased by around 100,000 m². The investment volume realized totaled around € 120.0 million. The new investments in fiscal year 2008 generated an average rental return of 7.5 % in terms of acquisition costs. In fiscal year 2009 these properties will contribute to earnings for the entire year for the first time, and thus lead to corresponding increases in revenues and income. Including these properties in its portfolio has allowed the VIB Group to increase its annualized rental income as of January 2, 2009 by around € 9.0 million to a current total of € 43.0 million.

Real estate market in Germany

The past fiscal year was characterized, in particular in the second half of the year, by a significant economic cooldown. This was caused by the international financial crisis heightening. According to information from the International Monetary Fund (IMF), the global economy only grew by 3.2 % in 2008, a significant downturn compared to the previous year's figure of 5.2 %. Growth weakened in particular in developed economies, for example it fell from 2.5 % in 2007 to just 1.0 % in 2008.[1]

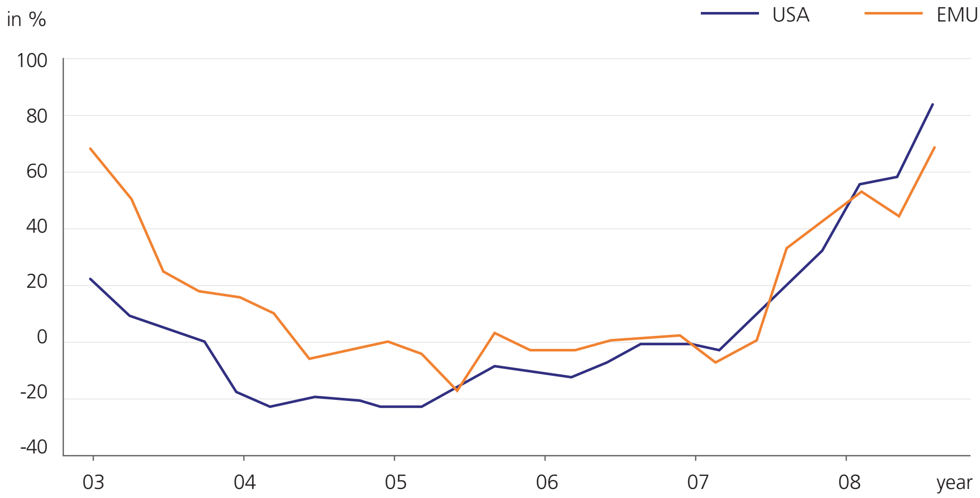
In Germany, in 2008 the economic cooldown could be seen in a reduction in real economic growth to 1.3 % compared to growth of 2.6 % in the same period of the previous year. The GDP growth in 2008 primarily stemmed from the solid economy in the first half of the year. However, when the US investment bank Lehman Brothers had to file for bankruptcy in September there was a global confidence crisis on the financial markets. This significantly slowed the flow of

[1] IMF, 2009

capital between banks (so-called interbank market) and the market for the Pfandbrief came to a de facto standstill – which had a negative impact on banks issuing credit, and thus on the real economy. The result was that the situation on the German economy became more tense, with gross domestic product (GDP) falling in the fourth quarter by -1.6 % compared to Q4 2007.[2]

Loan conditions

Share of banks with deteriorating loan conditions in % (net)
Loans to middle sized and large companies



Source: DB Research

Growth drivers in the past fiscal year were gross investments in equipment by German companies, in particular in the engineering segment. The figure increased by 4.4 % after adjustment of prices on an annual basis. However, there were substantial reductions in this sector when the downturn started. In contrast, private consumption in Germany has been relatively stable. Private consumption fell only slightly year-on-year by -0.1 %. Private consumption was also mostly robust in Q4 2008 even despite the poor overall economy – down just -0.6 % compared to Q4 2007. As a reaction to the deterioration in the overall economic situation, the Federal Government put two economic programs in place in quick succession in order to further bolster private consumption and to cushion against the effects of the crisis.[3] In spite of this, however, leading economic researchers are forecasting a significant downturn in GDP for the current year. If this economic cooldown continues over a longer period, it may have a negative impact on the real estate market over the medium term.

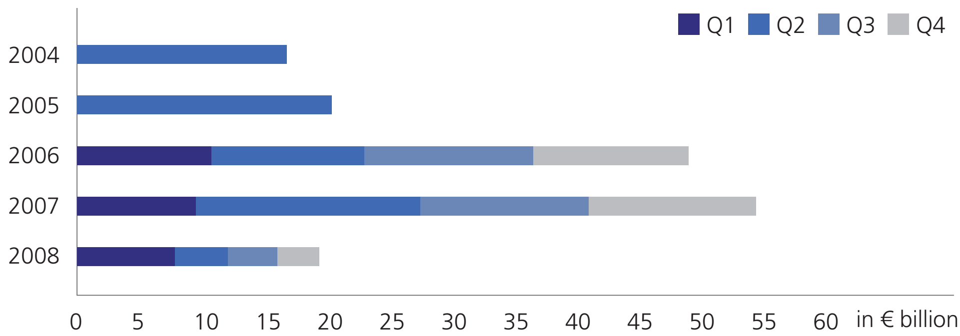
[2] German Federal Office of Statistics, 2009
[3] German Federal Government 2008; German Federal Government 2009

To our shareholders
Group management report
Group financial statements
Consolidated Notes

In order to stabilize the situation in the banking sector and on the international capital markets central banks around the world cut their base rates. The European Central Bank (ECB) has cut interest rates several times since mid 2008, and thus reduced the interest rate for the euro-system's main refinancing transactions step-by-step to 1.25 % in April 2009.[4] Despite the increased provision of liquidity by the central bank and the lower base rates, the situation on the interbank market has not as yet undergone a fundamental improvement. In addition, many companies are not benefiting from the interest rate cuts, as the banks margins and also the spreads in interbank business have increased significantly as a result of the confidence crisis. As a result, the refinancing situation for companies with weak equity has deteriorated substantially during the course of the past year.

The restrictions for the issue of loans and the banks' resulting increased requirements for equity led to a significant reduction in the volume of transactions for commercially used properties in 2008. The nationwide figure totaled € 19.7 billion, down 64 % year-on-year. There was a strong downturn in the fourth quarter in particular. Office properties accounted for the bulk of the transactions compared to the previous year at 36 % (€ 7.1 billion). However, at the same time this sector was also disproportionately lower than in the previous year (€ 31.4 billion). Retail properties accounted for € 6.1 billion or 31 % of the total transaction volume (previous year: € 11.2 billion). The more difficult refinancing conditions, as well as the lower rent expectations – linked with the economic downturn – mean that investors' return requirements have increased. In turn, this leads to lower purchase prices – depending on the property's location and quality of the rental agreements.

Transaction volume in Germany
(Commercial real estate)



Source: Jones Lang LaSalle

[4] ECB, 2009

No turnaround is yet to be seen. However, the most recent surveys among players on the real estate market point towards more stable expectations with regard to the future "real estate climate". This mood index measures market players opinions of future investment and earnings opportunities, and serves as an early indicator for future industry developments. This figure fell constantly in the second half of 2008, however it has recently signaled the start of a more stable market – which could be interpreted as pointing towards an improvement in the general mood.[5]

On the whole, the VIB Group is faced with an economic environment which is characterized by uncertainty. In view of the difficult economic situation, future developments on the German market for commercial real estate depend on further economic developments. Both the government and also the central bank have already put countermeasures in place with an extensive economic package and far-reaching interest rate cuts. In addition, both consumption and, in particular, the retail sector in Germany have been robust to date, with the result that, at present, the situation on this segment of the real estate market is still comparatively stable. In spite of this however, negative future developments cannot be ruled out given the current market. If the current financial crisis lasts longer, and if the economic activities fail to take effect, this could also negatively impact our business model if the credit ratings or the economic situation of our tenants deteriorates over the long term.

Initial early indicators point towards a step-by-step recovery on the rental and investment markets. After a moderate increase in real estate prices over the past few years, prices in Germany have also fallen again. However, a sustained downturn in prices is only likely to a very limited extent, as the increases in commercial real estate prices in Germany were moderate – in contrast to the surges recorded in other European countries such as the United Kingdom, France or Spain. As a result, real estate prices in Germany are only expected to fall moderately.

Company targets and strategy

The current economic situation also poses the VIB Group with future challenges. The VIB Group is meeting this situation by prioritizing active asset and portfolio management compared to significant expansion. In spite of this, however, the VIB Group's declared medium-term goal is to pursue the course it has taken in the past of expanding its portfolio of real estate and to increase its revenues and earnings in the coming years. The acquisition of additional lucrative commercial real estate and the successful integration of BBI Immobilien AG means that in 2008 the VIB Group created key conditions to carefully continue its expansion and to further increase its enterprise value.

[5] King Sturge, 2009

To our shareholders
Group management report
Group financial statements
Consolidated Notes

In order to achieve these objectives, the VIB Group will also continue to focus its investment activities on Southern Germany in future. The following investment criteria apply:

- Commercial real estate in economically sustainable locations
- Investment volume up to € 40 million per property
- Average rental return from 7.0 % p.a. (based on acquisition costs)
- High tenant credit rating compared to rental income
- Excellent opportunities for third-party use

Consistently upholding these criteria ensures the VIB Group's sustained and profitable growth. In order to maintain a cost-efficient organizational structure in future, the Group focuses on high-margin industrial and logistics properties offering when expanding its portfolio. In addition, the company is also focusing on acquiring additional self-service and specialist stores, which will be transferred to BBI Immobilien AG's portfolio in 2009 and 2010. Administrative expenses and the associated costs can be kept low as a result of the fact that properties are primarily let to well-known anchor tenants. In addition, the VIB Group benefits from its long-standing experience and its extensive management network in this segment in particular. The VIB Group has thus broadly diversified its risks while at the same time ensuring an attractive rental return from its real estate portfolio.

When making further acquisitions, the VIB Group will continue to focus on a balanced financing structure. In particular the developments on the financial markets and the resulting deterioration in financing conditions for investors using high leverage have provided the company with confirmation that the course it has taken to date, namely solid financing, is correct. The fact that the level of third-party borrowing is lower than average, and also that the loans are mostly long-term annuity loans reduces the VIB Group’s dependency on changes in the interest landscape, reduces the need to extend loans and allows sustainable returns to be generated. At the same time, the repayment of loans bolsters the company's intrinsic value and its enterprise value.

The VIB Group also plans to continue the strategy it has pursued to date based on its financial stability and its positive position on the market. As part of the further optimization of its portfolio, the company is focusing on both using the investment opportunities offered by the current market by making successive acquisitions of attractive commercial properties, and also on restructuring by selling individual properties. Over the medium term it has not ruled out making additional targeted acquisitions and acquiring participating interests in high-margin real estate companies. The VIB Group will use its position as one of the leading listed real estate companies for commercial properties in the Southern German region to boost its future growth.

f. Beverages segment

BBI Immobilien AG prepares its own consolidated financial statements which also includes the wholly owned subsidiary Herrnbräu GmbH & Co. KG (= Beverages segment). Herrnbräu GmbH & Co. KG is a brewery with a long-standing tradition and has specialized in producing and selling beers and alcohol-free beverages. In fiscal year 2007, the consolidated earnings of BBI Immobilien AG were included in VIB Vermögen AG's investment result at equity. In contrast, these earnings were fully consolidated in fiscal year 2008, with the result that BBI Immobilien AG's consolidated financial statements, and thus also the Beverages segment were included in both VIB Vermögen AG's consolidated balance sheet and income statement.

Operating business growth

Herrnbräu GmbH & Co. KG's total beverages sales remained practically constant in 2008 compared to the previous year. Despite the difficult competitive environment, there was only a slight downturn of 0.3 thl (-0.1 %) to 209 thl. This includes both the beverages the company produces itself (Herrnbräu beers and Bernadett Brunnen alcohol free beverages) as well as retail sales. In total, sales for self-produced products increased by 0.3 %. Sales of the company's own beers made a particularly positive contribution – up 2.1 %. The acquisition of brand rights for an Ingolstadt-based brewery increased sales. In contrast, sales of the alcohol-free beverages produced by the company (Bernadett Brunnen) fell by 2.6 %.

In addition, Herrnbräu sales enjoyed pleasing growth (beer and alcohol-free beverages) in the retail sector, up 2.7 %. In addition, exports were once again improved by 2.5 % via the participating interest in Tre Effe S.R.L.

The catering segment recorded a moderate downturn of 2.5 %. Herrnbräu GmbH & Co. KG was thus able to record comparatively positive results given the difficult underlying conditions on the German beverages market.

Market

The beverages segment was also faced with a tense market in fiscal year 2008. German breweries were confronted with higher costs for malt, hops, energy and fuels, and changed consumption patterns by consumers led to a reduction in beer sales in Germany of 1.1 % year-on-year. In Bavaria sales were down 1.3 %, slightly worse than in the rest of Germany. Consumption thus fell to 106.8 liters per inhabitant nationwide. This resulted in a more competitive environment for Herrnbräu GmbH & Co. KG.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

In the case of Herrnbräu GmbH & Co. KG regional factors such as the increasing population of Ingolstadt and the comparatively strong economic growth to date in this region had a fundamentally positive impact on the beverages market. In addition, as a result of the increase in the number of smaller beer brands experts also believe that there is an increased trend to "regionalization" on the German market, with corresponding market opportunities for very local breweries. The acquisition of brand rights for a traditional Ingolstadt-based brewery in the spring of 2008 meant that Herrnbräu further reinforced its strong regional position, thus laying the foundations to be able to benefit from this growth.

On the whole, however, Herrnbräu GmbH & Co. KG believes that it will continue to be confronted with a difficult market during the current fiscal year. In general, the German beverages market will have to deal with falling sales as a result of demographic shifts and changes in consumption patterns. This is coupled with the impact of the current economic and financial crisis on consumption. The effects of this cannot be fully foreseen at present. As a result, the stronger competitive pressure means that an increased process of concentration is to be expected. In spite of this, however, the company's regional orientation and its foreign expansion in Italy in particular, which it put in place at an early stage, also offer market opportunities.

Strategy

In fiscal year 2009, Herrnbräu GmbH & Co. KG is forecasting a continued difficult market and competitive environment in the German beverages sector. The company plans to meet these challenges via increased penetration of the market. This will also allow it to remain independent of industry trends with regard to sales growth in future. It aims to achieve this objective by increasing its acquisition of new customers and via improved distribution. In this regard it plans to further increase its sales activities and develop new sales channels, for example by expanding its Italian subsidiary's operating business. These activities will be accompanied and supported by continued optimization of the cost structure at Herrnbräu GmbH & Co. KG.

Employees

Compared with the previous year, the number of Herrnbräu GmbH & Co. KG's employees fell slightly in fiscal year 2008. The company had a total of 84 employees on December 31, 2008 (previous year: 88 employees). Its managing directors are Mr. Gerhard Bonschab and Mr. Franz Katzenbogen.

2. Financial position and results of operations

VIB Vermögen AG's consolidated financial statements are based on IFRS accounting.

a. Earnings

VIB Vermögen AG's acquisition of a majority interest in BBI Immobilien AG in December 2007 meant that the BBI Group was already consolidated in fiscal year 2007 and included in the VIB Group's consolidated financial statements. However, the BBI Group's earnings were included in the investment result at equity. In the past fiscal year 2008, BBI Immobilien AG (including its subsidiary Herrnbräu GmbH & Co. KG) was included in both VIB Vermögen AG's consolidated balance sheet as well as in the consolidated income statement as part of full consolidation. The information in all of the items for VIB Vermögen AG's earnings thus includes both the results of the BBI Group including the subsidiary Herrnbräu GmbH & Co. KG. As a result, it is only possible to compare the figures disclosed for fiscal year 2008 with the previous year's figures to a limited extent.

Compared to the previous year, the VIB Group increased its revenues significantly. These comprised the Real Estate and Beverages segments for the first time. In total, revenues increased by around € 34.2 million year-on-year by from € 22.2 million to € 56.4 million in fiscal year 2008. This growth is partially due to the inclusion of the BBI Group in VIB Vermögen AG's consolidated financial statements as described above, as well as the group's increased operating business. The bulk of the revenues (€ 42.2 million or 74.8 %) were recorded in the real estate segment. The beverages segment recorded the remaining € 14.2 million (25.2 %).

Changes in the value of the investment properties totaled € -0.5 million (previous year: € +0.9 million). This includes write-downs on the properties' market value totaling € -7.0 million. In addition, the company recorded positive valuation results of € 6.5 million based on current market values, mostly due to its own property development activities.

Other operating income fell from € 3.6 million in fiscal year 2007 to around € 1.0 million in fiscal year 2008. However, it must be noted that the previous year's figure included a one-off effect totaling € 3.1 million as a result of the BBI Immobilien AG lucky buy. In total, the company thus recorded operating income of around € 57.0 million in fiscal year 2008. This is thus a 113.5 % increase compared to the previous year's figure of € 26.7 million.

The increase in the real estate portfolio and the inclusion of the BBI Immobilien AG Group caused expenses for investment properties to increase to € 9.2 million in fiscal year 2008 (previous year: € 3.9 million). This primarily relates to ongoing operating costs (e.g., electricity, gas, water) which are mostly allocated to tenants, as well as the costs for maintaining the properties and land tax payments.

In addition, the costs of material increased from € 0.2 million to € 4.9 million. In fiscal year 2008 these were exclusively incurred in the Beverages segment and were included in the consolidated financial statements for the first time. At the same time, personnel expenses increased from around € 1.3 million to € 6.1 million. The significant increase is due in particular to the inclusion of the brewery, which had 84 employees on the balance sheet date, with the result that the bulk of personnel expense were due to this segment. In the real estate segment, the VIB Group recorded personnel expenses of around € 1.6 million (previous year: € 1.3 million).

In addition, other operating expenses increased from around € 1.2 million in 2007 to around € 6.2 million. This was due to a change in the valuation of a loan denominated in Swiss Franks of around € 1.0 million and also to the first-time inclusion of the BBI Immobilien AG Group with sales and operating expenses, which were incurred in particular at Herrnbräu GmbH & Co. KG, totaling around € 2.6 million. In addition, the increase business operations led to an increase in other operating expenses. This resulted in EBITDA of € 30.6 million – up 51.5 % compared to the same period of the previous year (with first-time inclusion of the BBI Immobilien AG Group).

The difficult market in the beverages segment meant that extraordinary depreciation for property, plant and equipment at Herrnbräu GmbH & Co. KG in the amount of € 5.0 million was performed at the end of the fiscal year. Taking the scheduled amortization/depreciation of € 1.8 million into account, mostly stemming from the Beverages segment, the Group thus recorded EBIT of around € 23.7 million. Compared to the previous year's figure of € 20.1 million, this is thus an improvement of 17.9 % or € 3.6 million. Broken down into the two segments, Real Estate accounted for around € 28.2 million, with the Beverages segment accounting for EBIT of € -4.5 million.

As the BBI Group's earnings were carried in the financial result under the participating interests measured at equity in the previous year, the corresponding item fell from around € 1.1 million to € 0.1 million during fiscal year 2008. The guaranteed dividend to outstanding shareholders as set out in the profit and loss transfer agreement with BBI Immobilien AG depressed earnings to the tune of € 0.5 million.

The VIB Group's net interest for the past fiscal year clearly reflected the expansion of the real estate portfolio. The investments made in the period under review and the associated reduction in bank balances meant that other interest and similar expenses fell from € 0.6 million in the previous year to € 0.5 million. At the same time, interest expense increased to € 17.3 million (previous year: € 7.1 million). This increase is due to new loans as well as the full consolidation of BBI Immobilien AG and the resulting increase in the real estate portfolio. The financial result (including the guaranteed dividend) thus totaled € -17.1 million last fiscal year after € -5.4 million in the same period of the previous year.

In total, the VIB Group thus recorded EBT of around € 6.6 million in fiscal year 2008 (previous year: € 14.7 million). Of this total, around € 11.3 million was due to the real estate segment, with the beverages segment accounting for € -4.7 million. The reduction was primarily due to the extraordinary effects at Herrnbräu GmbH & Co. KG. After the deduction of income taxes totaling € 1.6 million (previous year: € 2.2 million), consolidated earnings totaled around € 5.0 million, down by around € 7.4 million compared to the previous year's figure of € 12.4 million. Group shareholders accounted for € 5.4 million of the result (minority interests = € 0.4 million). Undiluted earnings per share totaled € 0.32 (previous year: € 0.78). The net retained profits from VIB Vermögen AG's single entity financial statements (HGB) which are relevant for the disbursement totaled € 3.4 million, as was the case in the previous year. The Managing and Supervisory Boards will thus propose an unchanged dividend of € 0.20 per share for fiscal year 2008 to the General Meeting.

b. Net assets

In contrast to the income statement, the items on the balance sheet are comparable with the previous year, as BBI Immobilien AG including its subsidiaries was already fully included in the assets and liabilities items in the previous year.

Compared to the previous year, the VIB Group's balance sheet as of December 31, 2008 was characterized by the further expansion of the real estate portfolio. Year-on-year, the company's total assets thus increased from € 515.8 million to € 620.7 million. This corresponds to growth of € 104.9 million or 20.3 % compared to the previous year's figure.

Equity totaled € 185.5 million on the balance sheet date. This figure is thus down by around € 8.9 million compared to the 2007 figure of € 194.4 million. This is primarily due to the fact that the change in the market value of the so-called cash flow hedges was taken directly to equity as well as the change in the item to compensate for minority interests, which fell by € 20.7 million to € 13.2 million. This was due to the shares of BBI Bürgerliches Brauhaus Immobilien AG which were acquired in 2008 as part of the mandatory offer. Based on the 17,084 thousand shares in circulation on the balance sheet date, net asset value on December 31, 2008 thus totaled € 11.06 (previous year: € 11.17).

Non-current liabilities increased by € 37.0 million to € 318.2 million. As a result of the investments made in the previous fiscal year, financial liabilities in particular increased. These totaled € 291.3 million as of December 31, 2008 (previous year: € 259.4 million). The majority of these liabilities (around € 243.7 million) has a remaining term of more than five years.

Current liabilities also increased. Compared to the previous year's figure of € 40.2 million, this figure thus increased substantially to € 117.1 million as of December 31, 2008. This also mostly relates to financial debt, which increased from around € 29.6 million to € 103.1 million year-on-year. This lending was mostly taken out by VIB Vermögen AG as part of the acquisition or real estate and interests in BBI Immobilien AG as well as by BBI Immobilien AG during the acquisition of new properties. In addition, other current liabilities also increased to € 13.2 million (previous year: € 8.0 million). This increase is mostly due to liabilities from investments (e.g., partial purchase prices, land transfer tax) and the guaranteed dividend to be paid as a result of the profit and loss transfer agreement.

The VIB Group uses derivative financial instruments. The total derivative financial instruments on the balance sheet has a positive market value of € 0.3 million (previous year: € 0.2 million) under other assets, derivative financial instruments with negative market values of € 5.6 million (previous year: € 0.9 million) are carried under financial liabilities.

On the assets side of the balance sheet, non-current assets increased perceptibly from € 499.4 million in the previous year by € 106.7 million to € 606.1 million as of December 31, 2008. The increase was mostly due to investment properties, which form the core of the VIB Group's business activities. The increase in the portfolio, which was driven last year, lead to an increase in the corresponding balance sheet item by € 104.0 million to € 561.3 million.

In total, current assets fell by around € 1.9 million to € 14.6 million (previous year: € 16.5 million). The total receivables and other assets increased compared to fiscal year 2007 from around € 5.6 million to € 7.2 million. This increase was primarily due to the higher receivables from settlements for incidental costs from tenants and higher receivables in the beverages segment. On the other hand, cash on hand and bank balances fell during the fiscal year by € 3.6 million to around € 5.9 million (previous year: € 9.5 million).

c. Liquidity

The cash flow from operating activities increased during fiscal year 2008 to € 30.2 million (previous year: € 17.6 million). The cash flow from operating activities fell to € -119.2 million (previous year: € -189.6 million. This was mostly due to the lower level of investments in property, plant and equipment and investment properties. The changes in financial liabilities fell correspondingly in the cash flow statement. Together with the reduction in payments from the capital increases, this led to a cash flow from financing activities of € 85.4 million (previous year: € 179.2 million). Cash and cash equivalents thus fell to € 5.9 million on the balance sheet date (previous year: € 9.5 million).

| Report on key events after the balance sheet date

Peter Schropp joined VIB Vermögen AG's Managing Board as of January 1, 2009. Since then he has been responsible for real estate. The former sole member of the Managing Board Ludwig Schlosser will be the CEO. Peter Schropp will continue to perform his activities as the sole member of BBI Bürgerliches Brauhaus Immobilien AG's Managing Board.

At the start of January 2009, the purchase price including incidental costs of € 16.0 million was paid for a commercial property in Regensburg, Osterhofener Straße (BusinessPark Section II). The amount was financed via a loan of € 12.9 million and a further € 3.1 million in equity.

The purchase price for a plot in Kirchheim (Hesse) was paid in mid-January 2009 in the amount of € 0.8 million. A further truck service station will be constructed on this plot, which lies on the junction between Freeway 4/Freeway 7. This will be let long-term. The planned total investment volume is around € 4.9 million. The price for the acquisition of the plot will initially be equity financed.

The remaining purchase price of € 1.8 million for the participating interest in R.V. Technik s.r.o. was paid at the end of January 2009. This amount was financed using a bank loan.

The company sold a hotel in Ingolstadt with 1,828 m² in February 2009. The sale proceeds to the amount of € 2.0 million accrued in April 2009.

VIB Vermögen AG and BBI Immobilien AG concluded a profit and loss transfer agreement on May 6, 2008. VIB Vermögen AG has undertaken to pay the outstanding shareholders of BBI Immobilien AG reasonable monetary compensation (guaranteed dividend) of € 0.64 (gross) per no-par value share for the duration of this agreement as a repeat annual payment. As an alternative to the compensation payment, VIB Vermögen AG has undertaken, at the shareholder's request, to acquire the shareholder's no-par value shares of BBI Immobilien AG with an exchange ratio of 8.02 to 11.62, i.e., against compensation in shares of 1.45 no-par value shares of VIB Vermögen AG for each no-par value share of BBI Immobilien AG. The deadline for acceptance of the compensation offer (exchange of shares) is normally two months after publication of the compensation offer. The compensation offer was published on March 3, 2009. However there is currently litigation pending with regard to the level of the exchange ratio and the compensation payment. The conversion deadline will thus not end before this pending litigation has been concluded. A precise date cannot currently be foreseen. To date, a total of 95,484 shares have been exchanged by five shareholders of BBI Immobilien AG.

| Risk and forecast report

a. Company risks

Risk management system

As a real estate group, VIB Vermögen AG faces a wide variety of risks and consciously enters into these risks in order to be able to consistently take advantage of the opportunities offered by the real estate market. In order to minimize any dangers, VIB Vermögen AG and its subsidiaries have set up an adequate risk management system and constantly adapt this to their operating business. The risk management system focuses on recording and evaluating the key parameters for the company with regard to its business model – such as rental levels/vacancy rates, outstanding rent, interest and the structure of the fixed interest rate terms for liabilities to banks, changes in cash and cash equivalents, changes in rental income and ongoing administrative costs. These parameters are reported regularly to the Managing Board. This ensures that, if a risk should occur, the company recognizes this at an early stage, and can directly put corresponding countermeasures in place. The subsidiaries are also included in this risk management system. Herrnbräu GmbH & Co. KG has set up its own risk management system for the Beverages division. If defined thresholds are exceeded, corresponding information is provided to the management of Herrnbräu GmbH & Co. KG and to BBI Immobilien AG's Managing Board.

Overall economic risks

As a result of the fact that companies are less likely to make investments given the current economic crisis, or in the event of a further economic cooldown or a sustained recession, there could be risks such as vacancies in the real estate portfolio over a longer period or rentals at reduced prices for the coming new rentals.

However, the fact that the existing properties mostly have long-term leases, this risk only affects a limited proportion of the rental income. In order to further minimize this risk, the VIB AG ensures that it primarily engages in long-term leases with tenants with high credit ratings.

A sustained recession could also have a negative impact on the changes in the value of the real estate portfolio. This risk is minimized by the VIB Group’s investment focus on the Southern

German region, which has enjoyed comparative economic stability to date. In addition, the real estate portfolio is broadly spread over various types of use and industries, with the result that negative developments in individual industries would only have a limited impact on the company's overall portfolio.

Tenant risk

As a real estate group, as a rule the VIB Group is exposed to a certain tenant risk as a result of possible default on rent or outstanding rental payments. In addition, there is also the risk that, in the event of unforeseeable tenant losses (e.g., as a result of termination without notice due to outstanding rent) it may not be possible to re-let the property in good time. In addition, it is possible that rental agreements will not be extended once these expire. This risk is greater in particular given the current difficult situation on the overall economy. This could result in vacancies and the associated loss of rental income for the VIB Group companies for a certain period – thus depressing the VIB Group's income. At the same time this results in possible valuation risks for the real estate portfolio. However, the Group minimizes this risk by focusing on tenants with excellent credit ratings. In addition, when acquiring properties, the VIB ensures that these also have excellent opportunities for other uses. This makes it easier to re-let them quickly if the rental agreement is terminated.

Construction cost risk/construction risk

The VIB Group's business activities mean that there are possible construction cost risks and general construction risks resulting from the acquisition of plots and the subsequent construction of the properties. For example, the forecast investment amounts could be exceeded, with the result that the planned financing is no longer sufficient. Delays in the completion of the properties cannot be ruled out as a general construction risk. This would mean that it is not possible to hand the properties over to the tenants on time. This could result in lost rent and, in some cases, recourse being taken. In order to minimize these risks, the VIB Group works together with general contractors with excellent credit ratings for larger construction projects. This mostly ensures that it is possible to complete the projects within the designated timeframe and on budget. There are no cost risks for the acquisition of properties built by project developers, as the purchase prices for these properties are based on the net annual rent without incidental and heating costs for the fully let property and a fixed purchase price multiple.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Risks in property portfolio

External factors impact the quality of the locations of the VIB Group's properties to a certain extent. The VIB Group is not able to influence these factors. These include changes to the social structure, deteriorations in infrastructure or construction activities in the direct proximity of the respective properties. This could result in lower values for the properties with correspondingly lower rental income or higher management costs for the properties.

The VIB Group counters this risk by carefully reviewing the respective properties and strictly upholding its investment criteria. Damages to or the destruction of the company's existing properties constitute a further potential risk. The entire real estate portfolio is thus insured against all general risks in order to avoid any reduction in the VIB Group's enterprise value.

Financing risk

The further expansion of the real estate assets and the group's continued growth demand sufficient access to financing – both as borrowing and equity. If the necessary inflow of funds is not available on the corresponding date or if the corresponding amount is restricted, this could meant that it is not possible to fully guarantee the financing of further growth, for example the acquisition of properties that have already been contractually secured or also planned acquisitions. This would impact the company's future income and assets. When procuring borrowing, it is possible that we are not able to procure this in good time, at favorable conditions, or in a sufficient amount. In particular, the distortions on the capital markets mean that banks are currently demanding higher levels of equity to finance real estate. This can lead to restrictions in procuring borrowing or to poorer conditions for loans, which could thus have a negative impact on the VIB Group’s financial position and results of operations. However, the banks regard the creditworthiness of the companies in the VIB Group as being positive as a result of the high equity ratio and the group’s earnings strength. The risk that it is not possible to obtain borrowing in a sufficient amount or at significantly poorer conditions is thus regarded as being manageable.

The VIB Group depends on a favorable environment on the capital markets to obtain additional equity. A continuation of the current turbulence on the stock markets over the long term or other significant slumps on the stock markets may reduce the capital markets capacity, making it more difficult for the group to procure additional equity. In this case, additional borrowing would have to be taken out to finance the investments. In view of the current situation on the financial markets, an insufficient inflow of funds cannot be ruled out for either borrowing or equity. However, the company's high equity ratio and earnings strength mean that no financing risks are expected in this regard at the present time. In addition, the liabilities are practically free of covenants agreements, with the result that long-term financing is secure even in the event of a change in the capitalization or income structure.

Interest-rate risk

An increase in general interest rates could result in a deterioration in refinancing conditions, thus posing a risk for the VIB Group. In order to secure real estate financing over the long term, the company sets its loan conditions at an early stage, mostly for periods of ten years. In addition, strong increases in interest rates when longer-term bank loans expire could present a risk for the Group. Interest rate swaps have also been concluded in some cases to optimize the conditions for bank loans. Bank loans with current interest rates account for around 23.7 % of the total financial liabilities. As a result, the interest-rate risk is calculable even if short-term interest rates rise. In addition, over the past few months, the central banks have cut base rates significantly, which means that a strong increase in interest rates is not expected over the medium term.

Risks from financial instruments

The group has concluded several interest rate swaps based on operating underlying transactions to secure long-term interest rates and thus to make it easier to forecast future interest expenses. These did not result in any risks.

In order to optimize interest expenses, the company has concluded interest rate swaps for which the swap payments are geared to the difference between short-term and long-term interest rates. As a reduction in the yield curve, a change in the market value of the interest rate swap can lead to a valuation risk. As this occurred in the last years, the interest-rate swaps had a negative market value on the balance sheet date (carried as a liability). The net payments that may have to be made in the event that the interest rate structure curve performs negatively only constitute a slight risk in view of the total operating income.

Legal risks/contractual risks

Contractual risks could result for the VIB Group from concluding rental and purchase agreements, including possible follow-on costs. All of the major agreements have thus been audited internally, and in some cases externally by legal experts from an economic perspective.

Acquisition risks

As a rule, during the purchase/acquisition of companies with real estate holdings it is also possible to take over the target company’s operations. Spinning off business that does not form part of the VIB Group's strategic business could be a strategic option. However, when a company is acquired, its operating business does not have to be re-sold directly. This could result in an acquisition risk with negative implications for the VIB Group's financial position and results of operations.

Risks from geographic concentrations/cluster risks

The fact that BBI Immobilien AG's existing properties are concentrated in the Ingolstadt region could currently be a potential risk if there are negative developments in this region. However, this danger is reduced in view of the long-standing experience and the management's knowledge of this regional market. In view of the number of these properties and the VIB Group's entire portfolio, this risk is only of minor importance.

In addition, BBI Immobilien AG's subsidiary holds a portfolio of 22 specialist stores, of which 15 are operated by a major tenant. As a result, there is also a cluster risk at present. Compared to the previous year, this risk has been further reduced via the acquisition of additional properties. As part of the planned further expansion of the real estate portfolio, the percentage accounted for by this tenant in the total volume of rent will be successively reduced, thus substantially reducing dependency. In addition, the long-term rental agreements with this creditworthy tenant mean that terminations over the short term are not possible.

Dependency on the commodities market

Herrnbräu GmbH & Co. KG is a wholly owned subsidiary of BBI Immobilien AG. There is a material risk for this company as a result of the commodities market and prices on this market. In addition to personnel expenses, at present a substantial proportion of production costs are due to raw materials such as hops or malt. The prices of these materials can fluctuate greatly from year to year. As the competitive and price pressure on the German beverages market has increased greatly, there is no guarantee that it will be possible to pass these price increases on to customers.

This is coupled with the fact that there is only a limited number of suppliers who can be used for some of the raw materials or pre-products. This relates in particular to hops and malt. If individual pre-products or raw materials are no longer offered, this may mean that the supply of these products is reduced or discontinued. Non-delivery, delivery bottlenecks or price increases from key suppliers could impact Herrnbräu GmbH & Co. KG's business activities. However, as the company has concluded contracts at an early stage, bottlenecks for the supply of raw materials have been ruled out for the coming year.

Sales risk

The continued tense competitive situation constitutes a further risk for Herrnbräu GmbH & Co. KG. The current turbulence on the capital markets and the associated deterioration in the economic situation could cause a further increase in the competitive pressure in the German beverages industry. An increase in the consolidation process within the industry can thus not be ruled out in view of the current economic situation. In addition, negative changes in the per capita consumption of beer and mineral water could impact sales. The company aims to combat this thanks to the high quality of its products, in particular its key wheat beer specialties, as well as increasing its business with non-alcoholic beverages. Herrnbräu GmbH & Co. KG also penetrated a further sales channel by acquiring the brand rights for a traditional Ingolstadt-based brewery, thus further reinforcing its position on the local market. In addition, it also made early use of the opportunity to penetrate Italy as a further sales market, to thus effectively combat this risk.

Default risks and liquidity risks

As a rule, it is not possible to rule out default and liquidity risks with regards to Herrnbräu GmbH & Co. KG's loans. However, strict credit control minimizes these risks. If required, the default risk is anticipated by writing receivables down accordingly.

At the end of the year, the Managing Board could not recognize any risks in the VIB Group which could threaten its continued existence.

b. Opportunities from future growth

Despite the economic developments, the market for commercial property also offers VIB Vermögen AG opportunities. In an international comparison, the market valuations of real estate are still attractive compared to the rental income that can be generated in Germany. In addition, increasing inflation rates as a result of the current interest rate cuts and economic programs could lead to increased demand for tangible assets such as real estate. Over the medium to long-term, there is thus potential for the current portfolio of real estate to increase in value, which could have a positive effect on the company’s overall value. In particular the excellent location of the existing properties in high-growth regions in Germany can play a key role in increasing the portfolio's value – given a future economic recovery.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Investors who operate with a high level of borrowing have now to a large extent pulled back from the market and the purchase price factors for commercial real estate have become more attractive. As a rule, the resulting increase in net initial returns thus offers the VIB Group lucrative investment opportunities.

The successive acquisition of additional properties, that have already been fully let when they are transferred, over the coming years means that BBI Immobilien AG is forecasting growth in both revenues and earnings, which would have a corresponding positive impact on the VIB Group's consolidated earnings. The properties already contractually secured comprise a total of eight specialist stores in Southern Germany with an investment volume of around € 73 million. These new properties, which are mostly let to well-known anchor tenants are to be transferred to BBI Immobilien AG between 2009 and 2010. The transfer of these specialist stores will thus allow BBI Immobilien AG to put its operating business on a significantly broader footing and also increase its potential to generate rental income.

BBI Immobilien AG's integration into the VIB Group will open up stronger synergies within the group in future. In particular the conclusion of the profit and loss transfer agreement between BBI Immobilien AG and VIB Vermögen AG offers a wide range of advantages, in particular in terms of costs.

At Herrnbräu GmbH & Co. KG there are opportunities in particular from the company's location in one of Germany's highest growth regions. Opportunities for increased sales growth in Herrnbräu GmbH & Co. KG's home region were reinforced thanks to the acquisition of brand rights for an Ingolstadt-based traditional brewery last year. This will foster the subsidiary's sales and income. There are also opportunities from the increase in operating business at the Italian subsidiary. Increased market penetration in Italy and the improved export business will allow additional income potential to be developed.

c. Outlook

In future, the VIB Group will further expand its core business – buying, building and managing its own properties and acquiring participating interests in companies with real estate holdings. In so doing, the company will continue its buy-and-hold strategy, constantly optimizing and reinforcing its portfolio in a target-oriented manner. In the real estate segment, business activities will continue to focus on the high-growth Southern German region.

In previous years the VIB Group created solid foundations for further sales and earnings growth. During the past fiscal year, these activities were further reinforced with high-yield investments with a total volume of around € 120.0 million. The company included a total of 14 new properties in its real estate portfolio, thus increasing the total rental area by around 100,000 m². The properties acquired in 2008 will increase the VIB Group's annualized rental income by € 9 million in future, generating a rental return of 7.5 % in terms of acquisition costs. During the current fiscal year, these properties will contribute to the VIB Group's rental income for the full year for the first time, and will lead to corresponding increases in assets and earnings in 2009.

BBI Immobilien AG's integration into the VIB Group will allow synergies to be increasingly realized in future, also increasing income and returns. This will generate a further, constant improvement in the cost/income ratio in the real estate segment. As part of the successive acquisition of the properties already acquired from the so-called Bavaria portfolio into BBI Immobilien AG's portfolio in 2009 and 2010, the group will further increase its potential to generate sustained rental income. The company will thus reinforce its position on the market and further increase its profitability thanks by retaining its low level of costs.

In the beverages segment, the accelerated process of concentration on the German beverages market is expected to continue. That is why the market and competitive environment for Herrnbräu GmbH & Co. KG is expected to be generally difficult this year. During the current fiscal year, the company's core task will thus be to increase its market penetration as well as optimize its cost structure.

At present, the VIB Group is acting successfully in a difficult overall economic environment. In particular the impact of the current financial crisis and its effects on the capital markets are leading to new challenges in continuing the company's growth. If this situation continues over a longer period, this may impact the VIB Group's on track growth despite its current solid, mostly long-term financing structure.

Over the past few years, the VIB Group has become established as one of the leading listed real estate companies in Southern Germany. Past successes have thus laid the foundations for solid, highly profitable future growth. The improvements in rental income and the cash flow from operating activities generated during the past fiscal year underscore the fact that the company's strategy is correct. That is why the VIB Group is forecasting a further increase in rental income to at least € 43 million in 2009. However our declared objective is to generate further company growth, even though we have to wait and see what the economy may yet still bring. The increased earnings strength and the healthy equity base mean that the VIB Group thus has excellent conditions to master the challenges resulting from the crisis on the financial markets and to continue to be successful after fiscal year 2009. Assuming that the underlying economic conditions do not undergo a fundamentally positive change by 2010, the company believes that its earnings and income will remain stable in 2010.

Neuburg/Danube, April 27, 2009

Ludwig Schlosser

- CEO -

Peter Schropp

- Member of the Managing Board -

Group financial statements

| Overview group financial statements and consolidated notes

To our shareholders
Group management report
Group financial statements
Consolidated Notes

| Consolidated income statement

Consolidated income statement (IFRS) for the period from January 1, 2008 to December 31, 2008

in € thousand	Notes	2008	2007
Revenues		**56,365**	**22,172**
Increase in finished products		91	0
Changes in value for investment properties	2	-476	906
Other operating income	3	990	3,629
Total operating income		**56,970**	**26,707**
Expenses for investment properties	4	-9,195	-3,857
Cost of materials	5	-4,911	-239
Personnel expenses	6	-6,131	-1,273
Other operating expenses	7	-6,175	-1,156
EBITDA – earnings before interest, taxes, depreciation and amortization		**30,558**	**20,182**
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	8	-6,836	-79
Profit from operating activities (EBIT)		**23,722**	**20,103**
Net income from investments accounted for using the equity method	9	104	1,064
Income from participating interests		0	23
Other interest and similar income	10	549	619
Interest and similar expenses	11	-17,305	-7,140
Expenses from guaranteed dividend	12	-505	0
Pre-tax earnings (EBT)		**6,565**	**14,669**
Income taxes	13	-1,564	-2,244
Consolidated earnings		**5,001**	**12,425**
Earnings attributed to group shareholders		5,395	12,396
Minority interests	14	-394	29
Earnings attributed to group shareholders		**5,395**	**12,396**
Consolidated retained profits		17,145	8,512
Addition to retained earnings		-242	-346
Consolidated net retained profits		**22,298**	**20,562**
Undiluted earnings per share in €	15	0.32	0.78
Diluted earnings per share in €	15	0.30	0.78

| Consolidated balance sheet

IFRS consolidated balance sheet as of December 31, 2008

in € thousand	Notes	Dec. 31, 2008	Dec. 31, 2007
Assets			
Non-current assets			
Intangible assets	16	1,066	847
Property, plant and equipment	16	38,970	36,766
Investment property	17	561,336	457,308
Interests in associated companies	18	460	355
Financial assets	19	3,894	4,090
Deferred taxes	28	375	0
Total non-current assets		**606,101**	**499,366**
Current assets			
Inventories	20	1,376	1,239
Receivables from associated companies		0	20
Receivables and other assets	21	5,939	5,577
Receivables from income taxes	21	1.266	0
Bank balances and cash in hand	22	5,925	9,536
Prepaid expenses		58	76
Total current assets		**14,564**	**16,448**
Balance sheet total		**620,665**	**515,814**

in € thousand	Notes	Dec. 31, 2008	Dec. 31, 2007
Equity and Liabilities			
Equity	23		
Subscribed capital		17,084	17,084
Share premium		96,163	96,163
Retained earnings		40,143	39,901
Net retained profits		22,298	20,562
		175,688	**173,710**
Cash flow hedges		-3,386	-72
Minority interest		13,155	20,734
Total equity		**185,457**	**194,372**
Non-current liabilities			
Profit-participation certificates	24	675	675
Financial liabilities	25	291,341	259,411
Compensation claims - minority interests - partnerships	26	1,540	1,551
Derivative financial instruments	27	5,565	857
Deferred taxes	28	17,061	16,873
Provisions for pensions	29	818	964
Other non-current liabilities	30	1,154	896
Total non-current liabilities		**318,154**	**281,227**
Current liabilities			
Financial liabilities	31	103,060	29,569
Provisions	32	96	1,754
Liabilities from income taxes	33	184	395
Liabilities to associated companies		114	34
Other liabilities	34	13,152	8,048
Prepaid expenses		448	415
Total current liabilities		**117,054**	**40,215**
Balance sheet total		**620,665**	**515,814**

| Consolidated cash flow statement

for the period from January 1, 2008 to December 31, 2008

in € thousand		Jan. 1, 08 - Dec. 31, 08	Jan. 1, 07 - Dec. 31, 07
A. Cash flow from operating activities			
Net income (after taxes)		5,001	12,425
+/–	Net interest income	16,756	6,520
+/–	Income taxes	1,564	2,244
+/–	Write-ups/write-downs for fixed assets	6,836	79
+/–	Increase/decrease in provisions	-1,658	-342
+/–	Changes in the fair value of investment properties	476	-906
–	Negative differences from first-time consolidation	0	-3,125
–	At equity results	-104	-1,065
–	Income tax paid	-2,273	-1,090
Cash flow from operating activities after taxes		**26,598**	**14,740**
+/–	Other non-cash income/expenses	540	240
+/–	Changes in inventories, receivables and other assets that are not to be allocated to investing activities	-461	-1,034
+/–	Change in debt, that is not allocable to financing activities	3,518	3,652
Cash flow from operating activities		**30,195**	**17,598**
B. Cash flow from investment activities			
–	Payments for investments in property, plant and equipment	-46,046	-16,851
–	Payments for investments in investment properties	-69,170	-149,198
–	Payments for investments in intangible assets	-474	-1
–	Payments for investments in non-current financial assets	-1,192	-48
+	Proceeds from the disposal of fixed assets and investment properties	5,013	0
+	Dividends received	0	22
–	Payments from the acquisition of consolidated companies and other business units	-7,367	-23,477
Cash flow from investment activities		**-119,236**	**-189,553**

To our shareholders
Group management report
Group financial statements
Consolidated Notes

in € thousand		Jan. 1, 08 - Dec. 31, 08	Jan. 1, 07 - Dec. 31, 07
C. Cash flow from financing activities			
+	Proceeds from additions to equity	0	53,366
–	Payments in connection with capital increases	0	-491
–	Cash payments to owners and minority interests (dividends)	-3,417	-1,959
+	Interest received	549	619
–	Interest paid	-17,305	-6,815
+/–	Payments/receipts from the change in financial debt	105,421	134,514
+/–	Payments - minority interests	182	0
Cash flow from financing activities		**85,430**	**179,234**
D. Cash and cash equivalents – end of period			
Net change in cash and cash equivalents			
+/–	Cash flow from operating activities	30,195	17,598
+/–	Cash flow from investment activities	-119,236	-189,553
+/–	Cash flow from financing activities	85,430	179,234
	Change in liquidity	**-3,611**	**7,279**
Cash and cash equivalents – start of period			
+	Cash and cash equivalents	9,536	2,257
–	Current bank borrowing with a remaining term of up to three months	0	0
Cash and cash equivalents – end of period		**5,925**	**9,536**

| Consolidated statement of changes in equity

Consolidated statement of changes in equity (IFRS) for the period from January 1, 2008 to December 31, 2008

in € thousand	Sub-scribed capital	Share premium	Retained earnings	Reserve for cash flow hedges	Net retained profits	Minority interests	Consoli-dated Equity
January 1, 2007	**12,188**	**48,053**	**515**	**0**	**10,471**	**308**	**71,535**
Changes recorded directly in equity							
Changes from change of status or changes in group of consolidated companies	0	0	1,067	0	0	20,397	21,464
Revaluation of investment properties	0	0	37,973	0	0	0	37,973
Expenses from capital increase	0	-490	0	0	0	0	-490
Tax effect on capital increase	0	130	0	0	0	0	130
Total	0	-360	39,040	0	0	20,397	59,077
Capital increase VIB Vermögen AG	4,896	48,470	0	0	0	0	53,366
Cash flow hedges	0	0	0	-86	0	0	-86
Tax effect on cash flow hedges	0	0	0	14	0	0	14
Transfer to retained earnings	0	0	346	0	-346	0	0
Dividend payment	0	0	0	0	-1,959	0	-1,959
Consolidated net income 2007	0	0	0	0	12,396	29	12,425
December 31, 2007	**17,084**	**96,163**	**39,901**	**-72**	**20,562**	**20,734**	**194,372**
Purchase of BBI interests	0	0	0	0	0	-7,367	-7,367
Transfer to retained earnings	0	0	242	0	-242	0	0
Cash flow hedges	0	0	0	-3,314	0	0	-3,314
Dividend payment	0	0	0	0	-3,417	0	-3,417
Consolidated net income 2008	0	0	0	0	5,395	-394	5,001
Deposit of outstanding contributions by minority shareholders	0	0	0	0	0	182	182
December 31, 2008	**17,084**	**96,163**	**40,143**	**-3,386**	**22,298**	**13,155**	**185,457**

| A. General information and presentation of the consolidated financial statements

VIB Vermögen AG, Neuburg/Danube, Germany (hereinafter “VIB AG” or the “Company") has its registered office in Luitpoldstr. C 70 in 86633 Neuburg/Danube, Germany, and is registered in the commercial register of Ingolstadt local court with the number HRB 101699.

The company’s shares are traded in Munich Stock Exchange’s OTC segment M:access.

The parent company of the VIB Group, VIB Vermögen AG, is classified as a medium-sized corporation according to Section 267 of the Handelsgesetzbuch (HGB – German Commercial Code). The listing of the company’s shares in OTC trading is not a listing within the meaning of Section 2 (5) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act).

The group’s core competence is purchasing and managing its own real estate and holding participations in companies with real estate assets. As a portfolio manager for commercial real estate in the Southern German region, the VIB Group has been able to establish a high-yield portfolio of real estate over the past few years. Investments focus on future-proof, high growth regions in Southern Germany.

VIB Vermögen AG must prepare consolidated financial statements within the meaning of Section 290 in conjunction with Section 293 of the Handelsgesetzbuch (HGB – German Commercial Code), as a subsidiary to be included in the consolidated financial statements was a company geared to the capital market on the balance within the meaning of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). However, the consolidated financial statements according to the requirements of the IASB are prepared voluntarily (Section 315a (3) of the HGB).

These consolidated financial statements of VIB AG, including figures from the previous year, were prepared in line with International Financial Reporting Standards (IFRS) as these are to be applied in the European Union and the interpretations of the International Financial Reporting Interpretation Committee (IFRIC).

The company’s consolidated financial statements have been prepared in euros. All figures, unless otherwise stated, are given in thousands of euros. The annual financial statements of the companies included in the consolidated financial statements (single-entity financial statements) are based on uniform accounting and valuation policies. Carrying amounts based on tax regulations are not included in the consolidated financial statements. The single-entity financial statements were prepared on the balance sheet date of the consolidated financial statements.

The total cost (nature of expense) format has been applied for the consolidated income statement. In addition to the income statement, the balance sheet and the cash flow statement, a statement of changes in equity is also provided.

The consolidated balance sheet is classified by maturity. Assets are classified as being current if they can be realized or redeemed within one year. As a rule, trade receivables and payables, tax receivables, tax liabilities and inventories are reported as current items. Deferred tax assets and liabilities are presented as non-current.

Minority interests form part of the group's equity.

In order to improve the clarity and transparency of presentation, consolidated balance sheet items and consolidated income statement items are summarized to the extent that this is pertinent and possible. These items are broken down in the notes to consolidated financial statements, and discussed accordingly.

Changes to the accounting and valuation policies are discussed in the notes. The retroactive application of revised and new standards demands that the results of the previous year and the opening financial statements for this comparable period are adjusted as if the new accounting and valuation methods had always been applied, unless there is different regulation for the respective standard.

| B. Application of new accounting standards

VIB AG has applied all of the standards (IFRS, IAS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and the Standing Interpretations Committee (SIC) which applied on December 31, 2008. The consolidated financial statements also include further information required under the HGB and Aktiengesetz (AktG – German Public Limited Companies Act).

New accounting standards

The IFRIC published IFRIC 13 "Customer Loyalty Programs" on June 28, 2007. Customer loyalty programs are bonus points or air miles that companies give to customers, who receive these when buying other goods or services. In particular, this interpretation explains how these companies have to account for their obligations to provide free or lower-priced goods or services ("premiums") for customers who cash in their points. This standard is effective for fiscal years beginning on or after July 1, 2008, earlier application is permitted. Future application of this standard does not have any material impact on the group's financial position and results of operations.

The IASB published IFRS 8 "Operating Segments" on November 30, 2006. IFRS 8 replaces IAS 14 and is similar to the regulations of SFAS 131. IFRS 8 is based on the use of the management approach in segment reporting. The information in the notes was increased. IFRS 8 is effective for financial years beginning on or after January 01, 2009. Earlier use is permitted. IFRS 8 has not yet been used. Future application of this standard does not have any material impact on the group's financial position and results of operations.

In November 2006, IFRIC published the interpretation IFRIC 11 "Group and Treasury Share Transactions". This interpretation deals with the issue of how IFRS 2 "Share-based Payment" is to be applied for share-based payments in which treasury shares of the company or equity instruments of another company within the group are granted. Application of IFRS 11 mandatory for financial years beginning on or after March 01, 2007; earlier application is permitted. Application of this standard does not have any material impact on the group's financial position and results of operations.

The revised IAS 23 "Borrowing Costs" was published on March 29, 2007. The former option to not capitalize borrowing costs was removed. From January 1, 2009, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are to be capitalized as part of the cost of that asset. Use of the revised IAS 23 is mandatory from January 1, 2009 for all qualifying assets for which production started after January 1, 2009. Premature use is permitted (IAS 23.29). It is possible to chose an earlier start of production (IAS 23.28). In the group, use of this standard will not have any material impact on the financial position and results of operations, as borrowing costs were already capitalized in previous years.

In July 2007, IFRIC issued its interpretation IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". This interpretation provides information on how the restriction under IAS 19 "Employee Benefits" is to be defined for net income, which can be carried as an asset. In addition, it also clarifies the impact of defined-benefit plans on the valuation of assets and provisions as a result of a statutory or contractual obligation to pay minimum contributions. This ensures that companies consistently account for plan assets as assets. Application of IFRS 14 mandatory for financial years beginning on or after January 01, 2008; earlier application is permitted. The Group is not expecting compliance with this Statement to have a material effect on the presentation of its financial statements.

On September 6, 2007, the IASB issued a revised version of IAS 1 "Presentation of Financial Statements". The new version of the standard includes changed names for the components of the financial statements. One of the key material changes is that all of the income and expenses, including the income and expenses taken directly to equity, now have to be disclosed as part of a statement of comprehensive income. In contrast, presentation purely in connection with the owner-based changes in equity within the statement of changes in equity, is no longer possible. What is more, additional information on the income and expenses taken directly to equity (other comprehensive income) must also be provided. In future, the statement of changes in equity will thus focus on the presentation of all of the owner changes in equity. The new version of IAS 1 is effective for financial years beginning on or after 1 January 2009. Earlier use is permitted. VIB Vermögen AG did not avail of this possibility.

The IASB published changes to IFRS 2 "Share-based Payment" on January 17, 2008. The changes mostly relate to the definition of exercise conditions and the regulations to cancel acceptance by a party other than the company. The amendments are applicable retrospectively for fiscal years beginning on or after January 01, 2009. Earlier use is permitted. The future application of the amendments to IFRS 2 will not have a material impact on the group's financial position and results of operations.

The IASB published changes to IAS 32 and IAS 1 in the document "Puttable Financial Instruments and Obligations Arising on Liquidation" on February 14, 2008. The changes mostly relate to regulations for the deferral of equity and borrowing. The revised version of the standard allows instruments that can be terminated to be classified as equity under certain conditions. The amendments are applicable for fiscal years beginning on or after January 01, 2009. The future application of the amendments will not have a material impact on the group's financial position and results of operations.

As part of the first "annual improvement project", the IASB passed several smaller changes to various standards on May 22, 2008. The document includes new wordings for standards and also amendments that impact the accounting, disclosure and valuation. Application of most of the changes is mandatory for the first time for fiscal years beginning on or after January 1, 2009. The impact of the amendments is currently still being reviewed. The future application of the amendments will not have a material impact on the group's financial position and results of operations.

On May 22, 2008, the IASB published changes to IFRS 1 and IAS 27 in its document "Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate". These changes relate to, for example, accounting for the acquisition costs of a participating interest upon first-time application of IFRS and disbursements from events prior to the date of acquisition of a group company. The changes are to be used prospectively for fiscal years starting on January 1, 2009. The future application of the amendments will not impact on the group's financial position and results of operations.

The IASB passed amendments to IAS 39 and IFRS 7 on October 13, 2008. The amendments are in reaction to the crisis on the financial markets and allow companies to reclassify financial instruments in certain cases. The changes with regard to reclassification can be applied retroactively as of July 1, 2008. The group has not performed any reclassification.

Standards, interpretations and amendments published but not yet adopted by the EU Commission to become European law

On January 11, 2008, the IASB published revised versions of IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements". The extensive amendments to these standards include: Granting an option for the valuation of minority interests (either at fair value including the goodwill due thereupon or at proportionate net assets), in the case of the successive acquisition of equity interests the recognition in income of differences between the carrying amount and the fair value of the interests formerly held, and the recognition of incidental acquisition costs as expenses.

IFRS 3 is to be used prospectively for the first time for business combinations for which the date of acquisition is on or after July 1, 2009. Earlier application is permitted for fiscal years beginning on or after June 30, 2007. Application of the changes to IAS 27 is mandatory for fiscal years beginning on or after July 1, 2009. Earlier application is allowed if the new IFRS 3 is applied simultaneously. Future application of the revised standard will impact the group's financial position and results of operations accordingly depending on the scope of the business combination.

The IASB published additions to IAS 39 on July 31, 2008 in its document "Eligible Hedged Items – Amendments to IAS 39 Financial Instruments: Recognition and Measurement". This discusses the conditions required for hedging inflation risks as an underlying transaction as part of hedge transactions, as well as the possibility of using options to hedge unilateral risks.

Application of the changes to IAS 39 is mandatory for fiscal years beginning on or after July 1, 2009. Earlier use is permitted. The future application of the amendments will not have a material impact on the group's financial position and results of operations.

On November 28, 2008, the IASB published changes to IAS 39 for the application of reclassification regulations. The publication clarifies the date of application for the changes published on October 13, 2008. The group did not use the opportunity to reclassify these financial instruments.

IFRIC published its interpretation IFRIC 12 "Service Concession Agreements" on November 30, 2006. IFRIC 12 deals with accounting for service concession agreements for companies which provide public services for state institutions. IFRIC 12 is applicable for the first time for financial years beginning on or after January 1, 2008. From the current perspective, it will not have a material impact on the financial position and results of operations.

On July 3, 2008, the interpretations IFRIC 15 "Agreements for the Construction of Real Estate" and IFRIC 16 "Hedges of a Net Investment in a Foreign Operation".

IFRIC 15 defines criteria according to which a company which is involved in the construction of real estate can either apply IAS 11 "Construction Contracts" or IAS 18 "Revenue". This interpretation is to be applied for fiscal years beginning on or after January 01, 2009. Future application of the interpretations will not have a material impact on the group's financial position and results of operations, as the group's business model is not geared to building and then selling real estate or constructing properties already sold.

IFRIC 16 aims to clarify issues that result in connection with IAS 21 "The Effects of Changes in Foreign Exchange Rates" and IAS 39 "Financial Instruments" concerning accounting for hedges of foreign currency risks within a company and its foreign operations. This interpretation is to be applied for fiscal years beginning on or after October 1, 2008. The future application of the interpretation will not have a material impact on the group's financial position and results of operations.

IFRIC 17 "Distributions of Non-Cash Assets to Owners" was published on November 27, 2008. It regulates the valuation of assets that are used to distribute profits to shareholders instead of cash. IFRIC 17 is applicable for the first time for financial years beginning on or after July 1, 2009. Earlier use is permitted. The future application of the interpretation will not have a material impact on the group's financial position and results of operations.

| C. Summary of essential accounting and valuation principles

The consolidated financial statements were prepared based on the going concern principle.

VIB Vermögen AG's consolidated financial statements were prepared based on the historical costs of the assets and liabilities. As a result of the different mandatory requirements for the measurement of derivative financial instruments and financial assets and liabilities, these are carried at their fair value. After first-time disclosure and measurement, investment properties can be subsequently valued using two different valuation methods on the balance sheet date. There are two methods that can be used for subsequent valuation: fair value measurement recognized in income (fair value model) or subsequent valuation at amortized cost (cost model). As the fair value method has now become established as the standard subsequent valuation method on the market, VIB Vermögen AG has been using the fair value method since January 1, 2007.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

D. Group of consolidated companies and consolidation methods

The VIB Group's group of consolidated companies include VIB Vermögen AG and the subsidiaries over which VIB AG can either directly or indirectly exercise a controlling position. As a rule, a controlling position is assumed when the majority of voting rights for a subsidiary (including special purpose enterprises) are held by one or several group companies. As a rule, subsidiaries are included in the consolidated financial statements (full consolidation) from the date on which control is transferred to the group. They are deconsolidated on the date on which control ends.

Subsidiaries' capital is consolidated in line with IAS 27 (Consolidated and Separate Financial Statements) and IFRS 3 (Business combinations). The carrying amount of the participation is offset against the subsidiary's revalued equity on the date of acquisition (revaluation method). Acquisition costs correspond to the fair value of the assets paid, the equity instruments issued and the debts resulting or taken over on the date of exchange (acquisition date) plus the costs that can be directly allocated to the acquisition. Assets, liabilities and contingent liabilities that can be identified as part of a business combination are measured at their fair value on the date of exchange during initial consolidation. Minority interests are not taken into account in this regard. Goodwill is carried if the acquisition costs for the acquisition of interests in subsidiaries exceed the proportion of the net assets measured at fair values due to the group. If the acquisition costs are lower than the fair value of the net assets of the acquired subsidiary, after the purchase price allocation has been reviewed again for correctness the difference is taken directly to the income statement (other operating income). Minority interests in the group's subsidiaries are carried at the fair value of the assets and liabilities recognized in equity at the amount due to the minority interests.

The earnings of the subsidiaries acquired or sold during the course of the year are carried on the consolidated income statement from the date of the start or end of the opportunity to exercise control. Intra-group transactions, balances and unrealized gains from transactions between group companies are eliminated. Unrealized losses are also eliminated, unless the transaction points towards impairment of the assets transferred.

The portion of the consolidated equity and the consolidated annual earnings due to minority interests is shown separately from the portions due to VIB Vermögen AG as the parent company.

The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting and valuation policies. The key accounting and valuation methods that were applied when preparing these consolidated financial statements are discussed below.

As of December 31, 2008, fourteen (previous year: fourteen) companies were included in VIB Vermögen AG's consolidated financial statements.

Companies included in the consolidated financial statements as of December 31, 2008:

Company	Equity interest (%)
BBI Bürgerliches Brauhaus Immobilien Aktiengesellschaft	82.01
Merkur GmbH	100.00
VR 1 Immobilienverwaltung GbR	94.94
Industriepark Neuburg GbR	94.00
Gewerbepark Günzburg GmbH	87.50
IVM Verwaltung GmbH	60.00
RV Technik s.r.o.	100.00
CMG Center Marketing GmbH	100.00
VSI GmbH	74.00
Herrnbräu GmbH & Co. KG	82.01
Herrnbräu Geschäftsführungs-GmbH	82.01
Unterstützungskasse des Bürgerlichen Brauhaus Ingolstadt GmbH	82.01
Mittelbayerische Getränke-Vertrieb GmbH & Co. KG	82.01
Herrnbräu Gaststättenbetriebs GmbH	82.01

The capital interests shown correspond to the proportionate equity interests due to the Group.

For a list of shareholdings please refer to Annex 6.

The balance sheet dates of all of the subsidiaries in VIB AG's consolidated financial statements are the same as the parent company's balance sheet date.

In the case of financial statements of subsidiaries for which bookkeeping is not mandatory under the German Commercial or Tax Code, and which only prepare a statement of net income, the key impact of accrual accounting is recorded in a statement of reconciliation to presentation in the balance sheet.

Key acquisitions

VIB Vermögen AG increased its interest in BBI AG from 28.63 % by 41.36 % to 69.99 % in 2007. The date of acquisition for full consolidation of the interests has been set as December 31, 2007. Until this date, BBI AG was included in VIB Vermögen AG's consolidated financial statements from in line with the measurement principles for associated companies.

During the fiscal year, VIB Vermögen AG increased its interest in BBI AG significantly as a result of the mandatory offer – from 69.99 % to 82.01 %. The majority acquisition of the participating interest in BBI AG meant that a mandatory offer had to be made to BBI AG's shareholders according to the provisions of the WpÜG. In this offer, BBI AG's shareholders were offered to sell their shares to VIB Vermögen AG at a price of € 11.70.

Associated companies

Associated companies are companies – including partnership – in which the shareholder has a significant influence, but not control. As a result, these are neither subsidiaries nor joint ventures. A significant influence is to be understood as being the opportunity to participate in financial or business policy decisions, however not to be able to take these alone. As a rule, a significant influence is assumed if there is a participating interest of between 20 and 50 percent.

In line with IAS 28.13, interests in associated companies are accounted for using the equity method. In the first stage, the participating interest is capitalized at cost. In line with IFRS 3, differences from first-time consolidation are treated according to the provisions for full consolidation. Positive differences constitute goodwill, negative differences are recorded directly in the income statement as other operating income after a renewed review of the purchase price allocation.

The Group's share of the profits and losses of associated companies is recorded from the date of the acquisition or change of statement in the financial result in the income statement, the share of changes to reserves is recorded under consolidated reserves. Disbursements by the associated companies reduce its carrying amount.

As of December 31, 2008, the following companies were carried as associated companies according to the equity method:

VIMA Grundverkehr GmbH (equity interest 50 %)
Tre Effe S.R.L., Forli (Italy) (equity interest 40 %)

Segment reporting

In line with IAS 14.3, companies such as VIB Vermögen AG, in which shares are publicly traded, must prepare segment reports.

According to IAS 14.8, a business segment is a distinguishable component of an enterprise that is engaged in producing an individual product or providing a service, or a group of similar products or services. The individual business segments should also differ from the other segments in terms of risks, opportunities and returns.

Geographical segments are distinguishable components of an enterprise or group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The VIB Group disclosed the segments "Rental and Management of a Real Estate Portfolio" (primary segment), and the segment "Beverages". Its business in the real estate segment is mostly conducted in Southern Germany. Its activities in the beverages segment is almost exclusively geared to Germany. As a result, there are no geographical segments that differ in terms of the products and services provided or the risks and returns.

Recognition of income and expense

Revenue is the gross inflow during the period arising in the course of the group's ordinary activities. Revenues are realized if there is a corresponding agreement, convincing verification that the service has been provided (generally transfer of risk, for rentals a contractual agreement and rental period), the amount of revenues can be reliably identified and it can be assumed that it will be possible to collect the receivable. In the case of long-term agreements (in particular usage fees), revenues are recognized on an accrual basis based on the provisions of the associated agreement, i.e., as a rule revenues are recognized using the straight line method over the term of the agreement, and if performance is not straight line as soon as the performance has been made. Revenues from services are recorded when the service is provided.

Revenues are measured at the fair value of the compensation received or to be received. Rebates, discounts, or taxes connected with the sale of goods and services are deducted from revenues.

Interest income is deferred on an accrual basis taking into account the amount of the loan outstanding and the applicable interest rate (effective interest rate). The applicable effective interest rate is the interest rate that is used to discount the estimated future receipts and payments over the term of the financial asset to the net carrying amount of the asset.

Dividend income from financial assets is recorded when the legal claim to payment arises.

Expenses that cannot be accounted for are reported as deferrals in the income statement.

Borrowing costs

In line with the alternative permitted method under IAS 23, borrowing costs are capitalized as part of the costs of an asset if these can be directly allocated to the acquisition, construction or production of a qualified asset. During the past fiscal year, borrowing costs of € 399 thousand were capitalized (previous year: € 137 thousand).

Government grants

Grants are allocated and deducted from the corresponding expenses in the periods in which the associated costs are incurred. Grants for assets are carried as deferred income.

Income taxes

Income taxes constitutes the total of the ongoing tax expenses and deferred taxes.

The group identifies the ongoing tax expenses based on the taxable income of the companies included in the consolidated financial statements as subsidiaries. The taxable income differs from the net income from the income statement as it excludes income and expenses that will later or never be taxable or tax-deductible as a result of tax regulations (including deferrals). Ongoing tax liabilities for the group companies are calculated based on the tax rates which apply to the assessment period.

Deferred tax liabilities and assets are formed according to the asset and liability method (IAS 12) for anticipated tax charges and tax relief on the differences between the carrying amounts of the assets and liabilities in the IFRS consolidated financials statements and the tax base, from consolidation and on loss carryforwards that are likely to be realized.

Deferred tax liabilities are formed for all taxable temporary differences. Deferred tax assets are recorded to the extent that it is probable that there will be sufficient excess taxes in future for which the deductible temporary differences can be used. No deferred taxes are formed for temporary differences from the recognition of goodwill, first-time recognition of other assets or liabilities (unless this was part of a business combination or a transaction which neither impacts the taxable income nor the net income).

Deferred tax assets and deferred tax liabilities are netted if they are for the same tax authority.

The carrying amount of the deferred taxes recognized in the financial statements is reviewed each year on the balance sheet dated and reduced if it is no longer probable that there will be sufficient taxable income to regain the deferred taxes either in full or in part.

Deferred taxes are recognized in income with the exception of items that are booked directly under equity.

Deferred taxes are identified based on tax rates that applied on the date the liability was settled or the asset was realized. The impact of changes in tax rates on deferred taxes is recognized in income in the period in which the legislation on which the change to the tax rate is based has mostly been concluded, unless these relate to items carried directly under equity.

Deferred tax liabilities that result from temporary differences connected with interests in subsidiaries and associated companies are carried, unless the date of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

Licenses (incl. software) and trademarks

Purchased intangible assets are recognized at cost. The beverage deliveries agreed with customers are written down over two to a maximum of ten years depending on their contractual term in line with the actual quantity supplied, or using the straight line method. An amortization period of three to five years is used for acquired brands. In the case of acquired software, scheduled straight-line amortization of four years is assumed as a result of its limited useful life. Intangible assets are also subject to impairment if, on the balance sheet date, the recoverable amount is lower than their amortized cost. They are written up if the reasons for impairment in previous years no longer apply.

Goodwill

The goodwill resulting from the first-time consolidation of subsidiaries comprises the amount to which the costs for the acquisition of a company exceed the group's share of the fair value of the identifiable assets and liabilities of a subsidiary or jointly managed company on the date of the acquisition. Goodwill and intangible assets with indefinite useful lives are not subject to scheduled amortization in line with IFRS 3 and IAS 38. Instead, according to IAS 36, they are subject to an annual impairment test (and also if there is reason to suspect impairment), and are written down to their recoverable amount if required (impairment only approach). Goodwill is distributed over cash generating units for impairment tests. Each impairment is recognized immediately as an expense. They are not written up at a later date. If a subsidiary or jointly managed company is sold, the attributable amount of goodwill is included when determining the profit or loss from the sale.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Property, plant and equipment

Property, plant and equipment are carried at cost less scheduled depreciation and impairment with the exception of land and buildings. Costs include all of the expenses directly attributable to the acquisition of the asset.

Subsequent costs are only recorded as part of the costs of the asset if it is probable that the future economic benefits will flow to the Group and the costs of the asset can be reliably identified. All other repairs and maintenance are recognized in income in the income statement in the fiscal year in which they are incurred.

Instead of measurement at amortized cost, the Group has carried the land and buildings used for the brewery at a revalued amount which corresponds to their fair value less accumulated depreciation on the date of the revaluation.

Property, plant and equipment is written down using the straight line method or according to the anticipated course of the future use of the equipment. In the case of straight line depreciation, costs are written down as follows over the anticipated useful life of the assets:

- Operating equipment: 3 – 10 years
- Operating fittings: 2 – 12 years
- Office equipment: 3 – 13 years
- Buildings: 20 – 50 years
- Technical equipment and machinery: 10 to 33 years

The remaining carrying amounts, economic useful lives and the depreciation method as well as the remaining periods in use are reviewed on each balance sheet date and adjusted as necessary. If the carrying amount of an asset is above its estimated recoverable amount, which is the higher of its fair value less selling costs and its value in use, it is written down to the recoverable amount. Gains and losses from the disposal of assets are calculated as the difference between the income from the sale and the book value and recognized in income.

Investment properties

With the exception of the brewery's operating premises including its buildings, all of the other properties are treated as investment property within the meaning of IAS 40. These are measured at cost upon acquisition. Any investment subsidies to cover additional expenses from listed buildings as a result of investments in real estate are deducted from the acquisition costs of the corresponding asset within the meaning of IAS 20. Subsequent valuation was at amortized cost less straight line depreciation for all of the real estate held as investment properties up until the first valuation at fair values on January 1, 2007. The difference between amortized cost and fair values is carried under the revaluation reserve and taken directly to equity – less deferred taxes.

The fair values were ascertained by an independent expert (expert opinion by Landestreuhand Weihenstephan GmbH, Wirtschaftsprüfungsgesellschaft dated March 18, 2009 and addendum dated April 24, 2009). As a rule, the expert used the discounted cash flow method to identify the present values. In the discounted cash flow method, the present value of a property mostly depends on the following factors:

- Gross annual income
- Management costs
- Remaining useful lives of buildings
- Property interest rate
- Land value

The gross annual income was identified based on the current gross annual rent for the individual properties. The land values were taken from the respective communities' collections of guiding values. An interest rate of 5 % was used as the property interest rate.

The value of the assets is used as the present value for the units used non-commercially for residential purposes. Fair value was identified based on current prices on active markets. Differences with regard to location, contractual structure, etc. have been taken into account when identifying the fair value.

An expert opinion from an independent expert was also used to value the BBI Group's investment properties.

Impairment of non-financial assets

The VIB Group writes down the carrying amounts of property, plant and equipment, intangible assets and inventories if there is a probable permanent impairment as a result of extraordinary circumstances.

Intangible assets that have an indefinite useful life are not subject to scheduled amortization, they are tested annually for impairment. Assets that are subject to scheduled amortization are tested for impairment if corresponding events or changes to circumstances give reason to believe that an asset could be impaired. The impairment is given by the difference between the lower realizable amount and the carrying amount and is recognized in income. The recoverable amount is the higher of the fair value of the asset less selling costs and the asset's value in use. During impairment testing, assets are summarized at the lowest level for which separate cash flows can be identified (cash generating units). The value in use is given by discounting the cash generating unit's estimated future cash flows.

On each balance sheet date, VIB Vermögen AG reviews whether or not there is reason to believe that impairment can be reversed. In so doing, the carrying amount of an asset or the cash generating unit is written up to the new estimated recoverable amount. The increase in the carrying amount is limited to the carrying amount which would have been determined if no impairment had been recorded for the asset (of the cash generating unit) in previous years. Any reversal of impairment is recognized in income immediately. Impairment of goodwill is not reversed.

Leases

Leases are classified as finance leases if, as a result of the conditions of the lease, the major risks and opportunities associated with ownership are transferred to the lessee. All other leases are classified as operating leases.

Lease payments under an operating lease are recognized as an expense in the income statement on a straight line basis over the lease term unless another systematic basis is representative of the time pattern of the user's benefit.

Inventories

Raw materials, consumables and supplies and merchandise are carried at cost. Work-in-progress and finished goods are carried at cost taking lower selling prices into account. Production costs include material and salary direct costs as well as fixed and variable production costs.

Trade accounts receivable

Trade accounts receivable are carried at their fair value. Amortized costs are extrapolated over time using the effective interest rate method and deducting impairment. Impairment is recognized for trade accounts receivable if there is objective evidence that it will not be possible to collect the due receivable in full. The amount of the impairment is the difference between the book value of the receivable and the cash value of the estimated future cash flow from this receivable, discounted using the effective interest rate. The impairment is recognized as expense. Receivables are written up accordingly if the reasons for value adjustments made in prior periods no longer exist.

Bank balances and cash in hand

Bank balances and cash in hand include cash, demand deposits, other current highly liquid financial assets with an original maximum maturity of three months and current account overdrafts. Current account overdrafts are carried in the balance sheet as liabilities to banks under current financial liabilities. Bank balances and cash in hand are measured at amortized cost.

Financial assets

Financial assets (all agreements that lead to the recognition of a financial asset at a company and the recognition of a financial liability or an equity instrument at another company) are allocated to the following categories according to IAS 39:

- Financial assets at fair value through profit or loss,
- Held-to-maturity investments,
- Loans and receivables,
- Available-for-sale financial assets.

The classification depends on the purpose for which the respective financial assets were acquired. Management determines the classification of the financial assets upon initial recognition and reviews the classification on each balance sheet date.

1. Financial assets at fair value through profit or loss

Financial assets that are allocated to this category are to be allocated to one of the following sub-categories:

- Financial assets that have been classified as "held for trading" from the outset
- Financial assets that were classified at fair value through profit and loss from initial recognition.

A financial asset is allocated to this category if it was, in principle, acquired with the intention to sell it over the short term, or if the financial asset was designated accordingly by the management. Assets in this category are carried as current assets if they are either held for trading or will probably be realized within 12 months of the balance sheet date.

Derivative financial instruments (in particular interest rate swaps in the VIB Group) are carried at their fair values. Changes in the value of derivatives that are not hedges are regarded as being "held for trading" and are thus recognized in income in the income statement. If derivatives are included in a cash flow hedge, the fair value adjustments are disclosed directly under equity taking deferred taxes into account. When derivative financial instruments are included in fair value hedges, the carrying amount of the underlying is adjusted for the profits or loss from the derivative allocable to the hedged risk.

2. Loans and receivables

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not listed on an active market. This does not include financial assets that are held for trading and assets which the management has designated as being valued at their fair value. Loans and receivables arise when the group directly provides money, goods or services to a debtor without the intention of on-selling these receivables. They are allocated to current assets to the extent that the due date of the loans and receivables is not more than twelve months after the balance sheet date. Loans and receivables with longer terms are carried under non-current assets. Loans and receivables are carried on the balance sheet under trade accounts receivable and other receivables.

3. Held-to-maturity investments

Financial assets held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities, for which the group's management has the intention and ability to hold these to maturity. These do not include investments at fair value through profit and loss, held for trading or which are to be allocated to loans and receivables.

4. Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that were either allocated to this category or which were not allocated to any of the other categories shown. These are carried under non-current assets to the extent that management does not intend to sell these within 12 months of the balance sheet date.

Financial assets are measured at their fair value plus transaction costs on the date they are first recognized. They are booked out when the rights to payments from the investment have expired or been transferred, and the Group has mostly transferred all of the opportunities and risks that are associated with ownership.

Available-for-sale financial assets and assets in the category "fair value through profit or loss" are measured at their fair value after initial recognition. Loans and receivables and held-to-maturity financial investments are carried at amortized cost using the effective interest method.

Realized and non-realized gains and losses from changes to the fair value of assets in the category "fair value through profit or loss" are recognized in income in the period in which they arise. Non-realized gains and losses from changes to the fair value of non-monetary securities in the available-for-sale category are taken directly to equity. If securities in the available-for-sale category are sold or impaired, the changes to the fair value accumulated in equity are recognized in income as gains or losses from financial assets in the income statement.

The fair values of financial assets that are listed on an active market are based on the current bid rate. If there is no active market for financial assets, or if these are not listed securities, the corresponding fair values are identified using suitable valuation methods. These include references to recent transactions between independent business parties, the use of current market prices for other comparable assets, discounted cash flow methods and, if necessary, option pricing models.

VIB AG performs an impairment test each balance sheet date to review whether there are objective reasons for impairment of a financial asset or a group of financial assets. In the case of equity instruments which are classified as available for sale financial assets, a major or sustained downturn in the fair value to below the acquisition costs of these financial instruments when taking into account the extent to which the equity instruments are impaired. If there is such evidence for available for sale assets, the accumulated loss – taken as the difference between the acquisition costs and the current fair value – less any impairment losses previously recognized with regard to the financial asset, are booked out of equity and recorded in the income statement. Impairment losses for equity instruments carried in the income statement are not reversed in income.

Cash flow hedge

Interest rate swaps are used on occasion as part of taking out loans. These are used to hedge the fixed interest rate, and some of the credit conditions prescribed by the bank. The effectiveness of the hedge is ascertained prospectively using the critical terms match method under IAS 39.AG 108. The effectiveness is reviewed retrospectively on each balance sheet date using an effectiveness test with statistical methods in the form of a regression calculation. For these financial instruments used as cash flow hedges the unrealized gains and losses from the hedge transaction are initially taken directly to equity. They are only included in the income statement when the underlying hedged transaction is recognized in income.

Equity

VIB Vermögen AG's shares are categorized as equity. Expenses directly connected with the issue of new shares are deducted directly from the proceeds from the issue directly in equity after the deduction of income taxes. The share premium, retained earnings and the group's profit carried forward are also allocated to equity.

If a group company acquires its own shares, the value of the compensation paid including directly allocable additional costs (net after taxes) are deducted from the equity due to the company's shareholders until the shares have been withdrawn, re-issued or sold on. If these shares are subsequently issued or sold again, the compensation received is recorded in equity that is due to the company's shareholders, net, after the deduction of any directly allocable additional transaction costs and associated income taxes. On the balance sheet date, none of the group companies held treasury shares.

Provisions

Provisions are formed according to IAS 37 if there is a legal or constructive obligation to third parties from past events, and if this obligation is likely to lead to an outflow of funds for which the amount can be reliably estimated. Provisions are carried in the amount that is required according to the best possible estimate in order to cover all current obligations on the balance sheet date. Future events that could impact the amount required to fulfill an obligation are taken into account in the provisions to the extent that these can be predicted with sufficient objective certainty and to the extent that these obligations result from past transactions. Expenses for the formation of provisions are disclosed in the income statement. If an outflow of funds is only to be expected after more than one year, the provisions are discounted using a pre-tax interest rate. In the event of discounting, the increase in the provisions over time is carried as interest expenses.

Provisions for pensions

The actuarial valuation of provisions for pensions for company retirement benefits is based on IAS 19. The provision is formed based on the projected-unit credit method for defined benefit plans using the so-called corridor method set out in IAS 19.92. The differences (so-called actuarial gains and losses) which result at the end of the year between the forecast pension commitments and the actual projected unit credit are only taken into account if they are outside a 10 % corridor for the amount of the commitment. From the following year the resulting actuarial gains and losses are then distributed over the average remaining period of service for the entitled employees and are recorded as income or expense. The interest included in the benefit expenses is carried as personnel expenses in the operating result.

Foreign currencies

Functional currency and reporting currency

The functional currency of a group company is the currency of the primary economic environment in which the company operates. The company prepares its single-entity financial statements in the functional currency. This is euros for all of the companies.

Transactions and balances

Foreign currency transactions are translated using the exchange rates on the date of the transaction in functional currency. Gains and losses that result from the fulfillment of these transactions and from translation at the closing rate of monetary assets and liabilities in foreign currency are recorded in the income statement.

Litigation and compensation claims

VIB Group companies are involved in various proceedings and official proceedings as part of their general business operations, and such proceedings may be initiated or asserted in future. Even if the outcome of the individual proceedings cannot be forecast with certainty as a result of the uncertainties associated with litigation, according to the current perspective there will not be a significant negative impact on the group's earnings position that goes beyond the risks taken into account in the financial statements as liabilities or provisions.

Liabilities

The financial liabilities comprise liabilities and derivative financial instruments to be measured at fair value. Liabilities are carried at amortized cost.

Current liabilities (i.e., liabilities for which repayment is expected within twelve months of the balance sheet date) are carried at their repayment amounts. Non-current liabilities and financial liabilities are carried at amortized cost according to the effective interest rate method. Liabilities from finance leases are carried at the cash value of the minimum leasing payments.

In line with the definition of equity in IAS 32, equity is only present from the company's perspective if the corresponding financial instrument does not evidence a contractual obligation to repay capital or to deliver other financial assets. Repayment obligations from company assets can arise if (minority) shareholders have a right of termination and, at the same time, exercising this right evidences a compensation claim against the company. Any such capital provided by minority interests is carried as a liability, even if this is regarded as equity under the principles of the German Commercial Code. Compensation claims are carried at fair value.

Risk management

The group is exposed to various financial risks, which result from its operations and financing activities. The key financial risks for the group are from changes in interest rates and its counterparties' credit ratings and ability to make payment.

Financial risk management within the group is based on principles stipulated by the management. These include interest rate, market, credit and liquidity risks. There are also principles and guidelines for other areas, such as liquidity management and the procurement of short and long-term loans.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Financial risk management aims to secure, to the extent necessary, the various risks detailed above, and thus to limit the negative impact on the group’s income statement and balance sheet. Taking into account the principle of separation of duties, the financial risks to which the group is exposed, are measured, monitored and actively controlled using various activities.

Valuation insecurities

Assumptions must be made when applying the accounting and valuation methods. The most important forward-looking assumptions and other key sources of estimating insecurities which exist on the balance sheet date and as a result of which a risk exists that will make an adjustment to the carrying amounts of assets and liabilities necessary during the next fiscal year are discussed below:

- The identification of the fair values for assets and liabilities and the useful lives of assets are based on the management's assessments. This also applies to the identification of impairment for property, plant and equipment and intangible assets as well as financial assets.
- Write-downs are formed for doubtful receivables in order to take estimated losses from customers' unwillingness or inability to pay into account.
- Estimates must also be made when calculating actual and deferred taxes. In particular, the possibility of generating sufficient taxable income plays a key role in assessing whether or not deferred tax assets can be used.
- Discount factors and anticipated developments are the key estimates made in accounting for and measuring provisions.

As a rule, the best possible knowledge with regard to the situation on the balance sheet date is used for these valuation insecurities. The actual amounts that result could differ from the estimated amounts. The carrying amounts disclosed in the financial statements which bear these insecurities are detailed on the balance sheet or in the associated notes.

On the date the consolidated financial statements were prepared, no material changes to the assumptions on which accounting or valuation were based was to be assumed. As a result, from the current perspective, no notable adjustments to the assumptions and estimates or the carrying amounts of the affected assets and liabilities are to be expected in fiscal year 2009.

| E. Notes of the balance sheet and income statement

1. Revenues

The group's revenues are composed as follows:

in € thousand	2008	2007
Income from the real estate segment	42,145	21,915
Income from the sale of land with buildings and apartments	0	232
Income from the beverages segment	14,220	0
Other income	0	25
	56,365	**22,172**

2. Changes in value for investment properties

in € thousand	2008	2007
Write-ups from changes in market value IAS 40	6,496	3,525
Subsequent acquisition costs in the fiscal year capitalized under HGB	0	-472
Write-downs from changes in market value IAS 40	-6,972	-2,147
	-476	**906**

Yield-bearing properties within the meaning of IAS 40 are recognized in income at their present values from 01.01.07.

Write-ups totaling € 6,496 thousand are broken down as follows:

in € thousand	
Write-ups for development projects	5,570
Write-ups for portfolio properties	926
	6,496

3. Other operating income

Other operating income is composed of the following items:

in € thousand	2008	2007
Income from the reversal of negative goodwill from capital consolidation	0	3,145
Other operating income	990	484
	990	**3,629**

In the previous year, the income disclosed from the reversal of negative goodwill from capital consolidation in the amount of € 3,145 thousand results within the meaning of IFRS 3.56 (b) from first-time consolidation transactions, as the fair values of the carried identifiable assets, liabilities and contingent liabilities exceed the acquisition costs of the business combination. After renewed assessment of the remaining difference, this must be recognized in income immediately according to IFRS 3.56 (b).

The other operating income during the fiscal year was mostly due to changes in compensation entitlements and insurance benefits.

4. Expenses for investment properties

The expenses relating to the leased investment properties are composed as follows:

in € thousand	2008	2007
Expenses for rented land and buildings		
Land expenses	6,738	3,402
Maintenance expenses	1,861	455
Other expenses	596	0
	9,195	**3,857**

5. Cost of materials

During the fiscal year, cost of materials relates exclusively to the Beverages segment and was composed as follows during the year under review:

in € thousand	2008	2007
Expenses in connection with Land designated for sale	0	239
Cost of raw materials, consumables and supplies	4,384	0
Cost of purchased services	527	0
	4,911	**239**

6. Personnel expenses

in € thousand	2008	2007
Wages and salaries	5,011	1,135
Social security contributions	1,120	138
	6,131	**1,273**

The VIB Group had an average of 108 employees without the Managing Board (previous year: 12 employees). Of this total, € 3,716 thousand of wages and salaries and € 837 thousand social security payments are due to Herrnbräu GmbH & Co. KG.

7. Other operating expenses

Other operating expenses increased year-on-year from € 1,156 thousand to € 6,175 thousand. The increase of € 5,019 thousand is mostly due to Herrnbräu GmbH & Co. KG in the amount of € 2,662 thousand (including sales and operating expenses). In addition, the consolidated figures also include amended valuations for loans in Swiss Francs totaling € 982 thousand, costs for the General Meeting and the annual and consolidated financial statements of € 357 thousand, investor relations costs of € 115 thousand and property financing of € 271 thousand.

8. Amortization of intangible assets and depreciation of property, plant and equipment and investment properties

in € thousand	2008	2007
Scheduled amortization of intangible assets	230	0
Scheduled depreciation of property, plant and equipment	1,606	79
Non-scheduled depreciation of property, plant and equipment	5,000	0
	6,836	**79**

Intangible assets (beverage supply rights) were written down as the amounts called up were significantly lower than the minimum quantities, or the sales facility had been closed. In 2008, extraordinary write-downs were performed due to impairment within the meaning of IAS 36.8 totaling € 5,000 thousand for property, plant and equipment at Herrnbräu GmbH & Co. KG.

9. Share of profit from equity-accounted investments

The income from investments is due to the following participating interests in associated companies:

in € thousand	2008	2007
BBI Bürgerliches Brauhaus Immobilien AG	0	1,091
VIMA Grundverkehr GmbH (Jan. 1 – Dec. 31, 2008)	105	-27
Tre Effe S.R.L.	-1	0
	104	**1,064**

10. Other interest and similar income

Other interest and similar income in the amount of € 549 thousand (previous year: € 619 thousand) is mostly due to interest on current account balances and demand deposits as well as loans on financial assets.

11. Interest and similar expenses

Interest and similar expenses in the amount of € 17,305 thousand (previous year: € 7,140 thousand) is mostly due to interest on liabilities to banks.

12. Expenses from guaranteed dividend

This expense resulted from the guaranteed dividend to outstanding shareholders as set out in the profit and loss agreement with BBI Immobilien AG, and depressed earnings in the amount of € 505 thousand.

13. Income taxes

Income taxes are composed as follows:

in € thousand	2008	2007
Ongoing income tax expense	471	1,098
Deferred taxes	1,093	1,146
Total income tax expense	**1,564**	**2,244**

Ongoing tax expense mostly comprises corporation tax including the solidarity surcharge. The use of an existing loss carryforward reduced taxation in the amount of € 39 thousand.

The differences between the current tax expense posted and the expected tax expense are reported in the statement of reconciliation below. The expected income tax expense arises from the earnings before taxes multiplied by the expected tax rate. The anticipated income tax rate includes the German corporation tax as well as the solidarity surcharge due on this amount. As a result of the further reduction in trade tax, this is not included in this tax rate. The anticipated tax rate is thus 15.825 %.

in € thousand	2008	2007
Earnings before income taxes	6,565	14,669
Anticipated income tax rate: 15.825%		
Anticipated income tax expense	1,039	3,869
Impact from bargain purchase	0	-829
Deconsolidation income	0	0
Changes in tax rate	0	-702
Non-use of losses in consolidated financial statements	83	0
Taxes previous years	41	-32
Use of non-capitalized loss carryforwards	-39	-81
Impact of extraordinary and supplementary financial statements	44	101
Trade tax effects	239	0
Tax impact of subsidiaries and equity participations	-17	-183
Corporation tax on compensation payment	97	0
Other	77	101
Reported income tax expense	**1,564**	**2,244**
Effective tax rate	23.82 %	15.30 %

The reduction in corporation tax to 15.0 % will result in – taking into account the expanded reduction in trade tax and the solidarity surcharge on corporation tax – a combined income tax rate of 15.825 % (previous year: 15.825 %) for the Group's companies (without taking the BBI AG sub-group into account).

14. Minority interests

The consolidated earnings in the amount of € 5,001 thousand include minority interests (Gewerbepark Günzburg GmbH, IVM Verwaltung GmbH, VSI GmbH) totaling € -394 thousand (previous year: € 29 thousand).

15. Earnings per share

Undiluted and diluted earnings per share are calculated based on the following information:

in € thousand	**2008**	**2007**
Earnings		
Basis for the undiluted earnings per share (allocable proportionate period earnings for shareholders of parent company)	5,395	12,396
Impact of dilutive potential shares	0	0
Basis for diluted earnings per share	5,395	12,396
Number of shares (in shares)		
Weighted average number of shares in circulation for undiluted earnings per share	17,084,000	15,836,526
Impact of dilutive potential shares	678,057	0
Weighted average number of shares in circulation for diluted earnings per share	17,762,057	15,836,526
Undiluted earnings per share (€)	**0.32**	**0.78**
Diluted earnings per share (€)	**0.30**	**0.78**

The dilutive potential ordinary shares are based on the formation of conditional capital (see No. 23).

Dividends

In fiscal year 2008, according to the resolution of the General Meeting on June 25, 2008, an amount of € 3,416,800.00 was disbursed from VIB Vermögen AG's 2007 net retained profits. This corresponds to a dividend of € 0.20 per share.

The Managing and Supervisory Boards of VIB Vermögen AG will propose to the shareholders at the company's General Meeting for fiscal year 2008, that a dividend of € 0.20 per share is disbursed from VIB Vermögen AG's net retained profits (total of € 3,416,800.00).

16. Intangible assets and property, plant and equipment

16.1. Intangible assets

in € thousand	Goodwill	Other rights	Total
Acquisition costs			
As of Jan. 1, 2007	**5**	**0**	**5**
Changes in group of consolidated companies	4	2,580	2,584
Additions	1	0	1
Disposals	0	0	0
Reclassifications	0	0	0
As of Dec. 31, 2007	**10**	**2,580**	**2,590**
Amortization/depreciation			
As of Jan 1, 2007	**3**	**0**	**3**
Changes in group of consolidated companies	0	1,740	1,740
Additions	0	0	0
Disposals	0	0	0
Reclassifications	0	0	0
As of Dec. 31, 2007	**3**	**1,740**	**1,743**
Carrying amount Dec. 31, 2007	**7**	**840**	**847**
Carrying amount Jan. 1, 2007	**2**	**0**	**2**

in € thousand	Goodwill	Other rights	Total
Acquisition costs			
As of Jan. 1, 2008	**10**	**2,580**	**2,590**
Additions	0	474	474
Disposals	0	-237	-237
As of Dec. 31, 2008	**10**	**2,817**	**2,827**
Amortization/depreciation			
As of Jan 1, 2008	**3**	**1,740**	**1,743**
Additions	3	230	233
Disposals	0	-215	-215
Balance at Dec. 31, 2008	**6**	**1,755**	**1,761**
Carrying amount Dec. 31, 2008	**4**	**1,062**	**1,066**
Carrying amount Jan. 1, 2008	**7**	**840**	**847**

16.2. Property, plant and equipment

in € thousand	Land and buildings	Technical equipment and machi-nery	Other equipment, operating and office equipment	Pay-ments on account and assets under construc-tion	Total
Acquisition costs					
As of Jan. 1, 2007	**0**	**26**	**2,376**	**9,300**	**11,702**
Changes in group of consolidated companies	8,650	9,204	18,749	5,972	42,575
Additions	1	0	548	16,302	16,851
Disposals	0	0	0	0	0
Reclassification to investment properties	0	-26	-1,790	-8,836	-10,652
As of Dec. 31, 2007	**8,651**	**9,204**	**19,883**	**22,738**	**60,476**
Amortization/depreciation					
As of Jan 1, 2007	**0**	**20**	**1,331**	**0**	**1,351**
Changes in group of consolidated companies	1,729	6,827	14,768	0	23,324
Additions	0	0	79	0	79
Disposals	0	0	0	0	0
Reclassification to investment properties	0	-20	-1,024	0	-1,044
As of Dec. 31, 2007	**1,729**	**6,827**	**15,154**	**0**	**23,710**
Carrying amount Dec. 31, 2007	**6,922**	**2,377**	**4,729**	**22,738**	**36,766**
Carrying amount Jan. 1, 2007	**0**	**6**	**1,045**	**9,300**	**10,351**

in € thousand	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Payments on account and assets under construction	Total
Acquisition costs As of Jan. 1, 2008	**8,651**	**9,204**	**19,883**	**22,738**	**60,476**
Additions	0	59	1,033	46,754	47,846
Disposals	0	0	-141	-5,855	-5,996
Reclassification to investment properties	0	0	0	-33,148	-33,148
As of Dec. 31, 2008	**8,651**	**9,263**	**20,775**	**30,489**	**69,178**
Amortization/depreciation As of Jan 1, 2008	**1,729**	**6,827**	**15,154**	**0**	**23,710**
Additions	47	312	1,245	0	1,604
Disposals	0	0	-106	0	-106
Extraordinary depreciation/ amortization	0	1,810	3,190	0	5,000
As of Dec. 31, 2008	**1,776**	**8,949**	**19,483**	**0**	**30,208**
Carrying amount Dec. 31, 2008	**6,875**	**314**	**1,292**	**30,489**	**38,970**
Carrying amount Jan. 1, 2008	**6,922**	**2,377**	**4,729**	**22,738**	**36,766**

17. Investment property

in € thousand	2008	2007
Carrying amount January 1	**457,308**	**179,186**
Changes in group of consolidated companies	0	119,182
Additions	108,181	158,034
Disposals	-3,677	0
Un-realized increases in market value	6,496	3,527
Un-realized reductions in market value	-6,972	-2,621
Carrying amount December 31	**561,336**	**457,308**

The investment property (IAS 40) is property from the company's core business that is held for rental and to increase value. The company has accounted for the properties using the fair value model since January 1, 2007. External experts were used to ascertain the properties' value.

The properties are mostly commercial properties, which are mostly let long term to well-known commercial tenants.

The investment properties are encumbered with land charges and mortgages in connection with the long and short term financial liabilities taken out for financing.

18. Interests in associated companies

The investments in companies included in the consolidated financial statements as associated companies were included in the consolidated financial statements in line with the equity method set out in IAS 28, and were measured at the corresponding revalued equity.

in € thousand	2008	2007
Tre Effe S.R.L.	191	192
VIMA Grundverkehr GmbH	269	163
	460	**355**

The at-equity participations changed as follows in fiscal year 2006:

in € thousand	Tre Effe S.R.L.	VIMA Grund-verkehr GmbH
Balance at Jan. 1, 2008	**192**	**163**
Changes in group of consolidated companies	0	0
Disposal from change of status	0	0
Proportion of annual earnings 2008	-1	106
Balance at Dec. 31, 2008	**191**	**269**

As a result of its proportionate interests, the following assets and liabilities are due to the Group as of December 31, 2008:

in € thousand	VIMA Grund-verkehr GmbH	Tre Effe S.R.L.
Assets	1,171	585
Liabilities	1,045	481
Profit for the period	106	-1
Revenues	131	562

The annual financial statements for Tre Effe S.R.L. are as of December 31, 2007.

19. Financial assets

in € thousand	2008	2007
Aquisition costs as of January 1	**4,090**	**2,131**
Additions	56	48
Changes in group of consolidated companies	0	1,911
Disposals	-252	0
Net carrying amount on December 31	**3,894**	**4,090**
Breakdown of financial assets		
Interest – Tilly-Immobilie Verwertungs GmbH	93	93
Loans to customers	1,967	1,911
Loan – VIMA Grundverkehr GmbH	1,834	2,086
Financial assets on December 31	**3,894**	**4,090**

Individual write-downs totaling € 819 thousand (previous year: € 804 thousand) were performed for customer loans which are unlikely to be collectable. In addition, individual write-downs were formed totaling € 79 thousand (previous year: € 75 thousand) based on past experience with payment defaults. The figures are mostly from the Beverages segment.

20. Inventories

in € thousand	2008	2007
Aquisition costs as of January 1	**1,239**	**3**
Additions	1,376	0
Changes in group of consolidated companies	0	1,239
Disposals	-1,239	-3
Net carrying amount on December 31	**1,376**	**1,239**
Breakdown of inventories		
Raw materials, consumables and supplies	665	623
Work in progress	224	156
Finished goods	405	381
Merchandise	82	79
Inventories on December 31	**1,376**	**1,239**

Inventories were not written down.

21. Receivables and other assets

in € thousand	2008	2007
Trade accounts receivable	3,321	2,081
Other assets	2,618	3,496
	5,939	**5,577**

The trade receivables are mostly from the sale of merchandise and the capitalization of the estimated settlements of incidental costs from tenants. Individual write-downs were required in the amount of € 282 thousand (previous year: € 156 thousand).

Other assets mostly related to current customer loans and VAT refund claims.

All accounts receivable and other assets have a residual term of less than one year.

The changes in write-downs are shown in the following table:

in € thousand	Dec. 31, 2008	Dec. 31, 2007
Balance – start of year	156	6
Impairment of receivables	126	156
Amounts written of as these cannot be collected	0	-6
	282	**156**

When determining whether trade receivables are impaired, every change in credit rating since the payment target was granted through to the balance sheet date is taken into account. There is no notable concentration in the credit risk, as there is a broad customer base and there are no correlations. Correspondingly, the management is convinced that no risk provisions are required over and above the impairment already recorded.

The present value of the trade receivables corresponds to the carrying amount. Additions during the fiscal year are carried in the income statement under other operating expenses, reversals under other operating income.

The income tax receivables stem from corporation tax and trade tax refund claims by VIB Vermögen AG and BBI AG.

22. Bank balances and cash in hand

This item is used to disclose cash in hand and bank balances with a term of less than three months as well as financial securities with an original term of less than three months. This disclosure is mostly by VIB Vermögen AG (€ 4,595 thousand; previous year: € 7,749 thousand) and the BBI AG subgroup (€ 586 thousand; previous year: € 1,456 thousand).

23. Equity

Subscribed capital

VIB Vermögen AG's subscribed capital in the amount of € 17,084,000 comprises 17,084,000 shares.

Share premium

The share premium corresponds to VIB Vermögen AG's share premium (HB II). This mostly includes the premium on the capital increases implemented previous years. In the previous year, the share premium increased by € 48,110 thousand as a result of the cash capital increase taking the expenses from the capital increase (€ 490 thousand) less deferred taxes (€ 130 thousand) into account.

Retained earnings

As part of its annual financial statements as of December 31, 2008, VIB Vermögen AG added € 242 thousand to retained earnings.

Net retained profits

The group's net retained profits stems from the previous year's net retained profits less the disbursement on the net income for the previous year (€ 3,417 thousand), the addition to retained earnings (€ 242 thousand), plus the ongoing consolidated net income from fiscal year 2008 due to group shareholders (€ 5,395 thousand).

Cash flow hedges

This item is used to carry the market value of cash flow hedges, to the extent that these serve to hedge (interest) cash flows for concrete underlying transactions.

Minority interests

Minority interests are due to the participating interest in BBI AG, IVM GmbH, VSI GmbH and Gewerbepark Günzburg GmbH.

This item developed as follows:

in € thousand	2008	2007
Balance – start of year	20,734	308
Change in participating interests	-7,367	20,397
Proportion of annual earnings	-394	29
Deposit of outstanding contributions by minority shareholders	182	0
Balance – end of year	**13,155**	**20,734**

Authorized capital

New authorized capital was created by way of a resolution by the General Meeting on July 26, 2007 totaling € 3,416,800. The Managing Board's authorization to issue new shares against cash or non-cash contributions with the approval of the Supervisory Board is valid until July 25, 2012.

Conditional capital

Conditional capital totaling € 1,356,114 was created by way of a resolution by the General Meeting on June 25, 2008 for the outstanding shareholders of BBI Bürgerliches Brauhaus Immobilien AG, who were granted the option of exchanging their shares for shares of VIB AG.

24. Profit-participation certificates

VIB Vermögen AG issued profit-participation rights with a repayment amount of € 675 thousand in 2003. The profit-participation certificates bear interest of 5 % in the event of profits. The profit-participation certificates participate in losses, and in the event of liquidation or insolvency proceedings, they are served after other creditors have been satisfied.

The profit-participation certificates have an indefinite term. The holders of the profit-participation certificates and VIB Vermögen AG can terminate the profit-participation rights at the earliest with a notice period of two years to the end of the year from the date of their issue.

25. Non-current financial debt

in € thousand	2008	2007
Remaining term between 1 and 5 years	47,613	68,360
Remaining term more than 5 years	243,728	191,051
	291,341	**259,411**

Financial debt mostly includes interest-bearing liabilities. In the previous year it included interest-bearing liabilities from leasing in the amount of € 103 thousand (> 1 year and up to 5 years), which practically corresponded to the future minimum lease payments.

Financial liabilities with a term of more than twelve months are loans for the following group companies:

in € thousand	2008	2007
Non-current financial debt		
VIB Vermögen AG	196,054	182,243
BBI Bürgerliches Brauhaus Immobilien AG	79,826	61,132
Merkur GmbH	428	2,440
Industriepark Neuburg GbR	4,393	4,954
IVM Verwaltung GmbH	4,943	2,721
Gewerbepark Günzburg GmbH	5,697	5,921
	291,341	**259,411**

The non-current financial liabilities are secured by land charges on the investment properties and the pledging of rental claims and a securities account.

26. Compensation claims – minority interests in partnerships

The minority interests totaling € 1,540 thousand (previous year: € 1,551 thousand) are for compensation claims by minority shareholders for the partnerships included in the consolidated financial statements that are not carried under equity according to IAS 32. As a result of agreements under company law, the compensation obligations are measured at fair value.

27. Derivative financial instruments

The group uses interest rate swaps to optimize interest expenses connected with the bank loans drawn down.

The change in the fair value of the swaps that are not to be qualified as cash flow hedges was recognized in the income statement (€ 54 thousand, previous year: € -297 thousand). The negative market value of all swaps totaled € -5,565 thousand on the balance sheet date (previous year: € 857 thousand). In addition, there were cash flow hedges with a positive market value of € 315 thousand (previous year: € 242 thousand).

28. Deferred taxes

Deferred taxes result from the different carrying amounts under IFRS and the tax base for the group companies and from consolidation activities.

The deferred tax liabilities and the deferred tax assets are spread among the following items:

in € thousand	2008	2007
Deferred tax assets		
Property, plant and equipment	375	0
Derivative assets	225	138
Redundancy payments	237	245
Other	8	0
Total deferred tax assets	**845**	**383**

in € thousand	2008	2007
Deferred tax liabilities		
Investment property	14,815	15,743
Assets under construction	1,203	0
Revaluation of property, plant and equipment	1,513	1,513
Total deferred tax liabilities	**17,531**	**17,256**
Netting of deferred tax assets and liabilities	470	383
Carrying amount - deferred tax liabilities	**17,061**	**16,873**
Carrying amount - deferred tax assets	**375**	**0**

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Deferred tax assets and deferred tax liabilities are netted if they are for the same tax authority.

The accumulated deficits were as follows as of December 31, 2008:

- Trade tax € 223 thousand (previous year: € 72 thousand)
- Income tax € 930 thousand (previous year: € 1,030 thousand)

29. Provisions for pensions

Provisions for pensions include the commitments for company retirement benefits to entitled persons and their survivors. The pension commitments are based on individual contractual benefit commitments. The entitled persons can generally claim a fixed old-age and invalidity pension when they reach pensionable age (65) depending on their period of service. Other benefits after the end of the employment relationship are not foreseen.

The pension fund (Unterstützungskasse) grants former employees of its fund management company and their survivors certain services as a result of a company agreement. After fulfilling a waiting period of ten years, old-age, invalidity and widows' pensions are granted. These benefits are paid once the waiting period has been fulfilled and upon reaching pensionable age or becoming disabled, however at the latest when leaving the company after reaching the age of 65. The amount of the old-age and invalidity pension depends on the length of service and is capped at a maximum amount. The benefit fund is closed for new employees.

The Group's commitments from retirement benefit plans totaling € 818 thousand as disclosed on the balance sheet corresponds to their present value.

in € thousand	2008	2007
Balance – January 1	**964**	**0**
Addition to consolidated group (BBI AG sub-group)	0	964
Current service cost	0	0
Prior service cost	0	0
Interest expense	49	0
Pensions paid	-144	0
Actuarial gains/losses	-51	0
Balance – December 31	**818**	**964**

Calculated actuarial assumptions:

in %	2008	2007
Discount interest rate	6.20	5.35
Pension trend	2.00	2.00
	8.20	**7.35**

The salary trend was carried at 0.0 % – as was also the case for the probability of fluctuation – as the benefit commitments – with one exception – are only to employees who already receive a pension.

30. Other non-current liabilities

Other non-current liabilities include liabilities from lease deposits and trade payables.

in € thousand	2008	2007
Trade accounts payable	969	746
Liabilities from lease deposits	185	150
	1,154	**896**

31. Current financial debt

The current financial debt mostly relates to current borrowings from banks. Financial liabilities from lease commitments are included in the amount of € 182 thousand (previous year: € 174 thousand). This practically corresponds to the future current minimum lease payments. This item includes current account credit lines that can be terminated at short notice and redemption payments for long-term loans due within one year of the balance sheet date.

Current financial liabilities are from the following companies:

in € thousand	2008	2007
VIB Vermögen AG	67,332	14,933
Merkur GmbH	32	97
BBI Bürgerliches Brauhaus Immobilien AG	31,446	12,585
IVM Verwaltung GmbH	194	58
Industriepark Neuburg GbR	584	564
VR 1 Immobilienverwaltung GbR	1,127	1,115
VSI GmbH	2,121	0
Gewerbepark Günzburg GmbH	224	216
	103,060	**29,568**

The current financial liabilities are secured by land charges and the pledging of rental claims and a securities account.

32. Provisions

The amounts carried as provisions relate to transactions from fiscal year 2008 or earlier years, that have led to a current obligation by the company and which are expected to lead to an outflow of resources. However, there is uncertainty surrounding the date on which these will become due and the exact amount of the liability.

in € thousand	Obliga-tions from return of empties	Provisions for personnel expenses	Other Provisions	Total
As of Jan. 1, 2007	**0**	**0**	**374**	**374**
Utilization	0	0	343	343
Reversal	0	0	31	31
Additions	0	170	169	339
Changes in group of consolidated companies	450	449	516	1,415
As of Dec. 31, 2007	**450**	**619**	**685**	**1,754**
Utilization	-450	-407	-685	-1,542
Reversal	0	2	0	2
Additions	496	167	539	1,202
Reclassification	-496	-380	-444	-1,320
As of Dec. 31, 2008	**0**	**1**	**95**	**96**

Last year the provision for the commitment to accept returned empties was identified based on the periods in circulation for the packaging. The periods in circulation are based on counts of the returned empties conducted in random samples. The provision for personnel costs includes commitments from bonuses and special awards, vacation pay and salaries. Other provisions mostly include provisions for outstanding invoices totaling € 80 thousand. Other provisions relate to other commitments with an individual value of less than 10 % of the total amount of the provision in each case. The reclassification relates to provisions that have the same character as liabilities and which are thus carried under other liabilities.

33. Liabilities from income taxes

The disclosed liabilities from income taxes relate to ongoing tax liabilities from 2008 for VIB Vermögen AG (€ 53 thousand), BBI AG (€ 110 thousand) and CMG Center Management GmbH (€ 21 thousand).

34. Other liabilities

in € thousand	2008	2007
Trade accounts payable	6,375	6,287
Other	6,777	1,761
	13,152	**8,048**

During fiscal year 2008, the other liabilities increased from € 5,016 thousand to € 6,777 thousand as a result of investments, the obligation from the guaranteed dividend and a reclassification from other provisions.

35. Segment reporting

Please refer to the comments under Item C for the scope of the segment reporting.

Taking IAS 14 into account, VIB Vermögen AG has defined its primary divisions as being the use and development of its own real estate portfolio (Real Estate segment) and the production of beer including non-alcoholic beverages (Beverages segment). Tre Effe S.R.L. was allocated to the Beverages segment, VIMA Grundverkehr GmbH was allocated to the Real Estate segment. The benefit obligations are mapped in the Real Estate segment.

As business activities are geared almost exclusively to Germany, there is no segment reporting using the secondary reporting format "Regions".

Segment reporting January 1 to December 31, 2008

in € thousand	Real Estate	Beverages	Consolida-tion	Group
Segment external revenues	42,305	14,220	-160	56,365
Segment EBIT	28,452	-4,515	-215	23,722
Segment assets without income tax receivables	603,465	15,934	0	619,399
Segment liabilities	428,504	6,704	0	435,208
Segment capital expenditure	47,699	1,587	0	49,286
Segment depreciation and amortization	87	6,747	0	6,834

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Segment reporting January 1 to December 31, 2007

The income statement was not broken down into segments for 2007, as two segments only resulted for the first time on December 31, 2007.

in € thousand	Real Estate	Beverages	Consolida-tion	Group
Segment assets	495,170	20,439	205	515,814
Segment liabilities	289,296	14,571	17,575	321,442

36. Cash flow statement

The consolidated cash flow statement shows how the VIB Group's cash and cash equivalents has changed in 2006 and 2005. Cash flows are broken down in line with IAS 7 into cash flows from operating activities, investing activities and financing activities.

The cash and cash equivalents in the amount of € 5,925 thousand (previous year: € 9,536 thousand) comprises the balance sheet items cash and cash equivalents, which includes checks, cash on hand, bank balances as well as financial securities with an original term of less than three months.

The cash flow statement beings with consolidated earnings. The cash flow from operating activities shows the surplus income before any funds are tied up. The cash flow from operating activities also includes the change in working capital.

37. Other financial liabilities and contingent liabilities

Contingent liabilities are existing or future liabilities that are based on past events, however for which an outflow of resources is not estimated as being probable. According to IAS 37, these liabilities are to be listed in the notes. There were no contingent liabilities to be reported in 2008 or in the previous year.

There are other financial liabilities in the Real Estate segment in the form of purchase obligations for plots that are to be held as investment property.

These investment projects currently comprise a real estate portfolio, the "Bavaria Portfolio" and the obligation from the acquisition of the Regensburg business park for € 16,952 thousand.

The Bavaria Portfolio still outstanding comprises eight specialist store centers, which a project developer will complete in the Southern Bavarian region between 2009 and 2010. Notarized purchase agreements were concluded with the project developer in this regard on November 13, 2006. The properties are to be transferred to BBI as soon as they have been completed and accepted, at least 90 % of the rentable space has been let and the project developer has provided rent guarantees for the remaining space. This portfolio has a total volume of around € 73 million.

The date these properties are to be transferred can not yet be stated at the present time, as this depends on factors including planning permission and the completion and rental of the properties by the project developer. The purchase prices have been set with the project developer in that a fixed purchase price factor has been agreed. This is multiplied by the net annual rent for the property to give the purchase price. The purchase prices stated in the purchase agreements are thus provisional.

In the real estate segment, there are also other financial obligations from rental and leasing agreements totaling € 185 thousand and renovation expenses for the Aalen property totaling approx. € 200 thousand.

In addition, there are the following financial commitments in the Beverages segment:

in € thousand	2008	2007
Rental agreements	519	439
Malt and hop contracts	2,117	1,020
	2,636	**1,459**

The amounts from rental agreements correspond to one year's rent. The average contractual term is five years.

The profit and loss transfer agreement with BBI Bürgerliches Brauhaus Immobilien AG results in payment commitments of approx. € 2,000 thousand depending on the amount of shares exchanged by the shareholders of BBI Bürgerliches Brauhaus Immobilien AG until the first potential date for the termination of the agreement (December 31, 2012).

38. Leases

The Group's leases which relate to parts of the brew house are to be classified as finance leases under IAS 17. The resulting payment obligations are are due to expire in 2009. If leases are to be classified as operating leases, the rental payments are distributed over the term of the lease in the earnings for the period using the straight line method, and are included in other operating expenses.

The future lease payments from the finance leases in subsequent periods, which practically correspond to their present value are as follows:

in € thousand	2008	2007
Remaining term 1 year to 5 years	0	103
Remaining term up to 1 year	182	174
	182	**277**

On the balance sheet date, the Group had open obligations from operating leases which are due as follows:

in € thousand	2008	2007
Remaining term > 5 years	0	0
Remaining term 1 year to 5 years	468	275
Remaining term up to 1 year	278	276
	746	**551**

Payments from operating leases relate to machines and the vehicle fleet as well as office equipment such as photocopiers and fax machines. Leases are concluded for an average term of three to four years. The lease agreements do not include any conditional rental payments or price adjustment clauses. As a rule, extension and purchase options are not used.

39. Liquidity and interest risk

The liquidity risk is the scenario in which the Group cannot pay its own liabilities. The Group controls its liquidity centrally such that it has sufficient funds available at all times in order to service its liabilities when these are due. As of December 31, 2008 the Group had reasonable lines of credit available in a sufficient amount that had not yet been used.

The following table shows when the financial liabilities are due. The table is based on undiscounted cash flows. Financial liabilities are allocated to the earliest band of maturities in which the Group can be obligated to make a payment, even if the Group expects that part of the liabilities will only have to be paid later than the earliest date on which they are due.

in € thousand	Bank loans – variable interest	Bank loans – fixed interest	Other financial liabilities	Trade payables	Other non-current and current liabilities
Analysis of due dates as of December 31, 2008					
Due in 1 – 12 months	75,141	27,336	182	6,375	7,476
Due in 12 – 60 months	5,336	48,101	225	969	884
Due in more than 60 months	18,337	219,318	0	0	0
Analysis of due dates as of December 31, 2007					
Due in 1 – 12 months	10,106	19,288	174	6,287	2,802
Due in 12 – 60 months	25,505	42,126	1,089	746	2,889
Due in more than 60 months	5,317	185,460	771	0	18,467

As of December 31, 2008, the average interest rate for the financial liabilities was 4.83 % (previous year: approx. 5 %).

Changes to interest rates are shown in sensitivity analyses in line with IFRS 7. These show the effects of changes in the market interest rates on financial income and expenses and on equity. There is not a significant concentration of interest rate risks in the Group.

The Group takes out non-current liabilities to banks at fixed and variable interest rates. Changes in market interest rates for bank liabilities with fixed interest rates only impact earnings if these are measured at fair value. These are then always measured at amortized cost. As a result, non-current liabilities to banks with fixed interest rates are not subject to any risks of interest rate changes within the meaning of IFRS 7. Non-current liabilities to banks with variable interest rates are, in part, hedged against the risk of interest rate changes using interest rate swaps; there is thus no risk of interest rate changes. The changes in the market value of the interest rate swaps are included in the statement of changes in shareholders' equity. The volume and term of the interest rate swaps are geared to the repayment structure for the financial borrowing.

Changes in market interest rates for interest rate swaps classified as hedges impact the hedge reserve under equity and are thus taken into account in equity-related sensitivity calculations.

Changes in the market interest rate impact the interest result for short-term variable-interest bank loans, for which interest payments are not intended to be underlying transactions as part of a hedge, and are thus taken into account in the earnings and equity-related sensitivity calculations.

Loans to beverage customers bear variable interest and are thus taken into account in earnings and equity-related sensitivity calculations.

If the market interest level had been 100 basis points higher (lower) in 2008, earnings and equity would have been € 94 thousand lower (higher) (previous year € 94 thousand).

40. Foreign currency risks

VIB Vermögen AG's foreign currency risks mostly result from liabilities denominated in foreign currency to banks in Swiss Franks. Receivables and liabilities between German and foreign group companies that are not denominated in the functional currency also constitute an exchange rate risk for the VIB Group. In order to show market risks, IFRS 7 calls for sensitivity analyses which show the impact of hypothetical changes in relevant risk variables on earnings and equity.

The book value of the Group's monetary assets and liabilities denominated in foreign currencies on the balance sheet date of December 31,.2008 was as follows:

in € thousand	Dec. 31, 2008	Dec. 31, 2007
Liabilities in SFR	9,342	8,896
Assets in CZK	152	411
Liabilities in CZK	6	411

If the euro had been 10 % stronger compared to the Swiss Frank on December 31, 2008, profits and thus equity would have been € 1,038 thousand (previous year: € 1,492 thousand) higher. If the Swiss Frank had been 10 % weaker, this would have caused profits and thus equity to be € 849 thousand (previous year: € 1,492 thousand) lower. If the euro had been 10 % stronger compared to the Czech Crown on December 31, 2007, profits and thus equity would have been € 16 thousand (previous year: € 67 thousand) higher. The opposing currency risk would have increased profits in the amount of € 13 thousand.

41. Default risks

The maximum default risk can be seen from the carrying amount of each financial asset (including derivative financial instruments with a positive market value) on the balance sheet. The breakdown of book values into balance sheet items and categories within the meaning of IFRS 7 can be seen in the "Notes to the balance sheet". There were no other material risks of default in the accounts.

There is no de facto risk of default for cash and cash equivalents and derivative financial instruments, as these are held by banks with excellent credit ratings as certified by ratings agencies. The following considerations thus focus on "Loans and receivables". This affects the balance sheet items non-current and current financial investments (loans to beverage customers), trade receivables and other receivables and assets.

The following table quantifies the loans and receivables that have been written down individually as well as the overdue loans and receivables not yet written down:

in € thousand	Non-current and current financial assets	Trade accounts receivable	Other receivables and assets
Loans and receivables – December 31, 2008			
Gross carrying amount	3,894	3,321	3,884
With individual write-downs	1,206	242	0
Overdue in 1 – 12 months	0	62	0
Overdue in > 12 months	0	22	0

in € thousand	Non-current and current financial assets	Trade accounts receivable	Other receivables and assets
Loans and receivables – December 31, 2007			
Gross carrying amount	4,952	2,080	2,541
With individual write-downs	804	148	0
Overdue in 1 – 12 months	0	572	0
Overdue in > 12 months	0	35	0

In the case of the non-current and current financial assets neither written down nor in default (beverage customers), trade receivables and other receivables and assets, there were no signs on the balance sheet date that the debtor would not fulfill their payment obligations.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

In particular as part of the issue of loans to beverage customers the company has received collateral in the form of mortgages, transfers of title and other assets. In addition, there are the following clauses for the reservation of ownership: The sales and catering inventory will be resold as part of operating business activities in the Beverages segment, or will be lent against obligations to procure beer.

As a result of the orientation of the business activities, additional attractive properties in the retail segment will be specifically added to the real estate portfolio. On the balance sheet date, investments focused on the "specialist store portfolio". This resulted in a temporary concentration in the tenant structure. As a result of the diversification activities already put in place, the proportion accounted for by individual tenants in the overall portfolio will fall substantially.

There is no significant concentration of default risks in the beverages segment, as the risks are spread over a large number of contractual partners and customers.

The fair value of the cash and cash equivalents, current receivables and liabilities roughly corresponds to their carrying amounts. This is due, in particular to these instruments' short terms.

42. Categories of financial instruments

The following table shows the carrying amounts of all categories of financial assets and liabilities:

in € thousand	2008	2007
Financial assets		
Bank balances and cash in hand	5,925	9,536
Loans and receivables	10,749	9,445
Hedge derivatives	315	242
	16,989	**19,223**
Financial liabilities		
Financial liabilities at amortized cost	409,681	300,955
Hedge derivatives	4,848	86
Derivatives without relations to hedges	717	0
	415,246	**301,041**

The following table shows the market values of the financial assets and liabilities that are measured at cost or amortized cost:

in € thousand	2008	2007
Financial assets		
Bank balances and cash in hand	5,925	9,536
Trade accounts receivable	3,321	2,081
Other non-derivative assets	7,428	7,364
	16,674	**18,981**
Financial liabilities		
Trade accounts payable	7,344	7,033
Profit-participation certificates	675	675
Liabilities to banks and other financial liabilities	394,219	288,702
Obligations from finance leases	182	277
Other non-derivative financial liabilities	7,261	3,497
	409,681	**300,184**

The market value of the named financial assets and liabilities roughly corresponds to their carrying amounts.

The following table shows the financial assets and liabilities measured at market values:

in € thousand	2008	2007
Financial assets		
Derivative financial instruments with cash flow hedge	310	177
Derivative financial instruments with fair value hedge	5	65
	315	**242**
Financial liabilities		
Non-hedge derivative financial instruments	717	771
Derivative financial instruments with cash flow hedge	4,848	86
	5,565	**857**

43. Capital risk management

The Group manages its capital with the aim of maximizing income for its stakeholders by optimizing the equity/borrowing ratio. This ensures that all of the group companies can operate as going concerns.

The Group's capitalization comprises liabilities, cash and cash equivalents and the equity due to investors in the parent company. This is made up of the issued shares and reserves.

Capital management aims to ensure the going concern assumption and to bring an adequate return on equity.

Capital is monitored based on economic equity. Economic equity is the balance sheet equity. Liabilities are defined as being non-current and current financial liabilities, provisions and other liabilities.

Balance sheet equity and the total assets are as follows:

	Dec. 31, 2008	Dec. 31, 2007
Equity in € thousand	185,457	194,372
Equity as a % of total capital	29.9	37.7
Liabilities in € thousand	435,208	321,442
Liabilities as a % of total capital	70.1	62.3
Total capital (equity plus liabilities) in € thousand	**620,665**	**515,814**

44. Executive bodies of the company

During fiscal year 2008, Ludwig Schlosser (mathematics graduate), Neuburg/Danube was VIB Vermögen AG’s sole Managing Board member.

Mr. Schlosser held the following positions in controlling bodies on December 31, 2008:

- Chairman of the Supervisory Board of BBI Bürgerliches Brauhaus Immobilien AG, Ingolstadt
- Chairman of the Supervisory Board of Raiffeisen-Volksbank Neuburg/Donau eG, Neuburg

Mr. Peter Schropp, Woerthsee, became a new member of the Managing Board as of January 1, 2009. He is responsible for real estate. Ludwig Schlosser will be the CEO.

The following were members of the Supervisory Board in fiscal year 2008:

- Franz-Xaver Schmidbauer (Chairman), engineering graduate
- Rolf Klug (Deputy Chairman), merchant
- Jürgen Wittmann, member of the Sparkasse Managing Board

45. Declaration of conformity with the German Corporate Governance Code

The declaration of conformity with the German Corporate Governance Code required according to Section 161 of the Aktiengesetz (AktG – German Public Limited Companies Act) was issued on March 13, 2008 for BBI Bürgerliches Brauhaus Immobilien Aktiengesellschaft by this company's Managing and Supervisory Boards and was made available to shareholders via the Internet (www.bbi-immobilien-ag.de).

46. Total remuneration of the Board of Directors

Total remuneration of € 271 thousand (previous year: € 278 thousand) was paid to the Managing Board in 2008 (of which performance-related remuneration: € 85 thousand; previous year: € 171 thousand).

47. Supervisory Board remuneration

The remuneration for members of the Supervisory Board totaled € 52 thousand during the fiscal year.

48. Events after the reporting date

Peter Schropp joined VIB Vermögen AG's Managing Board as of January 1, 2009. Since then he has been responsible for real estate. The former sole member of the Managing Board Ludwig Schlosser will be the CEO. Peter Schropp will continue to perform his activities as the sole member of BBI Bürgerliches Brauhaus Immobilien AG's Managing Board.

At the start of January 2009, the purchase price including incidental costs of € 16.0 million was paid for a commercial property in Regensburg, Osterhofener Straße (BusinessPark Section II). The amount was financed via a loan of € 12.9 million and a further € 3.1 million in equity.

The purchase price for a plot in Kirchheim (Hesse) was paid in mid-January 2009 in the amount of € 0.8 million. A further truck service station will be constructed on this plot, which lies on the junction between Freeway 4/Freeway 7. This will be let long-term. The planned total investment volume is around € 4.9 million. The price for the acquisition of the plot will initially be equity financed.

The remaining purchase price of € 1.8 million for the participating interest in R.V. Technik s.r.o. was paid at the end of January 2009. This amount was financed using a bank loan.

The company sold a hotel in Ingolstadt with 1,828 m² in February 2009. The sale proceeds to the amount of € 2.0 million accrued in April 2009.

VIB Vermögen AG and BBI Immobilien AG concluded a profit and loss transfer agreement on May 6, 2008. VIB Vermögen AG has undertaken to pay the outstanding shareholders of BBI Immobilien AG reasonable monetary compensation (guaranteed dividend) of € 0.64 (gross) per no-par value share for the duration of this agreement as a repeat annual payment. As an alternative to the compensation payment, VIB Vermögen AG has undertaken, at the shareholder's request, to acquire the shareholder's no-par value shares of BBI Immobilien AG with an exchange ratio of 8.02 to 11.62, i.e., against compensation in shares of 1.45 no-par value shares of VIB Vermögen AG for each no-par value share of BBI Immobilien AG. The deadline for acceptance of the compensation offer (exchange of shares) is normally two months after publication of the compensation offer. The compensation offer was published on March 3, 2009. However there is currently litigation pending with regard to the level of the exchange ratio and the compensation payment. The conversion deadline will thus not end before this pending litigation has been concluded. A precise date cannot currently be foreseen. To date, a total of 95,484 shares have been exchanged by five shareholders of BBI Immobilien AG.

49. Related parties

VIB prepares these consolidated financial statements as the uppermost controlling company. These consolidated financial statements are not included in any higher-level consolidated financial statements.

According to IAS 24, related parties are persons or companies which can be influenced by the reporting enterprise, or which can influence the enterprise.

On the balance sheet date, the balance sheet included receivables from Tre Effe S.R.L. from deliveries totaling € 141 thousand (previous year: € 108 thousand) resulting from the supply of beverages. Beverage deliveries totaling € 623 thousand were executed with Tre Effe during the fiscal year. Furthermore, there were receivables from VIMA Grundverkehr GmbH to the amount of € 1,834 thousand (previous year: € 2,106 thousand) as of the balance sheet date.

In addition, the company has concluded several loans with Eurohypo AG as part of its business activities. A member of BBI AG's supervisory board is a branch manager with Eurohypo AG in

Munich. BBI AG concluded a non-current loan for € 48 million to finance the acquisition of 15 garden centers with Eurohypo AG, Stuttgart branch. This loan has been fully exhausted. In order to finance the Bavaria portfolio, it concluded a further loan of € 62 million. This has currently been drawn down in the amount of € 16 million. In addition, Eurohypo AG granted BBI AG a credit line with a current total of € 20 million. Of this amount € 14 million has been drawn down.

Transactions between related parties are exclusively conducted at standard market conditions (arm's length transactions).

50. Employees

In fiscal year 2008 the Group had an average of 108 employees (of which: BBI Group – 90 employees) (previous year: 12 employees (without BBI AG)).

51. Authorization of the consolidated financial statements for issue within the meaning of IAS 10.17

The Managing Board authorized these consolidated financial statements for publication on April 27, 2009. The Supervisory Board's task is to review the consolidated financial statements and declare whether it approves the consolidated financial statements.

Neuburg/Danube, April 27, 2009

Ludwig Schlosser
(CEO)

Peter Schropp
(Managing Board)

| List of shareholdings

There are the following material direct and indirect shareholdings:

Name and registered office	Share-holding	Equity in € thousand	Earnings in € thousand
Merkur GmbH, Neuburg a.d. Donau	100.00 %	0	-312
VIMA Grundverkehr GmbH, Neuburg a.d. Donau	50.00 %	251	212
Gewerbepark Günzburg GmbH, Neuburg a.d. Donau	87.50 %	641	251
VSI GmbH, Neuburg a.d. Donau	74.00 %	651	-46
IVM Verwaltung GmbH, Neuburg an der Donau	60.00 %	0	-106
RV Technik s.r.o, Nyrany, Czech Republic	100.00 %	0	-33
CMG Center Marketing GmbH, Gersthofen*	100.00 %	78	-39
BBI Bürgerliches Brauhaus Immobilien AG, Ingolstadt***	82.01 %	50,233	536
Unterstützungskasse der Bürgerliches Brauhaus Ingolstadt GmbH, Ingolstadt*	100.00 %	25**	0
Herrnbräu GmbH & Co. KG, Ingolstadt*	100.00 %	5,039	36
Herrnbräu Geschäftsführungs-GmbH, Ingolstadt*	100.00 %	29	2
Mittelbayerischer Getränke-Vertrieb GmbH & Co. KG, Ingolstadt*	100.00 %	10	0
Herrnbräu Gaststättenbetriebs GmbH*	100.00 %	26	1
Tre Effe S.R.L, Forli, Italy* (Fiscal year 207)	40.00 %	236	-23

* Direct interest
** Only 50% paid in
*** Result before profit transfer

In addition, VIB Vermögen AG holds interests in the following companies as a shareholder with unlimited liability:

Name and registered office	Share-holding	Equity in € thousand*	Earnings in € thousand
Industriepark Neuburg GbR, Neuburg a.d. Donau	94.00 %	--	1,363
VR1 Immobilienverwaltung GbR, Neuburg a.d. Donau	94.94 %	--	254

* Equity not stated, as profits are identified for these companies within the meaning of Section 4 (3) of the Einkommensteuergesetz (EStG).

| Auditors' opinion

We have audited the consolidated financial statements prepared by VIB Vermögen AG, Neuburg a.d. Donau, comprising the balance sheet, income statement, statement of changes in equity, cash flow statement and notes, together with the group management report for the fiscal year from January 1 to December 31, 2008. The preparation of the consolidated financial statements and the consolidated management report in accordance with the IFRS, as adopted by the EU, and the additional requirements of commercial law pursuant to Article 315a Section 1 HGB (German Commercial Code) are the responsibility of the Company's Managing Board. Our responsibility is to express an opinion on the consolidated financial statements and on the consolidated management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Article 317 HGB and generally accepted standards for the audit of financial statements promulgated by the German Institut der Wirtschaftsprüfer (Institute of Public Auditors, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's legal representative, as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We are confident that our audit provides a sufficiently sound basis on which to make an assessment.

Our audit led to no objections.

In our opinion, based on the results of our audit, the consolidated financial statements comply with IFRSs as these are to be applied in the EU and the supplementary provisions of the HGB as stipulated by Section 315a (1) of the HGB, and convey a true and fair view of the group's financial position and results of opertions. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Augsburg, April 27, 2009

S&P GmbH
Wirtschaftsprüfungsgesellschaft

Oliver Kanus	Tobias Pflanzer
Auditor	Auditor

| Financial glossary

Annuity loans	Annuity loans refer to a loan with constant payments (installments) for its entire term. The installments comprise both a redemption payment and interest. As a result, the remaining debt is repaid step by step each time an installment is paid, thus reducing the amount of interest paid in each installment. At the end of the term, the loan is repaid in full. An annuity loan has numerous advantages compared to other types of loans. The agreement of constant installments over the term of the loan means that this type of credit financing allows the future cash flows to be easily forecast. The changes in the remaining debt can be precisely determined and this decreases constantly over the term of the loan. In addition, annuity loans typically do not have long terms, which means that the monthly repayments can be kept constant.
Associated company	A company is an associated when it is subject to a significant influence by a group company which holds a participating interest in it. According to the Handelsgesetzbuch (HGB – German Commercial Code), this is always assumed when the group company holds an equity interest with voting rights of at least 20% (Section 311 of the HGB). The significant influence is shown by representation in the Supervisory Board and participation in key company decisions. Associated companies are carried in the consolidated financial statements at equity within the meaning of Section 312 of the HGB. In so doing, the respective value of the participating interest is recognized in income and adjusted for proportionate earnings from participating interests, based on what are generally annually amortized costs. The annual earnings of the associated company are carried separately in the consolidated income statement .
Bavaria portfolio	Project-development portfolio comprising 10 consumer-related commercial properties.
Bavaria-Westfalia portfolio	Project-development portfolio comprising six consumer-related commercial properties
Cash flow	KPI for analyzing equities or companies. The cash flow is mostly calculated by adding the net income, amortization/depreciation, changes in non-current provisions and income taxes. It shows the cash provided within a specific accounting period. It is used in investment accounting, which aims to provide quantifiable data to be used in decision making when assessing pending investment projects. The cash flow is also a key indicator for balance sheet and financial analysis. There is no uniform definition. The DVFA/SG cash flow attempts to provide a uniform definition.
Cash earnings	The "cash earnings" (cash flow) are of key importance when assessing the funds that a company earns. Cash earnings show the financial surplus provided by ongoing business activities recognized in income, however without taking the change in net current assets into account. Put in simpler terms, it shows the excess revenues – the amount by which payments received are greater than expenses. The manner in which these are calculated means that cash earnings are more difficult to manipulate than profits. In contrast to calculations for net income, they do not include provisions and amortization/depreciation. They only include cash income. The cash earnings flow is thus a financial indicator for a company's intrinsic financing or earnings strength.
Cash flow hedge	Financing instrument to hedge the company against cash flow fluctuations as defined in IAS 39.
EBIT	EBIT is a corporate indicator and stands for earnings before interest and taxes.
EBT	Abbreviation for earnings before taxes (including extraordinary result).
Equity method	A valuation method for interests in companies for which a significant influence can be exercised in their business policy (associated companies). The proportionate net profits/losses for the company are included in the carrying amount of the interests. In the case of disbursements, the carrying amount is reduced by the proportionate amount.
Fair value	Market value at which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Fair value hedges	A fair value hedge hedges the risk of a change in the fair value of an asset or liability included in the accounts, or a firm commitment not included in the accounts, or a specific proportion of such an asset or liability or such a fixed commitment, if this proportion can be allocated to a specific risk and could impact earnings for the period.
Finance leasing	Transfer of an asset from the lessor to the lessee for a basic lease period which cannot be terminated.
IAS	International Accounting Standards, see IFRS
IFRS	Abbreviation for International Financial Reporting Standards, formerly International Accounting Standards (IAS). These accountings standards have been compulsory for listed companies in the EU since January 2005. There was a transitional period through to January 1, 2007 for individual companies. In particular these were companies which had previously applied US GAAP, and companies which are only listed on the capital markets with debt securities. IFRS are developed by the IASB (International Accounting Standards Board), a private accounting body.
Interest rate swap	Exchange of fixed or variable interest commitments for two nominal capital amounts for a fixed period.
NAV	Abbreviation for net asset value. This is the value of all of a company's tangible and intangible assets, less liabilities. This figure aims to reflect the company's fundamental value, however it does not provide any information on hidden reserves or the company's future prospects.
Portfolio transaction	Sale of several properties in a package.
Specialist store	Individual, large-sized, mostly state-of-the-art retail stores, which mostly carry a specialist range of non-food products with great depth and breadth.
Specialist store center	Collection of medium to large-sized specialist stores or stores similar to specialist stores from various sectors that are close to the customer.
Supermarket/self-service department store	Food store in a property which is similar to a department store.
Triple net rental agreement	In a triple net rental agreement, the tenant pays all of the operating costs (incl. insurance, land tax).
Working capital	Refers to current assets.

| Notes

| Imprint

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This Annual Report contains forward-looking statements that involve risks and uncertainties. These statements are based on the plans, estimates and projections of the management board of the VIB Vermögen AG and reflect its present beliefs and expectations with regard to future occurrences. Such forward-looking statements can be recognized by the use of words or expressions such as "expect", "estimate", "intend", "can", "will" or similar expressions with reference to the company. Factors that can make a difference or can influence are without any claim to completeness, e.g. the development of the real estate market, competitive infl uences including price changes or regulatory measures. Should any of these or other risks and uncertainties occur or the underlying assumptions in the statements prove to be incorrect, the actual results of the VIB Vermögen AG could differ materially from those contained or implied in any forwardlooking statement. The company undergoes no obligation to update any such forward-looking statements.

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