visionary | individual | beneficial

2009

Annual Report

VIB Vermögen AG

Group indicators (IFRS)

in € thousand	2009	2008
Balance sheet total	662,622	620,665
Equity	193,540	185,457
Equity ratio	29.2%	29.9%
Net debt	425,514	389,151
Gearing	242%	235%
Net Asset Value (NAV)	204,485	188,988
NAV per share	11.85 €	11.06 €
Cash flow from operating activities	37,489	30,195
Net retained profits (VIB Vermögen AG)	4,434	3,417
Consolidated net income	12,343	5,001
Undiluted earnings per share	0.70 €	0.32 €
Dividend per ordinary share*	0.25 €	0.20 €

* Proposal by management

Real estate segment by indicators

in € thousand	2009 Total	2009 Real Estate	2008 Real Estate
Revenues	63,061	49,195	42,145
Operating income	62,168	48,167	42.538
EBIT	34,061	33,301	28,163
EBIT margin	54.8%	69.1%	66.2%
Pre-tax earnings (EBT)	14,501	13,909	11,284
EBT margin	23.3%	28.9%	26.5%
Consolidated net income	12,343	12,142	8,341

| Table of contents

| 2009 – an overview

January 2009

- Peter Schropp reinforces VIB Vermögen AG's Managing Board
- Peter Schropp remains a member of the Managing Board of the subsidiary BBI Bürgerliches Brau-haus Immobilien AG
- Management and Supervisory Board increase share and buy a total of 220,000 VIB shares

March 2009

- VIB Vermögen AG makes portfolio optimization more concrete
- Sale of two commercial properties in Regensburg (Dec. 2008) and Ingolstadt (February 2009) for € 5.13 million
- Sale reinforces balance sheet and increases average rental return for the port folio

May 2009

- Publication of 2008 figures
- Revenues in real estate segment increase to € 42.2 million

July 2009

- VIB Vermögen AG pro-vides further details of forecast for 2009
- Revenues to climb to € 48.5 million and EBT to € 14.3 million

August 2009

- Announcement of H1 figures and forecast increased
- FFO per share lifts to € 0.42 per share (2008: € 0.23)
- Objective for 2009: EBT before market valuation of properties of € 15.8 million

October 2009

- Kreissparkasse Biberach joins VIB Vermögen AG
- Now second long-term key shareholder from the regional banking sector has been acquired
- Swabian bank acquires 9.5% interest in VIB Vermögen AG

November 2009

- Group subsidiary BBI Immobilien AG restructures beverages segment
- Formation of BHB Brauholding Bayern-Mitte AG bundles brewery activities and forms foundations to accelerate regional strategy
- Aim: Focused, independent, successful further development of the real estate and beverages segments

December 2009

- VIB Vermögen AG further increases real estate portfolio
- Acquisition of four high-margin properties at group level in second half of fiscal year
- With a total investment volume of € 22.5 million, the properties generate annual net rental income of € 1.6 million

| Letter to shareholders

Dear Shareholders,

2009 has been a very successful year for VIB Vermögen AG. We have again been able to substantially improve our revenues and earnings, despite a very difficult general economy. This success is the result of our hard, constant work in previous years – and we are now reaping the fruit. That is why we are very pleased to be able to present you with our company's positive results.

During the past fiscal year 2009 we increased our consolidated revenues to around € 63.1 million, up 11.9% compared to the previous year's figure of € 56.4 million. Of this total, € 49.2 million was due to our core business of real estate, after € 42.1 million. This figure was thus even up 16.9 % year-on-year. In addition, VIB Vermögen AG has sustainably improved its EBIT. Compared to € 23.7 million in 2008, consolidated EBIT totaled € 34.1 million in 2009. Here too, the bulk was generated in the real estate segment, where EBIT increased by 18.1% to € 33.3 million (previous year: € 28.2 million). After deducting all costs, consolidated earnings increased by a superb 146.0% to € 12.3 million (previous year: € 5.0 million). Of this total, € 12.1 million was due to real estate, compared to € 8.3 million in the previous year.

VIB Vermögen AG's aims are to retain excellent quality and generate high earnings. We want to record attractive returns and create solid value. Our earnings strength is particularly apparent if we look at the funds from operations (FFO), which indicate the cash flows from operating real estate business. In fiscal year 2009, we were able to increase our FFO per share to € 0.95, a growth of around 42% compared to the previous year's figure of € 0.67. This means that we are one of the most profitable listed real estate companies in Germany. At the same time, our net asset value (NAV) per share, which has climbed to € 11.85 (previous year: € 11.06) underscores the sustained value of the VIB Group's real estate portfolio.

The reason for this significant improvement was the renewed increase in our real estate portfolio during the past fiscal year. Our acquisition of seven new commercial properties during the year under review means that we have once again increased our income base in the real estate segment. In future, these properties will contribute annual rental income of around € 4.1 million to our company's success. In terms of the total investment volume of around € 51.1 million, these properties generate an annual rental return of 8.0%. In addition, the properties already included in the portfolio in the previous year generated rental income over the full year for the first time in 2009, thus further improving our earnings. We have also made targeted investments in attractive properties over the past few years. Our real estate portfolio now has a total rental area of around 645,000 m² with a market value of around € 638 million – a substantial size on the German commercial real estate market.

This operating growth was made possible – despite the most severe recession in decades – by two factors in particular: Our tried-and-tested business model as well as our employee's competence and dedication. The approach of VIB Vermögen AG and the companies of the Group is geared to stability and security, and this has paid off in the recent economic crisis. Most of our financing is long-term and uses tradition annuity loans, generally without covenants. However, we receive attractive borrowing conditions as a reliable borrower thanks to our high credit rating. This stems from our long-standing cooperation with our banks as well as our comparatively high use of equity. In addtion, we focus on one geographic region that we know very well, and which is one of Germany’s growth drivers: Southern Germany.

The people behind VIB Vermögen AG are just as important for our success. Over the past few years, we have expanded our portfolio tremendously and have enjoyed strong growth. At the same time, our employee numbers have only increased moderately. Today, we manage a portfolio of 85 properties with 19 employees, and we cover all management issues ourselves. This is only possible with a team of highly competent and dedicated employees, and we would like to take this opportunity to thank them.

In addition to the very pleasing growth in the real estate segment, our beverages segment also enjoyed developed well. Despite the tense market, this segment was mostly able to detach itself from the trend in the industry, which means that this segment also contributed to our overall success. In addition, during the past fiscal year, we laid the organizational foundations for the segment’s focused, independent further development. BHB Brauholding Bayern-Mitte AG (BHB Brauholding AG) was formed in November. This company bundles all of the beverage activities. At the start of 2010, both of the members of BHB Brauholding AG’s Managing Board, Gerhard

Bonschab and Franz Katzenbogen, acquired significant participating interests in this company as part of a cash capital increase. We are very pleased to have these two proven experts with long-standing expertise on board, and that they are so clearly committed to BHB Brauholding AG. By implementing this capital increase, the interest held by our subsidiary BBI Bürgerliches Brauhaus Immobilien AG (BBI Immobilien AG) in BHB Brauholding AG fell to around 73%.

Our aim for the beverages segment is clear: We want to drive independent further development. We believe that there are promising opportunities in this regard - at the end of the day BHB Brauholding AG has well-known brands and a strong regional competitive position. These advantages are to be used even more in future, by establishing the company as a leading regional player. In this regard, market penetration is to be increased and additional brands are to be united under the umbrella of BHB Brauholding AG. During the past 24 months, the brands Ingobräu and Gritschenbräu were successfully integrated beside the respected HERRNBRÄU brand. This path is to be continued. In order to provide BHB Brauholding AG with the necessary resources, in March 2010 it was decided to prepare a capital increase with a public offer. The funds from this capital increase will broaden the financial basis for the continuation of the regional strategy, so that the company can act quickly and flexibly on the market in future. The share held by our subsidiary BBI Immobilien AG is expected to fall to below 50% when the capital increase is implemented. This would lead to BHB Brauholding AG being deconsolidated and thus also the Beverages segment no longer forming part of the VIB Group. The Group's reporting could then focus exclusively on the real estate segment. This will enhance transparency and clarity for all of those involved.

So what's next at VIB Vermögen AG and what are the perspectives for the current fiscal year? We have achieved a lot over the past few years. In view of the economic environment, which continues to be insecure, our priority for 2010 is on consolidating the success we have reached to date. Operating activities focus on active asset and portfolio management. As a result, we will selectively and targetedly reinforce the portfolio, while at the same time securing and increasing earnings strength by making individual reclassifications in the portfolio. As the properties acquired during the past fiscal year contributed to rental income for a full year for the first time last fiscal year, we are still forecasting further improvements in revenues and earnings in the real estate sector for 2010. During the current year, we plan to lift revenues in our core business to around

€ 51 million. We are forecasting EBIT of € 37 million. We are also expecting pre-tax earnings prior to the valuation of properties at a group level of around € 17 million in fiscal year 2010.

We would like to thank you, our shareholders, for your trust in our company. 2009 was a record-breaking year. Therefore, we want to allow you to participate in VIB Vermögen AG's success. We believe it is time to lift the dividend disbursement, and hence we will propose increasing the dividend from € 0.20 per share last year to € 0.25 this year at the General Meeting, to be held on July 6, 2010.

Yours sincerely,

Neuburg/Danube, May 4, 2010

Ludwig Schlosser | Peter Schropp

| Interview with the Managing Board

VIB Vermögen AG achieved record results in 2009. The Managing Board members Ludwig Schlosser (right) and Peter Schropp (left) comment on the course of fiscal year 2009, discuss the background to the plans for the subsidiary BHB Brauholding Bayern-Mitte AG and provide an outlook for the future.

Mr. Schlosser, how was 2009 for VIB Vermögen AG?

Ludwig Schlosser: Excellent. We increased revenues in our core business – the real estate segment – by 16.9% to € 49.2 million. After deducting all costs, our consolidated earnings lifted year-on-year by 146.0% to € 12.3 million. The real estate segment contributed € 12.1 million in this regard. That means that 2009 was a record-breaker for VIB Vermögen AG.

Peter Schropp: In addition, we further strengthened our portfolio during the past fiscal year. In total, we took seven high-margin properties onto our books. The majority is located in our core market of Southern Germany. We can most clearly see the success of this expansion in our funds from operations (FFO), our operating result before amortization/depreciation and before profits from divestitures, project development and revaluations, as well as after the deduction of effective income taxes. This figure was already very strong last year in a peer-group comparison at € 0.67 per share. We were able to improve our FFO to € 0.95 per share in 2009 – one of the best figures in Germany.

What do you do with the money? FFO is also an indicator for the distributable profits.

Ludwig Schlosser: We mostly use the FFO to repay financial liabilities and to pay dividends. In terms of redemptions, we must note that our financing mostly uses annuity loans. That means that we pay a monthly installment on the corresponding loan, which comprises interest and the repayment. This instrument was discredited by many market observers as being "old-fashioned", but it stood the test in the recent crisis. We constantly repay the liability during the term of the loan, which saves us a high balloon payment at the end of the term. This allows us to gain an enormous amount of financial stability, and the reduction in our liabilities constantly increases our net asset value (NAV).

Peter Schropp: Furthermore, we must not forget that our position with our banks is constantly increasing. In practice, we conclude loans over a longer period, with the result that only the interest rate, but not the loan itself, has to be renegotiated. As the liability has already been partially repaid by then, we are able to agree attractive conditions. This can be clearly seen in our average interest rate of 4.45% for our credit portfolio – a very low figure compared to other real estate companies.

Turning to dividends: What is your fundamental dividend policy?

Ludwig Schlosser: We have always regarded our shares as being dividend-bearers. Our dividend in the past has continuously been € 0.20 per share. In view of the very strong year we enjoyed in 2009, we believe the time has now come to lift the dividend, thus allowing investors to participate in VIB Vermögen AG's success. That is why we are proposing a dividend of € 0.25 per share to the General Meeting. Around 62.4% of the dividend will be tax-free.

Peter Schropp: We pay great attention to ensure that our business policy is sustainable. In terms of our dividend, that means that we don't pay out what we don't have.

There has been a lot going on in the beverages segment recently. What exactly has happened and what is the background to this?

Peter Schropp: We formed BHB Brauholding Bayern Mitte AG in November last year to bundle our activities in the beverages segment. Our aim is clear: We are a real estate company and believe that this is our core competence. That is why our beverages segment is to be positioned to enable it to continue to develop independently. The management has now acquired a participating interest of more than 25% in BHB Brauholding AG as part of a cash capital increase. In addition, we have decided to implement a further capital increase.

What does that mean in concrete terms?

Peter Schropp: We are planning a capital increase with a public offer – for our subsidiary BHB Brauholding AG. This will further increase the company's financial footing and create additional flexibility for future growth. Implementing the capital increase will cause our interest in BHB Brauholding AG to fall to less than 50%. That means we will no longer have to consolidate the company. This will increase transparency and clarity for all of those involved.

The German commercial real estate market is looking back on a difficult year, in particular in view of the economic situation. At the same time, VIB Vermögen AG enjoyed great success last year. What do you see as the company's strengths?

Peter Schropp: A major positive factor is certainly the combination of a conservative, clearly defined business model and our entrepreneurial approach. Our activities are geared to our guiding principle – visionary, individual, constant – and we act as "prudent merchants". This has paid off in the crisis.

Ludwig Schlosser: What is more, VIB Vermögen AG boasts a highly competent, dedicated team of employees. Their network, abilities and motivation is our greatest competitive advantage. We manage our portfolio of 85 properties ourselves, with a team of 19 employees. Although we have increased our real estate portfolio significantly over the past few years, our staff numbers have only increased moderately. And you can only do that if everyone's moving in the same direction. And that's why we would like to praise and thank our colleagues!

And how will things look in 2010?

Ludwig Schlosser: We have achieved a great deal over the past few years and enjoyed very rapid growth. Our real estate portfolio now has a total rental area of around 645,000 m² with a market value of around € 638 million – a substantial size on the German commercial real estate market. Now, our initial focus is on consolidation. However, we believe that revenues and earnings will continue to increase in the real estate segment, as the properties acquired last year will contribute to rental income for a full year for the first time in 2010. That is why we are expecting pre-tax earnings prior to the valuation of properties at a group level of around € 17 million in fiscal year 2010.

| Supervisory Board report

Dear Shareholders,

During the period under review, the Supervisory Board prudently 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

The Managing Board regularly provided the Supervisory Board with prompt, in-depth written and verbal 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 Managing Board also reported on management issues between the actual meetings orally and in writing. Moreover, the Chairman of the Supervisory Board was in regular contact with the Managing Board and received reports from the Managing Board on the current state of business and key transactions.

Meetings and resolutions

Five 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. In the meetings, the Managing Board reported to the Supervisory Board on the company's business and provided information on the company's management comprehensively, in detail, in good time, in writing and verbally and in line with the statutory requirements on the course of business, the position and structure of the company and the group, and on their strategy and development. We discussed all of the key projects and transactions that were of importance for the company, in particular possible real estate transactions and the financing situation and risk management system in the group in the Supervisory Board meetings based on the reports by the Managing Board, and passed the resolutions required as a result of statutory provisions or the articles of incorporation. The Supervisory Board approved the transactions with an approval requirement that the Managing Board presented in line with the Supervisory Board's by-laws and also the law and resolutions by the General Meeting, after reviewing these carefully and discussing them in detail with the Managing Board. The resolution for decision by the General Meeting on July 7, 2009 was passed at the meeting on April 28, 2009.

The Supervisory Board did not form any committees in fiscal year 2009 due to its size.

2009 annual financial statements and consolidated financial statements

The annual financial statements (HGB) and management report and the consolidated financial statements (IFRS) and group management report as of December 31, 2009 were audited by the auditors S&P GmbH Wirtschaftsprüfungsgesellschaft, Augsburg, appointed by the General Meeting. The audits led to an unqualified auditor's opinion in each case. The audited annual financial statements and management report and the audited consolidated financial statements with group management report and the respective audit reports and audit documents were presented to the members of the Supervisory Board in good time to give them sufficient opportunity to review these. In its meeting to discuss the financial statements on May 4, 2010, in the presence of the auditor, the Supervisory Board discussed the financial statements for fiscal year 2009 and the results of the audit. The Supervisory Board carefully reviewed the annual financial statements with management report and the consolidated financial statements with the group management report for fiscal year 2009. The Supervisory Board concurs with the results of the auditor's audit after its own careful review of the annual financial statements with management report and the consolidated financial statements with the group management report. The Supervisory Board approved the annual financial statements and consolidated financial statements for fiscal year 2009. The annual financial statements for VIB Vermögen for fiscal year 2009 are thus adopted.

After careful examination, we concur with the Managing Board's proposal to the General Meeting to distribute in full the company's net retained profits for 2009 in the amount of € 4,433,973.50 to pay a dividend to shareholders of € 0.25 per dividend-entitled no-par value bearer share.

Personnel changes

In order to support the company's strong operating expansion and to further optimize the management structure of the VIB Group, as of January 1, 2009 the sole member of the Managing Board of the subsidiary BBI Bürgerliches Brauhaus Immobilien AG was also appointed as a member of the company's Managing Board responsible for real estate. At the same time, the former sole member of the Managing Board Ludwig Schlosser was appointed as CEO. There were no changes to the Supervisory Board in 2009.

The Supervisory Board is very pleased with the VIB Group's economic growth in fiscal year 2009 and supports the Managing Board in its strategy of optimizing the portfolio of commercial properties after years of strong growth.

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

Neuburg/Danube, May 4, 2010

On behalf of the Supervisory Board

Franz-Xaver Schmidbauer, Chairman

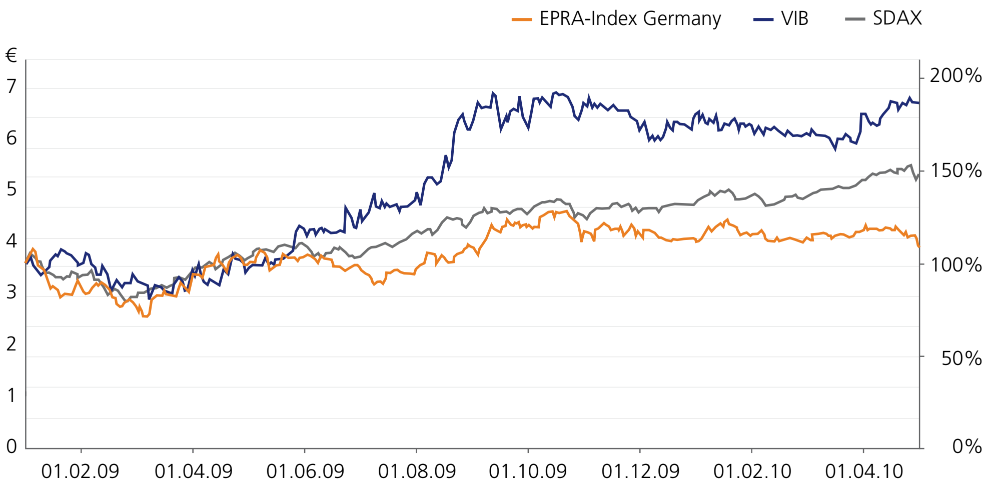
| VIB Vermögen AG – shares

Overview

Ordinary shares	
German Securities Code (WKN)	245751
ISIN	DE0002457512
Symbol	VIH
Number of shares in circulation	17,735,894 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	€ 17,735,894
Theoretical interest per share	€ 1.00
Net asset value (NAV) per share	€ 11.85
Balance sheet equity (consolidated)	€ 193,540 thousand
Earnings - Basic	€ 0.70
Dividend*	€ 0.25

* Proposal by management

Stock Exchange: XETRA, January 1, 2009 to April 9, 2010

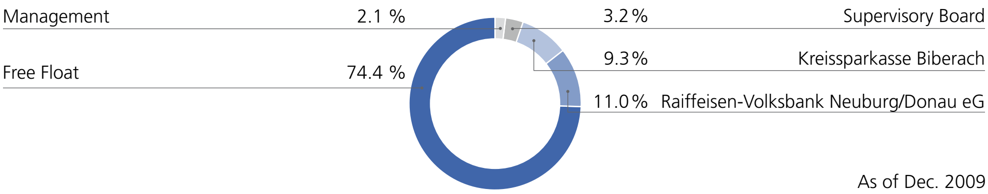


In the past fiscal year, the economic crisis made for extremely volatile markets. After a weak start during the first quarter, the markets recovered remarkably over the subsequent months, exhibiting significant price gains. Against this market environment, VIB Vermögen AG's shares outperformed the overall market and reported strong growth. Both the real estate specific benchmark index EPRA-Germany and the SDAX performed significantly worse than the shares of VIB Vermögen AG.

During the first quarter of 2009, VIB Vermögen AG shares came under pressure due to the negative market environment. The shares bottomed out at € 2.95 in March 2009, but performance started to pick up after the company's 2008 results were published and the upward trend continued. In October 2009 the share price peaked at € 6.92. After falling slightly, VIB Vermögen AG shares ended the year at € 6.49. This corresponds to a market capitalization of around € 115.1 million. As a result, the share price was 45.2% lower than the intrinsic value (NAV) of € 11.85 per share.

2009 also saw improvement in the liquidity of the VIB shares. Roughly 5,450,000 shares were traded on the XETRA exchange alone with an average trading volume of around 22,000 shares per day. Last year, this figure was only about 14,500 per day.

Shareholder structure



The shareholder structure of VIB Vermögen AG has a healthy mix of free float and long-term investors. Around 74.4% of shares are held in free float. Furthermore, the company acquired an additional key shareholder in 2009 with Kreissparkasse Biberach. The Swabian bank, which has total assets of around € 6.3 billion, currently holds an interest of 9.3% of voting rights. Next to Raiffeisen-Volksbank Neuburg/Danube eG (11.0%), VIB Vermögen AG thus now has a second long-term investor from the regional banking sector. With holdings of 2.1%, the management also has a significant interest in the company. The Supervisory Board recently purchased additional VIB vermögen AG shares, increasing its holdings from 2.3% to 3.2% during the year under review.

Investor Relations

VIB Vermögen AG makes it a top priority to engage in open, intense dialogue with analysts, investors and the trade press. Transparent, timely and comprehensive reporting offers the interested public an opportunity to gain insight into the company, whose shares are traded on the Open Market segment of the Deutsche Börse AG and the M:Access segment of the Munich Stock Exchange. VIB Vermögen AG publishes comprehensive annual and mid-year results in accordance with IFRS standards and issues regular press releases on business developments. In an effort to continue to broaden its shareholder base internationally, the company publishes all market-relevant information in German and English.

The Managing Board also frequently meets with analysts and investors. During the past financial year, VIB Vermögen AG attended several capital market conferences and presented its results to the financial community. Other key investor relations activities included frequent road show presentations in Germany and abroad.

Since summer 2009, VIB Vermögen AG has expanded its reporting activities to include investment research by the renowned research firms SRC Research and SES Research. These reports can be downloaded from the "Investor Relations" page of the company's Web site, www.vib-ag.de.

Financial calendar

July 6, 2010	Ordinary General Meeting 2010
August 25, 2010	Publication of Semi-Annual Report 2009
September 7, 2010	20th m:access Analyst Conference, Frankfurt
September 14, 2010	Forum Financial Services, Frankfurt
October 28, 2010	Baader Small and Mid Cap Conference

General Meeting

The Ordinary General Meeting for fiscal year 2009 was held on July 7, 2009 in Neuburg/Donau. Representatives for roughly 37% of the shares issued were in attendance and all recommendations of the management were approved with over 90% of the votes cast.

The agenda of the Ordinary General Meeting included approval of the actions of the Managing Board and Supervisory Board, proposals for the use of the net retained profits from 2008, the selection of the auditors for fiscal 2009 as well as amendments to the Articles of Incorporation. In addition, the Ordinary General Meeting granted authorization to issue convertible bonds and bonds with warrants and to buy back shares.

The next Ordinary General Meeting will be held on July 6, 2010.

| Profile Roswitha Angermair

- Head of Real Estate department
- Joined VIB Vermögen AG in February 2007

„Close, personal contact to our tenants is the key to our success."

After holding various positions in the real estate industry, Roswitha Angermair has been head of VIB Vermögen AG's Real Estate department since January 2008. On an operational level, she is thus responsible for the company's core business – from project development for new properties through to asset management for the existing portfolio. Here tasks basically comprise two areas: She manages part of the portfolio herself, so she is engaged in operating activities. She also focuses on managing the Real Estate division. "My responsibilities in this regard are, in particular, cooperating with my colleagues in designing solutions that are both in the interests of our tenants and also the VIB Group," commented the trained bank clerk, summarizing her activities. She can rely on the active help of a team of seven employees. In her role as the link between the tenants and contacts at VIB, such as the Managing Board or the Accounting department, she also needs a lot of tact. "Especially the versatility of my tasks and the personal interaction with people bring fun into my daily work," commented Roswitha Angermair, and believes that this is also one of the reasons for VIB Vermögen AG's success. "Maintaining personal contacts with our tenants on an ongoing basis is a key factor in our business. It forms the foundations of a solid, trusting business relationship which also offers space for synergies."

After training as a bank clerk, Roswitha Angermair qualified as a real estate specialist and kept up her ongoing education by studying business administration in distance learning. "Real estate management is multifaceted – especially at VIB Vermögen AG with its highly diversified portfolio," she said, explaining her enthusiasm for her job. "In addition, you identify with your own work thanks to your own decision-making and responsibility."

| VIB Vermögen AG's real estate portfolio

Overview

VIB Vermögen AG's real estate portfolio is focused on strong earnings potential and broad risk diversification. The current portfolio features 85 properties with 645,000 m² of rentable space. The VIB Group became one of the top listed real estate companies in Germany in terms of vacancy rates with only 1% of properties vacant, demonstrating the quality not only of the properties, but also the asset management within the Group.

Key figures
(as of April 19, 2010)

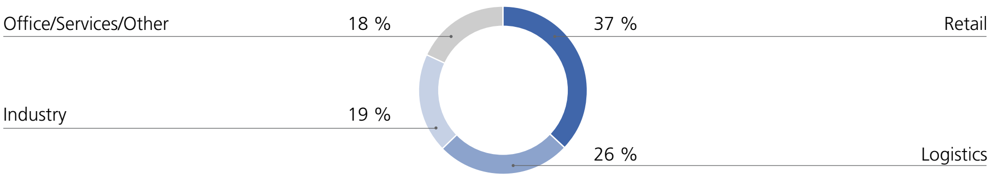
Number of properties	85
Rental area	approx. 645,000 m²
Annualized rental income	approx. € 43.7 million
Vacancy rate	approx. 1 %

The market value of the portfolio amounts to roughly € 638 million (including properties under construction and in development). The rental properties of the VIB Group generate an average rental return of 7.1% based on fair value. Yields were particularly attractive from the logistics segment and the industrial segment, both at 7.5%. Retail properties generated returns of 6.9% while yields from the office segment and others amounted to 6.6%. It is important to note that the company tends to sign long-term rental agreements with these latter segments, which bolsters confidence in terms of future rental income. VIB Vermögen AG has built a portfolio that combines the high profitability of industrial and logistics properties with the earnings stability of retail and service industry properties.

Rental return by segment based on market values
(as of April 19, 2010)

VIB Vermögen AG has greatly diversified its risk by distributing its holdings relatively even across various segments. Around 37% of the net rental income was generated by retail propeties, while an additional 26% come from the logistics segment. Real estate in offices, the service industry and other segments provided roughly 18% of the net rental income, while that figure amounted to about 19% for industrial properties. By covering such a broad range of segments in its portfolio, VIB Vermögen AG is less dependent on the developments in individual sectors.

VIB Group's real estate protfolio by net rental income/Segment
(as of April 19, 2010)



VIB Vermögen AG's real estate portfolio also features rental agreements with a high average residual term. Based on net rental income, the average residual term is 8.4 years. At the same time, it is important to consider that most of the contracts with a short remaining term are often made with longstanding tenants, such as those from the gastronomy industry. After a certain period, these tenants are entitled to terminate the contract agreements each year, but experience has shown that this rarely occurs. These contracts are usually automatically extended for an additional year.

The high tenant credit rating is also a factor here, due mainly to the emphasis the VIB Group places on tenant due diligence before concluding any agreements. Entering into agreements with financially stable tenants makes the VIB Group's rental income even more secure.

The VIB Group's tenant structure is also very heterogeneous. Only one tenant has a share of net rental income of over 10%, a leading German garden center retailer with strong financials. The other key tenants of the VIB Group are highly reliable industrial companies and robust retailers, with about half of the net rental income generated by comparatively small tenants. This broad spread helps diversify risk in the Group's real estate portfolio.

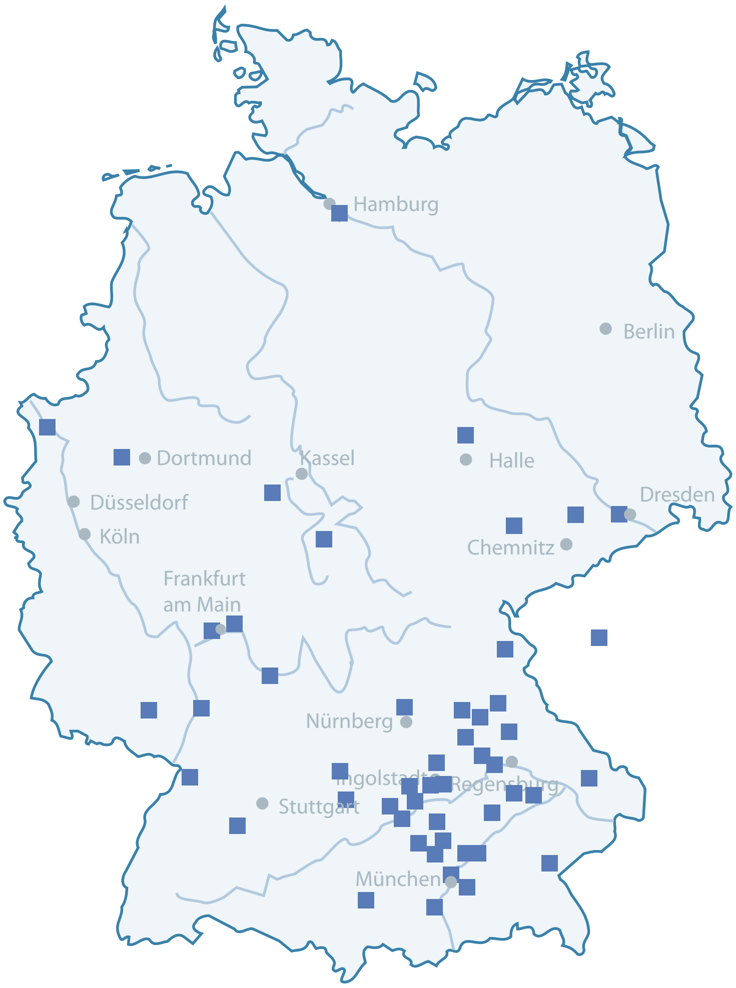
The VIB Group's tenant structure
(as of December 31, 2009)

Tenant	Share in net rental income
Garden Center Retailer (15 outlets)	14.12%
Rudoph Group	8.00%
Gillhuber Logistik GmbH	4.94%
Continental Automotive GmbH	4.29%
Loxxess-Gruppe	4.06%
BMW AG	3.54%
Faurecia Autositze GmbH	3.18%
Edeka-Gruppe	3.17%
Lidl-Schwarz-Gruppe	2.53%
Scherm Tyre & Projekt Logistik GmbH	2.50%
Other	49.67%
Total	**100%**

Real Estate locations

Properties in (examples):

- Aalen
- Dingolfing
- Dresden
- Gersthofen
- Großostheim
- Günzburg
- Haiming
- Hamburg
- Herten
- Ingolstadt
- Memmingen
- Neuburg/Donau
- Neufahrn
- Neumarkt
- Nürnberg
- Olching
- Pfaffenhofen
- Regensburg
- Simbach



The VIB Group's geographic focus is on Southern Germany for a variety of good reasons. This is the region in Germany with the highest growth and the greatest economic appeal, not to mention a heterogeneous economic structure, a convenient location in the heart of Europe and extremely favorable demographic trends compared with the rest of the country. These advantages reduce potential risk factors and contribute to value retention in the portfolio. What's more, the VIB Vermögen AG management has built an extensive network in the region, and these long-standing, personal and trust-based relationships enable the Group to strike quickly when opportunities open up on the market. This is one of the VIB Group's key competitive advantages.

The company also makes select investments in the rest of Germany and in neighboring foreign countries, often acquiring these properties in close collaboration with long-standing tenants.

Portfolio growth 2009

In the past fiscal year, the Group added seven new properties to its real estate portfolio. In January 2009, the Group acquired additional space in the Regensburg businessParks, providing an additional rental area of 19,958 m². The investment totaled € 18.8 million (for the acquisition and development), and in future this property will contribute an additional € 1.6 million to the company's rental income.

In addition, work was completed on the Group's property in Sangerhausen (Saxony Anhalt), a truck service station with a rental area of around 1,900 m². The property is fully let, and the rental agreement has a term of 22 years. Based on the investment of € 2.5 million, the property will generate annualized rental income of around € 0.2 million with an annual return of roughly 8.0%.

The Group added a second truck service station in Kirchheim (Hesse) in November 2009. This property is also fully let, and the rental agreement has a term of 22 years. Based on the investment of € 4.0 million, the property will generate annualized rental income of around € 0.3 million with an annual return of roughly 7.75%.

A logistics facility in Ingolstadt-Grossmehring (Upper Bavaria) was completed and handed over to the tenants on July 1, 2009. The easily accessible site has a total rental space of 12,800 m². Based on the investment of € 7.4 million, the property will generate annualized rental income of around € 0.7 million, with a return of 9.5% relative to historical cost.

Three additional high-yield retail properties and shopping centers from the Bavaria portfolio were transferred to the subsidiary BBI Immobilien AG. This included one specialist retail center in Oberammergau (Upper Bavaria) transferred on October 1, 2009. November 1, 2009 saw the transfer of another commercial space in Simbach, after work on the extension of a shopping center already owned by BBI Immobilien AG was completed. The second construction phase increased the overall rental area from around 2,100 m² to 10,326 m². Another shopping center in Freystadt (Oberpfalz) was added to the portfolio on November 16, 2009. All three properties are already fully let to various retail chains in good financial standing. The rental agreements with these tenants have terms between 10 and 15 years. Based on the investment of € 18.0 million, the property will generate annualized rental income of around € 1.24 million, which corresponds to an annual rate of return of 6.9%.

In total, the VIB Group newly acquired or expanded seven properties in the 2009 fiscal year, bringing the overall investment volume to around € 51.1 million. The properties newly added in 2009 have a total rental area of around 47,400 m² and generate additional annualized net rental income of around € 4.1 million. VIB Vermögen AG thus records a rental return of approx. 8.0% including the new properties it acquired in 2009.

As part of the ongoing optimization of its portfolio, the VIB Group also sold a hotel in Ingolstadt with a rental area of 1,828 m² in February 2009. Proceeds from the sale totaled € 2.0 million. The motive behind the sale was to improve the average rental return of the Group's overall portfolio.

Real estate transactions in 2009

Freystadt, Berchinger Str. 38 a-f

Takeover	11/2009
Type of use	Retail
Rental Area	4.336 m²

Großmehring, Gutenbergstr. 3

Takeover	07/2009
Type of use	Logistics
Rental Area	12.800 m²

Regensburg, Osterhofener Str. 8-17

Takeover	01/2009
Type of use	Office/Services
Rental Area	19.958 m²

Kirchheim, Am Friedrichsfeld 5

Takeover	11/2009
Type of use	Logistics
Rental Area	2.581 m²

Sangerhausen, An der Zolltafel 5

Takeover	02/2009
Type of use	Logistics
Rental Area	1.900 m²

Oberammergau, Zur Lok 2-6

Takeover	10/2009
Type of use	Retail
Rental Area	3.828 m²

Simbach, Simon-Breu-Str. 37-45

Takeover	11/2009
Type of use	Retail
Rental Area	2.098 m² (extension)

Profile Rainer Hettmer

- Head of Participations, Controlling and Financing
- Joined VIB Vermögen AG on January 1, 2002

„We have always stuck to our clearly defined strategy. This has paid off in the crisis.“

Rainer Hettmer has played a role in VIB Vermögen AG's success from the very beginning. He joined the company on January 1, 2002, and the Prokurist (authorized signatory) already became acquainted with the company beforehand during his 25-year career with Volksbank Neuburg. From its formation, through to the IPO and the capital increases that VIB Vermögen AG has performed, Rainer Hettmer has actively supported the company in all stages of its growth, and has constantly built up his expertise, in particular with regard to the capital market. Now he is responsible for managing the Participations, Controlling and Financing departments – a broad spectrum which demands a high degree of dedication and competence. The trained bank clerk believes that "not being afraid of a full desk" is a key requirement for his job. He obtained the requisite know-how in comprehensive training courses. One of the focal points of Rainer Hettmer's work is managing VIB Vermögen AG's financial liabilities. These include new financing, extensions, negotiations with banks – key points in a real estate company's business activities. At the same time, he is also a managing director of VIB's affiliated companies.

„We have always held true to our basic principle: You have to earn the money first before you can spend it," and in his long-standing career with VIB Vermögen AG he believes that this is a fundamental element of the company's strategy and business philosophy. "What is more, our working environment is excellent – our work is fun." The directly visible effects of his own activities motivate Rainer Hettmer: "My work is never boring and you can quickly see what you have achieved. It's easy to get things moving at VIB Vermögen AG."

Investment plans and portfolio optimization

Overall, the VIB Group has added a total of 19 properties with a volume of roughly € 171.1 million to its portfolio during fiscal 2008 and 2009, seven of those during the past fiscal year alone. This growth strategy has certainly paid off, as demonstrated by a significant increase in revenues. The company's focus on securing its capital structure over the long term – especially when faced with the recent financial and economic crisis – has proven to be a key stabilizing force for the VIB-Group as well as a valuable competitive advantage.

In the current fiscal year 2010, the company initially plans to focus its real estate strategy on the continuing optimization of its portfolio through reclassifications and targeted investments. With this, the Group hopes to maintain and/or increase its profitability thanks to clearly defined investment criteria. Thus VIB Vermögen AG remains true to its stated goals of expanding the property portfolio and driving corporate growth.

Real estate portfolio financing

In the financing strategy for its real estate portfolio, VIB Vermögen AG takes a conservative approach that emphasizes stability and sustainability. The guiding principles here are the ability to secure long-term external financing and to maintain a high equity ratio. The loan to value ratio of the Group's property portfolio was roughly 65.4% on December 31, 2009, a clear indication of its conservative approach.

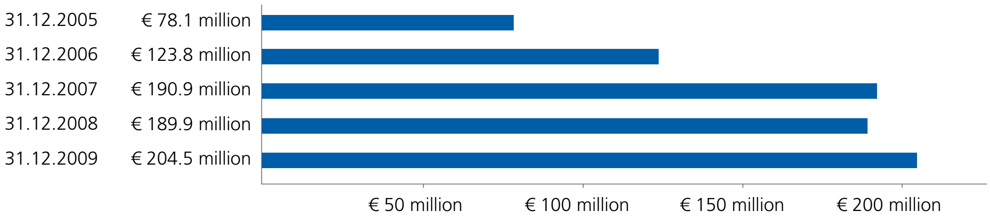
Stability and security are also a priority for the Group in procuring outside capital. As a rule, VIB Vermögen AG tends to favor annuity loans, i.e. loans with fixed repayments (installments) over the entire term. Each installment paid by the borrower comprises a loan repayment portion and an interest portion. As the loan is repaid step by step, the interest portion of the annuity decreases and the loan repayment portion increases. This enables VIB Vermögen AG to steadily higher the company's net asset value (NAV). Annuity loans have numerous advantages over other types of loans. By negotiating fixed installments over the entire term of the loan, this type of debt financing allows companies to accurately forecast future cash flows.

Borrowers can also calculate the exact amount of remaining debt and see it gradually decrease over time. In addition, annuity loans typically have long terms, which means that monthly repayments can be kept relatively low. This type of debt financing does not require renegotiation to extend the term of a loan. When a fixed-interest period ends, the parties only need to agree on a new interest rate, which limits the borrower's financing risks in loan negotiations to the interest rate risk alone.

In addition, VIB Vermögen AG's credit agreements are practically free of covenants. Covenants are debt clauses in which the borrower contractually agrees to maintain a minimum level of a specific performance ratio, such as equity ratios, debt equity ratios or loan to value ratios, i.e. debt in relation to the appraised value of the property portfolio. If the borrower deviates from the agreed minimum level, they can be subject to penalties, which are also contractually agreed. These penalties range from less favorable debt terms to extraordinary termination of a loan agreement. An insignificant number of loans at the VIB Group are subject to covenants, which means that the company's financing is secure for the long term.

The advantages offered by the Group's financing strategy are apparent when we look at growth in net asset value (NAV). Over the past five years, the Group's NAV has more than doubled, from € 78.1 million to € 204.5 million. VIB Vermögen AG has been able to steadily increase NAV thanks to strong portfolio growth through lucrative investments as well as a high level of equity combined with regular repayment of debt. In the past fiscal year, despite challenging market conditions, NAV per share grew to € 11.85 (2008: € 11.06). In addition to regular repayment of loans, developments of real estate projects at VIB Vermögen AG played a key role in the NAV rise.

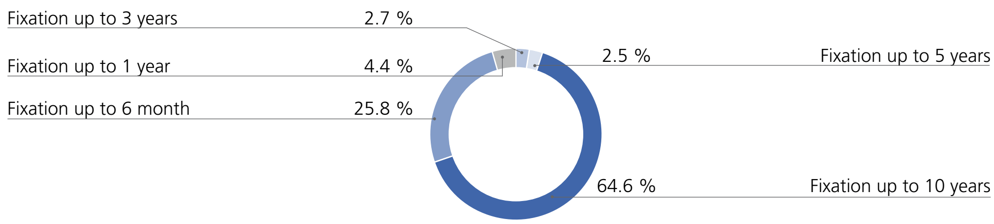
Net asset value: Growth since December 31, 2005:



NAV per share: Growth since December 31, 2005:

In its negotiations on fixed-interest periods, the VIB Group also focuses on sustainability and stability, combining these with attractive loan terms. Roughly two-thirds of the Group's loans have a fixed-interest period of five to ten years. More than 60% even have fixed interest rates for more than five years. Thus, the company can safely forecast future interest payments. Thanks to the low interest rates in fiscal 2009, the company was able to negotiate extremely attractive terms for its loans with a fixed-interest period of less than one year. The VIB Group kept its interest expenses low thanks to a majority of long-term fixed-interest periods combined with the favorable rates currently available for short-term fixed-interest periods. The average interest rate for the Group's entire loan portfolio amounted to 4.45% on December 31, 2009.

Structure of loans by remaining period of interest rate fixation



| Profile – Birgit Schreiber

- Head of Accounting
- Joined VIB Vermögen AG on January 1, 2009

„We turn operational transactions into substantiated figures. That provides us with the foundations for taking the right decisions."

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Birgit Schreiber joined VIB Vermögen AG's team as Head of Accounting on January 1, 2009. Her activities and those of her team focus on booking and accounting for the many operating transactions as well as on reporting. "Sooner or later, every single invoice, every single payment and every single other transaction reaches our desks", commented the business administration graduate. No matter whether the information is from internal decision-makers, from cooperating with the auditors and tax advisors or correspondence with external contacts, such as the tax office – everything has to go past Ms. Schreiber's desk. VIB Vermögen AG's growth has also increased the demands placed on its accounting. "In 2010 to date we have already processed substantially more transactions than in the same period of the previous year – that clearly shows the growing complexity." Birgit Schreiber is also responsible for preparing the annual and semi-annual financial statements – under German GAAP accounting (HGB) or IFRS. All of the transactions during the period under review have to be summarized, compressed and measured, and packaged in a meaningful and informative framework – such as the annual report. In addition to constantly expanding the company's reporting, she believes that this will be one of her primary tasks in future.

After holding positions in auditing in Augsburg and in the real estate sector in Frankfurt/Main, Birgit Schreiber joined VIB Vermögen AG in January 2009. "It just felt right straight away," commented the current Head of Accounting, summarizing joining the Neuburg-based company. In particular her colleagues' high degree of professionalism and identification with their own work made a positive impression on her. "We are a relatively small team and we all feel responsible for what we do. Everyone takes their job very seriously, and at the same time there's a strong sense of solidarity in the team." That is why she finds her everyday dealings with her colleagues and the members of the Managing Board particularly motivating.

| Formation of BHB Brauholding Bayern-Mitte AG (BHB Brauholding AG)

Since the acquisition of a majority interest in BBI Immobilien AG in 2007, VIB Vermögen AG, as the group’s parent company, also holds an interest in its wholly owned subsidiary Herrnbräu GmbH & Co. KG, a specialist in producing and selling beers and soft drinks (Beverages segment). 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.

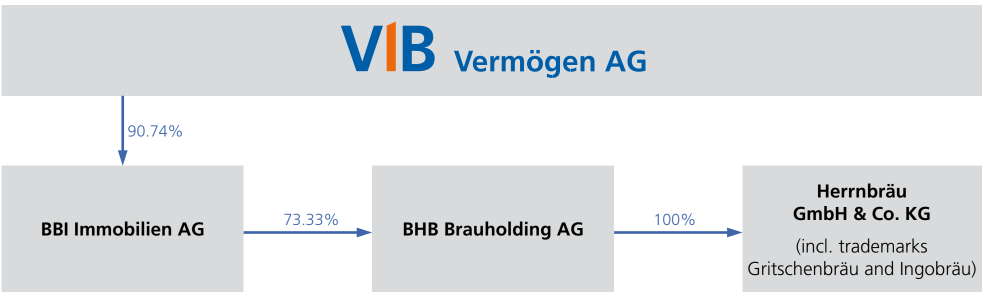
During the past fiscal year, the brewery and beverages activities within the group were restructured. As a result, in November 2009, BHB Brauholding Bayern-Mitte AG (BHB Brauholding AG) was formed. This company’s registered office is in Ingolstadt. BBI Immobilien AG contributed Herrnbräu GmbH & Co. KG, Ingolstadt to BHB Brauholding AG as a non-cash contribution. This laid the foundations for the independent, focused further development of the segment Beverages and an organizational demeshing of both segments.

The two managing directors of Herrnbräu GmbH & Co. KG, Gerhard Bonschab and Franz Katzenbogen, were appointed as members of the Managing Board of BHB Brauholding AG. Gerhard Bonschab is responsible for sales and marketing, and Franz Katzenbogen is responsible for finance, HR and administration. They will both also continue to be managing directors of Herrnbräu GmbH & Co. KG. Ludwig Schlosser, Franz-Xaver Schmidbauer and Peter Schropp were appointed as members of BHB Brauholding AG’s Supervisory Board when this company was formed.

BBI Immobilien AG as the parent company initially held a 100% interest after the formation of BHB Brauholding Bayern-Mitte AG. At the start of 2010, the two members of the subsidiary’s Managing Board acquired 400,000 new shares of BHB Brauholding AG as part of a cash capital increase. The new shares were issued in February 2010 at € 2.00 per share, with the result that proceeds from the issue totaled € 800 thousand for BHB Brauholding AG. The sustained entrepreneurial inclusion of the members of the Managing Board has created the organizational and financial conditions required for the fast-track further development of the Beverages segment. At the same time, BBI Immobilien AG’s interest in BHB Brauholding AG fell to 73.33%, with 26.67% currently being held by BHB Brauholding AG’s management.

In March 2010 BHB Brauholding AG's Managing and Supervisory Boards also resolved to prepare a capital increase with public offer. Further details are currently being reviewed and worked out. The capital increase being prepared aims to accelerate BHB Brauholding AG's independent, focused corporate strategy. In particular, the course already taken of establishing BHB Brauholding AG as one of the leading regional players is to be reinforced. In this regard, the company aims to increase its market penetration and unite additional brands under the BHB Brauholding AG umbrella. During the past 24 months, the brands Ingobräu and Gritschenbräu were successfully integrated beside the top HERRNBRÄU brand. The funds from the planned capital increase will be used to further improve the competitive position as part of this regional strategy. The interest held by BBI Immobilien AG in the capital and voting rights of BHB Brauholding AG is expected to fall below 50% after the intended capital increase has been executed. Once the planned capital increase has been successfully implemented, with the resulting deconsolidation of BHB Brauholding AG, the VIB Group's reporting will be thus able to focus exclusively on the real estate segment in future.

Ownership structure



as of May 3, 2010

The formation of BHB Brauholding AG with the subsequent equity participation by the members of the Managing Board and the planned capital increase aims to secure the long-term competitiveness and earnings strength of both segments. This organizational demeshing will further reinforce BBI Immobilien AG's position, allowing it to act successfully on the market in both segments in future. At the same time, the planned capital increase will broaden the financial basis for the continuation of the regional strategy, so that the company can act quickly and flexibly on the market in future. A particular focus is on sustainably securing jobs in the Beverages segment.

| Segment overview

Consolidated income statement by segments

in € thousand	2009 Total	2009 Beverages	2009 Real Estate	2008 Real Estate
Revenues	**63,061**	**14,106**	***49,195**	**42,145**
Increase in finished products	18	18	0	0
Changes in value for investment properties	-3,209	0	-3,209	-476
Other operating income	2,298	117	2,181	869
Total operating income	**62,168**	**14,241**	**48,167**	**42,538**
Expenses for investment properties	-9,635	0	-9,635	-9,195
Cost of materials	-4,945	-4,945	0	0
Personnel expenses	-6,418	-4,496	-1,922	-1,578
Other operating expenses	-5,235	*-2,982	-2,493	-3,513
EBITDA – earnings before interest, taxes, depreciation and amortization	**35,935**	**1,818**	**34,117**	**28,252**
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	-1,874	-1,058	-816	-89
Earnings before interest and taxes (EBIT)	**34,061**	**760**	**33,301**	**28,163**
Net income from investments accounted for using the equity method	-56	0	-56	104
Income from associates	44	0	44	0
Financial income	198	132	66	455
Financing expenses	-19,486	-300	-19,186	-16,933
Expenses from guaranteed dividend	-260	0	-260	-505
Pre-tax earnings (EBT)	**14,501**	**592**	**13,909**	**11,284**
Income taxes	-2,158	-391	-1,767	-2,943
Consolidated result	**12,343**	**201**	**12,142**	**8,341**

*Consolidations in the Group were reversed for a more precise economic view of these items

To our shareholders
Group management report
Group financial statements
Consolidated Notes

| Real estate segment – KPIs

Loan to value (LTV) – debt to the value of the properties

Calculation of December 31, 2009

in € thousand			
Investment property	638,019	356,724	Non-current financial debt
Property, plant and equipment	7,969	73,251	Current financial debt
Less property, plant and equipment in the Beverages segment	-1,553	-3,755	Less financial debt in the Beverages segment
		-4,791	Bank balance Real Estate segment
Real estate assets	**644,435**	**421,429**	**Financial liabilities (net)**
LTV ratio:	**65.40%**		

Funds from operations (FFO) – indicates the portfolio’s earnings strength

in € thousand	2009 Real Estate	2008 Real Estate
EBIT	**33,301**	**28,163**
Adjusted for:		
valuation result	3,209	476
Disposal gains / losses	0	230
Subtotal	**36,510**	**28,869**
Interest cost	-19,186	-16,933
Interest income	66	455
Income from participations/equity-accounted investments	-12	104
Guaranteed dividend	-260	-505
Subtotal	**17,118**	**11,990**
Effective tax expense	-479	-464
Subtotal	**16,639**	**11,526**
Minority interests	-271	0
FFO	**16,368**	**11,526**
Average number of shares in fiscal year	17,237,257	17,084,000
FFO/Share	**0.95 €**	**0.67 €**
Stock market price at end of fiscal year	6.49 €	3.80 €
FFO return (based on the stock market price) as of Dec. 31	**14.64%**	**17.63%**

Group management report for fiscal year 2009

Overview

| Business report

1. Company situation and underlying conditions

a. Business activities, group structure and participations

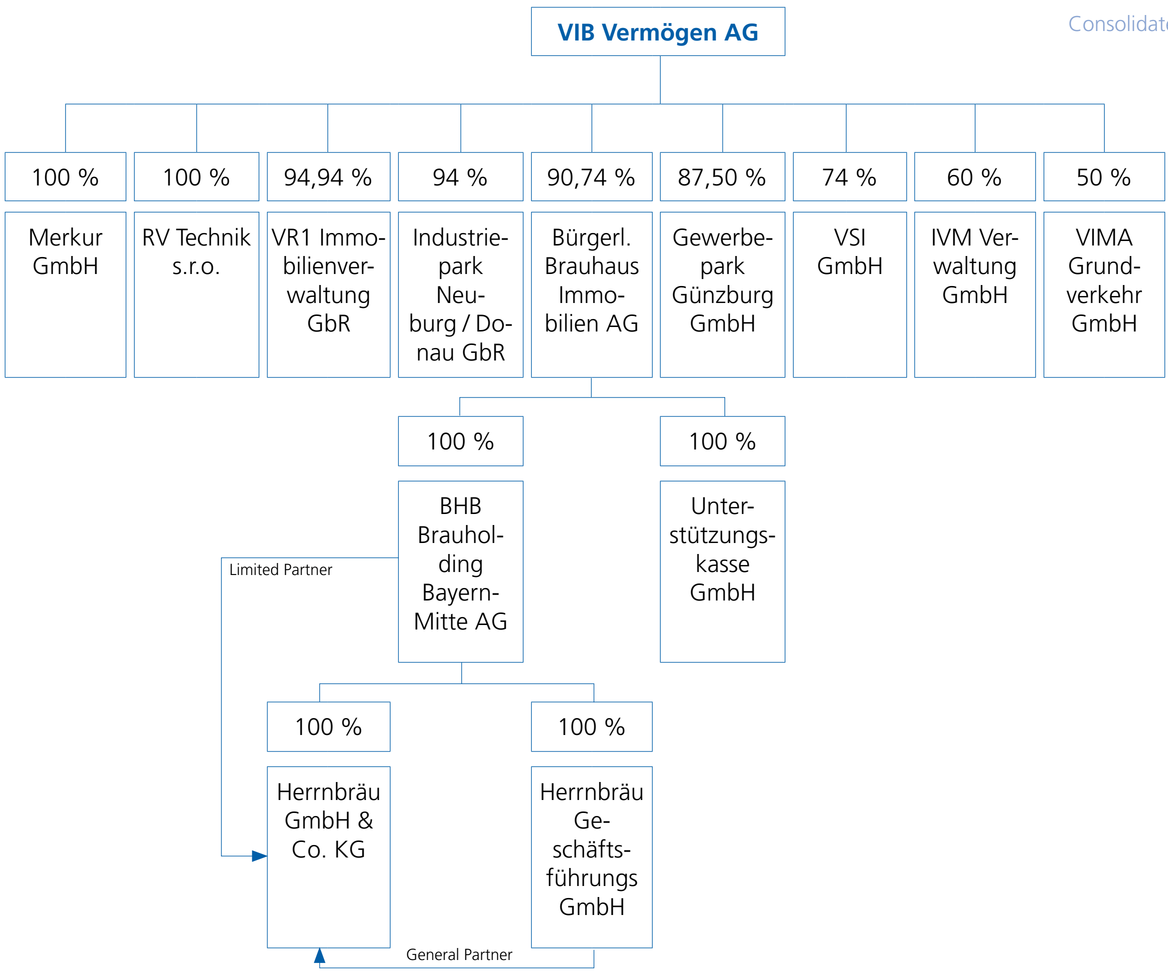
VIB Vermögen AG (hereinafter also referred to as the "VIB Group" or the "company") is the parent company of the VIB Group and is a medium-sized real estate holding company, whose investments focus on commercial properties in Southern Germany. Formed as a partnership in 1993, VIB Vermögen AG was transformed to become an Aktiengesellschaft (German public limited company) in 2000. The VIB Group's core competences are 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 (85 properties) has a total rental area of approx. 645,000 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 subsidiary, BHB Brauholding Bayern-Mitte AG (BHB Brauholding AG), which was formed in November 2009, specializes in producing and selling beers and alcohol-free beverages (=Beverages segment). Together with its equity participations (in particular Herrnbräu GmbH & Co. KG), this company is included in the sub-group consolidated financial statements of BBI Immobilien AG. 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.

At the end of 2009, VIB Vermögen AG directly and indirectly held participating interests in a total of sixteen companies. As a result of the amount of the participations, two of these companies are not fully consolidated. The group's structure has changed year-on-year with regard to BBI Immobilien AG. The interest in BBI Immobilien AG was increased to 90.74%, and the company was also restructured as part of the focus on the real estate sector. As a result, in November 2009, BHB Brauholding Bayern-Mitte AG (BHB Brauholding AG) was established. This company's registered office is in Ingolstadt. This subsidiary of BBI Immobilien AG bundles the BBI Group's operating brewery business, in particular the participating interest in Herrnbräu GmbH & Co. KG, which has its registered office in Ingolstadt. CMG Center Marketing GmbH was merged with Merkur GmbH in 2009. The Tilly Immobilien Verwertungs GmbH was liquidated.

Company structure as of December 31, 2009



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

BHB Brauholding 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 minor 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 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. A resolution by the General Meeting on June 26, 2008 created conditional capital of up to € 1,356,114.00 for this share swap. As of December 31, 2009, this conditional capital still amounted to € 704,220.00 as a result of the shares swapped in 2009.

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 is currently litigation pending against VIB Vermögen AG with regard to the level of the exchange ratio as well as the guarenteed dividend. The conversion deadline will thus not end before this pending litigation has been concluded. A precise date cannot currently be foreseen.

b. Employees

At the end of 2009, the VIB Group had a total of 111 employees (previous year: 114 employees including industrial employees) in the following companies:

- Real Estate segment
  19 commercial employees (incl. Managing Board);
  (previous year: 17 employees)
  13 industrial employees
  (previous year: 13 employees)
- Beverages segment (BHB Brauholding Bayern-Mitte AG)
  79 employees incl. Managing Board
  (previous year: 84 employees)

The VIB Group has secured a lean, cost-efficient organizational structure by moderately increasing number of commercial employees for the real estate segment 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.

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 then became 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.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

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.

c. Real Estate Segment

Real estate portfolio growth

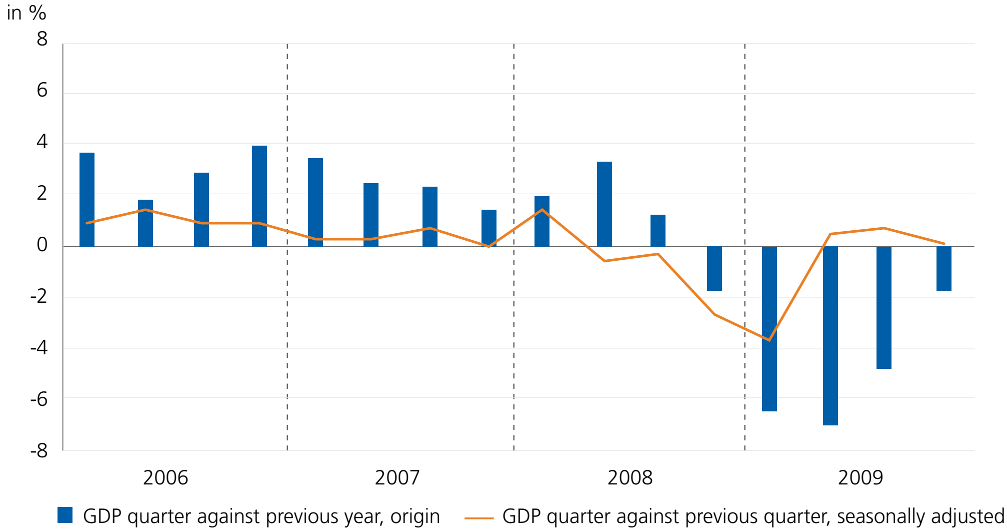
The VIB Group's real estate portfolio at the end of the 2009 fiscal year comprised a total of 85 properties with a rental area of approx. 645,000 m². The properties are commercial properties located throughout Germany. The real estate portfolio focuses geographically on Southern Germany. As of December 31, 2009, the VIB Group's portfolio was practically fully let with vacancies of around 1.0%. Of the annualized rental income for the entire portfolio of around € 43.7 million, around 37% of the net rental income was due to retail. A further 26% was due to rentals of logistics properties, and offices, services and other accounted for around 18%. In addition, around 19% of the net rental income was due to rentals of industrial properties. As a result of the portfolio's high diversification in terms of types of use, the VIB Group benefits from a comparatively high degree of independence from developments in individual sectors. The market value of the real estate portfolio amounts to approximately € 638 million (inl. facilities under constructional and premises to be developed). The rented properties of VIB Group generate an average rental return of 7.1% based on market values.

In 2009, VIB Vermögen AG focused its business activities on active portfolio and asset management. Compared to previous years, which were characterized by very strong growth, the increase in the real estate portfolio was thus comparatively moderate in fiscal year 2009. In spite of this, however, a total of seven high-margin commercial properties with a rental area of around 47,400 m² were acquired during the year under review. These include the second section of businessPARK in Regensburg, truck service stations in Sangerhausen and Kirchheim and a logistics facility in Ingolstadt-Großmehring. The subsidiary BBI Immobilien AG also acquired specialist store centers in Oberammergau and Freystadt from the Bavaria portfolio. In addition, during the past fiscal year a commercial property in Simbach was also transferred. This is the extension to an existing specialist store center owned by BBI Immobilien AG. These seven properties resulted in a total investment of € 51.1 million, and they will contribute annualized rental income of € 4.1 million in future. This corresponds to an annual rental return of 8.0%. At the same time, as part of the ongoing portfolio optimization, a property in Ingolstadt was sold during the year under review. The proceeds from the sale totaled € 2.0 million, roughly in line with the IFRS carrying amount in the previous year.

Market and competitive environment

The continuing economic and financial crisis meant that the economic situation in the past fiscal year was difficult. According to information from the German Federal Statistics office, the German economy was hit by the worst recession since the Second World War, and economic output slumped by 5%. Exports were hit particularly badly, with a price-adjusted downturn of -14.2%, and investments in industrial equipment were down -20.5% year-on-year.[1] Investments in construction were not as severely affected, however here two figures were down year-on-year by -0.8%. In contrast, consumer spending was comparatively robust. Private consumer spending remained practically constant at 0.2%, however state spending in particular was up 3.0%, supporting the economy.

Gross domestic product
(change in %, price adjusted)



Source: German Federal Ministry for the Economy, 2010

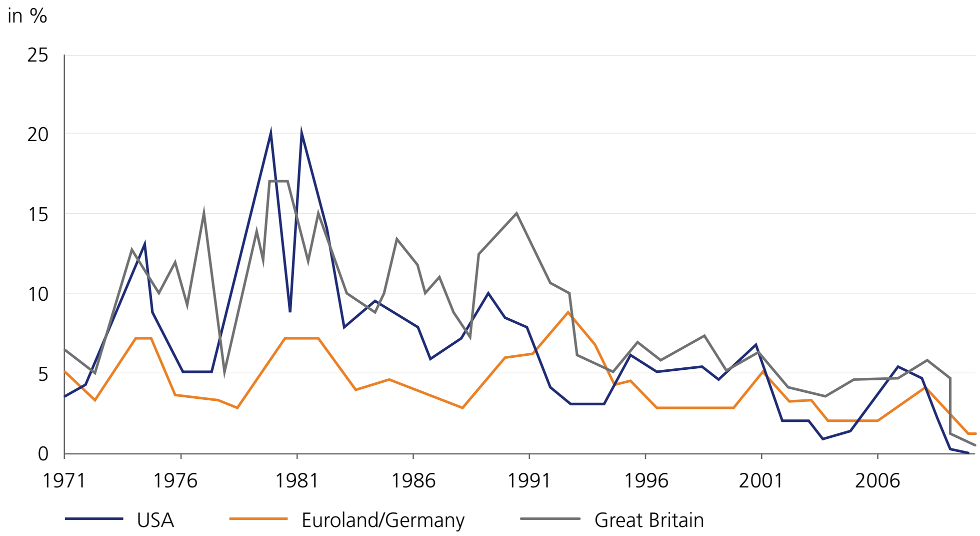
When looking at economic growth in the individual quarters, the economic recovery during the year becomes apparent. GDP was particularly strong in the first two quarters, falling by -6.4% and -7.0%, however this negative trend weakened at the start of the second half of the year. Economic output continued to fall, however the downturn slowed significantly compared between the third quarter (-4.7%) and the fourth quarter of 2009 (-1.7%). As a result, experts believe that this has already bottomed out. For example, the Deutsche Bundesbank is forecasting global economic growth of 1.6% for 2010.[2]

[1] German Federal Statistical Office, 2010
[2] German Bundesbank, 2009

To our shareholders
Group management report
Group financial statements
Consolidated Notes

The European Central Bank's (ECB) expansive monetary policy supported the economy in 2009. The central bank cut its base rate to a historic low of 1.0% in May, and has left this unchanged since. In view of the major distortions on the international financial markets, the ECB also implemented a range of extraordinary programs to ensure that the economy was supplied with liquidity. In this connection, the central bank also granted banks the opportunity of refinancing over a longer period than normal at very economic conditions. However, the ECB has already announced that it will successively reduce these extraordinary liquidity programs to combat the danger of possible inflationary tendencies.[3]

Development of base rate in important markets



Source: Deutsche Bank Research, 2009

Irrespective of the base rates that are falling around the world, during the past fiscal year the banks tightened their lending conditions. This meant that there were higher spreads on the interbank market over large periods of the past fiscal year, which meant that the lower base rates did not lead to borrowers enjoying lower interest rates. Lending conditions relaxed over the course of the year. Current survey results from the "Bank Lending Survey for the Eurosystem" allow us to conclude that the tighter standards stopped in the fourth quarter of 2009.[4]

The banks restrictive lending behavior and their stricter equity guidelines caused the volume of transactions on the real estate market to fall significantly. The transaction volume for commercial properties already fell substantially in 2008, and this figure totaled just € 10.34 billion in 2009.

[3] European Central Bank, 2010
[4] German Bundesbank, 2010

This figure is thus 47% lower than in the previous year. Experts believe that this slump is due to the more difficult refinancing and in German investors' increased aversion to risks as well as the fact that foreign investors are continuing to exit the German investment market.[5] As a result, the returns that buyers are looking for have increased, which has depressed the growth in purchase prices for properties.

There was a particular focus on office properties, which accounted for around 42% of the transaction volume in 2009. In addition, retail properties accounted for around 28%. Mixed use property accounted for a further 7% of the traded volume, and logistics and industrial properties accounted for 5% of the transactions. The average transaction size fell further to around € 16 million in 2009.

In contrast, the rental market in Germany last fiscal year continued to be robust. Rents for commercial properties came under pressure as a result of the tense situation on the general economy, however, downturns in rent were comparatively minor. According to information from the real estate association IVD, for example for new rentals of office space prices fell on average nationwide by between 0.3% and 0.5%. This affected small and medium-sized towns in particular. Rents for retail properties show a similar picture.[6] At the same time, the so-called regional locations were less volatile as these locations (in contrast to major real estate centers) hardly have any speculative construction activities and the commercial properties in these locations have a higher degree of stability in terms of rent and value development.[7]

As a result, in summary, we can expect a recovery to start in 2010, however we cannot assume a sustained upswing on the German market for commercial real estate.

Company targets and strategy

The market environment for the VIB Group remains tense, despite the economic recovery which has started over the past few months. After a difficult 2009 for the economy as whole, there are visible signs of a turnaround in the current fiscal year. Given this background, last year the VIB Group focused on active asset and portfolio management after exceptionally strong growth in the previous years. At the same time, the portfolio was specifically increased via the acquisition of additional high-margin property, albeit at a lower level than in the previous years. One property was sold to optimize the portfolio. In addition, the successful integration of BBI Immobilien AG into the group was also part of the company's strategy for the past fiscal year.

[5] Jones Lang LaSalle, 2010
[6] IVD, 2009
[7] DG HYP, 2010

To our shareholders
Group management report
Group financial statements
Consolidated Notes

In the current year, operating activities will focus on continuing this strategy. Over the medium term, the VIB Group's declared target is further growth. Great importance is attached to retaining the group's financial stability in this regard. According to this guideline – sustained growth with a solid financing structure – in fiscal year 2010 business activities will focus on consolidating the results achieved to date. In addition, the portfolio of existing properties is to be constantly optimized by reclassifying specific individual investments, and the earnings strength is to be further improved.

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 7.5% 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 retail, industrial and logistics properties offering when expanding its portfolio. 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.

d. Beverages segment

Operating growth

Herrnbräu GmbH & Co. KG's total beverages sales remained practically constant in 2009 compared to the previous year. As a result of the difficult competitive environment, there was a slight downturn of 2.0% (4.1 thl) to 205 thl. These sales include both the company's own production and trade sales.

There was a slight downturn of 1.7% year-on-year for the beverages the company produces itself (HERRNBRÄU beers and Bernadett Brunnen alcohol-free beverages). As a result of the systematic supply of key accounts – alternating with competitors – sales of the company's own alcohol-free beverages fell by 6.8%. In contrast, sales of the company's own beers made a positive contribution – up 1.2%.

Despite the tense competition, sales of beer and alcohol-free beverages in the trading segment enjoyed pleasing growth. Figures in this segment were up 0.2% year-on-year. In addition, exports were again up by 19.0%. This means that international activities now account for a substantial proportion of the Beverage segments total beer sales (approx. 14%; previous year: approx. 12%).

Market and competitive environment

The market in 2009 was characterized by major challenges for German breweries. For example, the industry was faced with higher costs for malt, hops, energy and fuel. This resulted in a more competitive environment for Herrnbräu GmbH & Co. KG. In 2009, a change in consumer behavior and the impact of the current economic crisis led to a downturn in beer sales in German of 2.8% compared to the previous year. In Bavaria sales fell by 1.6%, and thus at a lower rate than in the rest of Germany.[8] Consumption thus fell to 110.0 liters per inhabitant nationwide.

Regional factors, such as the increase in the population of Ingolstadt and the comparatively stable economic growth to date in this region had a fundamentally positive impact in the case of Herrnbräu. 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 Schrobenhausen-based brewery (Gritschenbräu) in the fall of 2009 meant that Herrnbräu further reinforced its strong regional position, thus laying the foundations to be able to benefit sustainably from this growth.

On the whole, a tense environment on the beverages market in Germany thus has to be assumed for the current fiscal year 2010. In general, the German beverages market will have to deal with falling sales as a result of demographic shifts and changes in consumption patterns. In view of the increased competitive pressure, the pressure on the German beverages market to consolidate will increase further. In contrast, the Beverage segment's regional orientation offers excellent opportunities on the market given this environment.

Company targets and strategy

In fiscal year 2010, Herrnbräu GmbH & Co. KG is forecasting a continued difficult competitive environment in the German beverages sector. The company plans to effectively combat these challenges and to also secure in the future the stable sales growth that has been achieved to date. It aims to achieve this objective by increasing its acquisition of new customers and via improved

[8] German Federal Statistical Office, 2009

To our shareholders
Group management report
Group financial statements
Consolidated Notes

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 in the Beverages segment.

In addition, the formation of BHB Brauholding AG has laid the organizational foundations to further focus the Beverage segment's focused further growth. Integrating additional brands under the BHB Brauholding AG umbrella will further expand the Beverage segment's position on the market, thus generating stronger growth from the region. After the end of the reporting period, this regional strategy was fast-tracked by the responsible executive bodies when the management acquired a participating interest in BHB Brauholding AG in February/March 2010 and the resolution to review and prepare a capital increase for BHB Brauholding AG at the end of March 2010.

2. Financial position and results of operations

a. Earnings

In total, VIB Vermögen AG thus recorded revenues (IFRS) of € 63.1 million in fiscal year 2009. This is thus a 11.9% increase compared to the previous year's figure of € 56.4 million. The bulk of this was due to the Real Estate segment, which grew by 16.9% from € 42.1 million last year to a current total of € 49.2 million. This increase was due to the acquisition of additional commercial properties during the course of the year under review. In addition, the properties already acquired in the previous year contributed to rental income for the full year for the first time in 2009. At the same time, revenues in the Beverages segment totaled € 14.1 million in 2009 – practically unchanged compared to the previous year's figure of € 14.2 million.[9]

In addition, operating income increased to € 2.3 million in 2009 following € 1.0 million the prior year. This rise is primarily due to the market valuation of interest hedges (swaps), which led to income of around € 0.5 million. In addition, the company received compensation of around € 0.8 million in the year under review for the cancellation of a rental agreement.

The market valuation of the real estate portfolio on December 31, 2009 depressed results. As a result of the developments on the German investment market for commercial properties, the valuation of the real estate portfolio performed by external surveyors resulted in a reduction in the volume of € 9.9 million. There were also write-ups to the portfolio in the amount of € 6.7

[9] Internal business transactions were eliminated when the overall revenues on group level were determined. In order to ensure an adequate economical view, consolidations of these internal business transactions were partly eliminated. For this reason the addition of segment revenues of the single segments Beverages and Real Estate result in an deviation compared to the revenues on group level as depicted of approximately € 0.2 million.

million. This primarily relates to the properties newly included in the portfolio, which were mostly self-developed and had to be evaluated for the first time. On balance, there was thus a non-cash value adjustment of the investment properties of € -3.2 million.

The operating income in the period under review thus totaled € 62.2 million, up 9.1% compared to the previous year's figure of around € 57.0 million. The Real Estate segment accounted for € 48.2 million, whereas the Beverage segment added operating income of € 14.2 million to consolidated earnings.[9]

Despite the fact that the real estate portfolio has been increased significantly once again, the expenses for investment properties only increased slightly in 2009. This figure totaled around € 9.2 million last year, and expenses in the year under review increased slightly to € 9.6 million. This primarily relates to ongoing operating costs (e.g., electricity, gas, water) as well as land tax payments and insurance premiums. These are mostly allocated to the tenants of the correspondi-ng properties. In addition, this item also includes maintenance costs for the properties.

The costs of materials, which relate exclusively to the Beverages segment, did not change year-on-year. A total of around € 4.9 million was spent on raw materials, consumables and supplies in fiscal year 2009 (previous year: € 4.9 million).

In contrast, personnel expenses increased slightly from € 6.1 million last year to € 6.4 million in fiscal year 2009. Of this total, around € 4.5 million was due to the Beverages segment (previous year: € 4.5 million) and € 1.9 million was due to the Real Estate segment (previous year: € 1.6 million). The VIB Group has a very favorable cost structure in a peer group comparison, with personnel expenses accounting for just 3.9% of the revenues recorded in the Real Estate segment.

Consolidated other operating expenses amounted to € 5.2 million, after € 6.2 million in the previous year. Of this total, around € 3.0 million was due to the Beverages segment (previous year: € 2.7 million), and the remaining € 2.5 million were due to the Real Estate segment (previous year: € 3.5 million). The downturn in the Real Estate segment was due to the fact that there were valuation adjustments to loans denominated in foreign currencies in the previous year.[10]

At the same time, the amortization of intangible assets and property, plant and equipment at a group level fell from € 6.8 million in the previous year to € 1.9 million in fiscal year 2009. Of this total, € 0.8 million was due to the Real Estate segment (previous year: € 0.1 million, whereas the remaining € 1.1 million (previous year: € 6.7 million) was due to the beverages segment.

[10] Due to transparency reasons, internal business transactions were also eliminated when other operating expenses were determined on group level. Hence, summation of the other operating expenses due to the individual segments leads to a difference to the mentioned figure of € 0.3 million on group level.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

As a result, VIB Vermögen AG recorded EBIT totaling around € 34.1 million in fiscal year 2009. This is thus a 43.9% increase compared to the previous year's figure of € 23.7 million. The bulk of the Group's EBIT was generated in the Real Estate segment, which accounted for € 33.3 million. This figure was up 18.1% compared to the previous year's figure of € 28.2 million. At the same time, the Beverages segment contributed earnings of € 0.8 million to the consolidated figure. In the previous year, EBIT was negative totaling € -4.5 million as it was depressed by the extraordinary write-down detailed above.

The 2009 fiscal year was shaped by the continued expansion of the company's real estate portfolio. The acquisition of additional properties and the associated increased financing requirements caused the Group's interest expenses to increase from € 17.3 million in 2008 to a current total of € 19.5 million. At the same time, the interest received and other income fell from € 0.5 million to € 0.2 million. The general low level of interest rates meant that VIB Vermögen AG was able to record significant savings in interest last year as a result of its share of bank loans with short-term fixed interest rates (26% of liabilities to banks as of December 31, 2009). As VIB Vermögen AG again increased its participation in BBI Immobilien AG in 2009, the number of external shareholders in the subsidiary fell. On the whole, expenses for the guaranteed dividend agreed in the profit and loss transfer agreement concluded with BBI Immobilien AG decreased from € 0.5 million in 2008 to around € 0.3 million in fiscal year 2009. This resulted in a consolidated financial result in 2009 of around € -19.6 million (previous year: € -17.2 million).

Consolidated pre-tax earnings (EBT) totaled € 14.5 million in 2009. Compared to the previous year's figure of around € 6.6 million, EBT thus improved by approx. 120%. The Beverages segment accounted for € 0.6 million (previous year: € -4.7 million), whereas the Real Estate segment recorded EBT of € 13.9 million (previous year: € 11.3 million). After deducting income taxes of € 2.2 million (previous year: € 1.6 million), VIB Vermögen AG recorded consolidated results of € 12.3 million in the year under review. This corresponds to an increase of € 5.0 million compared with the prior-year period (146%). Minority interests totaled € 12.1 million. In terms of the average figure of 17,237,257 shares in circulation in 2009, this corresponds to basic earnings per share of € 0.70 (previous year: € 0.32). The net retained profits from VIB Vermögen AG's single entity financial statements which are relevant for the disbursement totaled € 4.4 million (previous year: € 3.4 million). As a result of the successes recorded in the past fiscal year, the Managing and Supervisory Boards are proposing to the General Meeting that the dividend is increased from € 0.20 in 2008 to € 0.25.

b. Net assets

As a result of the continued expansion of the real estate portfolio in the year under review, the VIB Group's total assets rose to € 662.6 million as of December 31, 2009. Compared with the figure on the previous year's balance sheet date of € 620.7 million, total assets thus increased by around € 41.9 million.

Equity was enhanced by around € 8.0 million year-on-year to € 193.5 million (previous year: € 185.5 million). This development is due to the share swap by shareholders of BBI Bürgerliches Brauhaus Immobilien AG, who converted their coupons to shares of VIB Vermögen AG during the year under review. Starting with around € 17.1 million in the previous year, this resulted in the company's subscribed capital increasing to € 17.7 million as of December 31, 2009. At the same time this also reinforced the share premium. As a result of the reduced number of outstanding shareholders in BBI Immobilien AG, the minority interests decreased from € 13.2 million last year to € 7.9 million. In addition, net retained profits advanced from € 22.3 million to € 28.7 million as a result of the positive earnings for the year.

As a result of the higher financing requirements from the renewed extension of the real estate portfolio, current and non-current liabilities were up from € 435.2 million in the previous year to € 469.1 million. Non-current liabilities accounted for € 386.3 million (previous year: € 318.2 million). Current liabilities totaled € 82.7 million (previous year: € 117.1 million).

The bulk of the non-current liabilities are due to financial liabilities, which totaled € 356.7 million as of December 31, 2009 (previous year: € 291.3 million). What is more, deferred taxes increased from € 17.0 million in the previous year to € 18.9 million. In contrast, derivative financial instruments fell to around € 5.6 million in the previous year to a current total of € 5.0 million. Other non-current liabilities on December 31, 2009 totaled € 2.8 million (previous year: € 1.2 million). This figure includes trade accounts payable, liabilities from investments and lease deposits.

In terms of current liabilities, current financial liabilities fell from € 103.1 million in the previous year to € 73.3 million. This means that the VIB Group was able to reduce the proportion of its current liabilities to 17.0% of total liabilities to banks during the year under review despite the difficulties on the financial market last year (previous year: 26.1%). This significant reduction was achieved by converting current to non-current loans. In addition, other current liabilities, which also include trade accounts payable and liabilities from investments, fell from € 13.2 million in the previous year to around € 8.4 million.

On the assets side of the balance sheet, non-current assets grew from € 606.1 million in the previous year to € 649.8 million as of December 31, 2009. The largest single item was Investment Property, which increased by around € 76.7 million to € 638.0 million (previous year:

€ 561.3 million). This enlargement is primarily attributable to acquiring new commercial properties during the period under review. In addition, reclassifications from property, plant and equipment to investment property also contributed to this effect. This measure was necessary as a result of changes to International Financial Reporting Standards, which now require that assets under construction and shelf properties be carried under Investment Property. Accordingly, property, plant and equipment fell from around € 39.0 million in the previous year to around € 8.0 million at the end of fiscal year 2009. At the same time, financial assets fell from € 3.9 million to a current total of € 2.1 million. This is mostly due to the repayment of a loan granted to VIMA Grundverkehr GmbH (at-equity participation).

Current assets fell as of December 31, 2009 to € 12.8 million (previous year: € 14.6 million). In particular receivables from income taxes decreased from around € 1.3 million in fiscal year 2008 to around € 0.5 million in fiscal year 2009. The previous year's figure resulted from increased advance tax payments in fiscal year 2008. These advance tax payments were significantly lower in 2009. In addition, there was a slight reduction in receivables and other assets, which fell to € 5.7 million compared to € 5.9 million in the previous year. This item mostly relates to trade receivables, for example from the capitalization of estimated settlements of incidental costs from tenants or receivables in the Beverages segment. In addition, bank balances and cash-in-hand with an original term of less than three months fell to € 5.1 million at a group level, compared to € 5.9 million in the previous year. Other current assets remained practically unchanged year-on-year.

c. Capital expenditure and liquidity

The cash flow from operating activities increased during fiscal year 2009 to € 37.5 million (previous year: € 30.2 million). This increase is mostly due to the VIB Group's improved annual earnings. The increase of around 24.2% compared to the previous year clearly shows the renewed increase in the Group's earnings strength.

The cash flow from investing activities totaled € -51.1 million in fiscal year 2009 (previous year: € -119.2 million). These funds were primarily used to expand the real estate portfolio. For example, during the year under review, capital expenditure for investment property totaled € 52.8 million. This figure amounted to € 69.2 million in fiscal year 2008. It must be noted that, in the past fiscal year, according to International Financial Reporting Standards, investments in real estate were partially carried under "Investments in property plant and equipment". This item totaled just € -1.2 million in fiscal year 2009, and the corresponding figure in the previous year was € -46.0 million.

The reduction in cash flow from financing activities from € 85.4 million in the previous year to a current total of € 12.8 million reflects the VIB Group's lower capital expenditure year-on-year. At a group level, cash and cash equivalents on the balance sheet date totaled € 5.1 million (previous year: € 5.9 million).

| Report on key events after the balance sheet date

In February 2010, both of the members of subsidiary BHB Brauholding AG's Managing Board, Gerhard Bonschab and Franz Katzenbogen, acquired 400,000 new shares of BHB Brauholding AG as part of a cash capital increase. The new shares were issued at € 2.00 per share, and thus in line with the value per share used when BHB Brauholding AG was formed in November 2009. Cash totaling € 800 thousand accrued to BHB Brauholding AG from the capital increase. As a result, BHB Brauholding AG's share capital increased to € 1,500 thousand. The interest held by the two members of the Managing Board thus totals 26.67%, whereas the interest held by the Group's subsidiary BBI Immobilien AG fell to 73.33%. This capital increase and equity participation aimed to fast-track the independent, focused further development of BHB Brauholding AG and thus to sustainably reinforce the long-term ability of the Beverages segment to compete, and also to further demesh the organization structures for the two segments.

In addition, on March 29, 2010 the Managing and Supervisory Boards of BHB Brauholding AG resolved to prepare a capital increase with a public offer for BHB Brauholding AG. Further details are currently being reviewed and worked out. This capital increase aims to reinforce the subsidiary BBI Immobilien AG's strategy of focusing on the real estate segment and its positioning as a real estate company. At the same time, the financial basis for the further development of the Beverages segment under the umbrella of BHB Brauholding AG aims to accelerate the brands progress to become a leading regional brand with increased market penetration. The interest held by BBI Immobilien AG in the capital and voting rights of BHB Brauholding AG could fall below 50% after the intended capital increase has been executed.

In addition, on March 29, 2010, the Managing and Supervisory Boards of BBI Immobilien AG also resolved to transfer the interests in Unterstützungskasse des Bürgerlichen Brauhaus Ingolstadt GmbH from BBI Immobilien AG to Herrnbräu GmbH & Co. KG. The subsidiary liability of BBI Immobilien AG to the pension fund remains. The Managing Board was authorized by the Supervisory Board to execute the steps required for the transfer.

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 in principle two months after publication of the compensation offer. The compensation offer was published on March 3, 2009. There is currently litigation pending against VIB Vermögen AG with regard to the level of the exchange ratio as well as the guarenteed dividend. The conversion deadline will thus not end before this pending litigation has been concluded. A precise date cannot currently be foreseen. In 2009 a total of 449,584 shares have been exchanged by 25 shareholders of BBI Immobilien AG. No further shares were swapped by shareholders of BBI Immobilien AG in 2010 through to the date the management report was prepared.

No further events arose after the end of 2009 with a significant impact on the financial position or results of operations.

| Risk and forecast report

a. Risk management

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 possible risks, the VIB Group has installed a suitable risk early warning and management system, which is constantly adjusted to operating business. This ensures that the Managing Board is notified early in the event of any risks arising and can immediately take corresponding countermeasures. The risk management system focuses on recording and evaluating the key parameters for the VIB Group 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. 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 BHB Brauholding Bayern-Mitte AG and also the Managing Board of BBI Immobilien AG.

b. Company risks

Overall economic risks

If the current difficult environment continues over a longer period, and if this continues to restrict companies' willingness to make investments, risks may result if a property has to be re-let, such as vacancies over a longer period or a rental at lower prices. 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 ensures that it primarily engages in long-term leases with tenants with high credit ratings.

A sustained economic crisis 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 rule, 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 possibility 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 particular in the current difficult situation in economy as a whole, it is possible that rental agreements will not be extended once these expire. 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 combat 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.

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. Banks are generally imposing higher requirements when lending for real estate financing, for example for equity, in particular as a result of the continuing difficulties on the financial markets. 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 solid equity ratio and the Group’s strong earnings. 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, or the Group would have to abstain from making the investment. In view of the current situation on the financial markets, an insufficient inflow of funds cannot be entirely 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. In addition, the situation both on the interbank market and also on the stock market has improved substantially recently, with the result that over the medium to long-term financing conditions are expected to stabilize again.

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 accounted for around 25% of the total financial liabilities as of December 31, 2009. As a result, the interest-rate risk is calculable even if short-term interest rates rise.

Currency Risk

In the case of loans and credit denominated in foreign currencies, there are risks if exchange rates deteriorate if higher amounts in EUR have to be spent to repay credit and also for ongoing interest rate payments. As a result of the minor extent of loans denominated in foreign currencies compared to total liabilities to banks, the exchange rate risk is transparent and only has a minor impact on the financial position and results of operations.

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.

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 still 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.

BBI Immobilien AG's subsidiary holds a portfolio of 24 specialist stores, of which 15 are operated by a major tenant. As a result, there is also a cluster risk. Compared to the previous year, this risk has been further reduced via the acquisition of additional properties. 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

In the Beverages segment, there is a material risk in dependency on the commodities market and commodities prices. At present a substantial amount of production costs – not including personnel expenses – are due to raw materials such as hops and malt. Fluctuations in the prices of these raw materials cannot be ruled out. It is not necessarily possible to pass on any price increases to customers in view of the increased competitive pressure and pressure on prices in the Beverages segment.

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, for example for malt and hops. If individual pre-products or raw materials are no longer offered, either because the corresponding supplier no longer wishes to supply these products for competition reasons, or if it is no longer possible to produce these economically, it cannot be ruled out that the supply of these raw materials and pre-products will be affected or may lapse entirely. Non-delivery, delivery bottlenecks or price increases from key suppliers could impact business activities. However, as the company has secured conditions at an early stage, bottlenecks for the supply of raw materials have been ruled out for the current year.

Sales risk

The continued tense competitive situation constitutes a risk for the Beverages segment. In addition, negative changes in the per capita consumption of beer and in Germany and thus a change in the size of the market could impact sales. The company aims to combat this thanks to the high quality of its products, in particular its key wheat beer specialties – brewed according to ancient Bavarian brewing traditions - as well as possible acquisitions and increasing its business with non-alcoholic beverages. Herrnbräu GmbH & Co. KG also used expansion into new markets, such as Italy, to 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 loans and trade accounts receivable. However, strict credit control minimizes these risks. If required, the default risk is anticipated by writing receivables down accordingly. Conditions have been fixed over a longer term for Herrnbräu GmbH & Co. KG's longer-term loans, thus mostly minimizing interest rate risks. In respect of short-term financing, the company continually monitors market developments so that it can respond, if necessary, to ensure that its financing terms are in line with the market. Hedges in connection with financial instruments are employed on occasion by the company's banks.

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

c. Opportunities

The market for commercial real estate in Germany also opens up opportunities for the VIB Group, irrespective of the continued tense economic situation. 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 particular compared to the rest of Europe. As the central banks worldwide employed a highly expansive monetary policy last fiscal year, the probability that inflation rates will increase is becoming increasingly likely. This could lead to increased demand in tangible assets such as real estate – and this is expected to have a positive impact on the value of commercial properties. 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 southern Germany can play a key role in increasing the portfolio's value – given a continued economic recovery.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

Investors who operated with a high level of borrowing have now mostly pulled back 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.

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.

There are opportunities for the Beverages segment in particular as a result of its location in one of Germany's highest growth regions and the associated positive impact on the size of the market. The population is expected to grow, and a continued solid economy form excellent foundations for comparatively robust growth on the market for wheat beer specialties and alcohol-free beverages. This will boost the subsidiary's sales and income.

Finally, in 2009 the formation of BHB Brauholding Bayern-Mitte AG created the organizational foundations for focused, independent further development in the Beverages segment. This has improved the opportunities of concentrating additional brands with a strong regional position under this umbrella. This strategy has already proved to be successful in the past and is therefore to be reinforced in future, thus generating stronger growth in the Beverages segment in this region.

There are also opportunities in the Beverage segment 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.

d. Outlook

The past fiscal year 2009 clearly underscored the fact that the VIB Group’s strategy is adequat. In the two preceding fiscal years 2008 and 2009, the VIB Group acquired a total of 19 commercial properties at a group level, with a volume of around € 171.1 million. This on-track growth has paid off in the form of a significant increase in the revenues which can be recorded. At the same time the lean, cost-efficient organizational structure was retained, and there was only slight growth in staff numbers. As a result it was possible to disproportionately increase the company’s earnings strength. In addition, the VIB Group’s sustainable financing structure – in particular in view of the recent financial and economic crisis – has proved to be a key anchor for stability and thus a valuable competitive advantage.

On these grounds, the company will stick to its tried-and-tested business model in the future and continue to pursue its core business – buying, building and managing its own properties and acquiring participating interests in companies with real estate holdings. The portfolio is to be reinforced to a moderate extent – cautiously, constantly and in a target-oriented manner. In so doing, VIB Vermögen AG will continue its buy-and-hold strategy, and remain its to focus on the high-growth Southern German market. In addition, in future the tried-and-tested strategy of stability-based financing for the real estate portfolio is to be retained by using a comparatively high proportion of equity and long-term financing.

In the current fiscal year 2010 the company sees the focus of its operating activities in the Real Estate segment as initially being in the ongoing optimization of its real estate portfolio by reclassifications and making target-oriented investments. These activities aim to secure or further increase the Group's earnings strength by upholding clearly defined investment criteria. In so doing, VIB Vermögen AG's declared fundamental objective is the expansion of the portfolio and thus additional company growth.

In the Beverages segment, the formation of BHB Brauholding Bayern-Mitte AG and the subsequent acquisition of a participating interest by its management was a key milestone in the focused further development of this segment. The Group plans to continue this path. In particular, the course already taken of establishing BHB Brauholding AG as one of the leading regional players in the brewery business is to be reinforced. In this regard, the company aims to increase its market penetration and unite additional brands under the BHB Brauholding AG umbrella. During the past 24 months, the brands Ingobräu and Gritschenbräu were successfully integrated beside the top HERRNBRÄU brand. Implementing the planned capital increase will also further spread BHB Brauholding AG's financial footing, thus allowing the existing opportunities on the market to be used even better. In addition – with a view to fiscal year 2010 and despite the ongoing difficult market environment the company is cautiously optimistic and assumes that the Beverages segment will also be able to record a pleasing operating result this year while simultaneously improving its cash flow.

VIB Vermögen AG has achieved a great deal in recent years. Past successes form the foundations for positive performance in the future. At a group level, the real estate portfolio now has a total rental area of around 645,000 m² with a market value of around € 638 million – a substantial size on the German commercial real estate market. In view of the acquisitions made in 2009, which will contribute to the company's earnings for a full fiscal year for the first time in 2010, the Managing Board is forecasting a further increase in revenues and income in the Real

Estate segment. During the current year we plan to lift revenues in our core business to around € 51 million. We are forecasting EBIT of € 37 million. That is why we are expecting pre-tax earnings prior to possible changes in the value of the investment properties at a group level of around € 17 million in fiscal year 2010. Given unchanged framework conditions, a similar result is expected for the year 2011 as well.

As a result of VIB Vermögen AG's competitive strengths, the Managing Board also believes that there are excellent prospects for the coming years for successfully continuing the company's further development.

Neuburg/Danube, April 30, 2010

Ludwig Schlosser	Peter Schropp
- CEO -	- Member of the Managing Board -

Group financial statements

Overview

| Consolidated income statement

Consolidated income statement (IFRS) for the period
from January 1, 2009 to December 31, 2009

in € thousand	Notes	2009	2008
Revenues	E.1	**63,061**	**56,365**
Increase in finished products		18	91
Changes in value for investment properties	E.2	-3,209	-476
Other operating income	E.3	2,298	990
Total operating income		**62,168**	**56,970**
Expenses for investment properties	E.4	-9,635	-9,195
Cost of materials	E.5	-4,945	-4,911
Personnel expenses	E.6	-6,418	-6,131
Other operating expenses	E.7	-5,235	-6,175
EBITDA – earnings before interest, taxes, depreciation and amortization		**35,935**	**30,558**
Amortization of intangible assets and depreciation of property, plant and equipment and investment properties	E.8	-1,874	-6,836
Profit from operating activities (EBIT)		**34,061**	**23,722**
Net income from investments accounted for using the equity method	E.9	-56	104
Income from participating interests		44	0
Other interest and similar income	E.10	198	549
Interest and similar expenses	E.11	-19,486	-17,305
Expenses from guaranteed dividend	E.12	-260	-505
Pre-tax earnings (EBT)		**14,501**	**6,565**
Income taxes	E.13	-2,158	-1,564
Consolidated earnings		**12,343**	**5,001**
Earnings attributed to group shareholders		12,072	5,395
Minority interests	E.14	271	-394
Earnings attributed to group shareholders		**12,072**	**5,395**
Consolidated retained profits		18,881	17,145
Addition to retained earnings		-2,259	-242
Consolidated net retained profits		**28,694**	**22,298**
Undiluted earnings per share in €	E.15	0,70	0,32
Diluted earnings per share in €	E.15	0,69	0,30

| Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (IFRS)
for the period from January 1, 2009 to December 31, 2009

in € thousand	Notes	2009	2008
Consolidated earnings		**12,343**	**5,001**
Other results			
Foreign currency effects from conversions of indepen-dent subsidiaries		-32	0
Cash flow hedges - Change in value of effective hedges		-260	-4.612
Income tax on positions of other result	E.23	-501	1.298
Sum of income and expenses recorded directly in equity		**-793**	**-3,314**
Comprehensive income		**11,550**	**1,687**
Comprehensive income is due to:			
Shareholders of parent company		11,442	2,081
Non-controlling shareholders		108	-394

| Consolidated balance sheet

IFRS consolidated balance sheet as of December 31, 2009

in € thousand	Notes	Dec. 31, 2009	Dec. 31, 2008
Assets			
Non-current assets			
Immaterielle Vermögenswerte	E.16	1,237	1,066
Property, plant and equipment	E.16	7,969	38,970
Investment property	E.17	638,019	561,336
Interests in associated companies	E.18	404	460
Financial assets	E.19	2,147	3,894
Deferred taxes	E.28	0	375
Total non-current assets		**649,776**	**606,101**
Current assets			
Inventories	E.20	1,424	1,376
Receivables and other assets	E.21	5,699	5,939
Receivables from income taxes	E.21	464	1,266
Bank balances and cash in hand	E.22	5,136	5,925
Prepaid expenses		123	58
Total current assets		**12,846**	**14,564**
Balance sheet total		**662,622**	**620,665**

To our shareholders
Group management report
Group financial statements
Consolidated Notes

in € thousand	Notes	Dec. 31, 2009	Dec. 31, 2008
Equity and Liabilities			
Equity	E.23		
Subscribed capital		17,736	17,084
Share premium		99,253	96,163
Retained earnings		43,968	40,143
Net retained profits		28,694	22,298
		189,651	**175,688**
Cash flow hedges		-3,984	-3,386
Foreign currency conversion		-32	0
Minority interest		7,905	13,155
Total equity		**193,540**	**185,457**
Non-current liabilities			
Profit-participation certificates	E.24	675	675
Financial liabilities	E.25	356,724	291,341
Compensation claims - minority interests - partnerships	E.26	1,556	1,540
Derivative financial instruments	E.27	5,016	5,565
Deferred taxes	E.28	18,850	17,061
Provisions for pensions	E.29	750	818
Other non-current liabilities	E.30	2,767	1,154
Total non-current liabilities		**386,338**	**318,154**
Current liabilities			
Financial liabilities	E.31	73,251	103,060
Provisions	E.32	104	96
Liabilities from income taxes	E.33	193	184
Liabilities to associated companies		218	114
Other liabilities	E.34	8,427	13,152
Prepaid expenses		551	448
Total current liabilities		**82,744**	**117,054**
Balance sheet total		**662,622**	**620,665**

| Consolidated cash flow statement

Consolidated cash flow statement (IFRS) for the period of January 1, 2009 to December 31, 2009

in € thousand		Jan. 1, 09 - Dec. 31, 09	Jan. 1, 08 - Dec. 31, 08
A. Cash flow from operating activities			
Net income (after taxes)		12,343	5,001
+/–	Net interest income	19,288	16,756
+/–	Income taxes	2,158	1,564
+/–	Write-ups/write-downs for fixed assets	1,874	6,836
+/–	Increase/decrease in provisions	-60	-1,658
+/–	Changes in the fair value of investment properties	3,209	476
+/–	At equity results	56	-104
+/–	Income tax paid	332	-2,273
Cash flow from operating activities after taxes		**39,200**	**26,598**
+/–	Other non-cash income/expenses	-783	540
+/–	Changes in inventories, receivables and other assets that are not to be allocated to investing activities	1,874	-461
+/–	Change in debt, that is not allocable to financing activities	-2,802	3,518
Cash flow from operating activities		**37,489**	**30,195**
B. Cash flow from investment activities			
–	Payments for investments in property, plant and equipment	-1,165	-46,046
–	Payments for investments in investment properties	-52,797	-69,170
–	Payments for investments in intangible assets	-480	-474
–	Payments for investments in non-current financial assets	0	-1,192
+	Proceeds from the disposal of fixed assets and investment properties	3,388	5,013
+	Dividends received	44	0
–	Payments from the acquisition of consolidated companies and other business units	-50	-7,367
Cash flow from investment activities		**-51,060**	**-119,236**

in € thousand		Jan. 1, 09 - Dec. 31, 09	Jan. 1, 08 - Dec. 31, 08
C. Cash flow from financing activities			
–	Cash payments to owners and minority interests (dividends)	-3,504	-3,417
+	Interest received	198	549
–	Interest paid	-19,486	-17,305
+	Receipts from the change of financial debt	51,240	146,237
–	Payments for the change of financial debt	-15,666	-40,816
+/–	Payments - minority interests	0	182
Cash flow from financing activities		**12,782**	**85,430**
D. Cash and cash equivalents – end of period			
Net change in cash and cash equivalents			
+/–	Cash flow from operating activities	37,489	30,195
+/–	Cash flow from investment activities	-51,060	-119,236
+/–	Cash flow from financing activities	12,782	85,430
	Change in liquidity	**-789**	**-3,611**
Cash and cash equivalents – start of period			
+	Cash and cash equivalents	5,925	9,536
Cash and cash equivalents – end of period		**5,136**	**5,925**

| Consolidated statement of changes in equity

Consolidated statement of changes in equity (IFRS) for the period from January 1, 2009 to December 31, 2009

in € thousand	Subscri-bed capital	Share premium	Retained earnings	Reserve for cash flow hedges	Provision for foreign currency conversion	Net retained profits	Minority interests	Consoli-dated Equity
January 1, 2008	**17,084**	**96,163**	**39,901**	**-72**	**0**	**20,562**	**20,734**	**194,372**
Changes recorded directly in equity	0	0	0	-3,314	0	5,395	-394	1,687
Purchase of BBI AG interests	0	0	0	0	0	0	-7,367	-7,367
Transfer to retained earnings	0	0	242	0	0	-242	0	0
Dividend payment	0	0	0	0	0	-3,417	0	-3,417
Deposit of outstanding contributions by minority shareholders	0	0	0	0	0	0	182	182
December 31, 2008	**17,084**	**96,163**	**40,143**	**-3,386**	**0**	**22,298**	**13,155**	**185,457**
Changes recorded directly in equity	0	0	0	-598	-32	12,072	108	11,550
Issue of shares of VIB AG in the course of exchange of shares	652	3,090	0	0	0	0	0	3,742
Transfer to retained earnings	0	0	2,259	0	0	-2,259	0	0
Disbursement	0	0	0	0	0	-3,417	0	-3,417
Purchase of BBI AG interests in the course of exchange of shares	0	0	0	0	0	0	-3,792	-3,792
Reclassification of hidden reserves in purchased shares of BBI Immobilien AG due to shareholders of parent company	0	0	1,566	0	0	0	-1,566	0
December 31, 2009	**17,736**	**99,253**	**43,968**	**-3,984**	**-32**	**28,694**	**7,905**	**193,540**

| 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. Rounding differences may result. 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 statement of comprehensive income, 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, 2009. The corresponding transitional regulations have been applied. The consolidated financial statements also include further information required under the HGB and Aktiengesetz (AktG – German Public Limited Companies Act).

New accounting principles

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 applicable for fiscal years beginning on or after January 1, 2009. We used IFRS 8 for the first time in fiscal year 2009. Application of this standard does not have any material impact on the group's financial position and results of operations.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

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.

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 changes in equity which do not result from relationships with shareholders can either be shown in the statement of comprehensive income or separately in the income statement and a separate statement of comprehensive income. The new version of IAS 1 is effective for financial years beginning on or after 1 January 2009. VIB Vermögen AG observed the new requirements of IAS 1 in its 2009 consolidated financial statements. VIB Vermögen AG has decided to use two separate income statements to show the Group's comprehensive income.

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. In addition, the provisions for transactions with non-controlling shareholders and accounting upon loss of control of a subsidiary.

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. The future impact of the new standards on VIB Vermögen AG's consolidated financial statements is currently being reviewed and depends on the implementation and structure of future business combinations. IAS 27 (rev. 2008) has already been applied to the increase in the existing majority interest in BBI Bürgerliches Immobilien AG.

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 1, 2009. Application of the amendments to IFRS 2 will not have a material impact on the group's financial position and results of operations. The change in IFRS 2 "Group Cash-settled Share-based Payment Transactions" which is applicable from January 1, 2010 covers compensation in the form of cash compensation to employees which are based on the value of shares of the parent or subsidiary company, in future as share-baed payments with compensation via equity instruments in the separate IFRS financial statements for the subsidiary. No material impact on the group's financial position and results of operations is expected.

The IASB published amendments to IAS 32 and IAS 1 on February 14, 2008 in the document: "Puttable Financial Instruments and Obligations Arising on Liquidation". 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 1, 2009. Application of the amendments to IFRS 32 and IAS 1 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. Application will not have a material impact on the group's financial position and results of operations. Of these changes, the following should be highlighted with regard to VIB Vermögen AG: the revision of several points in IAS 40 "Investment Property" (IAS 40 rev. 2008). The changes in IAS 40 mostly relate to the disclosure of real estate that is built or developed for future use as investment property. To date these properties were carried as "assets under construction" under property, plant and equipment within the meaning of IAS 16, from January 1, 2009 these are allocated to Investment Property (IAS 40.8 (e)). The investment properties under construction or development are – if the fair value can be reliably identified – measured at fair value (application of the fair value model in IAS 40). If this is not possible with sufficient certaingy, these are carried at amortized cost. As soon as the fair value can be reliably determined, the property must be measured at fair value. Upon completion of a property, it is assumed that it is possibly to reliably identify its fair value. The impact of the transition are shown and discussed in the balance sheet (see Section E. 16.2 and E.17). In line with IAS 40 and IAS 8, there is no adjustment to the prior year's figures.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

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. Application of the amendments did not impact on the group's financial position and results of operations.

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 March 5, 2009 the IASB published changes to IFRS 7 "Improved Disclosures on Financial Instruments". The changes include additional information on the valuation of financial instruments at fair value and on liquidity risks. Application of the changes is mandatory for fiscal years beginning on or after January 1, 2009. Upon first time presentation, however, no prior year figures are required for the additional information requireemnts. We have applied the changes to IFRS 7 this fiscal year. The requisite information is included in the section on financial instruments and risk management

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" were published.

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 1, 2010. 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 constructing and selling properties.

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. According to the EU Directive (No.

460/2009 dated June 5, 2009) on the application of IFRIC 16, application of this interpretation is binding at the latest from the start of the first fiscal year commencing after June 30, 2009. 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.

IASB published changes to IFRIC 9 "Reassessment of embedded derivatives" and IAS 39 "Financial Instruments" on March 12, 2009. The changes serve to clarify accounting for embedded derivatives when financial instruments are reclassified. The changes are to be applied at the latest on the first day of the fiscal year starting after December 31, 2008. Application of the amendments did not have a material impact on the group's financial position and results of operations.

IASB published an amendment to IAS 32 "Financial Instruments: Presentation" on October 8, 2009. The amendment regulates accounting for issuers of subscription rights in a currency other than the functional currency. Application of these changes is mandatory for fiscal years beginning on or after February 01, 2010. Earlier use is permitted. Future application of this standard will not have a material impact on the group's financial position and results of operations.

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

On April 16, 2009, IASB published the collection of various amendments to make minor changes to IFRS, the so-called "Improvements to IFRSs" on April 16, 2009. Application of the majority of the changes is mandatory retroactively for fiscal years beginning on or after January 1, 2010. 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 4, 2009, the IASB published the revised version of IAS 24, "Related party disclosures". The amendments focus on simplifying disclosure requirements for companies that are controlled or significantly influenced by public authorities. In addition, the definition of related parties was fundamentally reworked. Application of the changes to IAS 24 is mandatory for the first time for fiscal years beginning on or after January 1, 2011. Earlier use is permitted. The scope of reporting on related parties in the group will be adapted to the new version of IAS 24 in future.

The IASB published IFRS 9 "Financial Instruments: Classification and measurement" on November 12, 2009. The new standard is part of the project for a successor standard for IAS 39. IFRS 9 fundamentally changes the previous requirements for the categorization and valuation of financial assets. Application of these changes is mandatory for fiscal years beginning on or after January 01, 2013. Earlier use is permitted. The endorsement process by the EU has been temporarily interrupted. The impact of future application of IFRS 9 on VIB Vermögen AG's consolidated financial statements will be reviewed during the course of 2010.

On November 26, 2009, IFRIC published IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" The interpretation is used if a company redeems a financial liability by issuing shares or other equity instruments. IFRIC 19 is applicable for the first time for financial years beginning on or after July 1, 2010. 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 key 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.

| 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). All business combinations are accounted for using the acquisition 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 (IFRS 3 rev. 2008 includes recording incidental acquisition costs as expenses in future). 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 income and expenses 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. Intragroup transactions, balances and unrealised gains from transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction indicates impairment of the transferred asset.

The portion of the consolidated equity and the consolidated annual earnings due to minority interests is shown separately from the portions due to the shareholders of 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, 2009, 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, 2009:

Company	Equity interest (%)
BBI Bürgerliches Brauhaus Immobilien Aktiengesellschaft	90.74
BHB Brauholding Bayern-Mitte AG	90.74
Herrnbräu GmbH & Co. KG	90.74
Herrnbräu Geschäftsführungs-GmbH	90.74
Unterstützungskasse des Bürgerlichen Brauhaus Ingolstadt GmbH	90.74
Mittelbayerische Getränke-Vertrieb GmbH & Co. KG	90.74
Herrnbräu Gaststättenbetriebs GmbH	90.74
Merkur GmbH (CMG Center Marketing GmbH was merged with Merkur GmbH as of April 1, 2009)	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
VSI GmbH	74.00

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

CMG Center Marketing GmbH was merged with Merkur GmbH in 2009.

BBI Bürgerliches Brauhaus Immobilien AG formed BHB Brauholding Bayern-Mitte AG in 2009. The company was included in the consolidated financial statements for the first time. By way of a contribution agreement dated October 26, 2009, BBI Immobilien AG contributed its 100% limited partner's share in Herrnbräu GmbH & Co. KG and also its interest in the general partner company Herrnbräu Geschäftsführungs–GmbH against granting company rights as part of the non-cash formation of BHB Brauholding Bayern-Mitte AG to this company.

For a list of shareholdings please refer to Annex 7.

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 Bürgerliches Brauhaus Immobilien AG (hereinafter BBI Immobilien AG or BBI) 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 Immobilien AG was included in VIB Vermögen AG's consolidated financial statements from in line with the measurement principles for associated companies.

The majority acquisition of the participating interest in BBI Immobilien AG meant that a mandatory offer had to be made to BBI Immobilien AG's shareholders according to the provisions of the WpÜG. In this offer, BBI Immobilien AG's shareholders were offered to sell their shares to VIB Vermögen AG at a price of € 11.70. Many shareholders of BBI Immobilien AG used this right of exchange during fiscal year 2008. In 2008, VIB Vermögen AG increased its interest in BBI Immobilien AG significantly as a result of the mandatory offer (purchase of 540,607 shares in total) – from 69.99% to 82.01%. A total of 625,107 shares of BBI Immobilien AG were acquired in 2008.

On May 6, 2008, VIB Vermögen AG and BBI Immobilien AG concluded a profit and loss transfer agreement. VIB Vermögen AG has undertaken to pay the outstanding shareholders of BBI Immobilien AG with reasonable compensation ("guaranteed dividend") for the duration of this agreement in the amount of € 0.64 (gross) per no-par value share as a repeating annual payment. As an alternative to paying compensation, VIB Vermögen AG undertakes, upon request by the shareholder, to acquire their no-par value shares of BBI Immobilien AG at a conversion ratio of 8.02 to 11.62, i.e., against compensation in shares in the amount of 1.45 no-par value shares of VIB Vermögen AG per no-par value share of BBI Immobilien AG. The deadline for accpeting this compensation offer (share swap) is normally two months from publication of the compensation offer. The compensation offer was published on March 3, 2009. At present, law suits are pending regarding the level of the conversion ratio. The conversion period thus does not end until the pending suits have been concluded. An exact date cannot yet be forseen. In 2009 25 shareholders of BBI Immobilien AG swapped a total of 449,584 shares of BBI Immobilien AG. The participation in BBI Immobilien AG thus increased, including an acquisition of 4,000 shares, by 8.73 percentage points from 82.01% as of December 31, 2008 to 90.74% at the end of 2009.

As part of the transaction, 651,894 shares of VIB were issued as compensation for the acquisition of the shares of BBI Immobilien AG from the conditional capital. The VIB shares were based on an average stock market price of € 5.74.

The acquisition costs of the shares of BBI Immobilien AG acquired in 2009 total € 3,791 thousand. As a result of the higher present value of the minority interest, an amount of € 1,566 thousand was allocated to the owners of the parent company directly under equity.

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, which is included in the carrying amount of the participating interest in the associated company and is not subject to scheduled amortization. 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 in equity directly under equity. Disbursements by the associated companies reduce its carrying amount.

As of December 31, 2009, 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 IFRS 8.2, companies such as VIB Vermögen AG, in which shares are publicly traded, must prepare segment reports. The so-called management approach is to be used for segmentation.

According to IFRS 8, a business segment is a distinguishable component of an enterprise which records similar non-current income or has comparable economic characteristics. The individual business segments should also differ from the other segments in terms of risks, opportunities and returns.

Geographical segments are distinguishable components of a n 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.

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 deferred in the income statement.

Borrowing costs

In line with IAS 23 (revised), and if the conditions apply this is mandatory, 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 € 290 thousand were capitalized (previous year: € 399 thousand). It was possible to allocate the loans to the corresponding qualified assets. The average interest rate for the capitalized borrowing costs was 3.96%.

Public Subsidies

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 for temporary differences and tax losses carried forward that can be used in future 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.

Intangible asstes (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.

Property, plant and equipment

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

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:

- Buildings 20-45 years
- Technical equipment and machinery 10-25 years
- Office and operating equipment 3-10 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.

In contrast to the previous year, reserve land and assets under construction are no longer treated as property, plant and equipment, but are carried under "Investment Property".

Investment property

With the exception of the brewery's operating premises including its buildings, all of the other properties (in addition for the first time in the fiscal year: reserve land and assets under construction) 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. On the date the method is change from accounting at cost to measurement at fair values, the difference between amortized cost and fair values is carried under the revaluation reserve and taken directly to equity under retained earnings – less deferred taxes.

The fair values were ascertained by an independent expert (report on the execution of a real estate valuation by Landestreuhand Weihenstephan GmbH, Wirtschaftsprüfungsgesellschaft dated February 15, 2010). 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 influencing factors:

- Gross annual income
- Management costs and anticipated maintenance expenses
- Remaining useful lives of buildings
- Discount rate (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 identified based on the respective communities' collections of guiding values. An discount rate of 5-6% 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.

During the fiscal year, in view of the changes to IAS 40 (revised), reserve land and assets under construction were also carried as investment property for the first time. These were reclassified as of January 1, 2009. As a rule, the fair value applies for valuation within the meaning of IAS 40. In addition to other parameters, this includes rental income from current tenancies and appropriate and reasonable assumptions, which correspond to what would be agreed between knowledgeable, willing parties for rental income from future tenancies according to current circumstances on the market.

However, according to IAS 40.53, there is a rebuttable presumption that an enterprise will be able to determine the fair value of an investment property reliably on a continuing basis. If fair value of an investment property under construction cannot be reliably determined as a result of the early stage of the project, this is measured at cost. As soon as VIB is able to identify the fair value, this property is carried at fair value. This is the case, at the latest, when the property is completed.

As a result of factors including the early development stage of the properties, the VIB Group was not able to reliably determine the fair value of the investment property under construction. As of December 31, 2009 these were thus measured at cost in line with IAS 16.

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.

A revaluation of the property and the production and office building used by the brewery was performed on December 31, 2009 by an independent surveyor. This resulted in impairment of € 720 thousand. The comments on investment property also apply to the method used for the revaluation.

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

Inventories are carried at the lower of cost and net realizable value. Cost, including a reasonable portion of fixed and variable overheads, is allocated to the inventories according to the method best suited for their allocation in each case. The bulk of inventories are measured using the weighted average method. The net realizable value is the estimated selling price of the inventories less all estimated expenses that are still required for completion and sale.

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

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 correspondingly 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 other earnings. If securities in the available-for-sale category are sold or impaired, the changes to the fair value accumulated in other earnings 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 hedges

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.AG108. The effectiveness is reviewed retrospectively on each balance sheet date using an effectiveness test with statistical methods in the form of a so-called dollar offset test. For these financial instruments used as cash flow hedges the unrealized gains and losses from the effective hedge transaction are taken directly to equity. The ineffective portion is recognized in income immediately in the income statement. The amounts accumulated under equity are recorded in the periods in the income statement in which the the underlying transaction affects earnings for the period.

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, the Group’s profit carried forward and minority interests 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.

Pension provisions

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. 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 recognized as income or expense immediately in the earnings for the period. 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 Euro for all of the companies with the exception of RVTechnik s.r.o.

Assets (incl. goodwill and hidden reserves uncovered as part of a purchase price allocation) and liabilities for foreign subsidiaries for which the functional currency is not the Euro, are translated in line with IAS 21.44 at the closing rate, income and expenses are translated using the average rate of exchange. VIB takes translation differences directly to equity.

Transactions and balances

Foreign currency transactions are conversed 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 conversion 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.

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, estimating 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. At VIB Vermögen AG this applies in particular to the valuation of investment property, and also to financial instruments and derivatives.
- 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 for pensions and ongoing 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 on the balance sheet and income statement

1. Revenues

The group's revenues are composed as follows:

in € thousand	2009	2008
Income from the real estate segment	48,955	42,145
Income from the beverages segment	14,106	14,220
	63,061	**56,365**

2. Changes in value for investment properties

in € thousand	2009	2008
Write-ups from changes in market value IAS 40	6,738	6,496
Write-downs from changes in market value IAS 40	-9,947	-6,972
	-3,209	**-476**

Since January 1, 2007, investment properties within the meaning of IAS 40 are measured at fair value and recognized in income. As it is not yet possible to reliably determine the fair value for the properties still being developed, these were also measured at amortized cost after their reclassification to investment property.

Write-ups in the amount of € 6,738 thousand are broken down as follows:

	€ thousand
Increase in the value of development projects after completion of the development and start of property use	4,121
Increase in the value of existing properties	2,617
	6,738

3. Other operating income

Other operating income is composed as follows:

in € thousand	2009	2008
Other operating income	2,298	990
	2,298	**990**

Other operating income in the year under review mostly resulted from the premature termination of a forward transactionreversal of a provision for an interest-rate swap formed in previous years, the reduction of individual write-downs, insurance compensation and a one-off compensation payment.

4. Expenses for investment properties

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

in € thousand	2009	2008
Expenses for rented land and buildings		
Real estate expenses	7,921	6,738
Maintenance expenses	1,714	1,861
Other expenses	0	596
	9,635	**9,195**

Expenses for investment property that did not contribute to generating rental income during the year under review (including in construction, vacancies, etc.) are of minor importance.

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	2009	2008
Cost of raw materials and consumables used	4,387	4,384
Cost of purchased services	558	527
	4,945	**4,911**

6. Personnel expenses

in € thousand	2009	2008
Wages and salaries	5,306	5,011
Social security contributions	1,112	1,120
	6,418	**6,131**

The VIB Group had an average of 109 employees without the Managing Board (previous year: 108 employees). Of this total, € 3,687 thousand of wages and salaries and € 809 thousand social security payments are due to Herrnbräu GmbH & Co. KG.

7. Other operating expenses

Other operating expenses fell year-on-year from € 6,175 thousand to € 5,235 thousand. The reduction of € 940 thousand is mostly due to the valuation adjustment performed in 2008 for loans in Swiss Franks in the amount of € 982 thousand.

Other operating expenses are due to operating expenses in the amount of € 2,175 thousand, administrative expenses in the amount of € 1,334 thousand and selling expenses in the amount of € 1,726 thousand.

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

in € thousand	2009	2008
Scheduled amortization of intangible assets	258	233
Scheduled depreciation of property, plant and equipment	896	1,603
Non-scheduled depreciation of property, plant and equipment	720	5,000
	1,874	**6,836**

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.

As of December 31, 2009, a scheduled valuation of the operating property for BBI Immobilien AG, in particular Herrnbräu GmbH & Go. KG including the buildings on this property, was performed by an independent surveyor. The value newly identified was lower than the carrying amount on the balance sheet date, as a result the brewery land and buildings were written down in the amount of € 720 thousand.

9. Share of profit from investments accounted for using the equity method

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

in € thousand	2009	2008
VIMA Grundverkehr GmbH	-58	105
Tre Effe S.R.L.	2	-1
	-56	**104**

10. Other interest and similar income

Other interest and similar income in the amount of € 198 thousand (previous year: € 549 thousand) is mostly due to interest on current account balances and demand deposits as well as loans on financial assets.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

11. Interest and similar expenses

Interest and similar expenses in the amount of € 19,486 thousand (previous year: € 17,305 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 € 260 thousand (previous year: € 505 thousand).

13. Income taxes

Income taxes are composed as follows:

in € thousand	2009	2008
Ongoing income tax expense	479	471
Deferred taxes	1,679	1,093
Total income tax expense	**2,158**	**1,564**

Ongoing tax expense mostly comprises corporation tax including the solidarity surcharge. The use of an existing loss carryforward reduced taxation in the amount of € 44 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	2009	2008
Earnings before income taxes	14,501	6,565
Anticipated income tax rate: 15.825%		
Anticipated income tax expense	2,295	1,039
Amortization of deferred tax assets on losses carried forward	375	0
Capitalization of deferred tax assets on losses carried forward (so far not considered valuable)	-67	0
Fiscal loss from restructuring within the Group	-522	0
Tax-free income (especially. § 8b KStG)	-7	0
Non-use of losses in consolidated financial statements	0	83
Taxes previous years	-1	41
Use of non-capitalized loss carryforwards	-44	-39
Impact of extraordinary and supplementary financial statements	55	44
Trade tax effects	0	239
Tax impact of subsidiaries and equity participations	9	-17
Corporation tax on compensation payment	50	97
Other	15	77
Reported income tax expense	**2,158**	**1,564**
Effective tax rate	14.88%	23.82%

The reduction in corporation tax to 15.0% from the 2008 assessment period 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 Immobilien AG sub-group into account). Any trade tax effects are recorded as reconciliation issues as part of reconciliation.

14. Minority interests

The consolidated earnings in the amount of € 12,343 thousand include minority interests (BBI Immobilien AG, Gewerbepark Günzburg GmbH, IVM Verwaltung GmbH, VSI GmbH) totaling € 271 thousand (previous year: € -394 thousand).

To our shareholders
Group management report
Group financial statements
Consolidated Notes

15. Earnings per share

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

in € thousand	2009	2008
Earnings		
Basis for the undiluted earnings per share (allocable proportionate period earnings for shareholders of parent company)	12,072	5,395
Impact of dilutive potential shares	260	0
Basis for diluted earnings per share	12,332	5,395
Number of shares (in shares)		
Weighted average number of shares in circulation for undiluted earnings per share	17,237,257	17,084,000
Impact of dilutive potential shares	698,204	678,057
Weighted average number of shares in circulation for diluted earnings per share	17,935,461	17,762,057
Undiluted earnings per share (€)	**0.70**	**0.32**
Diluted earnings per share (€)	**0.69**	**0.30**

The dilutive potential ordinary shares are based on the formation of conditional capital (see No. 23), the modified earnings for the calculation of the diluted earnings per share were adjusted for the guaranteed dividend.

Dividends paid

In fiscal year 2009, according to the resolution of the General Meeting on July 07, 2009, an amount of € 3,416,800.00 was disbursed from VIB Vermögen AG's 2008 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 2009, that a dividend of € 0.25 per share is disbursed from VIB Vermögen AG's net retained profits (total of € 4,433,973.50).

16. Intangible assets and property, plant and equipment

16.1. Intangible assets

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
As of 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**

in € thousand	Goodwill	Other rights	Total
Acquisition costs			
As of Jan. 1, 2009	**10**	**2,817**	**2,827**
Additions	0	480	480
Disposals	0	-275	-275
As of Dec. 31, 2009	**10**	**3,022**	**3,032**
Amortization/depreciation			
As of Jan. 1, 2009	**6**	**1,755**	**1,761**
Additions	0	258	258
Disposals	0	-224	-224
As of Dec. 31, 2009	**6**	**1,789**	**1,795**
Carrying amount Dec. 31, 2009	**4**	**1,233**	**1,237**
Carrying amount Jan. 1, 2009	**4**	**1,062**	**1,066**

Other rights mostly comprise acquired beverage supply rights, which are written off using the straight line method over the contractual term.

16.2. Property, plant and equipment

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**

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, 2009	**8,651**	**9,263**	**20,775**	**30,489**	**69,178**
Additions	6	156	1,001	2	1,165
Disposals	0	0	-170	-134	-304
Reclassification to investment properties	0	0	0	-30,325	-30,325
As of Dec. 31, 2009	**8,657**	**9,419**	**21,606**	**32**	**39,714**
Amortization/depreciation As of Jan 1, 2008	**1,776**	**8,949**	**19,483**	**0**	**30,208**
Additions	48	206	642	0	896
Disposals	0	0	-79	0	-79
Extraordinary depreciation/ amortization	720	0	0	0	720
As of Dec. 31, 2009	**2,544**	**9,155**	**20,046**	**0**	**31,745**
Carrying amount Dec. 31, 2009	**6,113**	**264**	**1,560**	**32**	**7,969**
Carrying amount Jan. 1, 2009	**6,875**	**314**	**1,292**	**30,489**	**38,970**

17. Investment property

in € thousand	2009	2008
Carrying amount January 1	**561,336**	**457,308**
Additions	52,797	108,181
Reclassification investment properties under construction	30,325	0
Disposals	-3,198	-3,677
Currency effects	-32	0
Un-realized increases in market value	6,738	6,496
Un-realized reductions in market value	-9,947	-6,972
Carrying amount December 31	**638,019**	**561,336**

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	2009	2008
Tre Effe S.R.L.	193	191
VIMA Grundverkehr GmbH	211	269
	404	**460**

The at-equity participations changed as follows in fiscal year 2009:

in € thousand	Tre Effe S.R.L.	VIMA Grund-verkehr GmbH
Balance at Jan. 1, 2009	**191**	**269**
Proportion of annual earnings 2009	2	-58
Balance at Dec. 31, 2009	**193**	**211**

As a result of its proportionate interests, the following assets and liabilities are due to the Group as of December 31, 2009:

in € thousand	VIMA Grund-verkehr GmbH	Tre Effe S.R.L.
Assets	801	285
Liabilities	733	450
Profit for the period	-58	2
Revenues	177	557

With regard to Tre Effe S.R.L., the information – with the exception of the annual earnings for 2009 - are based on the annual financial statements as of December 31, 2008.

19. Financial Assets

in € thousand	2009	2008
Aquisition costs as of January 1	**3,894**	**4,090**
Additions	48	56
Disposals	-1,795	-252
Net carrying amount on December 31	**2,147**	**3,894**
Breakdown of financial assets		
Interest – Tilly-Immobilie Verwertungs GmbH	0	93
Loans to customers	1,864	1,967
Loan – VIMA Grundverkehr GmbH	283	1,834
Financial assets on December 31	**2,147**	**3,894**

Individual write-downs totaling € 848 thousand (previous year: € 819 thousand) were performed for customer loans which are unlikely to be collectable. In addition, individual write-downs were formed totaling € 79 thousand (previous year: € 79 thousand) based on past experience with payment defaults. The figures are mostly from the Beverages segment.

Tilly-Immobilien Verwertungs GmbH was liquidated during the fiscal year. Income from the participation of € 44 thousand was received.

20. Inventories

in € thousand	2009	2008
Aquisition costs as of January 1	**1,376**	**1,239**
Additions	1,424	1,376
Disposals	-1,376	-1,239
Net carrying amount on December 31	**1,424**	**1,376**
Breakdown of inventories		
Raw materials, consumables and supplies	687	665
Work in progress	248	224
Finished goods	399	405
Merchandise	90	82
Inventories on December 31	**1,424**	**1,376**

Inventories were not written down.

The costs incurred for inventories as part of business activities were recognized as expenses in fiscal year 2009 in the amount of € 4,402 thousand (previous year: € 4,410 thousand).

21. Receivables and other assets

in € thousand	2009	2008
Trade accounts receivable	3,647	3,321
Other assets	2,052	2,618
	5,699	**5,939**

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 € 279 thousand (previous year: € 282 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	31.12.2009	31.12.2008
Balance – start of year	282	156
Appropriation	103	180
Consumed in booking out	-100	-54
Reversal	-6	0
	279	**282**

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 receivables from income taxes are due to the corporation and trade tax refund claims at VIB Vermögen AG and the capitalization of the corporation tax balance at BBI Immobilien AG, which is due to the change from the imputation tax credit system to the half income method.

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 (€ 1,589 thousand; previous year: € 4,595 thousand) and the BBI Immobilien AG subgroup (€ 3,018 thousand; previous year: € 586 thousand).

23. Equity

Subscribed capital

VIB Vermögen AG's subscribed capital in the amount of € 17,735,894 (previous year: € 17,084,000) comprises 17,735,894 no-par value bearer shares (previous year: 17,084,000). The shares have a theoretical par value of € 1 each. All issued shares are fully paid up.

This increase was due to the offer to outstanding shareholders of BBI Immobilien AG to swap their shares for shares of VIB Vermögen AG. As many shareholders of BBI Immobilien AG availed of this offer during the reporting period, VIB Vermögen AG's subscribed capital increased correspondingly. 651,894 shares were issued in fiscal year 2009.

Share premium

The share premium results from the share premium of VIB Vermögen AG (HB II) and increased by € 3,090 thousand during the year under review. This increase is mostly due to the premium from the conditional capital increase from the share swap.

Retained earnings

As part the preparation of it annual financial statements as of December 31, 2009, VIB Vermögen AG's Managing Board added € 2,259 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 (€ 2,259 thousand), plus the ongoing consolidated net income from fiscal year 2009 due to group shareholders (€ 12,072 thousand).

Cash flow hedges

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

Reserve for foreign currency conversion

This reserve includes the differences from the conversion of foreign currencies at the foreign subsidiaries to the Group's functional currency.

Minority interest

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

This item developed as follows:

in € thousand	2009	2008
Balance – start of year	13,155	20,734
Change in participating interests	-5,357	-7,367
Proportion of annual earnings	271	-394
Minority interests in other earnings	-164	0
Deposit of outstanding contributions by minority shareholders	0	182
Balance – end of year	**7,905**	**13,155**

To our shareholders
Group management report
Group financial statements
Consolidated Notes

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. Many shareholders of BBI Immobilien AG used this right of exchange during the fiscal year. A total of 449,584 shares of BBI Immobilien AG were swapped. The participating interest in BBI Immobilien AG increased from 82.01% as of December 31, 2008 to 90.74% at the end of 2009.

Deferred taxes on income and expenses taken directly to equity

The following table shows individual details of the expenses and income taken directly to equity;

	2009			2008		
in € thousand	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Foreign currency effects from the translation of independent subsidiaries	-32	0	-32	0	0	0
Market valuation of cash flow hedges	-260	-501	-761	-4,612	1,298	-3,314
Income and expenses taken directly to equity	-292	-501	-793	-4,612	1,298	-3,314

24. Profit-sharing certificates outstanding

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	2009	2008
Remaining term between 1 and 5 years	79,887	47,613
Remaining term more than 5 years	276,837	243,728
	356,724	**291,341**

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

in € thousand	2009	2008
Non-current financial debt		
VIB Vermögen AG	225,464	196,054
BBI Bürgerliches Brauhaus Immobilien AG (sub group)	109,317	79,826
Merkur GmbH	396	428
Industriepark Neuburg GbR	3,811	4,393
IVM Verwaltung GmbH	7,322	4,943
Gewerbepark Günzburg GmbH	5,465	5,697
VSI GmbH	4,949	0
	356,724	**291,341**

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 € 1,556 thousand (previous year: € 1,540 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 spread risk and 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 (€ 522 thousand, previous year: € 54 thousand). The negative market value of all swaps totaled € -5,016 thousand on the balance sheet date (previous year: € 5,565 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	2009	2008
Deferred tax assets		
Property, plant and equipment	0	375
Derivative assets	71	225
Entitlements of minorities in partnerships	239	237
Other	8	8
Loss carried forward	67	0
Total deferred tax assets	**385**	**845**

in € thousand	2009	2008
Deferred tax liabilities		
Investment property	19,235	14,815
Property, plant and equipment	0	2,716
Total deferred tax liabilities	**19,235**	**17,531**
Netting of deferred tax assets and liabilities	-385	-470
Carrying amount - deferred tax liabilities	**18,850**	**17,061**
Carrying amount - deferred tax assets	**0**	**375**

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

Losses carried forward on December 31, 2009 were as follows:

- Trade tax € 1,147 thousand (previous year: € 1,380 thousand)
- Corporation tax € 575 thousand (previous year: € 930 thousand)

29. Pension provisions

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 € 750 thousand as disclosed on the balance sheet corresponds to their projected unit credit value.

in € thousand	2009	2008
Balance – January 1	**818**	**964**
Interest expense	42	49
Pensions paid	-139	-144
Actuarial gains/losses	29	-51
Balance – December 31	**750**	**818**

The expenses for benefits included in personnel expenses is broken down as follows:

in € thousand	2009	2008
Current service cost	**0**	**0**
Interest cost	42	49
Actuarial gains/losses	29	-51
Balance as of December 31	**71**	**100**

Calculated actuarial assumptions:

in %	2009	2008
Discount interest rate	5.40	6.20
Pension trend	2.00	2.00
Salary trend	0.00	0.00

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	2009	2008
Trade accounts payable	2,553	969
Liabilities from lease deposits	214	185
	2,767	**1,154**

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 € 47 thousand (previous year: € 182 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, short term loans 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	2009	2008
VIB Vermögen AG	50,907	67,332
Merkur GmbH	32	32
BBI Bürgerliches Brauhaus Immobilien AG (sub group)	18,372	31,446
IVM Verwaltung GmbH	1,024	194
Industriepark Neuburg GbR	582	584
VR 1 Immobilienverwaltung GbR	1,127	1,127
VSI GmbH	975	2,121
Gewerbepark Günzburg GmbH	232	224
	73,251	**103,060**

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 2009 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	Obligations from return of empties	Provisions for personnel expenses	Other Provisions	Total
As of Jan. 1, 2008	**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**
Utilization	0	-1	-15	-16
Reversal	0	0	0	0
Additions	0	0	24	24
Reclassification	0	0	0	0
As of Dec. 31, 2009	**0**	**0**	**104**	**104**

Other provisions include provisions for outstanding invoices totaling € 104 thousand. As was also the case in the previous year, all provisions that are liabilities were carried under other liabilities.

33. Liabilities from income taxes

The disclosed liabilities from income taxes of € 193 thousand relate to ongoing tax liabilities for 2009 for BBI Immobilien AG (€ 31 thousand) and IVM GmbH (€ 162 thousand).

34. Other liabilities

in € thousand	2009	2008
Trade accounts payable	2,809	6,375
Other	5,618	6,777
	8,427	**13,152**

In fiscal year 2009, the other liabilities fell from € 6,777 thousand to € 5,618 thousand as a result of the investments made in the fiscal year and the lower amount of provisions that are liabilities.

To our shareholders
Group management report
Group financial statements
Consolidated Notes

35. Segment reporting

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

Taking IFRS 8 into account, as in the previous year 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 secondary reporting format "Regions" in the company's internal reporting. As a result, this type of segmentation has not been performed.

Segment reporting January 1 to December 31, 2009

in € thousand	Real Estate	Beverages	Group
Segment revenues	49,195	14,106	63,301
Income from transactions with other segments	240	0	240
External segment revenues	48,955	14,106	63,061
Segment result before consolidation	12,142	201	12,343
Consolidation of transactions with other segments	-240	240	0
Segment result after consolidation	11,902	441	12,343
Segment EBIT	33,166	895	34,061
Proportionate result of associated companies for the period	-58	2	-56
Interest income	34	132	166
Interest paid	19,186	195	19,381
Income taxes	1,767	391	2,158
Segment assets without income tax receivables	646,992	15,166	662,158
Segment liabilities	444,695	6,387	451,082
Segment investments 1)	52,990	1,452	54,442
Segment amortization 2)	816	1,058	1,874

1) Gross investments in property, plant and equipment, intangible assets, investment properties and financial assets
2) Amortization on property, plant and equipment as well as intangible assets

Segment reporting January 1 to December 31, 2008

in € thousand	Real Estate	Beverages	Group
Segment revenues	42,385	14,220	56,605
Income from transactions with other segments	240	0	240
External segment revenues	42,145	14,220	56,365
Segment result before consolidation	8,581	-3,580	5,001
Consolidation of transactions with other segments	-240	240	0
Segment result after consolidation	8,341	-3,340	5,001
Segment EBIT	28,237	-4,515	23,722
Proportionate result of associated companies for the period	106	-2	104
Interest income	340	132	472
Interest paid	17,110	195	17,305
Income taxes	-2,943	1,379	-1,564
Segment assets without income tax receivables	603,465	15,934	619,399
Segment liabilities	428,504	6,704	435,208
Segment investments 1)	114,103	1,587	115,690
Segment amortization 2)	89	6,747	6,836

1) Gross investments in property, plant and equipment, intangible assets, investment properties and financial assets
2) Amortization on property, plant and equipment as well as intangible assets

36. Cash flow statement

The consolidated cash flow statement shows how the VIB Group's cash and cash equivalents has changed in 2009 and 2008. Cash flows are broken down in line with IAS 7 into cash flows from operating activities, financing activities and financing activities.

The cash and cash equivalents in the amount of € 5,136 thousand (previous year: € 5,925 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. In so doing, interest expenses were allocated to the cash flow from financing activities.

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 as of December 31, 2009 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.

As a rule, in fiscal year 2010 there are only two additional commercial properties which are currently in the development phase from the Bavaria portfolio with a total investment volume including incidental costs, of around € 16.3 million that are to be transferred. The Managing Board will review taking over these properties in detail in view of the current overall economic situation.

In addition, there are other financial commitments which have a material impact on the financial position in the amount of approx. € 204 thousand from rental and lease agreements.

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

in € thousand	2009	2008
Mietverträge	539	519
Malz- und Hopfenkontrakte	1.465	2.117
	2.004	**2.636**

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

Malt and hop contracts are used to procure raw materials and serve to secure quantities and prices.

As a result of the profit and loss transfer agreement with BBI Bürgerliches Brauhaus Immobilien AG, there were payment commitments to outstanding shareholders totaling approx. € 780 thousand through to the first possible termination of the agreement (December 31, 2012) depending on the use of the possible share swap for the shareholders of BBI Immobilien AG.

38. Leases

VIB AG as a lessor

As part of its operating business activities, VIB AG leases the investment properties carried on its balance sheet as part of operating leases.

Contractual rental payments of € 44,882 thousand have been agreed for fiscal year 2010. The average weighted remaining term of the Group's leases is 8.4 years.

The minimum leasing payments include the contractually agreed payments from tenants through to the end of the contract or the earliest possible date of termination.

VIB AG as a lessee

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 carried under financial debt in line with their terms and had a value of € 47 thousand on December 31, 2009 (previous year: € 182 thousand).

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.

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

in € thousand	2009	2008
Remaining term > 5 years	0	0
Remaining term 1 year to 5 years	380	468
Remaining term up to 1 year	444	278
	824	**746**

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 net asset 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, 2009 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 2009					
Due in 1 – 12 months	52,265	20,986	0	2,809	6,128
Due in 12 – 60 months	29,950	55,564	0	2,553	592
Due in more than 60 months	32,102	239,108	0	0	214
Analysis of due dates 2008					
Due in 1 – 12 months	75,141	27,336	182	6,375	7,348
Due in 12 – 60 months	5,336	48,101	225	969	795
Due in more than 60 months	18,337	219,318	0	0	0

As of December 31, 2009, the average interest rate for the financial liabilities was 4.45% (previous year: approx. 4.83%).

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 2009, earnings would have been € 1,195 thousand lower (higher) and equity (before the earnings effect) would have been € 2,036 thousand higher (lower).

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, 2009 was as follows:

in € thousand	Dec. 31, 2009	Dec. 31, 2008
Liabilities in SFR	9,507	9,342
Assets in CZK	28	152
Liabilities in CZK	1	6

If the euro had been 10% stronger compared to the Swiss Frank on December 31, 2009, profits and thus equity would have been € 864 thousand (previous year: € 1,038 thousand) higher. If the Swiss Frank had been 10% weaker, this would have caused profits and thus equity to be € 1,056 thousand (previous year: € 849 thousand) lower. If the euro had been 10% stronger compared to the Czech Crown on December 31, 2009, profits and thus equity would have been € 3 thousand (previous year: € 16 thousand) lower. The opposing currency risk would have increased profits in the amount of € 2 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, 2009			
Gross carrying amount	3,927	3,926	1,584
With individual write-downs	848	279	0
Overdue in 1 – 12 months	0	40	0
Overdue in > 12 months	0	18	0

in € thousand	Non-current and current financial assets	Trade accounts receivable	Other receivables and assets
Loans and receivables – December 31, 2008			
Gross carrying amount	5,603	3,603	2,901
With individual write-downs	819	282	0
Overdue in 1 – 12 months	0	169	0
Overdue in > 12 months	0	35	0

In the case of the trade receivables and other receivables and assets that had were not impaired nor in default, there were no signs on the balance sheet date that the debtor would not fulfill their payment obligations.

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.

On the balance sheet date investments focused on the “Garden Center Portfolio”. This resulted in a temporary concentration in the tenant structure.

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

Financial assets and financial liabilities are broken down into various categories of financial instruments according to IAS 39 and IFRS 8. Totals are also shown for the valuation categories. The following table shows the carrying amounts of all categories of financial assets and liabilities:

	Valuation category according to IAS 39 and IFRS 7	Fair value category according to IFRS 7	Book value as of Dec. 31, 2009	Fair value as of Dec. 31, 2009	Thereof acquisition cost carried forward	Thereof at fair value through profit or loss	Thereof at fair value without profit or loss	Thereof IFRS 7 not applicable
Assets								
Long-term financial assets								
Participations	n.a	n.a.	0	0				
Lending and loan	LaR	n.a.	2,147	2,147	2,147			
Receivables and other assets								
Trade receivables	LaR	n.a.	3,647	3,647	3,647			
Other assets	LaR	n.a.	1,799	1,799	1,799			
Derivatives subject to hedge accounting	CF-Hedge	stage 2	253	253			253	
Receivables from income tax	n.a.	n.a.	464	464				464
Bank deposits and cash	LaR/FLAC	n.a.	5,136	5,136	5,136			
Liabilities								
Profit participation capital	FLAC	n.a.	675	675	675			
Long- and short-term financial liabilities	FLAC	n.a.	429,975	434,515	429,975			
Entitlements of minorities in partnerships	FLAC	n.a.	1,556	1,556	1,556			
Derivatives subject to hedge accounting	CF-Hedge	stage 2	5,016	5,016			5,016	
Derivatives not subject to hedge accounting	FAHfT	stage 2	0	0				

	Valuation category according to IAS 39 and IFRS 7	Fair value category according to IFRS 7	Book value as of Dec. 31, 2009	Fair value as of Dec. 31, 2009	Thereof acquisition cost carried forward	Thereof at fair value through profit or loss	Thereof at fair value without profit or loss	Thereof IFRS 7 not applicable
Other long-term liabilities								
Trade accounts payable	FLAC	n.a.	2,553	2,373	2,553			
Payables from rental deposits	FLAC	n.a.	214	214	214			
Liabilities from income tax	n.a.	n.a.	193	193				193
Liabilities to participations	FLAC	n.a.	218	218	218			
Other short-term liabilities								
Trade accounts payable	FLAC	n.a.	2,809	2,809	2,809			
Other liabilities	FLAC	n.a.	5,618	5,618	5,618			
Thereof aggregated according to valuation category of IAS 39								
Financial Assets								
Loans and Receivables (LaR)			10,930	10,930				
Held to maturity Investments (HtM)			0	0				
Derivatives with cash flow hedge			253	253				
Available for Sale (AfS)			0	0				
at fair value Through profit or loss (afvtpl)			253	253				
Financial Assets held for Trading (FAHfT)			0	0				
Financial Liabilities								
Financial Liabilities At Cost (FLAC)			443,618	447,978				
Financial Liabilities Held for Trading (FLHfT)			0	0				
Derivate mit Cash-Flow Hedge (CF-Hedge)			5,016	5,016				

	Valuation category according to IAS 39 and IFRS 7	Fair value category according to IFRS 7	Book value as of Dec. 31, 2009	Fair value as of Dec. 31, 2009	Thereof acquisition cost carried forward	Thereof at fair value through profit or loss	Thereof at fair value without profit or loss	Thereof IFRS 7 not applicable
Assets								
Long-term financial assets								
Participations	AfS	*	93	93	93			
Lending and loan	LaR	n.a.	3,801	3,801	3,801			
Receivables and other assets								
Trade receivables	LaR	n.a.	3,321	3,321	3,321			
Other assets	LaR	n.a.	2,306	2,306	2,306			
Derivatives subject to hedge accounting	CF-Hedge	stage 2	312	312			312	
Receivables from income tax	n.a.	n.a.	1,266	1,266				1,266
Bank deposits and cash	LaR/FLAC	n.a.	5,925	5,925	5,925			
Liabilities								
Profit participation capital	FLAC	n.a.	675	675	675			
Long- and short-term financial liabilities	FLAC	n.a.	394,401	394,401	394,401			
Entitlements of minorities in partnerships	FLAC	n.a.	1,540	1,540	1,540			
Derivatives subject to hedge accounting	CF-Hedge	stage 2	4,848	4,848			4,848	
Derivatives not subject to hedge accounting	FAHfT	stage 2	717	717		717		
Other long-term liabilities								
Trade accounts payable	FLAC	n.a.	969	969	969			
Payables from rental deposits	FLAC	n.a.	185	185	185			
Liabilities from income tax	n.a.	n.a.	184	184				184
Liabilities to participations	FLAC	n.a.	114	114	114			
Other short-term liabilities								
Trade accounts payable	FLAC	n.a.	6,375	6,375	6,375			
Other liabilities	FLAC	n.a.	6,777	6,777	6,777			

	Valuation category according to IAS 39 and IFRS 7	Fair value category according to IFRS 7	Book value as of Dec. 31, 2009	Fair value as of Dec. 31, 2009	Thereof acquisition cost carried forward	Thereof at fair value through profit or loss	Thereof at fair value without profit or loss	Thereof IFRS 7 not applicable
Thereof aggregated according to valuation category of IAS 39								
Financial Assets								
Loans and Receivables (LaR)				13,047	13,047			
Held to maturity Investments (HtM)				0	0			
Derivatives with cash flow hedge				312	312			
Available for Sale (AfS)				93	0			
At fair value through profit or loss (afvtpl)				312	312			
Financial Assets held for Trading (FAHfT)				0	0			
Financial Liabilities								
Financial Liabilities At Cost (FLAC)				411,036	411,036			
Financial Liabilities Held for Trading (FLHfT)				717	717			
Derivate mit Cash-Flow Hedge (CF-Hedge)				4,848	4,848			

*Items shown at amortized costs (see IAS 39, 46c)

Financial instruments carried at fair values are measured using the following valuation categories:

Stage 1: Valuation using an asset or liability with an identical price on an active market

Stage 2: Valuation using stock market or market prices for similar assets or liabilities or derived from prices that can be observed.

Stage 3: Valuation using valuation methods that are not based on market data that can be observed.

The VIB Group has pledged financial assets in the amount of € 47,922 thousand (this amount corresponds to the carrying amount of the shares held in BBI Immobilien AG) as security for loans taken out. This amount corresponds to the carrying amount of the shares held in BBI Bürgerliches Brauhaus Immobilien AG, which is fully consolidated. The carrying amount of the collateral is less than the fair value.

The following net gains and losses were recorded for the individual categories of financial assets and liabilities in the income statement and statement of comprehensive income:

in € thousand	2009	2008
Loans and receivables	-208	-254
Bank deposits and cash	36	364
Assets and liabilities measured at fair value through profit or loss	522	54
thereof: designated upon initial recognition	0	0
thereof: for commercial use	522	54
Available-for-sale financial assets	44	0
Financial liabilities carried at amortized cost	-19.516	-18.304
Derivative financial instruments designated and effective as hedging instruments (cash flow hedges)	-260	-4.612
thereof in Group result	0	0
thereof in other result	-260	-4.612

The net gains comprise interest expenses, interest income dividends, write-downs and write-ups, as well as valuation results from financial instruments. In addition, earnings were depressed by commission and fees for financial liabilities carried at cost in the amount of € 176 thousand.

As part of its risk management, the company mostly uses interest rate swaps to hedge against interest rate risks from variable-interest loans. It mostly uses cash flow hedges, which compensate for the risks from future changes in interest cash flows.

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, 2009	Dec. 31, 2008
Equity in € thousand	193,540	185,457
Equity as a % of total capital	29.2	29.9
Liabilities in € thousand	469,082	435,208
Liabilities as a % of total capital	70.8	70.1
Total capital (equity plus liabilities) in € thousand	662,622	620,665

44. Executive bodies of the company

During fiscal year 2009, the company's Managing Board comprised:

Ludwig Schlosser (Mathematics graduate), Neuburg/Danube, CEO

The activities in controlling bodies on December 31, 2009 were as follows:

- Chairman of the Supervisory Board of BBI Bürgerliches Brauhaus Immobilien AG, Ingolstadt
- Chairman of the Supervisory Board of BHB Brauholding Bayern-Mitte AG, Ingolstadt
- Chairman of the Supervisory Board of Raiffeisen-Volksbank Neuburg/Donau eG, Neuburg/Danube

Peter Schropp, Wörthsee (since January 1, 2009), responsible for the real estate segment, also Member of the Managing Board of BBI Bürgerliches Brauhaus Immobilien AG, Ingolstadt

Activities in controlling bodies on December 31, 2009 were as follows:

- Member of the Supervisory Board of BHB Brauholding Bayern-Mitte AG, Ingolstadt
- Member of the Supervisory Board of Prebag Gewerbebau AG, Aschheim-Dornach

The following were members of the Supervisory Board in fiscal year 2009:

- 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 28, 2010 (previously: March 30, 2009) 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).

The Managing and Supervisory Boards of BBI Bürgerliches Brauhaus Immobilien AG issued a corporate governance declaration within the meaning of Section 289a of the HGB and published this in the management report of BBI Bürgerliches Brauhaus Immobilien AG.

46. Total remuneration of the Managing Board

Total remuneration of € 610 thousand (previous year: € 271 thousand) was paid to the members of the Managing Board of the parent company VIB Vermögen AG in 2009 (of which performance related: € 257 thousand; previous year: € 85 thousand). Renumeration affects two members of the Managing Board in 2009, while in 2008 one member was affected.

47. Supervisory Board remuneration

The remuneration for members of the Supervisory Board totaled € 63 thousand during the fiscal year.

48. Auditor’s fees

The expenses recorded in fiscal year 2009 for the auditor amounts to € 70 thousand for the audit of the 2008 financial statements and € 90 thousand for 2009. € 4 thousand was recorded for other consulting services.

49. Events after the reporting date

In February 2010 the two members of the Managing Board of the Group’s subsidiary BHB Brauholding Bayern-Mitte AG, Gerhard Bonschab and Franz Katzenbogen, acquired 400,000 new shares of BHB Brauholding AG as part of a cash capital increase. The new shares were issued at € 2.00 per share and thus correspond to the value used when BHB Brauholding AG was formed in November 2009. As a result of the capital increase, a total of € 800 thousand in cash accrued to BHB Brauholding AG. As a result, the share capital of BHB Brauholding AG increased to € 1,500 thousand. The proportion of voting rights in the company held by the two members of the Managing Board thus totaled 26.67%, whereas the interest held by the group's subsidiary

BBI Immobilien AG fell to 73.33%. This activity aimed to fast-track the independent, focused further development of BHB Brauholding AG and thus to sustainably reinforce the Beverages segment's long-term ability to compete and to bring about a stronger organizational demeshing of the two segments.

In addition, on March 29, 2010 the Managing and Supervisory Boards of BHB Brauholding AG resolved the preparation of a capital increase with public offer for BHB Brauholding AG. Further details are currently being reviewed and worked out. This capital increase aims to reinforce the focused strategy and positioning of the group's subsidiary BBI Immobilien AG as a real estate company. At the same time, it aims to accelerate the financial basis for the further development of the Beverages segment under the umbrella of BHB Brauholding AG to become a leading regional brand with stronger market penetration. After implementing the intended capital increase, the interest held by BBI Immobilien AG in the capital and voting rights of BHB Brauholding AG could fall to below 50%.

The Managing and Supervisory Board of BBI Immobilien AG also resolved on March 29, 2010, to transfer the interests in Unterstützungskasse des Bürgerlichen Brauhaus Ingolstadt GmbH from BBI Immobilien AG to Herrnbräu GmbH & Co. KG. The subsidiary liability of BBI Immobilien AG to the pension fund (Unterstützungskasse) remains in force. The Managing Board is authorized by the Supervisory Board to execute the steps necessary for the transfer.

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, as a rule, two months after publication of the compensation offer. The compensation offer was published on March 3, 2009. There is currently litigation pending for VIB Vermögen AG with regard to the level of the exchange ratio and the guaranteed dividend. The conversion deadline will thus not end before this pending litigation has been concluded. A precise date cannot currently be foreseen. In 2009, a total of 449,584 shares have been exchanged by twenty-five shareholders of BBI Immobilien AG. In 2010 through to the date the management report was prepared, no further shares were exchanged by shareholders of BBI Immobilien AG.

There were no further events after the balance sheet date which have a material impact on the financial position or results of operations after the end of fiscal year 2009.

50. Related parties

VIB AG 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 € 85 thousand (previous year: € 141 thousand) resulting from the supply of beverages. Beverage deliveries totaling € 420 thousand were executed with Tre Effe during the fiscal year.

There were receivables from VIMA Grundverkehr GmbH totaling € 282 thousand (previous year: € 1,834 thousand) on December 31, 2009.

In addition, the company has concluded several loans with Eurohypo AG as part of its business activities. The member of BBI Immobilien AG's Supervisory Board Rupert Hackl is a branch manager with Eurohypo AG in Munich. BBI Immobilien AG concluded a non-current loan for € 48 million to finance the acquisition of 15 garden centers with Eurohypo AG, Stuttgart branch. This loan still has a value of € 46 million. It concluded further loans to finance the Bavaria portfolio. Of these loans, € 37 million has currently been drawn down.

TOP Wachdienst + Service-GmbH (managing director is the member of the Supervisory Board Rolf Klug) provided janitorial and winter services with a value of € 55 thousand (previous year: € 35 thousand). The balance sheet includes liabilities of € 1 thousand (previous year: € 1 thousand) for trade accounts payable.

In addition, the company concluded several loans with the Stadtsparkasse Ingolstadt as part of its business activities. The Member of the Supervisory Board Jürgen Wittmann is a member of the Managing Board of the Stadtsparkasse Ingolstadt. The company's total exposure amounts to € 22.5 million and the conditions are in line with the market.

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

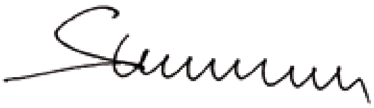
51. Employees

In fiscal year 2009 there were an average of 109 employees (of which: BBI Group – 84 employees) (previous year: 108 employees, of which BBI Group 90 employees).

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

The Managing Board has authorized these consolidated financial statements for issue on April 30, 2010. The Supervisory Board's task is to review the consolidated financial statements and declare whether it approves the consolidated financial statements.

Neuburg/Danube, April 30, 2010



Ludwig Schlosser
(Chairman of the Managing Board)

Peter Schropp
(Managing Board)

| List of shareholdings (attachment to notes)

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 %	-111	177
VIMA Grundverkehr GmbH, Neuburg a.d. Donau	50.00 %	136	-115
Gewerbepark Günzburg GmbH, Neuburg a.d. Donau	87.50 %	906	265
VSI GmbH, Neuburg a.d. Donau	74.00 %	685	34
IVM Verwaltung GmbH, Neuburg an der Donau	60.00 %	461	550
RV Technik s.r.o, Nyrany, Tschechien	100.00 %	-132	-103
BBI Bürgerliches Brauhaus Immobilien AG, Ingolstadt***	90.74 %	50,233	1,404
Unterstützungskasse der Bürgerliches Brauhaus Ingolstadt GmbH, Ingolstadt*	100.00 %	25**	0
BHB Brauholding Bayern-Mitte AG, Ingolstadt***	100.00 %	2,183	-42
Herrnbräu GmbH & Co. KG, Ingolstadt*	100.00 %	5,039	112
Herrnbräu Geschäftsführungs-GmbH, Ingolstadt*	100.00 %	31	2
Mittelbayerischer Getränke-Vertrieb GmbH & Co. KG, Ingolstadt*	100.00 %	10	0
Herrnbräu Gaststättenbetriebs GmbH, Ingolstadt*	100.00 %	27	1
Tre Effe S.R.L, Forli, Italien* (Fiscal year 2008)	40.00 %	-413	-4

* Direct interest (held by BBI Bürgerliches Brauhaus Immobilien AG)
** 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 %	--	1,224
VR1 Immobilienverwaltung GbR, Neuburg a.d. Donau	94.94 %	--	297

* 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/Danube, comprising of the balance sheet, income statement, Consolidated statement of comprehensive income, 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, 2009. 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 Section 315a (1) of the 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 group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW: Institute of Public Auditors in Germany). 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. An audit also includes assessing the annual financial statements of the companies included in the consolidation, the definition of the scope of consolidation, the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

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 operations. 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 30, 2010

S&P GmbH
Wirtschaftsprüfungsgesellschaft

Kanus	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.
IFRS	Abkürzung für „International Financial Reporting Standards", vormals International Accounting Standards (IAS). Die EU schreibt diese Bilanzierungsrichtlinien seit Januar 2005 für kapitalmarktnotierte Unternehmen zwingend vor. Für einzelne Unternehmen galt dabei eine Übergangsfrist bis 1. Januar 2007. Das sind insbesondere Unternehmen, die bisher den US-Standard US-GAAP anwenden, sowie Unternehmen, die nur mit Schuldtiteln am Kapitalmarkt notiert sind. Die IFRS wurden vom privaten Rechnungslegungsinstitut IASB (International Accounting Standards Board) entwickelt.

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

| Notes

| Imprint

VIB Vermögen AG
Luitpoldstraße C 70
86633 Neuburg/Danube
Germany

Tel: +49 (0)8431 504 - 951
Fax: +49 (0)8431 504 - 973
e-mail: info@vib-ag.de
Web: www.vib-ag.de

Managing Board: Dipl.-Math. Ludwig Schlosser (CEO), Peter Schropp
Register court: Ingolstadt
Company registration number: HRB 101699

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Monheimerstraße 8
86633 Neuburg an der Donau

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cometis AG
Unter den Eichen 7
65195 Wiesbaden

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WordsWorking.de
Brunnenstraße 10
55422 Bacharach

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.

VIB Vermögen AG
Luitpoldstraße C 70
86633 Neuburg/Danube
Germany

Phone: +49 (0)8431 504 - 951
Fax: +49 (0)8431 504 - 973
E-Mail: info@vib-ag.de
Web: www.vib-ag.de