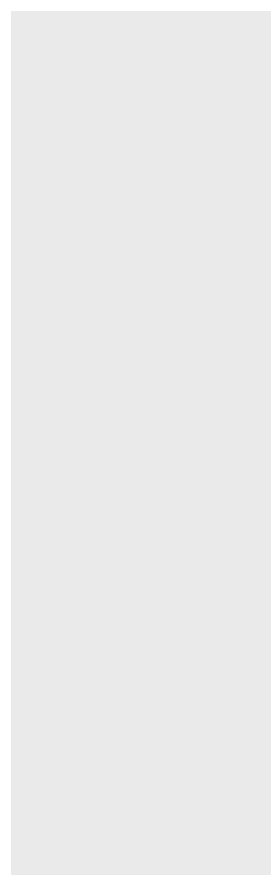
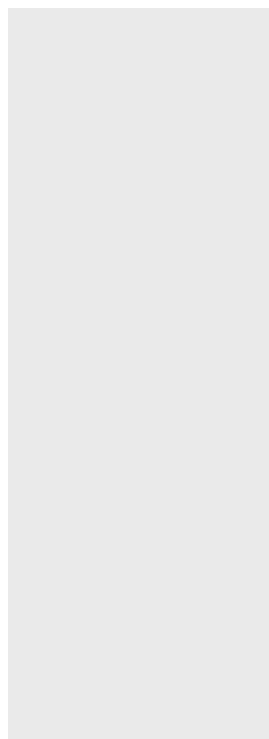
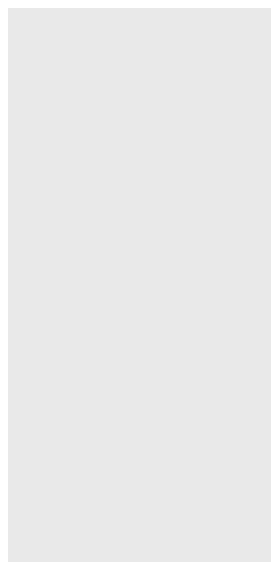

VIB Vermögen AG

Semi-Annual Report 2006



Semi-Annual Report VIB Vermögen AG as at 30th June 2006

Table of Content

1	Overview of financial ratios	2
2	Letter to the shareholders	3
3	a) The VIB Vermögen AG share	4
	b) Capital increase in July 2006	4
	c) Share price development	4
4	Development of the real estate portfolio	5
5	Results	7
6	Financial situation and liquidity	7
7	Supplementary Report	8
8	Outlook	8
9	Financial Statements	9
	Short version of the Income Statement (as at 30 th June 2006)	9
	Short version of the Balance Sheet (as at 30 th June 2006)	9



Semi-Annual Report VIB Vermögen AG as at 30th June 2006

1 Overview of financial ratios

in T€	30th June 2006	30th June 2005	Delta %
Net revenues	5,899	3,707	+ 59.1%
EBIT	3,024	1,838	+ 64.5%
EBIT margin	51.3%	49.6%	pp + 1.7
EBT	1,719	861	+ 99.7%
EBT margin	29.1%	23.2%	pp + 5.9
Net income	1,222	673	+ 81.6%
Cash Flow	2,458	1,479	+ 66.2%




2 Letter to the Shareholders

Dear Shareholders,

In the first half of the year 2006, the VIB Vermögen AG achieved a further acceleration of its growth rate. High-yield investments in the last fiscal year contributed to net revenues for the first six months of 2006 being boosted to € 5.9 million. This represents a growth of 59.1% over the equivalent period of the previous year. Even more significant was the increase in earnings before taxes, which doubled from € 0.86 million to € 1.72 million. Our low fixed costs' basis has had a positive effect on the pre-tax margin, which has risen to 29.1%, thus enabling the VIB Vermögen AG to show an above-average level of profitability.

In order to maintain growth in the future, we promptly invested the larger part of the funds from the IPO, which amounted to just under € 30 million. In January we acquired a commercial centre in Memmingen at a purchase price of around € 21 million. Since then, tenants of first-class standing, such as Media Markt, Citibank or Praktiker, have contributed towards the continuing risk diversification of our portfolio. In addition, we acquired 94.45% of the shares of the listed company Bürgerliches Brauhaus Ingolstadt AG (BBI AG) in April 2006 for the total sum of € 9.5 million. This corresponds to a calculational purchase price of € 335 per share, whereby the reported participation holds significant hidden reserves in the financial assets. To be taken into consideration is the fact that our figures for revenues and earnings for the first half of 2006 do not yet include the BBI AG results.

On account of the successful increase in capital in July 2006, more fresh equity of around € 17 million has flowed into the VIB Vermögen AG. As such, we have laid the foundations for being able to take advantage of additional growth opportunities and to acquire high-yield property at short notice. This provides scope for us to outperform our forecasts for the year 2006. We are currently expecting net revenues to increase to over € 11 million. We are striving to achieve an EBIT of at least € 6 million, while at the same time anticipating pre-tax profits to exceed € 3 million. This operational growth is a positive sign pointing towards further future increase in the value of the company.



Ludwig Schlosser
Chief Executive Officer



Semi-Annual Report VIB Vermögen AG as at 30th June 2006

3 a) The VIB Vermögen AG share

Securities Identification Number	245751
ISIN	DE0002457512
Sector	Real estate
Class of stock	Bearer shares
Number of outstanding shares	9,792,000 shares
Subscribed capital	9,792,000 €
Calculational face value per share	1.00 €
Net Asset Value (NAV)* per share	9.08 €
Shareholders' equity on the balance sheet (Group)	€ 46,404,000

* Notes on NAV:

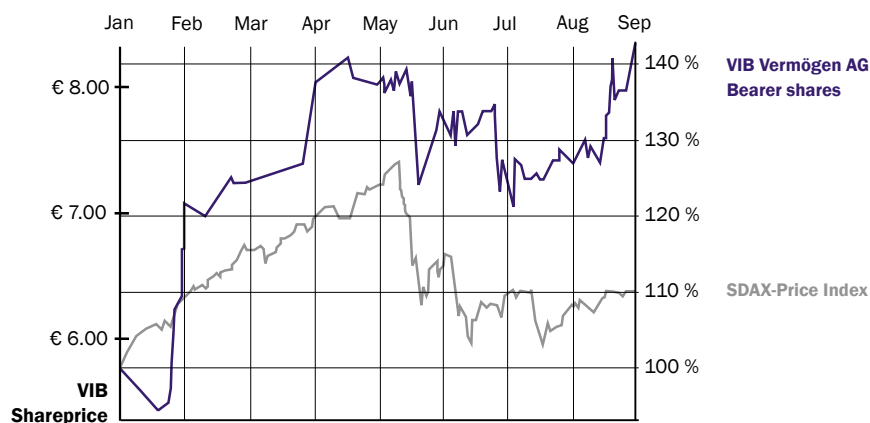
The financial statements of the VIB Vermögen AG are based on the accounting principles of the German Commercial Code. This provides for real estate on the balance sheet to be shown as acquisition costs or, respectively, production costs, less annual depreciation. The VIB Vermögen AG appoints an external auditor to calculate the Net Asset Value (NAV).

b) Capital increase in July 2006

In view of the capital increase that took place in July 2006, the subscribed capital increased from € 9,792,000 by € 2,396,000 to € 12,188,000. The new shares, which have a calculational share in authorised capital of € 1.00, will be entitled to dividends from 1st January 2007 and have been admitted for trading since 31st July under the Securities Identification Number AOH52R / ISIN DE000AOH52R0.

c) Share price development

Current chart 1st January – 30th August 2006



From 1st January up to and including 30th August 2006, the share price rose from € 5.74 to € 8.15, an increase of 42.0% in the first eight months of the year 2006. In addition to the 9,792,000 shares, a further 2,396,000 shares have been admitted for trading since the end of July. The share price for the new shares has gone up by around 11.1% to € 8.00 since 31st July 2006. As such, the market capitalisation of the VIB Vermögen AG increased overall to € 99.0 million as at 30th August 2006.



4 Development of the real estate portfolio

The real estate portfolio has been further increased since 31st December 2005.

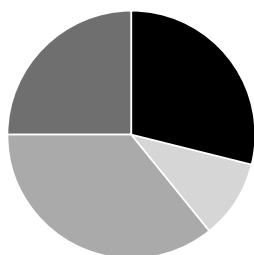
As such, in January 2006 the VIB Vermögen AG acquired a commercial centre in Memmingen at a purchase price of around € 21 million. The centre comprises three commercial properties with a land area of over 36,000 m² and a lettable area of around 21,500 m². Ranking among the tenants are, for example, TOP-Baumarkt (Praktiker), Media Markt, RENO, Takko, Citibank and a discoteque.

Real estate portfolio of the VIB Vermögen AG (without BBI AG) as at 30th June 2006:

Total real estate without the BBI AG property amounts to 20 properties altogether with a lettable area of around 166,000 m². At the end of the first half of the year, these properties showed a tenancy status of around 96% as measured by the effective useful area of the buildings according to income from rent.

The investment in Memmingen has made it possible to optimise the average period of rental contracts. The share of 10-15-year rental contracts thus increased from 18.2% to 24.8%, which increasingly reduces the risk of possible loss of rent.

Average period of rental contracts:



	< 3 years	29.05 %
	3 - 6 years	10.36 %
	5 - 10 years	35.81 %
	10 - 15 years	24.78 %

The commercial properties can be divided into the four branches of logistics, industry, trade and office/services. The VIB Vermögen AG aims at achieving a good balance between the branches and this goal has already been optimised in the current financial year. The largest share continues to be taken up by industrial companies that occupy around one third of the total rented space, while property let to logistics' companies accounts for 16.9% of the total portfolio.

Division of the property into branches:



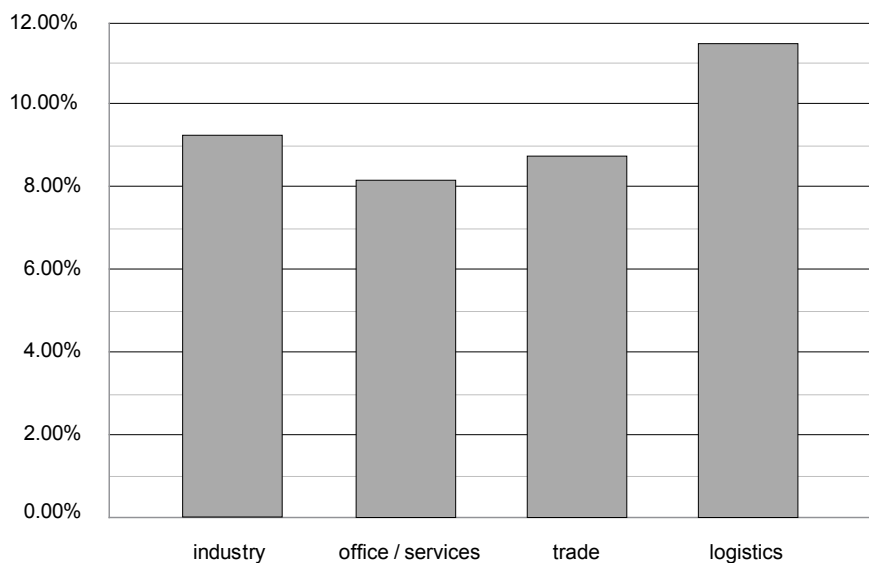
	Industry	33.40 %
	Office/services	23.85 %
	Trade	25.81 %
	Logistics	16.94 %



Development of the real estate portfolio

Based on purchasing prices, the VIB Vermögen AG earned rental yields of around 9% on average in the first half of the financial year 2006, as well. In this respect, the company was able to achieve the highest yields on logistics' real estate (11.5% on average), while a yield of 8.2% on average was achieved on office/services real estate. Taking the market into consideration, this rental yield is above average on account of the favourable purchase prices.

Average rental yields of the individual sectors:



The most substantial real estate investment, the takeover of the Bürgerliches Brauhaus Ingolstadt AG (BBI AG) in the first half of the year 2006, has not yet been included in the report and in the information relating to the real estate portfolio. The BBI AG is well-known for its Herrnbräu brand, a traditional wheat beer from Ingolstadt. In addition to the brewery building, the company owns 15 commercially utilised buildings with a land area of about 70,000 m² and a lettable area of around 32,000 m². The tenants comprise pubs, administrative establishments, doctors, solicitors and also further service companies. In view of the change of corporate form of the BBI AG into a real estate company, planned for the next few months and combined with a capital increase, the BBI AG as a future, strategic minority holding has not been included for the purpose of comparison in the statement of the total portfolio.



Semi-Annual Report VIB Vermögen AG as at 30th June 2006

5 Results

In the first half of the financial year 2006, the VIB Vermögen AG showed an increase in net revenues of 59.1% to € 5.9 million. These are made up primarily of rental income, pre-payment of ancillary expenses, and the balanced amounts from property deals. As such, the net revenues give a more exact picture than the sales figures, which do not provide a well-defined financial ratio for the operational business activity of the VIB Vermögen AG on account of possible trading activity.

The earnings before interest and taxes (EBIT) rose in the first six months from € 1.84 million to € 3.02 million, which represents an improvement of 64.5% compared with the same period in the previous year. The low fixed costs are reflected in the disproportionately high increase when compared with the net revenues. In this respect, the personnel costs amounted to € 235,000. In the first half of the year 2006, € 1.24 million were deducted for depreciation in accordance with the German Commercial Code.

Compared with the equivalent period in the previous year, the pre-tax profit (EBT) doubled from € 0.86 million to € 1.72 million. This represents an EBT margin of 29.1%, whereby it was possible to increase profitability by almost 6 percentage points. Net income amounted to € 1.22 million at the end of the first six months. In the first half of the year 2006, the cash flow of the VIB Vermögen AG increased accordingly to € 2.46 million (previous year: € 1.48 million).

6 Financial situation and liquidity

Compared to the position at the end of the financial year 2005, the balance sheet total rose from € 105.2 million to € 119.5 million as a result of the new investments that were made in the first half of the year 2006. The rise in property, plant and equipment from € 78.5 million to € 98.7 million mainly reflects the investment made in the commercial centre in Memmingen, which was acquired in January 2006 at a purchase price of around € 21 million. The takeover of the BBI AG for € 9.5 million can be seen in the balance sheet item "financial assets", which increased from € 0.3 million as at 31st December 2005 to € 12.1 million. A further € 2.0 million are included in this sum for the financing of the development of a piece of land.

Current assets fell to € 8.82 million (31st December 2005: € 26.3 million) as a result of the investments made. While the acquisition of the shares in the BBI AG were financed with equity, the VIB Vermögen AG utilised around € 6.3 million equity capital (approximately 30% of the total investment) for the investment in Memmingen. As such, liabilities rose from € 58.6 million to € 72.2 million at the end of the year 2005. The equity ratio fell to 38.8% as a result and is thus approaching the target equity ratio of around 33%.



Semi-Annual Report VIB Vermögen AG as at 30th June 2006

7 Supplementary Report

In July 2006, the VIB Vermögen AG increased its share capital. The company placed a total of 2,396,000 new shares at a price of € 7.20 per share. The new shares were made available for subscription between 3rd and 17th July 2006 at a subscription ratio of 25:6. On account of the successful placement, the authorised capital increased from € 9,792,000 to € 12,188,000, so that there is now new equity available to the amount of around € 17 million. By utilising additional loan capital, it will be possible to make new investments within the next few months amounting to the sum of about € 50 million.

Following the effective registration of the capital increase, the new shares have been admitted for trading on the regulated unofficial market since 31st July 2006 (Securities Identification Number A0H52R, ISIN DE000A0H52R0). On account of the dividend entitlement from 1st January 2007, trading will take place with the new shares until the end of the Annual General Meeting, which will make a proposal on the allocation of the unappropriated profits for the year 2006. After that, the old and the new shares will be consolidated.

8 Outlook

The prospects for the development of the real estate market are bright. The increased demand, in particular from foreign investors, has had a beneficial effect on real estate prices, which ultimately leads to a positive influence on the VIB Vermögen portfolio. At the same time, economic activity in Germany is picking up. As such, in the second quarter of 2006 alone, the gross domestic product in Germany increased by 2.4% compared with the equivalent period in the previous year. Hand-in-hand with this economic upturn has come the increased demand for commercial property and as a result, the increase in lease prices. The VIB Vermögen AG is profiting from this development. For the full year, the company expects net revenues to increase to € 11 million and anticipates an EBIT growth of about 60% to over € 6.0 million. Pre-tax profit is estimated at over € 3.0 million, while at the same time the VIB Vermögen AG anticipates a cash flow of over € 4.5 million for the full year 2006. The results for the BBI AG, which was taken over in May 2006, have not been included in these target figures. New investments can also have a positive effect on the result situation in the current financial year. In addition, the adoption of IFRS instead of the German Commercial Code, planned for the end of the year 2006, may change the reported results.



Semi-Annual Report VIB Vermögen AG as at 30th June 2006

9 Financial Statements

Short version of the Income Statement (as at 30th June 2006)

In thousand € (based on German Commercial Code)	1st Jan. 2006 – 30th June 2006	1st Jan. 2005 – 30th June 2005
Net sales	6,187	3,707
Net revenues	5,899	3,707
EBIT	3,024	1,838
EBIT margin	51.3%	49.6%
Earnings before taxes (EBT)	1,719	861
EBT margin	29.1%	23.2%
Net income	1,222	673

Short version of the balance sheet (as at 30th June 2006)

In thousand € (based on German Commercial Code)	30th June 2006	31st Dec. 2005
Property, plant, equipment	98,657	78,531
of which: land and buildings	97,425	77,379
other fixed assets	1,232	1,152
Financial assets	12,061	324
Current assets	8,822	26,329
of which: cash in banks	4,772	21,418
Shareholders' equity	46,404	45,070
Liabilities	72,249	58,632
Balance sheet total	119,542	105,208



Semi-Annual Report VIB Vermögen AG as at 30th June 2006

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This Semi-Annual Report contains forward-looking statements that involve risks and uncertainties. These statements are based on the plans, estimates and projections of the managing board of the VIB Vermögen AG and reflect its present beliefs and expectations with regard to future occurrences. Such future-looking statements can be recognised 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 that can influence are, for example, without any claim to completeness: the development of the real estate market, competitive influences including price changes, regulatory measures, risks involved in the integration of newly acquired companies or interests. 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 forward-looking statement. The company undertakes no obligation to update any such forward-looking statements.



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