

2007

Semi-Annual Report

VIB Vermögen AG

| Group Indicators - Overview

€ thousand	Jan 1, 2007 - Jun 30, 2007 IFRS	Jan 1, 2006 - Jun 30, 2006 HGB*
Operating income	9,537	5,899
EBIT	6,659	3,024
EBIT margin (in %)	69.8 %	51.3 %
Pre-tax earnings (EBT)	4,452	1,719
EBT margin (in %)	46.7 %	29.1 %
Net retained profits	3,240	1,222

* The 2006 H1 figures are based on HGB accounting. Comparison is thus limited.

€ thousand	Jun 30, 2007 IFRS	Dec 31, 2006 IFRS
Total assets	342,154	161,331
Non-current assets	318,040	157,928
Equity	164,614	71,535
Equity ratio (in %)	48.1 %	44.3 %
Gearing (in %)	108 %	126 %

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| Letter to shareholders

To our shareholders

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Dear shareholders,

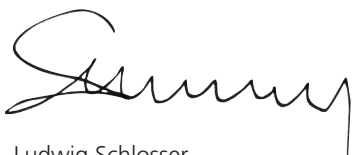
During the first half of 2007 VIB Vermögen AG successfully implemented its business strategy and reinforced its position as a leading real estate holding company for commercial real estate in southern Germany. We have already invested more than € 100 million in high-margin properties since the start of the year.

The key investments in the first half of the year include a shopping center in Gersthofen near Augsburg, a production and logistics property in Neufahrn near Munich as well as an office property and a further logistics center in Regensburg. At the end of the first six months of 2007 our portfolio of real estate comprised a total of 36 properties with a rental area of approx. 320,000 m². This does not take into account plots of land that have been purchased and properties acquired after June 30, 2007.

Our growth has also been made possible thanks to a capital increase that was successfully implemented in April 2007. During the capital increase, equity totaling € 53 million accrued to our company, and we have already reinvested the bulk of these funds in additional lucrative properties.

Our business figures also reflect our operating growth: Operating income, which mostly comprises rental income, rose up to € 9.54 million in the first half of the year. EBT totaled € 4.45 million, resulting in a pre-tax margin of 46.7%. We have thus once again proved our high earnings strength and have laid the foundations for our company's further dynamic growth.

We continue to be optimistic about the current fiscal year. We aim to invest a total of around € 200 million in fiscal year 2007. We believe that operating income will total around € 20 million and pre-tax earnings will total approx. € 9 million for the year as a whole, not least as a result of the properties already purchased. Despite the recent downturn in our share price, we are confident that this operating growth will be reflected in our net asset value and thus, over the medium term, that it will also be reflected in positive share price performance.



Ludwig Schlosser
Chief Executive Officer

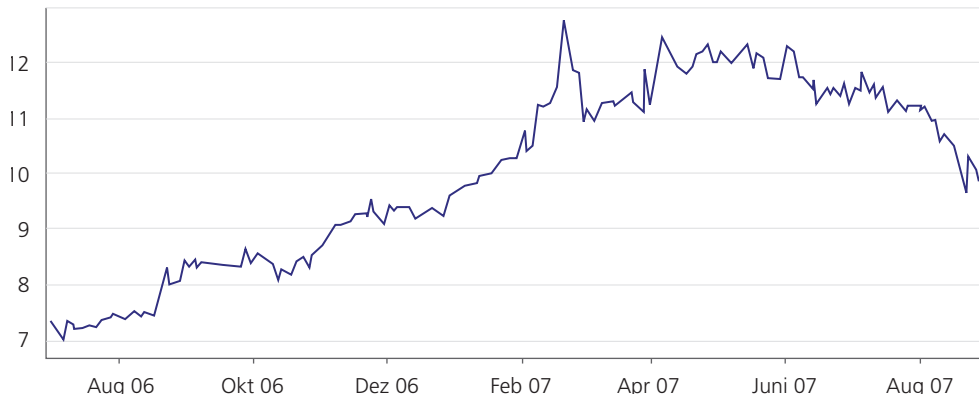
| The share – overview

To our shareholders

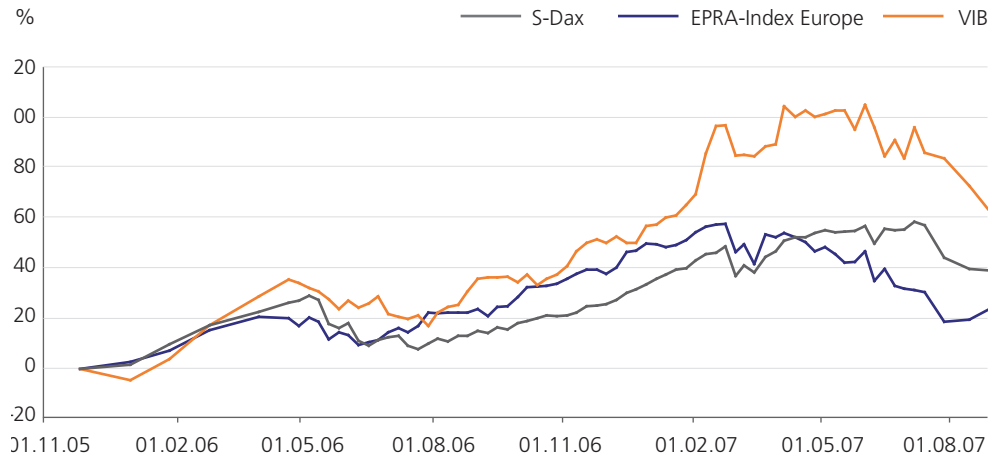
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Share price



Share price in comparison



Key data

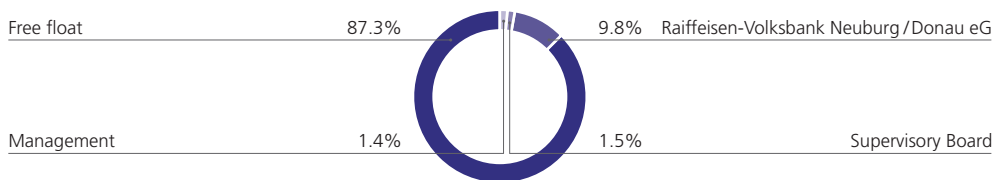
German securities code number (WKN)	245751
ISIN	DE0002457512
Stock exchange symbol	VIH
Number of shares in circulation	17.084.000
Subscribed capital	€ 17.084.000
Theoretical interest per share	€ 1,00
Balance sheet equity (consolidated) June 30, 2007	€ 164,614 thousand

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Shareholder structure



Capital increase

In April 2007 VIB Vermögen AG successfully placed a capital increase. 4,896,000 new, no-par value bearer shares were issued as part of a non-public offer. Gross proceeds from the issue totaling around € 53.4 million accrued to the company as a result of the transaction. The new shares have a theoretical interest in the share capital of € 1.00 and carry dividend rights from January 1, 2007. As a result of the issue of new shares, VIB Vermögen AG's share capital has increased from € 12,188,000 to € 17,084,000. Since the end of the General Meeting on July 26, 2007, all of the shares in circulation have been listed with the uniform symbol VIH (German Securities Code (WKN) 245751, ISIN DE0002457512).

The free float increased to 87.3% as a result of the capital increase, which may further increase the share's liquidity.

| Portfolio

In the first half of 2007, VIB Vermögen AG already invested more than € 100 million in expanding its real estate portfolio. As a result, VIB Vermögen AG's real estate portfolio on June 30, 2007 comprised a total of 36 properties with a rental area of approx. 320,000 m². This does not take into account plots of land that have been purchased and properties acquired after June 30, 2006 (see the Report on events after the balance sheet date). In addition, the vacancy rate fell. On June 30, 2006 the vacancy rate with regard to rental income was just one percent.

To our shareholders

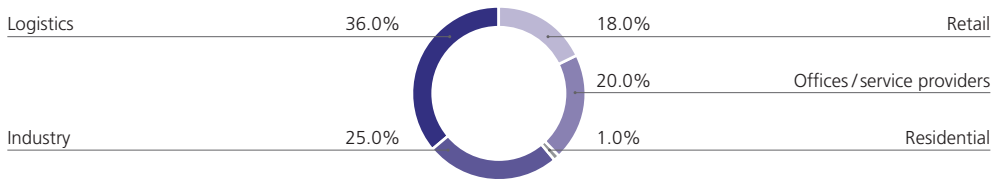
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Key Figures at a Glance

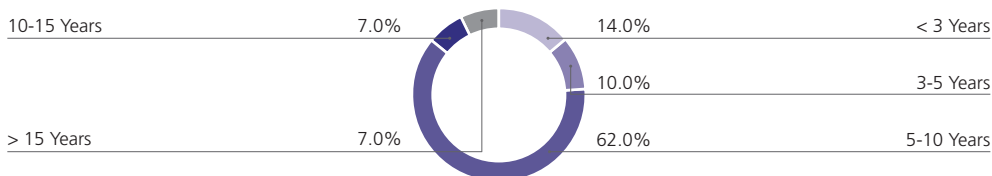
Number of properties	36 properties
Rentable space	approx. 320,000 m ²
Average rental return as of June 2007	approx. 8.5%
Proportion of vacant usable space in properties according to rental income	approx. 1%

Net rental income by sector



The proportion of logistics properties in the portfolio increased by approx. 6% compared to the end of 2006. This is due to the investments in the first half of the year, as the logistics sector continues to offer highly attractive returns. The proportion of retail properties and office/service and other properties remained stable. In contrast, the proportion of industrial properties (25%) on June 30, 2007 was slightly lower than at the end of the previous fiscal year (31.9%).

Rental agreement terms in the real estate portfolio



The durations of the rental agreements in the real estate portfolio have an excellent structure. 76% of rental agreements are for more than 5 years, and 14% are for even more than ten years. VIB Vermögen AG continues to enjoy long average rental periods, which make it easy to forecast future sales and earnings.

Rental returns (by industry)

The average rental return (based on acquisition costs) for VIB Vermögen AG's portfolio totaled 8.49% as of June 30, 2007 and was thus lower than at the end of 2006 (around 9%), however it remains at a highly attractive level in an industry comparison. The various sectors brought the following average returns:



New investments 2007

VIB Vermögen AG has increased its portfolio to a total of 36 properties with a usable area of around 320,000 m² thanks to its acquisitions in the first half of 2007. In addition, new tenants with top credit ratings such as VDO and BMW were acquired. The investment volume for the let existing properties totaled around € 100 million in the first six months of 2007.

a. New portfolio properties in the first half of 2007

Industrial property

Dingolfing, Industriestraße 4

Acquired	02/2007
Rental area in m ²	27,585
Tenant	Automotive manufacturer
Occupancy level	100 %



Logistics center

Regensburg-Burgweinting, Rathenastr. 5

Completion	06/2007
Rental area in m ²	9,850 (warehouse), 400 (office)
Tenant	Logistics service provider
Occupancy level	100 %



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Office property „BusinessPark“

(+ associated parking places with long-term lets)

Regensburg, Osterhofener Str. 11 + 17

Acquired	03/2007
Rental area in m ²	8,180
Tenant	Service providers, industrial companies
Occupancy level	100 %



Production and logistics hall

Neufahrn by Munich, Lilienthalstr. 6

Acquired	04/2007
Rental area in m ²	30,320
Tenant	Automotive manufacturer, logistics service provider
Occupancy level	100 %



Industrial hall for production and logistics

Wackersdorf, Oskar-von-Miller-Str. 10

Acquired	04/2007
Rental area in m ²	18,265
Tenant	Manufacturing company, logistics service provider
Occupancy level	100 %



Office and residential property

Neuburg-Feldkirchen, Augsburgener Str. 5 – 5c

Completion	04/2007
Rental area in m ²	3,181
Tenant	various Tenant
Occupancy level	93 %



Shopping center „City-Center“

Gersthofen, Bahnhofstraße 11

Acquired	04/2007
Rental area in m ²	8,607
Tenant	Retail, catering, service providers
Occupancy level	100 %



Burger King fast food restaurant

Neumarkt, Ingolstädter Str. 92

Acquired	05/2007
Rental area in m ²	390
Tenant	Catering
Occupancy level	100 %



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b. Projects

In addition to the investments already reflected in income, VIB also invested in the following additional projects:

Project	Type/use	Planned usable space	Planned investment volume
Ingolstadt, Donau-City-Center II	Retail/service providers	approx. 4,600 m ²	approx. € 8.0 mn
„Kemmelpark, Murnau	Retail/service providers	approx. 6,000 m ²	approx. € 17.0 mn
Herten	Logistics	approx. 8,670 m ²	approx. € 6.5 mn
Haiming/Burghausen	Logistics	approx. 38,000 m ²	approx. € 18.5 mn

In addition, plots were acquired or secured in Neufahrn (11,000 m²) and in the Czech Republic (140,000 m²) for the development of commercial properties.



Tor 1

GILLHUBER
LOGISTIK

| Interim management report

A. Business report

Group structure

VIB Vermögen AG acts as the holding company for the VIB Group. VIB's group of consolidated companies has expanded since the end of fiscal year 2006. Two new participating interests were acquired as part of property purchases. A 100% interest in the Czech company RV Technik s.r.o. was acquired, which holds the rights to a plot in the Czech Republic. In addition, the VIB Group holds a 60% interest in IVM Verwaltung GmbH. VIB Vermögen AG has secured a 12,400 m² plot in Ingolstadt via this company. The interest in BBI Bürgerliches Brauhaus Immobilien AG also increased slightly as a result of the small-scale acquisition of shares, with the interest increasing from 28.63% at the end of 2006 to 28.79%. The interests in the group's other six companies remained unchanged compared to the first half of the previous year.

CMG Center Marketing GmbH is a new addition – this company is now a 100% subsidiary of Merkur GmbH. CMG Center Marketing GmbH was acquired as part of the acquisition of City-Center Gersthofen and is currently an interim rental company.

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Staff

Compared to the end of 2006, the number of employees increased from eight to thirteen (including the CEO). In particular, new employees were hired for property management and the Purchasing and Property Due Diligence departments.

Market and competitive environment

The economic environment also enjoyed positive growth in the first half of 2007. The Federal Ministry for the Economy and Technology is forecasting a 2.5% increase in gross domestic product (GDP) despite the three percentage point increase in VAT. As a rule, this had a positive impact on demand for retail and commercial properties, as companies need additional space as a result of the improvement in the economy.

According to a forecast by DEGI, 2007 will be a new record-breaking year for the commercial real estate market. If we extrapolate the investments made to date during the first six months, which increased on the first six months of 2006 by 38%, for the year as a whole, we get a final figure for 2007 of € 63.6 billion. The increasing market volume goes hand in hand with strong demand by German and international investors. This is leading to increasing real estate prices,

which are reducing the possible returns. Competition is also heating up in medium-sized German towns, with the result that attractive properties are becoming increasingly scarce. At the same time, higher interest rates are challenging investors, as financing is becoming more expensive and returns falling.

As a result, above-average returns are primarily possible for real estate companies that focus on high-growth regions and have a strong network. This offers a competitive advantage for VIB Vermögen AG in southern Germany in particular. In future the company will continue to pursue its strategy of acquiring commercial properties with an investment volume of up to € 40 million, thus reinforcing its niche position.

Financial position and results of operations (IFRS) as of June 30, 2007

i. Earnings

In the first six months of 2007, VIB Vermögen AG recorded revenue totaling € 9.40 million. This mostly comprised rental and lease income. We have elected not to offer comparative presentation of these IFRS figures with the figures from the first half of 2006, as these H1 2006 figures were prepared according to the Handelsgesetzbuch (HGB – German Commercial Code). As a result, only limited comparisons can be made in this context.

Total operating income from operating business increased to € 9.54 million. This includes other operating income totaling € 137 thousand, which mostly stems from construction cost subsidies and other subsidies and the gross profits from the sale of a residential unit. Expenses for investment properties totaling € 1,774 thousand mostly include ongoing operating costs (e.g., electricity, gas, water), insurance, property taxes and estate agents' commission. Personnel expenses total € 464 thousand. However these costs also include personnel expenses for caretakers, which are mostly oncharged to tenants via the incidental costs. Despite the increase in personnel expenses, the ratio of personnel expenses to rental income is still less than 5%. Other operating expenses totaled € 468 thousand. EBITDA totaled € 6.74 million.

Amortization of intangible assets and depreciation of other property, plant and equipment totaled € 78 thousand, substantially lower than in previous periods, as properties were measured at fair value for the first time, as opposed to valuing the properties at cost. EBIT thus totaled € 6.66 million.

The financial result in the first six months totaled € -2.21 million. This includes earnings from participating interests measured at equity in the amount of € 654 thousand. This mostly relates to the contributions to earnings from BBI Bürgerliches Brauhaus Immobilien AG. Other interest and similar income totaling € 287 thousand was mostly generated from existing cash and cash equivalents. Interest and similar expenses totaling € 3.17 million include interest as well as provisions

for interest rate swaps. Pre-tax earnings (EBT) thus totaled € 4.45 million. This corresponds to a pre-tax margin of 46.7% and underscores the company's high earnings power. The deduction of income taxes totaling € 1.21 million led to earnings for the period totaling € 3.24 million.

ii. Assets

As a result of VIB Vermögen AG's strong investment activities and a successful capital increase in April 2007, total assets more than doubled to € 342.2 million.

Subscribed capital increased to € 17,084,000 from the issue of 4,896,000 new shares with a nominal value of € 1.00. The share premium increased accordingly to € 96.2 million after deduction of the costs of the capital increase. Retained profit increased to € 37.3 million – this is due to the transition to measuring properties at fair value. Total equity amounted to € 164.6 million. VIB Vermögen AG thus has an equity ratio of 48.1% - an excellent ratio in an industry comparison - and this will allow sustained, stable income even in the event of further increases in interest rates.

Non-current liabilities increased to € 154.2 million. As a result of the company's increased investment activities, financial debt increased to € 136.1 million. The company's bank loans mostly have long-term fixed rates and average interest rates total 4.75%. The increase in deferred taxes to € 14.9 million is also a result of the transition to the fair-value method. Current liabilities increased to € 23.3 million. Financial debt fell to € 14.5 million, as the company has refinanced interim financing in the amount of € 8 million with a long-term loan. The € 5.7 million trade payables includes payments that have still to be made for properties already acquired.

On the assets side, non-current assets increased to € 318.0 million. This is due to the increases in property, plant and equipment to € 27.0 million and investment property to € 270.5 million. Property, plant and equipment mostly comprises development projects and properties under construction. Financial assets totaling € 20.5 million include equity-accounted investments and loans to associated companies totaling € 2.1 million.

Current assets increased to € 24.1 million, with receivables and other assets lifting to € 1.84 million. This includes trade receivables totaling € 941 thousand (receivables from rent and incidental costs) and other receivables (VAT and other taxes) totaling € 838 thousand. As a result of the liquid funds from the capital increase, bank balances and cash in hand increased to € 22.3 million as of June 30, 2007.

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B. Report on events after the balance sheet date

VIB Vermögen AG acquired an office and production building in Schwabmünchen in July 2007. The purchase price for this property, which is let to a medical technology company, totaled around € 3.2 million.

Five additional properties, all located in Bavaria, were contractually secured in August. The purchases made in this month had a total investment volume of around € 31.3 million. Three of the five properties will already be reflected in income from October 1, 2007. These include a commercial and service center in Nuremberg with a usable area of 11,527 m². This is let to tenants including a vocational training center and an electronics superstore. In addition, a warehouse and office building in Regensburg with a rental area of 9,537 m² will boost the company's further growth. This property's tenants are an electronics wholesaler and a logistics company. A production building with warehousing and office facilities was acquired in the Nuremberg metropolitan area. This property, which has a usable area of 6,500 m² is let to tenants including an engineering and automation technology company and a wholesaler.

The two other properties which were acquired in August will be reflected in income from January 1, 2008. These are an office building in Nuremberg with 4,625 m² which is primarily let to a state authority, and a production and logistics property in the Ingolstadt region with a usable area of 9,741 m², which is let to international companies.

VIB Vermögen AG also secured a plot of land in July 2007. This relates to a 12,400 m² plot in Ingolstadt, which is to be used to build a retail and service center. VIB Vermögen AG has already received initial enquiries from tenants with top credit ratings for this property, which is scheduled to be completed at the end of 2008. The purchase price including incidental acquisition costs totaled € 4.6 million.

There were no other events after June 30, 2007 that had a material impact on VIB Vermögen AG's revenues and earnings.

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C. Risk and forecast report

Risk management

As a real estate company, VIB Vermögen AG is subject to a wide range of risks and also enters into these risks in order to profit from the opportunities offered by the real estate market. These risks are constantly monitored in the company's operations, so that countermeasures can be taken at an early stage if a risk should occur.

The company's established risk management system is thus appropriate and is constantly further developed in line with market requirements. There were no risks as of June 30, 2007 which could endanger the company's continued existence.

Opportunities and risks

The opportunities and risks have not changed compared to the information provided in the 2006 annual report.

Outlook

Additional cash and cash equivalents totaling € 53.4 million accrued to VIB Vermögen AG as a result of the capital increase in April 2007. The majority of these has already been reinvested. In total, during the first six months of 2007 in excess of € 100 million was invested in new, high-margin properties – more than in the whole of 2006. The Managing Board plans to invest a total of around € 200 million by the end of fiscal year 2007. This will also bolster the company's revenues and earnings in the coming years. The Managing Board has thus confirmed the forecasts made in the annual report: Operating income is forecast to total around € 20 million, with pre-tax earnings of around € 9 million. The company will thus expand its position on the market as a highly profitable real estate company, and is forecasting further revenue and earnings growth in fiscal year 2008.

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Interim financial statements as of June 30, 2007

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Consolidated income statement

-shortened-

€ thousand	Jan 1, 2007 - Jun 30, 2007 IFRS	Jan 1, 2006 - Jun 30, 2006 HGB*
Revenues	9,400	
Other operating income	137	
Total operating income**	9,537	5,899
Expenses for investment properties	-1,774	-1,023
Cost of materials	-94	0
Personnel expenses	-464	-236
Other operating expenses	-468	-380
EBITDA – earnings before interest, taxes, depreciation and amortization	6,737	4,260
Amortization of intangible assets and depreciation of property, plant and equipment	-78	-1,236
Earnings before interest and taxes (EBIT)	6,659	3,024
Financial result	-2,207	-1,305
Profit before taxes (EBT)	4,452	1,719
Income taxes***	-1,212	-497
Consolidated profit	3,240	1,222

* Interim figures 2006 based on HGB. Thus comparability is limited.

** 2006: net operating income

*** 2006: incl. € 107 thousand other taxes

Consolidated balance sheet

-shortened-

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€ thousand	Jun 30, 2007 IFRS	Dec 31, 2006 IFRS
Assets		
Non-current assets		
Intangible assets and Property, plant and equipment?	27,003	10,353
Investment property	270,512	127,837
Financial assets	20,525	19,738
Total non-current assets	318,040	157,928
Current assets		
Receivables and other assets	1,839	1,146
Bank balances and cash in hand	22,275	2,257
Total current assets	24,114	3,403
Total assets	342,154	161,331
Equity and liabilities		
Equity		
Subscribed capital	17,084	12,188
Share premium	96,163	48,053
Retained profit	37,309	515
Net retained profit	13,673	10,471
	164,229	71,227
Minority interest	385	308
Total equity	164,614	71,535
Non-current liabilities		
Profit-participation certificates	675	675
Financial debt	136,113	59,905
Others	2,554	1,997
Deferred taxes	14,891	1,500
Total non-current liabilities	154,233	64,077
Current liabilities		
Financial debt	14,478	20,843
Trade accounts payable	5,697	1,120
Liabilities from income taxes	540	343
Other non-current liabilities, provisions	2,592	3,413
Total current liabilities	23,307	25,719
Total equity and liabilities	342,154	161,331

| Imprint

VIB Vermögen AG
Luitpoldstraße C 70
86633 Neuburg a. d. Donau
Germany

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

Chief Executive Officer: Dipl.-Math. Ludwig Schlosser
Register court: Ingolstadt
Company registration number: HRB 101699

Date: 31. Mai 2007

Photography:
cap - Agentur für Kommunikation und Werbung
Monheimerstraße 8
86633 Neuburg an der Donau

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cometis AG
Unter den Eichen 7
65195 Wiesbaden

Translation:
WordsWorking.de
Brunnenstraße 10
55422 Bacharach

This Half-Yearly 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 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 can influence are without any claim to completeness, e.g. the development of the real estate market, competitive influences 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 forward-looking statement. The company undergoes no obligation to update any such forward-looking statements.

VIB Vermögen AG
Luitpoldstraße C 70
86633 Neuburg a. d. Donau
Germany

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