

visionary | individual | beneficial

2009

Semi-Annual Report

VIB Vermögen AG

visionary | individual | beneficial

Group indicators (IFRS) of VIB Vermögen AG

in € thousand	Jun 30, 2009	Dec 31, 2008
Balance sheet total	640,872	620,665
Equity	191,843	185,457
Equity ratio	29.9%	29.9%
Net debt	407,783	389,151
LTV ratio (in %)	64.6	65.6
Net Asset Value (NAV)	197,417	188,988
NAV per share (in €)	11.46	11.06
FFO per share (in €)	0.42	0.67

Consolidated income statement by segments

in € thousand	H1 2009 Total	H1 2009 Beverage	H1 2009 Real estate	H1 2008* Real estate
Revenues	30,904	6,757	24,147	19,559
Operating income	31,617	6,809	24,808	22,741
EBIT	17,848	265	17,583	16,437
EBIT margin	56.5%	3.9%	70.9%	72.3%
Pre-tax earnings (EBT)	8,352	219	8,133	8,392
EBT margin	26.4%	3.3%	32.8%	36.9%
Consolidated net income	6,630	223	6,407	6,672
Earnings attributed to group shareholders	6,471			5,800
Earnings per share (in €)	0.38			0.34

* Not identical with published semi-annual report 2008 due to consolidation effects

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| Letter to the shareholders

To our shareholders

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Dear Shareholders,

At the end of the first six months we are again able to submit to you satisfactory half-yearly figures for our company for 2009. VIB Vermögen AG is on a successful course, despite the strained overall economic situation.

The positive business trend is illustrated by looking at the results for the first half of fiscal year 2009. In terms of operating income at group level we were able to achieve a rise of € 31.6 million, an increase of 6% compared to the previous year's figure of € 29.8 million. Particularly in our core business, the portfolio holding of commercial properties, we were able to reach a substantial increase of approximately 9%. In the real estate segment, a total operating income of € 24.8 million was achieved (previous year: € 22.7 million). A further € 6.8 million was generated by the beverages segment.

We were also again able to improve earnings before interest and taxes (EBT), which climbed in the first half-year 2009 by 8% to € 17.8 million (previous year: € 16.5 million). The high earnings strength here resulted in particular from the real estate segment with an EBT of € 17.5 million, while in the brewery business an operational result of € 0.3 million was achieved. The earnings attributed to group shareholders amounted in the reporting period to € 6.5 million (previous year: € 5.8 million). Whereas in the previous year a positive valuation result was also recorded, this year we gained our revenues exclusively from operational activity. This highlights a further expansion of our earning strength.

This is clearly illustrated by a consideration of the inflows of liquid funds from operational business, which are indicated by the Funds from Operations (FFO). These were raised by the VIB Group in the first half of the year 2009 to 0.42 € per share (first half of 2008: € 0.23 per share). Based on our present share price this corresponds to an FFO yield of approximately 8% in the first six months alone. This makes us one of the highest earning property companies in the German capital market.

Besides high profitability VIB Vermögen AG is characterized by a solid financing structure, and this is underlined by the most important balance sheet indicators. Our equity ratio amounted to 29.9% on the balance sheet date, as already was the case at the end of fiscal year 2008. On the debt side, our financing structure is oriented to a long-term perspective and security: For instance, annuity loans have been concluded primarily, and our credit agreements are also to a large extent free of "covenant" agreements. In view of the interest rate fixation periods, the structure of the borrowed capital with approximately 65.8% long-term interest rate fixations, has a high and stable value. Thus there are no risks for us on the financing side either, which means we can remain profitable in the long term even in times like these.

The basis of our success remains our real estate portfolio, which we have both optimized and extended selectively in the current fiscal year. Against the background of the present market environment, VIB Vermögen AG is applying a strategy of considered, targeted portfolio expansion in the current fiscal year. This investment strategy adjusted to the current market conditions is clearly illustrated by the development of the real estate portfolio in the first half of the year 2009.

For instance, we sold a hotel property in Ingolstadt in February in order to achieve a further improvement of the average rental yield of the overall portfolio. At the same time, the broadly diversified portfolio was extended by three properties with an investment volume of approximately 28.7 million €. Through these acquisitions the rental area of the VIB Group increased by 34,500 m². In the future, these three commercial properties will increase the annualized rentals by approximately 2.5 million € and at the same time generate an average rental yield of approximately 8.7 % of the purchase costs.

As an internally managed real estate company with its own asset management, we are always close to our tenants and can therefore react rapidly to changes. The quality of our properties and the competence of our employees are indicated by the low level of vacancies in the portfolio: The vacancy ratio is currently less than 1 %, an extremely low value on sector standards. In connection with an average remaining period of our lease contracts of 7.9 years we thus have a real estate portfolio fully and on a long-term basis rented, which enables the sustainable achievement of attractive rental yields.

Our operational strength is also increasingly recognised by the capital markets. The VIB share recorded at the beginning of the year a sustained upswing, while at present the stock is trading within the range of the € 5 mark. Despite this recovery the share is still far from the fundamental value (NAV) of € 11.46 per share. Against the background of the positive business trend of the first six months of 2009, however, we are confident that the discount to date of 50 % to the NAV will continue to reduce.

In macroeconomic terms, the first half of the year was characterized by a difficult situation relating to market conditions. The operational business of the VIB Group has so far, however, only been affected by these developments to a limited extent, as our yield situation and the low level of vacancies in the portfolio underline. In the area of finance, our conservative approach has proved its value; VIB Vermögen AG has hardly been affected by the turmoil in the financial markets. In addition initial early indicators suggest a stabilization of the overall economic situation and an end to the cyclical downturn.

Based on the positive business trend, we therefore lift our forecast for the whole year 2009. This means that we expect revenues with a value of approximately € 50 million in the real estate segment, an EBT of approximately € 35 million and a pre-tax result (EBT) before market valuation of the properties of € 15.8 million. Compared to the company's hitherto guidance, this represents an increase by 10%. The beverages segment is expected to finish 2009 with a slightly positive result.

We should like to take this opportunity to thank you cordially for the confidence that you have shown in us.

Yours sincerely,

Neuburg/Donau, August 2009



Ludwig Schlosser



Peter Schropp

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| Shares of VIB Vermögen AG

To our shareholders

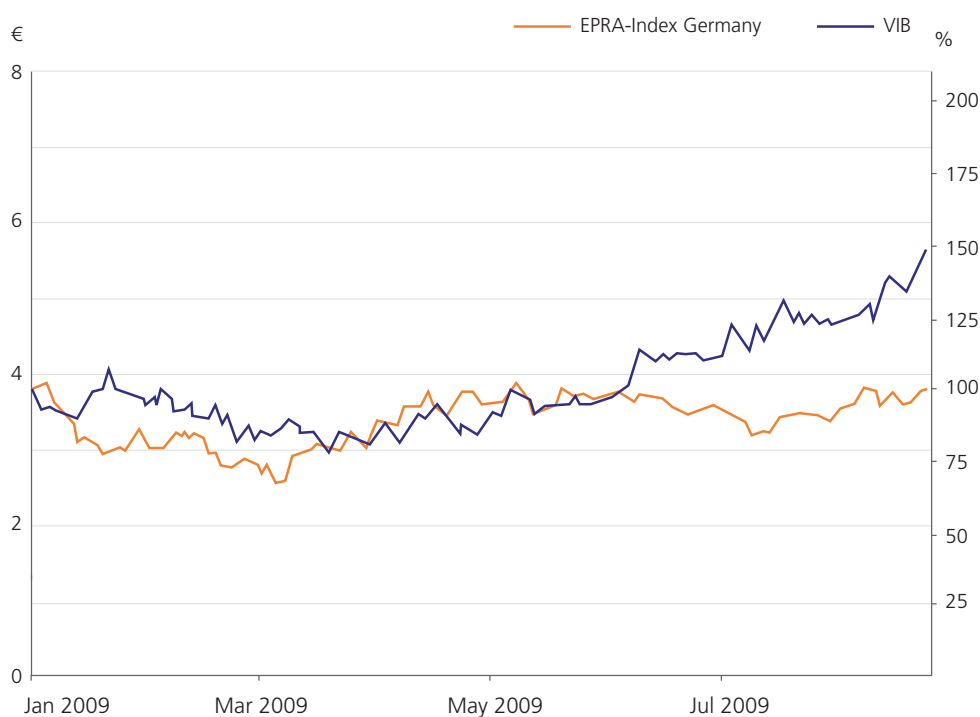
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Master data

Ordinary shares	
Securities code (WKN)	245751
ISIN	DE0002457512
Symbol	VIH
Number of shares in issue	17,222,493 shares
Sector	Real Estate
Trading locations/market segment	Munich/M:access Frankfurt/Open Market
Share class	No-par value bearer shares
Subscribed capital	€ 17,222,493
Actuarial nominal value per share	€ 1.00
Net Asset Value (NAV) per share	€ 11.46
Balance sheet equity (consolidated)	€ 191,843 thousand
Undiluted earnings per share (consolidated)	€ 0.38
Dividend per ordinary share for fiscal year 2008	€ 0.20

Share price (XETRA; January 1, 2009 to August 24, 2009)



To our shareholders

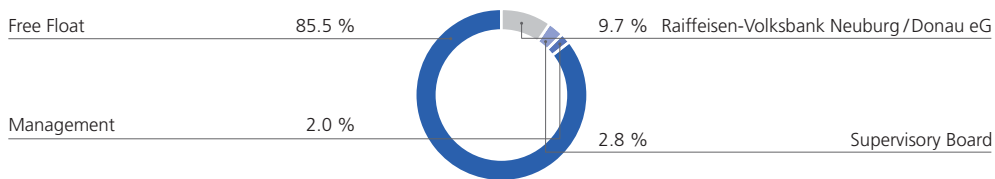
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The current economic and financial crisis is still shaping the international capital markets, in particular in the form of a high level of uncertainty and nervousness among market participants. In the course of the first half of 2009 there has been nevertheless a certain calming in comparison to the previous financial year. As a result the fundamental commercial evolution of listed property companies has again moved into the foreground of the stock markets.

The VIB Vermögen AG share was able to benefit from this change of mood in the period under review. On the basis of an end of year price of € 3.80 per share, the share price initially rose slightly above the € 4 mark, but fell in line with the total market in March 2009 to a low of € 2.89 per share. Thereafter the VIB share showed a sustained upswing, which further gained in force following the publication of the Annual Report for 2008. On June 30, 2009, the share was trading at € 4.25 on XETRA, and this corresponded to a market capitalization of approximately € 73.2 million. At the end of the period under review the share price continued to rise and is currently in the range of € 5, but thus still far from the fundamental value (NAV) of € 11.46 per share. The discount is still more than 50 % to the NAV.

Shareholder structure



A high free float, a major shareholder with a long-term commitment and a significant holding for management and supervisory board members are the outstanding features of the shareholder basis of VIB Vermögen AG. At present, the free float amounts to approximately 85.5 % of the total 17,222,493 VIB shares in issue. Thus a high level of tradability of the stock is possible. With Raiffeisen Volksbank Neuburg/Donau eG the company also has a shareholder which has been involved in the company since its establishment. Finally the levels of holding of executive and supervisory board members underline the confidence of the decision makers in the entrepreneurial success of VIB Vermögen AG.

Investor relations

The open and intensive dialogue with analysts, investors and the specialist press is important for VIB Vermögen AG. A high degree of transparency and detailed reporting are intended to offer the interested public the possibility of obtaining a comprehensive image of the company. Thus the executive board regularly confronts the questions of the "Financial Community" in roadshows and capital market conferences and gives a detailed presentation of current business development.

The reporting of VIB Vermögen AG will be supplemented in the future with investment studies by well-known research companies SRC Research and SES Research. The initial study by SRC Research was announced on August 12, 2009, and is available to download on the Internet at www.vib-ag.de in the "Investor Relations" section.

Financial calendar

September 7, 2009	Forum Financial Services, Frankfurt
November 25, 2009	22. Baader Small and Mid Cap Conference, Munich

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Restaurant Weißbräuhaus,
Ingolstadt



Production and storage building,
Heroldsberg



Shopping center,
Gersthofen

| Portfolio

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Overview

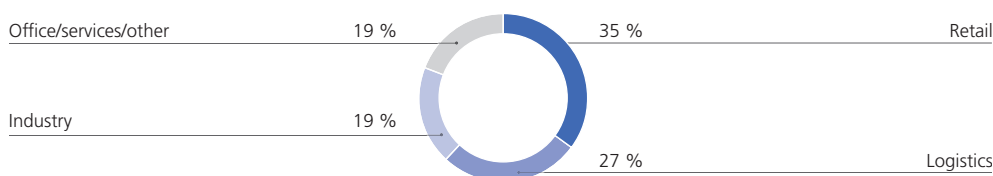
The real estate portfolio of VIB Vermögen AG consisted on June 30, 2009, of 83 high-value and high-earning properties in the fields of logistics, industry, retail and office. In total, the rental space amounted to approximately 631,000 m². The extremely low vacancy rate of 0.5 % shows the high level of competence of the company in the field of asset management. With annualized net rental income of approximately € 42.6 million, the VIB Group achieves a rental yield of 7.3 % related to the current market values of the properties.

Rental by sectors based on market values (as of June 30, 2009)



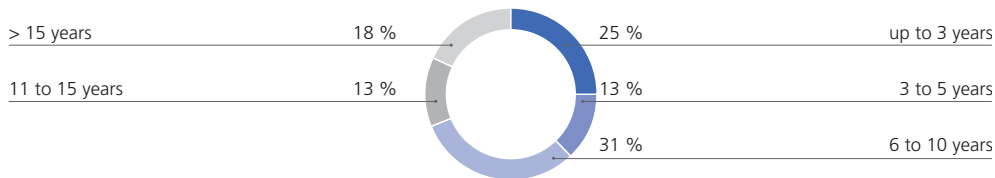
Apart from the earnings strength, the high risk diversification is a major characteristic of the real estate portfolio of VIB Vermögen AG. This results, on the one hand, from the number of locations and, on the other hand, from the even distribution of the portfolio over different types of use. Thus the company is comparatively independent of negative developments in individual sectors of the economy. On June 30, 2009, approximately 35 % of net rental revenues originated from the area of retail, while 27 % were generated by the letting of logistical properties. Office and service buildings as well as the industrial sector each accounted for 19 %.

Property portfolio of VIB Group by net rental income /segment (as of June 30, 2009)



The security of the revenue of the portfolio is underpinned by the duration of the outstanding tenancy periods. By concluding mostly long-term agreements the company ensures that the rental revenues can be forecast to a considerable degree and thus creates security of expectations regarding future revenues. At present, the average remaining rental period is 7.9 years, with more than 62 % of the leases having a remaining rental term of more than five years.

*Property portfolio of VIB Group according to remaining rental term
(as of June 30, 2009)*



There is also a tenant structure marked by high credit quality. Even before the conclusion of leases, the VIB Group puts a special emphasis on the careful checking of the potential contracting parties. The renting revenues of the VIB Group are thereby additionally secured by the conclusion of agreements with economically sound tenants. The tenants of the company include, in particular, the following companies:

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



Logistics center, Regensburg



Shopping center, Ingolstadt



Specialist retailer, Peissenberg

To our shareholders

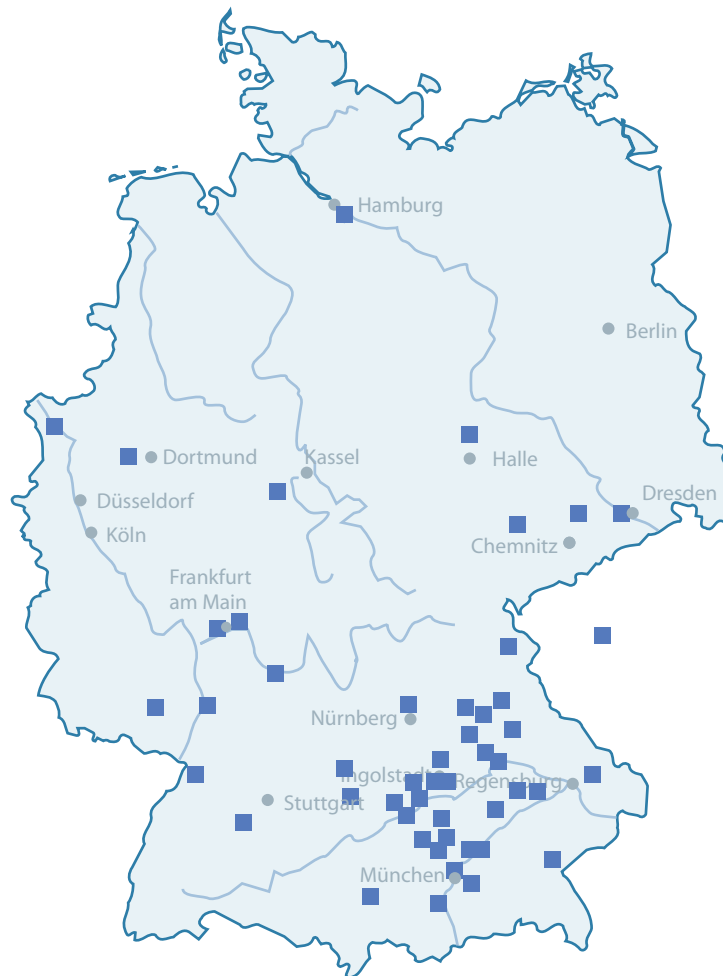
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Property locations

Properties for example in:

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



Investment activity of VIB Vermögen AG is concentrated in Southern Germany. This clear geographical focusing is based on the growth capacity of the region and its high economic stability. Due to the experience in the sector over the course of many years, the management of the VIB Group also has an outstanding regional and local network in Southern Germany, whereby attractive market opportunities can be detected early for the company and resolutely exploited. In addition, the company carries out selective investments in other parts of Germany and in neighbouring countries.

To our shareholders

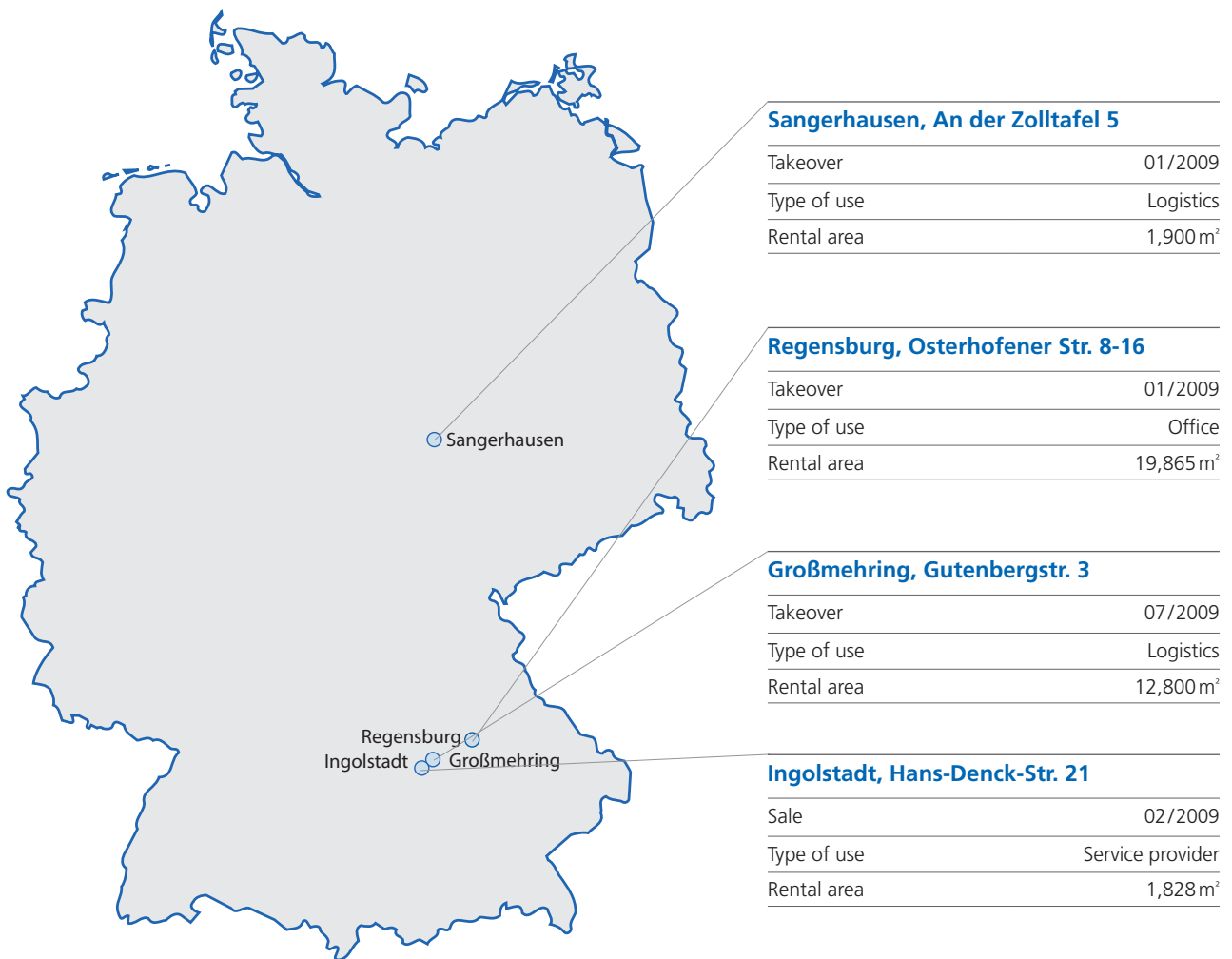
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Development of the portfolio in the first half of the year 2009

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Given the present market environment, VIB Vermögen AG is applying a strategy of considered, selective portfolio expansion in the current fiscal year. Apart from individual acquisitions of attractive commercial properties, the company is also optimising its real estate portfolio through deliberate restructuring.

In the first six months of the current fiscal year, three properties were added to the property portfolio. Thus the extension took place of the businessPark in Regensburg in January 2009. The property now has an additional rental area of 19,865 m². With an investment amount of € 18.8 million (for acquisition and development), the property will in future contribute annually a further € 1.6 million to the rental earnings of the company.

In addition, a property has been finished in Sangerhausen (Sachsen-Anhalt). This is a truck service station with a rental area of approximately 1,900 m². The property is rented completely, and the relevant lease has a remaining period of 22 years. Related to the investment amount of € 2.5 million, the property generates an annualised rental income of approximately € 0.2 million and an annual rental return of 8.0 %.

Finally, the delivery of a logistics facility in Großmehring (Upper Bavaria) took place in the reporting period. The rental area of the property with its favourable transport connections amounts to approximately 12,800 m². With an investment volume of approximately € 7.4 million, the property will achieve in future annualized rental revenues of € 0.7 million. Thus the rental income relative to the purchase costs amounts to approximately 9.5 %.

The total portfolio has thus been extended by properties with a volume of approximately € 28.7 million. Through these acquisitions the rental area of the VIB Group increased by 34,500 m². In the future these three commercial properties will annually increase the rental revenues by approximately € 2.5 million and at the same time achieve an average rental return of approximately 8.7 % of the purchase costs.

In the course of the portfolio optimisation, VIB Vermögen AG sold a hotel in Ingolstadt with a rental area of 1,828 m² in February 2009. The proceeds of the sale amounted to € 2.0 million. One objective of the measure was a further improvement of the average rental income of the overall portfolio.

Financing of the real estate portfolio

With the financing of its property portfolio VIB Vermögen AG applies a conservative stability-oriented approach. The anchoring points of its financing are the long-term protection of the necessary external funds and a high equity level. At the same time VIB Vermögen AG aims at security and stability in the procurement of external capital.

Thus, for example, primarily annuity loans are agreed. This means a credit with constant payments (instalments) over the entire loan lifetime. The annuity instalments payable by the borrower (in short: annuity) consist of a repayment and an interest component. With the payment of each instalment the outstanding debt is, therefore, gradually eliminated, such that from instalment to instalment the interest component is reduced and the repayment portion is increased. At the end of the lifetime, the complete repayment of the loan will have been achieved. Thus VIB Vermögen AG is constantly developing the material value of the company. An annuity loan has a set of advantages in relation to alternative types of credit. By the agreement of constant rates over the loan duration, this type of borrowing ensures that it is possible to forecast the

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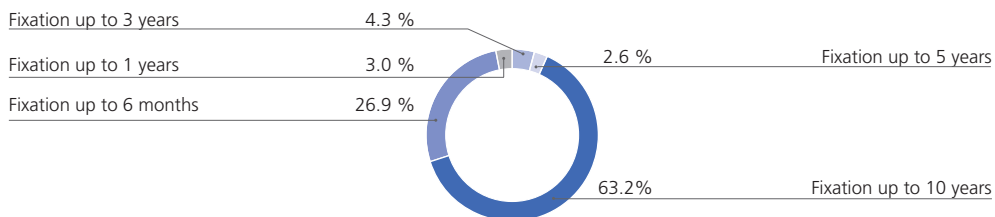
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future payment flow to a high degree. The evolution of the residual debt becomes precisely calculable and constantly decreases over the course of time. In addition annuity loans typically have long lifetimes, so that the monthly instalments can be kept constant.

In addition, the VIB Group's credit agreements are virtually free of "Covenant agreements". A covenant in this context means a credit clause by which the borrower assures the minimum level of a certain target figure to the creditor on a contractually binding basis. Usually these agreements relate to the level of the equity ratio, the debt ratio or the so-called "Loan to Value" (LTV), i.e. the debt ratio as a function of the value of the property portfolio. If the borrower deviates from the agreed minimum level (similarly contractually governed), the creditor has a right to apply a sanction. This can range from the tightening of the credit conditions to the right of extraordinary cancellation. The portion of these financing conditions in the VIB Group is very low, so that the company has secured financing on a long-term basis.

Structure of loans by remaining period of interest rate fixation (as of June 30, 2009)



With regard to the interest rate fixation periods, the structure of the external capital with approximately 65.8% of long-term interest liabilities has a high stable value. Approximately 63.2% are fixed for even longer than five years. However, only 29.9% have an interest rate fixation period of less than one year. On June 30, 2009, the average interest rate for all loans was about 4.5%. A refinancing in the long-term will be examined, if capital market interest rates increase again. The expected rental income of approximately € 43 million in 2009 is offset by interest expenses of approximately € 20 million – thus the VIB Group has sufficient liquid funds at its disposal for repayments and other administrative expenses.



Self-service department store, Pfaffenhofen



Production and logistics hall, Neufahrn



Production and office building, Neuburg/Donau

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| Business report

1. Business activities and underlying conditions

a. Business activities

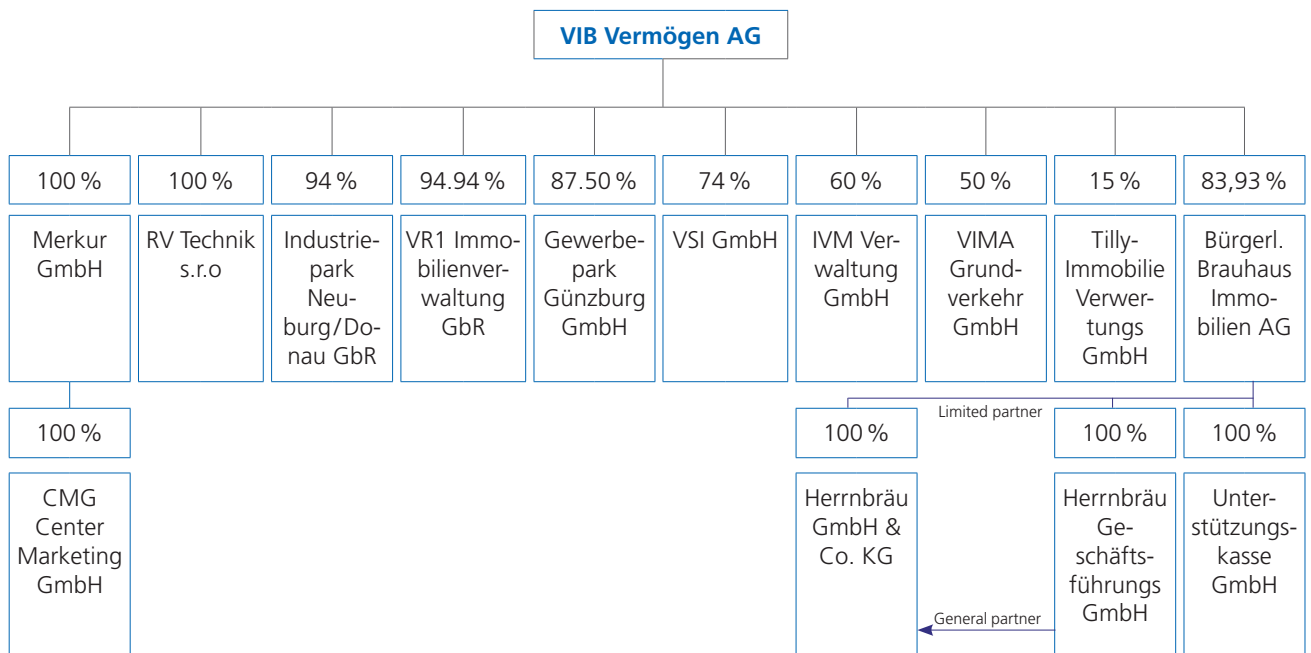
VIB Vermögen AG (hereinafter also "VIB Group" and/or "the company") as parent company of the VIB Group is a medium-size property holding company with an investment focus on commercial property in Southern Germany. Established in 1993 as an unincorporated entity, VIB Vermögen AG was converted in the year 2000 to a joint stock company. The core competence of VIB Group lies in the field of the acquisition and administration of own property and the acquisition of holdings in companies with property assets. The VIB Group applies a "Buy and hold strategy". It acquires, on the one hand, inventory property and, on the other hand, develops property for its own portfolio, in order to keep it in the portfolio in the long-term.

The management and administration of the real estate portfolio take place internally via the company's own, highly-qualified employees. In the year 2007, VIB Vermögen AG acquired the majority of BBI Immobilien AG. Its 100 % subsidiary, Herrnbräu GmbH & Co. KG, which has specialised in the own production and the selling of beers and alcohol-free beverages (= beverages segment), is consolidated in the group interim accounts of BBI Immobilien AG. In the context of the full consolidation of BBI Immobilien AG the beverages segment is thus also included in the group interim accounts of VIB Vermögen AG.

b. Corporate structure and holdings

In relation to December 31, 2008, the group structure of VIB Group has not changed. In the first half of the year 2009, the BBI Immobilien AG interest was increased to the present 83.93 % (December 31, 2008: 82.01 %). The reason for this rise was the acceptance of the conversion offer of outstanding shareholders of BBI Immobilien AG in accordance with the provisions of the profit transfer agreement concluded in the previous year. On this basis 95,514 BBI shares have so far been replaced by 138,493 VIB shares. Apart from the increase in the participation quota in BBI Immobilien AG, this has led to an increase in the issued shares of VIB Vermögen AG to 17,222,493 units.

Corporate structure on June 30, 2009



Comments:

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

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

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

c. Employees, personnel evolution and organs

On June 30, 2009, in total 114 employees (December 31, 2008: 114 employees, including industrial employees) worked in the VIB Group. The distribution broke down as follows:

- Real estate sector
17 employees in the commercial area (including executive board);
(December 31, 2008: 17 employees)
13 employees in the commercial area
(December 31, 2008: 13 employees)
- Beverages sector (Herrnbräu GmbH & Co. KG)
84 employees (including managing directors)
(December 31, 2008: 84 employees)

In the period under review, the number of employees of the VIB Group in the commercial area of the real estate segment remained unchanged although the portfolio was expanded further. Only in the Managing Board a reinforcement of personnel due was conducted to the company growth achieved. Up to the end of the previous financial year 2008, VIB Vermögen AG was represented by the sole chairman Ludwig Schlosser. Since January 1, 2009, Peter Schropp has been added to the Managing Board and is responsible for the property sector. The previous sole chairman, Ludwig Schlosser, takes over the function of the Chief Executive Officer.

The industrial employees in the field of property essentially mean caretakers and cleaning personnel for the management of individual properties, who are employed predominantly on part-time working conditions. In the context of additional charges, the costs incurred are passed on to the respective tenants.

The composition of the Supervisory Board remained unchanged in the period under review. The Board comprises Franz-Xaver Schmidbauer (Chairman), Rolf Klug (Deputy Chairman) and Jürgen Wittmann.

d. Evolution of the market environment

Overall economic environment

As before, the effects of the present economic and financial crisis are shaping the market and competitive environment of property companies. Regardless of the counter measures taken, such as substantial reductions of the interest rates of the issuing banks and long-range cyclical programs in a number of states, the economic situation remains strained world-wide. For the year 2009, the International Monetary Fund (IMF) therefore expects a decrease of the global economic output by 1.4 % in comparison to the previous year.¹

¹ IMF, 2009

Germany as an export nation is particularly affected by this trend. According to current data of the Federal Ministry for Economic Affairs a price-adjusted decrease of the gross domestic product (GDP) was recorded of -6.7 % in the Federal Republic in the first quarter of 2009. The main cause of for this downturn was an 11.2 % fall in investments between the two years. In addition exports fell due to the weak world-wide economic situation by -17.2 %. Private consumption also sustained minor losses, but the decrease was relatively small here with a drop of -0.1 %. Thus so far there has been a supporting effect from consumer expenditure.² According to the estimates of economics experts, this is at least partly attributable the remedial measures of the Federal Government, for example in the area of the automobile industry.

However the current calculations of the federal statistic office for the second quarter 2009 indicate the first signs of an economic recovery. Thereafter modest growth of 0.3 % of the Gross Domestic Product in comparison to the previous quarter could be recorded for the first time in this period since the beginning of 2008. As a result, private and national consumer expenditure and building investments became positive again.³ In addition, in the area of productive industry, various early indicators, such as incoming orders in industry or the mood among industrial leaders, suggest that overall the economy is making up ground.⁴ The Federal Government is nevertheless still assuming for the current year a decrease of economic output of approximately -6.0 %. A modest recovery of +0.5 % of the Gross Domestic Product is expected however for the subsequent year 2010.

In the context of the data on the worsening economic situation, the job market has also been clearly affected by the crisis. In July 2009, unemployment rose by 252,000 compared to the previous year to the present 3.46 million persons. Thus unemployment was about 8.2 %. Mitigating factors were the decrease in the supply of employees due to demographic reasons and the increased use of employees on short-term contracts.⁵

With the prices in the euro-area, a declining tendency was to be observed in the first six months of the current year. Thus the European-wide consumer price index in July 2009 was approximately 0.6 % below the relevant previous year's value.⁶ In Germany a decline in prices was measured of -0.5 %.⁷ Here it must be considered however that the prices for energy and raw materials had risen strongly in the previous financial year. As a result, the declining rate of price increases is partly explained by this basic effect. In addition the prices for food showed similar falls. If the inflation rate is adjusted for these two categories of commodities, then a price rise of 1.4 % could be registered despite the strained economic situation in the first half of the year 2009. Experts see in this the first signs of inflationary trends which could occur more noticeably in the future in the context of the national cyclical programs and the historically low issuing bank interest rates. The European Central Bank has recently indicated that it is aware of these dangers. The key interest rates were nevertheless left provisionally at their low of 1.0 %.⁸

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² The Federal Ministry for Economic Affairs, 2009

³ Federal Statistical Office, 2009

⁴ ifo Institute for Economic Research, 2009

⁵ Federal Agency for Employment, 2009

⁶ ECB, 2009

⁷ Federal Statistical Office, 2009

⁸ European Central Bank, 2009

Property market in Germany

The general economic situation was decisive for the German investment market for commercial properties in the first six months of the current year. Thus the business volume reduced to approximately € 3.7 billion, a decrease of 70 % in comparison to the same period of last year. The reason for this break-down was in the opinion of market watchers in particular the restriction of the provision of credit by clearing banks. Thus in particular large-scale property transactions continue to be made difficult, so that the average transaction size decreased in the first half of the year 2009 to € 13 million. Portfolio transactions almost entirely dried up. This effect was further reinforced by different price conceptions of buyers and sellers.⁹

Office and retail properties constituted approximately in each case 31 % of the transactions and were thereby the dominating types of use on the investment market. A further 9 % of the volume was invested in property with mixed use, while approximately 6 % was allocated to logistics and industrial property. In addition other properties such as hotels, properties and special property contributed together 23 % to the total volume. Within the retail segment, specialist market centres, individual specialist technical and supermarkets/discounters were responsible for 38 % of the business volume. In addition, a positive reversal could already be recorded in the purchase prices of these properties. The reason for this is on the one hand the low crisis susceptibility of this area and on the other hand the sustained level of revenue forecastability due to the typically long lifetime of the leases.

With the net initial net revenues overall a rise was to be determined in the first half of the year 2009, but in the end all asset classes stabilized in this regard. Thus it can be assumed that ground will be made up in the purchase prices for commercial properties. Thus against the background of the moderate price level in Germany in the international comparison in the medium term positive effects must be expected on the value retention of the existing commercial properties.

Based on the good economic situation at the time, rents had further increased in the previous financial year.¹⁰ In the context of the worsening overall economic situation this trend could not be maintained. For the current year a general modest decrease of rents for commercial properties is expected. This concerns primarily new and follow-up lettings. Existing leases however will remain unaffected by changes of the renting level. How strongly the cyclical downturn will be reflected in the rents remains an open question at present. Branch questionnaires however suggest improved expectations on the part of market participants, including with regard to future earnings.¹¹ In particular in the retail sector the prospects can be regarded as modestly positive due to the high stability of private consumption.

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⁹ Jones Lang LaSalle, 2009

¹⁰ IVD, 2008

¹¹ King Sturge, 2009

German brewery market

The situation on the German brewery market remains difficult. In the first six months of the current financial year, total sales fell nationwide to 49.3 million hl. In comparison to the period last year this represents a drop of 4.5 %. In Bavaria, the chief market of Herrnbräu GmbH & Co. KG, sales fell similarly. Here a decrease was recorded of 4.1 % to 10.8 million hl.¹² An exception was the month April, in which due to the hot weather nationwide a sales gain of 6.2 % could be registered.

For the current year market watchers do not expect a fundamental change in the German brewery market. Due to changed consumer habits and the demographic change an intensively competitive environment must therefore be expected.

e. Company targets and strategy

The present cyclical situation also poses corporate challenges for the VIB Group. Taking this into account, preference is being given in the current year to active asset and portfolio management rather than significant expansion. Nevertheless, in the medium term, it remains the declared goal of the VIB Group to continue to pursue the path taken in previous years of expanding the property portfolio in order to expand sales and revenues over the coming years. With the acquisition of further lucrative commercial properties and the successful integration of BBI Immobilien AG in the 2008 financial year, the VIB Group established the critical conditions for a prudent continuation of the growth course and a further increase in the value of the company.

On the basis of its financial stability and positive market position, the VIB Group intends to continue the strategy it has pursued consistently up to now. In the course of further portfolio optimisation, the company intends, on the one hand, to use the investment opportunities existing in the current market environment by making selective purchases of attractive commercial properties and, on the other hand, to undertake restructuring through individual property sales. In the medium term, further targeted acquisitions and/or holdings in high yielding property companies may be considered. The VIB Group will use its position as one of the most prominent listed property companies for commercial properties in Southern Germany to achieve further growth.

In the beverages segment, Herrnbräu GmbH & Co. KG still finds itself in a difficult competitive environment. The company plans to meet these challenges by intensified market penetration, in order that it can continue to successfully distance itself from the trend towards falling sales prevalent in the sector. These measures will be accompanied and supported by a continued optimization of the cost structure of Herrnbräu GmbH & Co. KG.

¹² Federal Statistical Office, 2009

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2. Financial position and results of operations

a. Earnings

In the first half-year 2009, the VIB Group achieved total revenues of approximately 30.9 million € (previous year: € 26.5 million). Of these the majority were achieved in the real estate segment with sales amounting to € 24.1 million. Thus the company increased the previous year's value of its core business "portfolio holding of property", which then stood at € 19.6 million, by 23.0%. In the beverages segment, the previous year's figure of € 6.9 million was nearly repeated, despite the difficult market environment, with revenues of € 6.8 million. In addition, total operating income amounted to approximately € 0.7 million, which was similarly attributable in the main to the real estate segment. In the reporting period total operating income of € 31.6 million was thus generated at group level (previous year € 29.8 million).

Due to the further substantial increase in the property portfolio, a rise in costs related to investment properties from previous year's level of € 3.6 million was registered, making the current figure € 5.2 million. This item includes costs connected with the portfolio e.g. property tax and non-attributable maintenance costs. In materials costs, which exclusively concern the beverages segment, the previous year's figure of € 2.6 million was reduced slightly to the current € 2.4 million.

At the same time, personnel costs fell at the group level to € 3.1 million (previous year: € 3.2 million). Against the background of increased revenues, the VIB Group was thereby able to further improve its cost-return ratio in the reporting period.

Cost savings could also be realized in other operating expenses, so that they fell in comparison to the previous year period from € 2.9 million to € 2.4 million. Of these approximately € 1.3 million were attributable to the beverages segment, while the property area accounted for approximately € 1.1 million. At the same time, the depreciations of intangible assets, tangible assets and investment properties fell from € 0.9 million in the previous year to the current approximately € 0.7 million. Of these approximately € 0.6 million were attributable to the beverages segment, while only a small part of approximately € 0.1 million resulted from the property area.

At the group level VIB Vermögen AG thus achieved earnings before interest and taxes (EBT) of € 17.8 million. Of this approximately € 17.5 million was generated in the real estate segment, a clear gain over the previous year's figure of € 16.4 million. In addition the beverage segment also operated profitably and contributed € 0.3 million to group EBT.

In the first half of 2009, the finance requirement increased in comparison to the previous year against the background of the increased property portfolio. Accordingly a financial result of € -9.5 million was posted in the period under review after € -8.1 million in the previous year. This comprised in particular the compensation to external shareholders of BBI Bürgerliches Brauhaus Immobilien AG, which amounted in the reporting period to a total of € 0.2 million.

Thus a pre-tax result (EBT) of € 8.4 million was achieved in the first six months of the current year after an identical € 8.4 million in the same period of last year. In the previous year, however, a positive evaluation result had affected the value by € 2.8 million, whereas in the first half of 2009 no valuation adjustments were made. Regarding the operating income in the first half of the year 2009 a pre-tax margin of 26.4 % was achieved. This underlines the high profitability of the VIB Group as one of the highest yielding property companies in Germany. In view of the revenue taxes of € 1.7 million (previous year: € 1.7 million), VIB Vermögen AG thus arrived at a group result of € 6.6 million (previous year € 6.7 million). Related to the 17,222,493 total outstanding shares, therefore, a result per share of € 0.38 per share certificate could be obtained (previous year: € 0.34).

Consolidated income statement by segments

in € thousand	H1 2009 Total	H1 2009 Beverage	H1 2009 Real estate	H1 2008* Real estate
Revenues	30,904	6,757	24,147	19,559
Changes in inventory	-7	-7	0	0
Changes in value for investment properties	0	0	0	2,861
Other operating income	720	59	661	321
Total operating income	31,617	6,809	24,808	22,741
Expenses for investment properties	-5,192	0	-5,192	-3,602
Cost of materials	-2,407	-2,407	0	-229
Personnel expenses	-3,136	-2,220	-916	-939
Other operating expenses	-2,359	-1,293	-1,066	-1,478
EBITDA – earnings before interest, taxes, depreciation and amortization	18,523	889	17,634	16,493
Amortization of intangible assets and equipment	-675	-624	-51	-56
Profit from operating activities (EBIT)	17,848	265	17,583	16,437
Net income from investments accounted for using the equity method	2	0	2	0
Other interest and similar income	426	81	345	112
Interest and similar expenses	-9,698	-127	-9,571	-8,157
Expenses from guaranteed dividend	-226	0	-226	0
Pre-tax earnings (EBT)	8,352	219	8,133	8,392
Income taxes	-1,722	4	-1,726	-1,720
Consolidated earnings	6,630	223	6,407	6,672

* Not identical with published semi-annual report 2008 due to consolidation effects

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b. Net assets and financial position

On June 30, 2009, the balance sheet total of the VIB Group amounted to € 640.9 million, an increase of € 20.2 million in comparison to the end of the previous fiscal year (December 31, 2008: € 620.7 million). This increase is primarily attributable to the investments carried out in the reporting period, which led to an increase in Investment Properties to the current € 578.9 million (December 31, 2008: € 561.3 million). At the same time, tangible assets rose from approximately € 39.0 million to € 45.0 million on June 30, 2009. This rise is partly based on investments in properties under construction in the course of the developing activity of VIB Vermögen AG for its own portfolio. In total the long-term assets thereby increased from € 606.1 million (December 31, 2008) to € 629.5 million as of June 30, 2009. In the same period, short term net assets, however, decreased by € 14.6 million to the current € 11.3 million. The main reason for this is the decrease in the liquid funds to € 3.8 million (December 31, 2008: € 5.9 million).

The total equity of VIB Vermögen AG amounted to € 191.8 million on June 30, 2009 after € 185.5 million on December 31, 2008. The reason for the rise was the positive income situation of the company and the associated surplus for the period under review. On the balance sheet date the equity ratio totaled 29.9% and was thus unchanged in comparison to the end of fiscal year 2008. In relation to the 17,222,493 shares which are currently in issue the Net Asset Value (NAV) per share amounted to € 11.46 on the balance sheet date.

Against the background of the investments made in property, there was a corresponding increase in the liabilities of the company. The portfolio expansion was primarily financed on a long-term basis so that the long-term financial debts rose from € 291.3 million (December 31, 2008) to € 302.7 million on June 30, 2009. In addition, there was also an increase in deferred taxes of approximately € 1.0 million to make the current figure € 18.1 million (December 31, 2008: € 17.1 million). As a result long-term debts increased from € 318.2 million at the end of the previous financial year to the current € 330.1 million.

In addition, short term debts increased slightly from € 117.1 million (December 31, 2008) to € 118.9 million as of June 30, 2009. The short term financial debts rose to € 108.2 million (December 31, 2008: € 103.1 million), while the other short term liabilities fell from € 13.2 million at the end of the financial year 2008 to the current € 9.4 million.

The total net indebtedness of the VIB Group amounted on the balance sheet date to € 407.8 million (December 31, 2008: € 389.2 million). If the liabilities are placed alongside the value of the property portfolio, this produces a "Loan to Value" ratio of at present 64.4% after 65.6% at the end of the previous financial year. This shows the financial stability of the company during the expansion of the property portfolio. In view of its solid equity ratio and the external capital primarily secured on a long-term basis, VIB Vermögen AG continues to enjoy a robust financing structure.

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| Report on key events after the balance sheet date

No events which have a substantial influence on the earnings, asset or financial situation have occurred since the end of the reporting period.

| Risk and forecast report

a. Risk management system

As a property company, VIB Vermögen AG is confronted with a wide range of risks. These are entered into on a deliberate and calculated basis, in order to be able to exploit the opportunities of the property market consistently. In order to recognize possible threats in good time and effectively meet them, the company has developed an appropriate risk management system. This risk management system is aligned to the operational business and continuously adapted to the relevant parameters of the business model of VIB Vermögen AG. The subsidiaries are also integrated in this risk management system.

Thus VIB Vermögen AG has an adequate risk management system which is constantly being developed further. On the due date of June 30, 2009 there were no risks which posed a threat to the existence of the company.

b. Opportunities and risks of the company

In relation to the picture given in the 2008 company report, the opportunities and risks have not changed.

c. Outlook

In future VIB Group will continue to further develop its core business, the purchase and/or the construction and management of its own property and the acquisition of holdings in companies with property assets. The company will continue its proven "Buy and hold" strategy and continuously optimise and purposefully strengthen its portfolio. The focus of the business activity remains the real estate segment of high-growth Southern Germany.

The basis of the entrepreneurial success of VIB Vermögen AG is the expansion course pursued in previous years. In the current financial year therefore the properties acquired in the financial year 2008 will contribute for the first time for the period of an entire year to the rental result of the VIB Group and will lead to appropriately increased assets and returns in 2009. Due to the present market environment the emphasis of the business activity in the current year is

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primarily on active asset and portfolio management and selective portfolio expansion and/or its optimisation. Against this background through the acquisition of a total of three attractive commercial properties and the sale of a further property the property portfolio in the reporting period continued to improve in terms of earnings capacity. It remains the declared medium-term goal of the VIB Group to continue the growth strategy pursued in previous years and forcefully expand sales and revenue in the coming years.

Through the integration of BBI Immobilien AG in VIB Group enhanced synergy potentials will be possible in the future and revenues and net earnings will additionally be increased. Thus a further, steady improvement of the cost-return ratio in the real estate segment will be achieved. In the context of the progressive takeover of properties already acquired from the so-called Bavaria portfolio into the property portfolio of BBI Immobilien AG, the group will continue to develop its potential for achieving sustainable rental income. The company is seeking in this context to strengthen its market position and at the same time, while retaining the low cost level, further increase its profitability.

At present the VIB Group is operating successfully in a difficult overall economic environment. In particular, the effects of the current financial crisis and their impact on the capital markets are leading to new challenges for the continuation of group growth. If this situation should continue to apply for a relatively long period, then the growth course of the VIB Group may be affected, despite the current solid and essentially long-term financing structure.

In the beverages segment, a further acceleration of the concentration process is to be expected. Therefore a generally difficult market and competitive environment is also expected for Herrnbräu GmbH & Co. KG in the current financial year. In the current financial year, the core task of the company lies, therefore, both in the increase of the market penetration and in the optimisation of the cost structure.

Due to the positive course of business in the first half-year, the executive board raised the forecast for the development of the real estate segment for the current year. Accordingly, the company expects a clear increase of the revenues in this segment to € 50 million after € 42.1 million in the previous year. For earnings before interest and taxes (EBT), a rise to € 35.0 million is expected (previous year: € 28.2 million). In addition, VIB Vermögen AG is expecting an improvement of the pre-tax result (EBT) in the real estate segment to € 15.8 million after € 11.3 million in the financial year 2008. Since the level of the property valuation at the end of the financial year is not foreseeable at present, the data are to be understood before consideration of possible value changes in the portfolio, which however have no effects on the liquidity of the company. Thus the forecasted result is generated exclusively by rental revenues. The beverages segment is expected to finish 2009 with a modest positive result.

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| Consolidated income statement

Consolidated income statement (IFRS) for the period from January 1, 2009 to June 30, 2009

in € thousand	Jan. 1, 2009 – Jun. 30, 2009	Jan. 1, 2008 – Jun. 30, 2008*
Revenues	30,904	26,468
Changes in inventory	-7	58
Changes in value for investment properties	0	2,861
Other operating income	720	411
Total operating income	31,617	29,798
Expenses for investment properties	-5,192	-3,602
Cost of materials	-2,407	-2,632
Personnel expenses	-3,136	-3,215
Other operating expenses	-2,359	-2,897
EBITDA – earnings before interest, taxes, depreciation and amortization	18,523	17,452
Amortization of intangible assets and equipment	-675	-924
Profit from operating activities (EBIT)	17,848	16,528
Financial result	-9,496	-8,143
Pre-tax earnings (EBT)	8,352	8,385
Income taxes	-1,722	-1,720
Consolidated earnings	6,630	6,665
Earnings attributed to group shareholders	6,471	5,800
Minority interests	159	865
Earnings per share (in €)	0.38	0.34

* Not identical with published semi-annual report 2008 due to consolidation effects

| Consolidated balance sheet

IFRS consolidated balance sheet as of June 30, 2009

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in € thousand	Jun. 30, 2009	Dec. 31, 2008*
Assets		
Non-current assets		
Intangible assets	1,281	1,066
Property, plant and equipment	45,051	38,970
Investment property	578,903	561,336
Interests in associated companies	460	460
Financial assets	3,461	3,894
Deferred taxes	375	375
Total non-current assets	629,531	606,101
Current assets		
Inventories	1,455	1,376
Receivables and other assets	5,654	5,939
Receivables from income taxes	102	1,266
Bank balances and cash in hand	3,800	5,925
Prepaid expenses	330	58
Total current assets	11,341	14,564
Balance sheet total	640,872	620,665

* Not identical with published semi-annual report 2008 due to consolidation effects

| Consolidated balance sheet

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IFRS consolidated balance sheet as of June 30, 2009

in € thousand	Jun. 30, 2009	Dec. 31, 2008*
Equity and Liabilities		
Equity		
Subscribed capital	17,222	17,084
Share premium	97,135	96,163
Retained earnings	40,143	40,143
Net retained profits	28,768	22,298
	183,268	175,688
Cash flow hedges	-3,579	-3,386
Minority interest	12,154	13,155
Total equity	191,843	185,457
Non-current liabilities		
Profit-participation certificates	675	675
Financial liabilities	302,680	291,341
Compensation claims - minority interests - partnerships	1,574	1,540
Derivative financial instruments	5,130	5,565
Deferred taxes	18,103	17,061
Provisions for pensions	794	818
Other non-current liabilities	1,160	1,154
Total non-current liabilities	330,116	318,154
Current liabilities		
Financial liabilities	108,228	103,060
Provisions	80	96
Liabilities from income taxes	343	184
Liabilities to associated companies	170	114
Other liabilities	9,411	13,152
Prepaid expenses	681	448
Total current liabilities	118,913	117,054
Balance sheet total	640,872	620,665

* Not identical with published semi-annual report 2008 due to consolidation effects

| 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
E-Mail: info@vib-ag.de
Web: www.vib-ag.de

Directors with right of representation: Ludwig Schlosser, Peter Schropp
Registration court: Ingolstadt
Register number: HRB 101699

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cap – Agentur für Kommunikation und Werbung
Monheimerstraße 8
86633 Neuburg an der Donau

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This semi-annual report contains statements about the future which are subject to risks and uncertainties. They are estimates of the executive board of VIB Vermögen AG and reflect its present opinions regarding future events. Through words such as "expect", "estimate", "intend", "can", "will" and similar expressions with regard to the company such future-related statements can be recognized. Factors which could cause or affect a deviation include, for example and without laying claim to completeness, the evolution of the property market, competition influences, including price changes, regulatory measures and risks involved in the integration of newly acquired companies and holdings. If these or other risks and uncertainty factors should occur or the assumptions, on which the assertions are based, turn out to be incorrect, the actual results of VIB Vermögen AG could be substantially different from those which are expressed or implied in these statements. The company does not accept an obligation to update such future-oriented statements.

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

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