

Vivacon AG:
Half-Year Report 2007

we create owners **vivacon AG**



Key Financial Figures

in million €	2nd quarter 2007	2nd quarter 2006	30.06.2007	30.06.2006
Transaction volume	262.6	115,2	328.4	127.1
Revenues	33.0	39,3	57.5	48.7
Total output	50.6	63,5	81.9	79.9
EBIT	12.7	11,3	18.9	9.9
Net consolidated income for the year attributable to shareholders of the parent company (Net income)	11.7	6,5	15.0	3.8
EPS – undiluted – (in EUR)	0.60	0.34	0.77	0.20
EPS – diluted – (in EUR)	0.57	0.32	0.74	0.19
Investments	3.5	1.2	4.3	1.2
Number of employees (average)	90	58	84	56
			30.06.2007	31.12.2006
Subscribed capital			19.5	19.3
Shareholders' equity			193.0	183.1
Balance sheet total			819.7	642.0

Half-Year Report: To our Shareholders



Michael Jung

CEO

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Dear Shareholders,

Vivacon AG was able to maintain the growth of its business of the first three months also during the second quarter of 2007. Its project volume was able to be increased again – above all in the area of institutional investors. The transaction volume of Vivacon AG was EUR 262.6 million in the second quarter; a considerable increase on the EUR 115.2 million in comparison with the same period in 2006. The revenue in the second quarter was EUR 33.0 million, compared with EUR 39.3 million in 2006. The decrease in revenue was mainly due to the accounting treatment of portfolio transactions as a consequence of the legal structure. In contrast to last year, all portfolio transactions were conducted in the form of share deal transactions. In this case, only the margin is recorded as revenue. In the previous year an asset deal structure increased the reported revenues. The earnings margin is in principal not affected by this. Against the lower revenue, the earnings in the second quarter were therefore raised again and EBIT reached EUR 12.7 million in the second quarter, following EUR 11.3 million in Q2 2006.

Pre-tax earnings increased from EUR 9.1 million in the second quarter of 2006 to EUR 15.0 million in the second quarter of 2007, which corresponds to an increase of 65%. Consolidated profit in the second quarter was up to EUR 11.7 million from EUR 6.5 million in 2006; an increase of 80%. In the first half of 2007, Vivacon AG thus achieved an EBIT of EUR 18.9 million, compared with EUR 9.9 million in the same period of the previous year. Consolidated profit reached EUR 15.0 million, after EUR 3.8 million the previous year. The profit per share on 30 June 2007 was EUR 0.77.

Extensive portfolio transactions

Following a first quarter that was characterised by extensive acquisitions, we increased our total portfolio during the second quarter to over 13,000 dwelling units. In our biggest transaction to date, we sold a portfolio of 5,662 units with a total floor area of around 356,260 sqm to an international, institutional investor. The sales volume amounted to around EUR 220 million. Future groundlease income of initially around EUR 0.9 million p.a. will be generated for Vivacon AG. Again in the second quarter, a portfolio of 543 dwelling units with a value of EUR 21 million was sold to WIAG Immobilien AG (WIAG), the joint venture established with Forum Partners. As of 30 June 2007, more than 7,600 dwelling and commercial units are available for Vivacon AG (excluding WIAG) for marketing and resale.



7,468

UNITS SOLD (1ST HALF-YEAR)

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Expansion of institutional business

Vivacon AG will continue to expand the institutional business segment. The increase in headcount and project volume in recent quarters, as well as the constantly increasing volume of transactions underlined the constant high demand from long-term international investors.

Since its foundation, Vivacon AG has recognised the potential of leasehold and continually applied it to new areas of the property business. The implementation and development of leasehold concepts in institutional portfolio transactions is one of the great market strengths of Vivacon AG. Thus, in addition to acquire large portfolios of residential units, we are also planning to combine extensive portfolios of leasehold property in the commercial area.

Positive market environment

The German property market continues to be characterised by a positive dynamic. Around 700,000 public dwellings have been sold to private investors in recent years. The record prices of recent larger transactions of a 16-18-fold multiple of the annual rent, demonstrating the unchanged interest in German residential property.

The majority of these housing stocks originate from the federal and state governments, whereby cities and local authorities also have large property portfolios. More than two million dwellings with an estimated market volume for institutional transactions of EUR 100 billion. The pressure on many municipalities to free themselves from the heavy burden of debt is high, and the disposal of property portfolios is a considerable potential source of income. Initial results show that such transactions with local authorities and municipalities can be arranged in a socially responsible way with long-term commitment on the part of foreign investors.

Many municipalities have up to now been reluctant to sell their apartments due to unfavourable fiscal conditions. The government intends to simplify the procedures and resolve the issue of the hitherto untaxed provisions of property companies with a value of EUR 78 billion with a one-off 3 % tax rate. Up to now, property management companies would have had to pay retrospective tax at a rate of 45 % on this tax-free equity (so-called "EK02") if a dividend payment is made.

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262.6 million

TRANSACTION VOLUME IN EUR IN Q2

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The possible removal of the EK02 hurdle is thus an important stimulus for the privatisation of apartments owned by local authorities and municipalities. Transactions will be made easier; and indeed for many municipalities transactions will be made possible for the first time. Vivacon AG – as one of the leading transaction platforms for German residential property – is well positioned to benefit from the effects of this new ruling.

Socially responsible privatisation through leasehold

In January 2007, Vivacon AG obtained a housing estate consisting of 126 apartments from the Salzgitter Wohnbau (home building company). The sale took place in the context of a considerable vacancy rate. Through new incentives the conversion of the dwellings into owner-occupied properties to be sold predominantly to the existing tenants was intended.

The project was a great success. Vivacon AG was able to offer the dwellings to the existing tenants at extremely favourable terms. Monthly costs for the tenant are significantly below the existing basic rent (without heating). Any refurbishment requirements were initially covered by a maintenance provision of EUR 100,000. The demand from tenants was so great that in a very short period of time all dwellings were sold to existing tenants and investors. The favourable prices were made possible by the application of a leasehold model that also enabled interested parties with low or medium incomes to acquire their dwelling. In light of this great success, further similar projects are planned.

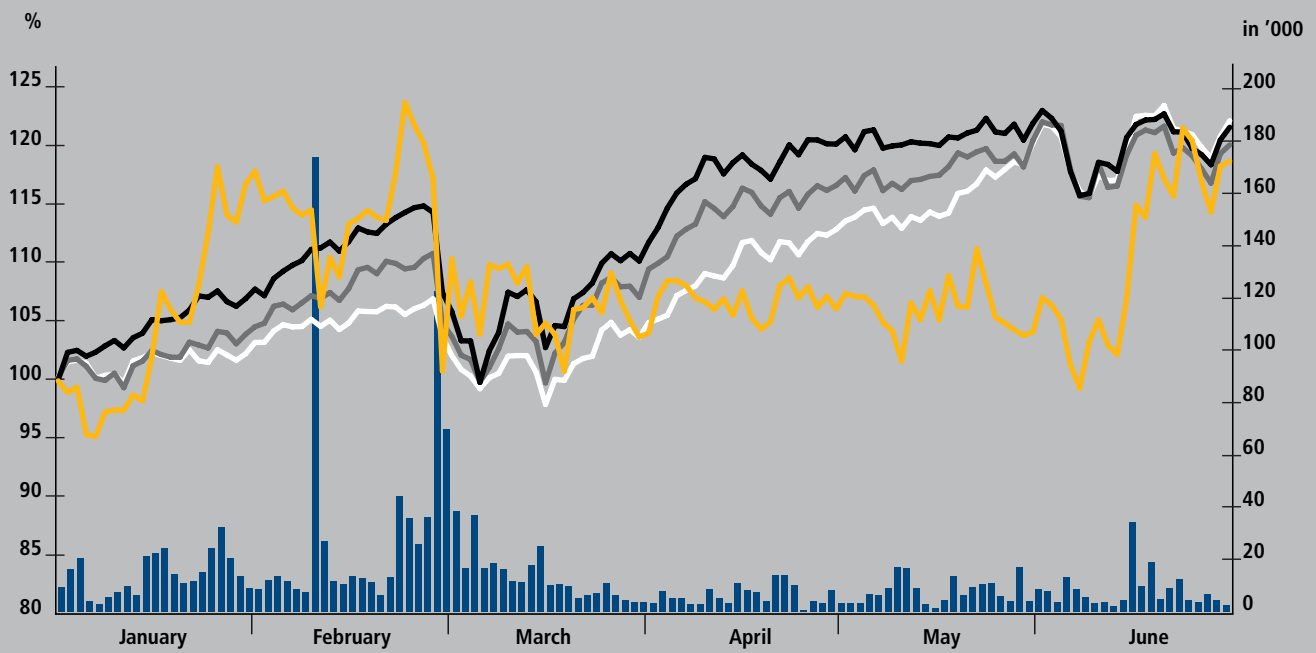
Individual sales to private customers

Notarised volume of individual sales of residential property was EUR 21.9 million in the second quarter. In the first half-year, the notarised volume was thus EUR 63.6 million, above the previous year's value of EUR 35.9 million. Like every year, we expect that the greatest proportion of earnings in the individual sale segment will be generated in the fourth quarter.

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Trading volume and share performance in comparison in the first half-year 2007

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A major success was our recently listed building project "Palais am Stadtkai" in Mülheim. Sales have continued in this area with strong demand. By 30 June 2007, some 65 % of the 65 dwellings had been sold. The total sales volume is EUR 16.5 million.

Marketing of our latest listed building project, "Geisting Park" in Hennef, started in the second quarter. This means that Vivacon AG has started to market three new listed building projects this year alone. The designer apartment area has also developed very satisfactorily. All apartments in our Philippe Starck project in Hamburg have now been placed, and the sale of 46 % of the units in the second Philippe Starck project in Munich have been notarised.

Professional structuring and new leasehold concepts

In order to increase the professionalism of internal structures, and to ensure appropriate personnel development; Mr. Oliver Priggemeyer was appointed to the Executive Board on June 1 as COO.

Mr. Priggemeyer was until recently CEO of EPM Assetis GmbH, a joint venture between WestLB and Bilfinger Berger with approximately 470 employees and more than EUR 10 billion of assets under management. Mr. Priggemeyer's responsibilities there included the asset and portfolio management business. At Vivacon AG, Mr. Priggemeyer will be responsible for Asset Management, Leasehold Concepts, Organisation and Personnel.

vivacon AG

Share performance in the second quarter

The Vivacon share price maintained stable in the second quarter of 2007. At a closing price of EUR 27.10 at the end of Q1, the stock stayed close to the EUR 27 mark. With minor gains at the end of quarter and a closing price of EUR 29.86 on 29.6.2007, the stock developed positively in the second quarter with a gain of +10.2 %. The turbulence on the American mortgage markets has exerted a downward trend on many property shares, also in Germany. Vivacon shares were not completely spared from these negative effects. In the second quarter Vivacon AG made its first ever dividend payment, which allowed shareholders to participate in the renewed success of our business activities in 2006. A cash dividend of EUR 0.40 per share was paid.

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Vivacon shares remain an attractive investment

Analysts have been positive in their recommendations in the second quarter, with share price targets of between EUR 35 and EUR 40.

The focus of Vivacon AG is exclusively on German residential real estate, which generates high returns by international standards. The buyers of the portfolios are international property investors, the transactions are financed by a variety of German and international banks, and the finance is collateralised by entries in the land register. Vivacon AG is therefore not affected by the problems in the U.S. Subprime credit segment. The attractiveness of our leasehold payments is also demonstrated for example by the AAA rating of the last securitisation of the Vivacon groundlease cashflow.

Inclusion in the EPRA/NAREIT Index

In June 2007, Vivacon AG was listed in the FTSE EPRA/NAREIT Global Real Estate Index. This is the leading global index for property shares. It consists of around 250 property companies from 28 countries.

Outlook

We are very pleased with the present business development and we confirm our forecast that we will increase the total annual earnings achieved in 2006. To continue to build on the success of Vivacon AG, we have now increased the number of employees to around 100 and recruited new members to the Executive Board with additional areas of competence.

The Executive Board wishes to thank all members of staff for their excellent contribution to another excellent business quarter. We would also like to thank our shareholders and partners for the confidence they continue to place in us, and for the excellent cooperation.

Yours sincerely,

Michael Jung

CEO

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Report on the status of assets, finances and earnings

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a) Business performance and major events

In the first six months of the fiscal year 2007, we were able to maintain the positive trend evident of the fiscal year 2006.

In the "Institutional sales" segment, the group was able to finalise the sale of three property portfolios. The individual transactions involved were as follows:

In June 2006, a property portfolio predominantly located in Northern Germany, Berlin, North-Rhine Westphalia and Bavaria, with a total living area of approximately 356,260 square metres and a value of EUR 220 million, was sold to an institutional investor. This transaction, which was performed as a share deal, represents the largest transaction in the company's history. The sale was carried out using the leasehold model. Annual groundlease payments of EUR 0.9 million p. a. will initially be generated for the Group.

In the first half of 2007, two other property portfolios encompassing 1,600 dwelling units with a total value of EUR 45 million were sold to the joint venture operated with Forum European Realty Income S.à.r.L, Luxembourg. This property portfolio is indirectly held by WIAG Wohnimmobilien AG. Vivacon AG controls a 30 % stake in this company.

Earnings from the joint venture with Forum European Realty Income S.à.r.L, Luxembourg, totalling EUR 2.0 million are mainly presented under the item "Earnings from holdings in associated companies", and are therefore not included under earnings before tax and interest.

In the business area "Private investors", a total of 206 units with a transaction value of EUR 63.6 million were sold. This package includes the sale of the office properties in Rheinauhafen that are to be used in future by the Vivacon Group. This property is scheduled for completion during the course of the fiscal year 2008. Revenue is recognised on completion in 2008. The business area has thus maintained the growth dynamic it exhibited in the previous year. Successful sales of new properties in the categories of listed building renovations and designer properties, as well as the successful launch of a new concept in tenant privatisation, have all contributed to this success.

Due to the tax reform of 2007, as of 1 January 2008, the tax burden on corporations is to be reduced from approx. 40 % to approx. 30 %. As the Bundesrat is not due to pass this Tax Adjustment Act until after the balance sheet date, this change to the law has not been taken into account in the interim report of 30 June 2007. The Vivacon Group posted deferred tax liabilities of around EUR 45.6 million in the interim report of 30 June. Effective with the interim report of 30 September 2007, the deferred tax liabilities will be calculated on the basis of a reduced tax rate. The Group will realise earnings of around EUR 11.4 million from the dissolution of deferred tax liabilities.

The group has acquired several other extensive property portfolios in the first half of 2007, respectively concluded notarised sales agreement regarding the purchase of real estate portfolios. By 30 June 2007, a total of 7,648 dwelling und business units were available for disposal.

In May 2007, the AGM agreed the first ever dividend payment of EUR 0.40. The move of Mr. Marc Leffin to the Supervisory Board of Vivacon AG was also endorsed. Mr. Marc Leffin has therefore stepped down from the Executive Board of Vivacon with effect from 1 August. Mr. Michael Jung has, in addition to his role as the Chief Financial Officer of Vivacon AG, taken over the office of board spokesman. Effective from 1 July 2007, Mr. Oliver Priggemeyer was appointed to the Executive Board of Vivacon AG. He will be responsible for the areas of Asset Management, Leasehold Concepts, Organisation and Personnel.

b) Earnings position

The key performance indicator for the company is the transaction volume (notarised sales prices). The revenue reported in the Annual Financial Statements for the "Institutional investors" segment cannot be directly reconciled to revenues posted in the reporting year, due to the respective structuring alternatives. As a rule, transactions are structured in the context of a sale of company shares. The sales revenue as per IFRS varies according to the financing structure of the divested portfolio. The growth of the company's transaction volume (including the sale of two portfolios to the joint venture operated with Forum) is summarised below:

	2007 in million €	2006 in million €	Development in million €
Private investors	63.6	35.9	27.7
Institutional investors	264.8	91.2	173.6
Transaction volume	328.4	127.1	201.3

The company was able to again significantly increase the transaction volume in comparison to the previous year. The increase is primarily attributable to Vivacon AG's ability to generate significantly higher transaction volumes by exploiting the continued desire of foreign property investors for purchases in the first half of the fiscal year.

In the business segment "Private investors", the success of the placements with the yoo Munich project, as well as with the listed building reconversion projects "Palais am Stadtkai" in Mülheim and "Geistinger Park" in Hennef, led to the indicated increase in transaction volume. The Group also successfully developed a model for leasehold privatisation in Salzgitter. The placement of 126 units in the portfolio were realised in the second quarter of the fiscal year 2007.

The sale of the "Rheinauhafen" office property that is foreseen as the future headquarter of Vivacon AG, is also included in the listed transactions volume in the "Private investors" segment. The volume of notarised transactions in the first half-year 2007 in the business area «Private investors» was generated by the placement of a total of 206 units (previous year period: 133 units).

The revenues of the Group increased from EUR 48.7 million, in the reference period of the previous year, to EUR 57.5 million in the first half of 2007. Revenues in the business area "Institutional investors" thereby fell from EUR 19.8 million to EUR 15.9 million due to structural factors. In the previous year a portfolio sale was performed in the form of an asset deal; during the reporting period all sales were completed as share deals where only the margin is posted as sales.

The transaction volume increased significantly, as mentioned previously. Sales to institutional investors were structured in the course of this fiscal year as a share deal. As a result, only a small fraction of the entire transaction volume from "Institutional investors" of EUR 264.8 million is reported as sales revenue in the IFRS consolidated financial statements. The earnings before tax and interest in the segment "Institutional investors" amounted to EUR 18.8 million in the first half of 2007. The business area "Private investors" attained total earnings before tax and interest of EUR 0.1 million (previous year: EUR 3.1 million).

Personnel and other operating expenses increased noticeably in the reporting year. The increase in personnel expenses from EUR 4.1 million to EUR 6.9 million can be attributed to a significant increase in headcount. The Vivacon Group has increased the number of employees by 26 in the first six months of the ongoing reporting year, in response to continued growth. The increase in other operational expenses from EUR 4.8 million to EUR 11.7 million was largely a result of expenses listed under this heading in conjunction with inflation hedging agreements with a value of EUR 3.0 million. The inflation hedging agreements have been entered with a view to the securitisation of leasehold payments as a precaution against changes in the rate of inflation.

The posted earnings before tax and interest of the Group contain net profits from the assessment of properties held as financial investments at the value to be enclosed of EUR 14.0 million. Due to the increase in interest rates since 1 January 2007, the Group has adjusted the discount rate used for the DCF assessment. This resulted in a decrease of reported earnings before interest and taxes of EUR 5.4 million.

The financial result in the reporting year 2007 increased in comparison with the reference period of the previous year by EUR 5.4 million to EUR 0.7 million. This positive trend was also due to the upward valuation of interest insurance contracts during the first half year of EUR 8.5 million. The Group has safeguarded itself against volatility in short-term interest rates by securitising the leasehold payments. The resulting expenditure therefore corresponded with the previously presented effects of interest changes on the net earnings from the assessment of properties held as financial investments.

The posted annual net profit increased from EUR 3.3 million to EUR 15.5 million.

c) Asset status

The balance sheet considerably increased compared with the previous year. The growth in non-current assets was largely due to leasehold properties which were acquired in 2007, or were earned as a margin and which have remained in the long-term ownership of the company. The increase in working capital was primarily due to the increase of properties foreseen for sale. The property portfolio is structured as land register-guaranteed property financing, and the terms correspond to the planned periods of retention for the property portfolios intended for sale.

The current liabilities with respect to credit institutes primarily relate to the financing of projects in the listed building and design segment, as well as in the business segment "Institutional investors". The acquired property packages and projects are listed on the assets side under properties held for sale. The long-term financing of the Group continues to be exclusively realised by the securitisation of leasehold payments.

d) Financial status

The company increased the capital stock under the share option programme in the course of the reporting year by TEUR 135. This generated cash inflows of TEUR 666. No other measures relating to the capital resources have been carried out in the reporting year. The payment of a dividend of EUR 0.40 per share was approved at the Vivacon AG AGM. The total value of the dividend payment was EUR 7.8 million.

On the balance reporting date, the Group had liquid funds worth EUR 118.3 million, of which EUR 77.7 million were not at free disposal of the Group for general financing purposes.

B**Risks and opportunities assessment**

The risks and opportunities for the future development of the Group detailed in the Consolidated Financial Statements for the Group could continue to exert a major influence on the Group's future prospects. The most important changes in the risks and opportunities since the beginning of the fiscal year are presented below.

The uncertainties in the international property markets and financial markets emanating from the American property market do not affect the Group directly. The focus of the Group in the segment "Institutional sales" is exclusively in the area of German residential property, which produces high returns by international standards. Buyers of German residential property are international property investors from various countries. The German property market continues to grow strongly.

The high purchase prices of transactions conducted recently in the German property market show that the interest in German residential property continues to remain high. At present, the German property market is characterised by a transition from short-term investors to strategically thinking investors with a medium to long-term investment horizon.

The presently debated changes to taxes in the area of dividend charges on communal property companies could lead to a further increase in the transaction volumes on the German property market.

On 17 July 2007, the German Federal Ministry for Finance published the application order for § 15b EStG. Vivacon AG assumes that there are no negative changes in respect of the non-applicability of § 15b EStG to listed buildings marketed by the company.

The Executive Board is convinced that the measures it has taken sufficiently control and cover the Company's business risks.

C Report on significant transactions with related parties

No significant transactions involving related parties took place in the reporting period with the exception of the aforementioned transactions with the joint venture "Forum".

D Outlook for the fiscal year 2007

The inventory of pending transactions as per IFRS on 30 June 2007 with a value of EUR 122.9 million (30 June 2006: EUR 79.4 million), as well as the inventory of properties available as of 30 June 2007 form a good basis for success in the fiscal year 2007. We confirm our full year forecast to increase the results compared with 2006.

Cologne, August 2007

signed Michael Jung

signed Timo Herbrand

signed Michael Ries

signed Oliver Priggemeyer

A General notes on the financial statement

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The interim consolidated financial statements for the period ending 30 June 2007, presented in the quarterly report of Vivacon AG, consisting of the consolidated balance sheet, the consolidated income statement, statement of changes in equity, cash flow statement and supplementary notes have been prepared according to International Financial Reporting Standards (IFRS) in compliance with IAS 34. In addition, the guidelines according to the German Accounting Standards (GAS) 6 were observed to the extent they go beyond the requirements according to the International Accounting Standards IAS 34.

The accounting policies and calculation principles were applied as for the consolidated financial statement of the entire previous year.

The methods of consolidation, accounting and valuation are presented in the annual report of Vivacon AG for the 2006 financial year. The annual report is available for download on the Internet (<http://www.vivacon.de>), as well as in printed form from the company.

The consolidated income statement, statement of changes in equity and cash flow statement presented in the interim consolidated financial statement for the period ending 30 June 2007, for the same period last year from 1 January 2006 to 30 June 2006, were adjusted. This was due to changes in the accounting and valuation methods undertaken in the further course of the 2006 financial year compared with the presentation in the interim consolidated financial statement for the period ending June 30, 2006. These changes affect the accounting and valuation of the 2005 share option programme and the valuation of the inventory. This change in accounting and valuation methods led to a decrease in the consolidated annual profit amounting to TEUR 682 for the period from January 1 to June 30, 2006. Due to these adjustments the equity for the period ending June 30, 2006, declined by TEUR 2,404.

B Changes in consolidated companies

In the first six months of financial year 2007 new companies were established and sold due to further real estate purchases and sales. The subsidiaries included in the consolidated accounts, together with the associated shareholdings and additions to the consolidated companies in the quarter under review, are listed in Appendix 1 to these supplementary notes.

Additions to the consolidated companies in the period January to June of the 2007 financial year involved, with the exception of Vivacon CZ s.r.o., all new intragroup start-ups. The acquisition costs for the purchase of shares in these intragroup start-ups are therefore in the realm of the legal guidelines regarding the minimum investments required according to company law.

In the first quarter of 2007, Vivacon AG acquired all shares in Vivacon CZ s.r.o. At the time of purchase, Vivacon CZ s.r.o. had no operational activities. The acquisition costs of the shares in Vivacon CZ s.r.o. correspond to the paid-in capital of the company. Differences between the offsetting of the acquisition costs and the proportional equity on the date of the initial consolidation were not incurred in the case of the new additions of the first quarter of the 2007 financial year.

In June 2007 the following companies were sold to the joint venture operated with Forum Realty Income S.à.r.L, Luxembourg (this transaction is also referred as the "Forum transaction"):

- Vivacon Immobilien Portfolio IV./2006 GmbH & Co. KG, Cologne
- Vivacon Immobilien Portfolio IV./2006 Verwaltungsgesellschaft mbH, Cologne
- Vivacon Erwerber Portfolio IV./2006 GmbH, Cologne

Consequently, as of 30 June 2007, Vivacon AG directly possessed 30 % of the shares in the above companies. Therefore, the companies are included in the consolidated interim financial statement of the Vivacon AG for the period ending 30 June 2007, according to the equity method. The companies administer a property portfolio in Neumünster. In the first quarter of the 2007 financial year a property portfolio in Gera was sold to the joint venture run with the Forum European Realty Income S.à.r.L, Luxembourg. All told, the joint venture possesses a housing stock of approximately 4,400 dwelling units.

With financial effect on 30 June 2007, 100 % and 94.8 % respectively of the voting and capital shares of the following companies were also sold:

■ Vivacon Immobilien Portfolio X./2006 GmbH & Co. KG, Cologne	(100 %)
■ Vivacon Erwerber Portfolio X./2006 GmbH, Cologne	(94.8 %)
■ Vivacon Immobilien Portfolio XVIII./2006 GmbH & Co. KG, Cologne	(100 %)
■ Vivacon Erwerber Portfolio XVIII./2006 GmbH, Cologne	(94.8 %)
■ Vivacon Immobilien Portfolio II./2007 GmbH & Co. KG, Cologne	(100 %)
■ Vivacon Erwerber Portfolio II./2007 GmbH, Cologne	(94.8 %)

Therefore, the companies were no longer included in the consolidated interim financial statement of 30 June 2007.

The transaction volume resulting from these sales amounted to a total of around EUR 220 million. As a result of the transaction taking the form of a transfer of company rights, only a small portion of the transaction volume was posted as consolidated revenue. The revenue in the business segment portfolio trading amounted to EUR 15.9 million in total in the first half-year 2007.

C Notes to the balance sheet

a) Market value of investment properties

The market value of investment properties has developed as follows since 1 January 2007 (in millions of EUR):

Fair value 1 January 2007	227.1
Additions to acquisition costs in the period 1 January to March 31, 2007	1.7
Additions to acquisition costs in the period 1 April to 30 June 2007	13.4
Net profit from the adjustment of the fair value in the period from 1 January to 31 March 2007	1.7
Net profit from the adjustment of the fair value in the period from 1 April to 30 June 2007	6.5
Fair value 30 June 2007	250.4

The development of market value in the second quarter of the 2007 financial year primarily reflects additions to ground lease properties and the market value adjustments carried out in this quarter. The additions in the period from 1 January 2007 to 30 June 2007 resulted from purchases of ground lease property portfolios used largely for the housing industry, as well as transfers of properties from portfolio transactions.

To establish the fair value of the ground lease properties Vivacon AG continued to employ the internationally recognised discounted cash flow (DCF) method. The individual valuation of the ground lease properties occurred by including exclusively the virtually certain determinable real ground rent cash flow for the individual property in the DCF valuation. The discounting factor on 30 June 2007, amounted to 4.25 % (compared to 4.15 % on 31 December 2006). The adjustment reflects exclusively the increase in the long-term property specific interest rate, in part compensated for by the increase in the assumptions on long-term inflation expectations. In view of the inflation indexing of the leasehold payments, long-term inflation expectations are a major factor in the fair value of ground lease properties. With unchanged assumptions regarding the discount rate, the Vivacon Group would have posted an income before taxes higher by EUR 5.4 million for the period from 1 January to 30 June 2007.

In view of the interest rate sensitivity when applying the DCF method for the valuation of the ground lease properties, value changes can occur in the case of ground lease properties if there are future changes in the base interest rate, inflationary expectations and/or in the risk surcharge. However, it is evident overall, that, thanks to the long-term nature of the cash flows to be valued and the contractually-agreed inflation adjustment of the cash flows as well as the effect on results from interest hedging transactions (income of EUR 8.5 million in the first six months of the 2007 financial year), that the effects of the interest increase on the consolidated income is principally compensated for.

b) Investments in associated companies

Long-term equity investments in associated companies on 30 June 2007, reported under long-term financial assets as on 31 December 2006, relate to 30 % of the shares in the following subgroup parent companies:

- WIAG Wohnimmobilien AG, Cologne
- Freeholdco GmbH & Co. KG, Köln / Freeholdco GmbH, Cologne

The change in the stake in the first six months of the 2007 financial year amounting to EUR 2.0 million results to the amount of EUR 0.4 million from WIAG Wohnimmobilien AG and to the amount of EUR 1.6 million from Freeholdco GmbH & Co. KG and represents the proportional earnings of these subgroups. The net profit achieved by Freeholdco GmbH & Co. KG in particular resulted from the valuation of the ground lease properties of the company at fair value according to IAS 40. The earnings posted of WIAG Wohnimmobilien AG resulted almost exclusively from the rent management of the property stock.

c) Inventory

In the first six months of the financial year the company acquired extensive housing portfolios. The existing housing stock on 30 June 2007, amounted to over 6,794 dwelling and business units. On 30 June 2007, the Group had concluded notarised agreements on the additional purchase of housing portfolios with a total of approximately 854 dwelling and business units.

d) Development of the equity

The current number of outstanding shares on 30 June 2007, amounted to 19,483,130. The increase in the number of shares issued since 31 December 2006, resulted from the issue of shares to employees due to share option plans. Dividends amounting to EUR 0.40 per share were paid out in the current financial year. Therefore the overall amount of dividends paid for the financial year 2006 was EUR 7.8 million.

e) Liabilities from bonds

Changes in non-current liabilities from bonds resulted predominantly from repayments carried out in the first six months of the 2007 financial year. On 31 December 2006, EUR 69.1 million of the accruals from the issue were not yet freely available. In the course of the first six months of the 2007 financial year, a total of EUR 46.5 million were made available for the general financing of the Group.

Vivacon AG and further subsidiaries transferred ownership of several ground lease properties to 100% limited partnerships which were founded in the 2005 and 2006 financial years. The subsidiary limited partnerships issued bonds in two issues worth a total of EUR 179.5 million to special purpose vehicles based abroad, which in turn are financed by the issue of bonds on the capital market. The agreements on the bonds of the first issue have an expected term until 2036, and all bear interest at 4.74% p.a. The agreements on the bonds of the second issue have an expected term until 2017 and all bear variable interest on the basis of the 3-month Euribor. Interest hedging agreements were concluded in connection with the variable interest of the second issue. The Group received interest amounting to total of EUR 8.5 million in the first half-year from these interest hedging agreements.

The bonds must be repaid at maturity. The ground rents collected by the subsidiary limited partnerships in the first instance service their own costs and the interest on the bonds. Any liquidity surplus that then remains in the subsidiary limited partnerships is used for repayment. In the context of these inflation hedge agreements, the future ground rent increases resulting from the inflation indexing of leasehold agreements were ceded in exchange for a constant cash flow throughout the term. The Group realised total expenses amounting to EUR 3.0 million from these inflation hedge agreements. These expenses resulted mainly from the increase in long-term inflation expectations since 1 January 2007. The expenses are posted in the company accounts under other operating expenses.

Vivacon AG plans additional securitisations of ground lease property stock to refinance the Group's growth.

f) Liabilities due to banks

In the first half of the year the Group financed purchases of real estate portfolios especially with current liabilities to banks.

g) Financial instruments

In the course of the issue of bond-based loans carried out in 2006, Vivacon AG concluded agreements for the financial instruments presented in C. e) (interest swaps and inflation hedge agreements). In the first six months of the 2007 financial year total income amounting to EUR 5.5 million resulted from the market valuation. The negative market value of the inflation hedge agreements totalling EUR 4.2 million is reported separately under the non-current liabilities. The positive market value of the interest swap agreements totalling EUR 5.8 million is reported separately under the non-current assets.

D Notes to the statement of operations

a) Revenues

The revenues reported in the first six months of the 2007 financial year are distributed equally between the different business activities of the Group. For example, EUR 14.4 million (25.1%) of the reported revenues of the period under review are attributable to lease and ground rent income. The corresponding share of the revenues from portfolio trading activities amounts to 27.6% and the share of revenue from the design and listed property segment totalled 47.3%.

Up to and including the third quarter of 2006, the company calculated income from projects in the design and listed property segment in the financial statements depending on construction progress by applying IAS 11. In view of recent deliberations of the IFRIC, the company anticipates that so-called "pre-completion real estate sales" will in future no longer come under IAS 11, but rather IAS 18. Accordingly, in line with common practice in the real estate industry and for the purposes of enhanced transparency, corresponding orders will be shown on the balance sheet and evaluated pursuant to IAS 18 as early as the period ending on 31 December 2006. The figures for the first half of the 2006 financial year have been adjusted accordingly pursuant to IAS 8.19 b). This resulted in a decrease in revenue in the first six months of the 2006 financial year totalling EUR 7.1 million.

b) Business in the first six months

Vivacon AG was able to increase the transaction volume (notarised selling prices) compared to the previous year from EUR 127.1 million to EUR 328.4 million. Decisive for this positive development in the current financial year were both the sales in the business segment "Private investors" and the sales in the business segment "Institutional investors". The sale of the office building Rheinauhafen in the first quarter, which will in future be used by Vivacon AG, was allocated to the business segment "Private investors." The acceptance of the property and the associated sales and earnings possibilities are planned for the 2008 financial year. The transaction volume of the business segment "Institutional investors" includes the full notarised selling prices of properties commercially transferred in the context of the Forum transaction. Different to last years reference period, the transactions in the business segment "Institutional investors" were in 2007 structured as a sale of company shares, with the result that the turnover is significantly lower than the transaction volume.

The development of the transaction volume (notarised selling prices) is as follows:

	01.01.2007 – 30.06.2007 in Mio. €	01.04.2007 – 30.06.2007 in Mio. €	01.01.2006 – 30.06.2006 in Mio. €	01.04.2006 – 30.06.2006 in Mio. €
Private investors	63.6	21.9	35.9	24.0
Institutional investors	264.8	240.7	91.2	91.3
Transaction volume	328.4	262.6	127.1	115.2

In the first six months of the 2007 financial year, the Group generated revenues of EUR 57.5 million compared with EUR 48.7 million in the same period of the previous year. The EBIT in the period from 1 January 2007, to 30 June 2007, was EUR 18.9 million, compared with EUR 9.9 million in the same period of the previous year and the earnings attributable to shareholders of the parent company were EUR 15.0 million (previous year EUR 3.8 million). Both the turnover volumes in the business segment "Private investors" and the development in the business segment "Institutional investors" were decisive for the good result before taxes and interest. In order to facilitate comparability of the result before taxes, it must be borne in mind that the effects of the interest increase during the first half of the 2007 financial year were reported in the valuation of the ground lease properties in the item "Net profit from the valuation of properties at fair value held as financial investments", while the associated hedging transactions were reported in the financial result.

Undiluted earnings per share in the first six months of the 2007 financial year amounted to EUR 0.77 (in the first six months of the 2006 financial year: EUR 0.20). Diluted earnings on 30 June 2007, amounted to EUR 0.74 (compared to the previous year EUR 0.19). This is based on the weighted number of shares in circulation in each financial year.

c) Segment revenues and segment income

Broken down by segment, revenue and earnings before interest and tax (EBIT) are as follows:

	Revenues		EBIT	
	01.01.2007 – 30.06.2007	01.01.2006 – 30.06.2006	01.01.2007 – 30.06.2007	01.01.2006 – 30.06.2006
	T€	T€	T€	T€
Private investors	28,911	20,919	88	3,141
(of which internal operating revenue)	(0)	(0)	(0)	(0)
Institutional investors	28,553	27,772	18,756	6,749
(of which internal operating revenue)	0	(0)	(0)	(0)
Reconciliation/Other	76	0	50	–24
Group (consolidated)	57,540	48,691	18,894	9,866

Revenues of the business segment "Private investors" developed favorably in the first two quarters of 2007. Revenues here could be increased from EUR 20.9 million in the previous year to EUR 28.9 million in the current financial year. This increase in particular reflects the progress of project work in Hamburg (yoo) and Dusseldorf as well as the increase in the notarised sales volume.

In the business segment "Institutional investors" the sale of around 1,600 dwelling units in the context of the Forum transactions in March and June 2007 and additional portfolio transactions in June 2007 (5,662 dwelling units) did not affect the level of the revenues, due to their structuring as share deals.

The regular income of the joint ventures run together with Forum European Realty Income S.à.r.L, Luxembourg, amounting to EUR 2.0 million, of which EUR 1.0 million in the second quarter 2007, are in addition reported as earnings from long-term equity investments under EBIT (see Section C.b.) of these notes).

On 30 June 2007, the contract backlog that had not yet been processed amounted to EUR 122.9 million compared with EUR 79.4 million on 30 June 2006.

d) Outlook for the entire year 2007

In the segment "Private investors" Vivacon expects a marked increase in sales volume and revenues realised for the entire year compared with the previous year.

The business segment "Institutional investors" will also supply the essential contributions to income in the Group in the 2006 financial year. On 30 June 2007, Vivacon AG possessed a marketable residential property portfolio (inventory properties and firmly agreed purchases of property portfolios) of around 7,650 dwelling and business units. With regard to the entire 2007 financial year Vivacon AG confirms an increase of previous years results.

E

Miscellaneous

No measures relating to capital have been carried out in the first two quarters of the 2007 financial year.

F

Declaration of the legal representatives pursuant to section 37y Securities trading act (WpHG) in conjunction with Section 37w (2) No. 3 WpHG

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.”

Cologne, August 2007

signed Michael Jung

signed Timo Herbrand

signed Michael Ries

signed Oliver Priggemeyer

Half-Year Report 2007

Group balance sheet, profit and loss statement, cash flow statement and development of shareholders' equity

Group balance sheet as of 30 June 2007

ASSETS	Date 30.06.2007 €	Date 31.12.2006 €
A. Non-current		
I. Intangible assets		
1. Industrial property rights and similar rights and assets	123,471.88	136,900.81
2. Goodwill	22,044.43	22,044.43
	145,516.31	158,945.24
II. Property, plant and equipment		
1. Investment property	250,415,967.00	227,109,698.00
2. Other equipment, furniture, fixtures and fittings	1,168,044.49	848,004.35
	251,584,011.49	227,957,702.35
III. Investments		
1. Equity investments in associated companies	6,949,212.76	4,937,002.43
2. Other long-term investments	18,110.00	11,460.00
	6,967,322.76	4,948,462.43
IV. Other non-current financial assets		
1. Receivables against associated companies	19,717,506.00	16,781,758.07
2. Other non-current assets	338,032.40	297,010.73
3. Other financial assets	4,600,000.00	4,600,000.00
	24,665,538.40	21,678,768.80
	283,352,388.96	254,743,878.82
B. Current		
I. Real estate held for sale and advances	360,418,945.23	176,779,459.81
II. Work in progress and pre-construction costs	78,652.23	2,032,739.76
III. Receivables and other assets		
1. Receivables from ground rents and other rents	1,294,542.13	1,386,574.20
2. Receivables against associated companies	38,015.32	1,137,303.42
3. Receivables from building sales and commissions	23,015,555.60	37,272,561.28
4. Tax refund claims	4,971,341.80	3,304,098.20
5. Receivables from derivative financial instruments	5,843,799.08	0.00
6. Miscellaneous short-term assets	22,436,571.29	10,746,246.00
	57,599,825.22	53,846,783.10
IV. Cash, balances at banks, and cheques	118,281,794.46	154,552,640.91
	536,379,217.14	387,211,623.58
	819,731,606.10	641,955,502.40

LIABILITIES	Date 30.06.2007	Date 31.12.2006
	€	€
A. Shareholders' Equity		
I. Subscribed capital	19,483,130.00	19,347,784.00
II. Capital reserve	76,137,176.01	74,068,092.93
III. Retained earnings	96,881,281.44	89,661,260.85
	192,501,587.45	183,077,137.78
Minority interests	506,980.19	-20,055.54
	193,008,567.64	183,057,082.24
B. Non-current liabilities		
1. Deferred tax liabilities	45,645,425.30	39,512,650.99
2. Liabilities from bonds	173,419,288.63	173,896,965.55
3. Other liabilities	532,437.61	535,277.44
	219,597,151.54	213,944,893.98
C. Current liabilities		
1. Miscellaneous provisions	4,165,769.34	6,774,027.30
2. Liabilities due to banks	363,806,679.04	199,283,118.87
3. Advances received	411,272.81	1,110,232.68
4. Liabilities due to the purchase of real estate	2,936,670.00	15,543.75
5. Trade payables	14,660,895.59	12,547,553.64
6. Liabilities from derivative financial instruments	4,222,958.42	3,405,613.46
7. Actual tax liabilities	2,110,164.94	2,306,219.69
8. Liabilities due to associated companies	936,516.33	936,516.33
9. Other liabilities	13,874,960.45	18,574,700.46
	407,125,886.92	244,953,526.18
	819,731,606.10	641,955,502.40

Group profit and loss statement for the period from 1 April to 30 June 2007

	2007 €	2006 adjusted €		
01. Revenues				
a) Sales to private investors	11,385,124.96		15,490,053.44	
b) Sales to institutional investors	12,960,809.16		19,254,732.40	
c) Rental income	6,447,512.43		3,615,248.21	
d) Leasehold ground rents	2,240,320.57		975,549.88	
		33,033,767.12		39,335,583.93
02. Changes to total real estate held for sale with finished and unfinished structures together with work in progress		10,465,726.85		17,116,179.61
03. Net earnings from fair-value valuation of investment property		6,498,279.22		5,933,077.80
04. Other operating income		569,147.88		1,131,109.29
05. Purchased services				
a) Property management	-2,791,656.72		-1,824,005.85	
b) Sale of real estate	-23,077,281.83		-45,875,570.18	
c) Other purchased materials and services	-33,414.03		-69,665.55	
		-25,902,352.58		-47,769,241.58
06. Personnel expenses				
a) Wages and salaries	-3,587,253.57		-2,054,565.10	
b) Payroll taxes	-253,419.66		-164,002.69	
		-3,840,673.23		-2,218,567.79
07. Amortisation and depreciation on intangible non-current assets and on property, plant and equipment		-90,953.58		-63,048.83
08. Miscellaneous operating expenses		-8,022,302.31		-2,140,649.52
09. Earnings from equity investments (in associated companies)		1,013,841.75		0.00
10. Income from other securities and non-current loans		0.00		0.00
11. Miscellaneous interest and similar income		7,095,652.92		1,386,713.79
12. Interest and similar expenses		-5,798,252.53		-3,613,186.70
13. Net operating income from ordinary business activities/Income before taxes		15,021,881.51		9,097,970.00
14. Taxes on income		-3,587,110.80		-3,074,537.80
15. Net consolidated income		11,434,770.71		6,023,432.20
Minority interest in net income for the year		-216,783.20		-507,736.05
Net consolidated income for the year attributable to shareholders of the parent company		11,651,553.91		6,531,168.25
		11,434,770.71		6,023,432.20
Earnings per share (in EUR) – undiluted		0.60		0.34
Earnings per share (in EUR) – diluted		0.57		0.32

Group profit and loss statement for the period from 1 January to 30 June 2007

	2007 €		2006 adjusted €
01. Revenues			
a) Sales to private investors	27,258,244.78		19,625,746.92
b) Sales to institutional investors	15,859,051.46		19,795,499.20
c) Rental income	9,948,891.11		7,313,418.46
d) Leasehold ground rents	4,473,613.61		1,955,897.36
		57,539,800.96	48,690,561.94
02. Changes to total real estate held for sale with finished and unfinished structures together with work in progress		13,984,123.79	23,616,146.43
03. Net earnings from fair-value valuation of investment property		8,154,963.24	5,933,077.80
04. Other operating income		2,265,133.22	1,656,648.99
05. Purchased services			
a) Property management	-5,682,356.80		-3,916,407.77
b) Sale of real estate	-38,475,302.94		-57,018,256.09
c) Other purchased materials and services	-95,624.75		-69,665.55
		-44,253,284.49	-61,004,329.41
06. Personnel expenses			
a) Wages and salaries	-6,485,424.66		-3,788,390.04
b) Payroll taxes	-455,431.34		-286,348.71
		-6,940,856.00	-4,074,738.75
07. Amortisation and depreciation on intangible non-current assets and on property, plant and equipment		-143,420.68	-111,795.56
08. Miscellaneous operating expenses		-11,712,165.39	-4,839,786.76
09. Earnings from equity investments (in associated companies)		2,012,210.33	0.00
10. Income from other securities and non-current loans		0.00	2,372.33
11. Miscellaneous interest and similar income		10,263,605.45	1,921,414.34
12. Interest and similar expenses		-9,537,650.08	-6,596,912.81
13. Net operating income from ordinary business activities/Income before taxes		21,632,460.35	5,192,658.54
14. Taxes on income		-6,129,906.43	-1,845,313.30
15. Net consolidated income		15,502,553.92	3,347,345.24
Minority interest in net income for the year		510,885.73	-452,684.88
Net consolidated income for the year attributable to shareholders of the parent company		14,991,668.19	3,800,030.12
		15,502,553.92	3,347,345.24
Earnings per share (in EUR) – undiluted		0.77	0.20
Earnings per share (in EUR) – diluted		0.74	0.19

Group cash flow statement for the period from 1 January to 30 June 2007

	30.06.2007 €	30.06.2006 € (adjusted)
01. Net income for the year	15,502,553.92	3,347,345.24
02. Depreciation (+)/Amortisation (–) on fixed assets	143,420.68	111,795.56
03. Loss (+)/Gain (–) from the disposal of fixed assets	– 681.00	0.00
04. Loss (+)/Gain (–) from the fair value valuation of investment property	– 8,154,963.24	– 5,933,077.80
05. Non-cash relevant addition (–) of real estate	0.00	0.00
06. Personnel expenses for share option scheme (+)	1,538,242.00	841,218.00
07. Earnings from long-term equity investments in associated companies	– 2,012,210.33	0.00
08. Income from the release of bad will (–)	0.00	0.00
09. Loss (+)/Gain (–) from the measurement of financial instruments	– 5,507,855.12	0.00
10. Increase (+)/Decrease (–) in minority interests	16,150.00	2,500.00
11. Increase (+)/Decrease (–) in deferred tax liabilities	6,132,774.31	1,807,772.65
12. Increase (+)/Decrease(–) in actual tax liabilities	– 196,054.75	– 3,211,893.81
13. Increase (–)/Decrease (+) of other operating non-current and current assets	– 196,747,557.17	– 89,266,107.20
14. Increase (+)/Decrease (–) of operating current and non-current liabilities not affecting payment	167,814,127.88	42,819,361.43
15. Cash flow from operating activities	– 21,472,052.82	– 49,481,085.93
16. Receipts from the sale of fixed assets (+)	0.00	103,931.13
17. Payments in relation to investment property (–)	– 3,883,210.27	0.00
18. Payments in relation to business combinations (–)	0.00	0.00
19. Payments made for fixed asset investments (–)	– 456,000.89	– 1,217,985.47
20. Cash flow from investing activities	– 4,339,211.16	– 1,114,054.34
21. New non-current borrowings (+)	0.00	0.00
22. Cash flow from securitisation bridge financing	0.00	59,386,833.65
23. Cash flow from issuing bonds (net of transaction costs)	– 174,271.01	0.00
24. Cash flow from issuing bonds of associated companies	– 2,935,747.93	0.00
25. Cash flow from bond repayments	– 244,103.01	– 13,443.57
26. Receipts from capital increases less payments made for costs directly attributable to the capital increase (+)	666,187.08	438,254.19
27. Dividend payments	– 7,771,647.60	0.00
28. Cash flow from financing activities	– 10,459,582.47	59,811,644.27
29. Cash-relevant changes to funds (Total of rows 15, 20, 28)	– 36,270,846.45	9,216,504.00
30. Funds at the start of the period	154,552,640.91	69,611,181.46
31. Funds at the close of the period	118,282,475.46	78,827,685.46
Payments resulting from earnings from associated companies	0.00	0.00
Interest received	795,823.95	1,430,330.66
Interest paid	– 8,127,815.27	– 8,016,530.74
Tax refunds	125,922.56	0.00
Tax payments	– 1,724,167.48	– 6,517,223.79

Development of shareholders' equity in the period from 1 January to 30 June 2006 und 2007

	Shareholders' equity attributable to shareholders of the parent company					
	Subscribed capital	Capital - reserve	Retained earnings	Total	Minority interest	Total
	€	€	€	€	€	€
As of 01.01.2006 pursuant interim statement of 31.03.06	19,185,165.00	70,989,103.24	46,569,968.54	136,653,236.78	-315,562.01	136,337,674.77
Retroactive changes		532,875.76	-2,783,154.19	-2,250,278.43		-2,250,278.43
As of 01.01.2006	19,185,165.00	71,430,979.00	43,786,814.35	134,402,958.35	-315,562.01	134,087,396.34
Stock option exercised in the course of the capital increase	86,457.00	351,797.19		438,254.19		438,254.19
Personnel expenses for share option scheme		841,218.00		841,218.00		841,218.00
Additions to minority interests					2,500.00	2,500.00
Net consolidated income			3,800,030.12	3,800,030.12	-452,684.88	3,347,345.24
As of 30.06.2006	19,271,622.00	72,623,994.19	47,586,844.47	139,482,460.66	-756,746.89	138,716,713.77

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	Shareholders' equity attributable to shareholders of the parent company					
	Subscribed capital	Capital - reserve	Retained earnings	Total	Minority interest	Total
	€	€	€	€	€	€
As of 01.01.2007	19,347,784.00	74,068,092.93	89,661,260.85	183,077,137.78	-20,055.54	183,057,082.24
Stock option exercised in the course of the capital increase	135,346.00	530,841.08		666,187.08		666,187.08
Personnel expenses for share options scheme		1,538,242.00		1,538,242.00		1,538,242.00
Dividend payments			-7,771,647.60	-7,771,647.60		-7,771,647.60
Additions to minority interests					16,150.00	16,150.00
Net consolidated income			14,991,668.19	14,991,668.19	510,885.73	15,502,553.92
As of 30.06.2007	19,483,130.00	76,137,176.01	96,881,281.44	192,501,587.45	506,980.19	193,008,567.64

List consolidated companies as of 30 June 2007

□ SOMMERSTRASSE FÜRTH GmbH, Cologne	100 %
□ Vivacon Karlsbad GmbH & Co. KG, Cologne	100 %
□ Vivacon Development GmbH & Co. KG, Cologne	100 %
□ VD office Rheinauhafen GmbH & Co. KG, Cologne (via Vivacon Development GmbH & Co. KG)	100 %
□ yoo Deutschland GmbH, Cologne	50 %
□ yoo Hamburg GmbH & Co. KG, Cologne (via yoo Deutschland GmbH)	32.5 %
□ yoo München GmbH & Co. KG, Cologne (via yoo Deutschland GmbH)	50 %
□ Grundbesitzverwaltungsgesellschaft Wuhletalkarree GmbH & Co. KG, Cologne	100 %
□ GERMAN REAL ESTATE OPPORTUNITIES GmbH & Co. KG, Cologne	100 %
□ GERMAN GROUND LEASE PROPERTIES GmbH & Co. KG, Cologne	100 %
□ GERMAN GROUND LEASE PROPERTIES GmbH & Co. II KG, Cologne	100 %
□ MAPLE LEAF GERMANY TWO GmbH & Co. KG, Cologne	100 %
□ Vivacon Grundstücks GmbH & Co. KG, Cologne	100 %
□ GERMAN REAL ESTATE OPPORTUNITIES Grundstücks GmbH & Co. KG, Cologne (via GERMAN REAL ESTATE OPPORTUNITIES GmbH & Co. KG)	100 %
□ GERMAN GROUND LEASE PROPERTIES Grundstücks GmbH & Co. KG, Cologne (via GERMAN GROUND LEASE PROPERTIES GmbH & Co. KG, Cologne)	100 %
□ GERMAN GROUND LEASE PROPERTIES GmbH & Co. Grundstücks II. KG, Cologne (via GERMAN GROUND LEASE PROPERTIES GmbH & Co. II. KG)	100 %
□ VIVAPROTECT Assekuranzkontor für Wohnungswirtschaft GmbH, Cologne	90 %
□ Vivacon Immobilien Portfolio I./2006 GmbH & Co. KG, Cologne	100 %
□ Vivacon Immobilien Portfolio V./2006 GmbH & Co. KG, Cologne	100 %
□ Vivacon Immobilien Portfolio IX./2006 GmbH & Co. KG, Cologne	100 %
□ Vivacon Immobilien Portfolio XI./2006 GmbH & Co. KG, Cologne	100 %
□ Vivacon Immobilien Portfolio XII./2006 GmbH & Co. KG, Cologne	100 %
□ Vivacon Asset Management GmbH & Co. KG, Cologne	100 %
□ Vivacon Karlsbad Verwaltungs GmbH, Cologne	100 %
□ Vivacon Development Verwaltungs GmbH, Cologne (via Vivacon Development GmbH & Co. KG)	100 %
□ VD office Rheinauhafen Verwaltungs GmbH, Cologne (via Vivacon Development GmbH & Co. KG)	100 %
□ yoo Hamburg Verwaltung GmbH, Cologne (via yoo Deutschland GmbH)	32.5 %
□ yoo München Verwaltung GmbH, Cologne (via yoo Deutschland GmbH)	50.0 %
□ Vogtländische Baugesellschaft Verwaltungs-GmbH, Cologne	100 %
□ GERMAN REAL ESTATE OPPORTUNITIES Verwaltung GmbH, Cologne	100 %
□ GERMAN GROUND LEASE PROPERTIES Verwaltungs-GmbH, Cologne	100 %
□ GERMAN GROUND LEASE PROPERTIES Verwaltungs II-GmbH, Cologne	100 %
□ Vivacon Rheinruhr Portfolio I. Verwaltungsgesellschaft mbH, Cologne	100 %
□ Vivacon Immobilien Portfolio I./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
□ Vivacon Immobilien Portfolio IV./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
□ Vivacon Immobilien Portfolio V./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
□ Vivacon Immobilien Portfolio VI./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
□ Vivacon Immobilien Portfolio VII./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
□ Vivacon Immobilien Portfolio VIII./2006 Verwaltungsgesellschaft mbH, Cologne	100 %

<input type="checkbox"/> Vivacon Immobilien Portfolio IX./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio X./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XI./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XII./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Asset Management Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Real Estate Management GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Grundstücks Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Finance S.A.R.L, Luxembourg	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio IX./2006 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XI./2006 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XII./2006 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XIV./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVI./2006 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVII./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVIII./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XIX./2006 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XVI./2006 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XVII./2006 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XIX./2006 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVII./2006 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XIX./2006 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Rendsburger Erwerber GmbH (former: DENUS Sechshundneunzig Unternehmensverwaltungs GmbH, Cologne (via Vivacon Immobilien Portfolio XII./2006 GmbH & Co. KG)	94 %
<input type="checkbox"/> GERMAN REAL ESTATE OPPORTUNITIES Grundstückseigentums GmbH & Co. KG, Cologne (via GERMAN REAL ESTATE OPPORTUNITIES GmbH & Co. KG)	100 %
<input type="checkbox"/> SOMMERSTRASSE FÜRTH Grundstückseigentums GmbH & Co. KG, Cologne (via SOMMERSTRASSE FÜRTH GmbH)	100 %
<input type="checkbox"/> Vivacon Grundstückseigentums Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Grundstückseigentums GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Grundbesitzverwaltungsgesellschaft Wuhletalkarree Grundstückseigentums GmbH & Co. KG, Cologne (via Grundbesitzverwaltungsgesellschaft Wuhletalkarree GmbH & Co. KG)	100 %
<input type="checkbox"/> Rendsburger Wohnungsgesellschaft mbH, Rendsburg (via Vivacon Immobilien Portfolio IX./2006 GmbH & Co. KG, Cologne)	94.08 %
<input type="checkbox"/> German Ground Lease Properties VIERTE GmbH & Co. KG, Cologne (former: RIAG Immobilienverwaltung Erbbaurechte GmbH & Co. KG, Essen)	100 %
<input type="checkbox"/> German Ground Lease Properties IV. Verwaltungs GmbH, Cologne (former: RIAG Immobilienverwaltung Erbbaurechte GmbH, Essen)	100 %
<input type="checkbox"/> German Ground Lease Properties III. Verwaltungs GmbH, Cologne (former: Montan Grundstücks-Gesellschaft Erbbaurechtsverwaltungs GmbH, Essen)	100 %
<input type="checkbox"/> German Ground Lease Properties DRITTE GmbH & Co. KG, Cologne (former: Montan Grundstücks-Gesellschaft Erbbaurechtsverwaltungs GmbH & Co., Essen)	100 %
<input type="checkbox"/> German Ground Lease Finance S.A. Luxembourg	0 %
<input type="checkbox"/> German Ground Lease Finance S.A. II, Luxembourg	0 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVI./2006 Verwaltungs GmbH, Cologne	100 %

<input type="checkbox"/> Vivacon Stadtbad Mülheim GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Stadtbad Mülheim Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Development Köln-Lindenthal GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Development Köln-Lindenthal Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft I. GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft I. Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft II. GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft II. Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft III. GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft III. Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft IV. GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft IV. Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft V. GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Development Projektgesellschaft V. Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio I./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio III./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio V./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio VI./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio VII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio VIII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio IX./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Westdeutschland Immobilien Portfolio I./2007 GmbH & Co. KG, Dusseldorf (former: Vivacon Immobilien Portfolio X./2007 GmbH & Co. KG, Cologne)	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio I./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio II./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio III./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio V./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio VI./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio VII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio VIII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio IX./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Westdeutschland Immobilien Portfolio I./2007 Verwaltungs GmbH, Dusseldorf (former: Vivacon Immobilien Portfolio X./2007 Verwaltungs GmbH, Cologne)	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio I./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio III./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio V./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio VI./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio VII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio VIII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio IX./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Westdeutschland Erwerber Portfolio I./2007 GmbH, Dusseldorf (former: Vivacon Erwerber Portfolio X./2007 GmbH, Cologne)	94.8 %

Additions to consolidated companies in the period of 1 January 2007 to 31 March 2007:

<input type="checkbox"/> Vivacon CZ s.r.o., Prague	100 %
<input type="checkbox"/> Level 4 Networks GmbH, Cologne	51 %
<input type="checkbox"/> Vivacon Privatinvestoren Verwaltungs GmbH, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Privatinvestoren GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Denkmal Verwaltungs GmbH, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Denkmal GmbH & Co. KG, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Geistinger Park Hennef Verwaltungs GmbH, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Geistinger Park Hennef GmbH & Co. KG, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Privatinvestoren Vertriebsverwaltungs GmbH, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Privatinvestoren Vertriebs GmbH & Co. KG, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Neubau Verwaltungs GmbH, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Neubau GmbH & Co. KG, Cologne (via Vivacon Privatinvestoren GmbH & Co. KG)	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XI./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XI./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XI./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XIV./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XIV./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XIV./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XV./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XV./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XV./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVI./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVI./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XVI./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XVII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVIII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XVIII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XVIII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XIX./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XIX./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XIX./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XX./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XX./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XX./2007 GmbH, Cologne	100 %

Additions to consolidated companies in the period of 1 April 2007 to 30 June 2007:

<input type="checkbox"/> Vivacon Immobilien Portfolio XXI./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXI./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXI./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXIII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXIII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXIII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXIV./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXIV./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXIV./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXV./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXV./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXV./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXVI./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXVI./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXVI./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXVII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXVII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXVII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXVIII./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXVIII./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXVIII./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXIX./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXIX./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXIX./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXX./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Immobilien Portfolio XXX./2007 Verwaltungs GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Erwerber Portfolio XXX./2007 GmbH, Cologne	100 %
<input type="checkbox"/> WESTDEUTSCHLAND Immobilien Portfolio II./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> WESTDEUTSCHLAND Erwerber Portfolio II./2007 GmbH, Cologne	94.8 %
<input type="checkbox"/> WESTDEUTSCHLAND Immobilien Portfolio II./2007 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> WESTDEUTSCHLAND Immobilien Portfolio III./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> WESTDEUTSCHLAND Erwerber Portfolio III./2007 GmbH, Cologne	94.8 %
<input type="checkbox"/> WESTDEUTSCHLAND Immobilien Portfolio III./2007 Verwaltungsgesellschaft mbH, Cologne	100 %
<input type="checkbox"/> Vivacon Grundstückseigentumsverwaltungs III./2007 GmbH, Cologne	100 %
<input type="checkbox"/> Vivacon Grundstückseigentums III. 1./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Grundstückseigentums III. 2./2007 GmbH & Co. KG, Cologne	100 %
<input type="checkbox"/> Vivacon Grundstückseigentums III. 3./2007 GmbH & Co. KG, Cologne	100 %

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