

Vivacon AG  
**Nine-Month-Report 2008**



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# Nine-Month-Report 2008

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## Key Financial Figures

in million EUR	30.09. 2008	30.09. 2007	3rd Q 2008	3rd Q 2007
Transaction volume	165.2	342.6	19.1	14.2
Revenues	126.1	117.8	47.6	60.3
EIBT	87.1	39.2	67.2	20.4
Net consolidated income for the year attributable to shareholders of the parent company (Net income)	34.7	31.7	34.7	16.7
ESP undiluted (in EUR)	1.75	1.63	1.75	0.86
ESP diluted (in EUR)	1.74	1.58	1.74	0.84
Shareholders' equity	268.9	238		
Balance sheet total	1,189.4	951.7		
Subscribed capital	19.9	19.8		

# Nine-Month-Report 2008

## Letter to Shareholders

Vivacon increased its portfolio of ground lease properties in the third quarter of 2008 through further acquisitions. The company also secured a credit line, affording greater flexibility for future acquisition-driven expansion. By strategically focusing on direct acquisition of pure ground lease portfolios, Vivacon is reducing its dependence on the currently reserved market for large real estate portfolio transactions.

The company's operations concentrated primarily on laying the groundwork for transactions expected to be signed in the coming months, which are unchanged expected. The third placement of ground lease cash flows in November 2008 with a transaction volume of EUR 90 million in the current difficult capital market environment is indicative of the high quality of the underlying ground lease properties.

Vivacon is in several negotiations of the acquisition of new ground lease portfolios and the disposal of real estate portfolios currently held for sale. The German real estate market is currently characterised by much longer negotiation periods and a strong decline of portfolio transactions due to the international financial crisis. Given the difficult market environment and uncertainty as to when further deals will be signed, the Executive Board is not holding up its previous communicated full-year net income guidance of EUR 60m.

### FIGURES AND DATA

In the third quarter, results were impacted by net result from the remeasurement of ground lease properties under IAS 40. Real interest rates declined significantly from beginning of the fiscal year until 30 September 2008 as a result of increased inflation. This led to non-cash valuation losses on interest rate and inflation hedging contracts in the amount of EUR 11.3 million as well as the necessitated adjustment of the discount rate to 3.75%, which results into an increase of the valuation factor from 24.7 to 26.7. This resulted in a remeasurement gain of EUR 37.3 million. In view of current financial market volatility and subsiding inflation as well as declining interest rates a further volatility of these figures may be seen in Q4 2008.

In the third quarter of 2008, Vivacon AG transaction volume totalled EUR 19.1 million versus EUR 14.2 million in the third quarter of 2007. In both 2007 and 2008, transaction volume in the third quarter stemmed exclusively from the Development segment.

Transaction volume for the first nine months of 2008 totalled a cumulative EUR 165.2 million, versus EUR 342.6 million during the same period in 2007. Last year, transaction volume was boosted by both the largest single portfolio transaction and sale of the company's first commercial property development at Rheinauhafen in Cologne.

Revenues in the third quarter of 2008 came to EUR 47.6 million, down 20% from EUR 60.3 million in the third quarter of 2007. This decline was the result of the EUR 30 million portfolio transaction conducted as an asset deal. This effect could not be compensated by revenue increases in other business segments. 40% of revenues generated in the third quarter of 2008 thus represented recurring income from ground leases, rental and property management.

In the first nine months of 2008, consolidated revenues increased 7% to EUR 126.1 million; recurring revenues comprised 47% of total.

EBIT for the quarter was up sharply year-on-year at EUR 67.2 million. Cumulative EBIT for the first nine months of 2008 totalled EUR 87.1 million (2007: EUR 39.2 million).

The purchase of ground lease properties with annual cash flow of around EUR 3,0 million and adjustment of the valuation factor as noted above had a positive impact. These results underscore that Vivacon AG is no longer dependent solely on portfolio transactions. In the first three quarters 2008 the non-cash expenses from inflation hedging instruments amounted to EUR 6.5m. Inflation has not further risen in the third quarter. Non-cash gains on hedging instruments added EUR 1.1 million to EBIT for the third quarter. The financial result of the third quarter was negatively impacted by market valuation of interest rate swaps in the amount of EUR 7.3 million. Cumulative for first nine months of 2008, market valuation of interest rate swaps resulted in charges of EUR 4.8 million.

Consolidated net income for the third quarter of 2008 came to EUR 34.7 million, versus EUR 16.7 million for the same quarter last year. Consolidated net income thus totals EUR 34.7 million cumulative for the first nine months (2007: EUR 31.7 million). Earnings per share in the third quarter came to EUR 1.75, as compared to EUR 0.86 for the third quarter of 2007. For the first nine months, earnings per share were EUR 1.75 (2007: EUR 1.63).

## INVESTMENT MANAGEMENT SEGMENT

Beginning of November 2008, Vivacon AG placed a third securitization of ground lease cash flows in the amount of EUR 4.3 million p.a., with a 7-year maturity. The issuing volume was EUR 90 million and the securitized ground lease cash flows derive from 7,953 residential and commercial units. The placement of this transaction in the current difficult capital market environment as well as the AAA rating of the complete tranche underpins the high quality of the underlying ground lease cash flows: ground leases represent 100% CPI-indexed and generally 198 year dated cash flows. They are secured by a first ranking lien in the ground register and incur almost no operating expenses.

Following two successful transactions conducted in 2006, this represents the third securitisation of ground lease cash flows conducted by the company. These three offerings total EUR 269.5 million in transaction volume, securitising underlying annual ground leases of a total EUR 12.1 million. The proceeds which the company will receive at closing will be mainly used to repay the acquisition financing, short-term liabilities as well as for the acquisition of further ground lease portfolios.

The credit line for just over EUR 100 million arranged with Dutch lender NIBC Bank N.V. in mid-August is to be used for bridge financing of purchases of pure ground lease portfolios. In addition to residential, commercial ground lease portfolios may also be purchased. Although the company has purchased commercial ground lease portfolios in the past, there is now a new emphasis on sector flexibility, representing a certain departure from the historically predominant focus on residential.

The company bought a ground lease portfolio end of September 2008 generating annual ground lease cash flows of approximately EUR 3.0 million. The over 830 units involved are mixed-use. These ground lease cash flows are 100% inflation-indexed and under a first ranking lien for a term of 198 years. The strategic focus on the direct purchase of ground lease portfolios permits to expand the business model to commercial properties, municipal properties and infrastructure projects. The direct purchase of properties without buildings furthermore frees our business model of dependence on portfolio transactions. Due to the current market environment these are not a significant focus for the company at present, though negotiations are currently underway for the sale of tranches from the existing portfolio.

## DEVELOPMENT SEGMENT

In August 2008 Vivacon AG and Licon GmbH, Leipzig signed a national partnership deal for marketing and distributing real estate investments, by means of a joint venture established with Deutsche Apotheker- und Ärztebank, Düsseldorf. As part of this arrangement, the company Medicon GmbH, in which Vivacon AG holds a majority stake, will be marketing residential investments to apoBank's over 300,000 customers.

In August 2008 Vivacon AG bought the former Collegium Marianum seminary in the city of Neuss am Rhein, an approximately 10,000 m<sup>2</sup> property. Plans are for the development of some 70 luxury condominiums in this historic, listed building complex.

In Berlin sales start for the yoo project Am Zirkus on 4 September 2008, with a total volume of around EUR 77 million. Nearly 100 designer condominiums are being built under a modern glass façade created in collaboration with Philippe Starck at the prime location 'am Spreeufer' near the Friedrichstraße. A freestanding building with a total 13,200 m<sup>2</sup> of exclusive living space is to be constructed in this spectacular project. Roughly 20% of the flats had already been reserved by mid-September, before construction even began.

Simultaneously, sales start for the Luisenstadt development in Berlin, located between the river Spree and Köllnischer Park, leaving no question as to Vivacon AG's presence at key locations within a city currently seeing major investment activity. At a total volume of approximately EUR 95 million, this is Vivacon Development's biggest project underway. Roughly 310 flats and townhouses with a total 26,000 m<sup>2</sup> living space are going in on a 12,000 m<sup>2</sup> property, designed in collaboration with prominent architect Annette Axthelm.

Construction also began in Berlin in September on the EUR 21 million investment project Living 106, involving 54 modern serviced apartments entitled LivingDomicil being built in the Chausseestraße in an exclusive partnership with Domicil Möbel GmbH. This innovative concept is designed to be of interest to investors as a housing opportunity in the nation's capital geared towards managers and commuters. An additional 20 luxury condominiums are also to be built in the Chausseestraße by 2010, ranging from classic old-style to modern penthouses.


The company is also constructing 63 luxury flats in one of Hamburg's top locations in a EUR 75 million project. Embedded within a park-like setting right on the Harvesterhuder Weg, construction on the roughly 8,000 m<sup>2</sup> of residential space is slated to begin



in the fourth quarter of 2008. The five high-prestige buildings involved in the project, offering a permanently unrestricted view of the Alster lake, are scheduled for completion by 2010. This will be the company's second major project in Germany's northern metropolis following the highly successful yoo project in Hamburg's HafenCity district.

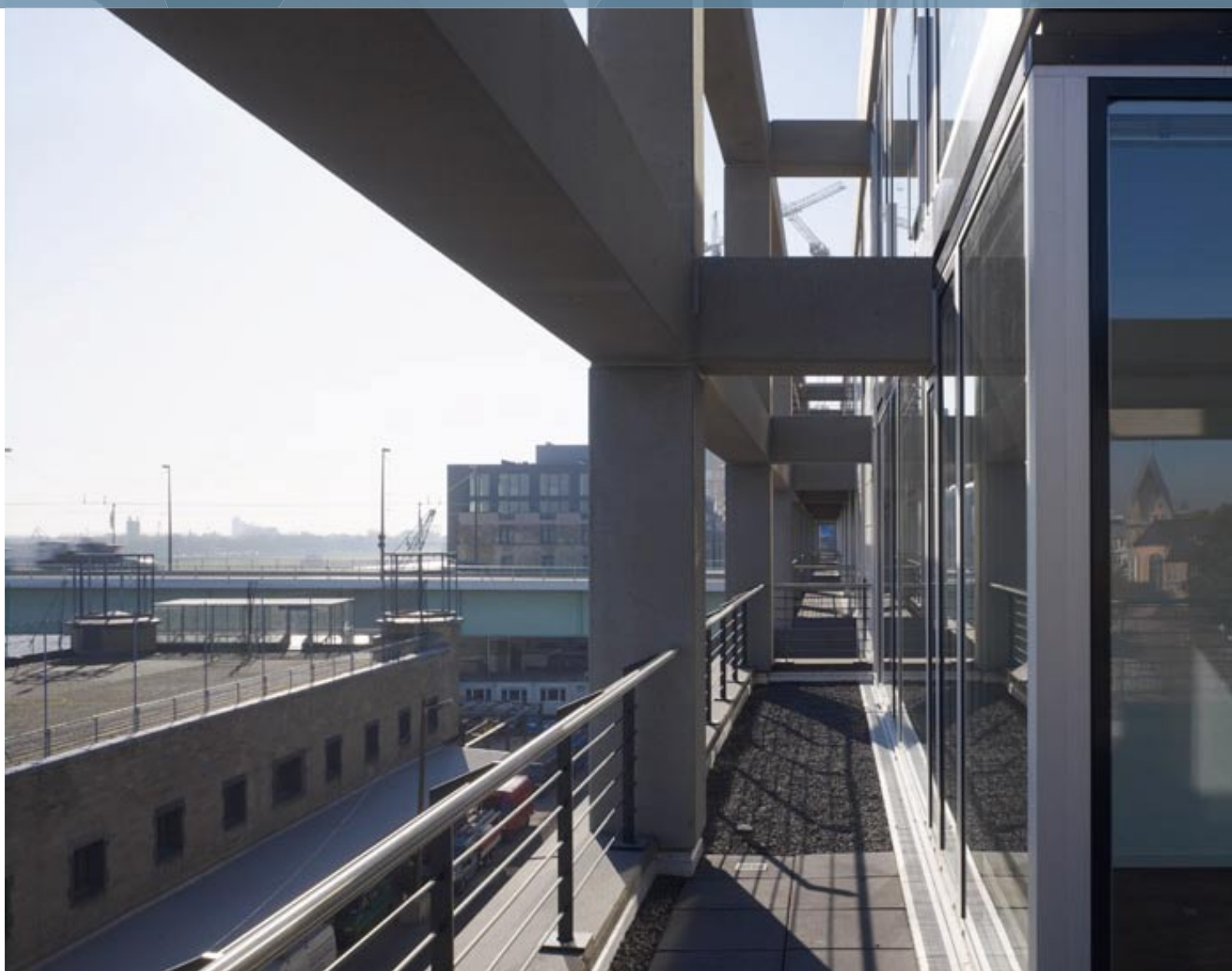
## **PERSONNEL CHANGES**

Oliver Priggemeyer left the Vivacon AG Executive Board on 31 August 2008 for personal reasons.



# Nine-Month-Report 2008

## Supplementary Notes to the interim consolidated financial statement for the period ending 30 September 2008



**A****GENERAL NOTES TO THE FINANCIAL STATEMENTS**

The interim consolidated financial statements for the period ending 30 September 2008, presented in the quarterly report of Vivacon AG, consisting of the consolidated balance sheet, the consolidated income statement, statement of changes in shareholders' 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 standards set forth in GAS 6 are adhered to as far as they go beyond the requirements of IAS 34.

The same accounting and valuation principles and methods of calculation were applied as for the consolidated financial statement of the entire previous year. The consolidation, accounting and valuation methods are presented in the annual report of Vivacon AG for the 2007 fiscal year. The annual report is available for download on the Internet (<http://www.vivacon.de>), as well as in printed form from the company.

**B****CHANGES IN CONSOLIDATED COMPANIES**

In the first nine months of the 2008 fiscal year, due to further property purchases and disposals, new companies were established and sold. The subsidiaries included in the consolidated financial statements for the period ending 30 September 2008, 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.

With the exception of Curanis Holding GmbH, its subsidiaries and the acquisition of the shares in the company that since trades under the name yoo Düsseldorf GmbH & Co. KG, companies included in the consolidated financial statements for the first time during the course of the first three quarters of the 2008 are all intra-group start-ups. With the exception of Curanis Holding GmbH and its subsidiaries, the costs of purchasing the shares in these new subsidiaries thus fall within the range of the minimum equity contribution requirements under company law. Pursuant to the final contract dated 9 February 2008, and with economic effect from 1 January 2008, Vivacon acquired an 80% stake in Curanis Holding GmbH. The acquisition of Curanis Holding GmbH is described in section C. a). The acquisition of yoo Düsseldorf GmbH & Co. KG does not constitute an acquisition within the meaning of IFRS 3.4, since the company did not have any business operations at the time of acquisition.

In March 2008, the following companies were sold to the joint venture operated with Forum Realty Income S.à.r.L, Luxemburg (this transaction is also referred to below as the “Forum transaction”):

Vivacon Immobilienportfolio XVIII./2007 GmbH & Co. KG, Cologne  
Vivacon Immobilienportfolio XVIII./2007 Verwaltungsgesellschaft mbH, Cologne  
Vivacon Erwerber Immobilienportfolio XVIII./2007 GmbH, Cologne  
Vivacon Immobilienportfolio XXXIV./2007 GmbH & Co. KG, Cologne  
Vivacon Immobilienportfolio XXXIV./2007 Verwaltungsgesellschaft mbH, Cologne  
Vivacon Erwerber Immobilienportfolio XXXIV./2007 GmbH, Cologne

Therefore, for the period ending 30 September 2008, the companies are included in the consolidated interim financial statements of the Vivacon AG via the consolidation of WIAG Wohnimmobilien AG, according to the equity method. In total, as of 30 September 2008, the joint venture possesses a property portfolio of 4,356 residential units.

With economic effect as of 30 June 2008, the group sold a property portfolio comprising a total of approximately 2,000 units. The transfer of the property portfolios resulted from the transfer of corporate rights to a total of 22 companies. Therefore, the companies have not been included in the consolidated interim financial statements since 30 June 2008. The transaction volume resulting from these disposals amounted to a total of EUR 80 million. Due to the settlement in the form of a transfer of corporate rights, only a small part of the transaction volume is reported as group revenues. The revenues in the portfolio trading business segment amounted to EUR 0.8 million in total.



## NOTES ON THE BALANCE SHEET

### a) Goodwill and acquired customer base

The increase in goodwill and the reported customer base resulted exclusively from the acquisition of Curanis Holding GmbH. Pursuant to the final contract dated 9 February 2008, Vivacon AG acquired 80% of the shares of Curanis Holding GmbH. The strategic purpose of this acquisition is to expand the value-added chain within the group and generate management synergies for the group's property portfolio. Curanis Holding GmbH is one of the market's leading property management companies in Germany. The companies of the Curanis group have a workforce of approximately 600 employees and manage a total of approximately 53,000 residential and commercial units with a total value of approximately EUR 4.0 billion. In 2007, the company generated revenues of EUR

21.2 million with an EBIT margin of approximately 11.5%. The acquisition of the group came into economic effect on 1 January 2008. Curanis Holding GmbH and its subsidiaries have been included in the consolidated financial statements of Vivacon AG by way of full consolidation based on a provisional purchase price accounting since 1 January 2008. The provisional purchase price for the acquisition of the aforementioned shares totalled EUR 18.75 million, and was declared final on the basis of the acquisition balance sheet for the period ending 1 January 2008. The Curanis group primarily reported receivables (EUR 3.2 million) and liquid funds (EUR 2.1 million) on the acquisition date. On the acquisition date, equity shown on the balance sheet totalled EUR 2.5 million with a balance sheet total of EUR 6.8 million. The acquisition costs of this investment are primarily determined by long-term management contracts. Therefore, these long-term management contracts reflect the material intangible assets at the time of transfer and are thus reported as “Acquired customer base”.

#### **b) Fair value of investment properties held**

The fair value of investment properties held has developed as follows since 1 January 2008 (in EUR million):

Fair value on 1 January 2008	348.0
Additions at acquisition costs in the period from 1 January to 31 March 2008	26.2
Additions at acquisition costs in the period from 1 April to 30 June 2008	42.3
Net profit from the adjustment of the fair value in the period from 1 January to 30 June 2008	18.3
Net profit from the adjustment of the fair value in the period from 1 July to 30 September 2008	68.3
Fair value on 30 September 2008	503.1

The fair value of investment properties held has developed as follows since 1 January 2008 (in EUR million): The development of fair value in the third quarter of the 2008 fiscal year primarily reflects additions to ground lease properties and the fair value adjustments carried out in this quarter. The additions in the period from 1 January 2008 to 30 June 2008 resulted from purchases of leasehold property portfolios used predominantly for the housing industry. No properties were transferred within the framework of portfolio transactions, since the properties earned as margins in the process of the portfolio transaction notarised with effect from 30 June 2008 are still not yet classified as leasehold properties under civil law, due to a lack of securitisation in the land register. As a

result, they are therefore reported as other assets at acquisition cost. 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 DCF valuation of the ground lease properties occurred exclusively on the basis of the virtually certain determinable ground rent cash flow for the individual properties. The discount rate applied as of 30 September 2008 is 3.75% (against 4.05% as of 31 December 2007). The practically constant long-term nominal interest rate was compensated here by the significantly increased long-term inflationary expectations, resulting in the real interest rate used for the valuation of leasehold properties having to be adjusted. A net gain from the change of the fair value of investment properties totaling EUR 37.3 million was recognized due to this change. In view of the interest rate sensitivity when applying the DCF method for the valuation of ground lease properties, significant value changes can occur in the case of ground lease properties as a result of future changes in the base interest rate, inflationary expectations and/or in the risk premiums. However, it appears that overall, owing to the long-term nature of the cash flows to be valued and the contractually agreed inflation adjustment, the fluctuations of the nominal short-term interest rate will only have a limited effect on the measurement of the leasehold properties.

#### **c) Investment in associated companies**

Equity investments in associated companies reported under financial assets as of 30 September 2008 remain unchanged as of 31 December 2007 and each represent 30% of shares in the following subgroup parent companies: WIAG Wohnimmobilien AG, Cologne/ Freeholdco GmbH & Co. KG, Cologne/ Freeholdco GmbH, Cologne. The EUR 0.7 million change in investments in the first nine months of the 2008 fiscal year relates to the proportional earnings of these subgroups. The net profit achieved by Freeholdco GmbH results in particular from the valuation of leasehold properties of the company at fair value, according to IAS 40..

#### **d) Inventories**

In the first nine months of the fiscal year, the company acquired extensive housing portfolios. The housing stock available for sale as of 30 September 2008 comprised approximately 6,000 residential units. At the present time, the group has not concluded any further purchases of property portfolios.

#### **e) Development of shareholders' equity**

The current number of shares outstanding as of 30 September 2008 was 19,885,216. Dividends amounting to EUR 0.50 per share were paid out in the current fiscal year. The

total amount of dividends paid out in 2008 for the 2007 fiscal year was therefore EUR 9.9 million. the convertible bond issued in the second quarter of 2008 valued at EUR 24.0 million has an equity share of EUR 3.6 million, which after deduction of the pro rata transaction costs is reported in equity.

#### **f) Liabilities from bonds**

Changes in non-current liabilities from bonds predominantly resulted from repayments carried out in the first nine months of the 2008 fiscal year. Vivacon AG and other subsidiaries transferred ownership of several leasehold properties to 100% limited partnerships, which were founded in the 2005 and 2006 fiscal years. The subsidiary limited partnerships issued two bonds with a volume of EUR 179.5 million to special purpose vehicles based abroad, which in turn financed themselves by issuing bonds on the capital market.

The agreements on the bonds in the first issue have an expected duration until 2036 and attract interest at 4.74% p.a.

The agreements on the bonds of the second issue have an expected term until 2017 and pay variable interest based on the 3-month Euribor rate.

Interest rate swap agreements were concluded in connection with the variable rate bonds offered in the second issue.

The bonds must be repaid at maturity. The subsidiary limited partnerships use the ground rent income to cover their own costs and pay interest to the bondholders. Any liquidity surplus that then remains in the subsidiary limited partnerships is used for redemption. Under existing inflation swap agreements, any future increases in leasehold payments effected under the leasehold inflation indexing clauses were swapped for a constant cash flow over the term of the swap agreement.

Vivacon AG currently plans to securitize additional ground lease property portfolios to refinance the growth of the group. The legal closing of the securitisation with a volume of EUR 90.0 million has not yet occurred as of the time of writing this interim report.

#### **g) Liabilities due to banks**

In the first nine months of the fiscal year, property development and purchases of property portfolios were financed in particular by current liabilities due to banks. Bridge

financing of leasehold properties reported under liabilities due to banks was unchanged as of 31 December 2007. As of 30 September 2008, the liabilities resulting from this bridge financing totalled EUR 50.0 million, compared to EUR 35.0 million as of 31 December 2007. These are to be repaid using the third securitisation already described. On the balance sheet date, the group had liquid funds worth EUR 92,9 million from pre-payments which are not at free disposal of the group for general financing purposes.

#### **h) Financial instruments**

As part of its 2006 bond offer, Vivacon AG concluded the financial instruments presented under item C. e) (interest swaps and inflation swaps). The long-term, variable rate financing of property portfolios held for sale was additionally converted to fixed rate cash flows by means of interest swaps.

In the first nine months of the 2008 fiscal year, market valuation resulted in total other operating expenses from inflation hedging totalling EUR 6.5 million. In the three quarter under review, interest hedging agreements resulted in interest costs of EUR 4.8 million. The negative fair value of the inflation swaps totalling EUR 20.5 million is presented as a separate item under current liabilities. The positive fair value of the interest swap agreements totalling EUR 1.4 million is reported separately under current assets.

## **D**

### **NOTES ON THE INCOME STATEMENT**

#### **a) Revenues**

As a result of the initial first consolidation of curanis Holding GmbH and its subsidiaries, the individual items of the income statements are not directly comparable with those of the previous year.

The revenues reported in segments other than sales to institutional investors during the first nine months of the 2008 fiscal year increased significantly year-on-year from EUR 55.8 million to EUR 125.1 million. Of this increase, EUR 19.0 million results from the acquisition of the Curanis group. In this context, these revenue components compensated the decline in portfolio trading revenues. In addition revenues of EUR 30.3 million were recorded within sales to institutional investors resulting from an asset deal transaction.



**b) Business performance in the first nine months as well as segment revenues and segment result**

Compared to the same period of last year, Vivacon AG did not increase the transaction volume (notarised selling prices) in the first nine months of the 2008 fiscal year. Both the significant decline in business in the “Institutional Investors” business segment and the sales in the business segment “Private Investors” were decisive factors in the downturn in the ongoing fiscal year. However, the latter is solely attributable to last year’s sale of the Rheinauhafen office building in Cologne to be used by Vivacon AG in the future.

The transaction volume in the “Institutional Investors” business segment includes the notarised selling prices of property portfolios commercially transferred as part of the Forum transaction. As in previous periods, the transactions in the “Institutional Investors” business segment are generally structured as share deals, with the result that revenues are significantly lower than the transaction volume.

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

	<b>1.1.2008- 30.9.2008 in EUR million</b>	<b>1.1.2007- 30.9.2007 in EUR million</b>	<b>1.7.2008- 30.9.2008 in EUR million</b>	<b>1.7.2007- 30.9.2007 in EUR million</b>
.....				
Private Investors	59.2	77.8	17.6	14.2
Institutional Investors	106.0	264.8	1.5	0.0
Transaction volume	165.2	342.6	19.1	14.2

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

	Revenues		EBIT	
	1.1.2008- 30.9.2008 in T Euro	1.1.2007- 30.9.2007 in T Euro	1.7.2008- 30.9.2008 in T Euro	1.7.2007- 30.9.2007 in T Euro
Private Investors	69,639	48,645	3,687	2,796
(of which internal operating revenue)	(881)	(0)	(0)	(0)
Institutional Investors	57,778	69,036	84,287	36,541
(of which internal operating revenue)	(723)	(0)	(0)	(0)
Reconciliation/Other	-1,325	115	-871	-89
<b>Group (consolidated)</b>	<b>126,092</b>	<b>117,796</b>	<b>87,103</b>	<b>39,248</b>

The “Private Investors” business segment developed positively in the first three quarters of 2008. Revenues increased from EUR 48.6 million in the previous year to EUR 69.6 million in the current fiscal year. This increase particularly reflects the progress of the Munich project (yoo) and the Rheinauhafen project.

In the “Institutional Investors” business segment, the sale of a total of 500 residential units as part of the Forum transactions in March 2008 and additional portfolio transactions in June 2008 did not affect revenues, as the transactions were structured as share deals. Therefore, no significant income from portfolio trading activities in the reporting period was achieved. The missing contributions were not completely compensated by the contributions from the direct acquisition of leasehold properties. This earnings contribution is not presented in revenues, but as part of the net gain from the valuation of investment properties. However, revenues reported in the segment results therefore relate to rental income from portfolios as well as revenues from property management which, in the Vivacon group, are solely achieved by the Curanis group.

The ongoing income of the joint ventures, together with Forum European Realty Income S.à.r.L, Luxemburg, amounting to EUR 0.7 million, are reported additionally under EBIT as earnings from long-term equity investments (see Section C.b. of these notes).

As of 30 September 2008, the order backlog without the management in the property development business amounted to EUR 57.9 million, as compared to EUR 117.7 million on 30 September 2007.

In the first nine months of the 2008 fiscal year, the group generated revenues of EUR 126.1 million compared with EUR 117.8 million in the same period of the previous year. EBIT for the period from 1 January 2008 to 30 September 2008 was EUR 87.1 million, compared with EUR 39.2 million in the same period of the previous year; earnings attributable to shareholders of the parent company came to EUR 34.7 million (previous year EUR 31.7 million). The key factor impacting the year-on-year increase in EBIT in the first nine months was the effect from the adjustment of the valuation factor of leasehold properties.

Basic earnings per share in the first nine months of the 2008 fiscal year amounted to EUR 1.75 (in the first nine months of the 2007 fiscal year: EUR 1.63). Diluted earnings per share on 30 September 2008 amounted to EUR 1.74 (compared to EUR 1.58 in the previous year). This is based on the weighted average number of shares outstanding in the respective fiscal year.

#### **c) Outlook for the 2008 as a whole**

Vivacon expects a marked year-on-year increase in sales volume and revenues realised for the full year in the “Private Investors” segment. The commencement of Berlin project sales (yoo Berlin as well as the Luise project) and Hamburg Harvestehude and the order backlog forms a sound basis for the 2008 fiscal year in line with IFRS in the “Private Investors” segment.

Based on the negotiations currently being conducted, and against the backdrop of the concrete implementation of the short- and long-term financing of the leasehold property cash flows, we anticipate the “Institutional Investors” segment to make a significant contribution to operating income. Against the backdrop of the difficult market environment and the uncertainties about the timing of further contracts, the Executive Board is no longer maintaining the originally communicated forecast for the whole year.

**E****OTHER NOTES**

During the first half of the 2008 fiscal year, the employee share programme was implemented by utilising the approved capital in the amount of EUR 464,000. Additionally, the issuance of a convertible bond reported under C.e) and the distribution of a dividend affected shareholders' equity during the reporting period.

Moreover, in July, a strategic investment in Deutsche Reit AG was acquired. The shareholding has been recorded at market value as at 30th September 2008.

With effect of 31 August Mr Oliver Priggemeyer left the company's Executive Board.

Cologne, in November 2008

sgd. Michael Jung      sgd. Timo Herbrand

sgd. Michael Ries      sgd. Frank Zweigner



## Group Balance Sheet as of 30 September 2008

ASSETS	Date 30.09.08 EUR	Date 31.12.07 EUR
<b>A. Non-current</b>		
I. Intangible assets		
1. Industrial property rights and similar rights and assets	183,697.28	182,207.17
2. Acquired customer base	15,034,064.72	0.00
3. Goodwill	6,609,744.20	22,044.43
	21,827,506.20	204,251.60
II. Property, plant and equipment		
1. Investment property	503,132,654.44	348,004,409.00
2. furniture, fixtures and fittings	5,436,029.83	1,191,035.74
	508,568,684.27	349,195,444.74
III. Investments		
1. Equity investments in associated companies	10,272,198.87	9,012,239.97
2. Other long-term investments	2,984,464.50	109,070.00
	13,256,663.37	9,121,309.97
IV. Other non-current financial assets		
1. Receivables against associated companies	19,538,233.74	19,697,614.17
2. Other non-current assets	267,942.88	302,015.83
3. Other financial assets	4,600,000.00	4,600,000.00
	24,406,176.62	24,599,630.00
	568,059,030.46	383,120,636.31
<b>B. Current</b>		
I. Real estate held for sale and advances	368,874,801.63	331,906,424.91
II. Work in progress and pre-construction costs	287,257.85	1,479,859.48
III. Receivables and other assets		
1. Receivables from ground rents and other rents and administrative activities	9,296,346.93	1,806,112.18
2. Receivables against associated companies	4,266,849.15	2,781,696.28
3. Receivables from construction contracts	28,952,910.00	15,531,157.95
4. Receivables from building sales and commission	41,961,577.69	49,536,462.63
5. Receivables from derivative financial instruments	1,395,938.85	6,007,302.56
6. Tax refund claims	3,356,313.47	4,169,727.03
7. Other current assets	49,807,139.67	17,823,242.74
	139,037,075.76	97,655,701.37
IV. Cash, balances at banks and securities	113,154,478.82	137,577,033.20
	621,353,614.06	568,619,018.96
	1,189,412,644.52	951,739,655.27

## Group Balance Sheet as of 30 September 2008

	Date 30.09.08 EUR	Date 31.12.07 EUR
<b>LIABILITIES</b>		
<b>A. Shareholders' Equity</b>		
1. Subscribed capital	19,885,216.00	19,846,035.00
2. Capital reserve	85,361,111.50	79,952,454.18
3. Retained Earnings	162,864,721.57	138,129,128.19
Shareholders' equity attributable to shareholders of the parent company	268,111,049.07	237,927,617.37
Minority interests	750,362.21	117,077.99
	<b>268,861,411.28</b>	<b>238,044,695.36</b>
<b>B. Non-current liabilities</b>		
1. Deferred tax liabilities	74,562,180.81	51,712,900.51
2. Liabilities due to banks	128,305,579.55	114,477,258.34
3. Liabilities from bonds	172,468,960.28	173,833,151.61
4. Liabilities due from convertible bonds	19,786,095.50	0.00
5. Other liabilities	590,260.98	601,236.74
	<b>395,713,077.12</b>	<b>340,624,547.20</b>
<b>C. Current liabilities</b>		
1. Other provisions	12,923,637.64	12,630,785.38
2. Liabilities due to banks	375,597,364.39	300,308,385.10
3. Advances received	4,276,230.43	2,915,917.27
4. Liabilities due to the purchase of real estate	65,513,755.52	0.00
5. Trade payables	17,329,303.38	26,459,011.09
6. Liabilities from derivative financial instruments	20,468,411.02	10,735,214.04
7. Actual tax liabilities	1,703,285.99	974,448.33
8. Liabilities due to associated companies	2,089,921.19	2,143,359.37
9. Other liabilities	24,936,246.56	16,903,292.13
	<b>524,838,156.12</b>	<b>373,070,412.71</b>
	<b>1,189,412,644.52</b>	<b>951,739,655.27</b>

## Group Profit and Loss Statement for the period from 1 January to 30 September 2008

	2008 EUR	2008 EUR	2007 EUR	2007 EUR
01. Non-current				
a) Sales to private investors	66,183,373.84		46,184,514.57	
b) Sales to institutional investors	887,351.85		48,385,547.51	
c) Rental income	29,209,674.90		16,227,904.16	
d) Administrative activities	19,014,565.97		0.00	
e) Leasehold ground rents	10,796,931.23		6,998,245.03	
		126,091,897.79		117,796,211.27
02. Changes to total real estate held for sale with finished and unfinished structures together with work in progress		28,127,850.11		-15,559,902.96
03. Net earnings from fair-valuation of investment properties at its fair value		86,613,163.87		28,835,679.68
04. Other operating income		3,259,905.34		4,142,730.78
05. Purchased services				
a) Property management	-21,782,480.93		-7,872,901.21	
b) Sale of real estate	-89,750,566.17		-59,907,504.83	
c) Expenses for administrative activities	-1,926,083.82			
d) Other purchased materials and services	-193,206.07	-113,652,336.99	-161,769.45	-67,942,175.49
06. Personal expenses				
a) Wages and salaries	-18,711,538.68		-10,269,500.31	
b) Payroll taxes	-2,853,221.13	-21,564,759.81	-720,398.19	-10,989,898.50
07. Amortisation and depreciation on intangible non-current assets and on property, plant and equipment		-1,595,407.31		-251,567.47
08. Other operating expenses		-20,177,392.04		-16,783,194.44
09. Earnings from equity investments (in associated companies)		735,000.00		2,294,666.21
10. Income from other securities of financial assets		3,822,267.49		9,134,906.14
11. Interest and similar expenses		-39,317,271.29		-17,462,256.46
12. Income before taxes		52,342,917.16		33,215,198.76
13. Taxes on income		-17,258,374.29		-302,929.13
14. Net consolidated income		35,084,542.87		32,912,269.63
Minority interest in net income for the year		413,334.31		1,887,445.88
Net consolidated income for the year attributable to shareholders of the parent company		34,671,208.56		31,724,823.75
		35,084,542.87		33,612,269.63
Earnings per share (in EUR) - undiluted		1.75		1.63
Earnings per share (in EUR) - diluted		1.74		1.58



## Group Profit and Loss Statement for the period from 1 July to 30 September 2008

	2008 EUR	2008 EUR	2007 EUR	2007 EUR
01. Revenues				
a) Sales to private investors	28,358,662.21		18,926,269.79	
b) Sales to institutional investors	99,372.97		32,526,496.05	
c) Rental income	7,990,894.93		6,279,013.05	
d) Administrative activities	7,152,833.48		0.00	
e) Leasehold ground rents	3,977,386.04		2,524,631.42	
		47,579,149.63		60,256,410.31
02. Changes to total real estate held for sale with finished and unfinished structures together with work in progress		11,987,460.46		-29,544,026.75
03. Net earnings from fair-valuation of investment properties at its fair value		68,313,980.26		20,680,716.44
04. Other operating income		1,666,633.37		1,877,597.56
05. Purchased services				
a) Property management	-4,651,937.76		-2,190,544.41	
b) Sale of real estate	-41,706,485.62		-21,432,201.89	
c) Expenses for administrative activities	-857,485.28		0.00	
d) Other purchased materials and services	-76,939.64	-47,292,848.30	-66,144.70	-23,688,891.00
06. Personal expenses				
a) Wages and salaries	-6,829,579.06		-3,784,075.65	
b) Payroll taxes	-956,216.06	-7,785,795.12	-264,966.85	-4,049,042.50
07. Amortisation and depreciation on intangible non-current assets and on property, plant and equipment		-1,156,175.48		-108,146.79
08. Other operating expenses		-6,081,159.86		-5,071,029.05
09. Earnings from equity investments (in associated companies)		-191,797.80		282,455.88
10. Income from other securities of financial assets		-5,255,091.06		655,136.97
11. Interest and similar expenses		-11,249,507.20		-9,708,442.66
12. Income before taxes		50,534,848.90		11,582,738.41
13. Taxes on income		-16,673,030.35		5,826,977.30
14. Net consolidated income		33,861,818.55		17,409,715.71
Minority interest in net income for the year		-882,951.80		676,560.15
Net consolidated income for the year attributable to shareholders of the parent company		34,744,770.35		16,733,155.56
		33,861,818.55		17,409,715.71
Earnings per share (in EUR) - undiluted		1.75		0.86
Earnings per share (in EUR) - diluted		1.74		0.84

## Group Cash Flow Statement for the period of 1 January to 30 September 2008

	2008 EUR	2007 EUR
1. Net income for the year	35,084,542.87	32,912,269.63
2. Depreciation (+) /Amortisation (-) on fixed assets	2,895,407.31	251,567.47
3. Loss (+) /Gain (-) from the fair value valuation of investment property	-86,613,163.87	-28,835,679.68
4. Personal expenses for share option scheme (+)	1,782,924.32	1,805,086.56
5. Ergebnis aus Beteiligungen an assoziierten Unternehmen	-735,000.00	-2,294,666.21
6. Increase (+)/Decrease (-) in minority interests	219,949.91	-2,196,007.99
7. Increase (+)/Decrease (-) in deferred tax liabilities (excluding changes without effect on the income statement)	19,287,219.28	-663,803.58
8. Increase (+)/Decrease (-) in actual tax liabilities	728,837.66	-196,054.75
9. Increase (+)/Decrease (-) of other operating non-current and current assets	-73,615,046.27	-288,175,590.44
10. Increase (+)/Decrease (-) of operating current and non-current liabilities not affecting payment	64,975,184.12	274,903,502.19
11. Cash flow from operating activities	<b>-35,989,144.67</b>	<b>-12,490,097.80</b>
12. Payments in conjunction with associated companies and other shareholdings	-4,730,213.40	33,073.94
13. Payments in relation to leasehold investment property (-)	-3,001,326.05	-6,631,054.97
14. Payments in relation to business combinations (-)	-19,070,661.76	0.00
15. Payments made for fixed asset investments (-)	-4,798,975.51	-1,406,458.45
16. Cash flow from investing activities	<b>-31,601,176.72</b>	<b>-8,004,439.48</b>
17. New non-current borrowings (+)	15,000,000.00	0.00
18. Cash flow from securitisation bridge financing	14,891,273.21	0.00
19. Cash flow from issuing bonds of associated companies	159,380.43	-2,935,747.93
20. Cash flow from bond and non-current borrowings repayments	-2,535,870.12	-618,353.73
21. Receipts from capital increases less payments made for costs directly attributable to the capital increase (+)	211,479.00	3,940,050.43
Receipts from convertible bonds (+)		
less transaction costs (-)	23,239,530.39	0.00
22. Dividend payments	-9,923,017.50	-7,771,647.60
23. Cash flow from financing activities	<b>41,042,775.41</b>	<b>-7,385,698.83</b>
24. Cash-relevant changes to funds (total of rows 15, 20, 27)	-26,547,546.09	-27,880,236.11
Currency conversion effects	-12,597.68	0.00
Change in funds due to change in consolidated companies	2,137,589.28	0.00
25. Funds at the start of the period	137,577,033.20	154,552,640.91
26. Funds at the close of the period	<b>113,154,478.82</b>	<b>126,672,404.80</b>
Payments resulting from earnings from associated companies	0.00	0.00
Interest received	2,843,562.62	2,419,209.98
Interest paid	-26,699,357.78	-16,807,148.82
Tax refunds	406,540.83	125,922.56
Tax payments	-1,518,624.70	-2,243,706.88

## Development of Shareholders' Equity for the period of 1 January to 30 September 2008

### DEVELOPMENT OF SHAREHOLDERS' EQUITY IN THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2007:

#### Shareholders' equity attributable to shareholders of the parent company

	Subscribed capital EUR	Capital-reserve EUR	Retained earnings EUR	Total Euro	Minority interest EUR	Total EUR
.....						
Date 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 capital increase	493,521.00	3,446,529.43		3,940,050.43		3,940,050.43
Personnel expenses for share option scheme		1,805,086.56		1,805,086.56		1,805,086.56
Dividend payment			-7,771,647.60	-7,771,647.60		-7,771,647.60
Other payments to shareholders					-2,000,000.00	-2,000,000.00
Additions to minority interstests					-196,007.99	-196,007.99
Net consolidated income			31,724,823.75	31,724,823.75	1,187,445.88	32,912,269.63
Date 30.09.2007	19,841,305.00	79,319,708.92	113,614,437.0	212,775,450.92	-1,028,617.65	211,746,833.27

### DEVELOPMENT OF SHAREHOLDERS' EQUITY IN THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2008:

#### Shareholders' equity attributable to shareholders of the parent company

	Subscribed capital EUR	Capital-reserve EUR	Retained earnings EUR	Total Euro	Minority interest EUR	Total EUR
.....						
Date 01.01.2008	19,846,035.00	79,952,454.18	138,129,128.19	237,927,617.37	17,077.99	238,044,695.36
Stock option exercised in the course of capital increase	39,181.00	172,298.00		211,479.00		211,479.00
Personnel expenses for share option scheme		1,782,924.32		1,782,924.32		1,782,924.32
Currency conversion differencez			-12,597.68	-12,597.68		-12,597.68
Dividend payment			-9,923,017.50	-9,923,017.50		-9,923,017.50
Convertible bond		3,611,370.00		3,611,370.00		3,611,370.00
Transaciton costs in conjunction with the convertible bond		-157,935.00		-157,935.00		-157,935.00
Additions to minority interstests				0.00	219,949.91	219,949.91
Net consolidated income			34,671,208.56	34,671,208.56	413,334.31	35,084,542.87
Date 30.09.2008	19,846,035.00	85,361,111.50	162,864,721.57	268,111,049.07	750,362.21	268,861,411.28



# Nine-Month-Report 2008

## List of consolidated companies of the interim statement

### Annex 1 of the Supplementary Notes



## LIST OF CONSOLIDATED COMPANIES AS OF 30 SEPTEMBER 2008

APV Alsterproperty Vermögens Verwaltungs GmbH, Seevetal	94,6%
German Ground Lease Finance S.A. II Luxemburg	0%
German Ground Lease Finance S.A. Luxemburg	0%
German Ground Lease Properties dritte GmbH & Co. KG, Cologne (former: Montan Grundstücks-Gesellschaft Erbbaurechtsverwaltungs GmbH & Co KG, Essen)	100%
German Ground Lease Properties GmbH & Co. II KG, Cologne	100%
German Ground Lease Properties GmbH & Co. KG, Cologne	100%
German Ground Lease Properties Grundstücks GmbH & Co. KG, Cologne (through German Ground Lease Properties GmbH & Co. KG)	100%
German Ground Lease Properties Grundstücks II. GmbH & Co. KG, Cologne (through German Ground Lease Properties GmbH & Co. II. KG)	100%
German Ground Lease Properties Verwaltungs GmbH, Cologne	100%
German Ground Lease Properties Vierte GmbH & Co. KG, Köln (former RIAG Immobilienverwaltung Erbbaurechte GmbH & Co. KG, Essen)	100%
German Real Estate Opportunities GmbH & Co. KG, Cologne	100%
German Real Estate Opportunities Grundstücks GmbH & Co. KG, Cologne (through German Real Estate Opportunities GmbH & Co. KG)	100%
German Real Estate Opportunities Grundstückseigentums GmbH & Co. KG, Cologne (über German Real Estate Opportunities GmbH & Co. KG)	100%
German Real Estate Opportunities Verwaltung GmbH, Cologne	100%
Grundbesitzverwaltungsgesellschaft Wuhletalkarree	
Grundstückseigentums GmbH & Co. KG, Cologne (through Grundbesitz Verwaltungsgesellschaft Wuhletalkarree mbH & Co. KG)	100%
Grundbesitzverwaltungsgesellschaft Wuhletalkarree mbH & Co. KG, Cologne	100%
Hestia I Properties Frankenland GmbH & Co. KG, Cologne	100%
Hestia One Management GmbH, Cologne	100%
Level 4 Network GmbH, Cologne	51%
Maple Leaf Germany Two GmbH & Co. KG, Cologne	100%
Sommerstraße Fürth GmbH, Cologne	100%
Sommerstrasse Fürth Grundstückseigentums GmbH & Co. KG, Cologne (through Sommerstraße Fürth GmbH)	100%
VD Berlin-Mitte Lusenstadt GmbH & Co. KG, Cologne (through Vivacon Development GmbH & Co. KG)	100%
VD Berlin-Mitte Lusenstadt Verwaltungs GmbH, Cologne (through Vivacon Development GmbH & Co. KG)	100%
VD Office Rheinauhafen GmbH & Co. KG, Cologne (through Vivacon Development GmbH & Co. KG)	100%
VD Office Rheinauhafen Verwaltungs GmbH, Cologne (through Vivacon Development GmbH & Co. KG)	100%
Vivacon Allgemeine Verwaltungsgesellschaft, Cologne (former Vivacon Immobilien Portfolio XIV./2006 Verwaltungs GmbH, Cologne)	100%

Vivacon Asset Management GmbH & Co. KG, Cologne	100%
Vivacon Asset Management Verwaltungs GmbH, Cologne	100%
Vivacon Beteiligungs GmbH & Co. KG, Cologne	
(through Vivacon Finanzierungs GmbH & Co. KG)	100%
Vivacon CEE a.s., Prague	100%
Vivacon Denkmal GmbH & Co. KG, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Denkmal Verwaltungs GmbH, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Deutz-Kalker-Bad GmbH & Co. KG, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Development GmbH & Co. KG, Cologne	100%
Vivacon Development Harvestehuder Weg I GmbH & Co. KG, Cologne	
(through Vivacon Development GmbH & Co. KG)	100%
Vivacon Development Harvestehuder Weg I Verwaltungs GmbH, Cologne	
(through Vivacon Development GmbH & Co. KG)	100%
Vivacon Development Harvestehuder Weg II GmbH & Co. KG, Cologne	
(through Vivacon Development GmbH & Co. KG)	100%
Vivacon Development Harvestehuder Weg II Verwaltungs GmbH, Cologne	
(through Vivacon Development GmbH & Co. KG)	100%
Vivacon Development Harvesthuder Weg III. GmbH & Co. KG, Hamburg	
(through Vivacon Development Harvestehuder Weg I GmbH & Co. KG)	99,7%
Vivacon Development Köln-Lindenthal GmbH & Co. KG, Cologne	100%
Vivacon Development Köln-Lindenthal Verwaltungs GmbH, Cologne	100%
Vivacon Development Projektgesellschaft II. GmbH & Co. KG, Cologne	100%
Vivacon Development Projektgesellschaft II. Verwaltungs GmbH, Cologne	100%
Vivacon Development Projektgesellschaft III. GmbH & Co. KG, Cologne	100%
Vivacon Development Projektgesellschaft III. Verwaltungs GmbH, Cologne	100%
Vivacon Development Projektgesellschaft IV. GmbH & Co. KG, Cologne	100%
Vivacon Development Projektgesellschaft IV. Verwaltungs GmbH, Cologne	100%
Vivacon Development Projektgesellschaft V. GmbH & Co. KG, Cologne	100%
Vivacon Development Projektgesellschaft V. Verwaltungs GmbH, Cologne	100%
Vivacon Development Verwaltungs GmbH, Cologne	
(through Vivacon Development GmbH & Co. KG)	100%
Vivacon Erwerber Portfolio Baden-Württemberg GmbH, Cologne	100%
Vivacon Erwerber Portfolio Bayern GmbH, Cologne	100%
Vivacon Erwerber Portfolio Bremen und Umland GmbH, Cologne	100%
Vivacon Erwerber Portfolio Frankenland GmbH, Cologne	100%
Vivacon Erwerber Portfolio Hamburg und Umland GmbH, Cologne	100%
Vivacon Erwerber Portfolio Hannover und Umland GmbH, Cologne	100%
Vivacon Erwerber Portfolio III./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio IX./2006 GmbH, Cologne	100%
Vivacon Erwerber Portfolio IX./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio mitteldeutsche Städte GmbH, Cologne	100%
Vivacon Erwerber Portfolio Mitteldeutschland GmbH, Cologne	100%
Vivacon Erwerber Portfolio Münsterland GmbH, Cologne	100%
Vivacon Erwerber Portfolio Neue Bundesländer GmbH, Cologne	100%
Vivacon Erwerber Portfolio Norddeutschland GmbH, Cologne	100%
Vivacon Erwerber Portfolio östliche Großstädte GmbH, Cologne	100%
Vivacon Erwerber Portfolio Rheinland GmbH, Cologne	100%
Vivacon Erwerber Portfolio Rhein-Main-Neckar GmbH, Cologne	100%
Vivacon Erwerber Portfolio Rhein-Ruhr GmbH, Cologne	100%
Vivacon Erwerber Portfolio Süd-West-Deutschland GmbH, Cologne	100%
Vivacon Erwerber Portfolio V./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio VII./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio Westfalen GmbH, Cologne	100%
Vivacon Erwerber Portfolio westliche Großstädte GmbH, Cologne	100%
Vivacon Erwerber Portfolio XI./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XII./2006 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XII./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XIX./2006 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XIX./2007 GmbH, Cologne	100%



Vivacon Erwerber Portfolio XVI./2006 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XVI./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XVII./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XXII./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XXIX./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XXVI./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XXVII./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XXVIII./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XXX./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XXXII./2007 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XXXIII./2007 GmbH, Cologne	100%
Vivacon Finance S.A.R.L, Luxemburg	100%
Vivacon Finanzierungs GmbH & Co. KG, Cologne	100%
Vivacon Geistinger Park Hennef GmbH & Co. KG, Cologne (through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Geistinger Park Hennef Verwaltungs GmbH, Cologne (through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Grundstückeigentums III.4./2007 GmbH & Co. KG, Cologne	100%
Vivacon Grundstückeigentums III.5./2007 GmbH & Co. KG, Cologne	100%
Vivacon Grundstückeigentums III.6./2007 GmbH & Co. KG, Cologne (through Vivacon Immobilien Portfolio XIX./2006 GmbH & Co. KG)	100%
Vivacon Grundstücks GmbH & Co. KG, Cologne	100%
Vivacon Grundstücks Verwaltungs GmbH, Cologne	100%
Vivacon Grundstückseigentums GmbH & Co. KG, Cologne	100%
Vivacon Grundstückseigentums III.1./2007 GmbH & Co. KG, Cologne	100%
Vivacon Grundstückseigentums III.2./2007 GmbH & Co. KG, Cologne (through German Ground Lease Properties dritte GmbH & Co. KG)	100%
Vivacon Grundstückseigentums III.3./2007 GmbH & Co. KG, Cologne (through German Ground Lease Properties vierte GmbH & Co. KG)	100%
Vivacon Grundstückseigentums Verwaltungs GmbH, Cologne	100%
Vivacon Grundstückseigentumsverwaltungs III./2007 GmbH, Cologne	100%
Vivacon Immobilien Portfolio I./2006 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio I./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio II./2006 GmbH & Co. KG, Cologne	30%
Vivacon Immobilien Portfolio II./2006 Verwaltungs GmbH, Cologne	30%
Vivacon Immobilien Portfolio III./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio III./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio IV./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio IX./2006 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio IX./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio IX./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio IX./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio IX./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio V./2006 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio V./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio V./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio V./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio VI./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio VII./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio VII./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio VII./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio VIII./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XI./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XII./2006 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XII./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XII./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XII./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XIX./2006 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XIX./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XIX./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XVI./2006 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XVI./2006 Verwaltungs GmbH, Cologne	100%

Vivacon Immobilien Portfolio XVI./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XVI./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XX./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XXII./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XXII./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XXIX./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XXIX./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XXVI./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XXVI./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XXVII./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XXVII./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XXVIII./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XXVIII./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XXX./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XXX./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XXXII./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XXXII./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilien Portfolio XXXIII./2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XXXIII./2007 Verwaltungs GmbH, Cologne	100%
Vivacon Immobilienportfolio Baden-Württemberg GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Bayern GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Bremen und Umland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Frankenland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Hamburg und Umland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Hannover und Umland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio mitteldeutsche Städte GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Mitteldeutschland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Münsterland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Neue Bundesländer GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Norddeutschland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio östliche Großstädte GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Rheinland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Rhein-Main-Neckar GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Rhein-Ruhr GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Süd-West-Deutschland GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio Westfalen GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio westliche Großstädte GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio XI./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilienportfolio XIX./2006 GmbH & Co. KG, Cologne	100%
Vivacon Karlsbad GmbH & Co. KG, Cologne	100%
Vivacon Karlsbad Verwaltungs GmbH, Cologne	100%
Vivacon Neubau GmbH & Co. KG, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Neubau Verwaltungs GmbH, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Privatinvestoren GmbH & Co. KG, Cologne	100%
Vivacon Privatinvestoren Vertriebs GmbH & Co. KG, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG, Cologne)	100%
Vivacon Privatinvestoren Vertriebsverwaltungs GmbH, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Privatinvestoren Verwaltungs GmbH, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Real Estate Management GmbH, Cologne	100%
Vivacon Rheinruhr Portfolio I. Verwaltungs GmbH, Cologne	100%
Vivacon Stadtbad Mülheim GmbH & Co. KG, Cologne	100%
Vivacon Stadtbad Mülheim Verwaltungs GmbH, Cologne	100%
Vivacon Villenquartier Wiesbaden GmbH & Co. KG, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivacon Villenquartier Wiesbaden Verwaltungs GmbH, Cologne	
(through Vivacon Privatinvestoren GmbH & Co. KG)	100%
Vivaprotect Assekuranzkontor für Wohnungswirtschaft GmbH, Cologne	90%
Vogtländische Baugesellschaft Verwaltungs GmbH, Cologne	100%



Westdeutschland Erwerber Portfolio III./2007 GmbH	94,8%
Westdeutschland Erwerber Portfolio IX./2007 GmbH	94,8%
Westdeutschland Immobilien Portfolio III./2007 GmbH & Co. KG	99,7%
Westdeutschland Immobilien Portfolio III./2007 Verwaltungs GmbH	100%
Westdeutschland Immobilien Portfolio IX./2007 GmbH & Co. KG	99,7%
Yoo Berlin GmbH & Co. KG, Cologne (über Yoo Deutschland GmbH)	50%
Yoo Berlin Verwaltungs GmbH, Cologne (über Yoo Deutschland GmbH)	50%
Yoo Deutschland GmbH, Cologne	50%
Yoo Hamburg GmbH & Co. KG, Cologne (über Yoo Deutschland GmbH)	32,5%
Yoo Hamburg Verwaltung GmbH, Cologne (über Yoo Deutschland GmbH)	32,5%
Yoo München GmbH & Co. KG, Cologne (über Yoo Deutschland GmbH)	50%
Yoo München Verwaltung GmbH, Cologne (über Yoo Deutschland GmbH)	50%

Additions to consolidated companies in the period of 1 January 2008 to 30 June 2008

Caventis GmbH, Munster (über Curanis Holding GmbH, Munster)	80%
Curanis Gewerbeimmobilien GmbH (über Curanis Holding GmbH, Munster)	80%
Curanis Holding GmbH, Munster	80%
Curanis Verwaltungsgesellschaft für Wohnungseigentum mbH (through Curanis Holding GmbH, Munster)	80%
Curanis Wohnimmobilien GmbH (über Curanis Holding GmbH, Munster)	80%
Deutsche Wohnungsprivatisierungs GmbH, Cologne	100%
Dr. Wilhelm Tiemann Wohnungsverwaltung GmbH (through Curanis Holding GmbH, Munster)	80%
DWP Drittvertriebs GmbH & Co. KG, Cologne	100%
DWP Privatisierungs GmbH & Co. KG, Cologne	100%
DWP Projekt I. GmbH & Co. KG, Cologne	100%
DWP Projekt II. GmbH & Co. KG, Cologne	100%
DWP Projekt III. GmbH & Co. KG, Cologne	100%
DWP Verwaltungs GmbH, Cologne	100%
H+B Gesellschaft f. Haus- und Bauservice GmbH (through Curanis Holding GmbH, Munster)	80%
Hestia 1 Properties Nürnberg GmbH & Co. KG, Cologne	100%
Medicon Immobilien GmbH & Co. KG, Cologne	50,1%
Medicon Verwaltungs GmbH, Cologne	50,2%
Medicon Wohnbau GmbH & Co. KG, Cologne	50,0%

Novaris GmbH, Munster (über Curanis Holding GmbH, Munster)	80%
Vivacon Allgemeine Verwaltungs II GmbH, Cologne	100%
Vivacon Erwerber Portfolio II./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio III./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio IV./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio IX./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio V./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio VI./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio VII./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio VIII./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio X./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XI./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XII./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XIII./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XIV./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XIX./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XV./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XVI./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XVII./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XVIII./2008 GmbH, Cologne	100%
Vivacon Erwerber Portfolio XX./2008 GmbH, Cologne	100%
Vivacon Grundstückseigentums III.7./ 2007 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio II./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio III./2008 GmbH & Co. KG, Cologne	100%

Vivacon Immobilien Portfolio IV./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio IX./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio V./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio VI./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio VII./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio VIII./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio X./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XII./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XIII./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XIV./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XIX./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XV./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XVI./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XVII./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XVIII./2008 GmbH & Co. KG, Cologne	100%
Vivacon Immobilien Portfolio XX./2008 GmbH & Co. KG, Cologne	100%
Vivacon Invest 1 GmbH, Cologne	100%
Vivacon Invest 2 GmbH, Cologne	100%
Yoo Düsseldorf GmbH & Co. KG, Cologne	50%
Yoo Düsseldorf Verwaltungs GmbH, Cologne	100%

Additions to consolidated companies in the period of 1 July 2008 to 30 September 2008

Vivacon Grundstückseigentums III.8./2007 GmbH & Co. KG, Cologne	100%
Vivacon Grundstückseigentums III.9./2007 GmbH & Co. KG, Cologne	100%
Hestia 2 Properties Köln GmbH & Co. KG	100%



## Imprint

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Photos:

Vivacon AG

### Statements with regard to the future

This Nine-Month-Report contains figures that relate to future developments. These statements represent assessments that we have made on the basis of the currently available information. If the assumptions on which the statements are based are not fulfilled then the actual results may differ from those presently expected.

### Note

This report appears in German (original version) and in English (a non-binding translation).