

Analyst conference 2007
IVG Immobilien AG

Frankfurt, 3rd April 2007



IVG IMMobilien

moving forward

Review 2006

- Strategic realignment
 - Concentration on core competencies office properties and caverns
 - Focus on selected markets and locations
- Restructuring of business units
 - Introduction of profit centre structures
 - Improved transparency and control
- Increase of stake in OIK
 - Synergy potential within IVG group
 - Platform for institutional investors
- Increase of all profit figures

Successful fiscal year 2006

EBITDA € 327 m + 10 %

EBIT € 253 m + 4 %

Net profit
after taxes € 149 m + 36 %

Earnings per share € 1.20 + 45 %

Dividend per share € 0.50* + 32 %

NAV per share € 23.56 + 31 %

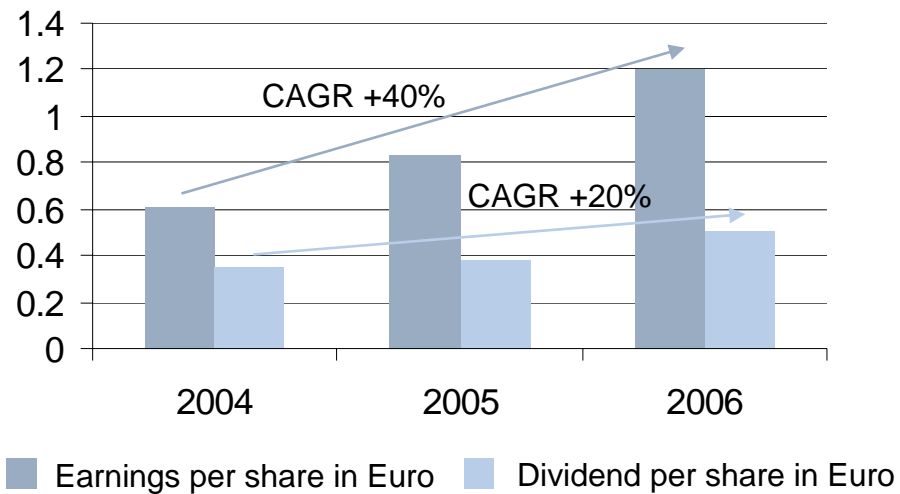
Total performance IVG share + 86 %

*proposal

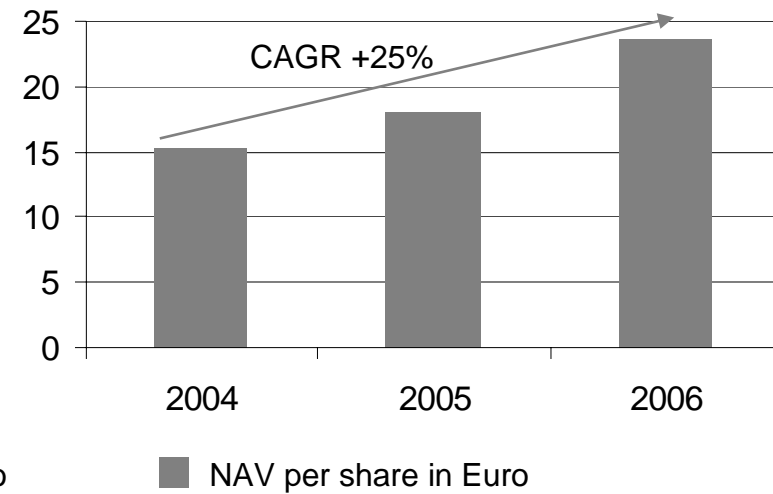
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A strong track record

Earnings and Dividend per share 2004 - 2006



NAV per share 2004 - 2006



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Company structure

IVG Immobilien AG

> € 18 bn property assets under management

Transaction (Buy and Sell)
Asset Management

Investment	Funds	Development	Caverns
Purchase, optimisation and sale of properties	Design, marketing and management of real estate funds	Development of office property project developments	Letting and development of underground crude oil and gas storage facilities
€2.7 bn market value	€13.1 bn funds volume	€1.4 bn project pipeline	€1.2 bn market value

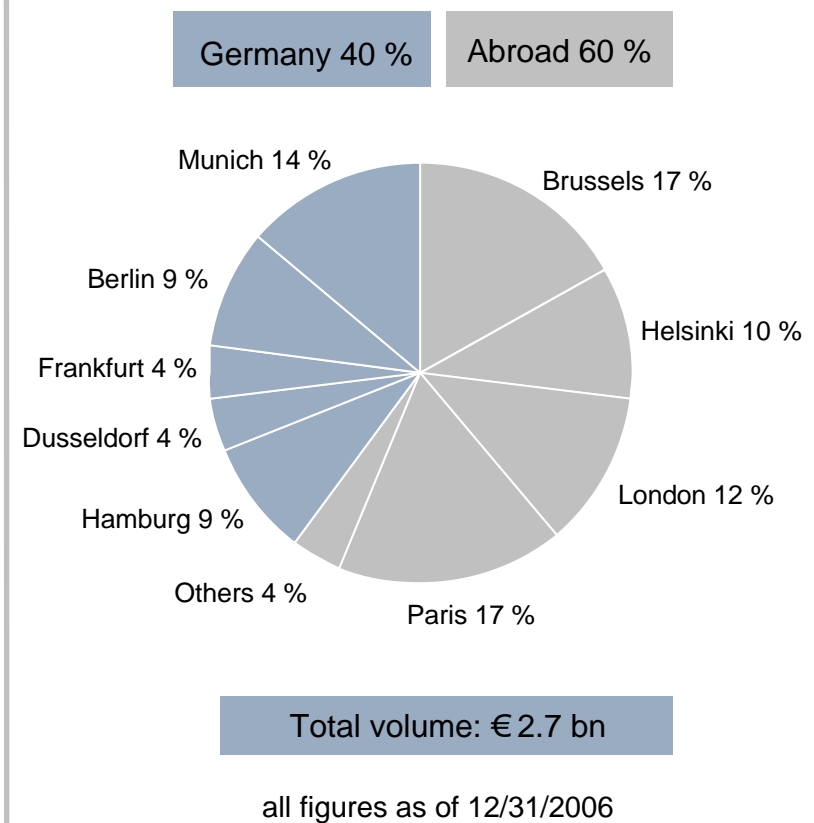
all figures as of 12/31/2006

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IVG Investment - Strategy

- Concentration on office properties
- Focussing on top 5 locations in Germany and selected locations in Europe
- Purchase of properties mainly in large portfolios
- Portfolio with well-balanced risk/return profile: core investments, value added and opportunistic investments
- Selective purchase of „work vacancies” and sale after optimisation of properties
- Sale of all properties which do not belong to core business

Market values by region



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IVG Investment - Highlights 2006

- Value of acquired properties € 1.9 bn*
- Value of sold properties € 961 m
- Increase of office property ratio to 90 percent
- Purchased portfolios – 75 percent in Germany
 - „Allegro“: € 505 m (Düsseldorf, Hamburg, Munich and Frankfurt)
 - „Pan-Europe“: € 374 m (Paris, London, Hamburg and Düsseldorf)
 - „Nautilus II“: € 189 m (Munich, Düsseldorf and Stuttgart)
 - „Channel“: € 98 m (Hamburg)

EBIT increase from € 131 m to € 290 m (+121 %)

* thereof € 1.1 bn on balance fiscal year 2007

IVG Funds - Strategy

Two-pillar-strategy: Private and institutional investors

EuroSelect

- High-quality properties in top locations with top tenants mainly in London
- Single funds as well as fund of funds
- Expansion of investment model to new countries
- Broadening the investor base

OIK

- OIK as platform for institutional investors
- Growth via product innovations
- Expansion of investment model in Asia and USA
- Broadening the investor base

IVG Funds - Highlights 2006

EuroSelect (private investors)

- Placement of € 252 m equity (+48 %)
 - EuroSelect 11 (Moorgate, London)
 - EuroSelect 12 (London Wall)
- Introduction of first IVG fund of funds
 - EuroSelect Balanced Portfolio UK
- Market leader for UK funds

OIK (institutional investors)

- Investment of € 658 m (35 properties)
- Issuance of new funds
 - OIK EuroInternational Fund (volume € 1 bn)
 - OIK FarEastFund (volume € 1 bn)
 - European Core Plus Office Fund (volume € 600 m)
- Market leader for specialised funds

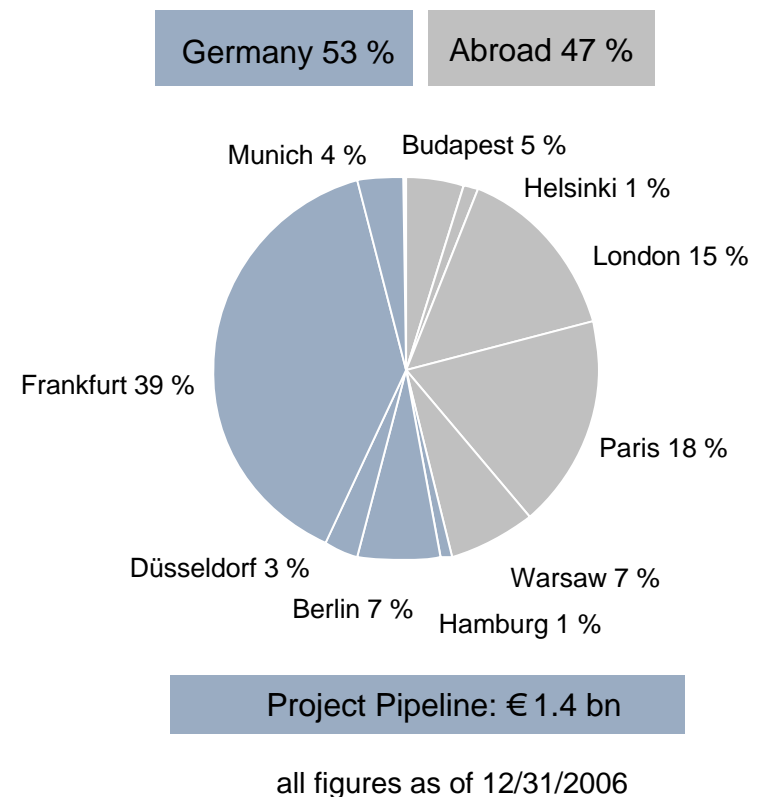
EBIT increase from € 44 m to € 45 m (+2 %)

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IVG Development - Strategy

- Concentration on office property projects with the objective of stabilization of earnings and risk diversification
- Focus on German top 5 cities, London, Paris as well as Budapest, Prague and Warsaw
- Aiming at settled volume of € 500 m to € 600 m in the medium-term
- Distinguish business unit Development as IVG brand
- Increasing of „non recourse“-financing

IVG Development by region



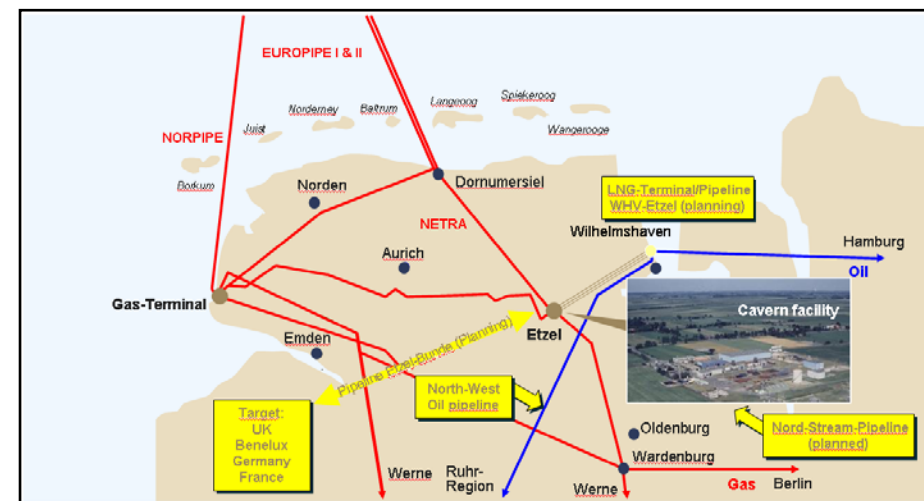
IVG Development - Highlights 2006

- Establishment of a separate business unit
- Settlement of eight projects with a volume of € 276 m
 - Madou Plaza (Brussels) with 40,000 m²
 - Building C Infopark (Budapest) with 13,000 m²
- AIRRAIL: development of one of the biggest projects in Europe; pre-letting of 50% achieved

EBIT decrease from € 44 m to € 4 m (-91 %) mainly due to write-downs (€ 25 m)

IVG Caverns - Strategy

- Establishment as a separate business unit
- Payment flows show characteristics of properties: regular, sustainable cash flows
- Expansion of the location Etzel from 40 caverns to 105 caverns in the next 10 years
- Expansion of connection to the Northern European pipeline network
- Disposal of tank farm business



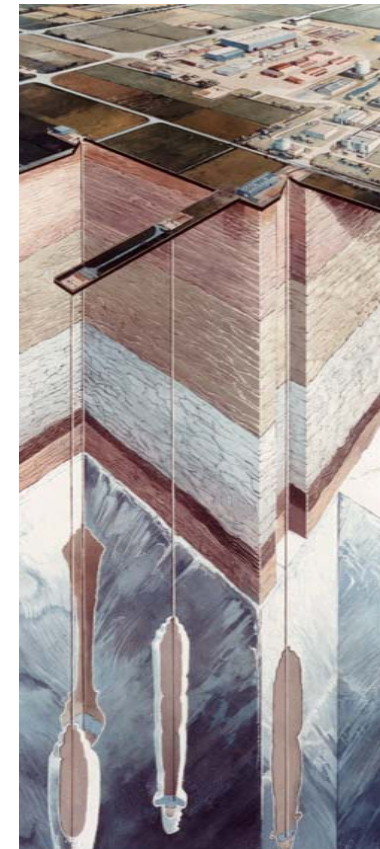
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IVG Caverns - Highlights 2006

- Currently 14 caverns under construction
- Concluded rent contracts:
 - 4 caverns (+ 4 options) for European utility company; in operation from 2009/10; term of contract 35 years
 - 1 cavern for European governmental organisation; in operation from 2008; term of contract 13 years
- First-time external valuation:
 - € 633 m for 40 existing caverns
 - € 546 m for expansion potential of 65 caverns

EBIT decrease from € 77 m to € 14 m (-81 %)

mainly due to a finance lease gain in previous year



Dr. Bernd Kottmann, CFO IVG Immobilien AG

Financial highlights 2006

- Gains on property disposals increased by € 85 m
- Write downs of € 25 m in the business unit Development
- Exit from Versorgungsanstalt des Bundes und der Länder (VBL, retirement pension system) required provision of € 62 m
- Financial result improved by € 32 m
- Cash tax rate reduced to 10.5 % (11.4 %)
- Earnings increase within the group allows for a dividend increase by 32% to € 0.50 per share*

*Proposal

Income statement 2006

in € m	2005	2006	change in %
Turnover	426	446	5
Other operating income	216	326	51
Total operating performance	640	761	19
Material expenses	-62	-71	15
Personnel expenses	-79	-159	101
Depreciations	-56	-74	32
Investment property expenses	-58	-58	-
Other	-142	-145	2
EBIT	243	253	4
Financial result	-91	-59	-35
EBT	152	194	28
Income taxes	-42	-45	7
Net profit	110	149	36

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VBL retirement pension system Cancellation of participating agreement

- VBL (= retirement pension system of federal government and federal states' governments)
- Contribution financed retirement pension system in addition to public system (IVG joined when it was a government owned company)
- Contribution mainly financed by IVG; low employees contribution

Problems

- Number of contribution paying companies and employees decreasing
- Recipient of VBL payments living longer – receiving pension payments for a longer time period
- Contribution payments are steadily increasing but difficult to forecast
- Cancellation of participating agreement as of 12/31/2007 in December 2006

Contribution
(% of employee labour income)

- 1.41% employee
- 6.45% IVG

Refinancing contribution

2002: 2.61%
2006: ca. 10%
2007: >11%

IVG Investment - Finances

in € m	2005	2006	Change in %
Turnover	237	219	-8
thereof net rents	190	173	-9
Total operating performance	315	481	53
thereof gains on property disposals	49	226	359
EBIT	131	290	121
Employees	170	166	-2
Capital expenditures	228	789	246
Property disposals	228	1,111	388

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IVG Funds - Finances

in €m	2005	2006	Change in %
Turnover	94	106	13
Total operating performance	106	122	15
EBIT	44	45	2
Number of managed funds private investors	79	70	-11
Distributed equity private investors	170	252	48
Number of managed funds institutional investors	29	30	3
Volume of managed funds institutional investors	9,672	9,927	3
Capital expenditures	17	203	1,068
Employees	296	311	5

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IVG Development - Finances

in €m	2005	2006	Change in %
Turnover	51	76	49
Total operating performance	119	110	-8
EBIT	44	4	-91
Project pipeline	1,121	1,385	24
Invested capital	394	443	13
Capital expenditures	70	67	-5
Employees	70	50	-29

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IVG Caverns - Finances*

in €m	2005	2006	Change in %
Turnover	44	44	2
thereof rental income	36	38	7
Total operating performance	102	45	-56
EBIT	77	14	-81
Employees	51	53	4
Capital expenditures	158	37	-77
Number of caverns	40	40	0

* excluding tank farms

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Balance sheet

in € m	2005	2006	Change in %
Assets			
Investment properties	2,081	2,200	6%
Other non-current assets	917	1,118	22%
Non-current assets	2,998	3,318	11%
Payment instruments	91	549	504%
Other current assets	598	530	-11%
Current assets	689	1,079	57%
Total assets	3,687	4,397	19%
Liabilities and equity			
Equity	922	1,188	29%
Non-current liabilities	1,729	1,750	1%
Other non-current liabilities	257	365	42%
Non-current liabilities	1,986	2,115	7%
Current liabilities	572	726	27%
Other current liabilities	208	368	77%
Current liabilities	779	1,094	40%
Total liabilities and equity	3,687	4,397	19%
Bank loans	2,064	2,055	-0.4%
Equity ratio at book values in %	24%	26%	8%
Equity ratio at market values in %	43%	46%	7%

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IVG Investment - Acquisitions, disposals on balance in 2006

in €m

Acquisitions

<u>Property/Portfolio</u>	<u>Price</u>
Pan-European Portfolio	374
SALA-Portfolio	115
London, 55 Moorgate	75
other Germany	188
Europe	134
Contracted in 2005, transfered in 2006	32
Total	917

Disposals

<u>Property/Portfolio</u>	<u>Price</u>
Germany, Rebound Portfolio	315
Germany, Triangle Portfolio	85
G-Log-Portfolio	95
Germany, Capital Residential Portfolio	46
Other Germany	28
Stockholm, Vattenfall	79
London, Soho Square	77
Other Europe	237
Contracted in 2005, transfered in 2006	150
Total	1,111

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IVG Investment - Acquisitions on balance in 2007

in €m

Acquisitions

Property/Portfolio	Price
Allegro-Portfolio	505
Nautilus-Portfolio	189
Berlin-Portfolio	103
St. Martinstr., Munich	113
Channel-Portfolio, Hamburg	98
Nymphenburger Str., Munich	66
Other Germany	15
Total	1,089

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Financing

- Hybrid bond (volume € 200 m) issued (increased by € 200 m in 2007)
- Commercial paper (CP) programme increased by € 200 m to € 400 m as well as new CP programme in Belgium (volume: € 200 m) established
- New sources of financing obtained

Net asset value

in €m	2005	2006
Properties	2,867	2,850
Caverns/Tank farms	635	1,229
Project development	70	178
Funds	191	342
Others	426	356
Non-current assets	4,189	4,955
Current assets	318	985
Total assets	4,645	5,940
Hybrid capital		196
Financial liabilities	1,701	1,726
Others	97	193
Non-current liabilities	1,798	2,115
Financial liabilities	572	726
Others	188	365
Current liabilities	760	1,091
Total liabilities	2,558	3,206
NAV	2,088	2,733
NAV per share (€)	18.00	23.56

Increase of NAV via :

- Partly integration of expansion potential of caverns
- Higher market values of properties
- Higher contribution of project developments
- Value increase in funds business

Net asset value: Explanations

- **Properties:** according to external valuation

- **Caverns, tank farms:**
 - first-time external valuation of caverns business by BDO
 - € 633 m value for the existing 40 caverns,
€ 546 for the expansion potential (65 caverns)
and € 50 m for tank farms

- **Funds:**
 - OIK: external valuation by Ernst&Young
 - EuroSelect: EBIT-Multiple of 9x (benchmark: listed funds initiators)

- **Project development:** discounted contribution margin (discount rate 12.5%)

Development of market values Investment portfolio 2006

	in € m	
▪ Prices above market values :	+50	} 9.8% above market value
▪ Profits from trading through:	+34	
▪ Valuation gains of acquisitions:	+37	
▪ Like-for-like development:	-10	
<hr/>		
= Total appreciation value:	+111	

	in € m
Berlin	-14
Brussels	-2
Dusseldorf	9
Frankfurt	22
Hamburg	32
Helsinki	4
London	39
Munich	-14
Paris	38
Stockholm	-3
Others	-1
Total	111

Valuation existing cavern business

- External valuation by auditing company BDO based on a DCF model

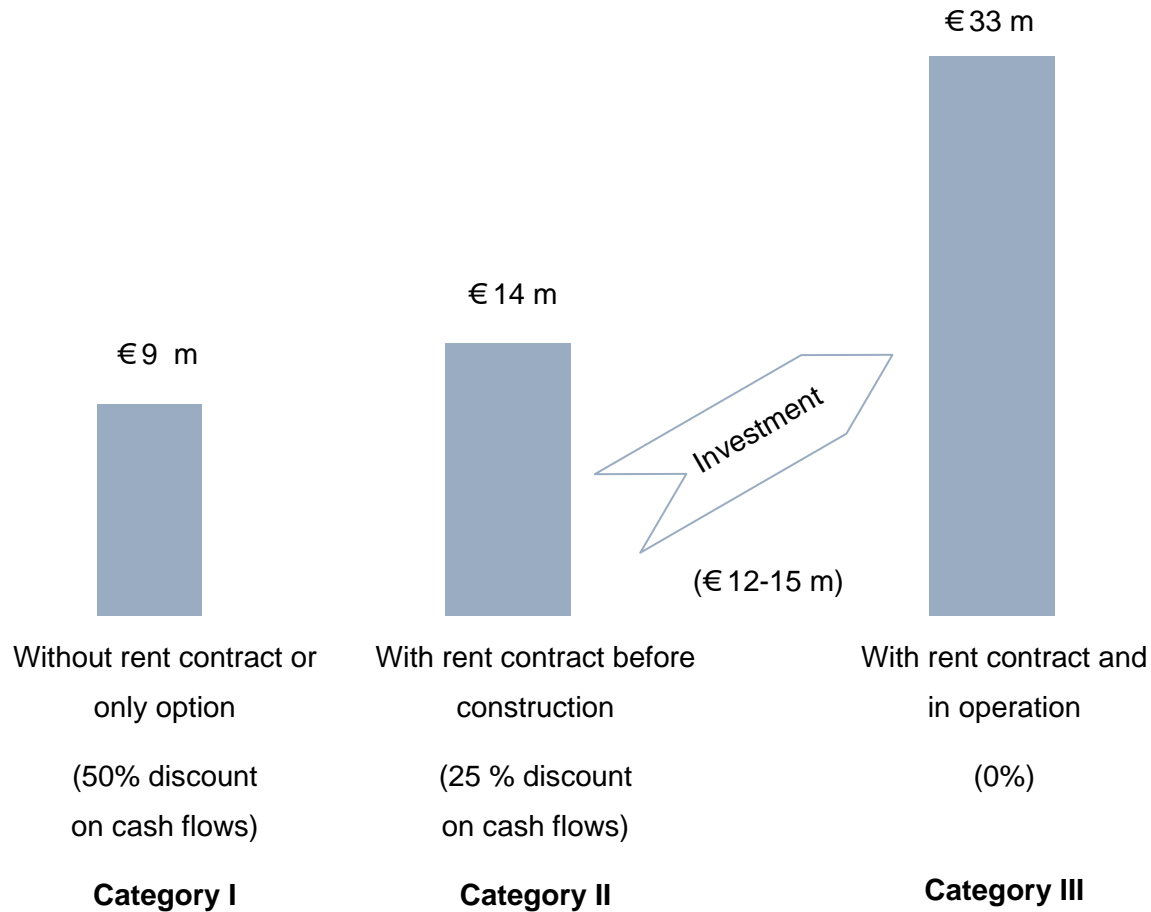
- Market Value 40 existing caverns: € 633 m
 - Oil caverns (Investment Property): € 284 m
 - Natural gas caverns (Finance Lease): € 349 m

- Discount rate based on WACC: 4.70 % after tax
 - 50 % Equity; 6.70 % cost of equity
 - 50 % Debt; 2.70 % after tax

Valuation of development caverns

- External valuation by auditing company BDO based on a DCF model
- Discount rate based on WACC: 4.70 % after tax
- Discount on Cash flows depending on project status:
 - Without rent contract or only option: 50 %
 - With rent contract before construction: 25 %
 - With rent contract and in operation: 0 %
- Market value 65 development caverns: € 546 m (per 12/31/2006)

Value of a development cavern during its life cycle



Model calculation
Present value (average)

Valuation of a development cavern

Assumption

- Construction time: 2.5 years
- Construction costs: €14 m
- Rental income per year: €2.1 m
- Contract period: 35 years

as of Dec. 31, 2006

- **Category I:** 60 caverns
- **Category II:** 5 caverns
- **Category III:** 0 caverns

65 caverns

moving forward

Important finance events 2007 Increase of outstanding hybrid issue

- Hybrid is accounted for as 100 % equity according to IFRS
 - Coupon payments are tax deductible leading to favourable financing condition
 - No dilution of financial figures and shareholders
 - Further strengthening of equity base and improvement of key financial ratios
 - Additional headroom for future growth
 - Utilization of favourable capital markets environment
-
- Issue of a €200 m hybrid bond in 2006; Price: 99.9 %; Yield 7.9 %; 5.53 % after tax
 - Increased by further €200 m in 2007; Price: 103.5; Yield: 7.27 %; 5.19 % after taxes
 - Coupon: 8 % until 2013 thereafter: 6-month Euribor + launch spread + step up (175 bp)
 - Maturity: perpetual; IVG has the right to call the hybrid bond for the first time in 2013

Important finance events 2007 IVG successfully placed convertible bond

- Placement volume: € 400 m
- Maturity: 10 years
- Five times oversubscribed
- Coupon: 1.75 % p.a.
- Conversion premium: 30 % implying conversion price of € 46.22
- Convertible into 8,654,262 IVG shares
- Proceeds used to finance further growth and acquisitions of real estate portfolios
- No IVG earnings dilution
- Strengthens equity basis even if not converted

Dr. Wolfhard Lechnitz, CEO IVG Immobilien AG

German REIT law agreed

- **Approval of Bundesrat (upper house of the German parliament) on 30 March 2007**
 - **Improvement compared to governmental draft of November 2006**
 - Shortening of holding period for the exit tax
 - Higher flexibility for corporate structures „below“ the REIT
 - Standardisation of rules for structure
 - **Detrimental regulations and ongoing restrictions**
 - Abolition of possibility to pay out depreciations
 - Restrictive permissibility of ancillary activities (20% rule)
 - Minimum equity ratio of 45%
 - Double taxation issue has not yet been finally resolved
- ⇒ All in all improvements compared to original draft
- ⇒ Still a lot of restrictions and uncertainty regarding pre-taxed income

REIT strategy of IVG

- **Detailed calculations are in progress to evaluate the different options: Total conversion, sub-REITs and maintaining status quo**
- **Main criteria to evaluate a total conversion:**
 - Maintain strategic flexibility
 - Growth opportunities within the business units Funds and Development
 - Tax attractiveness for shareholders
 - Conversion costs
- **Positioning of focussed sub-REITs is under review**

Business environment in IVG's core markets

Assumption

- Favourable economic development in Germany leads to higher office rents
- Further increasing rents even in London and Paris
- Ongoing major capital inflows in the European real estate markets
- Still higher yields in Germany than in Western Europe
- Stable interest rate environment
- Uncertainty in the American real estate market will not affect the US and world economy negatively
- Increasing energy consumption and desire to secure energy supply support demand for cavern capacities to store energy sources

Outlook Business Units (1/2)

Investment

- Investment portfolio already significantly increased since beginning of the year
- Further acquisitions and disposals planned
- Significant net growth in investment portfolio intended
- Contribution to group earnings will continue to be considerable

Funds

- Successful start in closed-end funds business („The Gherkin“, London)
- Increase of distributed equity from € 250 m to € 300 m for private investors in the fiscal year planned
- Ongoing positive development of earnings in the whole funds business expected

Outlook Business Units (2/2)

Development

- Setup and expansion of structures as well as project pipeline started off well
- Construction of AIRRAIL started
- Successful settlements of domestic and foreign projects expected
- Significant earnings increase compared to previous year expected

Caverns

- Successful start by closing of 6 new rental contracts
- Further closings expected for this year
- First part of converted caverns will go into operation soon
- Significant earnings increase especially due to finance lease gains expected

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Outlook IVG Group

- **IVG strives to significantly increase its net profit in the current fiscal year**
- **Against the background of the before-mentioned assumptions a further increase of NAV is expected**

Thank you very much for your attention!



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Appendix

IVG Funds - Highlight EuroSelect in 2007 Acquisition of London's "Gherkin"

Fund Placement
starts in Summer
2007



- Landmark office building "30 St. Mary Axe" in the financial district of the City of London
- Rental space: 47,310 m² (509,200 sq ft)
- Total acquisition price (100 %): £ 630 million (€ 950 m)
- Acquisition of 50 % for EuroSelect funds
- Tenants: Swiss Re (50%), rented until at least 2031
Allianz
Royal Bank of Scotland
- Congruency of currencies between rents in Swiss franc and financing in Swiss franc
- Special attractiveness for German private investors due to favourable double tax treaty (up to € 8,000 dividend tax free)
- Dividend yield for fund investors: 5.6 %

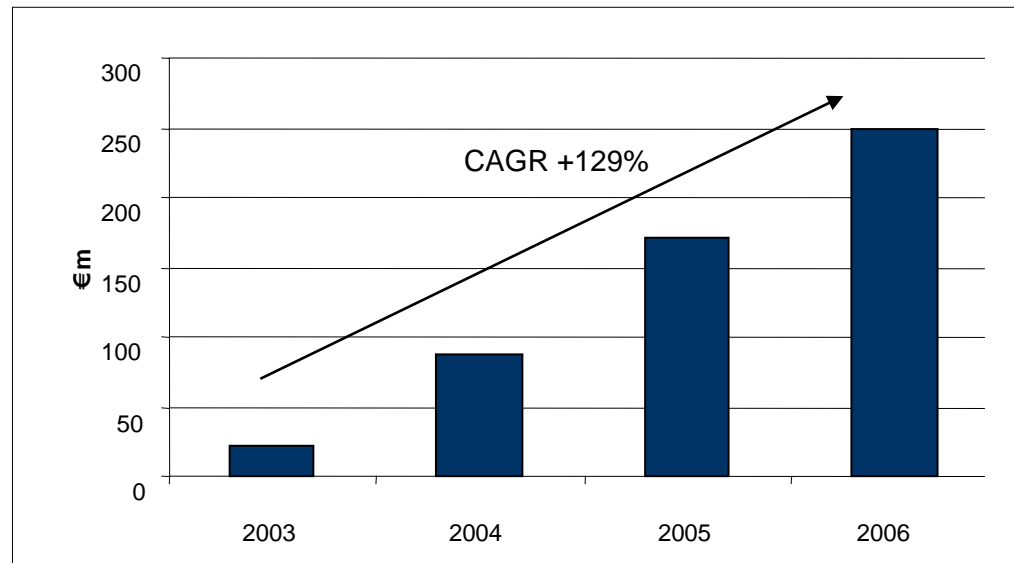
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Development of market values 2006 – like for like –

	€m	%
Berlin	-17.0	-9.1%
Hamburg	2.8	3.6%
Düsseldorf	-2.1	-2.2%
Frankfurt	13.6	45.8%
Munich	-16.7	-4.9%
Brussels	-15.6	-3.3%
Paris	12.1	6.5%
London	9.3	19.0%
Milan	-0.1	-0.1%
Iberia	-0.1	-0.1%
Helsinki	3.8	1.5%
Domestic	-19.3	-2.4%
Non-domestic	9.5	0.9%
Total	-9.8	-0.5%

Value increases especially in
Frankfurt, Paris, London

IVG Funds - Private Placed Equity and Fee Structure



Fee structure:

Upfront: 7% upfront on placed equity (for design, financing etc.)

Recurring: 3-4% of Gross Rental Income (for Funds management)

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A variety of factors, many of which are beyond IVG's control, affect its operations, performance, business strategy and results and could cause the actual results, performance or achievements of IVG Immobilien AG to be materially different.

Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially, either positively or negatively, from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, projected or estimated. IVG does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.