

# IVG Immobilien AG Caverns Transaction

Bonn, 2 September 2008

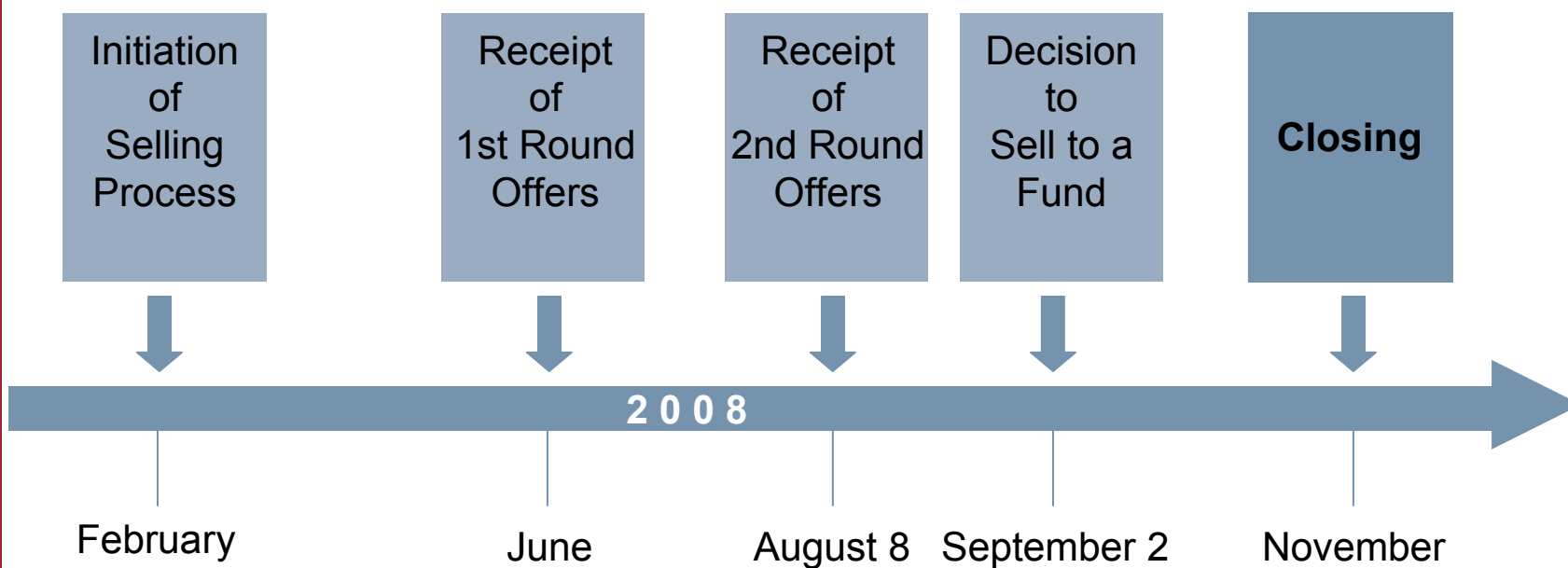
**ivg**



## Overview of Caverns Transaction

- 70 caverns (40 operational caverns plus 30 caverns under construction) successfully sold to IVG institutional fund (“Spezialfonds”)
- Selling price amounts to a total of € 1.7 billion, of which € 836 million will be paid in 2008
- 10 institutional investors have already made commercial commitments for 90% of the fund’s equity to be placed
- Cash flow after cash taxes will amount to € 1.3 billion by 2014 and € 553 million in 2008
- Equity ratios will improve substantially
- IVG will retain value-adding potential of at least 60 additional caverns

## Chronology of Caverns Transaction Process



## Sale to a Caverns Fund

in € mn	2008	2009	2010	2011	2012	2013	2014	Total
<b>Purchase Price</b>	836	34	202	268	183	139	65	<b>1,728</b>
<b>EBIT under IFRS</b>	261	84	123	161	91	76	39	<b>835</b>
<b>Net Profit under IFRS</b>	225	60	87	114	65	54	28	<b>633</b>
<b>Cash Flow*</b>	553	-8	155	240	160	122	60	<b>1,282</b>
<b>Δ Equity Ratio CV pp**</b>	+ 3.5	+ 4.2	+ 5.4	+ 7.1	+ 8.2	+ 9.0	+ 9.5	
<b>Δ Equity Ratio NAV pp**</b>	+ 3.5	+ 4.0	+ 4.9	+ 6.2	+ 7.1	+ 7.6	+ 7.9	

- Investment to be made in development of 30 caverns: approx. € 150 million (2009 - 2014)
- Cash flow in 2008 for 40 caverns, result under IFRS in 2008 for 38 caverns, for another 2 caverns in 2009 when caverns will be handed over to tenants
- NPV after capex € 1,410 million (discount rate 7.5%)

\* before capex 11/12 2008 (- € 25 mn), before repayment of forfeiting debt (- € 270 mn), before IVG co-investment (- € 50 mn)

\*\* Δ vs. H1 2008

## Caverns Fund Highlights

- Institutional fund as defined in German Investment Act (“Spezialfonds”)
- Purchase price for 70 caverns: approx. € 1.73 billion
- Equity to be placed: approx. € 800 million
- Minimum investment for investors: € 50 million
- IVG share of fund: € 50 million
- IRR 10.0%
- Average distribution yield 7.5%
- Minimum distribution yield p.a. 6.1%
- Fund management fee for IVG 0.35% p.a. (on GAV)

## Value-Adding Potential of Remaining Caverns

- IVG will retain 60 potential caverns
  - Potential proceeds from the sale of these caverns: approx. € 2.2 billion
  - IVG expects to sell the caverns as they are completed between 2014 and 2022
  - Capex of approx. € 650 million
  - NPV based on assumption of planned construction cost and rental income:
    - Discount rate of 10.5%: € 310 million
    - Discount rate of 9.5%: € 418 million
    - Discount rate of 8.5%: € 569 million
    - Additional potential from rental increases
  
- IVG intends to obtain additional licenses for potential caverns at its Etzel site

## Expected Earnings and Cash Contributions of 60 Remaining Caverns

in € mn	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
<b>Purchase Price</b>	190	120	287	289	218	305	261	347	216	<b>2,233</b>
<b>EBIT IFRS</b>	99	40	191	165	147	204	173	228	143	<b>1,390</b>
<b>Net Profit IFRS</b>	83	33	160	133	105	145	123	162	101	<b>1,045</b>
<b>Cash Flow*</b>	113	34	177	177	105	194	172	250	168	<b>1,390</b>

- Each cavern expected to be sold upon completion
- Assumed rental rate:
  - 22 caverns with options: contractual terms have been taken into account
  - 38 available caverns: € 5.08 per cubic metre in 2015 (2% inflation / 60% price adjustment)
- Cost of developing one cavern: € 10.5 million in 2008 (2% inflation)
- Including cost of re-leaching, decommissioning and operational management

\*before capex 2008 - 2013 (€ 294 million)

# Completion Schedule of the 130 Caverns

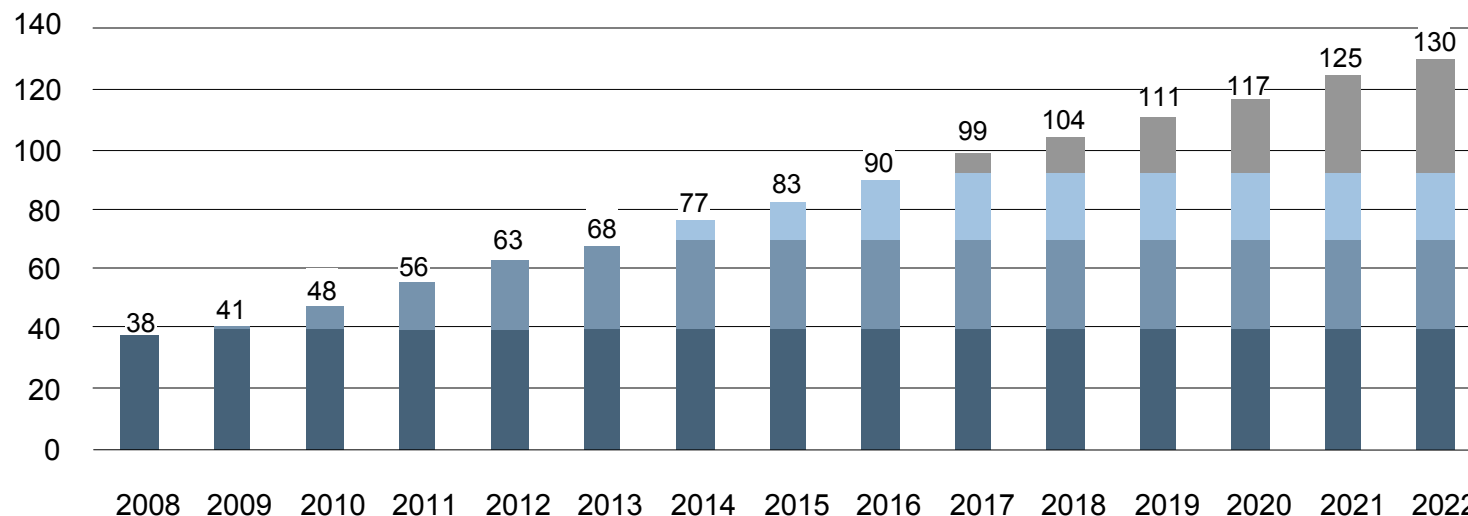
40 Operational caverns

30 Caverns under construction

22 Caverns w/ options

38 Available caverns






Number of Caverns



70 Fund Caverns

60 Potential Caverns

## IVG Achieved Objectives of Caverns Transaction

- 
 70 caverns successfully sold for € 1.7 billion (NPV: € 1,410 million)
- 
 Value of 60 potential caverns assessed on this basis (NPV: > € 310 million)
- 
 Considerable synergies achieved due to IVG business model
- 
 Sustainable stable earnings and cash contribution in the next few years
- 
 Reduction of debt in 2008 and in subsequent years

Thank you very much for your attention!

## Disclaimer

This presentation handout contains forward-looking statements and information. Such statements are based on our current expectations and certain presumptions and are therefore subject to certain risks and uncertainties.

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.

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