

Dresdner Kleinwort Real Estate Investor Day 2008

IVG Immobilien AG
Dr. Bernd Kottmann, CFO

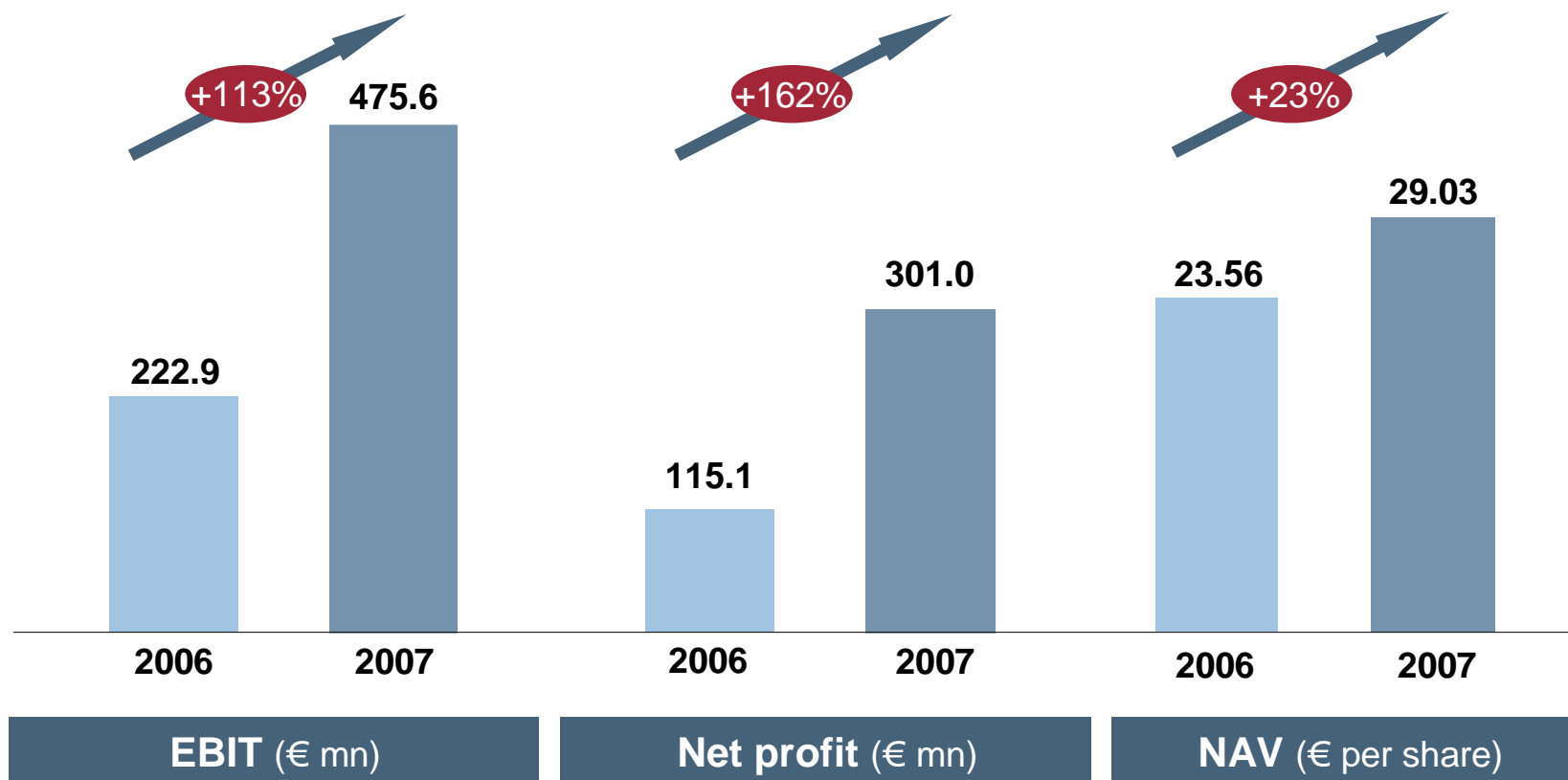
New York 22nd April 2008



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Review 2007 – Successful Financial Year



Review 2007 – Strategic Targets Achieved

Focus	Growth	Transparency
<ul style="list-style-type: none"> ▪ Focus on office buildings and caverns ▪ Focus on key investment regions ▪ Disposal of non-core assets ▪ Disposal of tank farm business 	<ul style="list-style-type: none"> ▪ Investment: Portfolio volume + 94% ▪ Funds: Equity placed + 70% ▪ Development: Pipeline + 83% ▪ Caverns: Expansion potential + 38% 	<ul style="list-style-type: none"> ▪ IFRS fair-value accounting ▪ Profit centre structure ▪ Value-based management ▪ Cost of capital for each division

Four Divisions

IVG Immobilien AG

IVG Investment



Purchase, optimisation and sale of office properties (mainly Germany, France, UK)

IVG Funds



Design, marketing and management of real estate funds for private and institutional investors

IVG Development



Development of office properties in European growth centres

IVG Caverns



Development of underground gas and oil storage facilities

5.0

14.0

0.8

1.4

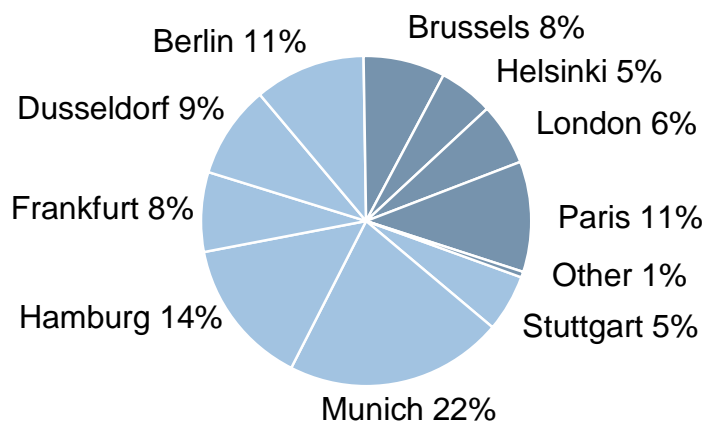
(€ bn)

Assets under Management > € 21 bn

IVG Investment 2007 – Strong Growth

Germany 69%

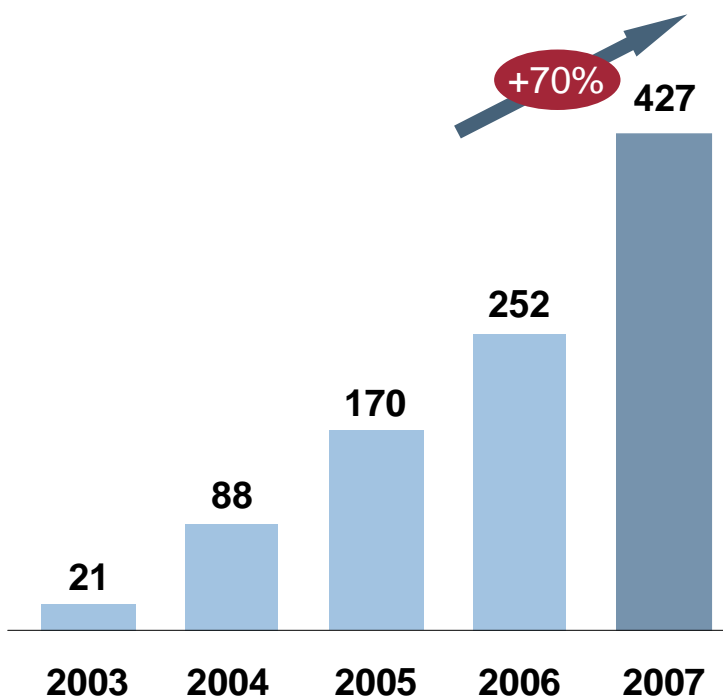
Abroad 31%



Total volume: € 5.0 bn (+94%)

- Purchases of € 2.5 bn
 - Disposals of € 341 mn
 - Germany with 69% (2006: 40%) of overall portfolio
 - Office buildings: 92% of overall portfolio
 - Pre-REIT installed; IPO will depend on capital market environment
-
- ROIC: 6.7%
 - WACC: 6.0%
 - Total Return: 7.4%
 - NOI-Yield: 4.4%
 - EBIT: € 244.8 mn (incl. € 66 mn unrealised and € 69 mn realised market value changes)

IVG Funds 2007 – Market Leader



**Equity placed for private investors
(€ mn)**

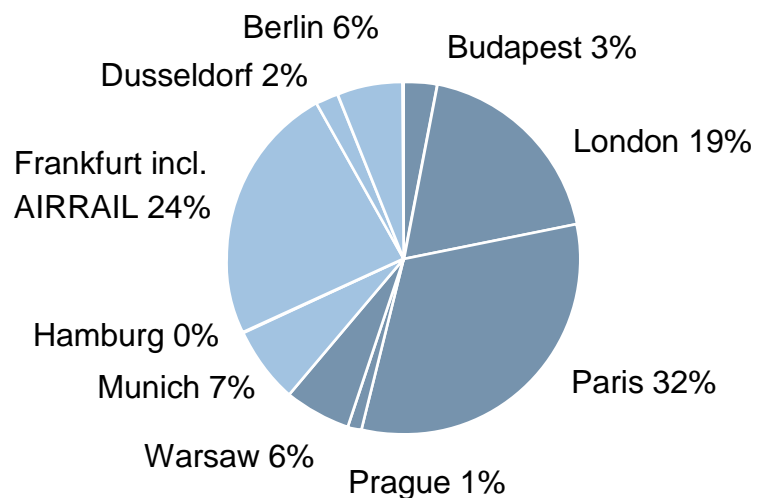
- Increase in equity placed + 70%
- UK Balanced Fund and EuroSelect 14 The Gherkin placed
- Purchases of € 2.2 bn
- Disposals of € 1.0 bn
- Assets under management: € 14.0 bn (private: € 3.7 bn; institutional: € 10.3 bn)

- ROIC: 11.8%
- WACC: 7.5%
- EBIT: € 81.0 mn

IVG Development 2007 – Realignment Completed

Germany 39%

Abroad 61%

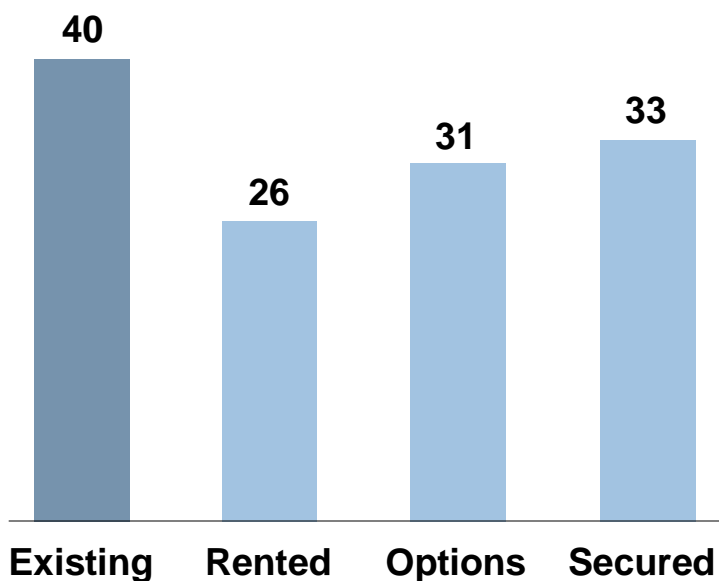


Project pipeline*: € 2.5 bn (+83%)

- 20 new projects: total volume of € 1.1 bn
- Disposal of 8 projects**: total volume of € 274 mn*; investors yield: 5.6%
- Invested capital: € 0.8 bn
- Pre-letting rate: 75% for developments which will be sold in 2008

- ROIC: 13.2%
- WACC: 10.0%
- Yield on cost: 6.8%
- EBIT: € 80.5 mn

IVG Caverns 2007 – Strong Demand



Project status: 130 caverns

- 6 converted caverns handed over to client
- 21 new rental contracts
- 25 new development caverns secured
- 20 caverns under construction, of which 5 caverns are in leaching process

- ROIC: 19.7%
- WACC: 5.5%
- EBIT: € 124.0 mn (€ 94 mn revaluation gains)

Review 2007 – Summary

FOCUS

- Focus on core business:
 - Concentration on office properties
 - Disposal of non-core assets

GROWTH

- Strong growth in all 4 divisions
- Market position improved, e.g. in Funds and Development business

TRANSPARENCY

- Increase in transparency due to
 - IFRS fair-value accounting
 - Value-based management



**Record profit
in 2007
up more than 160%**

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Key Financials FY 2007

EBIT	€ 475.6 mn	+ 113%
EBIT adj.	€ 512.6 mn	n/a
Net profit	€ 301.0 mn	+ 162%
Earnings per share	€ 2.34	+ 163%
Dividend per share	€ 0.70*	+ 40%
NAV per share	€ 29.03	+ 23%

2007 Performance Dominated by Market Value Changes

	2007	2006
Investment	66.0	20.1
Funds	9.7	-6.9
Development	2.7	3.4
Caverns	93.6	10.6
Total	172.0	27.2

Unrealised market value changes (€ mn)

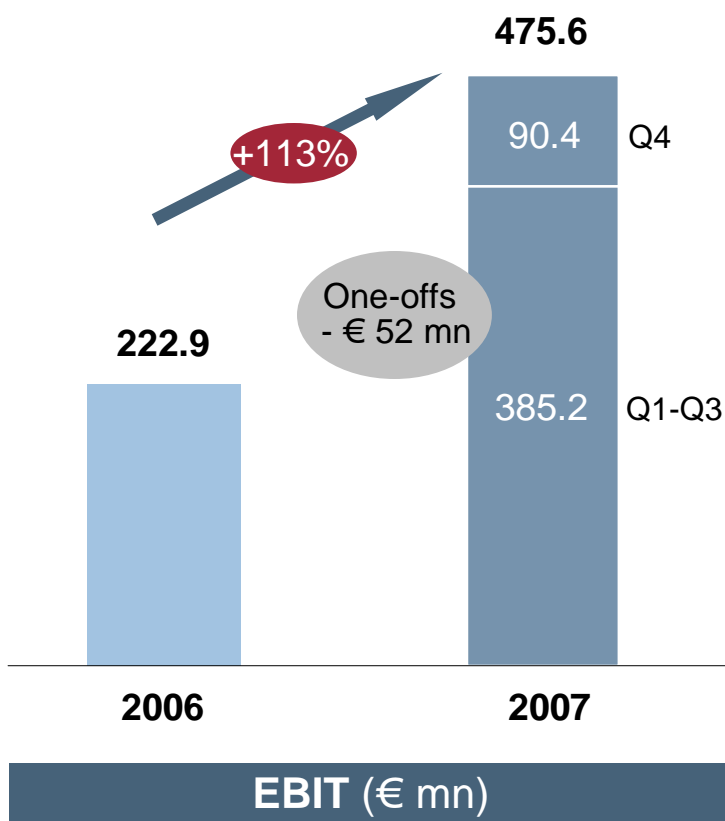
	2007	2006
Investment	69.2	61.8
Funds	1.3	0.0
Development	67.3	42.9
Caverns	-	-
Total	137.8	104.6

Realised market value changes (€ mn)

One-off Effects

	€ mn	
Other operating income		
Capital gains on disposal of tank farm business	+ 5	
Other operating expenses		
Tax on property transfers to REIT	- 24	
Additional consulting expenses (post-merger, value-based management, REIT-IPO, IT-projects)	- 19	
Miscellaneous provisions	- 14	
	- 52	One-offs EBIT
Financial result		
Reversal of provisions for future closure of caverns	+ 21	One-offs financial result
Income taxes		
Deferred taxes REIT	- 19	
German corporate tax reform	+ 71	
Tax audit impacts	- 6	
	+ 46	One-offs taxes
Total one-off effects on net profit	+ 15	

EBIT More Than Doubled

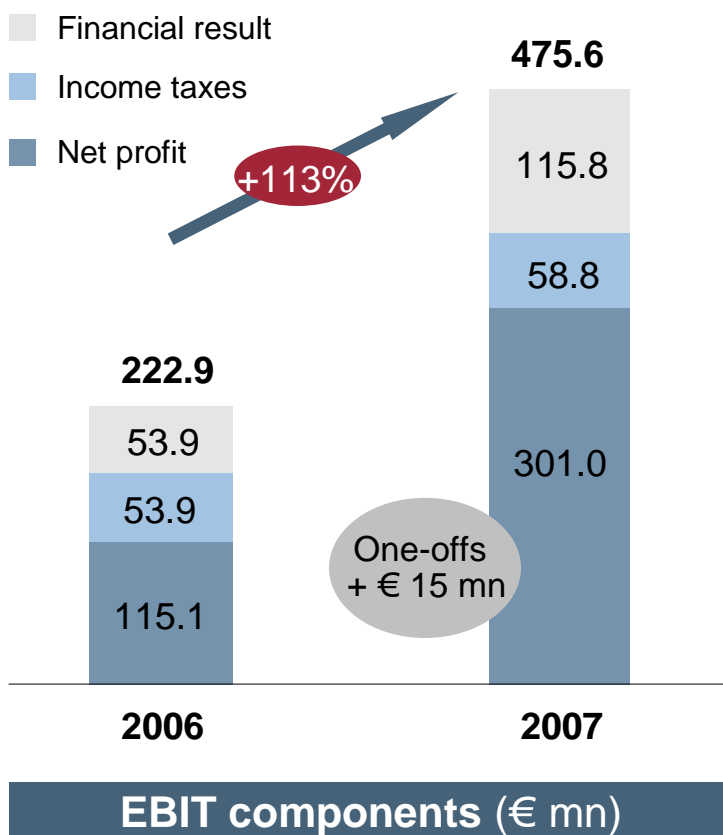


- **Total operating performance** significantly increased to € 1,187.5 mn (+79%)
 - Primarily due to market value changes and disposal gains
 - Increase in net rents, own work capitalised in project developments, increase in placed equity
- **Expenses** increased substantially
 - Higher volume of project developments (cost of materials)
 - One-off effects on other operating expenses
- Contributions of all **business divisions***:

▪ Investment:	€ 244.8 mn	+ 6%
▪ Funds:	€ 81.0 mn	+ 87%
▪ Development:	€ 80.5 mn	> 100%
▪ Caverns:	€ 124.0 mn	> 100%

* Corporate Functions and non-core business: - € 54.7 mn

Record Performance in 2007



- **EBIT** up by € 252.7 mn to € 475.6 mn
- **Financial result** down by - € 61.9 mn (-115%)
 - Higher interest expenses due to additional investment volume of € 2.5 bn in portfolio acquisitions
- **Income taxes**
 - Tax rate: 16.3% (2006: 31.9%)
 - Cash tax rate: 10.8% (2006: 12.1%)
 - Deferred taxes decreased significantly due to corporate tax reform 2008
- **Net profit** € 301.0 mn (+162%)
- **One-off effects on Net Profit** + € 15 mn (net)

Net Asset Value +23%

€ mn	GAV	Liabilities	Debt ratio	NAV	NAV p/s in €
Investment	5,253	3,716	71%	1,537	13.25
Funds	1,468	927	63%	541	4.66
Development	1,165	699	60%	466	4.02
Caverns	1,465	670	46%	795	6.85
Others	96	67	70%	29	0.25
Total	9,447	6,079	64%	3,368	29.03

NAV 2006
per share
€ 23.56

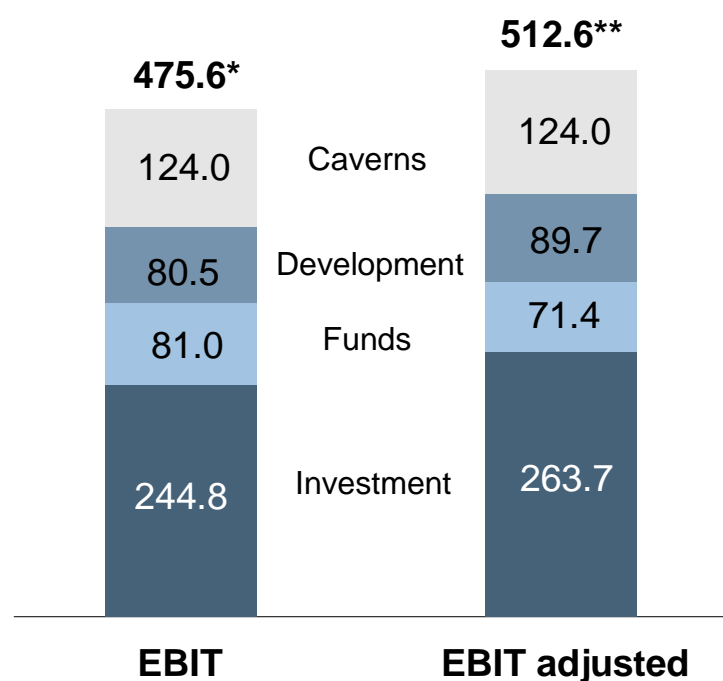
All Divisions Exceeded WACC

in %	Investment	Funds	Development	Caverns	IVG
Cost of equity (after taxes)	5.9	8.6	14.6	7.5	7.2
Cost of debt (after taxes)	3.4	3.4	4.3	3.4	3.5
WACC (before taxes)	6.0	7.5	10.0	5.5	6.5
ROIC	6.7	11.8	13.2	19.7	8.5
Value added (€ mn)	25.9	26.2	21.6	89.3	120.6

Relevered beta	0.4	1.1	2.5	0.8	0.7
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■ Risk-free rate 4.1% ■ Market risk premium 4.2% ■ Tax rate 25%

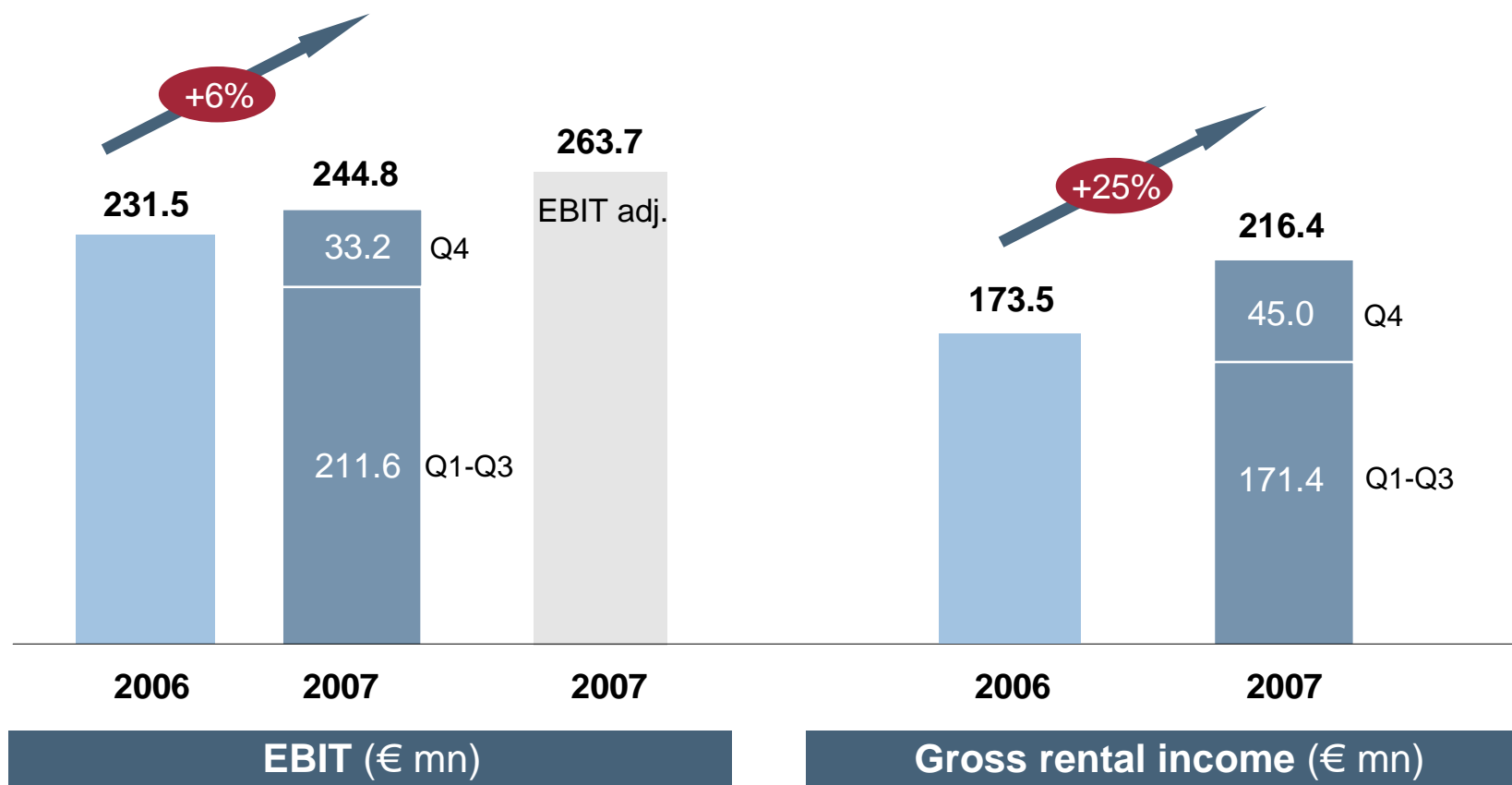
Value-Based Management Needs EBIT Adjustment



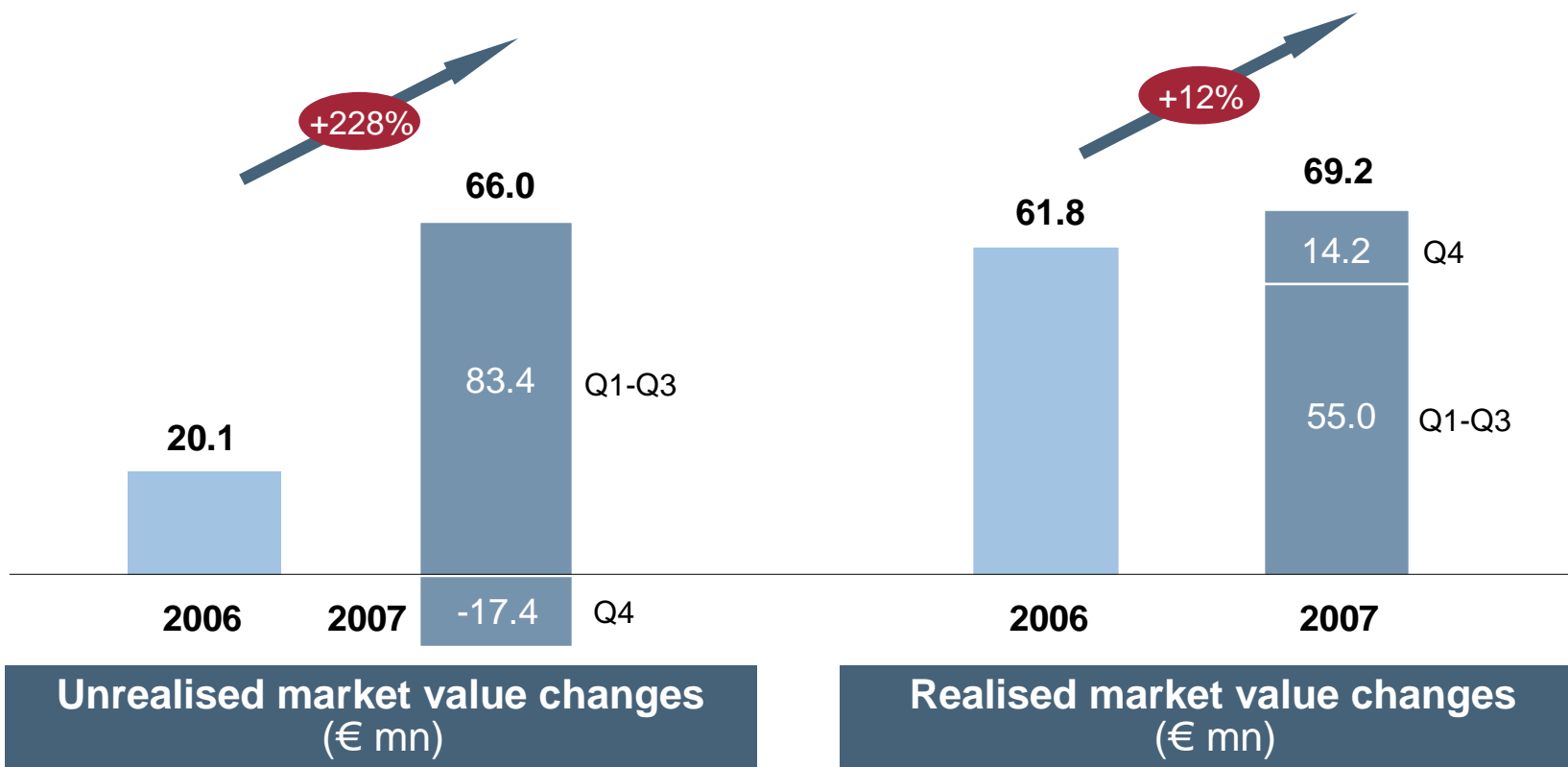
From EBIT to EBIT adj. (€ mn)

- Investment: + € 18.9 mn**
 Primarily due to reversal of provisions for property transfer tax REIT-IPO
- Funds: - € 9.6 mn**
 Adjustments of earnings due to deconsolidation of "The Gherkin"
- Development: + € 9.2 mn**
 Mainly interest income from partner loans in a joint venture
- Caverns: € 0 mn**
 Adjustments for finance leases and internal charging compensating each other
- Total EBIT adjusted by + € 37 mn**

IVG Investment – 2007 Performance



IVG Investment – 2007 Performance



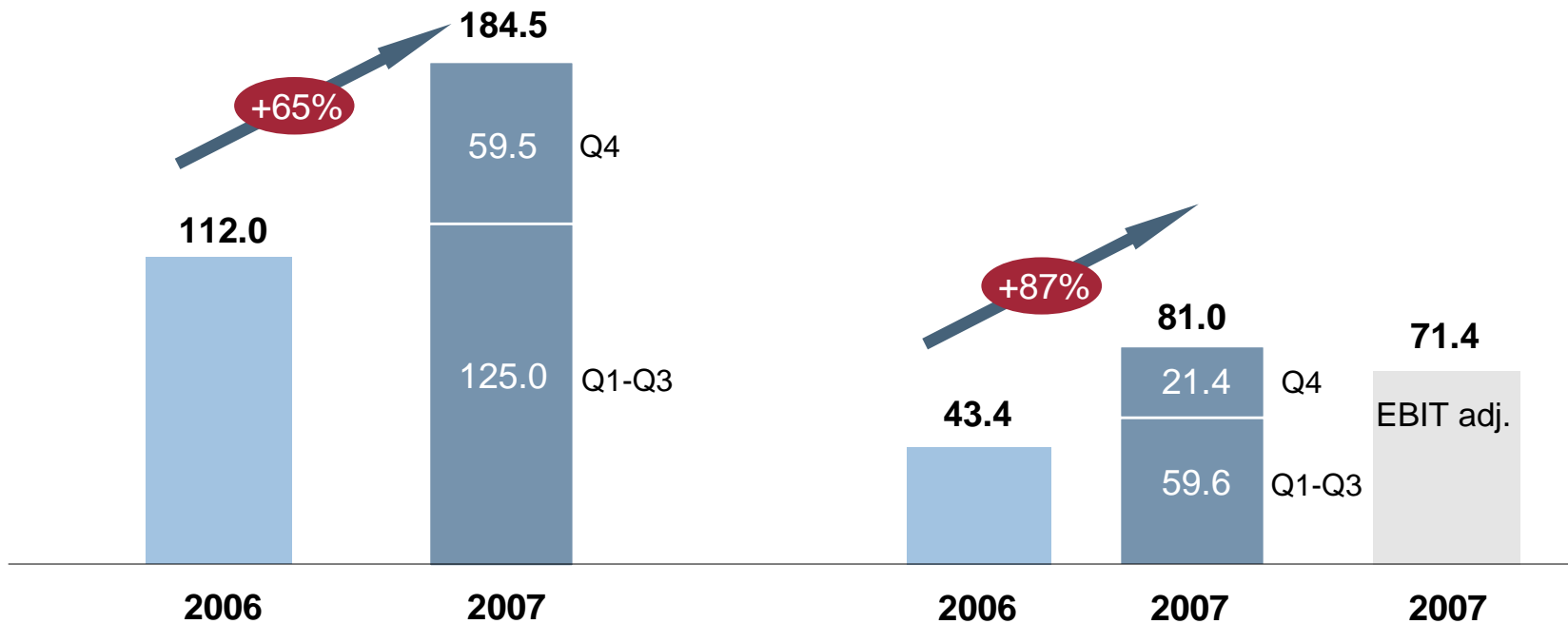
IVG Investment – Returns

Country	Rental yield	NOI yield	Yield on market value changes	Total Return
Germany	5.4%	4.3%	-0.4%	3.8%
France	3.9%	3.8%	14.4%	18.2%
Benelux	6.0%	4.2%	0.5%	4.7%
UK	5.2%	5.0%	2.8%	7.8%
Finland	9.5%	6.4%	9.8%	16.2%
Others*	6.1%	3.8%	12.6%	16.4%
Total	5.5%	4.4%	3.0%	7.4%

Strong growth leads to a slightly negative change in market value in Germany (- 0.4% or - € 10 mn)

- Gross value increases by € 109 mn
- Purchase of properties leads to negative value adjustments, amounting to the transaction costs and the costs of resale assumed in the valuation reports on the next valuation date even if market values remain unchanged (IAS 40 fair value):
 - - € 95 mn transaction costs
 - - € 24 mn costs of resale assumed in valuation reports

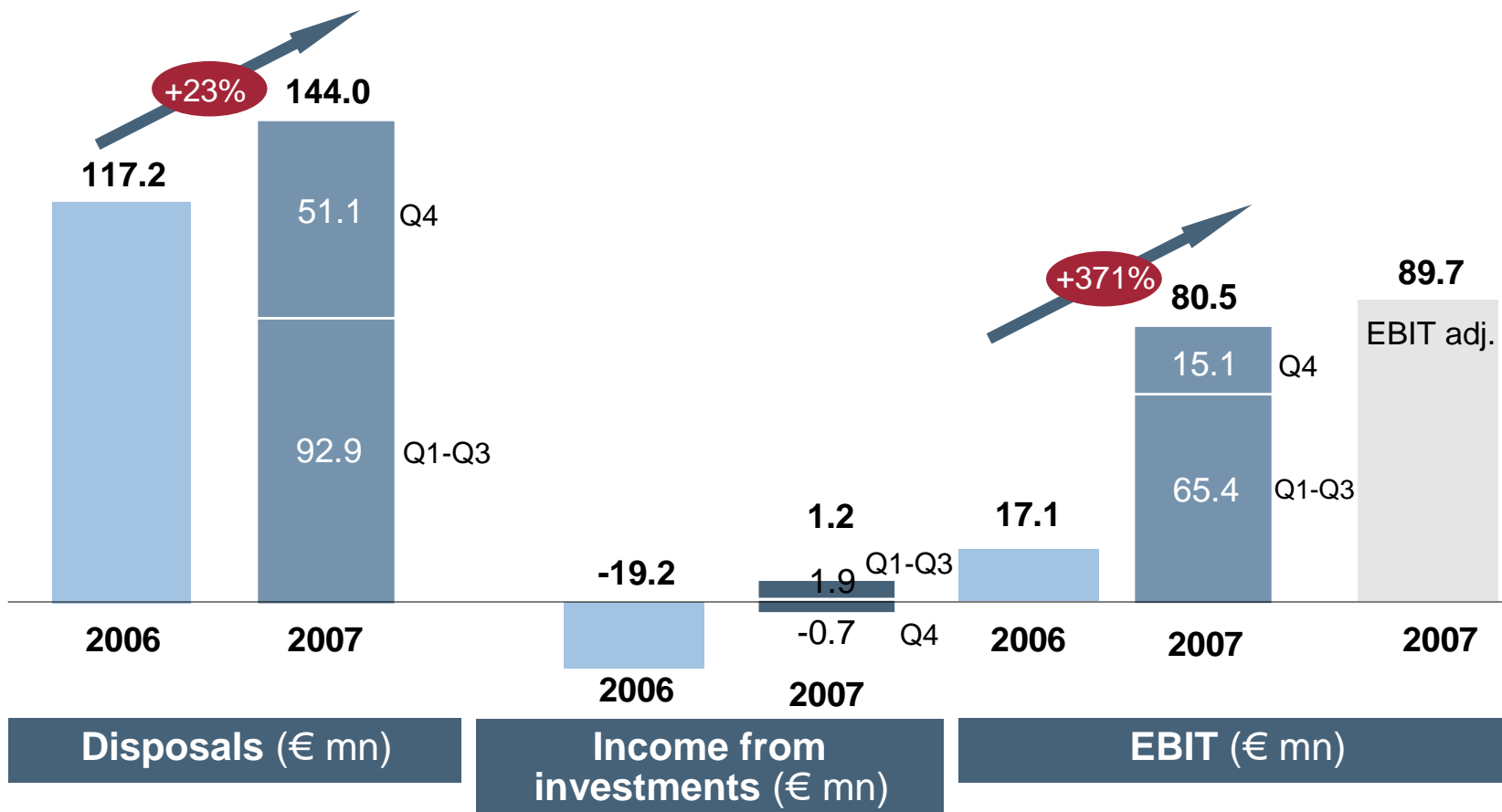
IVG Funds – 2007 Performance



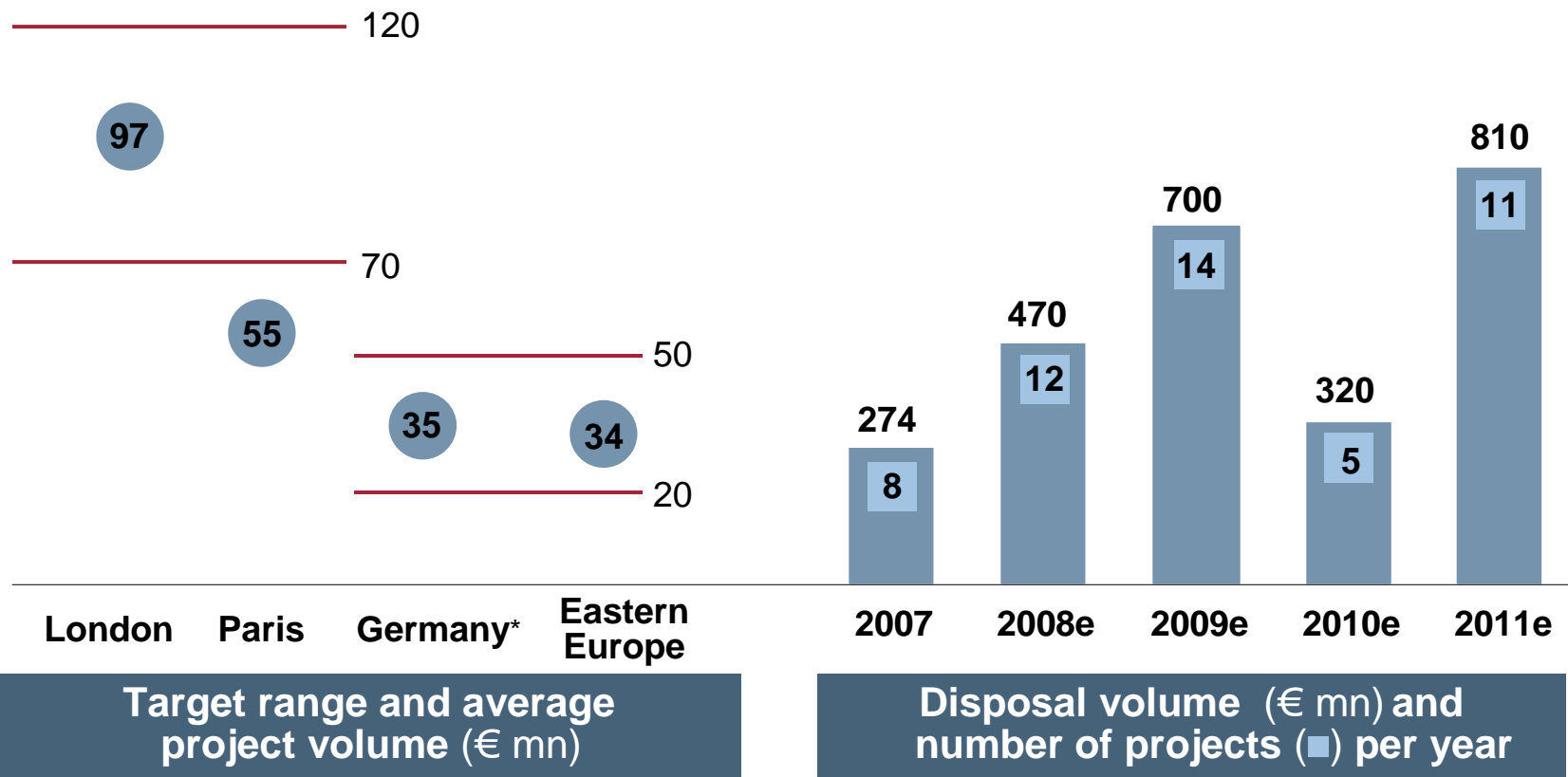
Total operating performance (€ mn)

EBIT (€ mn)

IVG Development – 2007 Performance

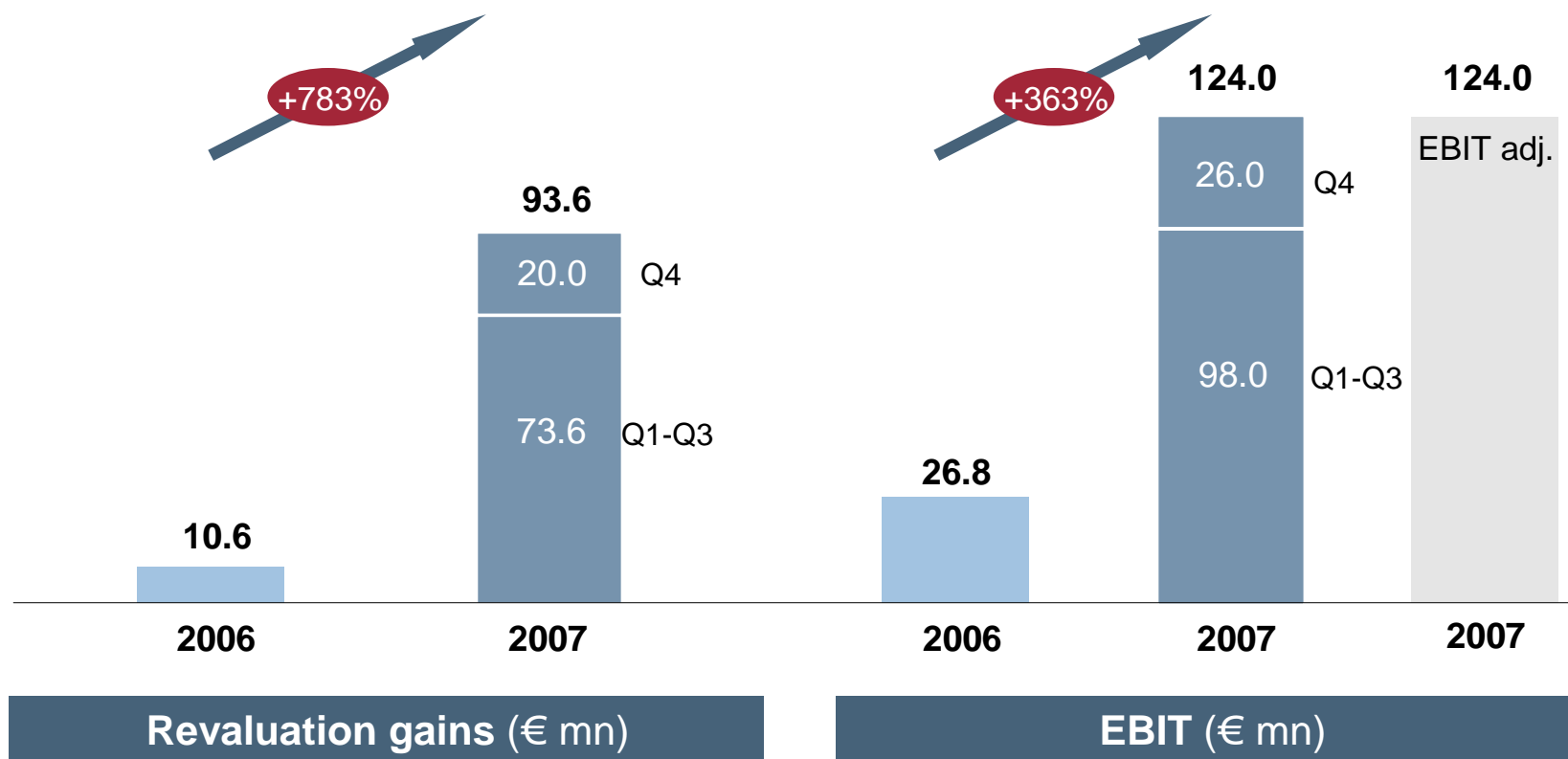


IVG Development – Portfolio Structure



* excl. AIRRAIL

IVG Caverns – 2007 Performance



Important Finance Events 2007

- **Corporate Financing**

Syndicated loan (margin 50-60 bps)	€ 1.3 bn	
New bilateral credit lines	€ 0.3 bn	
Hybrid bond increased by	€ 0.2 bn	
Convertible bond	€ 0.4 bn	€ 2.2 bn

- **Non-Recourse Financing**

Investment (Core)	€ 1.2 bn	
Funds (e.g. The Gherkin)	€ 1.8 bn	
Development (e.g. AIRRAIL)	€ 0.7 bn	€ 3.7 bn

- **Total Financing**

€ 5.9 bn



IVG has a solid capital market standing

Solid Financing – Current Status

- **Attractive cost of debt finance**

Average interest rate 5.06% (as of 03/14/2008) / 5.11% (as of 12/31/2007)

- **Long-term maturities profile**

37% of all financial liabilities with maturity over 5 years (as of 12/31/2007)

- **Constant use of CP programme**

CP lines drawn in 2007 with average margin of 40 bps (2008: 42 bps)

As of 03/14/2008, usage of € 359.7 mn (€ 90.6 mn above 12/31/2007)

- **Free credit lines allow IVG to respond flexibly**

Undrawn credit lines as of 03/14/2008: € 1.3 bn

Finance 2008 – Liquidity Secured

▪ Undrawn credit lines as of 12/31/2007:	€ 2.0 bn
<hr/>	
New credit lines until 03/14/2008:	+ € 0.6 bn
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Expiring credit lines until 03/14/2008:	- € 0.3 bn
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New drawings (net) until 03/14/2008:	- € 1.0 bn (e.g. Core)
<hr/>	
▪ Undrawn credit lines as of 03/14/2008:	= € 1.3 bn

⇒ **End of 2008, free credit lines of more than € 1 bn expected**

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Outlook 2008

Macroeconomic developments

- Despite subprime crisis, OECD expects moderate economic growth in Europe (+1.9%) and in Germany (+1.8%)

Rental Market

- Researchers expect continuing growth of European office property market and rising demand for additional office space
 - Germany: slower decrease of vacancies but rising rents in premium segments
 - London: uncertainty in financial sector; rental markets cooling down
 - Paris: stable rental market

Investment Market

- Subprime crisis will continue to impact European investment market
 - Germany: slow-down of investment activities and slightly rising initial yields
 - London: strong impact of subprime crisis with dynamic downward trend
 - Paris: moderate slow-down due to restrictive allocation of credits

Conclusion

- Financial market turbulences have a strong impact on IVG's performance
- A reliable outlook on financial results is therefore not possible

Outlook 2008

Investment



- Moderate growth
(€ 1 bn signed in 2007, completion in 2008)
- Strong increase in net rents
- Improvement in operational performance
- REIT IPO will depend on capital market environment
- No gains from realised and unrealised valuation changes
- EBIT adj. significantly lower than in previous year

Funds



- Stabilisation of market leadership
- Further increase in equity placed for private investors
- Expansion of assets under management
- Growth due to
 - new products (e.g. Asian certificate fund)
 - new regions (Luxembourg, Milan)
- EBIT adj. at previous year's level expected
(excl. rents and revaluation gains)

Outlook 2008

Development



- Stabilisation of position in target markets
- Sale of 12 projects with total volume of € 470 mn
- First project already sold: Global Gate Dusseldorf, project volume of € 37 mn, investor yield 5.8%
- Selective value-based acquisitions
- Stabilisation of recurrent earnings
- EBIT adj. at previous year's level expected

Caverns



- Acceleration of construction work
(11 caverns in leaching process in Q1 2008)
- Further rental contracts and options for new caverns
- Establishment of fair value for caverns in the market place

IVG Caverns – Strategic Analysis

- High degree of uncertainty about caverns valuation

- Caverns business is development business for IVG

Assumptions:

- 40 caverns have already been let to tenants
 - ⇒ Ready for sale!
- 26 pre-let caverns are under construction
 - ⇒ Right timing for forward sale?
- 64 development caverns in pipeline (31 options, 33 building permits)
 - ⇒ Right timing for forward sale?

- **How can value creation be maximised?**

IVG Caverns – Strategic Options

- Option 1: Monetise 40 existing caverns
 - Sale or placement in IVG fund
 - Development and sale of further caverns in the future

- Option 2: Sale of 40 existing caverns and 26 development caverns under construction
 - Sale or placement in IVG fund
 - IVG realising upside potential of development caverns

- Option 3: Sale of entire IVG Caverns division
 - Full concentration on real estate

IVG Caverns – Next Steps

- Market value to be determined in structured sales process
- All strategic options will be considered:
IVG fund / partial sale / full sale
- Investment bank already mandated
- Way forward will depend on:
 - Attractiveness of offers
 - In particular: to what degree upside potential of development caverns can be realised
- Process to be finished in second half of 2008

Outlook 2008

IVG Immobilien AG

IVG Investment



IVG Funds



IVG Development



IVG Caverns



- Earnings from operations expected to surpass 2007
- 2007 disposal and revaluation gains will not recur in 2008
- Overall, 2008 net profit is expected to be significantly lower than “record performance” 2007



Outlook does not reflect potential effects of monetisation of caverns

Thank you very much for your attention!



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Annex

Changes in Accounting Principles

IAS 40: Fair Value Calculation for Investment Properties

- According to IAS 40 (Investment Property) property held as a financial investment is valued at cost upon acquisition
- Changes of market value directly affect the income statement
- Since the fair value method has now been established in the capital markets as the best practice for the valuation of investment properties, IVG changed to the fair value method on 01/01/2007

Changes in Accounting Principles

IAS 19: Employee Benefits

- Starting with the consolidated financial statements as of 12/31/2007, IVG no longer recognises actuarial profits and losses under the corridor method; instead, IVG recognises them directly against equity in the current period

IAS 23: Capitalisation of Borrowing Costs

- As from 01/01/2007 IVG capitalizes “Borrowing Costs” that arise directly in relation to the purchase, construction or production of qualifying assets

Changes in Accounting Principles

€ mn	01/01/2006 - 12/31/2006 before adjustments	Amendment IAS 19	Amendment IAS 40 and others	01/01/2006 - 12/31/2006 after adjustments
Profit and Loss Statement (selected items only)				
Unrealised changes in market value of Investment Properties	0.0		27.2	27.2
Realised changes in market value of Investment Properties	225.9		-121.3	104.6
Other operating income	99.7		-4.6	95.1
Total operating performance	760.8	0.0	-97.0	663.8
Personnel expenses	159.0	1.0		160.0
Depreciation and amortisation of intangible assets, property, plant and equipment and Investment Properties	74.2		-66.6	7.6
Net profit before taxes	193.8	0.3	-25.1	169.0
Income taxes	44.6	0.1	9.2	53.9
Consolidated net profit	149.2	0.2	-34.3	115.1
Share of net profit attributable to Group shareholders	139.6	0.2	-36.9	102.9
Undiluted earnings per share in €	1.20	0.00	-0.31	0.89
Diluted earnings per share in €	1.20	0.00	-0.31	0.89

Changes in Accounting Principles

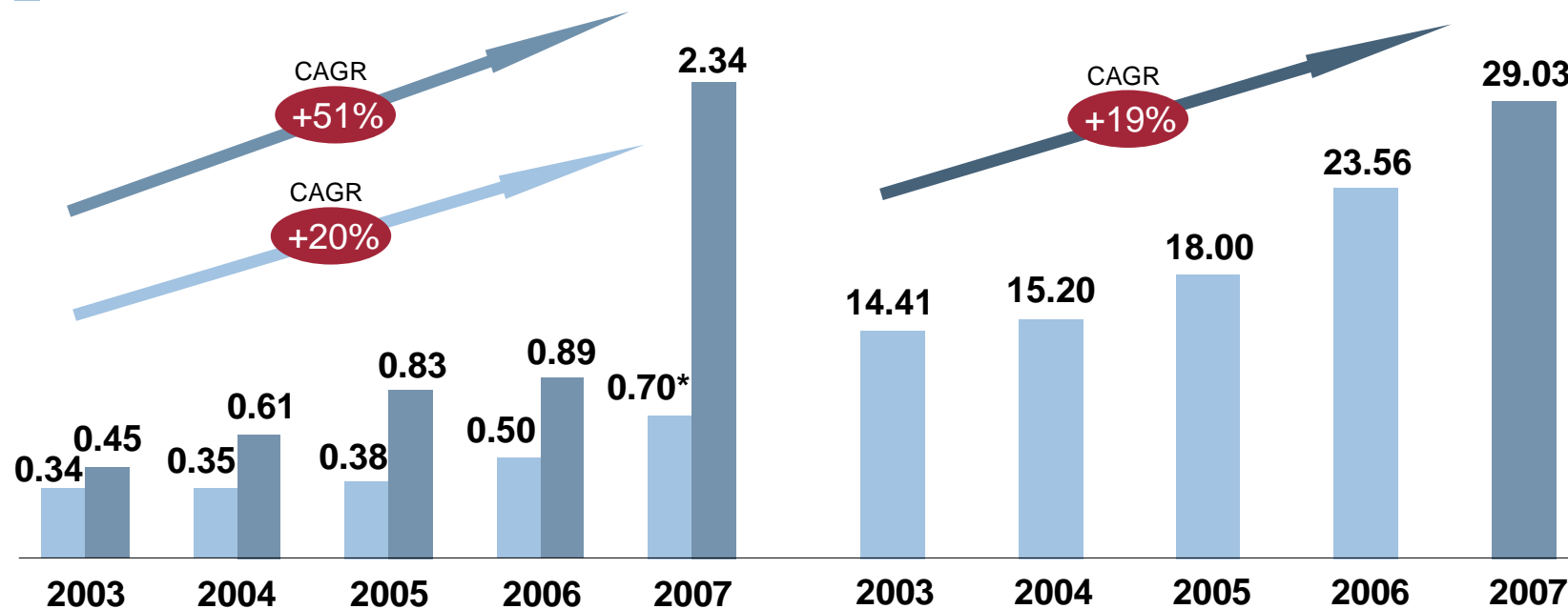
€ mn	12/31/2006 before adjustments	Amendment IAS 19	Amendment IAS 40 and others	12/31/2006 after adjustments
Balance sheet (selected items only)				
Non-current assets				
Investment Properties	2,199.7	0	578.7	2,778.4
Deferred tax assets	55.6	0	-7.0	48.6
Current assets				
Surplus on plan assets	4.0	-2.8	0	1.2
Non-current assets held for sale	35.5	0	11.2	46.7
Total assets	4,396.8	-2.8	659.7	5,053.7
Balance sheet (selected items only)				
Equity				
Other reserves	4.3	-2.8	-4.2	-2.7
Retained earnings	433.7	0.2	393.0	826.9
Non-current liabilities				
Deferred tax liabilities	167.0	-2.0	205.1	370.1
Pension provisions	10.6	1.8	0	12.4
Total equity and liabilities	4,396.8	-2.8	659.7	5,053.7

Changes in Accounting Principles

€ mn	12/31/2005 before adjustments	Amendment IAS 19	Amendment IAS 40 and others	12/31/2005 after adjustments
Balance sheet (selected items only)				
Non-current assets				
Investment Properties	2,080.8	0	671.3	2,752.1
Deferred tax assets	56.7	0	3.6	60.3
Current assets				
Surplus on plan assets	2.3	-2.3	0	0
Non-current assets held for sale	258.1	0	33.8	291.9
Total assets	3,686.9	-2.3	708.7	4,393.3
Balance sheet (selected items only)				
Equity				
Other reserves	6.4	-3.4	-5.3	-2.3
Retained earnings	360.9	0	423.5	784.4
Non-current liabilities				
Deferred tax liabilities	149.6	-1.4	220.4	368.6
Pension provisions	9.9	2.5	0	12.4
Total equity and liabilities	3,686.9	-2.3	708.7	4,393.3

Track Record

- Earnings
- Dividend



Earnings and dividend
(€ per share)

NAV
(€ per share)

* proposal

Consolidated Income Statement FY 2007

€ mn	2007	2006	Δ in %
Turnover	532.4	446.2	19
Changes in inventories and other own work capitalised	269.7	-9.3	> +100
Unrealised changes in market value of Investment Properties	172.0	27.2	> +100
Realised changes in market value of Investment Properties	137.8	104.6	32
Other operating income	75.6	95.1	-21
Total operating performance	1,187.5	663.8	79
Cost of materials	-378.1	-72.8	> -100
Personnel expenses	-90.7	-160.0	43
Depreciation on intangible assets and property, plant and equipment	-5.7	-7.6	25
Expenses for Investment Properties	-63.9	-57.9	-10
Other operating expenses	-181.1	-129.3	-40
Income from associated companies valued at equity	6.7	-13.1	> +100
Income from investments	0.9	-0.2	> +100
EBIT	475.6	222.9	> +100
Financial income	142.6	80.5	77
Financial expenses	-258.4	-134.4	-92
Profit before tax	359.8	169.0	> +100
Income taxes	-58.8	-53.9	-9
Consolidated net profit	301.0	115.1	> +100
Share of net profit attributable to Group shareholders	271.1	102.9	> +100
Share of net profit attributable to hybrid investors	30.2	10.4	> +100
Share of net profit attributable to minority interests	-0.3	1.8	
Undiluted earnings per share (in €)	2.34	0.89	> +100
Diluted earnings per share (in €)	2.31	0.89	> +100

Explanations on Income Statement

- Turnover: higher gross rents due to acquired portfolios, higher commissions from funds distribution, increased settled project development volume
- Realised/unrealised changes of market value of investment properties: sale of Caxton Hall, revaluation gains from six converted gas caverns, disposal of “Parc Avenue”
- Changes in inventories/cost of materials: increase due to large development volumes
- Personnel expenses: lower expenses for retirement pension (previous year: one-off effect of € 62 mn for the cancellation of the federal pension scheme - VBL)
- Expenses from investment properties: increased due to acquisition in accordance with higher net rental income
- Other operating expenses: one-off effects: tax on property transfers to IVG Office REIT, additional consulting expenses
- Financial result: increase due to financing of growth
- Tax: decrease of effective tax rate due to corporate tax reform in 2008 and “Parc Avenue” share deal

Market Value Changes by Quarter

	Q4 2007	Q1-Q3 2007
Investment	-17.4	83.4
Funds	8.0	1.8
Development	2.3	0.3
Caverns	20.0	73.6
Total	12.9	159.1

Unrealised market value changes
(€ mn)

	Q4 2007	Q1-Q3 2007
Investment	14.2	55.0
Funds	0.4	0.9
Development	-1.0	68.4
Caverns	-	-
Total	13.6	124.3

Realised market value changes
(€ mn)

Other Operating Expenses

€ mn	2007	2006	Δ in %
Auditing, legal and consultancy fees	39.8	23.8	67
Levies/fees/banking charges/early redemption penalties/charitable donations	10.9	11.4	-4
Purchased external services	13.0	10.4	25
Impairment on receivables	6.0	10.0	-40
Data processing	12.8	9.9	29
Rents/ground rents/leasing expense	6.8	8.7	-22
Communication and marketing	9.6	8.1	19
Losses on disposals of non-current assets	0.1	5.5	-98
Service/maintenance	6.1	5.3	15
Travel expenses and ancillary staff costs	6.6	4.8	38
Office, postal and telephone expenses	2.4	2.0	20
Insurance premiums	1.7	1.3	31
Demolition obligations	4.0	0.0	
Other taxes	26.6	1.1	>100
Other expenses	34.7	27.0	29
	181.1	129.3	40

From EBIT to EBIT adjusted

In determining value contributions on the basis of EBIT, it is necessary to make only a few adjustments since EBIT calculated in accordance with IFRS does not take account of business activities relevant to profit or loss: this applies to both income and expenses items. In connection with the business activities of the four divisions, the following primary adjustments are made, either adding to or subtracting from EBIT:

- Components of the finance lease, which are recognised as net financial income under IFRS
- Income from joint ventures earned from interest on shareholder loans, which are recognised in net financial income under IFRS
- Inclusion of tax advantages for profits of share deals
- Inclusion of relevant expense items, which are recognised as net financial income under IFRS, unlike the effects of deconsolidation, which are recognised as operating income under IFRS
- Adjustments of Corporate Functions which are not included in EBIT, but which are accounted for as expenses in the determination of ROIC in the various divisions and evened out at Group level

IVG Investment

€ mn	2007	2006	Δ in %
Net rental income	216.4	173.5	25
Income from incidental rental expenses	30.9	26.4	17
Realised changes in market value of Investment Properties	69.2	61.8	12
Unrealised changes in market value of Investment Properties	66.0	20.1	> +100
Other operating income	31.4	67.8	-54
Total operating performance	413.9	349.6	18
Expenses Investment Properties	-55.9	-49.0	-14
Cost of materials	-19.0	-1.5	> -100
Personnel expenses	-11.9	-14.6	18
Depreciation	-0.4	-0.8	52
Other operating expenses	-84.8	-53.5	-59
Income from investments	2.9	1.3	> +100
Adjustments	18.9	n/a	
EBIT adjusted	263.7	231.5	14
Average tied-up capital	3,963.1		
WACC	6.0%		
ROIC	6.7%		
Value contribution	25.9		

IVG Investment – Explanations

- Net rental income significantly higher due to the acquisition of new properties/portfolios
- Realised market value changes (€ 69 mn) primarily due to sales outside of Germany; in addition, unrealized market value changes contribute € 66 mn to profit
- High cost of materials mainly due to write-downs on inventories (properties)
- Other operating expenses include € 28 mn due to “one-off effects” like:
 - Tax on property transfers to REIT
 - Provisions for demolition
- ROIC of 6.7% leads to a value contribution of € 25.9 mn

IVG Investment – Acquisitions and Disposals in 2007

City	Property/Portfolio	Purchase price (€ mn)	City	Property/Portfolio	Purchase price (€ mn)
var.	Allegro (25 properties)	505.1	Paris	Park Avenue	164.5
var.	Nautilus (4 properties)	188.5	Milan	IVG Portfolio	41.2
var.	Sun (7 properties)	122.3	Paris	Serbie	19.7
Munich	St. Martinstr. 76	112.9	Lisbon	Sony Centre	19.4
var.	Pegasus (25 properties)	495.0	Hamburg	Habichtstr. 41	12.4
var.	Core (1st part: 2 properties)	410.7	Lisbon	Omni	18.8
Paris	Galilée Vélizy	116.0	Amsterdam	Van Gaalenstraat	18.0
var.	div. properties below €100m	549.8	div.	div. smaller properties	46.8
Total on balance sheet in 2007		2,500.3	Total on balance sheet in 2007		340.8

Acquisitions

Disposals

IVG Investment – Like-for-Like Market Values

€ mn	2007
Berlin	18.5
Dusseldorf	1.7
Frankfurt	7.8
Hamburg	10.8
Munich	2.2
Brussels	-0.2
Helsinki	19.4
Iberia	0.3
London	9.0
Milan	0.3
Paris	40.6
Total	110.4

IVG Funds

€ mn	2007	2006	Δ in %
Revenues from design, sales and acquisitions	75.7	38.9	95
Revenues from funds and property management	76.8	71.9	7
Unrealised changes in market value of Investment Properties	9.7	-6.9	> +100
Realised changes in market value of Investment Properties	1.3	0.0	
Other operating income	21.0	8.1	> +100
Total operating performance	184.5	112.0	65
Expenses Investment Properties	-2.3	-0.9	> -100
Cost of materials	-40.1	-16.0	> -100
Personnel expenses	-27.2	-29.3	7
Depreciation	-1.4	-1.5	7
Other operating expenses	-36.0	-25.7	-40
Income from investments	3.4	4.6	-26
Adjustments	-9.6	n/a	
EBIT adjusted	71.4	43.4	65
Average tied-up capital	602.9		
WACC	7.5%		
ROIC	11.8%		
Value contribution	26.2		

IVG Funds – Explanations

- Revenues:
 - Increase in equity placed by IVG Private Funds from € 252 mn to € 427 mn;
 - Increase in acquisition volume generated by IVG Institutional Funds from € 658 mn to € 1.040 mn
- Other operating income mainly affected by the sale of a property in Switzerland and the deconsolidation of “The Gherkin”
- Increase in cost of materials and other operating expenses in line with higher transaction volume and higher placed equity for private funds
- ROIC of 11.8% leads to a value contribution of € 26.2 mn

IVG Funds – Fee Structures

- Private:
 - Upfront fee: 5-7% of equity
 - Funds management fee: 0.15% of GAV
 - Asset management fee: 1-2% of rents
 - Performance fee: e.g. 10% of exit > 110% equity

- Institutional:
 - Funds management fee: 0.3-0.6% of GAV
 - Acquisition/disposal fee: 0.5-1.5% of price
 - Asset management fee: 3-4% of rents
 - Performance fee: e.g. 10% of profit > IRR hurdle

Attractive combination of recurrent income (funds and asset management, 48% of total operating performance) and one-time income (upfront, acquisition, performance fees, 46% of total operating performance)

IVG Funds – New Fund: „IVG Balanced Portfolio Asia“



Rating: A - Very Good
 Strong economic growth in Asia
 Attractive, realistic yield expectations



Premium product with first-class partner quality and unique selling points



- Innovative certificate funds concept
- Above average diversified participation portfolio of five institutional target funds
- Complementary fund strategies
- Mix of mature and emerging countries
- Mix of global and local partners
- Concrete project pipelines with currently 48 properties of all kinds of usage
- 30% of targeted funds volume has been called by target funds - no blind-pool investment

IVG Development

€ mn	2007	2006	Δ in %
Project sales	144.0	117.1	23
- Revenues from project sales	62.9	72.4	-13
- Realised changes in market value of Investment Properties	67.3	42.9	57
- Book gains	13.8	1.8	> +100
Unrealised changes in market value of Investment Properties	2.7	3.4	-20
Changes in inventories	269.1	-10.7	> +100
Other operating income	14.2	15.6	-9
Total operating performance	429.9	125.4	> +100
Expenses Investment Properties	-1.2	-1.4	14
Cost of materials	-317.2	-53.5	> -100
Personnel expenses	-8.6	-7.9	-9
Depreciation	-0.7	-2.0	65
Other operating expenses	-22.9	-24.3	6
Income from investments	1.2	-19.2	> +100
Adjustments	9.2	n/a	
EBIT adjusted	89.7	17.1	> +100
Average tied-up capital	680.4		
WACC	10.0%		
ROIC	13.2%		
Value contribution	21.6		

IVG Development – Explanations

- Project sales:
 - Sales revenues: Infopark Bld. D in Budapest and project developments in Dusseldorf and Hamburg
 - Realized market value changes are mainly driven by the sale of Caxton Hall in London and 20% of “Parc Avenue” in Paris
- The increase in cost of materials and the change in inventories reflect the growth of the project pipeline
- Adjustments significantly affected by the accrued interest from a joint venture
- ROIC of 13.2% leads to a value contribution of € 21.6 mn

IVG Caverns

€ mn	2007	2006	Δ in %
Net rental income	42.1	38.1	11
Other revenues	7.0	6.3	11
Unrealised changes in market values of Investment Properties	93.6	10.6	> +100
Other operating income	2.1	0.5	> +100
Total operating performance	144.8	55.5	> +100
Expenses Investment Properties	-4.7	-6.6	29
Cost of materials	-1.7	-1.0	-70
Personnel expenses	-4.2	-4.5	7
Depreciation	-1.2	-0.9	-33
Other operating expenses	-9.0	-15.8	43
Adjustments	0.0	n/a	
EBIT adjusted	124.0	26.8	> +100
Average tied-up capital	630.9		
WACC	5.5%		
ROIC	19.7%		
Value contribution	89.3		

IVG Caverns – Explanations

- Increase in rental income and higher realised market value changes due to the beginning of rental payments for six converted caverns
- Decline in expenses for investment properties, mainly due to lower maintenance and repair costs
- The decrease of other operating expenses is due to one-off effects in 2006
- ROIC of 19.7% leads to a value contribution of € 89.3 mn

IVG Corporate Functions

€ mn	2007	2006	Δ in %
Total operating performance	21.1	32.2	-35
Personnel expenses	-28.8	-98.2	71
Other operating expenses	-55.2	-34.6	-60
EBIT	-63.0	-100.5	37
Adjustments	18.5	n/a	n/a
EBIT adjusted	-44.5	n/a	n/a

IVG Corporate Functions – Overhead Costs

€ mn	Corporate functions	Investment	Funds	Development	Caverns
External cost charging	21.1				
EBIT	-63.0	244.8	81.0	80.5	124.0
Internal cost charging	18.5	-7.0	-1.5	-6.9	-3.1
Overhead costs	-44.5				

- IVG charges overhead costs according to an activity based charging model
- € 44.5 mn not chargeable to business divisions, thereof
 - € 28.4 mn remaining group costs (e.g. Board of Management, Controlling, IR)
 - € 9.3 mn related to projects
 - € 6.8 mn related to special themes

Balance Sheet – Assets

€ mn	12/31/2007	12/31/2006	Δ in %
Investment Properties	5,361.8	2,778.4	93
Other non-current assets	1,169.9	1,110.4	5
Non-current assets	6,531.7	3,888.8	68
Inventories	966.0	325.3	> 100
Other current assets	252.0	243.9	3
Cash and cash equivalents	105.7	549.0	- 81
Assets held for sale	385.6	46.7	> 100
Current assets	1,709.3	1,164.9	47
Total assets	8,241.0	5,053.7	63

Balance Sheet – Liabilities and Equity

€ mn	12/31/2007	12/31/2006	Δ in %
Equity	2,117.1	1,603.6	32
Non-current financial liabilities	3,496.7	1,786.4	96
Other non-current liabilities	535.8	568.9	-6
Non-current liabilities	4,032.5	2,355.3	71
Current financial liabilities	1,292.5	725.8	78
Other current liabilities	438.3	367.7	19
Liabilities in connection with assets held for sale	360.6	1.3	>100
Current liabilities	2,091.4	1,094.8	91
Total liabilities and equity	8,241.0	5,053.7	63

Explanations on Balance Sheet

- Investment Properties: increase due to acquisitions of portfolios as well as revaluation gains
- Inventories: mainly acquisition of Maciachini office property (Milan) for the funds business and Asnières project development (Paris)
- Cash and cash equivalents: decrease due to payment of acquired portfolios
- Non-current assets held for sale: properties for sale in 2008 (The Square, Luxembourg)
- Equity: higher due to increase in hybrid bond, equity portion of convertible bond and net profit
- Financial liabilities: increase due to financing of growth including liability portion of convertible bond

Segment Reporting FY 2007

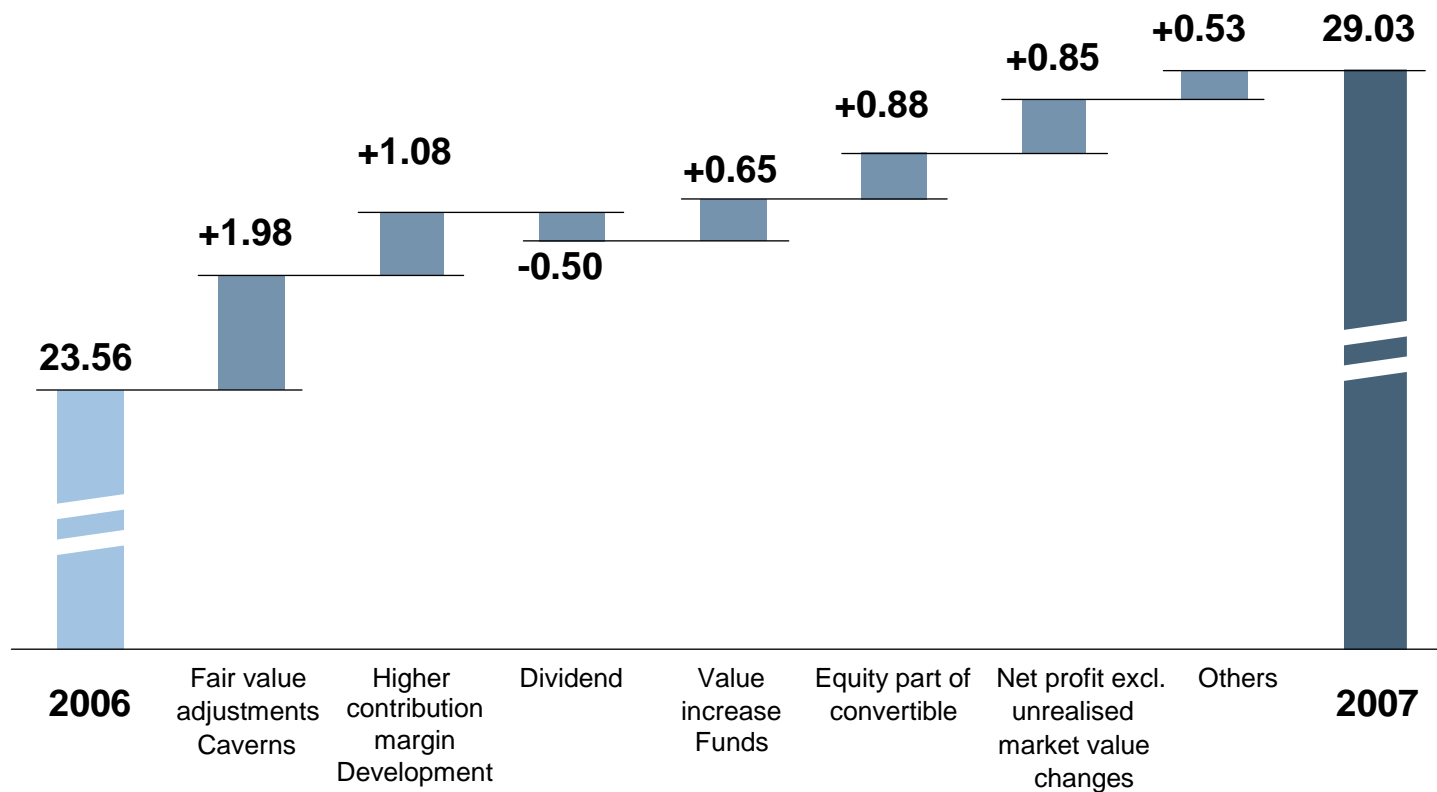
€ mn	Investment	Funds	Development	Caverns	Non-Core Business	Corporate Functions	Consolidation	IVG
Inter-segment revenues	0.8	5.6	1.3	0.0	0.0	0.2	-7.9	0.0
External revenues	253.0	147.4	69.9	49.1	13.0	0.0	0.0	532.4
Changes in inventories and other own work capitalised	-1.0	0.0	269.1	1.6	0.0	0.0	0.0	269.7
Unrealised changes in market value of investment properties	66.0	9.7	2.7	93.6	0.0	0.0	0.0	172.0
Total operating performance	413.9	184.5	429.9	144.8	18.8	21.1	-25.5	1,187.5
Operating profit	244.8	81.0	80.5	124.0	8.3	-63.0	0.0	475.6
Depreciation	0.4	1.4	0.7	1.2	1.5	0.5	0.0	5.7
(of which non-scheduled)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Appreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of profit and loss of associated companies	3.8	1.7	1.2	0.0	0.0	0.0	0.0	6.7
Other income from investments	-0.9	1.8	0.0	0.0	0.0	0.0	0.0	0.9
Segment assets at carrying amounts	5,141.4	1,050.8	775.6	667.2	0.0	50.7	0.0	7,685.7
(of which shares in associated companies)	(0.0)	(27.0)	(44.3)	(0.4)	(0.0)	(0.0)	(0.0)	(71.7)
Segment liabilities	135.8	422.3	66.5	30.8	11.1	158.2	0.0	824.7
Investments	2,380.5	5.1	57.9	144.7	5.6	0.3	0.0	2,594.1

Explanations on Net Asset Value

€ mn	Investment	Funds	Development	Caverns	Others	Total
Properties	5,149	150				5,300
Goodwill		459				459
Discounted contribution margins			303			303
Caverns				1,435		1,435
Non-current assets	15	195	257	3	7	477
Current assets	88	664	605	28	89	1,473
Total assets	5,253	1,468	1,165	1,465	96	9,447
Total borrowings	3,716	927	699	670	67	6,079
NAV	1,537	541	466	795	29	3,368

Explanations on Net Asset Value

in €



Disclaimer

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Should one or more of these risks or uncertainties materialise 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.

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