

Morgan Stanley German Property Day  
IVG Immobilien AG  
Dr Wolfhard Lechnitz, CEO

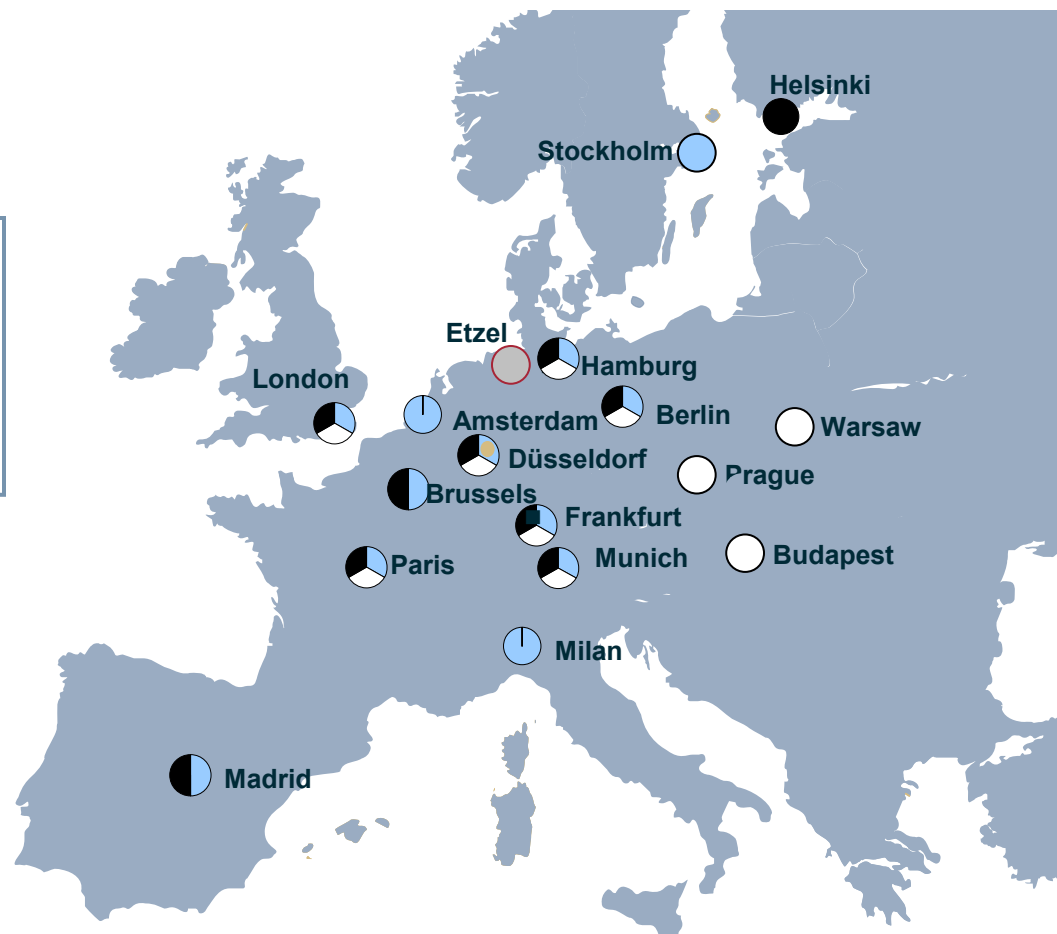
London, 15<sup>th</sup> January 2008



## Assets Under Management > €19bn – Geographical Split

IVG as a European investment manager is represented in all attractive markets in Europe – Funds division is also conducting business in the US and Asia.

●	Investment:	€ 4.4 bn
○	Development:	€ 0.8 bn
●	Funds:	€ 13.3 bn
●	Caverns:	€ 1.3 bn



## Four Business Divisions

### Investment

- Purchase, optimisation and sale of office properties located mainly in Germany, France and UK
- Market value: €4.4bn

### Funds

- Conception, marketing und management of real estate funds for private and institutional investors
- Assets under management: €13.3bn

### Development

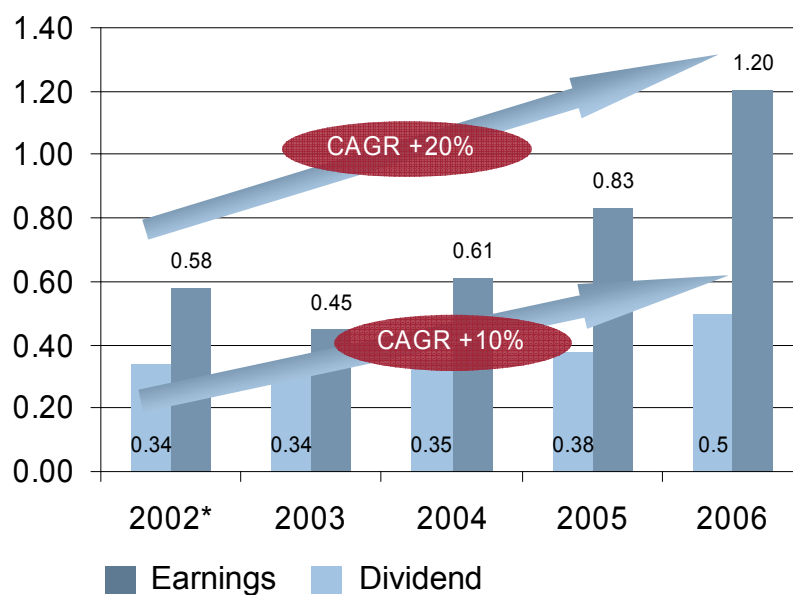
- Development and sale of office properties in European growth centres
- Invested capital: €0.8bn

### Caverns

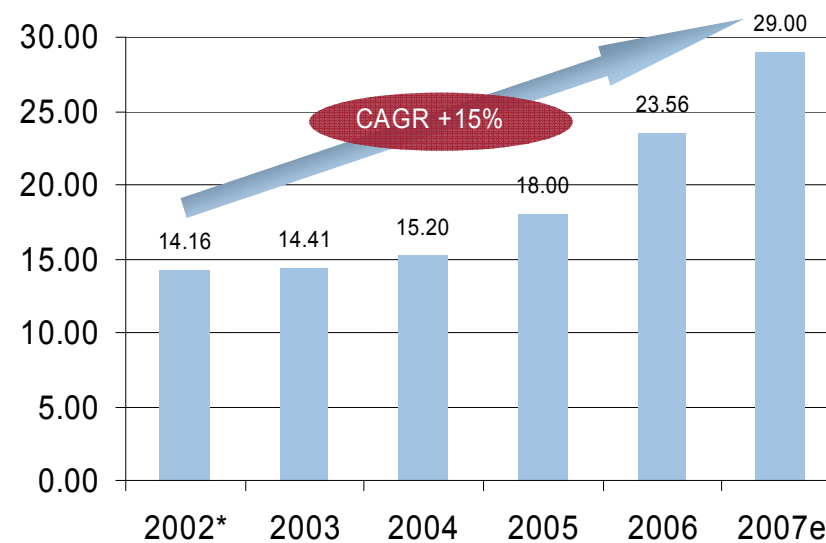
- Development and letting of underground gas and oil storage facilities
- Market value: €1.3bn

# A Strong Track Record

Earnings and Dividend per share in Euro

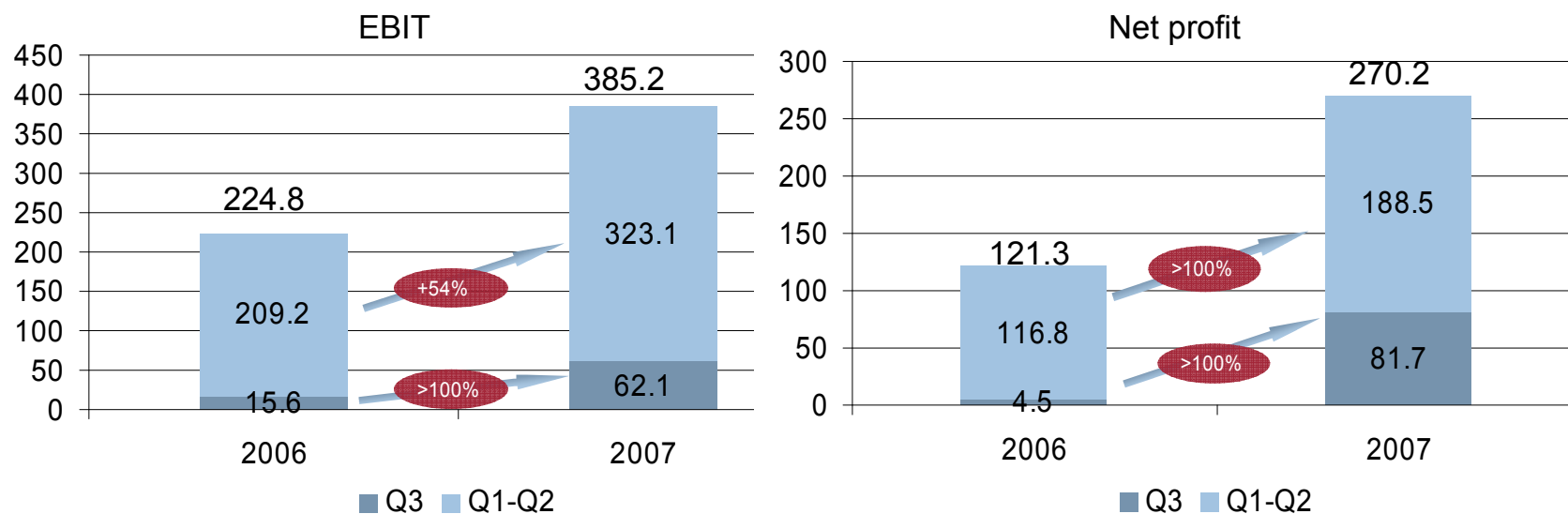


NAV per share



\* according to local GAAP

## Nine Months Ended 2007: Key Figures

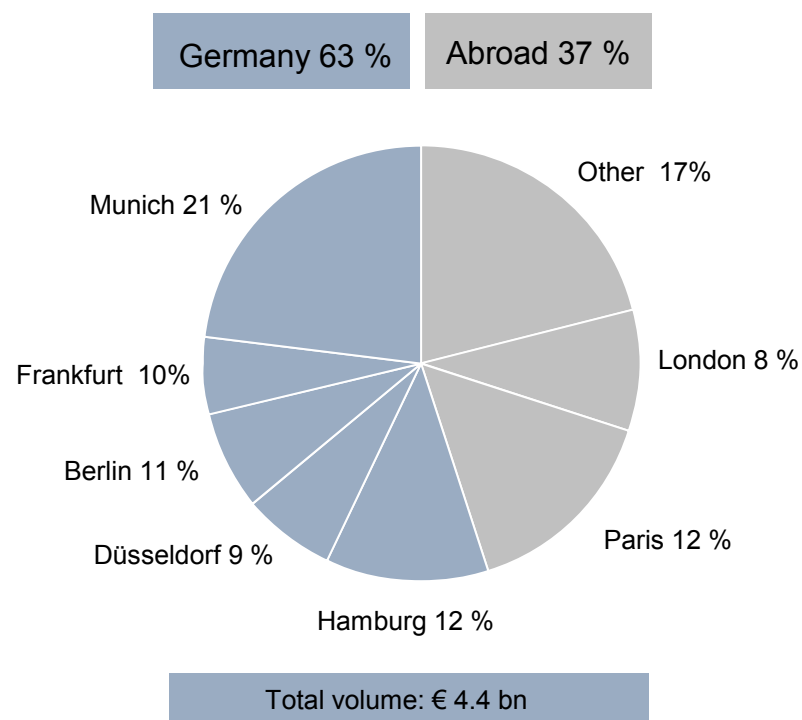


- One-off effects of - €50m before taxes for nine months, - €34m in Q3

## IVG Investment – Strategy

- Concentration on office properties
- Focussing on top 6 locations in Germany and selected locations in Europe
- Acquisition of properties mainly in large portfolios
- Portfolio with well-balanced risk/return profile: core investments, value added and opportunistic investments
- Disposal of all properties which do not fit to core business

Market values by region



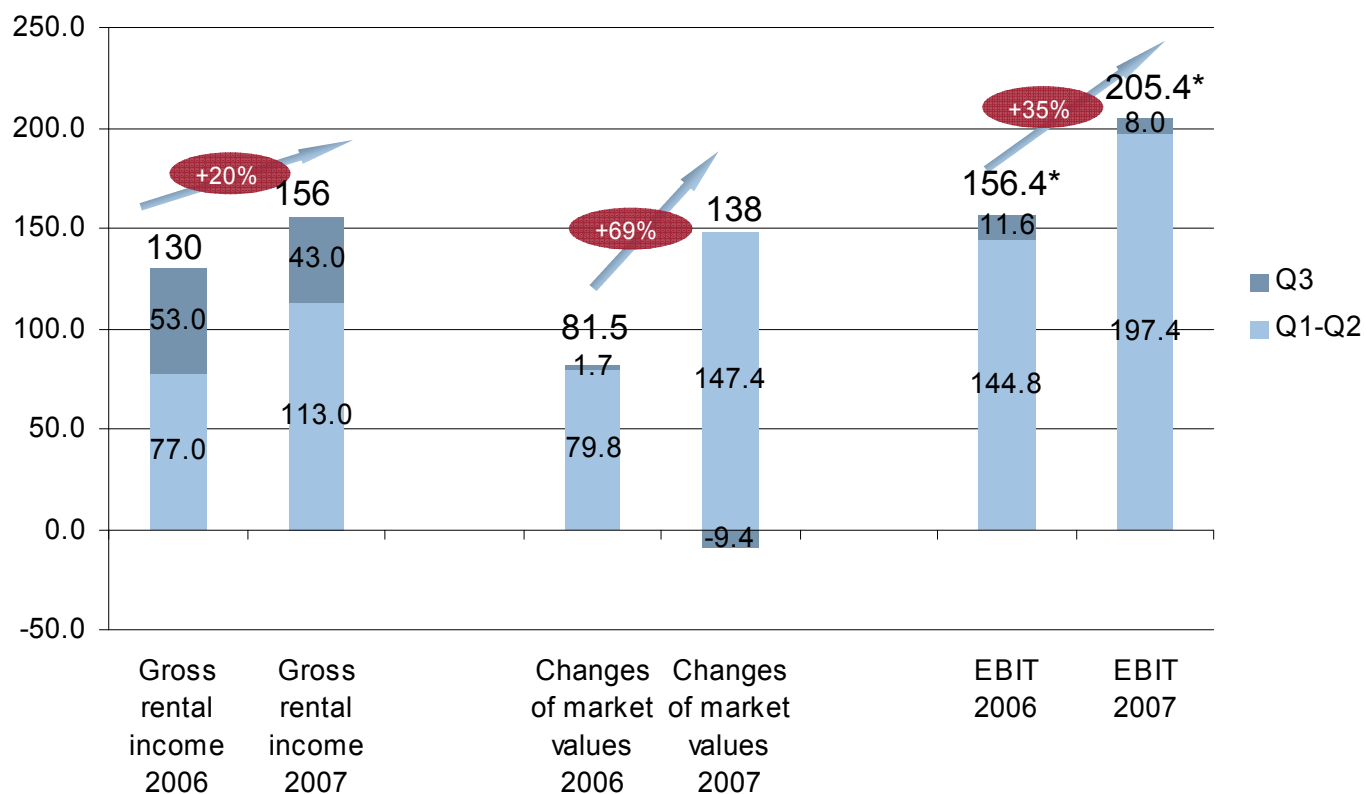
as of 09/30/2007  
(excluding € 1.5 bn Alster and Core portfolio, effective in 2nd half 2007 and early 2008)

## IVG Investment – Highlights Nine Month Ended 30 Sept 2007

- Portfolio significantly increased in 2007
- Acquired portfolios - all located in Germany
  - “Allegro“: € 505 m (Düsseldorf, Hamburg, Munich and Frankfurt)
  - “Nautilus II“: € 189 m (Munich, Düsseldorf and Stuttgart)
  - “Channel“: € 98 m (Hamburg)
  - “Pegasus“: € 495 m (Berlin, Düsseldorf, Hamburg and Frankfurt)
  - “Alster“: € 209 m (Hamburg, Munich)
  - “Core“: € 1,300 m (Munich, Hamburg, Frankfurt, Stuttgart)
- NOI yield 4.8% as of 09/30/2007
- Total return 8.4% as of 09/30/2007
- > € 700 m disposals of non-strategic assets under preparation



## IVG Investment – Results Nine Month Ended 30 Sept 2007



- One-off effects of - €20m before taxes in Q3: provisions for property transfer taxes in connection with the IVG Office REIT

\* 2007 after overhead cost charging, 2006 without overhead cost charging

# IVG Funds – Strategy

Two-pillar-strategy: Private and institutional investors

## IVG Private Funds (i.e. EuroSelect)

- Significant growth in placed equity
- 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



## IVG Institutional Funds (former OIK)

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

## IVG Funds – Highlights Nine Month Ended 30 Sept 2007

### IVG Private Funds (i.e. EuroSelect)

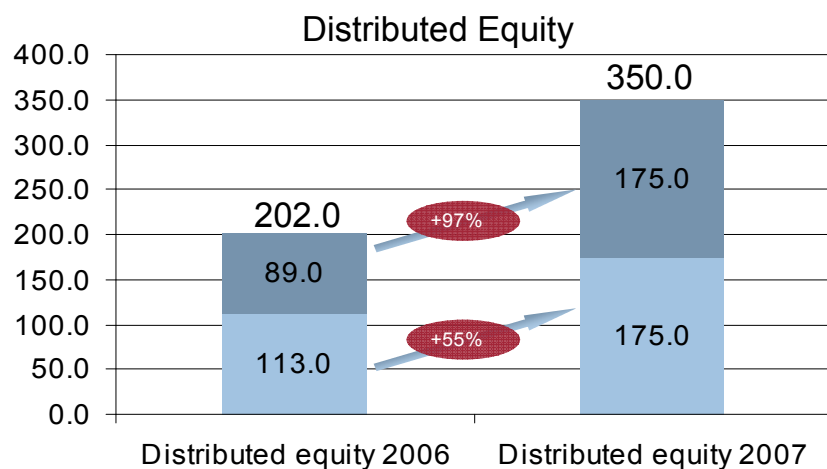
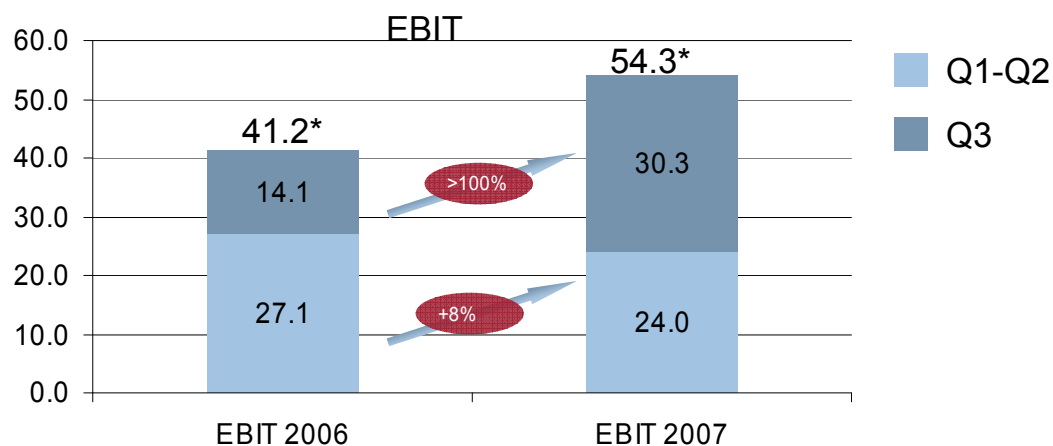
- Acquisition of 50% of “The Gherkin”
- Placement of € 350 m equity in 2007 as of 30 Sept/full year 2006: € 252 m
  - EuroSelect Balanced Portfolio UK (funds of funds investing in funds with UK properties - fund volume: € 160 m)
  - IVG Italy Office Fund (10 Italian properties - fund volume: € 24 m)
  - EuroSelect 14 “The Gherkin” ( € 240 m equity)
- Placement of > € 400 m equity expected for 2007



### IVG Institutional Funds (former OIK)

- Increase of stake in OIK to 94%
- Change of name to IVG Institutional Funds
- Acquisitions > € 1 bn expected
- Increase of Assets under Management to € 10.2 bn
- New funds in preparation
- Additional direct mandates gained
- Further growing demand for institutional funds

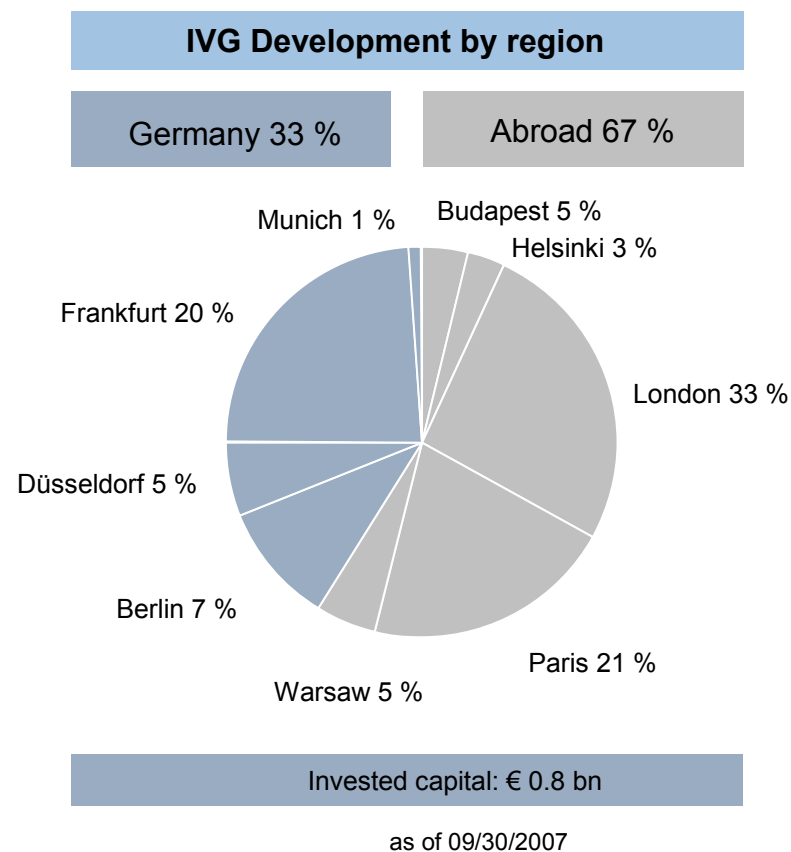
# IVG Funds – Results Nine Month Ended 30 Sept 2007



\* 2007 after overhead cost charging, 2006 without overhead cost charging

## IVG Development – Strategy

- Concentration on office property projects with the objective of stabilization of earnings and risk diversification
- Focus on top 5 locations in Germany and in London, Paris, Budapest, Prague and Warsaw
- Opportunistic acquisition of projects in other locations
- Aiming at settled volume of € 500 m to € 600 m in the medium-term
- Establish division Development as IVG brand
- More „non recourse“ financing



## IVG Development – Highlights Nine Month Ended 30 Sept 2007

- Building up of new development structure in plan
- Construction of AIRRAIL Centre Frankfurt - one of the biggest projects in Europe - has started
- Construction of Caxton Hall in London (Victoria) finished - project (5,300 m<sup>2</sup>) fully let – sold in June 2007 at a profit of € 57 m
- Infopark Budapest Building D sold – pre-letting 80% – construction will be finished in autumn
- New lettings in 14 Cornhill (London) – pre-letting 70%
- New lettings in Cap Sud (Paris) – pre-letting 67%
- New projects in Paris (Asnières), Glasgow (Cowcaddens), Munich (Landsberger Strasse, Knorr Bremse), Prague

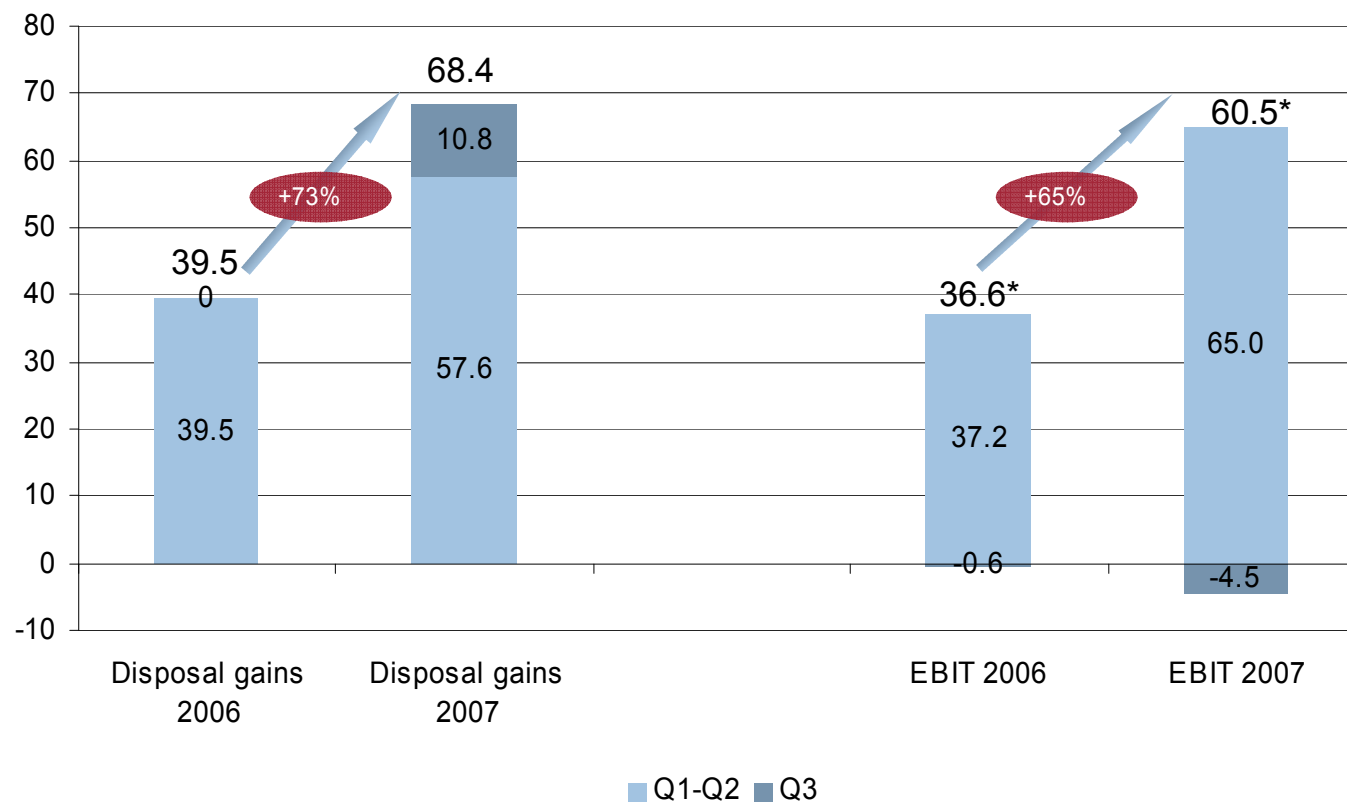


Infopark Budapest Building D



Caxton Hall

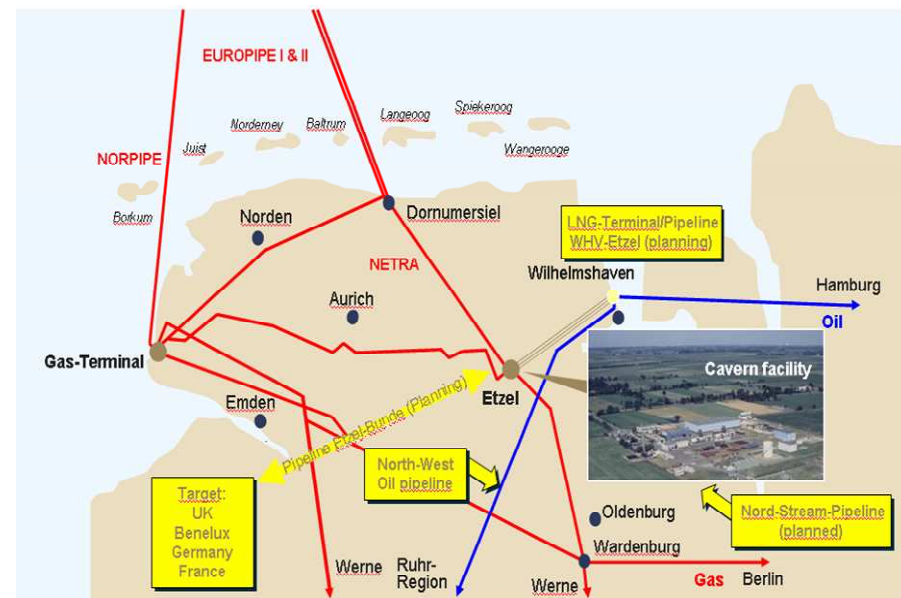
# IVG Development – Results Nine Month Ended 30 Sept 2007



\* 2007 after overhead cost charging, 2006 without overhead cost charging

## IVG Caverns – Strategy

- Growing demand for oil and gas storage capacities
- Expansion of the Etzel facilities from 40 caverns to 130 caverns in the next 10 years
- Long-term rent contracts with reliable tenants lead to recurring and sustainable cash flow and enables cheap financing
- Expansion of connection to the Northern European pipeline network



## IVG Caverns – Highlights Nine Month Ended 30 Sept 2007

### Existing stock (40 caverns)

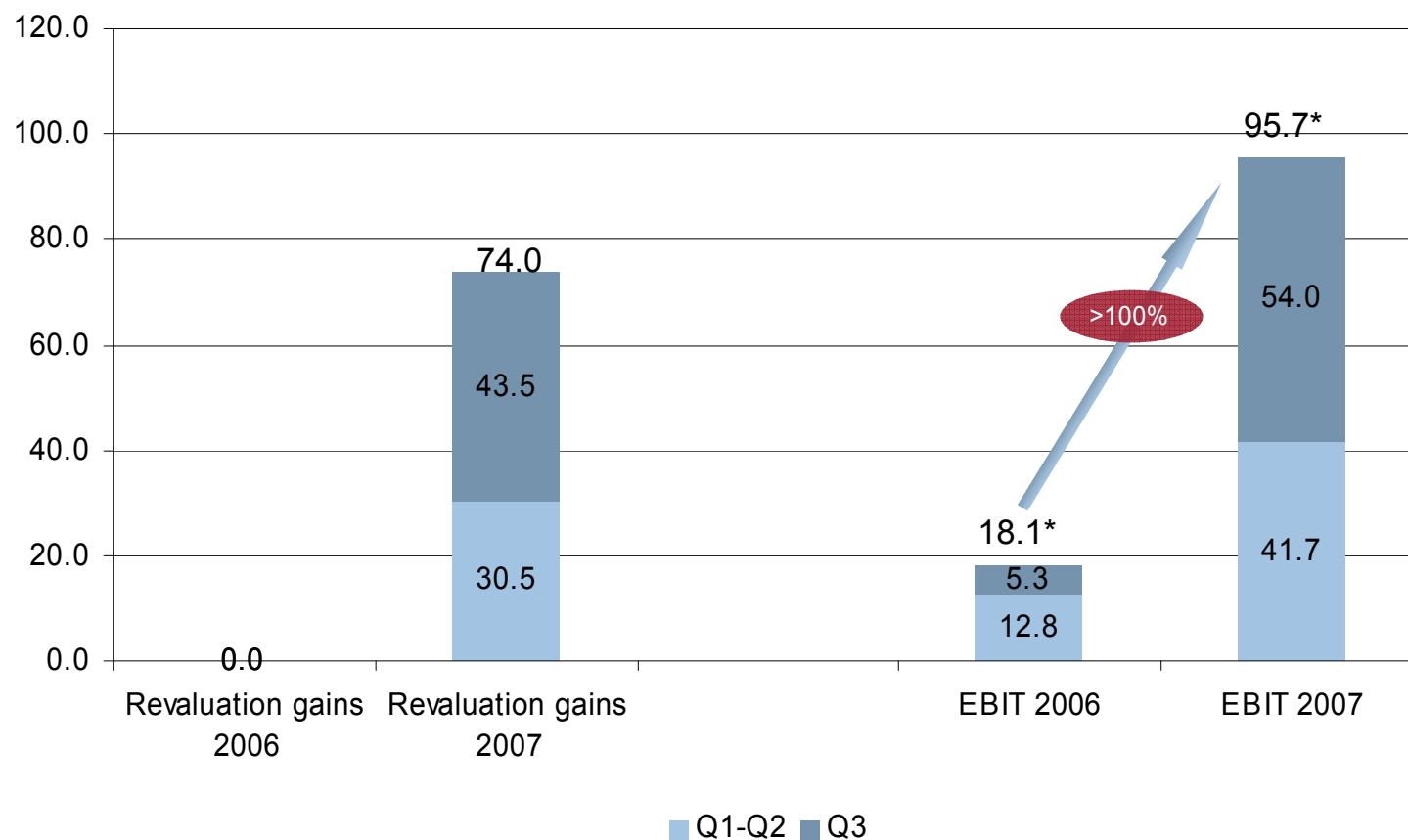
- Project to convert 11 oil into gas caverns:
- Rent commencement for 2 converted caverns in Q2 2007
- 4 converted caverns will be handed over to client in 2<sup>nd</sup> half of the year

### Development potential (90 caverns)

- Development potential increased from 65 to 90 caverns
- Currently 20 new caverns under construction
- 2006 4 gas caverns (+ 4 options) have been rented to an European utility syndicate and 1 oil cavern to an European government organisation
- 2007 further 6 gas caverns (+6 options) have been rented to BP syndicate
- For further 21 caverns options have been concluded
- Additional leases for high volumes are under negotiation
- Approval procedure for pipeline Etzel-Bunde started

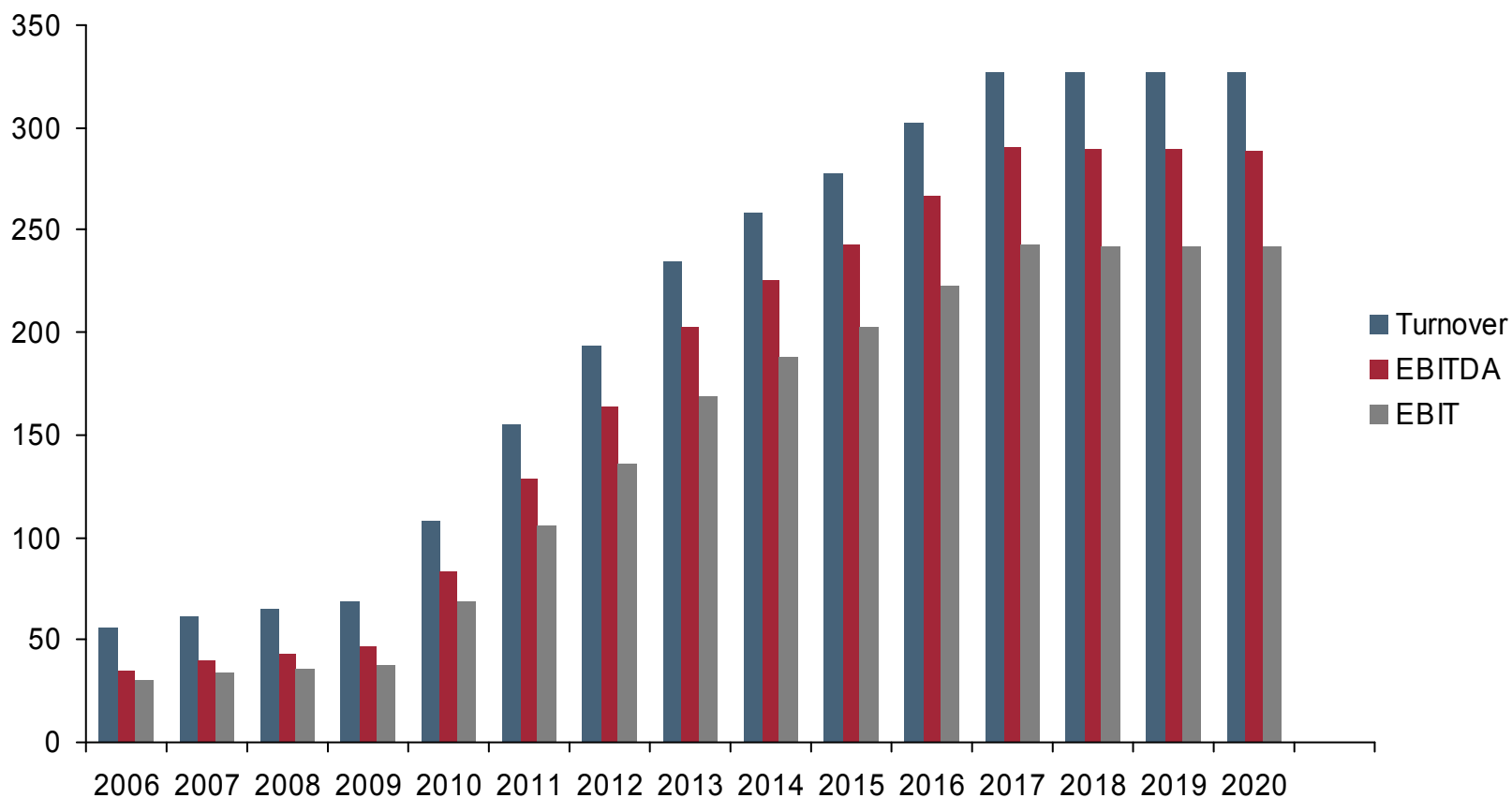


# IVG Caverns – Results Nine Month Ended 30 Sept 2007



\* 2007 after overhead cost charging, 2006 without overhead cost charging

## IVG Caverns – Trigger for further value increases



## IVG Caverns – Net Asset Value Potential

### Valuation caverns business

Value 40 existing caverns	€ 0.7 bn
+ Value 90 development caverns	€ 0.7 bn
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= Total value caverns business	€ 1.4 bn

### Further NAV potential of development caverns business

Value of 90 development caverns after completion:	€ 3.0 bn
- Capex to construct the 90 development caverns:	€ 1.1 bn
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= Total NAV contribution:	€ 1.9 bn
- NAV of 90 development caverns as of 06/30/2007:	€ 0.7 bn
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= Further NAV potential from 90 development caverns:	€ 1.2 bn (~ € 10 per share)

## Outlook Fourth Quarter 2007

- Investment:
  - Further acquisitions of REIT-able properties in Germany already closed
  - IVG office REIT IPO under preparation
  - Sale of non-strategic properties
  
- Funds:
  - Preparation of IVG Balanced Portfolio Asia
  - Preparation of new products for institutional investors
  - Placed Equity will increase to more than € 400 m (2006: € 252 m)
  
- Development:
  - Settlement of disposal “Infopark building D” in Budapest
  - Acquisition of further attractive projects
  
- Caverns:
  - Closing of 15 cavern rental contracts (+10 options), increase of NAV by roughly € 75 m
  - Negotiation of further rental contracts
  - Disposal of tank farm business closed



## Weighted Total Cost of Capital (WACC) as of 12/31/2007

<b>IVG Group:</b>	<b>6.5%</b>
▪ IVG Investment:	6.0%
▪ IVG Funds:	7.5%
▪ IVG Development:	10.0%
▪ IVG Caverns:	5.5%

## Forecasts Full Year 2007

- Net profit after tax before minorities will rise to at least € 290 m (2006: € 110 m)
- NAV will increase to € 29 per share (2006: € 23.56 €)

Thank you very much for your attention!

**ivg**



## 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.

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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