IVG Immobilien AG
FY 2008 press conference

Düsseldorf, 25 March 2009

IVG

Agenda

Introduction - Dr. Gerhard Niesslein

Annual result 2008 - Dr. Bernd Kottmann

Financing - Dr. Wolfgang Schäfers

Business modell realignment - Dr. Gerhard Niesslein

IVG – Recent developments

- **CHANGE IN TOP MANAGEMENT**
  - CEO – Dr. Gerhard Niesslein (since November 1, 2008)
  - CFO – Prof. Dr. Wolfgang Schäfers (since February 1, 2009)

- **CHANGE IN CORPORATE STRATEGY**
  - Short term: Secure liquidity, reduce risk, use synergies
  - Long term: Grow assets under management, recycle balance sheet, focus on recurring income
  - Readjustment of business model already started

- **CHANGE IN FINANCING STRATEGY**
  - Initiation of open and transparent dialogues with financing banks in February 2009
  - Prolongation of €1.3bn debt until end of 2012 successfully achieved

Challenges 2009

Sales Investment (✓)

- **Goal:** Generation of **liquidity** for internal financing
- Results **Q1**: Revenues of approx. **€140mn** through direct sales
- Plan **Q2**: Revenues of approx. **€300mn** through placement of funds
- Overall volume **2009**: approx. **€680mn**

Sales Development & Fonds (×)

- **Goal:** Generierung of **liquidity** for investment in projects
  - Results **Q1**: Revenues of approx. **€30mn**
  - Overall volume **2009**: approx. **€320mn**
- **Additional:** Placement of **various funds with an equity** of approx. **€400mn**

Financing ✓

- **Goal: Prolongation** of bilateral credit lines expiring in 2009/10/11
- **Signing** of term sheets over **€1.3bn** at march 20th 2009
- **Financing secured** head of time

Letting (✓)

- **Goal:** Retain **occupancy rate of approx.** 92% despite of economic downturn
- **Active addressing** of **tenants** („letting offensive“)
- Results **Q1**: new lettings of approx. **35,500 sqm.** (start letting term 2009) and **24,500 sqm.** (start letting term 2010)

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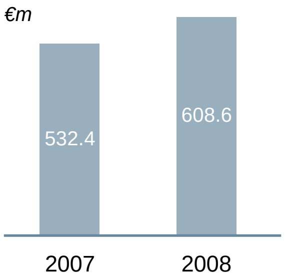
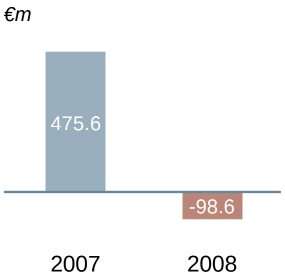
Key financials - overview

Revenues



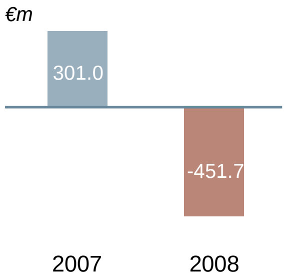
YtY: +€76.2m (+14.3%)

EBIT



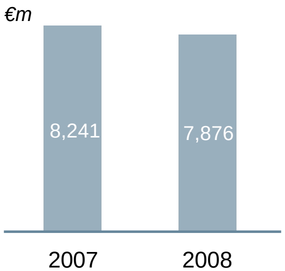
YtY: -€574.2m (>100%)

Net income



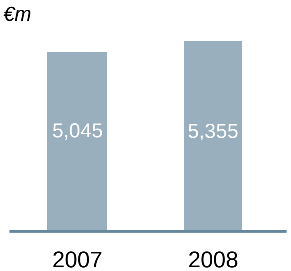
YtY: -€752.7m (>100%)

Total assets



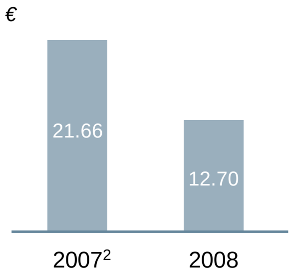
YtY: -€365.5m (-4.4%)

Property portfolio



YtY: +€310.1m (+6.1%)

NAV adj. / share[1]



YtY: -€8.96 (-41.4%)

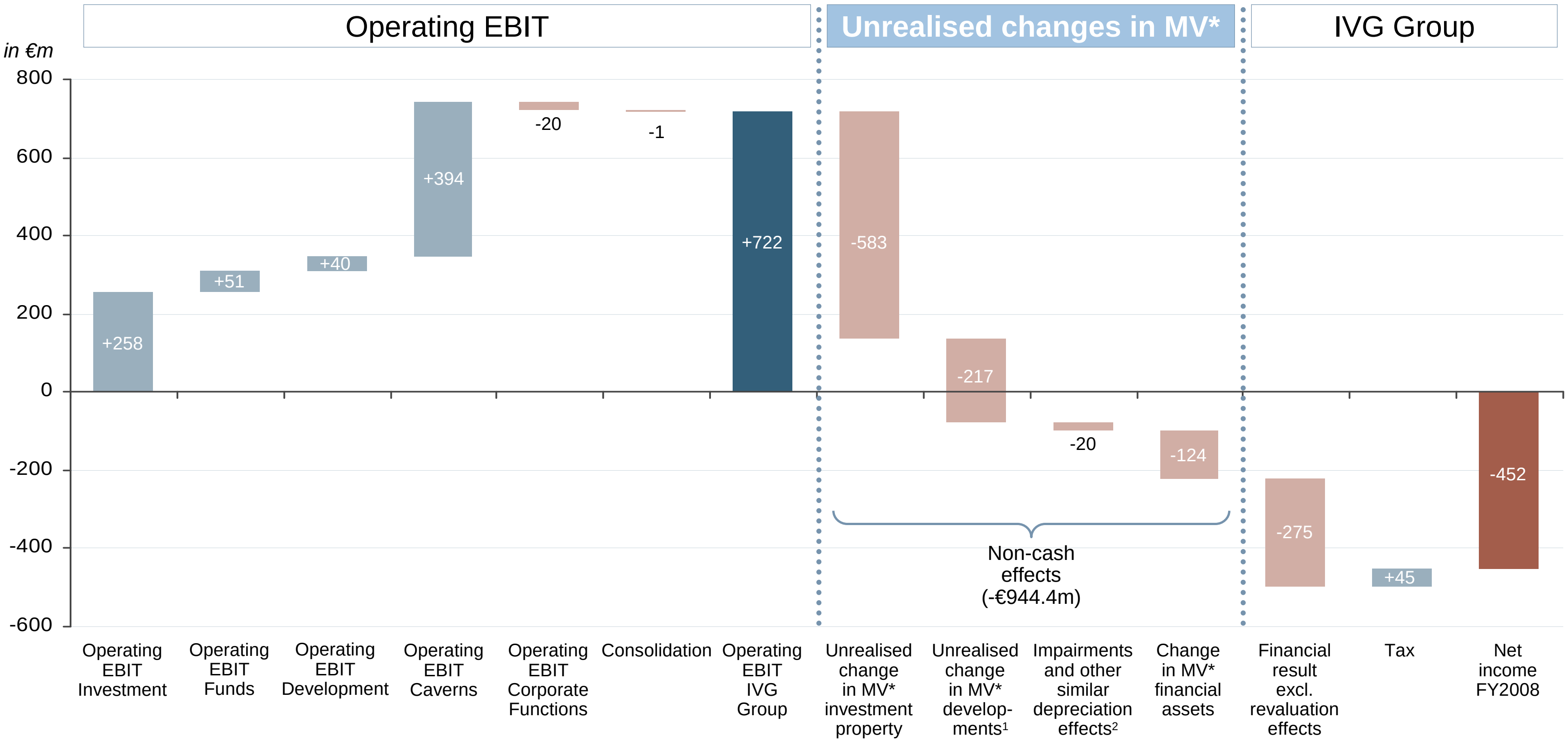
Comment

- After the collapse of Lehman Brothers September 2008, all important **real estate markets** experienced significant **yield extensions**
- In Q4/2008, IVG was hit by **significant negative non-cash effects** (€944.4m)
- Positive **operating result** of IVG's stable core business did **not compensate** changes in market values, revaluation of development pipeline and write-downs of financial instruments
- **EBIT** comes out at **-€98.6m**, declining €574.2m (2007: +€475.6m)
- Net profit turned into a **net loss** of **€451.7m** (2007: +€301.0m)
- **NAV adj.** down to €1,473.1m or **€12.70 per share**[1] (2007: €2,512.7m or **€21.66 per share**)[2]
- Executive and supervisory board propose to pay **no dividend** for **FY2008**[3]

1) Including cavern business
2) Restated (for detailed calculation see page 16)
3) Suggestion (payments to hybrid bond holders no affected)

Profit and loss account (1)

From Operating EBIT to Net income



* MV = market value

1) Booked under position Cost of materials in segment Development (€215.1m) and segment Investment (€1.9m)
2) Booked under position Depreciation and Other cost

Profit and loss account (2)

in €m	2008 Prior unrealised changes in value	2008 Unrealised changes in value	2008 Total	2007 Prior unrealised changes in value	2007 Unrealised changes in value	2007 Total
Revenues	1 608.6		608.6	532.4		532.4
Changes in inventories and other own work capitalised	452.7		452.7	269.7		269.7
Unrealised changes in market value of investment property		2 -583.3	-583.3		172.0	172.0
Realised changes in market value of investment property	171.1		171.1	137.8		137.8
Other operating income	290.3		290.3	75.6		75.6
Material expenses	3 -475.6	-217.0	-692.6	-356.7	-21.4	-378.1
Personnel expenses	4 -68.8		-68.8	-90.7		-90.7
Depreciation and amortisation of intangible assets, property, plant and equipment	-5.4	-12.5	-17.9	-5.7		-5.7
Expenses from investment property	5 -81.7		-81.7	-63.9		-63.9
Other operating expenses	-170.8	-7.8	-178.6	-181.1		-181.1
Profit/loss from associates accounted for using the equity method	2.0		2.0	6.7		6.7
Income from share investments	-0.4		-0.4	0.9		0.9
EBIT	**722.0**	**-820.6**	**-98.6**	**325.0**	**150.6**	**475.6**
Financial earnings	42.8	159.8	202.6	72.1	70.5	142.6
Financial expenses	-317.5	-283.6	-601.1	-191.4	-67.0	-258.4
Financial result	**-274.7**	**-123.8**	6 **-398.5**	**-119.3**	**3.5**	**-115.8**
Net profit before tax	**447.3**	**-944.4**	**-497.1**	**205.7**	**154.1**	**359.8**
Income taxes			45.4			-58.8
Consolidated net profit			**-451.7**			**301.0**

Profit and loss account (3)

1
- **Revenues increased** from €532.4 in 2007 by €76.2m or 14% **to €608.6m** in 2008
  - Net **rental income increased** by €04.6m or 48% in 2008 due to **portfolio acquisitions** in 2007 and Q1/2008
  - **Funds division** with **lower revenues** (-€33.7m) due to reduced equity placements in 2008

2
- **Net changes** in **market value** of investment property **decline** from +€172.0m in 2007 to -€583.3m in 2008
  - Segment **Investment** with the highest impact of **-€671.2m** changes in market value of investment property
  - Revaluation caused by increased cap rates and higher risk premium within discount factors in appraisers' valuation
  - €352.1m or 52% of unrealised changes in market value IP* segment Investment result from Q4/2008 assessments

3
- **Material expenses increased** from €378.1m in 2007 by €314.5m or 83% **to €692.6m** in 2008
  - Impact of development activities: material expenses increased 93% from €317.2m in 2007 to €611.7m in 2008
  - Material expenses **include unrealised value adjustments** of **€215.1m** from segment Development and €1.9m from segment Investment

4
- **Personnel expenses dropped** €21.9m in 2008 due to **lower provisions for bonus** and performance share programs and reduction of number of employees due to the sale of tank storage business in 2007

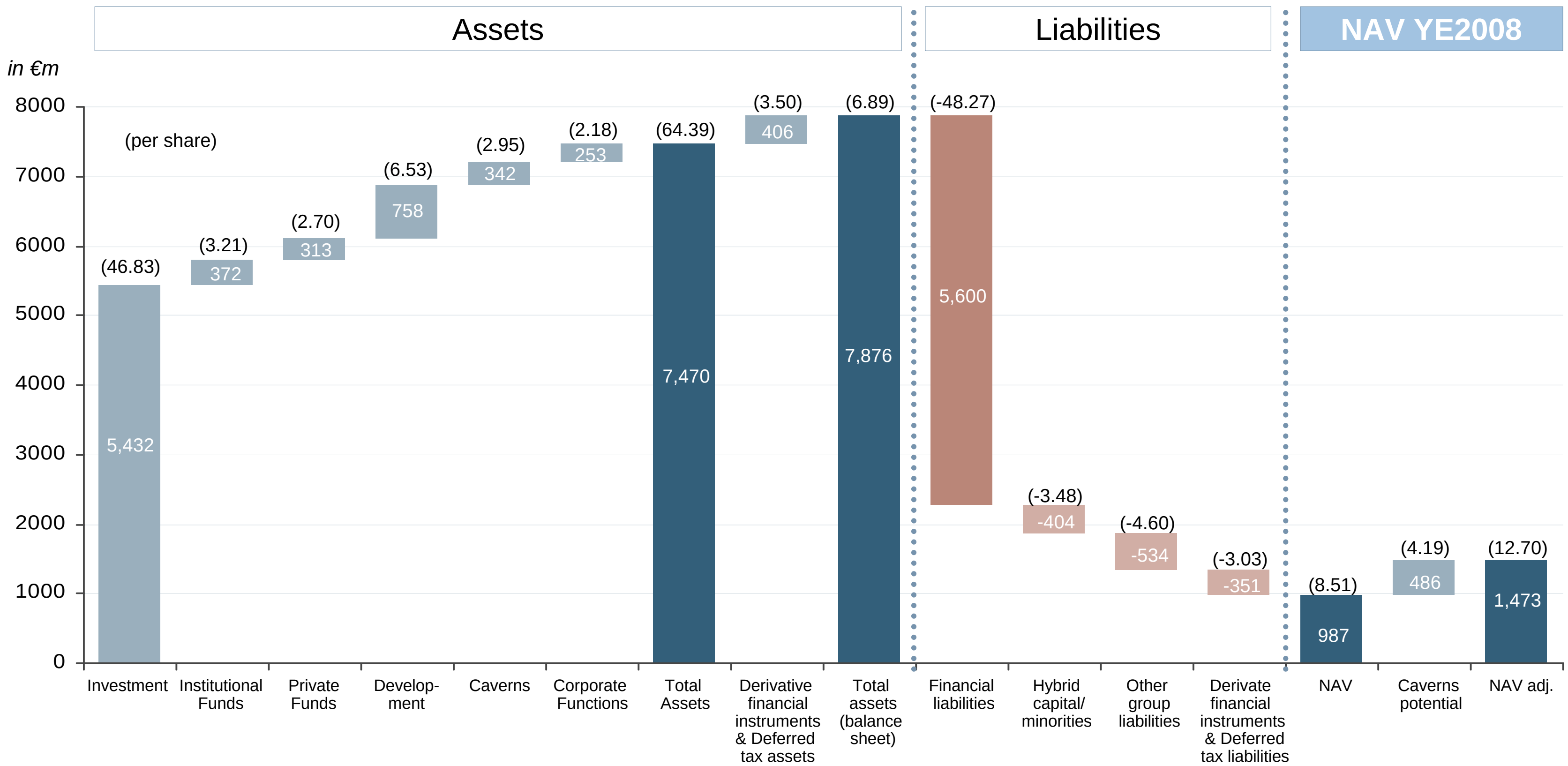
5
- Due to initiated **cost optimisation** program, **expenses from IP*** show a **disproportional low increase** from €63.9m in 2007 by €17.8m or 28% to €81.7m in 2008 compared to increase in net rental income (48%)

6
- **Financial result** of **-€398.5m** in 2008 after -€115.8m in 2007
  - Significant **increase** of **financial indebtedness** due to debt financing of portfolio acquisitions 2007 and Q1/2008
  - Unrealised changes in market values due to lower market values of interest rate derivatives, foreign currency expenses and revaluation of other financial assets

* IP = Investment property

NAV 2008

NAV bridge (as of YE2008)



Portfolio key figures 2008

Portfolio key figures 2008

Investment profile	Germany	International	Core/Core+	Value add	Workout	Total
Net rent €m	230	91	271	29	21	**321**
Property related costs[1] €m	12	12	16	4	4	**24**
NRI €m	218	79	255	24	18	**297**
NRI yield %	5.5	5.7	5.9	3.8	4.5	**5.5**
NOI €m	205	74	242	22	15	**279**
NOI yield %	5.1	5.4	5.6	3.3	3.8	**5.2**
Gross rent (annualised)[2] €m	257	101	292	42	23	**358**
Contracted rent (annualised)[2] €m	236	95	284	29	18	**331**
Leased space[2] ‘000sqm	1,749	428	1,714	197	266	**2,177**
Total space[2] ‘000sqm	1,960	470	1,778	288	364	**2,430**
Occupancy rate (eco.)[2] %	92.0	93.7	97.0	69.8	77.1	**92.5**
Market value[2] €m	3,982	1,373	4,310	651	393	**5,355**
GRI yield[2] %	6.4	7.4	6.8	6.5	6.0	**6.7**

Net Rental Income (NRI) = Net rent less property related costs
Net Operating Income (NOI) = Net rent less property related costs, maintenance, marketing, leasing related refurbishment costs (except capitalised maintenance capex)
Gross Rental Income (GRI) Yield = Gross rent divided by market value

1) Includes vacancy costs, ongoing maintenance, other property related costs not passed on to tenants
2) As of December 31, 2008

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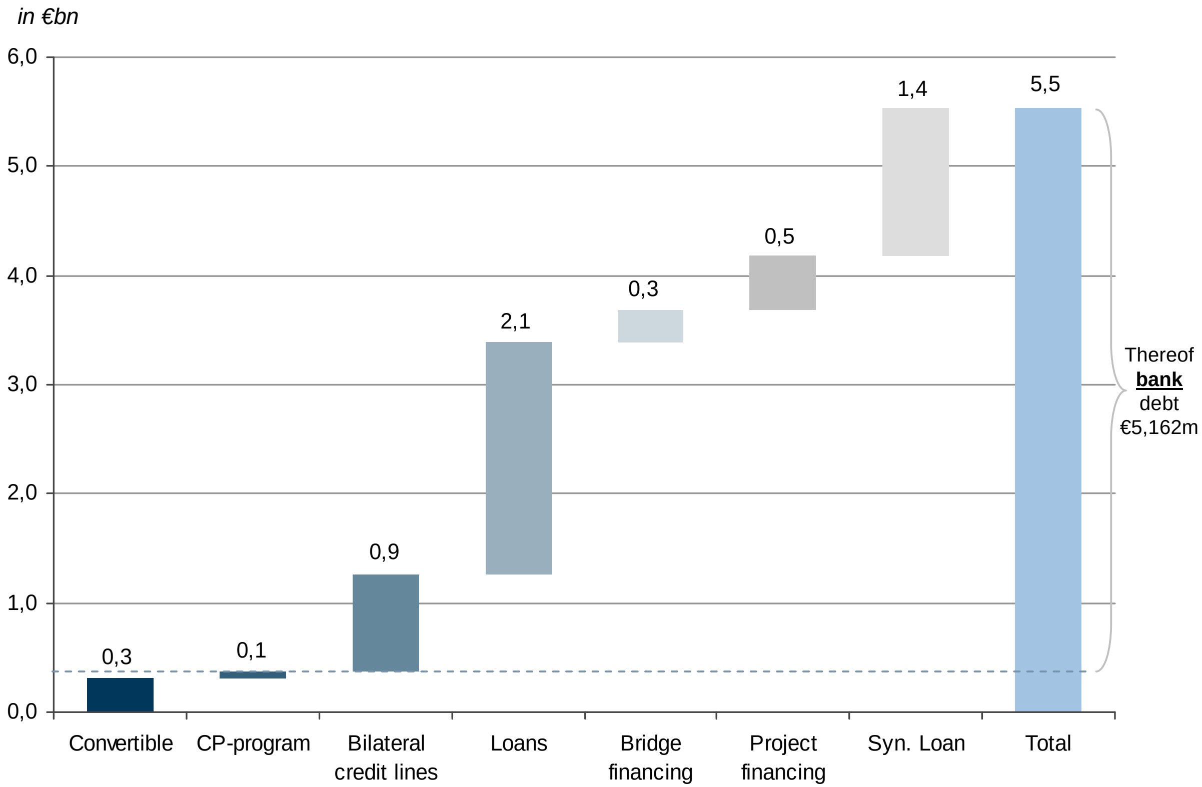
Composition of debt

Total debt[1] composition YE 2008



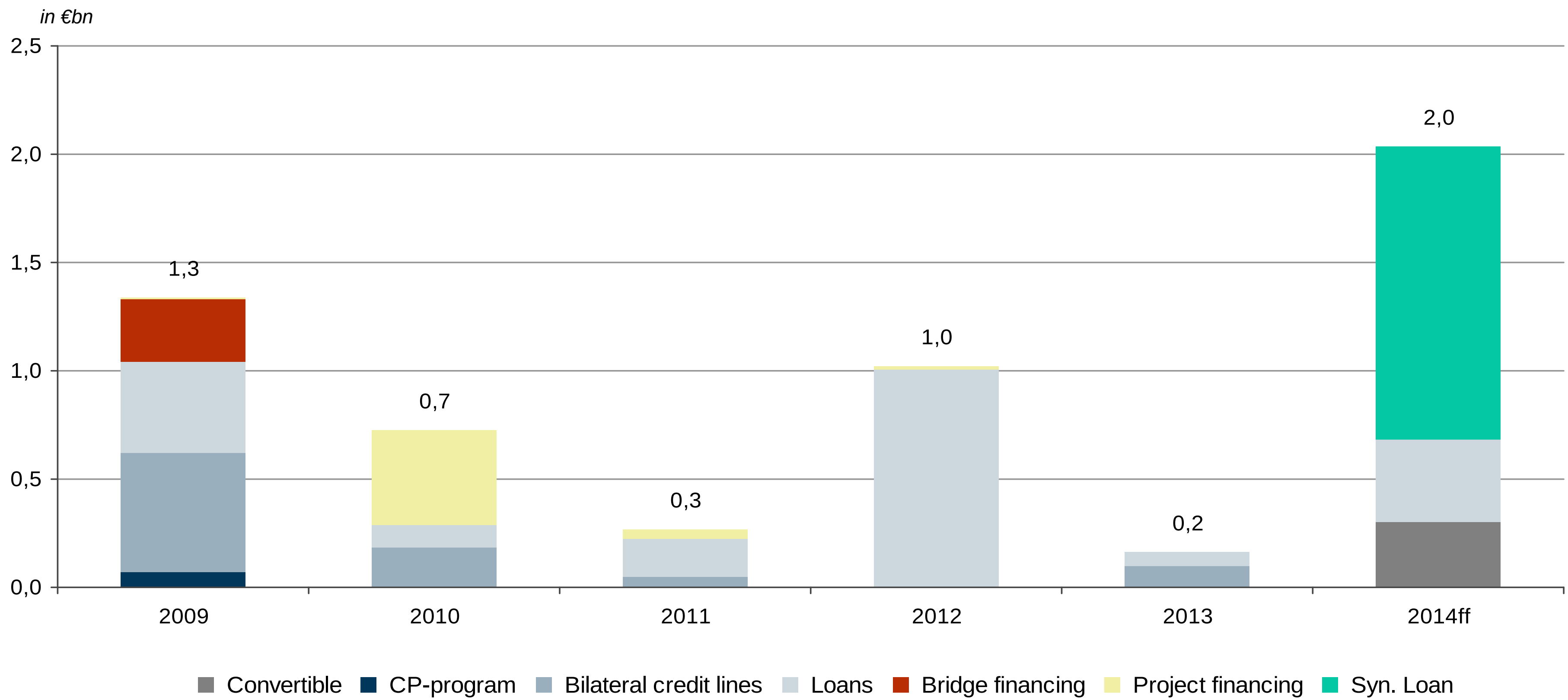
Comment

- **Indebtedness** IVG as of December 31, 2008 of **€5,534m (LTV 70.3%[2])**, thereof **€5,162m bank debt**
- **CP-program of €67m** outstanding and due in 2009
- **Credit lines of €880m at YE2008** with undrawn amount of €135m
- **Total loans of €2.1bn**
  - c €1.7bn property related loans with land charge
  - c €420m term loans on corporate level
- Total **bridge financing €0.3bn**
  - c €188m pre-financing of equity for IVG Funds division
  - c €103m resulting from property acquisitions (i.e. Core-portfolio €90m)

1) Includes Convertible, CP-program and bank debt as of December 31, 2008
2) LTV = (Total debt (€5,533.8m))/Total equity and liabilities (€7,875.5m)

Maturity of existing debt

Annual maturity profile by type of debt (as of December 31, 2008)



Successful prolongation (1)

Key terms Syn. Loan II	Achievements

Key terms Syn. Loan II

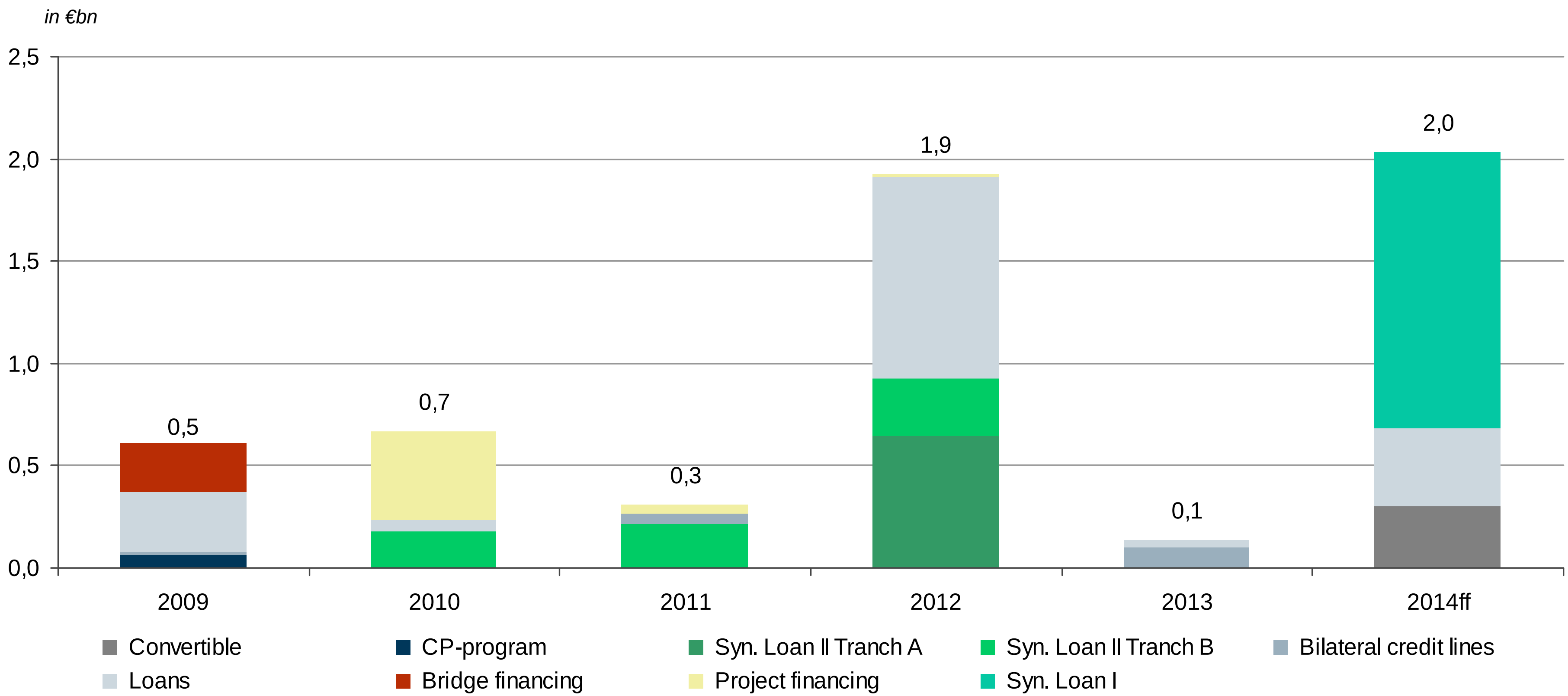
- Maturity of bilateral loans and other credit lines 2009-2011
- Total debt volume to be prolonged of €1.3bn
- Negotiation with 11 banks successfully conducted
- Agreement on a syndicated loan with a total volume of €1.3bn
- Collateralisation mainly by land charges
- Repayment of approximately 50% of total loan amount until end of 2012
- Term sheet signed by IVG and all involved banks on March 20, 2009
- Financing subject to final documentation
- Credit and collateral documentation to be finalised within due course

Achievements

- ✓ Prolongation achieved
- ✓ Complexity of debt portfolio reduced
- ✓ Overall debt portfolio duration increased
- ✓ Cost of debt remain stable despite fierce financing markets
- ✓ Start of LTV reduction initiated

Successful prolongation (2)

Annual maturity profile by type of debt – post "Syn. Loan II"[1]



1) Restated, as of December 31, 2001

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Realignment business modell (1)

Management priorities and guidance principles

Business Model

Stabilise & reposition

- Reduce risk exposure
- Secure liquidity and financing
- Focus on cash flow
- Improve operating efficiency
- Reposition business model

Business Image

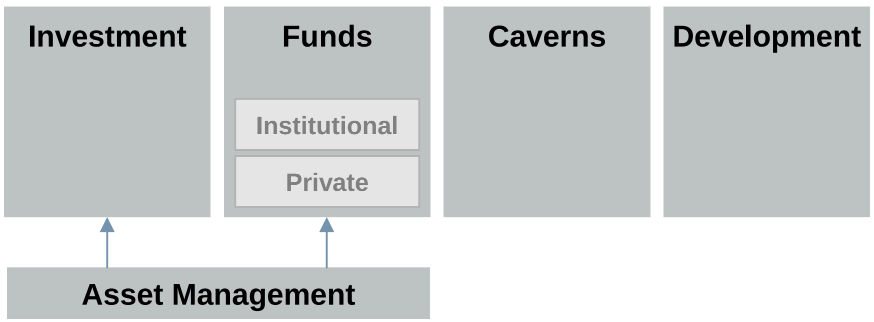
Restore credibility

- Increase transparency
- Reduce complexity
- Focus on facts
- Announce and deliver
- Listen to critics

Work down the „to do list“ based on ambitious targets

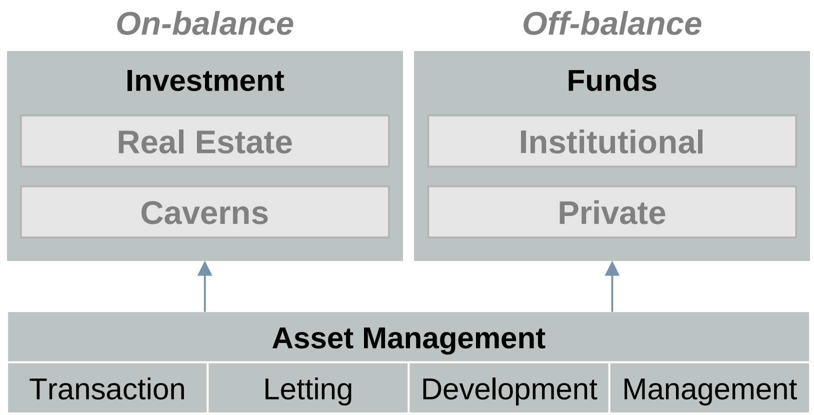
Realignment business modell (2)

IVG 2008



- Limited ability to create synergies among segments
- Limited IVG's asset management capacities
- High risk exposure, challenging financing and volatile cash flows
- Operational redundancies and complex reporting

IVG 2009ff



- Focus on Investment and Funds
- Asset management as key value driver
- Close down of Development as separate business segment – Development only part of Asset Management
- Focus on operational efficiency and transparency

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.

Thank you very much for your attention!