Interim Financial Report

1st quarter 2011

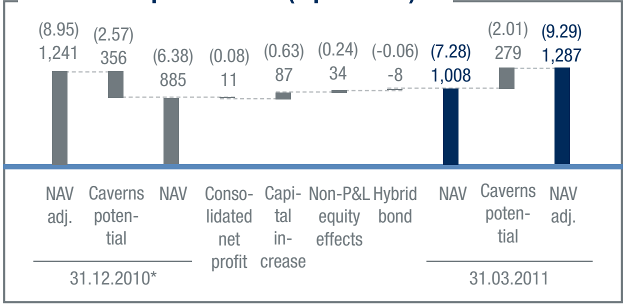
IVG
1Q/2011

Group key figures

in €m	1Q/2011	1Q/2010	Change in %
Key operational figures			
Revenues	213.8	148.9	43.6
thereof net rents	*62.2*	*68.0*	*-8.5*
thereof fees for fund and property management, development and sales	*19.2*	*19.9*	*-3.5*
EBIT	**24.2**	**71.9**	**-66.3**
EBT	**-14.0**	**12.4**	**-**
Consolidated net profit	**11.1**	**10.2**	**8.8**
thereof unrealised changes in value	*-4.0*	*13.2*	*-*
Funds from Operations I (FFO I)	6.8	12.5	-45.6
Funds from Operations II (FFO II)	-3.7	8.5	-
Key figures per share in €			
FFO I	0.05	0.10	-50.0
FFO II	-0.03	0.07	-
Basic earnings	0.02	0.01	100.0
EPRA EPS	-0.01	-0.01	0.0
Diluted earnings	0.04	0.03	33.3
EPRA Diluted earnings	0.01	0.01	0.0

in €m	31.03. 2011	31.12. 2010	Change in %
Key balance sheet figures			
Total assets	7,209.2	7,292.4	-1.1
Equity (carrying amounts)	1,409.4	1,286.1	9.6
Equity ratio at carrying amounts in %	19.6	17.6	11.4
Net asset value (NAV)	1,008.5	884.8	14.0
NAV adj. (incl. value potential of caverns)	1,287.2	1,241.1	3.7
Equity ratio at NAV adj. in %	17.9	17.0	5.3
EPRA NAV	865.5	797.9	8.5
EPRA NNNAV	1,083.2	985.9	9.9
Key figures per share in €			
NAV	7.28	7.02	3.7
NAV adj.	9.29	9.85	-5.7
EPRA NAV	6.24	6.33	-1.4
EPRA NNNAV	7.82	7.82	0.0
Employees (FTE)	598	590	1.4

NAV-Development in €m/(€ per share)



* Adjusted because of capital increase

FOREWORD

Dear Shareholders, Ladies and Gentlemen,

The economy and real estate markets continued to recover in the first quarter of 2011. In this environment, IVG began the new financial year with confidence, while also carefully observing the current financial and geopolitical developments. These included in particular the ongoing sovereign debt crises in Greece, Portugal and the US, the nuclear disaster in Japan and the revolutions in the Arabic world. It is difficult to assess the impact that the interaction of these effects will have on macroeconomic development. However, risk assessment in general is therefore likely to be more conservative again. We believe that we are appropriately positioned for this with our business model.

In the top segment in particular, the real estate investment markets continued to display a positive trend and declining initial yields in the first quarter of 2011. As expected, the real estate rental markets still reacted cautiously on the whole. In the first three months of the current year, we rented or extended contracts for 108,755 sqm in our own property portfolio (IVG Real Estate segment). The occupancy rate came to 90.0 % as at 31 March 2011 and thus slightly improved in comparison to year-end 2010 (89.8 %).

In our development projects (IVG Development segment), pre-letting agreements were concluded for 3,621 sqm in the first quarter of 2011. In line with our strategy, we are not beginning any new speculative development projects, but are working intensively to finish the projects that have already been started. As a result, the pre-letting rate tends to decline with the disposal of well-leased projects – e.g. the Hackesches Quartier project in the first quarter 2011. It was at 56.8% as at 31 March 2011, as compared to 57.5% at year-end 2010 In Berlin we handed over the lettable space of the Hackesches Quartier project, which is important in terms of urban development, to the main tenant in February. As a LEED-certified sustainable building, the property has been part of the IVG Premium Green Fund since the end of February 2011. In line with the new strategic orientation as an integrated investment platform and with the co-investment approach, IVG remains invested in this fund and manages it.

Our largest development project THE SQUAIRE together with the car park THE SQUAIRE Parking is progressing well. In early January 2011, the management consultancy Arthur D. Little was the first office tenant to move into the building, followed by other tenants including IVG itself with its market-oriented units on 28 March 2011. In April 2011 the concept of the "NEW WORK CITY" – which combines working and living in THE SQUAIRE in a special way – took shape further. A large number of retailers and restaurateurs have now opened their doors. Construction progress on the car park is now clear to see from the components being completed. The adjacent car park THE SQUAIRE Parking will be linked directly to THE SQUAIRE via the SQUAIRE Metro and from the end of the year will offer an excellent ratio of parking spaces to rental space together with parking spaces belonging to THE SQUAIRE itself.

We are continuing to develop cavern business as planned. The current energy policy developments, particularly in Germany, mean that in general increased energy storage requirements can be expected in the coming years. Our storage facility is not limited to the fossil fuels oil and gas – renewable and alternative energy sources such as compressed air and hydrogen can also be stored in a salt dome.

In the IVG Institutional Funds segment of the Funds division, raising capital for the IVG Paris Fund was completed with four institutional investors in early February – here we are aiming for a club deal with a maximum of six investors. The IVG Paris Fund invests in office and retail properties in Paris as a speciality fund. The first property for the fund has already been secured, a building in the renowned district of Rive Gauche. The IVG Private Funds segment is adjusting to the expectation that the market recovery in closed-end property funds – following the above-mentioned developments in the business environment in the first quarter – will tend to be focused on the investment location of Germany. Here we have good access to properties, not least of all from our own portfolio. In addition, we keep track of European investment opportunities via our branch offices.

Consolidated net profit in the first quarter of 2011 amounted to approximately €11 million. Unrealised negative changes in market value of €2 million for investment property and approximately €12 million for project developments had less of a negative impact on the net profit than in the previous quarter. At €6.8 million, funds from operations (FFO I) saw a significant increase as against the fourth quarter of 2010 (-€0.9 million). Net asset value including future cavern business (adjusted NAV) amounted to €9.29 per share as at 31 March 2011. Balance sheet net asset value (NAV) came to €7.28 per share, up 3.7% on the previous quarter. Adjusted for the capital increase, this rise was as much as 14.1%.

The cost item of other operating expenses, to which we pay particular attention, was reduced further in the first quarter to reach €24 million as against €32 million in the fourth quarter of 2010. The present interim report provides further detailed information on the figures.

On 11 February 2011, we took advantage of IVG's positive overall development and a favourable capital market window for a capital increase from authorised capital. Approximately 12.6 million new bearer shares at a price of €6.90 were issued as part of this capital increase, with the gross proceeds thus amounting to roughly €87 million. We see the fact that the capital increase was significantly oversubscribed as confirmation of the strategic path we have taken.

We continued work on a new company mission statement in the first quarter of 2011. All employees are involved in the process, which represents an important instrument for forming our new identity. As a first step, we decided on the international slogan "BUILDING RELATIONSHIPS - CREATING SUSTAINABLE VALUE". With the additional detail in the "Vision" and "Mission" sections, the mission statement process for our "Passion for Real Assets" is expected to be completed by the summer.

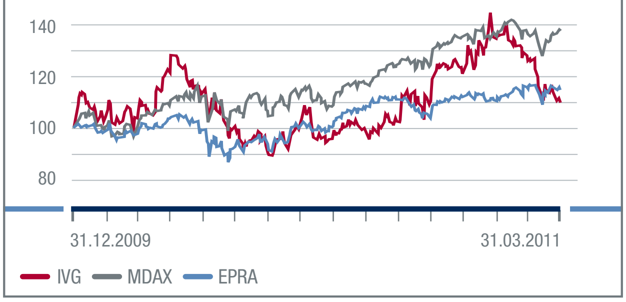
We would like to thank our financial backers, customers and business partners for the trust they have placed in us. This is something we value highly and that acts as a motivation for us. We look forward to welcoming you at our General Meeting on 18 May 2011 in Bonn.

Bonn, May 2011

The Management Board

INVESTOR RELATIONS
(IVG SHARE)

IVG index comparison indexed: 31.12.2009



The performance of IVG shares over the course of the first quarter of 2011 was mixed. For instance, on 25 January 2011 the share price not only reached its high for the year so far of €7.71, but also the highest price since 1 January 2010. The price has climbed by 44% since that date. However, on 31 March 2011 the IVG share price of €5.85 was 9% lower than the closing price at the end of 2010. The MDAX benchmark index climbed by 2% in the first quarter and the FTSE EPRA/NAREIT Developed Europe Index rose 3%.

On 11 February 2011, IVG successfully placed a capital increase of approximately €87 million. As part of an accelerated bookbuilding process, institutional investors took up 12,599,999 new shares at an issue price of €6.90.

IVG is currently covered by 23 analysts, 22 of which have published reports on the company since 1 January 2010. Of these, 11 analysts recommend buying IVG shares, 4 recommend holding them and 7 recommend selling them. The average target price was €6.96.

The shareholder structure of IVG in the first quarter of 2011 was as follows: MANN Immobilien-Verwaltung AG (20.00%), Santo Holding AG (14.40%), Goldsmith Capital Partners (4.94%), Universal-Investment-Gesellschaft mbH (4.64%) and free float (56.02%). Changes in the shareholder structure and additional information on IVG shares can be found in the “Investor Relations” section of the company’s website at http://www.ivg.de.

Furthermore, news from IVG is also available on Twitter at http://twitter.com/IVG_Immobilien.

IVG share – key data

WKN/ISIN	620570/DE0006205701
Code IVG	IVG
Stock exchanges	Frankfurt a.M., Dusseldorf, Stuttgart, Munich, Berlin, Hamburg, Hanover, XETRA
Market segment	Regulated market/Prime Standard
Index membership (selection)	MDAX, MSCI Europe, MSCI Germany, GPR Indizes
Designated Sponsors	Commerzbank AG, DZ Bank
Market capitalisation (31.03.2011)	€811 million
Free float market capitalisation (65.60 %, 31.03.2011) *	€536 million
Number of shares (31.03.2011)	138.6 million
Share price (31.03.2011)	€5.85
First listed	01.10.1986
Last capital increase	February 2011

* Free float definition Deutsche Börse

INTERIM MANAGEMENT REPORT

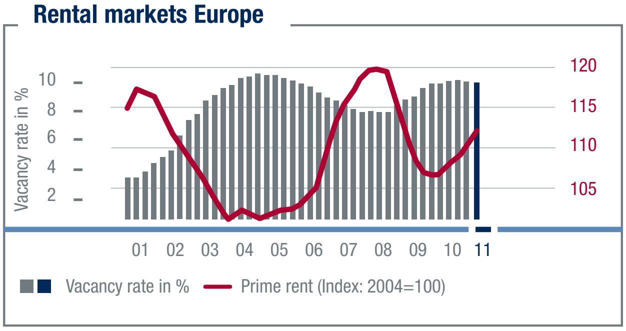
as of 31 March 2011

Macroeconomic trends and real estate markets

The economic recovery continued in Europe in the first quarter of 2011, although the economic risks to the upturn increased again due to the ongoing sovereign debt crisis in certain countries, the environmental disaster in Japan and the revolutions in Arabic countries, and the development is still characterised by a deep gap between Northern and Southern Europe. Rising crude oil and food prices caused the inflation rate in the euro zone to climb to 2.7% in March. In early April, the European Central Bank reacted to the acceleration of the prices increases by initially raising the key interest rate by 25 basis points to 1.25%.

The revenue dynamic developed cautiously on many office markets in the first quarter of 2011 in spite of the economic recovery. In a ten-year comparison, high take-up was seen particularly in Berlin, Stockholm, Warsaw and Italian markets, while Madrid, Lisbon, Brussels and Amsterdam continued to suffer from stagnating demand.

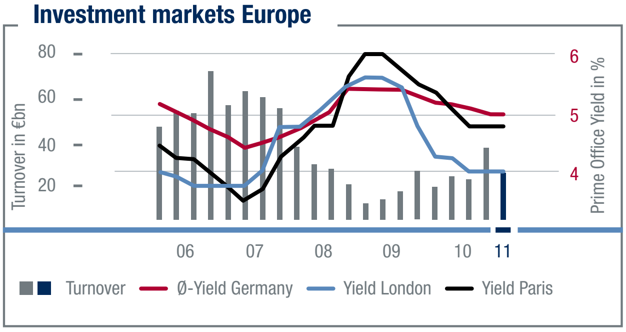
Rental markets Europe



Source: IVG Research, Cushman & Wakefield database

As was the case a year ago, Europe's office property markets have an average vacancy rate of around 10%. Only in the Polish capital of Warsaw was any major progress made in reducing the vacancy rate in the first quarter of 2011. Due to a shortage of space, Warsaw posted an increase of around 5% in prime rents. Significant increases in nominal prime rents could also recently be observed in Vienna, Helsinki, Dusseldorf and in London's West End. In contrast, Madrid and Barcelona were among the few markets in Europe to see further rental price decreases even in the prime segment.

Investment markets Europe



Source: IVG Research based on CB Richard Ellis et al.

On Europe's investment market, the upward trend of the previous months also persisted in the first quarter. Commercial properties with a total value of €27 billion were transacted – less than during the year-end rally of the previous quarter but considerably more than in the other three quarters of 2010. Investors continued to focus on prime properties in the core European markets. In markets with good fundamental data such as Germany, investors are gradually accepting higher investment risks again. This is also due to the fact that an end to the compression of yields seems to be in sight in the prime segment in view of rising interest rates. The German markets and Helsinki were among the few office locations where top initial yields decreased again slightly in the first quarter.

Profitability, financial position and net assets

Key operational figures

Revenues rose by €64.9 million from €148.9 million in the first quarter of 2010 to €213.8 million in the reporting period. This change is primarily due to the rise in income from project disposals in the IVG Development segment (€66.2 million) arising from the invoicing of a project development in Berlin in the first quarter of 2011.

Changes in inventories developed from €54.1 million in the prior-year period to -€42.3 million in the first quarter of 2011. This change is primarily attributable to construction progress in the IVG Development segment, adjusted for the carrying amounts of the projects invoiced and already sold.

Unrealised non-cash changes in the market value of investment property decreased by a total of -€10.2 million from €8.2 million in the first quarter of 2010 to -€2.0 million in the reporting period. €16.3 million of this development is from the IVG Real Estate segment (from -€26.2 million to -€9.9 million) and -€26.6 million from the IVG Caverns segment (from €34.4 million and three caverns to €7.8 million and one cavern). In the

IVG Caverns segment, the amount of unrealised changes in the market value of investment property is largely due to the number of caverns now recognised at fair value.

Other operating income fell by €5.7 million from €9.0 million to €3.3 million, primarily as a result of the book gain of €6.2 million reported under this item in the IVG Private Funds segment in the prior-year period.

Material expenses fell by €2.7 million year-on-year, from €87.7 million to €85.0 million, due to the decrease in construction activity (-€22.7 million) and also the increase in valuation effects (€17.7 million), both of which relate to project developments in the IVG Development segment. Not including these valuation effects, material expenses before unrealised changes in value decreased by €21.4 million to €72.8 million.

Expenses from investment property increased slightly by €0.9 million year-on-year from €19.6 million to €20.5 million.

The savings effects achieved in the previous year as a result of the cost reduction programme were maintained in the first quarter of 2011. Other operating expenses, which are impacted by this, remained virtually stable year-on-year at €24.6 million.

EBIT before changes in value fell by -€18.7 million, from €57.1 million in the first quarter of the previous year to €38.4 million in the reporting period. -€3.4 million of this decrease is attributable to the IVG Real Estate segment, -€7.4 million to the IVG Development segment, -€5.9 million to the IVG Private Funds segment and -€2.0 million to the other divisions. EBIT after changes in value decreased by -€47.7 million, from €71.9 million to €24.2 million in the first quarter of 2011.

The financial result improved by €21.2 million from -€59.4 million in the first quarter of 2010 to -€38.2 million in the reporting period. This change chiefly resulted from the improvement in net interest income (+€8.1 million), the increase in the result from hedge transactions (+€18.3 million) and the development of the foreign currency result (-€5.4 million). Before unrealised changes in value, the financial result improved by €+9.5 million from €-57.9 million to €-48.4 million.

The €27.4 million increase in the income taxes item (from -€2.3 million in the first quarter of 2010 to €25.1 million in the reporting period) is due firstly to the development of pre-tax earnings and secondly to the additional capitalisation of commercial tax loss carryforwards.

Overall, consolidated net profit increased slightly by €0.9 million from €10.2 million in the first quarter of 2010 to €11.1 million in the first quarter of 2011.

IVG Investment – Real Estate

in €m	1Q/2011	1Q/2010	Change in %
Total revenues	71.1	75.7	-6.0
thereof net rents	*61.2*	*65.0*	*-5.9*
Unrealised changes in market value of investment property	-9.9	-26.2	-62.3
Other operating income	2.3	2.2	6.9
Expenses from investment property	-20.5	-19.6	4.5
Other operating expenses	-9.3	-11.0	-15.2
EBIT	**34.0**	**22.1**	**53.9**
thereof unrealised changes in value	*-9.0*	*-24.3*	*-63.1*
EBIT before changes in value	**42.9**	**46.3**	**-7.3**

In the IVG Real Estate segment, revenues declined by €4.6 million from €75.7 million in the first quarter of 2010 to €71.1 million in the first quarter of the current year. This development is mainly due to the loss of net rents from investment property sold, especially in London and Glasgow. Net rents were also negatively impacted by tenant incentives when agreements or extension agreements were signed, but this tendency is decreasing. On a like-for-like basis, net rents increased by 0.2% in the past three months as against the fourth quarter of 2010. This resulted in a comparatively moderate year-on-year decline of 1.0%.

At -€9.9 million, unrealised changes in market value of investment property in the reporting period were less negative than in the first quarter of 2010 (-€26.2 million). Overall, the real estate portfolio experienced a negative change in value of only around 0.2% by 31 March 2011.

At €2.3 million, other operating income remained almost unchanged from the prior-year level.

Expenses from investment property increased slightly by €0.9 million year-on-year from €19.6 million to €20.5 million.

Other operating expenses fell by €1.7 million from €11.0 million in the first quarter of 2010 to €9.3 million in the reporting period, mainly due to advising and marketing cost line items.

All in all, reducing costs did not fully cushion the loss in net rents, causing EBIT of the IVG Real Estate segment before changes in value to fall by €3.4 million to €42.9 million. However, the decrease in negative unrealised changes in market value meant that EBIT after changes in value rose considerably by €11.9 million year-on-year from €22.1 million to €34.0 million.

IVG Investment – Development

in €m	1Q/2011	1Q/2010	Change in %
Total revenues	121.3	51.9	-
thereof project sales	*112.1*	*45.9*	-
Changes in inventories	-44.6	53.8	-
Material expenses	-83.6	-88.6	-5.6
Other operating expenses	-10.3	-8.6	20.4
EBIT	**-16.7**	**8.4**	**-**
thereof unrealised changes in value	*-13.1*	*4.6*	-
EBIT before changes in value	**-3.6**	**3.8**	**-**

Projects being wound up are recognised in the IVG Development segment. Revenues rose by €69.4 million from €51.9 million in the same period of the previous year to €121.3 million now. While the first quarter of 2010 contained mainly the invoicing of a project in Glasgow, the reporting period is characterised by the invoicing of a project in Berlin that was transferred to the IVG Premium Green Fund in the first quarter of 2011.

Changes in inventories developed from €53.8 million in the prior-year period to -€44.6 million in the first quarter of 2011. They include investments capitalised in line with construction progress and reported in material expenses as well as outgoing carrying amounts at project invoicing due to disposals.

Material expenses declined by €5.0 million year-on-year from €88.6 million to €83.6 million. The decrease in material expenses before changes in value from building activity alone amounted to €22.7 million (from €93.2 million in the first quarter of 2010 to €70.5 million) and was offset by the decrease in the changes in value in project developments amounting to €17.7 million (from €4.6 million in the first quarter of 2010 to €-13.1 million in the reporting period). The changes in value in the period under review pertained to THE SQUAIRE major project in Frankfurt.

In the first quarter of 2011, other operating expenses rose by €1.7 million to €10.3 million due to one-off payments.

EBIT before changes in value changed overall by -€7.4 million from €3.8 million to -€3.6 million. Taking into account unrealised changes in value of -€13.1 million (previous year: €4.6 million), EBIT fell by -€25.1 million from €8.4 million to -€16.7 million in the first quarter of 2011.

IVG Investment – Caverns

in €m	1Q/2011	1Q/2010	Change in %
Total revenues	6.5	4.8	36.3
thereof management fees	*1.9*	*2.8*	*-33.5*
thereof other revenues	*4.5*	*1.3*	-
Unrealised changes in market value of investment property	7.8	34.4	-77.3
EBIT	**9.6**	**35.1**	**-72.7**
thereof unrealised changes in value	*7.8*	*34.4*	*-77.3*
EBIT before changes in value	**1.8**	**0.7**	**-**

Revenues in the IVG Caverns segment in the first quarter of 2011 increased by €1.7 million from €4.8 million in the prior-year period to €6.5 million now, in particular due to one-time services to accelerate filling a tenant's cavern with gas for the first time.

Since the beginning of 2009, caverns under construction are recognised at fair value in accordance with IAS 40 (2008), provided their fair value can be reliably determined. In the first quarter of 2011, one cavern exceeded the 300,000 m³ threshold established for this. Taking into account other effects, unrealised changes in market value totalled €7.8 million in the reporting period. In comparison, three caverns exceeded this threshold in the same period of 2010 and triggered unrealised changes in market value of €34.4 million.

EBIT declined by €25.5 million year-on-year from €35.1 million to €9.6 million on account of the lower number of caverns that made the transition to fair value accounting in line with planning in the first three months of 2011. EBIT before changes in value rose by €1.1 million from €0.7 million to €1.8 million.

IVG Funds – Institutional Funds

in €m	1Q/2011	1Q/2010	Change in %
Total revenues	13.8	15.4	-10.2
thereof management fees	*13.4*	*14.5*	*-7.2*
thereof transaction fees	*0.4*	*0.7*	*-46.0*
Personnel expenses	-3.0	-2.8	7.9
Other operating expenses	-6.6	-6.1	7.9
EBIT	**4.5**	**6.9**	**-34.4**
thereof unrealised changes in value	*0.0*	*0.0*	-
EBIT before changes in value	**4.5**	**6.9**	**-34.4**

Revenues in the IVG Institutional Funds segment declined by €1.6 million from €15.4 million in the prior-year period to €13.8 million in the reporting period. This decrease is due mainly to lower volume and therefore lower fees in fund and property management (-€1.1 million).

Other operating expenses increased by €0.5 million to €6.6 million mainly due to increased internal cost allocation and IT costs.

Overall, EBIT fell by €2.4 million from €6.9 million in the prior-year period to €4.5 million.

IVG Funds – Private Funds

in €m	1Q/2011	1Q/2010	Change in %
Total revenues	1,0	1,2	-14,8
thereof structuring fees	*0,0*	*0,2*	*-100.0*
thereof management fees	*1,0*	*0,9*	*9,3*
Other operating income	0,0	6,2	-99,3
Personnel expenses	-1,1	-1,2	-5,6
Other operating expenses	-1,2	-1,5	-22,2
EBIT	**-1,2**	**4,7**	**-**
thereof unrealised changes in value	*0,0*	*0,0*	-
EBIT before changes in value	**-1,2**	**4,7**	**-**

Revenues in the IVG Private Funds segment declined by €0.2 million to €1.0 million due to a lack of newly launched products.

The decrease in other operating income by €6.2 million is mainly a result of the successful placement of the EuroSelect 20 TheNorthGate fund in the first quarter of 2010, which was not offset by a new placement in the reporting period.

Other operating expenses decreased slightly by €0.3 million due to the reduced product pipeline.

EBIT fell by €5.9 million from €4.7 million in the prior-year period to -€1.2 million.

Financial position

Financing

As of 31 March 2011, liabilities due to banks had the following maturities in relation to the planned measures:

in €m	Total nominal	thereof reduction by project sale	property sales	repay-ment	thereof planned prolonga-tions
2011	931	17	1	188	725
2012	2,011	24		205	1,782
2013	210	69		20	121
2014	1,426			9	1,417
2015 and thereafter	192		31	10	151
Total	**4,770**	**110**	**32**	**432**	**4,196**

In the first quarter of 2011, liabilities to banks decreased by €147 million. This was due to the €114 million payment for project financing, payments of €14 million for value added tax loans in IVG Development, a payment of €7 million for a syndicated loan from 2009, regular and special payments of €8 million on property loans and currency effects of €4 million.

Financing for project development is scheduled to be repaid from the sales proceeds when the relevant projects are completed and sold. The financing is to be extended if any completed projects remain with IVG. The liabilities settled through property sales relate to property loans with a volume of €32 million maturing between 2011 and 2015. These properties and the corresponding loans are scheduled to be sold and derecognised on IVG's balance sheet by the end of 2011.

As part of the syndicated loan agreed in 2009, instalments of €174 million and €186 million will be due for payment in 2011 and 2012 respectively prior to the final maturity on 28 December 2012. These repayments are expected to be financed from the proceeds of the sales of caverns to the IVG Cavern Fund, which have already been contractually agreed. The €174 million for 2011 was already repaid on 18 April 2011 with an additional special payment of €6 million. The remaining amount (totalling €71 million) will be repaid by 2021 in the form of annuity and amortising loans.

In addition to the loan for THE SQUAIRE project (€480 million drawdown volume as of 31 March 2011), follow-up financing/extensions for two property loans of €195 million and a bilateral bank line of credit of €50 million are planned for 2011. The upcoming extensions of loans totalling around €1.8 billion that are due in 2012 are expected to be addressed in 2011. They are composed of "CORE" financing for the Allianz portfolio and the final payment for the 2009 syndicated loan. After 2012, a bilateral credit facility (€100 million in 2013) and the syndicated loan from 2007 (€1,350 million in 2014) will be scheduled for extension.

Committed cavern sales (totalling almost €300 million in 2013 and 2014) are available for further payments for follow-up financing to be negotiated.

The average interest rate for all financial liabilities (including interest rate hedging transactions) rose slightly to 4.06% as at 31 March 2011 as compared with 31 December 2010 (3.98%) due to increased money market rates.

As at 31 March 2011, IVG has unutilised credit facilities in the amount of €0.02 billion that are entirely non-project related.

As at 31 March 2011, the total liquidity available to IVG (not including CP lines and assigned or project-related cash reserves) totalled €0.17 billion.

in €m	31.03.2011
Unused non-project-related credit lines	15
Surplus capacity on current accounts	9
Cash reserves	132
Sight deposits and current securities	2
Derivatives with positive market values	12
Total	**170**

In the first quarter of 2011, regular covenant tests did not identify any breach of covenants. A covenant (LTV) was not complied with for a property financing of €945 million. The LTV was suspended in accordance with the bank.

Liquidity

The consolidated statement of cash flow prepared in accordance with EPRA's "Best Practices Policy Recommendations" is shown below:

in €m	1Q/2011	1Q/2010
Cash flow from current activities	23.4	35.9
Cash flow for short-/midterm investments from operational divisions	-56.7	-57.1
Net interest payments	-49.0	-41.3
Net tax payments	1.7	-1.4
Cash flow from operating activities	**-80.6**	**-63.9**
Cash flow from/for investing activities	**-46.3**	**28.5**
Cash flow from financing activities	**37.0**	**-55.3**
Change in cash and cash equivalents *	**-89.9**	**-90.7**
Cash and cash equivalents at closing date	185.0	184.0

* Exclusive changes due to exchange rate movements

Cash flow from operating activities deteriorated year-on-year by €16.7 million from -€63.9 million to -€80.6 million and is still characterised by investments in project developments that proceeded according to plan. The successful sale of the Hackesches Quartier project development had the opposite effect.

Due to period deferment in the payment of deferred interest, net interest payments increased by -€7,7 million year-on-year from -€41,3 million to -€49,0 million.

Cash flow from investing activities decreased by €74.8 million year-on-year to -€46.3 million and reflects continuing investments in investment property of the segments IVG Real Estate and IVG Caverns. A reason for the decrease is that the previous year included the payment received for the successful placement of EuroSelect 20 TheNorthGate.

Cash flow from financing activities was €37.0 million and results from cash flows from the implemented capital increase (€85.8 million). The regular repayments of project financing and value added tax loans had the opposite effect.

The interest coverage ratio for the past twelve months was 1.3. This figure was calculated by adjusting consolidated EBIT before changes in value for depreciation and amortisation and comparing it to net interest income.

Net assets

in €m	31.03.2011	31.12.2010	Change in %
Total assets	7,209.2	7,292.4	-1.1
Non-current assets	5,712.1	5,697.5	0.3
Current assets	1,497.1	1,594.9	-6.1
Equity	1,409.4	1,286.1	9.6
Equity ratio in %	19.6	17.6	10.9
Non-current liabilities	4,275.8	4,307.4	-0.7
Current liabilities	1,524.0	1,698.9	-10.3
Financial liabilities	5,139.3	5,288.5	-2.8
Financial liabilities in %	71.3	72.5	-1.7

As at 31 December 2010, non-current assets remained nearly unchanged at €5.7 billion. The investments (€32.9 million) in caverns and other investment property were offset by the reclassification of a property to non-current assets held for sale (€79.6 million).

Current assets decreased by €0.1 billion as against 31 December 2010 to €1.5 billion due to the successful sale of a project development in Germany (€0.1 billion). Scheduled investments in ongoing projects amounted to €70.2 million in the first quarter of 2011.

Total assets decreased slightly by €0.1 billion to €7.2 billion.

At €1.4 billion, equity was €0.1 billion higher than on 31 December 2010. This was due to the implemented capital increase of €86.9 million and positive effects recognised directly in equity (€33.1 million), particularly from hedge accounting. This was countered by the deferred interest on the hybrid bond of €8.0 million.

Loans were reduced in the year under review by €0.2 billion as compared with 31 December 2010 to €5.8 billion due to the payment made for project financing as part of the sale that took place and to the decrease in derivative financial instruments.

Net asset value (NAV) rose by 3.7% from €7.02 per share as at 31 December 2010 to €7.28 per share as at 31 March 2011. After taking the higher number of shares related to the capital increase into account, NAV even rose by 14.1%.

Adjusted for the components of the market value of caverns not recognised on the balance sheet, NAV adjusted came to €9.29 per share as of 31 March 2011, or down by 5.7% as compared with the level of 31 December 2010 (€9.85 per share). If the figure as at 31 December 2010 is also adjusted for the capital increase (€8.95 per share), NAV adjusted increased by 3.8% in the reporting period.

Significant events after balance sheet date

There were no significant events after 31 March 2011 with a significant effect on the business performance of the IVG Group.

Risk report

On principle, the financial statements, plans and forecasts of IVG take into consideration all opportunities and risks with a probability of occurrence of more than 50%, i.e. they show the development IVG considers to be most probable.

The risks and opportunities for IVG Immobilien AG did not change materially as compared with the fourth quarter of 2010. Signs of cautious easing on the financial and capital markets and also in national economic indicators are unmistakable. At the same time, there is still uncertainty regarding the possible effects of the debt crisis of various European countries and how this will influence the interest rate policy of the European Central Bank. The development of the European real estate investment markets is also still characterised by uncertainty: While fully-let top properties again have relatively few problems finding refinancing or interested buyers, hardly any loans have been issued for more risk-taking opportunistic investments. Therefore it cannot be ruled out that the recovery process on the European investment markets will be limited to the core segment again for the time being.

The banks' financing behaviour in the real estate area remains averse to risk, possibly making the necessary financing to successfully implement IVG's business model difficult to obtain. There are still liquidity risks in the planned sales of projects and properties. They are highly dependent on the sales yields (exit yields) achieved and are thus directly linked to the development of the real estate investment markets.

Significant individual risks result from the prolongation of existing financing for properties, portfolios and projects as well as special reimbursement that could be required if a Loan-to-value (LTV) covenant for a property financing is broken at the end of a waiver period. Increasing interest rates on the market could influence IVG's liquidity and earnings. There could also be cost increases, potential deadline delays in the last project developments of the IVG Development segment, and risk of changes in value in individual existing real estate in IVG's investment portfolio. In the IVG Funds segment, the number and/or size of the newly placed fund products could decrease, the transaction speed could slow or existing funds might have to be wrapped up early, which might negatively influence one-off and steady income. The reasons for this include uncertainty and/or unfavourable changes in the legal framework (regulation).

Viewed in isolation, the risks above can be controlled by means of countermeasures and preventive measures. IVG has taken the corresponding precautionary measures and initiated them at an early stage. The company could be threatened as a going concern if the following events happen concurrently: the expected sale of caverns, properties and projects does not occur as planned, scheduled financing is not extended or is extended to a substantially reduced degree only, considerable special payments are necessary and cannot be offset by pre- or post-financing of existing assets.

Forecast

In the next two years, IVG plans to continue its sale programme in the IVG Real Estate segment with a total volume of about €600 million to secure liquidity and streamline its portfolio. Scheduled sales of €93 million were carried out until the publication of this interim report. The expected recovery of the real estate investment markets and the accompanying increase in fair values has still not been included in the results planning for reasons of caution.

In line with the reduction of the project pipeline, efforts are being made to generate sales volume of around €1 billion in the next two years in the IVG Development segment. This planning includes the Hackesches Quartier project in Berlin transferred to the IVG Premium Green Fund during the first quarter 2011 and the sale of THE SQUAIRE project in Frankfurt/Main in 2012.

As planned, one cavern in the IVG Caverns segment reached the eligibility limit of 300,000 m³ in the first quarter of 2011. In 2011 and 2012, a total of 12 caverns are expected to reach the threshold of 300,000 m³ relevant for IFRS fair value accounting and another six or seven caverns will be completed and sold to the cavern fund managed by IVG.

The IVG Institutional Funds segment recorded a slight increase in assets under management from €12.1 billion to €12.3 billion in the first quarter of 2011. For the next two years, assets under management are expected to remain stable due to selling off products and launching new innovative products such as the IVG Paris Fund launched in the first quarter of 2011.

Planning in the IVG Private Funds segment still assumes a sales volume totalling €500 million in equity for 2011 and 2012. Part of the planned fund is to be supplied with properties from IVG's portfolio.

Due to planned sales in the IVG Real Estate and IVG Development segments, a reduction of financial debts and a decreased effect of the financial result on consolidated net profit are expected. At the Group level, sales in 2011 will remain far below the 2010 level due to the reduction of the project pipeline. In other areas, sales that are more relevant to IVG will develop stably overall or fall slightly with continuing sales in the IVG Real Estate segment.

Based on the subsequently recognition of trade tax losses in the first quarter of 2011, a better tax rate is expected for 2011 as a whole, leading to a consolidated net profit slightly above last year's level – assuming no major unplanned valuation effects or cost increases in recent project developments.

For further information on forecasts and risks, please refer to the statements in the Annual Report.

INTERIM FINANCIAL STATEMENTS
as of 31 March 2011

Consolidated income statement for the first three months

in €m	1Q/2011 Before changes in value	1Q/2011 Unrealised changes in value *	1Q/2011 Total	1Q/2010 Before changes in value	1Q/2010 Unrealised changes in value *	1Q/2010 Total
Revenues	213.8		213.8	148.9		148.9
Changes in inventories and other own work capitalised	-42.3		-42.3	54.1		54.1
Unrealised changes in market value of investment property	0.0	-2.0	-2.0	0.0	8.2	8.2
Realised changes in market value of investment property	0.0		0.0	0.6		0.6
Other operating income	3.3		3.3	9.0		9.0
Material expenses	-72.8	-12.2	-85.0	-94.2	6.5	-87.7
Personnel expenses	-17.8		-17.8	-16.1		-16.1
Depreciation and amortisation of intangible assets, property, plant and equipment	-1.8		-1.8	-1.6		-1.6
Expenses from investment property	-20.5		-20.5	-19.6		-19.6
Other operating expenses	-24.6		-24.6	-24.1		-24.1
Gains/losses from participations accounted for using the equity method	0.5		0.5	-0.4		-0.4
Income from equity investments	0.7		0.7	0.5		0.5
EBIT	**38.4**	**-14.2**	**24.2**	**57.1**	**14.7**	**71.9**
Financial income	11.3	32.7	44.0	-0.2	12.8	12.6
Financial expenses	-59.8	-22.4	-82.2	-57.7	-14.3	-72.1
Financial result	**-48.4**	**10.2**	**-38.2**	**-57.9**	**-1.5**	**-59.4**
Net profit before income taxes	**-10.0**	**-4.0**	**-14.0**	**-0.8**	**13.2**	**12.4**
Income taxes			25.1			-2.3
Consolidated net profit			**11.1**			**10.2**
Share attributable to Group shareholders			*3.1*			*1.8*
Share attributable to hybrid capital providers			*8.0*			*8.0*
Share attributable to third parties			*0.0*			*0.4*
Undiluted earnings per share in €			0.02			0.01
Diluted earnings per share in €			0.04			0.03

* The unrealised changes in value include all valuation effects from IAS 2, IAS 36, IAS 39 and IAS 40 without tax effects

Consolidated statement of comprehensive income for the first three months

in €m	1Q/2011	1Q/2010
Consolidated net profit	**11.1**	**10.2**
Market valuation available-for-sale securities	5.7	0.3
Market valuation of hedging instruments	34.5	-15.8
Adjustment for currency translation of foreign subsidiaries	0.0	-3.5
Deferred taxes on value adjustments set off directly against equity	-7.1	4.0
Income and expenses recognised in equity	**33.1**	**-15.0**
Total comprehensive income	**44.2**	**-4.8**
Share attributable to Group shareholders	*36.2*	*-13.2*
Share attributable to hybrid capital providers	*8.0*	*8.0*
Share attributable to third parties	*0.0*	*0.4*

Consolidated statement of financial position

in €m	31.03.2011	31.12.2010
ASSETS		
Non-current assets		
Intangible assets	251.3	250.0
Investment property	4,710.4	4,760.7
Property, plant and equipment	132.0	128.9
Financial assets	167.8	153.9
Investments in participations accounted for using the equity method	94.0	81.9
Derivative financial instruments	11.8	3.5
Deferred tax assets	297.9	271.0
Receivables and other assets	46.9	47.6
Total non-current assets	**5,712.1**	**5,697.5**
Current assets		
Inventories	1,007.3	1,065.0
Receivables and other assets	155.6	177.0
Income tax receivables	42.9	45.2
Securities	1.7	2.0
Cash and cash equivalents	184.8	274.9
	1,392.4	**1,564.2**
Non-current assets held for sale	104.6	30.7
Total current assets	**1,497.1**	**1,594.9**
Total assets	**7,209.2**	**7,292.4**

in €m	31.03.2011	31.12.2010
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	138.6	126.0
Capital reserve	695.6	622.1
Treasury shares	-0.5	-0.5
Other reserves	-68.1	-101.3
Retained earnings	242.9	238.5
Equity attributable to Group shareholders	**1,008.5**	**884.8**
Hybrid capital	400.9	400.9
Minority interests	0.0	0.3
Total equity	**1,409.4**	**1,286.1**
Liabilities		
Non-current liabilities		
Financial liabilities	4,125.9	4,143.1
Derivative financial instruments	20.0	46.0
Deferred tax liabilities	82.2	71.5
Pension provisions	16.7	16.3
Other provisions	27.8	27.4
Liabilities	3.2	3.2
Total non-current liabilities	**4,275.8**	**4,307.4**
Current liabilities		
Financial liabilities	1,013.3	1,145.4
Derivative financial instruments	52.8	66.5
Other provisions	49.3	54.4
Liabilities	330.8	354.8
Income tax liabilities	76.2	77.8
	1,522.5	**1,698.9**
Liabilities associated with non-current assets held for sale	1.5	0.0
Total current liabilities	**1,524.0**	**1,698.9**
Total equity and liabilities	**7,209.2**	**7,292.4**

Statement of changes in equity

in €m	Subscribed capital	Capital reserve	Treasury shares	Other reserves: Market valuation avail.-for-sale securities	Other reserves: Market valuation hedging instruments	Other reserves: Hedge of net investment	Other reserves: Adjustments for currency translation	Retained earnings	Equity attributable to Group shareholders	Hybrid capital	Minority interests	Total equity
Balance at 01.01.2010	126.0	621.6	-0.5	4.8	-115.8	12.9	-35.3	250.1	863.8	400.9	0.4	1,265.1
Consolidated net profit								1.8	1.8	8.0	0.4	10.2
Earnings recognised directly in equity				0.3	-11.9		-3.4		-15.0			-15.0
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.3**	**-11.9**	**0.0**	**-3.4**	**1.8**	**-13.2**	**8.0**	**0.4**	**-4.8**
Accrual on profit distribution for hybrid capital									0.0	-8.0		-8.0
Capital increase									0.0			0.0
Share-based payment									0.0			0.0
Changes to group of consolidated companies/others								-0.1	-0.1			-0.1
Balance at 31.03.2010	126.0	621.6	-0.5	5.1	-127.7	12.9	-38.7	251.8	850.5	400.9	0.8	1,252.2
Balance at 01.01.2011	**126.0**	**622.1**	**-0.5**	**8.3**	**-87.8**	**12.9**	**-34.7**	**238.5**	**884.8**	**400.9**	**0.3**	**1,286.1**
Consolidated net profit								3.1	3.1	8.0	0.0	11.1
Earnings recognised directly in equity				5.7	27.4				33.1			33.1
Total comprehensive income	**0.0**	**0.0**	**0.0**	**5.7**	**27.4**	**0.0**	**0.0**	**3.1**	**36.2**	**8.0**	**0.0**	**44.2**
Accrual on profit distribution for hybrid capital									0.0	-8.0		-8.0
Capital increase	12.6	74.3							86.9			86.9
Share-based payment		0.3							0.3			0.3
Changes to group of consolidated companies/others		-1.1						1.3	0.2		-0.3	-0.1
Balance at 31.03.2011	**138.6**	**695.6**	**-0.5**	**14.0**	**-60.4**	**12.9**	**-34.7**	**242.9**	**1,008.5**	**400.9**	**0.0**	**1,409.4**

Consolidated statement of cash flows

in €m	1Q/2011	1Q/2010
Consolidated net profit before interest and taxes (EBIT)	**24.2**	**71.9**
Unrealised changes in market value of investment property	2.0	-8.2
Realised changes in market value of investment property	0.0	-0.6
Depreciation and appreciation of intangible assets and property, plant and equipment	1.8	1.6
Other non-cash income and expenses	5.7	-22.5
Changes in receivables and inventories of other segments (not including Development, Real Estate and Private Funds)	-6.6	-4.9
Changes in liabilities and provisions	-3.4	-5.7
Non-distributed earnings from participations accounted for using the equity method	-0.7	0.4
Changes in non-current assets and liabilities held for sale	0.0	3.9
Dividends received	0.4	0.0
Cash flow from current activities	**23.4**	**35.9**
Changes in inventories for developing of real estate in Development, Real Estate and Private Funds segments including sale of real estate and project development companies *	-56.7	-57.1
Cash flow from short/mid-term investments in operating activities	**-56.7**	**-57.1**
Cash flow from operating activities before interest and taxes	**-33.3**	**-21.2**
Net interest payments	-49.0	-41.3
Net tax payments	1.7	-1.4
Cash flow from operating activities	**-80.6**	**-63.9**
Cash flow from investing activities	**-46.3**	**28.5**
Cash flow from financing activities	**37.0**	**-55.3**
Net change in cash and cash equivalents from operations	-89.9	-90.7
Cash and cash equivalents as of 01.01.	**274.9**	**274.9**
Changes in cash and cash equivalents due to exchange rate movements	0.0	-0.2
Cash and cash equivalents as of 31.03.	**185.0**	**184.0**
thereof cash in property disposal group	*0.2*	*0.0*
Cash and cash equivalents reported on the balance sheet	184.8	184.0

* Gain on disposal is included in other operating income

Segment reporting for the first three months of 2011

1Q/2011	Investment									Funds												
	Real Estate			Development			Caverns			Institutional Funds			Private Funds				Consolidation			Group		
in €m	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	IVG Corporate Functions	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total
External revenues	70.6		70.6	121.3		121.3	6.5		6.5	13.6		13.6	1.0		1.0	0.7	0.0		0.0	213.8	0.0	213.8
Internal revenues	0.6		0.6	0.0		0.0	0.0		0.0	0.2		0.2	0.0		0.0	8.1	-8.8		-8.8	0.0	0.0	0.0
Total revenues	**71.1**	**0.0**	**71.1**	**121.3**	**0.0**	**121.3**	**6.5**	**0.0**	**6.5**	**13.8**	**0.0**	**13.8**	**1.0**	**0.0**	**1.0**	**8.8**	**-8.8**	**0.0**	**-8.8**	**213.8**	**0.0**	**213.8**
Net rents from investment property	60.5		60.5	0.0		0.0	0.1		0.1	0.0		0.0	0.0		0.0	0.0	-0.1		-0.1	60.5	0.0	60.5
Other net rents	0.7		0.7	1.3		1.3	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.5		-0.5	1.7	0.0	1.7
Income from service charges	9.3		9.3	0.8		0.8	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	10.1	0.0	10.1
Income from project disposals	0.0		0.0	112.1		112.1	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	112.1	0.0	112.1
Income from construction contracts	0.0		0.0	5.0		5.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	5.0	0.0	5.0
Income from transactions, concepts and sales	0.0		0.0	2.1		2.1	0.0		0.0	0.4		0.4	0.0		0.0	0.0	0.0		0.0	2.5	0.0	2.5
Income from fund and property management	0.0		0.0	0.0		0.0	1.9		1.9	13.4		13.4	1.0		1.0	0.6	-0.2		-0.2	16.7	0.0	16.7
Other revenues	0.6		0.6	0.0		0.0	4.5		4.5	0.0		0.0	0.0		0.0	7.8	-7.8		-7.8	5.2	0.0	5.2
Changes in inventories and other own work capitalised	0.2		0.2	-44.6		-44.6	2.2		2.2	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-42.3	0.0	-42.3
Unrealised changes in market value of investment property	0.0	-9.9	-9.9	0.0		0.0	0.0	7.8	7.8	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	-2.0	-2.0
Realised changes in market value of investment property	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0
Other operating income	2.3		2.3	0.5		0.5	0.0		0.0	0.4		0.4	0.0		0.0	4.6	-4.7		-4.7	3.3	0.0	3.3
Material expenses	-0.5	0.9	0.4	-70.5	-13.1	-83.6	-2.2		-2.2	-0.1		-0.1	0.0		0.0	-0.1	0.6		0.6	-72.8	-12.2	-85.0
Personnel expenses	-1.1		-1.1	-0.3		-0.3	-1.8		-1.8	-3.0		-3.0	-1.1		-1.1	-10.4	0.0		0.0	-17.8	0.0	-17.8
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.1		-0.1	0.0		0.0	-1.3		-1.3	-0.1		-0.1	0.0		0.0	-0.3	0.0		0.0	-1.8	0.0	-1.8
Expenses from investment property	-20.5		-20.5	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-20.5	0.0	-20.5
Other operating expenses	-9.3		-9.3	-10.3		-10.3	-1.6		-1.6	-6.6		-6.6	-1.2		-1.2	-8.5	12.9		12.9	-24.6	0.0	-24.6
Gains/losses from participations accounted for using the equity method	0.3		0.3	0.2		0.2	0.0		0.0	0.1		0.1	0.0		0.0	0.0	0.0		0.0	0.5	0.0	0.5
Income from share investments	0.7		0.7	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.7	0.0	0.7
Segment result (EBIT)	**42.9**	**-9.0**	**34.0**	**-3.6**	**-13.1**	**-16.7**	**1.8**	**7.8**	**9.6**	**4.5**	**0.0**	**4.5**	**-1.2**	**0.0**	**-1.2**	**-6.0**	**0.0**	**0.0**	**0.0**	**38.4**	**-14.2**	**24.2**
Financial result																				-48.4	10.2	-38.2
Net profit before tax																				**-10.0**	**-4.0**	**-14.0**
Income taxes																						25.1
Consolidated net profit																						**11.1**
Segment assets			4,496.7			990.2			807.4			264.0			11.8	329.5			-0.1			6,899.5
thereof investments in participations accounted for using the equity method			*73.2*			*6.8*			*0.0*			*14.0*			*0.0*	*0.0*			*0.0*			*94.0*
Investments			27.5			-0.3			30.9			1.3			0.0	3.1			0.0			62.3

Segment reporting for the first three months of 2010

1Q/2010	Investment									Funds												
	Real Estate			Development			Caverns			Institutional Funds			Private Funds				Consolidation			Group		
in €m	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	IVG Corporate Functions	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total
External revenues	75.1		75.1	51.9		51.9	4.8		4.8	15.1		15.1	1.2		1.2	0.9	0.0		0.0	148.9	0.0	148.9
Internal revenues	0.6		0.6	0.0		0.0	0.0		0.0	0.3		0.3	0.0		0.0	7.0	-7.9		-7.9	0.0	0.0	0.0
Total revenues	**75.7**	**0.0**	**75.7**	**51.9**	**0.0**	**51.9**	**4.8**	**0.0**	**4.8**	**15.4**	**0.0**	**15.4**	**1.2**	**0.0**	**1.2**	**7.9**	**-7.9**	**0.0**	**-7.9**	**148.9**	**0.0**	**148.9**
Net rents from investment property	64.4		64.4	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	-0.4		-0.4	64.0	0.0	64.0
Other net rents	0.6		0.6	3.5		3.5	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.2		-0.2	4.0	0.0	4.0
Income from service charges	10.3		10.3	0.6		0.6	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	10.8	0.0	10.8
Income from project disposals	0.0		0.0	45.9		45.9	0.7		0.7	0.0		0.0	0.0		0.0	0.2	-0.2		-0.2	46.6	0.0	46.6
Income from construction contracts	0.0		0.0	1.9		1.9	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	1.9	0.0	1.9
Income from transactions, concepts and sales	0.0		0.0	0.0		0.0	0.0		0.0	0.7		0.7	0.2		0.2	0.0	0.1		0.1	1.0	0.0	1.0
Income from fund and property management	0.1		0.1	0.0		0.0	2.8		2.8	14.5		14.5	0.9		0.9	1.1	-0.6		-0.6	18.9	0.0	18.9
Other revenues	0.3		0.3	0.0		0.0	1.3		1.3	0.2		0.2	0.1		0.1	6.5	-6.6		-6.6	1.8	0.0	1.8
Changes in inventories and other own work capitalised	0.1		0.1	53.8		53.8	0.3		0.3	0.0		0.0	0.0		0.0	0.0	0.0		0.0	54.1	0.0	54.1
Unrealised changes in market value of investment property	0.0	-26.2	-26.2	0.0		0.0	0.0	34.4	34.4	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	8.2	8.2
Realised changes in market value of investment property	0.6		0.6	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.6	0.0	0.6
Other operating income	2.2		2.2	0.2		0.2	0.1		0.1	0.1		0.1	6.2		6.2	4.9	-4.6		-4.6	9.0	0.0	9.0
Material expenses	-0.8	1.9	1.1	-93.2	4.6	-88.6	-0.6		-0.6	0.0		0.0	0.0		0.0	-0.2	0.5		0.5	-94.2	6.5	-87.7
Personnel expenses	-0.2		-0.2	-0.3		-0.3	-1.6		-1.6	-2.8		-2.8	-1.2		-1.2	-10.0	0.0		0.0	-16.1	0.0	-16.1
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.1		-0.1	0.0		0.0	-1.0		-1.0	-0.1		-0.1	0.0		0.0	-0.4	0.0		0.0	-1.6	0.0	-1.6
Expenses from investment property	-19.6		-19.6	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-19.6	0.0	-19.6
Other operating expenses	-11.0		-11.0	-8.6		-8.6	-1.3		-1.3	-6.1		-6.1	-1.5		-1.5	-7.6	12.0		12.0	-24.1	0.0	-24.1
Gains/losses from participations accounted for using the equity method	-1.0		-1.0	0.0		0.0	0.1		0.1	0.4		0.4	0.0		0.0	0.0	0.0		0.0	-0.4	0.0	-0.4
Income from share investments	0.5		0.5	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.5	0.0	0.5
Segment result (EBIT)	**46.3**	**-24.3**	**22.1**	**3.8**	**4.6**	**8.4**	**0.7**	**34.4**	**35.1**	**6.9**	**0.0**	**6.9**	**4.7**	**0.0**	**4.7**	**-5.3**	**0.0**	**0.0**	**0.0**	**57.1**	**14.7**	**71.9**
Financial result																				-57.9	-1.5	-59.4
Net profit before tax																				**-0.8**	**13.2**	**12.4**
Income taxes																						-2.3
Consolidated net profit																						**10.2**
Segment assets			4,606.0			1,039.0			650.5			265.2			21.2	378.6			0.0			6,960.5
thereof investments in participations accounted for using the equity method			*49.2*			*4.2*			*11.9*			*13.6*			*0.0*	*0.0*			*0.0*			*79.0*
Investments			31.8			4.1			18.3			0.0			0.0	1.7			0.0			55.9

Notes

This interim financial report has been prepared in accordance with the rules of the International Financial Reporting Standards (IFRS) as applicable within the European Union. The interim financial statements of the consolidated companies are based on uniform accounting policies.

In accordance with IAS 34, IVG has elected to prepare condensed reporting for the presentation of the consolidated interim financial report of IVG Immobilien AG for the period ended 31 March 2011 compared with the annual financial statements. Except for the amendments and new regulations specified below, IVG has applied the same accounting policies in preparing the interim financial statements as in the consolidated financial statements for the 2010 financial year. The relevant information can be found in the consolidated financial statements for the year ended 31 December 2010, which form the basis for these interim financial statements. Information on significant changes and transactions prior to 31 March 2011 can also be found in the interim management report contained in this document.

The condensed interim financial statements and the interim financial report as of 31 March 2011 have neither been audited nor reviewed by an auditor.

Changes to accounting principles

The following new or amended standards and interpretations were adopted for the first time from 1 January 2011:

- Changes to IFRS 1 "First-time Adoption of International Financial Reporting Standards" – Limited exemption from comparative IFRS 7 disclosures
- Improvements to IFRSs 2010 "Improvements to International Financial Reporting Standards" with regard to individual changes to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 21, IAS 28, IAS 31, IAS 34 and IFRIC 13
- Changes to IAS 24 "Related Party Disclosures" – Change to definitions and simplification of disclosure requirements for government-related entities
- Changes to IAS 32 "Financial Instruments: Disclosure and Presentation" – Classification of rights issues
- Changes to IFRIC 14 "IAS 19 – The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"

The regulations effective for the first time from 1 January 2011 had no significant effect on the interim financial report of the IVG Group as at 31 March 2011.

Treasury shares

IVG held 32,230 treasury shares as at 31 March 2011. This corresponds to 0.0233% of IVG's share capital, i.e. €32,230.

Significant transactions with related parties

As described in the notes to the 2010 consolidated financial statements, IVG conducts arm's-length transactions with unconsolidated subsidiaries and companies accounted for using the equity method.

In the first quarter of 2011, there was a large transaction involving the sale of 94.9% of the shares in investment company Hackescher Markt mbH & Co. KG to the associated IVG Premium Green Fund. The purchase price for this share transfer was €16.5 million.

Declaration of the Board of Management

"To the best of our knowledge, and in accordance with applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position and profitability of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the rest of the financial year."

Bonn, 13 May 2011

G. Niesslein W. Schäfers

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Note

The interim report is published in German and English. The German version is always the authoritative text.

Slight differences may arise when adding up individual figures in the tables and graphics in this interim financial report. This is due to figures being rounded up or down. Relative changes of less/more than 100% are not disclosed.

Forward-looking statements

The present interim report of IVG Immobilien AG (IVG) contains statements on future developments. They reflect the current view of the management of IVG and are based on appropriate evaluation and expectations. These statements are not intended as guarantees that this expectation will be fulfilled. The interim report has also been generated using references. These references have been carefully selected and have been taken from credible sources. We nevertheless point out that IVG has not examined the veracity of the sources.

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Financial calendar 2011/2012

Date	Organizer	Event	Location
18.05.2011	IVG	Annual General Meeting	Bonn
24.05.2011	Metzler	B. Metzler Immobilientag	Frankfurt a.M.
25.05.2011	Kempen	Annual Conference	Amsterdam
12.08.2011	IVG	Publication of the interim report 2Q/2011	
01.-02.09.2011	EPRA	Annual Conference	London
07.-08.09.2011	BoA/ML	Global Property Coneference	New York
04.-06.10.2011	exporeal	Immobilienmesse	Munich
19.10.2011	IIA	Initiative Immobilienaktie	Frankfurt a.M.
11.11.2011	IVG	Publication of the interim report 3Q/2011	
15.05.2012	IVG	Annual General Meeting	Bonn