Interim Financial Report
1st quarter 2012

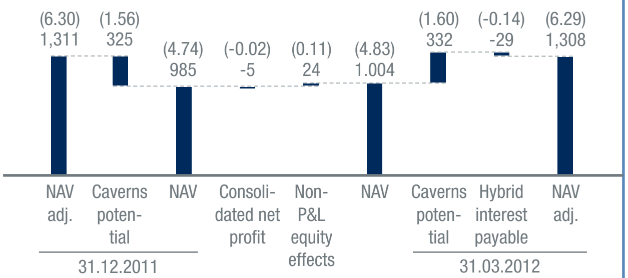
Passion for Real Assets

Group key figures

	1Q/2012	1Q/2011
Key operational figures (in €m)		
Revenues	101.9	213.8
thereof net rents	*58.1*	*62.2*
thereof fees for fund and property management, development and sales	*19.8*	*19.2*
EBIT	**50.3**	**24.2**
EBT	**-4.5**	**-14.0**
Consolidated net profit	**-4.8**	**11.1**
thereof unrealised changes in value	*17.5*	*-4.0*
Funds from Operations I (FFO I)	2.9	6.8
Funds from Operations II (FFO II)	-11.4	-3.7
Key figures per share (in €)		
FFO I	0.01	0.05
FFO II	-0.05	-0.03
Basic earnings	-0.02	0.02
EPRA EPS	-0.06	-0.01
Diluted earnings	-0.02	0.02
Average number of shares	207.9	132.4

	31.03.2012	31.12.2011
Key balance sheet figures (in €m)		
Total assets	6,857.2	6,904.2
Equity (carrying amounts)	1,405.5	1,386.3
Equity ratio at carrying amounts in %	20.5	20.1
Net asset value (NAV)	1,004.5	985.3
NAV adj. (incl. value potential of caverns)	1,307.8	1,310.6
Equity ratio at NAV adj. in %	19.3	19.2
EPRA NAV	797.9	781.7
EPRA NNNAV	1,124.0	1,131.4
Key figures per share (in €)		
NAV	4.83	4.74
NAV adj.	6.29	6.30
EPRA NAV	3.84	3.76
EPRA NNNAV	5.41	5.44
Number of shares at closing	207.9	207.9
Employees (FTE)	601	586

NAV development in €m (€ per share)



FOREWORD

Dear Shareholders, Ladies and Gentlemen,

In Germany, the opening quarter to 2012 – in terms of both the economy as a whole and on the property markets – was largely dominated by “lateral movement”. The political efforts to stabilise the European public debt situation are still ongoing. In this environment, IVG began the new financial year with a sense of cautious optimism.

While transaction activity for commercial properties declined by nearly a fifth year-on-year in the first quarter of 2012 on Europe’s investment markets, in Germany it returned almost to the previous year’s level. IVG itself conducted sales and purchases with a total value of €540 million in the first three months. This included the sale of a premium property on London’s Regent Street and the purchase of a similarly representative property in Warsaw’s Old Town – both for our fund investors.

Sales momentum also diminished on the European office rental markets. Germany was affected by this downturn as well. However, over a long-term view rentals were at least slightly above average. The vacancy rate has recently remained stable in both Europe and Germany at 9.5%. Within our own property portfolio, we newly let or prolonged 97,523 m² of space in the first quarter of this year (IVG Real Estate segment). This included the letting of over 13,000 m² in our logistics centre in Hamburg. The economic occupancy rate remained at 88.6% virtually stable compared to 31 December 2011.

In our development projects (IVG Development segment), we concluded new letting agreements for 3,440 m² in the first quarter. The occupancy rate as at the end of the first quarter was 77.1%. Now that all projects have largely been completed, we are assuming that speculative project development business will end on schedule with the sale of the properties in question in the coming year.

Following its completion, THE SQUAIRE at Frankfurt Airport is increasingly getting used to regular operations. This can also be seen by the good booking figures for the two Hilton hotels in THE SQUAIRE. The Hilton Frankfurt Airport was awarded the Top Hotel Opening award in the luxury category by Top Hotel magazine and therefore ranks among the most important current new hotel openings – its grand opening at the beginning of March was appropriately impressive. The car park THE SQUAIRE Parking was opened on schedule in February with its elevated railway link to THE SQUAIRE. The facility offers space for 2,500 cars and features a digital guidance system to take users to their specific spot – in the first parking garage in Europe to be certified to the international LEED standard.

IVG now has more than 20 buildings with an internationally recognised sustainability certificate; further 15 properties are currently in the certification process. We are advancing the issue of sustainability at all levels. Since the start of this year, a first tranche of around 50 of our properties in Germany will be supplied with electricity from regenerative sources. After the conclusion of a test phase, we have also been concluding green leases since the start of March. A full overview of our activities will be available for download from our website by the end of May in the second IVG sustainability report – which is both convenient for you and allows us to save resources. An insight into the future of the sustainability of properties can be found in the new IVG publication "Carbon Footprint" (IVG Research LAB 02/2012), also available on our website.

At the beginning of this year, the IVG Funds segment launched the placement phase of its new fund for private investors, IVG EuroSelect 21 Munich. The fund invests in high-quality office properties in Munich, for which Allianz has a long-term lease to house its data centre. More than 75% of the placement volume had already been sold by April 2012. In February 2012 we set up the IVG Garbe Logistik fund for institutional investors. This specialised real estate fund with a target volume of €400 million invests in logistics properties at prime locations in Germany. IVG is cooperating with Garbe Logistic AG in Hamburg, a leading developer and asset manager in the field of logistics property. We are therefore combining the IVG's expertise in funds with the logistics expertise of an experienced logistics company. We consider this approach using strategic partnerships to be highly viable and hope to pursue it in other growth areas as well.

Consolidated net profit almost broke even in the first quarter of 2012 at -€4.8 million. Unrealised changes in the market value of investment property of €15.3 million contributed a positive result. The operating ratios FFO I and FFO II amounted to €2.9 million and -€11.4 million respectively. Reported net asset value rose slightly by 1.9%, from €4.74 per share on 31 December 2011 to €4.83 per share on 31 March 2012. Net asset value including future cavern business (adjusted NAV) amounted to €6.29 per share as at 31 March 2012, as against €6.30 per share in the previous quarter. This interim report provides detailed information on the figures.

Following the fundamental restructuring of IVG as a property investment platform using a co-investment approach, we initiated an approximately two-year project at the start of the year that we will move forward on this strategic path in the coming months. In particular, the project is targeting the areas of cost management, growth management and balance sheet management. We are currently working as a priority on measures to further cut costs sustainably. We are also looking at growth options at the same time. Intelligently combining these two factors – cost management and investment in growth – will be our challenge for the rest of the financial year.

In considering balance sheet management in general, we decided to suspend the remuneration of the 2012 issued hybrid capital and to rectify this at a later date. Thus, we are firstly striving for the equal treatment of the shareholders of the company who are not currently being paid a dividend and, secondly, we can use the funds still available to our company for value-adding investments and to further improve its capital structure.

We extraordinarily appreciate the trust placed in IVG by all its stakeholders. This both motivates and supports us in shaping the new 2012 financial year in the interests of all with renewed vigour.

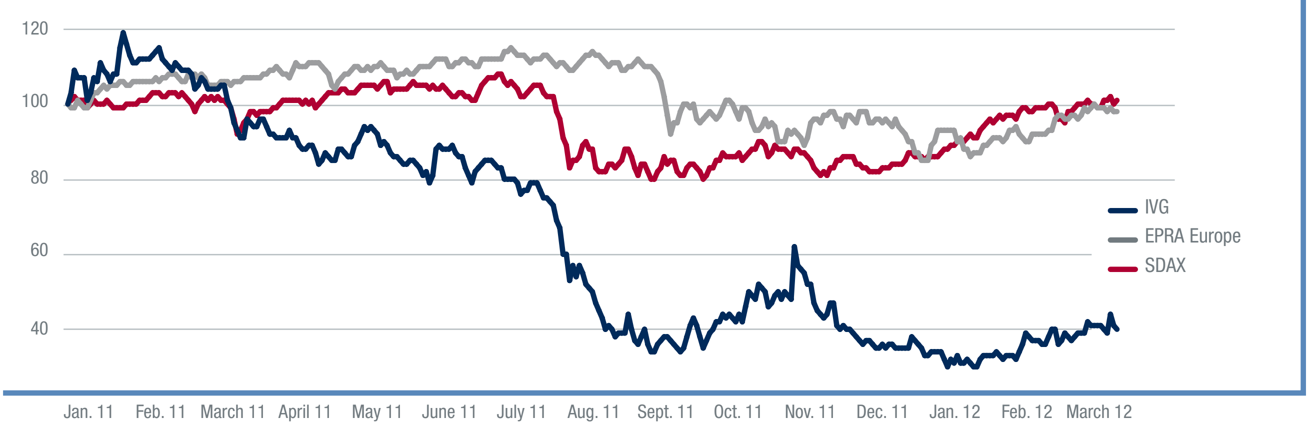
Bonn, May 2012

The Board of Management

IVG
Passion for Real Assets

INVESTOR RELATIONS
(IVG SHARES)

IVG index comparison in %
indexed: 01.01.2011



As a result of the agreement reached to cut debt for Greece, the stock markets ended the first quarter of 2012 with significant gains.

For IVG's shares this meant an increase to €2.40 as at the end of the first quarter, corresponding to a gain of 14% since the start of the year. IVG's benchmark index, the FTSE EPRA/NAREIT Developed Europe, rose by 9% over the same period. This development was influenced largely by the continuing high correlation of IVG's shares with bank stocks, which benefited directly from the short-term easing on the financial markets.

IVG is currently being actively monitored by 18 analysts. In their current reports, five analysts recommend buying IVG shares, seven recommend holding them and six recommend selling them. The average target price was €3.02 per share.

IVG's shareholder structure was as follows as at 31 March 2012: MANN Immobilien-Verwaltung AG (20.00%), Santo Holding AG (10.00%), Goldsmith Capital Partners (4.94%), Universal-Investment-Gesellschaft mbH (4.64%) and free float (60.42%). 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 shares - 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)	SDAX, FTSE EPRA/NAREIT Developed Europe, FTSE EPRA/NAREIT Germany, MSCI Europe, MSCI Germany, GPR Indices
Designated Sponsors	Commerzbank AG DZ Bank
Market capitalisation (31.03.2012)	€499 million
Free float market capitalisation (70.00%, 31.03.2012) *	€349 million
Number of shares (31.03.2011)	€208 million
Share price (Xetra closing price 31.03.2012)	€2.40
First listed	01.10.1986
Last capital increase	December 2011

* Free float definition Deutsche Börse

INTERIM MANAGEMENT REPORT

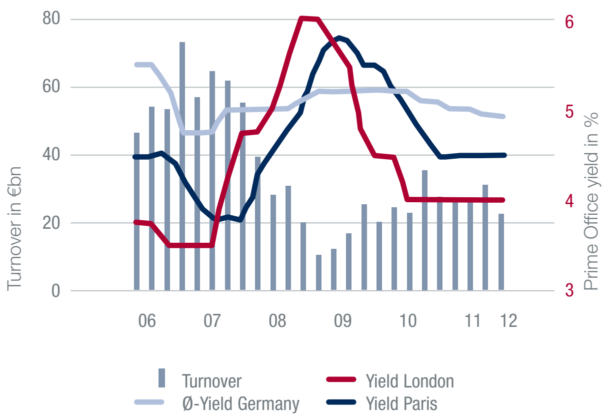
as of 31 March 2012

Macroeconomic trends and real estate markets

The provision of additional liquidity to the European financial markets by the European Central Bank and the debt haircut for Greece have since helped to brighten corporate and consumer sentiment in Europe. However, the most recent turbulence on the financial markets shows that the situation in Europe is still tense as regards the unresolved debt crisis. The stabilisation of the euro economy, which was recently mired in recession, will therefore take some time in at least parts of Europe. The seasonally adjusted unemployment rate climbed further in the euro area in recent months to 10.8% in February, while the rate of inflation was at a high 2.7% in March due to steep energy prices. In light of this, it seems unlikely that lending rates will be lowered from currently 1.0%.

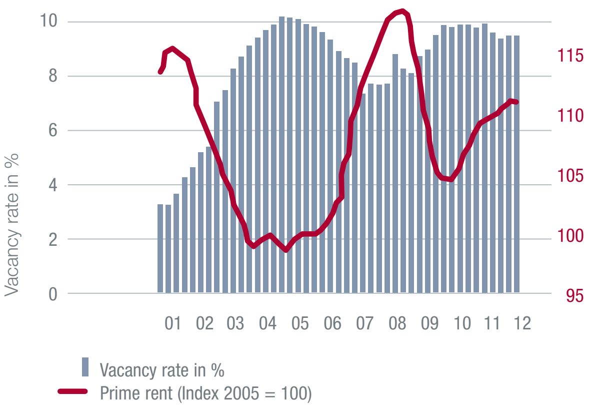
Against the backdrop of the weak economy, rental activities slowed year-on-year on most European office markets in the first quarter of 2012. Take-up was particularly weak in the office locations of Southern Europe and Brussels, while Germany's office markets enjoyed slightly above-average sales.

Real estate investment markets Europe



Source: IVG Research, CB Richard Ellis et al. database

Real estate rental markets Europe



Source: IVG Research, Cushman & Wakefield database

The reduction in vacancies observed over the past one and a half years did not continue in the first quarter of 2012. The occupancy rate stagnated in both Europe and Germany at an average of 9.5%. Prime rents were also largely stable in Europe and Germany with a few exceptions: While prime rents in Helsinki rose slightly, they continued to decline in Barcelona and Madrid.

Activities on the European investment market for commercial properties were recently muted: At €23.8 billion, the transaction volume was 18% below the value for the first quarter of 2011 and as much as 31% down on the previous quarter. There were significant declines in sales in Southern and Central Europe in particular, while the investment markets of Germany and Scandinavia held up relatively well. There were no notable changes in prime office initial yields in Europe in the first quarter of 2012. However, as the interest rate for ten-year German bonds has dropped to 1.7% in recent months, the difference in yields between peak office properties (almost 5% in Germany's top five locations) and bonds has increased again slightly.

Profitability, financial position and net assets

Profitability

Revenues fell by €111.9 million from €213.8 million in the first quarter of 2011 to €101.9 million in the reporting period. This drop is primarily due to the high figure for the previous year, which resulted from the invoicing of a project development in Berlin. In addition, this item also includes net rents from the IVG Real Estate segment, which decreased as well due to the loss of net rents from investment property sold.

Changes in inventory rose by €53.7 million from -€42.3 million to €11.4 million. They essentially relate to the IVG Development segment and primarily include investments capitalised in line with construction progress for THE SQUAIRE and reported in material expenses in the reporting period. Furthermore, the previous year's figure included the carrying amount disposed as a result of the sale of a project in Berlin.

Passion for Real Assets

Changes in the market value of investment property increased by €15.7 million as against the previous year to €13.6 million in the reporting period. This was mainly due to unrealised changes in market value, which changed by a total of €17.3 million from -€2.0 million in the previous year to €15.3 million in the reporting period. The increase in unrealised changes in market value of €32.5 million in the IVG Caverns segment (from €7.8 million and one cavern to €40.3 million and two caverns) more than offset the decline in the IVG Real Estate segment (-€15.2 million). 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 rose by €7.6 million, from €3.3 million to €10.9 million in the reporting period. This was due to the settlement payments received on account of the early termination of a lease (€3.5 million) in the IVG Real Estate segment and the repayment of electricity tax already paid in the IVG Caverns segment (€2.8 million).

Material expenses declined by €69.1 million year-on-year from €85.0 million to €15.9 million in the reporting period, due in particular to reduced construction activity. Material expenses before changes in value from building activity alone fell by €56.9 million from €72.8 million to €15.9 million and relate almost exclusively to the major project THE SQUAIRE at Frankfurt Airport.

Personnel expenses fell slightly from €17.8 million to €17.4 million.

At €20.9 million, expenses from investment property were virtually unchanged on the same period of the previous year (€20.5 million).

Overall, EBIT increased by €26.1 million from €24.2 million to €50.3 million in the first quarter of the reporting period. This change is attributable to two factors in particular: EBIT in the IVG Development segment rose by €10.4 million from -€16.7 million in the previous year to -€6.3 million. In the first quarter of 2011, EBIT included a remeasurement effect of -€13.1 million relating to the major project THE SQUAIRE. In the IVG Caverns segment, EBIT grew by €33.3 million from €9.6 million to €42.9 million, mainly as a result of two caverns that switched to fair value accounting as scheduled in the first quarter. EBIT before unrealised changes in value fell slightly by -€3.2 million from €38.4 million to €35.2 million.

The financial result deteriorated by -€16.6 million from -€38.2 million in the first quarter of 2011 to -€54.8 million in the reporting period. This change essentially resulted from higher interest expenses (-€11.8 million) and the decline in earnings from hedging transactions (-€10.3 million). This was offset slightly by the improvement in the foreign currency result (€2.0 million) and the other financial result (€2.7 million). Before unrealised changes in value, the financial result deteriorated by -€8.9 million. Adjusted for one-off effects, interest earnings fell by €1.8 million in the reporting period as against the first quarter of 2011.

Income taxes deteriorated by -€25.4 million year-on-year from €25.1 million to -€0.3 million. This was caused by the additional capitalisation of deferred taxes on commercial tax loss carryforwards in the previous year.

In total, consolidated net profit decreased by €15.9 million from €11.1 million in the previous year to -€4.8 million in the first quarter of 2012.

	1Q/2012			1Q/2011		
in €m	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total
Revenues	101.9		101.9	213.8		213.8
Changes in inventories and other own work capitalized	11.4		11.4	-42.3		-42.3
Changes in market value of investment property	-1.7	15.3	13.6	0.0	-2.0	-2.1
Other operating income	10.9	0.0	10.9	3.3	0.0	3.3
Material expenses	-15.9	0.0	-15.9	-72.8	-12.2	-85.0
Personnel expenses	-17.4		-17.4	-17.8		-17.8
Expenses from investment property	-20.9		-20.9	-20.5		-20.5
Other operating expenses	-29.2		-29.2	-24.6		-24.6
Earnings before interest and taxes (EBIT)	**35.2**	**15.1**	**50.3**	**38.4**	**-14.2**	**24.2**
Financial result	**-57.3**	**2.5**	**-54.8**	**-48.4**	**10.2**	**-38.2**
Net profit before income taxes	**-22.1**	**17.5**	**-4.5**	**-10.0**	**-4.0**	**-14.0**
Income taxes			-0.3			25.1
Consolidated net profit			**-4 .8**			**11.1**

IVG Investment – Real Estate

in €m	1Q/2012	1Q/2011
Total revenues	69.0	71.1
thereof net rents	*55.6*	*61.2*
thereof service charges	*12.9*	*9.3*
Unrealised changes in market value of investment property	-25.1	-9.9
Realised changes in market value of investment property	-1.7	0.0
Other operating income	6.8	2.3
Expenses from investment property	-21.0	-20.5
Other operating expenses	-10.1	-9.3
EBIT	**15.4**	**34.0**
thereof unrealised changes in value	*-25.3*	*-9.0*
EBIT before changes in value	**40.7**	**42.9**

In the Real Estate segment, revenues declined by €2.1 million, from €71.1 million in the first quarter of 2011 to €69.0 million in the first quarter of the current year. The net rents included in this item decreased by €5.6 million as against the first quarter of the previous year, mainly due to the loss of net rents from investment property sold, especially in Paris, Hamburg, Berlin and Munich. The decline in net rents was offset by the €3.6 million increase in income from service charges. On a like-for-like basis, net rents climbed by 0.1% in the past three months as against the fourth quarter of 2011.

Unrealised changes in the market value of investment property changed by -€15.2 million from -€9.9 million in the first quarter of 2011 to -€25.1 million in the reporting period. Overall, the real estate portfolio experienced a negative change in value of around 0.7% as at 31 March 2012.

At -€1.7 million, realised changes in market value from sales of investment property were slightly below the prior-year level (€0.0 million).

Other operating income rose by €4.4 million as against the first quarter of 2011 to €6.8 million. At €3.5 million, the increase resulted largely from the settlement payment by one tenant on account of the early termination of its lease.

At €21.0 million, expenses from investment property were virtually unchanged on the same period of the previous year (€20.5 million).

In the reporting period, other operating expenses increased slightly by €0.7 million from €9.3 million in the first quarter of 2011 to €10.1 million.

EBIT before changes in value of the IVG Real Estate segment fell slightly by €2.2 million to €40.7 million. However, the rise in negative unrealised changes in market value meant that EBIT after changes in value dropped considerably by €18.6 million year-on-year from €34.0 million to €15.4 million.

IVG Investment – Development

in €m	1Q/2012	1Q/2011
Total revenues	12.0	121.3
thereof net rents	*2.6*	*1.3*
thereof service charges	*1.7*	*0.8*
thereof project sales	*1.2*	*112.1*
thereof construction contracts	*0.0*	*5.0*
thereof transactions, concepts and sales	*0.3*	*2.1*
thereof other revenues	*6.1*	*0.0*
Changes in inventories	9.6	-44.6
Material expenses	-13.2	-83.6
Other operating expenses	*-14.3*	*-10.3*
EBIT	**-6.3**	**-16.7**
thereof unrealised changes in value	*0.0*	*-13.1*
EBIT before changes in value	**-6.3**	**-3.6**

Projects being wound up are recognised in the IVG Development segment. Revenues fell by €109.3 million from €121.3 million in the first quarter of 2011 to €12.0 million. A project in Berlin was transferred to the IVG Premium Green Fund in the same period of the previous year. Only a subsequent adjustment of the final purchase price for this project was charged in the reporting period. The other revenues of €6.1 million in the first quarter of 2012 resulted from the services rendered in connection with the Hilton hotels at the location of the major project THE SQUAIRE at Frankfurt Airport.

Changes in inventories developed from -€44.6 million in the prior-year period to €9.6 million in the first three months of 2012. They include investments capitalised in line with construction progress and reported in material expenses. Furthermore, the previous year's figure included the carrying amount from the sale of a project in Berlin.

Material expenses declined by €70.4 million year-on-year from €83.6 million to €13.2 million on account of a smaller project volume. The drop in material expenses before changes in value from building activity alone amounted to €57.3 million (from €70.5 million in the first three months of 2011 to €13.2 million). There were no unrealised changes in the value of project developments in the reporting period. In the first quarter of 2011, the changes in value of -€13.1 million incurred essentially related to the major project THE SQUAIRE.

Other operating expenses increased by €4.0 million as against the previous year to €14.3 million. They were mainly incurred for the ongoing operating costs following the completion of THE SQUAIRE, only some of which can currently be passed on.

EBIT before changes in value fell overall by -€2.7 million from -€3.6 million to -€6.3 million. Taking into account unrealised changes in value of €0.0 million (previous year: -€13.1 million), EBIT improved by €10.4 million from -€16.7 million to -€6.3 million in the first quarter of 2012.

IVG Investment – Caverns

in €m	1Q/2012	1Q/2011
Total revenues	4.4	6.5
thereof net rents	*0.9*	*0.1*
thereof management fees	*2.3*	*1.9*
thereof other revenues	*1.0*	*4.5*
Unrealised changes in market value of investment property	40.3	7.8
Other operating income	3.2	0.0
Personnel expenses	-1.9	-1.8
Depreciation and amortisation of intangible assets, property, plant and equipment	-1.5	-1.3
Other operating expenses	-1.3	-1.6
EBIT	**42.9**	**9.6**
thereof unrealised changes in value	*40.3*	*7.8*
EBIT before changes in value	**2.6**	**1.8**

In the first quarter of 2012, revenues in the IVG Caverns segment fell by €2.1 million year-on-year from €6.5 million to €4.4 million, as a result in particular of the services rendered one time to accelerate the first gas filling for a cavern tenant in the same period of the previous year.

Since the beginning of 2009, caverns under construction have been accounted for at fair value in accordance with IAS 40 (2008), provided their fair value can be reliably determined. In the first quarter of 2012, two caverns reached the 300,000 m³ threshold established for this. Taking other effects into account, unrealised changes in the market value of investment property totalled €40.3 million in the reporting period. By comparison, only one cavern exceeded this threshold in the first quarter of 2011 and caused unrealised changes in the market value of investment property of €7.8 million.

The other operating income of €3.2 million in the first quarter of 2012 essentially relates to energy tax reimbursements in connection with caverns already sold (€2.8 million).

EBIT climbed by €33.3 million year-on-year from €9.6 million to €42.9 million, essentially as a result of higher unrealised changes in market value. EBIT before unrealised changes in value climbed by €0.8 million from €1.8 million to €2.6 million.

IVG Funds – Institutional Funds

in €m	1Q/2012	1Q/2011
Total revenues	15.8	13.8
thereof management fees	*13.6*	*13.4*
thereof transaction fees	*2.2*	*0.4*
Personnel expenses	-3.3	-3.0
Other operating expenses	-7.5	-6.6
EBIT	**5.0**	**4.5**
thereof unrealised changes in value	*0.0*	*0.0*
EBIT before changes in value	**5.0**	**4.5**

At €15.8 million, revenues in the IVG Institutional Funds segment were up on the previous year by 14.2%. This resulted from the higher transaction income that improved sharply following the transfer of ownership of the "Silberturm" property in Frankfurt.

The costs incurred in connection with the transactions led to a €0.9 million rise in other operating expenses from €6.6 million to €7.5 million.

Overall, EBIT improved by €0.5 million as against the same quarter of the previous year to €5.0 million.

IVG Funds – Private Funds

in €m	1Q/2012	1Q/2011
Total revenues	1.0	1.0
thereof management fees	*1.0*	*1.0*
Personnel expenses	-1.0	-1.1
Other operating expenses	-1.2	-1.2
EBIT	**-1.2**	**-1.2**
thereof unrealised changes in value	*0.0*	*0.0*
EBIT before changes in value	**-1.2**	**-1.2**

Revenues in the IVG Private Funds segment stabilised at a reduced level. Since its commencement at the beginning of this year, the placement of IVG EuroSelect 21 Munich has reached currently an amount of €155 million out of the total fund's equity of €205 million. However, the resulting revenues will not be recognised until the fund is placed in full in the second quarter of 2012.

Other operating expenses remained stable in the reporting period as against the first quarter of 2011 at €1.2 million.

EBIT was unchanged overall at -€1.2 million.

Financial position

Financing

As at 31 March 2012, liabilities due to banks (not including the convertible bond or deferred items) had the following maturities:

		thereof reduction by				thereof
in €m	Total nominal	project sale	property sale	caverns sale	repay-ment	planned prologa-tions
2012	623	36	315	234	38	0
2013	974	543	0	128	42	261
2014	2,155	7	50	172	29	1,897
2015	509	0	20	0	20	469
2016	46	0	0	0	4	42
2017 and thereafter	133	0	0	0	14	119
Total	**4,440**	**586**	**385**	**534**	**147**	**2,788**

In the first quarter of 2012, liabilities to banks decreased by €11 million. This is due to regular payments on property and project loans (€12 million), partially offset by drawdowns of project loans (€1 million).

Financing for project development is scheduled to be repaid from the sales proceeds when the relevant projects are completed and sold. Project financing is to be prolonged if any completed projects remain with IVG. The largest item is THE SQUAIRE (€487 million), which is due for financing as at 31 December 2013.

The repayments to be made from the sale of properties primarily relate to the repayment of €315 million for the two properties Dieselstrasse 4 and 6 from the Allianz portfolio in the context of the "CORE" financing, which are to be sold to the IVG EuroSelect 21 Munich fund. The additional amounts of €70 million relate to financing for properties held for sale, including a further property in the Allianz portfolio.

The liabilities to banks to be reduced as part of the sale of caverns mainly relate to repayments from the proceeds of cavern sales to the Cavern Fund. For instance, instalments of €204 million, €128 million and €172 million must be paid in 2012, 2013 and 2014 prior to final maturity on 25 September 2014 as part of the SynLoan 2009. The remaining €30 million relates to bridge financing for a cavern.

The ongoing repayments of €147 million will be made by 2021 in the form of annuity and amortising loans. €70 million of this relates to the core financing for the Allianz portfolio.

Around the start of the new financial year, IVG Immobilien AG's six biggest financing projects of around €4.1 billion were prolonged or restructured. In addition to the prolongation of the loans for THE SQUAIRE, Pegasus, SynLoan 2009 and "CORE" financing already described in the annual financial statements, additional collateral was provided for the SynLoan 2007 and a bilateral credit facility as set out in the prolongation concept for SynLoans. No significant loan volumes are due for prolongation in 2012, thereafter there are essentially a bilateral credit facility (€100 million, end of 2013), the Pegasus financing (€140 million, end of 2013), the SynLoan 2007 and 2009 (€1,350 million and €543 million, third quarter of 2014) and the "CORE" financing (€469 million, end of 2015) scheduled for extension.

At 4.26%, the average interest rate for all financial liabilities (including interest rate hedges) as at 31 March 2012 improved slightly against 31 December 2011 (4.32%).

Regular tests did not identify any breach of covenants in the first quarter of 2012.

Liquidity

As at 31 March 2012, the total liquidity available to IVG (not including CP lines and assigned or project-related cash reserves) totalled €0.1 billion.

in €m	31.03.2012
Unused non-project-related credit lines	0
Surplus capacity on current accounts	10
Cash reserves	92
Sight deposits and current securities	2
Derivatives with positive market values	0
Total	**104**

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

in €m	1Q/2012	1Q/2011
Cash flow from current activities	16.6	23.4
Cash flow for short-/midterm investments from operational divisions	*-9.1*	*-56.7*
Net interest payments	-45.4	-49.0
Net tax payments	-1.9	1.7
Cash flow from operating activities	**-39.8**	**-80.6**
Cash flow from/for investing activities	**-72.5**	**-46.3**
Cash flow from financing activities	**-13.3**	**37.0**
Change in cash and cash equivalents*	**-125.6**	**-89.9**
Cash and cash equivalents at closing date	112.2	185.0

* Not including changes due to exchange rate movements

Cash flow from operating activities improved by €40.8 million year-on-year from -€80.6 million to -€39.8 million. This was essentially due to the improvement in cash flow from investments in operating activities (€47.6 million), which primarily resulted from the decline in cash outflows following the completion of THE SQUAIRE. Net interest payments were down by €3.6 million as against the same period of the previous year (from -€49.0 million to -€45.4 million), particularly as a result of the significant reduction in financial liabilities due to extensive repayments as against the same period of the previous year.

Cash flow from investing activities changed by -€26.2 million and is dominated by current investments in caverns and other investment property. The repurchase of a property in Helsinki (-€26.5 million) also increased cash flow in the first quarter of 2012.

Cash flow from financing activities changed by -€50.3 million from +€37.0 million to -€13.3 million in the reporting period. In particular, the clear reduction is due to the cash inflow in the previous year from the capital increase in the first quarter of 2011 (€85.5 million). Liabilities to banks decreased by €11.0 million in the reporting year thanks to scheduled repayments of property and project loans.

Net assets

in €m	31.03.2012	31.12.2011
Total assets	6,857.2	6,904.2
Non-current assets	5,131.7	5,120.4
Current assets	1,725.5	1,783.8
Equity	1,405.5	1,386.3
Equity ratio in %	20.5	20.1
Non-current liabilities	4,444.0	4,433.0
Current liabilities	1,007.7	1,084.9
Financial liabilities	4,876.6	4,878.3
Financial liabilities in %	71.1	70.7

Non-current assets rose slightly by €11.3 million as against 31 December 2011. This was caused by the reacquisition of a property sold in Finland in 2005 (€20.9 million), other ongoing investments in caverns (€23.4 million) and other investment property (€3.7 million) and positive unrealised changes in market value of €16.3 million. This was offset by the reclassification of two properties in Helsinki and Paris to non-current assets held for sale (€55.5 million).

Current assets declined by €58.3 million in the first quarter of 2012 to €1.7 billion. This is essentially due to the decline in cash and cash equivalents by -€125.7 million on account of ongoing investments by the IVG Real Estate, IVG Caverns and IVG Development segments and scheduled regular repayments on property and project loans (€11.0 million). This was offset by the €13.7 million increase in inventories (due in particular to the scheduled progress in THE SQUAIRE and THE SQUAIRE Parking) and the above reclassification of property from non-current assets (€55.5 million).

Total assets declined slightly by €47.0 million to €6.9 billion.

Equity was virtually unchanged as against 31 December 2011 at €1.4 billion. While the results for the quarter (-€4.8 million) reduced equity, the reversal of the deferral of interest payments on the hybrid bond led to a slight increase in equity (€20.9 million).

Liabilities decreased slightly by €66.2 million as against 31 December 2011. The scheduled repayment of property and project financing reduced liabilities to banks by €11.0 million. Further easing on the financing side was also made possible by the reduction in derivative financial instruments and the reversal of deferral from the hybrid bond.

NAV rose slightly by 1.9%, from €4.74 per share as at 31 December 2011 to €4.83 per share as at 31 March 2012.

Adjusted for the components of the market value of caverns not capitalised, adjusted NAV was virtually unchanged at €6.29 per share as at 31 March 2012 (31 December 2011: €6.30 per share).

Risk report

As with all financial statements, plans and forecasts of IVG Immobilien AG, this interim report takes into consideration all opportunities and risks with a probability of occurrence of more than 50%, i.e. it shows the development IVG considers to be more probable. The risk report accordingly shows opportunities and risks with a probability of less than 50%. As at the end of the first quarter of 2012, there are the following opportunities and risks for IVG Immobilien AG.

The greatest downside risks for the real estate markets still emanate from general economic developments. While big progress has been made in recent months towards a solution for the debt crisis in the euro area, the most recent speculation such as that regarding the credit standing of Spain and the reaction to this on the financial markets shows that the crisis could flare up again at any time. A lasting phase of recession or stagnation in Europe can therefore still not be ruled out. In particular, this means risks for properties outside the core segment, as these are not consistent with the current preferences of tenants, investors and property financers. Here, there are risks in the form of elevated vacancies, falling rents and declining property prices. However, there are still certain opportunities in the prime segment. A moderate level of new construction activity means that prime properties are still scarce. The enormous difference in yields on top properties and government bonds means that investments in such properties still appear attractive, with the result that the downside risks in terms of rent and price trends can be considered relatively moderate in the near term. In the long run, however, rising interest rates are expected, which will also bring pressure to bear on initial yields in the prime segment as well.

The current debt crisis may mean opportunities in terms of long-term rent growth: The European Central Bank has further eased its monetary policy in recent months, which in the long term – if the situation normalises on the interbank markets – could mean a spike in inflation and therefore corresponding rent adjustments.

Furthermore, the real estate markets remain exposed to substantial risks: In Europe, large volumes of real estate loans are due for refinancing in the coming years, while the credit supply is tending to shrink on account of restrictive financing conditions (including lower loan-to-value ratios or higher equity requirements of banks). Even a new credit crunch can still not be ruled out.

The problem of financing is particularly relevant for properties outside the core segment, as financers and investors will not focus on these for the foreseeable future and they may therefore have to be sold well below their value in extreme cases. This means opportunities for investors with good equity resources who know how to exploit the hardship of other property owners to their own advantage.

Given the risk-averse financing conduct of banks in the real estate sector, the general conditions for the refinancing we require are remaining difficult. There are 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.

IVG Immobilien AG made considerable progress in improving its financing structure in 2011. In addition to the early prolongation of SynLoan II and the core financing, the current financing for the project THE SQUAIRE was also extended to the end of 2013. Furthermore, IVG Immobilien AG significantly strengthened its capital base in 2011 with two successful capital increases. Overall, this has resulted in a considerably improved financing and debt maturity profile.

Financial planning for the coming years was developed cautiously. The scheduled reduction of the project pipeline through project sales was taken into consideration in the financial planning, as was the transfer of already fully-let pre-sold caverns to a speciality property fund set up by IVG and the sale of several selected properties no longer consistent with our strategy. All of this is of fundamental importance to IVG's financial position.

In the discussion of individual risks, there are the market-driven changes in the value of investment property typical to this business area. There could also be possible risks – particularly liquidity risks – if the planned disposals of non-strategic properties are not implemented.

In the IVG Development segment, which is being phased out, the six remaining projects will be gradually sold by the end of 2013. With regard to the sales planned for 2012 and 2013, potential sales risks for two projects in Budapest in particular are anticipated due to the general economic conditions in Hungary. Further cost increases in the context of final invoicing also cannot be ruled out. At the same time, the cost risks are accompanied by opportunities in the form of potential reductions in the context of project invoicing.

The focus in the IVG Caverns segment will be on the development and operations of the caverns sold to funds. Aside from the scheduling, geological and technical risks involved in the construction process, there is the risk typical for this business area of on-schedule completion with the correct volume as contractually agreed with tenants and funds. Completion planning is therefore subject to close monitoring. No risks representing a potential economic loss are anticipated at present.

In the IVG Funds segment, there is the risk that the number and/or size of the newly placed fund products is not achieved as planned, the investment speed could slow or existing funds might have to be wrapped up early, which might negatively influence one-off and recurring income and the value of the IVG Institutional Funds segment as a whole. The possible reasons for this include a lack of investment opportunities on the property markets, an unfavourable change in the legal framework (regulation) or a lack of customer satisfaction with the performance of existing IVG fund products.

Viewed in isolation, the risks above can be controlled by means of countermeasures and preventive measures. IVG has taken and initiated the corresponding precautionary measures at an early stage. The future of the company as a going concern could be at risk if the expected sale of caverns and properties to repay loans and procure liquidity does cannot occur as planned and the resulting liquidity requirements cannot be compensated by pre- or post-financing of existing assets.

In addition to liquidity risks, IVG faces risks to consolidated net profit, especially in terms of the completion of caverns and real estate projects on schedule, on budget and in line with requirements and possible changes in the value of portfolio properties.

Significant events after the balance sheet date

On 19 April 2012, IVG Immobilien AG resolved to suspend the remuneration on its issued hybrid capital. Since the shareholders of IVG have gone without dividend payments since 2008, this is intended to establish equal treatment for different equity providers. The funds which due to this decision will remain available, will be used to improve the company's capital structure. Investors' claims to remuneration have been deferred, and they are therefore still entitled to payment at a later date. IVG will re-begin payments when it generates a clearly positive consolidated net profit with the possibility to pay dividends again.

Forecast

Economic environment

Europe's economic development in 2012 will largely be marked by stagnation as a result of the debt crisis. While economic output in Southern Europe will decrease further, the economies of Germany, France and the UK will at least see slight economic growth over the year as a whole.

Given the uncertainty among market participants, demand for space and therefore rentals will be weaker in most European office markets than in the previous year. Vacancy rates are also expected to rise slightly again in 2012. Nonetheless, prime rents will remain largely stable at most locations (except for Southern Europe) as high-quality office space is still scarce owing to low construction activity.

In Germany, further rent hikes are feasible given its robust labour market. By contrast, rents for office space outside the core segment will come under pressure or will be kept stable with incentives such as rent-free periods. Fundamentally, provided that a serious recession can be avoided in Europe as a result of the debt crisis, a severe downturn on most rental markets is not anticipated.

A drop in the number of transactions can be seen on the investment market. While demand for core properties on long-term leases is still high – not least on account of the attractive initial yields as compared to government bonds – the economic uncertainty means that it will take longer to conclude purchase agreements. In addition, real estate financing is facing ever tighter restrictions owing to the ongoing deleveraging in the banking sector. While prime initial yields on core markets in particular will remain largely stable on account of persistent investor interest, prices for non-core properties will again find themselves under pressure. Such properties will not be focused on by either investors or lenders in the coming quarters.

Forecast development at IVG

After the end of the opening months of the 2012 financial year, the assumptions and expectations presented in the Group management report for 2011 (annual report, p. 99 to 101) can largely be reiterated.

For the IVG Real Estate segment, we are standing by the implementation of the sales programme of around €600 million by the end of 2013 – most of which in 2012 – as a continuation of the strategic programme to focus on the attractive real estate market in Germany. Investment requirements for the existing portfolio will remain at approximately €90 million and are distributed almost evenly over 2012 and 2013. The segment is still focusing on the disposal of THE SQUAIRE at Frankfurt Airport, which will free up equity of approximately €300 million and is a key element of the reduction of the project pipeline, which will be virtually completed by 2013 with the sale of further projects in Eastern Europe and Paris.

In the IVG Caverns segment, IVG expects to recognise eight development caverns at fair value for the first time in 2012 and five in 2013 when they reach the appropriate threshold for IFRS recognition at fair value of 300,000 m³ and sales of around €340 million (€200 million of which in 2012) to the IVG cavern funds. As the majority by value of the caverns are expected to reach this size in the fourth quarter of 2012, the positive effects on earnings of the Caverns segment will also not affect the Group until this time.

In the IVG Institutional Funds segment, the focus will remain on stabilising assets under management of around €12 billion while at the same time rearranging the portfolio.

The activities of the IVG Private Funds segment will focus on issuing closed-end funds with properties and projects from IVG's portfolio.

Barring any major unplanned remeasurement effects or cost increases on the last project developments, we expect to achieve an almost break-even result in 2012 and a significant consolidated net profit in 2013.

INTERIM FINANCIAL STATEMENTS
as of 31 March 2012

IVG
Passion for Real Assets

Consolidated income statement for the first three months

in €m	1Q/2012 Before changes in value	1Q/2012 Unrealised changes in value [1]	1Q/2012 Total	1Q/2011 Before changes in value	1Q/2011 Unrealised changes in value [1]	1Q/2011 Total
Revenues	101.9		101.9	213.8		213.8
Changes in inventories and other own work capitalised	11.4		11.4	-42.3		-42.3
Unrealised changes in market value of investment property	0.0	15.3	15.3	0.0	-2.0	-2.0
Realised changes in market value of investment property	-1.7		-1.7	0.0		0.0
Other operating income	10.9	0.0	10.9	3.3	0.0	3.3
Material expenses	-15.9	0.0	-15.9	-72.8	-12.2	-85.0
Personnel expenses	-17.4		-17.4	-17.8		-17.8
Depreciation and amortisation of intangible assets, property, plant and equipment	-2.6	-0.2	-2.8	-1.8	0.0	-1.8
Expenses from investment property	-20.9		-20.9	-20.5		-20.5
Other operating expenses	-29.2		-29.2	-24.6		-24.6
Gains/losses from associated participations accounted for using the equity method	-1.3		-1.3	0.5		0.5
Income from equity investments	0.0		0.0	0.7		0.7
Earnings before interest and taxes (EBIT)	**35.2**	**15.1**	**50.3**	**38.4**	**-14.2**	**24.2**
Financial income	11.2	13.6	24.8	11.3	32.7	44.0
Financial expenses	-68.5	-11.1	-79.6	-59.8	-22.4	-82.2
Financial result	**-57.3**	**2.5**	**-54.8**	**-48.4**	**10.2**	**-38.2**
Net profit before income taxes	**-22.1**	**17.5**	**-4.5**	**-10.0**	**-4.0**	**-14.0**
Income taxes			-0.3			25.1
Consolidated net profit			**-4.8**			**11.1**
Share attributable to Group shareholders			*-4.8*			*3.1*
Share attributable to hybrid capital providers			*0.0*			*8.0*
Share attributable to third parties			*0.0*			*0.0*
Undiluted earnings per share in €			-0.02			0.02
Diluted earnings per share in €			-0.02			0.02 [2]

[1] The unrealised changes in value include all valuation effects from IAS 2, IAS 21, IAS 36, IAS 39 and IAS 40 without tax effects
[2] Information on the adjustment of diluted earnings per share can be found in the notes

Condensed consolidated statement of comprehensive income for the first three months

in €m	1Q/2012	1Q/2011
Consolidated net profit	**-4.8**	**11.1**
Market valuation available-for-sale securities	1.1	5.7
Market valuation of hedging instruments	0.8	34.5
Adjustment for currency translation of foreign subsidiaries	0.9	0.0
Actuarial earnings and losses from performance-based pension plans and similar obligations	0.0	0.0
Deferred taxes on value adjustments set off directly against equity	0.9	-7.1
Income and expenses recognised in equity	**3.7**	**33.1**
Total comprehensive income	**-1.1**	**44.2**
Share attributable to Group shareholders	*-1.1*	36.2
Share attributable to hybrid capital providers	*0.0*	8.0
Share attributable to third parties	*0.0*	*0.0*

Consolidated statement of financial position

Assets

in €m	31.03.2012	31.12.2011
Non-current assets		
Intangible assets	251.3	251.3
Investment property	3,971.2	3,964.4
Property, plant and equipment	161.6	156.8
Financial assets	196.3	188.8
Investments in associated participations accounted for using the equity method	86.6	95.4
Deferred tax assets	405.8	404.0
Receivables and other assets	58.9	59.7
Total non-current assets	**5,131.7**	**5,120.4**
Current assets		
Inventories	1,038.8	1,025.1
Receivables and other assets	175.6	165.9
Income tax receivables	12.2	12.4
Securities	1.5	1.3
Cash and cash equivalents	112.2	237.9
	1,340.2	**1,442.5**
Non-current assets held for sale	385.3	341.3
Total current assets	**1,725.5**	**1,783.8**
Total assets	**6,857.2**	**6,904.2**

Equity and liabilities

in €m	31.03.2012	31.12.2011
Equity		
Subscribed capital	207.9	207.9
Capital reserve	762.3	762.8
Treasury shares	-0.5	-0.5
Other reserves	-61.2	-64.9
Retained earnings	96.0	80.0
Equity attributable to Group shareholders	**1,004.5**	**985.3**
Hybrid capital	400.9	400.9
Minority interests	0.0	0.0
Total equity	**1,405.5**	**1,386.3**
Liabilities		
Non-current liabilities		
Financial liabilities	4,182.7	4,181.0
Derivative financial instruments	57.8	51.7
Deferred tax liabilities	103.9	104.5
Pension provisions	18.2	17.9
Other provisions	35.3	32.3
Liabilities	46.2	45.7
Total non-current liabilities	**4,444.0**	**4,433.0**
Current liabilities		
Financial liabilities	693.9	697.3
Derivative financial instruments	37.5	44.1
Other provisions	75.2	80.2
Liabilities	153.0	214.9
Income tax liabilities	48.1	48.3
	1,007.7	**1,084.9**
Total current liabilities	**1,007.7**	**1,084.9**
Total equity and liabilities	**6,857.2**	**6,904.2**

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 01.01.2011	**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	0.0	0.0	0.0	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**
Balance at 01.01.2012	**207.9**	**762.8**	**-0.5**	**8.1**	**-52.1**	**12.9**	**-33.8**	**80.0**	**985.3**	**400.9**	**0.0**	**1,386.3**
Consolidated net profit								-4.8	-4.8	0.0	0.0	-4.8
Earnings recognised directly in equity				0.8	2.0		0.9	0.0	3.7			3.7
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.8**	**2.0**	**0.0**	**0.9**	**-4.8**	**-1.1**	**0.0**	**0.0**	**-1.1**
Release/Accrual on profit distribution for hybrid capital								20.9	20.9			20.9
Capital increase	0.0	0.0							0.0			0.0
Share-based payment		0.0							0.0			0.0
Changes to group of consolidated companies / others		-0.5 *							-0.5			-0.5
Balance at 31.03.2012	**207.9**	**762.3**	**-0.5**	**8.9**	**-50.1**	**12.9**	**-32.9**	**96.0**	**1,004.5**	**400.9**	**0.0**	**1,405.5**

* Subsequently incurred costs of the past capital increase from December 2011 of -€0.5 million

Condensed consolidated statement of cash flows

in €m	1Q/2012	1Q/2011
Earnings before interest and taxes (EBIT)	**50.3**	**24.2**
Unrealised changes in market value of investment property	-15.3	2.0
Realised changes in market value of investment property	1.7	0.0
Depreciation and appreciation of intangible assets and property, plant and equipment	2.8	1.8
Other non-cash income and expenses	-3.1	5.7
Changes in receivables and inventories of other segments (not including Development, Real Estate and Private Funds)	-9.5	-6.6
Changes in liabilities and provisions	-11.5	-3.4
Non-distributed earnings from associated participations accounted for using the equity method	1.2	-0.7
Changes in non-current assets and liabilities held for sale	0.0	0.0
Dividends received	0.0	0.4
Cash flow from current activities	**16.6**	**23.4**
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 [1]	-9.1	-56.7
Cash flow from short/mid-term investments in operating activities	**-9.1**	**-56.7**
Cash flow from operating activities before interest and taxes	7.5	**-33.3**
Net interest payments	-45.4	-49.0
Net tax payment	-1.9	1.7
Cash flow from operating activities	**-39.8**	**-80.6**
Cash flow from investing activities	**-72.5**	**-46.3**
Cash flow from financing activities	**-13.3**	**37.0**
Net change in cash and cash equivalents from operations	-125.6	-89.9
Cash and cash equivalents as of 01.01.	**237.9**	**274.9**
Changes in cash and cash equivalents due to exchange rate movements	-0.1	0.0
Cash and cash equivalents as of 31.03.	**112.2**	**185.0**
thereof cash in property disposal group	*0.0*	*0.2*
Cash and cash equivalents reported on the balance sheet	112.2	184.8

[1] Gain on disposal is included in other operating income

Segment reporting for the first three months of 2012

1Q/2012	Investment									Funds												
	Real Estate			Development			Caverns			Institutional Funds			Private Funds			IVG Corporate Functions	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		Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total
External revenues	68.4		68.4	11.3		11.3	4.4		4.4	15.6		15.6	1.0		1.0	1.1	0.0		0.0	101.9	0.0	101.9
Internal revenues	0.6		0.6	0.6		0.6	0.0		0.0	0.1		0.1	0.0		0.0	7.9	-9.3		-9.3	0.0	0.0	0.0
Total revenues	**69.0**	**0.0**	**69.0**	**12.0**	**0.0**	**12.0**	**4.4**	**0.0**	**4.4**	**15.8**	**0.0**	**15.8**	**1.0**	**0.0**	**1.0**	**9.0**	**-9.3**	**0.0**	**-9.3**	**101.9**	**0.0**	**101.9**
Net rents from investment property	54.7		54.7	0.0		0.0	0.9		0.9	0.0		0.0	0.0		0.0	0.0	-0.2		-0.2	55.5	0.0	55.5
Other net rents	0.9		0.9	2.6		2.6	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-1.0		-1.0	2.6	0.0	2.6
Income from service charges	12.9		12.9	1.7		1.7	0.0		0.0	0.0		0.0	0.0		0.0	0.0	-0.1		-0.1	14.5	0.0	14.5
Income from project disposals	0.2		0.2	1.2		1.2	0.2		0.2	0.0		0.0	0.0		0.0	0.0	0.0		0.0	1.6	0.0	1.6
Income from construction contracts	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
Income from transactions, concepts and sales	0.0		0.0	0.3		0.3	0.0		0.0	2.2		2.2	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	2.3		2.3	13.6		13.6	1.0		1.0	0.4	-0.1		-0.1	17.3	0.0	17.3
Other revenues	0.3		0.3	6.1		6.1	1.0		1.0	0.0		0.0	0.0		0.0	8.4	-8.0		-8.0	7.9	0.0	7.9
Changes in inventories and other own work capitalised	-0.1		-0.1	9.6		9.6	1.9		1.9	0.0		0.0	0.0		0.0	0.0	0.0		0.0	11.4	0.0	11.4
Unrealised changes in market value of investment property	0.0	-25.1	-25.1	0.0		0.0	0.0	40.3	40.3	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	15.3	15.3
Realised changes in market value of investment property	-1.7		-1.7	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-1.7	0.0	-1.7
Other operating income	6.8		6.8	0.5		0.5	3.2		3.2	0.1		0.1	0.1		0.1	4.9	-4.6		-4.6	10.9	0.0	10.9
Material expenses	-0.3	0.0	-0.3	-13.2	0.0	-13.2	-2.2		-2.2	0.0		0.0	-0.1		-0.1	-0.3	0.1		0.1	-15.9	0.0	-15.9
Personnel expenses	-0.6		-0.6	-0.3		-0.3	-1.9		-1.9	-3.3		-3.3	-1.0		-1.0	-10.2	0.0		0.0	-17.4	0.0	-17.4
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.1	-0.2	-0.3	-0.6		-0.6	-1.5		-1.5	0.0		0.0	0.0		0.0	-0.3	0.0		0.0	-2.6	-0.2	-2.8
Expenses from investment property	-21.0		-21.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.1		0.1	-20.9	0.0	-20.9
Other operating expenses	-10.1		-10.1	-14.3		-14.3	-1.3		-1.3	-7.5		-7.5	-1.2		-1.2	-8.6	13.7		13.7	-29.2	0.0	-29.2
Gains/losses from associated participations accounted for using the equity method	-1.2		-1.2	-0.1		-0.1	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-1.3	0.0	-1.3
Income from equity investments	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
Segment result (EBIT)	**40.7**	**-25.3**	**15.4**	**-6.3**	**0.0**	**-6.3**	**2.6**	**40.3**	**42.9**	**5.0**	**0.0**	**5.0**	**-1.2**	**0.0**	**-1.2**	**-5.5**	**0.0**	**0.0**	**0.0**	**35.2**	**15.1**	**50.3**
Financial result																				-57.3	2.5	-54.8
Net profit before tax																				**-22.1**	**17.5**	**-4.5**
Income taxes																						-0.3
Consolidated net profit																						**-4.8**
Segment assets			**3,968.3**			**1,032.6**			**888.1**			**275.2**			**14.0**	**273.2**			**-0.1**			**6,451.4**
thereof investments in associated participations accounted for using the equity method			*70.0*			*1.8*			*0.0*			*14.8*			*0.0*	*0.0*			*0.0*			*86.6*
Investments			**35.7**			**0.6**			**29.2**			**0.1**			**0.0**	**2.4**			**0.0**			**68.0**

Segment reporting for the first three months of 2011

1Q/2011	Investment									Funds												
	Real Estate			Development			Caverns			Institutional Funds			Private Funds			IVG Corporate Functions	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		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 associated 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 equity 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 associated 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**

IVG
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Selected explanatory 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 2012 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 2011 financial year. For further information on this please see the consolidated financial statements as at 31 December 2011.

In the income statement and segment reporting, unrealised measurement effects resulting from the write-down of and the reversal of write-downs on inventories (IAS 2), impairment losses and reversals of impairments losses (IAS 36), the fair value measurement of financial instruments (IAS 39) and the fair value measurement of investment property (IAS 40) (not including tax effects) are reported in the separate column "unrealised changes in value". Due to the form of presentation, the consolidated income statement and segment reporting consist of the total of the two columns "before changes in value" and "unrealised changes in value".

The condensed interim financial statements and the interim financial report as of 31 March 2012 have neither been audited nor reviewed by an auditor.

Changes to accounting policies

The following new or amended standards and interpretations were adopted for the first time from 1 January 2012:

- Changes to IFRS 1 "First-time Adoption of International Financial Reporting Standards" – regulations on hyperinflation
- Changes to IFRS 7 "Financial Instruments: Disclosures" – transfers of financial assets
- Changes to IAS 12 "Income Taxes" – deferred taxes: recovery of underlying assets

The regulations effective for the first time from 1 January 2012 had no significant effect on the interim financial report of the IVG Group as at 31 March 2012.

Adjustment of diluted earnings per share

The diluted earnings per share were adjusted – for the first time as at 30 June 2011 – for the inclusion of non-dilutive effects in prior periods that was not in line with the standards.

The corrected values for previous quarter are shown below.

per share in €	Diluted EPS* before adjustment	Adjustment	Diluted EPS* after adjustment
1st quarter 2011	0.04	-0.02	0.02

* EPS = earnings per share

Significant transactions in the reporting period

- The €111.9 million reduction in revenues is due in particular to the high figure for the previous year, which resulted from the invoicing of a project development in Berlin. In addition, this item also includes net rents from the IVG Real Estate segment, which decreased as well due to disposal of investment property.
- The changes in inventories essentially relate to the capitalised investments for THE SQUAIRE at Frankfurt Airport. The previous year's figure also included the carrying amount from the sale of a project development in Berlin.
- Changes in the market value of investment property climbed by €15.7 million as against the previous year. This was mainly due to unrealised changes in market value, which improved by a total of €17.3 million. The increase in unrealised changes in market value in the IVG Caverns segment more than offset the decline in the IVG Real Estate segment.
- The €7.6 million increase in other operating income was due to the settlement payments received on account of the early termination of a lease (€3.5 million) in the IVG Real Estate segment and the repayment of electricity tax already paid in the IVG Caverns segment (€2.8 million).
- Material expenses fell by €69.1 million on account of reduced construction activity and resulted almost exclusively from the major project THE SQUAIRE.
- The financial result deteriorated by -€16.6 million, particularly as a result of higher interest expenses (-€11.8 million) and the decline in earnings from hedges (-€10.3 million). This was offset slightly by the improvement in the foreign currency result and the other financial result.
- Income taxes decreased by -€25.4 million from €25.1 million to -€0.3 million in the reporting period due to the additional capitalisation of deferred taxes on commercial tax loss carryforwards.
- Cash and cash equivalents declined by €125.7 million, essentially as a result of investments and the scheduled repayment of short-term loans.
- The provision for distributions on hybrid capital reported under current liabilities (€20.9 million) was reversed to equity.

Treasury shares

IVG held 32,229 treasury shares as at 31 March 2012. This corresponds to 0.0155% of IVG's share capital, i.e. €32,229.

Significant transactions with related parties

As described in the notes to the 2011 consolidated financial statements, IVG conducts arm's-length transactions with unconsolidated subsidiaries and companies accounted for using the equity method.

Events after the end of the reporting period

On 19 April 2012, IVG Immobilien AG resolved to suspend the remuneration on its issued hybrid capital. Since the shareholders of IVG have gone without dividend payments since 2008, this is intended to establish equal treatment for different equity providers. The company will use the funds still available to it to further improve its capital structure. Investors' claims to remuneration have been deferred, and they are therefore still entitled to payment at a later date. IVG will re-begin payments when it generates a clearly positive consolidated net profit and is therefore able to pay dividends again.

Responsibility statement

"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, 10 May 2012

Professor Dr Wolfgang 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.

Imprint

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Financial calendar

	Organizer	Event	Location
15.05.2012	IVG	Annual General Meeting	Bonn
31.05.2012	Kempen & Co.	European Property Conference	Amsterdam
10.08.2012	IVG	Publication of the interim report 2Q/2012	
12.09.2012	Bank of America Merryill Lynch	2012 Global Real Estate Conference	New York
25.-27.09.2012	Baader Bank	Baader Investment Conference	Munich
08.-10.10.2012	exporeal	Trade Fair for Commercial Property and Investment	Munich
09.11.2012	IVG	Publication of the interim report 3Q/2012	
16.05.2013	IVG	Annual General Meeting	Bonn