Interim Financial Report

1st half-year 2011

IVG 1H/2011

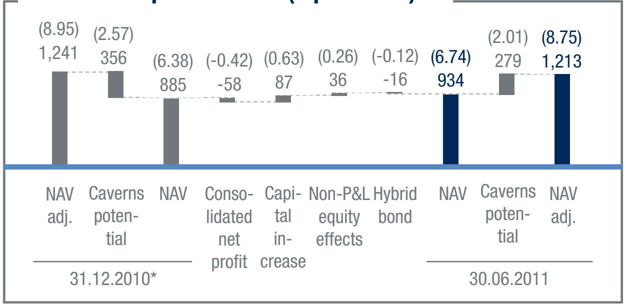
Group key figures

in €m	1H/2011	1H/2010	2Q/2011	2Q/2010
Key operational figures				
Revenues	319.4	561.8	105.6	412.8
thereof net rents	*127.5*	*135.0*	*65.3*	*66.9*
thereof fees for fund and property management, development and sales	*41.7*	*50.2*	*22.5*	*30.3*
EBIT	**11.0**	**156.3**	**-13.2**	**84.4**
EBT	**-98.6**	**32.5**	**-84.6**	**20.0**
Consolidated net profit	**-57.7**	**28.2**	**-68.8**	**18.0**
thereof unrealised changes in value	*-80.7*	*-1.9*	*-76.7*	*-15.1*
Funds from Operations I (FFO I)	12.6	16.3	5.8	3.9
Funds from Operations II (FFO II)	-4.7	30.9	-1.0	22.5
Key figures per share in €				
FFO I	0.09	0.13	0.04	0.03
FFO II	-0.03	0.25	-0.01	0.18
Basic earnings	-0.54	0.09	-0.56	0.08
EPRA EPS	-0.55	0.04	-0.54	0.05
Diluted earnings (EPS)	-0.54 [1]	0.09 [1]	-0.56 [1]	0.08 [1]

[1] Information on the adjustment of diluted earnings per share can be found in the notes

in €m	30.06.2011	31.12.2010
Key balance sheet figures		
Total assets	6,922.1	7,292.4
Equity (carrying amounts)	1,334.7	1,286.1
Equity ratio at carrying amounts in %	19.3	17.6
Net asset value (NAV)	933.7	884.8
NAV adj. (incl. value potential of caverns)	1,212.6	1,241.1
Equity ratio at NAV adj. in %	17.5	17.0
EPRA NAV	770.7	797.9
EPRA NNNAV	1,002.8	985.9
Key figures per share in €		
NAV	6.74	7.02
NAV adj.	8.75	9.85
EPRA NAV	5.56	6.33
EPRA NNNAV	7.23	7.82
Employees (FTE)	584	590

NAV-Development in €m/(€ per share)



* Adjusted because of capital increase

FOREWORD

Dear Shareholders, Ladies and Gentlemen,

The recovery on the economy and the real estate markets, especially in Germany, continued in the second quarter of 2011, albeit at a weaker pace. In this environment, IVG continued on the path it has taken since its repositioning. However, the Greek debt crisis is causing not inconsiderable macroeconomic uncertainty. The public finance situations in Italy, Spain and the US are also contributing to the generally elevated sense of risk. In Germany, the government's recent energy policy rethink has attached significantly greater importance to innovative energy sources. In this overall scenario, we feel that IVG is well positioned for the future with its range of real estate and caverns as an energy infrastructure.

On the real estate investment markets, initial yields have predominantly tracked sideways in the second quarter of 2011. Investor attention shifted more to secondary locations. On the real estate rental markets – especially in Germany – there was an upturn in revenue momentum. In second quarter of 2011, we concluded new leases or prolonged existing ones for 141,154 sqm in our own portfolio (Real Estate segment). For example, this included around 32,000 sqm at IVG Business Park Media Works Munich and 2,900 sqm in Frankfurt. The occupancy rate remained stable as against the end of 2010 at 90.1% as at 30 June 2011.

In our development projects (Development segment), pre-letting agreements were concluded for 10,330 sqm in the second quarter of 2011. The pre-letting rate in the development projects was 57.7% as at 30 June 2011. In the Development segment, there are currently still two projects under construction and four being marketed. We intend to process these in line with planning over the next 12 to 18 months.

In our biggest development project, THE SQUAIRE, walking distance from the gates to the European air travel hub of Frankfurt, the main tenant KPMG moved in with its European headquarters in May 2011. Together with the catering and shop space, which is continuing to fill up each month, this means that THE SQUAIRE is now truly underway. We recently also let around 18,500 sqm to Deutsche Lufthansa by way of a letter of intent. The occupancy rate has therefore already risen to around 82%; the rental agreement with Lufthansa is expected to be finalised within the next four to six weeks. The opening of the Hilton Hotel and adjacent generous car park, THE SQUAIRE Parking, will complete the project by the end of this year. What began as a daring vision more than ten years ago is now a reality and is drawing growing attention for issues such as working worlds, mobility and architecture.

We are continuing to develop cavern business as planned: In April 2011, we handed over seven caverns, six of which were gas caverns in the new northern construction area. Work in this region is progressing in a close dialogue with the cavern information centre and the Caverns Advisory Board. The proceeds of around € 180 million from the sale of caverns were used as part of our further debt reduction. Cavern business will continue to make key contributions to debt reduction in future.

In the Funds segment, the constituting meeting for the IVG Paris Fund was held with institutional investors in May 2011. In addition to a property already acquired in the renowned Quartier Rive Gauche in June 2011, Institutional Funds also secured a property for the fund on the famous Boulevard Saint-Germain. In May 2011, IVG structured and successfully floated IVG's first private placement in Hamburg.

The consolidated net profit amounted to -€68.8 million in the second quarter of 2011 and included negative unrealised changes in value in the Development segment of €73.8 million. This is due to an impairment loss for the project THE SQUAIRE, which resulted from cost hikes during the finalisation of the project. Unrealised changes in the market value of investment property of €9.6 million resulted in a positive contribution to earnings. Adjusted for the impairment losses on THE SQUAIRE and the associated tax effects, the consolidated net profit amounted to +€21.1 million in the first half of 2011. The operating ratios FFO I and FFO II amounted to €5.8 million and -€1.0 million respectively. Asset value on the balance sheet increased by 5.5%, from €6.38 per share on 31 December 2010 – adjusted for the capital increase – to €6.74 per share on 30 June 2011. Adjusted for the future caverns business, the adjusted NAV as of 30 June 2001 is €8.75 per share. The cost item of other operating expenses, to which we pay particular attention, rose slightly in the second quarter to around €25.6 million as against €24.6 million in the first quarter of 2011 but fell well short of the previous year's level. This interim financial report provides further detailed information on these figures.

At the end of May 2011, we presented the first IVG sustainability report, thereby positioning IVG as a pioneer in the industry in Germany. The report covers the four dimensions economy, ecology, social issues and governance in relation to the six target groups of tenants, investors, shareholders, employees, service providers and the public. At the same time, it serves as a point of reference for the further intensification and implementation of IVG's sustainability strategy. Naturally, one key aspect of this is the efficiency of our properties. A good example of this is the "Frankfurt Central" property, which satisfies the internationally sought-after LEED Gold Standard and, following a fundamental redesign, now saves more than half of its former energy costs.

In June 2011, IVG returned to the indices of the European Public Real Estate Association (EPRA). Institutional investors who structure their portfolios according to the composition of this index (known as index trackers) thereby automatically invest in IVG shares once again.

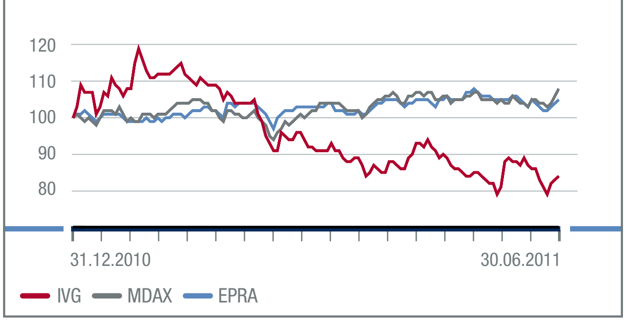
We would like to thank our financial backers, customers and business partners for the trust they have placed in us. It inspires us and reminds us of our obligation to tackle the work of the second half of the year with undiminished determination.

Bonn, August 2011

The Management Board

INVESTOR RELATIONS
(IVG SHARE)

IVG index comparison indexed: 31.12.2010



The performance of IVG shares was mixed over the first half of 2011. On 25 January 2011, the share price not only reached its high for the year to date of €7.71 but also its highest level since 1 January 2010. The price climbed by 44% from the start of the previous year. However, on 30 June 2011, the price of IVG shares was €5.39, down 16% on the closing price at the end of 2010. The MDAX benchmark index climbed by 8% in the first half of the year and the FTSE EPRA/NAREIT Developed Europe Index rose 5%.

On 20 June 2011, the European Public Real Estate Association (EPRA) announced that the shares of IVG Immobilien were being included in the FTSE EPRA/NAREIT Index family again. This includes the FTSE EPRA/NAREIT Developed Europe and the FTSE EPRA/NAREIT Germany Index, in which leading listed property companies from Europe and Germany are also represented.

IVG is currently being actively covered by 20 analysts. In the reports they have published since 1 January 2011, eleven analysts have recommended buying IVG shares, three have recommended holding them and six have recommended selling them. The average target price was €6.73.

The shareholder structure of IVG as at 30 June 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, FTSE EPRA/NAREIT Developed Europe, FTSE EPRA/NAREIT Germany, MSCI Europe, MSCI Germany, GPR Indices
Designated Sponsors	Commerzbank AG, DZ Bank
Market capitalisation (30.06.2011)	€747 million
Free float market capitalisation (65.60 %, 30.06.2011)*	€490 million
Number of shares (30.06.2011)	138.6 million
Share price (30.06.2011)	€5.39
First listed	01.10.1986
Last capital increase	February 2011

* Free float definition Deutsche Börse

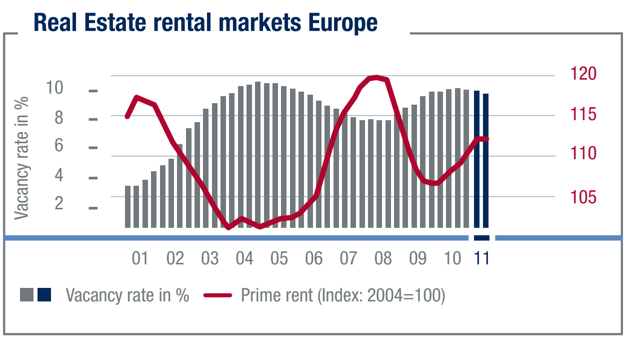
INTERIM MANAGEMENT REPORT

1st half-year 2011

Macroeconomic trends and real estate markets

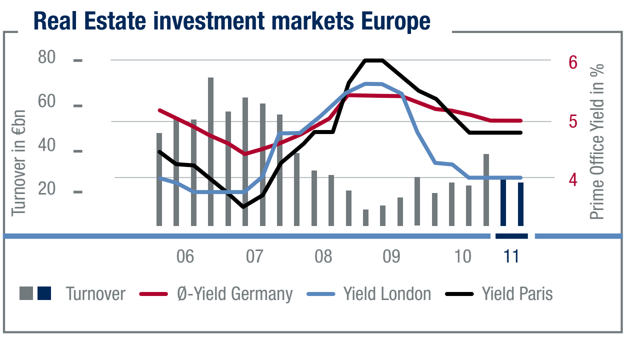
According to the information available to date, the process of economic recovery slowed in Europe in the second quarter of 2011. This development was due not least to the influence of the debt crisis in the euro area. There has been little progress of late in reducing unemployment. The unemployment rate for the euro area hovered at 9.9%. Meanwhile, the situation in Europe is characterised by the economic discrepancies between the more dynamic north and the south. As a result of the rise in energy prices over the last few months, the rate of inflation has settled at 2.7% in the euro area. The European Central Bank therefore raised interest rates by a further 25 basis points to 1.5% at the start of July despite the debt problems.

Regardless of the weaker economy, momentum increased on Europe's office rental markets in the second quarter. The development was particularly encouraging in Germany's five office strongholds, where leasing activity was well above the long-term average. Meanwhile, take-up remained lean on Spain's markets, in Lisbon, Amsterdam, Brussels and recently Central London as well.



Source: IVG Research, Cushman & Wakefield database

The vacancy rate at most office locations in Europe declined slightly in the second quarter of 2011. On average, 9.7% of portfolio space was vacant as against 9.9% in the previous quarter. Germany's five largest office markets are slightly ahead of this with a vacancy share of 10.3%. Average European prime rents were largely stable: Further downward corrections in Madrid and Barcelona were offset by slight rent increases in Munich and London.



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

The upswing on Europe's investment markets slowed in the second quarter: The transaction volume contracted by 12% as against the previous quarter to €25 billion. This decline was essentially due to a 40% slump in investments in the UK (€6.8 billion). Initial yields for prime office properties remained stable virtually everywhere in the past quarter. Key exceptions to this were the office market in Berlin, where the prime yield dropped to 5%, Lisbon and Dublin, where initial yields tended upwards due to the exacerbated debt problems.

Profitability, financial position and net assets

Key operational figures

Revenues declined by €242.4 million from €561.8 million in the first half of 2010 to €319.4 million in the period under review. This reduction is due to the high prior-year figure, which was determined by the invoicing of a total of eight project developments with a volume of €349.8 million. By contrast, revenues for the first half of 2011 included only the settlement of one project development in Berlin, which was transferred to the IVG Premium Green Fund in the first quarter of 2011.

Changes in inventories developed from -€56.9 million in the prior-year period to €26.3 million in the first half 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 -€14.1 million from +€21.6 million in the first half of 2010 to +€7.5 million in the reporting period. +€24.9 million of this development stems from the IVG Real Estate segment (from -€48.8 million to -€23.9 million) and -€38.9 million from the IVG Caverns segment (from +€70.4 million and five caverns to +€31.5 million and two caverns). 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 €3.3 million in the first half of 2010 from €11.8 million to €8.5 million in the reporting period, primarily as a result of the book gain of €6.2 million reported under this item in the IVG Private Funds segment in the same period of the previous year. This was offset by the income from the reversal of an impairment loss recognised in the IVG Caverns segment in the previous year (€1.5 million).

Material expenses fell by €29.6 million year-on-year, from €258.9 million to €229.3 million in the first half of 2011, due to the decrease in construction activity (-€107.7 million) and the rise in measurement effects of +€78.1 million, both of which relate to project developments in the IVG Development segment. Not including these measurement effects, material expenses before unrealised changes in value declined by €107.7 million to €143.3 million in the first half of 2011.

Expenses from investment property fell slightly by €0.4 million year-on-year from €36.2 million to €35.8 million in the first half of 2011.

The savings effects achieved in the previous year as a result of the cost reduction programme were maintained in the first half of 2011. The other operating expenses which are impacted by this declined by €1.1 million to €50.2 million.

EBIT before changes in value fell by -€56.8 million from +€144.8 million in the first half of the previous year to +€88.0 million in the reporting period. -€2.7 million of this is due to the IVG Real Estate segment, -€40.8 million to the IVG Development segment (the previous year's figures include gains from the settlement of projects), -€7.1 million to the IVG Private Funds segment and -€6.2 million to the other divisions. EBIT after changes in value fell by -€145.3 million from +€156.3 million to +€11.0 million in the first half of 2011.

The financial result improved by +€14.2 million from -€123.8 million in the first half of 2010 to -€109.6 million in the reporting period. This change chiefly resulted from the improvement in net interest income (+€7.8 million), the increase in the result from hedge transactions (+€13.3 million), the development of the foreign currency result (+€5.1 million) and the result of the remeasurement of financial assets (-€8.9 million). Before unrealised changes in value, the financial result improved by +€4.6 million from -€110.4 million to -€105.8 million.

The +€45.1 million increase in income taxes – from -€4.3 million in the first half of 2010 to €40.8 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.

In total, particularly as a result of the impairment loss on the project THE SQUAIRE during its finalisation, consolidated net profit declined by -€85.9 million from +€28.2 million in the first half of 2010 to -€57.7 million in the first half of 2011. Adjusted for the impairment losses on THE SQUAIRE and the associated tax effects, the consolidated net profit amounted to +€21.1 million in the first half of 2011 after +€28.2 million in first half of 2010.

IVG Investment – Real Estate

in €m	1H/2011	1H/2010	2Q/2011	2Q/2010
Total revenues	145.5	149.1	74.3	73.4
thereof net rents	*122.2*	*129.9*	*61.0*	*64.8*
thereof service charge	*21.5*	*18.2*	*12.2*	*8.0*
Unrealised changes in market value of investment property	-23.9	-48.8	-14.1	-22.6
Realised changes in market value of investment property	1.4	0.9	1.4	0.2
Other operating income	4.4	4.1	2.1	2.0
Expenses from investment property	-35.8	-36.1	-15.3	-16.5
Other operating expenses	-20.7	-20.3	-11.4	-9.3
EBIT	**69.9**	**47.9**	**35.9**	**25.8**
thereof unrealised changes in value	*-23.0*	*-47.7*	*-14.1*	*-23.4*
EBIT before changes in value	**92.9**	**95.6**	**50.0**	**49.3**

In the IVG Real Estate segment, revenues declined by €3.6 million from €149.1 million in the first half of 2010 to €145.5 million in the first half of the current year. This development is mainly due to the loss of net rents from investment property sold, especially in London, Glasgow and Paris. On a like-for-like basis, net rents dipped by 0.2% in the past three months as against the first quarter of 2011. This resulted in a moderate year-on-year decline of only 0.3% (31 March 2011: -1.0%).

At -€23.9 million, unrealised changes in the market value of investment property were less negative in the reporting period than in the same period of the previous year (-€48.8 million). Overall, the real estate portfolio experienced a negative change in value of only around 0.5% as at 30 June 2011.

The realised changes in the market value from sales of investment property improved from €0.9 million in the first half of 2010 to €1.4 million in the reporting period, essentially as a result of the sale of a property in Paris.

Other operating income rose by €0.3 million as against the first half of 2010 to €4.4 million.

The expenses for investment property were reduced by €0.3 million in the first half of 2011 to €35.8 million.

Other operating expenses climbed slightly in the reporting period by €0.4 million from €20.3 million in the first half of 2010 to €20.7 million.

Overall, the reduction in costs did not fully cushion the decline in net rents, with the result that the EBIT of the IVG Real Estate segment before changes in value fell by €2.7 million to €92.9 million. However, the drop in negative unrealised changes in market value meant that EBIT after changes in value rose considerably by €22.0 million year-on-year from €47.9 million to €69.9 million.

IVG Investment – Development

in €m	1H/2011	1H/2010	2Q/2011	2Q/2010
Total revenues	127.4	359.6	6.1	307.7
thereof project sales	*114.1*	*349.8*	*2.0*	*303.9*
Changes in inventories	22.3	-62.8	66.8	-116.6
Material expenses	-224.3	-251.5	-140.7	-162.9
Other operating expenses	-17.2	-18.9	-6.9	-10.3
EBIT	**-90.7**	**27.9**	**-74.0**	**19.5**
thereof unrealised changes in value	*-86.9*	*-9.0*	*-73.8*	*-13.6*
EBIT before changes in value	**-3.8**	**36.9**	**-0.2**	**33.1**

Projects being wound up are recognised in the IVG Development segment. Revenues declined by €232.2 million from €359.6 million in the first half of 2010 to €127.4 million. In particular, this is due to the project developments implemented and sold in the first half of the previous year for a total of €349.8 million. In the reporting period only one project was wound up in Berlin, which was transferred to IVG Premium Green Fund in the first quarter of 2011.

Changes in inventories developed from -€62.8 million in the prior-year period to +€22.3 million in the first half of 2011. They include investments capitalised in line with construction progress and reported in material expenses as well as outgoing carrying amounts on project invoicing due to disposals.

Material expenses declined by €27.2 million year-on-year from €251.5 million to €224.3 million. The drop in material expenses before changes in value from building activity alone amounted to €105.1 million (from €242.5 million in the first half of 2010 to €137.4 million) and was offset by the rise in the changes in value in project developments amounting to €77.9 million (from -€9.0 million in the first half of 2010 to -€86.9 million in the reporting period). The changes in value in the period under review related to the major project THE SQUAIRE at Frankfurt Airport in the context of finalizing the project.

Other operating expenses decreased by €1.7 million as against the first half of 2010 to €17.2 million.

EBIT before changes in value fell overall by -€40.8 million from +€36.9 million to -€3.8 million. Taking into account unrealised changes in value of -€86.9 million (previous year: -€9.0 million), EBIT fell by -€118.6 million from +€27.9 million to -€90.7 million in the first half of 2011.

IVG Investment – Caverns

in €m	1H/2011	1H/2010	2Q/2011	2Q/2010
Total revenues	15.8	19.1	9.3	14.3
thereof letting fees	*3.9*	*8.9*	*3.9*	*8.9*
thereof management fees	*4.6*	*6.0*	*2.7*	*3.2*
thereof other revenues	*5.0*	*2.7*	*0.5*	*1.4*
Unrealised changes in market value of investment property	31.5	70.4	23.7	36.0
Other operating income	2.4	0.3	2.4	0.2
EBIT	**38.0**	**77.6**	**28.4**	**42.5**
thereof unrealised changes in value	*33.0*	*68.2*	*25.2*	*33.8*
EBIT before changes in value	**5.1**	**9.4**	**3.3**	**8.7**

As against the first half of 2011, revenues in the IVG Caverns segment fell by €3.3 million year-on-year from €19.1 million to €15.8 million. One key reason for this was lower revenues from leasing from an agreed promote structure.

Since the beginning of 2009, caverns under construction are recognised at fair value in accordance with IAS 40 (2008), provided that their fair value can be reliably determined. Two caverns reached the stipulated threshold for this of 300,000 m³ in the first half of 2011, one of which in the second quarter of 2011. Taking into account the measurement effects of additional volumes in the context of the final settlement of the caverns already sold, unrealised changes in market value totalled €31.5 million in the reporting period. By comparison, five caverns exceeded this threshold in the same period of 2010 and triggered unrealised changes in market value of €70.4 million.

Other operating income rose by €2.1 million from €0.3 million in the same period of the previous year to €2.4 million. €1.5 million of this relates to the reversal of an impairment loss on a cavern carried at cost.

EBIT declined by €39.6 million year-on-year from €77.6 million to €38.0 million on account of the lower number of caverns that made the transition to fair value accounting in line with planning in the first half of 2011. EBIT before changes in value fell by €4.3 million from €9.4 million to €5.1 million.

IVG Funds – Institutional Funds

in €m	1H/2011	1H/2010	2Q/2011	2Q/2010
Total revenues	28.4	29.9	14.6	14.5
thereof management fees	*26.1*	*28.8*	*12.6*	*14.3*
thereof transaction fees	*2.4*	*0.9*	*2.0*	*0.2*
Personnel expenses	-5.6	-5.2	-2.6	-2.4
Other operating expenses	-14.1	-12.4	-7.5	-6.3
EBIT	**9.1**	**12.9**	**4.6**	**6.0**
thereof unrealised changes in value	*0.0*	*0.0*	*0.0*	*0.0*
EBIT before changes in value	**9.1**	**12.9**	**4.6**	**6.0**

Revenues in the IVG Institutional Funds segment declined by €1.5 million from €29.9 million in the prior-year period to €28.4 million in the reporting period. This decrease is due mainly to lower volume and therefore lower fees in fund and property management (-€2.7 million). The reduction in volume was largely offset by improved transaction income in the second quarter of 2011 (+€1.8 million).

Other operating expenses increased by €1.7 million to €14.1 million due primarily to higher internal cost allocation.

Overall, EBIT fell by €3.8 million from €12.9 million in the same period of the previous year to €9.1 million in the first half of 2011.

IVG Funds – Private Funds

in €m	1H/2011	1H/2010	2Q/2011	2Q/2010
Total revenues	2.1	4.2	1.1	3.0
thereof structuring fees	*0.1*	*2.4*	*0.1*	*2.2*
thereof management fees	*1.9*	*1.7*	*1.0*	*0.8*
Other operating income	0.2	6.4	0.2	0.2
Personnel expenses	-1.9	-2.5	-0.8	-1.3
Other operating expenses	-2.5	-2.4	-1.3	-1.0
EBIT	**-2.0**	**5.1**	**-0.8**	**0.4**
thereof unrealised changes in value	*0.0*	*0.0*	*0.0*	*0.0*
EBIT before changes in value	**-2.0**	**5.1**	**-0.8**	**0.4**

Revenues in the IVG Private Funds segment declined by €2.1 million to €2.1 million due to a lack of newly launched products.

The decrease in other operating income of €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 followed by any new placements in the reporting period.

The personnel structure was adjusted accordingly on account of the reduced placement volume. This led to a drop in personnel expenses of €0.6 million.

Overall, EBIT fell by €7.1 million from €5.1 million to -€2.0 million.

Financial position

Financing

As at 30 June 2011, liabilities due to banks (not including the convertible bond and deferrals) had the following maturities:

in €m	Total nominal	thereof reduction by project sale	property sale	repay-ment	thereof planned prolonga-tions
2011	751	3	1	22	725
2012	2,023	30	30	205	1,758
2013	198	57	0	20	121
2014	1,361	0	0	9	1,352
2015 and thereafter	270	0	31	10	229
Total	**4,603**	**90**	**62**	**266**	**4,185**

In the second quarter of 2011, liabilities to banks decreased by €167 million. This is due to the partial repayment of the syndicated loan from 2009 (€180 million), two cases of repayment of project financing (€21 million), regular and special payment of property loans (€9 million) and currency effects (€2 million). There were also the opposing effects of the addition of new financing (€30 million) and the drawdown on the syndicated loan from 2007 (€15 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 and bridge financing maturing in 2012. These properties and the corresponding loans are scheduled to be sold and derecognised at IVG Immobilien AG by the end of 2012.

Under the 2009 syndicated loan agreement, an amount of €186 million must be repaid in July 2012 before the loan matures 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 remaining amount (totalling €80 million) will be repaid by 2021 in the form of annuity and amortising loans.

Several instances of follow-up financing/extensions are intended for 2011: These are a loan for THE SQUAIRE (€480 million drawn as at 30 June 2011), for two cases of property finance (with a combined amount of €195 million) and for a bilateral bank line (€50 million). The upcoming extensions of loans totalling around €1.76 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. IVG is maintaining a close dialogue with the banks involved for all these financing projects to ensure the necessary extensions in a timely manner. We are assuming that we will be able to finalise agreements for a majority of this financing in the third quarter of 2011.

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 yet to be negotiated.

The average interest rate for all financial liabilities (including interest rate hedging transactions) rose to 4.27% as at 30 June 2011 after 4.06% at 31 March 2011 due to higher money market rates and higher margins.

As at 30 June 2011, the total liquidity available to IVG (not including CP lines and assigned or project-related cash reserves) amounted to €0.12 billion.

in €m	30.06.2011
Unused non-project-related credit lines	2
Surplus capacity on current accounts	9
Cash reserves	99
Sight deposits and current securities	2
Derivatives with positive market values	4
Total	**116**

Regular tests did not identify any breach of covenants in the second quarter of 2011.

Liquidity

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

in €m	1H/2011	1H/2010
Cash flow from current activities	26.3	51.8
Cash flow for short-/midterm investments from operational divisions	-123.2	56.4
Net interest payments	-92.1	-96.4
Net tax payments	-8.4	-6.7
Cash flow from operating activities	**-197.4**	**5.1**
Cash flow from/for investing activities	**199.1**	**47.6**
Cash flow from financing activities	**-133.0**	**-86.4**
Change in cash and cash equivalents *	**-131.3**	**-33.7**
Cash and cash equivalents at closing date	143.6	241.1

* Exclusive changes due to exchange rate movements

Cash flow from operating activities deteriorated by €202.5 million year-on-year from €5.1 million to -€197.4 million and is still characterised by investments in project developments that proceeded according to plan. This was partly offset by the successful sale of the Hackesches Quartier project development.

Net interest payments fell by €4.3 million from -€96.4 million in the previous year to -€92.1 million. This was due to the reduction of financial liabilities on account of the repayments of the syndicated loan from 2009 and the repayment of project financing.

The cash flow from investing activities rose by €151.5 million year-on-year to €199.1 million and is dominated by the purchases of caverns and other investment property. This was partly offset by current investments in the reporting period.

Cash flow from financing activities was -€133.0 million and resulted from cash flows from the implemented capital increase (€85.8 million). This was offset by the scheduled repayment of project financing and value added tax loans.

The interest coverage ratio for the past twelve months was 0.9. This figure was calculated by adjusting consolidated EBIT before changes in value for depreciation and amortisation and comparing it to the net interest result.

Net assets

in €m	30.06.2011	31.12.2010	Change in %
Total assets	6,922.1	7,292.4	-5.1
Non-current assets	5,545.6	5,697.5	-2.7
Current assets	1,376.4	1,594.9	-13.7
Equity	1,334.7	1,286.1	3.8
Equity ratio in %	19.3	17.6	9.3
Non-current liabilities	4,368.1	4,307.4	1.4
Current liabilities	1,219.3	1,698.9	-28.2
Financial liabilities	4,986.6	5,288.5	-5.7
Financial liabilities in %	72.0	72.5	-0.7

Non-current assets declined by €0.2 billion as against 31 December 2010. At €179.8 million, this was essentially due to the transfer of six caverns to the cavern fund in the second quarter of 2011 and the reclassification of a property in France (€79.6 million) to non-current assets held for sale in the first quarter of 2011. This was partly offset by investments in caverns and other investment property in the first half of the year (€72.7 million).

Current assets decreased by €0.2 billion as against 31 December 2010 to €1.4 billion due to the successful sale of a project development in Germany (€0.1 billion). The drop in cash and cash equivalents of €0.1 billion reflects the planned progress in current investments in the IVG Development and IVG Caverns segments in particular.

Total assets declined by €0.4 billion to €6.9 billion.

Equity was essentially unchanged as against 31 December 2010 (€1.3 billion). Equity rose as a result of the capital increase implemented in the first quarter of 2011 (€86.9 million) and the effects of hedge accounting recognised directly in equity (€34.8 million). This was partly offset by the negative consolidated net profit of €57.7 million in the first half of 2011 and the deferred interest on the hybrid bond of -€16.0 million.

Liabilities declined by €0.4 billion as against 31 December 2010 to €5.6 billion. In addition to a partial repayment of the syndicated loan (€180.0 million) and two cases of project financing being repaid (€21.0 million) in the second quarter of 2011, the repayment of further project financing (€114 million) as part of a disposal in the first quarter of 2011 also contributed to this.

Net asset value (NAV) fell by 4.0% from €7.02 per share as at 31 December 2010 to €6.74 per share as at 30 June 2011. After taking into account the higher number of shares as a result of the capital increase, NAV rose by 5.5%.

Adjusted for the components of the market value of caverns not capitalised, adjusted NAV was €8.75 per share as at 30 June 2011, down 11.2% as against 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), adjusted NAV fell by 2.3% in the reporting period.

Significant events after the balance sheet date

We recently let around 18,500 sqm in the project THE SQUAIRE at Frankfurt Airport to Deutsche Lufthansa by way of a letter of intent. The occupancy rate has therefore already risen to around 82%; the rental agreement with Lufthansa is expected to be finalised within the next four to six weeks.

Property financing in the amount of €45 million expiring towards the end of the year was prolonged for a period of ten years. A bank also granted an unconditional credit facility for the financing of the project THE SQUAIRE Parking.

Risk report

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

The risk and opportunity situation for IVG Immobilien AG did not change significantly as against the first quarter of 2011. The overall economic situation, particularly given the unresolved public debt problems in the euro area and the US, is still a serious risk to developments on real estate markets. Given the tense situation in public budgets, there are also certain opportunities in terms of future rent and value performance in that, for example, the European Central Bank may have to tolerate relatively high inflation rates in excess of its target of "close to/below 2%" in the medium term for political reasons and investors will increasingly turn to real assets.

The high volume of property loans scheduled for refinancing in Europe this year and in the next two years is also still a critical factor. In particular, there are problems for properties outside the core segment as neither potential investors nor real estate financers have any interest in such properties. These problem properties may then face further painful write-downs. However, there are opportunities in the segment for high-quality, modern properties as there will be a growing shortage of such properties available on the rental market this year and the next on account of the low production volumes.

The financing behaviour of banks in the real estate sector continues to be risk-averse, thereby still hampering the necessary financing for IVG's business model. There are still liquidity risks in the planned sales of projects and properties. They are highly dependent on the 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 and the special repayment that could be required if the loan-to-value (LTV) covenant for a property financing is breached after the end of a waiver period. Rising market interest rates could stress IVG's liquidity and earnings.

There are possible risks of rising costs on two ongoing project developments. In addition, there could be further delays on one major project development if a major tenant cannot move in by the start of the fourth quarter and a possible reduction of the sale price achieved on a property abroad as part of the systematic shake-out of IVG's IP portfolio.

Otherwise, there are risks of changes in value on individual properties held in IVG's investment portfolio which are market related and usual in the sector.

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 could negatively influence one-off and regular income. The reasons for this include uncertainty and/or unfavourable changes in the legal framework (regulation), such as solvency requirements for institutional investors.

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

Probable Group development

In 2011 and 2012, IVG will continue to implement its sale programme in the IVG Real Estate segment with a total volume of around €600 million to secure liquidity and streamline its portfolio. Around 25% of the two-year programme has already been implemented in the first half of the year with sales of €133 million. The statements on earnings forecasts still do not include any increases in fair values from the recovery on the investment markets for reasons of prudence.

Following the reduction of the project pipeline, the IVG Development segment now only has the project THE SQUAIRE (New Work City) and the associated car park THE SQUAIRE Parking at Frankfurt Airport under construction. They are expected to be completed this year with final invoicing to follow next year. On the basis of letting activities that have already been implemented or that are forthcoming, IVG is currently planning the disposal through a closed-end property fund in the next 18 to 24 months after a certain rental cash flow has been achieved. IVG is still striving for a sales volume of around €1 billion in the next two years – including the Hackesches Quartier project in Berlin already being marketed by our IVG Premium Green Fund – which should make a substantial contribution to the reduction of financial liabilities.

In line with planning, one cavern in the IVG Caverns segment also reached the 300,000 m^3 eligibility limit for IFRS fair value accounting in the second quarter of 2011 as well. A further four caverns will exceed this limit in the second half of 2011. Therefore, a total of twelve further caverns should be carried at fair value by the end of 2012, with six or seven caverns completed per year and sold to the cavern fund managed by IVG. It is planned to use these sales to repay the syndicated loan from 2009.

The IVG Institutional Funds segment again achieved a slight increase in assets under management from €12.3 billion to €12.4 billion in the second quarter of 2011. For the next two years, IVG is still aiming to stabilise assets under management in this segment due to reclassifications by selling off products and launching new innovative products such as the IVG Paris Fund launched in the first quarter of 2011.

The sales volume anticipated for the IVG Private Funds segment for 2011 and 2012 was lowered on account of delays in 2011 from €500 million to €300 million of equity. Part of the planned fund is still to be supplied with properties from IVG's portfolio.

At Group level and not including the IVG Development segment, the trend in revenue is expected to develop virtually parallel to the first half of the year. Major changes are not expected in 2012 either, though the continuing sales in the IVG Real Estate segment are likely to entail a slight reduction in revenue.

In light of the change in value in the project THE SQUAIRE recognised in the first half of 2011 and the slight rise in the interest level, IVG is assuming that it will return to profitability in 2012 at the earliest.

Please also see the risk report.

INTERIM FINANCIAL STATEMENTS

as of 30 June 2011

Consolidated income statement for the first half-year

in €m	1H/2011 Before changes in value	1H/2011 Unrealised changes in value [1]	1H/2011 Total	1H/2010 Before changes in value	1H/2010 Unrealised changes in value [1]	1H/2010 Total
Revenues	319.4		319.4	561.8		561.8
Changes in inventories and other own work capitalised	26.3		26.3	-56.9		-56.9
Unrealised changes in market value of investment property	0.0	7.5	7.5	0.0	21.6	21.6
Realised changes in market value of investment property	0.6		0.6	0.9		0.9
Other operating income	7.0	1.5	8.5	11.8	0.0	11.8
Material expenses	-143.3	-86.0	-229.3	-251.0	-7.9	-258.9
Personnel expenses	-34.8		-34.8	-33.8		-33.8
Depreciation and amortisation of intangible assets, property, plant and equipment	-3.6	0.0	-3.6	-3.1	-2.2	-5.3
Expenses from investment property	-35.8		-35.8	-36.2		-36.2
Other operating expenses	-50.2		-50.2	-51.3		-51.3
Gains/losses from participations accounted for using the equity method	1.7		1.7	1.4		1.4
Income from equity investments	0.8		0.8	1.0		1.0
Earnings before interest and taxes (EBIT)	**88.0**	**-77.0**	**11.0**	**144.8**	**11.5**	**156.3**
Financial income	25.7	40.8	66.5	4.1	29.0	33.1
Financial expenses	-131.5	-44.6	-176.1	-114.5	-42.4	-156.9
Financial result	**-105.8**	**-3.8**	**-109.6**	**-110.4**	**-13.4**	**-123.8**
Net profit before income taxes	**-17.8**	**-80.7**	**-98.6**	**34.3**	**-1.9**	**32.5**
Income taxes			40.8			-4.3
Consolidated net profit			**-57.7**			**28.2**
Share attributable to Group shareholders			*-73.7*			*11.4*
Share attributable to hybrid capital providers			*16.0*			*16.0*
Share attributable to third parties			*0.0*			*0.8*
Undiluted earnings per share in €			-0.54			0.09
Diluted earnings per share in €			-0.54 [2]			0.09 [2]

[1] The unrealised changes in value include all valuation effects from IAS 2, 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 half-year

in €m	1H/2011	1H/2010
Consolidated net profit	**-57.7**	**28.2**
Market valuation available-for-sale securities	2.2	-0.5
Market valuation of hedging instruments	37.2	-10.8
Adjustment for currency translation of foreign subsidiaries	-1.0	1.7
Actuarial earnings and losses from performance-based pension plans and similar obligations	1.7	-3.7
Deferred taxes on value adjustments set off directly against equity	-5.2	5.4
Income and expenses recognised in equity	**34.8**	**-7.9**
Total comprehensive income	**-22.9**	**20.3**
Share attributable to Group shareholders	*-38.9*	*3.5*
Share attributable to hybrid capital providers	*16.0*	*16.0*
Share attributable to third parties	*0.0*	*0.8*

Consolidated income statement for the second quarter

in €m	2Q/2011 Before changes in value	2Q/2011 Unrealised changes in value [1]	2Q/2011 Total	2Q/2010 Before changes in value	2Q/2010 Unrealised changes in value [1]	2Q/2010 Total
Revenues	105.6		105.6	412.8		412.8
Changes in inventories and other own work capitalised	68.6		68.6	-111.0		-111.0
Unrealised changes in market value of investment property	0.0	9.6	9.6	0.0	13.4	13.4
Realised changes in market value of investment property	0.6		0.6	0.2		0.2
Other operating income	3.8	1.5	5.3	2.8	0.0	2.8
Material expenses	-70.5	-73.8	-144.3	-156.8	-14.4	-171.2
Personnel expenses	-17.0		-17.0	-17.6		-17.6
Depreciation and amortisation of intangible assets, property, plant and equipment	-1.8	0.0	-1.8	-1.5	-2.2	-3.7
Expenses from investment property	-15.3		-15.3	-16.5		-16.5
Other operating expenses	-25.6		-25.6	-27.2		-27.2
Gains/losses from participations accounted for using the equity method	1.1		1.1	1.9		1.9
Income from equity investments	0.1		0.1	0.5		0.5
Earnings before interest and taxes (EBIT)	**49.5**	**-62.7**	**-13.2**	**87.6**	**-3.2**	**84.4**
Financial income	14.3	8.2	22.5	4.3	16.1	20.4
Financial expenses	-71.7	-22.2	-93.9	-56.8	-28.0	-84.8
Financial result	**-57.4**	**-14.0**	**-71.4**	**-52.5**	**-11.9**	**-64.4**
Net profit before income taxes	**-7.8**	**-76.7**	**-84.6**	**35.2**	**-15.1**	**20.0**
Income taxes			15.7			-2.0
Consolidated net profit			**-68.8**			**18.0**
Share attributable to Group shareholders			*-76.8*			*9.6*
Share attributable to hybrid capital providers			*8.0*			*8.0*
Share attributable to third parties			*0.0*			*0.4*
Undiluted earnings per share in €			-0.56			0.08
Diluted earnings per share in €			-0.56 [2]			0.08 [2]

[1] The unrealised changes in value include all valuation effects from IAS 2, 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 second quarter

in €m	2Q/2011	2Q/2010
Consolidated net profit	**-68.8**	**18.0**
Market valuation available-for-sale securities	-3.5	-0.8
Market valuation of hedging instruments	2.7	5.0
Adjustment for currency translation of foreign subsidiaries	-1.0	5.2
Actuarial earnings and losses from performance-based pension plans and similar obligations	1.7	-3.7
Deferred taxes on value adjustments set off directly against equity	1.9	1.4
Income and expenses recognised in equity	**1.8**	**7.0**
Total comprehensive income	**-67.0**	**25.0**
Share attributable to Group shareholders	*-75.0*	*16.7*
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	30.06.2011	31.12.2010
ASSETS		
Non-current assets		
Intangible assets	251.4	250.0
Investment property	4,562.4	4,760.7
Property, plant and equipment	132.6	128.9
Financial assets	129.3	153.9
Investments in participations accounted for using the equity method	94.3	81.9
Derivative financial instruments	4.1	3.5
Deferred tax assets	316.2	271.0
Receivables and other assets	55.4	47.6
Total non-current assets	**5,545.6**	**5,697.5**
Current assets		
Inventories	997.3	1,065.0
Receivables and other assets	155.1	177.0
Income tax receivables	28.9	45.2
Derivative financial instruments	0.2	0.0
Securities	2.1	2.0
Cash and cash equivalents	143.6	274.9
	1,327.2	**1,564.2**
Non-current assets held for sale	49.2	30.7
Total current assets	**1,376.4**	**1,594.9**
Total assets	**6,922.1**	**7,292.4**

in €m	30.06.2011	31.12.2010
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	138.6	126.0
Capital reserve	695.5	622.1
Treasury shares	-0.5	-0.5
Other reserves	-67.5	-101.3
Retained earnings	167.6	238.5
Equity attributable to Group shareholders	**933.7**	**884.8**
Hybrid capital	400.9	400.9
Minority interests	0.0	0.3
Total equity	**1,334.7**	**1,286.1**
Liabilities		
Non-current liabilities		
Financial liabilities	4,200.7	4,143.1
Derivative financial instruments	22.5	46.0
Deferred tax liabilities	81.7	71.5
Pension provisions	16.1	16.3
Other provisions	39.3	27.4
Liabilities	7.8	3.2
Total non-current liabilities	**4,368.1**	**4,307.4**
Current liabilities		
Financial liabilities	786.0	1,145.4
Derivative financial instruments	49.2	66.5
Other provisions	28.5	54.4
Liabilities	302.5	354.8
Income tax liabilities	53.2	77.8
	1,219.3	**1,698.9**
Liabilities associated with non-current assets held for sale	0.0	0.0
Total current liabilities	**1,219.3**	**1,698.9**
Total equity and liabilities	**6,922.1**	**7,292.4**

Statement of changes in equity

in €m	Subscribed capital	Capital reserve	Treasury shares	Other reserves: Market valuation avail.-for-sale securities	Market valuation hedging instruments	Hedge of net investment	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								11.4	11.4	16.0	0.8	28.2
Earnings recognised directly in equity				-0.3	-6.7		1.7	-2.6	-7.9			-7.9
Total comprehensive income	**0.0**	**0.0**	**0.0**	**-0.3**	**-6.7**	**0.0**	**1.7**	**8.8**	**3.5**	**16.0**	**0.8**	**20.3**
Accrual on profit distribution for hybrid capital									0.0	-16.0		-16.0
Capital increase									0.0			0.0
Share-based payment		0.4							0.4			0.4
Changes to group of consolidated companies/others								-0.3	-0.3		-0.1	-0.4
Balance at 30.06.2010	**126.0**	**622.0**	**-0.5**	**4.5**	**-122.5**	**12.9**	**-33.6**	**258.6**	**867.4**	**400.9**	**1.1**	**1,269.4**
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								-73.7	-73.7	16.0	0.0	-57.7
Earnings recognised directly in equity				2.0	32.8		-1.0	1.0	34.8			34.8
Total comprehensive income	**0.0**	**0.0**	**0.0**	**2.0**	**32.8**	**0.0**	**-1.0**	**-72.7**	**-38.9**	**16.0**	**0.0**	**-22.9**
Accrual on profit distribution for hybrid capital									0.0	-16.0		-16.0
Capital increase	12.6	74.3							86.9			86.9
Share-based payment		0.2							0.2			0.2
Changes to group of consolidated companies/others		-1.1						1.8	0.7		-0.3	0.4
Balance at 30.06.2011	**138.6**	**695.5**	**-0.5**	**10.3**	**-55.0**	**12.9**	**-35.7**	**167.6**	**933.8**	**400.9**	**0.0**	**1,334.7**

Condensed consolidated statement of cash flows

in €m	1H/2011	1H/2010
Earnings before interest and taxes (EBIT)	**11.0**	**156.3**
Unrealised changes in market value of investment property	-7.5	-21.6
Realised changes in market value of investment property	-0.6	-0.9
Depreciation and appreciation of intangible assets and property, plant and equipment	3.6	5.3
Other non-cash income and expenses	58.3	-56.8
Changes in receivables and inventories of other segments (not including Development, Real Estate and Private Funds)	-16.1	11.5
Changes in liabilities and provisions	-21.8	-48.9
Non-distributed earnings from participations accounted for using the equity method	-2.2	0.0
Changes in non-current assets and liabilities held for sale	0.0	4.0
Dividends received	1.6	2.9
Cash flow from current activities	**26.3**	**51.8**
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 *	-123.2	56.4
Cash flow from short/mid-term investments in operating activities	**-123.2**	**56.4**
Cash flow from operating activities before interest and taxes	**-96.9**	**108.2**
Net interest payments	-92.1	-96.4
Net tax payments	-8.4	-6.7
Cash flow from operating activities	**-197.4**	**5.1**
Cash flow from investing activities	**199.1**	**47.6**
Cash flow from financing activities	**-133.0**	**-86.4**
Net change in cash and cash equivalents from operations	-131.3	-33.7
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	-0.1
Cash and cash equivalents as of 30.06.	**143.6**	**241.1**
thereof cash in property disposal group	*0.0*	*0.0*
Cash and cash equivalents reported on the balance sheet	143.6	241.0

* Gain on disposal is included in other operating income

Notes

Segment reporting for the first half-year 2011

1H/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	144.3		144.3	127.4		127.4	15.8		15.8	28.2		28.2	2.1		2.1	1.7	0.0		0.0	319.4	0.0	319.4
Internal revenues	1.2		1.2	0.0		0.0	0.0		0.0	0.3		0.3	0.0		0.0	15.7	-17.3		-17.3	0.0	0.0	0.0
Total revenues	**145.5**	**0.0**	**145.5**	**127.4**	**0.0**	**127.4**	**15.8**	**0.0**	**15.8**	**28.4**	**0.0**	**28.4**	**2.1**	**0.0**	**2.1**	**17.4**	**-17.3**	**0.0**	**-17.3**	**319.4**	**0.0**	**319.4**
Net rents from investment property	120.8		120.8	0.0		0.0	1.6		1.6	0.0		0.0	0.0		0.0	0.0	-0.2		-0.2	122.2	0.0	122.2
Other net rents	1.4		1.4	4.6		4.6	0.0		0.0	0.0		0.0	0.0		0.0	0.2	-0.9		-0.9	5.3	0.0	5.3
Income from service charges	21.5		21.5	2.1		2.1	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.1		-0.1	23.6	0.0	23.6
Income from project disposals	0.0		0.0	114.1		114.1	0.7		0.7	0.0		0.0	0.0		0.0	0.0	0.0		0.0	114.8	0.0	114.8
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	1.6		1.6	3.9		3.9	2.4		2.4	0.1		0.1	0.0	0.0		0.0	8.0	0.0	8.0
Income from fund and property management	0.0		0.0	0.0		0.0	4.6		4.6	26.1		26.1	1.9		1.9	1.4	-0.4		-0.4	33.7	0.0	33.7
Other revenues	1.8		1.8	0.1		0.1	5.0		5.0	0.0		0.0	0.0		0.0	15.7	-15.7		-15.7	6.8	0.0	6.8
Changes in inventories and other own work capitalised	0.2		0.2	22.3		22.3	3.8		3.8	0.0		0.0	0.0		0.0	0.0	0.0		0.0	26.3	0.0	26.3
Unrealised changes in market value of investment property	0.0	-23.9	-23.9	0.0		0.0	0.0	31.5	31.5	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	7.5	7.5
Realised changes in market value of investment property	1.4		1.4	-0.1		-0.1	-0.6		-0.6	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.6	0.0	0.6
Other operating income	4.4		4.4	0.9		0.9	0.9	1.5	2.4	0.4		0.4	0.2		0.2	9.6	-9.4		-9.4	7.0	1.5	8.5
Material expenses	-1.9	0.9	-1.0	-137.4	-86.9	-224.3	-4.6		-4.6	-0.1		-0.1	0.0		0.0	-0.3	1.0		1.0	-143.3	-86.0	-229.3
Personnel expenses	-1.2		-1.2	-0.5		-0.5	-4.0		-4.0	-5.6		-5.6	-1.9		-1.9	-21.6	0.0		0.0	-34.8	0.0	-34.8
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.2		-0.2	0.0		0.0	-2.7	0.0	-2.7	-0.1		-0.1	0.0		0.0	-0.6	0.0		0.0	-3.6	0.0	-3.6
Expenses from investment property	-35.8		-35.8	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-35.8	0.0	-35.8
Other operating expenses	-20.7		-20.7	-17.2		-17.2	-3.5		-3.5	-14.1		-14.1	-2.5		-2.5	-17.8	25.6		25.6	-50.2	0.0	-50.2
Gains/losses from participations accounted for using the equity method	0.5		0.5	1.0		1.0	0.0		0.0	0.2		0.2	0.0		0.0	0.0	0.0		0.0	1.7	0.0	1.7
Income from share investments	0.7		0.7	0.0		0.0	0.0		0.0	0.0		0.0	0.1		0.1	0.0	0.0		0.0	0.8	0.0	0.8
Segment result (EBIT)	**92.9**	**-23.0**	**69.9**	**-3.8**	**-86.9**	**-90.7**	**5.1**	**33.0**	**38.0**	**9.1**	**0.0**	**9.1**	**-2.0**	**0.0**	**-2.0**	**-13.4**	**0.0**	**0.0**	**0.0**	**88.0**	**-77.0**	**11.0**
Financial result																				-105.8	-3.8	-109.6
Net profit before tax																				**-17.8**	**-80.7**	**-98.6**
Income taxes																						40.8
Consolidated net profit																						**-57.7**
Segment assets			4,378.0			994.3			679.3			266.5			14.4	269.1			-0.1			6,601.5
thereof investments in participations accounted for using the equity method			*72.7*			*7.5*			*0.0*			*14.0*			*0.0*	*0.0*			*0.0*			*94.3*
Investments			40.8			0.2			63.3			1.3			0.0	5.0			0.0			110.6

Segment reporting for the first half-year 2010

1H/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	147.8		147.8	359.6		359.6	19.1		19.1	29.5		29.5	4.2		4.2	1.6	0.0		0.0	561.8	0.0	561.8
Internal revenues	1.3		1.3	0.0		0.0	0.0		0.0	0.4		0.4	0.0		0.0	14.1	-15.9		-15.9	0.0	0.0	0.0
Total revenues	**149.1**	**0.0**	**149.1**	**359.6**	**0.0**	**359.6**	**19.1**	**0.0**	**19.1**	**29.9**	**0.0**	**29.9**	**4.2**	**0.0**	**4.2**	**15.7**	**-15.9**	**0.0**	**-15.9**	**561.8**	**0.0**	**561.8**
Net rents from investment property	128.3		128.3	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	-0.9		-0.9	127.4	0.0	127.4
Other net rents	1.6		1.6	6.3		6.3	0.0		0.0	0.0		0.0	0.0		0.0	0.2	-0.5		-0.5	7.6	0.0	7.6
Income from service charges	18.2		18.2	1.0		1.0	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.1		-0.1	19.2	0.0	19.2
Income from project disposals	0.0		0.0	349.8		349.8	1.4		1.4	0.0		0.0	0.0		0.0	0.5	-0.5		-0.5	351.2	0.0	351.2
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	0.5		0.5	8.9		8.9	0.9		0.9	2.4		2.4	0.0	0.1		0.1	12.7	0.0	12.7
Income from fund and property management	0.3		0.3	0.0		0.0	6.0		6.0	28.8		28.8	1.7		1.7	0.8	-0.1		-0.1	37.5	0.0	37.5
Other revenues	0.8		0.8	0.2		0.2	2.7		2.7	0.2		0.2	0.2		0.2	14.1	-13.9		-13.9	4.2	0.0	4.2
Changes in inventories and other own work capitalised	0.1		0.1	-62.8		-62.8	5.8		5.8	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-56.9	0.0	-56.9
Unrealised changes in market value of investment property	0.0	-48.8	-48.8	0.0	0.0	0.0	0.0	70.4	70.4	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	21.6	21.6
Realised changes in market value of investment property	0.9		0.9	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.9	0.0	0.9
Other operating income	4.1		4.1	0.3		0.3	0.3		0.3	0.4		0.4	6.4		6.4	9.9	-9.5		-9.5	11.8	0.0	11.8
Material expenses	-1.1	1.1	0.0	-242.5	-9.0	-251.5	-7.5		-7.5	-0.1		-0.1	-0.6		-0.6	-0.5	1.3		1.3	-251.0	-7.9	-258.9
Personnel expenses	-0.9		-0.9	-0.5		-0.5	-3.5		-3.5	-5.2		-5.2	-2.5		-2.5	-21.1	0.0		0.0	-33.8	0.0	-33.8
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.2		-0.2	0.0		0.0	-2.0	-2.2	-4.2	-0.1		-0.1	0.0		0.0	-0.7	0.0		0.0	-3.1	-2.2	-5.3
Expenses from investment property	-36.1		-36.1	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-36.2	0.0	-36.2
Other operating expenses	-20.3		-20.3	-18.9		-18.9	-3.0		-3.0	-12.4		-12.4	-2.4		-2.4	-18.2	24.0		24.0	-51.3	0.0	-51.3
Gains/losses from participations accounted for using the equity method	-1.1		-1.1	1.8		1.8	0.3		0.3	0.4		0.4	0.0		0.0	0.0	0.0		0.0	1.4	0.0	1.4
Income from share investments	1.0		1.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	1.0	0.0	1.0
Segment result (EBIT)	**95.6**	**-47.7**	**47.9**	**36.9**	**-9.0**	**27.9**	**9.4**	**68.2**	**77.6**	**12.9**	**0.0**	**12.9**	**5.1**	**0.0**	**5.1**	**-15.0**	**-0.1**	**0.0**	**-0.1**	**144.8**	**11.5**	**156.3**
Financial result																				-110.4	-13.4	-123.8
Net profit before tax																				**34.3**	**-1.9**	**32.5**
Income taxes																						-4.3
Consolidated net profit																						**28.2**
Segment assets			4,577.5			882.1			771.6			264.8			20.1	409.3			0.0			6,925.4
thereof investments in participations accounted for using the equity method			*57.2*			*3.1*			*14.0*			*13.6*			*0.0*	*0.0*			*0.0*			*87.9*
Investments			58.5			11.0			53.4			0.0			0.0	3.8			0.0			126.8

Segment reporting for the second quarter 2011

2Q/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	73.7		73.7	6.1		6.1	9.3		9.3	14.5		14.5	1.1		1.1	1.0	0.0		0.0	105.6	0.0	105.6
Internal revenues	0.6		0.6	0.0		0.0	0.0		0.0	0.1		0.1	0.0		0.0	7.6	-8.4		-8.4	0.0	0.0	0.0
Total revenues	**74.3**	**0.0**	**74.3**	**6.1**	**0.0**	**6.1**	**9.3**	**0.0**	**9.3**	**14.6**	**0.0**	**14.6**	**1.1**	**0.0**	**1.1**	**8.6**	**-8.4**	**0.0**	**-8.4**	**105.6**	**0.0**	**105.6**
Net rents from investment property	60.3		60.3	0.0		0.0	1.5		1.5	0.0		0.0	0.0		0.0	0.0	-0.1		-0.1	61.7	0.0	61.7
Other net rents	0.7		0.7	3.3		3.3	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.4		-0.4	3.6	0.0	3.6
Income from service charges	12.2		12.2	1.3		1.3	0.0		0.0	0.0		0.0	0.0		0.0	0.0	-0.1		-0.1	13.5	0.0	13.5
Income from project disposals	0.0		0.0	2.0		2.0	0.7		0.7	0.0		0.0	0.0		0.0	0.0	0.0		0.0	2.7	0.0	2.7
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	-0.5		-0.5	3.9		3.9	2.0		2.0	0.1		0.1	0.0	0.0		0.0	5.5	0.0	5.5
Income from fund and property management	0.0		0.0	0.0		0.0	2.7		2.7	12.6		12.6	1.0		1.0	0.8	-0.2		-0.2	17.0	0.0	17.0
Other revenues	1.1		1.1	0.0		0.0	0.5		0.5	0.0		0.0	0.0		0.0	7.9	-7.9		-7.9	1.6	0.0	1.6
Changes in inventories and other own work capitalised	0.1		0.1	66.8		66.8	1.6		1.6	0.0		0.0	0.0		0.0	0.0	0.0		0.0	68.6	0.0	68.6
Unrealised changes in market value of investment property	0.0	-14.1	-14.1	0.0	0.0	0.0	0.0	23.7	23.7	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	9.6	9.6
Realised changes in market value of investment property	1.4		1.4	-0.1		-0.1	-0.6		-0.6	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.6	0.0	0.6
Other operating income	2.1		2.1	0.3	0.0	0.3	0.9	1.5	2.4	0.0		0.0	0.2		0.2	5.0	-4.7		-4.7	3.8	1.5	5.3
Material expenses	-1.4	0.0	-1.4	-66.9	-73.8	-140.7	-2.4		-2.4	0.0		0.0	0.0		0.0	-0.2	0.5		0.5	-70.5	-73.8	-144.3
Personnel expenses	-0.1		-0.1	-0.2		-0.2	-2.2		-2.2	-2.6		-2.6	-0.8		-0.8	-11.2	0.0		0.0	-17.0	0.0	-17.0
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.1	0.0	-0.1	0.0		0.0	-1.4	0.0	-1.4	-0.1		-0.1	0.0		0.0	-0.3	0.0		0.0	-1.8	0.0	-1.8
Expenses from investment property	-15.3		-15.3	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-15.3	0.0	-15.3
Other operating expenses	-11.4		-11.4	-6.9		-6.9	-1.9		-1.9	-7.5		-7.5	-1.3		-1.3	-9.4	12.7		12.7	-25.6	0.0	-25.6
Gains/losses from participations accounted for using the equity method	0.3		0.3	0.8		0.8	0.0		0.0	0.1		0.1	0.0		0.0	0.0	0.0		0.0	1.1	0.0	1.1
Income from share investments	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.1		0.1	0.0	0.0		0.0	0.1	0.0	0.1
Segment result (EBIT)	**50.0**	**-14.1**	**35.9**	**-0.2**	**-73.8**	**-74.0**	**3.3**	**25.2**	**28.4**	**4.6**	**0.0**	**4.6**	**-0.8**	**0.0**	**-0.8**	**-7.4**	**0.0**	**0.0**	**0.0**	**49.5**	**-62.7**	**-13.2**
Financial result																				-57.4	-14.0	-71.4
Net profit before tax																				**-7.8**	**-76.7**	**-84.6**
Income taxes																						15.7
Consolidated net profit																						**-68.8**
Investments			13.3			0.5			32.4			0.0			0.0	1.9			0.0			48.2

Segment reporting for the second quarter 2010

2Q/2010 in €m	Investment: Real Estate – Before changes in value	Investment: Real Estate – Unrealised changes in value	Investment: Real Estate – Total	Investment: Development – Before changes in value	Investment: Development – Unrealised changes in value	Investment: Development – Total	Investment: Caverns – Before changes in value	Investment: Caverns – Unrealised changes in value	Investment: Caverns – Total	Funds: Institutional Funds – Before changes in value	Funds: Institutional Funds – Unrealised changes in value	Funds: Institutional Funds – Total	Funds: Private Funds – Before changes in value	Funds: Private Funds – Unrealised changes in value	Funds: Private Funds – Total	IVG Corporate Functions	Consolidation – Before changes in value	Consolidation – Unrealised changes in value	Consolidation – Total	Group – Before changes in value	Group – Unrealised changes in value	Group – Total
External revenues	72.7		72.7	307.7		307.7	14.3		14.3	14.4		14.4	3.0		3.0	0.7	0.0		0.0	412.8	0.0	412.8
Internal revenues	0.7		0.7	0.0		0.0	0.0		0.0	0.1		0.1	0.0		0.0	7.1	-7.9		-7.9	0.0	0.0	0.0
Total revenues	**73.4**	**0.0**	**73.4**	**307.7**	**0.0**	**307.7**	**14.3**	**0.0**	**14.3**	**14.5**	**0.0**	**14.5**	**3.0**	**0.0**	**3.0**	**7.8**	**-7.9**	**0.0**	**-7.9**	**412.8**	**0.0**	**412.8**
Net rents from investment property	63.8		63.8	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	-0.4		-0.4	63.4	0.0	63.4
Other net rents	1.0		1.0	2.8		2.8	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.3		-0.3	3.6	0.0	3.6
Income from service charges	8.0		8.0	0.5		0.5	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	8.4	0.0	8.4
Income from project disposals	0.0		0.0	303.9		303.9	0.8		0.8	0.0		0.0	0.0		0.0	0.3	-0.3		-0.3	304.7	0.0	304.7
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	0.5		0.5	8.9		8.9	0.2		0.2	2.2		2.2	0.0	0.0		0.0	11.7	0.0	11.7
Income from fund and property management	0.1		0.1	0.0		0.0	3.2		3.2	14.3		14.3	0.8		0.8	-0.3	0.5		0.5	18.6	0.0	18.6
Other revenues	0.5		0.5	0.1		0.1	1.4		1.4	0.0		0.0	0.1		0.1	7.6	-7.3		-7.3	2.5	0.0	2.5
Changes in inventories and other own work capitalised	0.1		0.1	-116.6		-116.6	5.5		5.5	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-111.0	0.0	-111.0
Unrealised changes in market value of investment property	0.0	-22.6	-22.6	0.0	0.0	0.0	0.0	36.0	36.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	13.4	13.4
Realised changes in market value of investment property	0.2		0.2	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.2	0.0	0.2
Other operating income	2.0		2.0	0.1	0.0	0.1	0.2		0.2	0.3		0.3	0.2		0.2	5.0	-4.8		-4.8	2.8	0.0	2.8
Material expenses	-0.3	-0.8	-1.1	-149.3	-13.6	-162.9	-6.9		-6.9	-0.1		-0.1	-0.5		-0.5	-0.3	0.7		0.7	-156.8	-14.4	-171.2
Personnel expenses	-0.6		-0.6	-0.2		-0.2	-1.9		-1.9	-2.4		-2.4	-1.3		-1.3	-11.1	0.0		0.0	-17.6	0.0	-17.6
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.1	0.0	-0.1	0.0		0.0	-1.0	-2.2	-3.2	-0.1		-0.1	0.0		0.0	-0.3	0.0		0.0	-1.5	-2.2	-3.7
Expenses from investment property	-16.5		-16.5	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-16.5	0.0	-16.5
Other operating expenses	-9.3		-9.3	-10.3		-10.3	-1.7		-1.7	-6.3		-6.3	-1.0		-1.0	-10.6	12.0		12.0	-27.2	0.0	-27.2
Gains/losses from participations accounted for using the equity method	-0.1		-0.1	1.7		1.7	0.2		0.2	0.0		0.0	0.0		0.0	0.0	0.0		0.0	1.9	0.0	1.9
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)	**49.3**	**-23.4**	**25.8**	**33.1**	**-13.6**	**19.5**	**8.7**	**33.8**	**42.5**	**6.0**	**0.0**	**6.0**	**0.4**	**0.0**	**0.4**	**-9.7**	**-0.1**	**0.0**	**-0.1**	**87.6**	**-3.2**	**84.4**
Financial result																				-52.5	-11.9	-64.4
Net profit before tax																				**35.2**	**-15.1**	**20.0**
Income taxes																						-2.0
Consolidated net profit																						**18.0**
Investments			26.7			6.9			35.1			0.0			0.0	2.1			0.0			70.9

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 30 June 2011 compared to 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. For further information on this please see the consolidated financial statements as at 31 December 2010.

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 impairment losses (IAS 36), the fair value measurement of financial instruments (IAS 39) and the fair value measurement of investment property (IAS 40) (excluding 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".

In the interim financial statements, an adjustment was made to diluted earnings per share for the period under review, the comparative period and the 2008, 2009 and 2010 consolidated financial statements in order to eliminate non-dilutive effects. A section describing the significant transactions in the period under review and a discussion of the presentation of unrealised measurement effects have also been added.

The condensed financial statements and the interim management report as at 30 June 2011 were reviewed by the 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 30 June 2011.

Adjustment of diluted earnings per share

Diluted earnings per share have been adjusted for antidilutive effects, which were not in compliance with standards in previous periods.

According to IAS 8.42 amendments have to be done int the next published financial statements. Insofar, the amendment as of 30 June 2011 is a voluntary early amendment.

The adjusted figures for the prior periods are shown below.

per share in €	Diluted EPS* before adjustment	Adjustment	Diluted EPS* after adjustment
Second quarter 2011	-0.51	-0.05	-0.56
First half 2011	-0.47	-0.07	-0.54
Second quarter 2010	0.10	-0.02	0.08
First half 2010	0.13	-0.04	0.09
Consolidated financial statements 2010	0.02	-0.09	-0.07
Consolidated financial statements 2009	-1.41	-0.20	-1.61
Consolidated financial statements 2008	-3.80	-0.38	-4.18

* EPS = earnings per share

Significant transactions in the period under review

- Unrealised changes in market value of investment property in the first half of 2011 (+€7.5 million) relate to the IVG Real Estate segment in the amount of -€23.9 million and the IVG Caverns segment in the amount of +€31.5 million.
- Of the seven caverns completed and handed over to tenants in April 2011, six were sold to the IVG Cavern Fund for a purchase price of €180.0 million. In the IVG Real Estate segment, realised changes in market value improved to €1.4 million in the period under review due to the sale of a property in Paris.
- In the first half of 2011, material expenses totalling €229.3 million included impairment losses down to the lower net realisable value in the amount of -€86.0 million as of 30 June 2011. This primarily related to the major project THE SQUAIRE at Frankfurt Airport in the context of finalising the project.
- In February 2011, 12.6 million new bearer shares were issued as part of a capital increase, generating gross proceeds of €86.9 million. Directly attributable transaction costs amounting to €1.1 million were deducted as other changes from capital reserve.
- The €301.8 million reduction in financial liabilities is primarily attributable to the partial repayment of the syndicated loan issued in 2009 from the proceeds of cavern sales and the repayment of a project finance.
- The completion and settlement of a development project in Berlin, which was transferred to the IVG Premium Green Fund in the first quarter of 2011, resulted in revenues of €109.0 million.
- Unrealised changes in market value of financial income for the first half of 2011 (+€40.8 million) resulted mainly from positive changes in fair value of derivative instruments in the amount of +€32.0 million (first quarter of 2011: +€25.7 million; second quarter of 2011: +€6.3 million)

Treasury shares

IVG held 32,230 treasury shares as at 30 June 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 shares in Investitionsgesellschaft Hackescher Markt mbH & Co. KG to the associated IVG Premium Green Fund. The purchase price for this share transfer was €16.5 million.

Significant events after the balance sheet date

We recently let around 18,500 sqm in the project THE SQUAIRE at Frankfurt Airport to Deutsche Lufthansa by way of a letter of intent. The occupancy rate has therefore already risen to around 82%; the rental agreement with Lufthansa is expected to be finalised within the next four to six weeks.

Property financing in the amount of €45 million expiring towards the end of the year was prolonged for a period of ten years. A bank also granted an unconditional credit facility for the financing of the project THE SQUAIRE Parking.

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, 15.09.2011 / 08.08.2011

Dr Gerhard Niesslein Professor Dr Wolfgang Schäfers

Review report

To IVG Immobilien AG, Bonn

We have reviewed the Condensed Consolidated Interim Financial Statements – comprising the balance sheet, income statement, condensed statement of comprehensive income, condensed cash flow statement, statement of changes in equity and selected explanatory notes – and the Interim Group Management Report of IVG Immobilien AG, Bonn, for the period from January 1 to June 30, 2011, which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the Condensed Consolidated Interim Financial Statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the Interim Group Management Report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the Condensed Consolidated Interim Financial Statements and on the Interim Group Management Report based on our review.

We conducted our review of the Condensed Consolidated Interim Financial Statements and the Interim Group Management Report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the Condensed Consolidated Interim Financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the Condensed Consolidated Interim Financial Statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the Interim Group Management Report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

We are required to advise that the continued existence of the Group as a going concern is threatened by risks which have been described in the risk reporting chapter of the Interim Group Management Report. This chapter mentions risks in connection with the realisation of real estate and cavern sales as well as the intended prolongation of loan agreements and the risk of extra repayments in connection with covenant agreements.

We issue this review report based on our review of the condensed consolidated interim financial statements completed as of August 8, 2011, and our supplementary review which refers to the adjustments to earnings per share presented in the income statement and to other additional disclosures in the notes to the condensed consolidated interim financial statements. We refer to the explanation on the modifications made by the company and presented in the modified notes to the condensed consolidated interim financial statements. Based on our supplementary review no matters have come to our attention that give reason to any objections.

Dusseldorf, September 15, 2011 / August 8, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Uwe Schwalm	ppa Martin Flür
Wirtschaftsprüfer	Wirtschaftsprüfer
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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 in the addition of 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 2011/2012

Date	Organizer	Event	Location
01.09.-02.09.2011	EPRA	Annual Conference	London
07.09.-08.09.2011	BoA/ML	Global Property Conference	New York
27.09.-29.09.2011	UniCredit	German Investment Seminar	Munich
04.10.-06.10.2011	exporeal	Trade fair	Munich
12.10.2011	JP Morgan	German Corporate Forum	London
17.10.2011	JP Morgan	Roadshow	Paris
18.10.2011	JP Morgan	Roadshow	Frankfurt a.M.
19.10.2011	Initiative Real Estate Share (IIA)	Real Estate Share Conference	Frankfurt a.M.
11.11.2011	IVG	Publication of the interim report 3Q/2011	
15.05.2012	IVG	Annual General Meeting	Bonn