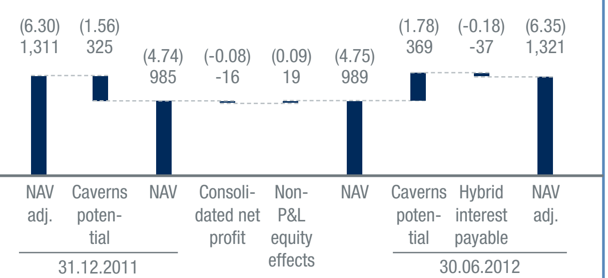
Interim Financial Report
1st half-year 2012

Group key figures

	1H/2012	1H/2011
Key operational figures (in €m)		
Revenues	212.8	319.4
thereof net rents	*119.1*	*127.5*
thereof fees for fund and property management, development and sales	*47.7*	*41.7*
EBIT	**95.3**	**11.0**
EBT	**-16.4**	**-98.6**
Consolidated net profit	**-16.1**	**-57.7**
thereof unrealised changes in value	*32.8*	*-80.7*
Funds from Operations I (FFO I)	17.4	12.6
Funds from Operations II (FFO II)	-37.4	-4.7
Key figures per share (in €)		
FFO I	0.08	0.09
FFO II	-0.18	-0.03
Basic earnings	-0.08	-0.54
EPRA EPS	-0.10	-0.55
Diluted earnings	-0.08	-0.54
Average number of shares	207.9	135.6

	30.06.2012	31.12.2011
Key balance sheet figures (in €m)		
Total assets	6,577.3	6,904.2
Equity (carrying amounts)	1,389.5	1,386.3
Equity ratio at carrying amounts in %	21.1	20.1
Net asset value (NAV)	988.6	985.3
NAV adj. (incl. value potential of caverns)	1,320.9	1,310.6
Equity ratio at NAV adj. in %	20.3	19.2
EPRA NAV	783.8	781.7
EPRA NNNAV	1,131.9	1,131.4
Key figures per share (in €)		
NAV	4.76	4.74
NAV adj.	6.35	6.30
EPRA NAV	3.77	3.76
EPRA NNNAV	5.44	5.44
Number of shares at closing	207.9	207.9
Employees (FTE)	587	586

NAV development in € million (€ per share)



FOREWORD

Dear Shareholders, Ladies and Gentlemen,

The political efforts to contain the sovereign debt crisis continued in the second quarter of 2012. In recent weeks in particular, the situation has developed into a discussion on the future direction of Europe, with the term “debt union” rearing its head. The economy in general and the real estate industry in particular are adopting a policy of “wait and see”. Despite this state of limbo, IVG systematically pressed ahead with its repositioning in the second quarter, albeit without the tailwind provided by an advantageous economic environment.

The transaction volume on Europe’s investment markets for commercial properties declined by 7% in the second quarter of 2012 (and by as much as 23% in Germany due to a lack of supply in the core segment). In this environment, IVG conducted acquisitions and disposals with a total volume of €585 million in the second quarter. The yield differential between real estate investments and government bonds has reached a historical high in the countries of Europe that are not in a crisis scenario; however, the prevailing sense of uncertainty means that this is only acting as an incentive to buy in the core and core+ market segments.

Sales momentum on the European office rental markets was in line with the long-term average. Rentals were above-average in Germany, and particularly in Berlin and Munich. The vacancy rate in both Europe and Germany declined slightly to 9.3%.

Within our own property portfolio (IVG Real Estate segment), we newly let or extended leases for 60,802 m² of space in the second quarter of 2012. This includes letting 8,500 m² of space at our property in City-Süd, Hamburg. At 88.7% as of 30 June 2012, the economic occupancy rate of our portfolio remained stable compared with the previous quarter (88.6%).

The letting rate for the other development projects that are scheduled for completion (IVG Development segment) amounted to 72.1% as of 30 June 2012. Furthermore 1,100 m² of space was let in the Hackesches Quartier project in Berlin, which IVG is managing for the IVG Premium Green Fund.

In May, THE SQUAIRE at Frankfurt Airport was awarded the international LEED Gold sustainability certification and welcomed its third major anchor tenant with the arrival of Deutsche Lufthansa. With Lufthansa (aviation), Hilton (hotel) and KPMG (auditing/tax consultation), we have three anchor tenants that are an ideal representation of the international business services segment. THE SQUAIRE was primarily designed for services of this nature. The occupancy rate of THE SQUAIRE was around 85.6% as of 30 June 2012 and is continuously approaching the desired investment grade.

Over recent weeks, THE SQUAIRE Parking entered the holiday flight season for the first time. We expect the heavy use of the state-of-the-art public parking facilities to rapidly increase the level of awareness of the car park.

At the end of the second quarter of 2012, our properties in Unterföhring near Munich, which have a long-term tenant in the shape of Allianz, were handed over to the IVG EuroSelect 21 Munich, a real estate fund that was successfully launched by IVG. The proceeds from the sale of these properties in particular have allowed a significant IVG credit block (the "CORE" financing) to be reduced from €904 million to the current level of €584 million. This is an important milestone on the path towards the normalisation of IVG's key financial indicators, a process that will continue in the coming years.

In April, our cavern facility in Etzel exceeded the storage barrier of 10 million m³ of crude oil for the first time. This means that IVG is one of the largest crude oil storage facility operators in Europe. The crude oil stored by IVG serves as an emergency store for the stockpiling associations of various European countries. In addition to oil as a traditional fossil fuel, natural gas is increasingly being stored in Etzel. In the second quarter of 2012, seven new gas storage caverns were handed over to their users to be filled for the first time.

The cavern facility is increasingly also available for the innovative storage of regenerative energies, which are becoming more important in the context of the turnaround in energy policy. The series of interdisciplinary dialogs that IVG initiated at an early stage continued at this year's Hanover Trade Fair in April. As a result of this expert exchange, we are now planning a pilot plant in Etzel for the storage of hydrogen generated from wind power ("wind hydrogen") in conjunction with partners.

We are seeking to harness our established expertise in the area of energy storage and fund design by entering the related area of energy infrastructure. Examples include wind farms or distribution networks and the corresponding financing concepts. This year's Annual General Meeting in May resolved to expand IVG's Articles of Association to reflect this. The latest IVG study on infrastructure investments, which is available on our website as part of the "IVG Research Lab" series, provides detailed information on this asset class, which has similar investment characteristics to real estate.

IVG recorded a consolidated net loss of -€11.2 million in the second quarter of 2012. Unrealised changes in the market value of investment property delivered a positive earnings contribution of €20.4 million. The operating ratios FFO I and FFO II amounted to €14.6 million and -€26.0 million respectively. Reported net asset value changed by 0.3%, from €4.74 per share on 31 December 2011 to €4.76 per share on 30 June 2012. Net asset value including future cavern business (adjusted NAV) amounted to €6.35 per share as of 30 June 2012 compared with €6.30 per share as of 31 December 2011. The cost item for other operating expenses remained largely stable in the second quarter of 2012 at €29.8 million (first quarter of 2012: €29.2 million). The inclusion of the operating expenses of THE SQUAIRE in this item means that a comparison with the prior-year figure of -€25.6 million has only limited information value. The following interim financial report provides detailed information on the figures.

As previously reported, we are managing the further initiatives for the repositioning of IVG between the conflicting priorities of cost optimisation and developing new growth areas as part of the "Phoenix" project. In the second quarter of 2012, the focus was on preparations for the optimisation of the personnel structure, which will be implemented in the third quarter of this year. In order to retain the growth option of the REIT market, we have decided to list our previous pre-REIT company on the stock exchange on 24 July 2012. Without a stock exchange listing, the status of this company would have expired in early August. The REIT now forms another element of our strategic approach of providing an investment platform that offers investors various forms of access to real estate investments.

We truly appreciate the trust that continues to be placed in IVG by all its stakeholders. This motivates us to press ahead with the business policy we have adopted even in the choppy economic waters at present.

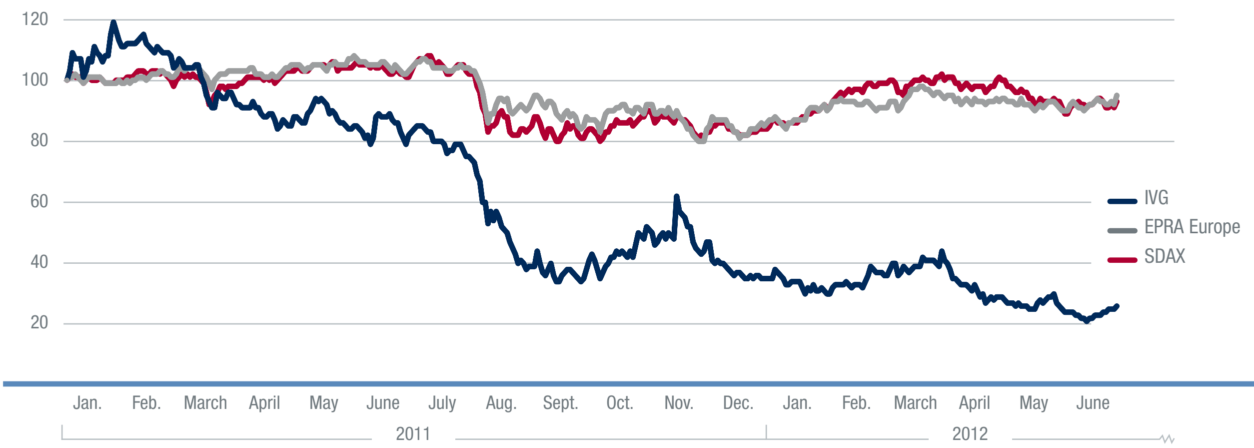
Bonn, August 2012

The Board of Management

IVG
Passion for Real Assets

INVESTOR RELATIONS
(IVG SHARES)

IVG index comparison in %
indexed: 01.01.2011



Source: Bloomberg
Period shown: 31.12.2012 – 30.06.2012

In the second quarter of 2012, the major global stock markets declined as against the previous quarter as a result of the renewed intensification of the euro crisis. Weaker economic data from the USA also had an adverse effect on investors' risk propensity.

This meant that IVG's share price declined to €1.57 at the end of the second quarter of 2012, corresponding to a fall of 25% since the start of the year. IVG's benchmark index, the FTSE EPRA/NAREIT Developed Europe, rose by 9% over the same period. However, IVG's share price has recovered again since the end of the second quarter. At time of going to press (7 August 2012), the share price was €2.05, up 30.6% on the end of the latest quarter. The FTSE EPRA/NAREIT Developed Europe Index increased by 8.8% in the same period.

IVG is currently being monitored by 16 analysts. In their current reports, five analysts recommend buying IVG shares, seven recommend holding them and four recommend selling them. The average target price was €2.62 per share.

IVG's shareholder structure was as follows as of 30 June 2012: MANN Immobilien-Verwaltung AG 20.00%, Santo Holding AG 10.00%, Goldsmith Capital Partners 4.94%, Universal-Investment-Gesellschaft mbH 4.64%, free float 60.42%. Changes in the shareholder structure and information on IVG's shares can be found in the "Investor Relations" section of the company's website at http://www.ivg.de.

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, Lang & Schwarz
Market capitalisation (30.06.2012)	€327 million
Free float market capitalisation (70.00%, 30.06.2012) *	€229 million
Number of shares (30.06.2012)	208 million
Share price (Xetra closing price 30.06.2012)	€1.57
First listed	01.10.1986
Last capital increase	December 2011

* Free float definition Deutsche Börse

INTERIM MANAGEMENT REPORT
1st half-year 2012

Macroeconomic trends and real estate markets

The sentiment among European companies and consumers has deteriorated further over recent months as a result of the unresolved sovereign debt crisis. Despite the resolutions by the EU summit in late June, the situation on the financial markets remains extremely strained. Economic output in the euro zone is expected to fall by 0.3% this year. The recession means that the rate of inflation in the euro zone has tailed off to 2.4% most recently. With a view to the ongoing risk situation, the European Central Bank has responded by cutting the headline rate by 25 bps to 0.75%.

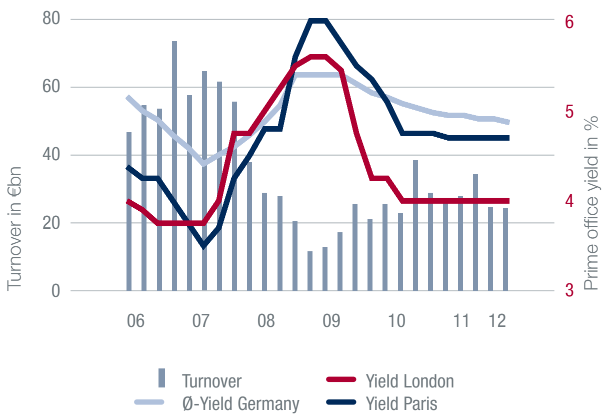
Despite the weak economic conditions, take-up on the European office rental markets was in line with the long-term average in the second quarter of 2012. The German markets of Berlin and Munich enjoyed strong rental momentum, as did Brussels. By contrast, Amsterdam and most office locations in Southern Europe remained in the doldrums.

Real estate rental markets Europe

Source: IVG Research, Cushman & Wakefield database

Net absorption in the second quarter of 2012 was near zero, with lettings primarily involving relocations. Accordingly, the vacancy rate on the European office market declined only slightly in the second quarter of 2012. In mid-2012, the average vacancy rate for both Germany and Europe as a whole was 9.3%. Prime rents remained largely stable: Düsseldorf and Munich were among the few locations to record rental growth, while there was a slight downward rental trend on the Spanish and Italian office markets.

Real estate investment markets Europe



Quelle: IVG Research, Datenbasis CB Richard Ellis et al.

On the European investment market, commercial real estate with a value of €24.6 billion changed hands in the second quarter of 2012 (down 7% on the same period of the previous year). London and Paris saw a particularly high investment volume, while the German markets were faced with a downturn in investment, not least due to a shortage of highly sought-after core properties. In some German markets – as well as Stockholm – the lack of available properties was reflected in a slight fall in initial yields for prime office properties. By contrast, there was an upward trend in initial yields in the office markets of Southern Europe, where there were comparatively few transactions.

Profitability, financial position and net assets

Profitability

Revenues fell by €106.6 million, from €319.4 million in the first half of 2011 to €212.8 million in the period under review. This decline is primarily due to the high figure for the previous year, which resulted from the invoicing of a development project in Berlin. This item also includes net rents from the IVG Real Estate segment, which also decreased as a result of the loss of net rents from investment property sold. The revenues generated from the Hilton hotels at the location THE SQUAIRE, which is reported in other revenues, had a positive impact of €13.2 million.

At +€26.7 million, changes in inventories were largely the same as in the previous year (+€26.3 million). They primarily relate to the IVG Development segment and mainly include investments capitalised in line with the level of construction progress for THE SQUAIRE and THE SQUAIRE PARKING that were reported in material expenses in the period under review. In the same period of the previous year, there were significantly more extensive investments in the form of the carrying amount from the sale of a project in Berlin.

Changes in the market value of investment property increased by €10.5 million year-on-year to €18.6 million in the period under review. Realised changes in market value decreased by €17.6 million, from +€0.6 million in the first half of 2011 to -€17.0 million in the period under review, largely as a result of the sale of two properties in Unterföhring to the IVG EuroSelect 21 Munich fund; however, unrealised changes in market value increased by €28.1 million in the same period, from €7.5 million to €35.7 million. Of this development, -€12.8 million was attributable to the IVG Real Estate segment and +€41.0 million to the IVG Caverns segment. 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 €15.3 million in the period under review, from €8.5 million to €23.8 million. This was primarily due to settlement and compensation payments in the IVG Real Estate segment (€5.0 million), the reimbursement of electricity tax already paid in the IVG Caverns segment (€2.8 million) and the book profit in connection with the placement of the IVG EuroSelect 21 Munich fund (€1.2 million).

Material expenses fell by €192.8 million year-on-year, from €229.3 million to €36.5 million. This was largely due to the lower level of construction activity, as well as the impairment loss on the major project THE SQUAIRE at Frankfurt Airport that was included in this item in the previous year. An impairment loss of -€86.9 million relating to the major project THE SQUAIRE was reported in material expenses in the first half of 2011.

Personnel expenses increased from €34.8 million to €39.1 million primarily as a result of the non-recurring effects in connection with the optimisation of the personnel structure as part of the “Phoenix” project.

Expenses from investment property increased from €35.8 million in the previous year to €40.4 million in the period under review; this was primarily attributable to planned maintenance measures for a property in Munich.

All in all, EBIT increased significantly by €84.2 million, from €11.0 million in the first half of 2011 to €95.3 million in the period under review. This development can be attributed to two factors: EBIT in the IVG Development segment improved substantially by €83.2 million, amounting to -€7.5 million after -€90.7 million in the previous year. EBIT for the first half of 2011 contained an impairment loss of -€86.9 million relating to the major project THE SQUAIRE. In the IVG Caverns segment, EBIT grew by €38.1 million from €38.0 million to €76.1 million, mainly as a result of three caverns that switched to fair value accounting as scheduled in the first half of 2012. Group EBIT before unrealised changes in value fell by €27.1 million in the period under review, from €88.0 million to €60.9 million.

The financial result deteriorated only slightly to -€111.6 million in the period under review, down €2.0 million on the prior-year figure of -€109.6 million. This development was primarily due to the higher negative impact of earnings from hedging transactions (-€7.5 million), which was partially offset by the improved result from the remeasurement of financial assets (+€6.2 million). Earnings from hedging transactions were impacted by the expiry of an extraordinary effect in the period under review in conjunction with the expiry of swaps that were previously included in hedge accounting. Net interest expense increased slightly from -€98.0 million in the first half of 2011 to -€101.5 million in the period under review. The positive effect from repayments was more than offset by a non-recurring negative effect from accrued interest on provisions.

Income taxes deteriorated by -€40.5 million year-on-year, from €40.8 million to €0.3 million. This was due to the additional capitalisation of deferred taxes on commercial tax loss carryforwards in the previous year.

All in all, the consolidated net loss improved significantly by €41.6 million, amounting to -€16.1 million in the first half of 2012 after -€57.7 million in the same period of the previous year.

IVG Investment – Real Estate

in €m	1H/2012	1H/2011	2Q/2012	2Q/2011
Total revenues	136.1	145.5	67.1	74.3
thereof net rents	*110.7*	*122.2*	*55.1*	*61.0*
thereof service charges	*23.6*	*21.5*	*10.7*	*12.2*
Unrealised changes in market value of investment property	-36.8	-23.9	-11.7	-14.1
Realised changes in market value of investment property	-17.1	1.4	-15.4	1.4
Other operating income	12.1	4.4	5.3	2.1
Expenses from investment property	-40.4	-35.8	-19.5	-15.3
Other operating expenses	-20.9	-20.7	-10.8	-11.4
Gains/losses from associated participations accounted for using the equity method	-5.3	0.5	-4.1	0.3
EBIT	**25.6**	**69.9**	**10.1**	**35.9**
thereof unrealised changes in value	*-36.9*	*-23.0*	*-11.6*	*-14.1*
EBIT before changes in value	**62.4**	**92.9**	**21.7**	**50.0**

Revenues in the IVG Real Estate segment declined by €9.4 million, from €145.5 million in the first half of 2011 to €136.1 million in the first six months of the current year. The net rents included in this item decreased by €11.5 million as against the first half of the previous year; this was primarily due to the loss of net rents from investment property sold, particularly in Paris, Berlin, Hamburg, Munich and Helsinki. The decline in net rents was partially offset by the €2.1 million increase in income from service charges. On a like-for-like basis, net rents climbed by 0.7% in the past three months compared with the first quarter of 2012.

Unrealised changes in the market value of investment property changed by -€12.8 million, from -€23.9 million in the first half of 2011 to -€36.8 million in the period under review. This was primarily due to negative changes in the market value of two properties in Finland and one property in Munich. All in all, the real estate portfolio experienced a negative change in value of around 1% as at 30 June 2012.

Realised changes in market value from the sale of investment property changed by -€18.5 million in the period under review, from €1.4 million in the first half of 2011 to -€17.1 million; this was primarily attributable to the sale of two properties in Munich to the IVG EuroSelect 21 Munich fund.

Other operating income increased by €7.7 million year-on-year to €12.1 million. This development primarily related to the settlement payment by a tenant as a result of the early termination of its lease and the compensation payment received from the seller of a real estate portfolio acquired by IVG in 2006 (€5.0 million).

Expenses from investment property increased by €4.7 million to €40.4 million in the first half of 2012. €2.3 million of this increase is attributable to planned maintenance measures for a property in Munich.

At €20.9 million, other operating expenses were virtually unchanged as against the same period of the previous year (€20.7 million).

EBIT before changes in market value in the IVG Real Estate segment decreased by €30.5 million in the first half of 2012, from €92.9 million to €62.4 million. Taking into account negative unrealised changes in market value, EBIT after changes in market value developed by -€44.4 million, from €69.9 million in the first six months of 2011 to €25.6 million in the period under review.

IVG Investment – Development

in €m	1H/2012	1H/2011	2Q/2012	2Q/2011
Total revenues	25.3	127.4	13.3	6.1
thereof net rents	*6.2*	*4.6*	*3.6*	*3.3*
thereof service charges	*3.6*	*2.1*	*2.0*	*1.3*
thereof project sales	*1.6*	*114.1*	*0.4*	*2.0*
thereof construction contracts	*0.0*	*5.0*	*0.0*	*0.0*
thereof other revenues	*13.2*	*0.1*	*7.1*	*0.0*
Changes in inventories	23.0	22.3	13.4	66.8
Other operating income	4.4	0.9	3.9	0.3
Material expenses	-29.7	-224.3	-16.5	-140.7
Other operating expenses	*-28.2*	*-17.2*	*-14.0*	*-6.9*
EBIT	**-7.5**	**-90.7**	**-1.2**	**-74.0**
thereof unrealised changes in value	*0.0*	*-86.9*	*0.0*	*-73.8*
EBIT before changes in value	**-7.5**	**-3.8**	**-1.2**	**-0.2**

Projects being wound up are recognised in the IVG Development segment. Revenues in this segment amounted to €25.3 million in the first half of 2012, down by €102.1 million on the prior-year figure of €127.4 million. A project in Berlin was transferred to the IVG Premium Green Fund in the first quarter of the previous year. This was offset by an increase in net rents of €1.6 million, from €4.6 million to €6.2 million, and an increase in income from service charges of €1.5 million, from €2.1 million to €3.6 million. This was primarily attributable to letting business for the major project THE SQUAIRE at Frankfurt Airport. The other revenues of €13.2 million in the first half of 2012 are attributable to the Hilton hotels in THE SQUAIRE.

Changes in inventories developed from +€22.3 million in the first half of 2011 to +€23.0 million in the period under review. They include investments capitalised in line with construction progress and reported in material expenses. In the same period of the previous year, this item also included the carrying amount of the project being realised by way of sale.

Other operating income in the amount of €4.4 million contains a currency translation effect in connection with the disposal of a company in London in the amount of €2.3 million.

Material expenses declined by €194.6 million year-on-year, from €224.3 million to €29.7 million, due to the lower project volume. The reduction in material expenses before changes in value from construction activity alone amounted to €107.7 million (from €137.4 million in the first half of 2011 to €29.7 million). In the period under review, there were no unrealised changes in value on development projects. The change in value of -€86.9 million in the first half of 2011 related to the major project THE SQUAIRE.

Other operating expenses increased by €11.0 million year-on-year to €28.2 million, largely as a result of ongoing operating costs following the completion of THE SQUAIRE.

EBIT before changes in value amounted to -€7.5 million, a change of -€3.7 million as against the prior-year figure of -€3.8 million. Taking into account unrealised changes in value in the amount of €0.0 million (previous period: -€86.9 million), EBIT improved by -€83.2 million to -€7.5 million in the first half of 2012 (previous period: -€90.7 million).

IVG Investment – Caverns

in €m	1H/2012	1H/2011	2Q/2012	2Q/2011
Total revenues	12.5	15.8	8.1	9.3
thereof net rents	*4.2*	*1.6*	*3.3*	*1.5*
thereof letting fees	*0.0*	*3.9*	*0.0*	*3.9*
thereof management fees	*5.7*	*4.6*	*3.4*	*2.7*
thereof other revenues	*2.4*	*5.0*	*1.4*	*0.5*
Unrealised changes in market value of investment property	72.5	31.5	32.1	23.7
Other operating income	3.9	2.4	0.6	2.4
Personnel expenses	-4.1	-4.0	-2.2	-2.2
Depreciation and amortisation of intangible assets, property, plant and equipment	-4.9	-2.7	-3.4	-1.4
Other operating expenses	-2.4	-3.5	-1.1	-1.9
EBIT	**76.1**	**38.0**	**33.2**	**28.4**
thereof unrealised changes in value	*71.2*	*33.0*	*30.9*	*25.2*
EBIT before changes in value	**4.9**	**5.1**	**2.3**	**3.3**

Revenues in the IVG Caverns segment fell by €3.3 million year-on-year in the first quarter of 2012, amounting to €12.5 million after €15.8 million in the previous year. This was due in particular to the revenues of €3.9 million realised in the prior-year period for leasing income from an agreed promote structure, as well as the services rendered on a one-time basis to accelerate the first gas filling for a cavern tenant. This development was partially offset by the rise in net rents of €2.6 million, from €1.6 million to €4.2 million, and the growth in revenues from operation of €1.1 million, from €4.6 million to €5.7 million.

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 half of 2012, three caverns reached the 300,000 m³ threshold established for this purpose, of which two reached the threshold in the first quarter of the year. Taking into account other effects, including the additional volumes of fund caverns already recognised at fair value, there were unrealised changes in market value of €72.5 million in the period under review. In the same period of 2011, revaluation effects for two caverns that had exceeded this threshold and additional volumes of caverns that had already been sold resulted in unrealised changes in market value of €31.5 million.

Other operating income increased by €1.5 million, from €2.4 million to €3.9 million, largely as a result of the electricity tax reimbursements of €2.8 million in the first quarter of 2012. This was offset by the €1.0 million reduction in reversals of write-downs and impairment losses compared with the first half of 2011 (€0.5 million after €1.5 million in the previous year) due to the reversal of an impairment loss on caverns carried at cost in the period under review.

Depreciation, amortisation and write-downs increased by €2.2 million, from €2.7 million to €4.9 million; this was largely due to write-downs on technical equipment under construction in the second quarter of 2012 (€1.8 million).

EBIT climbed by €38.1 million year-on-year, from €38.0 million to €76.1 million, largely as a result of higher unrealised changes in market value. EBIT before unrealised changes in value fell slightly by €0.2 million, from €5.1 million to €4.9 million.

IVG Funds – Institutional Funds

in €m	1H/2012	1H/2011	2Q/2012	2Q/2011
Total revenues	30.7	28.4	15.0	14.6
thereof management fees	*27.6*	*26.1*	*14.0*	*12.6*
thereof transaction fees	*3.1*	*2.4*	*0.9*	*2.0*
Personnel expenses	-6.7	-5.6	-3.4	-2.6
Other operating expenses	-14.3	-14.1	-6.8	-7.5
EBIT	**9.8**	**9.1**	**4.8**	**4.6**
thereof unrealised changes in value	*0.0*	*0.0*	*0.0*	*0.0*
EBIT before changes in value	**9.8**	**9.1**	**4.8**	**4.6**

At €30.7 million, revenues in the IVG Institutional Funds segment were up €2.3 million year-on-year. This was due to higher fees for fund management and increased transaction income. Transaction income was characterised by extensive property acquisitions in the first quarter of 2012 and property disposals in the second quarter of 2012.

Other operating expenses primarily includes asset management fees and other fees from internal cost allocation, which remained unchanged as against the previous year.

Overall, EBIT improved by €0.7 million as against the same period of the previous year to €9.8 million.

IVG Funds – Private Funds

in €m	1H/2012	1H/2011	2Q/2012	2Q/2011
Total revenues	9.5	2.1	8.5	1.1
thereof structuring fees	*6.6*	*0.1*	*6.6*	*0.1*
thereof management fees	*2.8*	*1.9*	*1.9*	*1.0*
Other operating income	2.6	0.2	2.5	0.2
Personnel expenses	-1.8	-1.9	-0.8	-0.8
Other operating expenses	-3.5	-2.5	-2.3	-1.3
EBIT	**6.7**	**-2.0**	**8.0**	**-0.8**
thereof unrealised changes in value	*0.0*	*0.0*	*0.0*	*0.0*
EBIT before changes in value	**6.7**	**-2.0**	**8.0**	**-0.8**

As expected, revenues in the IVG Private Funds segment increased as a result of the placement of the IVG EuroSelect 21 Munich fund. The revenue growth of €7.4 million to €9.5 million is primarily due to the successful structuring of the IVG EuroSelect 21 Munich (€6.6 million). Income from fund/property management includes the management of the IVG EuroSelect 21 Munich fund for the first time (€0.9 million).

Other operating income increased from €0.2 million in the first half of 2011 to €2.6 million in the period under review. This item primarily consists of oncharged expenses for expert opinions, notary's fees and prospectus fees for the IVG EuroSelect 21 Munich fund (€1.2 million) and the book profit in connection with the placement of the IVG EuroSelect 21 Munich fund (€1.2 million).

The increase in other operating expenses is due in particular to third-party service costs of €1.0 million in connection with the IVG Euro-Select 21 Munich fund.

The successful placement of the IVG EuroSelect 21 Munich fund meant that EBIT increased by €8.7 million, from -€2.0 million in the first half of 2011 to €6.7 million in the period under review.

Financial position

Financing

As at 30 June 2012, liabilities due to banks (not including the convertible bond or deferred items) had the following maturities:

in €m	Total nominal	thereof reduction by project sale	property sale	caverns sale	repay-ment	thereof planned prologa-tions
2012	307	51	0	204	21	30
2013	978	544	0	128	45	261
2014	2,155	7	50	172	29	1,897
2015	527	0	20	0	20	487
2016	46	0	0	0	4	42
2017 and thereafter	133	0	0	0	14	119
Total	**4,146**	**602**	**70**	**504**	**134**	**2,835**

In the second quarter of 2012, liabilities to banks decreased by €294 million. This was due to scheduled and extraordinary repayments of property and project loans (€326 million), which were offset by drawdowns on project loans and the arrangement of new bridge financing.

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 (currently around €490 million), with its financing due as of 31 December 2013.

The repayments of €70 million to be made from the sale of properties relate to the financing of properties held for sale.

The liabilities to banks to be reduced through the sale of caverns relate to repayments from the proceeds of cavern sales to the IVG Cavern Fund. Prior to the final maturity of the 2009 syndicated loan on 25 September 2014, repayments of €128 million and €172 million are due in July 2013 and 2014 respectively. A repayment of €204 million was made on 30 July 2012.

The ongoing repayments of €134 million will be made by 2021 in the form of annuity and amortising loans. Of this figure, €65 million relates to the "CORE" financing for the Allianz portfolio. As of 30 June 2012, a total of €320 million of "CORE" financing was repaid as a result of the sale of two properties in Munich and a scheduled repayment.

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 syndicated loans from 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 4.23%, the average interest rate for all financial liabilities (including interest rate hedges) as at 30 June 2012 was essentially unchanged as against 31 March 2012 (4.26%).

For the first half-year 2012, no breaches were identified in the course of regular covenant tests.

Liquidity

As at 30 June 2012, the total liquidity available to IVG (excluding commercial paper facilities and assigned or project-related cash reserves) totalled €105 million and was broken down as follows:

in €m	30.06.2012
Unused non-project-related credit lines	0
Surplus capacity on current accounts	10
Cash reserves	93
Sight deposits and current securities	2
Derivatives with positive market values	0
Total	**105**

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

in €m	1H/2012	1H/2011
Cash flow from current activities	12.8	26.3
Cash flow for short-/midterm investments from operational divisions	*-24.7*	-123.2
Net interest payments	-90.0	-92.1
Net tax payments	-19.9	-8.4
Cash flow from operating activities	**-121.8**	**-197.4**
Cash flow from/for investing activities	**171.5**	**199.1**
Cash flow from financing activities	**-176.9**	**-133.0**
Change in cash and cash equivalents*	**-127.2**	**-131.3**
Cash and cash equivalents at closing date	110.6	143.6

* Not including changes due to exchange rate movements

Cash flow from operating activities improved by €75.6 million year-on-year, from -€197.4 million to -€121.8 million. This was primarily due to the improvement in the cash flow from investments in operational divisions (+€98.5 million), which resulted in particular from the decline in cash outflows following the completion of THE SQUAIRE. Net interest payments decreased by €2.1 million as against the same period of the previous year (from -€92.1 million to -€90.0 million); this was due in particular to the further year-on-year reduction in financial liabilities as a result of extensive repayments. The net tax payments of €19.9 million in the period under review primarily relate to the income taxes paid in conjunction with the sale of a property in France.

Cash flow from investing activities changed by -€27.6 million, from €199.1 million to €171.5 million, which was largely driven by the revenues from the sale of investment property, excluding the non-cash effects of the related transfer of liabilities. This development was offset by the current investments in caverns and other investment property as well as the repurchase of a property in Helsinki during the period under review.

Cash flow from financing activities changed by -€43.9 million in the period under review, from -€133.0 million to -€176.9 million, a development that is primarily attributable to the repayment of "CORE" financing. After taking into consideration the non-cash components related to the transferred liabilities, the total repayment of "CORE" financing amounted to €320 million. In the previous period the cash outflow due to scheduled repayments of property and project loans was partially offset by the cash inflow from the share capital increase (€ 85.8 million).

Net assets

in €m	30.06.2012	31.12.2011
Total assets	6,577.3	6,904.2
Non-current assets	5,109.4	5,120.4
Current assets	1,467.9	1,783.8
Equity	1,389.5	1,386.3
Equity ratio in %	21.1	20.1
Non-current liabilities	4,389.1	4,433.0
Current liabilities	798.7	1,084.9
Financial liabilities	4,592.1	4,878.3
Financial liabilities in %	69.8	70.7

Non-current assets decreased by €11.0 million as against 31 December 2011. In addition to the disposals in Finland, Belgium and Germany (€48.5 million), this was due to the reclassifications to current assets to reflect the planned sale of properties in France (€32.7 million), Germany (€55.3 million), Finland (€21.2 million) and Luxembourg (€18.8 million). This was primarily offset by current investments in caverns (€34.4 million) and other investment property (€33.3 million) as well as positive unrealised changes in market value (€40.8 million).

Current assets declined by €316.0 million in the first half of 2012 to €1.5 billion. This was primarily due to the reduction in non-current assets held for sale (-€263.4 million) in connection with the sale of the Dieselstraße 4 and 6 properties as part of the successful placement of the IVG EuroSelect 21 Munich fund. Cash and cash equivalents also fell by €127.3 million as a result of current investments in the IVG Real Estate, IVG Caverns and IVG Development segments and scheduled repayments of property and project loans.

Total assets decreased by €327.0 million to €6.6 billion as a result of the effects described above.

Equity was virtually unchanged as against 31 December 2011 at €1.4 billion. While the consolidated net loss for the first half of the year (-€16.1 million) served to reduce 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 significantly by €330.1 million as against 31 December 2011. This is due in particular to scheduled and extraordinary repayments of property and project loans, especially in connection with the sale of the Dieselstraße 4 and 6 properties to the IVG EuroSelect 21 Munich fund.

At €4.76 per share, NAV (net asset value) at 30 June 2012 was largely unchanged compared with 31 December 2011 (€4.74 per share). Adjusted for the non-capitalised components of the market value of caverns, adjusted NAV increased slightly by 0.8%, from €6.30 per share as of 31 December 2011 to €6.35 per share as of 30 June 2012.

Risk report

As with all financial statements, plans and forecasts of IVG Immobilien AG, these interim financial statements take into consideration all opportunities and risks with a probability of occurrence of more than 50%, i.e. it shows the development that IVG considers to be more probable. Accordingly, the risk report discusses those opportunities and risks with a probability of less than 50%. At the end of the first half of 2012, there are the following opportunities and risks for IVG Immobilien AG.

The sovereign debt crisis in the euro zone continues to pose the greatest risk for the European economy, and hence for the real estate markets. The ongoing debate about the creditworthiness of Greece and the bail-out measures for the Spanish banking sector serve to underline how volatile the economic climate is within the European currency area. It is not unlikely that the current recession in Europe will continue beyond the end of 2012, and even the collapse of the euro zone appears to be a possibility. The situation is particularly problematic in Southern Europe and certain EU member states in Eastern Europe, such as Hungary. However, the close economic ties mean that another downturn in other, previously stable economies – such as Germany – cannot be ruled out.

New construction activity in conjunction with the economic problems only represents a downside risk in a small number of European markets, such as London and Warsaw. In light of the difficult wider economic situation, however, it seems doubtful as to whether the planned new construction volume will be realised in full.

While the core property segment in most countries is relatively well positioned due to corresponding tenant and investor preferences and a low level of forecast completions, there are significant downside risks beyond the core segment – not least because there are signs that lending conditions for financing in this segment will remain extremely restrictive or become even more stringent following the implementation of the Basel III requirements. As the loan agreements for many properties are set to expire over the next few years and some real estate financiers have withdrawn from new lending business altogether, a bottleneck in real estate financing could occur in certain countries. This, in turn, presents opportunities for opportunistic investors and innovative investment products, such as debt funds that provide corresponding loans.

There are still opportunities in the core segment in some countries – particularly in Germany, the moderate level of new construction activity suggests that there will continue to be a shortage of core rental space in spite of weak economic development. Long-term re-lettability and the high yield differential compared with government bonds mean that this segment remains an attractive investment class.

The liquidation of various open-ended mutual property funds presents certain risks for the European office markets. Although these risks are generally considered to be moderate, as the disposal process for the fund properties will take several years, there could be a resulting oversupply in certain investment markets, such as the Netherlands.

On 19 April 2012, IVG Immobilien AG resolved to suspend the remuneration on its issued hybrid capital. The company will use the funds still available to it to further improve its capital structure. Investors' claims to remuneration have only been deferred, meaning that they are still entitled to payment at a later date. IVG will restart payments when it generates a clearly positive consolidated net profit and is therefore able to pay dividends again.

Financial planning for the coming years has been developed with a cautious approach. The scheduled reduction of the project pipeline through project sales was taken into consideration in the financial planning process, as was the transfer of already fully let, pre-sold caverns to the IVG Cavern Fund and the sale of certain selected properties that are no longer consistent with our strategy. All of this is of fundamental importance to IVG's financial position.

Risks could also arise if the planned disposals of non-strategic properties are not implemented. IVG is also subject to the vacancy and letting risks that are typical for its markets and business activities.

In the IVG Development segment, which is being phased out, the remaining projects will be gradually sold by the end of 2013. The overall economic environment could have a negative impact on this planned sales process. In addition, cost increases in the context of final invoicing 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 operation of the caverns sold to funds and additional future caverns. Aside from the scheduling, geological and technical risks involved in the construction process, there is the risk typical for this business area of a breach of the obligation to ensure on-schedule completion with the correct volume as agreed with tenants and funds. Completion planning is therefore subject to close monitoring. No risks representing a potential economic loss are anticipated at present. IVG is planning to successively let and develop caverns that have not yet been sold. In order to prevent letting risks in particular, we are seeking to ensure that, where possible, caverns in development are let before development begins.

In the IVG Funds segment, there is the risk that the number and/or size of newly placed fund products will be lower than planned, that the investment speed for the existing special funds could slow down, or that the sale of closed-end funds that are in the placement process cannot be completed as planned. If these risks were to occur, this could have an adverse effect on the one-off and recurring income or the value of the IVG Institutional Funds segment. The reasons for this could include a lack of investment opportunities on the real estate markets, an unfavourable change in the legal framework – such as in connection with the recently published draft version of the German Capital Investment Code (KAGB-E) – or the general uncertainty on the part of potential investors with regard to the future development of the markets.

The liquidity-related risks listed above can be controlled by means of countermeasures and preventive measures. IVG has implemented and initiated the corresponding preventive measures at an early stage.

IVG also faces risks to its consolidated net profit, particularly 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.

Report on post-balance sheet date developments

A further seven caverns sold to the IVG Cavern Fund under the terms of the purchase agreement dated 11 November 2008 were completed on schedule with effect from 1 July 2012 and transferred to the IVG Cavern Fund on 27 July 2012 following the payment of the purchase price. The proceeds generated as a result were used to repay a further €204 million of the 2009 syndicated loan.

IVG Immobilien Management REIT-AG, an IVG Group company, was entered in the commercial register as a REIT (Real Estate Investment Trust) on 24 July 2012 having been admitted to the stock exchange on the previous day. The stock exchange listing did not involve a public offer. Various IVG Group companies hold a total of 75% of the shares in the IVG REIT, while the remaining 25% are distributed across a total of nine investors that acquired their shares from IVG Immobilien AG prior to the stock market listing.

Report on expected developments

Economic environment

continue over the coming quarters. The recession is expected to continue, particularly in Southern Europe, while major economies such as Germany and the United Kingdom will enjoy weak economic growth at best.

In the second half of 2012, the European office markets will be characterised by weaker demand for space than in the previous year. Vacancy rates may even increase slightly. With the exception of Southern Europe, rents in the prime segment will be broadly stable over the coming quarters, as modern office space in central locations will remain in short supply – not least due to the moderate level of new construction activity. However, rents for non-core office space could come under pressure. Investor demand for properties in the core segment will remain high due, among other things, to the relatively high initial yields they offer.

Despite this, the transaction volume in most European investment markets will be lower than in the previous year. This is because of the uncertainty among investors due to the macroeconomic situation, restrictive lending conditions and the limited availability of suitable properties. Initial yields for office properties are expected to see further polarization, with stable prime initial yields in the core markets accompanied by a downward trend in prices for non-core properties.

Forecast development at IVG

The implementation of the sales programme of around €600 million by the end of 2013 – with the majority already being implemented in 2012 – remains one of the core targets of the IVG Real Estate segment and represents a continuation of its strategic programme for focusing on the attractive real estate market in Germany. We will invest around €45 million in the existing portfolio in both 2012 and 2013. Another key element in reducing the project pipeline will be the release of equity tied up within the major project THE SQUAIRE through a fund placement or an alternative solution. The pipeline will be further reduced by 2013 with the sale of additional projects in Eastern Europe and Paris.

The threshold for first-time IFRS recognition and measurement at fair value of 300,000 m³ is expected to be reached by eight development caverns in 2012 and five development caverns in 2013. The achievement of this threshold will have a positive impact on consolidated net profit in the fourth quarter of 2012. In the IVG Caverns segment, further sales to the IVG Cavern Fund of around €340 million are planned in 2012 and 2013 (including €200 million in the third quarter of 2012), while investments are set to amount to €40 million in the second half of 2012 and €80 million in 2013.

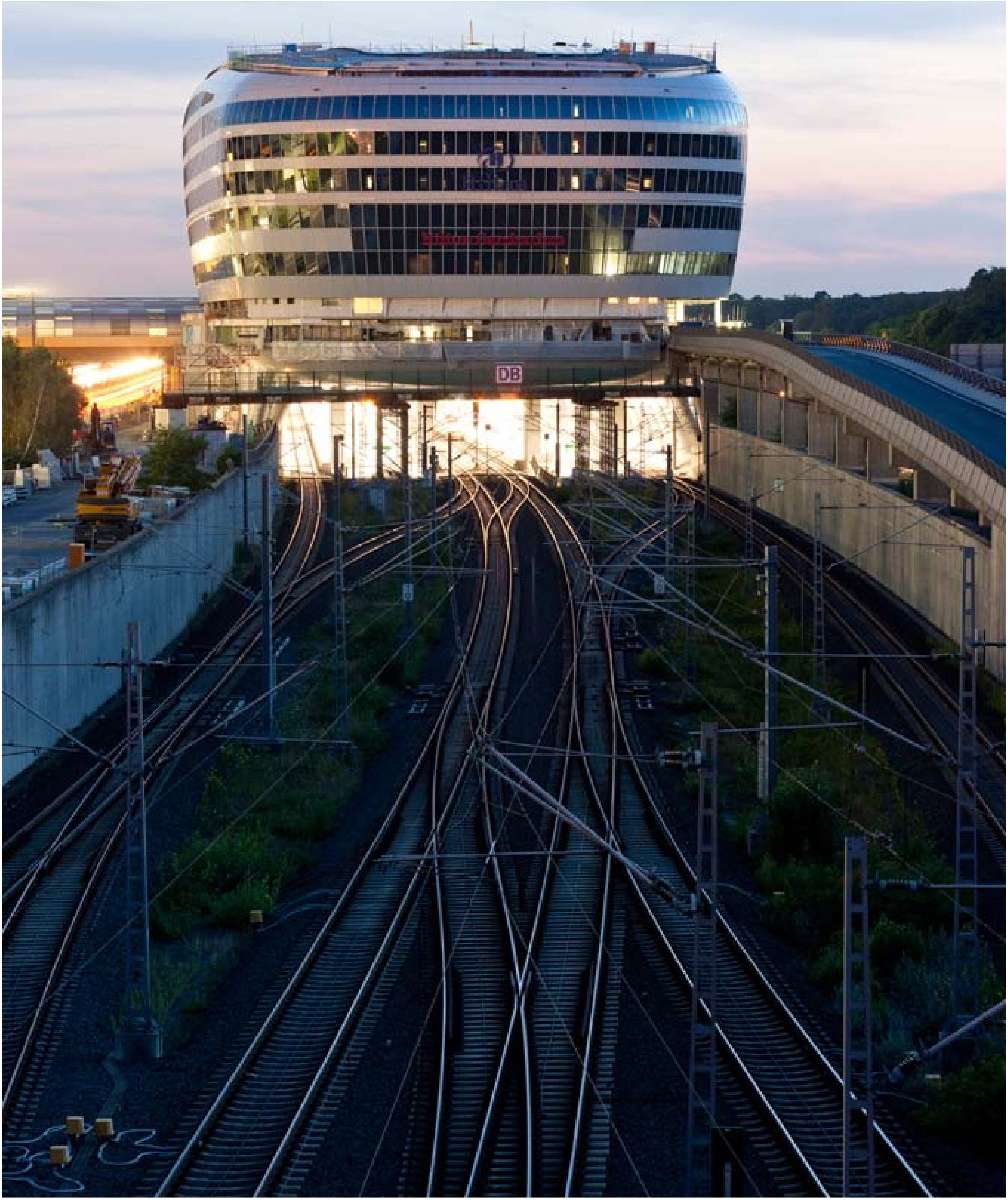
The IVG Institutional Funds segment will continue to focus on stabilising its assets under management of around €12 billion at the same time as regrouping the portfolio.

After having established the closed-end real estate fund IVG EuroSelect 21 Munich in the first half of the year 2012, the IVG Private Funds segment's product programme for 2012 is complete.

Barring any major unplanned remeasurement effects or cost increases affecting the last development projects in particular, IVG still expects to almost break even in 2012 and to generate a significant consolidated net profit in 2013.

This Management Report includes forward-looking statements and information. Such statements are based on current expectations and certain assumptions. This means that they contain a range of risks and uncertainties. A number of factors, many of which lie beyond IVG's control, have an effect on the operations, performance, corporate strategy and the results of IVG. These factors may mean that the actual results, performance and success of IVG differ considerably from these statements. Should one or several of these risks or uncertainties materialise, or if the assumptions applied should turn out to be incorrect, the actual results may differ considerably, either positively or negatively, from those results which were described in the forward-looking statements as expected, anticipated, intended, planned, believed, projected or estimated results. IVG assumes no responsibility for this and does not intend to update these forward-looking statements or to correct them if a different development is expected.

INTERIM FINANCIAL STATEMENTS
as of 30 June 2012



Consolidated income statement for the first six months 2012

in €m	1H/2012 Before changes in value	1H/2012 Unrealised changes in value [1]	1H/2012 Total	1H/2011 Before changes in value	1H/2011 Unrealised changes in value [1]	1H/2011 Total
Revenues	212.8		212.8	319.4		319.4
Changes in inventories and other own work capitalised	26.7		26.7	26.3		26.3
Unrealised changes in market value of investment property	0.0	35.7	35.7	0.0	7.5	7.5
Realised changes in market value of investment property	-17.0		-17.0	0.6		0.6
Other operating income	23.3	0.6	23.8	7.0	1.5	8.5
Material expenses	-36.5	0.0	-36.5	-143.3	-86.0	-229.3
Personnel expenses	-39.1		-39.1	-34.8		-34.8
Depreciation and amortisation of intangible assets, property, plant and equipment	-5.9	-1.9	-7.8	-3.6	0.0	-3.6
Expenses from investment property	-40.4		-40.4	-35.8		-35.8
Other operating expenses	-59.0		-59.0	-50.2		-50.2
Gains/losses from associated participations accounted for using the equity method	-5.1		-5.1	1.7		1.7
Income from equity investments	1.2		1.2	0.8		0.8
Earnings before interest and taxes (EBIT)	**60.9**	**34.3**	**95.3**	**88.0**	**-77.0**	**11.0**
Financial income	8.5	27.5	36.0	25.7	40.8	66.5
Financial expenses	-118.6	-29.0	-147.6	-131.5	-44.6	-176.1
Financial result	**-110.1**	**-1.5**	**-111.6**	**-105.8**	**-3.8**	**-109.6**
Net profit before income taxes	**-49.2**	**32.8**	**-16.4**	**-17.8**	**-80.7**	**-98.6**
Income taxes			0.3			40.8
Consolidated net profit			**-16.1**			**-57.7**
Share attributable to Group shareholders			*-16.1*			*-73.7*
Share attributable to hybrid capital providers			*0.0*			*16.0*
Share attributable to third parties			*0.0*			*0.0*
Undiluted earnings per share in €			-0.08			-0.54
Diluted earnings per share in €			-0.08			-0.54

[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

Condensed consolidated statement of comprehensive income for first the six months 2012

in €m	1H/2012	1H/2011
Consolidated net profit	**-16.1**	**-57.7**
Market valuation available-for-sale securities	-2.1	2.2
Market valuation of hedging instruments	1.8	37.2
Adjustment for currency translation of foreign subsidiaries	-2.5	-1.0
Actuarial earnings and losses from performance-based pension plans and similar obligations	-3.4	1.7
Deferred taxes on value adjustments set off directly against equity	4.7	-5.2
Income and expenses recognised in equity	**-1.6**	**34.8**
Total comprehensive income	**-17.6**	**-22.9**
Share attributable to Group shareholders	*-17.6*	*-38.9*
Share attributable to hybrid capital providers	*0.0*	*16.0*
Share attributable to third parties	*0.0*	*0.0*

Consolidated income statement for the second quarter

in €m	2Q/2012 Before changes in value	2Q/2012 Unrealised changes in value [1]	2Q/2012 Total	2Q/2011 Before changes in value	2Q/2011 Unrealised changes in value [1]	2Q/2011 Total
Revenues	110.9		110.9	105.6		105.6
Changes in inventories and other own work capitalised	15.3		15.3	68.6		68.6
Unrealised changes in market value of investment property	0.0	20.4	20.4	0.0	9.6	9.6
Realised changes in market value of investment property	-15.4		-15.4	0.6		0.6
Other operating income	12.3	0.6	12.9	3.8	1.5	5.3
Material expenses	-20.6	0.0	-20.6	-70.5	-73.8	-144.3
Personnel expenses	-21.8		-21.8	-17.0		-17.0
Depreciation and amortisation of intangible assets, property, plant and equipment	-3.3	-1.7	-5.0	-1.8	0.0	-1.8
Expenses from investment property	-19.5		-19.5	-15.3		-15.3
Other operating expenses	-29.8		-29.8	-25.6		-25.6
Gains/losses from associated participations accounted for using the equity method	-3.8		-3.8	1.1		1.1
Income from equity investments	1.1		1.1	0.1		0.1
Earnings before interest and taxes (EBIT)	**25.7**	**19.3**	**45.0**	**49.5**	**-62.7**	**-13.2**
Financial income	-2.7	13.9	11.2	14.3	8.2	22.5
Financial expenses	-50.0	-17.9	-68.0	-71.7	-22.2	-93.9
Financial result	**-52.8**	**-4.0**	**-56.8**	**-57.4**	**-14.0**	**-71.4**
Net profit before income taxes	**-27.1**	**15.3**	**-11.8**	**-7.8**	**-76.7**	**-84.6**
Income taxes			0.6			15.7
Consolidated net profit			**-11.2**			**-68.8**
Share attributable to Group shareholders			*-11.2*			*-76.8*
Share attributable to hybrid capital providers			*0.0*			*8.0*
Share attributable to third parties			*0.0*			*0.0*
Undiluted earnings per share in €			-0.06			-0.56
Diluted earnings per share in €			-0.06			-0.56

[1] The unrealised changes in value include all remeasurement effects from IAS 2, IAS 21, IAS 36, IAS 39 and IAS 40 without tax effects

Condensed consolidated statement of comprehensive income for the second quarter

in €m	2Q/2012	2Q/2011
Consolidated net profit	**-11.2**	**-68.8**
Market valuation available-for-sale securities	-3.1	-3.5
Market valuation of hedging instruments	1.0	2.7
Adjustment for currency translation of foreign subsidiaries	-3.3	-1.0
Actuarial earnings and losses from performance-based pension plans and similar obligations	-3.5	1.7
Deferred taxes on value adjustments set off directly against equity	3.8	1.9
Income and expenses recognised in equity	**-5.1**	**1.8**
Total comprehensive income	**-16.4**	**-67.0**
Share attributable to Group shareholders	*-16.4*	*-75.0*
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	30.06.2012	31.12.2011
Non-current assets		
Intangible assets	251.3	251.3
Investment property	3,896.9	3,964.4
Property, plant and equipment	185.8	156.8
Financial assets	220.6	188.8
Investments in associated participations accounted for using the equity method	88.4	95.4
Deferred tax assets	407.1	404.0
Receivables and other assets	59.3	59.7
Total non-current assets	**5,109.4**	**5,120.4**
Current assets		
Inventories	1,027.8	1,025.1
Receivables and other assets	175.1	165.9
Income tax receivables	31.1	12.4
Derivative financial instruments	0.1	0.0
Securities	45.3	1.3
Cash and cash equivalents	110.6	237.9
	1,390.0	**1,442.5**
Non-current assets held for sale	77.9	341.3
Total current assets	**1,467.9**	**1,783.8**
Total assets	**6,577.3**	**6,904.2**

Equity and liabilities

in €m	30.06.2012	31.12.2011
Equity		
Subscribed capital	207.9	207.9
Capital reserve	763.5	762.8
Treasury shares	-0.5	-0.5
Other reserves	-64.1	-64.9
Retained earnings	81.8	80.0
Equity attributable to Group shareholders	**988.6**	**985.3**
Hybrid capital	400.9	400.9
Minority interests	0.0	0.0
Total equity	**1,389.5**	**1,386.3**
Liabilities		
Non-current liabilities		
Financial liabilities	4,110.7	4,181.0
Derivative financial instruments	70.7	51.7
Deferred tax liabilities	101.4	104.5
Pension provisions	21.9	17.9
Other provisions	36.5	32.3
Liabilities	47.9	45.7
Total non-current liabilities	**4,389.1**	**4,433.0**
Current liabilities		
Financial liabilities	481.4	697.3
Derivative financial instruments	30.3	44.1
Other provisions	65.6	80.2
Liabilities	173.3	214.9
Income tax liabilities	48.1	48.3
	798.7	**1,084.9**
Total current liabilities	**798.7**	**1,084.9**
Total equity and liabilities	**6,577.3**	**6,904.2**

Consolidated 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								-73.7	-73.7	16.0	0.0	-57.7
Earnings recognised directly in equity				2.0	32.8	0.0	-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**
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								-16.1	-16.1	0.0	0.0	-16.1
Earnings recognised directly in equity				-1.4	4.7		-2.5	-2.3	-1.6			-1.6
Total comprehensive income	**0.0**	**0.0**	**0.0**	**-1.4**	**4.7**	**0.0**	**-2.5**	**-18.4**	**-17.6**	**0.0**	**0.0**	**-17.6**
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		1.3							1.3			1.3
Changes to group of consolidated companies / others		-0.6 *						-0.7	-1.3			-1.3
Balance at 30.06.2012	**207.9**	**763.5**	**-0.5**	**6.6**	**-47.3**	**12.9**	**-36.3**	**81.8**	**988.6**	**400.9**	**0.0**	**1,389.5**

* Subsequently incurred costs of the past capital increase from December 2011 in the amount of -€0.6 million

Condensed consolidated statement of cash flows

in €m	1H/2012	1H/2011
Earnings before interest and taxes (EBIT)	**95.3**	**11.0**
Unrealised changes in market value of investment property	-35.7	-7.5
Realised changes in market value of investment property	17.0	-0.6
Depreciation and appreciation of intangible assets and property, plant and equipment	7.8	3.6
Other non-cash income and expenses	-33.5	58.3
Changes in receivables, inventories of other segments (not including Development, Real Estate and Private Funds) and securities in current assets	-60.0	-16.1
Changes in liabilities and provisions	17.4	-21.8
Non-distributed earnings from associated participations accounted for using the equity method	4.4	-2.2
Changes in non-current assets and liabilities held for sale	0.0	0.0
Dividends received	0.1	1.6
Cash flow from current activities	**12.8**	**26.3**
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]	-24.7	-123.2
Cash flow from short/mid-term investments in operating activities	**-24.7**	**-123.2**
Cash flow from operating activities before interest and taxes	**-11.9**	**-96.9**
Net interest payments	-90.0	-92.1
Net tax payment	-19.9	-8.4
Cash flow from operating activities	**-121.8**	**-197.4**
Cash flow from investing activities	**171.5**	**199.1**
Cash flow from financing activities	**-176.9**	**-133.0**
Net change in cash and cash equivalents from operations	-127.2	-131.3
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 30.06.	**110.6**	**143.6**
thereof cash in property disposal group	*0.0*	
Cash and cash equivalents reported on the balance sheet	110.6	143.6

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

Notes to the interim financial statements

Segment reporting for the first six months 2012

1H/2012 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	134.9		134.9	23.9		23.9	12.5		12.5	30.5		30.5	9.4		9.4	1.6	0.0		0.0	212.8	0.0	212.8
Internal revenues	1.2		1.2	1.4		1.4	0.0		0.0	0.3		0.3	0.0		0.0	14.1	-17.1		-17.1	0.0	0.0	0.0
Total revenues	**136.1**	**0.0**	**136.1**	**25.3**	**0.0**	**25.3**	**12.5**	**0.0**	**12.5**	**30.7**	**0.0**	**30.7**	**9.5**	**0.0**	**9.5**	**15.7**	**-17.1**	**0.0**	**-17.1**	**212.8**	**0.0**	**212.8**
Net rents from investment property	109.1		109.1	0.0		0.0	4.2		4.2	0.0		0.0	0.0		0.0	0.0	-0.4		-0.4	112.9	0.0	112.9
Other net rents	1.6		1.6	6.2		6.2	0.0		0.0	0.0		0.0	0.0		0.0	0.2	-1.9		-1.9	6.1	0.0	6.1
Income from service charges	23.6		23.6	3.6		3.6	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.3		-0.3	27.0	0.0	27.0
Income from project disposals	0.1		0.1	1.6		1.6	0.2		0.2	0.0		0.0	0.0		0.0	0.0	0.0		0.0	2.0	0.0	2.0
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	0.5		0.5	0.6		0.6	0.0		0.0	3.1		3.1	6.6		6.6	0.0	0.0		0.0	10.7	0.0	10.7
Income from fund and property management	0.0		0.0	0.0		0.0	5.7		5.7	27.6		27.6	2.8		2.8	0.9	-0.1		-0.1	37.0	0.0	37.0
Other revenues	1.2		1.2	13.2		13.2	2.4		2.4	0.0		0.0	0.1		0.1	14.5	-14.4		-14.4	17.1	0.0	17.1
Changes in inventories and other own work capitalised	-0.1		-0.1	23.0		23.0	3.9		3.9	0.0		0.0	0.0		0.0	0.0	0.0		0.0	26.7	0.0	26.7
Unrealised changes in market value of investment property	0.0	-36.8	-36.8	0.0		0.0	0.0	72.5	72.5	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	35.7	35.7
Realised changes in market value of investment property	-17.1		-17.1	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-17.0	0.0	-17.0
Other operating income	12.1		12.1	4.4		4.4	3.3	0.6	3.9	0.3		0.3	2.6		2.6	10.1	-9.6		-9.6	23.3	0.6	23.8
Material expenses	-1.5		-1.5	-29.7		-29.7	-5.2		-5.2	-0.1		-0.1	-0.1		-0.1	-0.5	0.5		0.5	-36.5	0.0	-36.5
Personnel expenses	-1.5		-1.5	-0.6		-0.6	-4.1		-4.1	-6.7		-6.7	-1.8		-1.8	-24.4	0.0		0.0	-39.1	0.0	-39.1
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.2	-0.1	-0.3	-1.9		-1.9	-3.1	-1.8	-4.9	-0.1		-0.1	0.0		0.0	-0.6	0.0		0.0	-5.9	-1.9	-7.8
Expenses from investment property	-40.4		-40.4	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.1		0.1	-40.4	0.0	-40.4
Other operating expenses	-20.9		-20.9	-28.2		-28.2	-2.4		-2.4	-14.3		-14.3	-3.5		-3.5	-15.7	26.0		26.0	-59.0	0.0	-59.0
Gains/losses from associated participations accounted for using the equity method	-5.3		-5.3	0.2		0.2	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-5.1	0.0	-5.1
Income from equity investments	1.1		1.1	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	1.2	0.0	1.2
Segment result (EBIT)	**62.4**	**-36.9**	**25.6**	**-7.5**	**0.0**	**-7.5**	**4.9**	**71.2**	**76.1**	**9.8**	**0.0**	**9.8**	**6.7**	**0.0**	**6.7**	**-15.4**	**0.0**	**0.0**	**0.0**	**60.9**	**34.3**	**95.3**
Financial result																				-110.1	-1.5	-111.6
Net profit before tax																				**-49.2**	**32.8**	**-16.4**
Income taxes																						0.3
Consolidated net profit																						**-16.1**
Segment assets			**3.563.7**			**1.045.6**			**919.3**			**272.8**			**58.1**	**310.7**			**-0.1**			**6,170.1**
thereof investments in associated participations accounted for using the equity method			*70.2*			*2.8*			*0.0*			*15.4*			*0.0*	*0.0*			*0.0*			*88.4*
Investments			**52.3**			**1.1**			**44.6**			**0.8**			**0.0**	**4.4**			**-0.1**			**103.1**

Segment reporting for the first six months 2011

1H/2011	Investment									Funds												
	Real Estate			Development			Caverns			Institutional Funds			Private Funds			IVG Cor-porate Func-tions	Consolidation			Group		
in €m	Before changes in value	Un-realised changes in value	Total	Before changes in value	Un-realised changes in value	Total	Before changes in value	Un-realised changes in value	Total	Before changes in value	Un-realised changes in value	Total	Before changes in value	Un-realised changes in value	Total		Before changes in value	Un-realised changes in value	Total	Before changes in value	Un-realised 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 associated 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 equity 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 associated 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 second quarter 2012

2Q/2012 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	66.5		66.5	12.6		12.6	8.1		8.1	14.8		14.8	8.5		8.5	0.5	0.0		0.0	110.9	0.0	110.9
Internal revenues	0.6		0.6	0.8		0.8	0.0		0.0	0.1		0.1	0.0		0.0	6.2	-7.8		-7.8	0.0	0.0	0.0
Total revenues	**67.1**	**0.0**	**67.1**	**13.3**	**0.0**	**13.3**	**8.1**	**0.0**	**8.1**	**15.0**	**0.0**	**15.0**	**8.5**	**0.0**	**8.5**	**6.7**	**-7.8**	**0.0**	**-7.8**	**110.9**	**0.0**	**110.9**
Net rents from investment property	54.4		54.4	0.0		0.0	3.3		3.3	0.0		0.0	0.0		0.0	0.0	-0.2		-0.2	57.4	0.0	57.4
Other net rents	0.7		0.7	3.6		3.6	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-1.0		-1.0	3.5	0.0	3.5
Income from service charges	10.7		10.7	2.0		2.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	-0.2		-0.2	12.5	0.0	12.5
Income from project disposals	-0.1		-0.1	0.4		0.4	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.4	0.0	0.4
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	0.5		0.5	0.2		0.2	0.0		0.0	0.9		0.9	6.6		6.6	0.0	0.0		0.0	8.2	0.0	8.2
Income from fund and property management	0.0		0.0	0.0		0.0	3.4		3.4	14.0		14.0	1.9		1.9	0.4	0.0		0.0	19.7	0.0	19.7
Other revenues	0.9		0.9	7.1		7.1	1.4		1.4	0.0		0.0	0.0		0.0	6.1	-6.4		-6.4	9.2	0.0	9.2
Changes in inventories and other own work capitalised	0.0		0.0	13.4		13.4	2.0		2.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	15.3	0.0	15.3
Unrealised changes in market value of investment property	0.0	-11.7	-11.7	0.0		0.0	0.0	32.1	32.1	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	20.4	20.4
Realised changes in market value of investment property	-15.4		-15.4	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-15.4	0.0	-15.4
Other operating income	5.3		5.3	3.9		3.9	0.1	0.6	0.6	0.1		0.1	2.5		2.5	5.3	-4.9		-4.9	12.3	0.6	12.9
Material expenses	-1.2		-1.2	-16.5		-16.5	-3.0		-3.0	0.0		0.0	0.1		0.1	-0.2	0.4		0.4	-20.6	0.0	-20.6
Personnel expenses	-0.8		-0.8	-0.3		-0.3	-2.2		-2.2	-3.4		-3.4	-0.8		-0.8	-14.2	0.0		0.0	-21.8	0.0	-21.8
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.1	0.1	0.0	-1.3		-1.3	-1.6	-1.8	-3.4	0.0		0.0	0.0		0.0	-0.3	0.0		0.0	-3.3	-1.7	-5.0
Expenses from investment property	-19.5		-19.5	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.1	0.0		0.0	-19.5	0.0	-19.5
Other operating expenses	-10.8		-10.8	-14.0		-14.0	-1.1		-1.1	-6.8		-6.8	-2.3		-2.3	-7.2	12.3		12.3	-29.8	0.0	-29.8
Gains/losses from associated participations accounted for using the equity method	-4.1		-4.1	0.3		0.3	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-3.8	0.0	-3.8
Income from equity investments	1.1		1.1	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	1.1	0.0	1.1
Segment result (EBIT)	**21.7**	**-11.6**	**10.1**	**-1.2**	**0.0**	**-1.2**	**2.3**	**30.9**	**33.2**	**4.8**	**0.0**	**4.8**	**8.0**	**0.0**	**8.0**	**-9.9**	**0.0**	**0.0**	**0.0**	**25.7**	**19.3**	**45.0**
Financial result																				-52.8	-4.0	-56.8
Net profit before tax																				**-27.1**	**15.3**	**-11.8**
Income taxes																						0.6
Consolidated net profit																						**-11.2**
Investments			**16.6**			**0.5**			**15.4**			**0.7**			**0.0**	**2.0**			**-0.1**			**35.1**

Segment reporting for the second quarter 2011

2Q/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	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 associated 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 equity 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**

Selected explanatory notes

This interim financial report has been prepared in accordance with the provisions 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 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, please refer to the consolidated financial statements for the year ended 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 management report for the period ended 30 June 2012 have been reviewed by the 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" – provisions 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 provisions applied for the first time from 1 January 2012 had no significant effect on the interim financial report of the IVG Group as at 30 June 2012.

Significant transactions in the reporting period

- The €106.6 million reduction in revenues is primarily due to the high figure for the previous year, which resulted from the invoicing of a development project in Berlin. In addition, this item includes net rents from the IVG Real Estate segment, which also decreased as a result of the disposal of investment property.
- The changes in inventories primarily relate to the capitalised investments for THE SQUAIRE at Frankfurt Airport. The prior-year figure also included the outgoing carrying amount from the sale of a development project in Berlin.
- Changes in the market value of investment property climbed by +€10.5 million year-on-year. This was mainly due to unrealised changes in market value, which improved by +€28.2 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. Realised changes in market value declined from +€0.6 million to -€17.0 million particularly as a result of property disposals in Munich.
- The €15.3 million increase in other operating income was due to the settlement payments received on account of the early termination of a lease (€5.0 million) in the IVG Real Estate segment and the repayment of electricity tax already paid in the IVG Caverns segment (€2.8 million), as well as the accounting profit in connection with the placement of the IVG EuroSelect 21 Munich fund in the IVG Private Funds segment (€1.2 million).
- Material expenses fell sharply by €192.8 million as a result of the lower level of construction activity and the fact that the prior-year figure contained an impairment loss relating to the major project THE SQUAIRE at Frankfurt Airport.
- The financial result deteriorated only slightly by €2.0 million. This development was due in particular to the higher negative impact of earnings from hedging transactions (-€7.5 million), which was partially offset by the improved result from the remeasurement of financial assets (+€6.2 million).
- Income taxes declined by €40.5 million in the period under review, from €40.8 million to +€0.3 million, as a result of the additional capitalisation of deferred taxes on commercial tax loss carryforwards in the previous year.
- Cash and cash equivalents declined by €127.3 million, largely as a result of investments and the scheduled repayment of short-term loans.
- Repayments of "CORE" financing totalling €320 million in connection with the sale of two properties in Munich to the IVG EuroSelect 21 Munich fund and a scheduled repayment.
- 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 30 June 2012. This corresponds to 0.0155% of IVG's share capital, i.e. €32,229.00.

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

A further seven caverns sold to the IVG Cavern Fund under the terms of the purchase agreement dated 11 November 2008 were completed on schedule with effect from 1 July 2012 and transferred to the IVG Cavern Fund on 27 July 2012 following the payment of the purchase price. The proceeds generated as a result were used to repay a further €204 million of the 2009 syndicated loan.

IVG Immobilien Management REIT-AG, an IVG Group company, was entered in the commercial register as a REIT (Real Estate Investment Trust) on 24 July 2012 having been admitted to the stock exchange on the previous day. The stock exchange listing did not involve a public offer. Various IVG Group companies hold a total of 75% of the shares in the IVG REIT, while the remaining 25% are distributed across a total of nine investors that acquired their shares prior to the stock market listing of IVG Immobilien AG.

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, 9 August 2012

Professor Dr Wolfgang Schäfers

Dr Hans Volkert Volckens

Christian Kühni

Passion for Real Assets

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 statement of cash flows, 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, 2012, 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.

Düsseldorf, August 9, 2012

With kind regards,

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

ppa

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 when adding 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 these expectations will be fulfilled. The interim report has also been generated using references. These references have been carefully selected and have been taken from credible sources. We nevertheless point out that IVG has not examined the veracity of the sources.

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As at August 2012

Financial calendar

	Organizer	Event	Location
12.-13.09.2012	Bank of America Merrill Lynch	2012 Global Real Estate Conference	New York
12.-13.09.2012	UBS	Best of Germany Conference	New York
18.-19.09.2012	Bankhaus Lampe	Roadshow	Genf & Lugano
24.09.2012	Berenberg & Goldman Sachs	German Corporate Conference 2012	Munich
25.09.2012	Unicredit & Kepler	German Investment Conference	Munich
26.09.2012	Baader Bank	Baader Investment Conference	Munich
08.-10.10.2012	expo real	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