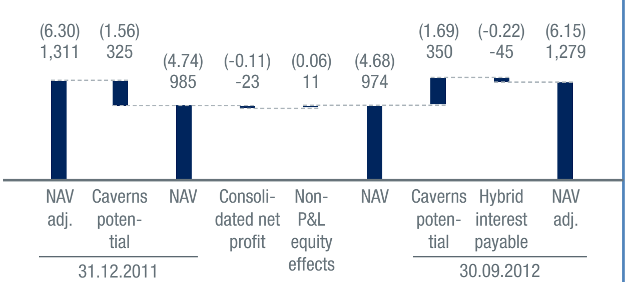
Interim Financial Report
3rd quarter 2012

Group key figures

	9M/2012	9M/2011
Key operational figures (in €m)		
Revenues	312.7	440.4
thereof net rents	*175.1*	*193.1*
thereof fees for fund and property management, development and sales	*65.6*	*74.0*
EBIT	**128.4**	**69.6**
EBT	**-23.9**	**-115.6**
Consolidated net profit	**-23.0**	**-54.7**
thereof unrealised changes in value	*48.6*	*-94.1*
Funds from Operations I (FFO I)	20.6	14.5
Funds from Operations II (FFO II)	-42.5	-9.4
Key figures per share (in €)		
FFO I	0.10	0.11
FFO II	-0.20	-0.07
Basic earnings	-0.08	-0.58
EPRA EPS	-0.15	-0.49
Diluted earnings	-0.08	-0.58
Average number of shares	207.9	136.6

	30.09.2012	31.12.2011
Key balance sheet figures (in €m)		
Total assets	6,325.5	6,904.2
Equity (carrying amounts)	1,375.0	1,386.3
Equity ratio at carrying amounts in %	21.7	20.1
Net asset value (NAV)	973.8	985.3
NAV adj. (incl. value potential of caverns)	1,279.4	1,310.6
Equity ratio at NAV adj. in %	20.5	19.2
EPRA NAV	761.5	781.7
EPRA NNNAV	1,042.6	1,131.4
Key figures per share (in €)		
NAV	4.68	4.74
NAV adj.	6.15	6.30
EPRA NAV	3.66	3.76
EPRA NNNAV	5.02	5.44
Number of shares at closing	207.9	207.9
Employees (FTE)	566	586

NAV development in € million (€ per share)



FOREWORD

Dear Shareholders, Ladies and Gentlemen,

The fight to stabilise the European financial system continued in the third quarter of 2012. With the establishment of the European Stability Mechanism (ESM) following the relevant decision by the German Federal Constitutional Court, the governments involved achieved a significant milestone: the ESM provides the euro zone with the much-needed time to carry out further structural adjustments and reforms. The German economy remained stable overall in the third quarter, with preparations also being made for a slowdown in some cases. In this environment, no particular impuls was to be expected for the real estate markets. We nonetheless continued with our repositioning undeterred.

The transaction volume increased on both Europe's and Germany's investment markets for commercial properties in the third quarter as compared to the weak preceding quarter. In Europe there was a rise of around 16% to €28.4 billion and in Germany a rise of 20% to €5.3 billion. In this environment, IVG conducted property acquisitions and disposals with a total volume of €206 million for its own account and for third parties. The biggest disposal from its own portfolio was the "SPIEGEL Insel" in Hamburg, a site between the city centre and the Hafencity district comprising 22,000 m² of rental space that was acquired in 2007 for a speculative development project. The disposal will take effect in the balance sheet when the property is handed over at fair value in the fourth quarter of 2012.

Sales momentum on the European office rental markets slowed only slightly in comparison to the previous quarter despite the difficult general economic conditions. In Germany, rentals remained higher than average over a long-term view. This was reflected in a decrease of 20 basis points in the vacancy rate to 9.1%, whereas Europe remained stable at 9.3%. Within our own property portfolio (IVG Real Estate segment) and for third parties, we newly let or extended leases for a total of 172,483 m² of space in the third quarter of 2012. This includes the extension and expansion of a rental agreement at the Infopark in Budapest with 16,000 m², which is likely to be the largest letting in Hungary in 2012. At 88.0% as of 30 September 2012, the economic occupancy rate of our existing portfolio posted a slight decline as against the previous quarter (88.7%) due to the sale of fully-let properties. The letting rate for the other development projects that are scheduled for completion (IVG Development segment) amounted to 72.1% as of 30 September 2012.

Our car park THE SQUAIRE Parking at Frankfurt Airport made its mark again as one of Europe's most sustainable car parks. The building was particularly awarded for its powerful and even and extremely energy-saving LED lighting. THE SQUAIRE Parking is therefore a flagship for the implementation of IVG's sustainability strategy at property level. However, it is not just individual properties that were acclaimed, but also the communication of IVG's sustainability strategy. The IVG sustainability report received the Bronze award from the European Public Real Estate Association (EPRA) the very first time it participated. As such, the sustainability report follows in the path of the IVG annual report, which has already won the Gold award from the European industry association EPRA.

At our cavern facility in Etzel, another seven gas caverns were completed and transferred to the IVG Cavern Fund on schedule already in the second quarter of this year. The sales proceeds were used for further repayment of liabilities to banks in the amount of €204 million in the third quarter. With the transfer of the caverns, the IVG Cavern Fund managed by IVG became one of the largest infrastructure funds worldwide, with a target investment volume of approximately €1.7 billion.

At a very well-attended Parliamentary Evening in September, we elaborated on the significant contribution that underground energy storage in caverns can make to the turnaround in energy policy. Among the roughly 70 guests at the German Parliamentary Society in Berlin were 30 members of the lower house of parliament and several association and company representatives.

As at the end of the third quarter of 2012, we were able to place one of our speciality funds in full. The "IVG Warsaw Fund", with equity of €100 million and an investment volume of €200 million, invests in office properties in Warsaw's business district. The fund is currently invested in four properties with €80 million and is scheduled to be fully invested by mid 2013. For another speciality fund, the "IVG Garbe Logistik Fund", IVG and Garbe Logistic AG raised equity totalling around €120 million with institutional investors. Asset management for the target portfolio of €400 million is performed by Garbe Logistic AG whereas fund management is done by IVG. Further funds with an equally clear and focussed investment story are in preparation and form an important element of our investment platform strategy.

As expected, IVG again recorded a consolidated net loss in the third quarter of 2012, amounting to -€7.0 million. Unrealised and realised changes in the market value of investment property totalling €4.6 million made a positive earnings contribution, while revenues declined slightly overall. The operating ratios FFO I and FFO II amounted to €20.6 million and -€42.5 million respectively. Reported net asset value changed by -1.7%, from €4.76 per share on 30 June 2012 to €4.68 per share on 30 September 2012. Net asset value including future cavern business (adjusted NAV) amounted to €6.15 per share as at 30 September 2012, as against €6.35 per share in the previous quarter. The cost item for other operating expenses again remained stable in the third quarter of 2012 as compared to the previous quarter at €29.5 million. This interim financial report provides detailed information on the figures.

We have not quite reached our destination yet on IVG's "repositioning path", but we have already passed some very important milestones. We greatly appreciate that you as investors are also joining us on this path with perseverance. In this way, you provide us with both the basis for our work and the motivation for a successful final spurt.

Bonn, November 2012

The Board of Management

INVESTOR RELATIONS
(IVG SHARES)

IVG index comparison in %

indexed: 01.01.2011

Source: Bloomberg
Period shown: 31.12.2011 – 30.09.2012

The further intensification of the euro crisis proved a hindrance to the economic recovery of the countries affected in the third quarter, too. The uncertainty of market participants in the euro zone continued to increase, as reflected in high volatility on the stock markets.

This meant that IVG's share price declined to €1.78 at the end of the third quarter, corresponding to a fall of 15% as against the start of the year. IVG's benchmark index, the FTSE EPRA/NAREIT Developed Europe, rose by 15% over the same period. IVG's share price has recovered again significantly since the end of the second quarter. At the time of going to press (on 7 November 2012), it was at €2.00, up 28% as compared to 30 June 2012. The FTSE EPRA/NAREIT Developed Europe Index increased by only 10% in the same period.

IVG is currently being monitored by 17 analysts. In their current reports, seven analysts recommend buying IVG shares, six recommend holding them and four recommend selling them. The average target price was €2.56 per share.

IVG's shareholder structure was as follows as of 30 September 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, Lang & Schwarz
Market capitalisation (30.09.2012)	€370 million
Free float market capitalisation (70.00%, 30.09.2012) *	€259 million
Number of shares (30.09.2012)	208 million
Share price (Xetra closing price 30.09.2012)	€1.78
First listed	01.10.1986
Last capital increase	December 2011

* Free float definition Deutsche Börse

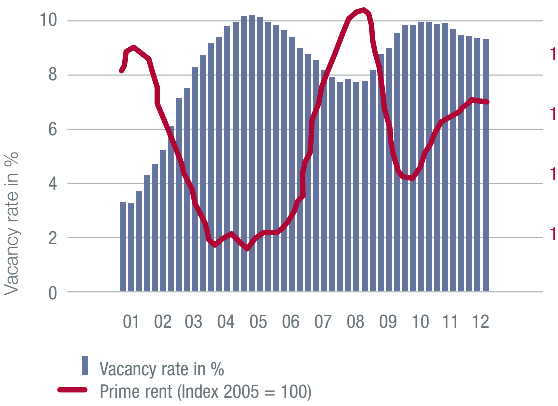
INTERIM MANAGEMENT REPORT
3rd quarter 2012

Macroeconomic trends and real estate markets

The announcement by the European Central Bank that it would purchase government bonds issued by the crisis-stricken countries contributed to a stabilisation of the financial markets over recent months. However, the real economy is likely to have contracted in the euro zone in the third quarter of 2012 and is also expected to remain in recession until the end of the year. The economic development in Europe will continue to be characterised by a North-South divide. The inflation rate in the euro zone rose to 2.6% in the past months despite the weak economy.

Accumulated take-up on Europe's office markets was in line with the long-term average in the third quarter of 2012 despite the difficult general economic conditions. The locations Berlin, Stockholm and Warsaw stood out positively here, whereas the Southern European office markets were still characterised by low rental activities.

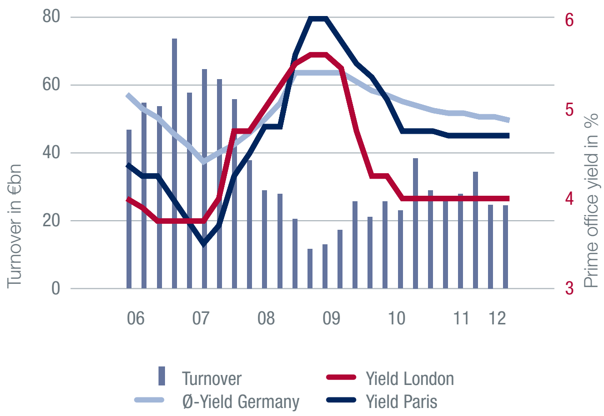
Real estate rental markets Europe



Source: IVG Research, Cushman & Wakefield database

In this context, the vacancy rate in Europe remained at 9.3%. In Germany's five office strongholds it even fell by 20 basis points to 9.1%. Across all European markets, prime rents largely remained at the previous quarter's level. Slight rent increases in some German cities were countered by moderate rent adjustments on the Spanish and Italian office markets.

Real estate investment markets Europe



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

Activities on the European investment market increased again in comparison to the previous quarters. The transaction volume in the third quarter 2012 amounted to €28.4 billion, 42% of which was attributable to the UK alone as a result of brisk purchases in Central London. As described in the latest Market Tracker, German and French commercial properties were also highly in demand. In contrast, the Southern European markets were still characterised by sluggish investment in the past months. Prime initial yields for office properties therefore displayed a continued upward trend here, whereas in the other locations they did not change significantly.

Profitability, financial position and net assets

IVG's profitability remains negatively impacted by one-off and temporary effects as a result of the systematic processing of restructuring measures. Successful operating business in the period under review did not entirely compensate for these effects. The following transactions had a significant impact on the profitability, financial position and net assets of the Group in the first nine months of 2012:

- Sale of properties with a value of approximately €463 million for strategic portfolio and balance sheet optimisation. This resulted in realised changes in the market value of investment property totalling -€16.2 million in the IVG Real Estate segment. One particularly noteworthy transaction was the sale of two properties for a total of €320 million to the closed-end fund IVG EuroSelect 21 Munich, launched by IVG, in the second quarter.
- Sale of seven completed caverns to the IVG Cavern Fund in the third quarter as scheduled.
- Reduction of liabilities to banks by around €520 million in the first nine months of 2012 (including €215 million in the third quarter). This was due in particular to the extraordinary repayment of the “CORE” financing in the amount of €315 million in connection with the sale of two properties to the IVG EuroSelect 21 Munich fund, scheduled repayments of €15 million for the same financing, and the repayment of the syndicated loan from 2009 in the amount of €204 million from the proceeds of cavern sales to the IVG Cavern Fund.
- Reduction of the development pipeline has progressed further: construction activity is almost completed and the last development projects have gone into operation. In the major project THE SQUAIRE at Frankfurt Airport, an important anchor tenant was gained with the arrival of Lufthansa in the second quarter. The two Hilton hotels in THE SQUAIRE have been very well received, with utilisation above budget to date.
- Unrealised, non-cash changes in value in EBIT of +€37.2 million, comprising -€47.5 million in the IVG Real Estate segment and +€84.7 million in the IVG Caverns segment. Of this amount, +€2.7 million is attributable to the third quarter of 2012 (IVG Real Estate segment: -€10.7 million, IVG Caverns segment: +€13.5 million).
- Unrealised, non-cash changes in value in the financial result of +€11.4 million, including +€5.0 million from foreign currency effects and +€6.1 million from hedging transactions. In the third quarter of 2012, unrealised changes in value in the financial result amounted to +€12.9 million, including +€12.5 million from hedging transactions.

Profitability in the group

in €m	9M/2012	9M/2011	3Q/2012	3Q/2011
Revenues	312.7	440.4	99.9	121.0
Changes in inventories and other own work capitalised	31.4	72.4	4.7	46.0
Unrealised changes in market value of investment property	38.4	16.1	2.7	8.5
Realised changes in market value of investment property	-15.1	-1.2	1.9	-1.8
Other operating income	29.0	13.3	5.1	4.7
Material expenses	-48.9	-282.5	-12.4	-53.2
Personnel expenses	-60.0	-52.9	-20.9	-18.1
Depreciation and amortisation of intangible assets, property, plant and equipment	-10.9	-5.6	-3.2	-1.9
Expenses from investment property	-56.2	-56.5	-15.8	-20.7
Other operating expenses	-88.5	-77.6	-29.5	-27.4
Gains/losses from associated participations accounted for using the equity method	-4.7	3.0	0.4	1.3
Income from equity investments	1.2	0.8	0.0	0.0
Earnings before interest and taxes (EBIT)	**128.4**	**69.6**	**33.1**	**58.6**
thereof unrealised changes in value	*37.2*	*-68.6*	*2.7*	*8.3*
Financial result	**-152.4**	**-185.2**	**-40.7**	**-75.6**
thereof unrealised changes in value	*11.4*	*-25.5*	*12.9*	*-21.7*
Net profit before income taxes	**-23.9**	**-115.6**	**-7.7**	**-17.0**
Income taxes	1.0	60.9	0.7	20.0
Consolidated net profit	**-23.0**	**-54.7**	**-7.0**	**3.0**
thereof unrealised changes in value	*48.6*	*-94.1*	*15.7*	*-13.4*

Revenues fell by €127.7 million, from €440.4 million in the first nine months of 2011 to €312.7 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. There was a positive effect from the rise in revenues from the property THE SQUAIRE (€24.1 million), which includes the revenues from the Hilton hotels of €20.2 million reported in other revenues.

Changes in inventories 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. The considerable decrease (-€40.9 million) is due in particular to the extensive investments in connection with the completion of the major project THE SQUAIRE in the prior-year period.

Unrealised and realised changes in the market value of investment property increased by €8.4 million year-on-year to €23.3 million in the period under review. Realised changes in market value decreased by €13.9 million, from -€1.2 million in the first nine months of 2011 to -€15.1 million, largely as a result of the sale of two properties in Unterföhring to the IVG EuroSelect 21 Munich fund and the sales of three properties in Helsinki. In contrast, unrealised changes in market value increased by €22.4 million year-on-year from +€16.1 million to +€38.4 million in the period under review. Of this development, -€10.4 million was attributable to the IVG Real Estate segment and +€32.7 million to the IVG Caverns segment.

Other operating income rose by €15.7 million in the period under review, from €13.3 million to €29.0 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 declined by €233.6 million from €282.5 million in the same period of 2011 to €48.9 million in the reporting period, due in particular to reduced construction activity. In addition, the prior-year figure included an impairment loss of €86.9 million relating to the major project THE SQUAIRE.

Personnel expenses increased from €52.9 million to €60.0 million, particularly as a result of the non-recurring effects in connection with the optimisation of the personnel structure as part of the “Phoenix” project.

At €56.2 million, expenses from investment property in the first nine months of 2012 were virtually stable at the previous year’s level.

The €10.9 million increase in other operating expenses to €88.5 million in the reporting period is due in particular to ongoing operating costs following the completion of THE SQUAIRE. Cost savings in the other segments only partly compensated for this effect.

All in all, EBIT increased significantly by €58.8 million, from +€69.6 million to +€128.4 million in the first nine months of 2012. This change is attributable to two factors in particular. Firstly, the €74.4 million rise in EBIT in the IVG Development segment from -€87.1 million in the prior-year period to -€12.7 million in the first nine months of 2012 due to the absence of the impairment loss for the major project THE SQUAIRE (€86.9 million) that was included in the prior-year figures. In addition, EBIT in the IVG Caverns segment grew by €23.2 million from +€73.0 million to +€96.2 million, mainly as a result of five caverns that switched to fair value accounting as scheduled in the first nine months of 2012. Group EBIT before unrealised changes in value fell by €47.1 million in the period under review, from +€138.3 million to +€91.2 million.

The financial result improved by €32.8 million from -€185.2 million in the first nine months of 2011 to -€152.4 million in the reporting period. This development was primarily due to a significant improvement in earnings from hedging transactions (€20.5 million). This positive effect was countered by the negative impact of 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. There was also a positive effect from the change in the foreign currency result by +€10.0 million from -€5.0 million in the prior-year period to +€5.0 million in the first nine months of 2012. Although liabilities to banks were reduced considerably as a result of repayments, net interest expense increased slightly from -€141.6 million in the first nine months of 2011 to -€148.9 million in the reporting period. This temporary additional expense is attributable to several factors: due to the timing, these repayments did not develop their full positive effect in the reporting period, but at the same time they triggered an unfavourable hedge position with interest rate swaps lasting until the end of the year. Furthermore, net interest expense was negatively impacted by a non-recurring effect from accrued interest on provisions.

Income taxes deteriorated by €59.9 million year-on-year, from +€60.9 million to +€1.0 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 €31.7 million, from -€54.7 in the first nine months of 2011 to -€23.0 million in the reporting period in 2012.

Profitability in the segments

IVG Investment – Real Estate

in €m	9M/2012	9M/2011	3Q/2012	3Q/2011
Total revenues	199.3	227.2	63.2	81.7
thereof net rents	*160.8*	*184.1*	*50.1*	*61.9*
thereof service charges	*32.9*	*32.9*	*9.3*	*11.4*
thereof project sales	*4.4*	*7.9*	*4.3*	*7.9*
thereof transactions, concepts and sales	*0.5*	*0.0*	*0.0*	*0.0*
thereof other revenues	*0.7*	*2.3*	*-0.5*	*0.5*
Changes in inventories	-4.4	-7.0	-4.3	-7.2
Unrealised changes in market value of investment property	-47.5	-37.1	-10.7	-13.2
Realised changes in market value of investment property	-16.2	-0.4	0.9	-1.8
Other operating income	12.7	7.0	0.6	2.6
Material expenses	-1.7	-2.0	-0.2	-1.0
Personnel expenses	-2.1	-1.9	-0.6	-0.7
Depreciation and amortisation of intangible assets, property, plant and equipment	-0.4	-0.3	-0.2	-0.1
Expenses from investment property	-56.3	-56.5	-15.8	-20.7
Other operating expenses	-29.4	-33.5	-8.6	-12.8
Gains/losses from associated participations accounted for using the equity method	-4.8	0.9	0.5	0.4
Income from equity investments	1.1	0.7	0.0	0.0
EBIT	**50.4**	**97.1**	**24.8**	**27.1**
thereof unrealised changes in value	*-47.5*	*-36.2*	*-10.7*	*-13.2*
EBIT before changes in value	**97.9**	**133.3**	**35.5**	**40.4**

Revenues in the IVG Real Estate segment fell by €27.8 million from €227.2 million in the first nine months of 2011 to €199.3 million in the reporting period. The net rents included in this item decreased by €23.4 million as against the prior-year period; this was primarily due to the loss of net rents from investment property sold in Paris, Berlin, Hamburg, Munich and Helsinki. On a like-for-like basis, net rents climbed by 2.9% in the past three months compared with the first half of 2012.

Unrealised changes in the market value of investment property changed by -€10.4 million, from -€37.1 million in the first nine months of 2011 to -€47.5 million in the period under review. This was primarily due to negative unrealised 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 1.3% as at 30 September 2012.

Realised changes in market value from sales of investment property changed by -€15.8 million, from -€0.4 million in the first nine months of 2011 to -€16.2 million in the reporting period, primarily due to the sale of two properties to the IVG EuroSelect 21 Munich fund and of three properties in Helsinki.

Other operating income increased by €5.7 million year-on-year to €12.7 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).

At €56.3 million, expenses from investment property were virtually unchanged in the reporting period as compared to the same period of the previous year.

Other operating expenses fell by €4.1 million to €29.4 million in the reporting period. This was due to a non-recurring extraordinary effect of €5.3 million in the same period of 2011 from the obligation to repurchase a property in Finland.

EBIT before changes in market value in the IVG Real Estate segment decreased by €35.4 million in the first nine months of 2012, from +€133.3 million to +€97.9 million. Taking into account negative unrealised changes in market value, EBIT after changes in market value developed by -€46.6 million, from +€97.1 million in the first nine months of 2011 to +€50.4 million in the period under review.

IVG Investment – Development

in €m	9M/2012	9M/2011	3Q/2012	3Q/2011
Total revenues	39.4	133.4	14.1	6.0
thereof net rents	*11.1*	*8.1*	*4.9*	*3.5*
thereof service charges	*5.5*	*3.7*	*1.9*	*1.6*
thereof project sales	*1.6*	*114.0*	*0.0*	*0.0*
thereof construction contracts	*0.0*	*5.0*	*0.0*	*0.0*
thereof transactions, concepts and sales	*1.0*	*2.4*	*0.4*	*0.7*
thereof other revenues	*20.2*	*0.2*	*7.0*	*0.1*
Changes in inventories	29.9	73.9	6.9	51.6
Realised changes in market value of investment property	0.0	-0.1	0.0	0.0
Other operating income	5.8	1.8	1.3	0.9
Material expenses	-39.4	-274.4	-9.7	-50.1
Personnel expenses	-1.0	-0.8	-0.4	-0.2
Depreciation and amortisation of intangible assets, property, plant and equipment	-2.8	0.0	-0.9	0.0
Other operating expenses	-44.6	-22.9	-16.3	-5.7
Gains/losses from participations accounted for using the equity method	0.0	2.1	-0.2	1.1
EBIT	**-12.7**	**-87.1**	**-5.2**	**3.6**
thereof unrealised changes in value	*0.0*	*-86.9*	*0.0*	*0.0*
EBIT before changes in value	**-12.7**	**-0.2**	**-5.2**	**3.6**

Development projects being wound up are recognised in the IVG Development segment. Revenues fell by €94.0 million, from €133.4 million in the first nine months of 2011 to €39.4 million. A project in Berlin was transferred to the IVG Premium Green Fund in the same period of the previous year. This was offset by an increase in net rents of €3.0 million, from €8.1 million to €11.1 million, and an increase in income from service charges of €1.8 million, from €3.7 million to €5.5 million. This was primarily attributable to letting business for the major project THE SQUAIRE at Frankfurt Airport. The other revenues of €20.2 million in the period under review are attributable to the Hilton hotels in THE SQUAIRE.

Changes in inventories developed from +€73.9 million in the prior-year period to +€29.9 million in the first nine months of 2012. 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 €5.8 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 €235.0 million year-on-year, from €274.4 million to €39.4 million, due to the lower project volume. The drop in material expenses before changes in value, mainly as a result from building activity, amounted to €148.1 million, from €187.5 million in the first nine months of 2011 to €39.4 million in the period under review.

There were no unrealised changes in value on development projects in the first nine months of 2012. The change in value of -€86.9 million in the prior-year period related to the major project THE SQUAIRE.

Other operating expenses increased by €21.7 million year-on-year to €44.6 million, largely as a result of ongoing operating costs following the completion of THE SQUAIRE.

EBIT before changes in value amounted to -€12.7 million, a change of -€12.5 million as against the prior-year figure of -€0.2 million. Taking into account unrealised changes in value in the amount of €0.0 million (prior-year period: -€86.9 million), EBIT improved by €74.4 million to -€12.7 million in the first nine months of 2012 (prior-year period: -€87.1 million).

IVG Investment – Caverns

in €m	9M/2012	9M/2011	3Q/2012	3Q/2011
Total revenues	21.3	33.9	8.7	18.1
thereof net rents	*6.3*	*2.5*	*2.0*	*0.9*
thereof project sales	*0.4*	*0.9*	*0.1*	*0.2*
thereof letting fees	*0.0*	*16.9*	*0.0*	*12.9*
thereof management fees	*9.7*	*7.1*	*4.0*	*2.5*
thereof other revenues	*4.9*	*6.4*	*2.6*	*1.5*
Changes in inventories	5.9	5.6	2.1	1.8
Unrealised changes in market value of investment property	85.9	53.2	13.5	21.7
Realised changes in market value of investment property	1.1	-0.6	1.1	0.0
Other operating income	6.3	2.8	2.4	0.3
Material expenses	-7.8	-7.2	-2.6	-2.6
Personnel expenses	-6.1	-6.0	-2.0	-2.0
Depreciation and amortisation of intangible assets, property, plant and equipment	-6.6	-4.1	-1.7	-1.4
Other operating expenses	-3.8	-4.6	-1.4	-1.0
EBIT	**96.2**	**73.0**	**20.1**	**35.0**
thereof unrealised changes in value	*84.7*	*54.5*	*13.5*	*21.5*
EBIT before changes in value	**11.5**	**18.5**	**6.6**	**13.4**

Revenues in the IVG Caverns segment fell by €12.6 million year-on-year in the first nine months of 2012, amounting to €21.3 million after €33.9 million in the previous year. This was due in particular to the revenues 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 €3.7 million, from €2.5 million to €6.3 million, and the growth in revenues from operation of €2.6 million, from €7.1 million to €9.7 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 nine months of 2012, five caverns reached the 300,000 m³ threshold established for this. 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 €85.9 million in the period under review. In the same period of 2011, revaluation effects for three caverns that exceeded this threshold and additional volumes of caverns that had already been sold resulted in unrealised changes in market value of €53.2 million.

Realised changes in market value of €1.1 million resulted from the transfer of another seven caverns to the IVG Cavern Fund in the third quarter of 2012.

Other operating income increased by €3.5 million, from €2.8 million in the first nine months 2011 to €6.3 million in the period under review, largely as a result of the electricity tax reimbursements of €2.8 million in the first quarter of 2012.

Depreciation, amortisation and write-downs increased by €2.5 million, from €4.1 million to €6.6 million; this was due in particular to a write-down of €1.8 million recognised in the second quarter of 2012 on an item of technical equipment.

EBIT climbed by €23.2 million year-on-year, from +€73.0 million to +€96.2 million, largely as a result of higher unrealised changes in market value. EBIT before unrealised changes in value decreased by €7.0 million from +€18.5 million to +€11.5 million.

IVG Funds – Institutional Funds

in €m	9M/2012	9M/2011	3Q/2012	3Q/2011
Total revenues	42.1	43.1	11.3	14.7
thereof management fees	*38.5*	*40.0*	*10.9*	*13.9*
thereof transaction fees	*3.5*	*3.1*	*0.4*	*0.8*
Other operating income	0.8	1.0	0.5	0.6
Material expenses	-0.1	-0.1	0.0	0.0
Personnel expenses	-10.6	-8.9	-4.0	-3.3
Depreciation and amortisation of intangible assets, property, plant and equipment	-0.1	-0.2	0.0	-0.1
Other operating expenses	-18.3	-21.2	-4.0	-7.1
Gains/losses from participations accounted for using the equity method	0.1	0.0	0.1	-0.2
EBIT	**13.7**	**13.7**	**3.9**	**4.6**
thereof unrealised changes in value	*0.0*	*0.0*	*0.0*	*0.0*
EBIT before changes in value	**13.7**	**13.7**	**3.9**	**4.6**

At €42.1 million, revenues in the IVG Institutional Funds segment were down €1.1 million year-on-year. This was due in particular to the decline in fees for fund management in the third quarter of 2012 (-€3.0 million), primarily as a result of offsetting asset management costs of third parties.

Personnel expenses increased by €1.7 million to €10.6 million, partly due to the increased headcount in this segment.

Other operating expenses primarily include internal asset management fees, other fees from internal cost allocation and third-party personnel and service costs. The improvement of €2.9 million is chiefly attributable to reduced internal asset management fees and third-party service costs.

As a result of the savings in other operating expenses, EBIT remained at the previous year's level, amounting to €13.7 million.

IVG Funds – Private Funds

in €m	9M/2012	9M/2011	3Q/2012	3Q/2011
Total revenues	10.4	2.8	0.9	0.7
thereof structuring fees	*6.6*	*0.1*	*0.0*	*0.0*
thereof management fees	*3.7*	*2.6*	*0.9*	*0.7*
thereof other revenues	*0.1*	*0.1*	*0.0*	*0.0*
Other operating income	2.6	0.3	0.1	0.1
Material expenses	-0.1	-0.1	0.0	0.0
Personnel expenses	-2.8	-2.8	-1.0	-1.0
Depreciation and amortisation of intangible assets, property, plant and equipment	0.0	-0.1	0.0	0.0
Other operating expenses	-4.5	-4.5	-1.0	-2.0
Income from equity investments	0.0	0.1	0.0	0.0
EBIT	**5.7**	**-4.2**	**-1.0**	**-2.2**
thereof unrealised changes in value	*0.0*	*0.0*	*0.0*	*0.0*
EBIT before changes in value	**5.7**	**-4.2**	**-1.0**	**-2.2**

Revenues in the IVG Private Funds segment rose by €7.6 million to €10.4 million, of which €6.5 million was attributable to the placement of the IVG EuroSelect 21 Munich fund in the second quarter of 2012.

Other operating income climbed from €0.3 million to €2.6 million and primarily consists of expenses charged on for expert opinions, notary's fees and prospectus fees for the IVG EuroSelect 21 Munich fund (€1.2 million) and the accounting profit in connection with the placement of the IVG EuroSelect 21 Munich fund (€1.2 million).

Other operating expenses mainly result from third-party service costs (€1.4 million) in connection with the IVG EuroSelect 21 Munich fund and costs from internal cost allocation (€1.6 million).

Due to the successful placement of the IVG EuroSelect 21 Munich fund in the second quarter of 2012, EBIT rose by €9.9 million to €5.7 million.

Financial position

Financing

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

		thereof reduction by				thereof
in €m	Total nominal	project sale	property sale	caverns sale	repayment	planned prolongations
2012	46	35	0	0	11	0
2013	1,009	544	0	128	46	291
2014	2,169	22	50	172	29	1,896
2015	527	0	20	0	20	487
2016	46	0	0	0	4	42
2017 and thereafter	133	0	0	0	14	119
Total	**3,929**	**601**	**70**	**300**	**124**	**2,834**

Liabilities to banks were reduced by around €520 million in the first nine months of 2012, including a decrease of €215 million in the third quarter of 2012. The change in the third quarter of 2012 is attributable to scheduled and extraordinary repayments of property and project loans (€11 million) and a €204 million repayment on the syndicated loan from 2009.

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 financing for THE SQUAIRE (€490 million), which is due as at 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 disposals due to sales in the IVG Caverns segment relate to repayments already agreed in the context of the syndicated loan from 2009 and financed from cavern sales to the IVG Cavern Fund. Prior to the final maturity of the 2009 syndicated loan in September 2014, repayments of €128 million and €172 million are due in July 2013 and 2014 respectively.

The ongoing repayments of €124 million will be made by 2021 in the form of annuity and amortising loans. Of this figure, €60 million relates to the "CORE" financing for the Allianz portfolio.

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 4.25%, the average interest rate for all financial liabilities (including interest rate hedges) as at 30 September 2012 was essentially unchanged as against 30 June 2012 (4.23%). Not including the convertible bond and the related effective interest, the average interest rate amounted to 4,17% as at 30 September 2012 and 4,16% as at 30 June 2012.

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

Liquidity

As at 30 September 2012, the total liquidity available to IVG (not including CP lines and assigned or project-related cash reserves) totalled €110 million:

in €m	30.09.2012
Unused non-project-related credit lines	0
Surplus capacity on current accounts	35
Cash reserves	73
Sight deposits and current securities	2
Derivatives with positive market values	0
Total	**110**

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

in €m	9M/2012	9M/2011
Cash flow from current activities	57.7	96.2
Cash flow for short-/midterm investments from operational divisions	-26.2	-155.1
Net interest payments	-131.4	-147.3
Net tax payments	-21.4	-9.2
Cash flow from operating activities	**-121.3**	**-215.4**
Cash flow from/for investing activities	**374.6**	**249.2**
Cash flow from financing activities	**-394.1**	**-158.2**
Change in cash and cash equivalents*	**-140.8**	**-124.4**
Cash and cash equivalents at closing date	96.8	150.7

* Not including changes due to exchange rate movements

Cash flow from operating activities improved by +€94,1 million year-on-year, from -€215,4 million to -€121,3 million. This was primarily due to the improvement in operational divisions (+€128,9 million), which resulted in particular from the decline in cash outflows following the completion of THE SQUAIRE. Furthermore a decrease in net interest payments by €15,9 million contributed to this trend.

The net tax payments of €21,4 million in the period under review mainly relate to the income taxes of €18,8 million paid in conjunction with the sale of a property in France.

Cash flow from investing activities changed by +€125,4 million, from +€249,2 million to +€374,6 million, which was largely driven by the revenues from the sale of caverns and other 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 -€235,9 million, from -€158,2 million to -€394,1 million in the periods under review, a development that is primarily attributable to repayments on the syndicated loan from 2009, scheduled and extraordinary repayments of property and project loans as well as the repayment of "CORE" financing in the second quarter of 2012. After taking into consideration the non-cash components related to the transferred liabilities, the total repayment of "CORE" financing amounted to €330 million. In the previous period the cash outflow due to scheduled repayments of property and project loans as well as partial repayment on the syndicated loan from 2009 was partially offset by the cash inflow from the share capital increase (€ 85.8 million).

Net assets

in €m	30.09.2012	31.12.2011
Total assets	6,325.5	6,904.2
Non-current assets	4,869.1	5,120.4
Current assets	1,456.4	1,783.8
Equity	1,375.0	1,386.3
Equity ratio in %	21.7	20.1
Non-current liabilities	4,251.3	4,433.0
Current liabilities	699.2	1,084.9
Financial liabilities	4,386.9	4,878.3
Financial liabilities in %	69.4	70.7

Non-current assets decreased by €251.3 million as against 31 December 2011 to €4.9 billion. In addition to the transfer of seven caverns to the IVG Cavern Fund (€214.1 million) and the disposals in Finland, Belgium and Germany (€49.3 million), this was due to the reclassifications to current assets to reflect the planned sale of properties in Germany (€100.7 million), France (€32.7 million), Finland (€21.2 million) and Luxembourg (€18.8 million). This was primarily offset by current investments in caverns (€54.3 million) and other investment property (€39.6 million) as well as positive unrealised changes in market value (€43.5 million).

Current assets declined by €327.4 million in the first nine months of 2012 to €1.5 billion. This was primarily due to the reduction in non-current assets held for sale (€253.6 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 €141.1 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 €578.7 million to €6.3 billion as a result of the effects described above.

Equity was virtually unchanged as against 31 December 2011 at €1.4 billion. While the result for the first nine months of 2012 (-€23.0 million) reduced equity, the reversal of the deferral of interest payments on the hybrid bond led to a slight increase in equity (€20.9 million). The equity ratio rose by 1.6 percentage points to 21.7%.

Liabilities decreased significantly by €567.4 million as against 31 December 2011. This is due to scheduled and extraordinary repayments of property and project loans, especially in connection with the property sales to the IVG EuroSelect 21 Munich fund. The repayments of €204 million financed from the proceeds of the cavern sales to the IVG Cavern Fund also contributed to this development.

At €4.68 per share, NAV (net asset value) at 30 September 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 as well as for the proportional interest on the hybrid bond, adjusted NAV decreased slightly by 2.4%, from €6.30 per share as of 31 December 2011 to €6.15 per share as of 30 September 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%. As at the end of the third quarter of 2012, there are the following opportunities and risks for IVG Immobilien AG.

Significant risks for the real estate markets are still posed by the general economic situation, particularly the sovereign debt crisis in Europe. An exit of individual countries (such as Greece) or the collapse of the entire euro zone still cannot be ruled out. This would entail a severe and potentially also long-lasting slump in economic output and in demand for rental space. This gives rise to risks particularly for properties with lower-quality locations and fittings and fixtures, since in some cases such properties already suffer from a lack of demand on the part of potential tenants and investors.

However, the sovereign debt crisis could also give rise to opportunities in the medium term. The European Central Bank is now considering purchasing government bonds of the most heavily indebted countries on a massive scale. This could result in inflation in the medium term, which would then be reflected in rent increases on the European commercial real estate markets.

Supply risks resulting from construction activity can be considered low in most European office locations (with the exception of London and Warsaw): Since the uncertain economic outlook and the restrictive financing conditions mean that hardly any speculative projects are being created, the supply of modern space can be expected to become increasingly scarce. This could result in opportunities with regard to renovation and modernisation.

Real estate financing presents considerable risks. The continued deleveraging by the banks as a result of the Basel III requirements may lead to a financing deficit. It is unlikely that new providers on the financing market, for example insurance companies and debt funds, will be able to cover this deficit. Since most traditional and new lenders focus on the segment of properties on long-term leases with high-quality fittings and fixtures and locations, there is a risk that properties outside the core segment may not receive financing and may have to be sold below their value. This presents opportunities for opportunistic investors and for innovative investment products such as debt funds that provide loans for this segment.

The liquidation of a number of open-ended, publicly offered German real estate funds presents both risks and opportunities. At some locations, for example in the Netherlands, a surplus of properties for sale could arise. In other markets such as Luxembourg or in the core segment, this may mitigate existing shortages of supply.

The management's 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.

In the area of real estate, there may be changes in the value of portfolio properties that are typical for these markets and business activities. There are also the usual vacancy and letting risks in the context of portfolio management.

The projects still remaining in the portfolio due to IVG's former development activities are to be sold gradually by the end of 2013. These planned sales could be negatively impacted by the overall economic environment. 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 the fund 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, future caverns are let before development begins.

In the IVG Funds segment, there is a 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 and 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 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

There were no transactions of particular significance after 30 September 2012 that had a significant effect on the profitability, financial position and net assets of the IVG Group.

Report on expected developments

Economic environment

The European Stability Mechanism and the purchases of government bonds by the European Central Bank are expected to produce the full extent of their stabilising effect in Europe's real economy only in the course of 2013. Until then, the economic downturn in Europe will continue. The divide between Southern Europe (recession) and Northern Europe (stagnation or weak economic growth) will also remain. In this context, the European rental markets for office space will continue to be characterised by moderate rental momentum and broadly stable vacancy rates. Prime rents will remain stable at most locations, as high-quality space is still scarce owing to the low level of expected completions. In contrast, further declines in rents can be expected in Southern Europe and in the low to average quality segment. In the coming quarters, investors will continue to focus on leased, high-quality properties in the core markets, with prime initial yields in this category generally stabilising. However, in the non-core market segments, particularly in Southern European office locations, the downward pressure on prices is likely to persist due to the low level of investor interest, especially since the conditions for real estate financing remain difficult here.

Forecast development at IVG

The sales target of approximately €500 million set for 2012 in the IVG Real Estate segment to implement the strategic focus on the attractive real estate market in Germany has almost been achieved already. For the fourth quarter of 2012, no more major individual sales are planned other than one already signed sale in Berlin, and investments of around €10 million are planned. After generating EBIT of €98 million (€50 million including changes in market value) in the first nine months of 2012, EBIT of €40 million (€25 million including changes in market value) is anticipated in the fourth quarter.

In the Caverns segment, five caverns were recognised at fair value for the first time in the first nine months of the period under review as a result of reaching the relevant threshold for IFRS recognition at fair value of 300,000 m³. IVG expects another three caverns to reach this threshold in the fourth quarter. The associated earnings contribution of around €40 million and the EBIT of €96 million already generated in the first nine months provide a significant component for the consolidated net profit. The expected sales for 2012 of approximately €215 million to the IVG Cavern Fund were implemented in the third quarter. Investments amounting to another €15 million are expected in the final quarter.

Activities in the IVG Institutional Funds segment will remain focussed on stabilising assets under management of around €12 billion while at the same time rearranging the portfolio. The launch of the IVG Warsaw Fund and the IVG Garbe Logistik Fund, which has already taken place but will not affect revenues until 2013 in part, represents an important element in this process. For the financial year 2012, we expect EBIT for this segment to be at the previous year's level at slightly below €20 million.

In the IVG Private Funds segment, the equity distribution for 2012 is almost completed already, meaning that there are no major revenue expectations for the fourth quarter. After a difficult previous year with negative EBIT, the financial year 2012 will close with positive EBIT again of around €5 million.

Barring any major unplanned remeasurement effects or cost increases affecting the last development projects, 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 September 2012

IVG
Passion for Real Assets

Consolidated income statement for the first nine months

in €m	9M/2012 Before changes in value	9M/2012 Unrealised changes in value [1]	9M/2012 Total	9M/2011 Before changes in value	9M/2011 Unrealised changes in value [1]	9M/2011 Total
Revenues	312.7		312.7	440.4		440.4
Changes in inventories and other own work capitalised	31.4		31.4	72.4		72.4
Unrealised changes in market value of investment property	0.0	38.4	38.4	0.0	16.1	16.1
Realised changes in market value of investment property	-15.1		-15.1	-1.2		-1.2
Other operating income	28.4	0.6	29.0	11.7	1.6	13.3
Material expenses	-48.9	0.0	-48.9	-196.4	-86.1	-282.5
Personnel expenses	-60.0		-60.0	-52.9		-52.9
Depreciation and amortisation of intangible assets, property, plant and equipment	-9.1	-1.8	-10.9	-5.4	-0.2	-5.6
Expenses from investment property	-56.2		-56.2	-56.5		-56.5
Other operating expenses	-88.5		-88.5	-77.6		-77.6
Gains/losses from associated participations accounted for using the equity method	-4.7		-4.7	3.0		3.0
Income from equity investments	1.2		1.2	0.8		0.8
Earnings before interest and taxes (EBIT)	**91.2**	**37.2**	**128.4**	**138.3**	**-68.6**	**69.6**
Financial income	28.9	39.8	68.7	43.0	50.9	94.0
Financial expenses	-192.6	-28.4	-221.0	-202.8	-76.4	-279.2
Financial result	**-163.7**	**11.4**	**-152.4**	**-159.7**	**-25.5**	**-185.2**
Net profit before income taxes	**-72.5**	**48.6**	**-23.9**	**-21.5**	**-94.1**	**-115.6**
Income taxes			1.0			60.9
Consolidated net profit			**-23.0**			**-54.7**
Share attributable to Group shareholders			*-17.5*			*-78.7*
Share attributable to hybrid capital providers			*0.0*			*24.0*
Share attributable to third parties			*-5.5*			*0.0*
Undiluted earnings per share in €			-0.08			-0.58
Diluted earnings per share in €			-0.08			-0.58

[1] Additional disclosures not required under IFRS: 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 nine months

in €m	9M/2012	9M/2011
Consolidated net profit	**-23.0**	**-54.7**
Market valuation available-for-sale securities	-0.4	1.1
Market valuation of hedging instruments	-8.3	23.9
Adjustment for currency translation of foreign subsidiaries	1.7	0.1
Actuarial earnings and losses from performance-based pension plans and similar obligations	-6.9	0.3
Deferred taxes on value adjustments set off directly against equity	6.7	3.0
Income and expenses recognised in equity	**-7.2**	**28.4**
Total comprehensive income	**-30.2**	**-26.3**
Share attributable to Group shareholders	*-26.7*	*-50.3*
Share attributable to hybrid capital providers	*0.0*	*24.0*
Share attributable to third parties	*-3.5*	*0.0*

IVG
Passion for Real Assets

Consolidated income statement for the third quarter

in €m	3Q/2012 Before changes in value	3Q/2012 Unrealised changes in value [1]	3Q/2012 Total	3Q/2011 Before changes in value	3Q/2011 Unrealised changes in value [1]	3Q/2011 Total
Revenues	99.9		99.9	121.0		121.0
Changes in inventories and other own work capitalised	4.7		4.7	46.0		46.0
Unrealised changes in market value of investment property	0.0	2.7	2.7	0.0	8.5	8.5
Realised changes in market value of investment property	1.9		1.9	-1.8		-1.8
Other operating income	5.1	0.0	5.1	4.6	0.1	4.7
Material expenses	-12.4	0.0	-12.4	-53.1	-0.1	-53.2
Personnel expenses	-20.9		-20.9	-18.1		-18.1
Depreciation and amortisation of intangible assets, property, plant and equipment	-3.2	0.0	-3.2	-1.7	-0.2	-1.9
Expenses from investment property	-15.8		-15.8	-20.7		-20.7
Other operating expenses	-29.5		-29.5	-27.4		-27.4
Gains/losses from associated participations accounted for using the equity method	0.4		0.4	1.3		1.3
Income from equity investments	0.0		0.0	0.0		0.0
Earnings before interest and taxes (EBIT)	**30.3**	**2.7**	**33.1**	**50.3**	**8.3**	**58.6**
Financial income	20.4	12.3	32.7	17.4	10.1	27.5
Financial expenses	-74.1	0.7	-73.4	-71.3	-31.8	-103.1
Financial result	**-53.7**	**12.9**	**-40.7**	**-53.9**	**-21.7**	**-75.6**
Net profit before income taxes	**-23.4**	**15.7**	**-7.7**	**-3.6**	**-13.4**	**-17.0**
Income taxes			0.7			20.0
Consolidated net profit			**-7.0**			**3.0**
Share attributable to Group shareholders			*-1.5*			*-5.0*
Share attributable to hybrid capital providers			*0.0*			*8.0*
Share attributable to third parties			*-5.5*			*0.0*
Undiluted earnings per share in €			0.00			-0.04
Diluted earnings per share in €			0.00			-0.04

[1] Additional disclosures not required under IFRS: 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 the third quarter

in €m	3Q/2012	3Q/2011
Consolidated net profit	**-7.0**	**3.0**
Market valuation available-for-sale securities	1.7	-1.1
Market valuation of hedging instruments	-10.1	-13.3
Adjustment for currency translation of foreign subsidiaries	4.2	1.1
Actuarial earnings and losses from performance-based pension plans and similar obligations	-3.5	-1.4
Deferred taxes on value adjustments set off directly against equity	2.1	8.2
Income and expenses recognised in equity	**-5.6**	**-6.5**
Total comprehensive income	**-12.6**	**-3.5**
Share attributable to Group shareholders	*-9.1*	*-11.5*
Share attributable to hybrid capital providers	*0.0*	*8.0*
Share attributable to third parties	*-3.5*	*0.0*

IVG
Passion for Real Assets

Consolidated statement of financial position

Assets

in €m	30.09.2012	31.12.2011
Non-current assets		
Intangible assets	251.3	251.3
Investment property	3,665.6	3,964.4
Property, plant and equipment	188.9	156.8
Financial assets	229.0	188.8
Investments in associated participations accounted for using the equity method	88.3	95.4
Deferred tax assets	408.2	404.0
Receivables and other assets	37.9	59.7
Total non-current assets	**4,869.1**	**5,120.4**
Current assets		
Inventories	1,030.6	1,025.1
Receivables and other assets	190.1	165.9
Income tax receivables	12.2	12.4
Derivative financial instruments	0.1	0.0
Securities	39.0	1.3
Cash and cash equivalents	96.8	237.9
	1,368.8	**1,442.5**
Non-current assets held for sale	87.7	341.3
Total current assets	**1,456.4**	**1,783.8**
Total assets	**6,325.5**	**6,904.2**

Equity and liabilities

in €m	30.09.2012	31.12.2011
Equity		
Subscribed capital	207.9	207.9
Capital reserve	763.9	762.8
Treasury shares	-0.5	-0.5
Other reserves	-68.0	-64.9
Retained earnings	70.6	80.0
Equity attributable to Group shareholders	**973.8**	**985.3**
Hybrid capital	400.9	400.9
Minority interests	0.3	0.0
Total equity	**1,375.0**	**1,386.3**
Liabilities		
Non-current liabilities		
Financial liabilities	3,962.1	4,181.0
Derivative financial instruments	81.6	51.7
Deferred tax liabilities	97.7	104.5
Pension provisions	24.8	17.9
Other provisions	37.2	32.3
Liabilities	47.9	45.7
Total non-current liabilities	**4,251.3**	**4,433.0**
Current liabilities		
Financial liabilities	424.8	697.3
Derivative financial instruments	16.7	44.1
Other provisions	65.3	80.2
Liabilities	163.9	214.9
Income tax liabilities	28.5	48.3
	699.2	**1,084.9**
Total current liabilities	**699.2**	**1,084.9**
Total equity and liabilities	**6,325.5**	**6,904.2**

Consolidated statement of changes in equity

in €m	Subscribed capital	Capital reserve	Treasury shares	Other reserves				Retained earnings	Equity attributable to Group shareholders	Hybrid capital	Minority interests	Total equity
				Market valuation avail.-for-sale securities	Market valuation hedging instruments	Hedge of net investment	Adjustments for currency translation					
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								-78.7	-78.7	24.0	0.0	-54.7
Earnings recognised directly in equity				0.9	27.1		0.1	0.3	28.4			28.4
Total comprehensive income	**0.0**	**0.0**	**0.0**	**0.9**	**27.1**	**0.0**	**0.1**	**-78.4**	**-50.3**	**24.0**	**0.0**	**-26.3**
Accrual on profit distribution for hybrid capital									0.0	-24.0		-24.0
Capital increase	12.6	74.3							86.9			86.9
Disposal of interest in subsidiaries without loss of control									0.0			0.0
Share-based payment		0.7							0.7			0.7
Changes to group of consolidated companies/others		-1.1						1.8	0.7		-0.3	0.4
Balance at 30.06.2011	**138.6**	**696.0**	**-0.5**	**9.2**	**-60.7**	**12.9**	**-34.6**	**161.9**	**922.8**	**400.9**	**0.0**	**1,323.8**
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								-17.5	-17.5	0.0	-5.5	-23.0
Earnings recognised directly in equity				-0.4	-5.8		1.7	-4.7	-9.2		2.0	-7.2
Total comprehensive income	**0.0**	**0.0**	**0.0**	**-0.4**	**-5.8**	**0.0**	**1.7**	**-22.2**	**-26.7**	**0.0**	**-3.5**	**-30.2**
Release/Accrual on profit distribution for hybrid capital								20.9	20.9			20.9
Capital increase	0.0	0.0							0.0			0.0
Disposal of interest in subsidiaries without loss of control					4.5			-8.3	-3.8		3.8	0.0
Share-based payment		1.7							1.7			1.7
Changes to group of consolidated companies / others		-0.6*					-3.2	0.2**	-3.6			-3.6
Balance at 30.09.2012	**207.9**	**763.9**	**-0.5**	**7.7**	**-53.4**	**12.9**	**-35.3**	**70.6**	**973.8**	**400.9**	**0.3**	**1,375.0**

* Subsequently incurred costs of the past capital increase of December 2011 in the amount of €0,6 million
** Capital costs regarding the issue of new shares of an affiliated company in the amount of €1,3 miilion

Condensed consolidated statement of cash flows

in €m	9M/2012	9M/2011
Earnings before interest and taxes (EBIT)	**128.4**	**69.6**
Unrealised changes in market value of investment property	-38.4	-16.1
Realised changes in market value of investment property	15.1	1.2
Depreciation and appreciation of intangible assets and property, plant and equipment	10.9	5.6
Other non-cash income and expenses	-45.4	80.4
Changes in receivables, inventories of other segments (not including Development, Real Estate and Private Funds) and securities in current assets	-44.7	-0.5
Changes in liabilities and provisions	27.2	-42.2
Non-distributed earnings from associated participations accounted for using the equity method	3.8	-3.7
Dividends received	0.8	1.9
Cash flow from current activities	**57.7**	**96.2**
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	-26.2	-155.1
Cash flow from short/mid-term investments in operating activities	**-26.2**	**-155.1**
Cash flow from operating activities before interest and taxes	**31.5**	**-58.9**
Net interest payments	-131.4	-147.3
Net tax payment	-21.4	-9.2
Cash flow from operating activities	**-121.3**	**-215.4**
Cash flow from investing activities	**374.6**	**249.2**
Cash flow from financing activities	**-394.1**	**-158.2**
Net change in cash and cash equivalents from operations	-140.8	-124.4
Cash and cash equivalents as of 01.01.	**237.9**	**274.9**
Changes in cash and cash equivalents due to exchange rate movements	-0.3	0.2
Cash and cash equivalents as of 30.09.	**96.8**	**150.7**
Cash and cash equivalents reported on the balance sheet	96.8	150.7

Notes to the interim financial statements

Segment reporting for the first nine months 2012

9M/2012	Investment									Funds												
	Real Estate			Development			Caverns			Institutional Funds			Private Funds			IVG Corporate Functions	Consolidation			Group		
in €m	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total		Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total
External revenues	197.5		197.5	37.3		37.3	21.3		21.3	41.7		41.7	10.4		10.4	4.6	0.0		0.0	312.7	0.0	312.7
Internal revenues	1.8		1.8	2.2		2.2	0.0		0.0	0.4		0.4	0.0		0.0	18.7	-23.1		-23.1	-0.1	0.0	-0.1
Total revenues	**199.3**	**0.0**	**199.3**	**39.4**	**0.0**	**39.4**	**21.3**	**0.0**	**21.3**	**42.1**	**0.0**	**42.1**	**10.4**	**0.0**	**10.4**	**23.3**	**-23.1**	**0.0**	**-23.1**	**312.7**	**0.0**	**312.7**
Net rents from investment property	158.5		158.5	0.0		0.0	6.3		6.3	0.0		0.0	0.0		0.0	0.0	-0.5		-0.5	164.3	0.0	164.3
Other net rents	2.3		2.3	11.1		11.1	0.0		0.0	0.0		0.0	0.0		0.0	0.4	-2.9		-2.9	10.8	0.0	10.8
Income from service charges	32.9		32.9	5.5		5.5	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.5		-0.5	38.0	0.0	38.0
Income from project disposals	4.4		4.4	1.6		1.6	0.4		0.4	0.0		0.0	0.0		0.0	0.0	0.0		0.0	6.4	0.0	6.4
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	1.0		1.0	0.0		0.0	3.5		3.5	6.6		6.6	0.0	0.0		0.0	11.6	0.0	11.6
Income from fund and property management	0.0		0.0	0.0		0.0	9.7		9.7	38.5		38.5	3.7		3.7	2.1	-0.1		-0.1	54.1	0.0	54.1
Other revenues	0.7		0.7	20.2		20.2	4.9		4.9	0.0		0.0	0.1		0.1	20.7	-19.1		-19.1	27.6	0.0	27.6
Changes in inventories and other own work capitalised	-4.4		-4.4	29.9		29.9	5.9		5.9	0.0		0.0	0.0		0.0	0.0	0.0		0.0	31.4	0.0	31.4
Unrealised changes in market value of investment property	0.0	-47.5	-47.5	0.0		0.0	0.0	85.9	85.9	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	38.4	38.4
Realised changes in market value of investment property	-16.2		-16.2	0.0		0.0	1.1		1.1	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-15.1	0.0	-15.1
Other operating income	12.7		12.7	5.8		5.8	5.7	0.6	6.3	0.8		0.8	2.6		2.6	14.6	-13.8		-13.8	28.4	0.6	29.0
Material expenses	-1.7	0.0	-1.7	-39.4	0.0	-39.4	-7.8	0.0	-7.8	-0.1		-0.1	-0.1		-0.1	-0.7	0.8		0.8	-48.9	0.0	-48.9
Personnel expenses	-2.1		-2.1	-1.0		-1.0	-6.1		-6.1	-10.6		-10.6	-2.8		-2.8	-37.3	0.0		0.0	-60.0	0.0	-60.0
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.4		-0.4	-2.8		-2.8	-4.8	-1.8	-6.6	-0.1		-0.1	0.0		0.0	-0.9	0.0		0.0	-9.1	-1.8	-10.9
Expenses from investment property	-56.3		-56.3	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.1		0.1	-56.2	0.0	-56.2
Other operating expenses	-29.4		-29.4	-44.6		-44.6	-3.8		-3.8	-18.3		-18.3	-4.5		-4.5	-23.8	35.9		35.9	-88.5	0.0	-88.5
Gains/losses from associated participations accounted for using the equity method	-4.8		-4.8	0.0		0.0	0.0		0.0	0.1		0.1	0.0		0.0	0.0	0.0		0.0	-4.7	0.0	-4.7
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)	**97.9**	**-47.5**	**50.4**	**-12.7**	**0.0**	**-12.7**	**11.5**	**84.7**	**96.2**	**13.7**	**0.0**	**13.7**	**5.7**	**0.0**	**5.7**	**-24.9**	**0.0**	**0.0**	**0.0**	**91.2**	**37.2**	**128.4**
Financial result																				-163.7	11.4	-152.4
Net profit before tax																				**-72.5**	**48.6**	**-23.9**
Income taxes																						1.0
Consolidated net profit																						**-23.0**
Segment assets			**3.520.2**			**1.060.8**			**745.4**			**274.2**			**51.4**	**265.5**			**-0.2**			**5.917.3**
thereof investments in associated participations accounted for using the equity method			*70.2*			*2.6*			*0.0*			*15.5*			*0.0*	*0.0*			*0.0*			*88.3*
Investments			**51.8**			**1.1**			**70.7**			**0.8**			**0.0**	**6.5**			**-0.1**			**130.7**

Segment reporting for the first nine months 2011

9M/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	225.2		225.2	132.9		132.9	33.9		33.9	42.7		42.7	2.8		2.8	3.0	0.0		0.0	440.4	0.0	440.4
Internal revenues	2.0		2.0	0.4		0.4	0.0		0.0	0.5		0.5	0.0		0.0	22.6	-25.5		-25.5	0.0	0.0	0.0
Total revenues	**227.2**	**0.0**	**227.2**	**133.4**	**0.0**	**133.4**	**33.9**	**0.0**	**33.9**	**43.1**	**0.0**	**43.1**	**2.8**	**0.0**	**2.8**	**25.6**	**-25.5**	**0.0**	**-25.5**	**440.4**	**0.0**	**440.4**
Net rents from investment property	182.0		182.0	0.0		0.0	2.5		2.5	0.0		0.0	0.0		0.0	0.0	-0.5		-0.5	184.0	0.0	184.0
Other net rents	2.1		2.1	8.1		8.1	0.0		0.0	0.0		0.0	0.0		0.0	0.4	-1.5		-1.5	9.1	0.0	9.1
Income from service charges	32.9		32.9	3.7		3.7	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-0.4		-0.4	36.4	0.0	36.4
Income from project disposals	7.9		7.9	114.0		114.0	0.9		0.9	0.0		0.0	0.0		0.0	0.0	0.0		0.0	122.8	0.0	122.8
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	2.4		2.4	16.9		16.9	3.1		3.1	0.1		0.1	0.0	0.0		0.0	22.5	0.0	22.5
Income from fund and property management	0.0		0.0	0.0		0.0	7.1		7.1	40.0		40.0	2.6		2.6	1.9	-0.1		-0.1	51.5	0.0	51.5
Other revenues	2.3		2.3	0.2		0.2	6.4		6.4	0.0		0.0	0.1		0.1	23.2	-23.0		-23.0	9.1	0.0	9.1
Changes in inventories and other own work capitalised	-7.0		-7.0	73.9		73.9	5.6		5.6	0.0		0.0	0.0		0.0	-0.1	0.0		0.0	72.4	0.0	72.4
Unrealised changes in market value of investment property	0.0	-37.1	-37.1	0.0		0.0	0.0	53.2	53.2	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	16.1	16.1
Realised changes in market value of investment property	-0.4		-0.4	-0.1		-0.1	-0.6		-0.6	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-1.2	0.0	-1.2
Other operating income	7.0		7.0	1.8		1.8	1.2	1.6	2.8	1.0		1.0	0.3		0.3	14.2	-13.9		-13.9	11.7	1.6	13.3
Material expenses	-2.9	0.9	-2.0	-187.5	-86.9	-274.4	-7.1	-0.1	-7.2	-0.1		-0.1	-0.1		-0.1	-0.5	1.7		1.7	-196.4	-86.1	-282.5
Personnel expenses	-1.9		-1.9	-0.8		-0.8	-6.0		-6.0	-8.9		-8.9	-2.8		-2.8	-32.5	0.0		0.0	-52.9	0.0	-52.9
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.3		-0.3	0.0		0.0	-3.9	-0.2	-4.1	-0.2		-0.2	-0.1		-0.1	-0.9	0.0		0.0	-5.4	-0.2	-5.6
Expenses from investment property	-56.5		-56.5	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-56.5	0.0	-56.5
Other operating expenses	-33.5		-33.5	-22.9		-22.9	-4.6		-4.6	-21.2		-21.2	-4.5		-4.5	-28.6	37.6		37.6	-77.6	0.0	-77.6
Gains/losses from associated participations accounted for using the equity method	0.9		0.9	2.1		2.1	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	3.0	0.0	3.0
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)	**133.3**	**-36.2**	**97.1**	**-0.2**	**-86.9**	**-87.1**	**18.5**	**54.5**	**73.0**	**13.7**	**0.0**	**13.7**	**-4.2**	**0.0**	**-4.2**	**-22.8**	**0.0**	**0.0**	**0.0**	**138.3**	**-68.6**	**69.6**
Financial result																				-159.7	-25.5	-185.2
Net profit before tax																				**-21.5**	**-94.1**	**-115.6**
Income taxes																						60.9
Consolidated net profit																						**-54.7**
Segment assets			**4,279.5**			**1,028.0**			**751.8**			**266.3**			**14.3**	**285.0**			**-0.1**			**6,624.8**
thereof investments in associated participations accounted for using the equity method			*71.3*			*8.2*			*0.0*			*13.9*			*0.0*	*0.0*			*0.0*			*93.3*
Investments			**45.6**			**0.9**			**89.6**			**1.3**			**0.0**	**7.5**			**0.0**			**144.8**

Passion for Real Assets

Segment reporting for the third quarter 2012

3Q/2012	Investment									Funds												
	Real Estate			Development			Caverns			Institutional Funds			Private Funds			IVG Corporate Functions	Consolidation			Group		
in €m	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total		Before changes in value	Unrealised changes in value	Total	Before changes in value	Unrealised changes in value	Total
External revenues	62.7		62.7	13.4		13.4	8.7		8.7	11.2		11.2	0.9		0.9	3.0	0.0		0.0	100.0	0.0	100.0
Internal revenues	0.5		0.5	0.8		0.8	0.0		0.0	0.1		0.1	0.0		0.0	4.5	-6.0		-6.0	-0.1	0.0	-0.1
Total revenues	**63.2**	**0.0**	**63.2**	**14.1**	**0.0**	**14.1**	**8.7**	**0.0**	**8.7**	**11.3**	**0.0**	**11.3**	**0.9**	**0.0**	**0.9**	**7.6**	**-6.0**	**0.0**	**-6.0**	**99.9**	**0.0**	**99.9**
Net rents from investment property	49.4		49.4	0.0		0.0	2.0		2.0	0.0		0.0	0.0		0.0	0.0	-0.1		-0.1	51.3	0.0	51.3
Other net rents	0.7		0.7	4.9		4.9	0.0		0.0	0.0		0.0	0.0		0.0	0.1	-1.0		-1.0	4.7	0.0	4.7
Income from service charges	9.3		9.3	1.9		1.9	0.0		0.0	0.0		0.0	0.0		0.0	0.0	-0.2		-0.2	11.0	0.0	11.0
Income from project disposals	4.3		4.3	0.0		0.0	0.1		0.1	0.0		0.0	0.0		0.0	0.0	0.0		0.0	4.4	0.0	4.4
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	0.0		0.0	0.4		0.4	0.0		0.0	0.4		0.4	0.0		0.0	0.0	0.0		0.0	0.9	0.0	0.9
Income from fund and property management	0.0		0.0	0.0		0.0	4.0		4.0	10.9		10.9	0.9		0.9	1.2	0.0		0.0	17.1	0.0	17.1
Other revenues	-0.5		-0.5	7.0		7.0	2.6		2.6	0.0		0.0	0.0		0.0	6.1	-4.7		-4.7	10.5	0.0	10.5
Changes in inventories and other own work capitalised	-4.3		-4.3	6.9		6.9	2.1		2.1	0.0		0.0	0.0		0.0	0.0	0.0		0.0	4.7	0.0	4.7
Unrealised changes in market value of investment property	0.0	-10.7	-10.7	0.0		0.0	0.0	13.5	13.5	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	2.7	2.7
Realised changes in market value of investment property	0.9		0.9	0.0		0.0	1.1		1.1	0.0		0.0	0.0		0.0	0.0	0.0		0.0	1.9	0.0	1.9
Other operating income	0.6		0.6	1.3		1.3	2.4	0.0	2.4	0.5		0.5	0.1		0.1	4.4	-4.2		-4.2	5.1	0.0	5.1
Material expenses	-0.2		-0.2	-9.7		-9.7	-2.6	0.0	-2.6	0.0		0.0	0.0		0.0	-0.2	0.3		0.3	-12.4	0.0	-12.4
Personnel expenses	-0.6		-0.6	-0.4		-0.4	-2.0		-2.0	-4.0		-4.0	-1.0		-1.0	-12.9	0.0		0.0	-20.9	0.0	-20.9
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.2		-0.2	-0.9		-0.9	-1.7	0.0	-1.7	0.0		0.0	0.0		0.0	-0.3	0.0		0.0	-3.2	0.0	-3.2
Expenses from investment property	-15.8		-15.8	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-15.8	0.0	-15.8
Other operating expenses	-8.6		-8.6	-16.3		-16.3	-1.4		-1.4	-4.0		-4.0	-1.0		-1.0	-8.1	9.9		9.9	-29.5	0.0	-29.5
Gains/losses from associated participations accounted for using the equity method	0.5		0.5	-0.2		-0.2	0.0		0.0	0.1		0.1	0.0		0.0	0.0	0.0		0.0	0.4	0.0	0.4
Income from equity investments	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0
Segment result (EBIT)	**35.5**	**-10.7**	**24.8**	**-5.2**	**0.0**	**-5.2**	**6.6**	**13.5**	**20.1**	**3.9**	**0.0**	**3.9**	**-1.0**	**0.0**	**-1.0**	**-9.5**	**0.0**	**0.0**	**0.0**	**30.3**	**2.7**	**33.1**
Financial result																				-53.7	12.9	-40.7
Net profit before tax																				**-23.4**	**15.7**	**-7.7**
Income taxes																						0.7
Consolidated net profit																						**-7.0**
Investments			6.4			0.0			26.1			0.0			0.0	2.1			0.0			34.5

Segment reporting for the third quarter 2011

3Q/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	80.9		80.9	5.6		5.6	18.1		18.1	14.5		14.5	0.7		0.7	1.3	0.0		0.0	121.1	0.0	121.1
Internal revenues	0.8		0.8	0.4		0.4	0.0		0.0	0.2		0.2	0.0		0.0	6.9	-8.2		-8.2	0.0	0.0	0.0
Total revenues	**81.7**	**0.0**	**81.7**	**6.0**	**0.0**	**6.0**	**18.1**	**0.0**	**18.1**	**14.7**	**0.0**	**14.7**	**0.7**	**0.0**	**0.7**	**8.2**	**-8.2**	**0.0**	**-8.2**	**121.0**	**0.0**	**121.0**
Net rents from investment property	61.2		61.2	0.0		0.0	0.9		0.9	0.0		0.0	0.0		0.0	0.0	-0.3		-0.3	61.8	0.0	61.8
Other net rents	0.7		0.7	3.5		3.5	0.0		0.0	0.0		0.0	0.0		0.0	0.2	-0.6		-0.6	3.8	0.0	3.8
Income from service charges	11.4		11.4	1.6		1.6	0.0		0.0	0.0		0.0	0.0		0.0	0.0	-0.3		-0.3	12.8	0.0	12.8
Income from project disposals	7.9		7.9	0.0		0.0	0.2		0.2	0.0		0.0	0.0		0.0	0.0	0.0		0.0	8.1	0.0	8.1
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	0.7		0.7	12.9		12.9	0.8		0.8	0.0		0.0	0.0	0.0		0.0	14.4	0.0	14.4
Income from fund and property management	0.0		0.0	0.0		0.0	2.5		2.5	13.9		13.9	0.7		0.7	0.4	0.3		0.3	17.9	0.0	17.9
Other revenues	0.5		0.5	0.1		0.1	1.5		1.5	0.0		0.0	0.0		0.0	7.5	-7.4		-7.4	2.3	0.0	2.3
Changes in inventories and other own work capitalised	-7.2		-7.2	51.6		51.6	1.8		1.8	0.0		0.0	0.0		0.0	-0.2	0.0		0.0	46.0	0.0	46.0
Unrealised changes in market value of investment property	0.0	-13.2	-13.2	0.0		0.0	0.0	21.7	21.7	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	8.5	8.5
Realised changes in market value of investment property	-1.8		-1.8	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-1.8	0.0	-1.8
Other operating income	2.6		2.6	0.9		0.9	0.2	0.1	0.3	0.6		0.6	0.1		0.1	4.7	-4.4		-4.4	4.6	0.1	4.7
Material expenses	-1.0		-1.0	-50.1		-50.1	-2.5	-0.1	-2.6	0.0		0.0	0.0		0.0	-0.2	0.7		0.7	-53.1	-0.1	-53.2
Personnel expenses	-0.7		-0.7	-0.2		-0.2	-2.0		-2.0	-3.3		-3.3	-1.0		-1.0	-10.9	0.0		0.0	-18.1	0.0	-18.1
Depreciation and amortisation of intangible assets and property, plant and equipment	-0.1		-0.1	0.0		0.0	-1.2	-0.2	-1.4	-0.1		-0.1	0.0		0.0	-0.3	0.0		0.0	-1.7	-0.2	-1.9
Expenses from investment property	-20.7		-20.7	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	-20.7	0.0	-20.7
Other operating expenses	-12.8		-12.8	-5.7		-5.7	-1.0		-1.0	-7.1		-7.1	-2.0		-2.0	-10.7	11.9		11.9	-27.4	0.0	-27.4
Gains/losses from associated participations accounted for using the equity method	0.4		0.4	1.1		1.1	0.0		0.0	-0.2		-0.2	0.0		0.0	0.0	0.0		0.0	1.3	0.0	1.3
Income from equity investments	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0
Segment result (EBIT)	**40.4**	**-13.2**	**27.1**	**3.6**	**0.0**	**3.6**	**13.4**	**21.5**	**35.0**	**4.6**	**0.0**	**4.6**	**-2.2**	**0.0**	**-2.2**	**-9.4**	**0.0**	**0.0**	**0.0**	**50.3**	**8.3**	**58.6**
Financial result																				-53.9	-21.7	-75.6
Net profit before tax																				**-3.6**	**-13.4**	**-17.0**
Income taxes																						20.0
Consolidated net profit																						**3.0**
Investments			**4.7**			**0.7**			**26.3**			**0.0**			**0.0**	**2.5**			**0.0**			**34.3**

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 September 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), change in exchange notes (IAS 21), impairment losses and reversals of impairments losses (IAS 36), the fair value measurement of financial instruments (IAS 39) and the fair value measurement of investment property (IAS 40) (not including tax effects) are reported in the separate column "unrealised changes in value". Due to the form of presentation, the consolidated income statement and segment reporting consist of the total of the two columns "before changes in value" and "unrealised changes in value".

The condensed interim financial statements and the interim financial report as of 30 September 2012 have neither been audited nor reviewed by an auditor.

Changes to accounting policies

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

- Changes to IFRS 7 "Financial Instruments: Disclosures" – transfers of financial 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 September 2012.

The International Accounting Standards Board (IASB) and the IFRS IC have published several standards and interpretations which have not yet been adopted by the EU in some cases. Among those accounting standards not yet being effective, IFRS 13 "Fair Value Measurement" is of particular relevance for the IVG Group. The standard constitutes guidance on how fair value is determined and extends the disclosure requierements regarding fair value. Subject to the currently outstanding EU endorsement, IFRS 13 is to be applied starting from 1 January 2013. The future effects of the fist-time adoption on IVG's consolidated statements are currently under consideration.

Significant transactions in the reporting period

- The €127.7 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 €8.4 million year-on-year. This was mainly due to unrealised changes in market value, which improved by €22.4 million. The increase in unrealised changes in market value in the IVG Caverns segment (€32,7 million) did more than offset the decline in the IVG Real Estate segment (-€10,4 million). The negative realised changes in market value increased from -€1.2 million to -€15.1 million, due in particular to the sales of properties in Helsinki and Munich.
- The €15.7 million increase in other operating income was due to the settlement and compensation payments received on account of the early termination of a lease in the IVG Real Estate segment (€5.0 million) and the repayment of electricity tax already paid in the IVG Caverns segment (€2.8 million) in connection with sold caverns, 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 €233.6 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 improved by €32.8 million, particularly as a result of the lower negative impact of the result from hedging transactions (+€20.5 million) and the improved result from foreign currency valuation (+€10.0 million).
- Income taxes declined by €59.9 million in the period under review, from +€60.9 million to +€1.0 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 €141.0 million, essentially as a result of investments and the scheduled repayment of short-term loans.
- Repayments of "CORE" financing totalling €315 million in connection with the sale of two properties in Munich to the IVG EuroSelect 21 Munich fund and scheduled repayments.
- The provision for distributions on hybrid capital reported under current liabilities (€20.9 million) was reversed to equity.
- Sale of seven completed caverns to the IVG Cavern Fund as scheduled. Repayment of a further €204 million of the 2009 syndicated loan from the sales proceeds generated.
- 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. 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.

Treasury shares
IVG held 32,229 treasury shares as at 30 September 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, companies accounted for using the equity method and their unconsolidated subsidiaries.

Events after the end of the reporting period
There were no transactions of particular significance after 30 September 2012 that had a significant effect on the profitability, financial position and net assets of the IVG Group.

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, 8 November 2012

Professor Dr Wolfgang Schäfers

Dr Hans Volkert Volckens

Christian Kühni

CONTACT AND FINANCIAL CALENDAR

Contact

Investor Relations
Martin Praum
Tel. +49 (0) 228 844-400
Fax +49 (0) 228 844-372
e-mail: ir@ivg.de

Media Relations
Oliver Stumm
Tel. +49 (0) 228 844-300
Fax +49 (0) 228 844-338
e-mail: info@ivg.de

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.

Imprint
Published by: Board of Management of IVG Immobilien AG, Bonn
Created by: Berichtsmanufaktur GmbH, Hamburg
As at November 2012

Financial calendar 2013

	Organizer	Event	Location
27.03.2013	IVG	Publication Annual Report 2012	
08.05.2013	IVG	Publication of the interim report 1Q/2013	
16.05.2013	IVG	Annual General Meeting	Bonn
09.08.2013	IVG	Publication of the interim report 1H/2013	
08.11.2013	IVG	Publication of the interim report 3Q/2013	