



Investor Presentation, September 2008

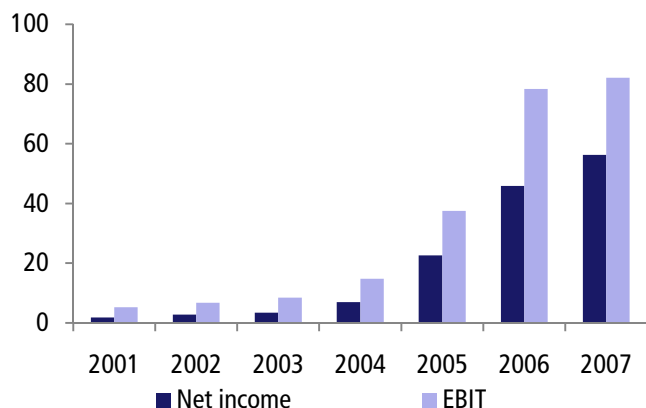
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Profitable growth on three pillars

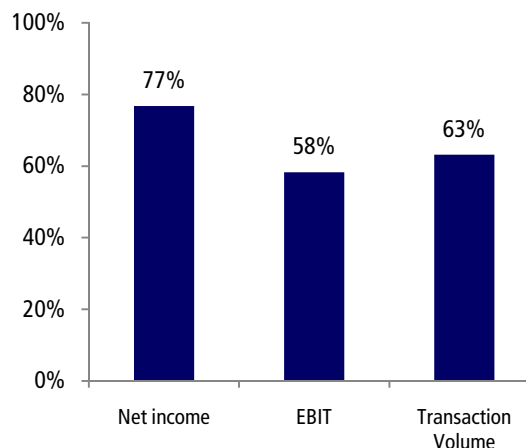
Vivacon is well positioned in the Investment Management, Asset Management and Development business



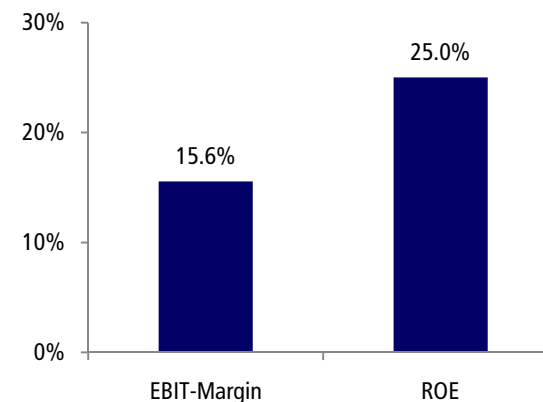
EBIT and Net income development (EUR m)



Growth (CAGR 2001-2007) in %



Profitability margins (2001-2007) in %



Investment Management

- More than 40,000 residential units acquired since 2004. Sourcing, aggregation and marketing of small- to medium sized portfolios and ground lease cash flows in off-market transactions
- Nationwide network and 20 people in-house acquisition team
- Vivacon plans to conduct portfolio transactions on pre-agreed investor acquisition contracts in long-term co-operations with institutional investors

Asset Management

- Comprehensive asset management services for >10,000 units owned directly or through JV
- Property management for c. 58.000 residential units with a market value of c. EUR 4.4 bn
- Nation-wide property management presence in 250 locations with c. 600 people
- Further increase in annual ground lease cash flows by acquisition of pure ground lease portfolios

Development

- > 3,580 sold residential units since 1997, market leading position in renovation and distribution of landmark, designer and luxury apartments
- Experienced team with 11 years of market presence in high-end residential developments
- 11 new projects being developed in all major German regional markets
- Order backlog of EUR 77.5m and EUR 300m project pipeline volume at the end of June gives visibility

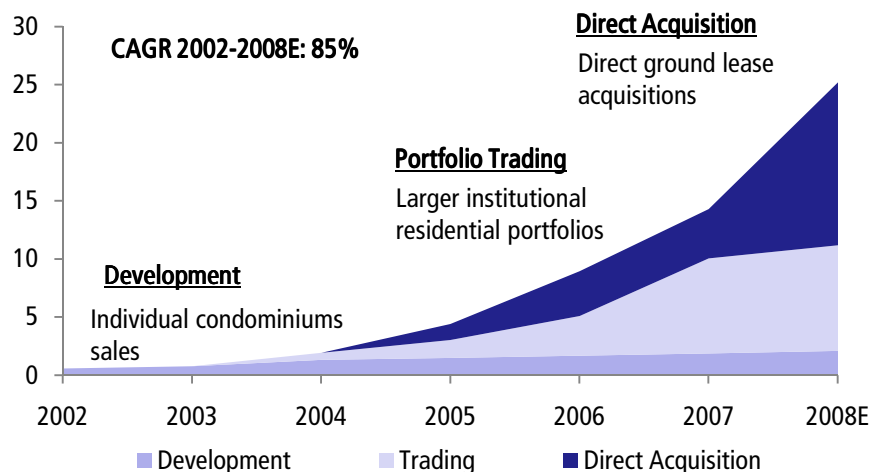


Investment Management

Evolution of the business model

Since its foundation, the company's core strategy has been the creation and extraction of ground leases

Total initial annual ground lease income (EUR m)



Ground lease cash flows year-end 2008E

Development	c. EUR 2m
Portfolio trading	c. EUR 9m
Direct acquisition	c. EUR 14m
Total	c. EUR 25m

- Vivacon's strategy has been unchanged since the foundation of the company to generate and acquire secure, long-dated and 100% CPI-indexed ground lease cash flows
- Ground lease acquisitions will become an important earnings driver with an amount of initial annual ground leases of already EUR 16.2m p.a. (as of 30th June)
- Vivacon expects to acquire up to EUR 10m in annual ground leases in the full year 2008 and to reach its communicated net income guidance even without further significant residential portfolio transactions

Characteristics of ground leases

Differences between rents and ground lease cash flows

Comparison of rental and ground lease cash flows

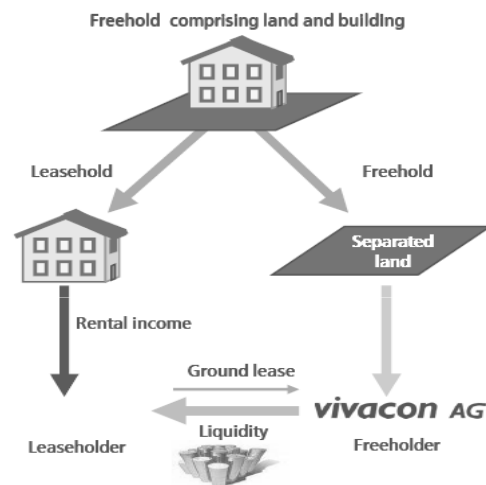
	Residential rents		Ground lease cash flows	
Duration	Avg. 3-7 years	✘	198 years	✔
Security	in general 3 months cash deposit	✘	building on the land	✔
Operating costs	20-30% of net rent	✘	only cash flow monitoring	✔
CAPEX	4.5-8.5 %	✘	no CAPEX	✔
Indexation	Individual negotiation with tenant	✘	automatically 100% CPI-linked	✔
Valuation multiple	11-13x	✘	24.7x	✔
Discount factor	9.1%-7.7%	✘	4.05%	✔

Direct Ground-Lease Acquisitions

A significant earnings contributor in the future

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Structure chart of direct ground lease acquisitions

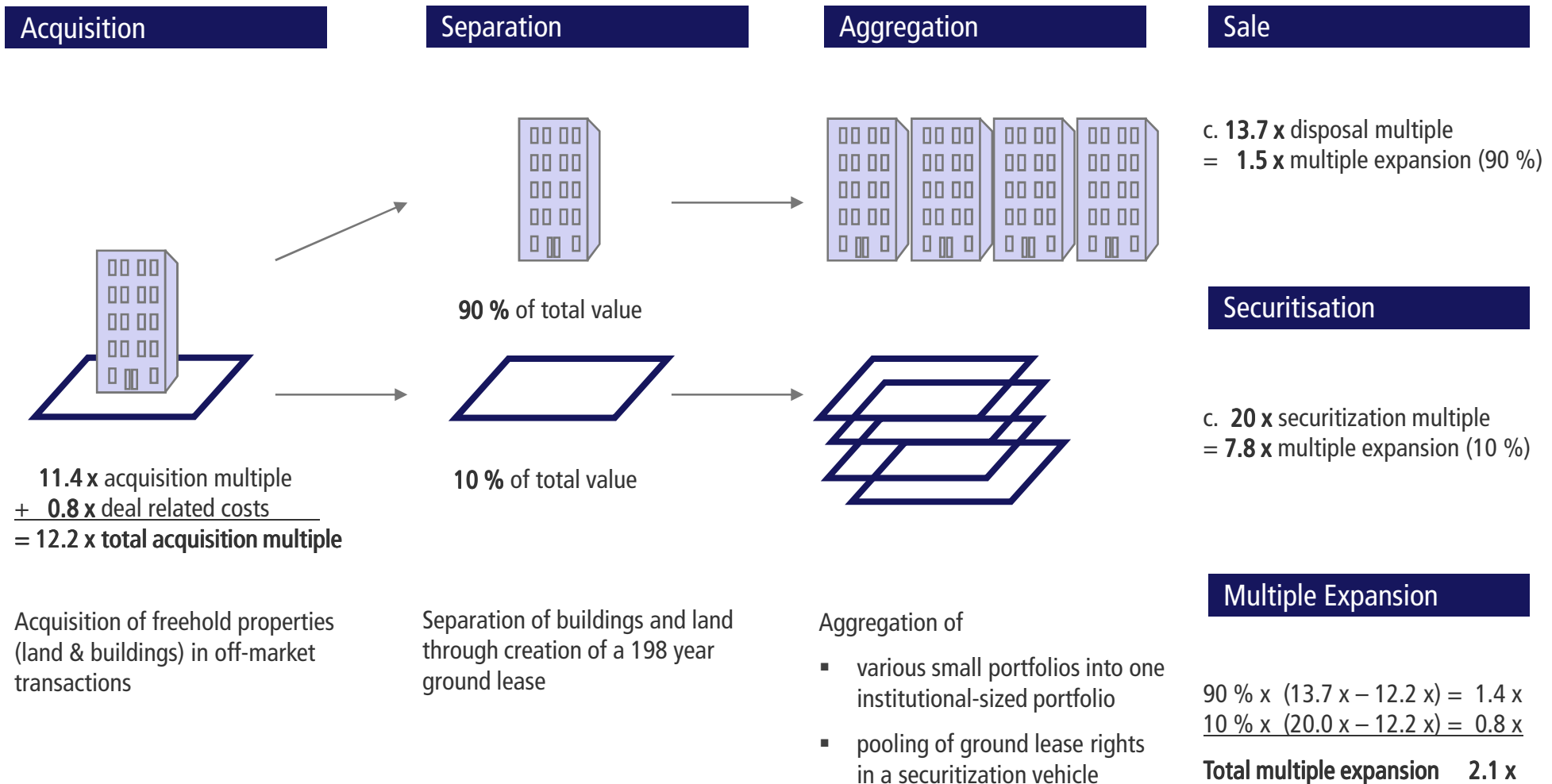


- Ground lease acquisitions will become a key focus of the business operations of Vivacon
- Out of the ground lease portfolio as of June 30th (EUR 16.2m), some EUR 6m already result from direct 3rd party acquisitions (c. 38% of total)
- With the proceeds of Convertible Bond issue (EUR 24m) and the recently secured NIBC credit facility (>EUR 100m – 90% LTV), Vivacon is well prepared to profit from business opportunities
- Advantages for Vivacon
 - Faster creation of ground lease cash flows (direct acquisition instead of buying portfolios, separation of building and land and disposal under lease hold)
 - Less capital intensive (only acquisition of land and no need of financing the complete freehold comprising of land and buildings)
 - Less risk (no disposal risk as with portfolio transactions)

Value Extraction through Separation of Land and Buildings

Additional value generated through ground lease creation

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Sources of ground lease income

Rational for different sellers

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	Rationale	Potential market size
Public sector	<ul style="list-style-type: none"> -Budget deficits - No disposal of residential units for political reasons - Cash inflow through the disposal of part of the assets 	All public sector owned assets with state guaranteed cash flows like town halls, universities, hospitals, schools, infrastructure assets...
Commercial	<ul style="list-style-type: none"> - SME firms find it difficult to raise debt or equity in the current market environment 	All commercial properties with a good potential third party use such as office buildings, shopping malls, logistics or health care properties...
Residential	<ul style="list-style-type: none"> - Cash inflow through the disposal of part of the assets - Large scale residential owners are facing difficult financing conditions and need to reduce their gearing 	c. 40m residential units in Germany

Sample of current ground lease acquisition projects

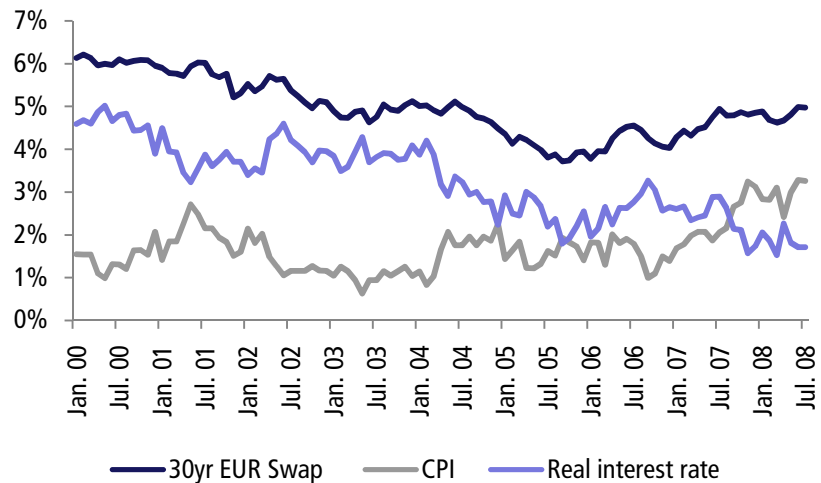
Potential Seller	Type	Annual Ground lease CF (EUR m)
Asset Manager	Commercial	2.8
Asset Manager	Commercial	2.2
Public Sector	Residential	0.5
Insurance company	Residential	0.4
Company	Residential	0.8
Company	Residential	0.3
Company	Residential	0.2
Private owner	Residential	0.1
Public Sector	Municipal	0.2
Bank	Residential	0.2
Public Sector	Municipal	0.2
...

Average ground lease:acquisition EUR 0.7m

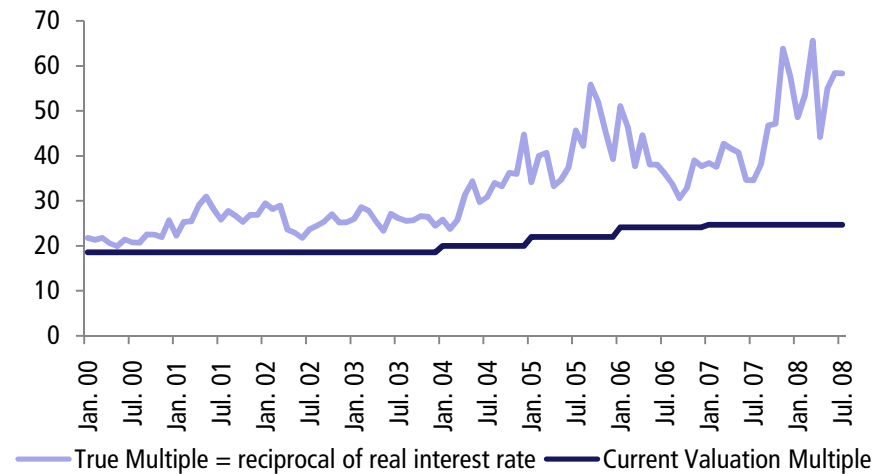
Development of interest rates and inflation

The real interest rate has declined since 2000

Interest and CPI development (in %)



Multiple development



- Ground lease cash flows are 100% CPI-indexed, i.e. for valuation reasons the real interest rate is used
- Over the last 8 years, the nominal interest rate has declined and inflation has increased. This has resulted in a reduction of the real interest rate
- Vivacon is valuating its ground lease cash flows in the balance sheet by adding a safety cushion (125 bp) on the real interest rate and applies a discount rate of 4.05% which represents a multiple of 24.7x




Asset Management

Asset Management Business

Strong basis of stable and recurring earnings in the coming years

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Rental revenues	EUR 19m	<ul style="list-style-type: none">▪ Rental income from residential units owned and managed by Vivacon between acquisition and disposal time. Annual rental income of currently owned residential units amounts to EUR 19m
Ground lease revenues	EUR 17m	<ul style="list-style-type: none">▪ High visibility due to long-term (up to 198 years), inflation-protected (100% CPI-linked) and very secure (entire buildings as collateral) ground lease cash flows<ul style="list-style-type: none">▪ Different sources of new ground leases: i) portfolio transactions, ii) direct ground lease acquisition, iii) landmark condominium disposal
Property Mgmt revenues	EUR 24m	<ul style="list-style-type: none">▪ 80% stake in Curanis – one of the leading German property managers. The Curanis Group manages more than 58,000 residential and commercial units with a market volume of EUR 4.5bn at more than 250 locations in Germany.
Asset Mgmt activities	EUR 1m	<ul style="list-style-type: none">▪ Operating partner of and 30% shareholding in WIAG Immobilien AG (Joint Venture with Forum Partners for opportunistic portfolios), which currently owns c. 4,800 units generating approximately EUR 14.9m annual rental revenues
Total revenue contribution	EUR 60m	

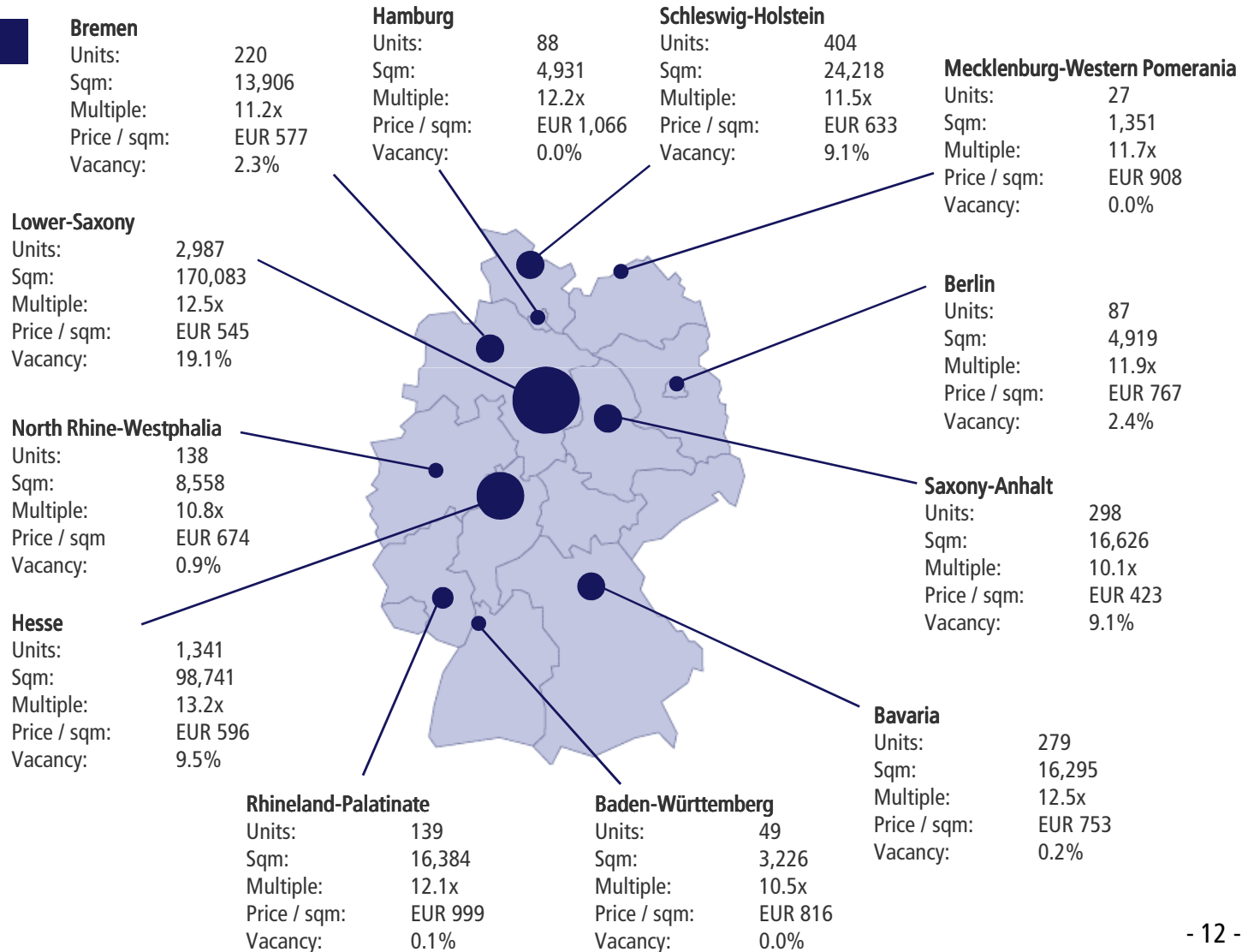
 Asset management – including property management since 2008 – provides an ever larger share of company earnings

Overview of current trading portfolio

Attractive portfolio with c. 6,000 units

Key figures

- units: 6,057
- m²: 379,239
- multiple: 12.3x
- price / m²: EUR 605





Development

Development Business

A record number of new projects in landmark conversions and Philippe Starck designer apartments

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Cologne



Am Clarenbach

32 units, volume EUR 19m
Notarized volume: 47%

Mainz



Dalberger Hof

51 units, volume EUR 21m
Notarized volume 46%

Berlin



yoo

100 units, volume EUR 77m
Sale start: September 2008

Berlin



Luisenstadt

375 units, volume EUR 95m
Sale start: September 2008

- In 2007, Vivacon started 11 new projects of which 7 projects went already into marketing. In addition the first commercial real estate project (future Vivacon HQ) was marketed and sold
 - 6 landmark projects (sales volume of EUR 160m and 662 units in total)
 - 3 yoo projects (sales volume of EUR 184m and 239 units in total)
 - 2 high-end projects (sales volume of EUR 83m and 125 units in total)
- In 2008, Vivacon has already started 4 new projects (EUR 61m sales volume and 198 units)

▶ EUR 77.5m order back-log (June 08) and EUR 300m pipeline of upcoming development projects offers high earnings visibility

Designer Apartments

High-end, high-margin residential development, designed by Philippe Starck

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Designer apartments

- Exclusive license to realize Philippe Starck-designed real estate projects in Germany
- Already two objects (Hamburg and Munich) in progress; The third (Düsseldorf: EUR 50m project volume) and fourth (Berlin: EUR 75m project volume) are in the pipeline
- Project volumes EUR 30–50m each, approx. one new project per year

yoo

- Philippe Starck is one of the most commercially successful designers in the world
- Vivacon and YOO Holdings Ltd. have established YOO Deutschland GmbH as a Joint Venture (50/50), which owns the exclusive license for the realization of Philippe Starck designed real estate projects in Germany



Hamburg



Hafencity,
59 units, volume EUR 42m

Munich



Thalkirchenstraße,
69 units, volume EUR 56m

Düsseldorf



Schlossuferresidenz,
55 units, volume EUR 51m

Berlin



Am Zirkus,
100 units, volume EUR 77m

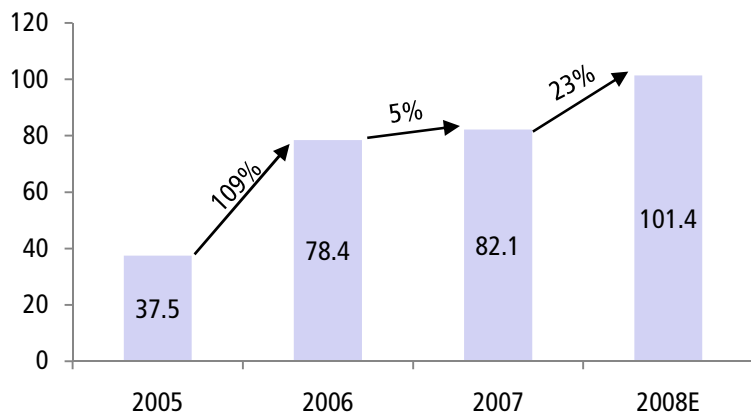


Financials

EBIT and Net Income Development

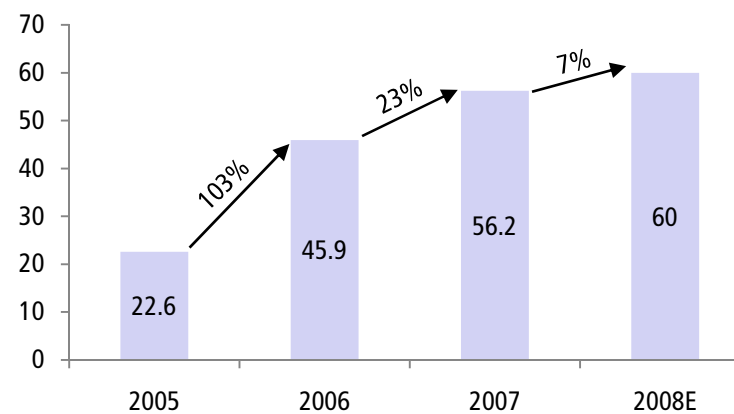
EBIT-margin further improved to record levels

EBIT development (EUR m)



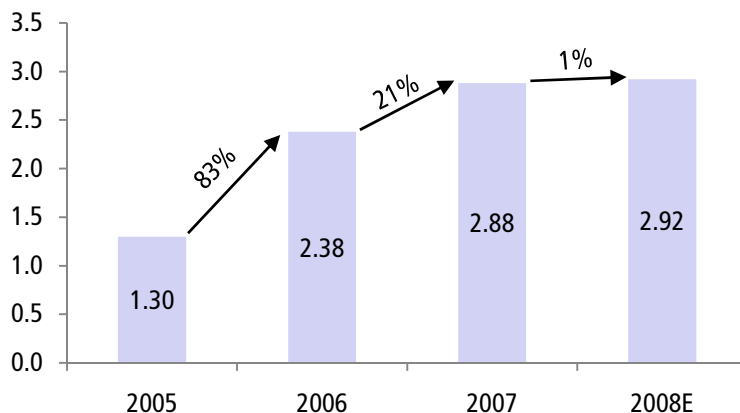
2008E figure is consensus estimates (source: Bloomberg 19 Sept. 2008)

Net income development (EUR m)



2008E figure is company forecast

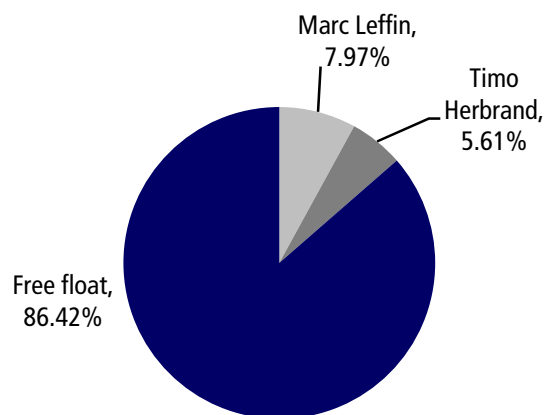
EPS development



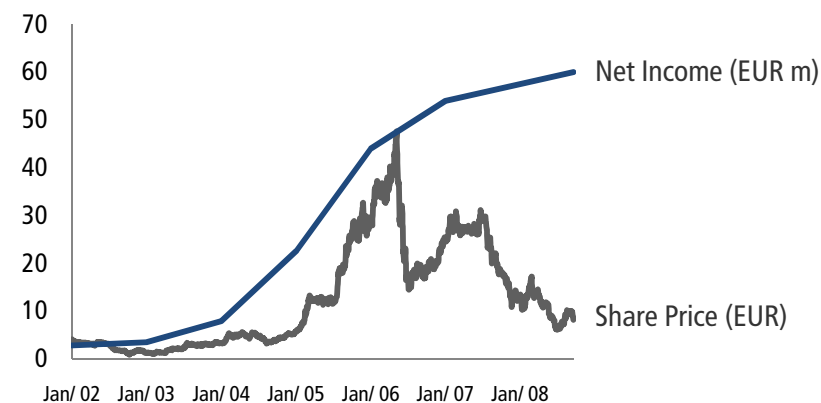
2008E figure is consensus estimates (source: Bloomberg 19 Sept. 2008)

- EBIT 2007 increase by 5% yoy due to approximately same transaction volume as in 2006 including investments into the organization
- EBIT margin 2007 (as percentage of transaction volume) remained strong at 14.5% (2006: 13.7%)
- Net income 2006 increased by 23% yoy – including release of deferred taxes (EUR 8.4m) - and was in-line with communicated company guidance
- ROE 2007 reached 30.7% in 2007 (34.2% in 2006)

Shareholder structure



Share price vs. net income development



Source: Datastream and Vivacon

Largest published shareholdings

DWS	2.97% (Filing date: 15/04/2008)
SIA Funds AG	2.03% (Filing date: 10/07/2008)
UBS	1.59% (Filing date: 04/06/2008)

Source: Vivacon & Reuters

Facts & Figures

Shareholders' Equity:	EUR 234 m (22% equity ratio)
Shares Outstanding :	19.8m
Index Segments:	SDAX, FTSE EPRA/NAREIT, DAX 100 International
Founded:	1997
Employees:	95 (FY2007 average)

Outlook

Vivacon will concentrate in 2008 on direct ground-lease acquisitions

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Investment Management

- The ground lease generation model of Vivacon is further evolving from the original sale of apartments to individual investors, to larger institutional portfolio investors and to direct ground lease portfolio acquisitions
- The business has reached a level where the company extracts quite sizeable ground lease cash-flows of > EUR 10m p.a. from direct ground lease acquisitions in quasi sale & lease-back transactions
- Acquisitions of up to EUR 10m ground-lease cash flows should contribute significantly to full-year earnings

Asset Management

- Total annual revenue of EUR 60m comprising of more than EUR 17m in annual ground-leases, EUR 19m rental income from current owned portfolios as well as the 80% stake in Curanis – one of the leading German property managers
- 30% stake in WIAG Immobilien AG (Joint Venture with Forum Partners for opportunistic portfolios), which currently owns c. 4,800 units generating approximately EUR 14.9m annual rental revenues

Development

- Order backlog of EUR 77.5m and some EUR 300m project volume at the end of June gives visibility and confidence
- Beside the 11 projects started in 2007, further 4 projects with a total volume of EUR 61m already started in 2008



Management confirms its net income guidance of EUR 60m in 2008

Backlog: Profit and Loss Account

Strong performance supported by lower tax rates

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Profit and Loss Account (EUR m)	2006	2007	yoy %
Revenues	124.4	193.8	56%
Change work in progress	35.0	-39.2	n.m.
Gain from ground lease portfolios	58.6	70.9	21%
Other operating income	3.2	5.0	57%
Purchased services	-112.5	-103.8	-8%
Personnel expenses	-13.4	-16.2	21%
Other operating expenses	-16.5	-27.9	69%
EBITDA	78.8	82.5	5%
Depreciation	-0.3	-0.4	31%
EBIT	78.5	82.1	5%
Participation result	3.8	4.8	27%
Interest and similar income	5.1	13.9	174%
Interest and similar expenses	-19.5	-29.1	49%
Financial result	-14.5	-15.3	5%
EBT	67.8	71.7	6%
Taxes	-21.9	-15.1	-31%
Minorities	0.0	-0.3	n.m.
Net income	45.9	56.2	23%
EPS (non diluted)	2.38	2.88	21%
DPS	0.40	0.50	25%

- Gain from ground lease portfolios increased by 21%, also due to the direct acquisition of new ground leases from third parties
 - Discount rate was adjusted by 0.1% to 4.05% at year-end 2007 (year-end 2006: 4.15%) backed by arms-length purchase offers at this level as well as positive interest and inflation development. Impact from factor adjustment amounts to EUR 8.4m (2006: EUR 5.6m)
- Personnel expenses increased by 21% yoy due to higher number of employees (95 employees vs. 61 in 2006 = +56% yoy), of which EUR 5.2m is variable and results oriented and expenses from share option program (EUR 2.4m)
- Increase in other operating expenses generally reflects growth in operations. In addition, it includes negative change of inflation swap fair value of EUR 7.2m (2006: EUR 0.5m)
- Financial result includes net change of interest swap fair value of EUR 6.6m (2006: EUR 1.2m)
- Lower taxes due to release of deferred tax provision as per 31. December 2006 in the amount of EUR 8.4m

Backlog: Balance Sheet

Solid equity ratio, liquidity position and financing structures

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Balance Sheet (EUR m)	2006	2007	Δ
Assets			
Investment property (ground lease rights)	227.1	348.0	120.9
Other non-current assets	27.6	35.1	7.5
Total non-current assets	254.7	383.1	128.4
Real estate held for sale	176.8	331.9	155.1
Other current assets	55.9	99.1	43.3
Cash and near cash items	154.6	137.6	-17.0
Total current assets	387.2	568.6	181.4
Total assets	642.0	951.7	309.8
Liabilities			
Shareholders' Equity	183.1	237.9	54.9
Minority interests	0.0	0.5	0.6
Deferred taxes	39.5	51.7	12.2
Liabilities to banks	0.0	114.5	114.5
Liabilities from bonds	173.9	173.8	-0.1
Other liabilities	0.5	0.6	0.1
Non-current liabilities	213.9	340.6	126.7
Liabilities to banks	199.3	300.3	101.0
Other current liabilities	45.7	72.3	26.7
Current liabilities	245.0	372.6	127.7
Shareholders' Equity and total liabilities	642.0	951.7	309.8

- Increase in non current assets due to growth in ground lease properties
- Growth in real estate held for sale due to higher number of owned residential units (c. 6,100 units) at year-end (2007: EUR 234m vs. 2006: EUR 105m)
- Increase in non-current bank liabilities reflects longer-term debt financing for trading portfolio
- Increase in current bank liabilities reflects debt financing of higher number of residential units as well as bridge finance of ground lease cash flows.

Average bank financing terms (31.12.07)

Margin	97bp
Average size of acquisition financing	EUR 9.2m
LTC	83%
Bank loans due for refinancing from 2010 onwards	67%

Contact & Disclaimer

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