

Press Release

IFM Immobilien AG Stands Out from Sector with Positive Performance for H1 2008

- **Consolidated revenues up 79% to EUR 6.75 million**
- **After-tax profit for first half level with last year, despite one-time costs**
- **Highlights of year so far: change to Prime Standard, successful capital increase, acquisition of "Zeilgalerie"**

Frankfurt am Main, August 25, 2008: IFM Immobilien AG, an investor and project developer in commercial real estate, with an emphasis on office and downtown retail uses, continued its record of success in the first half of 2008, and thus represented a positive exception from the rest of the sector. Notwithstanding the more demanding economic environment, revenues were up 79%. The consolidated profit maintained the same level as for the comparable period last year, despite substantial one-time costs for the Company's change to the Prime Standard segment of the Frankfurt Stock Exchange. IFM Immobilien AG released its first-half report for 2008 on the Internet today (www.ifm.ag).

Highlights of the year so far

- On July 17, IFM Immobilien AG acquired the "Zeilgalerie" in Frankfurt am Main. This property is one of Germany's most famous shopping centers, and is located in one of the country's most heavily trafficked shopping districts. The total investment of about EUR 59 million includes planned revitalization measures for about EUR 8 million. The property was purchased from the Signature Capital investment company. With an occupancy of about 95%, the property generates a rental yield of more than 6%.

- On June 20, IFM Immobilien AG successfully carried out a capital increase of about 10% of its share capital, in return for cash. Despite the difficult environment in the financial and capital markets, the issue met with heavy demand, and was significantly oversubscribed. The capital increase generated proceeds of EUR 9.35 million for the Company, before transaction costs. The share capital increased from EUR 8.5 million to EUR 9.35 million.
- Since April 30, IFM stock has been listed on the regulated market (Prime Standard segment) of the Frankfurt Stock Exchange. The change from the Entry Standard segment to the Prime Standard segment is intended to increase IFM's recognition in the capital market and make IFM stock even more attractive, especially to international investors, because of the more rigorous transparency requirements involved.

Said Georg Glatzel, CEO of IFM Immobilien AG: "In a period with an increasingly tough economic environment, IFM Immobilien AG has performed very successfully. In that, we've set ourselves apart in a segment where many investors are becoming more and more cautious, the number of transactions is declining, and real estate stocks have undergone substantial corrections. In this environment we've been able to make major strategic choices. And by acquiring the famous 'Zeilgalerie' shopping center, we've also strengthened our portfolio of downtown retail properties. We believe this real estate investment, like our others, has substantial potential for appreciation that we will utilize to the fullest over the next few years, thanks to our expertise in revitalization. So we're in an ideal position keep steady on our course for success both in the second half of 2008 and in 2009."

Group revenue and earnings performance

- Consolidated revenue, which comes primarily from rental income, rose 79% in the first half of 2008, to EUR 6.75 million (H1 2007: 3.77 million). The increase was founded on additional rental income from several properties acquired in 2007 – "Maxxon" in Eschborn, "Kureck" in Wiesbaden, and the "Office Tower" in Darmstadt – as well as the advancement of the leasing process at the "GutenbergPark" property in Mainz.

- The profit before taxes was EUR 3.00 million, compared to EUR 3.76 for the first half of 2007. The decrease derives mainly from one-time costs of EUR 0.61 million to change IFM stock to the Prime Standard segment.
- The consolidated profit after taxes and minority interests was EUR 2.30 million, almost constant from the first half of 2007 (EUR 2.33 million). This is equivalent to earnings per share of EUR 0.27 (H1 2007: EUR 0.27).

Consolidated balance sheet performance

- The Group's total assets at June 30, 2008, came to EUR 285.4 million, up 9.5% from the figure at December 31, 2007 (EUR 260.7 million).
- Non-current assets at the end of the first half came to EUR 251.5 million (December 31, 2007: EUR 233.6 million). The value of investment property increased to EUR 141.6 million, particularly as a consequence of appreciation of the "Kureck" property in Wiesbaden (December 31, 2007: EUR 138.8 million). The recognized value of property under development rose to EUR 92.8 million because of the progress of construction work at the "Romeo & Julia" property in Frankfurt am Main (December 31, 2007 EUR 80.6 million).
- After the first six months of 2008, the Group still had a solid equity ratio of 37% (December 31, 2007: 36%).

Outlook

The Executive Board assumes that consolidated revenues will continue to grow in 2008. Management believes the Company's successful performance in the first half will be a good foundation for business in the rest of the year.

By acquiring the "Zeilgalerie" in Frankfurt am Main in July, IFM Immobilien AG expanded its holdings in downtown retail properties, and diversified its portfolio further. Additionally, it plans to expand its project development business further. In this connection, the Executive Board expects the "Romeo & Julia" high-rise project to be completed by the end of 2008. The building permit consultations with authorities for the "Kureck" project in Wiesbaden will also continue.

The portfolio, including ongoing project development, has grown to more than EUR 400 million, and is expected to reach the EUR 500 million mark in the medium term. Additionally, management has not ruled out the possibility of selling a property from the portfolio, as part of active portfolio management.

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About IFM Immobilien AG:

IFM Immobilien AG is an investor and project developer particularly engaged in commercial real estate, with an emphasis on office and downtown retail uses. In addition to conventional project development, its business also includes redeveloping, restructuring and repositioning commercial properties. The properties that IFM acquires generally stand out for what IFM sees as an attractive risk-opportunity profile, extensive potential for development and appreciation, and preferred locations. Applying this strategy in combination with its core competences in redevelopment, restructuring and repositioning, IFM Immobilien AG helps revitalize properties, and thus generates what it believes will be sustainable property values.

Key Figures for the IFM Group (IAS/IFRS)

Performance figures

EUR m	H1 2008	H1 2007
Revenues	6.75	3.77
Gain or loss on fair valuation of investment properties	2.33	2.38
Operating profit (EBT)	3.00	3.76
Profit after taxes and minority interests	2.30	2.33
Earnings per share (basic, in EUR)	0.27	0.27

Key figures from balance sheet

EUR m	June 30, 2008	December 31, 2007
Total assets	285.4	260.7
Non-current assets	251.5	233.6
<ul style="list-style-type: none"> • including: Investment properties 	141.6	138.8
<ul style="list-style-type: none"> • including: Properties under development 	92.8	80.6
Equity	106.7	94.2
<ul style="list-style-type: none"> • including: Share capital 	9.4	8.5
Equity ratio (in %)	37	36
Liabilities	178.7	166.5
<ul style="list-style-type: none"> • including: Financial liabilities 	165.8	155.0