



## Press Release

### **IFM Immobilien AG Performs Well Again in Q3 2008 – Equipped for Demanding Market Environment**

- **Consolidated revenues up 71% to EUR 10.6 million**
- **Consolidated pre-tax profit EUR 2.0 million, after-tax profit EUR 1.0 million**
- **“Zeilgalerie” shopping mall in Frankfurt acquired**
- **Group well positioned to meet new challenges**

**Frankfurt am Main, November 26, 2008:** IFM Immobilien AG, an investor and project developer in commercial real estate, with an emphasis on office and retail uses, continued its positive record during the first nine months of 2008, thus demonstrating that it is well equipped to handle the current demanding market environment. Revenues increased about 71%. Although deferred taxes and the noncash revaluation of derivatives had an impact on earnings, the profit after taxes and minority interests still came to EUR 1.0 million.

IFM Immobilien AG released its third-quarter report for 2008 on the Internet today ([www.ifm.ag](http://www.ifm.ag))

**Said Georg Glatzel, CEO of IFM Immobilien AG:** “IFM is very well equipped for today’s more demanding market environment. We are pursuing new paths with our business model, and have set ourselves aside from the rest of the industry by concentrating on high-quality properties in prime locations, which are still in demand in this market. And we are also well positioned to respond flexibly to new challenges. The acquisition of the “Zeilgalerie” in Frankfurt is one example of IFM’s success. The transaction shows the level of trust and good repute that we enjoy among investors and the financing banks; it’s also an example of our expertise and experience in selecting outstanding properties. In the

months to come, we will put a particular emphasis on further developing the properties we already have in our portfolio – a systematic continuation of our business strategy.”

### **“Zeilgalerie” acquired**

On July 17, 2008, IFM Immobilien AG acquired the “Zeilgalerie” in Frankfurt am Main. This property is one of Germany’s most famous shopping malls, 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 work for about EUR 8 million. The property was purchased from the Signature Capital investment company. With an occupancy of about 90% at present, the “Zeilgalerie” generates a rental yield of about 6%. The transaction was consummated as of August 15.

The “Zeilgalerie” acquisition has expanded IFM’s portfolio of prime-location retail properties.

### **Group revenue and earnings performance**

- Consolidated revenue, which comes primarily from rental income, rose 71% in the first nine months of 2008, to EUR 10.6 million (Q1-Q3 2007: 6.2 million). The increase derived from rental income from the “Zeilgalerie” in Frankfurt am Main, acquired in July, and from several properties acquired in 2007 – “Maxxon” in Eschborn, “Kureck” in Wiesbaden, and the “Office Tower” in Darmstadt. A further contribution to revenue growth came from the growth of occupancy at the “GutenbergPark” property in Mainz.
- The operating profit was EUR 2.0 million, compared to EUR 2.4 million for the first nine months of 2007. While still firmly in the black, this year’s net figure reflects one-time expenses for the change to the regulated market (Prime Standard segment) of the Frankfurt Stock Exchange, and a charge against profits resulting from the fair valuation of derivatives used to hedge interest rates. Without those expenses, the pre-tax profit would have been EUR 3.0 million.
- The consolidated profit after taxes and minority interests came to EUR 1.0 million (last year: EUR 3.6 million). This figure includes a tax charge of EUR 0.9 million that comes primarily from deferred taxes on the appreciation of several properties. For last year’s period, the effects of the German corporate tax reform yielded tax income of EUR 1.3 million for the Group.  
Earnings per share were EUR 0.11 (last year: EUR 0.42).

## **Consolidated balance sheet performance**

- The acquisition of the "Zeilgalerie" in particular had a substantial influence on the IFM Group's asset and capital structure as of September 30, 2008, compared to December 31, 2007. The Group's total assets increased about EUR 80 million, to EUR 339.4 million (December 31, 2007: EUR 260.7 million).
- Non-current assets at the end of the third quarter came to EUR 315.7 million (December 31, 2007: EUR 233.6 million). The value for investment property rose a substantial 49.7%, to EUR 207.8 million (December 31, 2007: EUR 138.8 million). The primary reasons were the acquisition of the "Zeilgalerie," the reclassification of the "Office Tower" property in Darmstadt as an investment property, and the appreciation of the "GutenbergPark" and "Kureck" properties. The value recognized for properties under development rose to EUR 87.7 million (December 31, 2007: EUR 80.6 million, + 8.8%). The reclassification of the "Office Tower," which was formerly recognized as a property under development, was more than offset by the progress of construction at the "Romeo & Julia" property.
- The substantial increase in total assets decreased the Group's equity ratio to 31%, still a solid level (December 31, 2007: 36%).

## **Outlook**

The Executive Board believes IFM Immobilien AG is well equipped for success, even in today's more demanding market environment. Thanks to its focus on high-quality properties in prime locations, and its skilled, experienced team, the Group is ideally positioned to continue its successful growth.

IFM Immobilien AG's project development business in particular is to expand further in the medium term. Additionally, the current project development business has been making good progress. The "Romeo & Julia" high-rise project is within budget and on schedule. Development of the master plan for the "Kureck" project in Wiesbaden is advancing briskly. The two phases of construction originally planned for the "Maxxon" business park in Eschborn have now been combined into one, which will allow the company to complete construction and position the property on the market a year ahead of the previous schedule. This will give the project a crucial competitive advantage in the market.

The Executive Board continues to assume that consolidated revenue for 2008 will still be well above last year's figure.

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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	Q3 2008	Q3 2007
Revenues	10.6	6.2
Gain or loss on fair valuation of investment properties	4.0	2.4
Operating profit	2.0	2.4
Profit after taxes and minority interests	1.0	3.6
Earnings per share (basic, in EUR)	0.11	0.42

### Key figures from balance sheet

EUR m	September 30, 2008	December 31, 2007
Total assets	339.4	260.7
Non-current assets	315.7	233.6
<ul style="list-style-type: none"> <li>• including: Investment properties</li> </ul>	207.8	138.8
<ul style="list-style-type: none"> <li>• including: Properties under development</li> </ul>	87.7	80.6
Equity	105.0	94.2
<ul style="list-style-type: none"> <li>• including: Issued capital</li> </ul>	9.4	8.5
Equity ratio (in %)	31	36
Liabilities	234.3	166.5
<ul style="list-style-type: none"> <li>• including: Financial liabilities</li> </ul>	217.3	155.0