



Interim Report 2009

Q1

Key Figures for the IFM Group (IFRS)

Performance figures

EUR m	Q1 2009	Q1 2008
Revenues	4.98	3.43
Gain or loss on fair valuation of investment properties	3.72	2.19
Operating profit	0.98	0.62
Profit after taxes and minority interests	0.45	0.55
Earnings per share (undiluted in EUR)	0.05	0.06

Key figures from balance sheet

EUR m	March 31, 2009	Dec. 31, 2008
Total assets	360.2	355.4
Non-current assets	343.6	334.4
- Investment properties	280.5	274.3
- Properties under development	48.1	45.2
Equity	100.0	100.6
- Issued capital	9.4	9.4
Equity ratio (in %)	27.8	28.3
Liabilities	260.1	254.8
- Financial liabilities	226.6	221.0

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Foreword from the CEO

Dear Shareholders,

In the past, IFM Immobilien AG has always thought outside the box in order to reach extraordinary goals. In following this strategy in the first quarter of 2009, we continued to make our mark.

Key aspects of our achievements were our core competencies of developing innovative marketing and leasing concepts at IFM Immobilien Group. We are convinced that our ability to operate professionally lends us a clear competitive edge in these fields. Aside from the real estate marketing sector, where we view ourselves as a trendsetter, our professional leasing team guarantees the Group's sustained economic success. That is because only properties that we lease out are successful properties, guaranteeing the Group a continuous cash flow. To further boost our level of professionalism and ensure that we can react to the markets with the appropriate vitality, we laid the foundation in expanding the IFM leasing team further in the first quarter of 2009. On that note, former Director Commercial Leasing at the globally active real estate company Tishman Speyer recently joined IFM along with an associate of his, among several other new faces. Our Group now employs a total of five leasing managers of its own, thus providing us with a powerful and professional team that can react to the markets independent of third parties.

A prime example of IFM's capabilities is demonstrated by the current leasing success of the Romeo & Julia office towers in Frankfurt's West End. In the first three months of 2009, and shortly after the revitalization of the property, we leased out a total of 4,200 square meters in addition to 1,000 square meters as an option for additional space at this exclusive location. Big names such as the US law firm WilmerHale have chosen to set up shop in Romeo & Julia.

IFM also made great progress with the Zeilgalerie property in Frankfurt's pedestrian zone. In the first quarter, we announced the planned revitalization of the property we acquired in 2008 to the public in a press conference. Following the event, almost all important regional and national newspapers reported on the Zeilgalerie's planned revitalization. Our goal is to create something entirely new with this nationally prominent shopping center – both architecturally and conceptually. The new Zeilgalerie will be in line with future shopping trends and set itself distinctly apart from what other shopping centers have to offer. The animated facade will be an architectural highlight of the property, effectively sprucing up the entire front area of the Zeil.

Our key accounting figures also prove how strong the IFM Immobilien Group's business model of investing only in carefully chosen properties in prime locations really is. Despite the increasingly bleak state of the entire economy and the global financial crisis, our company was able to continue its course of growth and attain a generally positive result. IFM increased its consolidated revenue by 45% up to EUR 5 million, closing the quarter with profits of EUR 0.5 million after taxes.

For that reason, we feel we are well prepared to successfully react to the real estate markets, which are currently very demanding, and are confident in facing the rest of the 2009 fiscal year.

Heidelberg, May 2009

Georg Glatzel
CEO

1. Summary

- IFM Immobilien Group continued its strong performance even in the face of a bleak economic environment
- The Group's consolidated revenue is up 45% to EUR 5.0 million.
- A positive consolidated profit was achieved at EUR 0.5 million after taxes

IFM Immobilien AG continued last year's strong performance in the first quarter of 2009 despite increasingly bleak macroeconomic conditions. The Group's consolidated revenue increased by 45% to EUR 5.0 million and the consolidated post-tax profit totaled a positive EUR 0.5 million. The Executive Board is confident that 2009 will continue with similar results.

2. Condition of the Group

2.1. The IFM Group at a glance

IFM Immobilien AG is an investor and project developer involved specifically in commercial real estate focusing on office and downtown retail uses.

Its business operations include both core business in revitalizing existing properties and erecting new buildings as part of classic project development activities.

IFM differentiates between the following fields in its revitalization activities:

- Redevelopment (structural alterations including structural restoration)
- Restructuring (altering the occupancy/tenancy structure) and
- Repositioning commercial properties (developing innovative marketing and leasing concepts).

IFM holds a leading position in the real estate marketing sector. Properties are given a new image and positioned as 'brands' for the relevant target groups according to an all-encompassing marketing tactic. This tactic is a significant factor in IFM's success in revitalization projects.

Geographically, IFM focuses its operations in particular on the Rhine-Neckar metropolitan region, the Rhine-Main region and Berlin.

The property investments that IFM selects stand out due to their attractive risk/opportunity profile and great potential for development and appreciation value in preferred locations.

IFM Immobilien AG functions as the parent company of its corporate group and is responsible for the Group's strategic management. Normally, properties are held by individual project companies that are subsidiaries of IFM Immobilien AG. Business operations for the Group are handled by IFM Asset Management GmbH, a wholly owned subsidiary of IFM Immobilien AG.

2.2. Economic environment

In the first quarter of 2009, the economic crisis intensified in Germany. The leading economic research institutes adjusted their predictions several times, each time resulting in numbers being adjusted further downwards. In their spring forecast published in April, they anticipated a drop in GDP of about 6 percent this year. This is the worst recession the German economy has faced since the Federal Republic was founded. The global economic situation also lost a great deal of its dynamism in the reporting period. Although all major economies put together comprehensive economic stimulus packages and political interventions in an effort to support the international financial system, the decline in manufacturing and the volume of international trade could not be avoided.

The German economy has been particularly affected by this development due to its heavy reliance on exports. In the meantime, the effects of the crisis have spread to numerous sectors. A widespread recovery of the economy is not to be expected in 2010 either, according to leading economic research institutes.

Sources:

The Association of German Banks, Market Report April 2009

Spring economic forecast of the leading German economic research institutes, April 23, 2009

European Central Bank, Monthly Bulletin, April 2009

2.3. Trends in the Commercial Real Estate Market in Germany

The effects of the economic downturn were visible in the German commercial real estate market in the first quarter of 2009. Jones Lang LaSalle reported that a total of about 467,000 square meters of commercial space had been leased in Berlin, Dusseldorf, Frankfurt am Main, Hamburg and Munich, the biggest property markets. Compared to the same period last year, this figure indicates a drop of more than 30% and is the poorest interim result in five years.

Vacancies in the top five real estate markets rose slightly from 9.5% up to 9.6% in the first three months of 2009. Frankfurt am Main had the highest rate of vacancy at 12.2%. However, we estimate that the vacancy rate for premium properties in prime locations is considerably lower. The volume of space completed in the top German real estate markets increased by about 145,000 square meters in the reporting period, amounting to more than double the figure for the first quarter of 2008.

The highest rents have been falling slightly since the end of 2008 in Berlin, Frankfurt am Main and Munich. They did, however, remain quite steady in other property markets. Due to these changes, the leasing price index declined for the first time since the second quarter of 2005.

Source:

Jones Lang LaSalle, Office Market Overview Q1 2009

2.4. Significant Events During the Reporting Period

2.4.1. New member appointed to the Supervisory Board

Mr. Pål Berg was officially appointed to the supervisory board at IFM Immobilien AG by the Mannheim Local Court on January 14, 2009. Mr. Berg is an investment officer at the Norwegian company Havfonn AS, which is part of an investor group that holds a significant share in IFM Immobilien AG.

Pål Berg is the successor to Dr. Marcus Opitz, who resigned from the Supervisory Board on September 5, 2008.

2.4.2. Third managing director named at IFM Asset Management GmbH

Tobias Sauerbier was appointed managing director at IFM Asset Management GmbH as of January 30, 2009. In his new position, Sauerbier will mainly be responsible for project development and project management. He is a graduate in civil engineering (Diplom-Bauingenieur) and has worked for IFM Immobilien AG since the company was founded in 2006. The Executive Board contributed to the group's dynamic performance with the increase in management staff at the operation subsidiary.

2.4.3. The Romeo & Julia office towers are a leasing success

IFM achieved an leasing success with the Romeo & Julia office towers in Frankfurt's West End shortly after their completion. A total of 4,200 square meters and 1,000 square meters as an option for additional space were leased out at the exclusive office property. Tenants include a well-known internationally active law firm, a Scandinavian private equity firm and an investment bank.

The revitalized Romeo & Julia property now offers over 13,500 square meters of office space in addition to two exclusive penthouse apartments.

2.4.4. A new development concept for the Zeilgalerie

At a press conference in March 2009, IFM unveiled the planned development concept and architectural changes for Frankfurt's Zeilgalerie. Over the next two years, the Company is aiming to create a unique shopping concept that clearly stands out from what other shopping centers have to offer and adheres to future shopping trends as part of the "Zip Shopping" strategy. The new concept combines retail outlets with cafés, restaurants and cultural facilities. Investments in the property including revitalization work amount to about EUR 61 million.

2.5. Revenue and Results

IFM Immobilien Group's consolidated revenue totaled EUR 5.0 million in the first quarter of 2009. This figure represents an increase of 45.2% compared to the same period last year (EUR 3.4 million). The increase is attributed primarily to the additional rental income from the Zeilgalerie in Frankfurt am Main, acquired in July 2008, as well as the continued leasing of the Office Tower in Darmstadt and GutenbergPark in Mainz.

Other operating income totaled EUR 0.4 million, compared to 0.2 million in the first quarter of 2008. It consisted of tenant payments incidental to rent obligations.

Income from fair valuation of investment properties increased to EUR 3.7 million in the first three months of 2009 (same period in 2008: EUR 2.2 million). This is a result of the appreciation in value of the Romeo & Julia property following further investment (such as development and improvement work) and newly-signed leasing contracts.

The cost of goods sold, covering property maintenance and management costs in particular, rose to EUR 1.6 million from EUR 0.7 million in the same period in 2008. This change was due to the expansion in the Group's portfolio following the acquisition of the Zeilgalerie.

Personnel expenses increased from EUR 0.6 million in the first quarter of 2008 to EUR 0.8 million in the first quarter of 2009. This increase is due to the additional number of employees taken on in efforts to expand on business operations. As of March 31, 2009, IFM employed a staff of 37 (c.f. March 31, 2008: 27 employees).

Other operating expenses declined from EUR 1.3 million in the first quarter of 2008 to EUR 1.0 million. Last year's figure was influenced in particular by expenses incurred in moving IFM Immobilien AG to the regulated market (Prime Standard segment) of the Frankfurt Stock Exchange on April 30, 2008.

Interest and similar expenses went up from EUR 1.8 million in the first quarter of 2008 to EUR 2.7 million. Investments in ongoing projects and the acquisition of the Zeilgalerie contributed to this increase.

The loss on the fair valuation of derivatives used to hedge interest rates increased to EUR -2.1 million (first quarter of 2008: EUR -1.1 million) due to the continued decline in the interest rate level.

The net finance expense inclusive of net interest expense and the loss on fair valuation of derivatives was EUR -4.6 million compared to EUR -2.6 million in the same period last year.

The IFM Group reports an increased operating profit (before taxes) of EUR 1.0 million compared to EUR 0.6 million in the first quarter of 2008. Consolidated profit after taxes totaled EUR 0.5 million, remaining at the level for the same quarter in 2008. This corresponds to earnings per share of EUR 0.05 (same quarter for 2007: EUR 0.06).

2.6. Net assets

The net asset structure of the IFM Immobilien Group as of March 31, 2009 was affected by the additional expansion of the property portfolio, in contrast to the net asset structure reported as at December 31, 2008. Total net assets increased in the first three months from EUR 355.4 million to EUR 360.2 million.

Non-current assets totaled EUR 343.6 million, EUR 9.2 million higher than the same figure at the reporting date for the 2008 fiscal year (EUR 334.4 million). The value of investment property increased to EUR 280.5 million due to the appreciation in value of the Romeo & Julia property (December 31, 2008: EUR 274.3 million, +2.3%). The recognized value of property under development increased to EUR 48.1 million (December 31, 2008: EUR 45.2 million, +6.5%) due especially to additional investments in the Maxxon business park in Eschborn. The recognized value of the property Ulmenstrasse 22, used partly by the company itself, remains unchanged at EUR 8.8 million. Deferred tax assets were recorded at EUR 4.1 million, up from the EUR 3.5 million on the reporting date of the 2008 fiscal year.

Current assets were down to EUR 16.5 million as of March 31, 2009 (December 31, 2008: EUR 21.0 million). Liquid assets, which include securities and cash and cash equivalents, decreased to EUR 11.1 million (December 31, 2008: EUR 15.6 million) due to investments in ongoing projects.

2.7. Financial Position

The IFM Immobilien Group's total equity decreased slightly to EUR 100.0 million as of March 31, 2009 (December 31, 2008: EUR 100.6 million). This decrease can be attributed to the calculation of expenses on the fair valuation of cash flow hedges, which does not affect net profit. The equity ratio remained at a steady level at about 27.8% (December 31, 2008: 28.3%).

Long-term liabilities increased from EUR 180.3 million to EUR 184.0 million. This figure is attributed mainly to liabilities to financial institutions, which increased slightly from EUR 166.0 million to EUR 166.5 million over the course of property development projects. The recognized value of derivative financial instruments decreased EUR 7.4 million to EUR 4.6 million due to the declining interest rate level.

Short-term liabilities increased from EUR 74.5 million to EUR 76.2 million. This can be attributed to the increase in liabilities to banks from EUR 55.0 million to EUR 60.1 million. Current derivative financial instruments increased from EUR 2.9 million to EUR 3.8 million due to the change in the interest rate level. Other short-term liabilities and deferred expenses slid from EUR 9.0 million at the end of 2008 down to EUR 4.0 million. This downtrend was a result of the second payment installment for the property Zimmerstrasse in Berlin due on March 31, 2009.

The IFM Group cash flow from operational activities totaled EUR 0.3 million following the first quarter of 2009. This is a result of a considerably small increase in inventory, trade accounts receivable and other assets.

Investment activities resulted in a cash outflow of EUR 10.3 million. These investment activities include in particular those in the properties Romeo & Julia and Zeilgalerie in Frankfurt, Maxxon in Eschborn and the second payment installment for the Zimmerstrasse property in Berlin.

The cash flow from financing activities totaled EUR 5.6 million due to loan payments for ongoing project developments.

3. Risk report

The IFM Immobilien Group's risk profile has not changed significantly in 2009 compared to the information presented in the management report for the 2008 fiscal year. We refer readers to the annual report as at December 31, 2008 on this point.

4. Events after the Reporting Date

There were no events of particular significance for the IFM Group after the reporting date.

5. Outlook

The IFM Group performed solidly in the first quarter of 2009 both in terms of strategy and operations. These three months have provided us with a solid foundation on which to continue this year. Based on these results, the Executive Board expects to see an additional increase in the Group's consolidated revenue for 2009 from last year's revenue. The Group is focusing on its ongoing project development and asset management in order to bring about this growth.

The Executive Board is pursuing its goal of boosting the Group's growth path in the medium to long term. However, ongoing project development and asset management activities take the top priority at the moment due to the economic environment.

The following projects have particular potential for value creation: Frankfurt's Zeilgalerie shopping center will be the subject of a complete revitalization in 2009 and 2010. The new development concept includes structural alterations, complete maintenance and repair work and changes in the tenancy structure. The ongoing ground-up refurbishment and repositioning of the Maxxon industrial park in Eschborn should be completed in 2010. Progress is being made on the Kureck project in Wiesbaden in a close collaboration with the local authorities. Additional leases are to be signed for space in the Romeo & Julia office towers in Frankfurt.

The Executive Board is actively exploring the market for ways of realizing an appreciation in the existing portfolio through sales, if this can be accomplished at acceptable conditions.

Due to the volatile market environment, we will avoid making more concrete speculations for the remainder of 2009.

Overall, the Executive Board feels that, even in the current environment, the Group is well equipped to hold its own in the market, barring unforeseen adverse events that may have a material impact on IFM Immobilien AG.

Heidelberg, May 19, 2009

The Executive Board

Interim Consolidated
Financial Statements (IFRS)

Interim Consolidated Financial Statements (IFRS)

Group interim Balance Sheet as at March 31, 2009

	03/31/09	12/31/08
	EUR 000	EUR 000
Assets		
Non-current assets		
Investment properties	280,517	274,309
Properties under development	48,118	45,180
Land and buildings	8,765	8,820
Office and other equipment	508	505
Goodwill	389	389
Other intangible assets	213	184
Other non-current assets	1,000	1,248
Derivative financial instruments	59	242
Deferred tax assets	4,065	3,537
Total non-current assets	343,634	334,414
Current assets		
Trade accounts receivable	2,421	2,095
Other current assets and expenses paid in advance	1,470	506
Tax receivable	1,525	2,812
Securities	5,017	5,339
Cash and cash equivalents	6,096	10,247
Total current assets	16,529	20,999
Total assets	360,163	355,413

Interim Consolidated Financial Statements (IFRS)

Group interim Balance Sheet as at March 31, 2009

	03/31/09	12/31/08
	EUR 000	EUR 000
Equity and Liabilities		
Equity		
Issued capital	9,350	9,350
Additional paid-in capital	78,657	78,484
Other reserves	5,617	6,804
Retained earnings	6,264	5,810
Equity attributable to Group shareholders	99,888	100,448
Minority interests	139	134
Total equity	100,027	100,582
Long-term liabilities		
Liabilities to banks	166,528	165,992
Trade accounts payable	13	18
Derivative financial instruments	7,361	4,617
Deferred tax liabilities	10,064	9,672
Total long-term liabilities	183,966	180,299
Short-term liabilities		
Tax provisions	564	496
Other provisions	2,023	1,391
Liabilities to banks	60,104	55,010
Trade accounts payable	5,680	5,784
Derivative financial instruments	3,839	2,895
Other short-term liabilities and deferred expenses	3,960	8,956
Total short-term liabilities	76,170	74,532
Total equity and liabilities	360,163	355,413

Interim Consolidated Financial Statements (IFRS)

Group interim Profit and Loss Statement for the Period from January 1 to March 31, 2009

Consolidated Income Statement	Q1 2009 EUR 000	Q1 2008 EUR 000
1. Revenues	4,981	3,430
2. Other operating income	418	212
3. Income from fair valuation of investment properties	3,721	2,185
4. Cost of goods sold	-1,589	-665
5. Personnel expenses	-816	-577
6. Depreciation and amortization	-100	-93
7. Other operating expenses	-1,025	-1,312
8. Other interest and similar income	212	274
9. Interest and similar expenses	-2,704	-1,778
10. Gain or loss on fair valuation of derivatives	-2,122	-1,056
11. Operating profit	976	620
12. Income taxes (including: deferred taxes)	-517 (-438)	-72 (-30)
13. Consolidated profit after taxes	459	548
Attributable to minority interests	5	-1
Attributable to IFM AG shareholders	454	549
14. Cash flow hedges Fair value adjustments recognized in total equity	-1,746	13
15. Deferred taxes	559	-3
16. Result of income and expenses recognized directly in total equity	-1,187	10
17. Overall result	-728	558
Attributable to minority interests	5	1
Attributable to IFM AG shareholders	-733	558
18. Undiluted earnings per share (in EUR)	0.05	0.06
19. Diluted earnings per share (in EUR)	0.05	0.06

Interim Consolidated Financial Statements (IFRS)

Group interim Cash Flow Statement for the Period from January 1 to March 31, 2009

Consolidated Cash Flow Statement	Q1 2009 EUR 000	Q1 2008 EUR 000
1. Consolidated profit (loss)	459	548
2. + Depreciation and amortization of non-current assets	100	93
3. -/+ Other noncash income / expenses	-1,113	-1,024
4. - Increase / +Decrease in inventories, trade accounts receivable and other assets	-11	-1,791
5. - Decrease / + Increase in trade accounts payable and other liabilities	867	1,254
6. = Cash flow from operating activities	302	-920
7. - Cash paid for investments in investment properties	-2,487	-32
8. - Cash paid for investments in properties under development	-8,205	-7,429
9. - Cash paid for investments in intangible assets and property, plant and equipment	-77	-42
10. + Proceeds from selling securities	489	0
11. - Cash paid for the acquisition of consolidated companies	0	0
12. = Cash flow from investing activities	-10,280	-7,503
13. + Proceeds from bank loans	6,494	11,234
14. - Cash repayments of bank loans and other loans	-915	-1,282
15. = Cash flow from financing activities	5,579	9,952
16. Cash changes in cash and cash equivalents	-4,399	1,529
17. Other changes in cash and cash equivalents	248	0
18. + Cash and cash equivalents at beginning of period	10,247	17,622
19. = Cash and cash equivalents at end of period	6,096	19,151

Interim Consolidated Financial Statements (IFRS)

Group interim Changes in Equity for the Period from January 1 to March 31, 2009

	Issued Capital EUR 000	Reserves	
		Capital Reserves EUR 000	Other Reserves EUR 000
Status at January 1, 2008	8,500	69,439	9,716
Change in scope of consolidation	0	0	0
Stock option plans	0	121	0
Cash flow hedges	0	0	8
Profit (loss) for period	0	0	0
Status at March 31, 2008	8,500	69,560	9,724
Status at January 1, 2009	9,350	78,484	6,804
Stock option plans	0	173	0
Cash flow hedges	0	0	-1,187
Profit (loss) for period	0	0	0
Status at March 31, 2009	9,350	78,657	5,617

Interim Consolidated Financial Statements (IFRS)

Group interim Changes in Equity for the Period from January 1 to March 31, 2009

Retained earnings/ Distributable profit EUR 000	Equity Attributable to Group Shareholders EUR 000	Minority Interests EUR 000	Total Equity EUR 000
5,515	93,170	1,016	94,186
0	0	0	0
0	121	0	121
0	8	2	10
549	549	-1	548
6,064	93,848	1,017	94,865
5,810	100,448	134	100,582
0	173	0	173
0	-1,187	0	-1,187
454	454	5	459
6,264	99,888	139	100,027

Notes to the interim
Financial Statements

Interim Consolidated Financial Statements (IFRS)

Notes to the interim Financial Statements as at March 31, 2009

A General Information

IFM Immobilien AG (also "IFM," "IFM AG," or the "parent company") has its registered office and principal place of business in Heidelberg. The fiscal year is the same as the calendar year at all Group companies.

The preparation date for the interim consolidated financial statements as of March 31, 2009 was May 19, 2009, the date on which the Executive Board of IFM AG approved the interim consolidated financial statements for release. The interim consolidated financial statements have been prepared in euros (EUR), and all figures are indicated in thousands of euros (EUR 000).

The interim consolidated financial statements of IFM AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) for interim reporting as applicable in the European Union during the period under review. All IFRS endorsed by the EU which are required to be included as of January 1, 2009 have been taken into account.

B Summary of material consolidated accounting principles

Presentation principles

These interim consolidated financial statements were prepared in conformity with IAS 34, and are more limited in content than the consolidated financial statements as of December 31, 2008. For more information – including about the risk management system – we refer the reader to the consolidated financial statements as of December 31, 2008, on which these interim financial statements are based (available on the Internet at www.ifm.ag).

The revised IAS 1 requires changes to the presentation of financial statement components, which is reflected in the consolidated financial statements as of March 31, 2009. A Statement of Comprehensive Income prepared using the nature of expense method appears in place of a Profit and Loss Statement. The interim consolidated financial statements and interim report have neither been audited nor reviewed.

There has been no change to the scope of consolidation and consolidation principles since December 31, 2008. The interim consolidated financial statements were prepared uniformly for the periods shown here, in conformity with the following reporting and accounting principles.

General accounting principles

The same reporting and accounting principles were followed in the interim consolidated financial statements as in the annual consolidated financial statements as of December 31, 2008. In addition, the accounting standards required as of the 2009 fiscal year have been taken into account; particularly IAS 40 (rev. 2008) regarding the disclosure and valuation of properties being constructed for future use as investment property (see 1.2).

Interim Consolidated Financial Statements (IFRS)

Notes to the interim Financial Statements as at March 31, 2009

All other new accounting standards required as of the 2009 fiscal year have no effect on the presentation of the asset position, financial position and results of operations of IFM AG for the first quarter of 2009.

Material assumptions and estimates

The interim consolidated financial statements have adopted no material changes against the assumptions and estimates used in the financial statements as of December 31, 2008. The value of investment properties was assessed in appraisals prepared by independent, external expert appraisers on December 31, 2008. The figures presented in these appraisals were extended to March 31, 2009. These appraisals are based on the income capitalization approach. Underlying assumptions and estimates in these cases particularly relate to sustainable annual net income and property yields. Like the resulting fair values, they may fluctuate greatly over time and affect profits accordingly.

C Explanatory notes to the interim consolidated financial statements

1 Explanatory notes to the interim consolidated balance sheet

1.1 Investment properties

The line item for investment properties represents properties held to generate rental income and/or for capital appreciation.

In conformity with IAS 40, investment properties are measured at fair value. Changes in fair value are credited or charged to the income statement

	At 12/31/2008 EUR 000	Additions / reclassifications EUR 000	Changes in fair value EUR 000	At 03/31/2009 EUR 000
"Das Carré", Heidelberg	29,500	0	0	29,500
"westendFirst", Frankfurt	55,000	0	0	55,000
"Feldbergstraße", Frankfurt	3,450	0	0	3,450
"GutenbergPark", Mainz	20,700	0	0	20,700
"Kureck", Wiesbaden	33,400	0	0	33,400
"Office Tower", Darmstadt	12,800	0	0	12,800
"Romeo & Julia", Frankfurt	66,000	2,279	3,721	72,000
"Zeilgalerie", Frankfurt	53,459	208	0	53,667
	274,309	2,487	3,721	280,517

Interim Consolidated Financial Statements (IFRS)

Notes to the interim Financial Statements as at March 31, 2009

The fair value of the property "Romeo & Julia" was increased due to investments acquired as well as long-term leasing contracts signed in the first quarter of 2009.

1.2 Properties under development

In accordance with IAS 40 (rev. 2008), properties in the course of construction or development are classified as investment property as of January 1, 2009 and are to be listed at their fair value. A fair value was calculated for the property "Zimmerstraße" that was lower than the cost of acquisition or creation. The lower fair value was accounted for last year as a write-down as per IAS 16 in conjunction with IAS 36. In the case of the property "Maxxon", Eschborn, no fair value was calculated as it was deemed not reliably determinable in face of the current tough economic situation, as per IAS 40.53. In this case, the property was measured at the cost of acquisition/creation. The revisions to IAS 40 (rev. 2008) resulted in no changes to reporting or accounting methods for the quarterly financial statements as of March 31, 2009 in comparison with statements from the end of 2008. Borrowing costs directly attributable to the acquisition or production of assets over the course of the construction or development of real estate projects are capitalized as part of the cost of the asset, in accordance with IAS 23.

The carrying amounts of properties under development changed as shown below. Additions refer to acquisition costs, incidental acquisition costs, and costs of creation incurred up to the reporting date for the indicated real estate projects.

	At 12/31/2008 EUR 000	Additions / reclassifications EUR 000	At 03/31/2009 EUR 000
„Zimmer- / Mauerstraße", Berlin	15,000	0	15,000
„Maxxon", Eschborn	30,180	2,938	33,118
	45,180	2,938	48,118

1.3 Derivative financial instruments (assets)

In accordance with IAS 39, the figure recognized here is for interest rate agreements to hedge against the risk of changes in interest rates on existing loan agreements at variable rates based on the EURIBOR rate, with a remaining maturity of more than 12 months. These are fair-valued financial assets as indicated for each company below:

As of March 31, 2009, the fair values decreased once more to EUR 59 thousand (12/31/2008: EUR 242 thousand).

Interim Consolidated Financial Statements (IFRS)

Notes to the interim Financial Statements as at March 31, 2009

1.4 Deferred taxes

In accordance with IAS 12, the deferred tax assets includes line items that correspond to loss carried forward in the sum of EUR 4,970 thousand (12/31/2008: EUR 4,098 thousand), EUR 1,592 thousand (12/31/2008: EUR 949 thousand) in derivative financial instruments and EUR 210 thousand (12/31/2008: EUR 230 thousand) in other temporary differences.

The deferred tax liabilities correspond to EUR 12,487 thousand (12/31/2008: EUR 11,155 thousand) for property recognized under IAS 40 and to the sum of EUR 284 thousand (12/31/2008: EUR 257 thousand) in other temporary differences.

Deferred tax assets were set off against deferred tax liabilities at a sum of EUR 2,707 thousand (12/31/2008: EUR 1,740 thousand).

1.5 Cash and cash equivalents

A total balance at financial institutions and in cash amounted to EUR 6,096 thousand (12/31/2008: EUR 10,247 thousand). In the first quarter of 2009, the reduction of cash and cash equivalents was primarily a result of additional investments in ongoing project development.

1.6 Equity

Changes to the individual components of IFM AG Group's equity are presented in the Group Changes in Equity statement. The term "Distributable profit" has been replaced in this statement by "Retained earnings".

1.7 Derivative financial instruments (liabilities)

In accordance with IAS 39, the figure recognized here is for interest rate agreements to hedge against the risk of changes in interest rates on existing loan agreements at variable rates based on the EURIBOR rate, with a negative fair value. These are financial liabilities that are calculated from the relevant fair value. Due to the current global economic situation, these figures have increased to EUR -11,200 thousand (12/31/2008: EUR -7,512 thousand).

Derivative financial instruments are distributed as long-term and short-term liabilities according to the anticipated amortization. This holds true for derivative financial instruments that are not held for speculative purposes, but rather as economic risk-management instruments (even where the hedge accounting requirements do not exist). As of March 31, 2009, long-term liabilities resulting from derivative financial instruments correspond to EUR 7,361 thousand (12/31/2008: EUR 4,617 thousand) and short-term liabilities correspond to EUR 3,839 thousand (12/31/2008: EUR 2,895 thousand). Of these amounts, EUR 4,973 thousand (12/31/2008: EUR 3,227 thousand) is represented in other reserves (without deferred taxes being accounted for).

Interim Consolidated Financial Statements (IFRS)

Notes to the interim Financial Statements as at March 31, 2009

1.8 Other short-term liabilities and deferred expenses

The decrease in other short-term liabilities from EUR 8,956 thousand as of 12/31/2008 to EUR 3,960 thousand resulted from the payment of the remaining purchase price for the property "Zimmerstraße" at a sum of EUR 5,265 thousand.

1.9 Other financial liabilities

Other financial liabilities from rental, leasing, maintenance and repair contracts amount to a total of EUR 187 thousand as of March 31, 2009 (12/31/2008: EUR 911 thousand). This figure includes obligations that are part of the operating lease contract terms.

Commitments under current investment and ordering obligations amounted to EUR 7,808 thousand as of March 31, 2009 (12/31/2008: EUR 13,333 thousand).

2 Explanatory notes to the consolidated statement of comprehensive income

2.1 Gain or loss on fair valuation of investment properties

The fair valuation of investment properties in accordance with IAS 40 yielded an income of EUR 3,721 thousand (Q1 2008: EUR 2,185 thousand) in the first quarter of 2009 from the project "Romeo and Julia".

2.2 Gain or loss on fair valuation of derivatives

A noticeable downtrend has been visible in the level of interest rates on the capital markets since the third quarter of 2008. As a result, the market value of interest rate hedging instruments began sinking in the first quarter of 2009 down to EUR -2,122 thousand (Q1 2008: EUR -1,056 thousand).

2.3 Earnings per share

	Q1 2009	Q1 2008
Consolidated profit after minority shares (EUR 000)	454	549
Number of stocks	9,349,999	8,500,000
Undiluted / diluted earnings per share (EUR)	0.05	0.06

Interim Consolidated Financial Statements (IFRS)

Notes to the interim Financial Statements as at March 31, 2009

Stock options that were issued within the scope of capital increase (compare with Note 3020 in the Annual Financial Statement as of December 31, 2008) have not been accounted for in the calculation of the diluted earnings per share as the relevant goals had not yet been achieved at the reporting date.

3 Noteworthy events after the reporting date

No noteworthy events have arisen since the reporting date.

4 Segment reporting

No segment report in accordance with IAS 14 was prepared for the first quarter of 2009 or the comparison period since the Group companies operate in a single business segment and in only one geographical segment.

5 Supervisory Board and Executive Board

Supervisory Board

The composition of the Supervisory Board of IFM AG changed as follows in the first quarter of 2009:

Mr. Pål Berg was officially named Member of the Supervisory Board at IFM Immobilien AG by the Mannheim Local Court on January 14, 2009. Pål Berg is an investment officer at Norwegian company Havfonn AS, which is part of an investor group that holds a significant share in IFM Immobilien AG.

Executive Board

The Executive Board of IFM AG remains unchanged since December 31, 2008 with the following members:

- Georg Glatzel (CEO), graduate economist (Diplom-Volkswirt) and real estate economist (EBS), Heidelberg
- Marcus Schmitz (CFO), graduate in business administration (Diplom-Betriebswirt FH), Frankfurt

For information on the existing stock option plan, we refer the reader to the consolidated financial statements as of December 31, 2008. No additional stock options were granted to members of the Executive Board in the first quarter of 2009.

A personnel expense of EUR 173 thousand was recognized for the stock option plans in the first quarter of 2009 (Q1 2008: EUR 121 thousand).

Interim Consolidated Financial Statements (IFRS)

Notes to the interim Financial Statements as at March 31, 2009

6 Directors' Dealings notification pursuant to Section 15a of the German Securities Trade Act

The structure of the body of shareholders changed in the first quarter of 2009 to the effect that members of the Supervisory Board and Executive Board as well as related parties purchased or sold IFM AG stocks during the reporting period. More detailed information on such transactions with duty of notification pursuant to Section 15a of the German Securities Trade act can be found at www.ifm.ag in the section "Corporate Governance" under "Directors Dealings".

7 Related party transactions

There have been no changes worth mentioning for IFM AG in this reporting period in comparison with the information as of December 31, 2008.

8 German Corporate Governance code

The latest Declarations of Compliance with the German Corporate Governance Code was issued by the Executive Board and Supervisory Board as required under Section 161 of the German Stock Corporation Act and made accessible at the company website www.ifm.ag.

Heidelberg, May 19, 2009

Georg Glatzel

Marcus Schmitz

Appendix
Interim Consolidated
Financial Statements

Appendix 1

Changes in Consolidated Statement of Changes in Non-Current Assets as of March 31, 2009

	Cost of acquisition or creation				
	At 01/01/2009	Additions	Disposals	Reclassifi- cations	At 03/31/2009
I. Investment properties	253,760	2,487	6	6	256,247
II. Properties under development	45,784	2,938	0	0	48,722
III. Land and buildings	9,039	0	0	0	9,039
IV. Advance payments made on property, plant and equipment	0	0	0	0	0
V. Office and other equipment	827	41	0	-6	862
VI. Goodwill	389	0	0	0	389
VII. Other intangible assets	265	42	0	0	307
	310,064	5,508	6	0	315,566

Changes in Consolidated Statement of Changes in Non-Current Assets as of March 31, 2009

Depreciation and amortization			Changes in fair value per IAS 40			Carrying amount	Carrying amount	
At 01/01/2009	Additions (planned)	Disposals	At 03/31/2009	At 01/01/2009	Additions	At 03/31/2009	At 03/31/2009	At 12/31/2008
0	0	0	0	20,549	3,721	24,270	280,517	274,309
604	0	0	604	0	0	0	48,118	45,180
219	55	0	274	0	0	0	8,765	8,820
0	0	0	0	0	0	0	0	0
322	32	0	354	0	0	0	508	505
0	0	0	0	0	0	0	389	389
81	13	0	94	0	0	0	213	184
1,226	100	0	1,326	20,549	3,721	24,270	338,510	329,387

Forward-Looking Statements and Information Obtained from Third Parties

This interim report contains certain forward-looking statements. Forward-looking statements are any statements that are not about historical facts and events. Such statements appear at numerous points in this annual report, particularly where information is given about the Company's intentions, beliefs or current expectations in regard to its future financial earnings, plans, liquidity, outlook, growth, strategy and profitability, as well as the economic conditions to which it may be exposed. Such statements are based on the Company's current estimates, arrived at to the best of the Company's knowledge, but they are subject to risks and uncertainties, inasmuch as they refer to events and are based on assumptions that may not bear out in the future. For that reason they cannot constitute a warranty for future developments. In view of the risks, uncertainties and assumptions involved, the future events mentioned in this interim report may also not come to pass, and certain assumptions may prove inaccurate.

The business activities of IFM Immobilien AG are subject to a number of risks that may likewise render a forward-looking statement, estimate or prediction inaccurate, and that may cause the business performance as well as the asset position, financial position and results of operations of IFM Immobilien AG to deviate from projections. Such deviations may be negative or substantial in nature. The most important factors that may result in such deviations include the regulatory environment of the real estate market, measures taken by regulatory and permit-issuing authorities, the permit environment, and changes in the real estate industry in those states and regions where IFM Immobilien AG does business. Other uncertainty factors include acceptance of and demand for real estate, competitors' behavior, uncertainties as to whether developed properties can be let at the expected prices, and changes in legislation, particularly changes regarding taxes. Additional risk factors and events published in annual reports and other declarations by IFM Immobilien AG must also be taken into account.

This interim report includes information about the market and the real estate sector, as well as other statistical data and predictions about the markets that are of relevance for IFM Immobilien AG. This information is based on market statistics and industry reports, as well as other information available to the public, as well as estimates by IFM Immobilien AG, which in turn are (generally) based on published data or figures from sources available to the public. The Company itself has not separately checked the information taken or derived from market and industry publications or other third-party studies and reproduced in this annual report. For that reason it assumes no liability or warranty as to the accuracy of such information contained in this annual report. The reader should note that certain estimates on the part of the Company are based on such third-party studies. These estimates by the Company have not been checked by independent experts. Other parties may arrive at other conclusions by applying other methods for the collection, analysis or calculation of market data. Therefore, for all third-party publications relating to the market and industry and referred to in this annual report, it must be understood that the Company believes that the information they contain is reliable, but cannot guarantee the correctness or completeness of that information. Such market and industry studies are often based on information and assumptions that may be neither accurate nor appropriate to the circumstances, and their methods by their nature are often prospective and speculative.

Neither IFM Immobilien AG nor its Executive Board offers any guarantee that the opinions expressed in this interim report will prove to be correct, or that projected developments will actually occur. The Company assumes no obligation to amend forward-looking statements or revise them in light of future events or developments, or to update them in any other way.



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Financial Calendar 2009

Annual Meeting

June 2009

Release Mid-Report

August 2009

Release Q3 Report

November 2009

Analyst Conference

November 2009



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