IFM IMMOBILIEN AG

Declaration of Conformity with the Corporate Governance Code Pursuant to § 161 of the German Stock Corporation Act

On March 15, 2011, the Executive and Supervisory Boards of IFM Immobilien AG declared that they have complied and will comply with the recommendations of the Government Commission on the German Corporate Governance Code, with the exceptions listed.

In addition to fixed compensation, the members of the Supervisory Board have received perfomance-based compensation in compliance with Item 5.4.6 Para.2 Clause 2 of the Code until now. Upon submission of the declaration of conformity of March 15, 2011, the intent was to continue with this in the future. However, the Executive and Supervisory Boards came to a decision on April 11, 2011 to propose to the regular annual shareholders' meeting on May 24, 2011 to switch to only fixed compensation for members of the Supervisory Board and to modify the company's articles of association accordingly. As the declaration of conformity of March 15, 2011 no longer reflects the current intentions of the Executive and Supervisory Boards in regard to Item 5.4.6 Para. 2 Clause 1 of the Code, the Executive and Supervisory Boards hereby submit the following declaration of conformity, which has been modified accordingly:

The benchmark for the company's past actions was previously the Code concluded on June 18, 2009, which was published in the electronic Federal Gazette on August 5, 2009, under consideration of any changes made in the version concluded May 26, 2010 and published July 2, 2010 in the electronic Federal Gazette. In the future, the Declaration shall refer solely to the May 26, 2010 version of the Code.

– Item 2.3.2 of the Code: The company considers publishing the invitation to the annual shareholders' meeting in the electronic version of the Federal Gazette to be sufficient.

– Item 3.8 of the Code: The D&O insurance for the Executive and Supervisory Boards did not include a retained amount until June 30, 2010. A retained amount was agreed on for the Executive Board effective July 1, 2010, which corresponds to the requirements of the law on the appropriateness of executive board compensation. A retained amount will continue to not be employed in future for the Supervisory Board, since the company does not believe that a retained amount could further boost the motivation and responsibility with which the members of the Supervisory Board perform their duties. Furthermore, the company believes that D&O insurance serves to secure significant own company risks and not just to protect the personal assets of the members of the advisory boards.

– Item 4.1.5 of the Code: In recruitment for management positions at the company, the professional expertise of candidates is the primary consideration (for both men and women). Attention is paid to diversity and including an appropriate number of women.

– Item 4.2.3 of the Code: There has not been any cap limiting variable types of compensation for the Executive Board in extraordinary and unexpected circumstances in the past. As part of the adjustment of the contracts of both members of the Executive Board with their contract renewal and the change to the variable compensation scheme for Executive Board members in regard to the law on the appropriateness of executive board compensation, limitation options have been agreed for the Supervisory Board.

The contracts of employment for Executive Board members, however, still do not contain any provisions to the effect that a member of the Executive Board who terminates their contract prematurely without good cause may not receive severance payment exceeding two years salary including incidental benefits (severance payment cap) or that they may only be remunerated for the remaining term of the contract. The company believes that including an explicit, fixed severance payment cap in employment contracts for members of the Executive Board would restrict the freedom of the Supervisory Board and would not be appropriate for each individual case.

– Items 4.2.4, 4.2.5, 5.4.6, 7.1.3 of the Code: In line with the decision of the annual shareholders' meetings of July 18, 2008 and June 22, 2010, the company refrains from disclosing the individual compensation of the members of the Executive Board. Thus, the corporate governance report does not include a compensation report. In addition to non-disclosure of the individual Executive Board salaries, the company also refrains from disclosing individual remuneration and company benefits for services performed by the individual members of the Supervisory Board, as permitted by the law. Apart from the mandatory declarations required by the law, the company has no intention to publish any actual details of stock option programs, similar stock-based incentive schemes at the company or comparable compensation schemes with long-term risks and incentives. The Executive and Supervisory Boards believe that the mandatory declarations provide investors and the general public with sufficient information.

In addition to fixed compensation, the members of the Supervisory Board have received performance-based compensation in compliance with Item 5.4.6 Para. 2 Clause 2 of the Code. However, the Executive and Supervisory Boards have decided to propose to the regular annual shareholders' meeting on May 24, 2011 to switch to only fixed compensation for members of the Supervisory Board and to modify the company's articles of association accordingly. The change shall come into effect for the first time for the fiscal year commencing January 1, 2011. The Executive and Supervisory Boards believe that the independence of the Supervisory Board is better served with purely fixed compensation than with performance-based compensation, and that the change in the system of compensation will further reinforce the independence of the Supervisory Board.

– Item 4.3.1 of the Code: Due to the nature of their contracting duties and based on the decision of the Group's Supervisory Board, the CEO is entitled to certain exemptions from the anti-competition clause as stipulated by the law. The company does not believe that this arrangement will pose any significant disadvantages to the company.

– Item 5.1.2 Clause 1 of the Code: The Supervisory Board generally supports the basic goal of paying attention to diversity and an appropriate number of women in the members of the Executive Board. However, the company's Executive Board is currently only composed of two people. During the recent contract renewal of both members as Executive Board members, the Supervisory Board foremost considered the professional expertise of the members, satisfaction with past work and continuity in the company's management. As a change to the composure of the Executive Board was not seen as necessary, the issue of paying attention to points of diversity or the number of women could not be taken into account, as it would have been in the selection of new candidates.

- Item 5.1.2 Para. 2 Clause 3 of the Code: The Supervisory Board has not set an age limit for members of the Executive Board. The members of the Supervisory Board believe that an individual's suitability to manage the company depends greatly on individual abilities.

– Item 5.3.3 of the Code: After the resignation of Mr. Lechner from the company's Supervisory Board, the Nominating Committee, which previous consisted of three members, currently only has two members. No new recruitments have been made. The company reserves the right to a complete dissolution of the committee, since its duties could also be carried out by the Supervisory Board as a whole.

– Item 5.4.1 Clause 2 and 3 of the Code: During the last amendments to the Code, a new recommendation was included in Item 5.4.1, which states that the Supervisory Board shall propose concrete goals which take the company's international activities, potential conflicts of interest, a set age limit for members of the Supervisory Board and diversity, especially the inclusion of an appropriate number of women, into account under consideration of the company's specific situation.

The Supervisory Board has not formed a final impression yet as to whether the formal proposal of such concrete goals for the company is suitable in all aspects, based on the company's low number of staff, and for the activities limited to Germany, as well as which goals could be suitable for the company based on its specific situation. This new recommendation has thus not been conformed with up to now. Accordingly, the goals stated have not been taken into account in any vote proposals and cannot be taken into account in an appropriate report in the Corporate Governance Report.

The Supervisory Board will decide in due time whether such a formal statement of goals should be undertaken in future, while reserving the right to deviate from this recommendation as well in future.

– Item 5.4.3 Clause 1 and 3 of the Code: In the past, members were sometimes elected to the Supervisory Board by way of a list based system or by voting for candidates en bloc in accordance with the relevant provisions of case law. The company would like to have the option to use these methods for selection of Supervisory Board members in future as well for reasons of efficiency. Candidates for election as the chairman of the Supervisory Board will not be announced so that the Supervisory Board can continue to elect a chairman on an unbiased basis.

– Item 5.6 of the Code: No formal tests of efficiency have ever been performed for the Supervisory Board as the company does not believe that the time and expense that would be required and/or the inclusion of outside consultants for this would be reasonable compared with the anticipated benefits for the company. The company will reassess this decision in due time. However, the company will in all likelihood continue to forgo formal tests of efficiency in the future.

– Item 6.6 of the Code: The company considers the legal requirements of reporting and publication of stock transactions by members of the Executive and Supervisory Boards to be sufficient.

– Item 7.1.2 Clause 3 of the Code: The interim reports are not all published within 45 days following closure of the reporting period. The deadline is exceeded by a few days due to the large scope of consolidation in individual cases. Efforts will be made to comply with the deadline in future.

The Declaration of Conformity is to be published on the website of IFM Immobilien AG at www.ifm.ag for a period of five years.

Frankfurt, April 11, 2011