

Press Release

Positive Business Performance of IFM Continues in Q1 2010

Consolidated Income Rises to 1.1 Million Euros

Frankfurt am Main, May 20, 2010: Notwithstanding the persistently difficult market environment, the group IFM Immobilien AG has reported positive growth for the first quarter of 2010. Sales revenues equalled 4.8 million Euros. The net operating profit came to 5.4 million Euros, while the consolidated income rose to 1.1 million Euros, up from 0.46 million Euros for the same period last year. To download the full-length interim report for the first three months of 2010, please visit IFM Immobilien AG on the Internet (www.ifm.ag).

Georg Glatzel, CEO of IFM Immobilien AG: "We consider the results of the first quarter of 2010 as a sound basis for continued positive growth in the ongoing year. Regardless of the pace at which Germany's economic stabilisation will proceed, we believe that IFM is very well positioned on the market. Particularly the past few months have shown that our portfolio's focus on high-end office and retail properties in prime locations represents a segment that has seen a comparatively lively tenant demand even in times of an altogether sluggish take-up. The fact that we managed to translate this focus into corresponding economic success is due not least to the professional letting management of IFM and the innovative approaches it pursues in marketing its real estate. Following the great start during the first quarter, we are facing the remainder of the 2010 financial year with optimism. The demanding current market environment offers special opportunities for anti-cyclical investments, and we will carefully analyse and exploit these whenever our investment criteria are met."

Year-to-Date Highlights

Among the essential milestones of the three opening months of 2010 count the sales of the assets westendFirst and Ulmenstrasse 22 that, while transacted in December 2009, were closed during Q1 2010 and included in that quarter's income statement. IFM collected a total of more than 66.4 million Euros through these two transactions, more than doubling the equity originally committed, and significantly bolstering the company's liquidity. The sales proceeds from these two properties give IFM ample financial leverage to take advantage of current market opportunities for new investments.

IFM also has new achievements to report from its ongoing projects. Prominent cases in point are the procurement of the zoning for the conversion of Zeilgalerie, including a high-end façade design, and new forward lease commitments signed for the Maxxon business park in Eschborn.

Group Revenue and Earnings Performance

During the first three months of 2010, the consolidated revenues equalled 4.8 million Euros. The slight 3.4 percent year-on-year decrease (Q1 2009: 5.0 million Euros) is explained by the sale of the westendFirst property as at March 1, 2010, on the one hand, and by the tenant removal efforts undertaken in conjunction with the Zeilgalerie project development, on the other hand. Other operative earnings added up to 3.4 million Euros, up from 0.4 million Euros in Q1 2009, and include a 2.87 million Euro item that represents the sales profit from the disposal of the Ulmenstrasse 22 property. The consolidated earnings after taxes came to 1.1 million Euros, compared to after-tax earnings of 0.5 million Euros for the first quarter of 2009. This translates into 0.12 Euros in earnings per share (up from 0.05 Euros for the same period last year).

Consolidated Balance Sheet Performance

As at March 31, 2010, the asset structure of IFM Group was essentially defined by the sales of the two properties westendFirst and Ulmenstrasse 22 in Frankfurt am Main, as well as by the ongoing development of the real estate portfolio since the balance sheet date of December 31, 2009. During the first three months of 2010, the Group's total assets decreased from 372.6 million Euros to 335.9 million Euros. Due to a slight increase in equity that coincided with the decline in total assets, the equity ratio rose to 31.1 percent (up from 27.4 percent as at December 31, 2009).

Outlook

The Executive Board of IFM Real Estate AG deems the business development seen so far a solid basis for the 2010 financial year as a whole. It continues to uphold its objective to proceed with the group's growth course, and will concentrate on the ongoing project developments and the portfolio management, as well as on new investment opportunities and possibly on anti-cyclical commitments.

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About IFM Immobilien AG:

IFM Immobilien AG is an investor and project developer specifically of commercial real estate, with an emphasis on office and downtown retail uses. In addition to conventional project development, its business operations include the redeveloping, restructuring and repositioning of commercial properties. The properties that IFM acquires generally stand out due to what IFM sees as an attractive risk/reward profile, great potential for development and appreciation, and preferred locations. Using this strategy and the company's core competencies in the areas of redevelopment, restructuring and repositioning, IFM Immobilien AG revitalizes properties and thus creates what it believes will be sustainable property values.

Key Ratios of IFM Group (IAS / IFRS)

Performance ratios

in MM Euros	Q1 2010	Q1 2009
Revenues	4.81	4.98
Gain or loss on fair valuation of investment properties	2.10	3.72
Operating profit	1.20	0.98
Profit after taxes and minority interests	1.10	0.55
Earnings per share (undiluted, in Euro)	0.12	0.05

Balance sheet ratios

in MM Euros	March 31, 2010	December 31, 2009
Total assets	335.9	372.6
Non-current assets	299.8	294.0
– including: investment properties	292.4	287.0
Equity:	104.3	102.2
– including: subscribed capital	9.4	9.4
Equity ratio (in percent):	31.1	27.4
Borrowings	231.6	270.4
– including: long-term borrowings, including liabilities to banks	201.9	232.2