

CORPORATE NEWS

POLIS Immobilien reports rising funds from operations for the first nine months of 2009

- **Income from property management rises to EUR 9.1 million**
- **Operating cashflow increases to EUR 7.3 million**
- **Slight decline in rental income due to sale of properties and ongoing refurbishment**
- **Funds from Operations up to EUR 3.3 million**
- **Net Asset Value per share improved to EUR 14.00**

Berlin, 5 November 2009 – POLIS Immobilien AG [ISIN: DE0006913304] once again coped well with the challenging market environment during the first nine months of 2009. The period saw further improvements in the company's operating performance. Funds from operations, which are adjusted for valuation gains and sales proceeds, rose by 89 percent to EUR 3.3 million (previous year: EUR 1.8 million). As expected, the 2008 sale of two investment properties and the start of additional refurbishing measures resulted in a slight decline in rental income to EUR 10.8 million (previous year: EUR 11.1 million). Income from property management nevertheless rose from EUR 8.9 million in the comparable prior period to EUR 9.1 million. Operating cashflow rose by approximately five percent to EUR 7.3 million (previous year: EUR 6.9 million). Consolidated net income for the nine-month period, at EUR 1.2 million, is below the prior-year level (EUR 3.5 million), but shows a clear increase to EUR 3.3 million after adjustment for one-time effects from revaluations of EUR 2.1 million (prior-year result adjusted for one-time effects from disposals and revaluations: EUR 1.6 million). Net asset value (NAV) per share rose from EUR 13.89 to EUR 14.00 per share during the reporting period.

This year the specialist for the refurbishment and management of downtown office properties in Germany is focusing on major revitalisation measures which are implemented as scheduled. "These measures enhance the lettability of our properties and drive property appreciation," says Dr. Alan Cadmus, CEO of POLIS. The comprehensive revitalisation of the property at Konrad-Adenauer-Ufer 41-45 in Cologne is nearing completion and has already attracted a silver advance certificate from the German Sustainable Building Council. The Berlin-based company received the same certificate for the modernisation of the property at Büchsenstrasse 26 in Stuttgart. "These projects demonstrate how even existing buildings can be optimised in

environmental terms. The age of a property need not be a barrier to energy efficiency and sustainability,” Dr. Cadmus said.

The property at Büchsenstrasse 26 in Stuttgart was vacated by the tenants on schedule ahead of the comprehensive modernisation works. This has resulted in a temporary decline in the letting ratio to slightly below 70 percent. Dr. Cadmus commented: “We are absolutely confident that we will be able to boost the letting ratio, and thus our rental income, in the near future.” The company is currently not planning any additional major revitalisation activities. Despite the challenging market, POLIS successfully let some 7,000 square metres of office space during the first nine months of 2009.

Dr. Cadmus explained: “Our main task at this time is to complete the revitalisation projects on schedule and to relet the properties, thereby continuing to improve our key ratios.” In addition, POLIS has noted a pick-up in property trade. “Our financial resources and our good equity capitalisation of 51 percent give us sufficient flexibility to make opportunistic acquisitions,” said Dr. Cadmus.

The interim report for the period ended 30 September 2009 is available for downloading on the company's website at <http://www.polis.de/english/IR/zwischenberichte.php>.

POLIS Immobilien AG is a listed real estate company, founded in Berlin in 1998, which buys, refurbishes and manages office properties in prime central business districts in the leading German cities. The company acquires properties which are either renovated and have a high occupancy rate, thus generating a stable cash flow over time, or office buildings which are in need of refurbishment and present an opportunity for a meaningful appreciation in value. Following renovation or refurbishment, the company seeks to generate additional returns for its shareholders with a moderate degree of property sales. POLIS currently owns and manages 34 investment properties with a fair market value of approximately EUR 280 million. The company's real estate portfolio was awarded a rating of “A” (=very good) by Feri EuroRating Services AG as of December 31, 2008. POLIS shares are listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. For further information on POLIS please visit www.polis.de.

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