

## CORPORATE NEWS

### POLIS Immobilien boosts rental volumes in first quarter

- **Operating business remains stable, solid equity ratio of 49 percent**
- **Modernisation-related vacancies exert temporary negative impact on key results**
- **Non-cash-effective impairment losses on interest-rate hedging instruments feed through to slightly negative quarterly result**

**Berlin, May 6, 2010** – POLIS Immobilien AG [ISIN: DE0006913304] has already let around 2,800 square meters of office space in the first three months of the current fiscal year, thereby exceeding the prior-year period's letting volume. The company is modernising office properties in good inner-city locations, for example in Stuttgart, Düsseldorf and Cologne. Due to modernisation-related vacancies, rental income in the first three months of the year fell to EUR 3.2 million (previous year: EUR 3.8 million), while income from property management dropped to EUR 2.5 million (previous year: EUR 3.3 million). The earnings decline was partially compensated by a lower interest expense at EUR 1.1 million (previous year: EUR 1.3 million). Funds from operations, which are adjusted for the valuation gains and sales proceeds, amounted to EUR 1 million (previous year: EUR 1.2 million). Further non-cash-effective valuation losses on interest-rate hedging instruments of EUR 1.5 million (previous year: EUR 1.3 million), which were due to the further decline in market interest rates, resulted in a slightly negative consolidated net result of TEUR -521 (previous year: TEUR -135). With a look forward to higher rental income and a rising utilisation level following the modernisation, POLIS Immobilien anticipates high earnings potential.

The specialist for the modernisation and management of office properties achieved operating cash flow of EUR 2.2 million in the first quarter (previous year: EUR 2.6 million). The equity ratio stood at 49 percent on March 31, 2010 (previous year: 50 percent). The company is able to expand and further develop its portfolio thanks to its good capital backing. "The increase in investment market transactions points to opportunities that we potentially also wish to exploit. We continue to aim for a portfolio of around EUR 300 million," commented Dr. Alan Cadmus, Chief Executive Officer of POLIS Immobilien. POLIS Immobilien's real estate portfolio currently comprises a total of 34 properties with a market value of around EUR 287 million.

Driven by the economic recovery, demand for office properties in the first quarter was up again for the first time on a quarterly comparison, following six consecutive declines. POLIS Immobilien is benefiting from this trend: for example, in the first quarter, the company let an office comprising more than 800 square meters in the Hanover banking district. Initial successes are also emerging in Düsseldorf: on May 1, the Engel Canessa Group, which specialises in commercial properties, moved into a 520 square meter office owned by POLIS Immobilien. "We are assuming that the economic situation will recover further over the next few months, and that the demand for office properties will continue to firm up," Dr. Alan Cadmus went on to comment. The company anticipates steady rental income for the current year, and has set itself the target of raising its letting ratio on a sustainable basis. Rental income is set to rise significantly in 2011.

The interim report as of March 31, 2010 can be downloaded from the company's website at <http://www.polis.de/english/IR/zwischenberichte.php>.

**POLIS Immobilien AG**, which was founded in Berlin in 1998, is listed real estate company that buys, refurbishes/revitalises, and manages office properties for its own portfolio. The company focuses on one market segment: office properties in inner-city locations at the most important German office centres. The company acquires properties that are either already renovated and are completely let, thereby generating stable cash flow, or properties that are vacant or require modernisation, and which offer specific value appreciation potential. This potential may be realised by corresponding modernisation measures or full revitalisation. The company pursues a moderate buy-and-sell strategy. POLIS Immobilien's real estate portfolio currently comprises a total of 34 properties with a market value of around EUR 287 million. POLIS shares are listed on the regulated market (Prime Standard) of the Frankfurt Securities Exchange. Further information can be found at [www.polis.de](http://www.polis.de).

**Investor relations:**

Dr. Alan Cadmus  
POLIS Immobilien AG  
Tel: +49 30 225 00 250  
E-mail: [ir@polis.de](mailto:ir@polis.de)  
URL: [www.polis.de](http://www.polis.de)

**Press contact:**

Britta Cirkel  
HOSCHKE & CONSORTEN Public Relations GmbH  
Tel: +49 40 36 90 50- 56  
E-mail: [b.cirkel@hoschke.de](mailto:b.cirkel@hoschke.de)