

PRESS RELEASE

Publication of interim report:

POLIS Immobilien increased its letting ratio in the first half-year

- **Roughly 10,900 square metres of newly let office space**
- **Figures for first half of 2010 temporarily reduced due to modernisation-related vacancies**
- **Optimisation of portfolio structure has started – POLIS Immobilien plans to buy and sell further properties**

Berlin, 5 August 2010 – In the first half of 2010, POLIS Immobilien AG [ISIN: DE0006913304] increased its letting ratio moderately to 71 percent (from 69 percent on 31 December 2009) and let as much as 10,900 square metres (same period of the previous year: 3.100 square metres). Most of the newly let space will be handed over to the new tenants in the following quarters, which means that the letting ratio will continue to rise. The conclusion of new leases was especially positive in the second quarter. The “Amt für Liegenschaften und Wohnen” in Stuttgart has let roughly 4,620 square metres in a building complex owned by POLIS Immobilien with effect from January 2011. POLIS Immobilien was also successful in Düsseldorf, where leases were signed for the office and retail buildings at Kasernenstraße 1 and Berliner Allee 42, which are now fully let. The company is optimistic that additional properties will be let in the second half of the year. “We believe that the positive labour market situation and the economic recovery will make themselves felt in the property market with a certain delay, which means that increased demand for high-quality office space is expected for the second half of the year,” said Dr. Alan Cadmus, Chief Executive Officer of POLIS Immobilien.

Modernisation to have positive impact on future performance

In a constantly improving market environment, POLIS Immobilien continued its strategy of pushing ahead the modernisation with a view to increasing the value of the office properties. As lettings rise in the coming quarters, this strategy will have a positive effect on the relevant key figures. In the first six months the modernisation projects temporarily had an adverse impact on the relevant figures due to lower rental income and modernisation expenses. Income from property management declined to EUR 4.8 million (previous year: EUR 6.3 million), while EBIT dropped to EUR 3.2 million (previous year: EUR 4.3 million). Funds from

operations (FFO), which are adjusted for the valuation gains and sales proceeds, amounted to EUR 1.5 million, compared to EUR 2.3 million in the same period of the previous year. For the first half of 2010, the specialist for property modernisation and management reported a cash flow from current operations of EUR 4.3 million (previous year: EUR 5.4 million). Says Alan Cadmus: "We have already achieved a lot and are on the right way, but 2010 is nevertheless a year of transition. We expect much more positive figures for next year." The company is well financed, which is reflected in an equity ratio of roughly 49 percent on 30 June 2010. POLIS Immobilien invests almost exclusively in properties in established locations in Germany's most important business districts and relies on active asset management to consistently increase the value of its property portfolio. All processes are geared to tenants' requirements. This pays off when the company's team of experienced real estate specialists addresses new tenants. "We are confident that our business performance will continue to improve in the coming months as the revitalisation projects are completed and the properties are let. We will then prove our strengths," said Alan Cadmus.

Optimisation of portfolio structure has started

POLIS Immobilien is currently optimising its portfolio by selling individual properties in cities that are not among the locations that are relevant for the company. Contracts for the sale of three properties were signed in the second quarter. The sales will also increase the company's financial scope for the acquisition of new properties. POLIS Immobilien already has a good capitalisation and intends to seize opportunities to expand its office property portfolio as they arise.

The interim report for the period ended 30 June 2010 is available for downloading on the company's website at <http://www.polis.de/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 Immobilien shares are listed on the regulated market (Prime Standard) of the Frankfurt Securities Exchange. Further information can be found at www.polis.de.

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