

AD HOC RELEASE

POLIS Immobilien achieves unexpected good valuation result in the first quarter 2011

- Result for the first quarter is expected to be much better than in the previous year

Berlin, 21 April 2011 – POLIS Immobilien AG [ISIN: DE0006913304] reported a valuation result of approx. EUR 8 million for the first quarter (previous year: EUR -1.6 million). Accordingly, the result for the quarter is expected to be much better than in the previous year.

The result from the revaluation of investment properties climbed to approx. EUR 6 million (previous year: EUR -0.1 million) in the first quarter and benefited primarily from the three investment properties acquired in Dresden with effect from 1 January 2011, which were recognized for the first time. The company was able to win new tenants immediately after the acquisition of these investment properties and also benefited from the fact that a lease for approx. 2,300 square metres of retail space was renewed at better conditions. Moreover, POLIS Immobilien was able to continue the good letting performance of the previous year and to increase the letting ratio to 79 %. The values continue to be determined at the time of acquisition of new investment properties and at least once a year by external appraiser Feri EuroRating Services. Since the last quarter 2010, the market values of investment properties for which no fundamental changes have occurred and which were not valued by Feri at the end of the quarter have been determined in the context of internal valuation.

POLIS Immobilien also benefited from the continued increase in interest rates. The rise in market rates led to a valuation gain on interest rate hedging instruments of EUR 2.3 million (previous year: EUR -1.5 million). The company uses interest rate hedges to hedge at least 50 to 70 percent of its loans against changes in interest rates.

POLIS Immobilien intends to increase its income from property management in 2011 in order to lay the foundation for continued growth in 2012. Given that much of the valuation result of the first quarter is due to the initial recognition of newly acquired investment properties and to changes in the valuation of financial instruments, comparable valuation results are not expected in the coming quarters due to the non-recurrent nature of these effects.

For more information, refer to the report on the first quarter, which will be published on 5 May 2011.

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. As of 1 January 2011, POLIS Immobilien's real estate portfolio comprises a total of 37 properties with a market value of around EUR 306 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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