



Dr Wolfhard Lechnitz

„Currently we are evaluating if a part of our office property portfolio may float into a REIT“

INTERVIEW WITH DR WOLFHARD LEICHNITZ, CEO, IVG IMMOBILIEN AG

Speaking about G-REITs, one should not forget IVG Immobilien, as one of the largest listed property companies in Europe. Dr Lechnitz, CEO of IVG Immobilien explains in the interview what the companies' plans are.

REAL ESTATE MAGAZIN: Could you please explain the different activities of IVG Immobilien?

DR LEICHNITZ: IVG Immobilien AG is one of Europe's largest listed property companies. The focus of our business is on office properties in selected German and European cities. We carry out our commercial activities in four independent divisions: Investment, Funds, Development, and Caverns.

REAL ESTATE MAGAZIN: In September 2006 you raised your share in OIK Oppenheim Immobilien KAG – the market leader in Germany for “German Funds“, to 94percent. What is your strategy with OIK?

DR LEICHNITZ: IVG will use OIK – the market leader for tailored property funds – as a platform for expanding our international funds business. We intend to broaden the product range and increase our involvement in the various business and growth centres in and outside Europe. With innovative products for international investors IVG will be a highly attractive market participant.

REAL ESTATE MAGAZIN: What kind of synergies do you see between IVG and OIK?

DR LEICHNITZ: Integrating the OIK into the IVG Group bundles skills in the operational interface functions such as Asset Management and in buying and selling. Higher transaction volumes, management via the branch network of the whole Group will set us apart from the competition in terms of quality.

REAL ESTATE MAGAZIN: The Cavern Business seems very interesting. Maybe – as separate company – it would be the most exciting real estate company in Germany. When can we expect the spin-off and IPO?

DR LEICHNITZ: The IVG Caverns business unit is one of our core businesses and we are planning the gradual expansion of these underground storage facilities for oil and natural gas during the coming years. Having secured the rights to develop a further 65 caverns, we anticipate letting over 100 caverns in the long term. At this time a spin-off is not taken into consideration.

REAL ESTATE MAGAZIN: In the past years major parts of the profit came out of the sales of property. Objects acquired in the



IVG-Portfolio „Channel Hamburg“

nearer past won't include any inner reserve? From which area do you see profits grow in the next years?

DR LEICHNITZ: First of all: IVG generates profit out of all 4 business units. Of course, the Investment division is one of our key earnings drivers – and during the next years the acquisition and disposal of properties at the right time in the market cycle are just as much a part of our business as their development by means of refurbishment and sustainable rental increase.

REAL ESTATE MAGAZIN: How do you want to use the REIT-vehicle?

DR LEICHNITZ: It is unlikely that the complete IVG will be converted into a REIT. Currently we are evaluating if a part of our office property portfolio may float into a REIT. The final decision is not to be expected before this summer.

REAL ESTATE MAGAZIN: Thank you for the interview.

The interview was conducted by Christian Schiffmacher.