



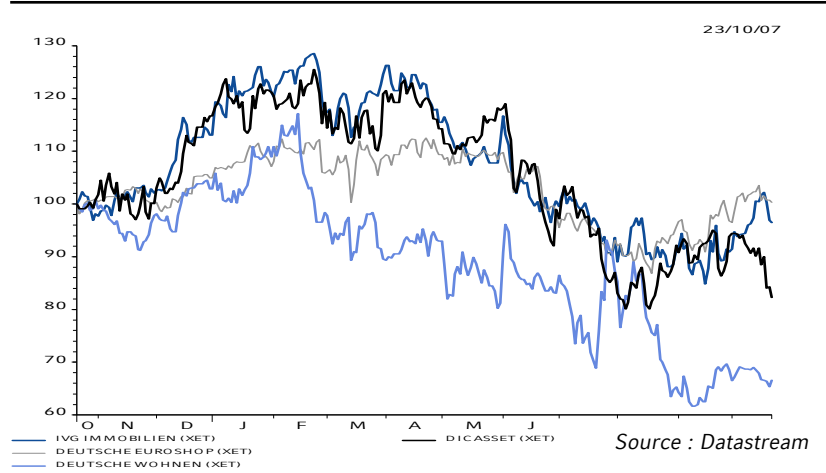
Shares as financial expansion instrument of German Real Estate companies

Frankfurt, 26 October 2007

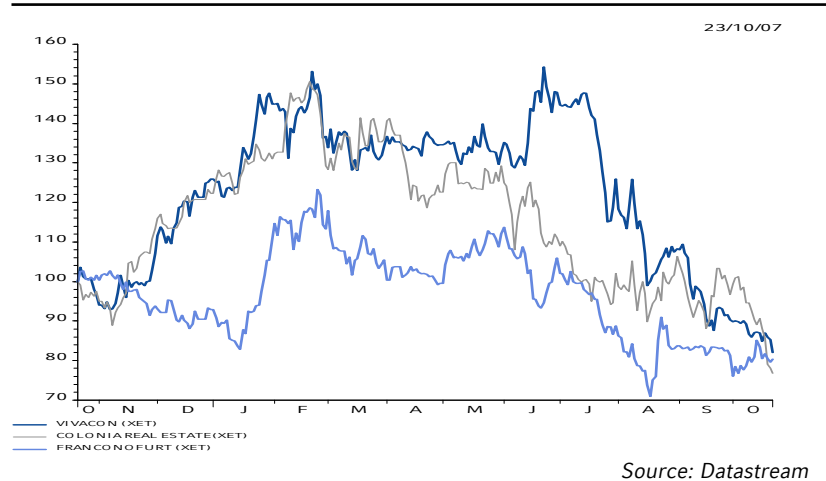
Contribution in Kind

Current Situation of German Real Estate Stocks

PERFORMANCE PORTFOLIO INDEX (12M)



PERFORMANCE TRADING INDEX (12M)



IMPORTANT NEWS

	Price	High Price 1 Year	Low Price 1 Year	Volume	Market Cap.
Deutsche Euroshop AG	27,370001	30,09	23,22	2.509.692	940,84
Deutsche Wohnen	34,0299	58,10	30,59	129.960	853,66
DIC Asset AG	23,860001	33,21	21,22	1.972.936	680,01
Gagfah SA	13,96			4.531.626	3.148,19
Ivg Immobilien AG	28,93	36,98	24,41	72.578.720	3.355,88

Source: JCF

- Due to the US subprime crisis and the general market conditions German real estate stocks decreased in value during the last year

IMPORTANT NEWS

	Price	High Price 1 Year	Low Price 1 Year	Volume	Market Cap.
Colonia Real Estate Ag	25,01	42,33	24,71	2.985.144	549,86
Franconofurt AG	10,25	14,88	8,56	113.181	90,20
Patrizia Immobilien AG	10,6	23,35	9,40	862.374	552,58
Vivacon AG	17,63	31,15	17,36	3.775.849	343,49
Estavis AG	20,35			43.671	157,19

Source: JCF

- The performance was very event driven in the past and strongly correlated with news flow in the markets

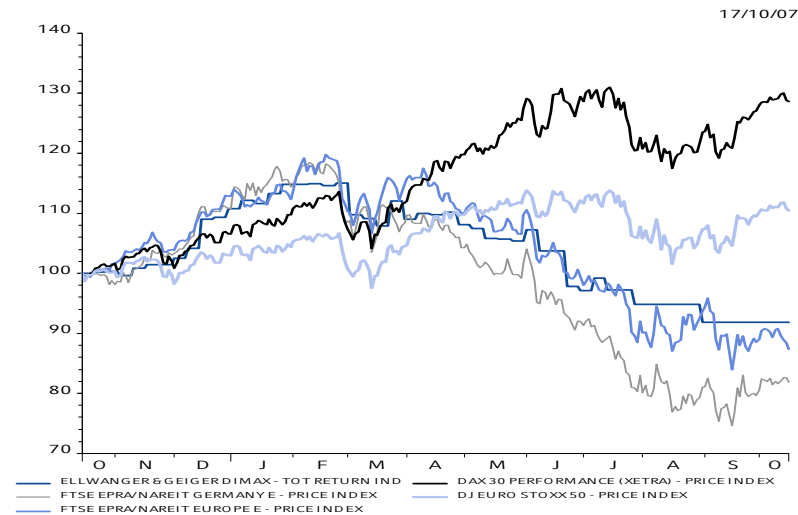
The portfolio index reflects the NAV driven valuation of German letting agents

The index of real estate trading companies was very volatile in the past

Contribution in Kind

Selected Indices in Comparison

	% Change 1 Month	% Change 2 Months	% Change 1 Year
DIMAX	0,00%	-3,07%	-8,09%
FTSE EPRA / NAPREI - Germany	7,68%	-7,79%	-17,41%
FTSE EPRA / NAPREI - Europe	1,04%	-9,87%	-11,68%
DAX Price Bench (DE)	6,29%	7,03%	25,78%
DJ Euro Stoxx 50 Bench	5,06%	6,02%	10,85%



Source: Datastream

Since April 2007,
German real estate
stocks extensively
underperformed the
DAX

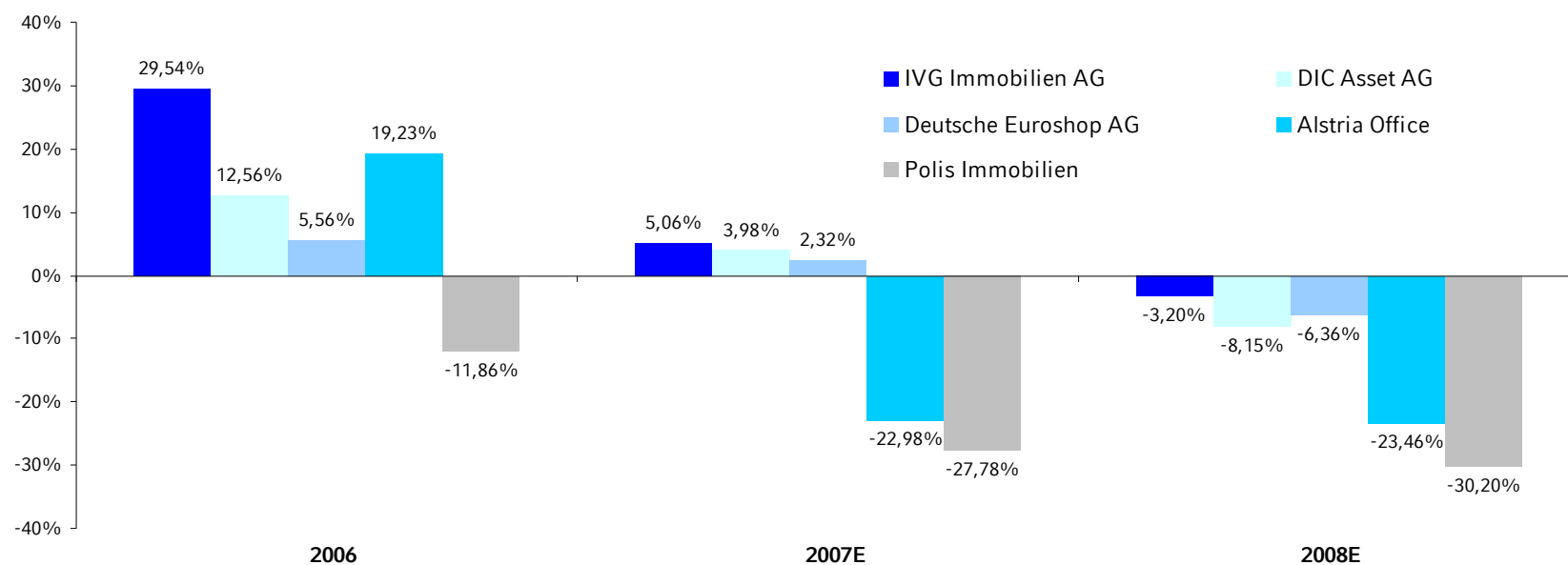
- In particular the fear of rising interest rates and the subprime crisis imposed high pressure on the price of real estate shares while most companies reported record earnings
- The secondary market environment suggests a difficult IPO environment for German Real Estate companies and led to global underweight in equity funds

Contribution in Kind

Valuation of German Real Estate Stocks

Selected Companies	Price 26.10.2007	Net Asset Value per Share			Premium/ Discount to Current Price		
		2006	2007E	2008E	2006	2007E	2008E
IVG Immobilien AG	30,52	23,56	29,05	31,53	29,54%	5,06%	-3,20%
DIC Asset AG	24,02	21,34	23,10	26,15	12,56%	3,98%	-8,15%
Deutsche Euroshop AG	26,95	25,53	26,34	28,78	5,56%	2,32%	-6,36%
Alstria Office	12,40	10,4	16,1	16,2	19,23%	-22,98%	-23,46%
Polis Immobilien	10,40	11,8	14,4	14,9	-11,86%	-27,78%	-30,20%

Due to the estimated NAV 2008 figures stocks are traded at an average discount of 14,3%



Source: WestLB Research, JCF, Bloomberg

Contribution in Kind

Actual Analyst Recommendations of Selective German Real Estate Shares

Company	Analyst	IVG Immobilien		DIC Asset		Dt. Euroshop	
		Rec.	Date	Rec.	Date	Rec.	Date
Citigroup	MICHAEL GALLAGHER	buy	12 October 2007				
WestLB	GEORG KANDERS	buy	12 October 2007	buy	08.10.2007	add	26.09.2007
Unicredit	ANDRE REMKE	buy	12 October 2007	buy	13.08.2007	buy	15.08.2007
LBBW	MARC NETTELBECK	buy	10 October 2007				
Kempen & Co	REMCO SIMON	neutral	6 October 2007	add	07.10.2007	reduce	06.10.2007
Bankhaus Lampe	ROLAND KOENEN	buy	26 September 2007				
Bankhaus Metzler	JOCHEN SCHMITT	sell	14 September 2007				
Commerzbank	BURKHARD SAWAZKI	buy	13 September 2007	buy	22.06.2007	buy	21.08.2007
JPMorgan	OSMAAN MALIK	neutral	4 September 2007				

Source: Bloomberg

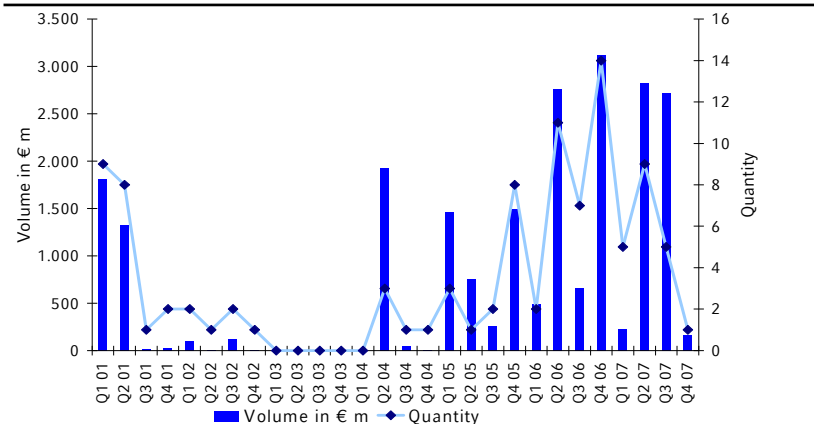
The current analyst recommendations for real estate stocks still remain positive over all

- The German real estate investment market shows continuing strong demand from international and domestic investors
- Outlook for the German Real Estate Market still positive: Rents are expected to rise further and vacancy levels to drop

Contribution in Kind

The IPO-Market in Germany

IPOS IN GERMANY



As of: 22.10.2007 Prime & General Standard

Source: WestLB, Dt. Börse

IPOS IN GERMANY 2007

Date	Company	Standard	Pricing range	Offer price (in €)	Volume (in €m)	Performance since IPO
14. Feb. 07	Ariston Real Estate	General	7,50-9,50	7,50	24	-5%
8. Feb. 07	Kromi Logistik	Prime	20,00*	20,00	30	-6%
9. Feb. 07	HanseYachts	General	30,00-36,00	33,00	76	-6%
21. Mrz. 07	Polis Immobilien	Prime	13,75-16,75	14,50	90	-25%
27. Mrz. 07	VITA 34	Prime	14,50-17,50	15,00	9	-12%
2. Apr. 07	ESTAVIS	Prime	28,00-35,00	28,00	83	-10%
3. Apr. 07	Alstria Office	Prime	16,00-17,50	16,00	437	-14%
11. Apr. 07	SMT Scharf	Prime	9,50-11,50	9,50	17	-4%
27. Apr. 07	Versatel	Prime	29,00-36,00	29,00	721	-58%
15. Mai 07	Wacker	Prime	18,00-22,00	22,00	405	-1%
24. Mai 07	Deutsche Fortfait	Prime	7,00-7,50	7,50	16	-9%
11. Jun. 07	Gerrsheimer	Prime	37,00-45,00	40,00	912	-5%
18. Jun. 07	InVision Software	Prime	32,00-38,00	32,00	34	-14%
27. Jun. 07	VTG	Prime	16,00-20,00	18,00	200	-3%
2. Jul. 07	Tognum	Prime	22,00-26,00	24,00	2.012	-8%
5. Jul. 07	ZhongDe Waste Tech.	Prime	23,00-26,00	26,00	95	5%
12. Jul. 07	Envi Tec Biogas	Prime	42,00-52,00	47,00	243	-41%
13. Jul. 07	Homag Group	Prime	29,00-35,00	31,00	214	-22%
26. Jul. 07	SAF-Holland	Prime	19,00-20,00*	19,00	157	-15%
12. Okt. 07	centrotherm	Prime	26,50-34,50	34,50	161	34%
Average:					297	-11%

* Pricing range reduced subsequently

As of: 22.10.2007 Prime & General Standard

Source: WestLB, Dt. Börse

NOTES

- Already 20 IPOs have been placed in the Prime and General Standard this year
- Potential IPO - enterprises are reluctant due to the the problems related with the subprime market
- The tumultous market environment is improving constantly
- With the German economy back on the track for robust growth, we expect a high issue volume also in the current year

The interest of investors in high-quality IPOs is still high

The capital market has started to regain strength

IPO-PIPELINE IN GERMANY 2007 (Selection)

Company	Sector	Timing	Company	Sector	Timing
Amitoso Datensysteme	Software	2007	Hanseatic Immobilien	Real Estate	2007
ATU	Car Services	2007	Heidelberg Pharma	Pharma	H2 2007
AVW Immobilien	Real Estate	H2 2007	HHLA	Harbour Operator	Nov 2007
Becker Mining Systems	Mining	H2 2007	Jupiter	Asset Manager	2007
Boetzelen Real Estate	Real Estate	H2 2007	Kabel Deutschland	Network Operator	2007
BrainLAB	Medical Technology	2007	KeyNeurotek	Biotechnology	Q4 2007
Deutsche Annington	Real Estate	H2 2007	Mannesmann Plastics	Machine Manufacturer	2007
Deutsche Bahn	Transport	Q4 08 / Q1	Mondura	Real Estate	H2 2007
Deutsche Rohstoff	Commodities	H2 2007	New Yorker	Fashion	2008
DGAG Dt. Grundverm.	Real Estate	2007	Profi Partner AG	Real Estate	Q4 2007
Eliog Technology	Technology	2007	Q-Sil	Silica Glass	H2 2007
Evonik Industries (RAG)	Emergy, Chemicals	2008	Regio Biogas	Renewables	2007
Fair Value REIT	Real Estate	Q4 2007	Schott Solar	Solar	2007
FlexStrom GmbH	Energy	2007	SiC	Solar/Semiconductor	2007
FranconoWest	Real Estate	Q4 2007	Sulo Gruppe	Environment Engineering	H2 2007
German Retail REIT	Real Estate	H1 2008	Systaic	Solar	2007
Gravis	Computer	H2 2007	Tom Tailor	Fashion	2007
Grohe	Fittings Producer	2007	Vanguard	Medical Technology	H2 2007

Source: IFR Magazine, Press

Contribution in Kind

German Real Estate Sector IPOs

REAL ESTATE IPOs 2006 - 2007

	% Change 1 Month	% Change 3 Months	% Change 6 Months	% Change 1 Year
Alstria Office AG	-8,01%	-15,07%	-22,50%	
Estavis AG	-16,18%	-31,18%	-28,24%	
InCity Immobilien AG	-0,46%	-7,03%	-7,92%	
Polis Immobilien AG	-9,25%	-28,28%	-33,38%	
Ariston Real Estate AG	3,87%	-6,45%	3,57%	
Alta Fides AG	-1,37%	-11,39%	-12,28%	
HAHN Immobilien-Beteiligungs AG	-5,45%	-21,59%	-16,34%	
CWI Real Estate AG	-14,06%	-21,43%	-4,35%	
Gagfah SA	-16,35%	-18,41%	-39,09%	-46,88%
GWB Immobilien AG	-0,10%	-20,00%	-34,21%	-8,68%
Helma Eigenheimbau AG	-52,85%	-60,46%	-64,67%	-60,05%
Francono Rhein Main AG	-3,52%	-2,23%	-27,00%	-34,23%
IC Immobilien Holding AG	-0,43%	-4,11%	-17,65%	11,11%
Primag AG	-10,38%	-18,57%	-13,64%	-31,98%
Hamburgische Immobilien Invest SUCV AG	-12,59%	-27,91%	-26,13%	-28,46%
IFM Immobilien AG	2,09%	-8,59%	-3,07%	28,57%
Patrizia Immobilien AG	-11,83%	-20,38%	-37,69%	-51,72%
Vib Vermoegen AG	-3,40%	-12,97%	-20,43%	18,12%
Designbau	0,24%	-15,47%	-10,28%	-17,20%
Franconofurt AG	-3,59%	-15,91%	-21,32%	-19,90%
Average	-8,18%	-18,37%	-21,83%	-20,11%

Sources: *Realestate Magazin*

REAL ESTATE IPO WATCHLIST

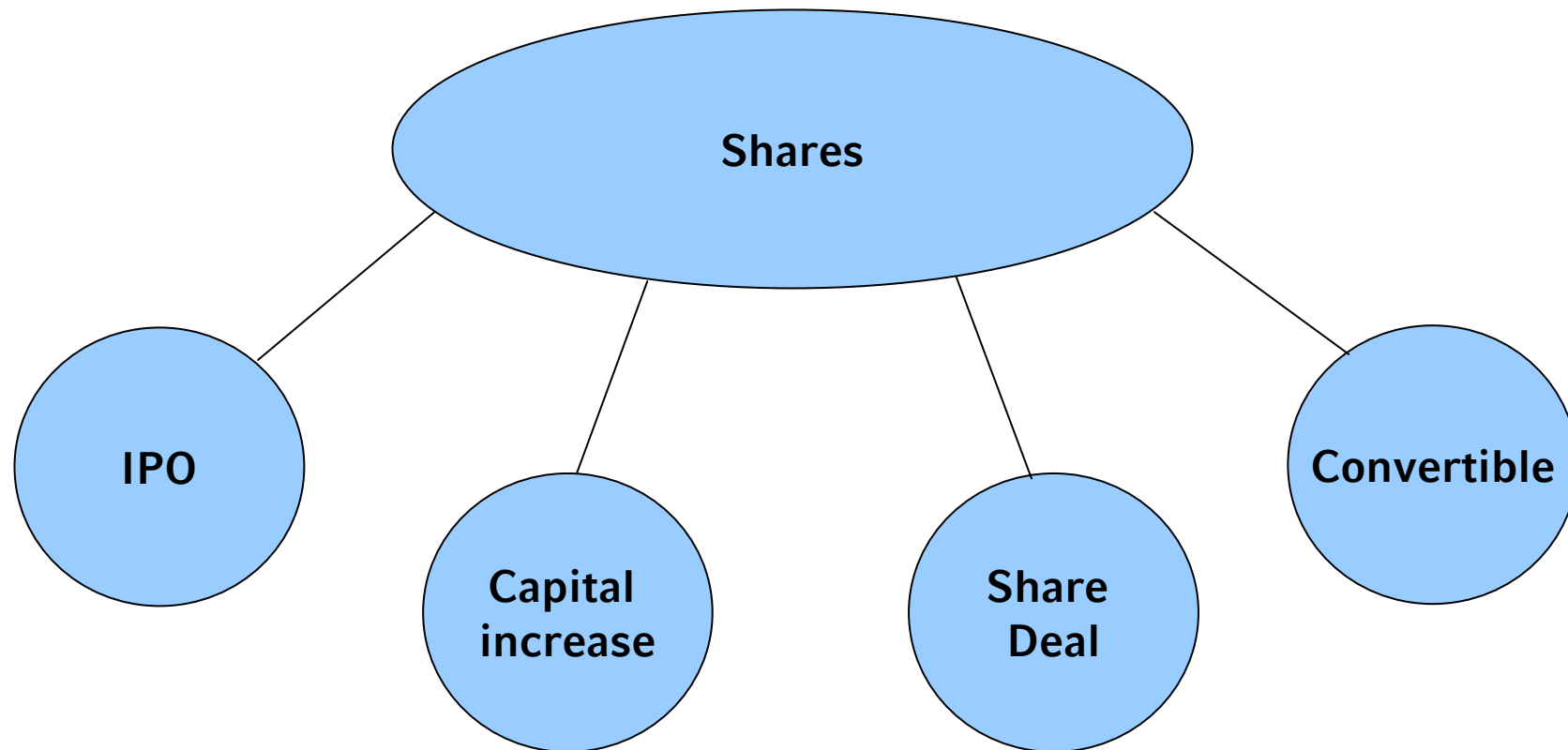
Issuer	Focus	Timeline	Issuer	Focus	Timeline
Hypoport	Financing	Q4	DekaBank-Vehikel	Commercial	2008
TAG Gewerbe	Commercial	Q4 or 2008	GSW	Residential	2008
Prime Office (DCM-Vehikel)	Commercial	Q4 or 2008	TRITON Asset Management	Corporate Real Estate	2008
AVW Immobilien	Development	Q4 or 2008	P&P	Refurbishment	2008
Francono West	Residential	Q4 or 2008	DB Real Estate-REIT-Vehikel	Commercial	2008
CLI/CGI-REIT-Vehikel	Commercial	Q4 or 2008	Morgan Stanley-REIT-Vehikel	Commercial/Office	2008
Fair Value REIT (IC Immobilien)	Office-REIT	Q4 or 2008	Tishman Speyer-REIT-Vehikel	Commercial/Office	2008
Hannover Leasing REIT-Vehikel	Commercial	Q4 or 2008	Carlyle-REIT-Vehikel	Commercial	2008
CA Immo Germany	Commercial	Q4 or 2008	Level One-REIT-Vehikel	Commercial	2008
IVG Office Portfolio	Office	2008	Windsor-REIT-Vehikel	Commercial	2008
DR Commercial1	Commercial	2008	IFM-REIT-Vehikel	Commercial	2008
Oaktree REIT-Vehikel	Office	2008	informica REIT	Commercial	2008
German Retail REIT	Retail	2008	German One	Sale and Lease back	2008

Sources: *EquityStory.AG*

- Almost all public real estate companies issued during the last two years lost in value during the last year
- But the current IPO pipeline shows still plenty of potential IPO candidates
- The pipeline is dominated by REIT vehicles

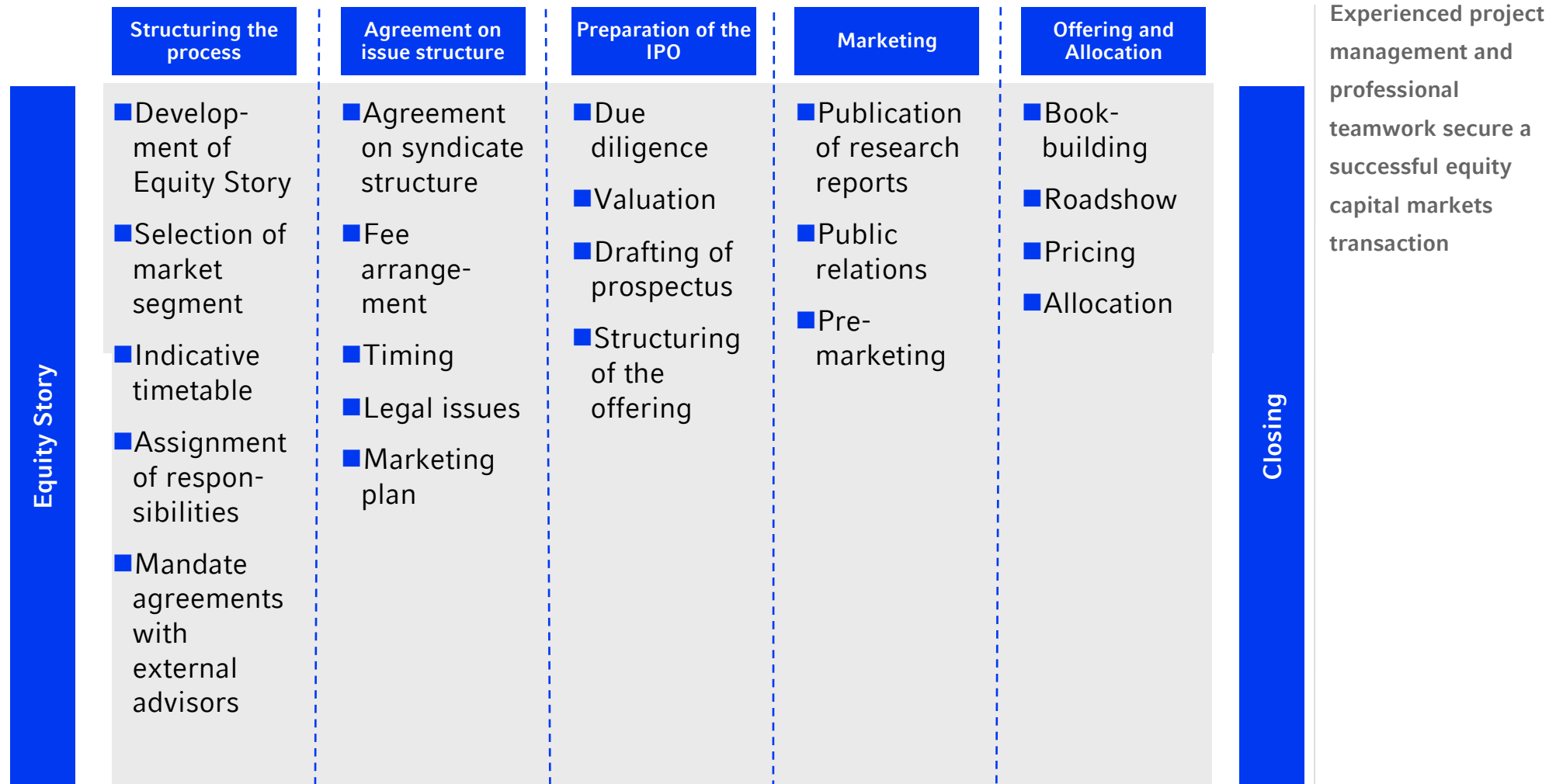
The current IPO pipeline is dominated by potential REIT IPOs

Shares as Financing Instrument



Contribution in Kind

A Managed Process for an IPO / Capital Increase



Contribution in Kind

Indicative IPO Time Schedule

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	Responsi- bility		
Preparation																										
Allocate Mandate	█																								C B	
Select Consultants		█	█																							C B
Kick-off Meeting				★																						C B
Compose Equity Story					█	█	█	█	█	█	█	█														B C
Plan + Implement IPO Strategy					█	█	█	█	█	█	█	█														B C
Legal Issues																										
Due Diligence				█	█	█	█	█	█	█	█															B L/AC C
Draft Prospectus					█	█	█	█	█	█	█	█														L C B
Approval Process												█	█	█	█	█	█	█	█							L B
Publication of Prospectus																	★									L
Admission to Stock Exchange																		█	█	★						B C
Underwriting Agreement																			█	█	★					B C L
Comfort Letters, Legal Opinions																		★		█	█		★			L AC B
Offer Phase																										
Pre-Marketing																		█	█							B
Roadshow																		█	█							B C
Bookbuilding																			█							B
First Listing																				█						B
Greenshoe/Stabilisation																					█	█	█	█		B
Marketing																										
Compile IR/PR Concept					█	█	█	█	█	█	█															C B
Corporate Image												█	█	█	█	█	█	█								C
Offering Campaign																		█	█							C B
IR/PR Post IPO																				█	█	█	█			C B
Research																										
Preparation of Analyst Presentation										█	█	█	█													B C
Analyst Presentation												★														C B
Drafting of Research													█	█	█	█										B C*
Distribution of Reserach																										B
Aftermarket Support																					█	█	█	█		B

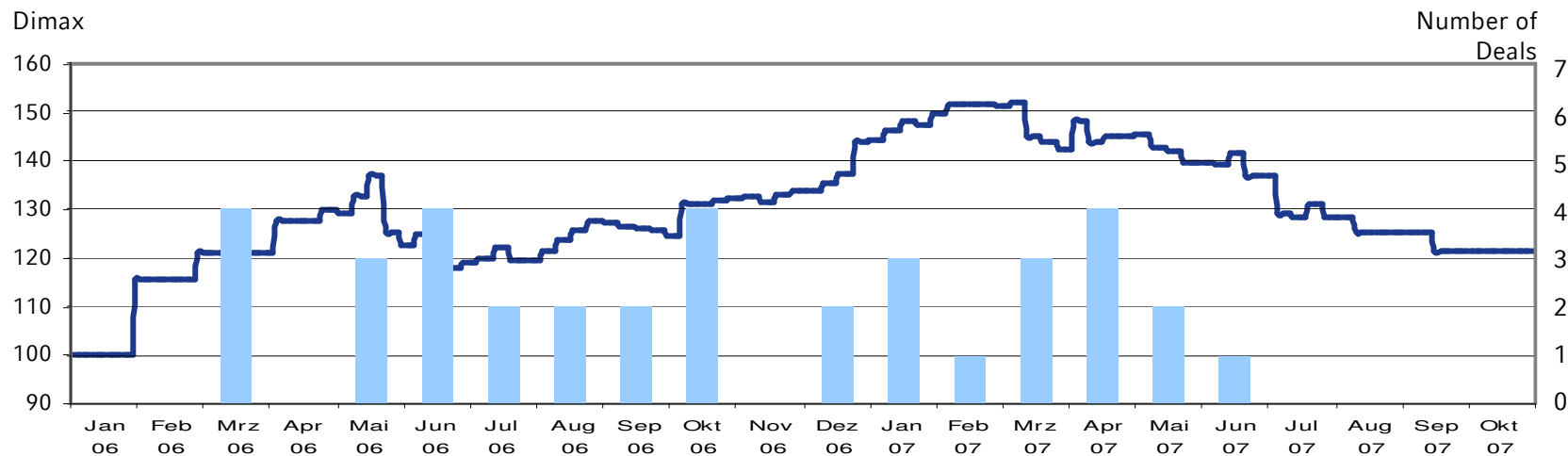
It is expected to take four to five months from the allocation of the mandate to first listing

C = Company, B = Bank, L = Lawyer, AC = Accountant *= only review

Contribution in Kind

IPOs & Capital Increases in the past Months

MARKET ENVIRONMENT AND EQUITY TRANSACTIONS



Source: Datastream, Dealogic, Press

Due to weak share prices there are currently no IPOs or FOs

COMMENTS

- During a benign 2006 and the first half of 2007 many equity deals in the Real Estate sector took place
- In addition convertible bonds were used to raise capital
- Since the decline of real estate share prices IPOs and FOs became unattractive to equity holders due to dilution effects
- Demand of institutional investors has declined rapidly after the sub prime crisis
- Internal financing power is not sufficient to compensate financing needs
- Corporate tax reform in 2008 offers a better momentum for REIT IPOs

Contribution in Kind

Consolidation of the German Real Estate Market

CAPITAL MARKET

- Demand for critical size: most investors prefer investments in large companies with an adequate trading volume
- Institutional investors are not willing to tender new shares without high discount on the NAV
- Demand for risk diversification and effective management
- Internal management with focused asset management approach
- Experience in capital markets

REAL ESTATE COMPANIES

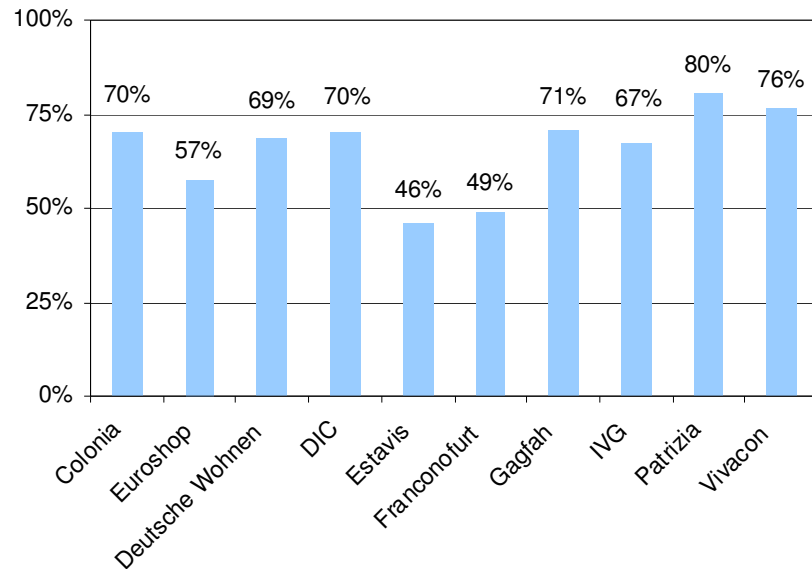
- Need for growth
 - Not willing to issue new shares below NAV
- A lot of German current medium sized Real Estate companies don't match the ambitious investor needs

Size matters!

Contribution in Kind

Debt

DEBT RATIOS (BALANCE SHEET)



Source: Companies (Q2/2007)

COMMENTS

- Increasing interest rates make debt less attractive
- Due to the sub prime crisis higher risk premiums are demanded
- Existing high level of leverage prevents further debt based growth

Financing new objects or acquisitions with debt is a very limited option

REIT ASPECTS

- To fulfil the German REIT requirements 45% of the real property has to be financed with equity

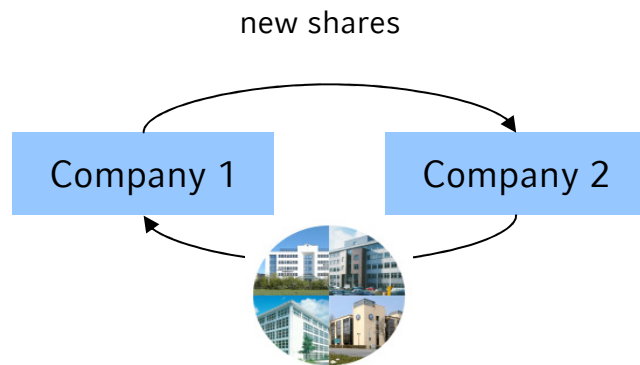
COMMENTS

- Companies thinking of choosing the REIT structure are bounded in raising debt due to legal issues

Contribution in Kind

Capital Increase Against Contribution in Kind

CAPITAL INCREASE (IN KIND)



COMMENTS

- A capital increase against contribution in kind allows acquisitions without diluting the share price
- The current market situation it offers various chances to both parties

A capital increase against contribution in kind fits the present market environment best

ADVANTAGES SHARE ISSUER

- Growth without new debt
- Reaching critical size for attractiveness to institutional investors
- Diversification of risk
- Economies of scale and/or scope

ADVANTAGES OF CONTRIBUTOR

- Possibility of indirect investment
- Reaching critical size
- Effective management / no further requirement of specific management capabilities (experience in capital markets)
- Diversification of risk
- Listing without IPO-Discount

Contribution in Kind

Current Example of a Contribution in Kind: Deutsche Wohnen and GEHAG



Initial situation

- Capital stock of 20m shares
 - Authorised capital stock of 10m shares
 - 23.000 residences
- 27.000 residences
 - **No listing!**

Acquisition: 6.4 new shares, cash and convertible (€ 25m)

Requirements

- Ad-hoc announcement of contribution in kind
- Valuation of contribution in kind of appointed representative
- Exclusion of rights issue
- New shares have to be listed due to German legislation
 - Publication of prospectus because more than 10% of the already listed shares were issued

Contribution in Kind






Standard timetable of a share deal process

Months	1	2	3
Signing Purchase Portfolio			★
Report of economic value		■ ■ ■	
Declaration of capital increase			■ ■
Registration of capital increase			★
Compilation of prospectus (incl. Due Diligence)	■ ■ ■ ■ ■		
Approval process of BaFin		■ ■ ■ ■	
Decision of acceptance			★
Approval process of shares			■ ■
Decision of approval of shares			★
Closing of M&A transaction			★
Listing			★

Appendix

Case Studies

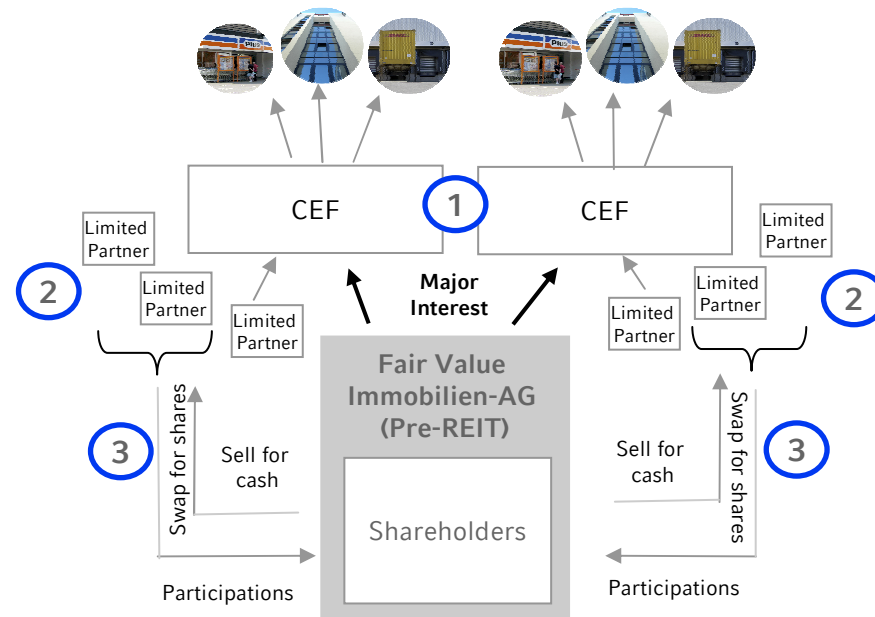
Estavis / HII / CWI – Profitable Growth Due to Contribution in Kind

Core business		Expansion along the value chain		
Portfolio assembly	Development	Sale to private individuals		Brokerage
		Owner-occupied	Pension purpose	HIB
 <ul style="list-style-type: none"> ■ Purchases individual properties, assembles these into portfolios which are subsequently sold to institutional investors ■ Acts as a principal 	 <ul style="list-style-type: none"> ■ Development as windfall profit of land which has been acquired in package deals on an opportunistic basis (<i>former core business from 1993 to 2005</i>) 	 <ul style="list-style-type: none"> ■ Buys property packages, breaks them up into individual units which are sold to owner-occupiers (<i>former core business of ESTAVIS</i>) 	 <ul style="list-style-type: none"> ■ Buys distressed residential apartments, sells these to private investors for pension purposes (<i>former core business of ESTAVIS</i>) 	 <ul style="list-style-type: none"> ■ Sells properties worth more than EUR 1m ■ Acts as an agent

The enlarged ESTAVIS group will be led by current ESTAVIS management with a lean organisation

Case Studies

Fair Value Immobilien-AG: Proven Roll-Up Process for Closed-End Real Estate Funds



- 1 Identification of CEFs with adequate properties for Fair Value's portfolio
- 2 Offer to investors in CEFs
 - Swap of participation in funds against Fair Value shares (capital increase in kind)
 - Sale of participations to Fair Value
- 3 Swap into Fair Value shares → Majority interest in CEFs intended

Contacts

The WestLB Team



Christian Fuest
Head of Equity
Capital Markets

Phone: +49 211 826 8612
Fax: +49 211 826 8146
Mobil: +49 173 295 9314
Position: Managing Director
Focus: Corporate Equity
Solutions



Maren Lorth
ECM

Phone: +49 211 826 6803
Fax: +49 211 826 8146
Mobil: +49 172 253 3740
Position: Executive Director
Focus: Real Estate



Henning Tietjen
ECM

Phone: +49 211 826 4193
Fax: +49 211 826 8146
Focus: Real Estate, G-REIT

Email contact: firstname.lastname@westlb.de

Disclaimer

Important Notice

For the use of the recipient only. Not to be copied or distributed to any other person. This presentation has been prepared from publicly available information, internally developed data and other sources believed to be reliable. No representation, warranty or undertaking (express or implied) is given and no responsibility is accepted by WestLB AG ("WestLB"), or by any of its officers, employees or agents for the completeness or accuracy of any information contained in, or of any omissions from, this presentation or any supplementary information made available to any interested party or its advisers, and any liability in respect of such information or omissions is hereby expressly disclaimed.

This presentation does not constitute an offer, invitation or recommendation to buy, sell, subscribe for or issue any securities or a solicitation of any such offer or invitation and shall not form the basis of any contract with WestLB. Opinions expressed herein are subject to change without notice. In providing this presentation, WestLB undertakes no obligation to provide the recipient with access to any further information or to correct any inaccuracies or omissions which may become apparent. WestLB, its associated companies, its connected companies in the WestLB AG Group, and its and their officers, employees and agents may own or have positions in securities of companies or issuers mentioned herein and may also seek to provide financial advisory, banking and other services for any such companies or issuers.