

Investor Presentation

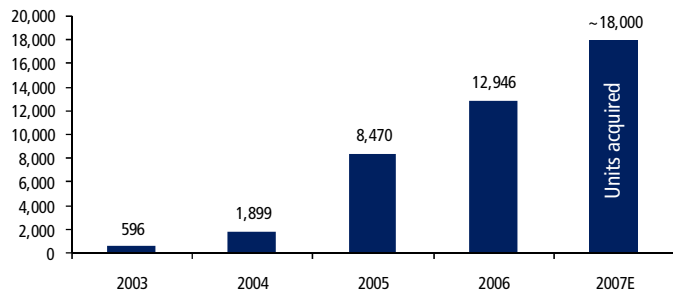
October 2007



Vivacon is becoming the most active intermediary in the German housing market

vivacon AG

Number of traded apartments (total)



85%

Institutional Investor



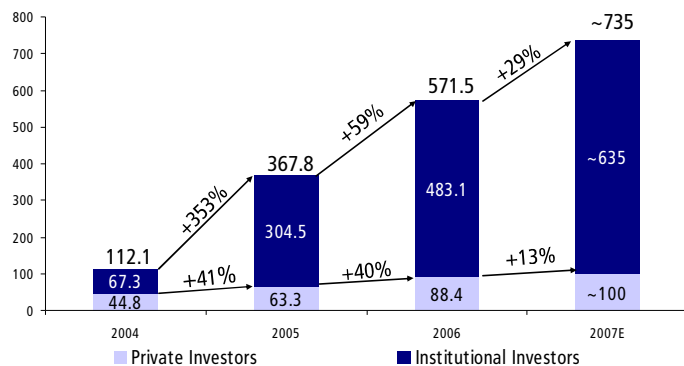
Institutional Trading

With approximately 12,800 acquired apartments in 2006, Vivacon is one of the most active players in the German market

Asset Management

Vivacon has build up an experienced asset management team and intends to further expand its activities. First step with Forum Partners Joint Venture

Transaction volume (EUR m)



15%

Private Investor



Philippe Starck designer apartments

Exclusive license for the realization of Philippe Starck designed real estate projects in Germany. Already 2 objects (Hamburg and Munich) in progress

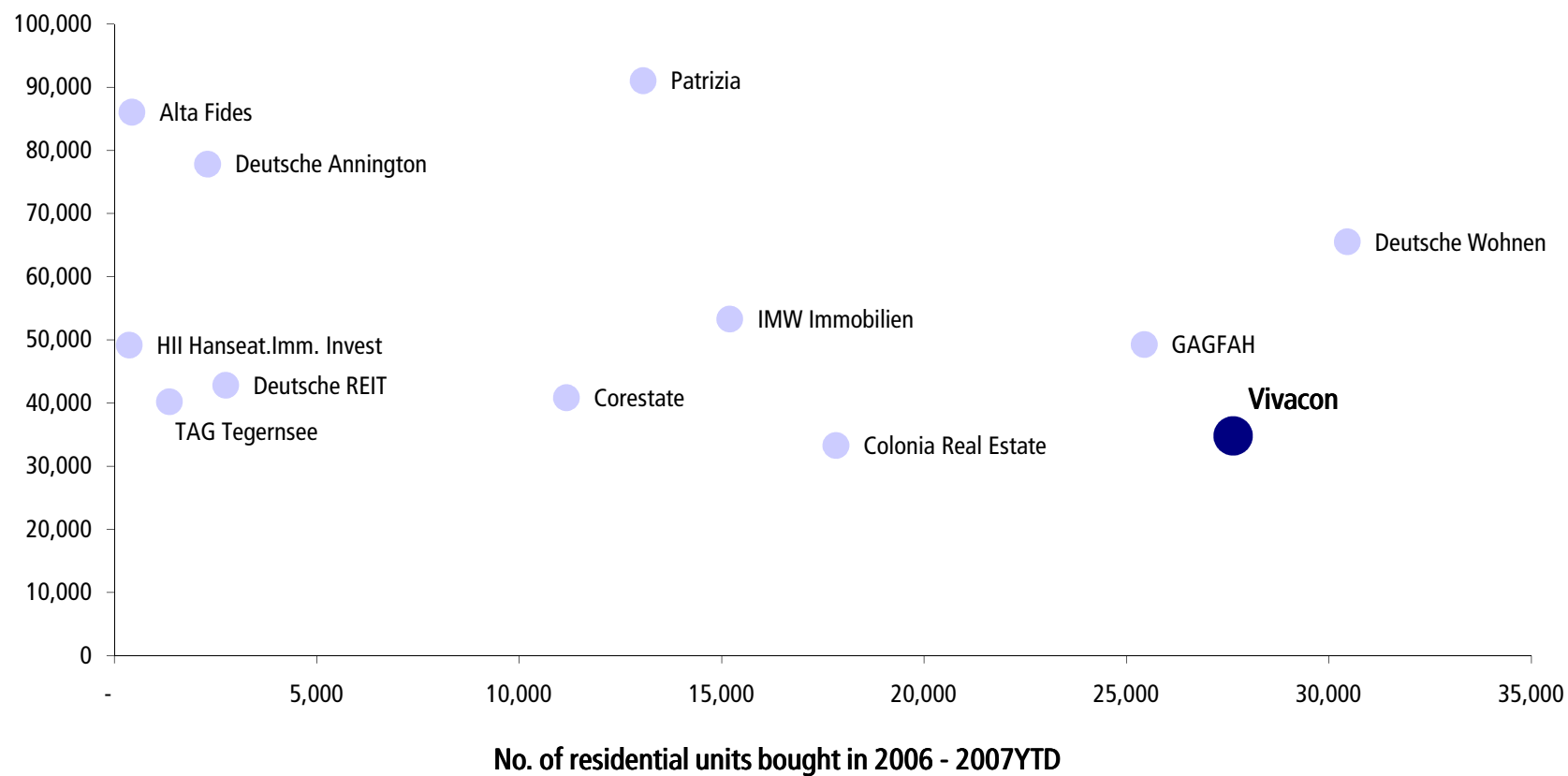
Landmark buildings

German market leader in conversion of landmark buildings under ground lease terms

Evolving into a leading intermediary on the German residential real estate market

The most efficient investor in the German residential market

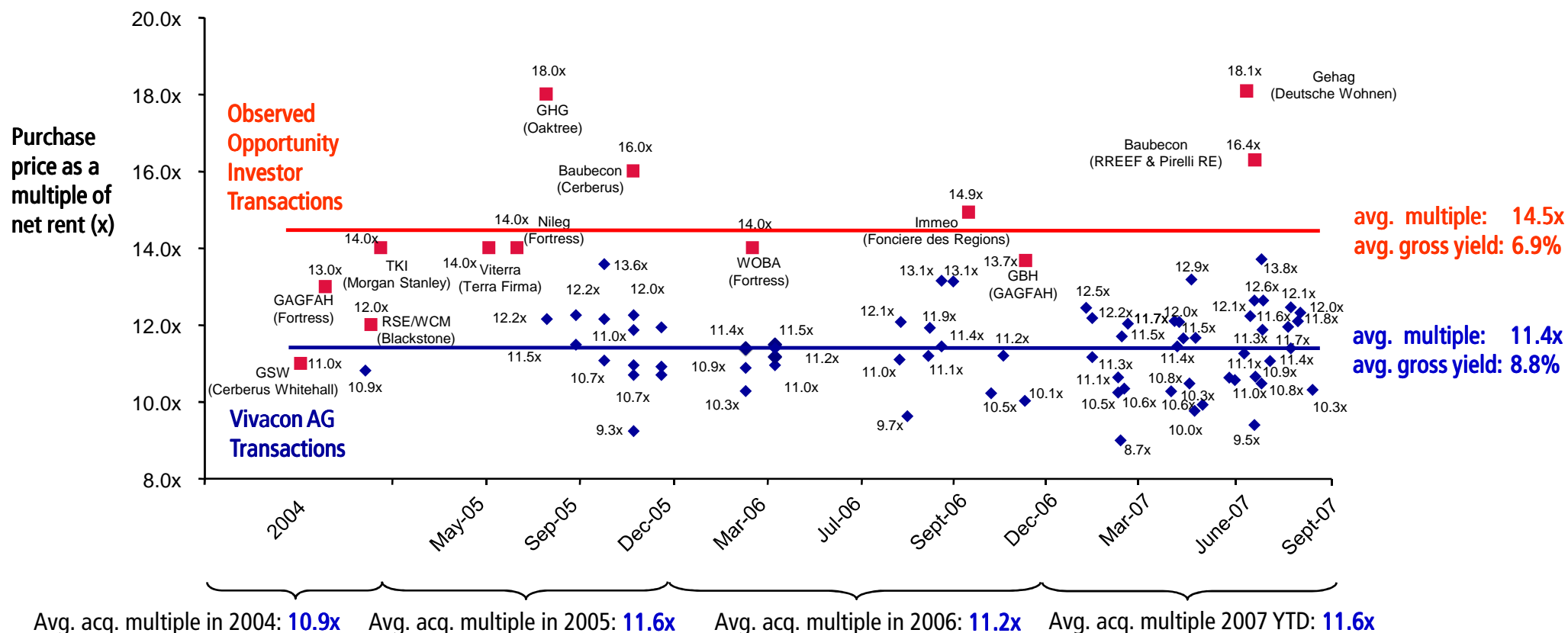
Avg. price per unit (EUR)



Source: REITs Deutschland, press releases, corporate news, Vivacon estimates

Unique sourcing effectiveness leading to lower acquisition multiples

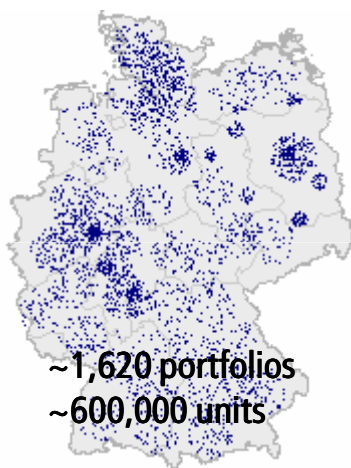
Historic acquisition multiples paid by Vivacon vs. opportunity funds in Germany



Source: Vivacon AG, "Investing in German Residential Property" Morgan Stanley

Sourcing process and volumes

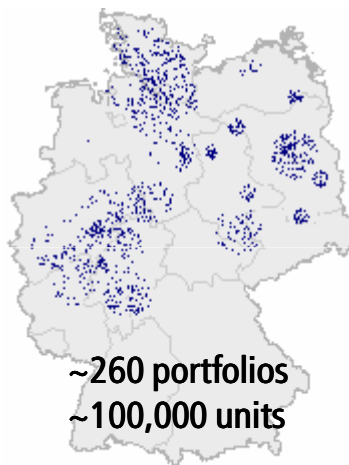
Opportunities offered



Offered about 600,000 units in 2006. 80-85% were immediately declined as key requirements were not met:

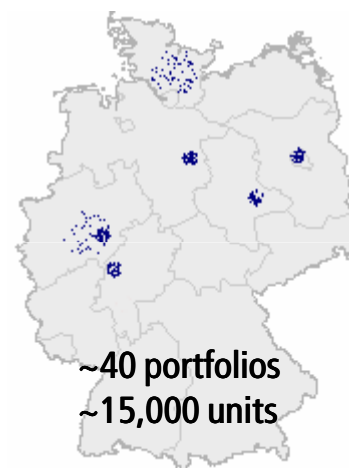
- unit size (small- and mid-sized)
- acquisition multiple (11-12x)
- location (Western Germany and urban areas)
- maintenance level (no CAPEX backlog)

Desktop Due Diligence



Of the remaining units, Vivacon declined another large number following further screening and desktop due diligence

LOI / Due Diligence



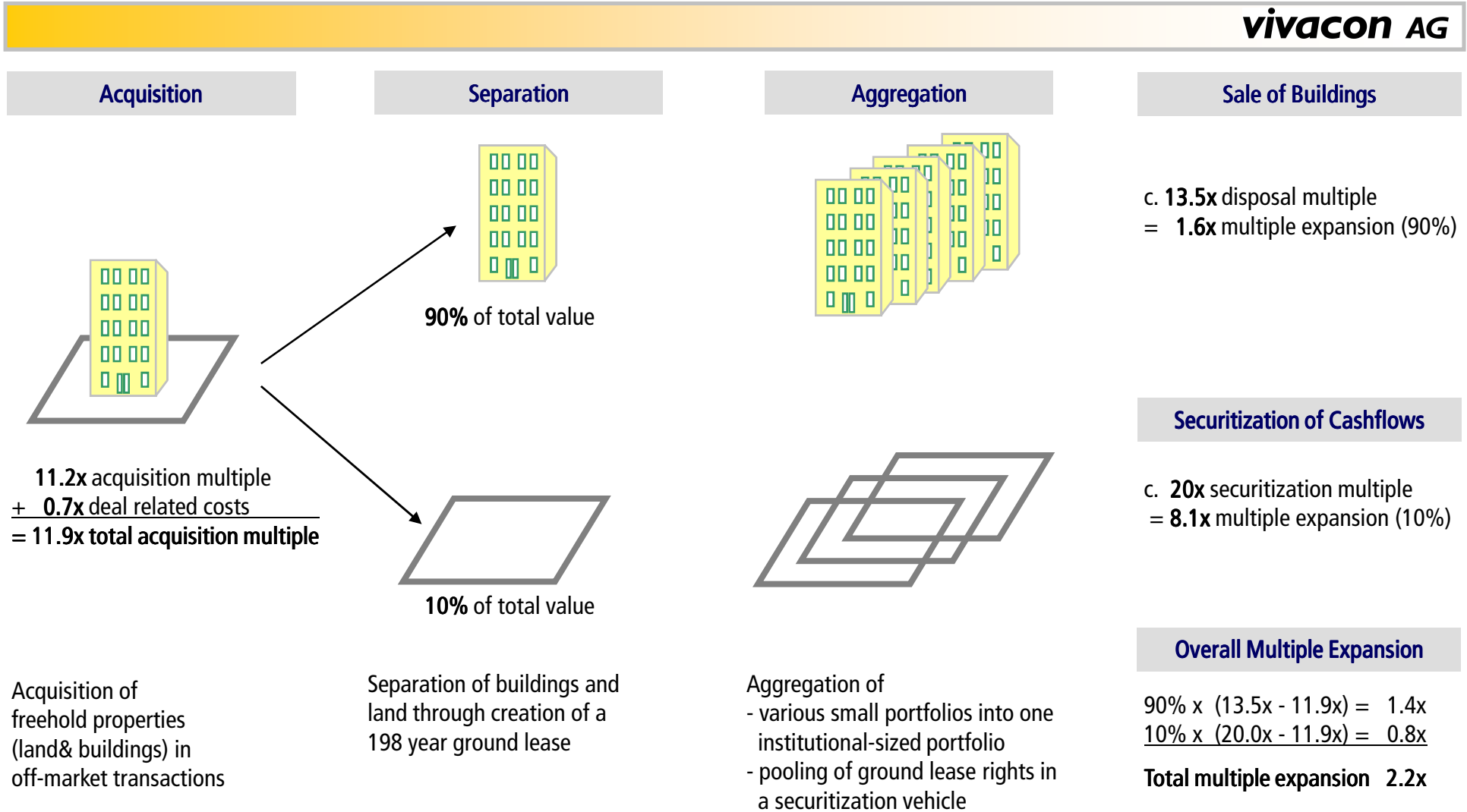
Detailed due diligence and signing of LOI to secure exclusivity for the portfolio

Acquisition



Vivacon acquired 36 portfolios with 12,795 units

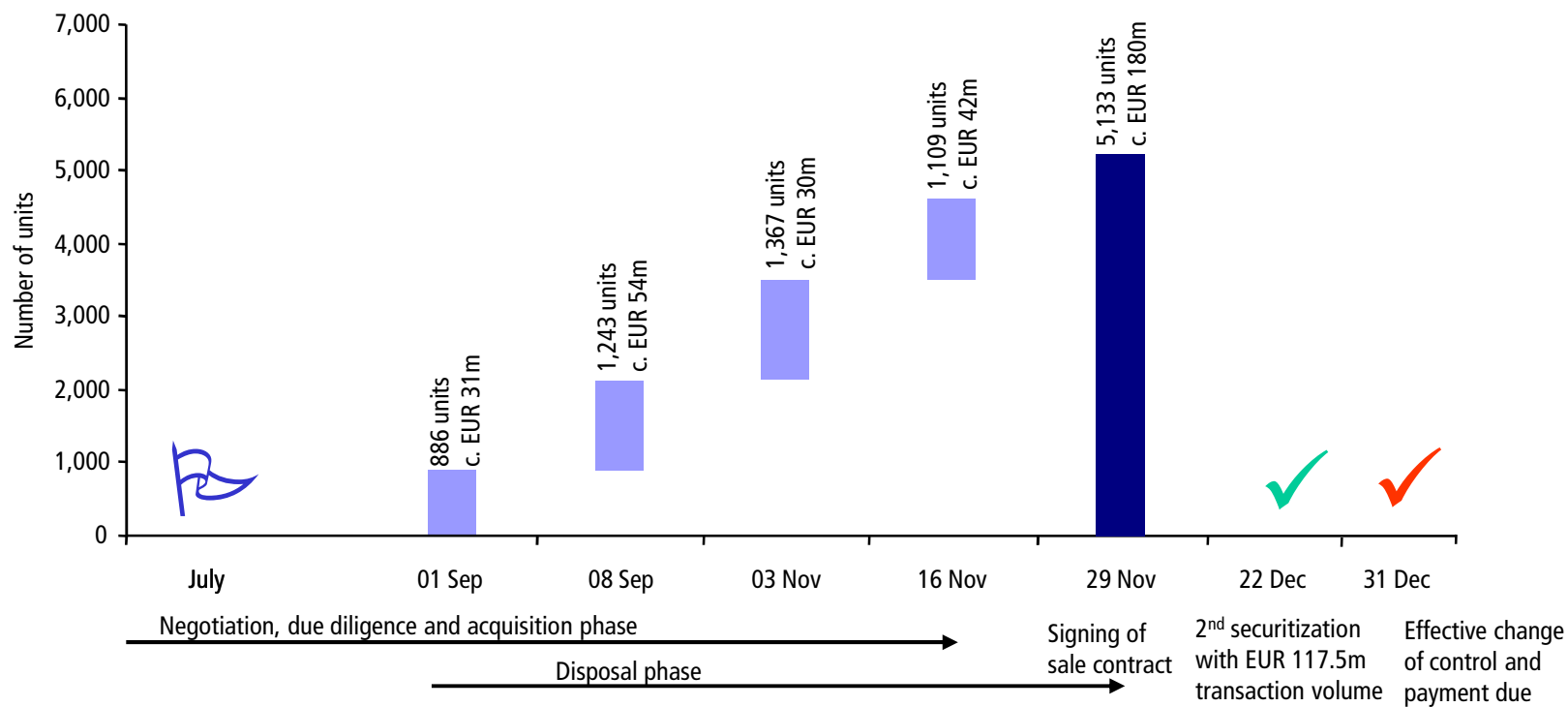
Extraction of value from two sources



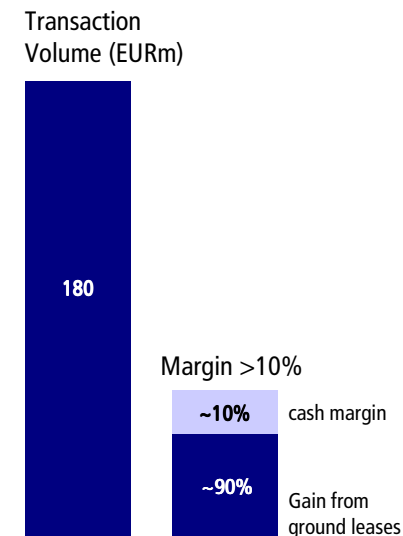
Sample transaction process

- Vivacon has acquired more than 6,000 units in several portfolio transactions within the months Aug 06 to Nov 06 at a total acquisition multiple of 11.4x
- The company bundled the majority of the acquired portfolios in a new portfolio and sold it to an international institutional investor at the end of November. The portfolio was sold under ground lease terms (initial annual ground lease rent: EUR 1.04m)

Sample acquisition and disposal process and timeline



Economics



Sample of acquisitions in 2007



Acquisition I

- **Location:** North Rhine-Westphalia, Lower Saxony, Hesse, Bremen, Schleswig-Holstein
- **Units:** 6,812 units totalling 411,200 m²
- **Volume:** c. EUR 210m
- **Date:** 30 March 2007



Acquisition III

- **Location:** North Rhine-Westphalia, Lower Saxony and Bremen
- **Units:** 1,700 units totalling 110,000 m²
- **Volume:** c. EUR 68m
- **Date:** 30 July 2007



Acquisition II

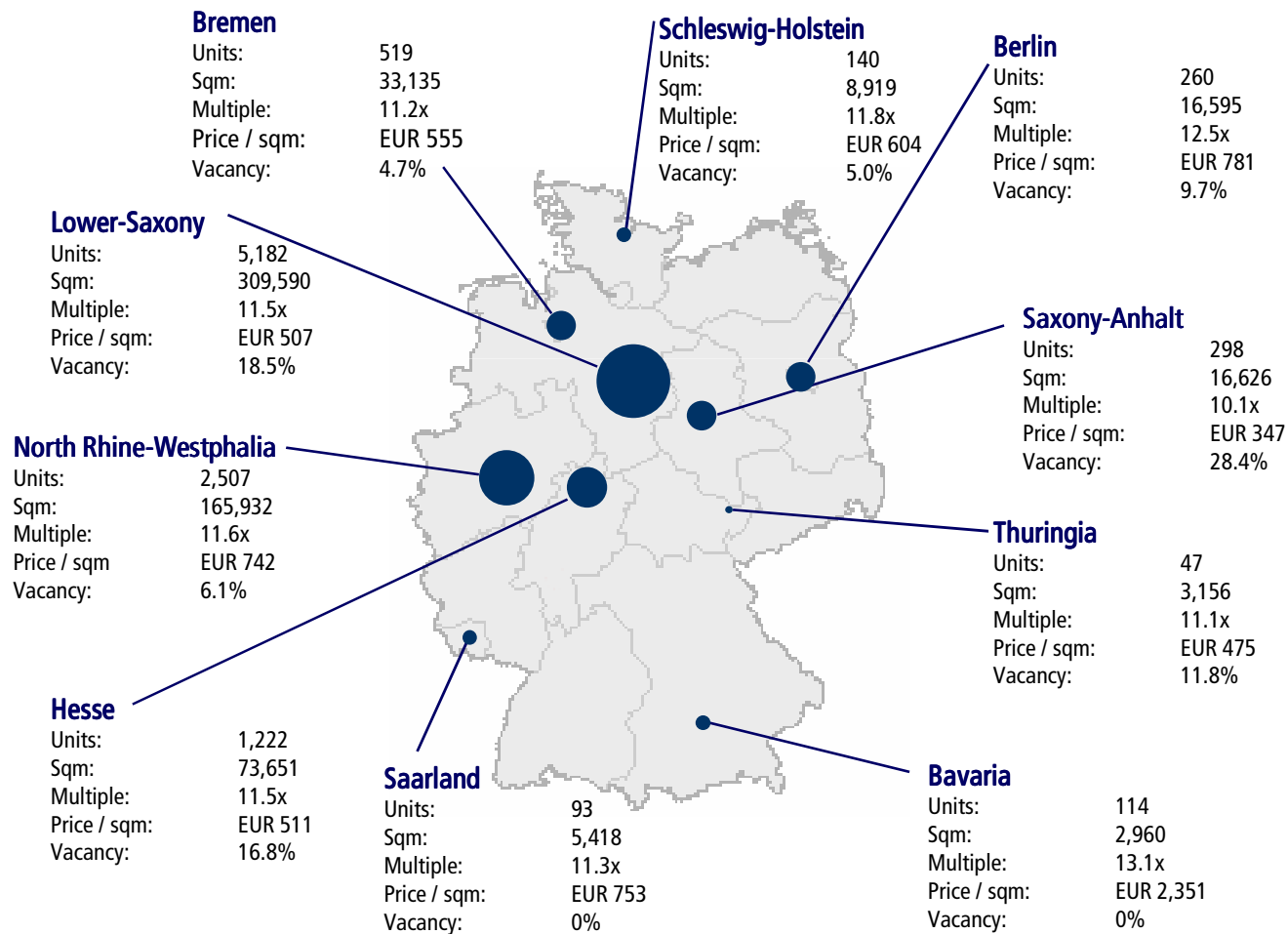
- **Location:** Bremen, Bavaria, Lower Saxony, North Rhine-Westphalia and Schleswig-Holstein
- **Units:** 3,014 units totalling 191,000 m²
- **Volume:** c. EUR 112m
- **Date:** 30 May 2007



Acquisition IV

- **Location:** North Rhine-Westphalia, Lower Saxony, Schleswig-Holstein and Bremen
- **Units:** 1,850 units totalling 118,480 m²
- **Volume:** c. EUR 73m
- **Date:** 11 Sept 2007

Geographical split of current owned portfolios (>10,300 units)

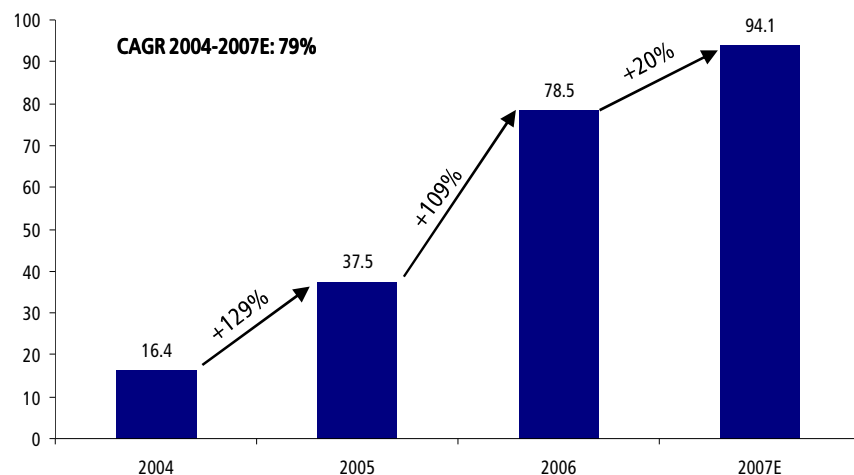


Total portfolio:

- Units: 10,382
- Sqm: 635,983
- Multiple: 11.6x
- Price / sqm: EUR 586
- Vacancy: 13.2%

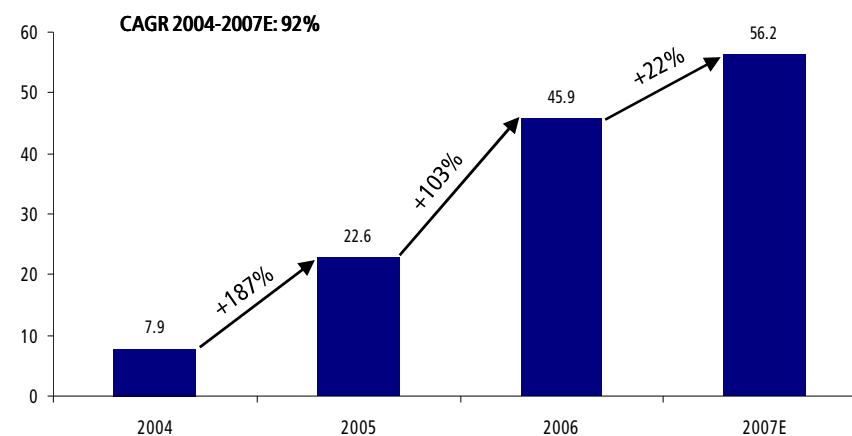
EBIT and Net income development (2004-2007E)

EBIT development (EUR m)



2007E Consensus Estimates; source: Bloomberg as of 11 Oct 2007

Net income development (EUR m)

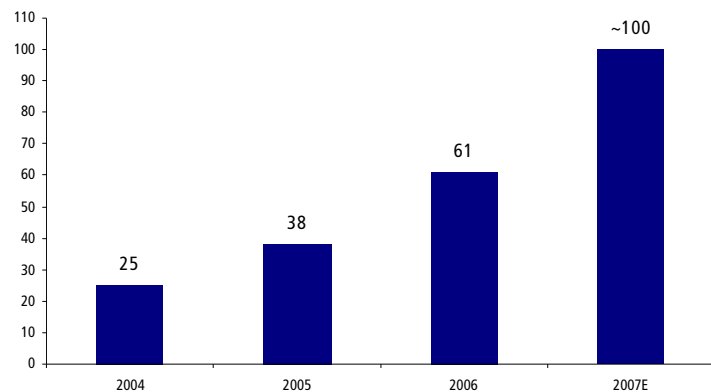


2007E Consensus Estimates; source: Bloomberg as of 11 Oct 2007

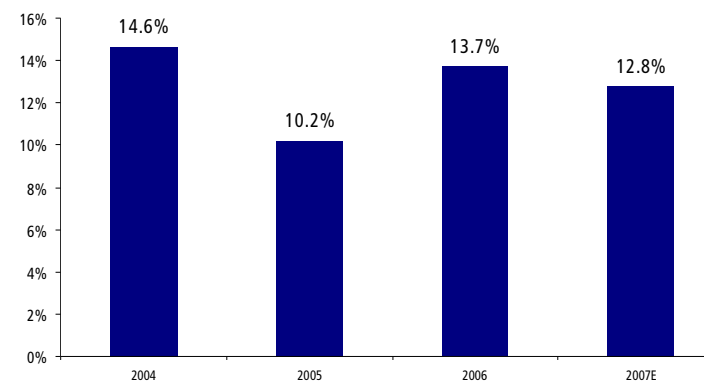
- Further strong increase in EBIT (+109% yoy) and Net income (+103% yoy) in FY 2006 with an unchanged healthy EBIT margin (as percentage of transaction volume) at 13.7% (2005: 10.2%)
- All costs incurred by Vivacon AG relating to the postponed IPO of Vivacon German Properties PLC (c. EUR 4m) are fully expensed
- Only at the time of ground lease properties creation (generally at time of disposal), gains from ground leases are recognised. Portfolio acquisitions do not trigger any write-up in asset value and are recognised "at cost" in inventories.

Key efficiency parameters (2004-2006)

Number of employees (average)

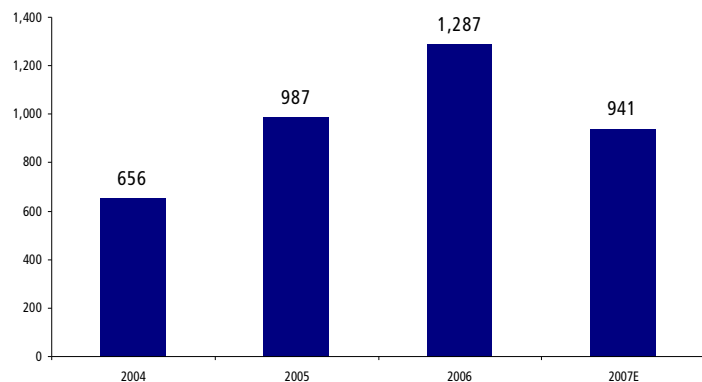


EBIT margin *) (%)

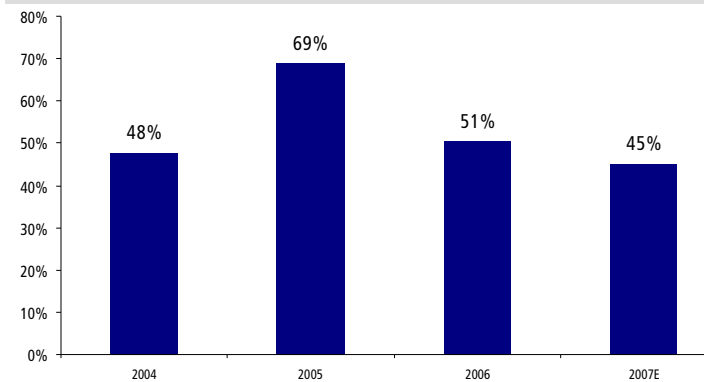


**) EBIT margin as percentage of transaction volume*

EBIT per employee (average) in EUR '000



Pretax Return on Equity **) (%)

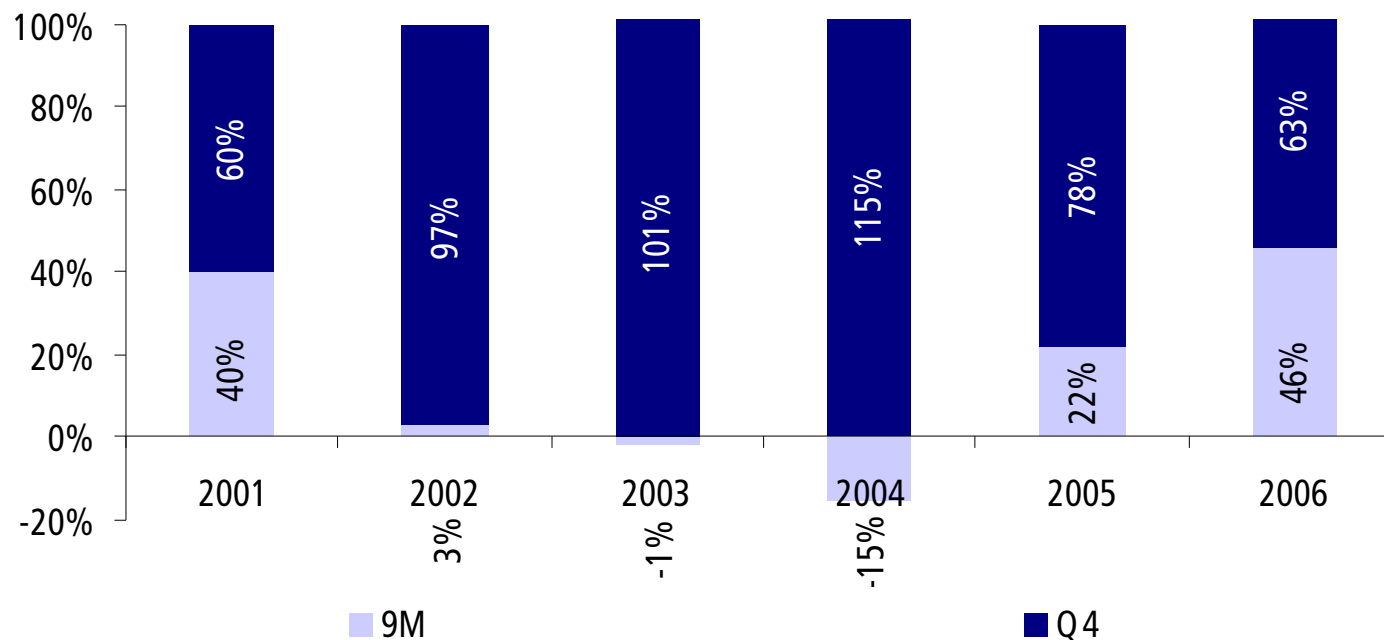


***) EBT / Shareholders equity at beginning of the year*

2007E Consensus Estimates; source: Bloomberg as of 11 Oct 2007 and Vivacon

Key figures – Historical quarterly net income development

vivacon AG



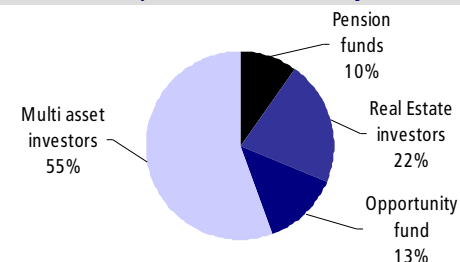
- Q4 is historically the strongest quarter of the year with highest net income contribution of 86% on average
- The reason for the cyclicity is that a large proportion of real estate deals are closed at the end of a year

Response to potential market concerns

Demand

- Disposals by opportunistic investors clear the way for the next generation of strategic investors with a mid- to long-term investment horizon.
- Vivacon AG does see an unchanged large number of international investors, which are interested in German residential real estate assets.

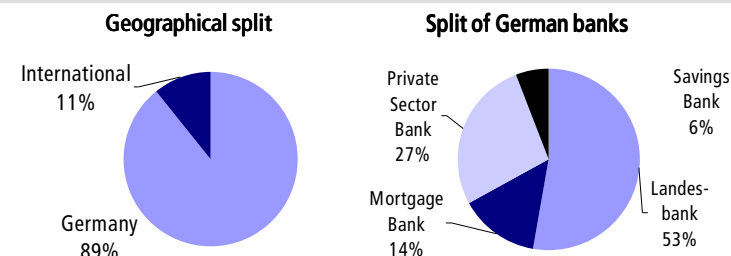
Sold residential portfolios 2004-2007ytd (EUR 1.1bn in total)



Financing

- Financing of real estate portfolios is funded by various German and international banks with a structure in the form of loans secured by land charges and not as leveraged buyouts.
- Vivacon AG enjoys unchanged relationships with various national and international banks. 12 acquisition financing from 9 different banks in a total amount of c. EUR 755m were arranged since 2006. Out of this, 4 financings in a total volume of EUR 130m were arranged via termsheets since July 2007
- Vivacon employs a "traditional" financing structure for its portfolio acquisitions with more favorable terms than highly-leveraged multi-billion portfolio transactions:

Arranged Financing 2006-2007ytd (EUR 755m in total)



Differences in financing structure

	Vivacon	LBO financing
LTV:	75%-85%	90% + mezzanine financing
ICR:	1.10x-1.30%	c. 1.05x
Deal size:	EUR 50-150m	>EUR 1bn

Ground lease securitization transactions

In 2006 Vivacon AG completed two securitizations of ground lease receivables with a total volume of EUR 179.5 m

	German Ground Lease Finance 2006-I	German Ground Lease Finance 2006-II
Date	March 2006	December 2006
Issue volume:	EUR 62m	EUR 117.5m
Term:	30 years (expected maturity)	7 years (expected maturity)
Rating:	Aa2 (100%) from Moody's	Aaa (100%) from Fitch Aaa (65%) and Aa3 (35%) from Moody's
Underlying cashflow:	c. EUR 2.8m	c. EUR 4.9m
Number of rental units:	4.144	10.934
Multiple	22.2x	24.1x

Asset Management

Case study "Bielefeld / Celle"



- Strong vacancy reduction from approx. 30% (Jan 06) to 5.3% (Aug 06)
- Overall rental income increased by 9.6% in 7 months
- Reduction of various operating costs (e.g. insurance fees, concierge costs)
- Vivacon has build up an experienced asset management team of 14 people, which have professional experience with companies like Terra Firma, Viterra, HVB, Corpus, Allianz Immobilien, Cerberus, Ernst & Young, etc.
- Asset management activities include the implementation of rent increases and the reduction of operating costs as well as the coordination of property management to maximize the portfolio value

Case study "Berlin-Marzahn"



- Vacancy reduction by 33% from 94 vacant apartments (Oct 06) to 63 vacant apartments (June 07)
- Outstanding rent receivables have been reduced from 158,000 EUR (end September 2006) to 42,000 EUR end of June 2007
- Fluctuation reduced through service concept

Conversion of landmark buildings – Sample projects

Neuer Garten, Düsseldorf



170 units, volume EUR 33m

Am Karlsbad, Berlin



107 units, volume EUR 21m

Kontorhaus, Bremen



82 units, volume EUR 14m

Kloster Geistigen, Hennef



57 units, volume EUR 9m

Palais am Stadtkai, Mülheim



65 units, volume EUR 16m

Kaisergärten, Leipzig



36 units, volume EUR 6m

Geistinger Park, Hennef



65 units, volume EUR 17m

Sommerhaus, Fürth



74 units, volume EUR 11m

Philippe Starck designer apartments

YOO project Hamburg



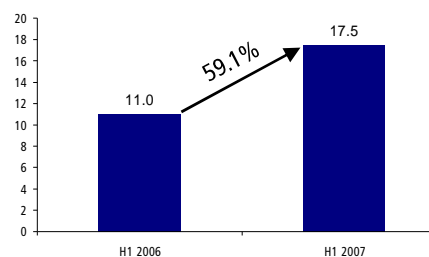
60 units, volume EUR 40m

YOO project Munich

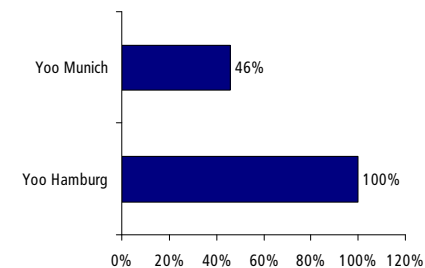


65 units, volume EUR 58m

Notarized volume (EUR m)



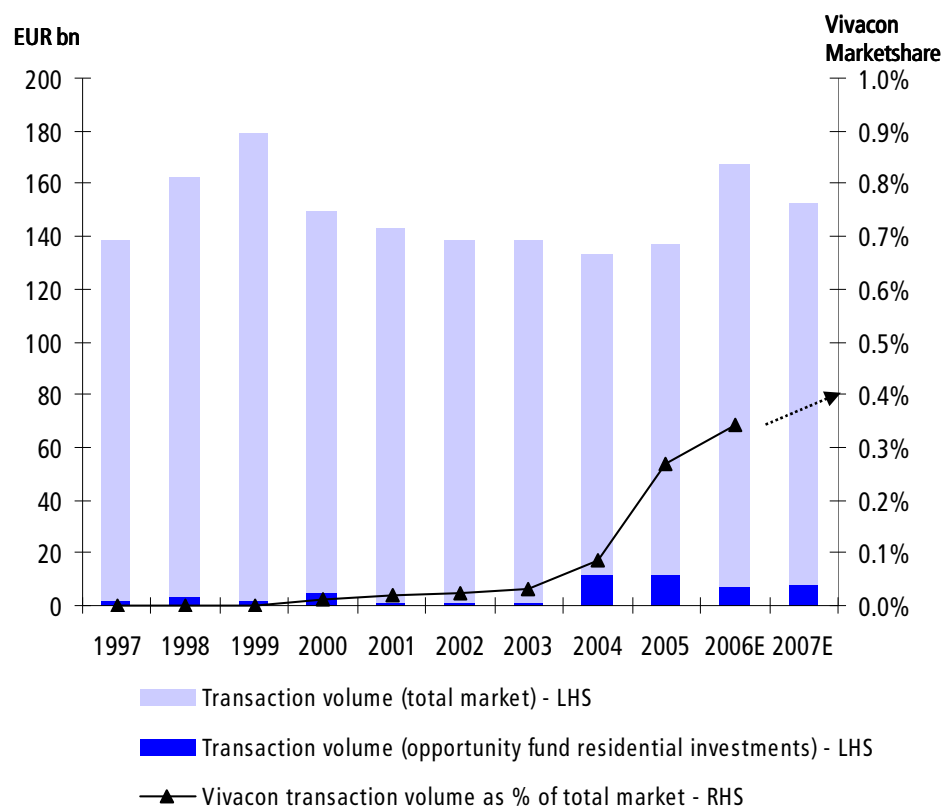
Sales progress



- Philippe Starck is one of the commercially most successful designers in the world
- Vivacon and YOO Holdings Ltd. have established YOO Deutschland GmbH as a Joint Venture (50/50), which owns the exclusive licence for the realisation of Philippe Starck designed real estate projects in Germany
- Project volumes EUR 30–50m each, approx. one new project per year
- First project started in Hamburg (begin of construction 06/2006) with EUR 40m sales volume; second project is in Munich with sales volume of approximately EUR 58m
- Next potential sites: Berlin, Cologne, Düsseldorf, Frankfurt

Transaction volume of the German real estate market

Real estate transaction volume in Germany 1997-2007E



Source: press releases, DEGI Research, HSH Nordbank

Tremendous total market size

- Over the last decade, the German real estate market has seen transaction volumes of consistently over EUR 140bn p.a.
- Substantial market potential with sufficient room for a professional intermediary like Vivacon

Limited market impact by opportunity fund transactions

- Contrary to public opinion, opportunity fund deals of residential real estate have only had a limited impact (less than 9% of total turnover) on overall real estate market pricing and volume dynamics

Market share potential for Vivacon

- Despite becoming one of the most active intermediaries in the residential real estate market in Germany, Vivacon still has only a small but quickly growing market share (from 0.08% in 2004 to 0.34% in 2006) with a lot of room for further expansion
- Further significant growth potential due to strong supply of mid-sized, off-market deals and high levels of demand from global investors seeking exposure to German real estate

Geographical presence

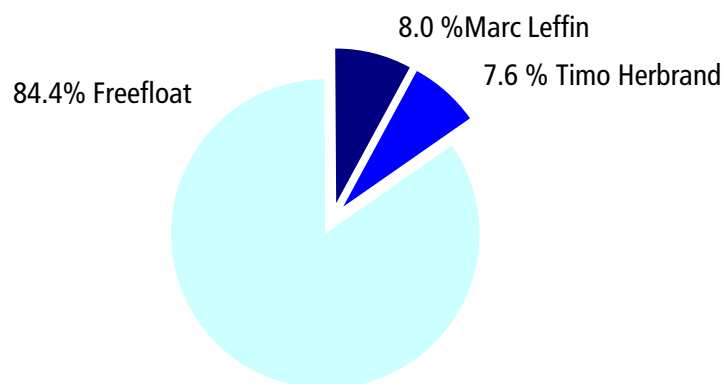
Office location and employees



- With headquarter in Cologne and 6 regional offices, Vivacon has a nationwide presence
- Regional presence gives access to local real estate markets
- In addition to regional presence, Vivacon is linked to the local market via an external distribution network

Facts and Figures

Shareholder structure



Share price development (EUR)



Source: Deutsche Börse

Largest published shareholdings:

UBS	5.03% (Filing date: 05/10/2007)
Absolute Capital	5.00% (Filing date: 10/09/2007)
Credit Suisse	3.76% (Filing date: 29/08/2007)
JP Morgan	3.22% (Filing date: 19/09/2007)
DWS	3.18% (Filing date: 27/09/2007)
K. G. Redding	2.81% (Filing date: 30/06/2007)
Franklin Mutual	2.63% (Filing date: 30/06/2007)
Cominvest	2.28% (Filing date: 30/06/2007)

Source: Vivacon and Reuters

Figures & Facts:

Shareholders' Equity:	EUR 183 m (26% equity ratio)
Market Capitalization:	EUR ~ 350m
Shares Outstanding :	19.8m
Index Segments:	SDAX, FTSE EPRA/NAREIT Global Real Estate
HQ:	Cologne
Founded:	1997
Employees:	>100

Summarized investment highlights

Growth	<ul style="list-style-type: none">▪ Net income CAGR c. 90% p.a. since its IPO in 2001▪ Continuously profitable since foundation 10 years ago.
Profitability	<ul style="list-style-type: none">▪ 50% pretax ROE▪ 13.7% EBIT margin▪ EUR 1.28m EBIT per employee in 2006
Market potential	<ul style="list-style-type: none">▪ EUR 571.5m transaction volume vs. c. EUR 167bn total German real estate transaction volume of in 2006▪ 12,946 traded apartments vs. c. 39m total apartments
Market volume	<ul style="list-style-type: none">▪ With 12,946 traded apartments in 2006, Vivacon is one of the most active players in the German residential market
Value	<ul style="list-style-type: none">▪ EPS 2007E: EUR 2.80 – EUR 3.00▪ Dividend 2006: EUR 0.40▪ Currently, Vivacon AG owns some 10,300 units for sale in the Institutional Investor business▪ Some EUR 123m order backlog at the end of H1 2007 gives confidence for future sales and earnings growth

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