

CRE

Colonia Real Estate AG

Next Generation Real Estate

CRE Financials 2009

Press conference March 30, 2010

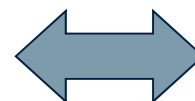


(1)	Company & Business Highlights 2009	Page	3
(2)	Key Financial 2009	Page	7
(3)	Financials 2009	Page	12
(4)	Residential Portfolio and Market	Page	20
(5)	Status Quo CRE Asset Management	Page	28
(6)	Outlook	Page	30
(7)	Appendix	Page	34

Colonia Real Estate AG

Streamlined business model focused on 2 core segments

Investment	
Residential Real Estate Investments <ul style="list-style-type: none">• 19,000 residential units• Active and sustainable portfolio management• Stable and growing recurring cash flows• Occupancy and rental income improvement	Co-Investments <ul style="list-style-type: none">• Commercial and residential JV• Mandates include:<ul style="list-style-type: none">– <i>Merrill Lynch</i>– <i>The Blackstone Group</i>– <i>UBS</i>– <i>JPMorgan</i>
MV c. EUR 814mn investment properties p.a. EUR 88mn revenues	Equity & loans* EUR 14.5mn investments



Combined with
3 – 6 year AM
mandates

Service
CRE Asset Management <ul style="list-style-type: none">• Transaction, investment and exit management• Active tenant and letting management• Sustainable refurbishment and redevelopment• Condominium sale/privatization
EUR 2.1bn AuM p.a. EUR 7mn revenues

* Shareholder loans

Rents

Implementation of rental increases and optimization of property operating expenses resulted in a considerable improvement in net operating income (NOI). Boost of 35.2% to EUR 42.0 mn.

Portfolio

Investment of EUR 7.3 mn only in renovation and modernization measures without ongoing maintenance. Round about 60% of our properties are refurbished, 40% energetic.

Vacancy rate

On a like-for-like basis vacancy rate only decreased 0.1% to 13.6%. Average rent per sqm increased slightly to EUR 4.59 (2008: EUR 4.57/sqm).

Sales

Sale of c. 1,000 residential units in Berlin. Transaction volume EUR 67,0 mn. Purchase price 5% above book value.

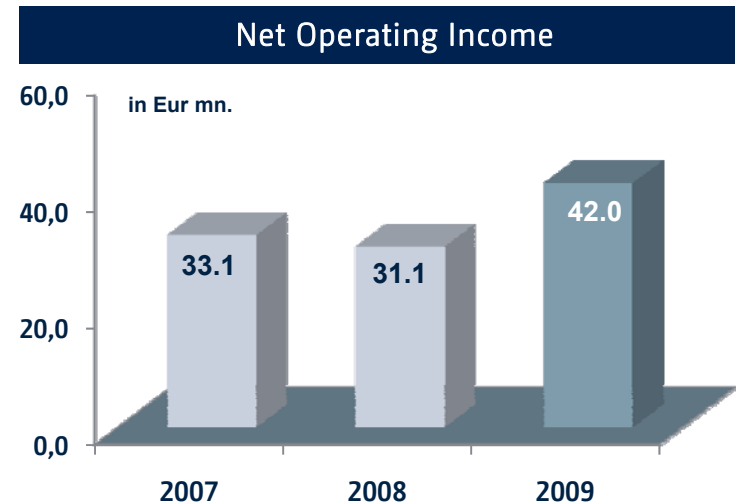
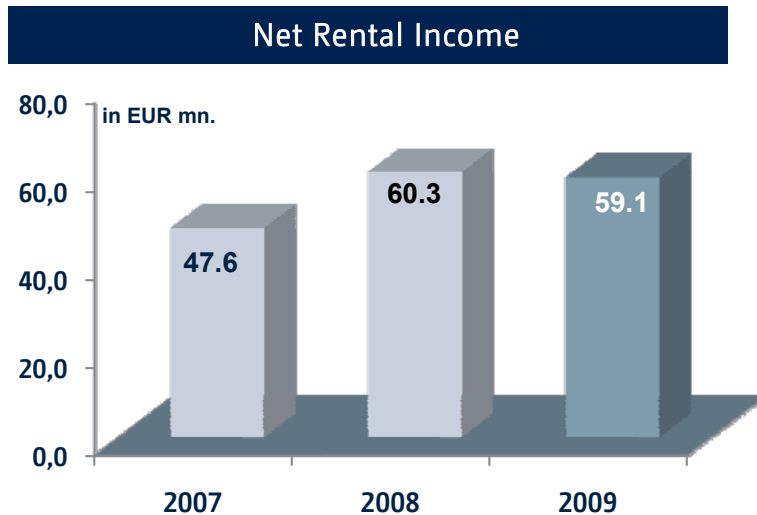
Loan Structure

Repayment of EUR 64,0 mn bank loans. Combined with a loan waver of EUR 8.7 mn. Overall leverage on Group level of 72 %.

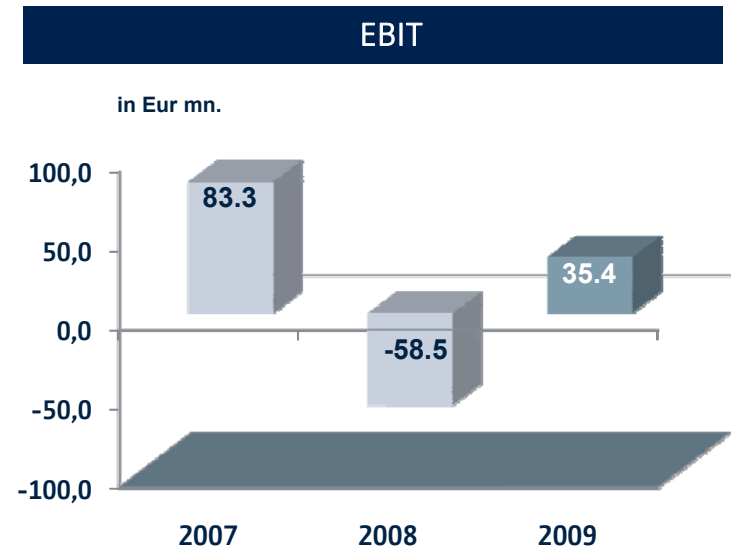
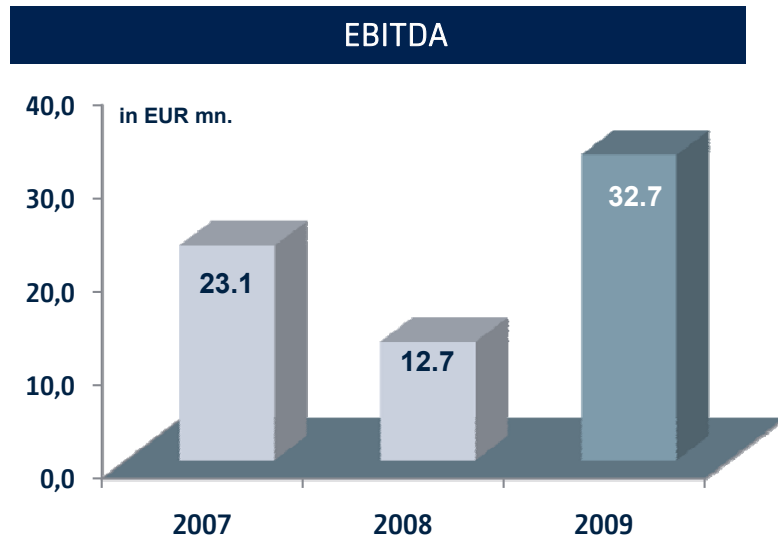
Products	Development and implementation of the „German Workout Platform.“, which is especially interesting to clients who must optimize the management of their properties within a short time, while safeguarding the cash flow from those properties .
AuM	Assets under management with EUR 2.1 bn stable in 2009 thereof EUR 470 mn new acquired mandates.
Commercial	Round about 99,000 sqm of commercial space and 2,500 residential units had new leases signed or old leases extended.
Residential	CRE won award for its innovative and sustainable asset management involving the energy-saving renovation of 1,500 apartments in the Hamburg area. Halving energy costs and CO ₂ emission.
Single unit resale	Sale of 980 units thereof 381 single apartments and 599 units in small block sales. Total transaction volume EUR 51,0 mn.

(1)	Company & Business Highlights 2009	Page	3
(2)	Key Financials 2009	Page	7
(3)	Financials 2009	Page	12
(4)	Residential Portfolio und Markt	Page	20
(5)	Status Quo CRE Asset Management	Page	28
(6)	Outlook	Page	30
(7)	Appendix	Page	34

- Stabilized net rental income (NRI) of EUR 59.1 mn and jump of Net Operating Income (NOI) to EUR 42.0 mn (+35.2% yoy)
- Average rent per sqm of EUR 4.59 (2008: EUR 4.57/sqm) – like-for-like

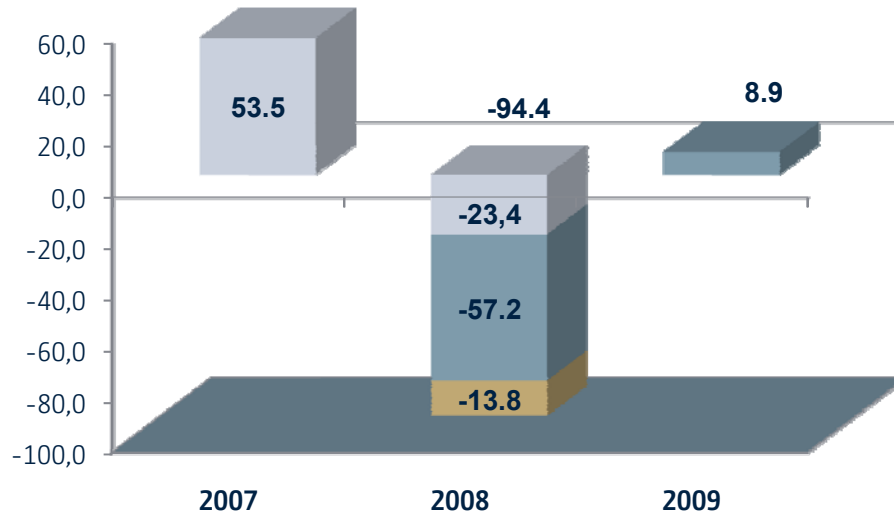


- EBITDA increased to EUR 32.7 mn. (2008: EUR 12.7 mn). No impairments on the real estate portfolio – stable values with slight upward trend.
- EBIT well into the profit zone again at EUR 35.4 mn (2008: EUR -58.5 mn).



Earnings before tax (EBT) in EUR mn

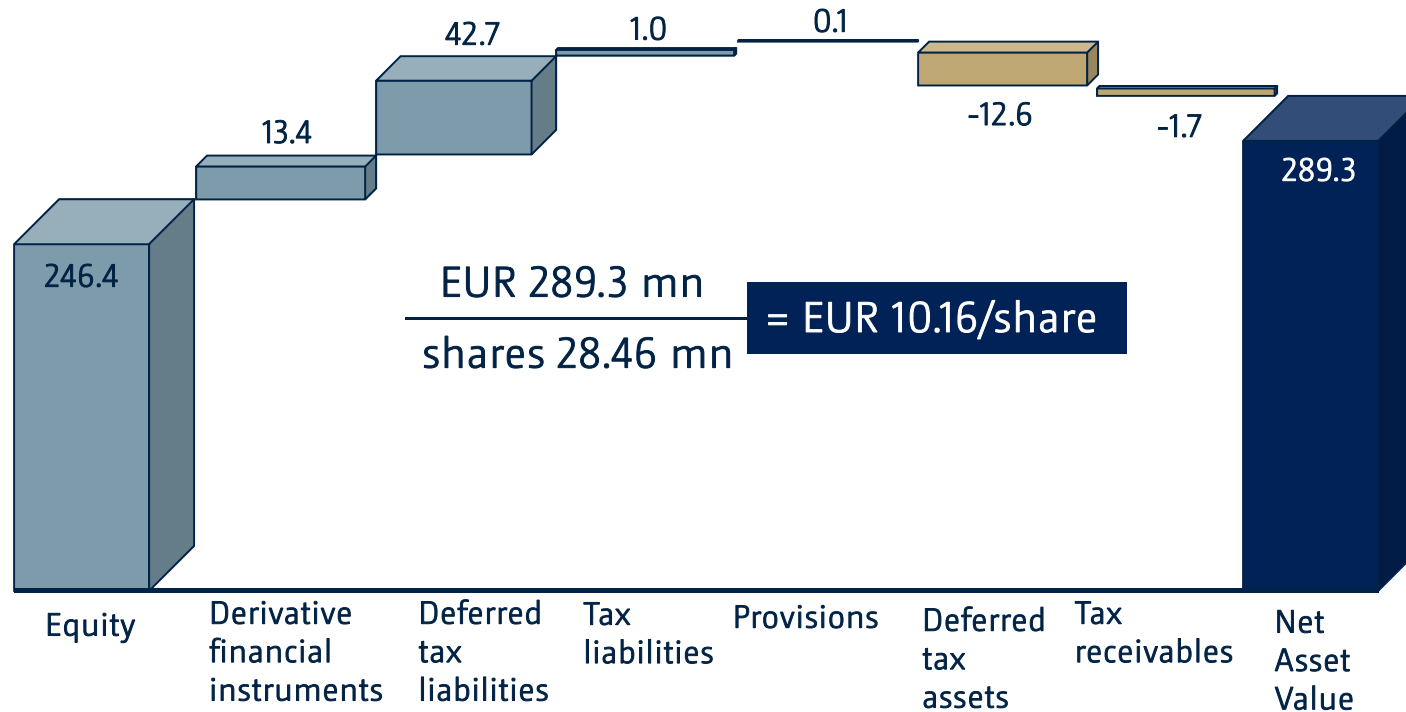
in EUR mn.



thereof in 2008
■ valuation losses
■ impairment of equity interest

- 2009 net profit after tax of EUR 9.1 mn (2008: EUR -82.9 mn) mainly driven by improved rents, reduced G&As and extraordinary gains from a refinancing
- EPS with EUR 0.33 per share positive again (2008: EUR -3.63/share)

- Due to disposal of 1.000 apartments and corporate actions NAV amounted to EUR 10.16 per share (2008: EUR 11.65 per share)



(1)	Company & Business Highlights 2009	Page	3
(2)	Key Financial 2009	Page	7
(3)	Financials 2009	Page	12
(4)	Residential Portfolio and Market	Page	20
(5)	Status Quo Asset Management	Page	28
(6)	Outlook	Page	30
(7)	Appendix	Page	34

	2008	2009
	EUR mn.	EUR mn.
Net rental income (NRI)	31.1	42.0
Net income from Asset Management	-1.2	-1.2
Profit on the sale of properties held for sale	0.3	0.4
Administrative expenses	-20.9	-11.7
Restructuring costs	-0.5	-0.4
Other income / expenses (net)	3.8	3.4
Impairment of equity interest	-13.8	0.0
Valuation movements	-57.2	2.9
Operating profit before finance costs (EBIT)	-58.5	35.4
Financial result	-35.9	-26.5
Consolidated result before tax (EBT)	-94.4	8.9

- With EUR 88.4 mn stable gross rental income minus EUR 46.4 mn property operating expenses leads to a net rental income of EUR 42.0 mn. A jump of 35.2% compared to 2008.

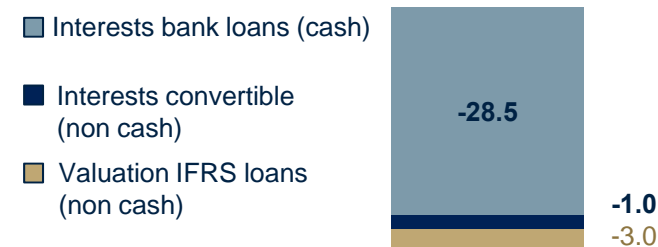
Income Statement 2009 - Split Financial Results



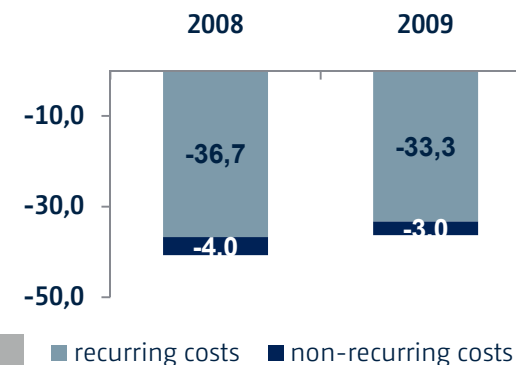
- Improvement of the financial results from EUR -35.9 mn. to EUR -26.5 mn. Recurring financial expenses decreased by 17.4%

in EUR mn.	2008	2009
Interest on long term loans	-35.1	-32.3
Interest on short term liabilities	-1.6	-1.0
Redemption debtor warrant	0.0	-2.1
Expenses from measurements of interest hedges	-4.0	-0.9
Financial expenses	-40.7	-36.3
Income from waiver of loan repayments	0.0	8.7
Income from debt buyback	3.0	0.0
Income from measurements of interest hedges	0.8	0.0
Interest income	1.0	1.1
Finance income	4.8	9.8
FINANCIAL RESULTS	-35.9	-26.5

Type of interest on long term loans



Financial expenses



Consolidated Statement of Cash Flows for Fiscal 2009



	2008 EUR mn.	2009 EUR mn.
Consolidated profit (loss) for the year	-82.9	9.1
Plus net interest income	35.9	26.5
Plus income from debt buy-back	3.0	0.0
Plus income tax	-11.4	-0.1
= Net operating profit (loss) before finance costs	-55.4	35.4
Cash generated from operations	3.9	25.3
Minus balance of interest paid and received as well as income tax paid	-28.5	-28.2
= Net cash used in operating activities	-24.6	-2.9
Net cash used in investing activities	-23.9	-5.4
Net cash generated by financing activities	35.3	7.6
Net change in cash and cash equivalents	-13.2	-0.7
Cash and cash equivalents at beginning of period	23.6	10.4
Cash and cash equivalents at end of period	10.4	9.6

- Improvement of cash generated from operations to EUR 25.3 mn. to reduce net cash used in operating activities from EUR -24.6 mn to EUR -2.9 mn.

Balance Sheet 2009 – Assets



in EUR mn.	2008	2009
Investment properties	835.4	814.2
Property, plant & equipment	1.0	0.7
Intangible assets	3.2	3.4
Investments in associates	7.1	8.2
Other Financial assets	6.1	6.3
Deferred tax assets	10.7	12.6
TOTAL non-current assets	863.5	845.4
Properties held for sale	4.2	6.3
Income tax receivables	1.4	1.7
Receivables and other assets	14.1	14.4
Cash and cash equivalents	15.3	13.1
TOTAL current assets	35.0	35.5
Assets of a disposal group classified as held for sale	29.4	0.0
TOTAL ASSETS	928.0	880.9

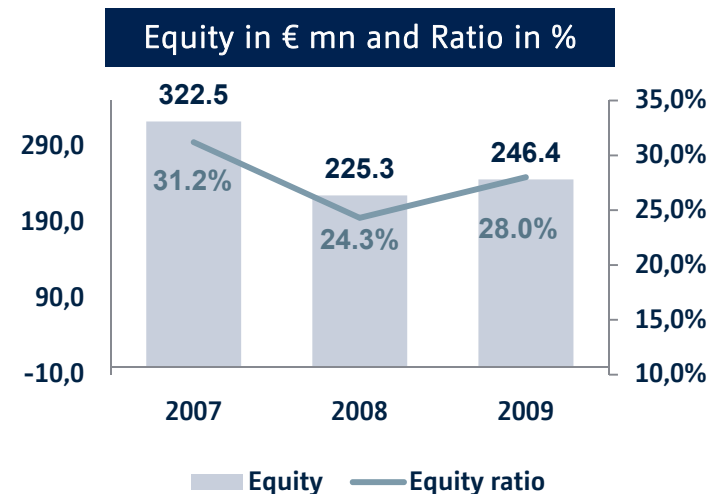
- Total volume property assets EUR 820.5 mn.
- Stable values of the property portfolio
- Value per sqm = EUR 713
- Investments in associates of EUR 8.2 mn comprise CRE stake in co-investments and JV's

Balance Sheet 2009 – Equity and Liabilities



in EUR mn.	2008	2009
TOTAL equity	225.3	246.4
Financial liabilities	525.6	477.5
Convertible bond	55.6	57.4
Provisions for pensions	0.1	0.1
Derivative financial instruments	7.5	9.7
Deferred tax liabilities	40.5	42.7
TOTAL non-current liabilities	629.3	587.4
Bank loans (current)	4.9	3.4
Financial liabilities (current)	38.1	23.6
Derivative financial instruments (current)	2.0	3.7
Account payables, trade and other payments	27.3	15.4
Tax liabilities	1.1	1.0
TOTAL current liabilities	73.4	47.1
TOTAL EQUITY AND LIABILITIES	928.0	880.9

- Group's equity increased to EUR 246.4 mn with equity ratio of 28.0%. Within management long-term target range of 25% - 25%.

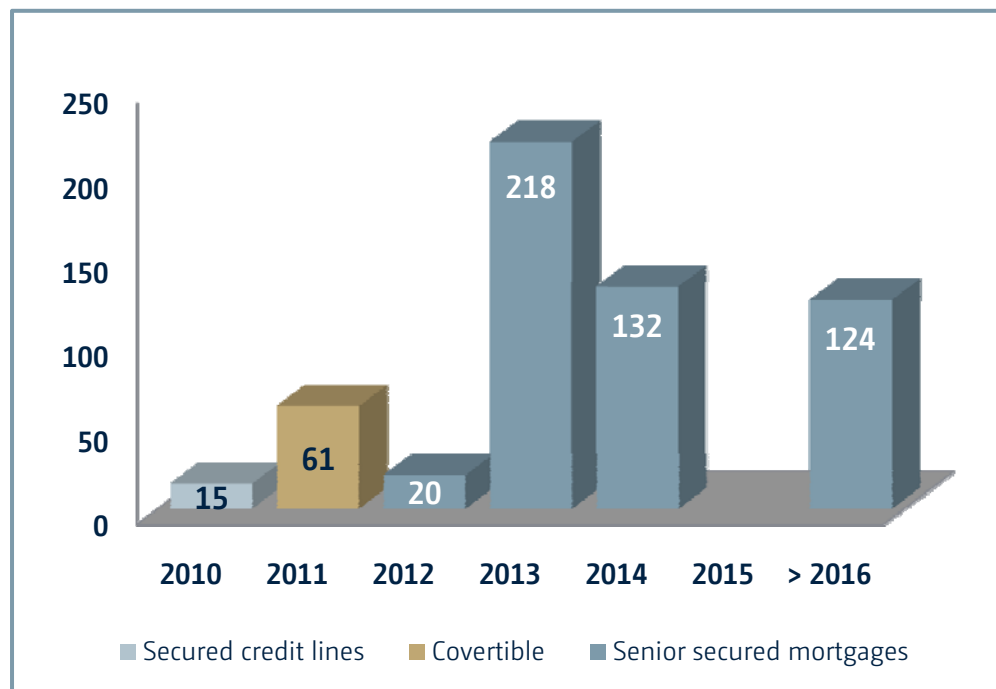


- Strengthening of equity from 22.82 mn to 28.46 mn shares and increase of equity ratio to 28%.

	2008	2009
Subscribed capital	22.8	28.5
Other reserves	222.3	234.3
Components of result for period not recognized in profit or loss	-14.3	-18.3
Retained earnings	-6.6	1.5
Minority interests	1.1	0.4
TOTAL equity	225.3	246.4

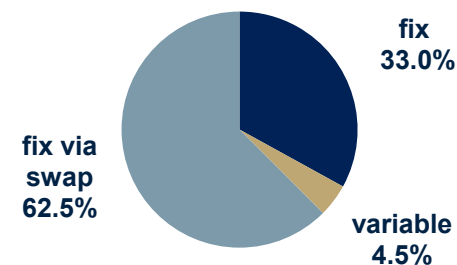
- Capital increase of 1.3 mn new CRE shares. Issue price per share of EUR 2.77, yielding gross issue proceeds of EUR 3,6 mn.
- Conversion of warrants into new CRE shares. A total of 6.5 mn warrants were exercised, which represented a total of 4.3 mn new CRE shares. Gross issue proceeds of EUR 13.0 mn.

Debt duration profile



- Total debt volume: EUR 570 mn
Long term debt: EUR 555 mn
Short term debt: EUR 15 mn
- Avg. interest rate: 4.5 % p.a.
Average duration: 8 years
Leverage ratio: 95.5 %

Interest rate profile



(1)	Company & Business Highlights 2009	Page	3
(2)	Key Financial 2009	Page	7
(3)	Financials 2009	Page	12
(4)	Residential Portfolio and Market	Page	20
(5)	Status Quo Asset Management	Page	28
(6)	Outlook	Page	30
(7)	Appendix	Page	34



- CRE owns almost 19.000 residential units with 1,15 mn sqm. 60% have been recently modernized, 40% corresponding to highest energetic standards.



- Average new rents in refurbished areas increased by 25.3% from EUR 4.50 to EUR 5.64 per sqm after modernization.

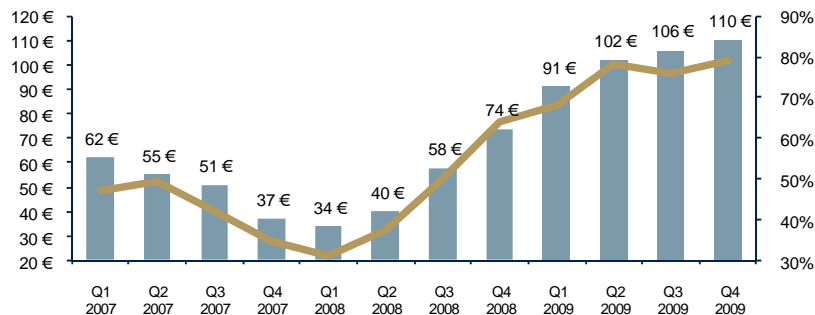


- Average rent per sqm only slightly increased to EUR 4.59 (2008: EUR 4.57/sqm).
- On a like-for-like basis overall vacancy rate only decreased 0.1% to 13.6%.



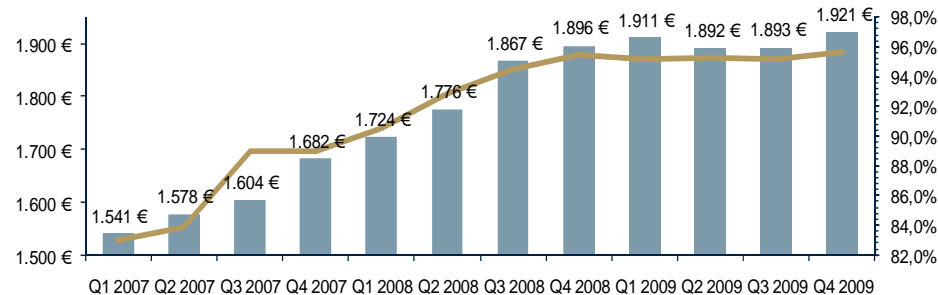
Aachen (recently refurbished)

EURO k



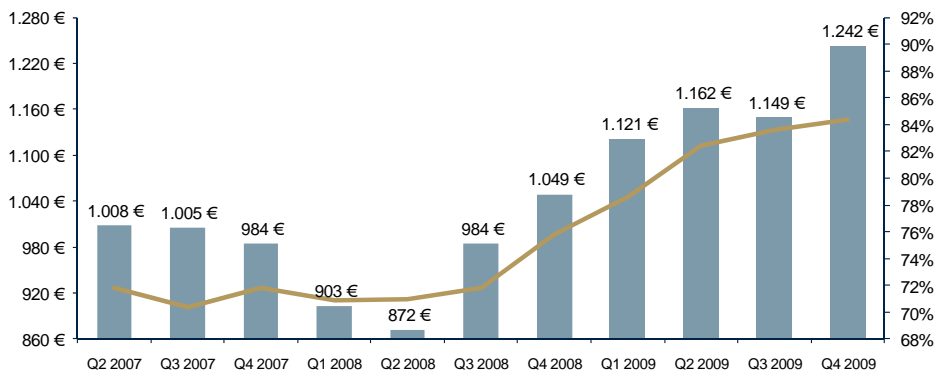
Berlin Capital

EURO k



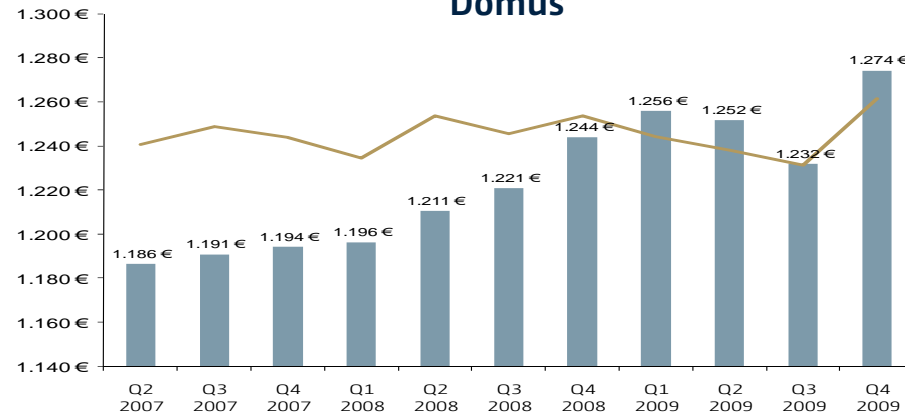
Hamburg (recently refurbished)

EURO k



Domus

EURO k



■ NRI/actual rent

— Occupancy rate

Valuation residential portfolio

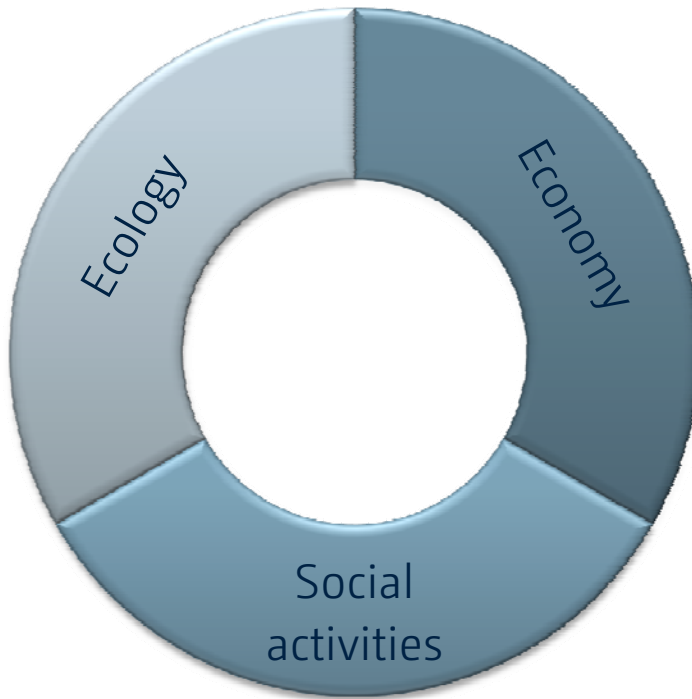
Appraiser	DTZ, London
Method	DCF – projected future cash flows are discounted to the measurement date
Receipts/ payments	Net rents / operating costs of the property
Parameter	<ul style="list-style-type: none"> • Increase net rent: 2,0% • Loss of rent risk: 1,5% • Vacancy rates: property specific
Discount rates	<ul style="list-style-type: none"> • Property specific discount rates: <ul style="list-style-type: none"> ➢ 6.6% – 8.2% • Exit rate: <ul style="list-style-type: none"> ➢ 5.6% - 7.2%

Portfolio 2009	no. of units	sqm	Fair Value in TEUR	Value / sqm
Berlin	4.554	261.900	203.370	777
North / Grasmus	12.093	735.300	492.900	670
West / Domus	1.158	82.700	81.120	981
East	787	44.500	24.620	553
	18.592	1.124.400	802.010	713
Commercial			12.200	
TOTAL VALUE INVESTMENT PROPERTIES			814.210	

➔ Value per sqm = 713 EUR

➔ Net rental yield = 7,3 %

Spheres of the CRE Asset Management Approach



Ecology

- Energy consumption and CO₂-emission
- Consumption of water and sewage
- Waste management
- Building material
- Electric smog, noise
- Structuring and use of public space

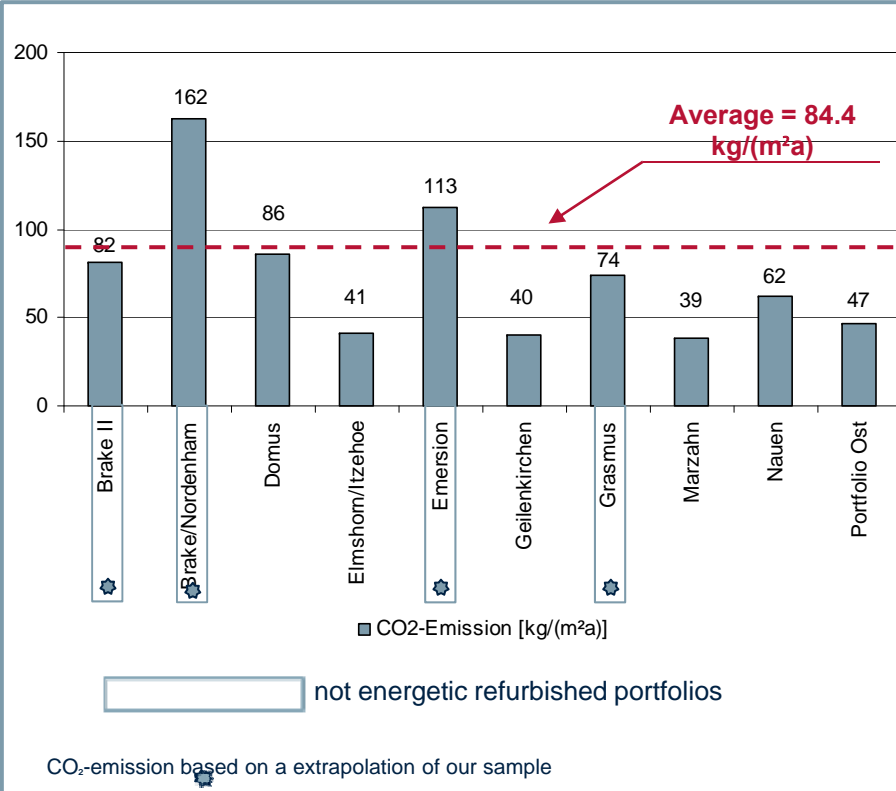
Economy

- Supply of media entertainment
- Fire call systems
- Smart Metering
- Branding
- Revitalization of properties

Social activities

- Security concepts
- Connection to public transportation
- New living concepts
- Integration of minorities

CO₂ emission



Waste Management – Emersion portfolio

Innovations

- Waste sorting before garbage disposal service
- Cleaning of the garbage places

First financial results

- Reduction residual waste volume of more than 25% (round about 210m³ or 38 t)
- Cost reduction of EUR 570 k

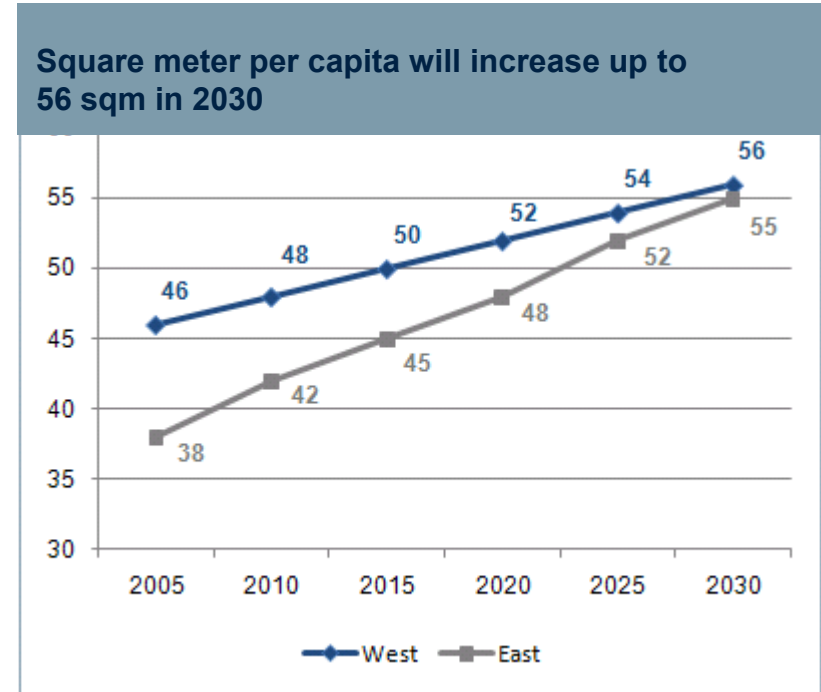
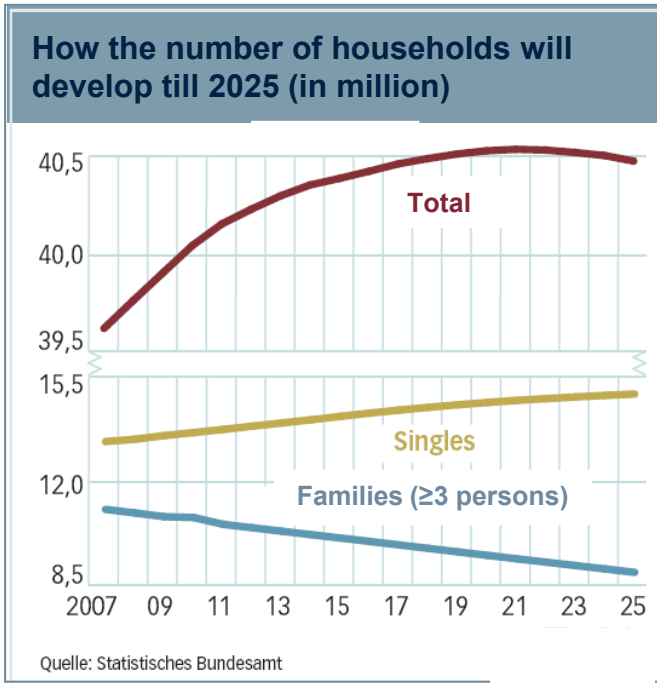
Portfolio optimization

- Lower utility costs for tenants and CRE
- Improved tenant retention
- Higher cash income out of the portfolio



Number of households in Germany will increase.

Due to lower numbers of persons per household and rising living space per person.

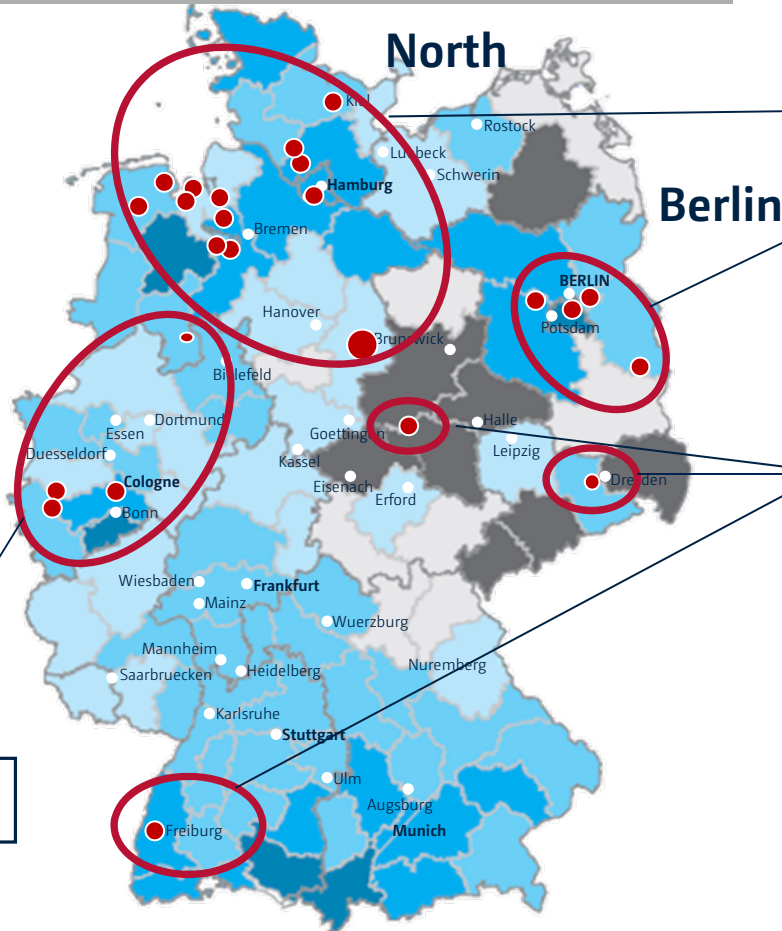


Demand for Housing until 2015

Number of households will increase, especially in urban areas. Gap between supply and demand will increase.

Implications are higher average rents in urban areas and increasing prices.

85 % of the CRE portfolio is located in areas with increasing demand and cities with more than 100,000 residents.



Region North
number of accommodation : 12,195 units

Region Berlin
number of accommodation: 4,736 units

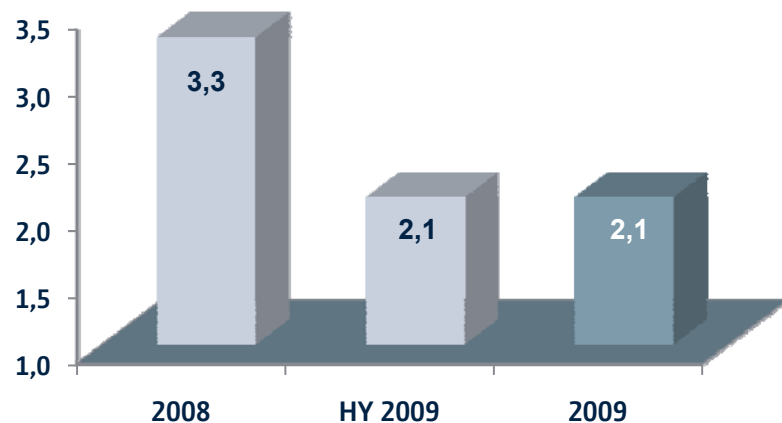
Further locations
number of accommodation : 1,072 units

Region West
number of accommodation units: 591

- CRE Portfolio locations
- below – 4%
- -4% to 0%
- 0% to 4%
- 4% to 8%
- 8% to 12%
- 12% and more

(1)	Company & Business Highlights 2009	Page	3
(2)	Key Financial 2009	Page	7
(3)	Financials 2009	Page	12
(4)	Residential Portfolio and Market	Page	20
(5)	Status Quo CRE Asset Management	Page	28
(6)	Outlook	Page	30
(7)	Appendix	Page	34

Assets under Management (in EUR bn)



- Assets under Management with EUR 2.1 bn stable in 2009
- AM revenues declined by 22.8% to EUR 7.3 mn yoy; thereof 2.6 mn in Q4.
- Q4 2009 shows first enhancement of revenues and profits. Q4 - first quarter in 2009 with positive result of EUR 0.4 mn.
- Restructuring charges of EUR 0.7 mn due to the closing of Dusseldorf office and further layoffs
- New acquisitions (EUR 470 mn in 2009) and new German Workout Platform has started
- First significant workout mandate from RBS acquired comprising c. 74,000 sqm of commercial

(1)	Company & Business Highlights 2009	Page	3
(2)	Key Financial 2009	Page	7
(3)	Financials 2009	Page	12
(4)	Residential Portfolio and Market	Page	20
(5)	Status Quo CRE Asset Management	Page	28
(6)	Outlook	Page	30
(7)	Appendix	Page	34

Portfolio	Increase value of our properties via additional refurbishments and energetic modernizations. Expected volume between EUR 7 and 8 mn.
Portfolio growth	Successful use of opportunities arising on the German real estate market. Selective sales of stabilized portfolios and single units (volume EUR 20 -30 mn) Acquisition of new residential portfolio, especially in metropolitan areas. Strengthening of our own portfolio.
NRI/NOI	Steady increase of rental income (NRI) via vacancy reduction and rental increases. Accordingly moderate rise of the Net Operating Income (NOI).
Cashflow	Continuous enhancement of cash flow. Due to developments of rents and lowering vacancies increase and stabilization of cash income out of our real estate portfolio.
Profit	Moderate growth in comparison to last year.

Profit-ability

CRE Asset Management will return to profit zone.

Asset Management

Acquisition of new mandates, especially in the residential real estate sector to increase Assets under Management and to generate recurring income.

Single unit sale

Stabilization of our privatization business and development of third party single unit sales.

Share price

Ongoing reduction of discount to NAV of EUR 10.16 per share through operational performance

A dark blue arrow pointing to the right, positioned on the left side of the first text box.

Moderate Growth

A dark blue arrow pointing to the right, positioned on the left side of the second text box.

Strengthening of our residential portfolio

A dark blue arrow pointing to the right, positioned on the left side of the third text box.

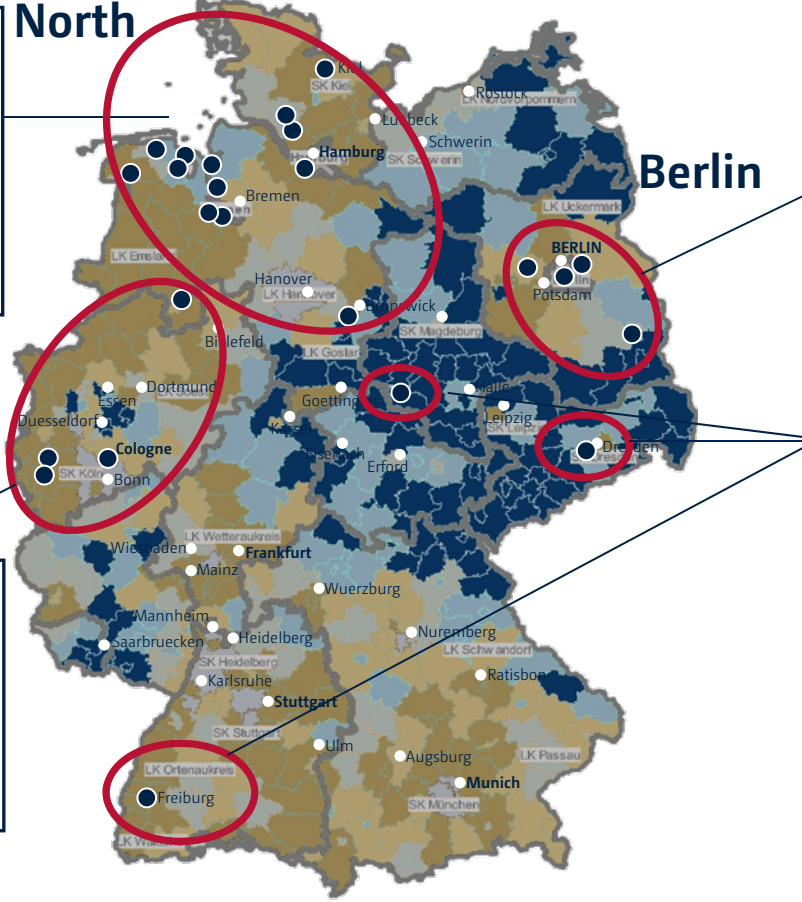
Cash flow improvement

CRE represents defensive value at deep discount with growth perspective

(1)	Company & Business Highlights 2009	Page	3
(2)	Key Financial 2009	Page	7
(3)	Financials 2009	Page	12
(4)	Residential Portfolio and Market	Page	20
(5)	Status Quo CRE Asset Management	Page	28
(6)	Outlook	Page	30
(7)	Appendix	Page	34

CRE Residential Portfolio at a Glance

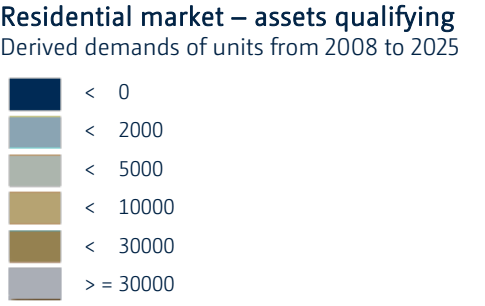
Region North
 Asset rent: € 4.13 – 4.57
 Rent new tenants refurbished:
€ 5.20 – € 7.50
 Quality of property:
 - energetic refurbishment 14%
 - market average 86%
 number of accommodation units: 12,195



Region Berlin
 Average asset rent: € 4.60
 Rent new tenants: **€ 5.10 – € 6.50**
 Quality of property
 - energetic refurbishment 90%
 -market average 10%
 number of accommodation units: 4,736

Further locations
 Asset rent: € 4.24 – 5.11
 Rent new tenants: **€ 4.58 – € 5.58**
 Quality of property:
 - energetic refurbishment 57%
 - market average 43%
 number of accommodation units: 1,072

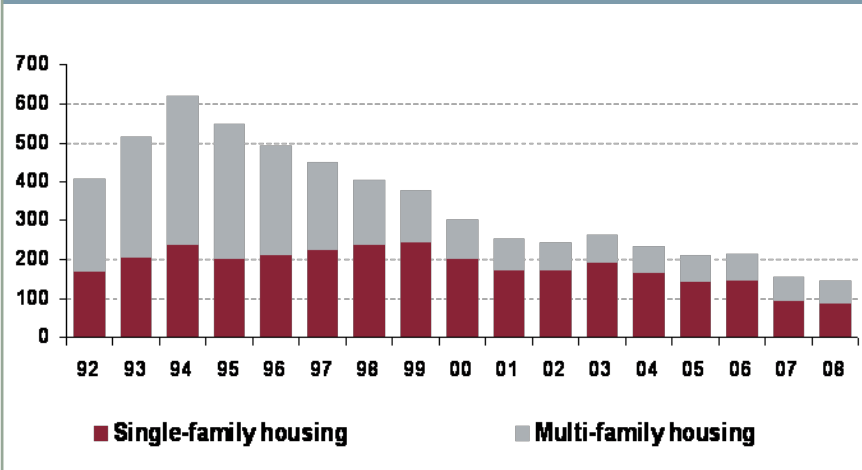
Region West
 Average asset rent: € 5.09
 Rent new tenants: **€ 5.45**
 Quality of property:
 -energetic refurbishment 84%
 -market average 16%
 number of accommodation units: 591



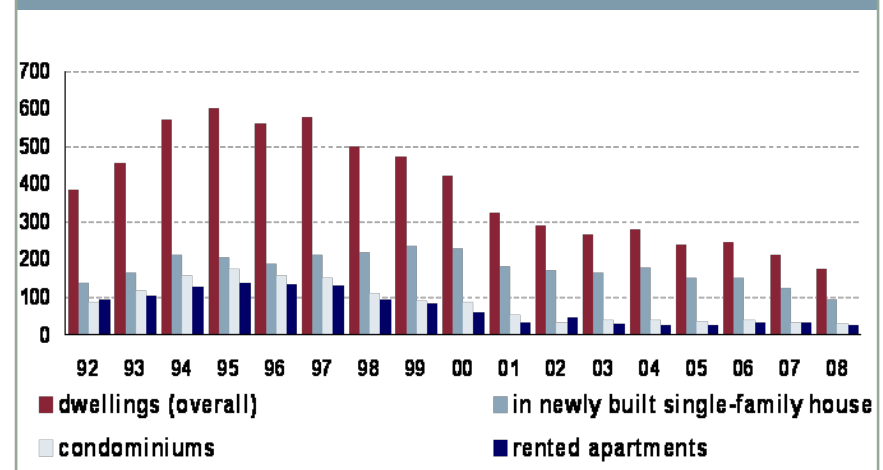
Source: Pestel-Study „Wohnungsmangel in Deutschland“

Lack of supply supports sustainable Asset Management of existing properties

Number of construction permits declined (in '000)



Number of completions declined (in '000)



Thank you for your attention



Colonia Real Estate AG

Financial calendar

March 30, 2010	Press Conference 2009
May 12, 2010	Interim Report 1st quarter 2010
June 24, 2010	Annual General Meeting, Cologne

To be always updated, please have a look on our website www.cre.ag

Colonia Real Estate AG

Claudia Kellert

Head of Investor Relations & Communication

Zeppelinstraße 4 – 8, 50667 Cologne/Germany

Tel: +49 (0)221 7160 710, Internet: www.cre.ag, E-Mail: c.kellert@cre.ag

"Important Notice: Forward-Looking Statements

Statements in this presentation relating to future status or circumstances, including statements regarding management's plans and objectives for future operations, sales and earnings figures, are forward-looking statements of goals and expectations based on estimates, assumptions and the anticipated effects of future events on current and developing circumstances and do not necessarily predict future results.

Many factors could cause the actual results to be materially different from those that may be expressed or implied by such statements.

Colonia Real Estate AG does not intend to update these forward-looking statements and does not assume any obligation to do so."