



Colonia Real Estate AG

Annual Financial Report 2008

Balance Sheet as of December 31, 2008

Assets

EUR	Dec. 31, 2008	Dec. 31, 2007
A. Noncurrent assets		
I. Property, plant and equipment		
1. Land and equivalent rights including commercial and other buildings	9,921,358.00	10,171,438.00
2. Equipment	708,992.00	635,562.00
	10,630,350.00	10,807,000.00
II. Financial assets		
1. Investments in subsidiaries	262,325,262.44	59,972,024.71
2. Loans to subsidiaries	22,935,105.19	0.00
3. Investments in associated companies	2,747,711.85	3,123,649.67
4. Loans to associated companies	5,856,670.97	3,482,839.04
	293,864,750.45	66,578,513.42
	304,495,100.45	77,385,513.42
B. Current assets		
I. Inventories		
1. Land and equivalent rights including finished buildings	1.00	3,655,736.95
2. Work in progress	174,286.21	207,784.96
	174,287.21	3,863,521.91
II. Receivables and other assets		
1. Receivables, trades	44,229.43	60,588.88
2. Receivables from subsidiaries	50,526,682.58	275,941,955.45
3. Other assets	1,045,218.13	3,814,781.77
	51,616,130.14	279,817,326.10
III. Marketable securities		
Treasury shares	7,152.86	42,517.00
IV. Cash on hand and bank balances		
	3,352,694.20	1,028,175.68
	55,150,264.41	284,751,540.69
C. Prepaid expenses		
	5,728,659.79	6,860,851.04
	365,374,024.65	368,997,905.15

Shareholders' equity and liabilities

EUR	Dec. 31, 2008	Dec. 31, 2007
A. Shareholders' equity		
I. Capital stock Contingent capital EUR 11,412,800.00 (prior year: EUR 10,512,800.00)	22,825,600.00	22,465,600.00
II. Additional paid-in capital	222,787,468.06	217,657,468.06
III. Retained earnings		
Reserve for treasury shares	7,152.86	42,517.00
IV. Unappropriated net loss/income	-10,490,441.24	11,199,271.98
	235,129,779.68	251,364,857.04
B. Accruals		
1. Tax accruals	690,898.38	165,923.03
2. Other accruals	1,149,047.00	3,455,280.00
	1,839,945.38	3,621,203.03
C. Liabilities		
1. Bonds thereof convertible: EUR 60,905,608.40 (prior year: EUR 60,905,608.40)	60,905,608.40	60,905,608.40
2. Liabilities to banks	56,657,643.43	25,445,083.74
3. Advances received	266,305.12	168,190.10
4. Accounts payables, trade	1,090,289.76	1,012,660.44
5. Liabilities to subsidiaries	3,595,028.83	18,445,840.21
6. Other liabilities thereof for taxes: EUR 452,678.11 (prior year: EUR 546,922.94)	3,988,599.05	8,034,462.19
	126,503,474.59	114,011,845.08
D. Prepaid expenses		
	1,900,825.00	0.00
	365,374,024.65	368,997,905.15

Income Statement for 2008

EUR	2008	2007
1. Revenues	1,474,630.10	1,304,892.54
2. Reductions in work in progress	-33,498.75	0.00
3. Other operating income	8,907,686.48	17,535,649.32
	10,348,817.83	18,840,541.86
4. Expenses for building maintenance	347,291.97	233,402.68
5. Personnel expenses		
a) Wages and salaries	4,414,043.41	3,843,131.58
b) Social security contributions and retirement benefits thereof for retirement benefits: EUR 34,648.80 (prior year: EUR 35,731.67)	295,629.18	185,398.29
6. Depreciations on property, plant and equipment	409,069.95	358,828.66
7. Other operating expenses	11,953,470.85	20,884,674.17
	17,419,505.36	25,505,435.38
8. Income from profit transfer agreements	0.00	5,400,570.22
9. Income from subsidiaries and associated companies including profits from disposal thereof from subsidiaries: EUR 0.00 (prior year: EUR 20,750,675.32)	38,816.18	20,750,675.32
10. Income from marketable securities	493.32	305,301.92
11. Other interest and similar income thereof from subsidiaries: EUR 11,750,583.08 (prior year: EUR 8,789,104.55)	13,256,012.45	10,097,619.89
12. Other interest and similar expenses thereof from subsidiaries: EUR 958,073.16 (prior year: EUR 1,293,655.84)	4,136,689.50	3,492,613.14
13. Write-downs on and losses from disposal of financial assets and marketable securities	16,870,006.40	12,651,274.92
14. Expenses from loss transfer agreements	576,303.54	0.00
	-8,287,677.49	20,410,279.29
15. Results from ordinary business activities	-15,358,365.02	13,745,385.77
16. Income taxes	-492,150.08	-138,997.98
17. Other taxes	-5,037.00	-5,195.00
	-497,187.08	-144,192.98
18. Results assigned to the insolvency creditors	-163,750.51	-193,652.82
19. Loss/profit for the year	-16,019,302.61	13,407,539.97
20. Profit/loss carried forward from prior year	11,199,271.98	-2,165,750.99
21. Dividend distributions	-5,705,774.75	0.00
22. Withdrawals from/allocations to reserve for treasury stock	35,364.14	-42,517.00
23. Unappropriated net income/loss	-10,490,441.24	11,199,271.98

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I. General information

The annual financial statements of Colonia Real Estate AG (CRE AG) as of December 31, 2008, were prepared on the basis of the accounting principles under Book Three of the German Commercial Code (HGB).

CRE AG qualifies as a large capital corporation within the meaning of Sec. 267 (3) Sentence 2 of the Commercial Code.

Total cost method

The income statement is presented in the total cost format under Sec. 275 (2) of the German Commercial Code.

The annual shareholders' meeting on June 19, 2008, adopted an extensive catalogue of agenda items, including the creation of authorized capital and conditional capital.

In March 2008, additionally, a capital increase was placed with investors, further improving the Company's equity capitalization.

Liquidation process for the asset item Küppersbusch

The asset and liability items recognized in the balance sheet have been only partially applicable to the new business activities that Colonia Real Estate AG has conducted since November 5, 2003 ("free" assets). A small portion pertained to asset and liability items that were subject to the sole power of disposition of the receiver in the former insolvency proceedings of Küppersbusch AG i. L. (assets subject to bankruptcy proceedings), and was also accounted entirely separately on that basis. The liquidation process has not been completed to date. The proceeds from the disposal of these assets, the interest accruing on bank accounts, and the proceeds from the operation of properties are applied solely to satisfy the creditors of Küppersbusch AG i. L. (fiscal 2008: EUR 163.8 k; prior year: EUR 193.7 k). The balance sheet of Colonia Real Estate AG as of December 31, 2008, therefore contains the following asset and liability items that are frozen in insolvency: properties held for sale (EUR 0.0 k; prior year: EUR 3,655.7 k), other assets (EUR 0.0 k; prior year: EUR 681.0 k), bank balances (EUR 753.9 k; prior year: EUR 800.5 k), liabilities to banks (EUR 0.0 k; prior year: EUR 3,655.7 k) and other liabilities (EUR 753.8 k; prior year: EUR 1,481.5 k). Any further information in these notes refers solely to the free assets of Colonia Real Estate AG.

During the year, property held for sale and the associated liabilities to banks were reduced to a notional residual value of EUR 1.00.

II. Accounting policies

The annual financial statements were prepared in compliance with Sec. 242 ff. and 264 ff. of the German Commercial Code, along with the pertinent requirements of the German Stock Corporations Act (AktG).

Property, plant and equipment are depreciated at the maximum rates allowed for tax purposes, on the basis of their expected useful life. Where permitted under the tax regulations, a declining-balance method is applied for movable goods. Depreciation is changed to the straight-line method for the first year in which that method yields a larger figure for annual depreciation. The remaining assets are depreciated on a straight-line basis. Minor-value assets up to a net value of EUR 150.00 each (until December 31, 2007: EUR 410.00) are written off or expensed in full, as the case may be, in their year of acquisition; they are assumed to have been disposed of immediately. For simplicity's sake, on assets with net values of more than EUR 150.00 each up to EUR 1,000.00 each, and acquired after December 31, 2007, the combined item to be formed each year for tax purposes is also incorporated into the balance sheet for reporting purposes under the Commercial Code. The annual combined items, whose total amount is of minor significance, are depreciated at a flat rate of 20 percent per year in their year of initial formation and the four subsequent years, in keeping with the tax rules. Otherwise additions to property, plant and equipment are depreciated proportionately over time.

Among financial investments, shares and securities are normally measured at the lower of cost or market, and loans extended are normally recognized at their nominal value. No-interest or low-interest loans extended are discounted to present value.

Work in progress is measured at the cost of the still unsettled apportionable operating expenses.

Receivables and other assets are normally measured at their nominal value or acquisition cost, whichever is applicable. Default risks are taken into account with write-downs.

Other securities are measured at lower values pursuant to Sec. 253 (3) of the German Commercial Code.

Cash and cash equivalents are measured at their nominal value.

Tax provisions and other provisions take account of all contingent liabilities. They are recognized at the amount that is necessary according to a reasonable commercial evaluation.

Liabilities are measured at their repayment amount.

III. Information and explanations on various items in the balance sheet and income statement

1. Noncurrent assets

The changes in noncurrent assets are shown in the attached schedule (Appendix A to these Notes).

2. Current assets

As in the prior year, receivables and other assets have terms of less than one year.

2.1. Receivables from subsidiaries

The financial statements recognize receivables from subsidiaries of EUR 50,526.7 k (prior year: EUR 275,942.0 k).

These result particularly from current account loans to subsidiaries, which bear interest at 5.5 percent.

2.2. Other assets

The other assets, in the amount of EUR 1,045.2 k, largely consist of tax receivables (taxes on capital and on interest income), receivables from employees, and creditors with debit balances.

2.3. Other securities

The other securities consist of treasury stock in the amount of EUR 71 k. A reserve for treasury stock was formed in the same amount.

3. Deferred income and expenses paid in advance

One major component included in this item (which comes to EUR 5,728.7 k in all (prior year: EUR 6,860.9 k)), is the difference between the redemption amount of the convertible bond, which is recognized as a liability, and the bond's issue amount, which in accordance with Sec. 250 (3) Sentence 1 of the Commercial Code is recognized at EUR 3,465.9 k. The item also includes the equity component of the convertible bond, in the amount of EUR 740.8 k, and bank charges of EUR 889.1 k incurred for the bond issue. This item will be written back in installments over the term of the bond.

Equity: EUR 235 million

4. Equity

Equity decreased to EUR 235,129,779.68 during the year (prior year: EUR 251,364,857.04).

Changes in equity are shown in the attached statement of changes in equity (Appendix B to these Notes), and are explained below:

Share capital

The share capital increased to EUR 22,825,600.00 as of the reporting date (prior year: EUR 22,465,600.00), and is made up of the following:

Bearer shares (no-par bearer shares)	Notional value per share EUR	Share capital EUR
22,825,600	1.00	22,825,600

Share capital increased
on March 3, 2008

Under an authorization contained in Article 4 (4) of the Company's articles of incorporation, on February 24, 2008, the Board of Management decided, with the consent of the Supervisory Board, likewise granted on February 24, 2008, to increase the share capital by EUR 360,000, from EUR 22,465,600 to EUR 22,825,600, by issuing 360,000 new bearer shares of common stock, fully entitled to participate in profits as of January 1, 2008.

The subscription price per new share was EUR 15.25.

The capital increase was recorded in the Commercial Register of Cologne Local Court on March 3, 2008.

In all, therefore, the share capital increased by EUR 360 k during the year, to EUR 22,825.6 k (prior year: EUR 22,465.6 k).

The shareholders' meeting on June 19, 2008, resolved to amend Article 4 (Share Capital, Conditional Capital, Authorized Capital) and Article 16 (Compensation) of the articles of incorporation. Conditional Capital II was suspended. A new Conditional Capital VII was approved. The former Conditional Capital VI was suspended, and the creation of a new Conditional Capital VI was approved.

Authorized capital

The Board of Management has been authorized, subject to the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions on or before July 3, 2012, by up to a total of EUR 10,992,800.00, by issuing new bearer shares of no-par stock in return for contributions in cash or in kind (2007 Authorized Capital). The Board of Management may exercise this authorization for any purpose permitted by law, but only up to a total of EUR 6,698,560.00 for the purpose of issuing stock to service exercised conversion rights or options for holders of convertible bonds or bonds with warrants already issued or to be issued in the future under the authorization granted by the shareholders' meetings of June 27, 2005 (in the version of the amending resolutions of June 6, 2006, and July 4, 2007) and of July 4, 2007.

Authorized capital:
up to EUR 10.99 million.

*Conditional Capital I:
EUR 4.5 million*

Conditional capital

The share capital has been conditionally increased by up to EUR 4,500,000, by the issue of up to 4,500,000 no-par bearer shares, each having a notional value of EUR 1.00 of the share capital (Conditional Capital I). The conditional capital increase will be carried out only to the extent that holders of stock options without bonds with warrants issued by the Company up to August 1, 2009, under the authorization from the shareholders' meeting of August 24, 2004, exercise their right to subscribe for the Company's stock.

*Conditional Capital III:
EUR 0.79 million*

The Company's share capital has been conditionally increased by up to EUR 792,000.00, divided into up to 792,000 no-par bearer shares, by the issue of new stock (Conditional Capital III). The conditional capital increase is to serve for the issue of stock to service exercised subscription rights (stock options) granted to members of the Board of Management of the Company, to employees of the Company and of affiliated entities subordinate to it, and to the managing directors and members of the Boards of Management of affiliated entities subordinate to the Company under the authorization for a "Colonia Real Estate 2006 Stock Option Plan" approved by the shareholders' meeting on June 6, 2006, as amended by the amending resolution of July 4, 2007.

*Conditional Capital IV:
EUR 1.51 million*

The Company's share capital has been conditionally increased by up to EUR 1,505,993.00, divided into up to 1,505,993 no-par bearer shares, by the issue of new stock (Conditional Capital IV). The conditional capital increase is to serve to grant subscription rights to holders or creditors under convertible bonds or bonds with warrants issued by the Company under the authorization of June 27, 2005, as amended by the amending resolutions of June 6, 2006, and July 4, 2007.

*Conditional Capital V:
EUR 0.87 million*

The Company's share capital has been conditionally increased by up to EUR 866,560.00, divided into up to 866,560 no-par bearer shares, by the issue of new stock (Conditional Capital V). The conditional capital increase is to serve for the issue of stock to service exercised subscription rights (stock options) granted to members of the Board of Management of the Company, to employees of the Company and of affiliated entities subordinate to it, and to the managing directors and members of the Boards of Management of affiliated entities subordinate to the Company under the authorization for a "Colonia Real Estate 2007 Stock Option Plan" approved by the shareholders' meeting on July 4, 2007.

The authorization from the shareholders' meeting to issue convertible bonds and bonds with warrants, together with Conditional Capital VI, has been suspended. The former authorization of July 4, 2007, to issue bonds has been replaced by an authorization to issue bonds with the possibility of excluding preemptive rights, together with a concomitant creation of a new Conditional Capital VI.

*Conditional Capital VI:
EUR 3.12 million*

The share capital has been conditionally increased by up to EUR 3,124,247.00, divided into up to 3,124,247 new no-par bearer shares. This conditional capital increase is to serve for granting no-par bearer shares to holders or creditors under convertible bonds, bonds with warrants, participation rights, and/or income bonds (or combinations of such instruments) issued by the Company or one of its directly or indirectly wholly owned subsidiaries under the authorization adopted by the shareholders' meeting of June 19, 2008, under Agenda Item 7.

*Conditional Capital VII:
EUR 0.62 million*

The share capital has been conditionally increased by up to EUR 624,000.00, divided into up to 624,000 new no-par bearer shares (Conditional Capital VII). The conditional capital increase is to serve solely for granting no-par bearer shares to service exercised subscription rights (stock options) granted under the 2008 Colonia Real Estate Stock Option Plan authorized by the shareholders' meeting of June 19, 2008, under Agenda Item 9, to members of the Company's Board of Management, members of the management of the Company's subsidiaries, and employees of the Company and its subsidiaries.

Capital reserves

The surplus above the notional value of EUR 1.00 generated by the capital increase of 360,000 shares at a subscription price of EUR 15.25 has been allocated accordingly to the capital reserves, yielding an addition of EUR 5,130,000.

Reserve for treasury stock

As of the reporting date, the Company held 2,501 shares (prior year: 2,501) of treasury stock. The treasury stock is measured at the current share price as of the reporting date, and is recognized under current securities. A reserve for treasury stock is recognized in the same amount.

5. Provisions

5.1. Tax provisions

Based on current tax calculations, the Company has formed a tax provision of EUR 553.3 k for the current fiscal year (prior year: EUR 165.9 k).

5.2. Other provisions

The other provisions are primarily personnel provisions (EUR 475.0 k; prior year: EUR 1,524.5 k) and provisions for outstanding invoices (EUR 344.0 k; prior year: EUR 410.8 k).

6. Liabilities

Liabilities have the following terms:

	EUR k	Remaining term			
		Total	1 year or less	1 to 5 years	more than 5 years
Bonds		60,905.6	0.0	60,905.6	0.0
Liabilities to banks		56,657.1	5,515.9	20,627.2	30,514.0
Advance payments received on orders		266.3	266.3	0.0	0.0
Trade payables		1,090.8	1,090.8	0.0	0.0
Liabilities to subsidiaries		3,595.0	3,595.0	0.0	0.0
Other liabilities		3,234.7	3,234.7	0.0	0.0
		125,749.5	13,702.7	81,532.8	30,514.0

At December 31, 2007

	EUR k	Remaining term			
		Total	1 year or less	1 to 5 years	more than 5 years
Bonds		60,905.6	0.0	60,905.6	0.0
Liabilities to banks		21,789.3	12,861.1	1,160.0	7,768.2
Advance payments received on orders		168.2	168.2	0.0	0.0
Trade payables		1,012.7	1,012.7	0.0	0.0
Liabilities to subsidiaries		18,445.8	18,445.8	0.0	0.0
Other liabilities		6,552.9	6,552.9	0.0	0.0
		108,874.5	39,040.7	62,065.6	7,768.2

6.1. Bonds

On December 7, 2006, the Company issued a convertible bond with a total par value of EUR 54,964.0 k. The bonds are certificated in a global certificate without interest coupons. The total par value is divided into bearer bonds with a par value of EUR 100.00 each, all having the same seniority. The bonds establish direct, unconditional, non-junior, unsecured liabilities of the Company that all have the same seniority among themselves and are at least as senior as all other present and future unsecured, non-junior liabilities of the Company, except as provided otherwise by law. The bonds accrue interest on their par value at 1.875 percent of par p.a. as of the inception of the interest accrual period. Interest is payable annually in December, in arrears, on each interest payment date.

The bonds will be redeemed on their maturity date at their accrued par value plus accumulated interest, unless they have been redeemed, converted or retired and canceled before that date.

The convertible bond has been recognized as a liability as of the reporting date, at its repayment amount of 110.81 percent or EUR 60,905.6 k.

The accrued interest is recognized as part of other liabilities.

The Company is entitled to recall the entire bond issue after December 21, 2009. A prerequisite is that the stock's trading price over a period of at least 20 successive trading days must be at least 130 percent of the accrued par value applicable at the time. The creditors' conversion rights could be exercised for the first time as of January 17, 2007. The conversion period ends on November 25, 2011. The number of underlying shares to be delivered at conversion is calculated from the quotient of the total par value of the bonds submitted by a creditor for conversion, and the conversion price applicable on the conversion date, rounded to the nearest whole share. The initial conversion price per underlying share was EUR 39.524. A conditional capital up to a total of EUR 1,781,600 was established for underlying shares by the shareholders' meeting of June 6, 2006, to cover the convertible bond.

*Convertible bond
with a total par value
of EUR 54.964 million*

*Repayment amount:
110.81 percent*

*End of conversion period:
Nov. 25, 2011*

6.2. Liabilities to banks

Liabilities to banks totaling EUR 56,657.1 k (prior year: EUR 21,789.3 k) result primarily from a loan of EUR 8,928.2 k (prior year: EUR 9,218.2 k) to finance the acquisition of properties on Ferdinand-Porsche-Strasse; from a bridge loan of EUR 10,000 k (prior year: EUR 0) from Liechtensteinische Landesbank AG, of Liechtenstein; and from current account credit lines of EUR 4,555.6 k (prior year: EUR 2,571.1 k).

The bank liability to finance Ferdinand-Porsche-Strasse is secured by an immediately enforceable land charge for EUR 10,675.0 k recorded in the Land Register. The loan term expires no later than August 30, 2012.

The liabilities to Liechtensteinische Landesbank AG are secured by the assignment of equity interests. The current account liabilities are unsecured.

CRE AG has hedged the interest rate risk deriving from the variable interest rates on the loan for the purchase of real estate portfolios, by entering into an interest rate swap with Eurohypo, dated April 5, 2006. The market value as of the reporting date, which is equivalent to the fair value, was EUR -281.2 k.

The market value is determined on the basis of market conditions as of the reporting date; recognized valuation models are used to determine market values.

*Interest rate swap
with Eurohypo*

Nominal amount		Market value	
12/31/2008 EUR k	12/31/2007 EUR k	12/31/2008 EUR k	12/31/2007 EUR k
8,928.2	9,218.2	-281.2	198.3

The interest rate swap has a remaining term to 2012. Derivative hedging instruments are used only for hedging purposes, not for speculation.

6.3. Trade payables

Of the total liabilities shown, EUR 1,090.8 k is secured by pledges of bank balances.

7. Revenues

Revenues, at EUR 1,259.9 k (prior year: EUR 1,304.9 k), derived primarily from rent and incidental expenses collected for the properties on Ferdinand-Porsche-Strasse.

8. Other operating income

The other operating income of EUR 8,907.7 k (prior year: EUR 17,342.0 k) particularly includes intra-Group charges of EUR 7,719.8 k (prior year: EUR 17,152.3 k) and income of EUR 476.2 k from expenses passed on to Group companies (prior year: EUR 238.6 k), as well as income of EUR 453.1 k from write-backs of provisions (prior year: EUR 0).

9. Other operating expenses

The other operating expenses are primarily legal and other consulting expenses (EUR 3,020.1 k, prior year: EUR 2,958.6 k), costs for the convertible bond issue (EUR 1,740.1 k) and losses on receivables of EUR 1,823.1 k.

10. Write-downs of financial assets

Unscheduled write-downs were taken during the year on the amounts recognized for the Group's equity interests in CRE Resolution GmbH, of Berlin (EUR 2,629.0 k) and German Office GmbH, of Cologne (EUR 14,060.6 k).

11. Expenses from loss transfer agreements/Income from profit transfer agreements

A loss of EUR 576.3 k was absorbed for 2008 under the profit and loss transfer agreement with CRE Resolution GmbH, of Berlin. A profit transfer of EUR 5,400.6 k was recognized for 2007.

12. Income tax expense

The income taxes primarily include income taxes for the fiscal year (EUR 553.3 k).

IV. Other mandatory disclosures

1. List of shareholdings (direct and indirect):

	EUR k	Share of capital %	Equity at Dec. 31, 2008	Profit (loss) for 2008
1. Grasmus Holding BV, Maastricht, Netherlands		94.00	2,256.6	+126.9
2. CRE Wohnen GmbH, Cologne, Germany		100.00	189,489.0	-2,160.0
3. Gimag Gewerbe Immobilien AG, Zug, Switzerland		94.00	659.8	-791.5
4. CRE Wohnen Zweite GmbH, Cologne, Germany		100.00	2,606.5	-2,110.7
5. CRE Wohnen Dritte GmbH, Cologne, Germany		100.00	25,640.1	-3,952.1
6. CRE Wohnen Services GmbH, Cologne, Germany		100.00	950.8	+243.8
7. CRE Wohnen Sechste GmbH, Cologne, Germany		100.00	27,268.4	-1,430.8
8. CRE Wohnen Siebte GmbH, Cologne, Germany		100.00	103,987.2	-6,786.2
9. CRE German Office GmbH, Cologne, Germany		90.00	826.5	-14,103.1
10. CRE Resolution GmbH, Berlin, Germany (EAV)		73.99	1213.5	0.0
11. Emersion Grundstücksverwaltungs-Gesellschaft mbH, Cologne, Germany		99.26	-5,271.4	-5,046.1
12. Domus Grundstücksverwaltungs-Gesellschaft mbH, Cologne, Germany		99.26	6,877.0	-2,188.0
13. CRE Accentro GmbH, Stuttgart, Germany		70.00	258.5	-231.7
14. CRE Wohneigentum GmbH, Cologne, Germany		100.00	-1.5	-10.1
15. CRE Immobilien Verwaltung GmbH, Cologne, Germany		100.00	14.4	-2.9
16. CRE Wohnen Immo. Verwaltung GmbH & Co. KG, Cologne, Germany		100.00	3,397.7	-4,002.2
17. CRE Wohnen Berlin Holding AG, Vienna, Austria		99.64	14,980.6	+4.8
18. CRE Wohnen Berlin Alpha GmbH, Vienna, Austria		99.64	9,602.1	-1,625.1
19. CRE Wohnen Berlin Beta GmbH, Vienna, Austria		99.64	3,650.1	-432.1
20. CRE Wohnen Berlin Gamma GmbH, Vienna, Austria		99.64	1,508.7	-791.0

2. Other financial liabilities

A standing lease on office space to 2011, as well as other leases, resulted in other financial liabilities of EUR 770.3 k (prior year: EUR 1,147.6 k).

3. Employees

The average number of employees was as follows:

	2008	2007
Permanent employees	32	21

4. Board of Management

The following were members of the Board of Management:

- Stephan Rind, Cologne, banker, Chairman
- Klaus Reichert, Cologne, businessman (to April 30, 2008)
- Christoph Wittkop, Frankfurt, real estate economist (ebs) (to August 1, 2008)
- Ingmar Schmitt, Cologne, businessman (from May 1, 2008, to September 2, 2008)
- Volker Lemke, Hamburg, businessman (from September 2, 2008)
- Friedrich Thiele, Frankfurt, real estate economist (ebs) (from September 2, 2008)

The members of the Board of Management conduct their activities as their principal profession. Messrs. Rind and Lemke were also managing directors of CRE Resolution GmbH in fiscal 2008. The shareholders' meeting of February 12, 2009, revoked the appointments of Messrs. Rind and Lemke as managing directors of CRE Resolution; Mr. Thiele was appointed a managing director. The appointments have not been recorded in the Commercial Register as yet.

The Board of Management received the following total compensation in 2008:

EUR k	2008	2007
Total compensation paid to the Board of Management came to	1,517.0	2,217.5
For Rind	623.0	1,158.4
For Lemke	110.8	0.0
For Thiele	70.7	0.0
For Schmitt*	311.5	0.0
For Reichert**	247.6	800.4
For Wittkop***	153.4	258.7
Including the following variable components:	740.9	1,674.5
For Rind	300.0	896.7
For Lemke	40.0	0.0
For Schmitt*	227.5	0.0
For Reichert**	165.1	597.8
For Wittkop***	8.3	180.0

* 2008 figure for Mr. Schmitt from May 1, 2008, to September 2, 2008

** 2008 figure for Mr. Reichert to April 30, 2008

*** 2008 figure for Mr. Wittkop to August 1, 2008

Total compensation includes the current base salary and profit-sharing bonuses.

The status of stock options issued to the Board of Management in 2006 and 2008 and not yet exercised as of the reporting date was as follows:

	EUR	Units	Fair value of stock options*
Rind		120,000	661,400
Lemke		60,000	113,600
Thiele		60,000	113,600

* Fair value as of date of grant calculated using the Black/Scholes option pricing model.

5. Supervisory Board

The Supervisory Board has the following members:

- Prof. Dr. Klaus B. Steiger, university professor and independent consultant, Cologne, Chairman, member of the Supervisory Board of Immo Finanz Partner AG, Berlin
- Stefan Lutz, independent German certified public accountant and tax consultant, Cologne, Vice-Chairman
- Lutz Wille, banker, Cologne

The Supervisory Board received total compensation of EUR 123.8 k (prior year: EUR 83.7 k) for its activities.

6. Notices under the German Securities Trading Act

- On January 15, 2008, Cominvest Asset Management GmbH, 60261 Frankfurt am Main, Germany, notified us under Sec. 21 (1) of the Securities Trading Act that on January 14, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the threshold of 3% of the total voting rights, and now came to 2.99% (equivalent to 671,812 votes). Of all voting rights, 1.15% (equivalent to 258,600 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 6 of the Securities Trading Act.
- On January 16, 2008, Swiss Real Estate AG, of 6300 Zug, Switzerland, notified us under Sec. 21 (1) of the Securities Trading Act that on January 16, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, remained above the threshold of 25% of the total voting rights, and now came to 28.29% (equivalent to 6,219,515 votes).
- On January 22, 2008, Cominvest Asset Management GmbH, 60261 Frankfurt am Main, Germany, notified us under Sec. 21 (1) of the Securities Trading Act that on January 21, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 3% of the total voting rights, and now came to 3.02% (equivalent to 676,812 votes). Of all voting rights, 1.13% (equivalent to 256,300 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 6 of the Securities Trading Act.
- On January 28, 2008, Cominvest Asset Management GmbH, 60261 Frankfurt am Main, Germany, notified us under Sec. 21 (1) of the Securities Trading Act that on January 25, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the threshold of 3% of the total voting rights, and now came to 2.93% (equivalent to 658,600 votes). Of all voting rights, 1.13% (equivalent to 253,600 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 6 of the Securities Trading Act.

- On February 1, 2008, William Blair & Company LLC, Chicago, Illinois 60606, USA, notified us under Sec. 21 (1) of the Securities Trading Act that on January 30, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 5% of the total voting rights, and now came to 6.07% (equivalent to 1,362,578 votes). Of all voting rights, 6.07% (equivalent to 1,362,578 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 6 of the Securities Trading Act.
- **Notice of correction of the notice of January 22, 2008 – share of voting rights**
On January 22, 2008, Cominvest Asset Management GmbH, 60261 Frankfurt am Main, Germany, notified us under Sec. 21 (1) of the Securities Trading Act that on January 21, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had risen above the threshold of 3% of the total voting rights, and now came to 3.01% (equivalent to 676,812 votes). Of all voting rights, 1.13% (equivalent to 253,600 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 6 of the Securities Trading Act.
- **Notice of correction of the notice of January 22, 2008 – share of voting rights**
On January 22, 2008, Cominvest Asset Management GmbH, 60261 Frankfurt am Main, Germany, notified us under Sec. 21 (1) of the Securities Trading Act that on January 21, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had risen above the threshold of 3% of the total voting rights, and now came to 3.01% (equivalent to 676,812 votes). Of all voting rights, 1.15% (equivalent to 256,300 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 6 of the Securities Trading Act.
- On February 18, 2008, Mr. Peter May, of Switzerland, notified us under Sec. 21 (1) of the Securities Trading Act that on February 12, 2008, his share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the threshold of 3% of the total voting rights, and now came to 2.77% (equivalent to 623,500 votes).
- On February 19, 2008, DWS Investment GmbH, 60327 Frankfurt am Main, Germany, notified us under Sec. 21 (1) of the Securities Trading Act that on February 18, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the threshold of 3% of the total voting rights, and now came to 2.77% (equivalent to 621,800 votes).
- On February 19, 2008, Minefa Holdings B.V., 1181 RL Amstelveen, Netherlands, notified us under Sec. 21 (1) of the Securities Trading Act that on February 18, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 3% of the total voting rights, and now came to 3.56% (equivalent to 800,000 votes).
- On February 19, 2008, Wedge International Holdings B.V., 1181 RL Amstelveen, Netherlands, notified us under Sec. 21 (1) of the Securities Trading Act that on February 18, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 3% of the total voting rights, and now came to 3.56% (equivalent to 800,000 votes). Of all voting rights, 3.56% (equivalent to 800,000 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 1 of the Securities Trading Act by its subsidiary, Minefa Holdings B.V.

- On February 19, 2008, Mr. Issam Michael Fares, of Switzerland, notified us under Sec. 21 (1) of the Securities Trading Act that on February 18, 2008, his share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 3% of the total voting rights, and now came to 3.56% (equivalent to 800,000 votes). Of all voting rights, 3.56% (equivalent to 800,000 votes) are attributable to Mr. Issam Michael Fares under Sec. 22 (1) Sentence 1 No. 1 of the Securities Trading Act by his subsidiaries Wedge International Holdings B.V. (parent company of Minefa Holdings B.V.) and Minefa Holdings B.V.
- On March 25, 2008, SwissReal Estate notified us that under Sec. 26 (1) of the Securities Trading Act, the disclosure of January 16, 2008, regarding the notice from Swiss Real Estate AG was withdrawn, since Swiss Real Estate AG's holding in Colonia Real Estate AG was between the reporting thresholds of 25% and 30%, and therefore this was not a notice subject to public disclosure under Sec. 21 (1) of the Securities Trading Act.
- On May 30, 2008, Wedge International Holdings B.V., 1181 RL Amstelveen, Netherlands, notified us under Sec. 21 (1) of the Securities Trading Act that on May 30, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 5% of the total voting rights, and now came to 5.37% (equivalent to 1,225,000 votes). Of all voting rights, 5.37% (equivalent to 1,225,000 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 1 of the Securities Trading Act by its subsidiary, Minefa Holdings B.V.
- On June 3, 2008, Minefa Holdings B.V., 1181 RL Amstelveen, Netherlands, notified us under Sec. 21 (1) of the Securities Trading Act that on May 30, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 5% of the total voting rights, and now came to 5.37% (equivalent to 1,225,000 votes).
- On June 3, 2008, Mr. Issam Michael Fares, of Switzerland, notified us under Sec. 21 (1) of the Securities Trading Act that on May 30, 2008, his share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 5% of the total voting rights, and now came to 5.37% (equivalent to 1,225,000 votes). Of the total voting rights, 5.37% (equivalent to 1,225,000 votes) are attributable to Mr. Issam Michael Fares under Sec. 22 (1) Sentence 1 No. 1 of the Securities Trading Act by his subsidiaries Wedge International Holdings B.V. (parent company of Minefa Holdings B.V.) and Minefa Holdings B.V.
- Atticus Capital LP, 767 Fifth Avenue, 12th Floor, New York, NY 10153, USA, has given notice pursuant to Sec. 21(1) of the Securities Trading Act that its stake in the voting rights in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, fell below the threshold of 3% on July 9, 2008. With respect to all voting rights in Colonia Real Estate AG, at this time the stake of Atticus Capital LP in the voting rights amounted to 2.99% (voting rights arising from 682,086 no-par value shares). Of all voting rights in Colonia Real Estate AG, 2.99% (voting rights arising from 682,086 no-par value shares) are attributable to Atticus Capital LP pursuant to Sec. 22(1) Sentence 1 No. 6 of the Securities Trading Act.

- Atticus Management Limited, P.O. Box 100, Sydney Vane House, Admiral Park, St. Peter Port, Guernsey GY1 3 EL, has given notice pursuant to Sec. 21(1) of the Securities Trading Act that its stake in the voting rights in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, fell below the threshold of 3% on July 9, 2008. With respect to all voting rights in Colonia Real Estate AG, at this time the stake of Atticus Management Limited in the voting rights amounted to 2.99% (voting rights arising from 682,086 no-par value shares). Of all voting rights in Colonia Real Estate AG, 2.99% (voting rights arising from 682,086 no-par value shares) are attributable to Atticus Management Limited pursuant to Sec. 22(1) Sentence 1 No. 6 of the Securities Trading Act.
- Atticus LP Incorporated, P.O. Box 100, Sydney Vane House, Admiral Park, St. Peter Port, Guernsey GY1 3 EL, has given notice pursuant to Sec. 21(1) of the Securities Trading Act that its stake in the voting rights in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, fell below the threshold of 3% on July 9, 2008. With respect to all voting rights in Colonia Real Estate AG, at this time the stake of Atticus LP Incorporated in the voting rights amounted to 2.99% (voting rights arising from 682,086 no-par value shares). Of all voting rights in Colonia Real Estate AG, 2.99% (voting rights arising from 682,086 no-par value shares) are attributable to Atticus LP Incorporated pursuant to Sec. 22(1) Sentence 1 No. 6, Sentences 2 and 3 of the Securities Trading Act.
- Atticus Capital Holdings LLC, 767 Fifth Avenue, 12th Floor, New York, NY 10153, USA, has given notice pursuant to Sec. 21(1) of the Securities Trading Act that its stake in the voting rights in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, fell below the threshold of 3% on July 9, 2008. With respect to all voting rights in Colonia Real Estate AG, at this time the stake of Atticus Capital Holdings LLC in the voting rights amounted to 2.99% (voting rights arising from 682,086 no-par value shares). Of all voting rights in Colonia Real Estate AG, 2.99% (voting rights arising from 682,086 no-par value shares) are attributable to Atticus Capital Holdings LLC pursuant to Sec. 22(1) Sentence 1 No. 6, Sentences 2 and 3 of the Securities Trading Act.
- Atticus Holdings LP, 767 Fifth Avenue, 12th Floor, New York, NY 10153, USA, has given notice pursuant to Sec. 21(1) of the Securities Trading Act that its stake in the voting rights in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, fell below the threshold of 3% on July 9, 2008. With respect to all voting rights in Colonia Real Estate AG, at this time the stake of Atticus Holdings LP in the voting rights amounted to 2.99% (voting rights arising from 682,086 no-par value shares). Of all voting rights in Colonia Real Estate AG, 2.99% (voting rights arising from 682,086 no-par value shares) are attributable to Atticus Holdings LP pursuant to Sec. 22(1) Sentence 1 No. 6, Sentences 2 and 3 of the Securities Trading Act.
- Atticus Management LLC, 767 Fifth Avenue, 12th Floor, New York, NY 10153, USA, has given notice pursuant to Sec. 21(1) of the Securities Trading Act that its stake in the voting rights in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, fell below the threshold of 3% on July 9, 2008. With respect to all voting rights in Colonia Real Estate AG, at this time the stake of Atticus Management LLC in the voting rights amounted to 2.99% (voting rights arising from 682,086 no-par value shares). Of all voting rights in Colonia Real Estate AG, 2.99% (voting rights arising from 682,086 no-par value shares) are attributable to Atticus Management LLC pursuant to Sec. 22(1) Sentence 1 No. 6, Sentences 2 and 3 of the Securities Trading Act.

- Mr. Timothy Barakett, 767 Fifth Avenue, 12th Floor, New York, NY 10153, USA, has given notice pursuant to Sec. 21(1) of the Securities Trading Act that his stake in the voting rights in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, fell below the threshold of 3% on July 9, 2008. With respect to all voting rights in Colonia Real Estate AG, at this time the stake of Mr. Timothy Barakett in the voting rights amounted to 2.99% (voting rights arising from 682,086 no-par value shares). Of all voting rights in Colonia Real Estate AG, 2.99% (voting rights arising from 682,086 no-par value shares) are attributable to Mr. Timothy Barakett pursuant to Sec. 22(1) Sentence 1 No. 6, Sentences 2 and 3 of the Securities Trading Act.
- Atticus European Fund, Ltd., c/o Atticus Capital LP, 767 Fifth Avenue, 12th Floor, New York, NY 10153, USA, has given notice pursuant to Sec. 21(1) of the Securities Trading Act that its stake in the voting rights in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, fell below the threshold of 3% on February 28, 2008. With respect to all voting rights in Colonia Real Estate AG, at this time the stake of Atticus European Fund, Ltd. in the voting rights amounted to 2.99% (voting rights arising from 682,086 no-par value shares).
- On September 24, 2008, William Blair & Company LLC, 222 West Adams Street, Chicago, Illinois 60606, USA, notified us under Sec. 21 (1) of the Securities Trading Act that on September 22, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the thresholds of 5% and 3% of the total voting rights, and now came to 2.79% (equivalent to 637 votes).
- **Notice of correction of the notice of September 24, 2008 – share of voting rights**
On September 24, 2008, William Blair & Company LLC, of Chicago, Illinois, USA, notified us under Sec. 21 (1) of the Securities Trading Act that on September 22, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the thresholds of 5% and 3% of the total voting rights, and now came to 2.79% (equivalent to 637,168 votes).
- On October 10, 2008, SwissReal Estate AG, of Zug, Switzerland, notified us under Sec. 21 (1) of the Securities Trading Act that on October 7, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the threshold of 25% of the total voting rights, and now came to 24.28% (equivalent to 5,540,990 votes).
- **Notice of correction of the notice of September 24, 2008 – share of voting rights**
On September 24, 2008, William Blair & Company LLC, Chicago, Illinois, USA, notified us under Sec. 21 (1) of the Securities Trading Act that on September 22, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the thresholds of 5% and 3% of the total voting rights, and now came to 2.79% (equivalent to 637,168 votes).
- **Notice of correction of the notice of September 24, 2008 – share of voting rights**
On September 24, 2008, William Blair & Company LLC, Chicago, Illinois, USA, notified us under Sec. 21 (1) of the Securities Trading Act that on September 22, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the thresholds of 5% and 3% of the total voting rights, and now came to 2.79% (equivalent to 637,168 votes). Under Sec. 22 (1) Sentence 1 No. 6 of the Securities Trading Act, this 2.79% (equivalent to 637,168 votes) is attributable to William Blair & Company, LLC.

- On November 9, 2008, SwissReal Estate AG, of Zug, Switzerland, notified us under Sec. 21 (1) of the Securities Trading Act that on October 31, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the thresholds of 20%, 15%, 10%, 5%, and 3% of the total voting rights, and now came to 2.42% (equivalent to 552,672 votes).
- On November 10, 2008, Milfolium Management Inc., of Tortola, British Virgin Islands, notified us under Sec. 21 (1) of the Securities Trading Act that on November 3, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the thresholds of 3%, 5%, 10%, and 15% of the total voting rights, and now came to 19.00% (equivalent to 4,336,864 votes).
- On November 17, 2008, Liechtensteinische Landesbank Aktiengesellschaft, of Vaduz, Liechtenstein, notified us under Sec. 21 (1) of the Securities Trading Act that on November 3, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, exceeded the thresholds of 3%, 5%, 10%, and 15% of the total voting rights, and as of that date came to 19.00% (equivalent to 4,336,864 votes). Of the total voting rights, 19.00% (equivalent to 4,336,864 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 1 of the Securities Trading Act, by MILFOLIUM Management Inc. MILFOLIUM Management Inc. is a wholly owned subsidiary of Liechtensteinische Landesbank Aktiengesellschaft.
- On November 18, 2008, FortmanCline Holding AG, of Zug, Switzerland, notified us under Sec. 21 (1) of the Securities Trading Act that on October 31, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had fallen below the thresholds of 20%, 15%, 10%, 5%, and 3% of the total voting rights, and now came to 2.63% (equivalent to 599,932 votes). Of the total voting rights, 2.42% (equivalent to 552,672 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 1 of the Securities Trading Act by SwissReal Estate AG.
- On November 18, 2008, FortmanCline Holding AG, of Zug, Switzerland, notified us under Sec. 21 (1) of the Securities Trading Act that on October 7, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, fell below the threshold of 25%, and now came to 24.48% (equivalent to 5,588,250 votes). Of the total voting rights, 24.28% (equivalent to 5,540,990 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 1 of the Securities Trading Act by SwissReal Estate AG.
- On November 27, 2008, the Principality of Liechtenstein, Vaduz, Liechtenstein, notified us under Sec. 21 (1) of the Securities Trading Act that on November 3, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, exceeded the thresholds of 3%, 5%, 10%, and 15% of the total voting rights, and as of that date came to 19.00% (equivalent to 4,336,864 votes). Of the total voting rights, 19.00% (equivalent to 4,336,864 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 1 of the Securities Trading Act, by Liechtensteinische Landesbank AG and MILFOLIUM Management Inc.
- On December 3, 2008, Cominvest Asset Management GmbH, Frankfurt am Main, Germany, notified us under Sec. 21 (1) of the Securities Trading Act that on December 2, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, had exceeded the threshold of 3% of the total voting rights, and now came to 3.1154% (equivalent to 711,105 votes). Of the total voting rights, 1.2753% (equivalent to 291,105 votes) are attributable to the company under Sec. 22 (1), Sentence 1 No. 6 of the Securities Trading Act.

- On December 15, 2008, Generali Investments France, of Paris, France, notified us under Sec. 21 (1) of the Securities Trading Act that on December 4, 2008, its share of voting rights from stock in Colonia Real Estate AG, Cologne, Germany, ISIN: DE0006338007, WKN: 633800, exceeded the threshold of 3% of the total voting rights, and now came to 3.16% (equivalent to 721,500 votes).
- On March 1, 2003, the share of voting rights held by Mr. Paul Schuler, of Switzerland, in Küppersbusch AG (now Colonia Real Estate AG), Zeppelinstr. 4-8, 50667 Cologne, Germany, ISIN: DE0006338007, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of the total voting rights, and as of that date came to 84.18% (equivalent to 189,402 votes). Of the total voting rights, 84.18% (equivalent to 189,402 votes) are attributable to Mr. Paul Schuler under Sec. 22 (1) Sentence 1 No. 1 of the Securities Trading Act.
- On December 1, 2004, the share of voting rights held by Mr. Paul Schuler, of Switzerland, in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, Germany, ISIN: DE0006338007, fell below the threshold of 75% of the total voting rights, and as of that date came to 64.25% (equivalent to 1,676,890 votes). Of the total voting rights, 64.25% (equivalent to 1,676,890 votes) are attributable to Mr. Paul Schuler under Sec. 22 (1) Sentence 1 No. 1 of the Securities Trading Act.
- On December 14, 2005, the share of voting rights held by Mr. Paul Schuler, of Switzerland, in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, Germany, ISIN: DE0006338007, fell below the threshold of 50% of the total voting rights, and as of that date came to 47.16% (equivalent to 1,683,111 votes). Of the total voting rights, 47.16% (equivalent to 1,683,111 votes) are attributable to Mr. Paul Schuler under Sec. 22 (1) Sentence 1 No. 1 of the Securities Trading Act.
- On May 8, 2007, the share of voting rights held by Mr. Paul Schuler, of Switzerland, in Colonia Real Estate AG, Zeppelinstr. 4-8, 50667 Cologne, Germany, ISIN: DE0006338007, fell below the threshold of 30% of the total voting rights, and as of that date came to 25.53% (equivalent to 4,008,905 votes). Of the total voting rights, 25.53% (equivalent to 4,008,905 votes) are attributable to Mr. Paul Schuler under Sec. 22 (1) Sentence 1 No. 1 of the Securities Trading Act.
- On October 7, 2008, the share of voting rights held by Mr. Paul Schuler, of Switzerland, in Colonia Real Estate AG, Zeppelinstr. 4-7, 50667 Cologne, Germany, ISIN: DE0006338007, fell below the threshold of 25% of the total voting rights, and as of that date came to 24.28% (equivalent to 5,540,990 votes). Of the total voting rights, 24.28% (equivalent to 5,540,990 votes) are attributable to Mr. Paul Schuler under Sec. 22 (1) Sentence 1 No. 1 of the Securities Trading Act. The voting rights attributable to Mr. Schuler under items 1 through 5 are held through the following companies he controls, whose shares of voting rights each amount to 3% or more: Fortman-Cline Holding AG – Swiss Real Estate AG.
- On October 31, 2008, the share of voting rights held by Mr. Paul Schuler, of Switzerland, in Colonia Real Estate AG, Zeppelinstr. 4-7, 50667 Cologne, Germany, ISIN: DE0006338007, fell below the thresholds of 20%, 15%, 10%, 5% and 3% of the total voting rights, and as of that date came to 2.63% (equivalent to 599,932 votes). Of the total voting rights, 2.63% (equivalent to 599,932 votes) are attributable to Mr. Paul Schuler under Sec. 22 (1) Sentence 1 No. 1 of the Securities Trading Act.

7. Consolidated financial statements

Colonia Real Estate AG prepares consolidated financial statements under International Financial Reporting Standards (IFRS), in the form applicable in the European Union.

8. Declarations under the Corporate Governance Code

The Group very largely follows the recommendations of the German Corporate Governance Code in the currently applicable version of June 14, 2007. The Supervisory Board and Board of Management issued the 2007 Declaration regarding the Corporate Governance Code as required under Sec. 161 of the German Stock Corporations Act on February 22, 2008. On June 10, 2008, the Supervisory Board and Board of Management issued a supplement to the 2007 Declaration regarding the Corporate Governance Code. The text of the current declaration can be found on the Internet at www.cre.ag.

9. Auditor's fees recognized as expenses for the year

	EUR k	2008
Auditing		415
Tax consulting services		220
Other consulting		267

The other consulting services were particularly one-time services provided in connection with portfolio acquisitions or the capital increase.

10. Contingent liabilities

The Company has issued an unrestricted letter of comfort to CRE Wohnen Berlin Holding AG, of Vienna, for the SIGNA real estate portfolio acquired shortly before the end of fiscal 2007. The letter of comfort was provided because the refinancing was assumed from the former owner, and new refinancing is being negotiated. The letter of comfort will lapse automatically as soon as the new refinancing means that there is no longer a shortage of cash cover over the planning period.

The Company has issued various guarantees to banks or suppliers in support of loan awards or the provision of crafts and trade work for subsidiaries within the real estate business. As of the reporting date, these guarantees came to EUR 3,114.6 k.

Colonia Real Estate AG acts as the guarantor for loan obligations of various subsidiaries in the amount of approximately EUR 25,000 k.

As of the reporting date, the Company had issued waivers of seniority to subsidiaries in regard to existing receivables in the amount of EUR 12,417.3 k.

Since the insolvency proceedings were suspended by order of the Essen Local Court (the insolvency court) on May 7, 2000, subsequent to the insolvency plan proceedings, the former assets of Küppersbusch Aktiengesellschaft that have been held by the Company to date and that have not been liquidated by the insolvency administrator have been under the control of the former insolvency administrator as trustee, in what is known as a "follow-up distribution." Although the

trustee holds the power of disposition and the former insolvency creditors of the former Küppersbusch AG are the beneficial owners, Colonia Real Estate is the legal owner of both the land and the equity interest in Küppersbusch AG & Co. Grundstücksgesellschaft OHG. Thus the Company is fully exposed to any liability risks arising from ownership of the property or the equity interest in Küppersbusch AG & Co. Grundstücksgesellschaft OHG, in which the Company is the general partner and is personally liable under the pertinent provisions of the Commercial Code. Since these assets are not under the management of the managing bodies of Colonia Real Estate because of the follow-up distribution, the associated liability risks to Colonia Real Estate cannot accordingly be finally determined, nor can the Company act to counter any liability risks that may exist.

As part of the sale of Colonia Fonds Management GmbH, indemnification was agreed inter partes with the purchasers, subject to certain bounds, in regard to the undersubscription guarantee in place toward HSH Nordbank AG. The liability toward third parties remains with Colonia Real Estate AG.

Colonia Real Estate AG
Cologne, April 24, 2009



Stephan Rind



Volker Lemke



Friedrich Thiele

Development of noncurrent assets

Appendix A

EUR	Acquisition costs					Dec. 31, 2008
	Jan. 1, 2008	Additions	Additions Waivers of receivables	Disposals	Reclassifications	
I. Property, plant and equipment						
1. Land and equivalent rights including commercial and other buildings	10,890,181.29	0.00	0.00	0.00	0.00	10,890,181.29
2. Equipment	767,785.87	232,419.95	0.00	16,602.71	0.00	983,603.11
	11,657,967.16	232,419.95	0.00	16,602.71	0.00	11,873,784.40
II. Financial assets						
1. Investments in subsidiaries	59,972,024.71	119,124.73	219,063,759.26	140,000.00	0.00	279,014,908.70
2. Loans to affiliated companies	0.00	22,935,105.19	0.00	0.00	0.00	22,935,105.19
3. Investments in associated companies	3,123,649.67	177,746.00	0.00	551,183.82	-2,500.00	2,747,711.85
4. Loans to associated companies	3,482,839.04	2,371,331.93	0.00	0.00	2,500.00	5,856,670.97
	66,578,513.42	25,603,307.85	219,063,759.26	691,183.82	0.00	310,554,396.71
	78,236,480.58	25,835,727.80	219,063,759.26	707,786.53	0.00	322,428,181.11

Depreciation			Net carrying amounts		
Jan. 1, 2008	Additions	Disposals	Dec. 31, 2008	Dec. 31, 2008	Dec. 31, 2007
718,743.29	250,080.00	0.00	968,823.29	9,921,358.00	10,171,438.00
132,223.87	158,989.95	16,602.71	274,611.11	708,992.00	635,562.00
850,967.16	409,069.95	16,602.71	1,243,434.40	10,630,350.00	10,807,000.00
0.00	16,689,646.26	0.00	16,689,646.26	262,325,262.44	59,972,024.71
0.00	0.00	0.00	0.00	22,935,105.19	0.00
0.00	0.00	0.00	0.00	2,747,711.85	3,123,649.67
0.00	0.00	0.00	0.00	5,856,670.97	3,482,839.04
0.00	16,689,646.26	0.00	16,689,646.26	293,864,750.45	66,578,513.42
850,967.16	17,098,716.21	16,602.71	17,933,080.66	304,495,100.45	77,385,513.42

Development of shareholders' equity

Appendix B

EUR	Capital stock	Additional paid-in capital	Reserve for treasury shares	Unappropriated net income/loss	Total
As of Jan. 1, 2007	15,704,000.00	43,768,068.06	0.00	-2,165,750.99	57,306,317.07
Cash capital increase	6,281,600.00	172,744,000.00	0.00	0.00	179,025,600.00
Exercise of stock options	480,000.00	1,145,400.00	0.00	0.00	1,625,400.00
Transfer to the reserve for treasury shares	0.00	0.00	42,517.00	-42,517.00	0.00
Net income 2007	0.00	0.00	0.00	13,407,539.97	13,407,539.97
As of Dec. 31, 2007	22,465,600.00	217,657,468.06	42,517.00	11,199,271.98	251,364,857.04
As of Jan. 1, 2008	22,465,600.00	217,657,468.06	42,517.00	11,199,271.98	251,364,857.04
Cash capital increase	360,000.00	5,130,000.00	0.00	0.00	5,490,000.00
Exercise of stock options	0.00	0.00	0.00	0.00	0.00
Withdrawal from reserve from treasury stock	0.00	0.00	-35,364.14	35,364.14	0.00
Dividend distributions	0.00	0.00	0.00	-5,705,774.75	-5,705,774.75
Net loss 2008	0.00	0.00	0.00	-16,019,302.61	-16,019,302.61
As of Dec. 31, 2008	22,825,600.00	222,787,468.06	7,152.86	-10,490,441.24	235,129,779.68

Responsibility Statement (Bilanzaid) in accordance with section 37v(1) and (2) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with sections 264(2) sentence 3 and 289(1) sentence 5 of the Handelsgesetzbuch (HGB – German Commercial Code)

“To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Colonia Real Estate AG, and the management report includes a fair review of the development and performance of the business and the position of Colonia Real Estate AG, together with a description of the principal opportunities and risks associated with the expected development of Colonia Real Estate AG”

Cologne, April 24, 2009

Colonia Real Estate AG



Stephan Rind



Volker Lemke



Friedrich Thiele

Audit opinion

We have audited the annual financial statements, comprising the balance sheet, the income statement, and the notes to the financial statements, together with the bookkeeping system, and the combined management report for the Company and Group of Colonia Real Estate AG, Cologne, for the fiscal year from January 1 to December 31, 2008. The maintenance of the books and records and the preparation of the annual financial statements and the combined management report of the Company and the Group in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and on the combined management report of the Company and the Group, based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB (*Handelsgesetzbuch*: German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting, and in the combined management report, are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The combined management report of the Company and the Group is consistent with the annual financial statements, and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Dortmund, April 24, 2009

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Englisch
Wirtschaftsprüfer

Roos
Wirtschaftsprüfer