



***FIABCI Convention 2007
Milan***

Situation of REITs in Germany

Introduction of G-REITs

- Legislation adopted on 1 June 2007
- With retroactive effect as of 1 January 2007
- Law differs in some key areas from the bill of the Federal Government

Organizational Rules

- Headquarter and management in Germany
- Minimum stated share capital of EUR 15m
- Mandatory listing
- Single shareholder to hold less than 10% of shares
- Mandatory free float: 25% at IPO / 15% afterwards

Asset Rules

- Minimum 75% real estate
- Maximum 20% shares in gross income from subs
- Exclusion of existing residential buildings

Equity Ratio Rules

- Equity not below 45% of fair market value of real estate property

Real Estate Transfer Rules

- Exit Tax: 50% of capital gains taxed
- Applicable between 1 January 2007 and 31 December 2009
- Real estate must have been business asset for 5 years
- REIT must hold real estate for subsequent 4 years

Income Rules

- Minimum 75% of its total profits from real estate

Taxation and Distribution Rules

- REIT is exempted from Corporate and Trade tax
- Distribution of at least 90% of profits
- Distributions fully taxable at shareholder level
- Capital gains taxation exempted in Germany under most Double Tax Treaties

Loss of Status

- Harmful trade business
- Loss of listing
- Violation of free float etc.

Acquisition of Real Estate Abroad - Germany

- Direct investment abroad possible
- Investment in 100% corporations (incl. REITs) possible, if it holds 90% of real estate outside Germany

Commerz Grundbesitz Group Profile

- Commerz Grundbesitz Group (CGG) counts among the global leaders in real estate asset management
- CGG manages open-end property retail funds along with institutional property funds and REITs
- Volume of assets amounts to approximately EUR 12bn in 15 different countries
- With a fund volume of approximately EUR 8.7bn, CGG's hausInvest europa is Europe's largest open-end property fund.
- In March 2004, CGG started hausInvest global, an open-end fund with investments worldwide and a fund volume now worth more than EUR 1.7bn
- By founding the French "CeGeREAL" in 2006, CGG became the first German real estate company to launch a REIT

For more information, please visit

- **www.cgg.de**
- **www.cegereal.fr**