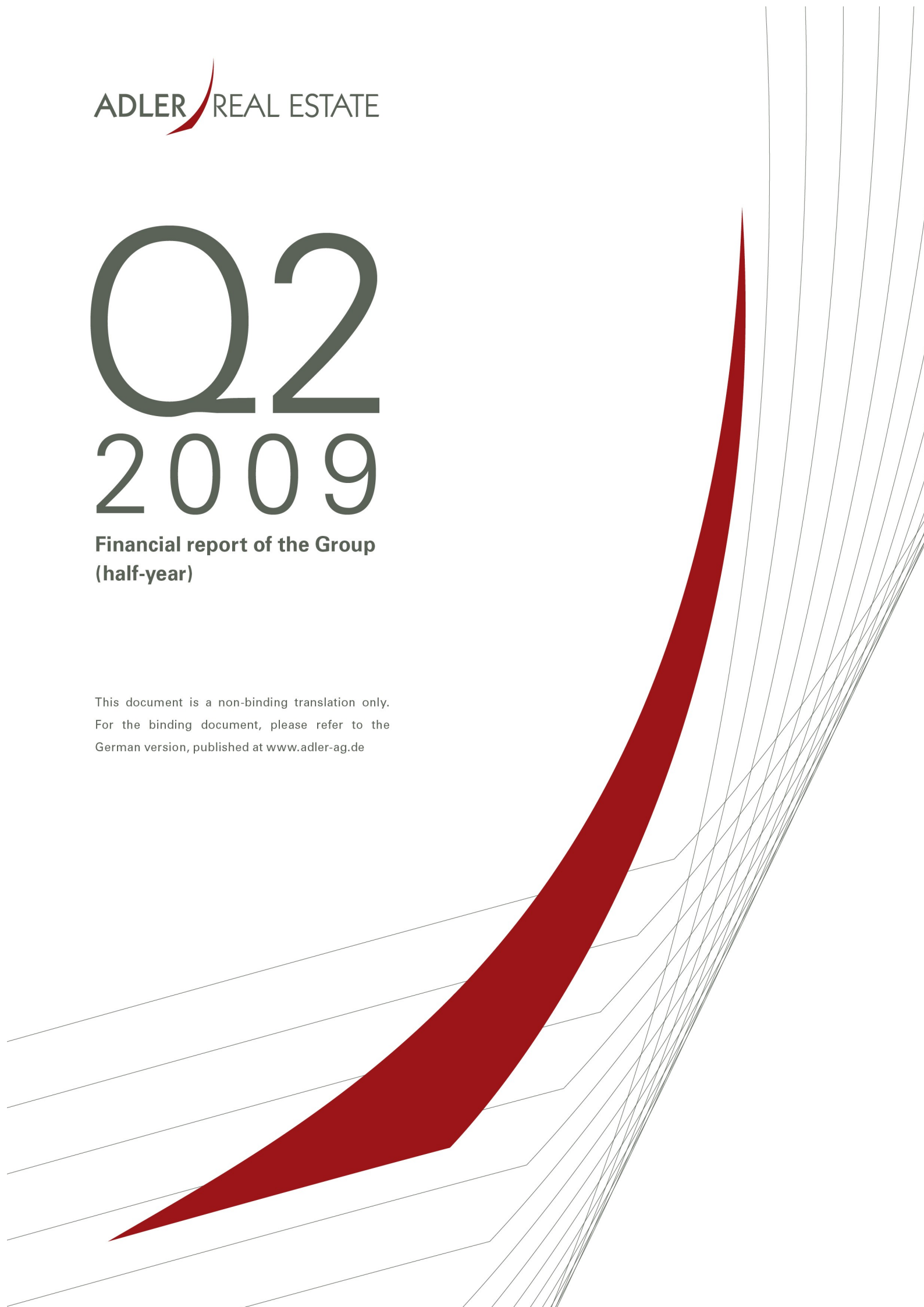


Q2 2009

**Financial report of the Group
(half-year)**

This document is a non-binding translation only.
For the binding document, please refer to the
German version, published at www.adler-ag.de



FINANCIAL RATIOS ADLER REAL ESTATE GROUP

In EUR	June 30st, 2009	June 30st, 2008
Balance Sheet Ratios		
Shareholders' equity	28,545,689	33,368,619
Equity ratio	72.9%	76.7%
Subscribed capital	15,000,000	15,000,000
Total assets	39,160,794	43,489,922

In EUR	June 30st, 2009	June 30st, 2008
Key Figures		
Total operating income	1,676,381	1,509,649
EBIT	-1,948,391	-1,575,861
Net profit for the period	-2,068,173	-1,376,526
Earnings per share	-0.14	-0,08
Employees	24	23

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FOREWORD OF THE MANAGEMENT BOARD

Ladies and gentlemen,

The impact of the financial and economic crisis has lessened over the first half of 2009. Following the severe but expected slump in the first quarter, which was reflected in the international equities markets, the long-anticipated recovery finally began in the ensuing months. However, no one can yet say how lasting this recovery will be coming after what was probably the most severe recession in almost 65 years.

Considerable risk remains with respect to the position of the banks that, especially in Germany, still have substantial risks on their books. Most banks are trying to rebuild their battered capital bases and have been reluctant to take on new risks. This continues to have a negative impact on the real estate market, the principal sphere of our company's operations, as the availability of financing for real estate projects is still very limited and financing for large portfolios can be had only with extreme restrictions, if at all.

As a result, some transactions that were planned for 2009 will need more time than originally thought. Even financing for single-family home buyers is taking time, so that even sales of smaller plots by our subsidiary Münchener Baugesellschaft are now behind schedule. Nevertheless, we are optimistic about the second half of the year, as some transactions have now progressed to the

point where they can be successfully completed in the coming weeks and months. This applies, for example, the sale of our commercial property in Homburg an der Saar, for which a sales contract has already been concluded, subject only to some formalities which should be taken care of shortly.

Our goal for 2009 is to disclose a balanced result. We are working hard to meet this challenge and thank our employees for providing their energetic support.

Barbara Yaltrak

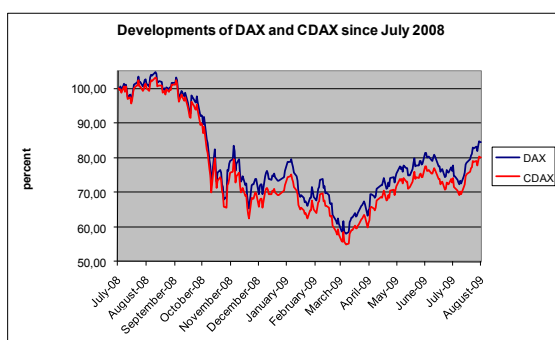
Axel Harloff

THE ADLER STOCK AND INVESTOR RELATIONS

Stock Market Sentiment

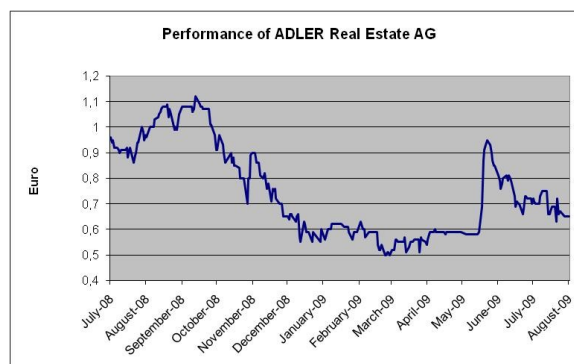
The performance of the international stock markets in the beginning of 2009 was a reflection of the massive global recession, as stocks declined considerably through early March and the German Stock Index fell to around 3,600, its low for the year up to now. However, the sentiment has changed since early March, and the well-known index published by the economic research institute ifo has improved steadily since March, climbing for four months in a row. The German manufacturing sector, which has seen a sharp decline in orders, also posted strong gains in May. The DAX has continued to recover, reaching 5,000 in early August, a multi-year high.

Real estate stocks were able to halt their extended downward trend in the first six months of 2009, a development which clearly reflects the end of the freefall in many foreign real estate markets, e.g. in the UK, Spain and other large European countries. At the same time, investors have noticed the relatively stability of the German real estate market, and of the residential market in particular, which has seen few if any declines.



Performance of Real Estate Stocks

German real estate stocks turned in a relatively stable performance during the reporting period, for the first time in many years, as the sharp down-trend beginning in early 2007 seems to have come to an end. The DIMAX, the German real estate stock index, fell from 184 at the end of 2008 to just 144, reflecting the weak performance of the general market, but has recovered powerfully since then, and by the end of the reporting period, it has equaled and even slightly exceeded its starting value.



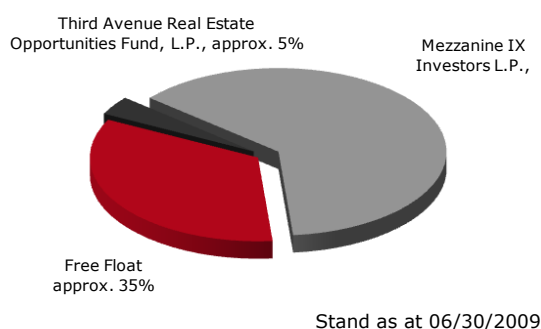
Performance of ADLER Stock

After a long decline, ADLER stock's performance also seems to be stabilizing, as some shareholders, analysts and reported have come to the realization that the stock's price is far below its actual value. ADLER stock recovered considerably in May on the recommendation of a stock market analyst, and ADLER stock is up slightly on the year.

THE ADLER STOCK AND INVESTOR RELATIONS

Shareholder Structure

The shareholder structure of ADLER Real Estate AG is unchanged since 31 December 2008. In addition to US investor Mezzanine IX Investors L.P., which holds about 60% of the shares, Third Avenue Real Estate Opportunities Fund, L.P., holds about 5% and about 35 % of shares are currently in free float.



Investor Relations

ADLER Real Estate AG's financial communications comply with the rules for the General Standard segment of the Frankfurt Stock Exchange. Interim reports are published for the first and third quarters and a financial report of the Group within the 1st half-year is published in August of the year. All publications, including the Annual Report, are in German and English. The company also attends capital market and investor conferences. Recent reports and additional information can also be found at the website of ADLER Real Estate AG, www.adler-ag.de.

Name	ADLER Real Estate AG
Registered office location	Frankfurt/Main HRB 7287
SIN	500 800
ISIN	DE0005008007
Ticker Symbol Reuters	ADL ADLG.DE
Industry	Real Estate
Listed at	Official trading
Indices	CDAX, General Standard Index, DIMAX
Stock Exchange	Xetra, Frankfurt, Berlin-Bremen, Duesseldorf, Hamburg, Munich
Designated Sponsors	UniCredit /Bayerische Hypo- und Vereinsbank AG, Close Brothers Seydler AG
Subscribed Capital	EUR 15 million, splitted into 15 million non-par shares

INTERIM MANAGEMENT REPORT FOR THE PERIOD OF JANUARY 1st TO JUNE 30th, 2009

The performance of ADLER Real Estate AG and its subsidiaries in the first six months of 2009 was once again overshadowed by the recession. The economic downturn has had different impacts on various segments of the real estate market. Commercial real estate markets have reported severe declines in office rentals, as well as very little investment. The bank capital shortage as a result of the financial crisis in effect meant that financing was no longer available, considerably impairing many segments of the real estate market, especially project development. However, demand for existing residential properties has remained very stable, and residential investment demand has grown stronger, as investors search for a "safe haven" for their money to counteract the severe inflation that is expected to ensue from the large budget deficits in all industrialized regions.

Asset and Property Management

The situation with respect to the four office buildings of the **Munich Portfolio** acquired by ADLER Real Estate AG at the end of 2007 together with AIG Real Estate Group (ADLER's interest: 15%) improved in the first six months of the year despite the tough market for office buildings in general. The buildings are fully leased due to rental guarantees from the seller, which are set to expire on 30 September 2010, although the physical leasing rate is still at about 70%. However, the physical leasing rate should rise in the months to come due to rising demand from existing tenants for additional space, demand for office space from the Munich area and successful leasing activities in recent months. One of the four buildings already has a physical occupancy rate of 100% and is therefore fully leased.

The leasing rate for the second **Germany Portfolio** held with AIG consisting of twelve office buildings in Berlin, Frankfurt, Munich and four other German cities, reached 77% during the reporting

period. The total leasing rate was kept stable thanks to successful leasing activities. At the moment, promising discussions are being held with several prospective tenants, and we therefore expect the leasing rate to rise in the fourth quarter of 2009. Thanks to active lease management, ADLER was able to contract several long-term extensions of existing leases in the second quarter of 2009 before expiration of the original terms. Promising negotiations are currently being held with a prospective long-term tenant for about 6,000 m² in one of the Berlin properties.

The **Airport Center Luxembourg** (ADLER's interest: 10%), which is also held together with AIG and managed by ADLER, was thoroughly renovated in recent years. Negotiations with an existing tenant, with about 3,500 m² in current lease space, were successfully concluded in the second quarter of 2009, although the conditions of the contract worsened. Extensive negotiations with another existing tenant (around 6,800 m² of leasing space) were not successful. The lease contract will expire end of 2009 and the vacancy rate than might rise to around 70%. Currently we are reorganizing our letting team and we are confident that at the end of the year some new leasing contracts are in place.

Project Development

Current projects made varying degrees of progress in the first six months of 2009.

The **Späthstraße** property in Berlin (about 48,700 m²) is still leased to the tree nursery "Späthsche Baumschule". However, the land use plan is now being revised after years of inactivity: in April of this year, the Berlin Senate revived the regional development procedure. With the help of an expert opinion commissioned by the Senate, possible uses for our land which is currently used as a tree nursery and for the adjacent areas (used as allotment gardens) will first be explored.

INTERIM MANAGEMENT REPORT FOR THE PERIOD OF JANUARY 1st TO JUNE 30th, 2009

A new development plan is being prepared for our **Fanny-Zobel-Straße** property in Berlin (about 7,700 m²), located right on the Spree River. The new plan calls for the construction of up to 36,000 m² of gross floor space on our property. In this area, between the Allianz-Treptower and the Twin Towers, is one of Berlin's most dynamic areas in terms of urban development. Due to the improving location of this plot on the wide banks of the Spree, this land can be used for high-quality residential projects, ambitious corporate headquarters or as the site for a hotel with on-site restaurants. As development of this general area continues and waterfront properties become more and more scarce, this site should become one of Berlin's desirable locations. Sales negotiations will be intensified once the revised development plan takes effect, increasing maximum construction volume to about 36,000 m² of gross floor space.

A project developer has been recruited to implement the new use plan for the **Offenbach** property (10,000 m²), in the Kaiserlei district, which was developed by a well-known marketing and trend research institute, and an option has been negotiated for the entire property. We expect to sell the property in 2010, at the latest.

For the **Homburg Am Forum** property (10,730 m²), a sales contract with a developer was concluded in May, subject to the adoption of a development plan zoning the area as a commercial district. Since then, the City of Homburg has passed the necessary resolution adopting the development plan, and the only thing which still needs to happen is publication of this resolution. We expect this to occur shortly, at which point the sales contract will take effect.

Residential projects in the second quarter of the year clearly suffered from the impact of the banking crisis. The fact that banks were highly reluctant to finance residential projects meant that new developments had to suffer considerable delays, even

in the planning stage. Since banks have also been cautious with respect to home mortgages, we do not expect demand for owner-occupied residential properties to recover until the medium to long term.

Following acceptance of most of the improvements to the **Moosburg/Isar** project by the City of Moosburg and issuance of a building permit for the remainder of the noise-proof fence along the B11 highway, we now expect the remaining improvements to be completed in autumn 2009. The first plots are already being sold, as construction work is still underway.

Marketing of the **Dallgow-Döberitz** plots is going slower than expected. This is particularly attributable to the appearance of a new development zone in the same municipality, with around 200 plots, which competes directly with our development. The arrival of this new development serves to confirm Dallgow's good general location. Marketing efforts have been completely reorganized in recent months, and Tipa Immobilien, which has worked for Münchener Baugesellschaft in the past, was given responsibility for on-site marketing. Tipa was able to sell three plots in recent weeks, and we expect further marketing success in the weeks to come.

In **Großbeeren**, ten of the eleven developed and parceled plots have now been sold and a notarization date has been set for the final plot. We are seeing increased inquiries for single-family plots, and a second phase of construction was planned during the reporting period. This phase will encompass another 29 plots, which will be used for single-family homes. We are currently attempting to secure bank financing for necessary improvements to this land, although our ability to obtain this financing is not quite certain given the caution that many banks are exercising at this time. The growing demand for plots in Großbeeren in recent weeks has strengthened our conviction that development of the new Berlin-Brandenburg international airport will lead to an increased influx of workers and growing

INTERIM MANAGEMENT REPORT FOR THE PERIOD OF JANUARY 1st TO JUNE 30th, 2009

demand for real estate in the Municipality of Großbeeren.

For the **Dresden-Trachau** property, discussions with the City Planning Office and the Environmental Office are being continued, and the housing commissioner is also involved. A concept has been developed for implementation of the framework urban development plan, and the first consultations with the City of Dresden have already been held. At the same time, efforts to implement flood safety measures have made good progress. The Dresden housing commissioner has indicated that he supports our plan to get part of the area ready for construction even before the flood safety measures are completed.

Real Estate Investments

Our division Real Estate Investments comprises our Properties Herriotstraße in Frankfurt and Hauptstraße in Grünstadt (ADLER's interest: 100%), as well as the minority shareholdings of ADLER.

For the office building on **Herriotstraße in Frankfurt** with a total lease space of around 4,200m², in which 40% of the space was leased last year, more prospective tenants contacted us during the reporting period, so that we expect the leasing rate to mount further. A new project has also emerged for development of the adjoining property, as the City of Frankfurt still plans to convert part of the Niederrad office district into a residential area, and this undeveloped plot will serve as a pilot residential project given its attractive location. The first public meeting has been held in preparation for modification of the development plan for the Niederrad office district, although the City's project encountered considerable opposition at the meeting.

In the commercial building on **Hauptstraße in Grünstadt**, with a total lease space of around 1,100 m², negotiations with the operator of an ergotherapy practice for early extension of the existing lease were successfully concluded in the reporting period and 251 m² remaining space still has to be leased.

Apart from our interests in the Airport Center Luxembourg (10%) and the Munich and Germany portfolios (each 15%) discussed above, ADLER AG also holds an indirect interest of 7.5% in **De Hoek Noord S-Park B.V.**, which holds a project development property in the immediate vicinity of Amsterdam's Schiphol Airport. Negotiations with a view towards selling ADLER's stake in the project are ongoing.

The 30% interest in the project "**The Heights at McKinney**" in the United States, 30 miles north of Dallas/Texas is held indirectly via a U.S. subsidiary. In McKinney apartments are being constructed for leasing purposes. The project has developed as planned. The initial construction work on the 334 apartments and the related clubhouse is making progress. The clubhouse will provide residents with a well-appointed clubroom, kitchen and cyber café, billiards and larger-screen television, fitness room, conference room, computer facilities and an adjoining resort-style swimming pool. The opening of the clubhouse and the initial apartments is planned for the start of 2010.

Whether there will be any chance to exit from our shareholding in **DB Immobilien GmbH** (ADLER share: 29%), which had to file for insolvency in April 2009 due to a nearly complete collapse in commercial real estate brokerage business, will only become evident after the insolvency proceedings are initiated, assuming the insolvency planning proceedings will actually be carried out.

INTERIM MANAGEMENT REPORT FOR THE PERIOD OF JANUARY 1st TO JUNE 30th, 2009**Financial, Earnings and Liquidity Position**

No major transactions were executed in the first half of the year. Consolidated revenues rose to EUR 0.982 million (up from EUR 0.57 million in the first half of 2008) on the strength of a few plots sold by Münchener Baugesellschaft. In addition to land sales, revenues were generated from asset and property management fees, as well as rent. Other operating income came to EUR 0.186 million (EUR 0.114 million the year before). Due to current expenses and EUR 0.76 million in write-downs on the investment in and accounts receivable from DB Immobilien GmbH, the operating loss grew to EUR 1.948 million (year before: EUR 1.576 million), and the net consolidated loss was EUR 2.068 million (year before: EUR 1.377 million).

Given the fact that there were few activities in the first half of the year that affected the balance sheet, the consolidated balance sheet did not show any significant changes. Total assets amounted to EUR 39.161 million as at 30 June 2009.

Report on Risks

ADLER Group has a risk management system customized to the company's current size, with flat hierarchies. During the reporting period and in the time prior to completion of this report, the Management Board of ADLER Real Estate AG did not become aware of any risks that may jeopardize ADLER's existence, now or in the future. The statements made in the Report on Risks in the 2008 Annual Report remain in effect.

Outlook

We expect an improvement in earnings this year, as we expect to sell a few properties very shortly. For example, the sale of the Homburg/Saar property has already been notarized, and the only thing that remains is a formality. We are also currently finalizing the sale of another major project. Münchener Baugesellschaft should benefit from its reorganized marketing activities and from an improvement in the general economy, and it should sell more plots in the second half of the year. All in all, we expect to break even on the year.

CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30th, 2009**CONSOLIDATED BALANCE SHEET (IFRS) AS AT JUNE 30th, 2009**

In EUR	June 30, 2009	December 31, 2008
ASSETS	39,160,793.80	41,561,840.10
Non-current assets	7,696,169.29	5,795,096.12
Intangible Assets	13,656.65	18,722.11
Property, plant and equipment	640,995.07	666,018.36
Available-for-sale financial assets	153,750.00	153,750.00
Loans to subsidiaries	5,302,045.54	3,045,930.52
Shares in the associates	1,303,692.00	1,628,645.10
Deferred tax claims	282,030.03	282,030.03
Current assets	31,464,624.51	35,766,743.98
Inventories	29,598,312.28	29,090,062.37
Trade receivables	102,169.21	128,861.17
Income tax assets	85,839.81	90,873.44
Other current assets	388,435.19	193,594.78
Cash on hand and at bank	1,289,868.02	6,263,352.22
ASSETS	39,160,793.80	41,561,840.10

CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30th, 2009**CONSOLIDATED BALANCE SHEET (IFRS) AS AT JUNE 30th, 2009**

In EUR	June 30, 2009	December 31, 2008
EQUITY AND LIABILITIES	39,160,793.80	41,561,840.10
Shareholders' equity	28,545,688.72	30,607,795.06
Share capital	15,000,000.00	15,000,000.00
Capital reserve	7,686,881.15	7,686,881.15
Retained earnings (IFRS)	420,572.49	420,572.49
Currency conversion reserve	-94,892.31	-100,959.10
Net profit	5,533,127.39	7,601,300.52
Non-current liabilities	7,556,196.11	7,649,360.57
Pension provisions	814,311.50	806,116.00
Liabilities for deferred taxes	4,218.67	6,918.88
Other provisions	553,221.08	591,774.22
Financial liabilities	6,184,444.86	6,244,551.47
Current liabilities	3,058,908.97	3,304,684.47
Other provisions	1,178,000.00	1,098,644.60
Income tax liabilities	395,979.06	450,523.84
Trade payables	721,251.69	943,815.30
Other non-current liabilities	763,678.22	811,700.73
EQUITY AND LIABILITIES	39,160,793.80	41,561,840.10

CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30th, 2009**CONSOLIDATED INCOME STATEMENT (IFRS) AS AT JUNE 30th, 2009**

In EUR	01.01.- 30.06.2009	01.01.- 30.06.2008
Sales revenue	981.518,07	569.810,59
Changes in inventories	508.249,91	825.343,04
Other operating income	186.613,08	114.495,41
Total operating income	1.676.381,06	1.509.649,04
Expenses for materials	-1.169.090,21	-1.060.147,03
Personnel expenses	-865.769,82	-954.449,96
Depreciation and amortization	-30.289,59	-36.846,81
Other operating expenses	-1.229.362,29	-1.034.065,92
Income from at-equity-valued investment associates	-330.260,10	0,00
Result from operating activities (EBIT)	-1.948.390,95	-1.575.860,68
Interest income	114.514,49	305.610,94
Financial expenses	-235.429,23	-184.876,59
Profit before income tax (EBT)	-2.069.305,69	-1.455.126,33
Income tax	1.132,56	78.600,56
Consolidated profit	-2.068.173,13	-1.376.525,77
Split as follows:		
Shareholders of the parent company	-2.068.173,13	-1.273.686,97
Minorities	0,00	-102.838,80
Diluted earnings per share	-0,14	-0,08
Basic earnings per share	-0,14	-0,08

CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30th, 2009**CONSOLIDATED CASH FLOW STATEMENT (IFRS) FOR THE PERIOD FROM 01.01.2009 TO 30.06.2009**

In EUR	01.01.2009 - 30.06.2009	01.01.2008 - 30.06.2008
Operating Profit	-1,948,391	-1,575,861
+ Depreciation of non-current assets	30,290	36,847
-/+ Non cash income/expenses	763,827	37,168
- Decrease in provisions	18,770	-113,253
-/+ Increase/decrease in inventories, trade and other assets not attributable to investing or financing activities	-823,293	-747,503
-/+ Decrease/increase in trade payables and other liabilities not attributable to investing or financing activities	-606,881	-208,676
+ Interest payments	13,196	50,505
- Interest disbursements	-160,454	-117,194
+/- Tax payments	-1,568	-152
= Net cash outflow (previous year: outflow) for operating activities	-2,714,504	-2,638,120
- Cash used for investments in property, plant and equipment	-201	-28,134
- Cash used for investments in intangible assets	0	-3,984
- Cash used for investments in non-current financial assets	-2,251,770	0
= Net cash outflow (previous year: outflow) for investing activities	-2,251,971	-32,118
- Other non-cash changes in equity	6,067	0
+ Proceeds from taking up financial loans	30,000	500,000
- Cash used for repayments of financial loans	-43,075	-42,751
= Net cash outflow (previous year: inflow) from financing activities	-7,008	457,249
<i>Reconciliation with balance sheet</i>		
Cash and cash equivalents at the beginning of the period	6,263,352	5,833,286
Net cash outflow (Previous year: outflow) for operating activities	-2,714,504	-2,638,120
Net cash outflow (previous year: outflow) for investing activities	-2,251,971	-32,118
Net cash outflow (previous year : inflow) from financing activities	-7,008	457,249
= Cash and cash equivalents of the end of the period	1,289,868	3,620,297

CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30th, 2009**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) FOR THE PERIOD
FROM 01.01.2009 TO 30.06.2009**

In 000 EUR	Subscribed capital	Capital reserve	Retained earnings	Currency conversion reserve	Net profit / loss	Capital and reserves owed to the shareholders of the parent company	Minority shares	Total equity
Balance as at January 1, 2009	15,000	7,687	421	-101	7,601	30,608	0	30,608
Consolidated profit	0	0	0	0	-2,068	-2,068	0	-2,068
Transfer to currency conversion reserve	0	0	0	6	0	6	0	6
Balance as at June 30, 2009	15,000	7,687	421	-95	5,533	28,546	0	28,546
in TEUR								
Balance as at January 1, 2008	15,000	7,612	421	0	11,798	34,831	-123	34,708
Consolidated profit	0	0	0	0	-1,274	-1,274	-102	-1,376
Stock option plan	0	37	0	0	0	37	0	37
Balance as at June 30, 2008	15,000	7,649	421	0	10,524	33,594	-225	33,369

NOTES TO INTERIM FINANCIAL STATEMENTS AS AT JUNE 30th, 2009**Recognition and Measurement Methods**

The semi-annual financial statements for 30 June 2009 were prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU.

Accordingly, the same consolidation principles and recognition and measurement methods used in the 2008 consolidated financial statements were applied in preparing the semi-annual financial statements and in determining comparison data for the year before. A detailed description of these methods can be found in the Notes to the 2008 consolidated financial statements.

These interim financial statements comply with the rules for Interim Financial Reporting in IAS 34.

Consolidated Companies

The Group's consolidated financial statements were prepared with ADLER Real Estate AG, Frankfurt am Main, as parent company. As of the balance sheet date, the Group included twenty-one fully consolidated companies and two other subsidiaries that were recognized at-equity. Ownership interests between 20 and 50% are not recognized at-equity due to their secondary importance, and are instead measured in accordance with IAS 39 (available for sale).

Notes to the Financial, Earnings and Liquidity Position

The Group's total assets on the balance sheet date were TEUR 39,161, 6% less than on 31 December 2008. Net cash in banks amounted to TEUR 1,290 on 30 June 2009, down from TEUR 6,263 at the end of 2008.

The net revenues of TEUR 982 consist of asset and property management fees, revenues from the leasing of commercial real estate and parking

spaces and proceeds from the sale of residential properties.

Other operating income, in the amount of TEUR 186, includes TEUR 111 from the recognition of a currency hedging transaction in US dollars in connection with the investment in the McKinney project.

Operating profit (EBIT) in the reporting period was TEUR -1,948, primarily as a result of current expenses. This figure also reflects a write-down on a loan to DB Immobilien GmbH, the write-off of the Group's investment in that company and the debt consolidation expense for the McKinney project, in the amount of TEUR 114.

Free cash flow in the first half of the year was affected primarily by the investment in the McKinney project (TEUR 2,252), current expenses, refurbishment of the Herriotstraße property in Frankfurt am Main and development of the Moosburg property.

Results in the reporting period were not affected by seasonal fluctuations. There were no share capital increases or dividend payouts in the first six months of 2009.

Segment Reporting

ADLER AG is organized into three divisions, Asset and Property Management (AM & PM), Project Development (PD) and Real Estate Investment (Immo Invest).

Internal reporting to primary decision-makers has been adjusted accordingly.

The Asset and Property Management division (AM & PM) manages group-owned and third-party properties, as well as offering consulting services. The Project Development (PD) division engages in all manner of activities with the object of developing or finding an appropriate user for any given site.

NOTES TO INTERIM FINANCIAL STATEMENTS AS AT JUNE 30th, 2009

The Real Estate Investment division (Immo Invest) is responsible for all investments in land and buildings (regardless of the Group's ownership interest) and projects (minority interests), as well as other real estate investments. There is also an "Other" unit that performs holding functions and centralized services for Group subsidiaries.

The Group measures the performance of its divisions based on their adjusted operating results, as reported internally. The adjusted results of each sector are determined based on operating profit after interest and taxes. Net revenues disclosed in accordance with IFRS consist of revenues from third parties. Revenues from other units are earned by the holding unit and by Immo Invest. These revenues are disregarded when measuring net consolidated revenues.

Internal transactions are executed at cost insofar as services are concerned. Otherwise, they are executed using the arm's length principle.

Segment data for each division in the first half of 2009 and 2008 can be found in the table below.

In none of the sectors did revenues from any individual customer comprise more than 10 percent of net consolidated revenues in that sector during the reporting period.

As of 30 June 2009, ADLER Group had 24 employees (year before: 23).

Statements as to Pre-Emption Rights of Corporate Officers and Employees

Under the stock option program adopted by the 2006 General Meeting, members of the Management Board held 200,000 stock options as of the balance sheet date (30 June 2009: 200,000 stock options). Additional statements as to the stock option program can be found in our Annual Report.

program can be found in our Annual Report.

Segment data and reconciliation statement in 000 EUR

QII 2009	AM & PM	PD Immo Invest	Other	Reconciliation	Group	
Revenues from third parties	328	596	58	1	0	982
Revenues from other segments	0	0	41	0	-41	0
Segment result/earnings	66	-421	-964	-791	41	-2,068
Segment assets	n/a	25,862	15,074	29,396	-31,171	39,161
Segment liabilities	n/a	19,182	16,003	5,149	-29,719	10,615

Segment data and reconciliation statement in 000 EUR

QII 2008	AM & PM	PD Immo Invest	Other	Reconciliation	Group	
Revenues from third parties	358	190	19	3	0	570
Revenues from other segments	0	0	41	0	-41	0
Segment result/earnings	109	-902	-66	-557	40	-1,377
Segment assets	n/a	26,809	13,719	33,549	-30,587	43,490
Segment liabilities	n/a	20,038	13,595	4,276	-27,788	10,121

DECLARATION PURSUANT**Statements Pursuant to § 37y No. 1 of the
Securities Trading Act**

"We hereby represent that, to the best of knowledge, these Interim Consolidated Financial Statements provide a true and fair view of the Group's financial, earnings and liquidity position in accordance with applicable principles for interim financial reporting and with due regard for the requirements of § 37y of the Securities Trading Act and that the Interim Consolidated Management Report presents the course of business, including the Group's position and results, in such a manner as to convey a true and fair view, as well as describing the major opportunities and risks which can be expected to arise in the remainder of the year."

ADLER Real Estate Aktiengesellschaft
Frankfurt/Main, August 13, 2009

Barbara Yaltrak

Axel Harloff

LEGAL REMARKS

This report contains future-oriented statements that reflect the current management views of ADLER Real Estate AG regarding future events. Every statement in this report that reflects intentions, assumptions, expectations or predictions, as well as the assumptions on which they are based, constitutes such a future-oriented statement. These statements are based on plans, estimates and forecasts currently available to the management of ADLER Real Estate AG. Therefore, they only apply to the day on which they are made. By their nature, future-oriented statements are subject to risks and uncertainty factors, and the actual developments can deviate considerably from the future-oriented statements or the events implicitly expressed in them. ADLER Real Estate AG is not obligated, nor does it intend, to update such statements in view of new information or future events.

FINANCIAL CALENDARS AND IMPRINTS

Financial Calendars

November 2009

Interim Announcement of the Group
within the second half-year

Imprints

Publisher

ADLER Real Estate AG
Neuer Wall 77
20354 Hamburg, Germany
www.adler-ag.de

Tel.: +49 (0)40 29 81 30-0
Fax: +49 (0)40 29 81 30-99
info@adler-ag.de

Register Court: Frankfurt am Main, Germany
HRB B 72 87

Management Board

Barbara Yaltrak
Axel Harloff

Concept and Content/Investor Relations

ADLER Real Estate AG
german communications dbk ag
www.german-communications.de