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ADLER Real Estate Aktiengesellschaft
Frankfurt am Main

WKN 500 800
ISIN DE0005008007
and
WKN A0JQ4G
ISIN DE000A0JQ4G5

Invitation to Ordinary Shareholders' Meeting

Dear Shareholders,

We invite you to attend the ordinary shareholders' meeting on Tuesday, June 26, 2007, at 10:00 a.m. in the Steigenberger Hotel Hamburg, Heiligengeistbrücke 4, 20459 Hamburg, Room "Galeria I and II."

I.
AGENDA

1. **Presentation of the adopted annual financial statements and the approved annual group financial statements as of December 31, 2006, and the Management report for ADLER Real Estate AG and the Group for the fiscal year 2006, as well as the report of the Supervisory Board and the explanatory report of the Management Board regarding the statements according to § 289 para. 4, § 315 para. 4 of the German Commercial Code (HGB)**

2. **Resolution on the use of the net profits**

   The Management Board and the Supervisory Board propose carrying forward the net profits in the amount of Euro 3,128,458.68 to the new account.

3. **Resolution on the discharge of the Members of the Management Board for the fiscal year 2006**

   The Management Board and the Supervisory Board propose issuing the discharge of the Members of the Management Board for the fiscal year 2006.

4. **Resolution on the discharge of the Members of the Supervisory Board for the fiscal year 2006**

   The Management Board and the Supervisory Board propose issuing the discharge of the Members of the Supervisory Board for fiscal year 2006.

5. **Resolution on the appointment of the auditor of the financial statements and the auditor of the group financial statements for the fiscal year 2007**

The Supervisory Board proposes appointing the accounting firm PricewaterhouseCoopers Aktiengesellschaft, Hamburg as the auditor of the financial statements and the group financial statements for the fiscal year 2007 as well as for the examination of the mid-year financial statement for the first half of the year 2007.

6. Resolution on the authorization to issue bonds with warrants and/or convertible bonds as well as the creation of a conditional capital II and corresponding amendment of the articles of association

The Management Board and Supervisory Board propose the following resolutions:

Authorization of the Management Board

a) Period of authorization and nominal amount

The Management Board is authorized, with the consent of the Supervisory Board, to issue on or before June 25, 2012, once or more than once, bonds with warrants and/or convertible bonds in bearer or registered form in the aggregate nominal amount of up to Euro 100,000,000.00 with a term of maturity not exceeding ten years and to grant to the holders of the bonds with warrants and/or the holders of convertible bonds option rights and conversion rights, respectively, for up to an aggregate 6,500,000 new bearer shares of the company according to the specific terms and conditions of the bonds with warrants or convertible bonds.

b) Subscription right, exclusion of subscription right

In principle, the shareholders are entitled to a subscription right to the bonds with warrants or convertible bonds. The bonds with warrants or convertible bonds may also be underwritten by a credit institution with the obligation that such warrants or bonds are offered to the shareholders for subscription. With the consent of the Supervisory Board, however, the Management Board is authorized to exclude the subscription right of the shareholders to the bonds with warrants or convertible bonds (1) for fractional amounts that result from the subscription ratio, or (2) to the extent that the issue price of the bonds with warrants or convertible bonds is not significantly below the theoretical market value of such bonds with warrants or convertible bonds as calculated by means of recognized methods of financial mathematics and insofar as the option or conversion price is not less than 95 % of the average market price of the shares of the company in the Xetra closing trading on the five trading days prior to the resolution on the issuance of the convertible bonds or bonds with warrants. This authorization for the exclusion of the subscription right only applies, however, to bonds with warrants or convertible bonds issued for cash payment with option rights or conversion rights and/or option obligations or conversion obligations for shares with a pro rata amount of share capital that in aggregate neither exceeds 10 % of the share capital at the time this authorization becomes effective nor at the time of the issuance of the bonds with warrants or convertible bonds. In exercise of the 10 %-limit, the exclusion of the subscription right based on other authorizations according to § 186 para. 3 sentence 4 of the German Stock Corporation Act (AktG) is to be taken into account.

c) Exchange ratio, option or conversion price, anti-dilution

The holders of the bonds with warrants or convertible bonds have the right or are obligated, to the extent the terms and conditions of the bonds with warrants or convertible bonds provide for such, to exchange their notes for shares in the company according to the terms and conditions of the bonds with warrants or convertible bonds. The exchange ratio for convertible bonds is determined by dividing the nominal amount of a note or, if lower, the issue price of a note, by the fixed conversion price for one share of the company. An exchange ratio rounded up or down to the next full number and an additional amount to be paid in cash may be determined. Additionally, the consolidation and/or compensation of fractional shares may be provided for. The terms and conditions of the bonds with warrants or convertible bonds may provide that the exchange ratio and/or the option or conversion price shall be determined within a predetermined range depending on the development of the share price during the term. The terms and conditions of the bonds with warrants or convertible bonds may also create an option or conversion obligation at the end of the term or at another point in time.

The pro rata amount of the share capital of the shares to be issued in exercise of the option or conversion may not exceed the nominal amount of the bond with warrant or the convertible bond.

The option or the conversion price for one share of the company shall be determined in euros. In case of a variable exchange ratio or option or conversion price, the option or conversion price must amount to at least 95 % of the average market price of the shares of the company in the Xetra closing trading (or a comparable successor system) on the Frankfurt Stock Exchange on the five trading days prior to the date of the resolution of the Management Board on the issuance of bonds with warrants or convertible bonds. § 9 para. 1 AktG is not affected.

Notwithstanding the provisions in § 9 para. 1 AktG, the option or conversion price, as applicable, may be adjusted based on an anti-dilution clause according to the specific terms and conditions of the bonds with warrants or convertible bonds, if the company increases the share capital or issues or guaranties additional bonds with warrants or convertible bonds during the option or conversion period granting subscription rights to its shareholders while the holders of the bonds with warrants or convertible bonds are not granted a subscription right to the extent they would be entitled to after exercise of the conversion right. The terms and conditions may additionally provide for an adjustment of the option or conversion rights in the event of other capital adjustment measures or other comparable measures that could lead to a dilution of the value of the issued shares of the company. A reduction in the option or conversion price may also be effected through a cash payment upon exercise of the option or conversion right.

d) Additional arrangements

The Management Board is authorized to determine all further details of the issuance and the configuration of the bonds with warrants and convertible bonds and their terms and conditions.

Creation of Conditional Capital II

The share capital of the company is conditionally increased by up Euro 6,500,000.00 through issuance of up to 6,500,000 new bearer shares with no-par value (Conditional Capital II). The conditional capital increase serves exclusively the granting of shares to holders of bonds with warrants or convertible bonds that, pursuant to the foregoing authorization, shall be issued on or before June 25, 2012. The conditional capital increase also serves, according to the terms and conditions of the bonds with warrants or convertible bonds, the issuance of shares to holders of bonds with warrants or convertible bonds that feature option or conversion obligations. The new shares shall be issued at the relevant option or conversion price to be determined pursuant to the foregoing authorization. The conditional capital increase will only be effected to the extent that the holders of the bonds with warrants and/or convertible bonds exercise their option or conversion rights or the holders of bonds with warrants or convertible bonds obligated to exercise options or to convert their bonds, respectively, fulfill their obligation to exercise the option or convert the bond, to the extent that the option rights or conversion rights are not served through the granting of own shares. The new shares shall be entitled to dividend as of the beginning of the fiscal year in which they were issued. The Management Board is authorized to determine the further details of the conditional capital increase with the consent of the Supervisory Board.

Amendment of the articles of association

For the purpose of the differentiation of the conditional capital, a clarifying renaming of the "conditional capital" according to § 4 para. 3 of the articles of association as "Conditional Capital I" is required. In § 4 of the articles of association of the company a new paragraph 4 is to be inserted.

§ 4 paragraph 3 sentence 1 of the articles of association receives the following wording:

“The share capital is conditionally increased by Euro 1,000,000.00 through issuance of new bearer shares with non–par value (Conditional Capital I).“

§ 4 paragraph 4 of the articles of association read as follows:

"The nominal capital of the company is be conditionally increased by up to Euro 6,500,000.00 through issuance of up to 6,500,000 new bearer shares with non-par value (Conditional Capital II). The conditional capital increase serves exclusively the granting of shares to holders of bonds with warrants or convertible bonds that, pursuant to the authorization of the shareholders' meeting on June 26, 2007 shall be issued on or before June 25, 2012. The authorized capital increase also serves, according to the terms and conditions of the bonds with warrants or convertible bonds, the issuance of shares to holders of bonds with warrants or convertible bonds that feature option or conversion obligations. The conditional capital increase will only be effected to the extent that the holders of the bonds with warrants and/or convertible bonds exercise their option or conversion rights or the holders of bonds with warrants or convertible bonds obligated to exercise options or to convert their bonds, respectively, fulfill their obligation to exercise the option or convert the bond, to the extent that the option rights or conversion rights are not served through the granting of own shares. The new shares shall be entitled to dividend as of the beginning of the fiscal year in which they were issued."

Authorization of the Supervisory Board

The Supervisory Board is authorized to amend § 4 para. 1 of the articles of association from time to time in accordance with the relevant amount of the subscription shares issued as well as to carry out all other amendments associated therewith in the articles of association that only concern the wording thereof. The same shall apply in the event of a non-exercise of the foregoing authorization for issuance of bonds with warrants and/or convertible bonds after expiration of the authorization period as well as in the event of the non-exercise of the conditional capital after expiration of the period for the exercise of option or conversion rights.

7. Resolution on the authorization for the acquisition of own shares

The company was authorized by the shareholders' meeting on August 24, 2006 to acquire on or before February 23, 2008 own shares up to an aggregate amount of 10 % of the current share capital of the company for the purposes permitted according to § 71 para. 1 no. 8 AktG. This authorization has not yet been exercised. As it will likely expire prior to the ordinary shareholders' meeting in 2008, a new authorization is required for future acquisition of own shares and their disposition in any manner other than on the stock exchange or through an offer to all shareholders.

The Management Board and Supervisory Board therefore propose the following resolution:

The previous authorization for the acquisition of own shares is revoked.

The company is authorized to acquire on or before December 25, 2008 own shares up to an aggregate 10 % of the current share capital of the company for the purposes permitted under § 71 para. 1 no. 8 AktG. The acquisition may only occur on the stock exchange or through a public purchase offer to the shareholders of the company or a public invitation to the shareholders of the company for submission of sale offers. The acquisition price paid by the company (not including ancillary acquisition costs) may not exceed by more than 10 % or fall below by more than 20 % the average closing price of the shares on the stock exchange (Xetra) on the three trading days preceding the respective conclusion of the transaction creating the obligation to acquire the shares of the company. In the event of a public purchase offer, the purchase price for one share may not exceed or fall below by 20 % the average Xetra closing price on the three trading days prior to publication of the offer.

The authorization may be exercised in whole or in several partial amounts for any purpose permitted by law. Furthermore, the Management Board is authorized to use the own shares acquired pursuant to this authorization as follows, whereby regarding the use for one or more of the purposes listed in a) and b), the subscription rights of the shareholders are excluded:

a) The Management Board is authorized to offer the own shares acquired pursuant to the foregoing authorization to third parties as consideration, in order to acquire companies, parts of companies or stakes therein or to carry out mergers.

b) The Management Board is authorized to redeem the own shares acquired pursuant to the foregoing authorization without an additional shareholders' resolution.

c) The Management Board is authorized to use the own shares acquired pursuant to the foregoing authorization for the fulfillment of option rights or conversion rights of the holders of bonds with warrants or convertible bonds, which pursuant to the foregoing authorization in Agenda item 6 were issued on or before June 25, 2012. The own shares may be also be issued according to the terms and conditions of the bonds with warrants or convertible bonds to the holders of bonds with warrants or convertible bonds that feature option or conversion obligations.

8. Resolution on amendment of the articles of association for the implementation of the Act Implementing the Transparency Directive

The Act Implementing the Transparency Directive which went into effect in January of 2007 (*Transparenzrichtlinie-Umsetzungsgesetz* (TUG)) provides that the electronic transfer of information to shareholders is only permissible with the consent of the shareholders' meeting. In order to be able to offer our shareholders this practical form of communication in the future, the articles of association should be amended as follows:

The Management Board and Supervisory Board propose the following resolution:

The heading for § 24 of the articles of association shall be extended to include the point "Transfer of Information" and

§ 24 of the articles of association shall be supplemented by a paragraph 3 as follows:

"§ 24 Proxies, audio-visual coverage of the shareholders' meeting, transfer of information

3. The company is authorized to transfer information to shareholders by way of remote data transmission."

II.
REPORTS OF THE MANAGEMENT BOARD

To Agenda Item 6: Report of the Management Board pursuant to §§ 221 para. 4 sentence 2, 186 para. 4 sentence 2 AktG regarding exclusion of subscription rights upon issuance of bonds with warrants or convertible bonds

The company should have the opportunity to create equity capital through the issuance of bonds with warrants and/or convertible bonds, and thereby maintain the highest degree of flexibility possible in the refinancing. In particular, the Management Board should be able, upon occurrence of favorable capital market conditions to timely take advantage of financing in the interest of the company with the consent of the Supervisory Board.

The exclusion of the subscription right for fractional amounts permits exercise of the authorization by whole number amounts and the creation of a practicable exchange ratio. The processing of the subscription rights of the shareholders is thereby facilitated. The bonds with warrants or convertible bonds excluded from the subscription right as fractional amounts will either be sold over the stock exchange or in another optimal manner to a third party.

The Management Board is also authorized to exclude the subscription right with the consent of the Supervisory Board, if the bonds with warrants or convertible bonds are issued for cash payment at a price that is not materially lower than the market value of these bonds. This enables the company to quickly react to favorable market conditions on a short-term basis. Being able to determine such conditions on a market-oriented basis, the company can achieve better conditions regarding interest rates, option or conversion prices and the issue price of the bond. If the subscription rights were not excluded, the issuance price and material conditions regarding such would have to be published no later than on the third day prior to the last day of the subscription period. Up until the deadline, a market risk resulting in safety margins would exist. During the subscription period the company would not be able react to changes in market conditions and in particular to declining stock prices, which could adversely affect the options for the raising of equity capital. Additionally, the placement with third parties would, as a consequence of the insecurity of the subscription behavior, be significantly jeopardized or prevented altogether. The limit of 10 % of the share capital applies to this kind of exclusion of subscription right pursuant to §§ 221 para. 4 sentence 1, 186 para. 3 sentence 4 AktG. The proposed resolution provides for the adherence to this limit taking into account, if appropriate, shares that shall be issued by way of such a simplified exclusion of subscription rights from the previous authorized capital. Additionally, from § 186 para. 3 sentence 4 AktG it also follows that the issuance price may not be materially lower than the stock exchange price. The resolution therefore provides that the issuance price may not be materially lower than the theoretical market value of the bonds with warrants or convertible bonds as calculated by means of recognized methods of financial mathematics. It is thereby ensured for the shareholder that the company receives appropriate consideration for the rights vested in the bonds with warrants or the convertible bonds. Additionally, the option or conversion price may not be below 95 % of the average market price of the shares of the company in the Xetra closing trading on the five trading days prior to the resolution regarding the issuance of convertible bonds or bonds with warrants. Ultimately, it will be effectively ensured through the double lower limit that neither an appreciable commercial dilution of the value of the shares occurs nor that the determination of a low option or conversion price exerts pressure on the market price. Finally, the shareholders may also act to maintain there is hare in the share capital after exercise of the option rights or conversion rights at any time through additional acquisitions of shares through the stock exchange.

The conditional capital in the amount of Euro 6,500,000.00 is required in order to be able to issue bonds with warrants and/or convertible bonds with option rights or conversion rights or obligations, respectively, to shares of the company. The term of the notes and the term of the option or conversion rights may not exceed ten years.

In case of a variable exchange ratio or option or conversion price, the option or conversion price to be determined for one share of the company must amount to at least 95 % of the average market price of the shares of the company in the Xetra closing trading (or a comparable successor system) on the Frankfurt Stock Exchange on the five trading days prior to the day of the resolution of the Management Board on the issuance of the bonds with warrants or convertible bonds. § 9 para. 1 AktG is not affected. It is thereby ensured that the option or conversion price is appropriately proportionate to the market price of the shares of the company at the time of the resolution on exercise of the authorization to issue bonds with warrants or convertible bonds. Through the possibility of the granting of a supplement, the terms and conditions of the bonds with warrants or convertible bonds may be adjusted to the respective capital market conditions at the time of their issuance.

To Agenda Item 7: Report of the Management Board pursuant to §§ 71 para. 1 no. 8, 186 para. 4 sentence 2 AktG regarding the exclusion of subscription rights upon use of own shares

The company should have the opportunity to offer acquired own shares as consideration in the acquisition of companies, parts of companies or stakes therein, or in mergers. It should be in a position to quickly and flexibly take advantage of opportunities for acquisitions, particularly since potential sellers in individual cases are not prepared to accept a purchase price in cash. As such acquisition decisions usually must be made on short notice, in an individual case there is no opportunity for prior briefing of the shareholders' meeting. Should such an acquisition opportunity arise, the Management Board will carefully examine the use of own shares in connection with a subscription right exclusion and align such with the interests of the company. Should it exercise the authorization, the Management Board will report the details at the following shareholders' meeting.

Finally, acquired own shares should be available to the company in order to make use of such in the place of conditional capital or a capital increase for fulfillment of option and conversion rights, which were granted through issuance of bonds with warrants or convertible bonds. The own shares may also be issued according to the terms and conditions of the bonds with warrants or convertible bonds to holders of bonds with warrants or convertible bonds that feature option or conversion obligations, respectively.

III.
PARTICIPATION RIGHT

Shareholders entitled to participate in and vote at the shareholders’ meeting are those who register no later than by the end of the seventh day prior to the day of the shareholders' meeting (end of June 19, 2007) under the following address

ADLER Real Estate Aktiengesellschaft
c/o Computershare HV-Services AG
HV-Anmeldung
Prannerstrasse 8
80333 Munich
Telefax: +49 (0) 89 - 309037- 4675
E-mail: anmeldestelle@computershare.de

and who, by the end of June 19, 2007, provide the company with a special certificate issued by their depository institution and evidencing their share ownership as of the beginning of the 21st day prior to the shareholders’ meeting (beginning of June 5, 2007) under the foregoing address.

The registration and the special certificate of share ownership must be prepared in writing (§ 126b of the German Civil Code, (BGB)) in German or English.

Upon timely receipt of the registration and the special certificate of share ownership, the shareholders will be sent admission tickets for the shareholders' meeting (with the proxy form and instruction form pursuant to § 30a para. 1 no. 5 WpHG).

IV.
PRESENTED DOCUMENTS

The documents referred to under Agenda Item 1 and the reports of the Management Board referred to under Agenda Items 6 and 7 may be viewed at the business premises of ADLER Real Estate Aktiengesellschaft, Neuer Wall 77, 20354 Hamburg and on the web page of the company at www.adler-ag.de. Upon request, each shareholder will be immediately sent a free copy of the documents that will also be presented at the shareholders' meeting.

V.
REPRESENTATION OF VOTING RIGHTS

Shareholders may have their voting rights exercised by a representative, e.g., by the depository bank, a shareholders' association or another person of their choice. A form for the granting of authorization will be sent along with the admission tickets.

As a special service, we also offer our shareholders the option of authorizing one of the voting rights representatives named by the company, who will exercise the voting right according to the shareholders’ written instructions. The authorization must be granted in writing (§ 126b BGB) or fax and must contain instructions for the exercise of the voting rights. Without such instructions the authorization is invalid. To the extent no instructions are issued on individual Agenda Items, the proxy shall abstain from voting on such Agenda Items.

Please forward the admission ticket together with the fully completed and signed proxy and instruction form no later than by the end of June 25, 2007, 6:00 p.m. to:

ADLER Real Estate Aktiengesellschaft
Neuer Wall 77
20354 Hamburg
Fax: +49 (40) 29 81 30 - 99

Proxies and instructions for the voting rights representatives named by the company that are received after the date above cannot be taken into account. The proxy shall exercise the voting right in the shareholders' meeting pursuant to the instructions last timely received. In the event of simultaneous receipt of instructions delivered by mail and fax, the instructions delivered by fax shall have priority.

VI.
TOTAL NUMBER OF SHARES AND VOTING RIGHTS

At the time of the convening of the meeting, the share capital of the company is divided into 15,000,000 non-par value shares with an equal number of voting rights. At the time of the convening of the meeting, the company holds no own shares.

VII.
MOTIONS FROM SHAREHOLDERS

Should you have motions or nominations for the shareholders' meeting pursuant to §§ 126 et. seq. AktG, please address these solely in written correspondence with attachment of verification of share ownership to:

ADLER Real Estate Aktiengesellschaft
Neuer Wall 77
20354 Hamburg
Fax: +49 (40) 29 81 30 - 99

Motions or nominations that are to be made available according to the AktG shall immediately be published on the web page of the company (www.adler-ag.de).

Motions or nominations addressed otherwise will not be taken into account. Any comments of the administration shall also be made available on the aforementioned web page.

Hamburg, May 2007
Adler Real Estate Aktiengesellschaft
The Management Board