

The EREIS - Newsletter

The EREIS - Newsletter is part of the online portal EUROPEAN REAL ESTATE INFORMATION SYSTEM (www.p1-info.com). It is regularly issued in a two weeks term by the P1 PUBLISHING HOUSE. The following headings are subject to the newsletter:

- Editorial (actual overview of the real estate market)
- Real Estate News & Deals
- Company profile & analysis

Editorial

Following the actual discussion of the planned nationalization of the German Hypo Real Estate, we witness the problems of the crisis' outcome. It seems to be a paradigmatic case as there is not only a question whether the nationalization of a company is appropriate, but also how this nationalization can be done.

Considering that this special bank is such an important column in the German capital market that it can't be knocked down without endangering the whole system, the way to take control over this sinking ship is of utmost importance. Forced expropriation is definitely not the measure of the day. This would be the wrong signal for future interventions as it shakes the confidence of the shareholders and investors. The effects for any future investment in any company would be uncalculable.

Again we wish to refer to the upcoming congress of our partner company *P1 Euro Invest. The Real Estate Congress Kitzbühel* is an international Congress for Decision Makers of the Real Estate Business and takes place in the Tyrolian holiday resort Kitzbühel (Austria), from the 18th to the 19th June 2009. The subject of the congress is *Property companies through change. Business models and concepts during and after the crisis*. Further information and the subscription formular can be found under www.p1-invest.eu. (chief editor: Dr. Roger Schöntag)



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Real Estate News

05.05.2009 U.K.: Reading's tallest building officially launched

Reading's tallest building and most sophisticated new workplace will be officially launched this week when The Blade welcomes its first guests on Thursday 23rd April. The 420ft (128m) 14 storey tower on Abbey Street is in the heart of Reading's central business district overlooking Forbury Gardens and has already established itself as an elegant and iconic focal point for the town. The Blade has been developed by PMB Holdings and Aviva Investors which have delivered a prime Grade A property of the quality found in central London. In doing so they have established a new benchmark in office accommodation and one of the finest working environments in the region. From the upper storeys occupants will have a virtually uninterrupted 360° view across Reading and the surrounding countryside. The developers and their letting agents Fryer Holt, Cushman & Wakefield and Knight Frank, are targeting both local companies and London based companies as tenants for the new space. Occupation costs in The Blade will be at least 50 per cent cheaper than a comparable quality building in central London and it's hoped that the building will help to generate new jobs for the town. The Blade can offer flexible office accommodation of between 5,630 sq ft (523 sq m) – 109,302 sq ft (10,154 sq m) across its 14 floors. (source: *Cushman&Wakefield*)

04.05.2009 Sweden: Skanska-sponsored global study shows that energy use in buildings can be cut 60 percent by 2050

Today, buildings use more energy than any other sector in the world - approximately 38 percent of the global energy use compared with 33 percent for industry and 26 percent for transportation sectors. But if a major, coordinated and global effort is launched, it would be possible to cut energy use in buildings 60 percent by 2050 and arrive at a situation in which buildings produce or recover as much energy as they consume. These are among the major findings in a new research report, "Transforming the Market: Energy Efficiency in Buildings," released April 27 by the World Business Council for Sustainable Development (WBCSD). This is the most rigorous study ever conducted on the subject and the findings apply to both existing and new building stock. Skanska is one of 14 global companies behind this report and is the only Nordic participant and the only construction company involved in the study. (source: *Skanska*)

30.04.2009 Czech Republic: Pinnacle Has a New Chief Financial Officer

The new Chief Financial Officer (CFO) for Pinnacle, one of the leading logistics companies in Central & Eastern Europe, is James Riddell. James Riddell (59) has over 30 years of experience in the finance sector. His most recent role was UK Finance Director at Hines, the world's largest privately owned real estate group. In the past James was also the CFO at Hammerson which is one of the companies listed on the FTSE 100 stock index. James Riddell comes from Scotland and studied law at the Glasgow University and is also a Chartered Accountant. (source: *Pinnacle*)

29.04.2009 U.K.: SEGRO plc Interim Management Statement

SEGRO plc today announces its interim management statement covering the three months ended 31 March 2009. The first quarter of 2009 has seen continuing operational resilience across the Group's business, despite challenging market conditions. Positive lettings momentum has been maintained, both in the UK and in Continental Europe, although as expected, new enquiry levels are slowing across our markets. Investment market conditions throughout Europe have continued to weaken with relatively few transactions being reported in the first quarter of 2009. During the period, SEGRO successfully launched a fully underwritten Rights Issue, generating net proceeds of approximately £500m, which were received in April, and concluded a renegotiation of its main banking covenants. Taken together, these actions have significantly strengthened the Group's financial position. (source: *Segro*)

29.04.2009 Germany/USA: Engel & Völkers highlighted as a trendsetter in the property industry

The Hamburg-based property company, Engel & Völkers was placed 5th in a worldwide ranking of the top ten trendsetters in the real estate industry in an assessment conducted by the American 'Swanepoel Trends Report'. Engel & Völkers is the first European organisation to be recognised in this way. Trendsetters are defined by the report as those companies that started initiatives during 2008 that were both different and memorable and could potentially have a far reaching impact on the real estate industry in the years to come. Such a positive assessment is thanks to the successful expansion into the US real estate market through the opening of new residential shops in Florida, Connecticut and New York. "We are very pleased to receive this unique recognition and will take it as a positive prelude to 2009, with further shop openings planned in the USA," explained Christian Völkers, CEO of the Engel & Völkers AG. The 'Swanepoel Trends Report' delivers a 170-page analysis of the dynamic property market in the USA. It reports on important companies and strategies, as well as business models in the real estate sector. (source: *Engel&Völkers*)

28.04.2009 Finland/Germany: Sponda agrees on refinancing of short-term credit limits and on new EUR 82 million credit facility with Helaba

Sponda Plc has extended the credit limits that function as back-up facility for its commercial papers for a further 12 and 24 months. The agreements were extended with the current lenders such that EUR 150 million will mature in 12 months time and EUR 100 million in 24 months. In addition, Sponda signed an agreement for a EUR 82 million secured credit facility with Helaba (Landesbank Hessen-Thüringen Girozentrale). The credit facility is for 5 years and it ensures that Sponda can refinance the bonds that mature in 2010. For Helaba, this facility underlines further its commitment to the Nordic markets. The margin on the credit facilities are in line with current market rates. The loan arrangements will not have a material impact on Sponda's financial expenses. The covenants of the facilities are in line with the company's other financial covenants of which the most important ones are the equity ratio and the interest coverage ratio. After these arrangements Sponda has no other long-term loans maturing before spring 2011. (source: *Sponda*)

27.04.2009 U.K./Austria: ATRIUM OPENS RUSSIAN SHOPPING CENTRE EXTENSION

Atrium European Real Estate Limited, one of the leading real estate companies focused on shopping centre investment, management and development in Central and Eastern Europe, announces the opening of an extension to its Togliatti Park House shopping centre in Russia. The extension comprises a 12,100 sqm, stand-alone retail unit which is fully let to Castorama, which is part of one of Europe's leading DIY groups, on an initial 10 year lease with an option for a further five years. Having officially opened on 11 April, the new store had a successful first weekend's trading that contributed to an increase in footfall of more than 20% per day over the average for a weekend. Togliatti Park House is a shopping centre with a GLA of approximately 38,000 sqm (including Castorama) and is located on a 6.6 hectare site in Togliatti, in the Samara Oblast region of Russia. It was originally opened in December 2006 and is anchored by the German based Metro group with a 7,000 sqm "Real" hypermarket. Other tenants include a mixture of local brands such as Technosila and Sportmaster, as well as number of strong international brands such as the electronics giant Apple, fashion retailers Next and Sisley as well as Mothercare, the specialist mother and infant retailer. A further extension, a 6,780 sqm stand-alone retail box is also due to open in August this year and is already fully pre-let to Media Markt, Europe's leading consumer electronics retailer. (source: *Atrium*)

27.04.2009 France: The Carrefour Group tests a new store concept in France under the DIA hard discount banner

To revitalize the group's hard discount business in France, the Carrefour Group will soon open test stores under the DIA banner. The hard discount France division will rely on the successful development of the Dia concept in Spain, birthplace of the Dia brand. For customers, the stores will offer a new shopping concept with strong cohesion between the banner and the Dia distributor-brand products that have been present in ED stores for over eight years. The first two test stores, previously operated under the ED banner and in the midst of a facelift, are located in Villeneuve Saint Georges (94) and Mâcon (71). They should be ready to welcome their first customers by the end of May 2009. (source: *Carrefour*)

23.04.2009 France: Icade initiates exclusive negotiations for the disposal of its property management business for individuals

Following a broad consultation open to all the sector's players and after discussions with different candidates over the last weeks, Icade has decided to initiate exclusive negotiation with PROCIVIS Immobilier regarding the disposal of its property management subsidiary Icade Administrations de Biens. With more than 108,000 units under building management for syndicates of co-owners, about 19,000 units under rental management and a network of 19 agencies with nation-wide presence in the Paris region and major regional cities, Icade Administrations de Biens is one of the major players in the French market of property management for individuals. PROCIVIS Immobilier is responsible for the national coordination of property activities of the SACICAPs. This exclusive negotiation phase, limited to the property management business for individuals, is part of the strategy announced during the board of directors' meeting on 9 October 2008 regarding Icade's activities in property services. (source: *Icade*)

20.04.2009 Spain: Afirma's board agrees to 25% pay cut for 2009 and 2010

The Directors of Afirma Grupo Inmobiliario, at the recommendation of its Compensation and Good Governance Committee, have agreed to reduce their compensation by 25% in 2009 and 2010. This decision falls under the framework of its spending control and efficiency policy put in place by Afirma for the coming years. Thanks to this cost control and management policy, Afirma's 2008 income statement reveals a significant improvement in the operating and personnel expense headings, which have been brought in line under these measures with the challenges facing the economy in general and the real estate sector in particular. (source: *Astroc*)

Real Estate Deals

05.05.2009 Germany: German Acorn leases office space to Banco do Brasil

The German Acorn Real Estate leased 584 sqm office space to the Brazilian bank institute Banco do Brasil. The bank has its residence in an office building at Frankfurt's inner city, Eschenheimer Landstraße 55. The leasing agreement was concluded for a five years term. The Banco do Brasil is one of the worlds most profitable bank institutes and the oldest and most famous bank of Brasil. The negotiations were accompanied by Colliers Property Partners and Schön & Lopez Schmitt GmbH Frankfurt. (source: *German Acorn*)

04.05.2009 Hungary: Property Transaction in the Heart of Budapest

CB Richard Ellis international property advisor successfully sold the office building at 1 Paulay Ede street in Budapest, previously owned by Allianz Insurance. The almost 1,500 sq m, currently empty downtown property has been purchased by an Israeli foundation. "Although nowadays the investment market has significantly slowed down, this transaction proves that there are still attractive investment opportunities in Budapest, even if their size is smaller. Centrally located, unique buildings remain in the focus of interest." – commented Tim O'Sullivan, Senior Consultant - Capital Markets at CBRE Hungary. (source: *CBRE*)

30.04.2009 Czech Republic: Kavka Print is the New Tenant at PointPark Prague D8

As of April 2009, Kavka Print started renting its space in the PointPark Prague D8 distribution centre for the next ten years. The specialized installation of an offset printer as well as being able to adhere to a strict timeline were the key reasons why Kavka Print selected PointPark Prague D8. Kavka Print focuses on the printing of brochures, catalogues, magazines and flyers up to 180 x 130 cm in size. One of the criteria for the company renting in the PointPark Prague D8 distribution centre was the ability to install a unique offset printer weighing about 100 tonnes. A specialized foundation was added to the standard floor, which supports 5 tonnes per sqm, which allowed for the printer to be installed in PointPark. (source: *Pinnacle*)

28.04.2009 Germany: TLG invests 10 million in nursing home in Bautzen

The TLG Immobilien (Niederlassung Süd) will construct a 4-level nursing home in the Neusalzaer Strasse 7 in Bautzen. The operating company of the 10 million investment will be the Vitanas GmbH & Co KG. The building will fulfill special ecological criterias. The nursing home is planned to be finished in June 2010. The building offers 5.736 sqm effective space or in other words 130 units (100 single rooms and 15 double rooms). (source: *TLG*)

26.04.2009 Belgium: Rezidor announces three new Park Inn Hotels

The Rezidor Hotel Group, one of the fastest growing hotel companies worldwide, further extends the Park Inn portfolio and announces three new hotels: The Park Inn Abu Dhabi, Yas Island in the United Arab Emirates (204 rooms) will open at the end of 2009, the Park Inn St. Gallen in Switzerland (100 rooms) will join the group by mid 2010, and the Park Inn Dnepropetrovsk in Ukraine (250 rooms) will welcome the first guests in Q2 2011. "Park Inn is our fastest growing brand. We started in January 2003 only – our pipeline today features more than 125 hotels with almost 23,000 rooms in operation and under development", comments Kurt Ritter, President & CEO of Rezidor. "Especially emerging markets like the Middle East and Russia/CIS offer a huge potential for this young and dynamic brand; but I'm also delighted to add a Park Inn to our Swiss portfolio." (source: *Rezidor*)

24.04.2009 France : La Lucette sells property objects for about 200 million Euro

The real estate company La Lucette sold the Radisson Hotel in Boulogne Billancourt and signed an agreement for selling a logistic site of 50.000 sqm at Moreuil (Somme) and an office building with about 1.000 sqm located at 31 rue des Peupliers at Boulogne Billancourt. There are also plans for selling the property objects "Messine » in Paris 8 and "Colisée" at Paris La Défense. La Lucette signed also lease contracts with Pricewaterhouse Coopers and IFF for the Crystal Park in Neuilly-sur-Seine amounting to 25,1 million Euro. The lease agreement is valid until 2020 and covers 90% of the building. (source: *La Lucette*)

23.04.2009 Netherlands/Germany: OVG sells first phase of Sirius Building to Bankhaus Wölbern

OVG Projectontwikkeling has completed the Sirius A building of 6,000 sqm and sold it to Wölbern Invest AG. The Sirius building on the Bio Science Park in Leiden comprises two phases with a total area of 10,000 sqm lfa. The Dutch space industry company Dutch Space has its offices in Sirius A. Sirius B has an area of 4,000 sqm and is still available for lease. (source: *OVG*)

Advert

Immobilien-Kongress Kitzbühel

Der internationale Kongress für Entscheider und Kompetenzträger der Immobilienbranche



Thema des Kongresses:

Immobilienunternehmen im Umbruch Geschäftsmodelle und Wege während und nach der Krise

Datum: 18.-19.06.2009 | Ort: Hotel Rasmushof Kitzbühel (A) | www.p1invest.com

Redner

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Real Estate Company Profile

La Lucette

Compagnie la Lucette is a listed property investment company that specialises in commercial real estate, primarily offices and warehouses. As at 31 December 2007, the group's property portfolio totalled about € 2.4 billions. As at 31 Décembre 2007, the group Compagnie la Lucette represents 46 properties developing a surface area of 800,000 sqm, mainly concentrated in :

- The most sought after business districts of Ile de France, as much by users as investors for the Offices sector;
- The different French industrial parks for the Warehouses sector.

The company's business mission is the acquisition and active management of its real estate assets. Compagnie la Lucette's financial performance indicators showed further improvement despite uncertain economic conditions since the second half of 2007. During the year, leases were renegotiated and new leases were signed on 67,000 sqm of lettable area, generating €19.5 million in annualised rental income, vs. €15.7 million in 2006.

At 31 December 2007, the group's recurring net profit totalled €31.2 million, up 99% vs. a year earlier. This sharp increase was fuelled primarily by rental income growth derived from the asset management team's efforts to lease up properties as well as from contractual rent indexation. At 31 December 2007, recurring net profit per share totalled €1.4 per share after dilution, vs. €1.5 in 2006. The decline resulted primarily from the year-on-year increase in the average number of shares in 2007 (a €219-million capital increase) and from the average number of shares calculated in 2006. At 31 December 2007, replacement NAV totalled €42.2 per share after dilution, up 17% from €36.0 a year earlier. Liquidation NAV advanced 23% to €38.7 per share after dilution, from €31.5 at 31 December 2006.

Business 2008

- Leasing: 61 000 m² office space and 36 000 m² logistisc space which made 19,5 M€ of leasing rate income
- Debit reduction of 235 M€
- New financing of 212 M€ in 2008
- Equity of 168 M€ disposable at 31 december 2008 (before the extraordinary distribution in march 2009)

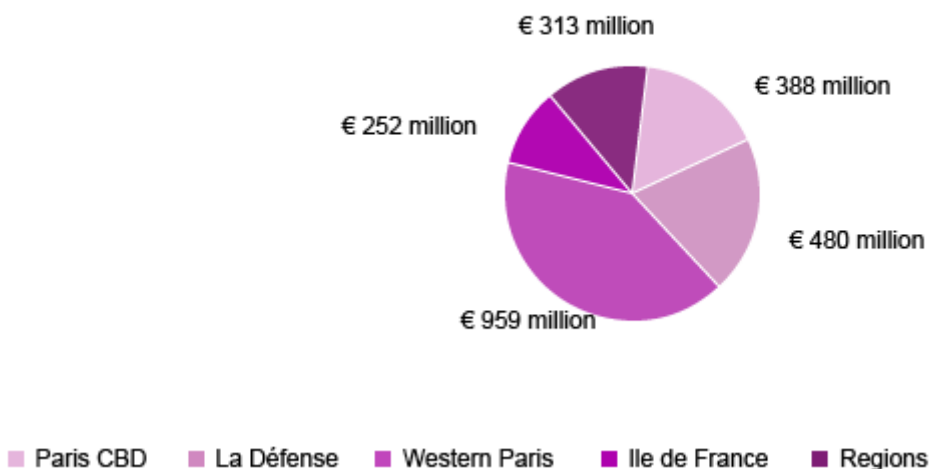
Business 2009

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Real Estate Company Profile

La Lucette

Geographical breakdown of property valued (including transfer taxes)
as at 31 December 2007



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