

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

In todays overview we would like to cast a glance to a property market which is placed aside from the big financial centers of Europe. There is talk of Turkey, which has big cities as Istanbul, Ankara, Bursa, Izmir, Mersin, Adana, Samsun, Konya, Edirne, Gaziantep, Kayseri, Eskisehir, Diyarbakir, Denizli, Sanhurfa or Antalya. On the one hand there is definetly need for office buildings, retail centers or logistic plots, and on the other side residential housing and hotel or touristic condominiums are also a profitable investment. Turkey can be seen as an emerging market. It will only be a matter of time, when the country joins the European Union, but investors have to be faster to secure the best pieces. Since there have been acts to facilitate investment from abroad, it seems to be a good alternative for other known spots. The most safe investment possibility in Turkey is obviously the touristic real estate sector. There are still capacities left which have to be filled. Overall since the opening of the eastern markets, where tourists of Russia and other countries came to make holidays or stay for longer, the country has a further column. Still Turkey is a cheap, but financially and politically stable country in comparison to others of the region. (editor in chief: Dr. Roger Schöntag)



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Real Estate News

30.09.2009 Austria: Results for the First Quarter of 2009/10: Positive Start to the New Business Year for IMMOEAST

Key operating figures developed satisfactorily in the first quarter of the new business year for IMMOEAST (1 May 2009 to 31 July 2009), particularly due to IMMOEAST's purchase of IMMOAUSTRIA and to restructuring measures. Rental income, revenues and EBITDA: In the first quarter rental income was generated in the amount of EUR 113.6 m, which is an increase of 79% compared to the same period the previous year (EUR 63.6 m). Revenues rose in the same period by 92% from EUR 84.7 m to EUR 162.2 m. EBITDA rose from EUR 33.7 m to EUR 97.9 m compared to the same period the year before. Every indicator has benefited from the newly acquired segment IMMOAUSTRIA. EBIT, EBT and Cash Flow: EBIT, which was significantly influenced by the negative revaluation result (EUR -293.6 m) in the same quarter the year before and totalled EUR -261.4 m, improved to EUR 102.1 m as a result of the balanced valuation result (EUR 7.3 m). EUR -124.0 m of the revaluation result is accounted for by existing portfolio objects and EUR 131.3 m of it to development projects. While the devaluation of the existing real estate portfolio is largely attributed to exchange rate effects, the positive revaluation result from development projects is solely the result of a change in the provision of the IAS 40: as from now on continued development projects are to be reported on the balance sheet based on the residual value (discounted fair value at the time of completion minus open investments), in the first quarter of the 2009/10 business year there were hidden reserves totalling EUR 139 m disclosed, while further devaluations in the amount of EUR 7.7 m had to be made. The financial result is EUR 33.8 m and reflects primarily the revaluation of financial instruments reflected in the profit and loss statement and the revaluation based on changes in the exchange rate. Earnings before tax (EBT), which at EUR -77.0 m was negative in the same period the previous year, was EUR 135.8 m in the quarter just ended. Adjusted for exchange rate effects this would be EUR 179.5 m. Particularly satisfying is the development of gross cash flow, which increased from EUR 25.5 to EUR 82.8 m. Consolidated profit is EUR 110.2 m and very satisfactory (same period the year before: EUR - 52.6 m). (source: *Immoeast*)

28.09.2009 Europe: INDUSTRIAL & LOGISTICS PROPERTY SECTOR SEES SUSTAINED INVESTOR INTEREST

Growing investor base targets sector as repricing occurs across Europe

Despite generally subdued levels of investment activity in the European real estate market over the past year and a half, there is still evidence of interest in the industrial and logistics sector according to new research from CB Richard Ellis. The logistics sector continues to offer a relatively high and stable income, with overall performance less dependant on the more variable elements of growth assumptions, making the sector increasingly attractive to investors seeking defensive assets. David Turner, Executive Director, Capital Markets, CBRE, said: "We have seen quite a few funds repositioning themselves to include logistics in recent times; although, like all sectors, investment volumes have been down, relatively the decline has been shallower and there is an ongoing trend towards logistics growing its share of overall European investment market, from 7% to 10% during 2008. We are aware of a number of parties looking to target this sector over the remainder of the year either through new capital-raising or by putting previously unspent funds into the market." (source: *CBRE*)

27.09.2009 Netherlands/Germany: MULTI OPENS CENTRUM GALERIE, DRESDEN

Multi's Centrum Galerie on the Prager Straße opened its doors in the baroque city of Dresden – the "Florence of the North". Here Multi Development has realized a shopping gallery comprising a total retail area of 62,000 m² spread over four floors with around 1,000 parking spaces. Centrum Galerie focuses on upmarket offerings and major brands to support the Prager Straße, which is already the most important shopping street in Dresden, regaining its big city shopping boulevard characteristic, whilst simultaneously creating direct access to the old part of Dresden. Retail brands with significant positions in Centrum Galerie include Peek & Cloppenburg Weltstadthaus (10,000 m²), Media Markt (6,400 m²), Karstadt sports (3,600 m²), Müller Drogerie (3,450 m²), Dutch fashion brand; The Sting (2,900 m²) and Next (1,500 m²). Centrum Galerie has a frontage of around 180 metres facing the Prager Straße and its exceptionally spacious entrance area catches the flows of passers-by. In July 2006, T+T Design, Multi's in-house masterplan designers issued a competition relating to the design of the facade that was won by the architectural office of Peter Kulka. The Dresden architect's design integrates the intake of pedestrian flows as well as incorporating the existing building alignment on the Prager Straße. Kulka's concept cleverly reflects the historic sensibilities of the citizens of Dresden through the structure of the building, both with respect to the relief as well as to the changes in materials, whereby the original facade design elements of the former "Centrum" department store were appropriately incorporated. (source: *Multi*)

26.09.2009 Netherlands: Nieuwe Steen Investments finds new CFO

Nieuwe Steen Investments NV (NSI) announces its intention to appoint Mr D.S.M. (Daniël) van Dongen (1971) as its new Chief Financial Officer (CFO). Mr Van Dongen will join NSI on 1 November 2009. After his business school education, Mr Van Dongen has held a number of financial positions, both in the Netherlands and abroad. His present position is as group controller with Wereldhave NV. (source: *NieuweSteen*)

25.09.2009 Germany: Euromoney names Catella "Best Advisor in the Nordic & Baltic Region"

Euromoney has announced the winners of its annual Real Estate Awards – the most prestigious awards in global real estate. The winner of Euromoney's "Best Advisor in the Nordic & Baltic Region" for 2009 was Catella, who also scooped 17 other first place awards throughout Europe. Johan Ericsson, Group Chief Executive of Catella Property Group said "We have been fortunate enough to poll highly in the Euromoney Real Estate Awards since their inception in 2005 but 2009 has been our best year yet. Of course it is most certainly not smooth sailing in the current market but I think the attainment of the 2009 award for Best Advisor in the Nordic & Baltic Region is a reflection on Catella's ability to adapt quickly to changing conditions and is a credit to our entrepreneurial personnel. Our heritage and inception was at a time of crisis in the early 90's in Sweden and the types of projects we are engaged in now are similar to then. Of course, what is particularly satisfying is to see our non Nordic & Baltic offices polling so well, an example of which was the Belgium team winning first place for 2009 for Transaction Execution and Financial Services. We thank our clients for their continued long - term loyalty and support." (source: *Catella*)

23.09.2009 Germany: Union Investment and Pirelli RE hold toppingout ceremony for Quarree Wandsbek extension

Just nine months after construction work began, Union Investment Real Estate GmbH and Pirelli RE today held the topping-out ceremony for the extension to Quarree Wandsbek shopping centre. Dr. Frank Billand, member of the Management Board of Union Investment Real Estate GmbH, Dr. Patrick Adenauer, CEO of Bauwens Construction GmbH & Co. KG, and Johannes Lichtenthaler, head of development management at Pirelli RE Development Deutschland GmbH. introduced the new property during a festive ceremony. "The expansion of Quarree Wandsbek with the new building will significantly enhance the reputation of Wandsbek market as a retail location. In addition the new tenants are also attracting a new type of customer and helping boost the attraction of the overall complex," says Dr. Frank Billand. Hamburg-based Union Investment Real Estate GmbH is investing EUR 30 million in the Quarree Wandsbek extension. Pirelli RE is handling project development, construction management and letting of the five-storey extension, and will continue to be responsible for management of the centre. Pirelli RE's operates retail trade projects throughout Germany, in particular shopping centres such, as for instance, the Mercado in Hamburg and Lago shopping centre in Konstanz, in the areas of development, shopping centre management, asset management, property management and letting.. Work on the existing and new building, which is due for completion by March 2010, comprises 11,000 square metres of rental space, with the extension accounting for 7,000 square metres. The shopping centre currently offers total rental space of some 40,000 square metres, so this represents an increase of nearly 20%. "With six months still to go before completion in March 2010, 95% of space in the Quarree Wandsbek extension is already let," says Johannes Lichtenthaler, head of development management at Pirelli RE. "The principal tenants are Hennes & Mauritz, with 2,650 3 Hamburg, 17 September 2009 square metres, and C & A, which is taking 4,800 square metres. Construction has gone very smoothly and working with main contractor Bauwens has been very efficient." With the building shell now complete, work is commencing on the interior and on the façade, which is being renovated in accordance with plans drawn up by architects Boge Johannsen. The exterior of the Quarree Wandsbek complex on Wandsbeker Marktstraße will be completely transformed, with the new and existing buildings receiving a uniform façade. The footpaths are also being renewed as part of the Wandsbek business improvement district (BID) project, which aims to improve the location's quality and appeal. ,The completion of this is scheduled to coincide with the Quarree extension opening. (source: *Pirelli*)

21.09.2009 U.K./Turkey: REDEVCO opens 50,000 sq. m. Gordion Shopping Center in Ankara (TR)

Gordion Shopping Center opened its doors to the public in Ankara on Thursday, 17 September. More than 165 stores in a total area of about 50,000 square metres offer a multitude of inviting opportunities to shop, eat and enjoy. It is the first project by developer/investor REDEVCO in Turkey. Gordion Shopping Center is the first green shopping centre and the first BREEAM-certified building in Ankara. The public opening ceremony was attended by Abdülkadir Aksu and Necati Özdemir, both high-ranking officials in the presiding Justice and Peace Party, Dominic Brenninkmeyer, Chairman of REDEVCO, Jaap Blokhuis, Chief Executive Officer of REDEVCO; Jaap Gillis, Chief Operating Officer of REDEVCO and many others. In the words of Mr Aksu at the opening ceremony: "The extraordinary architecture of Gordion is a new landmark in our city." The official opening ceremony took place at 9 am and doors opened to the public at 10 am. Throughout the day visitors and children enjoyed spectacular shows by groups and artists, which were held throughout the complex. (source: *Redevco*)

Real Estate Deals

30.09.2009 U.K.: Completion of Sale of Equiton

Equiton GP Limited announces that it has today completed the sale of all the property assets of the Equiton Industrial Partnership to Universities Superannuation Scheme. On 18th August it was announced that contracts had been unconditionally exchanged for a cash amount of £196m, reflecting a net initial yield of 8.7% off the contracted income. The Equiton Industrial Partnership comprises 3 Limited Partners: Brixton Limited (now owned by SEGRO plc) with a 30% interest, Edger Investments Limited with 44% and The SE Industrial Unit Trust with 26%. The proceeds of sale received by the Equiton Industrial Partnership will be used to repay all of its outstanding debts and any remaining amounts will be distributed to the Limited Partners. Equiton was advised by Franc Warwick whilst King Sturge acted for Universities Superannuation Scheme. (source: *Segro*)

29.09.2009 U.K.: LAND SECURITIES CONFIRMS SALE OF CHESTER RETAIL PARK

Land Securities today announces that it has completed the long leasehold sale of the Chester Retail Park, Chester to Consolidated Property Group (CPG) for £44.5 million, achieving a yield of 6.9%. The 150,100 sq ft (13,944 sq m) retail park is situated to the northwest of Chester City Centre, benefits from open A1 planning consents and provides an annual rental income of £3.1m per annum. The former Homebase unit was recently reconfigured to accommodate Tesco Home Plus and other occupiers on the park include TK Maxx, Mothercare and McDonalds. The park has one void unit. (source: *LandSecurities*)

28.09.2009 Germany: Commerz Real Acquires Logistics Project Development at Frankfurt Airport

Commerz Real just acquired a logistics project development on one of the last remaining plots at the Cargo City Süd logistics park located south of the Frankfurt Airport runways. The object is earmarked for its "hausInvest europa" open-ended real estate fund. The gross lettable area of the property, which is expected to be completed in the fall of 2010, covers about 23,000 sqm. A renowned international handling and freight forwarding company has already signed a forward commitment for a ten-year lease of the entire premises. The seller is a company owned by logistics developer Jürgen B. Harder. BNP Paribas Real Estate GmbH facilitated the transaction. The investment volume totals 43.3 million euros. (source: *CommerzReal*)

23.09.2009 Germany: Pirelli RE sells business premises in Hamburg Blankenese

Paribus, Hamburg acquires "Gossler's Park" business premises for 15.8 million Euro Pirelli RE has sold the "Gossler's Park" business premises to Paribus, Hamburg, effective as of September 1st 2009. The sale price for the building in Hamburg- Blankenese is 15.8 million Euro. "The multi-purpose mixture of tenants from the retail, office, medical and residential sectors, combined with the Hamburg Blankenese location, ensures the investor long-term of continuous good returns," says Paolo Bottelli, Direttore Generale von Pirelli & C. Real Estate SpA,, explaining the advantages of the Hamburg property. "That was the decisive factor for Paribus's acquisition." The development, realisation and letting of the project by Pirelli RE following completion in 2008 were defining for the central redevelopment and upgrading of Hamburg's Blankenese district which reached its summit with the actual overall development of the project "Blankenese Station Square" by Pirelli RE, with a 25,000 sqm letting area. "Gossler's Park also scores, besides its heterogeneous utilisation concept and the very high quality of its tenants, with its attractive location in a growing part of town with considerable purchasing power," Dr. Johannes Stahl, Managing Director of Paribus Real Estate GmbH,, Hamburg, also emphasises. (source: *Pirelli*)

22.09.2009 Germany/Australia: Desalination plant contract worth roughly EUR 2.1 billion in Australia

Financial close reached on one of the world's largest PPP projects - Consortium to design, finance, build and operate plant for 30 years A consortium around Thiess, a company of HOCHTIEF's subsidiary Leighton, has reached financial close on one of the world's largest public-private partnership projects: The AquaSure consortium will design, finance and construct Australia's most modern seawater desalination plant and operate it for a period of 30 years. The client is the Victoria state government. The project volume totals approximately EUR 2.1 billion (AUD 3.5 billion). The consortium partners have agreed to keep confidential the distribution of shares. Works on the desalination plant will start in October 2009 and be completed as early as at the end of 2011. From then on, the facility is planned to supply 150 billion liters of drinking water a year to Melbourne and other cities in the region. The annual capacity can be increased to 200 billion liters if necessary. The PPP project also includes construction and operation of the 86-kilometer transfer pipeline to connect the desalination plant to Melbourne's water network. In addition, the Thiess consortium is responsible for the energy supply, operating with a 100-percent renewable energy offset. In this context, construction of a wind farm for the plant is planned. (source: *Hochtief*)

Real Estate Company Profile

Immofinanz/Immoeast

IMMOFINANZ AG is a listed property corporation that focuses on investments in the German-speaking countries of Austria, Germany and Switzerland as well as Central, Eastern and South-Eastern Europe. Since its founding in 1990 IMMOFINANZ has developed a widely diversified portfolio that combines a strong presence in established western markets with a leading position in the emerging countries of Eastern Europe.

IMMOFINANZ is currently invested in 1,852 properties and development projects with a total lettable space of 9.5 million sqm. The portfolio is characterised by broad sector and geographic diversification, which reduces the dependence on individual submarkets. IMMOFINANZ trades in the Prime Market segment of the Vienna Stock Exchange.

IMMOEAST invests with a long-term view, focussing on properties throughout Central, Eastern and South-Eastern Europe. The company's goal is to develop and expand a portfolio of objects with stable value. This objective is met above all by the concentration of investments on first-class properties at top locations as well as broad geographic and sector diversification – from apartments and offices to logistics and retail space.

Number of properties – Investment property	1.709
Book value of investment property	EUR 7.695.4 mill.
Number of properties – Property under construction	88
Book value of properties in construction	EUR 572.7 mill.
Number of properties – Real estate inventories	55
Book value of real estate inventories	EUR 236.5 mill.
Lettable space in sqm	9.5 mill. sqm
Book value per share	EUR 4.75
Net asset value per share	EUR 5.25
Closing Price as of 31.8.2009	EUR 2.21
Market capitalisation as of 31.8.2009	EUR 2.976.752.120
Performance as of 31.8.2009	
Year-to-date	351,02%
1 year	-64,15 %
3 years p. a.	-36,68%
5 years p. a.	-19,09%
10 years p. a.	-6,08%

Real Estate Company Profile

Immoeast

News

31.08.2009 IMMOEAST AG strengthens asset portfolio: Investments in expansion increase attractiveness of the Silesia City Center in Southern Poland

IMMOEAST AG is currently expanding one of the most successful real estate investments in Poland. The Silesia City Center in Katowice, the capital of the voivodship of Silesia (Southern Poland), has become the most important shopping centre in the entire region and, since its opening in November 2005, shown an impressive above-average performance. The number of customers this year has risen 3.4 percent year on year, turnover with tenants 5.4 percent. Rental income even rose an above average 9.1 percent. The fact that already upon opening 100 percent of the available space was let also demonstrates the shopping centre's success. The average remaining term of existing rental agreements is six years. Due to the country's robust economic constitution, the level of domestic consumption in Poland is high, providing growth especially to well-structured shopping centres such as the Silesia City Center. 12.8 million visitors per year, tendency rising: Strong international anchor tenants such as retail chains Tesco, Saturn, C&A, Zara and Intersport are pleased with the steadily growing visitor numbers. In 2008 the electronically counted customer frequency had already totalled 12.8 million. Daily there are more than 35,000 visitors to the shops, which are distributed over 66,000 m². (source: *Immoeast*)

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