EUROPEAN REAL ESTATE INFORMATION SYSTEM

NEWSLETTER

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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

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Editorial

The real estate market in the Scandinavian countries was and is down as in nearly all other European countries, which were affected by the global crisis. If we have a close look on the way of recovery, it is probably Norway which did best to overcome the crunch.
The most dramatic collapse of the prices could be observed in the Baltic states, where also a lot of Northern companies were involved. Concerning the residential market maybe Finland has the best chance to stabilize the prices. A general lower impact on the market could be stated in the big cities as Copenhagen, Helsinki and Oslo. Sweden seems to be hit harder by the crisis than Norway or Denmark.
Foreign investors had been reluctant in the last quarters, but in a long term view the Northern countries will stabilize in 2009 and 2010, as infrastructure in general had not been affected to much. The Baltic States however may have a long way out of the crisis as their complete financial system was down. Probably Estland, since years operating on a relatively high level, may have the best chance to bottom out soon.
However the transaction volume compared to the last years period has fallen by at least 60 % in Sweden as in Norway, Denmark and Finland. An amelioration of the financing possibilities and the general hope of a European and world wide slow recovery will bring better results for next year. (chief-editor: Dr. Roger Schöntag)

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Real Estate News

15.11.2009 Germany/Sweden: Helaba is funding commercial real estate in Sweden for Prologis
Helaba has arranged a financing for ProLogis European Properties (Euronext: PEPR) with a funding volume of EUR 48.8 million. The loan has been split into two tranches, one SEK and one Euro dominated part. The facility is secured by a portfolio of four logistic and distribution centres in Gothenburg, Örebo and Norrköping, comprising a leasable area of 130,500 m². ProLogis European Properties, one of the largest pan-European owners of high quality distribution and logistics facilities, is listed on Euronext Amsterdam (PEPR). Helaba acted in this transaction as Arranger and Sole Lender through the origination unit Real Estate Financing Northern and Central Europe. (source: *Helaba*)

14.11.2009 Germany: DIC Asset boosts profits for the third straight quarter
Key results at a glance: DIC Asset AG (German Securities ID 509840 / ISIN DE0005098404) today presented its interim report for the first nine months of the 2009 financial year. With a quarterly profit of EUR 5.4 million (Q1 2009: EUR 2.6 million; Q2 2009: EUR 3.5 million), the Company posted the third significant increase in quarterly profits in a row, in what continued to be a difficult market environment. Key drivers were the strong performance in real estate operations, and stable rental income of EUR 100.8 million (9m 2008: EUR 101.0 million). FFO (funds from operations, comprising earnings before interest and taxes, plus profits from disposals and development projects) was up by six per cent year-on-year, to EUR 35.6 million – in fact matching the full year target (forecasted at EUR 34-36 million) after the first three quarters. FFO per share of EUR 1.16 for the first three quarters of 2009 also showed a year-on-year increase (9m 2008: EUR 1.07). Accordingly, DIC Asset AG's senior management significantly raised its FFO forecast for the full year 2009 to a range of EUR 45 million to EUR 46 million.Consolidated net income of EUR 11.5 million for the first three quarters of 2009 demonstrates sound profitability in a difficult market environment. The shortfall compared to the very high figure of EUR 18.5 million for the first nine months of 2008 was due predominantly to lower disposals, reflecting market developments. (source: *Dic Asset*)

13.11.2009 Germany: HSH Nordbank's Supervisory Board responds to legal opinion
At an extraordinary meeting held today the Supervisory Board of HSH Nordbank AG discussed the legal opinion it had commissioned from the law firm of Freshfields Bruckhaus Deringer LLP. After an in depth-discussion the Supervisory Board revoked the appointments of Messrs. Jochen Friedrich and Peter Rieck as members of the Management Board of HSH Nordbank AG, effective the end of November 10, 2009. The Supervisory Board Chairman Hilmar Kopper has been asked to inform these gentlemen of their dismissal and to conclude a termination agreement with each of them or terminate their employment contracts for good cause with immediate effect. Breaches of duty were also found to have been committed by the former members of the Management Board Hartmut Strauß and Eckehard Dettinger-Klemm. In these cases the Supervisory Board will also decide on lodging claims for damages after studying them in detail. The Supervisory Board has also authorized the law firm to make the legal opinion available to the respective chairmen of the Parliamentary Commissions of Enquiry of the state parliaments of Hamburg and Schleswig-Holstein. (source: *HSH*)

12.11.2009 Germany: Deutsche EuroShop with Stable Growth
With the today published interim report Q1-3 2009 Deutsche EuroShop demonstrates the stability of its business model. The MDAX-listed shopping center investor again managed to achieve the long-term forecast results. Revenue was up 12% year-on-year at €94.4 million. Net operating income (NOI) rose 14% to €83.8 million, while EBIT climbed 15% to €80.9 million. "We have not yet identified any significant deterioration in consumer behaviour or in retail spending at our shopping centers. Our overdue rents and write-downs on rent receivables remain low", Claus-Matthias Böge, CEO of Deutsche EuroShop, said. "The occupancy rate is still high, at almost 100%." The increase in earnings was mainly generated by the contributions made by the shopping centers opened in Hameln and Passau in 2008. The "Kassel effect" also had an impact; the increase in Deutsche EuroShop's share in City-Point in Kassel from 40% to 90% at the start of 2009 led to the full consolidation of this center, with corresponding effects on the balance sheet and income statement. The solid operating performance is also borne out by an 8% improvement in funds from operations (FFO) from €1.02 to €1.11 per share (undiluted, i.e. the capital increase conducted on 7 July was taken into account pro rata). Consolidated profit, boosted by positive exceptional and currency effects on measurement gains, rose 23% from €31.3 million to €38.5 million. (Undiluted) earnings per share increased accordingly from €0.91 to €1.09 (+20%). Deutsche EuroShop sees itself as well-placed, following the debt and equity financing measures implemented at the start of the third quarter, to be able to exploit any investment opportunities. (source: *DeutscheEuroshop*)

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11.11.2009 Austria: Sparkassen Immobilien AG opens Sechshauser Straße development project in Vienna
The listed company Sparkassen Immobilien AG (Bloomberg: SPI:AV, Reuters: SIAG.VI) celebrated the opening of its Sechshauser Straße project in Vienna's 15th district together with around 150 guests yesterday. The evening's other hosts were the Austrian Agency for International Cooperation in Education and Research (OeAD-GmbH) on behalf of the university preparation programme, ÖAD-WohnraumverwaltungsGmbH and Österreichische Volkswohnungswerk (ÖVW). The colour of the building's facade, a striking orange that adds a strong new accent to Sechshauser Straße, was also the theme of the event: from the decorations and various delicacies to the ribbon that was cut by the owners and tenants. "Young and old" come together: Student residence hall and senior centreThe building at Sechshauser Straße 31–33 has 7,100 square metres of usable space spread out over seven floors. (source: *SparkassenImmo*)

10.11.2009 Germany: Aareal Bank Group maintains solid results in the third quarter of 2009, despite a difficult market environment
Against the background of a market environment that continued to be challenging, Aareal Bank Group maintained its robust business development and once again generated a solid positive result – as it has done in every quarter since the outbreak of the financial markets crisis in summer 2007. The Group's profit before taxes and appropriation/attribution of results for the period from July to September was € 25 million, after € 25 million in the second quarter and € 17 million in the first three months of the current year. The corresponding figure for the third quarter 2008 was € 31 million. "Clearly, we have been holding our course during the current financial year. The fact that we posted another set of satisfactory results – in a challenging market environment – once again emphasises the coherence, sustainability, and crisis-proof performance of our business model, incorporating the two strong pillars of Structured Property Financing and Consulting/Services. The Group's profitability remains high enough, not only to absorb the various difficulties thrown up by the financial markets crisis and the consequences of the weak economy but also to bear the additional costs incurred within the scope of the agreement with SoFFin", said Dr Wolf Schumacher, Chairman of the Management Board of Aareal Bank AG. (source: *Aareal*)

09.11.2009 U.K.: shopping centre development falls sharply
2010 is likely to see the lowest amount of new shopping centre space opening in the UK in almost 15 years. According to real estate adviser Cushman & Wakefield's new Shopping Centre Development Report, only two new centres of more than 40,000 sq.m are due to open in 2010. St David's 2, Cardiff has been the biggest new shopping centre to open in 2009 at 89,880 sq.m. Union Square, Aberdeen, has been the second largest opening of the year at 50,166 sq m. In 2010, The Rock in Bury at 49,806 sq m and Eldon Square in Newcastke-upon-Tyne at 40,000 sq m will be the largest openings. Cushman & Wakefield expects completion levels to pick up in 2012, although the focus will remain on extensions and redevelopment. A major exception will be Westfield's Stratford City which, at 175,000 sq.m will become the largest urban shopping centre in Europe when it opens in 2011. 2008 was a record year in the UK when new shopping centres equivalent in size to more than six Bluewaters opened. This 945,000 sq m of space was the largest new supply of centres since Cushman & Wakefield began monitoring the market in 1965, with the opening of the UK's first covered shopping centre in Elephant & Castle, London. (source: *Cushwake*)

04.11.2009 Portugal/Czech Republic: MULTI ANNOUNCES NOVEMBER 25, 2009 OPENING DATE OF FORUM PALERMO
Forum Palermo is the first major retail project in the capital city of Sicily, S. Italy. The 65,000 m² project with 124 units is developed by Multi Development-C Italia and will be managed by Multi Mall Management Italy. Forum Palermo VIP Gala opening will be held on 24 November evening and the public opening is on 25 November at 10 am. Forum Palermo is a 55,000 m² GLA shopping center anchored by a 13,500 m² Ipercoop hypermarket, a 9,150 m² stand alone D-I-Y anchor and includes the renovation of two existing buildings. The site is excellently located close to the motorway connecting Palermo to Messina and Trapani and adjacent to a railway station. About 3,000 parking spaces will be available, with over 2,500 for the shopping center. Investment totals €225 million and will directly provide over 900 new jobs and significant new indirect employment thus boosting the city economy. The catchment area covers over 1 million people who live within 30 minutes drive. Forum Palermo will host an impressive mix of international, national and local brands in 124 units, with anchors such as Mediaworld, H&M, Cisalfa, Conbipel, New Yorker, Piazza Italia and Scarpe & Scarpe. A 7–screens UCI cinema will open in Spring 2010 and the stand-alone anchor, Leroy Merlin, will open in Autumn 2010. The project is designed by Multi's T+T Design, Gouda, The Netherlands, Progetto CMR and Lombardini 22. It is a closed scheme featuring state-of-the art architecture perfectly woven into the surrounding environment. With strong sustainability features and iconic design, Forum Palermo brings a totally new retail and leisure experience to Sicily. (source: *Multi*)

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Real Estate Deals

14.11.2009 U.K.: CAPITAL & REGIONAL: SALE OF 10 LOWER GROSVENOR PLACE
Capital & Regional Plc ("Capital & Regional" or the "Group") today announces that it has exchanged contracts for the sale of its long leasehold owner occupied building at 10 Lower Grosvenor Place, London, to Kardamyla Holdings Limited for £10.5 million in cash. Completion will take place in February 2010. The proceeds will be used to repay the £7.44 million debt outstanding on the property with the balance being retained in cash. The sale reduces debt and frees up capital for alternative future use. The property was included in the 30 June 2009 accounts at £10.1 million, which included a £0.8 million head lease adjustment, and net annual rent payable intra group for the year to 31 December 2008 was £850,000. The property is currently being used as Capital & Regional's head office but the Group will move to rented premises on completion. (source: *C&R*)

12.11.2009 Austria/Czech Republic: Sparkassen Immobilien AG: sale of Gemini office building in Prague to Deka Immobilien
Stock exchange listed Sparkassen Immobilien AG (Bloomberg: SPI:AV, Reuters: SIAG.VI) has announced the sale of Gemini – a commercial and office building in Prague's Fourth District, Pankrác – to Deka Immobilien GmbH. The building, which was completed last year, is a modern property with approximately 40,000 m² of lettable space and an underground garage with 430 parking spaces. It is situated close the centre of Prague in one of the best established office property locations in the Czech Republic's capital. Most successful project in the Group's history Gemini is currently let to 29 Czech and international companies – the three largest of which are Hill's Pet, Unipetrol and Novartis. The property has been bought by Deka Immobilien GmbH for Deka-Immobilien Europa, a public investment fund with a portfolio valued at more than EUR 10 billion. On full occupancy the purchase price amounts to some EUR 110 million. (source: *SparkassenImmo*)

11.11.2009 U.K.: CBRE let 171,000 sq ft at Parkway, Deeside
The North West industrial team at CB Richard Ellis has, on behalf of Invista Real Estate, successfully let 171,000 sq ft at Parkway Industrial Estate, Deeside, to US packaging company, Excelsior Technologies representing one of the largest lettings in the North Wales region this year. The deal will allow Excelsior, whose clients include Haribo and Birds Eye, to consolidate its existing three operations in the region into one location. CBRE secured the deal on a 20-year lease. Mason Owen acted as joint agents for the landlord, and BNP Paribas acted for Excelsior. (source: CBRE)

06.11.2009 Slovakia/Germany: Centrál Bratislava: ECE leases out and manages outstanding project in Slovakia
The Slovakian Immocap Group commissions European market leader with extensive services – Unique feature: impressive public roof garden – First project for ECE in Slovakia Immocap Group commissioned ECE Projektmanagement Praha with the planning, leasing and center management of the Centrál shopping center in Bratislava. "We are very pleased that we won such an important and experienced partner as ECE for our project," said Petr Lukeš and Michal Lazar, Managing Directors of the Immocap Group a.s., when signing the contract in Hamburg. The Managing Directors of ECE Projektmanagement Praha, Josef Tobek and Rüdiger Dany, are looking forward to the cooperation. "We are honored to work for such a strong investor and we will introduce the successful concept of ECE's shopping centers to Bratislava," said Rüdiger Dany. (source: *ECE*)

02.11.2009 France/Ukraine: Agreement between Auchan Ukraine and Panorama Group: 3 new Auchan hypermarkets in Ukraine
Auchan Ukraine and Panorama Group inform that they signed rental contracts. The purpose of this operation is the rent of commercial premises by Auchan in three sites belonging to Panorama Group, located in Kyiv, Zaporozhie and Krivvyh Rig, for a total of more than 25 000 sqm of sales area. One Auchan hypermarket will open in each of these sites, before the end of 2009. « We are very pleased with this operation that will enable us to use our knowhow to improve the quality of life and the purchasing power of these regions inhabitants, and to offer new opportunities to our 1600 Ukrainian suppliers, more than the half of them being SMEs », explains Gérard Gallet, Auchan Ukraine General Manager. Panorama Group is a real estate developing company, headquartered in Kyiv, Ukraine. The company designs, builds, leases out and manages premium quality shopping malls all over Ukraine. Among others projects, SKY MALL Shopping Center in Kyiv (88 000 sqm of GLA), Sunny Gallery Shopping Center in Krivyi Rig (33 000 sqm of GLA), City Mall Shopping Center in Zaporozhie (32 000 sqm of GLA) are home to more than 500 retail brands. The Auchan Group is the world's 12th largest food retailer. It operates in 12 countries and employs 210,000 people. It is structured into 4 core businesses : hypermarkets (484 stores), supermarkets (737 stores), retail real estate (Immochan) and banking (Banque Accord). Auchan opened its first hypermarket in Ukraine one year and a half ago, and currently operates two sites in Kyiv and Donetsk, with 1 500 employees. (source: *Auchan*)

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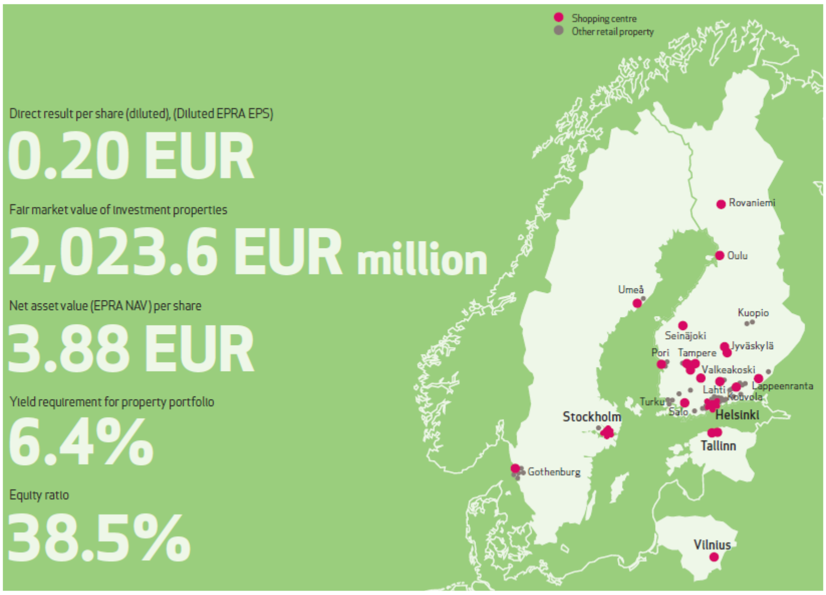
Real Estate Company Profile

Citycon

Citycon is an active owner and long-term developer of shopping centres, laying the foundation for a successful retail business. Citycon's retail properties serve both consumers and retailers. The company takes account of environmental aspects and well-being in the areas surrounding its retail properties. Citycon combines property investment with shopping centre business. This differentiates Citycon from many other real estate investment companies which principally focus on buying, selling and owning properties. The market leader in the Finnish shopping centre business, Citycon also has a strong position in Sweden and a firm foothold in the Baltic countries.

Size

At the end of September 2009, Citycon owned a total of 33 shopping centres and 51 other retail properties. The fair value of the company's property portfolio totalled EUR 2,162.7 million. Citycon Oyj's shares are listed on the Helsinki exchange. Citycon's trading code is CTY1S and the company is classified under Financials, Real Estate Operating Companies.



Mission

Citycon's mission is to ensure that people shop in Citycon's shopping centres. By combining property investment and shopping centre business, Citycon creates sustainable shareholder value.

Vision

Citycon is a shopping centre business leader, an active owner and a long-term developer aiming to increase the value of its properties. Citycon's properties represent the most desired retail venues and they attract consumers. The company is the preferred employer in its field.

Strategy

To concentrate on shopping centre business in Finland, Sweden and the Baltic countries.

To manage and develop its shopping centres in a centralised manner, using Citycon's own, active and professional personnel working locally. This creates efficiency and synergies, and guarantees knowledge of the local markets. To create added value for customers and to enhance the properties' commercial appeal, considering each retail venue's and its catchment area's commercial preconditions: purchasing power, consumers' desires and needs and the market situation in the retail business. To promote sustainable development in shopping-centre management and development. Citycon seeks internal certification for its redevelopment and extension projects. To reduce business risks with a strong balance sheet and cash flow combined with conservative financing policy. (source: *Citycon*)

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Real Estate Company Profile

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News

Summary of January-September 2009 Compared with the Corresponding Period of 2008

- Turnover increased by 3.2 per cent to EUR 137.4 million (Q1-3/2008: EUR 133.1 million), due to growth in gross leasable area and development of retail properties. Turnover growth was reduced by slightly higher vacancy.
- Profit/loss before taxes was EUR -13.1 million (EUR -121.4 million), including a EUR -58.7 million (EUR -156.7 million) change in the fair value of investment properties.
- Net rental income increased by 2.4 per cent to EUR 93.8 million (EUR 91.6 million). If the impact of the weakened Swedish krona is excluded, net rental income increased by 5.1 per cent.
- Net rental income from like-for-like properties rose by 0.5 per cent.
- The company's direct result was EUR 38.4 million (EUR 31.9 million).
- Direct result per share (diluted) increased to EUR 0.17 (EUR 0.15).
- Earnings per share were EUR -0.05 (EUR -0.42). The fair value changes in investment properties have a significant impact on earnings per share.
- The occupancy rate was 94.7 per cent (95.6%). The decrease in occupancy rate resulted from a slightly increased vacancy in Finland and the Baltic countries.
- Net cash from operating activities per share remained strong and increased to EUR 0.24 (EUR 0.14). The increase was due mainly to non-recurring realised foreign exchange rate gains, positive change in working capital, lower financing costs as well as higher operating profit.
- The equity ratio was 35.9 per cent (40.3%). This decrease resulted mainly from the fair value changes in the investment properties and higher debt due to investments.
- The company's financial position remained good during the period. Total liquidity at the end of the reporting period was EUR 212.6 million, including unutilised committed debt facilities amounting to EUR 193.2 million and EUR 19.4 million in cash. The available liquidity will cover the authorised investments and scheduled debt interest and repayments until at least the end of 2010, without the need for additional financing.
- In June, Citycon agreed to sell the apartments under construction in Liljeholmen, Stockholm, for SEK 176 million (approx. EUR 16.3 million). (source: *Citycon*)

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