

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
- Real Estate Job Center

Editorial

The beginning of the year 2009 seems to be shaped by the numerous press releases which spread negative news concerning the real estate market. Indeed the financial crisis has not started yet as the experts report and the European governments discuss the planned financial aid packages; the leading banks cut down their rates and try to regain their stability. But nevertheless the European property market is not as beleaguered as it seems. Investors have to observe very closely the respective conditions of an object and its circumstances. The markets are more diversified than ever and considering retail, office, logistic, commercial or residential investments or developments appears to require more careful due diligence and market research than before.

Despite the crisis some of the investment companies seize the opportunity and make successful deals. Investors may profit from favourable exchange rates or the need of the banks to offer good financing conditions again. Far away to be able to profit on a broad base, the crises offers opportunities for long term investments which wouldn't be affordable in a normal situation. The times of fast and high profit rates without being too much involved in the projects will be gone at first, but sustainable and long term investments still can be found and will help the market to recover slowly. (chief editor: Dr. Roger Schöntag)



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Real Estate News

15.01.2009 USA: Morgan Stanley Investment Management Opens the Morgan Stanley Global Infrastructure Fund to New Investors

Morgan Stanley Investment Management (MSIM) announced today that the Morgan Stanley Global Infrastructure Fund1 - the largest infrastructure U.S. mutual fund2 designed to provide exposure to the growing universe of publicly traded infrastructure securities - has re-opened to new U.S. investors. MSIM intends to make a similar strategy available to international investors later in 2009. "We expect the massive investment in infrastructure - resulting from urbanization, aging infrastructure in developed countries and demand for new infrastructure in developing countries - will continue to create significant investment opportunities in companies around the world that build, operate, own or provide services to infrastructure assets," said Michael Nolan, Managing Director and lead Portfolio Manager of the Global Infrastructure Fund. "To stimulate their economies, governments in countries around the world such as Brazil, China, Germany, the United Kingdom, South Korea and Australia are accelerating implementation of infrastructure projects. In the United States, President-Elect Obama's American Recovery and Reinvestment Plan will invest in priorities like energy and education, health care and a new infrastructure that are necessary to keep the country strong and competitive in the 21st century." (source: *Morgan Stanley*)

15.01.2009 Germany: DIC Asset: Completion of Bienenkorbhaus Building now on the Finishing Stretch

DIC Asset AG just completed the restoration and restructuring work on the historic Bienenkorbhaus building on Frankfurt's boulevard Zeil on schedule. Meanwhile, 80 percent of altogether 10,500 sqm in commercial floor space (thereof 3,500 sqm retail and 7,000 sqm office space) have already been let and turned over to the new tenants. Main tenants with a 15-year lease each are Ludwig Görtz GmbH and Frankfurter Sparkasse. Among the other residents of the complex is Deutsche Angestelltenkrankenkasse (DAK). The grand opening is scheduled for April 2009. The total investment volume comes to EUR 75 million. DIC Asset AG acquired Bienenkorbhaus together with Morgan Stanley Real Estate Funds (MSREF) as part of the real estate portfolio of Frankfurter Sparkasse in late 2004. Originally negotiated up to the end of 2008, the underwriting banks extended the outside financing for the remaining portfolio in an amount of EUR 62 million through 2010. This helped to further push down the company's - anyway low - refinancing rate. Aside from budget considerations, this lays a solid foundation for the unhurried completion and marketing the property. Ulrich Höller, CEO of DIC Asset AG, had this to say: "In spite of the difficult market environment, we managed to implement our restructuring and letting plans successfully and on schedule, and simultaneously to acquire first-rate tenants. The new Bienenkorbhaus will be a boon to downtown Frankfurt." (source: *DIC*)

15.01.2009 Austria: Release according to Article 93 (2) BörseG

IMMOFINANZ AG was informed today, that FRIES Familien-Privatstiftung and Dr. Rudolf Fries Familien-Privatstiftung who are acting in concert, hold - through their subsidiaries FRIES Holding GmbH and Fries-Kapitalinvest Beteiligungs GmbH - a stake of more than 10% of the voting rights in IMMOFINANZ AG. The relevant date is January 14, 2009. According to the information received the 39,292,370 voting rights held pursuant to the announcement as of March 3rd, 2008, were increased by share purchases between March and beginning of September 2008 to 44,134,820 shares. There was no obligation to inform about these purchases. After the acquisition of another 2,000,000 IMMOFINANZ shares on January 14, 2009 the total stake in voting rights is now 46,134,820. The total number of IMMOFINANZ shares is 459,050,894. (source: *Immofinanz*)

14.01.2009 Germany/Czech Republic: Helaba provides loan for Nisa shopping centre in Czech Republic

Helaba has structured and concluded the financing of the Nisa shopping centre in Liberec. The funding amounts EUR 76.7 m for a property fund managed by ING Real Estate. Acting as sole arranger and lender, Helaba provided the financing within only five weeks after receiving the mandate. The transaction was realized through Helaba's origination unit Northern and Central Europe. The Nisa shopping centre has been completely refurbished and has already attracted numerous new retailers. International brands consider Nisa as one of the best opportunities to expand into the Czech market. The financing was provided on market terms and conditions and can be seen as proof for an ongoing liquidity in debt financing for commercial real estate despite the turmoil on the financial markets. Since the start of its activities in North and Central Europe in 2006, Helaba has provided more than EUR 2.6 bn in funding, specializing particularly in acquisition and structured financings for international investors and investment funds. (source: *Helaba*)

14.01.2009 Austria: conwert decisively rejects the anonymous criminal complaint

Conwert Immobilien Invest SE decisively rejects the anonymous criminal complaint of fraud, which was filed by a German attorneys' office in Aschheim with the district attorney in Munich and announced in media reports. The complaint has not been forwarded to the company, and the accusations raised in media reports are totally unfounded and completely untenable: according to media reports, the complaint maintains that the company has not provided its shareholders with information on the existing management contract – an accusation that is obviously false because the management contract with conwert Management GmbH and the related compensation has always been disclosed transparently in conwert's stock exchange prospectuses and annual reports. This management contract was also presented to and approved by the annual general meeting, most recently in 2006. Similar accusations were raised during 2006 in an anonymous statement to the Financial Market Authority (FMA) – the responsible monitoring agency in Austria. After extensive examination, the FMA terminated the proceedings. conwert Immobilien Invest SE intends to exhaust all legal options to protect the company against any possible damages that may arise from the filing of this complaint. (source: *conwert*)

14.01.2009 Germany/Finland: Reorganisation of Catella's Finnish businesses

As already communicated in August 2008, Michael Schönach has been appointed Managing Director of Catella Property Oy as of 1 January 2009. Michael will continue in his position as Managing Director of Catella Corporate Finance Oy as well. Erkki Hakala has been appointed Deputy MD of Catella Property Oy. Erkki will also continue to head Catella Property Oy's Helsinki transaction advisory unit. The responsibilities of the other Catella Property Oy management team members remain unchanged. (source: *Catella*)

12.01.2009 Germany: German Financial Markets Stabilisation Fund ("SoFFin") extends the framework guarantee granted to Hypo Real Estate Group until 15 April 2009

The German Financial Markets Stabilisation Fund ("SoFFin") has extended its framework guarantee – originally approved until 15 January 2009, in a total amount of EUR 30 billion – until 15 April 2009. Hypo Real Estate Bank AG, part of Hypo Real Estate Group, can use guarantees to be issued by SoFFin to collateralise debt securities to be issued, which must be due for repayment by 15 April 2009 at the latest. Hypo Real Estate Bank AG will pay to SoFFin a pro-rata commitment commission of 0.1% of the undrawn portion of the framework guarantee. The fee for guarantees drawn will be 0.5% p.a. (previously 1.5% p.a.). Negotiations between Hypo Real Estate and SoFFin regarding more extensive and longer-term liquidity and capital support measures for the Group are continuing. (source: *HRE*)

12.01.2009 Rezidor opens the Park Inn Poliarne Zori Murmansk, Russia

The Rezidor Hotel Group announces the Park Inn Murmansk – the existing 266 room-property joined the company's portfolio on December 31, 2008. "This marks a new milestone for Rezidor in Russia & CIS, where we now have close to 10,000 rooms in operation and under development", says Kurt Ritter, President & CEO of Rezidor. The Park Inn Poliarne Zori Murmansk is located in the centre of Murmansk, the largest city on the Kola Peninsula in the northernmost part of Russia – close to the borders of Finland and Norway. The hotel was built in 1973 and has recently been renovated. Besides 266 rooms it offers a restaurant, two bars and a fully-equipped gym and sauna. The property also hosts the most popular night spot in Murmansk, a 250-seat nightclub. From the hotel guests have easy access to attractions like the Regional History Museum, the Alyosha Statue and the Cathedral. The commercial areas of Murmansk are also nearby. Murmansk, also known as Romanov-on-Murman, dates back to 1916 and is named after the Russian Royal dynasty – The Romanovs. Besides its natural beauty, the region around the city is known for the Shtokman field, one of the world's largest natural gas fields. Located in the Russian sector of the Barents Sea, the continued exploitation and expansion of the field is a key demand-driver for hotels in the area. The region is also strategically important to Russia as the home of the Russian Northern Fleet. (source: *Rezidor*)

08.01.2009 USA/France: Rezidor opens the Radisson Le Dokhan's Hotel, Paris Trocadéro

The Rezidor Hotel Group has added a new and beautiful boutique hotel in Paris to its growing portfolio: The Radisson Le Dokhan's Hotel, Paris Trocadéro has recently joined the company. Located in a former private residence in the prestigious 16th arrondissement within walking distance of the Arc de Triomphe, the Tour Eiffel and the Palais des Congrès, the hotel harks back to the elegant days of the 18th century. From its well-preserved Haussmann façade to the neo-classical furnishings and Paris' first champagne bar, the Radisson Le Dokhan's Hotel is a delight for the senses. The 41 rooms and 4 suites have been styled under the careful eyes of French designer Frédéric Méchiche. Warm tones, silky fabrics and modern amenities such as free high speed internet access create a romantic, ultra-luxurious look and feel. Each suite shows an individual design – the 4 exclusive, private paradises are named "Kleber", "Bagatelle", "Eiffel" and "Ming". (source: *Rezidor*)

Real Estate Deals

14.01.2009 Sweden: Fabege signs SEK 1,2 billion deal with Vattenfall

Today, Vattenfall has signed an agreement with Fabege concerning the leasing of around 43,000 sq m new offices, plus garage and parking spaces, at Arenastaden in Solna. Vattenfall Norden, including its business areas, will move into a new office building to be constructed adjacent to Swedbank Arena and Mall of Scandinavia. The construction is estimated to start during 2009, once the planning process has been completed. Apart from modern, flexible office space with 2,000 workstations, the property is to accommodate garage spaces, a restaurant, auditorium, exercise rooms and exhibition area. Environmental and energy requirements have been given high priority and the building will have a lower energy consumption than that required by the EU's "Green Building" energy classification through, for example, solar and wind power. The contract will run for 12 years with an annual rental value of around SEK 100m. The total project cost amounts to SEK 1,150m, and financing is secured. Vattenfall Norden's new office building is expected to be finalized during the 3rd quarter of 2012. (source: *Sweden*)

13.01.2009 Germany: AEW Europe's EPI Fund sells prime Hamburg landmark asset "The Alsterhaus"

AEW Europe is pleased to announce that EPI Prime Hamburg Sarl & Co KG, an investment company of European Property Investors L.P. (EPI), a pan-European value-added fund, has sold The Alsterhaus, the trophy high street retail asset in Hamburg to a fund managed by IVG Institutional Funds in Germany for just over €94 million. This is a long-leased, prime landmark asset which consists of approximately 31,000 sqm over five trading floors in the prime shopping street of Hamburg on the Jungfernstieg and is the flagship store for German retailer Karstadt. (source: *AEW*)

12.01.2009 USA/Poland: ProLogis Leases 237,000 Square Feet in Poland

ProLogis, a leading global provider of distribution facilities, announced today that it has signed new lease agreements for approximately 237,000 square feet (22,000 square meters) of warehouse space at two ProLogis parks located near Wroclaw, Poland, the fourth largest city in the country. Sonoco Poland-Packaging Services, a leading supplier of industrial and consumer packaging products and services, has leased 118,000 square feet (11,000 square meters) of space at ProLogis Park Wroclaw III. The modern distribution park is located 7 kilometers southeast of the city center, near the Wroclaw-Strachowice international airport. Polish footwear manufacturer and retailer NG2 S.A. has leased 117,000 square feet (10,850 square meters) of space at Park Wroclaw IV, which it plans to use for regional distribution purposes. The state-of-the-art park is located 35 kilometers southeast of downtown Wroclaw along the A4 motorway, which connects Berlin to Wroclaw and continues east towards the Ukraine. (source: *Prologis*)

09.01.2009 Germany: European Property Investors Special Opportunities ("EPISO")

makes its first purchase of the new year AEW Europe has contracted to purchase a state of the art distribution facility known as the Bridge, located in Dartford, Kent, for €68 million (approximately £61 million) on behalf of its value-added fund, European Property Investors Special Opportunities, which was launched in 2008. The Bridge was developed by ProLogis in 2007. It is proximate to London and directly adjacent to the south eastern region of the M25. This 62,500 square metre property is leased entirely by Sainsbury's for a remaining term of 18.5 years. Rob Reiskin, Head of Investments for Europe commented, "The combination of limited liquidity and the presence of motivated sellers is creating an interesting dynamic for those with access to capital and strong relationships. In this instance, we were able to buy a prime property at an attractive yield. Importantly, we were also able to secure debt finance on highly competitive terms." This makes the third investment for the EPISO Fund. The previous two investments, a €140 million (£126.2 million) investment in a diversified UK retail, office and logistics portfolio and a €145.6 million (£131.2 million) investment in a diversified greater Paris mixed property portfolio were completed earlier in Q4: 2008. (source: *AEW*)

08.01.2009 U.K.: Land Securities agrees sale of Trillium

Land Securities Group PLC today announces that it has reached agreement to sell Land Securities Trillium ("Trillium") to Telereal, the property investment and services company, for a total headline consideration of £750 million. The sale does not include the Accor hotel portfolio which will remain within Land Securities. The sale is expected to complete on 12 January. Cash proceeds of £444 million will be received upon completion and used to reduce Group net debt in line with the priorities outlined by Land Securities at its half-yearly results in November which included the selected sale of assets to maintain the strength of its balance sheet. (source: *Land Securities*)

Real Estate Company Profile

Atrium European Real Estate

Company: Atrium European Real Estate Limited (Atrium) is a leading company focused on owning, operating and developing shopping centres in Central and Eastern Europe that has been founded under the law of Jersey, Channel Islands, in 1997. The Company has been listed on the Vienna Stock Exchange (ATR) since 2002 and as of September 2008 was capitalised at approximately EUR 1.5 billion. Since its founding Atrium's portfolio has grown dynamically: In 1997 the Company owned 60 supermarkets in the Czech Republic and Hungary with a total value of approximately EUR 60 million. By mid of 2008 Atrium was active in 11 countries in Central and Eastern Europe, South-eastern Europe and Russia and the portfolio included 160 properties with a total market value of more than EUR 2 billion. In addition the Company has a significant portfolio of development projects and has established a land bank of over 1.9 million sqm for potential future development.

Activity: In 2008 the Group's investment portfolio included operating properties in eight countries in its target regions: Czech Republic, Hungary, Poland, Romania, Russia, Slovakia, Latvia and Turkey. In addition, the Group also has interests in development projects in Bulgaria and Ukraine and has made (through acquiring a land plot) its first investment in Georgia. In total, the Group is therefore active in 11 countries throughout the region of Central and Eastern Europe, South Eastern Europe and Commonwealth of Independent States. In some of these markets the Group's activities comprise of development projects in various stages, which have yet to generate earnings. The Group management is conducting a detailed project-by-project assessment of all its existing standing investments and its entire development pipeline.

Overview Investment Portfolio

Country	Market value TEUR 31 Dec 2007	Market value TEUR 30 June 2008	Market value in % 30 June 2008
Poland	670,894	687,946	34%
Russia	485,161	466,412	23%
Czech Republic	321,586	326,646	16%
Hungary	123,085	123,160	6%
Slovakia	106,996	107,259	5%
Turkey	79,114	202,110	10%
Latvia	61,580	62,340	3%
Romania	45,996	57,930	3%
Total	1,894,412	2,033,803	100%

Key figures: Gross rental income (2006: TEUR 96,451; 2007: TEUR 120,030; 2008: TEUR 64,122), Net rental income (2006 TEUR 71,530; 2007: TEUR 84,461; 2008 TEUR 49,031), Net operating profit/(loss) (2006: TEUR 261,158; 2007: TEUR 140,043; 2008 : TEUR 2,816), Profit b. tax (2006 TEUR: 279,032; 2007: TEUR 193,009; 2008: TEUR 1,510); Profit a. tax (2006: TEUR 220,736; 2007: TEUR 154,577; 2008 : TEUR 8,010).
(source: Atrium)

Real Estate Company Profile

Atrium European Real Estate

Latest News

14.01.2009 Atrium: Equity fund raising

Atrium announces that it has agreed the terms of a new equity fund raising and related arrangements with Citi Property Investors and its investors ("CPI") and Gazit-Globe Limited. The new agreement has been approved by a committee of the Company's independent directors, chaired by Professor Peter Linneman and advised by Kempen & Co. This equity fund raising and related arrangements will raise EUR 72.1 million of new equity, reduce the Company's indebtedness by at least EUR 103 million in principal amount and significantly reduce the equity overhang of the outstanding warrants to subscribe for the Company's shares from 30 million to approximately five million. The private placement and other arrangements will replace the EUR 300 million rights issue that was proposed to follow the EUR 500 million investment in the Company made by the Investors in August 2008 and due to be completed by the end of January 2009. (source: *Atrium pressrelease*)

07.01.2009 Atrium: Appointment of chief financial officer

Atrium announces the appointment of Robert Bolier as Chief Financial Officer. Robert has over 20 years experience in financial management and strategy at a number of leading global corporations. He joins Atrium from Merotec Ltd, where, since 2007, he was Chief Financial Officer, with overall responsibility for all aspects of financial management and strategy implementation. Between 2000 and 2006 he held a number of senior management positions at Assa Abloy, the world's leading lock manufacturer with a turnover in excess of €3bn, which is listed on the Swedish Stock Exchange. Robert is a Chartered Accountant, member of the ICAEW and a fellow of the Chartered Institute of Management Accountants, London. (source: *Atrium*)

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Imprint

Editorial office: Dipl. Kfm Jürgen Maier & Dr. Roger Schöntag, Munich (Germany)

Publisher & Editor: P1 Verlag GbR, Westenriederstrasse 19, D-80333 München

Subscription: The EREIS - Newsletter is issued twice a month. For subscribing, please contact the editors (info@p1-info.com).

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