

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

As in Europe there are not only the countries of the European Community which matter for investments, we would like to focus this time on Ukraine, an important state between west and east. On the occasion of the visit of the new president Viktor Yanukovich to Brussels in order to renew the ties between the EU and the Ukraine, it seems worth while to have a look on the economic situation of the country. According to statistics Ukraine's GDP equaled 912.6 billion hryvna (\$114 billion) last year or in other terms it declined by 15% in 2009. For the upcoming year insitutes forecast a modest growth by about 3%. As the global economic crisis also reached this region heavily, the IMF payed out \$11bn as rescue package, but the budget promises of the Ukraine were broken, so the payment was suspended. Now the EU president Mr Barroso would provide €500m for Ukraine, if the country is able to get an accord with the IMF.

For the real estate market the prognosis for 2010 should be slightly optimistic. Even if e.g. the house prices in Kiev fell by 30% during 2009, the situation should not be unfavourable for investments in 2010, given that the country succeeds in consolidating its budget and in holding the political balance between Moscow and the EU. There are already 12 banks which are extending credits for housing investments, at least a first step. (chief-editor: Dr. Roger Schöntag)



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Real Estate News

25.02.2010 USA: CoreNet Global Names Angela Cain as Chief Executive Officer

CoreNet Global today announced the appointment of Angela Cain as Chief Executive Officer of CoreNet Global, the world's leading professional association for corporate real estate (CRE) executives, service providers and economic developers. In introducing Ms. Cain, CoreNet Global Chairman-elect Lee R. Utke, Director, Global Corporate Real Estate for Whirlpool Corp., stated, "Angela brings to CoreNet Global a strong combination of association management experience and first-hand knowledge of the real estate industry. "CoreNet Global is at an important point in time, facing critical change and global opportunity. Our new CEO is well suited to lead CoreNet Global in new directions that will keep improving the strategic value to our members and the CRE industry, and that reflect the need for new business models and approaches. (source: *Corenet*)

24.02.2010 Germany/Poland: Westdeutsche ImmobilienBank AG arranged approx. € 119,8 financing for 2 Shopping Centres in Poland

Warsaw/Mainz, 24 February 2010 - Westdeutsche ImmobilienBank AG (WestImmo) acting as Agent and Arranger has provided MGPA, Europe Fund III, L.P., with approx. €119,8 financing facility for 2 modern shopping centres in Poland. "Karolinka" Shopping Centre opened in 2008. It is located in Opole, near the Czech border, ca 310 km south west of Warsaw. It comprises over 70,000 sqm space and is let to 127 national and international retailers. "Pogoria" Shopping Centre comprises a hypermarket and a retail gallery, both opened in 2008, and the DIY store which is under construction to be completed in March 2010. The property is located in the city centre of Dabrowa Górnicza, Southern Poland, near Katowice. Martin Erbe, Managing Director Continental Europe at WestImmo commented: "The acquisition of these two modern shopping centres happened in difficult times and market circumstances. It is one of the biggest investment deals in CEE in 2009 and clearly shows the recovery of the market. WestImmo together with its partners arranged and closed this transaction in a very tight time frame thanks to the professional approach of all parties and we are very happy to assist MGPA with another important financing this year." WestImmo is one of Germany's leading commercial real estate financiers and maintains a strong presence in the Western, Central and Eastern European markets, as well as in North America and Asia. WestImmo's corporate customers include global institutional investors, international developers and companies operating in the real estate sector. In 2009 WestImmo has committed more than € 6 bn new loans to its clients worldwide. (source: *WestImmo*)

23.02.2010 Germany: New inner-city shopping gallery with glazed town-hall rotunda opens on Wednesday

A glass rotunda visible from great distances is the architectural flagship of the new Rathaus-Galerie in Leverkusen, Germany, which opens on Wednesday, February 24, 2010 after a construction period of two years. In the new inner-city shopping gallery, around 120 stores, cafés, restaurants and service providers present a retail concept tailor-made for Leverkusen. Distributed on three levels, the center has a total sales area of approx. 22,600sqm. All shop areas have already been leased out completely for months. Above the shopping center is a two-storey town-hall rotunda located with approx. 5,000sqm for the city's administration. This €200 million project was realized by the investor CREDIT SUISSE ASSET MANAGEMENT Immobilien Kapitalanlagegesellschaft mbH and ECE, which will manage the center in the long run. Around 950 people will work in the Rathaus-Galerie. ECE anticipates approx. 30,000 visitors a day. In the catchment area of the center, which also provides 500 parking spaces, live approx. 420,000 inhabitants. (source: *ECE*)

20.02.2010 U.K.: The Stafford Hotel in London will be managed by Kempinski

Kempinski Hotels is delighted to announce that from February 1, 2010, the highly exclusive Stafford Hotel in London will join the Kempinski portfolio and be renamed as The Stafford London by Kempinski. This exciting addition to the group's collection underlines Kempinski's commitment to expansion in key cities in Europe. Perfectly located on St James's Place between Green Park and St James's Park, The Stafford London by Kempinski offers 105 rooms and suites set in three historic buildings surrounding a quiet courtyard: The Main House, The Carriage House and The Stafford Mews. The Stafford London by Kempinski offers an exquisite haven of calm that recalls the property's history as a stately residence, with buildings dating back to the 17th and 18th centuries. Oenophiles and shopaholics will delight in The Stafford's central location. Mayfair's boutiques and prestigious Bond Street are just a few minutes' walk away. The property's elegant dining facilities include a restaurant, American Bar and private dining rooms, where the cuisine is overseen by Executive Chef Mark Budd. The Stafford London by Kempinski is also home to one of London's finest wine cellars, which dates back 350 years. Some 18-20,000 bottles have been laid down and are managed by Gino Nardella, Master Sommelier. The public areas, guest floor corridors and 24 rooms in the Main House will be renovated by end 2011 to enhance the traditional comfort combined with modern amenities. These planned renovations will be undertaken with the minimum of impact for guests. (source: *Kempinski*)

19.02.2010 The Netherlands/Czech Republic: MULTI DEVELOPMENT RESTARTS CONSTRUCTION OF NEW KAROLINA, CZECH REPUBLIC

Multi Development Czech Republic today announced the restart of construction of its major inner-city development in Ostrava. Construction workers are now returning to the large site in the city centre. This follows Multi's recent announcement of closing the funding deal of €99Million through a syndicated loan from 4 banks. With this restart, Multi has succeeded in continuing with the project after a one year break caused by the financial crisis. "We are delighted to have achieved this restart to construction after having concluded successfully the deal with the funding banks, especially in the current economic environment. This confirms the exceptional power and solid nature of the New Karolina project and demonstrates that there is space for this good strong project developed by Multi. New Karolina will touch everyone's heart" said Luboš Kočí, CEO of Multi Development Czech Republic. New Karolina in Ostrava is one of the largest urban development and revitalisation projects in the Czech Republic. Within the total 32ha site, the first of 4 planned phases comprises of a 57,000sqm Shopping and Leisure Centre with a unique architectural and design concept, an Office building of 23,000sqm, a Residential building with approximately 200 apartments and two historic buildings reconstructed to fulfill modern functions, all set in a newly built infrastructure with carefully planned public spaces. With total investment of over €200Million; phase 1 will be completed in spring 2012. (source: *Multi*)

17.02.2010 Hungary: TriGranit wins the two major regional awards

Bonarka City Center, the Hungarian majority owned TriGranit's latest development was awarded by the property professionals. The largest urban center in southern Poland became the laureate of one of the most prestigious real estate competitions in Europe, the CEE Real Estate Awards, in two main categories: the most important Project of the Year 2009 and Shopping Center (mega) of the Year 2009. To recognize the importance of the retail market in the Central and Eastern European region, EuropaProperty hosted the annual CEE Retail Real Estate Awards Gala last week. Countries covered in the awards include: Poland, Czech Republic, Hungary, Slovakia, Ukraine, Austria, Lithuania, Latvia, Estonia, Turkey, Romania, Bulgaria, Croatia, Slovenia, Serbia, Montenegro, Macedonia, the Republic of Moldova and Albania. "By winning two awards, including the most important one, the Project of the Year 2009 which was also deemed as the Best Shopping Center (in the mega category: 75,001 + sq m GLA), the Bonarka City Center confirmed its contribution to the development of the retail real estate market in the region for 2009. I am pleased that the international jury comprised of 70 experts in the commercial real estate sector appreciated the quality and comprehensiveness of measures related to the professional preparation of the whole investment" - says Dariusz Rudziński, Managing Director of the BCC. "This important award shows that, despite the crisis, it is possible to successfully complete a project thanks to a clear and effective strategy." - adds Tomasz Lisiecki, Managing Director of TriGranit Poland. Apart from the Bonarka City Center, the company's investments in Poland include the Silesia City Center project in Katowice, and investments in Bydgoszcz and Poznan that are currently at the preparatory stage. TriGranit is one of the largest fully integrated real estate investment, development and management companies in Europe. With operations in 7 countries in Central and Eastern Europe, a large portfolio of completed trophy assets, and a pipeline of major mixed-use developments, as well as a number of public private partnership (PPP) investments, TriGranit is well positioned to participate in the expanding real estate markets. (source: *TriGranit*)

16.02.2010 Germany: WestImmo wins "Bank of the Year" CEE Retail Real Estate Award for second consecutive year

- Westdeutsche ImmobilienBank AG (WestImmo) has won the "Bank of the Year" category of the CEE Retail Real Estate Awards again in 2009, having already won the award in 2008. WestImmo's greater commitment to central and eastern Europe and the further rise in its financing activities in those regions compared with 2008 enabled it to beat off the competition and successfully defend its title in 2009. "WestImmo would like to thank its customers and partners for the trust and cooperation they have given us. We are proud to have won this award, demonstrating as it does that our customers recognise us as a reliable financing partner", said Claus-Jürgen Cohausz, member of the managing board of WestImmo. EuropaProperty, one of the leading real estate magazines in eastern Europe, presented the CEE Retail Real Estate Awards in Warsaw for the second time. The jury, consisting of investors, project developers, lawyers, valuers and public accountants, selected the prize-winners of the various categories from the more than 400 companies that had put their names forward for an award. WestImmo is one of the leading commercial real estate finance providers in Germany and enjoys a strong presence in western, central and eastern Europe as well as North America and Asia. Its customers include institutional investors, global developers, real estate corporates and small and medium-sized businesses. In 2009 WestImmo provided its customers with funding totalling more than €6 billion. (source: *WestImmo*)

Real Estate Deals

27.02.2010 The Netherlands: Corio acquires factory outlet development in France

Corio acquired 75% of the shares of the factory outlet development Moulin de Nailloux in the Toulouse region for € 44 m, at a net yield of 8.4%, for the first phase. The remainder of the shares is owned by the development company COGEP (local developer). Corio has the possibility to acquire the remaining 25% of the shares at market value after 6 years. Phase one of the project is expected to open in 2011. The project will be part of Corio's fixed committed pipeline. Total gross leasable area (GLA) (for phase one and two) will be 30,900 m². At completion of both phases Moulin de Nailloux will have 125 shops and 1,800 parking spaces. Phase one will be 70/80 shops on a GLA of 22,100 m². (source: *Corio*)

26.02.2010 USA/Europe: ProLogis Exceeds 30 Percent Ownership Level in ProLogis European Properties

ProLogis, a leading global provider of distribution facilities, announced today that it holds a total of 57.6 million, or 30.2 percent, of Ordinary Units and 7.0 million, or 68.1 percent, of Perpetual Convertible Preferred Units of ProLogis European Properties (Euronext: PEPR). Based on best practices, ProLogis is announcing its current holdings with respect to 25 and 30 percent Ordinary Unit ownership thresholds. ProLogis exceeded both ownership percentage thresholds following trades executed on February 23, which settled on February 26, 2010. Beyond the transactions described above, ProLogis has purchased additional shares on the open market, which will be settled next week. ProLogis previously announced plans to purchase Ordinary Units of PEPR in the open market or in privately negotiated transactions but at this time does not intend to exceed 33.33 percent of issued Ordinary Units carrying voting rights. (source: *Prologis*)

25.02.2010 U.K./Finland: Aberdeen acquires office and retail building in Turku, Finland, from ReDevco

Aberdeen European Balanced Property Fund has acquired the "Turun Sampotalo" property from REDEVCO. The parties have agreed not to disclose the purchase price. Sampotalo is a prime landmark building located along the principal shopping street in Turku CBD, Finland. The property was constructed in 1938 and it is fully let with a leasable area of approx. 9,700m². The main tenant, City of Turku, occupies the office floors with a long term lease. Aberdeen European Balanced Property Fund currently has properties with a total asset value of some €295 million under management in Finland, France, Belgium, the Netherlands and Germany. The Fund has further deals in the pipeline in all of these countries. To date, Aberdeen European Balanced Property Fund has raised €262 million in equity from institutional investors and is looking for new investment opportunities in several Euro countries. The Buyer was advised by Aberdeen Property Investors Finland, Leimdörfer acted as commercial and Krogerus Attorneys as legal advisor to REDEVCO in the transaction. Nico Tates, Fund Manager to the Aberdeen European Balanced Property Fund commented: "We are delighted to add this core retail and office investment in Turku to our portfolio. (source: *Aberdeen*)

24.02.2010 Norway: NPRO - Sale of Oksenøyveien 3

Norwegian Property ASA has entered into an agreement for the sale of Oksenøyveien 3 at Fornebu, Bærum. The property value is NOK 175 million, which is equal to the current valuation after remeasurement and reclassification of the property area in line with prevailing market standards. The buyer is HBK Invest AS. The sale is in line with Norwegian Property's strategy to actively develop the portfolio. The transaction is estimated to be completed during March 2010. (source: *NPRO*)

17.02.2010 U.K./Spain: Hines' European Development Fund Signs Lease with DIA Group for Tripark Las Rozas in Madrid

The Madrid office of Hines, the international real estate firm, announced today that the DIA Group supermarket chain has signed a long-term lease for 112,765 square feet of office space and will occupy a full building in Hines' recently completed Tripark Las Rozas business park in northwest Madrid. The lease, which is the first signed for the project, represents 30 percent of the space available in the complex. DIA Group will take occupancy of its new home in June 2010, consolidating employees from two locations in Madrid's Central Business District AZCA area into what will become their new headquarters. Designed by renowned Spanish architects Allende Arquitectos, Tripark Las Rozas contains three four-story buildings totaling 351,875 square feet of Class A office space. The buildings are situated at a highly visible intersection of the A-6 motorway and the M-50 ring road. The development is currently pre-certified LEED® Silver by the U.S. Green Building Council. "Securing such a significant lease with such a prestigious company is an excellent way to start 2010," said Fernando Arenas, managing director for Hines in Spain. (source: *Hines*)

Real Estate Company Profile

Sjælsø

Sjælsø is a knowhow based company whose main activities are ideas creation, project development and project management, financing and risk management within the project development of property. In addition, the company manages the sale and lease of business, retail and residential projects for owners, tenants and investors. Sjælsø with its approx. 150 staff is an international and professional player in the area of property development.

They develop and implement residential, business and retail projects in Denmark, Sweden, Norway, Finland and Poland. They make extensive use of outsourcing, thus ensuring that adequate resources are allocated to each project while also boosting flexibility in the organisation. (source: *Sjælsø*)

The share capital consists of 76,909,366 shares at DKK 10 per share, corresponding to a nominal value of DKK 769,093,660.

Sjælsø has a single share class and all shares have the same rights. The share capital consist of 1,139,728 own shares of DKK 10 corresponding to DKK 11,397,28. (source: *Sjælsø*)

KEY FIGURES AND RATIOS FOR THE GROUP IN DKK 1.000

PROFIT AND LOSS	2004	2005	2006	2007	2008
Revenue	779,381	1,371,277	3,643,213	6,351,192	5,706,157
Project contribution before value adjustments/write-down	152,682	295,400	634,054	1,272,566	544,950
Value adjustments/write-down	0	0	0	0	(65,000)
Project contribution	152,682	295,400	634,054	1,272,566	479,950
Operating profit (EBIT)	64,592	186,297	431,805	1,001,718	192,294
Net financials	3,471	4,453	7,618	18,800	12,627
Profit before value adjustments/write-down and tax	68,063	190,750	439,423	1,020,518	269,921
Profit before tax	68,063	190,750	439,423	1,020,518	204,921
Profit for the year after tax	47,674	140,717	315,490	791,794	150,918

(source: *Sjælsø*)

Real Estate Company Profile

Sjælsø

News

18.02.2010 Sweden: Sjælsø sells three retail projects in Sweden at DKK 320 million

Sjælsø has entered into an agreement with Alecta Pensionsförsäkring about sale of three retail projects in Sweden at SEK 427 million (DKK 320 million). Alecta is one of the largest pensions insurance companies in Sweden with more than 1.7 million customers.

Helsingborg: In Helsingborg, in joint venture with NorCap, Sjælsø has developed a new grocery shop of 9,100 m² for Coop as well as a patrol station for OK Q8. Coop is the largest groceries chain in Sweden with more than 370 shops and approx. 8,000 employees. The construction work has been completed, and the property has been commissioned. Alecta acquires the property on 1 April 2010.

Åkersberga: In Åkersberga, north of Stockholm, Sjælsø has developed a retail project of 13,000 m². Phase one of the project comprising 10,000 m² has been let out to Coop among others. The project is expected ready for use in the autumn of 2011. Alecta will acquire the project on a forward funding basis as soon as detailed planning and construction permission are in place. The performance of the project is conditional upon achieving the final detailed planning and construction permission which are expected in place within a few months.

Borås: In Borås, Sjælsø has developed a retail project of 20,000 m². Phase one of the project comprising 10,000 m² has been let out to City Groos. City Groos is expanding heavily on the groceries market in Sweden and presently has 22 stores. The construction will be initiated in the spring of 2010 and the building is expected ready for use in the spring of 2011. Alecta will acquire the project on a forward funding basis as soon as detailed planning and construction permission are in place. The performance of the project is conditional upon achieving the final detailed planning and construction permission which are expected in place within a few months.

Increasing investor interest: Flemming Joseph Jensen, CEO of Sjælsø, says: "Sjælsø is satisfied to realise that we are again seeing increasing interest from investors in well-located projects let out to good tenants. The agreement with Alecta confirms that the institutional investors are in the market for new projects. The sale to Alecta is Sjælsø's first large sale in Sweden to institutional investors."

Expectations of profit for 2010 unchanged: Sjælsø's profit expectations for 2010 are unchanged a loss of DKK 0 to 250 million before tax and any potential writedowns and provisions. (source: *Sjælsø*)

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