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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 regularily 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 every year the second half of march is dedicated to Europe's biggest real estate fair, the MIPIM, and its outcome. In the mild climate of Cannes all important property companies of the continent gathered to discuss the actual market situation, new projects and imminent deals. According to the organizer, the number of the participating investment companies was by 10% higher than last year (1.118). Altogether there were 3.000 companies registered and 81 countries. All in all, the fair was also attended by slightly more visitors than in 2009. The exhibition space shrinked by 10% to 18.163 sqm, so the hustle and bustle of the summit was sensible. Last year the big issue was the world wide economic crisis and its effect on the real estate business which then was quite on the rocks. This year's mood was much better, as everyone could testify, that business went on. The crunch left its marks: banks are still struggling, financing of big real estate projects is still very difficult, funds were closed and only partly reopened, companies had to be downsized. But in comparison to last year the volume of transaction increased, new plans can be made. In the first place smaller and medium sized portfolios and objects are actually sold and purchased, whereas the really big ones are still difficult to finance. In the end the MIPIM demonstrated that the real estate business is full of constructive ideas to move on with success. (chief-editor: Dr. Roger Schöntag)

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Real Estate News

31.03.2010: Warimpex' business results for 2009
Signs of changing trends in Q3 and Q4 after challenging first half-year. Signs of changing trends after the summer, with positive third and fourth quarter results:

- revenues of EUR 21.5 million in Q4/2009
- EBITDA of EUR 5.6 million in Q4/2009
- profit before tax of EUR 9.5 million in Q4/2009
- Major development projects in Berlin, Łódź and Ekaterinburg completed 2009 - angelo hotel Katowice opened in March 2010 - andel's hotel Łódź wins multiple awards
- Despite difficult conditions on the transaction markets, Warimpex was able to sell two properties
- Results for 2009 significantly impacted by impairments in the first half of 2009 and significant decline in revenues, in particular in the luxury segment in Prague
- Full-year 2009 EBIT of minus EUR 71.8 million and loss for the period of EUR 92.7 million (source: *Warimpex*)

29.03.2010 Germany: HRE has considerably reduced the loss in 2009
The Hypo Real Estate Group (HRE) has considerably reduced the loss in 2009 compared with the previous year: Pre-tax profit has improved to € -2,221 million, compared with € -5,375 million in the previous year. The result was affected mainly by further provisions for losses on loans and advances as well as costs of the external liquidity support. Operating revenues have increased by € 1,004 million from € -585 million to € 419 million. The main factors in this respect have been the much less negative net trading income (€ -154 million) and net income from financial investments which broke even. Operating revenues in 2009 were considerably affected by costs of € 741 million for guarantees in connection with the necessary liquidity support provided by the SoFFin and the Federal Republic of Germany. This figure includes a performance-linked charge of € 229 million. In addition, net additions to provisions for losses on loans and advances of € 2,091 million (2008: € 1,656 million) had a negative impact on the full year results. Of this figure, € 1,723 million was attributable to individual allowances recognised in relation to receivables from real estate financing as a result of the recession which had a major impact on the commercial real estate markets. General administrative expenses have declined from € 605 million to € 541 million, mainly as a result of the around 18 percent decline in personnel expenses, resulting from a reduction in the number of employees of around 400 to around 1,400. (source: *HRE*)

28.03.2010 The Netherlands: Corio successfully completes € 600 million equity issue
The following pages of the website contain materials relating to shares issued by Corio N.V. These materials are provided for informational purposes only and may be updated. None of the information contained in the following pages of the website constitutes an offer of, or an invitation to purchase, any shares, nor any investment advice or services. The shares referred to on the following pages have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The shares may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. (source: *Corio*)

27.03.2010 Germany: CEO Axel Wieandt will leave HRE by mutual agreement Chief Executive Officer at Hypo Real Estate
Holding AG, Dr. Axel Wieandt, offered his resignation to the Supervisory Board on Thursday due to differing views with the Financial Market Stabilisation Fund (SoFFin) regarding the management of the Company. It was with regret that the Supervisory Board accepted the resignation and Dr. Axel Wieandt has been released of his duties as of today. The Supervisory Board thanks Dr. Wieandt for his work as Chairman of the Management Board. The Chairman of the Supervisory Board, Dr. Bernd Thiemann said: "Dr. Axel Wieandt took on the responsibility of CEO at the height of the crisis and has made a significant contribution to the stabilisation and realignment of the Company. A course has been clearly set for the future. We wish Axel Wieandt all the very best." The Supervisory Board will make a decision in due course regarding Dr. Wieandt's successor in the role of CEO. Until further notice, the Supervisory Board has entrusted the role of CEO and the co-ordination of the work in the Management Board to Manuela Better. She has been a Member of the Management Board since February 2009 and, as Chief Risk Officer, is responsible for the area of Risk Management. (source: *HRE*)

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26.03.2010 Austria: 2009 Group results of C-QUADRT Investment AG

- Operating income: EUR 37.7 million (2008: EUR 31.0 million; +22%)
- Operating profit (EBITDA): EUR 4.2 million (2008: EUR 0.3 million; +1.185%)
- Pre-tax profit (EBT): EUR 4.1 million (2008: EUR -3.4 million)
- Net profit: EUR 5.7 million (2008: EUR -12.2 million)
- Group equity ratio: 72.6% (2008: 57.9%, +25.4%)

C-QUADRAT Investment AG achieved an impressive return to profitability in 2009. In the past financial year, EUR 37.7 million more in operating income was generated than in 2008 – an increase of 22%. The operating profit (EBITDA) rose to EUR 4.2 million (2008: EUR 0.3 million; +1.185%). Very satisfactory performance in the 2009 financial year is reported, with pre-tax profits at EUR 4.1 million (2008: EUR -3.4 million) and net profit at EUR 5.7 million (2008: EUR -12.2 million). The main driver of income growth was the increase in commission income from performance fees, from EUR 0.5 million in 2008 to EUR 7.6 million in fiscal 2009. Volume growth in the Asset Management segment: Contrary to the general trend in the funds industry, the volume of funds managed by C-QUADRAT in the Asset Management segment grew by 58% in 2009, from EUR 1.680 billion to EUR 2.662 billion. The resultant management fees increased in the reporting period from EUR 19.9 million to EUR 22.9 million (+15%). The total revenue-generating volumes of C-QUADRAT Investment AG amounted to EUR 4.514 billion as at 31.12.2009 (2008: EUR 3.280 billion; +37%). Further increase in Group equity ratio: The Group equity ratio showed further improvement. After a ratio of 57.9% in 2008, the figure for 2009, in accordance with IFRS, was 72.6% (+25.4%). (source: *C-Quadrat*)

25.03.2010 Austria: IMMOFINANZ AG: Results for the first three quarters of the 2009/10 business year (1 May 2009 to 31 January 2010)

- Revenues: EUR 552.8 m (-0.47 %)
- EBITDA: EUR 281.7 m (+32.66 %)
- EBIT: EUR 246.7 m (previous year -1.754 bn)
- EBT: EUR 265.8 m (previous year EUR -3.321 bn)
- Gross cash flow: EUR 252.9 m (+43.64 %)
- Book value / share: EUR 4.92 (-0.63 %)
- NAV / share: EUR 5.55 (-4.90 %)
- Earnings / share: EUR 0.48 (previous year EUR -4.06)

IMMOFINANZ AG's financial results improved during the first three quarters of the 2009/10 business year. The key earnings figures were improved significantly compared to the previous year and indicate a sustainable upwards trend. With shareholder approval for the merger with subsidiary IMMOEAST in January 2010, the conditions for further structural and strategic improvements of the group were established. This will have positive effects in the next business years. (source: *Immofinanz*)

16.03.2010 The Netherlands: ING Real Estate Investment Management launches European Shopping Centre Fund

ING Real Estate Investment Management (ING REIM) is pleased to announce the launch of the ING REIM European Shopping Centre Fund, an unlisted closed-end property fund with a 7-year lifetime. The ING REIM European Shopping Centre Fund targets to EUR 1.5 bn in dominant shopping centres across Continental Europe. The Fund will seek to benefit from the recovery in the Continental European retail real estate markets to provide investors with Core + returns in the range of 11 – 13%. The Fund will be managed by a dedicated team of professionals based in Europe. ING REIM manages in excess of EUR 9 bn in retail AuM through 5 specialist funds as well as 4 mixed funds across 11 Continental European countries, offering retail exposure to its extensive client base. ING REIM has invested over EUR 5.5 billion in the European retail sector in the period from 2004-2009 and has a proven track record by outperforming the IPD Retail Benchmark on 3, 5, 10 and 13-year basis. Florencio Beccar has been appointed as Fund Manager and Jacques van Munster van Heuven as CFO for the ING REIM European Shopping Centre Fund. Florencio Beccar has over ten years of real estate investment experience and has worked for ING REIM since 1999. In his time with the company he has served in various key roles; he established ING REIM's operations in Italy and Brazil and has launched and managed a number of ING REIM funds, most notably the ING Real Estate Retail Property Partnership Southern Europe and the ING Real Estate Italian Retail Fund. Florencio Beccar comes with a vast experience in the sector having successfully invested and subsequently managed over EUR 2 billion in shopping centres across different countries in Europe. Jacques van Munster van Heuven has been with ING Real Estate Investment Management for 7 years. Previous to this role, he was the CFO for ING REIM Europe in Germany and The Netherlands where he was responsible for all corporate and financial activities. Jacques van Munster van Heuven also held the position of Financial Manager of the three ING Real Estate Dutch Funds (Retail, Office and Residential) managing all financial aspects of over EUR 5 billion of assets. (source: *ING*)

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Real Estate Deals

29.03.2010 Germany/The Nehtherlands: Commerz Real Institutional Fund Acquires Logistics Centre in the Netherlands
The "De Rooy Logistic Center" logistics property in the Dutch town of Roosendaal has just been added to the portfolio of a Commerz Real institutional fund. Commerz Real just acquired the "De Rooy Logistic Center" logistics facility in the Dutch town of Roosendal for one of its institutional funds. The property features a gross lettable warehouse and office space of more than 45,000 sqm as well as nearly 160 parking spaces for lorries and cars. The building's tenant is "De Rooy," an international shipping and distribution company. The deal was transacted within the framework of a sale-and-leaseback agreement, and represents a total investment volume of approximately 28 million euros. (source: *Commerzreal*)

25.03.2010 The Netherlands/Germany: MULTI CORPORATION WILL SELL 15% OF MULTI'S OPERATIONAL AND DEVELOPMENT SHOPPING CENTRE PORTFOLIO TO CORIO FOR €1.3 BILLION
Corio has entered into an agreement with Multi under which Corio will acquire, subject to certain conditions, including German merger clearance, an operational portfolio of four shopping centres; two in Germany (Forum Duisburg and Centrum Galerie Dresden), one in Spain (Espacio Torrelodones) and one in Portugal (Espaço Guimarães), for a consideration of €662 million, and a development portfolio consisting of five projects in Germany; Schloßstraße (Berlin), Arneken Galerie (Hildesheim), Königsgalerie (Duisburg) and 2 other development projects, requiring an expected investment of approximately €658 million. The total expected investment in relation to the transaction is therefore approximately €1.3 billion. All asset and property management services for the 2 acquired German projects will be carried out by Corio. Multi's local centre management of these 2 projects will be transferred to Corio upon closing of the transaction. With respect to the provision of marketing and re-leasing services; Corio and Multi are planning to enter into a joint venture company, the two firms will thus build a strong partnership in that market, combining development, management, leasing, marketing and funding activities. Multi's German Mall Management organization will continue to be responsible for Multi's other centres and clients in Germany. Corio and Multi will each have a reciprocal right of first offer on any new German development project for a period of 5 years. (source: *Multi*)

25.03.10 — Sirosa buys freehold interest of Liberty flagship
Sirosa Liberty Ltd, has bought the freehold interest of London department store Liberty for £41.5 million, reflecting a yield of 4.8%. Sirosa Liberty Ltd, advised by international real estate advisor Savills, has bought the freehold interest of London department store Liberty for £41.5 million, reflecting a yield of 4.8%. Liberty will lease the flagship department store back and has agreed to pay £2.1 million per annum on a new 30-year lease. John Rigg, director at Savills, comments: "Liberty is an iconic London department store and the price and lease terms agreed made it a very interesting investment opportunity for our client." Liberty was advised by Knight Frank. Solicitors Russell Cooke acted for the vendor. (source: *Savills*)

22.03.2010 Germany: Commerz Real Acquires Hotel in Berlin
Commerz Real's "hausInvest europa" open-ended real estate fund just acquired the Motel One project development on Spittelmarkt in Berlin. Commerz Real just acquired a hotel project development in Berlin on behalf of its open-ended "hausInvest europa" real estate fund. The property, which is located in the central district of Mitte, has a gross lettable area of about 10,400 sqm, 303 rooms, and an underground car park. The future tenant, the Motel One hotel chain, has signed a forward commitment for a 25-year lease that will commence with the completion of the building in December 2010. The total investment volume amounts to approximately 23 million euros. The property was sold by GBI AG in Berlin, a real estate developer and investor specialising in hotels, that has completed and placed a total of 17 hotel projects since the company was formed in 2001. "The Motel One hotel on Spittelmarkt comes with a superb location in the very heart of Berlin. It stands out due its highly modern and above-average fit-out quality – considering the price category – and its attractive design," said Hans-Joachim Kühl, Member of the Management Board of Commerz Real AG and in charge of real estate acquisitions. (source: *Commerzreal*)

16.03.2010 U.K./Germany: Hansteen to acquire German industrial property portfolio for €330 million
Hansteen Holdings, the investor in UK and continental European real estate has entered into a conditional agreement to acquire or procure the acquisition of an 861,010 sq m German industrial property portfolio from HBI S.à r.l. and HBI Delta Sub S.à r.l. for an effective acquisition cost of approximately €330 million, financed by using approximately €70 million from Hansteen's existing cash resources and the balance of approximately €260 million in debt. (source: *Hansteen*)

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Real Estate Company Profile

Hansteen

Hansteen Holdings PLC invests in a range of industrial properties located across Europe including the Netherlands, Germany, Belgium, France and the UK. "Hansteen seeks to profit from opportunistic commercial property acquisitions in the UK as value returns."

Hansteen Directors Track Record
Ian Watson and Morgan Jones founded Ashtenne in 1989 and achieved net returns for its shareholders equivalent to an annual rate of return in excess of 20% per annum. Hansteen was also formed by Morgan Jones and Ian Watson who have a proven track record in identifying opportunities requiring intensive management and realising value for their shareholders.
They believe that high yielding industrial property with low capital values and a broad spread of tenants is a resilient and defensive investment medium. The high income returns from the portfolio will provide a beneficial backdrop as the Company deploys its new capital.

Portfolio
Hansteen has already established a substantial and profitable portfolio in Germany, Holland, Belgium and France and are confident of continued growth.

Hansteen Business Strategy
Focus on consistent, high and realised returns, Acquire high yielding industrial properties with low capital values, a broad spread of tenants and value add opportunities, Maintain and improve occupancy and income, Position the company for growth.

Hansteen Property Portfolio

Germany	£193m	51 properties
Netherlands	£164m	33 properties
Belgium	£38m	13 properties
France	£19m	4 propertie
Other	£8m	5 properties

Share Price Currency: GBp | Code: GB00B0PPFY88 Date: 29.03.2010

Price: 79.85 **Last closing price:** 81.40 **Change:** -1.55 Bid: 79.05 **Day high:** 82.85 **Ask:** 79.60 **Day low:** 79.05 **Year high:** 87.00 **Day volume:** 118,851 **Year low:** 75.00

(source: *Hansteen*)

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Real Estate Company Profile

Hansteen

News

23.03.2010 U.K.: Hansteen Holdings PLC - Final Results
Hansteen Holdings PLC (LSE: HSTN), the investor in continental European and UK real estate, announces its final results for the twelve months ended 31 December 2009.

- **Highlights**
Normalised Profit increased by 30% to £15.4 million (FY 08 £11.8 million) *
- £200 million new equity raised
- Launch of £90 million UK Industrial Property Unit Trust
- Admission to the official list and conversion to Real Estate Investment Trust
- Net Assets at 31 December 2009 £380 million, (2008: £213 million)
- December 2009 IFRS Net Asset Value of 84p per share (2008: 91p per share)**
- December 2009 diluted EPRA Net Asset Value of 84p per share (2008: 95p per share **)
- Portfolio initial yield at 31 December 2009 of 8.6% (2008 8.4%)
- 2010 acquisition of German portfolio for €330 million with 9.2% yield and 24% vacancy ***
- Combined existing portfolio and HBI portfolio rent at March 2010 approximately €68 million per annum
- A maintained dividend of 3.2p per share(FY 08: 3.2p per share)
- Promotion to the FTSE 250 index

Hansteen Chairman, James Hambro commented: "The group is very well positioned with no debt issues, a strong diversified income flow, and real opportunities to grow that income. The HPUT has nearly £90 million of available equity to invest and after the HBI purchase Hansteen itself also has approximately £100 million of equity to invest, which together with prudent borrowing still leaves us with purchasing fire power of close to £400 million. "We are also beginning to see value returning on a selective basis to the industrial property sector in the UK and, although the real economy will undoubtedly remain difficult the Board is optimistic for the medium term prospects to add shareholder value here as well ." (source: *Hansteen*)

17.03.2010 U.K.: Publication of circular
On 16 March 2010 Hansteen Holdings, the investor in UK and continental European real estate announced that it had entered into a conditional agreement to acquire or procure the acquisition of an 861,010 sq m German industrial property portfolio from HBI S.à r.l. and HBI Delta Sub S.à r.l. for an effective acquisition cost of approximately €330 million, financed by using approximately €70 million from Hansteens existing cash resources and the balance of approximately €260 million in debt. In view of the size of the Proposed Acquisition, Shareholders approval is required in order for Hansteen to proceed with the Proposed Acquisition. Hansteen confirms that a Circular to Shareholders relating to the Proposed Acquisition was approved yesterday by the UK Listing Authority (the UKLA). The Circular includes a notice convening a General Meeting to be held at the offices of Jones Day, 21 Tudor Street, London EC4Y 0DJ at 10.30 a.m. on 1 April 2010 for the purpose of considering and, if thought fit, approving the Proposed Acquisition. The Circular was posted to Shareholders yesterday and copies of the Circular will shortly be available for inspection at the UKLAs Document Viewing Facility, which is situated at Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS. In addition, the Circular will shortly be available to view on the Companys website (www.hansteen.co.uk), and will be available for inspection at the offices of Jones Day, 21 Tudor Street, London EC4Y 0DJ during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). (source: *Hansteen*)

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