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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
- Real Estate Job Center

Editorial

What will happen at this year's MIPIM in Cannes (10—13th march 2009)? Will it be a crisis dominated MIPIM or a constructive and future orientated summit?
As the world's premier real-estate trade fair for commercial real estate professionals its importance for gathering and networking of the branch leading companies and their representatives is unbroken. But the event MIPIM, known for its ostentatious show of abundant capital and luxury, is also not spared from the global crisis: about 1.000 exhibitors and 10.000 participants less than in 2008, which makes an average of one third loss of attraction.
To assume an optimistic point of view, the smaller budget of the participating companies may not only be seen as a signal of the general downward trend, but also of a steering towards a return back to core competency and basic substance. In this respect reduced showcases might seen as an opportunity for a new beginning with sustainable projects.
Remarkable is the this year's decrease of Russian participants. The French hidden fear of a Russian invasion of the Côte d'Azur did not come true, which cannot only be proved by the missing Russian participation at the MIPIM, but symptomatically also by the cancelled deal of the 500 million Euro worth Villa Leopoldina. (chief editor: Dr. Roger Schöntag)

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Real Estate News

28.02.2009 Unibail-Rodamco: Full Year 2008 Results
Growing recurring income: The high footfall shopping centres, a category of assets in which the Group is the leader in continental Europe, are proving to be the most resilient in today's environment. The Group's recurring earnings per share (EPS) grew with 8.4% in 2008, thanks to robust like-for-like rental growth (8.5%) and contained cost of debt. This allows a distribution per share of € 7.50 up by 7.1%. Sound financial structure: Supported by a low debt level and an "A/A3" credit rating, the Group has secured or renewed € 2.4 Billion of medium to long term financing in 2008. In line with the real estate markets, asset values have declined during the year. Mitigating factors like the healthy rental income growth and the high quality of the assets limited this fall to 9.1% like-for-like. Due to IFRS mark-to-market accounting, these valuation movements lead to a net loss of - €1,116 Million. This does not affect operational cash flows and the Group maintains its dividend pay-out policy. Positive outlook: More than ever, the Group's focus is on operational growth, with flexibility on its project pipeline. The Group will not start construction on new projects until targeted returns are achievable. Key value drivers, such as vacancies, debt collection and interest costs are managed closely. Combined with the high quality portfolio, the Group is confident to set a 2009 recurring EPS growth minimum target of 7% and a commensurate increase in 2009 distribution. (source: *UnibailRodamco*)

27.02.2009 U.K.: Annual results for the year ended 30th November 2008
St. Modwen Properties PLC, the UK's leading regeneration specialist, announces annual results for the year ended 30th November 2008.
HIGHLIGHTS
• Trading profit of £8.2m (2007: £50.9m)
• Net assets per share decline of 14% to 333p per share since 30th November 2007 (387p)
• Impact of property revaluations mitigated by £64.8m (54p per share) of added value actions
• Compliant with banking covenants and forecast to remain compliant throughout 2009
• All major banking facilities secured through to 2011
• Continued success in adding new schemes to the hopper
• Good progress in marshalling projects for future delivery
Anthony Glossop, Chairman, comments: "Market confidence in the underlying strength of our business and in our reputation as the UK's leading regeneration specialist was further underlined this year by our continued selection as preferred developer on major sites across the country, including BP's 2,500 acre portfolio of disused sites. (source: *St.Modwen*)

26.02.2009 The Netherlands: GOLDEN TULIP SEES RETURNS ON E-COMMERCE DEVELOPMENT
Golden Tulip Hospitality Group's Central Reservations System continued in 2008 to show significant distribution channel shift towards web bookings. In 2008 web bookings accounted for 49,5% of all reservations made through the group's Central Reservations System, Goldres. This despite the more traditional GDS channels continuing to produce similar high volumes compared to the previous year. Current distribution technology norms such as rate parity indicators, direct connect, and dynamic pricing were implemented on Goldres at the beginning of the industry adoption curve thus giving the hotel brands a competitive advantage in sales and marketing. Golden Tulip continues to set the pace in terms of distribution standards, bringing new technology to next generation customers as well as simplifying hotel operations:
- Goldres was the first hotel Central Reservations System to enable reservations to be booked in real time through mobile devices (2005)
- Prepayment processing handled on brand website in various currencies
- Web application provides features such as mapping, multi language, virtual tours, RSS feeds, guest reviews and e-newsletters to hotel's individual websites
- by applying Direct Connectivity with leading travel portals, Goldres extends the market reach for hotel (brands) drastically, while adding no extra manual workload in rates and inventory control
Hans Kennedie, President & C.E.O. of Golden Tulip Hospitality Group comments: "We are constantly seeking means of delivering value to our properties and the brands we represent them by. We have seen the value the web and online technology has to the hospitality industry, and are actively involved with industry bodies and thought leadership programmes to ensure we are on the frontline of distribution technology, whilst keeping development costs to a minimum." (source: *GoldenTulip*)

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23.02.2009 Germany: Extraordinary MAGNAT Shareholders' Meeting adopts ordinary capital reduction with a very large majority
The Shareholders' Meeting of MAGNAT Real Estate Opportunities GmbH & Co. KGaA (ISIN: DE000A0J3CH0) held today adopted all items on the agenda with a very large majority. The Shareholders' Meeting thus agreed to the proposed ordinary capital reduction with over 99 percent of the vote. The capital reduction will ensure that in an increasingly challenging market environment the company will have the highest possible flexibility also in relation to the balance sheet structure. CEO of the company Jan Oliver Rüster explains: "I am delighted with the very broad support of our shareholders. We have thus been able to respond quickly to further changes in the market environment since the last Shareholders' Meeting. The equity position of MAGNAT is not affected by the capital reduction. Our shareholders will benefit from this measure due to our scope of action being broadened in the interest of the company. (source: *Magnat*)

19.02.2009 France/Germany: Retail Market: Top German locations still in strong demand
Demand for retail premises in Germany's top retail property locations – Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg and Munich – remained buoyant in 2008 despite the downturn in the economy towards the end of the year. There was lively interest above all in the 1A-locations, which are still suffering from a scarce supply of space; in some cities, though, the excess of demand over supply eased slightly in the final months of 2008. Interest in premises in the subcentres, which had already declined somewhat the year before, continued to fall moderately. This is revealed by the Retail Market Report on the development of the retail locations in Germany in the past twelve months, due to be published in mid-March by Atisreal, Germany's leading commercial property consultant. (source: *BNP*)

17.02.2009 Luxembourg: Orco Property Group implements Human Resources changes as part of its restructuring plan
ORCO Property Group announced the next stage of its restructuring plan by implementing changes designed to ensure a leaner and more flexible organization.
Orco Property Group announced the following changes in its management team: In addition to continuing to manage the Group as "CEO", Mr. Jean-François Ott will be taking full direct responsibility of real estate development and asset management company-wide. Mr. Nicolas Tommasini has been named "Deputy CEO" and "Interim CFO". He will also continue to manage all investment and partnership transactions. Mr. Keith Lindsay, "COO", will be responsible for all Operations and Systems as well as Hospitality. Mr. Ales Vobruba will take on the new role of "Managing Director of Orco Prague" and as such will have responsibilities for the Czech and Slovak Republics in addition to his role as Head of bank financing. The Board of Directors accepted this day the resignations of Mr. Luc Leroi from his mandate as director and managing director of the Company and as legal representative of CEREM, an Orco subsidiary, - which acts as director of the Company - and of Mr. Arnaud Bricout from his mandate as director of the Company. The above changes are part of a global restructuring plan that focuses on several regional and country office closings, disposals of non core assets and businesses, and a global savings plan that has already resulted in 220 redundancies across the Group to date. With this new, leaner organization, Orco Property Group is adapting its managerial structure to the changing market conditions and is positioning itself to move the company forward by delivering quality buildings to its clients in its core markets. (source: *Orco*)

17.02.2009 France: BNP - Property Advisory Consolidation is Inevitable
With the extent of the synchronised downtown in world economies and declining real estate values in most markets, there are challenging times ahead for real estate advisory firms. Ireland is not immune from this challenge with all major Global Property Consultancy firms present here. Patrick Curran, Managing Director, commented that some of these Global firms have expanded too rapidly with some having fuelled this expansion with short term debt finance that is proving challenging to re-finance. Others find themselves in the position of having to go through rights issues at deeply discounted share prices. All this in a real estate market undergoing dramatic change worldwide and with trends of declining rents , cap rates moving up sharply and above all a dearth of debt finance which is hampering transactions. These trends are common across all markets and will put pressure on many of the Global Property Consultancy firms in the medium term. Undoubtedly this will lead in the next few years to further global consolidation for real estate advisory firms and Ireland is no exception. We can expect to see only a handful of Commercial Property Consultancies survive . The few firms that survive will in my opinion proceed to dominate the Advisory market. The future for small independently owned firms is likely to be exceptionally challenging as Globalisation of the Advisory business is the only way forward . (source: *BNP*)

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Real Estate Deals

27.02.2009 U.K.: ST. MODWEN SELECTED AS JOINT VENTURE PARTNER FOR £210 MILLION SKY-PARK DEVELOPMENT IN EXETER
Devon County Council has approved the appointment of St Modwen as the preferred Joint Venture Partner for the £210 million development of Skypark at Exeter. The 107 acre Skypark site, situated to the North of Exeter International Airport, is owned by the County Council and is identified in Regional Planning Guidelines as being a strategic location for large scale employment development. Skypark is a key development within the Exeter and East Devon New Growth Point and along with the other developments east of M5 Junction 29 will be a major contributor to growth of the economy. East Devon District Council has resolved to grant planning permission, subject to a 106 Agreement, for the development some 1.4 million sq ft of office and industrial/manufacturing space which is expected to create circa 7,000 jobs for the region. The County Council decision comes after a procurement process which has been carried out by the Council and its property consultants, King Sturge, and legal advisors, Pinsent Masons over the last six months. It is subject to the legal completion of the formal agreement. Last year the Council concluded that formation of a Corporate Joint Venture with a private sector partner was the most appropriate means to bring forward the development of Skypark. The innovative partnership structure to be adopted for the Joint Venture follows the Government's local asset backed vehicle (LABV) methodology and will allow the Council to participate in future value and decision making over the expected 20 years life of the partnership. Councillor Humphrey Temperley, the County Council's Executive Member for Economic Development, Strategic Planning, Regional and International Affairs said "I am delighted that we have found a development partner who shares our vision of delivering an exemplar development to support the rebuilding of the economy in the Exeter area. There is a very limited supply of employment land suitable for development in the Exeter area, and the release of this site will be critical, both for existing Exeter and Devon based businesses as well as inward investors. (source: *St.Modwen*)

23.02.2009 Austria/Czech Republic: IMMOEAST sells the "Jungmannova Plaza" office building in Prague
IMMOEAST AG has sold the "Jungmannova Plaza" office building in Prague to an open-end real estate fund of Deka Immobilien Invest GmbH. A sales price of EUR 40.6 million was obtained. With usable space of 10,300 sqm, the property is let in full to a large number of financially sound companies and organisations. These include ABN Amro, the European Parliament, Johnson & Johnson, the Czech bank Patria Corporate Finance as well as the two law offices Clifford Chance and Kocian, Solc and Balastik. (source: *Immoeast*)

23.02.2009 Germany/Czech Republic: Deka Immobilien Acquires Building in Czech Republic
Deka Immobilien GmbH has invested 40.6 million euros in the Czech Republic, purchasing the Jungmannova Plaza in central Prague. The building complex is fully rented out. Its seller is the Austrian company Immoeast AG. The property has been bought for an open-ended special property fund of Deka Immobilien investment GmbH and is located in the immediate vicinity of Wenzel Square. It consists of four sections, three of which were superbly renovated and the fourth newly completed in 2004. (source: *Deka*)

20.02.2009 The Netherlands/Russia: GOLDEN TULIP HOSPITALITY GROUP SIGNS DEVELOPMENT AGREEMENT TO LAUNCH GOLDEN TULIP RUSSIA
Golden Tulip Hospitality Group, has signed a development and representation agreement with IFK Hotel Management, a Moscow-based hotel management company. Golden Tulip proudly announces the recently signed development & representation agreement with the Russian hotel management company, IFK Hotel management. This agreement enables the Golden Tulip Hospitality Group to continue its growth by entering the promising Russian market. IFK Hotel Management is a professional company specializing in hotel and (hospitality related) property management in Russia. As official representative of Golden Tulip Hospitality Group, IFK hotel management will bring forward the brands Tulip Inn, Golden Tulip, Royal Tulip, George & CO and BRANCHE Restaurant, Bar & Lounge. Hans Kennedie, President & C.E.O. of Golden Tulip Hospitality Group comments: "We are very pleased to announce Golden Tulip's first entry into the Russian Federation and the co-operation with IFK Hotel Management. The years of experience on the Russian hospitality market of Mr. Izmaylov and his management team will be of high value for the global development of the Golden Tulip portfolio." Marsel Izmaylov, CEO of IFK Hotel Management, adds: "Golden Tulip's brand recognition and its proven success track record gives us the necessary tools to develop new projects in this region. I am delighted to be a partner of Golden Tulip Hospitality Group and intend to put Golden Tulip's brand into leadership positions in the Russian market. I am sure we can bring "local flavours" to almost half a century hospitality traditions of Golden Tulip." (source: *GoldenTulip*)

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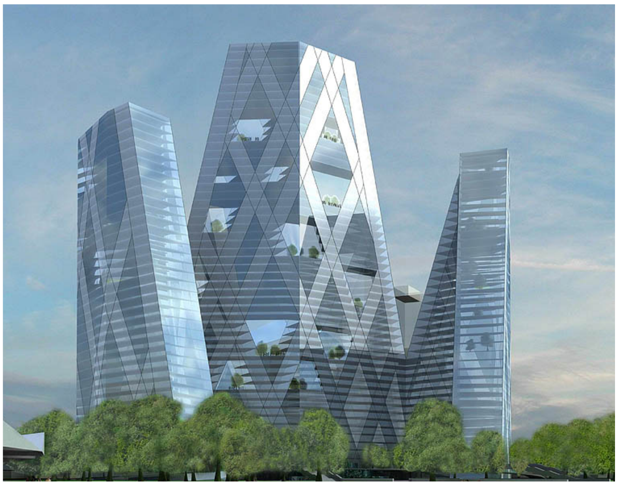
Real Estate Company Profile

Mirax Group

MIRAX GROUP Founded in 1994 by Sergei Polonsky and Artur Kirilenko as Stroymontazh, the MIRAX GROUP Corporation has grown into a diversified development corporation recognized internationally as an innovative leader in landmark real estate development.

The corporation includes:

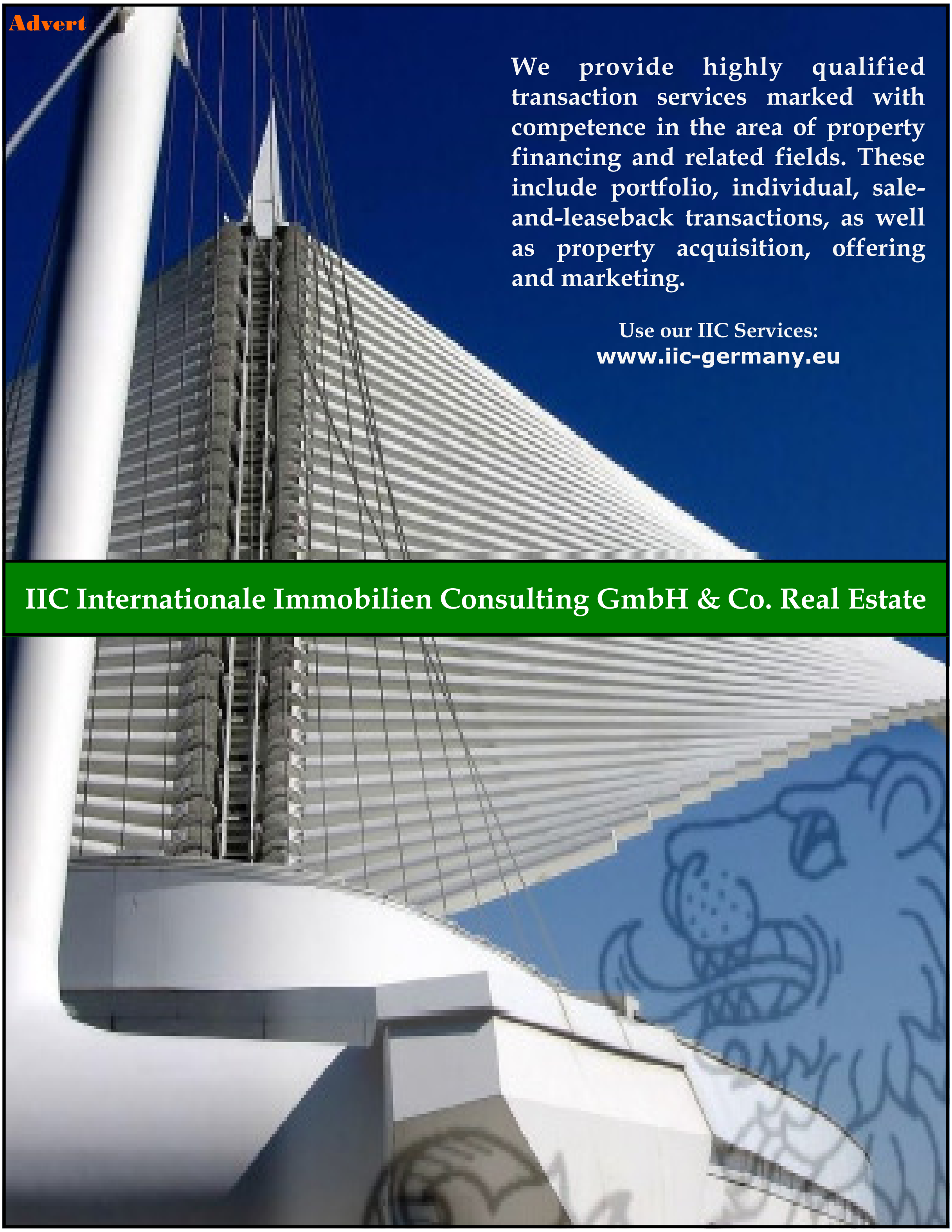


MiraxConstruction The heart of the MIRAX GROUP Corporation, Mirax Construction provides complete, turn-key capabilities as project initiator, investor and general contractor for construction of state-of-the-art residential, commercial, high-rise and civic landmark real estate projects. The company owns more than 21 million square feet of premium business and residential real estate. The company's innovative designs combine aesthetic beauty with ergonomic engineering to produce highly desirable environments for living, working, conducting business, and pursuing recreational activities. MIRAX Construction has received high praise for its Korona (Crown), Zolotie Kluchi 2 (Gold Keys 2) and "bl" Cottage Village residential complexes as well as its monumental Europe-Building and Pollars business centers. The Gold Keys 2 complex and Europe-Building Business Center have received multiple Moscow civic and professional awards as valued architecture, investment and development projects. The company's current projects include innovative and imaginative new residential complexes in Moscow and St. Petersburg, a strikingly re-envisioned reconstruction of the Moscow Railways, and a landmark Rotating Tower high-rise project that promises to be turning heads, literally, for decades to come.

MiraxCity Developer of the tallest building in Europe, the Federation Business Complex, which is being built on the site of the "Moscow-City" International Business Center.

MiraxService provides the facilities management expertise, customer service, attention-to-detail and ongoing maintenance of MIRAX Group.

MiraxInvest implements development projects in the Ukraine. Groundbreaking for MiraxInvest's first construction site—the multi-functional Mirax Plaza complex—began on December 22, 2007, in the Shevchenko District of Kiev. (source: *Mirax*)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The financial indicators of MIRAX GROUP show stable growth from year to year. According to a forecast, by the end of 2008: Revenue of the company will reach $2.1 billion - almost twice as much as in 2007. EBITDA will reach some $1 billion - 2 times growth. Net income will be nearly $790 mill. - 2 times increase. Construction of seven new projects with total a floor area of 4.5 million square meters was started in 2008. The total project portfolio of the corporation includes more than 12 million sqm.(source: *Mirax*)

News

16.02.2009 MIRAX GROUP Board of Directors presents the 2008 estimate and the development strategy for 2009

At present, the MIRAX GROUP Corporation has completed negotiations for a 2-year restructuring of its medium-term debt under credits with MDM Bank ($38.5 million), Credit Europe Bank ($13.5 million), and Credit Suisse ($265 million). And at final stages are the talks for restructuring the second CLN issue ($180 million). So, the amount of the corporations' unrestructured credit liabilities due in 2009 will come to $133 million. Receivables on MIRAX GROUP's completed contracts total $861 million. Today, the MIRAX GROUP Board of Directors presented the 2008 estimate and development strategy for 2009. "As for 2008, we focused on 3 main areas: minimization of administrative and operating costs, concentrating efforts on the projects under construction, using 'safety cushions' for redemption of short-term debts and restructuring of the medium-term credits. To date, I can say with confidence that implementation of those three steps has allowed the company to make it through the first wave of the crisis. This makes us surefooted in anticipation of the coming years 2009 and 2010," said Sergey Polonsky, Chairman of the Board of Directors of MIRAX GROUP. Thus, in 2008 the total area of the residential and commercial real estate commissioned by MIRAX GROUP was 793,187 sq.m. In particular, the corporation completed upgrading of the Sechenov Academy Pharmaceutics Department building (area of more than 50 thousand sq.m) and modernization of Kursky Railway Station (area: 31.9 thousand sq. m). (source: *Mirax*)

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