



PRESS RELEASE

**PRELIOS: “BLANKENESE” URBAN DEVELOPMENT IN GERMANY SOLD
AT A VALUE OF APPROX 73 MILLION EURO**

- **THE PROJECT (MAINLY OWNED BY PRELIOS AND ING REAL ESTATE DEVELOPMENT) HAS BEEN PURCHASED BY A FUND OF HESSE NEWMAN CAPITAL AG**
- **THE MANAGEMENT AND SERVICES MANDATE CONFIRMED TO PRELIOS FOR 10 YEARS**

Hamburg, 28 January 2011 – The Prelios Group has sold the urban development initiative entitled “**Blankenese Bahnhofspatz**” in Hamburg, Germany, owned by **Prelios (47%), ING Real Estate Development (50%) and other shareholders (3%)**.

The 95% of the important complex, designed and developed by Prelios and totally completed in 2010 has been bought by the German company **Hesse Newman Capital AG** on behalf of its closed-end investment fund Classic Value 2. The operation entails a valuation of the assets of approximately **73 million euro**, 68 million on closing and the remaining 5 million within 30 months, on the effective completion of the renting process (current vacancy is equal to 7% of the total rents).

At this price, which expresses a **multiple of over 16.3** the value of the total rents (equal to approximately 4.5 million euro/year) generates a **total gross gain equal to approximately 5 million euro** on the book value (2% higher of the market value), approximately 2.5 million being Prelios's pro-rata, and a total **cash generation** for Prelios **equal to approx 6 million euro**.

Prelios, which retains around 5% stock, also keeps the service mandate for **property management for a further 10 years**, in line with its positioning as a “*pure asset management company*”, which entails the gradual reduction of the invested capital offset by an increase in assets managed on behalf of third parties. For these services, Prelios will receive a **fee of 4.5%** calculated on the basis of the total rents. Prelios will be also in charge of the agency services (letting) for additional fee.

Located in West Hamburg, in one of the most prestigious parts of the city, “Blankenese Bahnhofspatz” is a mixed-use urban area of more than **22 thousand square metres** (GLA), characterised by an ample and stable tenant base of high standing, with contracts which, on average, will expire in 2023, and housing Prelios's German headquarters. It includes homes, offices and quality commercial spaces, shops and restaurants, as well as parking spaces and is particularly appreciated, in addition to its central location, for the high standards used in the design and construction.

The real estate brokerage and consulting services for the sale were provided exclusively by **Prelios Agency**.

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