

18.10.2006

**Press release**

**DIFA-Global gains ground in Central America**

**Acquisition of Reforma 265 office tower grows Mexico portfolio / Second investment for DIFA-GRUND in Luxembourg**



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Just a few days after entering the Far Eastern market by acquiring the Mobile Telecom Building in Seoul, Hamburg-based DIFA Deutsche Immobilien Fonds AG has made a further investment in an up-and-coming overseas property market. DIFA, the real estate fund arm of the Union Investment Group, has bought the fully let Reforma 265 office tower in Mexico City. The total investment for this 26-storey building amounts to some 87.5 million US dollars. To date, DIFA is the only German real estate fund manager to invest in Mexico. Since entering the Latin American market less than a year and a half ago, the company has built up a portfolio of seven office properties in Mexico City and Monterrey, Mexico's second largest property market. The holdings are divided between DIFA-Global (5) and DIFA-GRUND (2).

In addition to the high quality of the building itself, Reforma 265 benefits from an excellent location on the Paseo de la Reforma in Mexico City's central business district, as well as close proximity to the Mexican Stock Exchange. Completed in 1996, this landmark building has a gross floor area of 23,400 square metres and currently provides prestigious corporate headquarters for 16 tenants from sectors that include telecommunications and finance. "In Mexico we are still seeing initial returns of around eight per cent, as opposed to between five and six per cent in the US. The Mexican economy has the potential for continued stable growth, which is why we are looking at further investment possibilities for our international funds," says DIFA Management Board member Dr. Reinhard Kutscher. Outside Europe, investment by DIFA funds currently includes 17 directly owned properties, as well as interests in property companies, in the US, Canada, Mexico, South Korea and Turkey.

### **DIFA expands its presence in Luxembourg**

In the European property markets, Germany's second biggest investment management company for open-ended real estate funds is increasingly focusing on third-party development projects. Following the acquisition of the L'Unico development project in Luxembourg, DIFA has now purchased a second office and retail project, "Pixel", for some 52.5 million euros. Both these DIFA-GRUND projects are located in the sought-after office submarket of Kirchberg, where vacancies typically run at less than 3%. Pixel's vendor is the listed Belgian company Atenor Groupe. Scheduled for completion in October 2007, this office building is within walking distance of the Auchan shopping centre. It will offer a gross floor area of around 7,730 square metres in a market noted for its rising rental prices.

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