

PRESS RELEASE

DIFA-Global becomes the first German real estate fund to invest in South America

Office building purchased in Chile / International expansion continues under the new name Union Investment Real Estate AG

Following yesterday's entry in the German Register of Companies, DIFA Deutsche Immobilien Fonds AG is now operating under the name Union Investment Real Estate AG. "The change of name and reference to the *Union Investment* brand emphasise our commitment to growth," says Dr. Reinhard Kutscher, a member of the Union Investment Real Estate AG Management Board. "The new name reflects both DIFA's strategic evolution into an international property investment management company and the fact that our property and capital market-related activities have become increasingly integrated in recent years."

Since accessing eleven new national markets in 2005 and 2006, the DIFA funds benefit from an attractive, internationally diversified portfolio structure that will be further enhanced by targeted acquisitions in the established markets, as well as new growth markets. These include the highly promising markets of Central and South America and the emerging markets of Central/Eastern Europe and Asia. Having already gained a foothold in Mexico, *Union Investment* has now become the first German fund manager to establish a presence in Chile, acquiring the Class A "Birmann

24" building in Santiago, the country's capital, for DIFA-Global. This fully-let office block, which offers approximately 24,000 square metres of space, represents a total investment of around EUR 48 million. The property is located in Las Condes, the city centre's biggest office submarket and the area most in demand by international companies. Completed in 1999, the 16-storey "Birmann 24" tower is fully let to leading companies such as Microsoft, JP Morgan, UBS, Merrill Lynch, Hewlett Packard and Linux. At around 2.2 million square metres, the Chilean property market is similar in size to that of Luxembourg and is currently dominated by domestic insurance companies and REITs. "The conditions for property investment in Chile meet the requirements of our investment strategy for DIFA-Global," says Dr. Kutscher. "Chile's financial and legal systems conform to European standards, the economy is experiencing positive growth and the political situation is stable."

Backed by the strong *Union Investment* brand, the company's successful growth strategy is set to continue in 2007 with the addition of new markets. To provide investors with maximum clarity, the DIFA funds are being renamed to reflect their regional focus. Thus DIFA-Fonds Nr. 1 will become Unilmmo: Deutschland and DIFA-GRUND will be renamed Unilmmo: Europa. DIFA-Global's new name will be Unilmmo: Global, rounding off the current Union Investment Real Estate AG product range. These name changes are due to take effect on 1 April 2007, subject to approval by the German Financial Supervisory Authority (BaFin).

Union Investment Real Estate AG

With assets under management of EUR 13.2 billion, Hamburg-based Union Investment Real Estate AG is Germany's second-biggest investment management company for open-ended real estate funds. Part

of the *Union Investment Group*, the company currently manages five funds for private and institutional investors, comprising some 230 properties and projects in Europe, the Americas and Asia. Within the commercial real estate market, Union Investment Real Estate AG is active as an investor and project/property developer, landlord and property seller, as well as providing services across all areas of the market.



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