

2009 review**Union Investment makes property acquisitions totalling 1.6 billion euros****Portfolio expanded with focus on European core markets / Major investment in sustainable buildings**

Union Investment was again one of the most active players in the European real estate market in 2009. The Hamburg-based property fund manager acquired properties worth 1.6 billion euros over the past 12 months. A total of 18 properties and projects were purchased for its six open-ended retail and special funds. "We are very pleased with investment results, given that our focus on core properties in prime locations means that investment potential is limited in many markets," says Dr. Reinhard Kutscher, Chairman of the Management Board of Union Investment Real Estate GmbH. With cash inflows of some 2.63 billion euros, Union Investment's open-ended real estate funds, which are marketed via the Volksbanken Raiffeisenbanken banking network, achieved their best sales since 2003. The company also outperformed the rest of the sector.

As a result of the acquisitions, the funds' holdings in over 26 markets in Europe, the Americas and Asia are even more diversified. Nine new office, hotel and retail properties were acquired in Germany for some 500 million euros, and a further nine properties worth around 1.1 billion euros were purchased elsewhere in Europe. Major real estate acquisitions in 2009 included the Mercado shopping centre in Hamburg's Altona district, the "K" shopping centre in Kortrijk,

Belgium, and the office properties A4C in Paris and 10 Gresham Street in London.

Union Investment has developed its own Sustainable Investment Check to assess the sustainability of potential investments, and has been using it since the beginning of 2009. Properties that fail to meet the standard are ruled out. "Sustainability has become an established part of our investment strategy," says Kutscher. "The acquisitions we have made in recent years have enabled us to create a portfolio of properties with sustainability certificates that is currently worth around 1.3 billion euros."

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