

Construction starts on Trianon building in Prague

Office complex already sold by HOCHTIEF Development Czech Republic s.r.o. to Union Investment Real Estate AG



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Peter Noack, head of HOCHTIEF Development Czech Republic s.r.o, today announced that construction work on the Trianon complex in Prague's 4th district will commence in the second quarter of 2007. Following detailed discussions with the city authorities, who are supportive of the project, final planning permission has now been granted. With the complex already sold to Hamburg-based Union Investment Real Estate AG, this means that realisation and marketing of this ambitious Prague office project can now proceed.

HOCHTIEF Development is building the office/retail complex, which will have a gross floor area of approximately 23,000 square metres and be completed by December 2008, on an 8,000 square

metre site on Budejovická Street. "Prague 4 is one of the key office markets in the Czech capital. At 3% it has the lowest vacancy rate of the city's four main submarkets, so success for Trianon is assured," says Dr. Frank Billand, a member of the Management Board of Union Investment Real Estate AG.

The upper storeys, comprising 18,500 square metres, are dedicated to office space, while the ground floor will feature retail outlets and a restaurant, thereby integrating the building into the surrounding area. Floor layouts can be modified to suit specific user requirements. There is also underground parking for 298 cars plus 8 spaces for visitors. Trianon's central location is enhanced by direct access to the D1 motorway, Prague ring road and public transport. The plans for Trianon are the work of highly respected Prague architects Pata & Frydecky.

Noack reports strong interest from potential tenants even before building work gets under way. HOCHTIEF Development and Union Investment Real Estate expect to sign the first leases before the end of the year.

Union Investment Real Estate acquired the Trianon project for its Unilmmo: Europa (formerly DIFA-GRUND) open-ended fund by purchasing a property company. The Prague portfolio of this Union Investment Real Estate AG fund also includes a 49% stake in HOCHTIEF's Technopark Pekarska project, as well as a 49% stake in Danube House. Designed by Kohn Peddersen Fox, multi-award-winning Danube House is located in Prague's River City.

HOCHTIEF Development Czech Republic has been operating in the Czech Republic since 1997. In its second year, the company started work on its first office project in Prague,

the Hadovka Office Park. This was followed in 2000 by the construction of further office premises as part of the Technopark Pekarská project in Prague's 5th district. Both projects were acquired by Europolis Real Estate Management s.r.o. HOCHTIEF Development Czech Republic is currently engaged in other projects involving total investment of approximately 200 million euros.

HOCHTIEF Projektentwicklung has been developing, realising and marketing real estate projects in Germany and other countries since 1991. The company focuses on office, hotel and special-purpose properties in central and near-central locations, and is Germany's leading inner-city developer in these segments. Retail and logistics properties are emerging as new product market segments. The company aims to sell projects to a final investor at the earliest possible stage; HOCHTIEF Projektentwicklung does not hold a property portfolio of its own. For more information visit www.hochtief-development.com.

Union Investment Real Estate AG: Hamburg-based Union Investment Real Estate AG (formerly DIFA) is a leading European property investment manager with assets under management of EUR 13.2 billion. 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.

For more information visit: www.union-investment.com/realestate

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