

## **First investment completed in Kuala Lumpur for Union Investment Real Estate fund**

*Union Investment Real Estate enters another new market in Asia Pacific*

Union Investment Real Estate AG starts off into 2008 entering another new market in Asia after growing its portfolio in Asia Pacific during a very successful year in 2007. The Hamburg-based Investment Management Company has completed a further deal in Asia. The Union Investment Real Estate AG has signed binding agreements to acquire the 41-storey CapSquare's office tower of the *Capital Square Development Project* in midtown Kuala Lumpur, for its open-ended real estate fund Unilmmo: Europa (ISIN: DE0009805515).

CapSquare office tower is a grade-A office building which will be completed in the first half of 2010. The CapSquare project is an integrated development that comprises commercial, residences and retail outlets. Located on over 15.2 acres in midtown Kuala Lumpur, the project is expected to provide an impetus to rejuvenate the midtown area. The office block comprises of some of 600,000 square feet net lettable area within the CapSquare development and is expected to be fully let upon completion. This investment of around 100 Million Euro in total marks the first Malaysia investment for Union Investment Real Estate AG. "The economy in Malaysia and the office market fundamentals in Kuala Lumpur are strong and vacancies tend to be low in this location and are continuing to decline. In a growing market with limited supply, strong demand and rental growth outlook, *CapSquare* is positioned as a very attractive investment opportunity," says Michael Montebaur, member of the Union Investment Real Estate AG Management Board.

With the opening of an overseas office in the Asian region, Union Investment has gained the foothold it needs to access the dynamic local markets. The company's first investments in Asia were made only in 2006 with the acquisition of two Properties in South Korea and a successful year 2007 with several investments in Japan and Singapore.



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Steffen Wolf, Managing Director of the company's subsidiary in Singapore, says: "This is an important first investment for Union Investment, opening the door to the Malaysian market where we continue to see excellent opportunities. We will pursue looking not only into the Malaysian market, but we will also continue to grow beyond. Despite the heightened competition for assets, there are still a number of excellent opportunities that match our investment profile."

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