

DIFA-Fonds Nr. 1 benefits from strong investor demand in Germany

Hamburg-based DIFA Deutsche Immobilien Fonds AG has sold four DIFA-Fonds Nr. 1 properties in recent weeks for a total of 371 million euros. The sales prices of the four properties exceeded the expert valuation figures by an average of 6 per cent.

DIFA sold the City-Point shopping centre in Braunschweig to Scottish Widows Investment Partnership (SWIP) for approximately 60 million euros. Part of the Lloyds TSB group, SWIP is one of Europe's biggest asset management companies and has a global presence. "This transaction represents our first strategic investment in Germany," explains Robert Matthews, investment director at SWIP. The corporate finance arm of Cushman & Wakefield advised SWIP, while DIFA received support from Jones Lang LaSalle. ECE Projektmanagement will continue to manage the centre long term.

In addition, Tishman Speyer acquired a building complex on Brienner Strasse/Augustenstrasse in Munich. The anchor tenant is the Serviceplan Group, Germany's biggest owner-managed advertising agency, which has a lease until 2016.

Irish investment company Davy, a subsidiary of the Bank of Ireland, acquired the "Spitalerhof" building, which is situated close to the main railway station in Hamburg on one of the city's

busiest shopping streets. Cushman & Wakefield advised DIFA on this transaction with CB Richard Ellis providing support for Davy.

DIFA also took advantage of strong demand for fully let, new office buildings in Paris by selling the 23,700 square metre “Equinox” property to Morgan Stanley Real Estate.

As part of its active portfolio management policy, DIFA is leveraging the interest of foreign investors in the German property market to realise profits. “Following increased interest in retail property, investors are now also focusing on office properties,” explains Dr. Frank Billand, the DIFA board member responsible for sales and acquisitions in Germany.

Over the last fiscal year to 31 March 2006, nine transactions and a partial sale of a property were completed as part of a rebalancing of the DIFA-Fonds Nr. 1 portfolio. This exercise involved the disposal of properties to the value of EUR 722.2 million euros.

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