

Union Investment acquires shopping centre development in Kayseri, Turkey

Third Turkish investment by Union Investment / Fund manager aims to benefit from dual growth effect in Turkey



Union Investment Real Estate AG has invested some EUR 130 million in a joint venture to develop the Forum Kayseri shopping centre in Turkey, teaming up with local developer Multi Turkmall (MTM) of Istanbul, Turkey. MTM is part of the Multi Corporation company with its head office in Gouda, the Netherlands and operations in 20 countries. Situated in the capital of Kayseri Province in southeast Anatolia, upon completion in 2009 the mall will offer around 66,500 square metres of rental space. It represents a further fast-growing addition to the investment locations covered by the Unilmmo: Europa real estate portfolio. Union Investment's real estate funds already include holdings in the Turkish retail market in the shape of a competitive centre project in Mersin and the first Media Markt store development in

Istanbul. "Shopping centre investments in Turkey are particularly attractive at present because initial returns here are still significantly higher than in Western Europe," says Michael Montebaur, deputy member of the Management Board of Union Investment Real Estate AG. The risks associated with investing in an emerging market are much reduced in Turkey due to a dual growth effect – high economic growth and an increasing population with pent-up consumer demand.

With 600,000 inhabitants, the city of Kayseri is one of Turkey's fastest growing industrial cities in both demographic and economic terms. Forum Kayseri itself is located between the city centre and an expanding residential area with an affluent population. Some 1.1 million people with above-average (for Turkey) purchasing power of EUR 1,673 per capita live in the centre's catchment area. "Forum Kayseri will create a new, modern type of retail experience in a region with important industrial and trading activities where both purchasing power and retail sales can be expected to rise steadily," adds Montebauer.

About Union Investment Real Estate AG

Union Investment Real Estate AG is a leading international investment management company specialising in open-ended real estate funds for private and institutional investors. Assets under management amount to EUR 13.1 billion. The portfolios of Union Investment's open-ended real estate funds comprise some 150 properties and projects in Germany, Europe, the Americas and Asia. Within the commercial real estate sector, the Hamburg-based company is active as an institutional investor, developer and landlord. Active in the property investment business for over 40 years, Union Investment Real Estate now operates in 20 countries around the world, with approximately 50% of property assets located in countries outside the domestic market.

About Multi Corporation

Multi Corporation (formerly AM) comprises a group of companies carrying out various disciplines throughout Europe in *property development (Multi Development)*, *investment (Multi Investment)*, *asset management (Multi Asset Management)* and *mall management (Multi Mall Management)*. With a Morgan Stanley Real Estate Fund as its new financial partner, Multi has strengthened its position to become an investing developer and move forward on its path to further growth. Multi's strategy is and remains focused on developing projects in European countries where significant growth is expected

Across Europe, Multi's inner-city projects, shopping centres and business parks appeal to peoples' imagination. The 'Design & Development' formula strongly focuses on design quality and Multi has its own design group - T + T Design - for urban development and architectural concepts. Multi's projects are internationally recognized for their original and innovative nature, quality of architectural character and profound sensitivity to the blending of urban design. Our developments regularly act as the engine for regenerating a city or region. By respecting local culture and style we develop projects with which people can easily identify. Multi Development's activities in 18 countries in Europe are conducted from offices in the Netherlands (head-office), Belgium, United Kingdom, France, Germany, Czech Republic, Poland, Spain, Portugal, Italy, Greece, Turkey and Luxembourg.

Press contact**Union Investment Real Estate AG**

Head of Real Estate Marketing, Communication

Fabian Hellbusch

Caffamacherreihe 8

20355 Hamburg, Germany

Tel: +49 40 3491 9160, Fax: +49 40 3491 9190

E-mail: fabian.hellbusch@union-investment.de

Internet: www.union-investment.com