

Presse release

Hamburg, 9 february 2006

New investments for DIFA-GRUND in the Czech Republic and Spain

Open-ended real estate fund invested some 685 million euros in 2005 / Continued regional diversification



The open-ended real estate fund DIFA-GRUND (ISIN DE0009805515) has made further substantial investments in Europe, to the tune of some 177 million euros. With gross liquidity currently at a substantial 28 per cent, this European fund managed by DIFA Deutsche Immobilien Fonds AG recently completed purchases in Prague and Jerez de la Frontera. The fund acquired the Trianon office development in Prague by taking over a property company. Upon completion in Q4 2007 this project, developed by Hochtief, will offer approximately 20,000 square metres of office and retail space in the established Prague 4 office district. The investment amounts to some 47 million euros, while a general lease with vendor Hochtief Project Development provides effective hedging against letting risk. Purchasing the Trianon complex means DIFA is represented in the four main markets of the Czech capital by way of architecturally outstanding, premium properties. Other holdings in Prague for DIFA-GRUND include the multi-award-winning Danube House designed by Kohn Peddersen Fox. Situated in the up-and-coming River City office location, this particular property was acquired in January 2005.

Already active in Barcelona and Madrid, the fund is now also taking advantage of investment opportunities in Southern Spain. In Jerez de la Frontera, DIFA-GRUND has entered into a

forward funding commitment for Area Sur, its first shopping centre on the Iberian Peninsula. DIFA's total investment in the retail project amounts to some 130 million euros, with completion scheduled for spring 2008 at the latest. The developer is Spanish shopping centre developer Chamartin Inmobiliara. Located on the northwest bypass, the new centre is close to the centre of Jerez de la Frontera, whose 192,000 inhabitants make it the largest town in Cádiz province. With around 45,000 square metres of retail space, a 4,000 square metre multiplex cinema and 2,500 parking spaces, Area Sur will target a catchment area of some 450,000 people. Its role as a popular tourist destination on the Costa de la Luz means that Jerez also offers additional potential footfall. An IKEA store due to be built near the shopping centre will further strengthen the location.

DIFA-GRUND diversified its portfolio considerably during 2005 by investing around 685 million euros in ten properties in Southern, Central and Eastern Europe, as well as in North America. The sale of properties in Germany, Spain and the USA yielded proceeds of some 348 million euros. In all cases, proceeds from properties sold by DIFA-GRUND both in Germany and abroad exceeded the most recent expert valuation figures.

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