

Union Investment Real Estate/DIFA completes sale of The Bishopsgate Tower

The German capital investment company Union Investment Real Estate AG (formerly DIFA, Deutsche Immobilien Fonds AG) has today successfully exchanged contract with The Pinnacle Limited, an off shore investment vehicle sponsored by Arab Investments Limited, for the sale of its interest in The Bishopsgate Tower which will allow the next phase of development for the City's tallest building to proceed. Both parties agreed to keep the details of the contract confidential. The Pinnacle Limited is backed by private and institutional equity investors in the Gulf.

Good progress has already been made with the design and other development activities which will allow the first phase of demolition and preliminary building works to commence over the next few weeks.

From the outset, Union Investment/DIFA who are advised by Savills knew that it would need strong funding partners to realise a project of this scale so it began talking to potential bidders in October 2006. Union Investment/DIFA's sale to The Pinnacle Limited not only means that it has a commitment in place for more than its original investment in the scheme but it has also secured the right party to deliver the project over the long term. Arab Investments has announced that it will be renaming the building as The Pinnacle.

Dr Frank Billand, Member of the Board of Directors of Union Investment Real Estate AG, said: "We are delighted that we have now completed the sale of The Bishopsgate Tower. This will allow the project to start the scheme now that it has received final planning consent from the City of London."

Union Investment will continue to have an ongoing commitment to the London market, which currently includes our co-investment in an office development scheme in Paddington and our Austral House development in the City, and will look at other investment opportunities in the future."

For further information please contact Ian Lindsley at Jefferson – 020 7256 8912 or 07887 681561



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Notes to Editors

The Bishopsgate Tower will become the tallest and largest building in prime City at 60 storeys and 288m tall. Large, flexible floor plates of up to 2,381 square metres are created on the lower floors. As the tower tapers upwards, floor plates reduce to create unique double height spaces at level 57. The overall gross external area of the development is 131, 511 square metres, offering approximately 88,000 square metres (circa 950,000 sq ft) of office accommodation over 47 floors between levels three and fifty three. Three levels of retail in the base provide a new concentration of public activity on Bishopsgate and St Helen's Square. A total of 2,026 square metres A1 and A3 use is proposed on the Ground, 1st and 2nd floors.

Since the early 1990s Union Investment/DIFA has been part of the London property market with a current portfolio of 7 office and hotel properties. It is funding One Coleman Street in the City, the 180,000 sq ft new headquarters of Legal & General. In addition, Union Investment/DIFA co-invests in an office development scheme at Paddington Central.

In January 2007 "DIFA AG" has changed its name to "Union Investment Real Estate AG" to reflect the growing integration of its capital and property market related activities.