

Union Investment acquires Holiday Inn Express hotel project in Dresden

Union Investment has acquired the Holiday Inn Express hotel development in Dresden for one of its special open-ended real estate funds. The vendor is Foremost Real Estate Dresden GmbH, which is developing the three-star hotel for operator Foremost Hospitality HIEX GmbH. Located on Dr. Külz-Ring in downtown Dresden, the 218-room hotel is the first Holiday Inn Express in the city and scheduled to open in summer 2011. There are currently some 2,100 Holiday Inn Express hotels worldwide, including 19 in Germany.



With its first hotel investment in the capital of Saxony, Union Investment is expanding its extensive hotel portfolio in the midscale segment. The Holiday Inn Express Hamburg City Centre was added

to the company's holdings in 2008 and is also operated by Foremost Hospitality HIEX GmbH. In addition, the Hamburg-based property fund manager acquired Motel One Hamburg am Michel a year ago. Union Investment's hotel portfolio is broadly diversified in terms of both region and operator. It comprises 25 properties and projects worth 1.7 billion euros in total.

Notes to Editors

Usama Dessoky, Executive Chairman of the Foremost Group: "This transaction offers tremendous benefits for buyer and seller. Union Investment gains an asset in an excellent location, while the income is secured by a well capitalised operator with a proven track record even under very tough market conditions. The seller will realise equity to continue its expansion programme of developing twenty Holiday Inn Express hotels in Germany."

Dr. Frank Billand, member of the Management Board of Union Investment Real Estate GmbH: "Union Investment is pleased to be able to diversify its hotel portfolio and broaden its cooperation with Foremost as one of the leading operators of Holiday Inn Express hotels in Germany. The Holiday Inn Express hotel in Dresden is the second hotel in the Union Investment portfolio to be operated by Foremost as a franchisee of IHG. Franchising will play an important role in the future growth of the hotel industry, so Union Investment has a substantial interest in identifying the best products and franchise partners in the market."

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