



LB Immo Invest

PRESS RELEASE

LB Immo Invest expands Fund building block system with a US-Fund

After having issued six special use Funds, the building block segment now focuses on the first US Fund.

“LB Government-Invest USA I” exclusively invests in US-Government buildings.

According to a survey, 30 percent of institutional investors currently see good opportunities in the United States.

Hamburg, November 2007 The Real Estate Investment Company LB Immo Invest expands its Fund building block system with its first US Fund, LB Government-Invest USA I. The new Real Estate Special Fund invests exclusively in office buildings occupied by the US-Government and other State Agencies such as Immigration Services, Social Security, Homeland Security and Employment Agencies. The planned volume of the Fund is a minimum of US \$300 million. More than 10 properties with individual volume ranging from US \$15 to \$30 million will be purchased. The focus is on locations in attractive regions across the USA.

The local exclusive partner of LB Immo Invest is Genesis International LLC, a renowned Real Estate service provider that specializes in the purchase and sale of US Government leased buildings and their property and asset management. With its LB Government-Invest USA I, LB Immo Invest is aiming for an annual cash flow of at least 6%. The target IRR on a 10 year basis is between 7% and 8%. Minimum participation is US \$10 million. In choosing investors, LB Immo Invest is concentrating on insurance companies, pension funds and foundations.

Special segment of Government buildings

Tenants in this special segment of Government buildings are agencies of the US Federal Government that have extremely high credit worthiness.

The typical length of the leases is at least 10 years. The US real estate market is one of the largest and most important worldwide. Moreover, many institutional investors see the current exchange rate situation as an opportunity says Sebastian Thürmer, Head of Investor Management and Research for LB Immo Invest. The LB Government-Invest USA I offers the opportunity to invest in a new special segment with exceedingly high credit worthy tenants.

Institutional investors affirm their interest in the US market

Institutional investors view the current situation as an opportunity for entry into the US real estate market. According to the results of a recently published survey by LB Immo Invest with 30 institutional investors, at least 30 percent want new investments in the US or will increase their portfolios in spite of the subprime crisis.

Seventh Fund building block

LB Immo Invest continues its tradition of the building block principle with the LB Government-Invest USA I. Fund issues of the last years include LB Handels-Invest Deutschland I (retail Germany 2002), LB Büro-Invest Europa I (office Europe 2004), LB Wohn-Invest Deutschland I (residential Germany 2005) und LB Handels-Invest Europa I (retail Europe 2005). This year sees the start of the LB Pflege-Invest Deutschland I, which invests in foster homes in Germany and the LB Hotel-Invest Deutschland I, which focuses on 2 to 4-star hotels in the vicinity of major cities in Western Germany. After issuing six special use Funds, this is the first initiation of a US Fund. The contributions shall be issued within the next months. The building block system of LB Immo Invest distinguishes itself from traditional Funds through concentration on special use such as retail, residential or hotel for each Fund building block. Investors can allocate their capital in building blocks of different special use properties and thereby realize their individual risk–return profile. They can use the building block principle to build and adapt their individual portfolio thus building their own Fund of Funds.

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About LB Immo Invest

LB Immo Invest GmbH is the real estate investment company of the HSH Real Estate AG, the Real I.S. AG and the State Bank of Hessen-Thüringen. The main focus of activities is real estate special Funds. LB Immo Invest was the first to release, next to its individual Funds, real estate special Funds based on the building block system. Contrary to traditional Funds, these building blocks concentrate on individual uses. The concept of the Fund building blocks is to offer institutional investors, for the first time, the option to combine separate Funds with different investment categories and thereby realize their individual risk–return profile. The investments can be increased at any time. The innovative building block concept was developed by LB Immo Invest and represents a quantum leap in the open-ended real estate special Funds market.