

## **Press Release**

Luxembourg / Zug, January 12, 2010

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### **CORESTATE Capital AG to turn around 4,700 apartments in Germany**

BGP Investment s.à r.l. (BGP) and CORESTATE Capital AG, Zug (CORESTATE) have entered into a comprehensive agreement in respect of approx. 4,700 apartments located predominantly in Western Germany. The portfolio comprises over 300,000 sqm of lettable space and currently carries approx. €150mn of debt financing. Under the terms of the proposed transaction, a holding company of CORESTATE Group will be assuming ownership of the portfolio from BGP and implementing a comprehensive investment and capital expenditure programme. The transaction remains subject to consents to be granted by – inter alia – the existing financing parties. This consent has to be obtained by the end of February 2010 for the transaction to complete successfully.

Commenting on the transaction, Mark Dunstan, Managing Director of BGP said: "This is the first transaction to be signed as part of our strategy to dispose of our non-core property interests in Germany. We are pleased to execute it on terms which allow us to focus our investment management efforts on the remaining assets."

Ralph Winter, Founder of CORESTATE stated: "We plan to add these 4,700 apartments to CORESTATE's extensive base of residential properties, for which we have already achieved significant improvements. We are now looking forward to bringing the former BGP estate forward with our expert asset management team."

#### **Background information**

BGP Investments s.à r.l. (BGP) is a Luxembourg-based private company that was originally the investment vehicle of the Joint Venture between Australian companies Babcock & Brown Ltd and the GPT Group. It has recently been spun off by GPT to its shareholders by means of an "in-specie dividend" with effect from 12 August 2009. BGP and its affiliates hold ownership interests in a residential portfolio of ca. 30,000 flats (and 996 smaller commercial units; total lettable area: 1.9 million sqm), an industrial portfolio with 107 properties and 1.65 million sqm of gross lettable area and an estate of 52 retail properties with 360,000 sqm of gross lettable



area. It is BGP's intended strategy to realise its assets over the next few years and return any net income or capital to its investors. See [www.bgp-investment.com](http://www.bgp-investment.com) for more details.

CORESTATE Capital AG (CORESTATE) is a real estate private equity firm based in Zug, Switzerland. CORESTATE advises several investment funds holding property assets located in Germany. Acting on behalf of international institutional investors, high net worth individuals and other fund partners, CORESTATE is active as an investor, asset manager and property developer. For more details, please see [www.CORESTATE-capital.ch](http://www.CORESTATE-capital.ch)

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