



Acquisition of Curanis Group , 8<sup>th</sup> February 2008



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Group

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# Agenda

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- Executive Summary
- Description of Curanis Group
- Strategy
- The German market for residential property management services
- Financials

# Executive summary

A significant step to an integrated residential real estate service company

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## Curanis

- Second largest property manager in Germany
- Some 600 employees in approximately 250 locations manage more than 53,000 units, with a value of EUR 4bn
- Residential and commercial units, concierge and maintenance services as well as additional services

## Acquisition

- Vivacon has acquired a 80% stake from the current owners and management of Curanis group as per 01.01.2008
- Vivacon has an option to purchase the remaining 20% in 6 years
- The consideration has been paid in cash from specially-arranged bank funding
- No redundancies as the businesses are entirely complementary

## Strategy

- Completion of the value chain by adding nationwide property management to the asset management platform
- Curanis brand will continue to operate independently and existing management team will stay on board long-term
- Oliver Priggemeyer (Vivacon COO) to join Curanis executive board

## Potential

- Optimisation potential during holding period of residential portfolios through greater standardisation
- Additional residential units for property management originated by Vivacon
- One-stop-shopping acquisition and management solutions for institutional investors
- Mid-term goal is to manage more than 100.000 apartments with more than EUR 10bn assets under management

## Figures

- In 2007, Curanis is expected to generate some EUR 25m in revenues (+22% yoy) with an EBIT Margin of some 10%
- In 2008, revenues are forecasted to increase to c. EUR 30m, an increase of 20%

# Curanis Group

Largest nationwide property manager in Germany



- Curanis, based in Munster (Lower Saxony), is one of the largest property managers in Germany with c. EUR 4bn in property assets under management
- Company was founded in 1980. Curanis was taken over in 2000 by Henry Peters, who will remain an executive board member until at least 2010
- The other selling shareholders, Frank and Jessica Becht, will retain their operational responsibilities for at least five years following the transaction

## 250 locations throughout Germany



## Curanis Management



Henry Peters

### Finance and technical property management

- CEO since the take-over of Curanis in 2000
- More than 25 years market experience



Jessica Becht

### Group coordination and residential property management

- Study of real estate economics
- Member of Curanis senior management since 2000



Frank Becht

### Commercial property management and new customer acquisition

- Branch manager of Deutsche Bahn real estate, 1996-2000
- Branch manager of Catella in Frankfurt, 2001
- Member of Curanis senior management since 2001

# Curanis Group

Full range of property management services

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- Main focus is residential property management with some 53,000 units under management
- Successful expansion into commercial property management in recent years

## Property management services

Revenue 2007E: EUR 9m (37% of total)

- Rent collection
- Rental management
- Operating and heating cost settlement
- Reporting

## Concierge & maintenance services

Revenue 2007E: EUR 13m (52% of total)

- Property maintenance and repairs
- Cleaning services
- Snow clearance
- Garden maintenance
- Modernisation projects

## Additional services

Revenue 2007E: EUR 3m (12% of total)

- Receivables management
- Letting services
- Insurance brokerage
- Consultancy projects



# Property management market

Tremendous market potential for property management services

- Fragmented market with few large national players
- Market participants are generally either private, non-listed companies or part of larger real estate groups (e.g. GAGFAH)

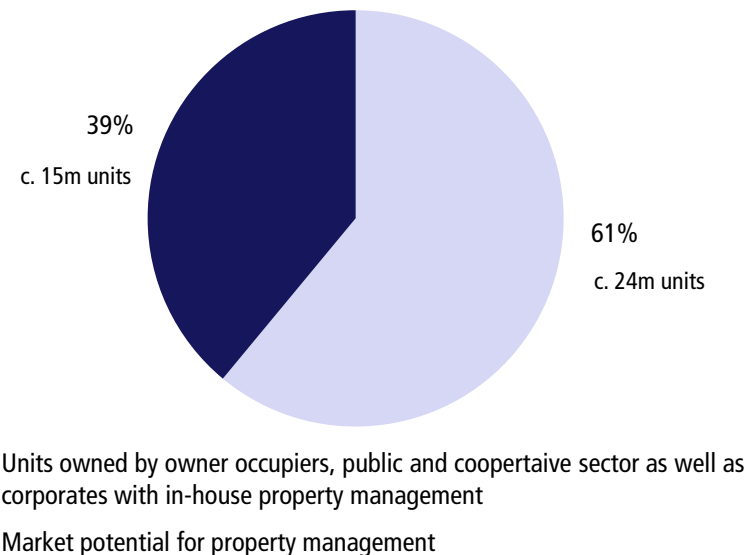
## German residential market (in m units)

Total number of residential units	38.70
Home ownership ratio in %	43.00
Potential number of residential units for property management services	22.10
- units owned by public sector	-2.60
- units owned by cooperative sector	-2.30
- owned by companies with in-house property management	-2.10
<i>-thereof Deutsche Annington</i>	<i>-0.22</i>
<i>-thereof GAGFAH</i>	<i>-0.17</i>
<i>-thereof Pirelli Real Estate</i>	<i>-0.07</i>
<i>-thereof Evonik</i>	<i>-0.06</i>
<i>-thereof Foncière des Régions</i>	<i>-0.04</i>
<i>-thereof others</i>	<i>-1.50</i>
<b>Market potential for property management</b>	<b>15.00</b>

Source: DB Research, DIA 2006, Deloitte, Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V., company homepages, Vivacon estimates

## Potential market for property management services

Total German residential market: c. 39m units



Source: DB Research, DIA 2006, Deloitte, Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V., company homepages, Vivacon estimates

# Current market dynamics

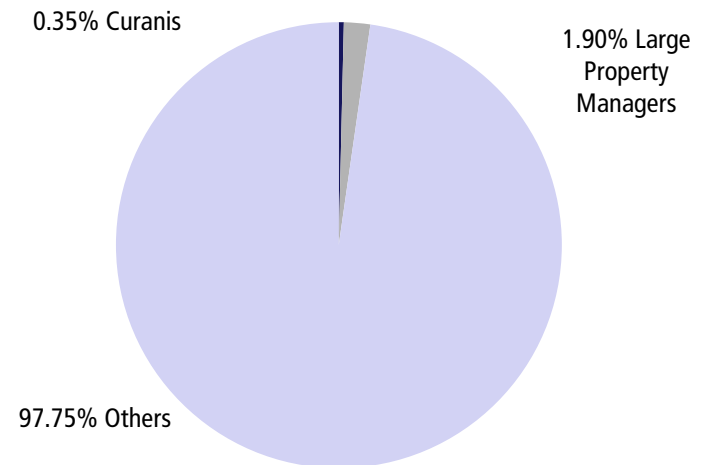
Strong opportunity for nationwide property managers due to current market developments

- Increasing number of international investors who have acquired large residential portfolios over the recent years
- Rising professionalism due to new owners leads to increased requirements from property managers in the form of accounting and reporting (e.g. monthly, multi-language, international accounting standards, etc.)
- We expect to see a market polarisation between the many small local operators with predominantly local German clients and large national players with infrastructure throughout Germany and the capacity to serve institutional clients at the highest level

## Large nationwide property managers (>5,000 external units under management)

Property manager	residential units
Curanis + Vivacon	58.000
Krüger Immobilien	57.000
<b>Curanis</b>	<b>53.000</b>
Treureal	45.000
BauGrund	33.000
Alt & Kelber	24.000
Präzisa	20.000
Corpus / Sireo	18.000
Dr. Wentzel	12.000
Immonova	10.000
Patrizia	8.000
TAG Tegernsee	7.000

## Potential market for property management services



Source: company sources

Source: DB Research, DIA 2006, Deloitte, Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V., company homepages, Vivacon estimates





## Market dynamics and Curanis market position

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### Market dynamics

- Very few truly national players
- Ever greater investor demands for detailed reporting
- Ability to profit from high market growth
- Investors are looking for reliable partners

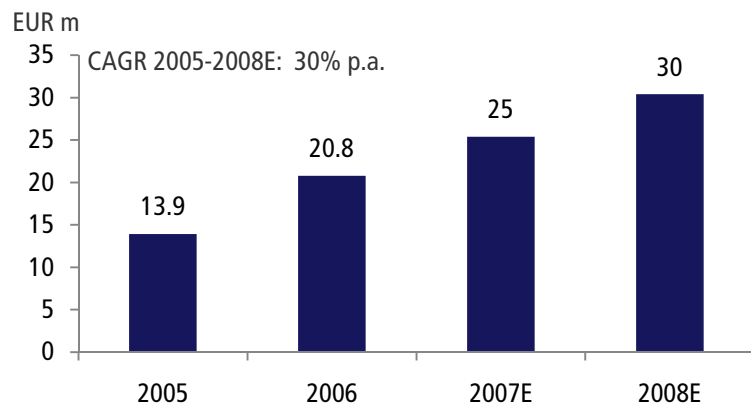
### Curanis market position

-  Curanis active throughout Germany
-  Curanis has recently implemented the RELION software package, the market's most modern property management system
-  Curanis has developed a highly scalable business model with substantial centralisation
-  The Curanis brand name stands for quality and reliability

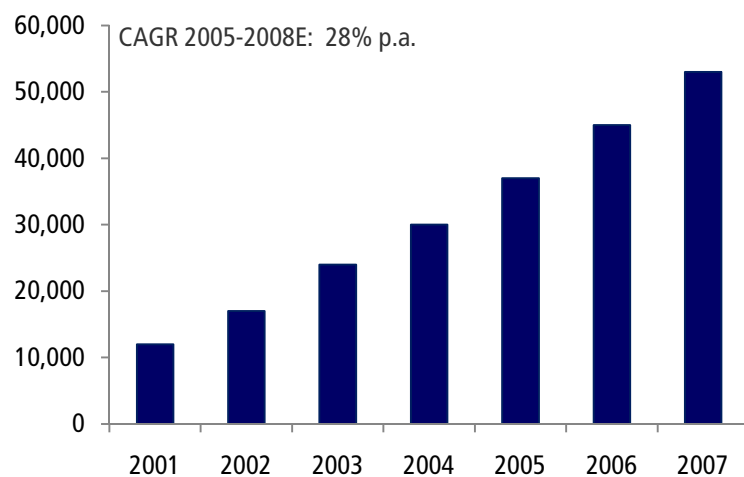
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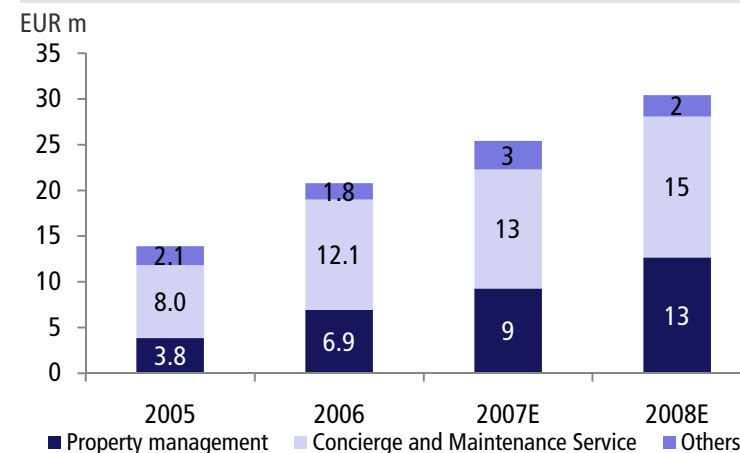
## Revenue development



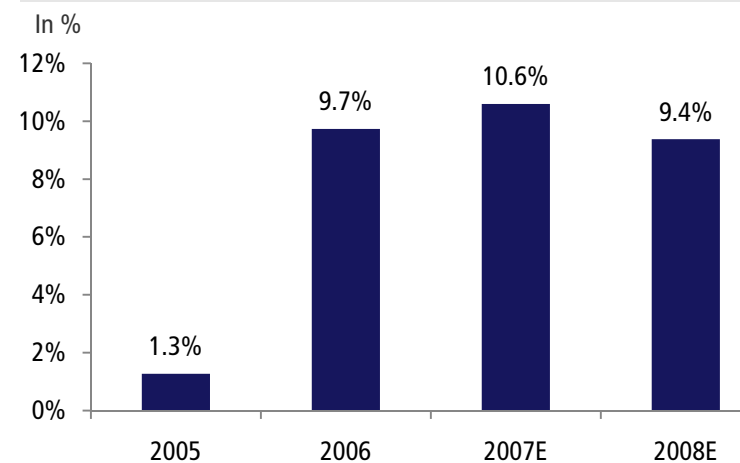
## Number of units under management



## Revenue split development



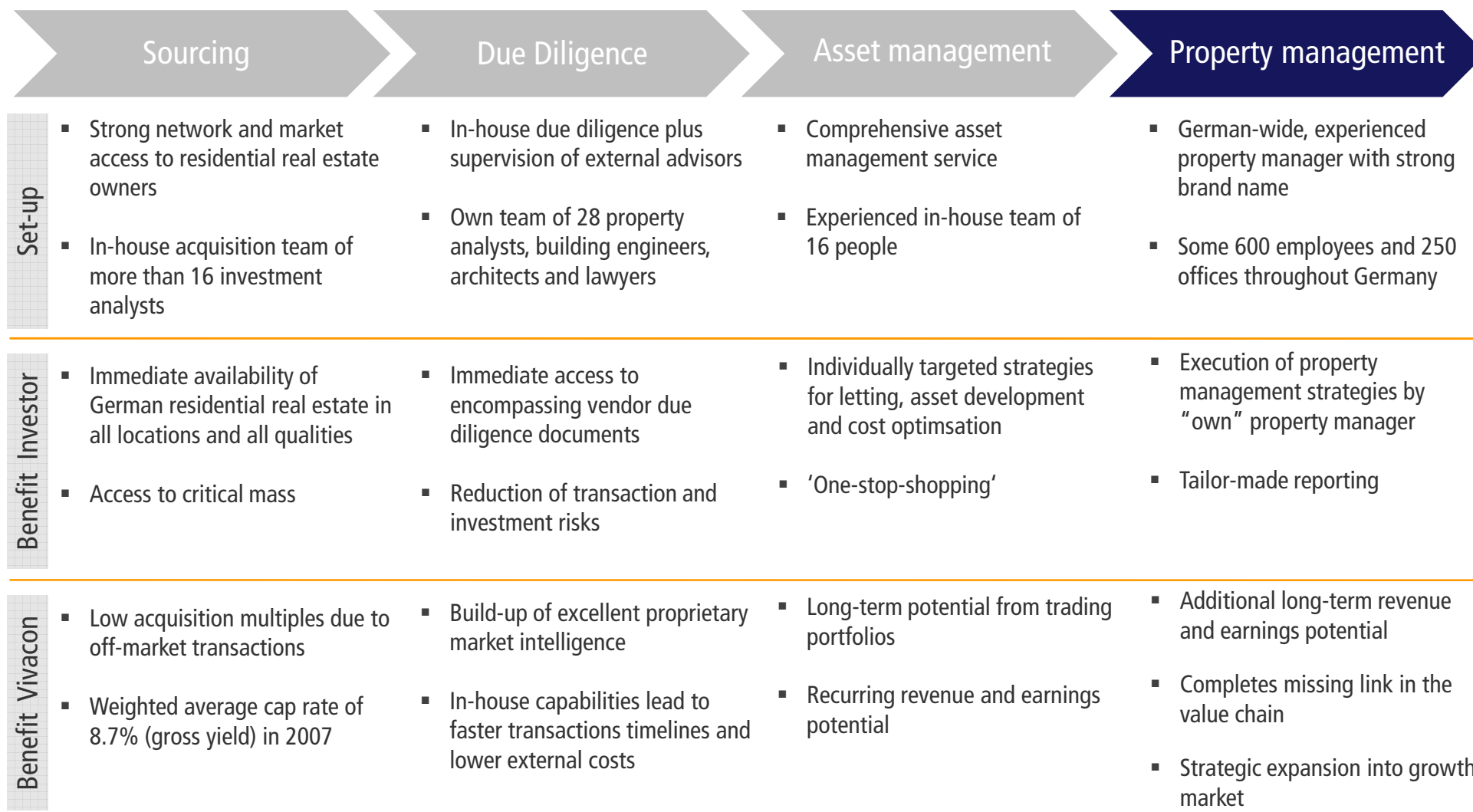
## EBIT margin development



# Integrated residential real-estate services group

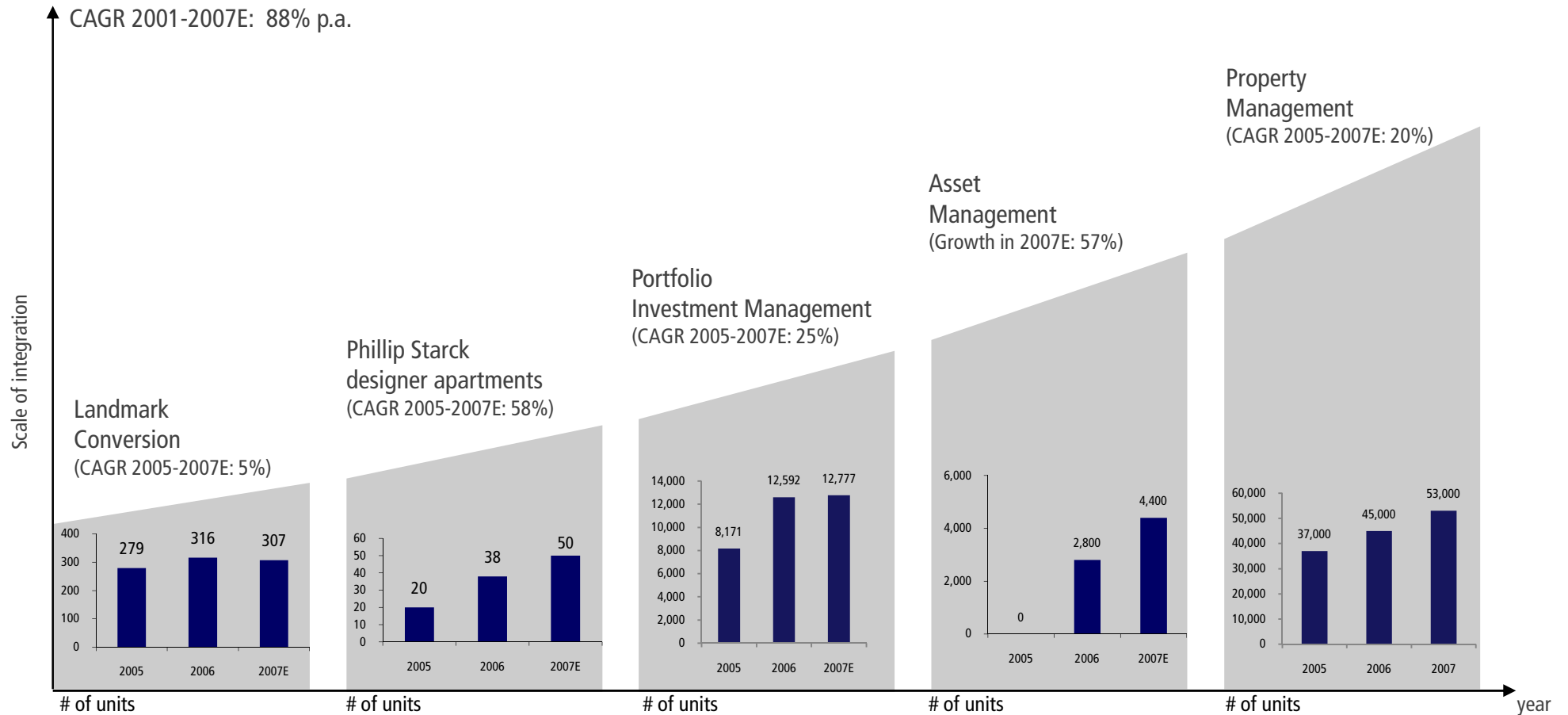
The 'one-stop-shopping' value proposition for institutional investors

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# Strategy

Evolution of the business model: creating a fast growing, integrated real estate company



# Business potential through Curanis group

Further areas of growth

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- Combined activities (asset management and property management) offers further common business potential:
  - Possible to offer 'one-stop-shopping' asset management solutions to institutional investors
  - Added value through management optimization of trading portfolios (rental income and operating costs)
  - Origination of additional residential units for property management through Vivacon's transaction activities (e.g. in 2007 Vivacon acquired approximately 17,400 residential units)
  
- Growth potential of property management market from:
  - Increasing property management outsourcing activities by large owners with own property management
  - Regional growth at the expense of local operators

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