

RNS Deutsche Land Plc DLD Restoration of trading on AIM  
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Deutsche Land Plc  
05 January 2007

Deutsche Land Plc ("Deutsche Land" or "The Company")

Proposed acquisition of the Main Airport Center, Frankfurt ("MAC")

Restoration of trading on AIM

The Board of Deutsche Land announces that a new admission document has been posted to shareholders today. Accordingly, trading in the shares of Deutsche Land has been restored.

#### Information on the Acquisition

MAC is located approximately one kilometre to the north of Frankfurt International Airport (the 'Airport') Terminal 2 and the Airport Inter City Express railway station. MAC and the Airport are separated by the B43 trunk road. MAC is adjacent to one of Germany's busiest motorway intersections, the Frankfurter Kreuz, where the major east to west motorway A3 (Cologne to Nuremberg) and the southern half of the major north to south motorway A5 (Kassel to Basel) are linked.

The Inter City Express railway adjacent to MAC and serving the Airport is part of the European rail network with through trains to major national and continental European destinations. The Rhine Main Rapid Transit Network additionally serves the Airport via a separate underground railway station which connects the Airport to the cities of Frankfurt, Wiesbaden and Mainz.

The five star hotel Steigenberger is situated immediately adjacent to MAC. On the opposite side of the B43 the former US Army barracks are currently in the course of redevelopment for use as commercial property.

MAC was completed in 2005 and comprises 54,077 sq.m. of lettable space, with a separate parking unit comprising parking for 1,480 cars and a petrol station. The building has 10 and, in parts, 11 upper floors together with basement and mezzanine floors. The lettable area is split between 52,117 sq.m. of office space, 1,180 sq.m. of storage and 779 sq.m. of restaurant area. 32,572 sq.m. of the building is currently let at an annual rental of €8.8 million (including €2.2 million of car parking charges, storage and other income) to tenants including Lufthansa, Dell and Nortel.

As MAC is a new building and is not yet fully let, Tishman Speyer Deutschland GmbH (the 'Vendor') originally offered a three year rental guarantee ('the Rental Guarantee') on the unlet space, on which basis Deutsche Land and the Vendor provisionally agreed a price of €217 million. The Rental Guarantee would have guaranteed a minimum rental on the unlet space such that the annual rental on the whole building would have been €12.9 million per annum for three years calculated to provide rental income on the unlet space on similar terms to the

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space already let. The total maximum value of the Rental Guarantee would have been €17.0 million.

Following further negotiations, it was agreed that Deutsche Land would waive the right to the Rental Guarantee in exchange for reducing the acquisition price to €202 million. This approach has the benefit to Deutsche Land of providing it in cash with €15 million of the maximum €17 million payable under the Rental Guarantee whilst eliminating any potential credit risk. Furthermore, Deutsche Land will benefit from all new rental income as and when vacant space is let whereas, under the terms of the Rental Guarantee, in the first three years any new rental income would first have reduced the amount payable under the Rental Guarantee.

The building is being sold in a special purpose, single asset company, the shares of which will be acquired as to 94 per cent. by Deutsche Land and as to 6 per cent. by Deutsche Real Estate B.V. ('DREB'), a company controlled by members of the Manager. Under an agreement to be entered into between Deutsche Land and DREB, there are certain provisions which serve to ensure that Deutsche Land may determine the timing and terms of any future sale of MAC. Total acquisition costs are expected to be not more than €4.5 million. The Acquisition is to be financed by €180 million of debt under a secured loan facility against which the Company is providing additional security by way of cash collateral of approximately €15 million, with the balance being provided from the Company's cash resources.

The valuation prepared by Cushman and Wakefield for the Company and its bankers values MAC at €230 million inclusive of the Rental Guarantee and without the Rental Guarantee at €216 million.

The Airport is Europe's second busiest and is being expanded with the addition of a new runway and passenger terminal. Current monthly rental levels of €17.50 per sq.m. are below the €30 per sq.m. peak of the Airport sub-sector reached in the 1990s and are substantially below those in the Frankfurt prime office market where rents in the financial district are in the region of €33.50 per sq.m. per month.

The Directors believe that there is considerable scope for increasing rents in the medium to longer term and that this, combined with anticipated yield compression, is likely to result in a significant increase in the capital value of MAC.

#### Extraordinary General Meeting

The Admission document contains notice of an extraordinary general meeting to be held at 9 a.m. on Monday 22 January 2007 at which a resolution seeking the approval of shareholders of the acquisition of MAC will be proposed.

#### Expected Timetable of Events

Publication of admission document 5 January 2007

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Extraordinary General Meeting 22 January 2007

Completion of the acquisition of MAC 26 January 2007

Re-Admission 29 January 2007

Copies of the Admission Document will be available free of charge to the public at the offices of Matrix Corporate Capital Limited, One Jermyn Street, London, SW1Y 4UH during normal office hours from the date hereof until one month following the date of Re-Admission.

Definitions used in the Admission Document dated 5 January 2007 apply to this announcement.

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