

Title: TISHMAN AND GE TO INVEST IN BUSINESS ESTATES IN BULGARIA

US Tishman and General Electric Real Estate Central and Eastern Europe will invest together in a few business projects in Bulgaria. Their first joint venture is Sofia Airport Center that is currently being constructed near Sofia Airport. Each company holds 50% and will share the investment of EUR 250 M, Tishman president Alan Levy and GE Real Estate CEO Karim Habra announced.

Whole project will have all-out built-up area of 180 000 sq m. 100 000 sq m are intended for high-class offices, 22 000 sq m – for logistic area and a 250-room hotel. Warehouses will be ready by the spring of 2008, Alan Levy said. Negotiations with international companies for renting 50% of the space are currently running. Rent amounts to EUR 5 per sq m a month and EUR 12 per sq m monthly for the office parts. Construction of the office space will start before end of early 2008. International hotel operator has not been chosen yet and hotel construction will be done at the end.

Currently, Tishman is negotiating for purchase of office centers with logistic base in Plovdiv, Varna and Burgas. Deals are expected to be finalized by the beginning of 2008. GE Real Estate is Tishman's partner for some of them but it was not cleared precisely which. Next summer Tishman is to start construction of a logistic center in Ruse, Levy announced. According to him these cities were chosen because of the high traffic. Tishman is expanding not only in Bulgaria but in the whole regions as well and it will focus on Romania, Levy pointed.

GE Real Estate has a double strategy about Bulgaria. On the one hand it will develop its current projects – business center and two malls in Sofia and Plovdiv and on the other hand – it will aim new acquisitions. Besides, Sofia company eyes other big cities as well, Habra said. According to him company will invest not only in office space, logistics and trade centers but in residential projects as well. Company has realized around 30 of that kind in Poland and the Czech Republic together with a local partner.

In Bulgaria it will be the same. After succeeding in two countries, I do not see a reason not to succeed here, Habra says. According to him company's assets in Central and Eastern Europe amount to EUR 2.5 B. They were invested in 8 countries in the region and over 60% - in Poland. Investments in Bulgaria amount to over EUR 200 M.