

# TRISTAN'S FUNDS AGREE SALE OF PRIME EUROPEAN LOGISTICS PORTFOLIO TO SEGRO JOINT VENTURE FOR €472 MILLION

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The recent CCP III Fund advised by Tristan Capital Partners, and 2008 vintage fund EPISO advised by Tristan and AEW Europe, have agreed to sell for €472 million a portfolio of prime logistics assets and development land it assembled in Germany, Poland and France over the past 5 years to SEGRO European Logistics Partnership (SELP).

The Funds together are selling 25 modern logistics buildings with a total of 666,000 m<sup>2</sup> of lettable space, a building under construction plus 49 hectares of development land in Germany to SELP, a joint venture managed by U.K. listed company SEGRO Plc. The transaction is scheduled for completion early in the second quarter of 2014, subject to certain closing conditions.

**Rui Tereso, Partner, Head of Portfolio & Asset Management, Tristan Capital Partners said:** "This exit bears out our thesis that core private and public investors would dramatically increase their appetite for European logistics opportunities as the European economy begins to recover. We set about assembling a portfolio that we could reposition to meet investors needs and are now pleased to be taking profits for our clients."

The portfolio of existing assets comprises:

- Eighteen assets in Germany on the outskirts of Stuttgart, Hanover, Saarbrücken (on the border with France), Hamburg, Leipzig, Berlin, Ingolstadt and Kassel. All of the locations are established logistics positions, adjacent to main road transport corridors or interchanges, or in close proximity to manufacturing centres
- Five assets in Poland, on the outskirts of Warsaw, Lodz and Poznan
- Two assets on the outskirts of Marseille, in St Martin De Crau, a key node on the Lille-Paris-Lyon-Marseille central logistics spine

These properties, 80 per cent of which were constructed within the last five years, currently generate €31.8 million of contracted annualised net rental income. Tenants include Deutsche Post, Nagel Group, DB Schenker and Geodis.

In addition to 49 hectares of development land in Germany, the transaction includes the forward purchase by SELP of a 13,250 m<sup>2</sup> logistics centre under construction in Leipzig that is scheduled for completion by the end of this March.

**Jean-Philippe Blangy, Executive Director, Portfolio & Asset Management, Tristan added,** "Together with our local partners Alpha Industrial, Panattoni and Verdion we have successfully repositioned the portfolios to maximise occupancy at close to 100%, maintain an average lease term in excess of 6 years and further add value through the development and leasing of over 100,000 sqm of additional grade A space. Some of the properties in this portfolio were acquired recently, however their divestment was accelerated as a result of their inclusion in a larger portfolio allowing us to

#### About Tristan Capital Partners

Tristan Capital Partners is an employee-owned investment management boutique specialising in public and private market real estate investment strategies across the UK and Continental Europe.

Tristan is the Portfolio Manager for Curzon Capital Partners III and for the private equity funds European Property Investors, LP, European Property Investors Special Opportunities, LP and European Property Investors Special Opportunities 3, LP. Its pan-European real estate funds include core-plus and value-added/opportunistic strategies with total assets under management of €4 Billion. Tristan's headquarters are in London and it has offices in Luxembourg, Milan, Paris, Stockholm, Dusseldorf, Barcelona and Warsaw.



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secure an attractive premium for the Funds' investors. The logistics sector has seen a lot of activity during the past 18 months as institutions are focused on the attractive income returns of this property type."

Tristan was advised by international law firm Olswang on this transaction.

CCP III raised a total of €420 million from institutional investors by February 2012, EPISO raised approximately €800 million by May 2008.

**ENDS**

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