

PRESS RELEASE

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Erste launches euro-denominated real estate fund

Budapest, 9 June 2009 – Erste Alapkezelő [Erste Fund Management Ltd.] has been the first in Hungary to implement a real estate fund denominated and settled in euros. Erste Nyíltvégű Euro Ingatlan Befektetési Alap [Erste Open-end Euro Real Estate Investment Fund] is traded and accounted in euros (i.e. real estate appraisal as well as income and costs accounting are denominated in the single European currency).

In respect of launching the new fund, György Mesterházy, CEO of Erste Alapkezelő, said, “Investors have been showing growing interest in euro-based investments as the date of Hungary’s accession to the euro zone draws near and also due to recent high volatility of the exchange rate of the Hungarian forint. Launching a euro-denominated real estate fund is a convenient decision in the Hungarian real estate market since office space rent is typically paid in euros.”

The expected yield of Erste Euro Ingatlan Alap is competitive even in the current environment of high deposit rates, because it pays customers at least 6.5 to 7 per cent in a three-month horizon. Like Erste Ingatlan Alap [Erste Real Estate Fund], the new fund also employs a T+5 days settlement period.

The components of the initial portfolio in the euro-based real estate fund are real estates typically secured by 5 to 10 years of rent contracts and purchased with the purpose of income generation. The quality of tenants is unique in these cases because these real estates are rented by multinational corporations with impeccable financial background. The steady yield of the fund is ensured by the rental fees paid by these corporations.

“The objective of Euro Ingatlan Alap is to achieve favourable yields by purchasing high-quality office buildings as well as commercial and industrial facilities that boast appropriate and vetted tenants and long-term rent contracts,” the CEO of Erste Alapkezelő said.

Erste Euro Ingatlan Alap is recommended to investors that intend to invest for at least one or two years.

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