

Explanatory part:

"Germany remains one of our preferred real estate markets worldwide, especially in the residential segment" said Stefan Aumann, head of Merrill Lynch's Global Principal Investments. "Germany's economy is proving resilient to the global credit crisis, the financial policy environment is currently benign, and we believe that residential real estate in good locations - like the ones we have just bought - will gain in value."

"With the expansion of our activities into strategic asset management, we are taking the logical next step and meeting the requirements of our customers," said Christoph Wittkop, board member of Colonia Real Estate AG. "The German market has lots of potential for an established asset manager like Colonia Real Estate."

"We have found a professional buyer with the combination of Merrill Lynch and Colonia Real Estate and are in the position to guarantee our pretentious tenants a continuing good service quality" said Matthias Schweizer, managing director of Wohnbau. "Self-evident, all tenants maintain their full tenant rights. For Wohnbau, the disposal of this portfolio is the completion of the optimization process for Wohnbau's entire holdings. The proceeds will be used for additional acquisitions in the portfolio's core locations." The seller got transaction advice from Ernst&Young Real Estate GmbH.