

*Winters & Hirsch*TM

Valuation & Research Advisory



We deal in value



Bruno R. W. Tabert
Head of Valuation Advisory

It's not all about experience.
Correct decisions are based upon our skills
and knowledge, right from the start. ...

Letter from the Director

Dear Clients, Friends and Business Partners,

What counts for a good property valuation these days?

What does good counsel that is based upon expertise and market knowledge achieve?

My name is Bruno R. W. Tabert and I am addressing you today as the managing director heading Winters & Hirsch Valuation Advisory. I believe that I know what questions you expect answers for.

In response, since graduating with my degree in economics, my involvement in the brokerage and valuation of property and complex portfolios has given me justification in being able to rely on my many years of experience. Furthermore, I am in the position to assure you that you can rely on my experience and, as such, can confidently place your instructions with us. However, I am also aware that these cannot be satisfactory answers for you, as experience grows from our everyday dealings and economic decisions. Because of this, experience can always vary.

Over the last 25 years, I have assisted clients with more than 3,000 individual property/portfolio transactions in my capacity as an estate agent, consultant and valuer. The definite conclusion I can draw from this is:

... Every valuer's work is based on their knowledge about the different valuation standards and methods. However, having said this, firm command of extensive and up-to-date knowledge about the respective property markets is just as decisive.

In Germany, we are currently witnessing a strong change in attitudes towards valuation standards and methods. At Winters & Hirsch, we recognized early on the need to comply with the interests of globally acting investors and lenders in applying international valuation methods.

We master the relevant international valuation standards and methods and we apply them with expertise in a consistent manner with consideration to the market.

In doing so, we respect and live out ethical standards such as fairness, transparency, frankness and loyalty. Our aspirations to establish trustful cooperation with our clients is another decisive prerequisite for the success of our day-to-day work.

Ever since Winters & Hirsch opened their Berlin offices in 1990, our day-to-day business is consistently determined by these standards. On this basis, we have carried our expertise to a global level from which our national and international clients such as finance/private investors, lenders, funds, trusts, pension funds, insurance companies and rating agencies profit.

As such, Winters & Hirsch have become one of the largest owner-run Berlin property firms offering valuations and transaction consultancy. True to our credo "We deal in value" we will continue to bring in our expertise and our market knowledge in order for our clients to successfully act on the German market.

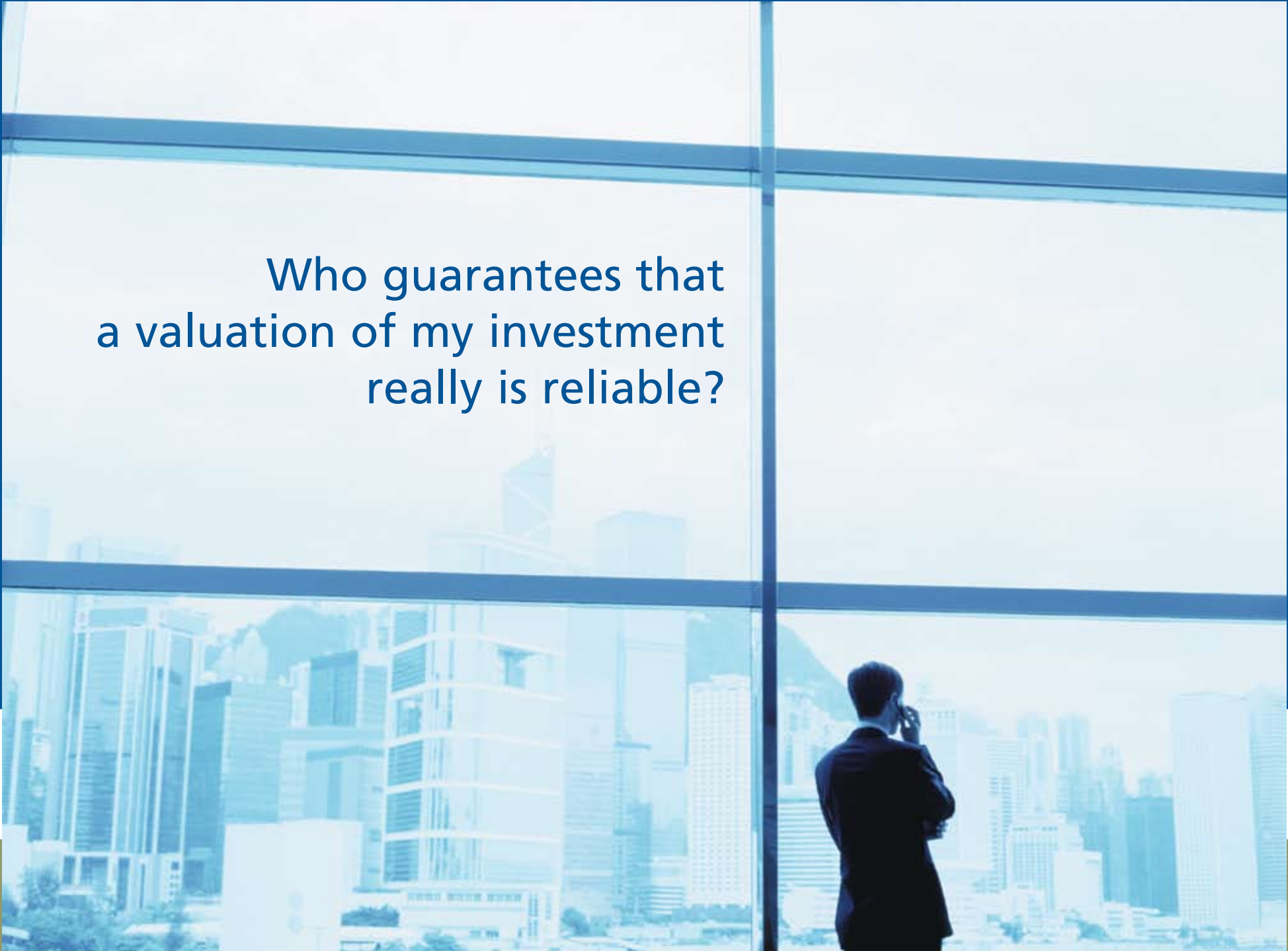
Sincerely yours,

Bruno R. W. Tabert

Head of Valuation Advisory

Managing Director of Winters & Hirsch Valuation Services GmbH & Co. KG

EU certified for the valuation of developed and undeveloped sites according to DIN EN ISO/IEC 17024



Who guarantees that
a valuation of my investment
really is reliable?

Reliability...

Compliance with internationally recognized valuation standards and business customs is the core of our day-to-day work.

The management and the valuation teams at Winters & Hirsch are made up of business experts and qualified valuers. Not only do they lend their personal expertise but also their many years of market knowledge. The application of national and international valuation standards and the selection of the correct methods as well as the constant verification of results by way of comparables derived from current market values result in transparent and accurate property valuations.

Our in-house audit team provides continuous monitoring, thus assuring the results of each valuation team.

Winters & Hirsch are certified in accordance with international quality management guidelines DIN EN ISO 9001:2000. The entire valuation process takes place under the supervision of a separate Quality Management team.

As such, we are able to achieve ideal quality standards which count as being close to the market and which assure the accuracy of the valuations.



A valuation by Winters & Hirsch
safeguards your decisions.

How do I know whether my acquisition is a safe investment?



Every day, ...

... our research team explores markets afresh, contemplates the past and, thus, systematically adds to the knowledge of our valuers and staff.

In addition, our in-house Quality Management team assures valuation results by examining the proper application of internationally recognized standards and methods. With the help of state-of-the-art IT and latest valuation software we reflect all compiled results and data which can be derived from the market. We assess chances and risks with proven methods and we substantiate these results through the selection of appropriate and current comparables.

By ever deepening the market knowledge of our valuers and synergistic cooperation with real estate agents and market researchers, we are able to guarantee that prospects of future developments are always based on reliable facts.

Coming events...

... nearly always cast their shadows. It is our task to anticipate them by researching current market developments and incorporating market knowledge. By applying proven forecast methods we are able to recognize trends and develop comprehensible scenarios on the basis of which justified decisions can be made.

We are able to...

... anticipate shadows cast by coming events.

Does a valuation by Winters & Hirsch offer a competent basis for my investment decision making?



Each property transaction, ...

... whether sale or acquisition, and the related financing will always be individual and unique. Over the years, our valuers have developed varying methods in evaluating different residential and commercial properties. The individual particularities of each type of property are taken into account and are integrated in our internal process management.

We evaluate residential and commercial properties, mixed-use residential and commercial buildings, retail properties, office buildings, hotels, industrial facilities, shopping centres and logistics properties as well as large and complex portfolios. These comprise residential and commercial properties, both in Berlin and throughout Germany.

Furthermore, we evaluate properties for financing, insurance and rating purposes as well as for national and international balancing procedures. In addition, we are in a position to carry out valuations for public companies and corporate groups in compliance with the International Financial Reporting Standards (IFRS).

In all cases, our emphasis is not foremostly on the results which are determined but, moreover, on the reflection of these results against the values derived from the property markets. For us, current and sustainable comparables are the most relevant indicators as the market determines what is decisive.

In applying financial mathematics...

... against the backdrop of market developments, each of our valuations is assured in a professional way and, as such, forms a competent basis for decision making.

A summary of valuation standards and methods applied by Winters & Hirsch



In order to meet all requirements of investors, lenders, insurance companies and rating agencies, our valuers apply the following valuation standards and methods which are relevant to the field of national and international property valuation:

International Financial Reporting Standards (IFRS) require continuous valuation of your real estate assets.

International:

Appraisal and Valuation Standards (The Red Book)
by The Royal Institution of Chartered Surveyors (RICS)
International Valuation Standards (IVS – The White Book)

Europe:

European Valuation Standards (EVS – The Blue Book)
by The European Group of Valuers' Associations (TEGoVA)

U.S.A.:

Uniform Standards of Professional Appraisal Practice
(USPAP) by the Appraisal Institute
United States Generally Accepted Accounting
Principles (US-GAAP)

National:

German Federal Building Code
[Baugesetzbuch (BauGB)]
German Valuation Regulations
[Wertermittlungsverordnung (WertV)]
German Administrative Valuation Directive
[Wertermittlungsrichtlinie (WertR)]

Market Value
Land Value
Comparative Value
Estimated Rental Value (ERV)
- Hardcore and Topslice
- Term and Reversion
Liquidation Value
Tangible Asset Value
Investment Value
Mortgage Lending Value
Residual Value
Reinstatement Value
Vacant Possession Value
Performance Methods
- according to DCF
- according to Ellwood
- according to Monte Carlo
Developing Exit Strategies
Determination of Balance Sheet Values (Fair Value)
in compliance with
International Financial Reporting Standards (IFRS)
and International Accounting Standards (IAS)



Do not hesitate to contact
Winters & Hirsch...

...for the evaluation of the Fair Value and all other values
of significance to your IFRS balance sheet.



Nationally and internationally listed public real estate companies and lenders with residential, commercial, office and retail property portfolios, do-it-yourself stores, shopping centres and hotels represent our chief clients for IFRS valuation.

IFRS – a challenge to investors, valuers and analysts

The globalization of financial markets and business relations calls for a novel way of accounting.

Transparency and True and Fair View make up the central IFRS principles for asset accounting. It is not book value adjustments that provide information about a property's value, but it is its actual market value that determines the value of assets and equity.

Thus, stockholders, lenders and rating agencies gain up-to-date knowledge about the actual development of a company.

Market Value – Fair Value
Winters & Hirsch
evaluate your
property – in
Berlin, Germany
and Europe.



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