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Verdispar acquires part of Norfa's real estate portfolio in Lithuania

The Norwegian-owned Verdispar Group, acting on behalf of its clients based at Verdispar Retail Properties UAB, has acquired a **43,500 sq. m** (468,000 sq. ft.) real estate portfolio from Rivona UAB, a logistics, transportation, food processing and property subsidiary of Norfos Mazmena UAB, one of the leading players in the Lithuanian retail market. The acquisition price for **23 stores** and the land associated with these stores in a number of locations in Lithuania is approx. LTL 169 million (EUR 49 million), including one store bought from Aveva UAB, a bakery company also controlled by Norfa.

Norfa's shops are situated in many cities and towns across Lithuania: in Alytus, Ignalina, Jurbarkas, Kelmė, Lazdijai, Marijampolė, Kretinga, N. Akmenė, Zarasai etc. Norfos Mazmena will remain a tenant and will continue its operations in the stores on a long-term lease basis.

Halvor Z. Olsen, CEO of Verdispar Group, says that this transaction fortifies Verdispar's position in the Lithuanian property investment and development market. "Acquisition of Norfa's real estate portfolio is the fourth sales leaseback transaction performed by Verdispar in the Lithuanian property investment market. Earlier we also acquired two large logistics centers in Vilnius – Girteka and Vingės Terminalas – as well as the real estate comprising the Durapart production plant in Panevėžys. We are currently also negotiating several other opportunities." Mr. Olsen adds that the transaction benefits Norfa, since the capital "unfrozen" by Norfa will allow that company to invest more in its core business.

KOBA International Real Estate Consultants represented Norfa Mazmena in the deal; Verdispar was represented by the law firm of Bernotas & Dominas Glimstedt and the property consultancy company Re&Solution. The acquisition was partly financed by Hansabankas.

"This transaction is proof of the increasing interest among international investors in the Lithuanian commercial real estate market, despite the pace of reduction in yields. This form of financing – a sale leaseback – is also relatively new to the Lithuanian market. It indicates maturity and enhances the stability of the market," comments Erik Bach-Nielsen, Managing Director of KOBA.

"We are glad to finance this real estate sale leaseback transaction. The growing number of transactions of this kind in Lithuania shows that the real estate investment market is developing fast and assuming a more sophisticated shape. Hansabankas is financing more and more of these transactions at present. The experience thus gained will enable us to find the best solutions for large-scale projects," says Andrius Marčiulionis, head of the Real Estate department at Hansabankas.

During somewhat longer than one year of operations in Lithuania, Verdispar has already invested more than LTL 420 million (EUR 121 million) in its property investment and property development projects. Over LTL 190 million (EUR 55 million) of the funds came from Norwegian investors, with the remaining amount for financing these investments being raised from Lithuanian banks.

About Verdispar (www.verdispar.no www.verdispar.lt)

Verdispar is a Norwegian property investment and development group. The Company has more than 60 employees in its offices in Oslo, Bergen, Sandvika (Norway), Vilnius (Lithuania) and Zagreb (Croatia). Its two major business streams in Lithuania are property investment and property development.

In its Lithuanian property development portfolio, Verdispar currently has plans for more than 100,000 sq. m (nearly 1.1 million sq. ft.) of residential real estate and more than 40,000 sq. m (over 430,000 sq. ft.) of commercial space, to be developed within 4-5 years. Property development will take place on lots acquired by Verdispar – one almost 7 ha (18 acres) on Ukmergės Road in Vilnius and another more than 5 ha (13 acres) by the Danė river in the center of Klaipėda. Investments in these projects in Vilnius and Klaipėda will amount to more than LTL 500 million (EUR 144 million).

About Norfos Mazmena (www.norfa.lt)

Norfa is one of the leading retail chains in Lithuania, with more than 110 stores across the country. In 2006 Norfos Mazmena posted sales of LTL 1.38 billion or approx. EUR 399.5 million (including value-added tax), a 14.4 percent increase compared to 2005. The Norfa Group's consolidated sales in 2006 amounted to LTL 1.72 billion or approx. EUR 498 million (excluding VAT), up 22.4 percent on 2005.

About Hansabankas (www.hansa.lt)

The Lithuanian bank Hansabankas is part of the Swedbank Group, the leading financial group in the Baltic and Nordic region with more than 8.9 million private and almost 459,000 corporate clients in Lithuania, Latvia, Estonia, Russia and Sweden. The Group has 477 branches in Sweden and 295 in the Baltic countries. It also works in Copenhagen, Helsinki, Kaliningrad, Luxembourg, New York, Shanghai and Tokyo. Over 16,000 people work in the Swedbank Group. The Hansabankas Group in Lithuania consist of Hansa Leasing, Hansa Life Assuranece, Hansa Investment Management, Hansa Insurance Broker, Baltic Autoleasing and Hansa Valda.

About *KOBA* International Real Estate Consultants (www.koba.lt)

KOBA is an independent, research-driven Danish company with extensive experience as a full service commercial real estate advisor. Established in 1989, it has its headquarters in Denmark with branches in Lithuania, Latvia, Poland and Ukraine. *KOBA* specializes in investment and the retail, office and industrial markets, as well as property management and valuation. Ongoing investment transactions involving *KOBA* are worth about EUR 600 million in total, of which EUR 200 million in the Baltic countries.

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