



One of Larmag's reference objects in Germany is the Bundeskanzlerplatz in Bonn



In the past few years, Larmag has shifted its focus to the German real estate market

Investment into real value

Investing in real estate requires a sound knowledge of the local market. Therefore, good advice from legal and fiscal consultants as well as close contact with the tenants on the spot is a bare essential for success in the real estate business. As the main objective of an investment company is always targeted on the highest possible return without compromising the quality and assurance of a secured long-term stable income stream, decisions on new locations and objects have to be well considered. Apparently, Lars-Erik Magnusson has always been accompanied by a clear vision of finding the best objects in the market. The founder and CEO of Larmag Investments B.V. has had a close eye on the European investment market. And he has grasped unique opportunities the market has to offer.



L A R M A G

Larmag is an international investment group that focuses on real estate properties such as office buildings, shopping centres, warehouses as well as residential apartment buildings. "Throughout my years in the real estate business, I have always anticipated trends. When I came from Sweden to the Netherlands in the 1980s, I wanted to invest in lucrative real estate," says Mr. Magnusson.

When he opened his office in Amsterdam in 1985, Mr. Magnusson could look back on 15 years in the business. He began in the construction business, dealing with the acquisition and sale of buildings, plants and machinery. During these years, the focus gradually shifted to the buying, developing and selling of real estate.

When founding Larmag, Mr. Magnusson was convinced that the real

estate market in the Netherlands was undervalued and had a high potential for investors. To him, the country had promising features: Substantial capital gains could be realised with limited risk, as the Netherlands enjoyed a socio-economic infrastructure with highly-skilled people and a central position in Europe. "At the beginning, I was looking for something between 10 to 20 million EUR, instead we found real estate for

100 million EUR of interest for us. It gave us a flying start in the market," points out Mr. Magnusson. "In cooperation with a Swedish investor, we were able to realise this project." Mr. Magnusson's belief that the Dutch real estate market was highly undervalued at that time, became a platform for further investments into new real estate and many successful transactions formed the basis for expansion. "At the end of the 1980s,



The focus in Germany is on high-quality buildings at good locations



The man behind Larmag's success:
President and CEO Lars-Erik Magnusson

I started to purchase real estate internationally. The Netherlands formed the base to invest in commercial real estate," adds Mr. Magnusson. "From 1985 to 2003 we invested in the Benelux and until 1990 also in the USA."

Since then, Mr. Magnusson has built up a sound reputation as reasonable investor and his broad experience has been a key factor for Larmag's success in concluding a number of substantial transactions.

Recently, Larmag has discovered the German market with its high potential. "The German real estate market seems to be the best market with the highest possible return. In our opinion, it is currently undervalued and has a positive cash flow. Furthermore, it has a high growth potential due to continued economic growth," states Mr. Magnusson. "In Germany, we mainly focus on commercial buildings as well as private buildings."

Larmag has invested in about 130 buildings in Germany, including new buildings as well as existing com-

plexes up to 20 years old. In particular in the past two years, Larmag has strongly focused on the German real estate market. "In these two years, we acquired properties at another 37 locations with a total lettable area of about 375,000 m². The total value of real estate acquired in Germany between 2005 to mid-2007 amounted to 660 million EUR," stresses Mr. Magnusson.

In addition, Larmag has an interest in another major commercial real estate portfolio in Germany, which is worth some 300 million EUR. "So we manage buildings in the value of more than 900 million EUR all together," points out Mr. Magnusson. Among them are office complexes with a share in the portfolio of 57%. Retail (25%), logistics (10%) and residential buildings (10%) account for the other half of the real estate properties.

When choosing the right object, location and quality of the building are of prime interest. "We are only interested in high-quality buildings," explains Mr. Magnusson. "And

this strategy has been successful throughout the years."

Larmag will focus on more new acquisitions in the German market, and in order to maintain good knowledge of this large market, Larmag opened an office in Düsseldorf.

"Timing is very important to us. You have to know when to buy and when to sell a building. It can influence the entire proceedings," adds Mr. Magnusson. Despite the financial crisis in the USA and its impact on the real estate market, Larmag stresses that its portfolio is still running well.

In the coming years, its focus will remain on the German market and it will closely observe other European markets like the Benelux. "The main focus is to continue growth in Germany," says Mr. Magnusson.

"We are thinking of going public with the company, but at the moment we invest together with private investors. But the prospects are good. It all depends on future market conditions."

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