

Aquila Capital launches new strategy to invest in the Spanish residential property market

London, 19 November 2015 - Aquila Capital, one of Europe's leading independent alternative asset managers, today announces that it has launched a new strategy for institutional investors that will invest in the reinvigoration of the Spanish residential property market. The strategy focuses on the construction of residential housing complexes and the conversion of existing properties to residential real estate in the metropolitan regions of Madrid and Barcelona. Aquila Capital has already identified the first investment and a pipeline of other opportunities. The strategy is targeting a total return of 155% to 175% after local taxes and costs by the end of its investment term in 2019.

The Spanish economy is currently growing at around 3.1% per annum¹, which is significantly stronger than the European average. In the second quarter of 2015, Spain's economic growth exceeded that of the Eurozone and EU average by over 0.5 percentage points per quarter². Spain has the highest apartment ownership rate in Europe at over 80%. Due to the improved investment environment, transactions in residential properties have increased around 9.6% on a yearly basis as of the first quarter in 2015³.

Aquila Capital's strategy focuses on projects in late phases of their development, usually after acquisition of the building sites and the necessary approvals have been completed. Target investments must also meet comprehensive location criteria, including well-developed infrastructure and good access to regional and long-distance transport.

Rolf Zarnekow, Head of Real Estate at Aquila Capital, said: "The combination of an economic upswing and improved access to bank financing, is making Spain's real estate market more attractive to foreign direct investors and strengthens the domestic demand for residential property."

Having expanded its real estate team in Spain since establishing it in 2012, Aquila Capital has recognised the significant potential of the market from an early stage and has already executed a number of transactions. "Our positive view of the upward trend being seen in the Spanish housing market is shared by renowned industry professionals: In its latest report Bank Credit Analyst has estimated that current price levels are significantly undervalued," Zarnekow added.

The first investment identified for the strategy is the largest housing development project in Madrid. Further investment opportunities are at an advanced negotiation stage.

Roman Rosslenbroich, CEO and Co-Founder of the Aquila Group, added: "The increased investment by domestic and international institutional investors as well as increasing prices for newly-built apartments is a vindication of our move into the Spanish property market three years ago. Our new strategy offers institutional investors access to one of the most attractive real estate investment opportunities in Europe."

Source¹: Eurostat; Eurostatistics 09/2015 edition

Source²: Instituto Nacional de Estadística, Quarterly Spanish National Accounts, August 2015

Source³: EU-Commission: Post Programme Surveillance Report 2015, Q1

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Notes to editors

About Aquila Capital

Established in 2001, Aquila Capital is a leading alternative investment firm managing a family of strategies in real assets, financial and private markets. The company applies a multi-team investment approach with dedicated experts in their respective fields. From regulated mutual funds to direct investments and special mandates, as a long-term partner, Aquila Capital provides holistic investment concepts and comprehensive investment advice and services to its investors.

Aquila Capital is part of the owner-managed Aquila Group, which employs more than 200 staff at eight locations in Europe and Asia Pacific and manages assets of over EUR 8.0bn for a global investor base (as at June 2015).

Further information can be found at www.aquila-capital.com.