

Press Release

PLUTA partner Stephan Ammann announces the completion of the sale of all the BGP IMMO-WEST'S residential and commercial units following insolvency

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In his function as insolvency administrator, Stephan Ammann from PLUTA Rechtsanwalts GmbH was able to sell the entire real estate portfolio of the residential property company BGP Immo-West, despite insolvency. By the summer of 2012, the Local Court of Munich had opened insolvency proceedings concerning the assets of BGP Immo-West S.à.r.l. & Co. KG. At this time, the company had owned a portfolio of roughly 2,400 residential and commercial units.

The closing of the purchase agreement with various fund management companies of Ares Management L.P. concerning 1,692 residential units occurred at the end of July 2014. This company headquartered in Los Angeles, which is active worldwide and manages assets of approximately 71 billion US dollars, took over roughly 108,000 square meters of residential space in several large cities in western and north-western Germany. This means that the target of selling the remaining units from BGP Immo-West's portfolio as a package has been achieved. The parties have agreed to maintain silence on the

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About PLUTA

PLUTA helps companies in legally and economically difficult situations. Since the company was founded in 1982, PLUTA has constantly grown. Today PLUTA has a staff of about 500 employees in Germany, Spain and Italy including more than 290 graduates in business economics and business management, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, bankers, bookkeepers, engineers and insolvency administration specialists. Many of them own multiple qualifications what ensures practicable and economically sensible solutions. In particular, PLUTA provides support in restructuring companies affected by a crisis or insolvency and in continuing business operations, if necessary by involving restructuring experts in a responsible role. PLUTA is one of the top enterprises specialising in restructuring and turning around companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brandeins, and Focus. Further information at www.pluta.net

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purchase price.

Real estate properties in eleven cities

Furthermore, the insolvency administrator, Stephan Ammann, managed to sell 674 dwellings in ten individual transactions. In total, he thus sold 2,366 residential units and 41 small business units in 18 months. BGP Immo-West's properties with an overall residential space of about 147,000 square meters and a commercial space of 6,900 square meters were spread over eleven cities, including Bremen, Bremerhaven, Duisburg and Essen. Seven of these cities are located in North Rhine-Westphalia, the other four in northern Germany.

Stephan Ammann was more than satisfied with the result. "The individual transactions and the sale of the major part of the real estate properties to Ares Management are a very good solution for all parties involved," said the insolvency administrator. "The fact that we were able to sell the complete real estate portfolio in not even two years shows that an insolvency may be the better option when it comes to making decisions in the interest of the creditors, in particular those who are secured by a land charge. That is all the more true when a challenging real estate portfolio is involved," added Mr. Ammann, a partner at PLUTA.

These challenges included a considerable backlog of outstanding maintenance work and an enormous vacancy rate. Thanks to good asset and property management in cooperation with Immeo Wohnen und Service GmbH, it was possible to reduce the vacancy rate in some areas by 30 % within no more than one year, while the condition of

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the properties was also improved at the same time. “The key to success for the sale of real estate portfolios of this size is close cooperation with powerful and financially sound banks. In this case, we cooperated very well with the Dutch ING Bank N.V, which is secured by mortgages,” emphasized Stephan Ammann. This was confirmed by Marinus C. Vincentie, CE-Europe Director at ING Commercial Banking Real Estate Finance: “Collaboration with the insolvency administrator was very close and extremely positive during the entire proceedings. The insolvency administrator and his team have implemented all the measures involving the properties, including the selling, in the best possible manner.”

Stephan Ammann added: “In these proceedings, our mutual interest in an optimal sale ensured flexible portfolio management at the lowest cost and with the best selling price possible, which was a decisive contribution to success. The total proceeds in the high eight-digit range significantly exceeded our initial expectations.” These transactions involved an additional challenge as some of the properties were subject to hereditary building rights.

Information on the sale to Ares

Insolvency administrator’s consultants

In-house consultants (PLUTA Rechtsanwalts GmbH):
Stephan Ammann (insolvency administrator), Wolfgang Bernhardt (overall management of proceedings), Martin Jungclaus (contract drafting)

Schlockermann Law Firm:

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Dr. Schlockermann (tax)

Immeo Wohnen Service GmbH & GFR Immobilien GmbH:

Marcus Bartenstein (asset management), Alexander Königsfeld (asset management), Jochen Humpert (property management)

Consultants from Ares Management L.P.

Forte: Roland Schmidt (asset management) and Johannes Sommer (asset management)

SNP | Schlawien Partnerschaft mbB: Sascha Sormann

(contract drafting & due diligence), Andreas Gemeinhardt (contract drafting & due diligence)

Ernst & Young: Dennis Klöppel (tax, responsible partner), Patrick Gageur (tax)

Consultants from ING Bank N.V.

Noerr LLP: Marco Winterer (property law), Sebastian Bock (financing), Dr. Nadejda Kysel (financing), Dr. Bettina Röder (financing), Rene Dubois (company law), Dr. Oliver Trautmann (fiscal law), Dr. Michaela Engel (fiscal law), Lutz Enno Werner (fiscal law)

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