

Vilnius Retail Update

Retail Space up 50%, More to Come

Economy

Lithuania maintains rapid GDP growth with 6.7% growth in 2004. This follows 8.9% in 2003, and 6.7% in 2002. Construction works were up 9.4% in 2004. National unemployment is less than 10%, and half that in the capital, Vilnius.

Supply

Retail space grew 50% in 2004, reaching 460,000 sqm by the end of the year. At 0.71 sqm of retail gross lettable area (GLA) per capita, Vilnius is roughly as retailed as Warsaw (0.60), Riga (0.63), Helsinki (0.71) and Stockholm (0.75), although not as retailed as Tallinn (0.97). The latest projects included:

Akropolis phase II – The biggest mall in Lithuania, anchored by Vilnius Priekyba, got bigger by growing another 54,000 sqm last December to 109,000 sqm total. Most of the extension was taken by Vilnius Priekyba Group's own DIY store Ermitazas.

Domus Galerija – 27,000 sqm in the northern part of the city built by the biggest Lithuanian trade group Senukai.

Retail centres so far are all pre-leased long before opening, and we expect the same of all the following new projects:

Grand Duke Palace – 4,800 sqm of high street retail space being developed on the site of the former Vilnius Hotel on the main Gediminas Street. The property will be opened by Summer 2005.

Vilnius Gates – 10,000 sqm of retail in the largest commercial and residential block in the city at Gyneju Street. Developed by Ranga IV, the retail space will be placed on the market for both lease and sale. The project opening date is Spring 2006.

Demand

Demand remains strong, and all retail centres are pre-leased before opening day.

Rents

Rents for high street locations, such as Gedimino Avenue, range from 23 to 45 EUR per sqm. Rents for 150-250 sqm units in prestigious retail centres vary from 11 to 23 EUR per sqm, and for units under 100 sqm rents reach 30 to 60 EUR per sqm.

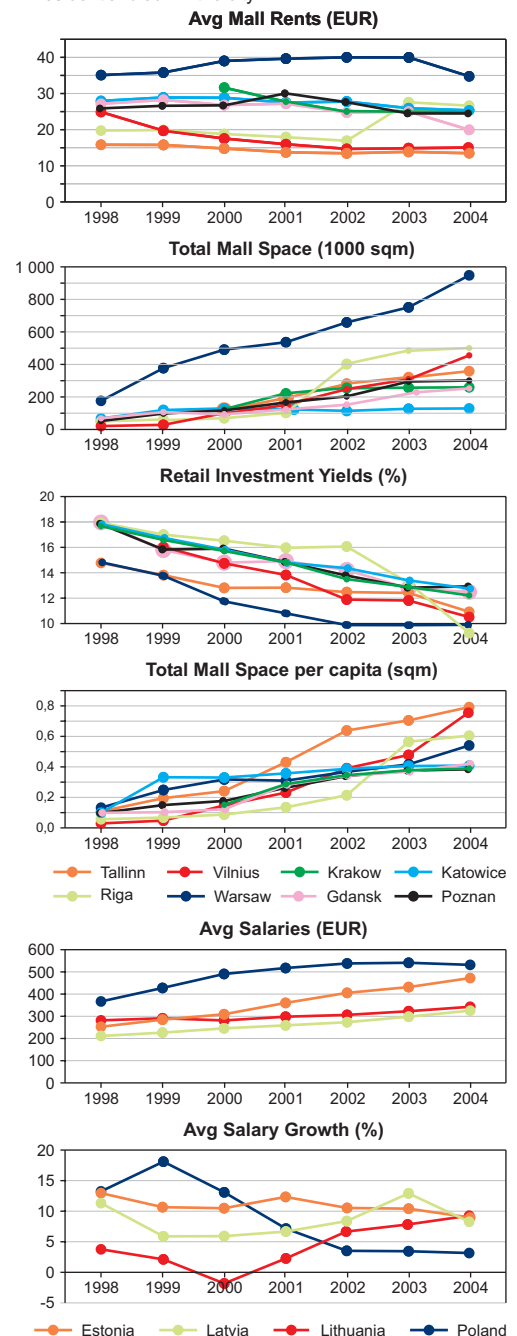
Suburban retail centre rents vary from 8 to 10 EUR per sqm for anchors to 12 to 23 EUR per sqm for other tenants.

Transactions

The centrally located Europa Centre was purchased by Baltic Property Trust at a yield reported at 10%.



Vilnius Gates – probably the largest commercial and residential block in the city.





For information on commercial leasing in Lithuania, contact Vytas Zabilius on +370 5210 9700. For information on investment properties, contact Peter Morris on +48 22 829 1212.

Retail sqm existing in Vilnius

| Property name | sqm |
|---|----------------|
| 1 Akropolis | 55 000 |
| 2 Rimi Žirmūnų | 22 000 |
| 3 Senukai | 22 000 |
| 4 Norfa centre Verkių | 22 000 |
| 5 Ogmina | 15 000 |
| 6 Maxima Mindaugo | 9 500 |
| 7 Iki Minskas | 7 500 |
| 8 Maxima Ukmergės | 7 500 |
| 9 Children's World (Zara) | 5 000 |
| 10 Iki Jasinskio | 4 000 |
| 11 Iki Fabijoniškės | 3 500 |
| 12 Bussiness centre 2000 | 1 500 |
| 13 Rubikon Decor | 2 000 |
| 14 Rimi Kalvarijų | 1 800 |
| 15 Vilnius Central Superstore | 18 000 |
| 16 Topocentras | 3 500 |
| 17 Domus Business center | 10 000 |
| 18 Flagman | 7 000 |
| 19 Ogmios Centre, Kubiliaus and Lakunu St | 22 000 |
| 20 Europa retail centre | 17 500 |
| 21 Akropolis (second step) | 54 000 |
| 22 Baltic Shopping Centers | 28 000 |
| 23 Retail Center Lelija | 7 000 |
| Maxima Baze * | 10 000 |
| Hyper Rimi, Savanoriu Av * | 18 000 |
| Mada retail center * | 17 000 |
| Others | 59 000 |
| TOTAL | 452 300 |

Retail sqm planned in Vilnius

| Property name | sqm |
|-----------------------------|----------------|
| 24 Eika, G&C | 30 000 |
| 25 Grand Duke Palace | 4 600 |
| 26 Ranga IV (Vilnius Gates) | 9 000 |
| 27 ELL, Zverynas | 46 000 |
| 28 Ozas | 60 000 |
| TOTAL | 149 600 |

* Outside of map area

FOR COMMERCIAL LEASING OPPORTUNITIES THROUGHOUT THE REGION, PLEASE CONTACT:

LATVIA
 Contact: Girts Grinbergs
 Tel +371 728 45 44
 girts.grinbergs@ober-haus.com

POLAND
 Contact: Peter Morris
 Tel +48 22 829 12 12
 peter.morris@ober-haus.com

LITHUANIA
 Contact: Vytas Zabilius
 Tel +370 5 210 97 00
 vytas.zabilius@ober-haus.com

ESTONIA
 Contact: Hindrek Leppsalu
 Tel +372 665 97 00
 hindrek.leppsalu@ober-haus.com