PRAGUE, NOVEMBER 12, 2008 – The largest and oldest Prague real estate agency LEXXUS a.s., leader in sales of new residential projects, and Raiffeisenbank a.s., awarded “Most Dynamic Bank of the Year” for 2007 in the prestigious MasterCard Bank of the Year competition, recently organized a professional conference covering the current state of the residential project market.

The conference included not only an evaluation of the current situation and market development, but also prediction regarding the future once the current financial crisis has permeated the market. Information based on data compiled by the LEXXUS Research division, a team of professionals dedicated to following the new residential project market since 2000, was presented.

The conference opened with an overview of current state of the real estate field, presented Mr. Jakub Sedmihradský, a partner in LEXXUS a.s. “Developers are temporarily cutting back on the numbers of available new builds, primarily new flats. We assume that because of the crisis on the world markets, they will continue to suspend certain projects, future access to credit will be reduced, and this will all lead to reduced overall construction levels. On the other hand, a significant decline in prices of projects on offer is not likely to happen. The prices of new homes will probably stagnate or, in certain areas, even increase slightly,” said Sedmihradský. “The real estate sector is experiencing a significant reduction in demand that can be attributed to factors other than the world financial crisis. Last year’s threatened increase in VAT rates led to an unprecedented interest in new home purchases, potential buyers found their projects, and current demand for new homes is driven by necessity. In addition, reduced access to bank credit leads to less willingness to invest; however, if we take into account the reasons behind the extreme increase in demand in 2007, the fall in demand could be expected even when worldwide influences are disregarded,” he added. Growth in demand for new housing is especially pronounced in the group consisting of foreigners moving to the Czech Republic. This group makes up nearly 11% of all potential homebuyers searching for new homes, and 7% of these are Russian citizens.
Viewed objectively, the current situation even has positive repercussions. High levels of incomplete builds together with higher VAT rates and unfulfilled construction company capacity in recent years frequently led to delayed completion of projects, and sometimes even in decreased quality of workmanship. “Paradoxically, the situation is now turning in favor of potential new home buyers. Decreased demand by developers for construction work has a positive influence not only on the quality of the work, but also on the construction completion dates as well as the architectural side of the project,” concluded Sedmihradský.

The second part of the conference focused primarily on the macroeconomic view of financial flows into the real estate field, whether from the corporate sector or the mortgage market. During the conference, Raiffeisenbank senior economist Pavel Mertlík raised the presumption that in the near future, interest rates for mortgage loans will be lower than in recent years. “The change for the better’ will come, most likely in the second half of 2009, according to available analyses,” added Mertlík.

Because of the overall cooling of the economy as a result of the global financial crisis, banks have begun tightening up on conditions for granting loans – not just for mortgages, but also for developer loans. “Reduced access to financing is an additional factor which influences the supply – in this case the outflow – of new clients currently being experienced by nearly all real estate companies,” added Mertlík.

In addition to the situation on the Czech market, the conference also addressed questions regarding the entrance of the Czech Republic to the Eurozone, access to foreign real estate markets by Czech residents, and a number of other issues.

A video of the conference, containing selected highlights of some of the above-listed themes, will be available from mid-November 2008 on the official website of the STRICTLY RESIDENTIAL conference at www.strictlyresidential.cz. Press and print materials from the conference will also be available on the site.
### PARTICIPANTS IN STRICTLY RESIDENTIAL 2008 ON BEHALF OF THE ORGANIZERS:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tr>
<td>Jakub Sedmihradský</td>
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<td>Pavel Mertlík</td>
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### LEXXUS, a. s.

LEXXUS a.s., a leader on the new residential project market and the most successful Prague real estate agency, has been active on the real estate market since the early 1990’s. At first, it focused on sales of luxury properties, followed by offering relocation services and property rentals. In 2002 the company broadened its areas of interest to include new residential projects, and simultaneously opened LEXXUS Research, which evaluates the real estate market and works with developers during project preparations. The essence of the company’s success is its professional team of erudite employees as well as the complex client services it provides, from project preparation to the final signature on the purchase agreement and handover of the flat. The headquarters of the company are located in the center of Prague in the stunning Palác Riesů ze Stallburku, which has a sales area of over 500 m². Since 2004, the company has been active on the Slovak real estate market. Further expansion to other central and eastern European cities is in the planning stages.

LEXXUS a. s. has prepared expert reports for: Ballymore Properties for the Statenický mlýn development and Eurovea, AFI Europe for its Tulipa Rokytka and Tulipa Modřanská rokle projects, Europolis for its River City project, PPF for the Bášť project, J&T for its Jeseniava project, and many more. Its consultation services are used by companies such as ICKM – Crestyl, MCA, Hochtief, ING Real Estate, Lordship Real Estate and Czech Property Investments.

### Raiffeisenbank a.s.

Raiffeisenbank a.s. has been present on the Czech market since 1993, providing a wide range of banking services for private and commercial clients. In 2006, it began the process of merging with eBanka. This integration process was completed in summer 2008. Raiffeisenbank serves clients with a network of over 100 branches and client centers, and provides specialized mortgage services and personal and commercial advisory services. In the first half of 2008, Raiffeisenbank has increased its profits by 80% to nearly 800 million CZK, and the bank’s total activity has reached 169 billion CZK.

Raiffeisenbank has received a number of domestic and international awards for its quality services. In 2007, Raiffeisenbank was named “Most Dynamic Bank of the Year” for the second time in the prestigious MasterCard Bank of the Year competition, and received the third place award for “Bank of the Year”. In the Zlatá koruna competition, the merged bank was awarded first place in the direct banking category and has received a number of other awards, including awards for its mortgages.

The bank’s majority shareholder is the Austrian financial institution Raiffeisen International Bank Holding AG. Raiffeisen International serves over 14 million clients in 17 central and eastern European markets at more than 3000 locations. Since 2005 the group’s shares have been traded on the Vienna stock exchange. The majority stakeholder, with 68.5% of the shares, is RZB Group, and the remainder is freely traded.

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