

## **RIS NOTIFICATION**

**To:** The Irish Stock Exchange Limited  
28 Anglesea Street  
Dublin 2  
Ireland

**Headline:** New valuation and property sales

**Date:** 31 May 2016

**Re:** DECO 7-Pan Europe 2 p.l.c. (the "**Issuer**")

Class A1 Commercial Mortgage Backed Floating Rate Notes due January 2018  
Class A2 Commercial Mortgage Backed Floating Rate Notes due January 2018  
Class X Commercial Mortgage Backed Variable Rate Notes due January 2018  
Class B Commercial Mortgage Backed Floating Rate Notes due January 2018  
Class C Commercial Mortgage Backed Floating Rate Notes due January 2018  
Class D Commercial Mortgage Backed Floating Rate Notes due January 2018  
Class E Commercial Mortgage Backed Floating Rate Notes due January 2018  
Class F Commercial Mortgage Backed Floating Rate Notes due January 2018  
Class G Commercial Mortgage Backed Floating Rate Notes due January 2018  
Class H Commercial Mortgage Backed Floating Rate Notes due January 2018

*(together, the "**Notes**")*

The Notes are admitted to trading on the regulated market of the Irish Stock Exchange Limited.

Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse), together with implementing Commission Directives 2003/124/EC of 22 December 2003 and 2004/72/EC of 29 April 2004, as implemented by the relevant member states, require disclosure by or on behalf of the Issuer of any inside information concerning the Notes.

The following notice has been prepared by and issued at the request of the Issuer Special Servicer. The Issuer has not independently verified the information contained in this notice. Without prejudice to the foregoing (and without purporting to limit any person's liability for fraudulent misrepresentation), no responsibility or liability is or will be accepted by the Issuer in relation to the accuracy or completeness of the Notice and any such liability is expressly disclaimed. Accordingly, the Issuer hereby gives notice with respect to the Karstadt Kompakt Loan.

Terms used and not defined herein shall have the meaning ascribed to them in the Prospectus dated 23 March 2006.

### **1. Receipt of new valuation**

Notice is hereby given that in accordance with the Issuer Special Servicer's obligations under the Servicing Agreement, the Issuer Special Servicer has received a new valuation of the Karstadt Kompakt Properties constituting the security for the Karstadt Kompakt Loan (the "**New Valuation**").

The New Valuation shows that the market value of the ten Karstadt Kompakt Properties in Delmenhorst, Eschweiler, Essen-Borbeck (car park only), Gladbeck, Meschede,

Neustadt an der Weinstraße, Rendsburg, Schleswig and Velbert was EUR 17,630,000 as at 1 March 2016 against current debt of EUR 106,425,934.79.

The previous valuation as of 1 April 2014 stated a market value of EUR 18,280,000 for the above Karstadt Kompakt Properties, excluding the car park in Essen-Borbeck, which was only valued at an indicative level at that time without further information.

## **2. Property Sales**

Funds from two property sales were received in May 2016 and thus just after payments for the Karstadt Kompakt Loan Interest Payment Date falling in April 2016 had been made.

### **a. Schleswig**

The Issuer Special Servicer received funds from the sale of the Karstadt Kompakt Property in Schleswig (the "Schleswig Property"), which had been notarised in March 2016.

The gross sales price for the Schleswig Property was EUR 1,740,000.00 and therefore above the market value of EUR 1,470,000 as stated in the valuation of April 2014.

The disposal proceeds for the Schleswig Property, received on a counsel client account net of certain sales-related costs such as priority claims and registered charges, amounted to EUR 1,709,551.65, from which certain further sales-related costs were deducted.

### **b. Delmenhorst**

The Issuer Special Servicer received funds from the sale of the Karstadt Kompakt Property in Delmenhorst (the "Delmenhorst Property"), which had been notarised in March 2015.

The gross sales price for the Delmenhorst Property was EUR 1,850,000.00 and therefore just under the market value of EUR 1,860,000 as stated in the valuation of April 2014.

The disposal proceeds for the Delmenhorst Property, received on a counsel client account net of certain sales-related costs such as priority claims and registered charges, amounted to EUR 1,775,830.85, from which certain further sales-related costs were deducted.

## **3. Application of proceeds**

The net disposal proceeds from the sales of the Schleswig Property and the Delmenhorst Property will be applied in accordance with the Karstadt Kompakt Finance Documents on the Karstadt Kompakt Loan Interest Payment Date falling in July 2016.

The Issuer Special Servicer continues to retain funds from disposal proceeds on a counsel client account to indemnify the German Security Trustee for future costs.

For queries related to the above please contact: [investorrelations@hatfieldphilips.com](mailto:investorrelations@hatfieldphilips.com)

For and on behalf of DECO 7-Pan Europe 2 p.l.c.

A stylized, handwritten signature in black ink, consisting of several fluid, overlapping strokes.

Signature:

Name: *Christian Currivan*