

YPI Doubles 2005 Growth With Acquisition Of 5.5 Million SqFt Of Class A Office Space

Now the top office landlord in Dallas and the second largest in all of Texas, fast-growing investment firm is on track to build strength in Chicago, Houston and other high-growth markets across the U.S.

LOS ANGELES, CA (January 24, 2007) In another year of exceptional growth, Younan Properties, Inc. (YPI), one of the fastest-growing, privately held real estate investment groups in the country, has announced that it acquired 5.5 million square feet of prime Class A office space in 2006, more than double the square footage it acquired in 2005. With the acquisition of 12 Class A office properties in Chicago, Dallas and Houston, the firm strengthened its position in markets where it has identified strong fundamentals and demographic factors that will sustain a period of solid recovery.

Continuing its goal to grow and improve the quality of its assets, YPI sold four office buildings in 2006. Its dispositions last year included the \$50.5 million sale of Sepulveda Center in Los Angeles, a transaction that generated an impressive 125% annual IRR and a total return of more than 300% on invested capital in just two and one half years of ownership. With the sale of Pacific Pointe in Gardena, CA, YPI divested its portfolio of California assets last year. This \$58 million sale generated an 86% annual IRR and a total return of more than 240% on invested capital. Over the entire year, YPI delivered an average leveraged IRR of 65% to its investors in 2006, reinforcing its reputation for consistently maximizing opportunities and improving efficiencies in diverse office markets across the U.S.

Younan Properties' 2006 portfolio upgrade yielded a boost in the average size and occupancy of its properties. The median size of YPI office buildings rose from 280,000 square feet to 400,000 square feet, while average occupancy climbed from 75% to more than 91% in 2006. With a dual focus on operational efficiencies and tenant satisfaction, YPI increased the average gross revenue and average net operating income per-building, per-square-foot by more than 48% over the year.

In just four years, Younan Properties has completed a total of 60 transactions. In its largest transaction to date, it outshined numerous competitors last year in acquiring the 2.1 million-square-foot Transwestern office portfolio. The purchase of seven Class A properties brought its Dallas holdings to 4.7 million square feet and its Chicago assets to two million square feet of prime, Class A rentable space.

Last year was a period of phenomenal growth for Younan Properties, in which we substantiated our ability to outpace competitors through our superior knowledge of office market fundamentals and demographic factors in high-growth areas across the country, said Zaya S. Younan, chairman and CEO of Younan Properties, Inc. By understanding our product and the services we deliver better than anyone in the

industry, we have exceeded our past accomplishments and set the stage for accelerated growth in 2007.

With a focus on Class A acquisitions in Chicago, Dallas and Houston, YPI has plans for significant expansion in the year ahead. Bringing its nationwide portfolio to more than eight million square feet of Class A properties valued at approximately \$2.5 billion, its 2006 acquisitions included:

Chicago & surrounding suburbs

- 200 North LaSalle, a 630,000-square-foot, Class A high-rise in the heart of downtown Chicago's Central Business District. The 30-story trophy skyscraper is 92% occupied by tenants that include St. Paul Travelers, AMA Insurance, Inc., Broadwing Financial Services, and Interpark Holdings.
- 1600 Corporate Center, a 12-story Class A office building at 1600 East Golf Road, directly north of the Northwest Tollway (I-90) in Rolling Meadows. The 254,448-square-foot mid-rise is 76% leased to tenants that include Countrywide Financial, HQ Global Workplaces, General Services Administration and Heico Ohmite Holding, LLC.
- Bannockburn Corporate Center, a three-story Class A office building at 3000 Lakeside Drive in Bannockburn, in the Northbrook/Tri-State submarket of north suburban Lake County. The 205,402-square-foot property is 80% leased to tenants that include GE Capital, GCG Financial, IPC and IBM.
- Kensington Corporate Center, a four-story Class A office building at 1160 Feehanville Drive in Mount Prospect with 85,487 rentable square feet. The building is 100% leased by Metropolitan Life.
- One North Arlington, a seven-story, 158,879-square-foot office building at 1500 West Shure Drive in Arlington Heights. It is 96% occupied by tenants that include State Farm Automobile Insurance Company and AMCOL International.
- 211 East Ontario, an 18-story high-rise in downtown Chicago, along the stretch of North Michigan Avenue that is synonymous with world class shopping. The 172,000-square-foot building is 92% occupied with tenants that include Berman Center LLC, FireStar Communications, The Focus Centre of Chicago, LKH&S, Inc., and Ruder Finn, Inc.

Dallas

- Energy Square I, a 14-story tower at 4925 Greenville Avenue at the Central Expressway. The 254,338-square-foot high-rise is 94% occupied with tenants that include Degolyer & MacNaughton, National Energy Group and Five States Energy Company.
- Energy Square II, a 16-story tower at 4849 Greenville Avenue at the Central Expressway. The 357,626-square-foot high-rise is 81% occupied with tenants that include Sears Roebuck and Co., New York Life Insurance Company, Fanning, Harper & Martinson, and Oaks Bank & Trust.

- Energy Square III, a 16-story tower at 6688 North Central Expressway. The 296,624-square-foot high-rise is 84% occupied with tenants that include Hartline, Dacus, Barger, Dreyer & Kern, L.L.P., DAVACO, Inc., Jacobs Engineering and Advanced Homecare.
- KPMG Centre, a 900,000-square-foot skyscraper at 717 North Harwood Street in downtown Dallas. The 34-story tower in the high-rent, 62-acre Arts District is 87 percent leased by tenants that include major accounting firm KPMG, JP Morgan Chase Bank, Lockton Insurance, Odyssey Healthcare, the U.S. Department of Justice and several regional law firms.
- Galleria Plaza, a 12-story office building at 4851 LBJ Freeway. The 190,000-square-foot tower in the high-rent Dallas North Tollway neighborhood leading to the Metroplex is 74 percent leased to tenants that include BenefitMall, Matrix Resources, CBIZ Valuation Group, American Re-Insurance, and the Dallas office of The Associated Press.

Houston

- Norfolk Tower, a 206,680-square-foot property at 2211 Norfolk Street. The 11-story building is 75% occupied by tenants that include Frost Bank, Houston Medical Records, Inc., Groundwater Services, Global Search Consulting, L.P., and TranSystems Corporation.

Known for its detailed, hands-on approach to improving operational efficiencies while providing exceptional space solutions and maintaining top building standards for tenants, Younan Properties' management team has more than four decades of experience in developing and managing commercial real estate in high growth markets throughout the United States. Headed by Zaya S. Younan, YPI has accumulated approximately \$2.5 billion in real estate holdings since its inception in 2002. The company's national portfolio currently includes 25 Class A office properties totaling more than eight million square feet.

About Younan Properties, Inc.

Headquartered in Los Angeles, CA, Younan Properties, Inc., a real estate investment group, specializes in acquiring Class A office properties in high-growth markets throughout the United States. As one of the fastest growing, privately held real estate investment groups in the country, the company is especially adept at turning around undervalued assets and maximizing the value of stabilized assets. Through the application of proprietary technologies and proactive management, Younan Properties creates immediate value. In fact, the company has delivered to its investors an average leveraged IRR of 65% on properties sold to date.

Since founding the company in 2002, Zaya S. Younan has accumulated an eight million-square-foot portfolio of well-located Class A office buildings valued at more than \$2.5 billion in key markets within Arizona, Florida, Illinois and Texas.

Additional information about Younan Properties, Inc. can be found at www.younanproperties.com.